

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Third Session
February 21, 2005**

The Committee on Government Affairs was called to order at 9:09 a.m., on Monday, February 21, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada and, via simultaneous videoconference, in Room 4412 of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. David Parks, Chairman
Ms. Peggy Pierce, Vice Chairwoman
Mr. Kelvin Atkinson
Mr. Chad Christensen
Mr. Jerry D. Claborn
Mr. Pete Goicoechea
Mr. Tom Grady
Mr. Joe Hardy
Mrs. Marilyn Kirkpatrick
Mr. Bob McCleary
Mr. Harvey J. Munford
Ms. Bonnie Parnell
Mr. Scott Sibley

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Eileen O'Grady, Committee Counsel
Susan Scholley, Committee Policy Analyst

Kiz Malin, Committee Attaché

OTHERS PRESENT:

Leo M. Drozdoff, P.E., Administrator, Division of Environmental Protection, Nevada Department of Conservation and Natural Resources
Robin V. Reedy, Deputy Treasurer, Debt Management, Office of the State Treasurer, State of Nevada
Bruce Scott, P.E., P.L.S., Principal Concepts, Inc., Member of the State Board for Financing Water Projects, Carson City, Nevada
Jon Palm, Chief, Bureau of Water Pollution Control, Division of Environmental Protection, Nevada Department of Conservation and Natural Resources
Andrew M. Belanger, Management Analyst, Las Vegas Valley Water District, Las Vegas, Nevada
Bob Erickson, Legislative Advocate, representing the City of Fallon, Nevada
Bjorn Selinder, Legislative Advocate, representing Churchill County, Nevada
Steve K. Walker, Legislative Advocate, representing Douglas County and the Truckee Meadows Water Authority
John Slaughter, Legislative Affairs Manager, Office of the County Manager, Washoe County, Nevada
Randy Robison, Legislative Advocate, representing Pershing Valley Water District, Clark County, Nevada
Kaitlin Backlund, Political Director, Nevada Conservation League, Reno, Nevada

Chairman Parks:

[Meeting called to order. Roll called.]

Assembly Bill 20: Increases amount of general obligation bonds that State Board of Finance may issue to support program to provide grants for water conservation and capital improvements to certain water systems. (BDR 30-753)

Chairman Parks:

This is a bill brought by our colleague, Assemblyman Grady. I would like to turn it over to him.

Assemblyman Tom Grady, Assembly District No. 38, Lyon County, Nevada:
[Read from [Exhibit B.](#)]

Assembly Bill 20 is a continuation of an interim study following the 65th Legislative Session in 1989, which came out of Bulletin 91-8, Senate Concurrent Resolution 24 of the 65th Session. The subcommittee was chaired by Joe Dini, now Speaker Emeritus. The other familiar names to you are John Marvel, Jim Gibbons, Hal Smith, Danny Thompson, Eric Beyer, Virgil Getto, Ray Shaffer, Jim Schofield and Ernie Adler, who are also on the committee. The Technical Advisory Committee included people from city and county elected officials. Pat Mulroy of the then Las Vegas Valley Water District, Irene Porter, and myself, representing cities, water representatives, Nevada Mining Association, Sierra Pacific Power Company, realtors, Pyramid Lake Paiute Indian Tribe and others. Recommendations B-22, B-24 and B-25, brought forth Assembly Bill 198 of the 66th Legislative Session, which was passed 41 to 0 in the Assembly and 16 to 5 in the Senate. The application for funding is presented to the State Board for Water Financing and Water Projects, appointed by the Governor. I have attached a list of the Board members for your review.

Since 1991, this Board has supported water and wastewater projects in 16 of the 17 counties. Only Carson City has not requested funding. On January 28, 2005, Governor Guinn presented \$9 million in grants to Clark, Humboldt, Pershing, and Washoe Counties, for projects from this funding and a special appropriation from the 2003 session. This exhausted the present funding available. Assembly Bill 20 and Senate Bill 18, by Senator McGinness, have much of the same language. Senator McGinness and I met with representatives from the Water Board and others.

