

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

**Seventy-Fourth Session
March 1, 2007**

The Committee on Government Affairs was called to order by Chair Marilyn K. Kirkpatrick at 8:02 a.m., on Thursday, March 1, 2007, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn Kirkpatrick, Chair
Assemblywoman Peggy Pierce, Vice Chair
Assemblyman Kelvin Atkinson
Assemblyman Bob Beers
Assemblyman David Bobzien
Assemblyman Jerry D. Claborn
Assemblyman Pete Goicoechea
Assemblyman Ruben Kihuen
Assemblyman Harvey J. Munford
Assemblywoman Bonnie Parnell
Assemblyman James Settlemeyer
Assemblyman Lynn D. Stewart

COMMITTEE MEMBERS ABSENT:

Assemblyman Chad Christensen
Assemblywoman RoseMary Womack



STAFF MEMBERS PRESENT:

Amber Joiner, Committee Policy Analyst
Scott McKenna, Committee Counsel
Rachelle Myrick, Committee Secretary

OTHERS PRESENT:

Kyle Davis, Policy Director, Nevada Conservation League, Las Vegas, Nevada
Susan Lynn, Volunteer Coordinator, Great Basin Water Network, Reno, Nevada
Charles Benjamin, Director, Nevada Office, Western Resource Advocates, Carson City, Nevada
Laurie Carson, Commissioner, White Pine County, Nevada
Doug Carson, Hay-U Hay Company, Ely, Nevada
Dean Baker, Baker Ranches, Inc., Baker, Nevada
Steve Rypka, representing Dr. James Deacon, Professor, University of Nevada Las Vegas, Las Vegas, Nevada
Launce Rake, Progressive Leadership Alliance of Nevada, Las Vegas, Nevada
Mark Bird, Professor, Community College of Southern Nevada, Las Vegas, Nevada

[Meeting called to order and roll called at 8:02 a.m.]

Chair Kirkpatrick:

Today we are having a presentation. I want to make sure that I include those who are listening on the internet and testifying in Clark County.

I would like to start with our guest presentation. There will be several members of the Progressive Leadership Alliance of Nevada. I would like to invite Mr. Davis up.

Kyle Davis, Policy Director, Nevada Conservation League, Las Vegas, Nevada:

Today, we are here to talk to you about water. As you know, water is an important resource for our State. As the driest state in the union, it is important for us to think about the big picture when it comes to water usage, and to all work together to promote a sensible and environmentally friendly water policy.

Nevada, and especially southern Nevada, is growing at an unsustainable rate. You see the evidence not only in water shortages but in recruitment of teachers,

and police officers, and the building of schools and roads. Additionally, unsustainable growth has a negative effect on water supplies themselves, acting as a shock to the system that can trigger further drought as water systems try to recover.

Responsible growth relies on leadership that looks at the resources available and promotes intelligent water conservation so there is enough to go around. It is important for us to understand that it is possible for Nevada to continue to be a strong and prosperous state and to do so in a way that conserves our natural resources.

In our presentation today you are going to hear about steps that Nevada can take in order to preserve our water resources and promote responsible growth. The most important thing we can do as a state is promote water conservation. You will also hear about the environmental impacts caused by water importation. Hopefully, this information will give you a well rounded view on the issues surrounding water use in our State.

I will now turn it over to Susan Lynn.

Susan Lynn, Volunteer Coordinator, Great Basin Water Network, Reno, Nevada:
Our [the Great Basin Water Network] mission is to protect sustainable water use at the source and the larger public interest in the allocation of water.

We have been providing legal and technical assistance to rural counties. We are exploring options and alternatives of expanded conservation, and by that I mean both indoor and outdoor water conservation, reuse and recycled water, fresh water desalinization and other yet unknown options. We need to spend our resources looking for and implementing options to the water exportation/importation projects.

We are here today to talk about the mining of water in Nevada's water basins. The map on the wall shows 232 groundwater basins which essentially do not recognize political boundaries. Some of the water basins overlap with other states, such as California, Oregon, Utah, Arizona, and Idaho.

I want to say, from my experience as Chairman of the Regional Water Planning Commission (RWPC) in Washoe County and as Chairman of the Conservation Committee for the RWPC and from my knowledge of state water planning, many groundwater basins are already over-allocated and over-appropriated. The basins in the red are in trouble and those in gray are on the edge. As you can see, that is a fair amount of area where there are potential problems.

A number of the basins such as Las Vegas Valley, Pahrump Valley, Diamond Valley, and Reno's north valleys are over allocated. We are forced to find other water sources for those areas. If we talk about allocating more groundwater we are talking about taking the State's waters out of equilibrium or creating unsustainable use. We are talking about robbing Nevada of its natural future. We must learn to live within our limits.

