

# **About the Legislative Update**

This report, compiled by the Water Strategy Group (WSG) and Meridian Nevada, is regularly updated with current and forthcoming legislative proposals in the 2025 Nevada Legislative Session which may impact the businesses and industries we engage with daily.

# **Overall Legislative Schedule**

| Date   | Day                                    | Key Legislative Task                                       |
|--------|--|--|
| 22-Apr | Tue                                    | First House Passage  |
| 1-May  | Thu                                    | Economic Forum Report Due                                  |
| 5-May  | Mon Start Resolving Budget Differences |  |
| 16-May | y Fri Committee Passage (Second House) |  |
| 17-May | L7-May Sat Finish Budget Differences   |  |
| 23-May | Fri                                    | Second House Passage                                       |
| 28-May | Wed                                    | Budget Bills Introduced and Exempt<br>Bills from Committee |

# **Select Bill Summaries**

This section covers bills of primary interest, as of the date of this report, with a more comprehensive tracking table included in Exhibit 1. For this week, we'll start by highlighting the bills in the following table that failed to pass out of the first house committee. As a result, the number of tracked bills in Exhibit 1 have been reduced from 26 to 17. Going forward this section will continue summarizing only the bills that remain active.

| Bill<br>No.  | Title - Summary Description  | Remarks                                     |  |
|--------------|--|---|--|
| <u>AB109</u> | Geothermal water rights and dissolved mineral exploration changes.   |   |  |
| <u>AB134</u> | Would protect to perfected water rights in a conservation plan from forfeiture.  |   |  |
| AB190        | Would create a fund to for hydrologic studies related to certain water right applications  | Failed to                                   |  |
| <u>AB265</u> | Proposed strict time limits on the State Engineer for processing of water right applications, extensions of time, and reports of conveyance.   | 1st house committee. Pursuant to Joint      |  |
| AB385        | Would prohibit the governing body of certain counties and cities from taking certain actions to prohibit the use of cooling towers which use water for certain projects                    | Standing Rule No. 14.3.1, no further action |  |
| <u>AB485</u> | Would revise certain assessments of water users in use of funds in the NDWR.   | allowed.                                    |  |
| SB342        | Proposed eliminating the resetting of priority dates of cancelled water rights when rescinded and would extend timeline for serving the State Engineer with petitions for judicial review. |   |  |
| AJR12        | Proposed declaration in support of certain principles of solar development in Nevada.  |   |  |
| SJR4         | Urged the Fed. Gov. to support and recognize certain land use planning principles when conducting multiple use projects in Nevada.   |   |  |

#### AB9

Under NRS 533.0243, a person is already allowed to temporarily convert agricultural water rights for wildlife purposes or to improve the flow quality of water for up to 3 years, which may be extended in increments of up to 3 years at a time. This bill would allow for temporary conversions of up to 5 years with 5-year extensions. See below and Exhibit 3 for additional information on the version will be sent to the Senate as amended.

#### **AB419**

This bill would among other things, require State Engineer comply with Administrative Procedures Act for adopting regulations. Other proposals in this bill include would require new regulations to establish a pre-application review process, reductions in the amount of time allowed for approving or rejecting certain applications, and a requirement for the State Engineer to issue preliminary determinations on certain applications. Another proposed change in this bill would revise provisions relating to judicial review decisions by the State Engineer. A major change proposed in this bill would remove a statutory requirement in NRS 533.450 that orders and decisions of the State Engineer are prima facie correct.

#### **SB31**

In 2017, NRS 533.087 was adopted to require a date of December 31, 2027 in which a claimant of any vested water right must file proof, otherwise such claim would be considered abandoned. SB31 was proposed by the State Engineer to exempt the Federal Government from the deadline for filing reserved or vested claims before the 2027 cutoff.

# AB104 / SB36

These are related bills that propose the creation of a 'Nevada Water Buy-Back Initiative' and Advisory Committee for retiring water rights with the program sunset in 2035. As written, these bills would require the State Engineer to reject groundwater right applications if the groundwater has been retired, which may apply to the entire basin. See below for more details on AB104.

# **Weekly Highlights**

The 83<sup>rd</sup> Nevada Legislative Session began on Monday, February 3, 2025. Each week, WSG will use this section to describe certain developments within and interpretations of select bills that will help each client assess potential implications to their business and to help determine if any WSG client should plan on taking a public position in support of or against a bill and/or proposed amendment.

Despite a ~35% reduction in the number of tracked bills this past week, WSG continues to monitoring and engaging on 17

remaining bills going forward. While the groundwater buyback / retirement program (AB104 & SB36) continues to occupy most of the headlines, as described in the recent Nevada Independent article, a lot of attention was placed into SB31 and AB419 over the last week, as described below.

#### SB31 Background

WSG commented extensively on this bill and our opposition in our March 9<sup>th</sup> (Week 5) and April 6<sup>th</sup> (Week 9) reports. As shown in Exhibit 2, this bill got a Work Session on Tues. Apr. 8<sup>th</sup>. Thanks to the work of WSG, Meridian, and Nevada Farm Bureau, we were able to get two (2) 'NO' votes and a hesitant 'YES' vote on the record in Senate. The statements put on record during this work session will be helpful as we continue addressing our concerns (with the Federal Government exemption) in the Assembly. It became apparent over the last week that NDWR's reluctance to negotiate any changes to this troubling bill were coming from the (DCNR) Director's office. However, with the help of other stakeholders (Farm Bureau, former President of the Nevada Cattleman's Association, and former Legislator Pete Goicoechea), we appear to be making progress in convincing the Director that this bill needs to be fixed. Of particular importance is the communications between WSG and Pete Goicoechea who's 2017 bill placed the current 2027 deadline for filing vested claims into statute. Based on our concern with SB31, Pete agrees that we need to prevent the bill from passing as currently proposed and he agreed to help us to get it amended in the Assembly. See our email communication with Mr. Goicoechea in Exhibit 3 for additional details.

