

**MINUTES OF THE  
SENATE COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS**

**Seventy-third Session  
May 17, 2005**

The Senate Committee on Legislative Operations and Elections was called to order by Chair Barbara Cegavske at 2:20 p.m. on Tuesday, May 17, 2005, in Room 2144 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Barbara Cegavske, Chair  
Senator William J. Raggio, Vice Chair  
Senator Warren B. Hardy II  
Senator Bob Beers  
Senator Dina Titus  
Senator Bernice Mathews  
Senator Valerie Wiener

**GUEST LEGISLATORS PRESENT:**

Senator Mike McGinness, Central Nevada Senatorial District  
Senator Dean A. Rhoads, Northern Nevada Senatorial District  
Senator Michael A. Schneider, Clark County Senatorial District No. 11  
Senator Dina Titus, Clark County Senatorial District No. 7  
Senator Maurice E. Washington, Washoe County Senatorial District No. 2  
Assemblyman Bob Seale, Assembly District No. 21

**STAFF MEMBERS PRESENT:**

Brenda J. Erdoes, Legislative Counsel  
Michael Stewart, Committee Policy Analyst  
Elisabeth Williams, Committee Secretary

**OTHERS PRESENT:**

Teresa Moiola, Assistant State Controller, Office of the State Controller  
Kim Huys, Acting Chief Deputy Controller, Office of the State Controller  
John L. Wagner, Burke Consortium of Carson City

Senate Committee on Legislative Operations and Elections  
May 17, 2005  
Page 2

Lynn P. Chapman, Vice President, Nevada Eagle Forum  
Fred Welden, Fred Welden Consulting  
Steve Robinson, Advisor on Wildlife, Conservation and Rural Nevada Issues,  
Office of the Governor  
Alan Biaggi, Director, State Department of Conservation and Natural Resources  
Hugh Ricci, P.E., State Engineer, Division of Water Resources, State Department  
of Conservation and Natural Resources  
John Slaughter, Washoe County  
Joseph Guild, Nevada Mining Association; Newmont Mining Corporation/Gold  
Company  
Andy Belanger, Southern Nevada Water Authority  
Lori Williams, General Manager, Truckee Meadows Water Authority  
Tina Nappe, Sierra Club  
Rob Joiner, City of Sparks  
Peter Krueger, Nevada Petroleum Marketers and Convenience Store Association  
John Madole, Nevada Association of Mechanical Contractors  
Helen A. Foley, Western Ethanol Company Limited Liability Company  
Mary Conelly, State Director, United States Senator Harry Reid  
Gordon DePaoli, Walker River Irrigation District  
Tom Baker, United States Forest Service  
Laurie A. Thom, Chairman, Walker River Paiute Tribe  
Janine Hansen, Nevada Committee for Full Statehood  
Kaitlin Backlund, Nevada Conservation League

CHAIR CEGAVSKE:

I open the hearing on Assembly Joint Resolution (A.J.R.) 3 and for the record,  
we are in a subcommittee.

**ASSEMBLY JOINT RESOLUTION 3 (1st Reprint)**: Proposes to amend Nevada  
Constitution to revise provisions governing certain constitutional officers.  
(BDR C-947)

ASSEMBLYMAN BOB SEALE (Assembly District No. 21):

Assembly Joint Resolution 3, as amended, provides for constitutional change by  
eliminating the offices of State Treasurer and State Controller and creating a  
new office, the Secretary of Finance. The Secretary of Finance would appoint a  
Treasurer and Controller with the appropriate qualifications to serve in those  
jobs, and legislation would be written in the future to define the criteria for  
those qualifications. The effective date of this legislation would be January 3,

2011. Whoever is elected to Controller or Treasurer in the next election could serve his or her full term. Then in 2010, someone would run for the Secretary of Finance.

I brought this bill forward in 1995. It passed through the Nevada Assembly and the Nevada Senate in a different format. In that bill, I had eliminated the Controller and combined it with the Treasurer. In this bill, I have eliminated both the Controller and the Treasurer and created a new office named the Secretary of Finance. This bill does a couple things. It brings the State of Nevada and its fiscal responsibilities into the 21st century and saves approximately \$1.5 million in each biennium. I have worked these numbers for a long time and am confident in what those numbers represent. I have passed out a work sheet ([Exhibit C](#)) that is approximately the same work sheet I used in 1995 when I was the Treasurer.

One of the objections people have to the concept is we lose checks and balances. I would argue that we do not lose checks and balances. I have been the chief financial officer (CFO) in a large corporation. As CFO, both of these positions reported to me. The real key is internal control. Do we have adequate internal control in the State of Nevada? I would argue that we do. When the Nevada Constitution was set up, we did not have a Legislative Counsel Bureau Audit Division. We do now. We did not have the kinds of accounting systems and the electronic controls we have now.

ASSEMBLYMAN SEALE:

I would point out that our first Treasurer, Eben Rhoades, embezzled the entire permanent school fund in 1865. The fund was not big in those days, but one of the reasons Nevada has one of the smallest permanent school funds in the country is because the fund was not replaced until the mid 1920s. They did catch up with Mr. Rhoades. They found him dead in a hotel room in San Francisco as a result of an opium overdose.

Later in the 1920s, Treasurer Edward C. Malley and Controller George A. Cole conspired to steal an entire year's worth of the General Fund. The point I am trying to make is with the alleged separation of duties, we had two major defections in the State. Having the Treasurer and the Controller as separate offices did not prevent that. If someone wants to steal money and is willing to conspire, it could be done. I contend it is far more difficult to do that now with the kinds of controls we have.

A number of other states have combined these offices. Texas did a decade ago; they rolled the treasurer's office into the controller's office. In Texas, the controller's office is a much more powerful position so it made some sense in that instance. Virginia has a secretary of finance, and the controller and the treasurer report to him. Florida has a secretary of finance, and a number of different offices report to him. The direction we are going is towards combining these offices. There are about 38 elected treasurers and 15 elected controllers. I hasten to point out that with the language in this bill, we are not doing away with those offices. We are making sure they are still there, they are appointed and they have the appropriate qualifications. The position of treasurer and controller are highly technical positions. The people serving in those offices should be controlled by an elected constitutional officer doing those jobs.

CHAIR CEGAVSKE:

I have heard a lot of concerns about checks and balances. I do not know if I have a compelling reason not to continue to ask those questions and voice those concerns. The history you gave us was interesting. However, if you are going to roll two offices together, there will be twice as much work for one person. You would have to bring those employees from both offices together to do the job they are already doing. You are not condensing the job, you are just condensing the title.

ASSEMBLYMAN SEALE:

To an extent, that is true. However, in each one of the constitutional offices, there is a secretary. You would only need one of those. There are people who do certain bookkeeping functions that would become duplicative if the offices were combined. Now there is a Treasurer, Controller, an assistant controller and an assistant treasurer. Under this bill, the Controller and the Treasurer are the chief deputy treasurer and the chief deputy controller.