In the future you will probably be told about groundwater models and they will be best guesstimates because it is as good as we can do right now. There is no ultimate way to figure out how much groundwater is available. The State Engineer is forced to make his decisions based on the best available information. We hope we will begin to study groundwater basins and determine more clearly what water is available.

We also are concerned about over-pumping. If one upsets the equilibrium of water, what is the cost? Is it the plants that cover the ground and contribute to air quality? Is it the rural lifestyles and livelihoods? Is it the loss of scenic vistas, or will it be similar to Owens Valley where they started with surface water, and because of the insatiable thirst in Los Angeles, continued to go forward with groundwater and now are paying for it.

As we talk about mining groundwater we should also talk about mining the future of Nevada's rural counties. Why are we creating megalopolises? Nevada's rural counties are beginning to experience, for the first time, some serious growth despite what our State demographer shows. Are people choosing to live in rural areas because they are tired of the city lifestyles, traffic, bad air, and the cost of living in an urban area?

What are we talking about in cost to move water around? Right now, the estimates are in the billions, not millions, billions of dollars. We are looking in Washoe County at a \$1 billion project. In southern Nevada it is between \$5 and \$12 billion for pipelines. That is just for water supply and does not include sewage, flood control, schools, or roads. We need to look at this cumulatively.

Mining groundwater anywhere robs that source location of future development, recreation, tourism, livelihoods, and a tax base. We all know that many rural counties are struggling financially, but should they have to balance their budgets by selling their future and their water. It seems that the old adage, "What is mine is mine and what is yours is negotiable" continues to hold true.

We are asking for equitable, sustainable water use in local areas. We want Nevadans to live within their water bank accounts. We think that water will be

the oil of the future and appreciated at its source now. I hope you will listen to what the future speakers have to say.

Chair Kirkpatrick:

At this time, I would like to ask, as we have different speakers coming, if there are any questions from the Committee. [There were none.]

Charles Benjamin, Director, Nevada Office, Western Resource Advocates, Carson City, Nevada:

Western Resource Advocates is based in Boulder, Colorado, and they focus on land, water, and energy issues in the intermountain west, including Colorado, Nevada, Arizona, Utah, and Wyoming.

What I have distributed to you is an analysis; really it is a very brief summary of an analysis done by Taryn Hutchins-Cabibi and others from our office based upon two studies. Both of these were done in 2006. The first one is titled *Water in the Urban Southwest*, which analyzes water use in Albuquerque, the Las Vegas Valley, and Tucson. A second study titled *Water Rate Structures in the Southwest* was done in July of 2006. Both of these are available on the Western Resource Advocates website if you would like to take a look at them.

Of the two, the one that is most salient to you today is the one on water rate structures. We focus on solutions to problems of energy, water, and land. A water rate structure is a mechanism by which utilities are able to set prices for the retail sales of their commodity. In this case it is water. Rates, along with the new connection fees, are how utilities cover basic operation and maintenance costs and the cost of acquiring new supply. Therefore, they are very important to any water provider.

Many communities use an inclining block-rate structure. You will see on the testimony before you ([Exhibit C](#)) an illustration of that on the front page, which basically is that the unit price goes up in blocks as the consumption increases. This is an inherently equitable pricing mechanism because it requires that those high volume users who place the most stress on the system through peak demand requirements, treatment and transportation costs, and overall wear and tear on the system, pay their fair share.

Often, these rate structures provide a low cost of water for low-income or fixed-income residents. This block, which is always the lowest block, is often referred to as a subsistence block and enables people to meet their basic water needs, such as cooking, cleaning, and bathing at the lowest price per unit.

Two cities who have successfully implemented this to lower their overall water rates are Santa Fe and Tucson. They have implemented inclining block-rate structures that quickly ascend in price from 1,000 gallons as monthly consumption surpasses 10,000 gallons. Although different from one another, both of these rate structures are very effective in conveying a conservation price signal to consumers that lets them know the more you use, the more you will pay per unit.

Let us contrast that with the Las Vegas Valley in which the researchers looked at the price structures of the Las Vegas Valley Water District, Henderson, and North Las Vegas. All have implemented an inclining block-rate structure with four tiers. Although the thresholds were set in such a manner that they target both low and moderate volume users, the increase in price from one tier to the next is minimal. Therefore, they do not send a very strong signal with regard to conservation. You can see that in the chart. You can see the block-rate structures for the various cities in the southwest. You can see very quickly why Santa Fe, particularly in the summer months, and Tucson, year round, have much higher block-rate structures. The impact on per capita consumption is significant.