#### AB419 Background

This bill as originally introduced and amended (prior to the Apr. 9<sup>th</sup> hearing), would place a substantially expanded regulatory burden on the State Engineer's Office. The bill was heard on Apr. 9<sup>th</sup>. Based on the Assembly Natural Resources Committee hearing last week, this bill proposed the following:

- Requirement for State Engineer to establish regulations with requirements for pre-application meetings when requested by the applicant,
- Added certainty in State Engineer hearings and rulings with requirements for issuing preliminary determinations and statements explaining why an existing precedent was not followed, when applicable,
- Requiring biennial reporting by the State Engineer to the Legislature on all pending applications, with notation of those that have been pending for 2 or more years, and each ruling pending a final decision by the State Engineer for 2 or more years.
- Requiring the State Engineer to comply with certain portions (as amended) of the Administrative Procedures Act, and

WSG's neutral (but supportive of intent) hearing transcript is included in <a href="Exhibit 2">Exhibit 2</a>. A more detailed summary of this bill as presented during the hearing is included in <a href="Exhibit 3">Exhibit 3</a> is the <a href="Mocument submitted by WSG">document submitted by WSG</a> for the AB419 pertaining to our neutral testimony.

# AB104 / SB36 Background

During WSG's participation in a legislative stakeholder group that developed the language for this bill, we expressed concern with language in Section 2 that essentially ties the hands of the State Engineer when considering applications in basins where water rights have been retired. Naturally, the Environmental NGOs in this group love the language, but those of us who advocate for maximizing beneficial use see a problem. In our opinion, if a previously over-pumped basin is brought back into balance by retirements and water resources are available for appropriation (i.e. due to new science supporting higher water availability), then the State Engineer should be able to process those applications in accordance with NRS 533.370. Fortunately, in both bill versions that passed their respective houses, Section 2 was revised as recommended by WSG.

Most of the testimony for AB104 and SB36 was in support of the bills as amended, with only one testimony in opposition for both. It is interesting to note that the 'buy-back' program contemplated in AB104 is being modeled after the 2024 Nevada Water Conservation and Infrastructure Initiative, where \$25 million in federal grants were used to fund groundwater retirements from willing parties. However, as shown in a recent DRI presentation at the 2025 NWRA Conference, only 47% of the groundwater retired as part of the 2024 program was actually 'wet water', which means that private entities were paid with federal tax dollars to retire water rights being utilized at less than 50%. This rather embarrassing fact was never mentioned during the AB104 and SB36 hearings.



2014 Pump testing a new irrigation well in Big Smoky Valley (McLeod Ranch)

# **Tracking Table**

A detailed (hyperlinked) tracking table is attached to this report (see Exhibit 1). One of the main objectives for this

report is to inform on BDRs initially targeted for review and consideration as to how they may affect WSG clients. As details emerge and hearings are completed, some of these bills will be removed from the tracking table unless a client requests them to remain or be added back. Each week the Exhibit 1 tracking table is highlighted with red text when updates, additions or changes are made. Last week saw a handful of new bills drop due to the introduction deadline that has now passed.

# **Recent Meetings & Hearings**

The following hyperlinked table can be used to quickly access meeting and hearing details from the prior week on the Nevada Legislative website. For a summary of each (tracked) bill hearing, summarized notes are provided in Exhibit 2.

| DATE   | BILL         | BILL MEETING & HEARING<br>NOTES (EXHIBIT 2)   | RESULT                   |
|--------|--------------|---|--------------------------|
| 8-Apr  | <u>SB31</u>  | Work Session on SB31 - Proposed exemption for the Fed. Govt. from 2027 deadline for filing vested water right claims.   | Passed 5<br>to 2.        |
| 8-Apr  | <u>SB276</u> | Work Session on SB276 - requires gov entities to provide certain notification when applying for a permit to discharge water into a water of the state.  | Amended<br>and<br>Passed |
| 9-Apr  | <u>AB363</u> | Work Session on AB363 - Would authorize County County Commissioners to request the State Engineer establish a groundwater board with certain non-binding requirements.  | Amended<br>and<br>Passed |
| 9-Apr  | <u>AB419</u> | Hearing on AB419 - Seeks to add more up-front communications between applicants and State Engineer with Leg. reporting requirements and more timeliness and transparency in the administrative hearing and ruling process pertaining to State Engineer decisions. | Amended<br>and<br>Passed |
| 12-Apr | <u>AB419</u> | Hearing on AB419 - Work session (amended) document unavailable at time of this report, but it was reported that only Sections 1, 4, and 10.   | Amended<br>and<br>Passed |

# **Upcoming Meetings / Hearings**

None scheduled for upcoming week. Bills that passed out of  $\mathbf{1}^{\text{st}}$  house committees will be scheduled for floor sessions and votes.

