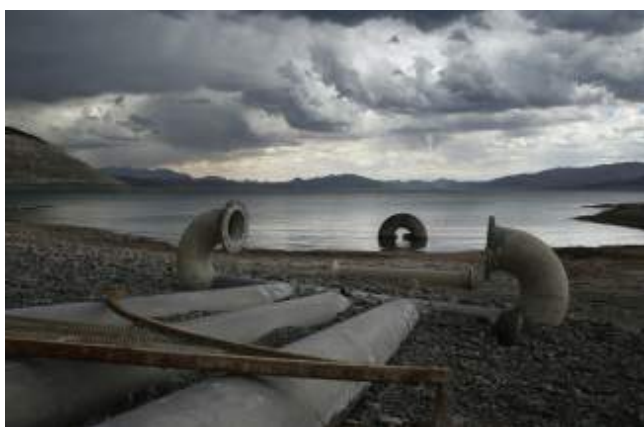


August 20, 2015

Putting stock in trading water at forum



FILE - In this May 18, 2015, file photo, plants grow out of dry cracked ground that was once underwater near Boulder Beach in the Lake Mead National Recreation Area near Boulder City, Nev. A panel gauging the effect of drought in Nevada is due to hear from farmers, tribes, environmentalists, water officials and others at a state Department of Agriculture hearing in Sparks. State Climatologist Doug Boyle is also expected to update current conditions during the Nevada Drought Forum on Wednesday, Aug. 19, 2015. (AP Photo/John Locher, File)



FILE - In this May 18, 2015, file photo, water intake pipes that were once underwater sit above the water line along Lake Mead in the Lake Mead National Recreation Area near Boulder City, Nev. A panel gauging the effect of drought in Nevada is due to hear from farmers, tribes, environmentalists, water officials and others at a state Department of Agriculture hearing in Sparks. State Climatologist Doug Boyle is also expected to update current conditions during the Nevada Drought Forum meeting on Wednesday, Aug. 19, 2015. (AP Photo/John Locher, File)



FILE - In this May 18, 2015, file photo, a partially submerged tire sits along the shore of Lake Mead in the Lake Mead National Recreation Area near Boulder City, Nev. Federal water managers are projecting Lake Mead will drop to levels in January 2017 that could force supply cuts to Arizona and Nevada. State Climatologist Doug Boyle is also expected to update current conditions during the Nevada Drought Forum meeting on Wednesday, Aug. 19, 2015. (AP Photo/John Locher, File)

By Anne Knowles

For the Appeal

SPARKS — Water users in Eureka County's Diamond Valley are going to soon be testing a market for trading water in the same way shares of companies are traded on a stock exchange.

The goal is to try out a more flexible way for managing and using water that avoids some of the pitfalls of Nevada's century old prior-appropriation water rights system, especially in areas such as Diamond Valley, where water is both seriously over pumped and over appropriated.

The share-based market and other ideas to deal with the state's ongoing drought were discussed here Wednesday at a crowded meeting of the Nevada Drought Forum.

The forum was created in April by Gov. Brian Sandoval to investigate ways to address Nevada's water scarcity and to deliver a report by November.

In July, the forum heard from Nevada's businesses, including casinos, residential developers and manufacturing. At Wednesday's meeting, representatives from agriculture, conservation groups, several tribes, and water utilities and authorities discussed their concerns about the drought and made recommendations for improving the state's response.

Michael Young, a water economist from Australia, where water shares are now traded, made the day's final presentation, and gave a quick overview of how the market works.

Essentially, he said, water rights are unbundled, held in central registers, and share holders have water accounts much like a bank account. Senior water rights holders receive more shares than junior rights holders and each share is equal. Water management plans for each basin or area are developed to determine how much water is allocated on a seasonal basis.

“If you want to trade your water, you log into your account and trade it,” said Young. “Behind all that is a metering system that tracks use.”

In July, Jason King, the state engineer, declared Diamond Valley a critical management area, the first-ever CMA designation which requires the basin create a water management plan.

“Growing up in prior appropriation, when I first heard about (water shares), it blew my mind,” said King, during the meeting. “I told (Young) if you can make it work in Diamond Valley we’ll listen to you. It’s something Nevada should consider and those words don’t roll easily off my tongue.”

Steve Walker, a water consultant and lobbyist, is working with Eureka County on its management plan. During a break in the meeting, Walker said the goal is to deliver a water management plan by January 2017 so any changes required to Nevada law to enable the new water market could be made during the 2017 legislative session.

The upcoming session was discussed a lot as it’s assumed at least some of the forum’s recommendations would involve changing existing water law.

“I feel like a large portion of cases that go to court are due to a lack of legislative intent,” said Bruce Scott, chairman, Board for Financing Water Projects. “Tinkering with water law is dangerous, but I think it’s essential. It was really disappointing that the past legislature ended without any clarification of water law, which was universally supported. Politics gets in the way.”

But others were reluctant to see water law fiddled with.

“I’m a real fan of Nevada water law as written,” said Floyd Rathbone, a rancher. “It’s served its purpose for years so our concern is that short-term fixes in reaction to the drought will become retroactive reform.”

One thing ranchers would like to see change is how the Bureau of Land Management monitors grazing permits.

Jake Tibbitts, natural resources manager for Eureka County, said the BLM is limiting the number of cattle that can graze on a permit because of the state drought, despite the fact the range is healthy due to spring rains.

“There is a difference between hydrologic drought and vegetative drought and many of the rangelands are not in drought. It’s a record year for forage,” said Tibbitts.

Others agreed.

“We have some of the most abundant vegetation out there,” said David Stix Jr., a Fernley rancher with five BLM grazing permits. “We’re not asking for more, we just want to get back to the numbers allowed by the permits. The BLM is totally inept and cannot manage the land.”

Farmers said they have worked for generations to improve water use efficiency, from moving to drip irrigation to installing monitors, but that many of the technological improvements are cost prohibitive, especially for the smaller farmer already struggling due to the ongoing drought.

The hardest hit area is arguably Pershing County and Lovelock, where farmers haven’t received any water for nearly three years.

“There are economic and fiscal impacts, especially in agriculture and especially in Lovelock, where there is a loss in income and a loss in tax revenue,” said Mike Baughman, executive director, Humboldt River Basin Water Authority. “We’re starting to see conflicts arise between ag users, between senior and junior water rights holders and between groundwater and surface.”

Baughman said he’d like to see storage added to the Humboldt River basin, which relies on Rye Patch reservoir.

“We have a lack of upstream storage and that is a serious problem,” he said.

Everyone was hopeful the ensuing El Niño would bring much needed precipitation and the state would work to capture it and recharge the state’s stressed aquifers.

“I hope this El Niño just kicks our butts to the point where I am going to have to learn how to swim,” said Darrell Purcell with the Nevada Farm Bureau.

The water utilities and authorities in the north, which included Truckee Meadows Water Authority and Carson City Utilities Division, said they had asked for voluntary water use reduction and users had responded.

In Dayton and Mound House, for example, water consumption in the first half of the year dropped 15 percent from the same period a year earlier, said Scott Fleckenstein, the water superintendent for Lyon County.

Darren Schulz, Carson City’s public works director, said his department is estimating water use would drop between 7 to 9 percent since asking residents to cut back earlier this year.

©2005 - 2015 Swift Communications, Inc.