Let me give you some figures. Tucson's single family, residential, daily per capita consumption is 114 gallons. Compare that with the Las Vegas Valley which is 164 gallons per capita, per day, or a difference of 50 gallons. System-wide, Tucson's is 137 gallons per capita, per day versus the Las Vegas Valley's, 227 gallons per capita, per day. That is a 90 gallon difference per capita, per day. The bottom line here is that while the Las Vegas area has done a very good job in trying to lower the amount of water, we believe they can do more. The way to do this is through one of the rate structures similar to what Tucson has.

In general, our philosophy is let us be more efficient with the water and the energy than we have before stirring up a lot of political controversy by taking water from someplace else. There is much more that can be said about this but I know time is limited. I would be happy to take questions.

Assemblyman Bobzien:

As we are looking at this chart, it may be helpful if you could tell us the different uses that would put you at these varying levels. I am trying to figure out where my family of two, in a single-family house, would fall.

This is a model for residential price structure. For the cities, is it typical to also have similar models for industrial and the commercial, as well?

The final question is more of a political, contextual question in trying to figure out what our role would be in working with our local governments to advance this type of price structure, if that is what you are advocating. How did it happen that Tucson and Santa Fe got those block structures? Was it a case of political will, in your opinion? Was it in response to demands from the consumers?

Charles Benjamin:

As far as a typical family, I do not know if it would make that much difference. The idea of the block-rate structure is to provide price incentives. I think the assumption is that there is some inelasticity of demand in terms of your basic use. I assume everyone in your family wants to take a bath every day, and cook your meals, et cetera. Obviously, the more people you have, the more demand you have. I think the idea of this block-rate structure is that for a typical household you are going to meet these minimal demands without breaking the bank. It is people who want to go beyond that. They are going to pay more money.

Let me give you an example. My sister and mother live in Tucson and my sister is married to an Irishman. He loves to grow pansies, which are native to Ireland. He uses a lot of water to grow these pansies because it makes him feel good. He is wealthy enough that he is willing to pay the money but for a typical person down there who is not interested in growing vegetation that is not native to the area, they are not going to pay these huge amounts.

That is what is nice about these block-rate structures. As far as the difference between industrial consumers and typical households, again, an industrial consumer is going to use more water. You want an incentive that is going to encourage them to find ways to use less water.

A couple of the casinos, for example, in Las Vegas have done that. They have taken proactive measures. There are details about that in one of these reports ([Exhibit C](#)).

The third question is going to be a little bit more difficult for me because I do not know the law here as far as the rate structures. It is my understanding that the Southern Nevada Water Authority does not actually set the rates, but they maintain a close relationship with the Las Vegas Valley Water District. Does the Legislature have authority over the Las Vegas Valley Water District to say you will do this? I do not know the answer, but I could do some research on your laws and possibly get back to you if that would be helpful.

Assemblyman Bobzien:

Yes, because I think what we are trying to understand is what our role would be. Any research that could be provided in terms of how rate structures are determined in the State, and a policy request as well, would be helpful. I do not know if the Chair would like to discuss that at some point.

Chair Kirkpatrick:

We can discuss that in the public comment later this morning.

Assemblyman Stewart:

When Ms. Mulroy was here from Southern Nevada Water Authority she said other states measure their consumption different than Las Vegas and that accounts for part of the discrepancies. Do you know anything about that?

Charles Benjamin:

This is covered somewhat in these reports. I think the bottom line is what the per capita consumption is. I think it is very clear that the per capita consumption in Tucson is markedly less. Whatever it is they are doing, you always have to look at what the effect is on individuals. I would assume that people in Tucson are about the same as people in Las Vegas in terms of their individual household consumption. The question is why is it lower per capita in Tucson than it is in Las Vegas? I think the conclusion of the report is the way that the rates are set.

If you look at the chart ([Exhibit C](#)) look where the blue line is for Tucson versus the red line below it, you see that these blocks are much higher. There is a big jump when you exceed 10,000 gallons. That is the price incentive, the price signal that is being sent to the bigger water users. If you use more, then you are going to pay more. Ten thousand gallons is quite a bit. Am I answering your question?

Assemblyman Stewart:

As I recall, she said the discrepancies were not as great because of the way that Tucson, Albuquerque, and some of these other cities measured the per capita consumption. Maybe the gentleman in the back could enlighten us on that.

Chair Kirkpatrick:

Mr. Stewart, I think we will keep it to these speakers and maybe we can meet later with Mr. Belanger to get that. Otherwise, we are not going to give them their just time as we are trying to keep this going. I am sure that Mr. Belanger would be more than happy to get with you after this meeting.