CHAIR CEGAVSKE:

You would have people working for them with higher titles than they have now; they would be assistants. We would eliminate an elected official but a good many of the employees from that eliminated office would come to work in the new office. I sit on the Senate Committee on Finance. Over the years, we have given both offices more staff because their duties have increased. That is one of the things I struggle with in this bill. In my opinion, there will be the same

amount of staff. There will be one elected officer instead of two, and there will be administrators subordinate to them. Would we really be saving that much money?

ASSEMBLYMAN SEALE:

I do not know that you would need both secretaries we now have for the Treasurer and the Controller, both public information officers for the Treasurer and the Controller or both people who oversee the data-processing activity in the offices of the Treasurer and the Controller.

CHAIR CEGAVSKE:

That is what I am concerned about; we do not know. What if we made this change and then they come back to the Legislature the following year to ask for more money because they cannot function without a certain number of people?

SENATOR BEERS:

If this were to happen, I have a hard time imagining the new Secretary of Finance coming on board, eliminating all these positions and however many more it takes to accommodate the salaries of the Treasurer and Controller, who would be appointed, and ending up with \$1.5-million savings. You have held the Treasurer's office. Does the senior deputy treasurer not do anything? I had imagined that position as a hands-on technician. How could we eliminate that position?

ASSEMBLYMAN SEALE:

You could combine any number of these positions. Remember, one of those positions is in the Treasurer's Office and one in the Controller's Office. I am not saying the senior deputy treasurer does not do anything; I am saying there are efficiencies. Senator Beers, you know there is an opportunity, when you combine operations that have similar functions, to get some economies out of these situations. That is what I envision, and it is based on years of experience in the private sector, my experience in the Treasurer's Office and working in and around the Controller's Office.

SENATOR BEERS:

How similar are these offices? I thought one was in charge of managing our invested funds.

ASSEMBLYMAN SEALE:

That is correct, but a lot of bookkeeping-type functions under those positions are essentially debits and credits. Clearly, the Treasurer's Office is investing money and managing cash flow. The Controller's Office is responsible for the bookkeeping and the reporting.

SENATOR BEERS:

I envisioned the Treasurer's Office generates many daily debits and credits to record activity in invested funds. The Controller records the daily journal entry that is the summary of all those detail transactions. If someone at the Controller's Office follows up the Treasurer's Office's work and does individual investment transaction debits and credits, that would be a duplicate effort. However, if that is automated or if there is a summary of that process, I do not see the duplication of effort is going to justify a significant amount of savings. [Exhibit C](#) does not add back the appointed Treasurer and Controller, who, no doubt, will make considerably more than the existing elected Treasurer and Controller.

ASSEMBLYMAN SEALE:

No, [Exhibit C](#) does actually. The appointed Controller and Treasurer are, in effect, the chief deputy controller and the chief deputy treasurer.

SENATOR BEERS:

I see. Is the senior deputy treasurer different from the chief deputy treasurer?

ASSEMBLYMAN SEALE:

Yes, the chief deputy tends to be hands-on.

SENATOR BEERS:

We have not eliminated an accountant technician in the four Sessions I have been here.

ASSEMBLYMAN SEALE:

Help me accomplish that.

SENATOR MATHEWS:

I was wondering if we are going to publish a job description for the person who runs for Secretary of Finance. Could I run for it?

Senate Committee on Legislative Operations and Elections  
May 17, 2005  
Page 7

ASSEMBLYMAN SEALE:

You could run for it, just as you could run for Treasurer or Controller.

SENATOR MATHEWS:

I would not know what was going on in the department would I?

ASSEMBLYMAN SEALE:

That does not stop the rest of us.

SENATOR MATHEWS:

I am concerned this would create two more layers of bureaucrats who could remain there forever as Treasurer and Controller. Now, if the people in those positions are not doing their job, the voters can reject them.

ASSEMBLYMAN SEALE:

We already have those bureaucrats there. You are right; there will be one less person to turn out of office, but if that person does not perform with appropriate staff underneath them, they should be turned out. I managed to do that once myself.

SENATOR MATHEWS:

You are talking about the Secretary of Finance. That person does not have the ability to get rid of the Controller or the Treasurer.

ASSEMBLYMAN SEALE:

No, the people would not have the ability to get rid of the Controller or the Treasurer, but the Secretary of Finance would be able to get rid of those people.

SENATOR MATHEWS:

What if they do not have the resolve to do that? I was just wondering if you were creating two more big layers.

ASSEMBLYMAN SEALE:

I do not think so, and that was not my intention. My intention was to take that top layer and make it smaller by one. Then everything else falls in place.

TERESA MOIOLA (Assistant State Controller, Office of the State Controller):

I wrote down my testimony for the Committee ([Exhibit D](#)). I am here today to oppose A.J.R. 3 which proposes to eliminate the elected offices of the

State Controller and the State Treasurer and create a single elected office of the Secretary of Finance. I urge the Committee to consider the repercussions of A.J.R. 3 carefully and engage in serious debate and unbiased research before choosing to eliminate two elected constitutional offices, which have served the State of Nevada and its citizens in a way no other offices or agencies duplicate.

One of the main arguments for the abolition of the State Controller's Office has been the claim of cost savings. The issue of eliminating or consolidating the office is not a new one. Allegations of cost savings with numbers ranging from \$500,000 to \$1.5 million have been put forth over the years. However, these claims of costs savings have never been substantiated by an impartial study.

This Session, the only consolidation plan our office has seen was created by the primary sponsor of this bill. It is clear, at least to us, the creator of this plan has little understanding of the duties of many of the positions targeted for elimination. However, regardless of the proposal, one thing remains true; there is virtually no redundancy in positions between the offices of the Controller and Treasurer, so the claim of a significant cost savings based on elimination of staff appears questionable and unsubstantiated.

Many different proposals to eliminate the offices have been considered by the Legislature over the years. The original version of A.J.R. 3 proposed to consolidate the Controller's Office within the Treasurer's Office. A subsequent amendment, the one you are considering now, proposes to eliminate both offices and create a Secretary of Finance.

Ms. MOIOLA:

Even if a small savings could be realized, is it worth stripping the citizens of our State the constitutional right to elect a member of the Executive Branch of government? The State Controller is one of only six elected constitutional officers and eliminating the Controller and Treasurer in favor of a single elected official would ultimately reduce and eliminate the voice of the people in state government. Instead of electing six officials, directly answerable to the public, the citizens would choose only five.

Additionally, we ask why a change is needed. Nothing here is broken so what are we trying to fix? Most states are not going in the direction of consolidation, and of those few who have, the process has often created more problems than it solved. Only five states in the entire nation have the offices of the controller



and the treasurer combined in any way. Even among those five states, most remove the investment function to ensure integrity in that process. Forty-five other states see fit to separate the powers in some way, be it through separate offices of the controller and treasurer, an auditor and a treasurer, a controller, a secretary of finance or a board of investments. Whatever the name, a separation exists.

Florida is the one and only state that has fully combined the office of the controller and treasurer into a chief financial officer. However, that was not the only change they made. At the same time, they reduced the entire cabinet from six members to only three members under the governor, those offices being the attorney general, the agriculture commissioner and the newly created CFO. They eliminated the controller, the treasurer, the education commissioner and the secretary of state. Does Nevada truly want to use Florida as a model? Texas created a single consolidated office under the state controller. However, again, they have separated out some of those duties to ensure integrity for the separation of the process.

