



Nevada Division of  
**WATER RESOURCES**

STATE OF NEVADA  
Department of Conservation and Natural Resources  
Steve Sisolak, *Governor*  
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April 15, 2022

Storey County Commission  
P.O. Box 496, 201 South C Street  
Virginia City, NV 89440

Re: Division of Water Resources Assessments in Storey County  
Tracy Segment Basin 83 (portion) and Dayton Valley Basin 103 (portion)

This letter is in response to a request made by Keith Loomis, Storey County Deputy District Attorney's office on behalf of the Storey County Commission to the Nevada Division of Water Resources (NDWR) explaining the basis and use of Special Assessments by the Division. The intent of this letter is to provide the Commission an overview of the history of special assessments, process for determining the rate of assessments for a particular year, collection procedures, duties of staff funded by special assessments and the expenditures from the basin assessment accounts for hydrographic basins located in Storey County.

Pursuant to NRS 534.040, NDWR establishes annual Special Assessments for groundwater rights in a designated hydrographic basin where investigations of the State Engineer shown a necessity that the basin needs supervision of the waters and additional administration. The Tracy Segment Hydrographic Basin was designated March 1, 1978. Since at least 2011 the State Engineer has instituted a Special Assessment to support the administration and management of the Basin. Dayton Valley Hydrographic Basin was first partially designated on January 22, 1973, and then fully designated on August 23, 1977. Since 2011 the State Engineer has instituted a Special Assessments to support the administration and management of the Basin. These assessments provide NDWR funding to support various management activities, including conducting the Groundwater Inventory and Reports in Tracy Segment since 2017 and in Dayton Valley since 2003. These reports are available online and are crucial to NDWR in monitoring water use and availability. In addition, water level data is collected or provided from others, and we oversee the collection of that data that is compiled by our office in our efforts to monitor ground water levels across both basins. These assessments provide NDWR funding to support these various management activities.

Special Assessments are levied in the manner specified in NRS 534.040, which states in relevant part that "the board of county commissioners shall . . . levy a special assessment annually, or at such time as the assessment is needed, upon all taxable property situated within the confines of the area designated by the State Engineer to come under the provisions of this chapter in an amount as is necessary to pay such salaries and expenses." While this statute provides direction to the State Engineer and NDWR on how and when to request a special assessment, it does not specify the manner of collection. In recent years NDWR has coordinated with the Nevada Department of Taxation to establish written guidance for County Treasurers and Assessors regarding collection of Special Assessments on water rights. The recent guidance document, issued November 25, 2019, being "Guidance Letter 19-004."

At the beginning of each state fiscal year, the State Engineer, an Administrative Officer, and other staff meet to review each basin to determine the amount of the assessment for the coming year. This process includes reviewing the expenses incurred over the previous fiscal year, the amount of reserve funds within the basin account, and the average expenditures of the prior five years in the basin. The State Engineer and participating staff determine a rate to be assessed for the following fiscal year. This is based upon a basin-by-basin review of the current workload in that basin, the expected workload for the following fiscal year in the basin, whether the Division anticipates circumstances that will increase staff time in coming years in the basin, and any other significant fiscal expenditures that may be related to the administration of the basin (such as purchasing replacement vehicles, groundwater studies, etc.).

Special Assessment collections are managed separately from the general fund. Each of the basin accounts are separately identified and managed by NDWR to ensure that special assessments are used to fund the work being performed in and for the benefit of the individually assessed basin.

Water Resource Specialists, who are assigned to manage individual hydrographic basins, are responsible for the management of their assigned basin. These duties include such things as reviewing and processing applications to appropriate water or to make changes to existing rights and drafting certificates for water rights within the basin. Other responsibilities include conducting field investigations, performing groundwater level measurements, and performing other field work for the basin, including groundwater pumpage inventories and/or coordinating with other field staff in performing necessary field work. Work performed specific to an individual basin may be performed by the assigned Water Resource Specialist or other field staff, and those duties include, among other things, investigations of Proofs of Completion of Work and Proofs of Application of Water to Beneficial Use, Groundwater Pumping Inventory site data collection, Well Driller site inspections, and any further work that would require on-site visits to the basin. In addition, specific to the Tracy Segment NDWR oversees one monitoring plan for 14 wells at the Tahoe Regional Industrial Center (TRIC). The Division also conducts hydrologic assessments for change applications in the area, principally to analyze the potential for pumping to increase stream capture on the Truckee River. In Dayton Valley, NDWR is active in discussions with Carson Water Subconservancy District (CWSD) and United States Geological Survey (USGS) in regard to groundwater/surface water modeling and the proposed 30-year regional water plan. NDWR workload has increased significantly with the expansion of TRIC and the completion of USA Parkway.

In addition to the Water Resource Specialist who is assigned to the Tracy Segment and Dayton Valley Basins, there are numerous other general fund and non-classified staff that provide support to the Basins. These staff perform the various roles necessary to process applications: review field investigations, review certificates, update title/ownership, review well drilling requests and monitoring well drilling activities, review assessments, attend county and community meetings and provide information on-line or over the phone to the county and the public, and ensure that all necessary functions to support the administration of the basins are available and complete.