We would like to amend A.B. 20 to provide \$125 million in general obligation bonds, which was provided in S.B. 18. S.B. 18 will be used to make language changes as needed. The present authorization is \$90 million. We are asking for the increase of \$35 million. This was a pre-filed bill, so we did not seek co-sponsors, but the bill has much support, including the Governor's. Mr. Chairman, with your permission, I would like to turn the testimony over to the experts from the State Board for Financing Water Projects and others to answer any of the technical questions that you might have.

Assemblywoman Pierce:

What you just read says \$125 million, and the bill that I have in front of me says \$110 million.

Assemblyman Grady:

Yes, that is the amendment that we are asking for in S.B. 18, which was Senator McGinness' bill, asking for the \$135 million. This is why we would like to amend this bill to match the language that was in that bill.

Assemblywoman Pierce:

Why did we just vote for bonds for Marlette Lake? Why don't they get money from the Marlette Lake system?

Assemblyman Grady:

I believe that the State people would be better equipped to answer that, but Marlette Lake is partially controlled through the State. I am not sure that the State can plug into this money. They could better answer that.

Assemblyman Goicoechea:

It is my understanding that community development block grants are going away. Is this true?

Assemblyman Grady:

I think that you are correct, and thank you for bringing that up. This money that we are asking for is used to leverage other federal monies. It has been a great help, and I am sure that they will go into the map that they supplied to you and tell you what has been done in the past with these projects. We need \$600 million just to face the arsenic water situation throughout all of Nevada. This is just a tip of the iceberg to help leverage funds for all of these water districts, from Washoe County, to Elko County, to Clark County. It is not a rural-only issue; it is an issue all over the state of Nevada.

**Leo Drozdoff, P.E., Administrator, Division of Environmental Protection, Nevada
Department of Conservation and Natural Resources:**

We actually owe Mr. Scott a debt of thanks for preparing the map that you have before you ([Exhibit C](#)). NDEP [Nevada Division of Environmental Protection] has overseen the Board for Financing Water Projects since 2000; however, the program has been in place since the 1991 Legislative Session. Through the years, this program has also been referred to as the A.B. 198 Program because of the original enabling legislation. A.B. 20, as amended, would allow the State Board of Finance to issue general obligation bonds of the State of Nevada, in an amount of not more than \$125 million, to support the purposes of the State Board for Financing Water Projects.

[Leo Drozdoff, continued.] The \$125 million amount represents an increase in \$35 million dollars over what is presently authorized under statute. The State Board for Financing Water Projects provides grants to predominantly small-world community water systems in order to build necessary infrastructure to ensure that their customers are provided with a safe supply of drinking water, and to comply with the requirements in the Nevada Safe Drinking Water program. As alluded to, 16 of Nevada's 17 counties have used the program. The board also provides grants to irrigation districts for water conservation projects and provides grants to local governments for wastewater connection needs. At the last Board for Financing Water Projects meeting at the end of January, the bonding authority had been nearly exhausted; therefore, more projects cannot be approved. The ability to have greater bonding authority is necessary to continue funding these needed projects. Senate Bill 18 is a related bill that expands the scope of eligibility for this assistance. We would be happy to answer any questions.

Assemblywoman Parnell:

Why hasn't Marlette been one of the projects in the bonding?

Leo Drozdoff:

I will have to confess that I am not an expert on that program. What I am aware of is that, with the Marlette program, revenue bonds are sold to satisfy an enterprise fund. That enterprise fund and the customers actually pay the program back and pay the bond off, so it is not a grant program as this is. Beyond that, I do not know.

Assemblyman McCleary:

How are these bonds paid off?

Leo Drozdoff:

It is a grant program. As part of the grant process, we get a statement from the applicants about what their project needs will be and when they think they will start drawing on the money. Then we work with the State Treasurer's office to provide the Treasurer's office, twice a year, what our funding requirements are. From there, the State Treasurer's office takes over, and I believe that they treat the bonds sales just like they do other projects on the capital improvement project.

Assemblyman McCleary:

Tom had brought up arsenic water and said that there was over a \$600 million cleanup expectation. Where does arsenic water come from?

Leo Drozdoff:

That is a good question. It is one that you are going to be hearing a lot about over the next decade. Arsenic is a naturally occurring mineral in the water, so it is not something people add. The arsenic MCL [maximum contaminant level], or the drinking water limit for arsenic, changed at the federal level a few years back. The safe level was reduced from 50 parts per million, down to 10 PPM.