# **WSG Clients**

WSG strives to avoid conflicts of interest, which requires transparent communications regarding our work in the Legislature and the clients we are representing. Below is a summary of each of the business entities associated with WSG's lobbying activities during the Legislative Session.

#### Gold Standard Ventures (US) Inc. (Orla Mining)

Gold Standard Ventures (US) Inc. (GSV) was acquired by Orla Mining in 2022. Orla Mining (Orla) is an emerging, growth-oriented, low-cost, mid-tier gold producer. GSV/Orla is in the feasibility and permitting stages of an open pit, heap leach project located on the prolific Carlin trend in Elko County Nevada. Specifically, the GSV/Orla team is pursuing development of the South Railroad Project, which is a low-complexity project with robust economics, situated on a highly prospective land package known as the South Carlin Complex that would support open pit mining and heap leach production from the Dark Star and Pinion deposits over an eight-year mine life.

# Mason Resources (Hudbay Minerals Inc)

The Mason project is a large greenfield copper deposit located in the historic Yerington District of Nevada and is one of the largest undeveloped copper porphyry deposits in North America. The Mason deposit is a large tonnage, copper-molybdenum deposit and is planned to be a traditional open pit shovel/truck operation with a copper sulphide mineral processing plant producing commercial grade copper and molybdenum concentrate. The plant is designed to operate at a throughput rate of 120,000 tonnes per day.

# Singatse Peak Services (Lion Copper and Gold)

Singatse Peak Services (SPS) is a subsidiary of Lion Copper and Gold (LCG) and is in various stages of project exploration, evaluation and permitting a handful of projects within their larger Mason Valley project portfolio, which includes financial backing from Rio Tinto. Mason Valley is the site of a large, historic copper camp in a premier jurisdiction 50 miles southeast of Reno. The MacArthur Project represents the advancement of a large oxide copper deposit. The Yerington Project includes 11 square miles of patented claims and fee mineral properties centered on a former open pit copper mine.

## **BTAZ Nevada LLC**

BTAZ Nevada (BTAZ) is one of the largest agricultural producers in the state, operating within six Nevada counties. BTAZ owns approximately 32,500 acres of private land associated with its farming operations and possesses grazing permits on nearly 3.6 million acres of public (BLM and Forest Service) land. BTAZ manages up to 15,000 head of cattle and maintains nearly 300 active surface and groundwater rights in Nevada.

# Flying M Ranch (dba The Rose of Snowville)

The Flying M Ranch is situated in the Lower Humboldt River Region near Imlay. This large ranching operation includes three BLM Grazing Allotments spanning 881 mi² and nearly 23,000 acres of private land supporting up to 2,500 head of cattle. The livestock operation is supported by 68 surface water rights and 39 groundwater rights for stockwater. Additionally, the Flying M Ranch owns 3,527 acre-ft of decreed Humboldt River rights for irrigation on 2,410 acres of land, which includes 2,530 acre-ft of some of the most senior decreed rights on the river with 1863 and 1864 priority dates.



Dixon Hydrologic, PLLC

# Meridian Nevada

WSG works closely with Meridian Nevada, which specializes in strategic consulting services for businesses, organizations, and agencies that are looking to thrive and make a lasting impact in the upcoming legislative session. Meridian provides robust experience in navigating the complex legislative process at the local, state, and federal levels. Their expertise in forming and maintaining legislative relationships is invaluable.

# **Lobbying Approach**

WSG was created to provide a unique option for water resource policy advocacy based on decades of actual technical experience in the application of Nevada water policy in the development and management of water resources throughout the State. WSG's positions are driven by science, not politics. Our overarching goal at WSG is to maximize the beneficial use of Nevada's water resources to maintain and grow Nevada's economy while protecting existing rights and environmental resources.

Water resources play a critical role in all the existing businesses and projects being associated with WSG's clients. Our clients generally share many common objectives, which will guide our lobbying efforts during this Legislative Session. These objectives can be summarized as follows:

- Maintaining a fair and reliable regulatory framework in Nevada that is supportive of the extractive mineral, agricultural, and energy industries.
- 2. Help develop and support legislation that provides added efficiencies in Nevada's permitting and regulatory processes.
- 3. Monitor and participate in select legislative proposals and bills that support the companies' project objectives and help modify or eliminate bills that may conflict with those objectives.
- 4. Remain actively engaged in legislative processes in the promotion of bills that help ensure timely and reliable access to and beneficial use of Nevada's water resources in support of project exploration, development, and operational objectives.

# **WSG Background**

While we are considered 'paid lobbyists', this is not our full-time job. Jay Dixon and his associates are Professional Engineers and Water Rights Specialists who make a living designing and permitting water infrastructure with a focus on the sustainable and beneficial use of Nevada's water resources for maximizing economic output.