Assemblyman Beers:

I have been through Tucson and I live in the Las Vegas Valley. We are talking about two areas with vastly disparate personalities. I would be interested in seeing a chart showing the differences in use. Price is one thing but these two areas use water in entirely different ways, even in residential areas. The Las Vegas Valley does have some agriculture in it as well, albeit not a lot. How would that affect these people?

Charles Benjamin:

My understanding is that the data is based upon the urban areas, primarily. How much consumption is residential within these districts that provide the water? Look at the bottom line.

I have been to Tucson a lot over the last 30 to 35 years. My parents moved there in the mid 70s and I am probably more familiar with Tucson than I am with Las Vegas. I do not know what individuals are doing there that is different. They have golf courses, people who like to have lawns, people who do not want to have lawns, but they have native vegetation.

I think the bottom line is why is there such a large difference in per capita consumption? I do not know what the behavioral differences are. We think it is the price structure. If we are economic people, then presumably we are responding to price. There is a lot of elasticity in consumption or demand. I think it is the same thing with water, but when you get beyond a certain amount, if you are driving the Hummer of water consumption, you are going to pay more.

What needs to be looked at first is the rate structure. Maybe it needs to be adjusted to see what kind of impact it has. If there are large behavioral differences between people in Tucson and people in Las Vegas then maybe that would show up. Let us try to encourage more conservation before there is an attempt to grab water from somewhere else.

Chair Kirkpatrick:

Mr. Benjamin will be in the building most of today so the legislators can get with him.

Assemblyman Settlemeyer:

What I think everyone is trying to point out here is that price defines the amount of gallons used. As an example, in Kansas you have one community that pays for it so they use 56 gallons per day and another community next to it does not pay and they use 300 gallons per day.

Charles Benjamin:

Where is this?

Assemblyman Settlemeyer:

The one I am looking at right now is Kansas. In the Neosho River Basin they use 56 gallons per day and in Cimarron they use 300 gallons per day. It just shows the differences that charging can make.

Charles Benjamin:

Those are vastly different areas. The Neosho River Basin is in southeast Kansas. The rain differences are tremendous and they rely primarily on surface water. In western Kansas, they are basically draining the Ogallala Aquifer dry. This is not a good model for Nevada to follow. It is really a different system depending upon where you are in the state.

Assemblyman Goicoechea:

Southern Nevada Water Authority is already the 300 pound gorilla in this. Do we want to increase our revenues by 300 percent?

Chair Kirkpatrick:

Mr. Benjamin, I appreciate you coming before the Committee. If any of the legislators need any additional information from you I am sure you will be available for them.

Laurie Carson, Commissioner, White Pine County, Nevada:

The purpose of my visit today is to represent White Pine County's perspective on the working relationship between our county and the Southern Nevada Water Authority (SNWA). To assist in this presentation I have invited Dean Baker of Southern Nevada Water's Integrated Water Planning Advisory Committee to be here. He is also a current member of the White Pine County Water Advisory Committee, as is Doug Carson, who is the Chairman of the White Pine County Water Advisory Committee.

Both Dean and Doug were participants in the County's discussions with SNWA. I would like to reference two discussions, one Ms. Julie Wilcox had with this Committee on February 9th answering your questions regarding the purchase of the Spring Valley ranches by SNWA, which followed my presentation on White Pine County, and then to comments made by Ms. Patricia Mulroy to this Committee during your February 21st meeting.

In your packets [[Exhibit D](#)] you will find the minutes of the water discussions, the Memorandum of Understanding (MOU), and also a draft agreement.

In 2005, SNWA asked the State Engineer to schedule the hearings on their applications in Spring Valley and Snake Valley. White Pine County entered into discussions with SNWA in March of 2006, in good faith.

The County's representative stated that they would recommend signing an agreement with SNWA if it provided more protection than the State Engineer process. As a first step, both the County and SNWA approved an MOU to outline those areas where we would come to agreement. SNWA then proposed an agreement that we were not able to support.

During those discussions, White Pine County made it very clear protection of the environment was its primary concern, not the money. Two, the ability to stop the pumping needed to be in the hands of an independent third party.

During the discussions the topics of payment-in-lieu of taxes, an offer of \$12 million, and participation on both a technical review group and a management committee were discussed as represented to you by both Ms. Wilcox and Ms. Mulroy. However, SNWA made it clear that all terms of the proposed agreement were contingent on White Pine County's agreement to drop our protest at their applications and to testify on their behalf at these hearings.