What that change does, when in a corresponding state water changes are made, it means that a number of communities in Nevada, because of naturally occurring arsenic levels in Nevada that are above 10 but below 50, now are going to have to treat their water to this new level. That is the \$600 million figure that Mr. Grady has talked about. It is a pretty fair number. A number of systems that are out there are going to have to add arsenic treatment and will have assorted disposal costs.

Assemblyman Goicoechea:

These bonds were first issued in 1991—the first portion of them—so some of those will be retiring in 2011, is that correct? Do we maintain this \$125 million in bonding capacity at that point, or do they have to be reissued from there? Do you see what I am saying? We issued \$90 million in bonds and the first of them would have been issued in 1991 or 1992. I am assuming that they are a 20-year bond, so they would be retired at that point? Does that increase our capacity?

Leo Drozdoff:

I believe that the first bonds were probably issued around 1991 to 1992. I will defer to Robin Reedy, who is with the Treasurer's office and better equipped to answer that than me.

Robin V. Reedy, Deputy Treasurer, Debt Management, Office of the State Treasurer, State of Nevada:

The bonds are paid with the 16 cents currently assessed to pay back all of our general obligation bonds. So, 16 cents is assessed from the property tax to pay off bonds. It is my understanding that, in this particular program, they do not get to reuse that authorization. You are giving authority up to a dollar amount and once that dollar amount is used, when it is paid off, it does not get to be recycled. There is probably language that could be put into effect to do that, but that would be up to you.

Assemblyman Goicoechea:

Are some of these 20-year bonds a shorter term than that?

Robin Reedy:

What we do is that we try to consolidate all of our bond issuances so that we are issuing less frequently, and we just blend these in with the bond. They are never longer than 20 years. In effect, we don't separate the debt service for this particular set, we just include it with all the debt service with any CIP [capital improvement project], or any other natural resource GEO [Global Environmental Outlook] project. They are never longer than 20 years.

Assemblyman Goicoechea:

There is a possibility that maybe even some of the original \$90 million that was done in 1991 has actually been retired.

Robin Reedy:

I think that it would be even more than a possibility since it would never be longer than 20 years. A lot of that would have been retired in 2001.

Bruce Scott, P.E., P.L.S., Principal Concepts, Inc., Member of the State Board for Financing Water Projects, Carson City, Nevada:

I just wanted to reinforce what I feel is an excellent project that has been very instrumental in helping many smaller water systems. As you can see from the map and the numbers, it has been well publicized. We have a lot of interest in the program. There are a couple of things that I will let you know about, in response to some of the questions that were raised, and provide a little bit of background.

We have a unique program in Nevada, and it has been very effective. We work closely with other grant and loan entities, primarily at the federal level. Community development block grants come through the local governments or through the state. The U.S. Department of Agriculture has monies, the Corps of Engineers has some monies, and we work with those entities to create a project funding mechanism that tries to pull available monies together to help each individual system or community as they request or as they come forward.

We have strings on those grants. They are required to have a minimum water rate that is a reflection of the average annual income in that water system. We require water meters and a metering program in order to ensure water conservation. Not nearly as badly as the federal grants have strings, we have some strings as well. We found that those work quite well. We have been able to help a lot of people. The process begins with what is called a preliminary engineering report, and that is a solid technical review of the system by a professional engineer, to bring a program forward that can then be appropriately reviewed and funded.

[Bruce Scott, continued.] Those preliminary engineering reports become the basis on which a lot of these small communities get a sense of what their needs are. We can do funding analysis, we can do coordination with other funding entities, and they can qualify for a combination of grants and loans. There are loans available through the Department of Agriculture, which complement our program, and they also have grant capabilities. Each of these communities or systems that gets one of these loans does have an adjustment in their water rates and they are put into what we feel is a good conservation, sustainable water system improvement. It is an excellent program.

Assemblywoman Pierce:

Do we have any idea how many of the water systems in the state don't meet the new arsenic standard?

Jon Palm, Chief, Bureau of Water Pollution Control, Division of Environmental Protection, Nevada Department of Conservation and Natural Resources:

That is a number that the Nevada State Health Division has. In my discussions with them, there are about 120 to 130 public water systems that cannot meet the 10 parts per million arsenic limit. That includes publicly owned water systems, municipalities, communities, and also privately owned systems, such as small water systems that are owned by private entities.