In some way, 45 states have a full separation of powers. I have given you a packet ([Exhibit E](#), original is on file at the Research Library). On pages 24 through 29, there is detailed information regarding these facts, and it is provided by an unbiased source, the National Association of State Auditors, Comptrollers and Treasurers. These pages clearly define what every single state has done. The five states that do have some sort of combined office usually have some separation. The federal government has a separation of powers in finances.

I have heard it stated many times that the role of the Controller is archaic. The Controller performs the role of accounting and financial reporting for the State. I would hate to think the practice of financial accounting is archaic.

KIM HUYS (Acting Chief Deputy Controller, Office of the State Controller):  
I would like to present my testimony ([Exhibit F](#)) and address in more detail the two main issues of our objection to the A.J.R. 3 plan for consolidation, the first being the unfounded claim of cost savings and the second being the idea that internal controls can substitute for separation of powers.

The assistant controller mentioned the lack of redundancy in positions between the two offices. Since the majority of the State Controller's Office budget is

spent on personnel, this fact further weakens the argument that consolidation would result in a significant cost savings. The State Treasurer's Office does not employ accountants, produce a Comprehensive Annual Financial Report or a Popular Annual Financial Report, administer the statewide accounting system and debt collection program, engage in Internal Revenue Service Form 1099 reporting, produce checks and warrants or support vendor services, just to name a few things we specifically do.

When the idea of consolidation first emerged over ten years ago, Nevada did not have an integrated financial system or centralized debt collection in place and it did business in a different way. In our opinion, the only consolidation model put forth is based on old information. It targets positions such as the Controller's Office chief accountant of operations. This position heads the biggest division within the agency and supervises the largest number of staff. It is clearly a full-time job, and it is targeted for elimination with the duties to go to the deputy treasurer for cash management. Does the deputy treasurer for cash management have so little to do that he or she could take over another set of full-time responsibilities? The same question could be asked of the deputy treasurer for debt management. Is this another position with enough time to spare to assume the State's entire debt collection efforts? In fact, the initial proposed restructuring eliminated several management positions in the Controller's Office and seems to imply the Treasurer's Office is top heavy with managers who can easily assume additional responsibilities.

Ms. Huys:

Another point not considered is the fact that combining the offices roughly doubles the size of the staff. It is our experience when an agency's size increases significantly, it often requires the addition of certain support positions like a designated personnel representative or a designated public information officer, neither of which either agency currently has due to the relatively small size of their respective staffs. Our concerns with the consolidation proposal do not end there. Another example of inconsistencies in the plan is the savings claim of long distance phone charges of \$7,020 annually and \$14,040 over the biennium by eliminating the nine positions. The entire Controller's Office spends only around \$2,000 annually on long distance charges for all 45 employees and fax lines.

Secondly, it has been argued there is no longer any need for a separation of powers to provide a checks and balances system given today's level of

technology. Technology alone does not protect any office from hi-tech manipulation of computer programs or records. Checks and balances must still be provided by people whose job duties are segmented into different responsibilities and who are entrusted to do what is right. Internal controls, while critical to any agency, do not substitute for full separation of powers.

JOHN L. WAGNER (Burke Consortium of Carson City):

The proposed section 19A of Article 5 of the Constitution as detailed in A.J.R. 3 says, "The Secretary of Finance shall appoint as deputies a Treasurer and a Controller to assist in carrying out the duties ... ." Under this bill, three people would do the job that two people do now. I do not see why we need three people. There was discussion about combining the staff of the Controller's Office and the Treasurer's Office and eliminating the duplicate positions. This bill would combine two people who each have a half a day's work into one job. If they are not doing anything now, that indicates some jobs could be eliminated anyway. I do not see where we are going to save any money. I do not believe our state workers are just sitting there. People think the Legislators sit at their computers and play games all day. I know you are writing e-mails and watching what is going on in the other committees. Assembly Joint Resolution 3 is not a good idea. I do not think the people of the State will approve it anyway.

LYNN P. CHAPMAN (Vice President, Nevada Eagle Forum):

It is important to remember that it is in the people's best interests to have an elected official. If the system is not broken, why are we trying to fix it? It does not make any sense; it has been working well. There has not been any reason to really change things. Assembly Joint Resolution 3 talks about saving money and here we go again about getting bigger and bigger government. I do not think that is a good idea. We do need accountability to the people, and if they are elected, they will have accountability. I worked for Hewlett-Packard Company for many years, and we can agree that is a successful, well-run organization. It is a huge corporation. Guess what? They have a controller position and a treasurer. We should keep that in mind. We oppose A.J.R. 3.

CHAIR CEGAVSKE:

We will close the hearing on A.J.R. 3. Let us move to our work session packet ([Exhibit G](#)). We will begin with A.B. 259. Gary Wolff has withdrawn all his amendments he had brought to us. He wanted it on the record that he supports A.B. 259 the way it is.

Senate Committee on Legislative Operations and Elections  
May 17, 2005  
Page 12

**ASSEMBLY BILL 259 (1st Reprint)**: Revises provisions relating to rights of peace officers. (BDR 23-546)

SENATOR RAGGIO MOVED TO DO PASS A.B. 259.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS TITUS AND WIENER WERE ABSENT FOR THE VOTE.)

\* \* \* \* \*

MR. STEWART:

Committee, you recall we heard A.B. 415 which was brought to us from Assemblyman McCleary.

**ASSEMBLY BILL 415 (1st Reprint)**: Makes various changes relating to requests by Legislators for preparation of legislative measures. (BDR 17-772)

This bill requires every Legislator who requests the drafting of a legislative measure to disclose his or her name on the bill draft request (BDR) list. The bill also requires that upon request, the Legislative Counsel should add the name of a Legislator as a primary requester of a bill draft if the original primary requester will not be returning to the Legislature. One amendment was offered by Lucille Lusk, and it is on page 5 of Exhibit G. This amendment would require a Legislator's name on the BDR list when he or she becomes the primary sponsor of a BDR of a nonreturning Legislator. If a Legislator adds themselves onto a nonreturning Legislator's BDR, the Legislator's name would appear on that list. It also proposes that any such measure would count as one of the Legislator's authorized number of bills. The mock-up language of the amendment is on page 5 of Exhibit G.

SENATOR RAGGIO:

I have opposed this for lots of reasons. It sounds good. A Legislator has a request to have some concept put into a bill draft and until the Legislator sees the bill draft, the Legislator is not sure whether they are going to introduce it or not. That is the reason we put it this way in the first place. I may be the only voice in the Legislature who feels this way. I still believe a Legislator should have an opportunity to have a request drafted and look at it before they decide

whether or not to introduce the bill. At the time the bill is introduced, the Legislator's name becomes associated with it. Even if I am the only voice, the system we designed was designed for that reason. We have the right as Legislators to request a bill draft. We say we want a bill draft that does whatever. We do not see the bill draft, so we ought to have that right to request it. When the Legislator introduces the BDR, their name has to be on it.