The \$12 million was structured, as such, in this agreement: \$1 million upon signing their agreement, \$6 million would be given at intervals, \$300,000 per year for 20 years, \$5 million to be set aside in a trust account to pay for negative impacts of the pumping on the environment and senior water right holders. In addition, SNWA would pay \$10 per acre-foot of water transferred out of White Pine County per Nevada Revised Statutes 533.438. SNWA would set aside 5,000 acre-feet annually and up to 5 percent of the permits granted of Spring Valley water for demonstrated need in White Pine County, but with a deed restriction that we could only use for municipal purposes.

The agreement would create two teams, a technical review team and a management team. The technical review team would have two members from SNWA and two members from White Pine County, one of which would be required to have a formal education and experience in hydrology. The technical review team would make recommendations on monitoring and mitigation to the management team. The second team would have five members, two from each party and a fifth selected by consensus to implement the recommendation of the technical review team. However, final decisions on expenditures and curtailing of the pumping would be reserved only for the SNWA board. The County would have to support the cost of their hydrologist to participate in the technical review team over the 75-year lifespan of the project.

In fact, SNWA repeatedly refused to assist White Pine County with the cost of analyzing the impacts of the project. When you take into account the cost of the hydrologist, the cost of the inflation, and participation in the agreement, it would cost White Pine County approximately \$20 million.

Discussions on the agreement did come to a halt when it was apparent that SNWA would retain full authority over the decision to stop pumping. Then, we had our water hearings. SNWA made no effort to meet with the county following those hearings. To date, the State Engineer has not awarded water rights in Spring Valley to SNWA, yet, they are purchasing ranches at prices well above the appraised value. Ms. Mulroy testified that they have hired a manager and they are the ones developing a land use plan for the area, which is in White Pine County.

I hope the Committee can understand the county's concern when we heard both Ms. Mulroy and Ms. Wilcox testify to you that they tried to make reasonable offers to White Pine County and we would not talk to them. They negated the County's concerns over the loss of the tax revenues and then told you they are not leasing the ranches but making the operators employees of SNWA, which they stated in the February 21st meeting.

Las Vegas Valley Water District filed its applications in 1989. SNWA anticipates it will start pumping in 2014 and it will need to pump the water from Spring and Snake Valleys for at least 75 years to support the project's financing. This represents 100 years of dominance over the economy and the environment in eastern White Pine County.

When their applications were filed, our citizens voted to tax themselves to support our ability to participate in the hearings. We are now participating in the Bureau of Land Management's (BLM) Environmental Impact Statement process on the pipeline as a cooperating agency without any financial assistance.

It is critical that Nevada provide small rural counties like White Pine with legal and financial mechanisms to protect its environment, economy, and the quality of life of its citizens.

I greatly appreciate the opportunity to speak on this issue on behalf of White Pine County and our 9,500 citizens. I will turn it over to Dean Baker.

Chair Kirkpatrick:

I want to remind the Committee that I am a very fair person and I have invited everyone to come to the table so they can tell their side of the story. As a

Committee, I want us to ask good questions and stay on target. No disrespect to anyone in the room, but at the end of the day I can guarantee we are all coming to the table, because this is the most important issue to the state of Nevada and we are going to do what it takes to protect our future.

Assemblyman Goicoechea:

In the \$12 million offer to White Pine County it seems that \$5 million was to be set aside as a trust account to pay for negative impacts. What happened when the \$5 million ran out? Was the county on the hook then for the balance of the impacts?

Laurie Carson:

Both Doug Carson and Dean Baker were participants in those actual discussions so I will let them answer the questions regarding that.

Doug Carson, Hay-U Hay Company, Ely, Nevada:

I believe that you are correct if it is set up in a trust account under the county's name and control then once that account is depleted the responsibility would be upon White Pine County to continue to fund that account for mitigation.

Assemblyman Beers:

Looking over the materials that you supplied to us, I have some concern over Mr. Miller's quoted remarks in the article regarding ownership of the water and SNWA's insistence on absolute control. You also stated something about the BLM being involved. Of course, the pipeline will be crossing some federal land. Is there an independent analysis by the BLM on this, separate from the SNWA's analysis on this situation? Reading the articles, the BLM has stated that if they find in their figures that this has too great of a negative impact, they will not allow the project to go forward.

Dean Baker, Baker Ranches, Inc., Baker, Nevada:

The current BLM environmental process is going forward. Those of us who ranch are very aware that the BLM becomes concerned about vegetation and how much our cattle eat. It is our understanding, and I have heard BLM people say this, that their only concern is the pipeline right-of-way and impacts of water.

Assemblyman Beers:

I have read articles where the BLM was supposed to be studying replenishment rates of these aquifers. Is that not happening?