Assemblywoman Pierce:

How long do we have to meet those standards?

Jon Palm:

The deadline for meeting the new arsenic limit is January of 2006, a little less than one year.

Assemblywoman Pierce:

I guess that we are not going to make it.

Jon Palm:

There is a program by which public water systems can get an extension of time. If they meet certain criteria, that time can be extended out to 2014 or 2015, but they have to meet certain criteria in order to do that.

Assemblyman Goicoechea:

This is more of a comment because of the arsenic, and it is truly an issue all across Nevada. The communities in rural Nevada are struggling with some type of blending to get a little closer. There are a lot of communities somewhere between the 25 to 30 range that are hoping they can come up with enough groundwater, clean water, or surface water from other sources, then be able to

blend it and get into the required criteria. Bob Erickson from the City of Fallon is here, where I know they just completed a \$20 million project to clean up the arsenic in Fallon.

Bruce Scott:

The arsenic is a huge iceberg. Our Board for Financing Water Projects has put some money into arsenic, both in the City of Fallon and in the Virgin Valley Water District, where they have gone out and gotten other substantial grants and funding sources to address their rather immediate arsenic needs. We do not envision that this additional money would go for the treatment of arsenic. The Board, because of financing limitations, has adopted a policy that says, "We will not finance major arsenic projects." One project could easily take a good share of our capability.

In the last year or two, we have only had a few million dollars of capability. What I can envision is that preliminary engineering reports, particularly to help the small communities where arsenic is a problem, could be done this way to allow them to have a solid technical basis to go seek what is going to have to be larger sources of money. Hopefully, they are supplied or guaranteed through the federal level for the level of the problem that arsenic represents based on the new federal standards.

I think we can help here, but I wouldn't want to mislead you and say that money we are asking you for is going to go to arsenic treatment, because I don't think we are there yet. I think we can provide technical reports that will help people achieve grant applications so they can meet a federal requirement. The standard and the costs are on a collision course.

Assemblywoman Pierce:

Is there a price tag on this iceberg?

Bruce Scott:

\$600 million is probably as good a figure as anything, although, frankly, in the last two to three years, costs have gone down as technology has improved. This is a national issue and many states are trying to deal with it. Costs are literally going down because of new technology and new efficiencies. A logical approach from a small entity's or large entity's perspective—unless they get caught in something like the City of Fallon did—is to try and hold off and get an extension to see what technology does. Costs are coming down but are still very significant. They are definitely moving in a lower direction.

Chairman Parks:

Mr. Drozdoff, in your testimony you indicated that there was a list of projects that had either been completed or funded with that bonding. As far as future and potential projects, do you have a list of them? For an entity to pursue this funding, do they make the application through your Department?

Leo Drozdoff:

At this stage of the game, we do not have a list of future projects. The answer to your second question is yes. Our process is twofold. An applicant comes and gets a preliminary engineering report, which is what Mr. Scott referred to, and ultimately they get a grant program. The preliminary engineering report allows us to take a look and see what is on the horizon. There are a number of different uses for these dollars. There is the drinking water, there are the connections for wastewater, there are conservation projects, and I believe that S.B. 18 expands the scope a little more to allow for eligibility for water connections.

What we really do is take a look at everyone that comes in and we, in good stewardship of the money, try to leverage the dollars as best we can. There is no project list that says that we need this much for the next two years.

Chairman Parks:

I believe that you used the term "to expand the scope." Are you proposing to broaden, to allow additional projects that might meet criteria? Is that the intent?

Leo Drozdoff:

I believe that this is the intent under S.B. 18. One of the options that I think these small water systems will have is to join forces. Instead of having 6 or 7 small systems, they might have one or more regional systems that would allow good water be treated at one location and be distributed. In order to do that, you will probably cross paths with areas that are currently not served, and S.B. 18 would allow those areas and the costs associated with those areas to get grant funding as well.

Assemblyman Grady:

We will have S.B. 18 this afternoon; it will be introduced. We do have the language that will be asked to be amended into that bill. We will be more than happy to make that available to you, so that you can review that language also.