# **Industry Focused**



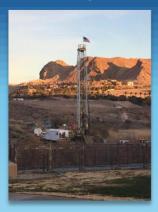
**Mining** 



**Agriculture** 



**Energy** 



Public Works | Municipal

# **EXHIBIT 1 - Weekly Legislative Tracking Table**





# **In-Session Tracking (Select Water Bills)**

# Updated on 4/12/25

| BDR                   | Bill         | Sponsor  | Bill Description   | Overview   | Status / Position  | BILL STATUS  |
|-----------------------|--------------|--|--|--|--|--|
| Water Resources Bills |              |  |  |  |  |  |
| 17-10                 | <u>SB143</u> | Senator Nguyen   | Provisions relating to   | AN ACT relating to natural resources; authorizing the Joint Interim Standing Committee on Natural Resources to evaluate and review issues relating to water conservation; requiring the NDEP and DCNR to conduct an interim study on artificial turf and synthetic grass; and providing other matters properly relating thereto.   | Will monitor and consider after first hearing.   | Passed Senate Legislative Operations. Awaiting Assembly Floor Vote. Will need to pass prior to the First House Passage Deadline on April 22, 2025.           |
| 48-391                | <u>AB9</u>   | Joint Interim<br>Standing<br>Committee on<br>Natural Resources<br>(NRS 218E.320) | Revises provisions governing the temporary conversion of agricultural water. | Under existing law, a person or entity may apply to temporarily convert agricultural water rights for wildlife purposes or to improve the quality or flow of water for a duration not to exceed 3 years and a temporary conversion may be extended in increments not to exceed 3 years in duration each. (NRS 533.0243) This bill instead provides that a temporary conversion of agricultural water rights may not exceed 5 years in duration and may be extended in increments that may not exceed 5 years in duration each. | The bill sponsor has continued working with the Great Basin Water Network and Eureka County to improve what was initially introduced as a 'sloppy' amendment according to the State Engineer. WSG and the State Engineer testified in opposition. WSG recommended a simple alternative based on a proposed amendment to AB90 from the 2023 Session. This bill was amended and passed out of 1st Committee. | Passed Assembly Natural<br>Resources. Awaiting Assembly<br>Floor Vote. Will need to pass<br>prior to the First House Passage<br>Deadline on April 22, 2025.  |
| 22-407                | <u>AB10</u>  | Assembly<br>Committee on<br>Government<br>Affairs                                | Revises provisions relating to local improvement                             | Related to local improvement projects; authorizing any county, city or town to repair a private water or sewer system that is owned by a common-interest community as part of a neighborhood improvement project; and providing other matters properly relating thereto.   | Will continue monitoring; neutral.   | Passed Assembly Government<br>Affairs. Awaiting Assembly Floor<br>Vote. Will need to pass prior to<br>the First House Passage Deadline<br>on April 22, 2025. |





| BDR    | Bill         | Sponsor  | Bill Description                             | Overview  | Status / Position                      | BILL STATUS   |
|--------|--------------|--|--|---|--|---|
|        |              |  |  |   |  |   |
| 48-261 | <u>AB26</u>  | Division of Water<br>Resources   | Revises various provisions relating to dams. | Proposes exemption from liability for certain damages, revises provisions relating to construction or alteration of certain dams, exempts certain works under certain Federal jurisdictions, requires certain dam applications be made available to NDOW, authorizes State Engineer to enter certain parcels, revises provisions relating to dam removal and removal of certain animals interfering with flow, provides certain penalties relating thereto. | WSG remains supportive of this bill.   | Passed Assembly Natural<br>Resources. Awaiting Assembly<br>Floor Vote. Will need to pass<br>prior to the First House Passage<br>Deadline on April 22, 2025. |
| 48-383 | <u>AB104</u> | Joint Interim<br>Standing<br>Committee on<br>Natural Resources<br>(NRS 218E.320) | Revises provisions                           | Would require the State Engineer to retire certain water rights; revising provisions relating temporary permits to appropriate groundwater; creating the Nevada Conservation and Recreation Program; creating the Account for Retiring Water Rights; establishing the Nevada Voluntary Water Rights Retirement Program and the Advisory Committee for the Nevada Voluntary Water Rights Retirement Program.   | bill with the removal of certain       | Passed Assembly Natural<br>Resources. Likely will be<br>referred to Assembly Ways &<br>Means because it has a fiscal<br>note.                               |
| 48-586 | <u>AB132</u> | Assemblyman<br>Yurek   | Revises provisions                           | Proposes to update requirements for wildlife guzzlers to increase capacity (from 20k gal. to 40k gal. and max. allowable pipeline distance from 0.25 to 0.5 miles.  | WSG testified in support of this bill. | Passed Assembly Natural Resources. Awaiting Assembly Floor Vote. Will need to pass prior to the First House Passage Deadline on April 22, 2025.             |





| BDR    | Bill         | Sponsor  | Bill Description   | Overview   | Status / Position  | BILL STATUS   |
|--------|--------------|--|--|--|--|---|
|        |              |  |  | Water Resources Bills  |  |   |
| 48-385 | <u>AB363</u> | Joint Interim<br>Standing<br>Committee on<br>Natural Resources<br>(NRS 218E.320) | Revises provisions<br>relating to<br>groundwater boards.                         | Similar bill that has failed in the prior two Sessions. Under this proposal, a county—or multiple counties sharing a groundwater basin—may request that the State Engineer establish an advisory-only groundwater board tasked with providing written advice and recommendations on reducing over-pumping and managing the basin sustainably. The board's recommendations are not binding on the State Engineer, and any disagreement between the board and the State Engineer does not serve as grounds for legal action.   | WSG is neutral, but agrees with the opposition remarks by SNWA; see Exhbit 2 hearing notes | Passed Assembly Natural<br>Resources. Likely will be<br>referred to Assembly Ways &<br>Means because it has a fiscal<br>note. |
| 48-736 | <u>AB419</u> | Assemblyman<br>DeLong  | Revises provisions<br>relating to<br>applications<br>concerning water<br>rights. | Originally a massive bill that would completely altered the NV Div. of Water Resources by double the size of their staff. A substantially scaled down bill, via a last minute amendment, passed out of a special Work Session. As amended and passed: (Section 1) requiring regulations for the preapplications meetings with State Engineer, (Section 4) biennual reporting to the Leg. by the State Engineer on delayed applications and rulings (more than 2 years), and (Section 10) requirement to comply with certain portions of the Administrative Procedures Act. | WSG remains neutral but is involved in the ongoing work that remains with this bill.       | Referred from Assembly Natural<br>Resources without<br>recommendation to the<br>Assembly Ways & Means<br>Committee.           |
| S-389  | SB6          | Joint Interim Standing Committee on Natural Resources (NRS 218E.320)             | Cloud seeding  | Makes an appropriation from the State General Fund to the Desert Research Institute of the Nevada System of Higher Education to support the Nevada State Cloud Seeding Program.  | WSG is Neutral.  | Passed Senate Natural<br>Resources. Pulled into Senate<br>Finance because of an<br>appropriation.                             |