Dean Baker:

I think that is the United States Geological Survey (USGS) and others, not the BLM.

Assemblyman Beers:

Will those figures be made available from them?

Dean Baker:

They are working on studies now. The Barkus study is one. There are preliminary discussions about what has come out there. There are some changes from their old figures.

I personally know that the USGS and SNWA in our valley did not know about a major spring on our ranch with some 13,000 acre feet of discharge. The Southern Nevada Water Authority, when I showed up, was very surprised. I kept asking them because I could not see it in their material. These studies are going forward. There needs to be more information.

One of the problems in the White Pine County land bill was whether they call for Barkus Two, which is a basin range study, and gain further knowledge about where the water goes. There are very different opinions on the flow between Spring Valley and Snake Valley. They are studying this but it is all underground and theoretical.

Chair Kirkpatrick:

We are going to move this along because we have a few more people that want to speak. I will give you a few more minutes.

Dean Baker:

I have lived my life in Snake Valley and farm there. Water has always been the limiting factor to our agricultural operation. I think this pipeline should be called the Legacy Pipeline because I strongly believe it will be the legacy that is left, particularly for Snake and Spring Valleys, but also southern Nevada and the rest of Nevada, in the end.

We have developed water, over 30 springs, miles of pipelines, troughs, and other things to graze our cattle. For the farming operation we have built dams, concrete lined ditches, pipelines, leveled lands, and put sprinklers in to more efficiently use the water. Later, we drilled wells, first to supplement the groundwater, the creeks, and the springs that flow onto the ranch, and later for farming operations that are dependent entirely on groundwater levels.

In our valley, there are approximately three areas with a significant amount of pumping to support agriculture with half a dozen to a dozen pivots. Around those three areas, there are some very well documented examples of what happens when you start pumping groundwater. To the east of us, there is a community that has about a dozen pivots. In the middle of the pivots there is a blank area. The reason there is a blank area is in the 1800s the United States Land Office deleted that area from private possession because it was necessary for the good of all people that the spring be available for the wagon trains going through the valley and to be able to stop on the meadow and graze their animals. That is now a dry, blank place between the rest of the agricultural operation. There is no spring there. The area that was a meadow is now blowing sand.

On the south end of the valley there is a well documented spring. In 2001, a developer came in and put in a dozen pivots and started pumping. It became obvious there were impacts on the spring. Right over the hill, a spring that had a long history of being a very good spring stopped flowing. The California Conservation Corps (CCC) developed this spring during the Depression. The reason the dry spring became so noticeable is because a dozen wild horses died there as that was there only source of water. USGS put a monitoring system in, so it is well documented how each season relates to every other season of pumping. The water has never returned to the surface.

Around our ranch area there are springs that are dried up on both sides. The water has never come back to the surface since we have significantly pumped. The nettle that was there is dried up. It is still there but the spring does not flow anymore.

Anyone who spends half a day in Snake Valley and drives and looks at the springs, the impacts on the springs, and what happens does not have to say a word about what they have seen. They are never strongly in favor of this.

I think the legacy thirty years from now will be whoever created this pipeline will have billions of dollars to pay off, billions of dollars spent in extending the pipeline, drilling more wells trying to do it, environmental lawsuits, and dried up valleys.

In the example of Owens Valley, they started pumping there in 1970, and in the last five years they have only pumped 75,000 acre feet. That is half of what Southern Nevada Water Authority wants to take out of our part of the valley. The second highest peak in Nevada and the Sierras are on each side of Owens Valley and yet they cannot maintain the water table pumping 75,000 acre-feet.

Assemblyman Goicoechea:

I know you have been very involved with the State of Utah. Could you give us your perception of Utah's position? Snake Valley is a shared basin so we have to look at Utah. I know you have been working with them, Dean. What is the position there?

Dean Baker:

I have made several trips to the Utah State Capital. They have passed resolutions unanimously which put in suggested criteria that the negotiating team along with the Nevada team had to meet. It was a non-binding resolution but it carried a lot of weight. There is a lot of concern in Utah. There are many rural legislators there that understand. The Senator from our area has had nettle dry up on his land. There are others that are familiar with what the impacts of pumping are.

Governor Huntsman spent a full day in the Valley and he has been very supportive. When they said we cannot live up to what the legislation suggested, apparently southern Nevada, perhaps the United States Senator's office, and others, put a lot of pressure on Washington County to squelch putting it into a mandatory bill. The political pressures that were put on it and where they came from were very interesting.

Chair Kirkpatrick:

Are you going to make a presentation?