**Andrew M. Belanger, Management Analyst, Las Vegas Valley Water District,
Las Vegas, Nevada:**

We are in support of Assembly Bill 20 and its amendments. The Las Vegas Valley Water District operates several small water systems in outlying areas of

Clark County. As a result of that, we have had to access this program funding for the Kyle Canyon system and, it looks like, the Blue Diamond system, according to the map that is provided. Each of those systems has separate service rules, separate rate structures, and a separate customer base that funds system improvements in those areas. As a result of that, they have a much smaller pool to pay for system improvements that are necessary to meet federal and state quality standards. This funding has been very critical to help some of those communities meet some of those needs. We are in support of the bill as it is amended.

Bob Erickson, Legislative Advocate, representing the City of Fallon, Nevada:

We just wanted to affirm our support for A.B. 20 and all of its amendments. As you know by your map, the City of Fallon has been a beneficiary of this program, which assisted us in primarily with our arsenic treatment plant, which is operational at this time, as well as some additions to our wastewater treatment plant.

Bjorn Selinder, Legislative Advocate, representing Churchill County, Nevada:

I would like to commend the State of Nevada and the various supporters of this program over the year for the proactive approach that they have taken in support of developing small water systems to meet public health standards and to meet the needs of our citizenry. Churchill County is in receipt of a \$2 million grant at the end of last year. This grant will be used for capital improvements to join together a number of smaller water systems in order to provide a more efficient system to meet the needs of our residents.

One of the things that has come about as a result of programs such as this is enhanced economic benefits to the community as well as the entire state. It helps to maintain property values, it is good for the public health, it attracts commerce into a community where there is a reliable water system, and we then enjoy lower fire insurance rates as a result of enhanced and reliable fire flows.

Steve Walker, Legislative Advocate, representing Douglas County and Truckee Meadows Water Authority:

I have handed out a letter ([Exhibit D](#)) of support that the Douglas County Manager, Daniel Holler, has asked me to read into the record.

Douglas County supports Assembly Bill 20, which allows the State Board of Finance to issue additional bonds to support the program providing grants for water conservation and capital improvements. The supported grant program has been the primary source of grant funding for water systems in Douglas County. The county owns

and operates a number of systems that have required major capital improvements to bring them in compliance with State and federal regulations.

[Steve Walker, continued.] Douglas County obtained ownership of a number of smaller water systems, because private systems were not eligible for grant funding and lacked the administrative and financial capability to meet the unfunded mandates under the Safe Drinking Water Act. Douglas County has utilized the grant program with at least five different projects, allowing us to bring systems into compliance with the Safe Drinking Water Act. The funding will continue to assist Douglas County in meeting the needs of water systems. We are looking at ways to assist in meeting the recently adopted new Federal Arsenic Standards. The Arsenic Management Plan developed by the Carson Water Subconservancy District found that approximately 32 percent of existing capacity from groundwater wells in Carson Valley and 17 percent from Carson City will be impacted by this unfunded mandate.

Without grant funding, compliance with the unfunded mandates will have a severe financial impact on Douglas County water customers, of which some already pay some of the highest rates in northern Nevada. We encourage the Committee to support A.B. 20. By supporting A.B. 20, it will provide needed funding to meet the needs of a number of water systems throughout the state, including those in Douglas County.

I would also like to report that on Wednesday evening, the Truckee Meadows Water Authority Board of Directors unanimously asked me to support this bill. I would like to make a clarification. I have heard parts per million a couple of times on the arsenic standard; it is actually parts per billion. We are talking about drops in a swimming pool instead of drops in a tank of gas. I would also like to clarify that Walker & Associates, my firm, represents Carson City, and I am familiar with the proposal for Marlette Lake.

Basically, that is a proposal where the three entities that control both the water rights and the system—Virginia City, State of Nevada, and Carson City—are all into improving the system and enhancing the utilization of water rights at Marlette Lake. The State of Nevada, through their Buildings and Grounds, did not have the authority to bond as normal water purveyors do. The bill you heard provided that authority. It was separate from a grant program that we are discussing right now.

Chairman Parks:

Thank you for the clarification in regard to the bill we heard last Thursday.

Assemblywoman Parnell:

When you look at the map and you see that Carson has zero funding, would they now be eligible to request monies for the arsenic cleanup with their 17 percent? There is nothing that prohibits Carson from accessing those dollars for another purpose, is that correct?