| BDR    | Bill         | Sponsor  | Bill Description  | Overview  | Status / Position  | BILL STATUS  |
|--------|--------------|--|---|---|--|--|
|        |              |  |   | Water Resources Bills   |  |  |
| 48-260 | <u>SB31</u>  | Division of Water<br>Resources   | Revises provisions relating to the adjudication of vested water rights  | Seeks to exempt federal agencies from filing claims of vested rights from requirement to file proof of the claim on or before a certain date; revising requirements relating to a notice of pending adjudication of certain water rights; and providing other matters properly relating thereto.  | WSG met with the Nevada Farm Bureau and the Administrative Law Judge (NDWR) about this bill. The Farm Bureau is preparing to oppose the bill. WSG is studying the legislative history and implications of the McCarran Act on this bill. It appears that the bill may be necessary. WSG testified in opposition to this bill and is currently working with Taggart & Taggart on an amendment that we'll likely try to get introducted in the Assembly. | Passed Senate Natural<br>Resources. Waiting for Senate<br>Floor Vote - deadline for Senate<br>Floor Vote is April 22, 2025 |
| 48-384 | <u>SB36</u>  | Joint Interim<br>Standing<br>Committee on<br>Natural Resources<br>(NRS 218E.320) | Establishes provisions relating to the conservation of groundwater.     | Nevada Water Buy-Back Initiative and the Advisory Committee for the Nevada Water Buy-Back Initiative; requiring the Director of the State Department of Conservation and Natural Resources to purchase certain water rights for the purpose of retiring the water rights; creating the Nevada Conservation and Recreation Program; and providing other matters properly relating thereto. | MSG is noutral, but will closely   | Passed Senate Natural<br>Resources. Likely to be pulled<br>into Senate Finance because of<br>fiscal note.                  |
| 40-750 | <u>SB276</u> | Numerous<br>Sponsors   | the reporting and<br>sharing of water-related<br>information by certain | Proposes new requirements for any city, county, unincorporated town, district, water authority, and Indian tribes to provide certain notifications to other related entities when applying for a permit to discharge water into a water of the State.   | closely monitor. It should be noted that bill has an 'unfunded mandate'  | Passed Senate Natural<br>Resources. Likely to be pulled<br>into Senate Finance because of<br>fiscal note.                  |





# **In-Session Tracking (Select Natural Resources Bills)**

# Updated on 4/12/25

| BDR    | Bill   | Sponsor                                    | Bill Description  | Overview  | Status / Position  | BILL STATUS  |  |  |
|--------|--|--|---|---|--|--|--|--|
|        | Select Environmental & Natural Resources Bills |  |   |   |  |  |  |  |
| 42-265 | <u>AB40</u>                                    | Division of<br>Environmental<br>Protection | Revises various provisions relating to environmental hazards. | Commission to adopt regulations relating to the   | Monitoring through NvMA who is working closely with NDEP on language. Seeks to provide NDEP with resources to be proactive in responding to mining emergency situations. Proposes changes to bonding issues relative to bankruptcy courts to ensure the NDEP is first in line to collect. Deals primarily with battery recycling and fluid management. | Passed Asm Natural<br>Resources. Awaiting<br>Assembly Floor Vote -<br>deadline to pass<br>Assembly is April 22,<br>2025.   |  |  |
| 18-214 | <u>AB242</u>                                   | Assemblyman<br>DeLong                      | relating to the   | Seeks to place existing Sagebrush Ecosystem Council rules pertaining to sage grouse credits/debits into regulation. | WSG met with bill sponsor and is supportive of bill. Opposition groups testified during initial hearing regarding their dislike for the program, which was a waste of time (for them). See Exhibit 3 for hearing notes.  | Passed Asm Government Affairs. Awaiting Assembly Floor Vote - deadline to pass Assembly is April 22, 2025 (May get pulled into Ways & Means because of Fiscal Note.) |  |  |