SENATOR HARDY:

I understand Senator Raggio's point, and I agree with it. However, given the limited sessions, it would be helpful to know where legislation is coming from. We could save a lot of time in this Legislative Building. More and more groups that get involved with the Legislature are involved year-round trying to get their issues and concerns addressed. At some point, prior to the beginning of the Legislative Session, this information should be available so we all know who introduced their bills. I do not have any problem if Senator Raggio wants a period when the Legislator can accept and acknowledge the draft is conceptually correct. That makes a lot of sense. Given the limited sessions, we would save ourselves a lot of time during the legislative process if there was time to work on this in the beginning. Sometimes, that is only possible if you know which Legislator introduced it. This is easy for me to say; as a matter of practice, I put my name on all legislation. I do understand Senator Raggio's reasoning. Ms. Lusk's amendment makes sense.

SENATOR CEGAVSKE:

I also like Ms. Lusk's amendment. I put my name as the sponsor on all of my legislation. Senator Hardy gave some comments on a cooling-off period. When we put our names on these BDRs, we submit them right after Session. Sometimes the Legal Division does not get into drafting those for months or a year, so we do not know what it is, even though we may understand the concept. That is what I try to do. I also let people know when I put something in at the request of somebody else; I add the "at request" language.

SENATOR MATHEWS:

I was thinking of a point you brought up. A Legislator can list their name on these BDRs and then put "by request" on them. This bill does not prohibit that. I put my name on all my bills, and I get all the calls from people wanting to know if I have lost my mind.

SENATOR BEERS:

Is there any place in the *Nevada Revised Statutes* (NRS) where the limit on how many bills we can have is addressed? My understanding is that set of rules was created when we shortened the Session as an internal managerial technique. If this is the first time we address any portion of that limit in the NRS, I am wondering if we even want to keep it out of the regulations.

MR. STEWART:

It is addressed in NRS 218.2423 which sets forth the limitations on the bills allowed to Senators and Assemblymembers.

CHAIR CEGAVSKE:

I open the hearing on Senate Concurrent Resolution (S.C.R.) 26.

**SENATE CONCURRENT RESOLUTION 26**: Creates interim study of use, allocation and management of water resources in Nevada. (BDR R-433)

SENATOR DEAN A. RHOADS (Northern Nevada Senatorial District):

I have provided my testimony to the Committee members ([Exhibit H](#)). During the last interim, the Legislative Committee on Public Lands received a lot of testimony on water and water-related issues in Nevada. Based on the testimony from all around the State, the Public Lands Committee adopted a recommendation that the Nevada Legislature set up an interim committee specifically to study water. Senate Concurrent Resolution 26 is a product of that recommendation. This is long overdue.

As a representative of rural Nevada, the testimony that troubled me the most during the last interim and the present Legislative Session has been about proposals to transfer water from rural Nevada to urban portions of the State. As you all are aware, I have made it a priority in my political career to work for the protection of my constituents' rural lifestyle and precious natural resources. I will continue to aggressively protect my rural district, but transfers of water all around the State are now beginning to raise questions. We are looking at potential major transfers in Washoe County, and transfers through the Douglas, Carson City and Lyon Counties as well as the proposals in southern and eastern Nevada. In addition, we saw at least 23 BDRs related to water as the current Legislative Session began.

Based on these situations, I believe the study proposed in S.C.R. 26 is the most important interim study you will be asked to consider this Session. At the beginning of the Session, I asked Fred Welden to help me by watching proposed legislation and outlining elements that might be included in the interim study.

SENATOR MAURICE E. WASHINGTON (Washoe County Senatorial District No. 2):  
I am fully in support of S.C.R. 26. As you might be aware, last Session we introduced similar legislation for an interim study committee on water. Here we are again proposing the same type of legislation. The Committee members know how important water is to this State and our communities. Therefore, an interim study committee is necessary. I strongly support the subcommittee and the subjects they will consider, which is in the legislation.

FRED WELDEN (Fred Welden Consulting):

As the Session began, Senator Rhoads asked me to watch some of the legislation and help him put together an interim study. The meat of S.C.R. 26 begins on page 2, line 19. It establishes a committee of the Legislature to study use, management and allocation of water resources in the State. The 8-member composition of the committee is spelled out on page 2, lines 20 through 37. The specific elements of the study are outlined from line 38 on page 2 through line 40 on page 3. The subcommittee could study any other issues they feel are important. Line 44 on page 3 calls for the creation of a subcommittee to look at the feasibility and advisability of consolidating the water-related services in Washoe County. Page 4 outlines the structure of the subcommittee which would specifically look at Washoe County issues. Line 18 through line 34 on page 4 lists the specific responsibilities for the members when they look at the possibility of consolidating water-related services in the county. Page 5 says the Legislative Commission would submit a report from the committee and the subcommittee and report back to the next Legislature.

CHAIR CEGAUSKE:

Are there certain requirements to make sure the Legislators who end up on this committee are from northern and southern Nevada? You mentioned the subcommittee is going to study "the feasibility and advisability of consolidating the water-related services in Washoe County." My concern is that we have an issue statewide. If we adopt S.C.R. 26, we should make sure it includes the northern Nevada water issues and representatives and southern Nevada water issues and representatives. Could you address that?

SENATOR RHOADS:

I would hope the majority leader and the minority leader, who will pick two of the members of the main committee, would make sure the committee was balanced. The full committee is going to spend a lot of time on the southern and eastern Nevada water issues. I hope the chairman of the respective committees ensures some geographical fairness. If you want to amend the bill to say something like that, I have no problem.

CHAIR CEGAVSKE:

It says the subcommittee is going to study "the feasibility and advisability of consolidating the water-related services in Washoe County." Instead of "in Washoe County" could we put "in the state of Nevada?" Does it have to be Washoe County? Is there a reason for that?

SENATOR RHOADS:

Washoe County has a real problem, and they need to discuss it. All the appointments to that committee should be from Washoe County.

SENATOR RAGGIO:

The study should be statewide. The reason the subcommittee only concerns Washoe County is because the other counties do not have this problem. Clark County has the Southern Nevada Water Authority. Washoe County has long been involved with a number of water companies. I am not taking sides on this, but the issue of constant consolidation of the different water companies that exist in Washoe County, which is a growing urban area, needs to be looked at objectively and carefully. That is the reason why a special subcommittee would be in this study.

CHAIR CEGAVSKE:

That is fine, but I would still like representatives from the south on that subcommittee and the committee. It is important for us, as elected officials, to learn and know the issues at both ends of the State.

SENATOR RHOADS:

Senator Hardy will be on it because he is the Chair of the Senate Committee on Government Affairs and that chair is automatically on the interim committee.



SENATOR MATHEWS:

There is a bill in the Senate Committee on Finance. I was wondering if it would be helpful to have someone from the Desert Research Institute (DRI) on the committee.

SENATOR BEERS:

It is my understanding the bill would buy equipment for DRI which will allow them to create another business under the DRI umbrella. The business would study whether or not the 40- and 50-year-old estimates of the quantity of water available in each of Nevada's basins is accurate. The hope is that the estimate we now have would turn out low, and the basins hold more water than we think. The new technology would try to measure evaporation.

