A. On receipt of an application for a water report or an application by a city, town or private water company to be designated as having an adequate water supply under section 45-108, if the proposed use is in a county that has adopted the provision authorized by section 11-823, subsection A or in a city or town that has enacted an ordinance pursuant to section 9-463.01, subsection O, the director shall publish notice of the application once each week for two consecutive weeks in a newspaper of general circulation in the groundwater basin in which the applicant proposes to use water. The first publication shall occur within fifteen days after the application is determined or deemed to be administratively complete. If the application is substantially modified after notice of the application is given pursuant to this subsection, the director shall give notice of the application as modified in the manner prescribed by this subsection. The first publication of any subsequent notice shall occur within fifteen days after the modified application is determined or deemed to be administratively complete.

B. Notice pursuant to subsection A of this section shall state that written objections to the application may be filed with the director by residents and landowners within the groundwater basin within fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector and be signed by the objector, the objector’s agent or the objector’s attorney. The grounds for objection are limited to whether the application meets the criteria for determining an adequate water supply set forth in section 45-108, subsection I. The objection shall clearly set forth reasons why the application does not meet the criteria.

C. In appropriate cases, including cases in which a proper written objection to the application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. Thirty days before the date of the hearing, the director shall give notice of the hearing to the applicant and to any person who filed a proper written objection to the application. The hearing shall be scheduled for at least sixty days but not more than ninety days after the expiration of the time in which to file objections.

D. If the application is for a water report:

1. If the director determines that an adequate water supply exists for the proposed use, the director shall issue a water report stating that the water supply for the subdivision is adequate.
2. If the director determines that an adequate water supply does not exist, the director shall issue a water report stating that the water supply for the subdivision is inadequate.

E. If the application is for a designation of adequate water supply:

1. If the director determines that an adequate water supply exists for the proposed use, the director shall approve the application.
2. If the director determines that an adequate water supply does not exist, the director shall deny the application.

F. The applicant or a person who contested the application by filing a proper objection pursuant to subsection B of this section may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in the superior court.

G. Section 45-114, subsections A and B govern administrative proceedings, hearings or reviews and judicial reviews of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the groundwater basin in which the use is located.
45-108.02. Exemption from adequate water supply requirements for city, town or county based on substantial capital investment; application; criteria; expiration

A. If the director determines pursuant to section 45-108 that an adequate water supply does not exist for a proposed subdivision and the proposed subdivision is located in a city, town or county that requires a determination of adequate water supply by the director as a condition of approval of the plat pursuant to section 9-463.01, subsection J or O or section 11-823, subsection A, the subdivider may apply to the director for an exemption from the water adequacy requirement pursuant to this section on a form prescribed by the director within one year after the requirement first becomes effective. The director shall grant the exemption if the subdivider demonstrates to the satisfaction of the director that all of the following apply:
1. The subdivider has made substantial capital investment toward the construction of the proposed subdivision before the date the water adequacy requirement first became effective. For the purposes of this paragraph, substantial capital investment may include construction costs, site preparation costs, construction of off-site improvements and conversion or remodeling costs for existing structures, as well as planning and design costs associated with those items, but does not include the original cost of acquiring the property.
2. The subdivider was not aware of the proposed water adequacy requirement at the time the investment was made.
3. The proposed subdivision complied in all other respects with existing state laws as of the date the water adequacy requirement became effective.
B. If the director grants an exemption pursuant to subsection A of this section:
1. The exemption expires five years after the date the exemption is granted, unless before that date at least one parcel in the subdivision is sold to a bona fide purchaser or the director extends the exemption pursuant to paragraph 2 of this subsection.
2. The director may extend the period of the exemption for no more than two successive five-year periods if the subdivider applies for an extension before the exemption expires and demonstrates to the satisfaction of the director that the subdivider has made material progress in developing the subdivision, but that sales of parcels in the subdivision have been delayed for reasons outside the control of the subdivider.
C. If an exemption granted under this section expires, any public report issued for the subdivision by the state real estate commissioner pursuant to section 32-2183 expires and the subdivider shall not sell any lots in the subdivision unless both of the following apply:
1. The subdivider files with the state real estate commissioner a new notice of intention to subdivide lands pursuant to section 32-2181 and complies with section 32-2181, subsection F.
2. The state real estate commissioner issues a new public report for the subdivision pursuant to section 32-2183.
D. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section.
45-108.03. Exemption from adequate water supply requirements for city, town or county based on an adequate water supply within twenty years; criteria; application

A. If a proposed subdivision is located in a city, town or county that requires an adequate water supply determination by the director as a condition of approval of the plat pursuant to section 9-463.01, subsection J or O or section 11-823, subsection A, the subdivider may apply to the director for an exemption from the requirement pursuant to this section on a form prescribed by the director. The director shall grant the exemption if the subdivider demonstrates to the satisfaction of the director that the subdivision will be served by a water supply project to which both of the following apply:

1. The subdivider has demonstrated financial capability pursuant to section 45-108, subsection 1, but the water supply project will not be capable of serving the subdivision with sufficient water to meet its demands in a timely manner because of one of the following:
   (a) The physical works for delivering water to the subdivision are not complete but are under construction and will be completed within twenty years.
   (b) The subdivision will be served Colorado river water by a water provider that does not currently have the legal right to serve the water to the subdivision, but the water provider has an existing permanent contract for the Colorado river water and will have the legal right to serve the water to the subdivision within twenty years.

2. The subdivision will have an adequate water supply when the construction of the physical works is completed or the water supply is legally available to serve the subdivision, whichever applies, and the interim water supply that will serve the subdivision meets all of the criteria for an adequate water supply under section 45-108 except that the interim water supply will not be available for one hundred years.

B. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section.
45-108.04. Definition of adequate water supply; upper San Pedro water district
For the purposes of section 45-108, if the upper San Pedro water district is established under title 48, chapter 37 for proposed uses in the district, "adequate water supply" means a water supply that complies with all of the following:
1. Sufficient groundwater, surface water or effluent of adequate quality will be continuously, legally and physically available to satisfy the water needs of the proposed use for at least one hundred years.
2. The projected water use is consistent with the goal of the district as set forth in section 48-6403, subsection B and the district's ability to meet the measurable objectives for achieving the goal as included in the district's most recent comprehensive plan, as determined by the director. If the district is established, the director shall adopt rules containing criteria for making determinations under this paragraph and shall consult with the district board in developing the rules.
3. The financial capability has been demonstrated to construct the water facilities necessary to make the supply of water available for the proposed use, including a delivery system and any storage facilities or treatment works. The director may accept evidence of the construction assurances required by section 9-463.01, 11-823 or 32-2181 to satisfy this requirement.