| BDR    | Bill         | Sponsor  | Bill Description  | Overview   | Status / Position    | BILL STATUS  |
|--------|--------------|--|---|--|----------------------|--|
|        |              |  |   | Select Environmental & Natural Resources Bill  | S                    |  |
| 10-679 | <u>AB429</u> | Assembly<br>Committee on<br>Natural Resources                        | Revises provisions<br>relating to natural<br>resources.                                     | Existing law authorizes, with certain exceptions, an easement for conservation to be created conveyed, recorded, assigned, released, modified, terminated or otherwise altered or affected in the same manner as other easements. (NRS 111.420) This bill instead provides that any person, including a state or local government or any agency or instrumentality thereof, is authorized to create, convey, record, assign, release, modify, terminate or otherwise alter or affect an easement for conservation in the same manner as other easements. |                      | Passed Assembly Natural Resources. Awaiting Assembly Floor Vote - deadline to pass Assembly is April 22, 2025.                 |
| 40-264 | <u>SB43</u>  | Division of<br>Environmental<br>Protection                           | Revises provisions relating to environmental protection                                     | AN ACT relating to environmental protection. This bill is designed to address delegation of authorities, from the NDEP to local Health Districts. It is related to two programs; specifically, safe drinking water and solid waste management.   | Monitoring, neutral. | Passed Senate Health<br>and Human Services.<br>Awaiting Senate Floor<br>Vote - deadline to<br>pass Senate is April<br>22, 2025 |
| 26-392 | SB286        | Joint Interim Standing Committee on Natural Resources (NRS 218E.320) | Seeks to establish state policy relating to tribal expertise and knowledge of public lands. | AN ACT relating to planning; declaring the importance of tribal knowledge and expertise and consulting tribal governments when engaged in the land use planning process; revising provisions relating to the State and Local Government Cooperation Act to include tribal governments.   | WSG is neutral.      | Passed Senate Natural<br>Resources. Was<br>pulled into Senate<br>Finance because of<br>fiscal note.                            |

# **EXHIBIT 2 – Hearing & Meeting Notes**

# SB31 - Revises provisions relating to the deadline for filing of vested water rights.

WS on April 8, 2025

The motion to Do Pass SB31 was adopted on a 3–2 vote.

Those voting aye were Chair Cruz Crawford, Senator Shieble, and Senator Pazina.

Voting no were Senator Hansen and Senator Ellison.

#### Vice Chair Shieble's comments:

So I will be voting yes on SB31 and I appreciate everybody who's come to me in opposition and with amendments. I just think that this bill—though it might be short—is not simple.

We've already passed a law that requires water rights holders to seek adjudication of their water rights by 2027. If we remove that deadline, then we go back to square one where there's no end in sight for adjudication. That wouldn't be good for water rights holders. The alternative—leaving the law in place—would still let the federal government litigate its water rights anyway.

That leaves us with one final choice: pass SB31 so we can bring the federal government into court after the deadline has passed, ensuring the state engineer has the highest level of certainty possible for adjudicating water rights. I don't like it any more than anybody else does, but it's the best option available.

# Senator Hansen's comments:

I've been going back and forth on this one, and did a lot of reading and talking to water rights attorneys. I was originally a 'yes with reservations,' but I talked to the Farm Bureau and I think I'd better be a 'no with reservations.'

If we're doing this for federal agencies, we should be doing it for private vested water rights holders too, because we're disadvantaging private people by giving them that specific 2027 deadline.

Just so you know, I bought a ranch without realizing there were vested water rights on it. If I hadn't had a conversation with a water rights expert, I wouldn't have known. There are a lot of moving parts here, but that's why I'm voting no.

# Senator Ellison's comments:

Thank you, Madam Chair. I agree with Senator Hansen. I had issues with the bill from the beginning, and I'm going to vote no.

# AB419 - Revises provisions relating to applications concerning water.

Heard in Assembly Committee on Natural Resources on April 9, 2025.

AB419, brought forward by Assembly Member Rich DeLong, proposes to change the process by which the State Engineer (within the Division of Water Resources) reviews, hears, and decides applications for new water rights or changes to existing water rights. The overarching goal, as described by the sponsor, is to reduce the overall timeframe for permitting decisions and to increase clarity and transparency. The bill introduces a preapplication meeting with the State Engineer's office (or staff) to help an applicant submit a more complete application at the outset. It creates a "preliminary determination" step where the State Engineer issues a preliminary view of how an application might be decided—so applicants and protestants can identify issues early. The measure would also require the State Engineer to adopt rules of practice and procedure for hearings, incorporate certain evidentiary rules, and follow portions of the Administrative Procedure Act when adopting regulations. Specific deadlines for the State Engineer to act on certain types of applications are consolidated and, in some cases, shortened (though the State Engineer would still have some ability to postpone). AB419 further requires the State Engineer to follow his or her own precedential decisions (or explain any departures). According to the sponsor, these changes could reduce litigation by clarifying the process; however, opponents expressed concerns that it might increase bureaucracy, further burden the State Engineer's office, and potentially "fast-track" water appropriations.

Assembly Member Rich DeLong (Dong), the sponsor of the bill, emphasized that the existing system for water rights hearings is too slow, encourages litigation, and lacks clarity for both applicants and protestants. He asserted that while some view AB419 as a "water bill," its main thrust is to improve the permitting process rather than alter substantive water law. Co-presenter Mr. Michael Pagni, General Counsel for Vidler/Detor Companies, walked through sections of the amended language. He explained how new processes—such as a pre-application meeting, preliminary determinations, and mandatory hearings if there is an objection—are intended to reduce confusion and improve transparency.