SENATOR MATHEWS:

In light of that new technology, I would suggest the sponsor of this bill have someone from DRI included on that committee. That was my suggestion when this bill came to the Senate Committee on Finance; we should look at water inventory for the State. One of the logical people on the committee would be someone from DRI unless that would make the committee too big. The representative from DRI could be on the committee, the subcommittee or both the committee and the subcommittee.

SENATOR RHOADS:

At one time, we thought of having a technical advisory committee, like some of the other committees have had in the past. The more we discussed it and the more we added to the list, the more cumbersome it became. We decided it would not be possible because it would be quite a big committee. That is a good idea though.

SENATOR WASHINGTON:

Just because someone with an expertise in certain areas is not on the committee does not mean they would be precluded from presenting information to the committee so members could be informed and make sound policy on behalf of the entire State.

SENATOR MATHEWS:

There is a big difference between testifying before a committee and actually being on the committee and hearing all the conversation that goes on from day to day. Normally, a person who comes to testify would only testify once or

twice. They are not privy to the inner workings of that committee. I understand concern about the size of the committee and how overwhelming a big committee can be. It was just a suggestion.

SENATOR RHOADS:

On the Legislative Committee on Public Lands, whenever we had a hearing, the major players followed our committee around and got involved in the dialogue as we discussed the issues. Water is important and is going to be on everyone's agenda; we are going to have quite a following.

STEVE ROBINSON (Advisor on Wildlife, Conservation and Rural Nevada Issues, Office of the Governor):

Hugh Ricci will offer some minor amendments to S.C.R. 26, which we think will help define Senator Rhoads' intent. A lot has been written in the media and testified on in this Legislature about water in Nevada. We are not privy to the reasons behind those other proposed legislations. However, I can assure you that Governor Guinn's defense of the water law and the independence of the state engineer is based on the belief that after six years of his personally overseeing that office, those two institutions, the act itself and the position of state engineer operate in the best interest of the State as a whole. Any group's or region's agenda was simply not a factor in this Governor's approach to water policy this Session. The most talked-about issue, interbasin transfers from north to south, was never the primary consideration for this administration and our comments on legislation. For those reasons, we believe Senator Rhoads' approach is a good one.

The interim study will inventory and make recommendations on research and look at all previous water studies before committing to specific expenditures. Physical water study and research, in which we probably need to engage, can be extremely costly. This legislation takes that into consideration so we know what has been done before and by whom. The Executive Branch looks forward to the passage of S.C.R. 26 and working through the interim on this issue.

ALAN BIAGGI (Director, State Department of Conservation and Natural Resources):

I have provided a concise amendment to S.C.R. 26 ([Exhibit I](#)). The intent is to ensure the work of the state engineer continues throughout the interim. It is not the goal of the interim session to halt, in any way, the decision-making process.

The proposed amendment states, "Whereas, that the State Engineer shall continue to exercise his statutory authorities and responsibilities during the course of this interim study."

CHAIR CEGAVSKE:

Could you explain why you feel there is a necessity to add that to this bill?

MR. BIAGGI:

The intent of the interim committee is not to halt the work of the state engineer while the interim study is conducting their evaluation and giving their recommendations. We want to ensure the state engineer continues his statutory responsibilities and his decision-making responsibilities between now and the next Legislative Session.

CHAIR CEGAVSKE:

What would lead you to believe that S.C.R. 26, as written, would not allow that?

MR. BIAGGI:

Nothing in it would lead us to believe that. We just wanted to make sure it is stated explicitly that this will not, in any way, hamper his duties or responsibilities; the state engineer will continue to do the work.

SENATOR MATHEWS:

It concerns me that you need to put in an amendment which says the state engineer can continue his duties. I thought that was his duty. Secondly, we have committees appointed all the time. These committees should enhance what the state engineer does and not threaten him. Thirdly, Steve Robinson put a fiscal note on this bill. That sure seems like a way to kill something. When you do not want something to pass, you just say it costs too much money.

MR. ROBINSON:

I did not put a fiscal note on it.

SENATOR MATHEWS:

You said it was costly. What does that mean?

MR. ROBINSON:

I tried to point out there have been a lot of water studies done over the years in the State. It gets expensive if you get out and start punching holes in the ground and monitoring the effect on underground water basins and aquifers. It does not mean we ought not to do it. I believe I said that. We ought to be sure or have a pretty good idea what we want to do before we embark on something that potentially costs tens of millions of dollars.

SENATOR MATHEWS:

I am concerned. I have been here ten years. People kill good policy by saying it costs too much money. I am glad you mentioned punching holes because the DRI equipment does not need to punch holes.

CHAIR CEGAVSKE:

I agree with some of Senator Mathews' concerns with this amendment, but the full committee can look at that.

MR. BIAGGI:

The dialogue here today explicitly states the legislative intent of this committee. If it is decided this amendment is not appropriate, what has been put on the record will suffice.

SENATOR RAGGIO:

I do not take umbrage at this proposed amendment, and I understand their concern. They have a lot of work to do and a lot of applications pending. I do not think anyone ought to be coming to them to say they should hold up on something because there is a study going on. That is what they are concerned about. As long as we have had this dialogue, that is helpful.

HUGH RICCI (P.E., State Engineer, Division of Water Resources, State Department of Conservation and Natural Resources):

I am a state engineer and obviously I speak in support of S.C.R. 26. I want to make it clear that I have no position on that portion of the subcommittee dealing with the study of the feasibility and consolidation of the services in Washoe County because it is a local issue and has no impact in our office. My staff and I are available to the committee and the subcommittee for any data they may need or request.

JOHN SLAUGHTER (Washoe County):

The Washoe County Board of Commissioners certainly supports the statewide study of water that is the subject of S.C.R. 26. I have a few comments on the subcommittee to study the feasibility and advisability of consolidating the water suppliers in Washoe County. Specifically, the Commissioners ask the committee to consider the expertise of the Regional Water Planning Commission in Washoe County, established through NRS 540A, as a resource to a study. Also, the Commissioners ask if the subcommittee study remains a northern Nevada issue, the majority of Legislators on that subcommittee be from northern Nevada.

SENATOR MATHEWS:

Is there a compelling reason you want a majority of the subcommittee members from northern Nevada?

MR. SLAUGHTER:

The Washoe County Board of Commissioners reviewed this issue and thought the consolidation of Washoe County water resources is, in essence, a local issue for local interests. The familiarity of those Legislators with the area would be useful. However, bringing in Legislators from other parts of the State may allow a non-biased look at the situation.

JOSEPH GUILD (Nevada Mining Association; Newmont Mining Corporation/Gold Company):

I am here in support of S.C.R. 26. In my career as an attorney, I spent a lot of time in the water law area. I participated in all previous studies this Legislature has undertaken regarding water in the last 25 years. The Legislature considers this situation about every ten years. This is a timely and important study for the Legislature to consider. That is why I would urge this Committee to lend its support to this study. You have a lot of studies presented to you, but this is one of the most important things you will consider. I urge your support.