Doug Carson:

In lieu of the fact that we are running short on time, I will forgo my comments. I have chaired the Water Advisory Committee for White Pine County for three years. I have been involved with SNWA's negotiations and have personally been very disappointed with SNWA's forthrightness and honesty with the people of White Pine County.

Chair Kirkpatrick:

We are going to go to southern Nevada at this time.

Steve Rypka, President, Green Dream Enterprises, representing Dr. James Deacon, Professor, University of Nevada Las Vegas, Las Vegas, Nevada:

I will be happy to answer questions after reading Dr. Deacon's testimony; however, please understand I do not have his background. I will be able to answer questions based on my own experience.

Discussions on the effects of the proposed Southern Nevada Water Project often lead to assurances that Owens Valley-like consequences cannot happen

today because our environmental laws and the criteria that must be used by the State Engineer are sufficient to prevent those consequences. There is relatively little discussion about what the probable consequences are.

To date, there is one comprehensive study published by the United States Geological Survey in 1995 that attempts to evaluate the effect of the Southern Nevada Water Authority Groundwater Project on the regional groundwater table. It concludes that if the only draw on the regional aquifer was the 180,800 acre feet per year sought by SNWA there would be a noticeable decline in the groundwater table extending from approximately Death Valley, California to Survey Lake, Utah. The decline from Indian Springs to Baker, Nevada, would exceed 50 acre-feet and in some areas it could reach 1,600 acre-feet. This means that everyone dependent on groundwater for domestic, agricultural, commercial, or municipal uses throughout the region would realize an increase in cost of living, or the cost of doing business.

Furthermore, throughout the region, springs, wetlands, and phreatophytes (plants whose roots must reach groundwater to survive) would decline in proportion to the local extent of groundwater decline. Varying degrees of jeopardy would fall on three Nevada State Wildlife Management areas, four federal wildlife refuges, two national parks, three national recreation areas, 20 listed endangered species, 137 unlisted spring dependent endemic species, and 347 sensitive species in the Nevada Natural Heritage Database. Can these consequences be prevented?

Nevada water law is considered among the best in the United States from the standpoint of ensuring sustainable use. It requires the State Engineer to protect prior rights, ensure that water rights are put to beneficial use, are not detrimental to the public interest, and do not result in mining groundwater. The State Engineer usually attempts to estimate perennial yield as a primary basis of avoiding mining.

In a given basin, allocation of 100 percent perennial yield under ideal circumstances would dry up all springs and wetlands, kill all phreatophytes, and stop all underground flow to other basins. Water previously serving those purposes would be pumped into a pipe to be used for domestic, agricultural, commercial, or municipal purposes. That is substantially what has already happened in the Las Vegas Valley, Pahrump Valley, and other areas in Nevada where demand for urban uses is high.

It is important to remember that the United States Geological Survey study projected probable impacts based on the assumption that 180,800 acre-feet per year that SNWA says it wants would be the only draw on the regional aquifer.

That amount constitutes about 25 percent of the estimated perennial yield throughout the area of Nevada potentially impacted. SNWA applications actually added up to more than 330,000 acre-feet per year when I and Dr. Deacon, examined the State Engineers records in February 2006. Of course, the SNWA Groundwater Project will not be the only draw on the aquifer. As of February 2006, rights had already been granted for 730,587 acre-feet. That is 102 percent of perennial yield. Applications, in addition to those submitted by the SNWA amounted to 883,860 acre-feet. This suggests a virtual certainty that, as in the past, the State Engineer is likely to approve rights to considerably more than 100 percent of perennial yield. Consequences, therefore, are likely to exceed those projected by the 1995 U.S. Geological Survey study. That concludes the comments of Dr. James Deacon.

Chair Kirkpatrick:

We are going to move on to our next speaker.

Launce Rake, Communications Director, Progressive Leadership Alliance of Nevada, Las Vegas Nevada:

I was a newspaper reporter for a number of years. I covered SNWA and I covered this particular aspect of the water grab. Over time I came to the conclusion that this was not a good idea for Central Nevada and not a good idea for southern Nevada.

I would like to quote very briefly from the Western Governor's Association and Western States Water Council. In 2006, they issued a number of recommendations concerning water issues. This is one of their primary recommendations and I think it is one I think we all should keep in mind. I quote directly:

States and local governments should consider the impacts of continued growth that relies on transfers from agricultural and rural areas and identify feasible alternatives to those transfers.

I think this is very good advice. It is something we should keep in mind. We know that through conservation Western Resource Advocates has estimated we could very quickly and very cost effectively save 153,000 acre-feet of water. That number is about what SNWA says, at least in their initial phase, that they want to recover from White Pine and Lincoln counties. We have alternatives and we have water. We have water in Lake Mead. Even drought stressed, any reduction is going to be minimal and could easily be recovered through conservation measures. What we need, collectively, on the State and local levels, is the backbone to confront the natural resource uncertainties and respond in a sustainable manner.