Assembly Member Jackson asked how AB419 would affect the workload and staffing needs of the State Engineer's office. Assembly Member Carris inquired about the term "low-hanging fruit" regarding incomplete applications and whether the new process would help or hinder applicants. Assembly Member Hansen asked about the concept of *stare decisis* in State Engineer decisions and why AB419 emphasizes it. Assembly Member Considine was concerned that front-loading pre-application steps, plus shortened timelines, might increase bureaucracy or lengthen the process overall; she also questioned why reservoir permits were included in Section 8 and then later removed. Assembly Member Watts asked how existing judicial precedent or case law factors into the State Engineer's decisions, particularly regarding automatic hearings triggered by objections to preliminary determinations. Vice Chair LaRue Hatch raised two sets of questions, focusing on changes in Section 7, subsection 4, regarding postponements, and on the potential for pre-

application meetings (in Section 1) to exclude protestants. She later asked why the bill would "fast-track" new water appropriations when Nevada is already constrained by limited water supplies.

During the hearing, the sponsor and Mr. Pagni noted that Section 8 was removed by amendment, eliminating the plan to extend the preliminary-determination process to reservoir and effluent discharge permits; the new process would instead apply primarily to new appropriations and change applications. They also discussed some technical fixes to references in the bill, along with "subsequent edits" and a short summary that the sponsor circulated.

# **Support**

In support (in-person in Carson City):

- Karen Peterson (Allison MacKenzie Law Firm, on behalf of Vidler Water)
- Wade Poulson (Lincoln County Water District)

They emphasized that:

- The existing permitting process is lengthy and unpredictable.
- A pre-application process would help weed out incomplete or nonviable applications before they reach the protest stage.

#### **Opposition**

Those who testified in opposition included:

- 1. Kyle Roerink, Great Basin Water Network
- 2. Scott Lake, Center for Biological Diversity
- 3. Olivia Tincager, Sierra Club
- 4. Christy Cabrera, Nevada Conservation League
- 5. Will Adler, on behalf of the Pyramid Lake Paiute Tribe
- 6. Andy Belanger, Southern Nevada Water Authority
- 7. Leo Drozdoff, Truckee Meadows Water Authority
- 8. Jeff Fontaine, Central Nevada Regional Water Authority & Humboldt River Basin Water Authority (generally recognized the need for improvements but opposed as written or expressed strong reservations)

#### Neutral

Those in neutral primarily recognized there is a backlog and that some changes may be needed, but had reservations about the bill's scope:

- Adam Sullivan, Nevada State Engineer (Division of Water Resources)
  - Estimated the new procedures would "double" the amount of time/effort per application.
  - Concerned about how this transforms a scientific/technical review into a more formal legal process.
  - Warned about removing the office's exemption from the APA and that it could cause conflicts with existing water law procedures.
- Nikki Bailey Lundahl, Nevada Mining Association
  - Recognized potential positives but concerned about major structural changes.
- Doug Busselman, Nevada Farm Bureau
  - Wants more clarity and timeframes for water-right applications but sees need for further stakeholder work.
- Jay Dixon, Water Strategy Group
  - Referred committee members to Bulletin 46 publication discussing the evolution of Nevada Water Law and the 4 main functions of the Office of the State Engineer, with #1 being the distribution of water rights to support growing economies.
  - Reminded committee members of the importance in timely and reliable decisions from the State Engineer and the role of this office in supporting business investment and housing in Nevada.
  - The main role of this office in 1903 was to maximize beneficial use of water and that remains true today.
  - Acknowledged issues with this bill and required increases in NDWR resources but encouraged continued discussions to fix the backlog and expedite legitimate projects.
- Paul Taggart, Water Rights Attorney
  - Emphasized that many of the delays come from change applications (not just new appropriations).
  - Suggested an interim study might be needed to look deeper at processing times and structural reforms.

# **Specific Comments from Vice Chair LaRue Hatch**

Vice Chair Hatch posed two rounds of detailed questions. Below are her comments as they appear in the transcript you provided.

#### First Round of Questions

 Vice Chair LaRue Hatch: "Thank you Chair and thank you for presenting on the most water-filled non-water bill I've ever seen. I have a couple of questions as well. My first question is on section 7 subsection 4. We as a body in previous sessions have determined that the state engineer should be able to postpone action for a variety of reasons, but when I look at this, not only are we significantly shortening the timeline, we are now limiting the reasons by which he may postpone and I'm specifically, especially concerned about B, where it says we're changing from just if an application is protested to upon written authorization by the applicant and all protestants. So my question is: if someone is protesting your application, what applicant is going to say, 'Yep, postpone it. I'm going to sign off on that'? That just doesn't seem based in a whole lot of reality. And so I wondered if you could speak to that specific section."

# Second Round of Questions

• Vice Chair LaRue Hatch (shortly thereafter): "Then my next question is on section 1. We're talking about how applicants can now have these pre-application meetings. I would imagine these are not public meetings, and I'm wondering if we are also going to offer those meetings to protestants, if we're going to give them equal right to now have these private advisory meetings with the state engineer? ... Is there any risk that we are now biasing this in favor of the applicant rather than those with rights that are concerned about their rights being harmed, if they're getting private meetings and the other ones are not?"

# Vice Chair Hatch posed a broader question:

 Vice Chair LaRue Hatch: "You know, we hear a lot in this committee about overappropriation and over-pumping and these careful, deliberative decisions that need to be made, and so I'm just wondering why do we want to fast-track handing out more water when we are already struggling with giving out too much, and we have water rights retirement programs and all of these other discussions because of these previous decisions. So why do we want to fast-track it?"