Everybody has to remember the state engineer sometimes acts as a quasi-judicial officer. Senator Raggio alluded to the concern of a slowing effect on the state engineer's efforts during the interim study if there is not some declaration or discussion of legislative intent. It is up to the Committee to add or not add the amendment. Discussion regarding that has been important and clarifies the interim study would not in any way delay those quasi-judicial activities.

CHAIR CEGAVSKE:

Everyone in the State and Legislators from the north and south understand the water concerns and problems. That was one of the things I figured out my first session in 1997. Water means a lot to those in southern Nevada and those who deal with agriculture, cattle and everything in the north. You are not going to find one out of the 63 members of this Legislature who does not have a compelling reason to support the water issue. We need to do something about it in our State.

ANDY BELANGER (Southern Nevada Water Authority):

We are in support of S.C.R. 26 for the reasons mentioned previously. We want to be on record in support of it. We were at the Legislative Committee on Public Lands meetings which occurred over the last interim. We will be there during the deliberations of this Committee on S.C.R. 26. We do want to say on the record that we support the intent of the amendment proposed by the State Department of Conservation and Natural Resources.

LORI WILLIAMS (General Manager, Truckee Meadows Water Authority):

We support handling the water issues through this interim study proposed in S.C.R. 26. Our board specifically supports looking at the consolidation issue in Washoe County related to the water supply issues we are intimately involved in. I would also like to put on the record that the Truckee Meadows Water Authority (TMWA) staff and consultants are available to participate and assist both the committee and the subcommittee in any way possible through this study.

TINA NAPPE (Sierra Club):

I am most enthusiastic about this study. We have worked with the state engineer on Nevada's water issues for many years. I would like to put on record what an open-door policy the state engineers have. I have always been impressed with how willing they are to meet with us. My concerns deal with the future and adequate funding. This study says it is focused on studies. I am quite concerned about the state engineer maintaining the high position, credibility and stature to which we have always held that office. We are concerned and would like to see more of the work go online. We would like to see more development and reaching out to the public, all of which means additional staff. The state engineer is our major water education component. When Michael Turnipseed left his office, we made a comment that the state engineer had part of this elevation in stature because over the years the people

have worked through that agency into higher positions. We hope this Committee will also look at the structure and the role of this agency and promote additional funding for it. Finally, we would like them to look at some of the definitions we have all taken for granted, such as carbon and aquifer, perennial yield and public interest and build that aspect. We fully support this and hope it will be a broadly visioned study as well.

ROB JOINER, (City of Sparks):

I provided you with the letter the Sparks Assistant City Manager, Stephen W. Driscoll, wrote at the direction of our city counsel ([Exhibit J](#)). Ordinarily, our city counsel would follow the direction of staff and wait to comment on interim study commissions after they are formed and in session. However, they felt strongly about specifically drawing out Washoe County to concentrate on that subcommittee and not provide a comprehensive statewide study. Based on that, Mr. Driscoll has presented some advance concerns and noted some relationships we have with people like Lori Williams and her agency, TMWA, and the Regional Water Planning Commission, as previously mentioned. Those intricate relationships are in existence and working well. We look forward to working with the committee in the interim session.

CHAIR CEGAVSKE:

I close the hearing on S.C.R. 26.

SENATOR MIKE MCGINNESS (Central Nevada Senatorial District):

I am a member of the Nevada Military Advocacy Committee. Those of us who represent areas that have military installations in their districts became rather concerned last week when the Base Realignment and Closing Committee, more commonly known as a BRAC committee, targeted the Hawthorne Army Depot in Mineral County and the Nevada Air National Guard Base in Reno. What I would like from this Committee is a resolution supporting those two installations and opposing their closures. Recently there was a videoconference meeting with the Governor's Office, Congressman Jim Gibbons and representatives of U.S. Senator Harry Reid and U.S. Senator John Ensign. Everyone was involved. We will get information to the Committee as soon as possible to get that resolution.

SENATOR BEERS MOVED TO REQUEST A RESOLUTION TO SUPPORT  
THE TWO MILITARY BASES TARGETED FOR CLOSURE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR CEGAVSKE:  
Committee members, we have a BDR introduction.

**BILL DRAFT REQUEST R-1454**: Declares that certain regulations to which Legislative Commission has objected will not become effective. (Later introduced as [Senate Concurrent Resolution 42](#).)

MR. STEWART:  
The Committee may recall that during the interim, the Legislature reviews administrative regulations. On occasion for whatever reason, the Legislative Commission determines that some should not become effective. It is typically taken care of in a concurrent resolution, and this is the concurrent resolution which addresses those several regulations for this session.

SENATOR TITUS MOVED TO INTRODUCE BDR R-1454.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR CEGAVSKE:  
I open the hearing on S.C.R. 22.

**SENATE CONCURRENT RESOLUTION 22**: Directs Legislative Commission to conduct interim study concerning regulation of price of gasoline. (BDR R-62)



SENATOR MICHAEL A. SCHNEIDER (Clark County Senatorial District No. 11):

Senate Concurrent Resolution 22 sets up a study to review the price of gasoline and also take a look at regulating that price. It almost sounds as though it goes against my natural beliefs, but the constituency in this State has suffered the severe fluctuations of gasoline prices over the last year. It is something the states need to take a look at. Helen Foley is here to add an amendment ([Exhibit K](#)). Since we will be looking at the price of gasoline and the regulation of the price, we should also look at the availability of alternative fuels. That is critical to where we are headed in the future. The alternative fuels would come out of places like Iowa and Nebraska. Those states are changing crops into alternative fuels which are then mixed with gasoline. The clean-burning fuel is totally renewable. Gas mileage is not as high, but the price is modest. A person can get this fuel at \$1.50 per gallon, and that is possible when the price of gasoline is \$2.50 per gallon. We should take a look at the whole package of how the price of gasoline fluctuates in this State.

We hear on the news about hurricanes in Florida. The next morning, the price of gasoline goes up because the shipping lanes on the East Coast are clogged, which prevents Middle East oil from coming in. On the West Coast, we do not get Middle East oil. They also say a cold winter on the East Coast creates a big demand for home heating oil so gasoline prices in the West immediately go up. We do not use home heating oil in the West. If the Organization of the Petroleum Exporting Countries says they are going to cut production of oil in the summer, our prices here go up immediately. The next morning, our prices fluctuate instantly. This is something we really ought to take a look at. Washington, D.C., has caved in. We should also look at renewable energy. There is a real opportunity for us here in Nevada. United States Senator Harry Reid said Nevada is the Saudi Arabia of renewable energy. We have much in the way of renewable energy, and we could lead the nation in that.

PETER KRUEGER (Nevada Petroleum Marketers and Convenience Store Association):

I represent the people at the pumps at the wholesale level who hear consumer complaints on a daily basis. We are here in support of S.C.R. 22. There are some aspects Senator Schneider mentioned about regulating gas prices. We are not in favor of that, and I do not believe the study can look at that. It does not work. The study would find that in Hawaii, they are trying to regulate gas prices as well. We do feel the study would bring to light many of the factors that

cause the fluctuation, sometimes on a daily or hourly basis, Senator Schneider talked about. Gasoline is a commodity; we should look at all the fuels. We would further support the whole package of renewable fuels. We are here to work with the Committee and hope to see a study such as this occur during the interim.