Steve Walker:

Assemblywoman Parnell, I hate to say I don't know, but I don't know. I am not part of that board, but there are people in this room who could better answer that question.

Assemblywoman Parnell:

I would like to know that they would have access to those funds for the arsenic cleanup purpose.

Chairman Parks:

Where is Uppaway? It is listed as having received funding. I know most of the locations in Douglas County, but I didn't know where Uppaway is. I have been told that it is at Lake Tahoe, next to Glenbrook.

Assemblyman Goicoechea:

Mr. Erickson, can you tell us what the total cost of Fallon's arsenic treatment plant was? We know that treating the arsenic is one thing, but what is the increased cost in your operation at that point?

Bob Erickson:

The cost of building the plant was a little over \$17 million. Our plant was probably a little bit more expensive than some will be, because there was absolutely no technology for removing arsenic from our level down to the new MCL [maximum contaminant level] at the time that we were required to develop and bring this plant into operation.

We joint-ventured that with the Fallon Naval Air Station and the Department of Defense. They paid part of that. Part of it came out of this funding. Our community had assessed our water users a charge on their water bill since 1990, in preparation of knowing that at some point in time we were going to have to build an arsenic treatment plant at the time a permanent standard was set. At the time, the total amount accumulated in that account, plus additional dollars that we contributed out of our general operating funds, we had about \$2 million dollars to contribute to that.

[Bob Erickson, continued.] The second part of your question that addressed the capital cost is that the operational costs of our water system are approximately \$1 million higher, annually, as a result of the treatment plant. We are a system with roughly 3,300 paying customers, and we have joint-ventured with the Naval Air Station. We provide their treated water to them and they share in that cost. The additional per month cost to our citizen residential users is roughly \$28 per month. The additional cost to a commercial user goes anywhere from \$35 to \$50 per month, depending upon how much water they use and the types of water they use.

Steve Walker:

Truckee Meadows Water Authority, the largest water purveyor in the north, with about 80,000 connections, is a system that is dominated by surface water, like the Southern Nevada Water Authority, and still has a \$21 million arsenic exposure. We have bonded or created some financing mechanisms to come up with \$21 million. That is an impact to a system like that. Typically, if you are dealing with arsenic, it is a groundwater issue. I wanted to clarify that.

John Slaughter, Legislative Affairs Manager, Office of the County Manager, Washoe County, Nevada:

Earlier last week, the county commissioners reviewed this bill that has been put forward from our water resources department, and I am indicating their unanimous support for the bill and for this tremendously important program for the citizens of Washoe County, as well as for the citizens of the state of Nevada.

Randy Robison, Legislative Advocate, representing Virgin Valley Water District:

The Virgin Valley Water District currently serves the city of Mesquite and the township of Bunkerville, in Clark County. We are in strong support of this measure, as well as of S.B. 18. We recently received a grant from this fund to help with a project that we are doing that will help address the arsenic issue in our area. There were a couple of comments made about the leveraging power of this program, and I would like to illustrate that. The project that we were doing is about \$15 million. We were able to fund a portion within our own bonding capacity, within our own rate structure, with some additional federal funding. We were just a little over \$2 million short. We applied to this fund and were able to get that money. So, in effect, the little over \$2 million helped us retain an additional \$13 million to complete that project. That is just an example of what this fund can do. Having worked with the Board for Financing Water Projects on this last application, I can tell you that they are very judicious in their deliberations and are very committed to exercising their stewardship over these limited resources.

Kaitlin Backlund, Political Director, Nevada Conservation League, Reno, Nevada:
We are an organization dedicated to passing sensible and balanced conservation policy here in the state of Nevada, to protect our land, water, and air for future generations. We would like to express our support for this bill.

Chairman Parks:

Is there any one else who would like to speak on this bill? If not, we would like to ask for an amendment to change it to \$125 million. For the work session, I would like to better understand, and I think that we got a clear enough explanation, that this is not a revolving fund.

[Meeting adjourned at 9:57 a.m.]

RESPECTFULLY SUBMITTED:

Paul Partida
Transcribing Attaché

APPROVED BY:

Assemblyman David Parks, Chairman

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Government Affairs

Date: February 21, 2005

Time of Meeting: 9:09 a.m.

[illegible]