# AB419 - Revises provisions relating to applications concerning water.

- Work Session on April 11, 2025
- The motion to refer AB419 forward without recommendation was adopted on a 7–3 vote. Those voting aye were Chair Anderson, Assembly Members Considine, DeLong, Hansen, Kasama, Watts, and Marzola. Voting no were Vice Chair LaRue Hatch, Assembly Member Karris, and Assembly Member Jackson (who reiterated his no at the end to ensure it was on the record).
- Vice Chair LaRue Hatch comments:
   Thank you so much, Chair. I still have deep concerns with the bill even as amended.
   I'm very worried about the increased workload on the state engineer, and I'm very concerned about upending current water law and biasing toward applicants. And so I just wanted to get those concerns on the record.

# AI-Generated Transcript from AB419 on April 9, 2025 – Testimony by Jay Dixon

I submitted an exhibit for this hearing and I just want to call your attention to a few things in there. I provided a link to Bulletin 46 written by a pioneer in the world of water for those of us who deal with it on a daily basis; Hugh Shamburger and it it's an excellent presentation of the evolution of Nevada water law going back to 1903. If you look at a few things that come out of that publication in terms of core functions of the State Engineer's Office, number one on that list is the processing of water right applications. The reason the Legislature created the Office of the State Engineer is to allocate water to support a growing economy.

I think you're all aware that a lot of people want to move here and work here. We have a housing crisis. You don't grow and develop unless you can allocate water to support those economies. The one term I haven't heard today and I want to bring it up now, is that the main the role of this State Engineer's Office is to maximize the beneficial use of water and that is inherent in our statutes. So I encourage you to consider that moving forward.

There are some excellent ideas in this bill. I recognize and acknowledge the fiscal issues and the challenges in the office, but I look forward to the opportunity to work with them to make this workable. I think there's an excellent opportunity to do that here. Thank you.

# **EXHIBIT 3 – Legislative Reviews**

# **Jay Dixon**

From: Jay Dixon <dixonjm@gmail.com>
Sent: Wednesday, April 9, 2025 10:49 AM

**To:** Pete Goicoechea

**Subject:** SB31 - Vested Claim Filing Deadline Issue

Attachments: SB31 WSG Analysis Amendment.pdf; SB31 WorkSessionExhibit WSG.pdf

#### Pete,

I hope all is well in Newark Valley. I don't get out to Bald these days, but I sure miss that place, especially this time of year. I also miss having you in Carson City right now!

I wanted to speak with you about the subject bill. I've reviewed the legislative history on this statute from back in 2017 and I've also been an advocate the 2027 deadline in statute. However, my opinion has changed based on this issue with the Feds waiving sovereign immunity under the McCarran Amendment. Settlemeyer is flat out refusing to consider any alternatives to the bill, which would exempt the feds from the filing deadline and consider all (private unregistered) claims abandoned. I completely understand that if the deadline stays in place, then we have do this. However, Paul Taggart and I believe there's a legislative fix to NRS 533 (as explained in the attached) that would address the issue with the Feds while keeping a deadline, but not if SB31 bill passes as written. Alternatively, we could just remove the 2027 filing deadline completely and go back to the way it was before 2017.

Thanks to the work of Doug Busselman and a few others, we were able to get the two R's on the Senate NR Committee to vote no yesterday with some good comments on the record, which gives us a chance to address this in the Assembly. However, Settelmeyer won't listen.

Please give me a call when you get a chance. (702) 249-5223

Regards, Jay Dixon, P.E.



April 9, 2025

To: Assembly Committee on Natural Resources

# Re: Committee Hearing Exhibit – AB419

This correspondence is being submitted to the Assembly Committee on Natural Resources regarding Assembly Bill 419 ("AB419"), which is scheduled for a hearing on April 9, 2025. This letter represents the opinion of Water Strategy Group, LLC ("WSG") based on the author's 27 years of work experience as an Engineer in developing and managing water rights throughout Nevada.

In consideration of AB419, we thought it might be useful for the Committee to refer to Water Resources Bulletin 46, portions of which are included herein.

https://images.water.nv.gov/images/publications/water%20resources%20bulletins/Bulletin46.pdf

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

EVOLUTION OF NEVADA'S WATER LAWS, AS RELATED TO THE DEVELOPMENT AND EVALUATION OF THE STATE'S WATER RESOURCES, FROM 1866 TO ABOUT 1960

By
HUGH A. SHAMBERGER

#### **WATER-RESOURCES BULLETIN 46**

Pages 49 and 50 of this Bulletin explain the basic duties of the Office of the State Engineer, which have been implied in statute for nearly 125 years:

However, the basic function of the office remained the same, although, as noted above, the work was greatly increased. These functions are:

- 1. Processing water-right applications.
- Adjudication of vested water rights.
- Distribution of water on adjudicated streams.
- 4. Related and miscellaneous work.

Existing and future economies in Nevada depend on the execution of these basic duties in the Office of the State Engineer. When these functions aren't being carried out in a timely and consistent manner, it becomes necessary to consider proposals such as AB419. While WSG acknowledges the substantial burden AB419 would place on NDWR as proposed and amended, we remain optimistic that some of these proposals (and others) can be further developed for consideration in a future Legislative Session to support the Office of State Engineer in carrying out these basic duties.