JOHN MADOLE (Nevada Association of Mechanical Contractors):

We have submitted a proposed amendment ([Exhibit L](#)), and it is accompanied by a chart ([Exhibit M](#)). One of the problems created by this increase in gasoline and diesel prices is that it eliminates the vehicles and the opportunities we have to fund our road construction and other transportation needs in the future. This amendment suggests that as a part of reviewing the prices of gasoline, we also look at how we might fund these needs in the future. Everyone here knows we have not done anything in about 14 years. We have had inflation eat up approximately one-third of our buying power. At the same time, as shown in [Exhibit M](#), we have just funded a rather significant amount of bonds which are going to consume approximately 20 percent of the \$500-million total we have available to build roads here. Our needs are so significant that one interchange costs \$100 million. We do not have enough to go around. The air pollution caused as a result of not taking care of the traffic suggests this might be an opportunity to review those needs. We have the alternative-fuel vehicles and electric cars. The people who own these vehicles are not contributing to help build future roads like some cars consuming more gasoline and diesel. We would appreciate your consideration of this amendment.

SENATOR MATHEWS:

I am looking at [Exhibit M](#). Does this chart represent the total State or just the northern part of the State?

MR. MADOLE:

The chart represents the total State.

HELEN A. FOLEY (Western Ethanol Company Limited Liability Company):

I am pleased that Senator Schneider introduced this bill. It not only takes a look at the price of gasoline and what is happening there, but it also looks at some other issues you have heard about. Mr. Madole brings up an excellent point about how our roads are funded. A few months ago, we were in front of the Senate Committee on Taxation talking about alternative fuels—specifically renewable fuels—and the importance of attempting to get more vehicles using

alternatives on the road. A gigantic outcry and fear was expressed by the Department of Motor Vehicles and the Nevada Department of Transportation. They were afraid someone might use an alternative-fueled vehicle and not pay adequately for the roads.

It is shameful we would not want to clean our air. If we could get every truck that comes through Nevada to use biodiesel and dramatically clean our air and reduce our ozone problem, we should do it. However, we have to be respectful of the limited, shrinking dollars available to fix our roads and highways. I strongly support Mr. Madole's amendment. At the same time, we need to take a look at alternative fuels and renewable fuels specifically. That is why I asked Senator Schneider to request the amendment in [Exhibit K](#).

CHAIR CEGAVSKE:

Is this amendment in [Exhibit K](#) your amendment or Senator Schneider's?

MS. FOLEY:

It is Senator Schneider's, but it is one I requested. Right now, most of you do not realize it, but there are 12,000 E85 vehicles in Nevada. Because of Corporate Average Fuel Economy credits, known as CAFE credits, General Motors Corporation, and Ford Motor Company have been producing a lot of these vehicles. You would not know it because none of them actually run on ethanol; they are all running on conventional gasoline. The beauty of these cars is that you can run them on one fuel or the other. They can run on a maximum amount of 85-percent ethanol. If there were fueling stations with E85, it would be tremendous. With 10,000 E85 vehicles in southern Nevada, we could probably do a good job of eliminating our ozone problem if they all were capable of operating on that type of fuel. Right now, if ethanol fuel was sold in Nevada, it would be 7 to 10 cents less a gallon than gasoline. Many times when we think of alternative fuels, we think of expensive changes to the equipment of our vehicles and more money spent per gallon than gasoline. That is no longer the case. It would fall right in line with this bill and what can be done. I did not have a judgment call on the pros and cons of alternative fuels in this bill. It is simply a review of the availability and pricing so the Committee can take a serious look and see what alternatives might be available to us.

SENATOR SCHNEIDER:

I am supportive of all the people wanting to amend this bill. These are serious things we have to look at. If you wanted to buy a hybrid vehicle today, there is

a huge backlog to purchase one. It would take almost a year to get one. The Toyota Motor Corporation Prius has a year backlog and Ford has made an agreement to get Toyota's hybrid technology. That would address Mr. Madole's concern about losing highway dollars. As we go to those alternative-fuel vehicles, it puts more stress on the highway, but we have to clean the air. It is a catch-22. That is another reason why we need this study.

CHAIR CEGAUSKE:

I close the hearing on S.C.R. 22 and will open the hearing on S.C.R. 35.

**SENATE CONCURRENT RESOLUTION 35**: Directs Legislative Commission to conduct interim study of measures needed to protect and maintain natural treasures of Nevada. (BDR R-1143)

SENATOR DINA TITUS (Clark County Senatorial District No. 7):

In sessions past, we have acted as a Legislature to protect some of the natural treasures of the State. We have created state parks, drawn a ring around Red Rock, created a board for Lake Tahoe and appropriated millions of dollars to protect it. Two area treasures which have been woefully overlooked are Walker Lake and Mount Charleston. Policy affecting these areas has primarily been controlled by the federal government, so the State has tended to abdicate its responsibility and oversight in these areas. This is a mistake, it is unfortunate and it needs to be corrected. I am proposing this interim study to focus on these two wonderful areas, Walker Lake and Mount Charleston. I have handed out a packet of material that gives you the front page of the Web sites for these two areas ([Exhibit N](#)).

Generally speaking, Mount Charleston is the highest peak, almost 12,000 feet high, in southern Nevada. It encompasses 316 acres in the Spring Mountain Natural Recreation Area. Walker Lake is found just north of Hawthorne. It is home of the Loon Festival and great fishing in the middle of the State. As more and more people come and move to the urban areas of Nevada and spend time hiking, camping, fishing, hunting and taking photographs in our beautiful scenic rural areas, we run the risk of destroying these treasures. They lack adequate facilities to handle traffic and the increased volume of visitors. In many ways, the beauty of the area is being eroded as a result. This study would help us to identify areas which we can better protect and preserve, inventory existing facilities at these areas, foster cooperation with federal and local government

officials for a more collaborative and cooperative management of these areas and hear from users of the areas and advocacy groups about what is needed and what can be done.

Also in [Exhibit N](#) are letters of support from people who could not be here to testify. It includes a letter from the U.S. Department of Agriculture, an e-mail from people involved in the advocacy groups, a letter from the Clark County Manager where Mount Charleston is located and a letter from The Nature Conservancy. This packet shows an interest in our State to protect these two areas that are natural treasures.

MARY CONELLY (State Director, United States Senator Harry Reid):

I speak in support of this legislation, particularly as it addresses protection of Walker Lake and Mount Charleston. As many of you know, Senator Reid has been an advocate for protecting and saving these irreplaceable natural resources. Recently, Senator Reid has been working closely with Senator Ensign and Congressman Gibbons to develop long-term solutions to the complex problems facing Walker Lake and Mount Charleston. As with all issues with multiple stakeholders, everyone has their own set of facts and sometimes these facts conflict. This study could help separate the facts from the fiction. Several years ago in his remarks to a joint session of the Legislature, Senator Reid asked the State to be actively involved in the development of any plans to save Walker Lake, and the State did step up. Once again, with the passage of this legislation, the State will play an active role in assessing the best way to proceed with saving these valuable treasures. Senator Reid supports the passage of this legislation, thanks Senator Titus for bringing it forward and thanks the Committee as a whole.