There was a question that came up earlier on why Tucson had done their pricing arrangement. The reason that Tucson has a tiered-pricing structure that discourages the profligate use of water is because they had to. They ran out of groundwater. They had to seek other alternatives and they did so successfully. That is a step we have yet to make here and I wish we would.

I want to go back to Jim Deacon, who sadly for health reasons, was not able to attend today. He has made three points that I think are very important. He estimates that if all of these groundwater applications come in that up to 271 percent of the groundwater in these targeted basins will be allocated. That is unsustainable, that is water mining. He also makes a point that destroying recreational opportunities, wetlands, and biodiversity is unacceptable. It is unacceptable legally and I think there is an ethical dimension there, too.

Finally, endangering the livelihoods of our neighbors in White Pine County to fuel unsustainable growth here in the south is an unethical answer. I hope you consider those remarks and thank you for having us here.

Chair Kirkpatrick:

Does anyone have any questions? [There were none.]

We will move on to our next speaker in southern Nevada.

Mark Bird, Professor, Community College of Southern Nevada, Las Vegas, Nevada:

SNWA likes to give the appearance that they are pursuing all conservation and other water alternatives, and I think there are some basic questions that can be asked in this context. Three or four years ago did SNWA ask the Secretary of the Interior to reduce water supply for all seven Colorado River states by 5 percent? This would be a solution to elevate the water level in Lake Mead, improve water quality, help wildlife, help recreation, and help power production, but did SNWA do this?

Three or four years ago did the Legislature see letters from SNWA in which they ask major desalting companies and associations what the cost of desalting would be in ten years? I think there is clear evidence that the price of desalting will decrease by 50 percent in the next ten years and pipeline technology is likely to increase by 50 percent in the next ten years. The pipeline technology is nineteenth century technology.

Around five years ago did SNWA ask Israel details about their ways to get additional water that may apply to Nevada? Around ten years ago did SNWA

try to buy water from Mexico or build a desalting plant from Mexico in exchange for Mexican water in Lake Mead? Around ten years ago did SNWA try to pursue a water conservation contest among cities in the southwest such that all cities benefit by more water in Lake Mead? Around 15 years ago did SNWA advocate that the federal government put more money into desalting research and development? Around 15 years ago did SNWA go to Senator Bryan and Governor Miller pursuing these ideas? Around 20 years ago did SNWA formally advocate farm water conservation for farms in California? There is one farm in California that has ten times as much water as the entire state of Nevada that is Colorado River water. Around 20 years ago was SNWA strongly advocating that water shortage regulations be put into place? Around 30 years ago was SNWA advocating for a reapportioning of Colorado River water? Nevada gets only 3 percent and some legal scholars think there would be an easy means by which Nevada could get more water from the Colorado River if only Nevada pursued that option. For the last five legislative sessions has SNWA been to the Legislature trying to pursue these and other water options?

If they have been pursuing vigorously all of these ideas perhaps I owe SNWA an apology. If they have not been pursuing these other water conservation ideas and alternatives maybe their entire pipeline proposal is a charade, a sham that is being perpetuated on the citizens of Nevada and they may be pursuing a multi-billion dollar boondoggle that would be to the detriment of everyone.

Chair Kirkpatrick:

Is there anyone here for public comment that would like to speak? [There was none.]

The reason that we are doing this is because we are going to be in the discussions, we are going to hear all sides, and then as we deal with some of the water issues you will know where to go and get some of your answers.

I do have a couple of housekeeping items that we need to do. There is one BDR that needs to be introduced.

I would like to start with BDR 18-625 which was requested by the Commission on Mental Health and Development Services.

BDR 18-625—Increases the number of members of the Commission on Mental Health and Development Services. (Later introduced as Assembly Bill 233.)

ASSEMBLYWOMAN PARNELL MOVED TO INTRODUCE
BDR 18-625.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Is there anything else the Committee would like to talk about? [None.]

[Meeting adjourned at 9:10 a.m.]

RESPECTFULLY SUBMITTED:

Rachelle Myrick
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: March 1, 2007

Time of Meeting: 8:00 a.m.

Bill	Exhibit	Witness / Agency	Description
	A	Agenda	Agenda
	B	Sign In Sheet	Sign In Sheet
	C	Charles Benjamin, Director, Nevada Office, Western Resource Advocates	Pamphlet
	D	Laurie Carson, Commissioner, White Pine County	Folder