MR. BIAGGI:

I will take my conservation and natural resources hat off and put on my mediator hat. As you are aware, there is ongoing litigation on the Walker River system. We are in a court-sanctioned mediation and settlement negotiation process, and results at this time are confidential. We support the interim study envisioned by S.C.R. 35 as it relates to Walker Lake. We ask if the interim study committee does go forward, that we maintain communications and an open dialogue to the extent possible between the mediation group and the study committee to avoid conflicts and working at cross-purposes. We strongly

believe the litigation must be resolved to achieve a meaningful and long-term resolution to the Walker Lake water situation. We look forward to working with the interim study committee.

GORDON DEPAOLI (Walker River Irrigation District):

I second what Mr. Biaggi said. We are also part of the mediation and agree whole-heartedly with his comments.

TOM BAKER (United States Forest Service):

Our supervisor, Robert L. Vaught, was not able to make it to this Committee to speak in support of S.C.R. 35. He did ask me to bring a letter, and it is a part of [Exhibit N](#). The Humboldt-Toiyabe National Forest is the second largest forest in the United States. It is second to the Tongass National Forest in Alaska, but Humboldt-Toiyabe is unique and beautiful. The letter in [Exhibit N](#) speaks to the unique area of the Spring Mountain National Recreation Area. We have a lot of pride in the management of the area. We look forward to working with the State and local agencies and the leadership in addressing any of these issues.

LAURIE A. THOM (Chairman, Walker River Paiute Tribe):

We are located north of Walker Lake. We are here in favor of this bill. We would welcome any opportunity to find resources to protect the trout. Our name comes from Agai-Ticutta, which means we are the trout eaters. The Tribe would like to go on record that we would be in consideration as a cooperative partner with this study. Again, we are a party to the mediation, and we would welcome any open discussion. We would also like to see, through working with the Committee, if we could get further clarification on whether this is a compilation of older studies or if this is a new study that would examine every aspect in a new way.

SENATOR TITUS:

I see this as a new study. Of course, the first step to a new study brings together things done before as background. However, the study would move forward. It would be a new study.

MS. NAPPE:

I would like to compliment Senator Titus and the Committee for hearing this resolution. This is really the first time I have seen the State step forward and be comprehensive and inclusive in looking at federal lands from an appreciative involvement prospect. The resolution encourages the partnerships and the State

to be more involved in the planning, participation and management of these lands. I hope this would be a model for us to use in looking at other lands in Nevada that are equally valuable and enjoyed by all of us as citizens.

JANINE HANSEN (Nevada Committee for Full Statehood):

We have worked for several years on the issues of land management in our State and the property rights. One of the things mentioned by Senator Titus that I really liked was the fact we should get everyone more involved in the land in our own State. Recently, I read some statistics that showed the land owned by real people in Nevada has dropped from 13 percent to only 9.6 percent. This is a significant concern to us. One reason is because we believe in the constitutional authority that this land which has been usurped by the federal government does not really belong to them. The U.S. Constitution requires that any of this land purchased is by the consent of the Legislature.

I was hunting in the Charles Sheldon National Antelope Range. Many of the access roads, traditionally available for many years for people to hunt in that area, had been blocked off. Instead of actually expanding the areas where people have access to the out-of-doors, especially for people who may be handicapped or getting a little older and cannot hike as many miles on foot, it makes it far less accessible. As you look at this study, I hope you will look at these facts. The federal government is diminishing access to the land rather than improving it. We see this with the controversy that has gone on for several years now in the Jarbidge Wilderness near Elko. I was a part of the Jarbidge Shovel Brigade, and I plan to go back this summer and be a part of that.

I am significantly concerned by the overbearing nature of the federal government's usurpation and control of our land. Recently, I was at the Black Rock Desert. Senator Reid has supported the Black Rock Desert becoming a part of federal wilderness. However, 16 of the 17 county commissions in Nevada actually opposed that. They were not responding to the concerns of the elected representatives of the people in our State, but rather an overbearing federal government intent on taking and controlling more of our land from use by the people of Nevada.

I certainly hope this study will increase the interest and participation of the State in regaining sovereignty over our own land. We are not a state, we are just 9.6 percent of a state. The states east of the Mississippi control their own land. Ours has been usurped by the federal government. This bill includes more

than just Mount Charleston and Walker Lake. On page 3, line 19, it says "any other area of the State." We need to be cognizant about not removing more areas of recreation by cooperating with the federal usurpation, as we have in the past. I hope this study will look at what is happening in our State with regard to our relationship with the federal government.

SENATOR BEERS:

I agree. If we process this bill, it ought to be expanded to include some other areas. On Sunday, I stood atop Pilot Peak in Mineral County. It is a stunning view. A couple of weeks before, I stopped at the area proposed for a state park in Esmeralda County called Monte Cristo's Castle. That is a cool area to hike around. There are a lot of treasures in this State. We might want to look at expanding this bill to include all of them.

CHAIR CEGAVSKE:

We do have a haven for treasures in the State. It does not matter where you go, there is something. The history is incredible. It has been fun for me to travel all over. We also learn a lot in the Legislature about the history from the people who come to testify before us.

KAITLIN BACKLUND (Nevada Conservation League):

I commend the efforts which have gone forward to bring this resolution to the table today. We would like to offer our support.

CHAIR CEGAVSKE:

I close the hearing on S.C.R. 35. Committee, let us go back to the work session. We were on A.B. 415.

SENATOR HARDY:

My motion is subject to any suggestions Senator Raggio has regarding a cooling-off period, which I support in concept. Senator Raggio spoke of the legitimate issue of what happens when a Legislator puts in a bill request and, upon further reflection, realizes it probably is not something he or she wants to support. I am comfortable to put in the phrase "by request."

CHAIR CEGAVSKE:

That is already there. We can put in a bill request by request for someone else.



Senate Committee on Legislative Operations and Elections  
May 17, 2005  
Page 33

SENATOR HARDY:

I understand, and this bill is not changing that. Short of any friendly suggestion on the cooling-off issue, I would like to make a motion.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 415 BY INCLUDING THE PROPOSED CONCEPTUAL AMENDMENT.

SENATOR WIENER SECONDED THE MOTION.

SENATOR MATHEWS:

Are you saying if I take a bill from someone who is not coming back for Session, that would count as one of my 10 or 20 bills allowed?

CHAIR CEGAVSKE:

Yes. Now, taking on one of those bills does not count against you.

SENATOR MATHEWS:

I do not have a problem with that.

THE MOTION CARRIED. (SENATORS BEERS AND RAGGIO VOTED NO.)

\* \* \* \* \*

Senate Committee on Legislative Operations and Elections  
May 17, 2005  
Page 34

CHAIR CEGAVSKE:

There being no further business, I will adjourn this meeting of the Senate Committee on Legislative Operations and Elections at 4:24 p.m.

RESPECTFULLY SUBMITTED:

---

Elisabeth Williams,  
Committee Secretary

APPROVED BY:

---

Senator Barbara Cegavske, Chair

DATE: \_\_\_\_\_