

**MINUTES OF THE
JOINT SUBCOMMITTEE ON PUBLIC SAFETY/NATURAL
RESOURCES/TRANSPORTATION
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-fourth Session
March 2, 2007**

The Joint Subcommittee on Public Safety/Natural Resources/Transportation of the Senate Committee on Finance and the Assembly Committee on Ways and Means, was called to order at 8:04 a.m. on Friday, March 2, 2007. Chair Dean A. Rhoads presided in Room 2134 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 in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Dean A. Rhoads, Chair
Senator Bob Beers
Senator Dina Titus

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman David R. Parks, Chair
Assemblyman Tom Grady
Assemblyman Joseph Hogan
Assemblywoman Ellen Koivisto
Assemblywoman Kathy McClain
Assemblywoman Valerie E. Weber

STAFF MEMBERS PRESENT:

Steven J. Abba, Principal Deputy Fiscal Analyst
Jeffrey A. Ferguson, Program Analyst
Larry L. Peri, Principal Deputy Fiscal Analyst
Anne Vorderbruggen, Committee Secretary

OTHERS PRESENT:

Allen Biaggi, Director, State Department of Conservation and Natural Resources
Pete Anderson, State Forester Firewarden, Division of Forestry, State Department of Conservation and Natural Resources
Ed Flagg, President, Nevada Corrections Association
Rich Harvey, Resource Management Program Manager, Division of Forestry, Department of Conservation and Natural Resources
Jennifer Byers, Administrative Services Officer, Division of Forestry, State Department of Conservation and Natural Resources
Pamela B. Wilcox, Administrator and State Land Registrar, Division of State Lands, State Department of Conservation and Natural Resources
David K. Morrow, Administrator, Division of State Parks, State Department of Conservation and Natural Resources
Allen Newberry, Chief of Operations and Maintenance, Division of State Parks, State Department of Conservation and Natural Resources

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Tracy Taylor, P.E., State Engineer, Division of Water Resources, State
Department of Conservation and Natural Resources

CHAIR RHOADS:

Because of the number of people present for the hearing on the Division of Forestry's budget, we will discuss that budget first. There is nothing in this budget on salaries, which will be addressed in a different venue, but we welcome your comments.

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

We are pleased to be with you this morning to hear the budgets of the Division of Conservation Districts, the Division of State Lands, the Division of State Parks, the Division of Water Resources and the Division of Forestry.

PETE ANDERSON (State Forester Firewarden, Division of Forestry, State Department of Conservation and Natural Resources):

The Subcommittee has received a copy of the Division's handout titled "Nevada Division of Forestry, 2008-2009 Budget Overview" ([Exhibit C](#), original is on file in the Research Library).

The 2006 fire season was one of the roughest we have ever faced. Many of our employees worked for months at a time with little time off. I want to thank all the Division's employees for doing an excellent job.

The 13 crew carriers, built in our Ely shop by inmate labor, were finished this past year. This saved the State \$20,000 for each carrier. All 13 crew carriers are now on the road and in service.

This is the 50th anniversary of the Nevada Division of Forestry and the Department of Conservation and Natural Resources. We will be having some events later this spring, coinciding with Arbor Day.

I would now like to begin the hearing on budget account (B/A) 101-4195.

DCNR - Forestry – Budget Page DCNR-148 (Volume III)
Budget Account 101-4195

Decision unit M-520 includes funding to clean the sanitary lift station at the Sierra Front Interagency Dispatch Center.

M-520 OSHA Mandates – Page DCNR-153

This is an Occupational Safety and Health Administration (OSHA) mandate.

The next decision unit is M-750.

M-750 Building Construction Outside Cap – Page DCNR-154

Decision unit M-750 funds the recommendations included in the Facility Audit Reports prepared by the State Public Works Board for our Sierra Front

Interagency Dispatch Center, Kyle Canyon Fire Station and the Southern Region Headquarters office in Las Vegas.

The Division's capital improvement program (CIP) projects this year include traffic signals at Kyle Canyon on Mount Charleston. The station is close to the highway and the signals will allow us to stop traffic while engines get in and out of the station. Other projects are repairs at the Sierra Front Interagency Dispatch Center, our aviation hangars and repairs at the Elko Interagency Dispatch Center. All of these projects are OSHA mandates.

The next decision units I would like to discuss are E-500 and E-900.

E-500 Adjustments - Transfers In – Page DCNR-154

E-900 Transfer Fire Mgmt Officers to B/A 4195 – Page DCNR-156

Decision units E-500 and E-900 transfer two fire management officer positions and associated operating costs from the Forestry Intergovernmental Agreements budget account to the Forestry administration budget account.

Two of the three State fire management officers are presently funded by the county in the Forestry Intergovernmental Agreements budget account, and one is in the General Fund. It is our goal to make the fire management officers responsible for the entire State. We are experiencing increasingly severe fire seasons and it is incumbent upon our fire management officers to work on agreements with our partners, local governments, counties and federal agencies. The Division strongly encourages the approval of these decision units.

Next is decision unit E-600.

E-600 Budget Reductions – Page DCNR-154

Decision unit E-600 eliminates an administrative assistant II position at the Eastlake office and reduces seasonal salaries. With the transfer of the 43 full-time equivalents (FTE) last year to Washoe County, this administrative position can be eliminated.

The next decision unit is E-605.

E-605 Budget Reductions – Page DCNR-155

Decision unit E-605 requests funding be restored for the seasonal salaries eliminated in decision unit E-600. The loss of these seasonal positions would have a significant and major impact on the Division's fire programs.

Decision unit E-719 is for replacement equipment.

E-719 Replacement Equipment – Page DCNR-155

Decision unit E-719 includes an edge router to connect the Agency's local area network to SilverNet.

Next is decision unit E-813.

E-813 Unclassified Step Adjustments – Page DCNR-156

Decision unit E-813 is an equity adjustment for unclassified employees due to the addition of one step to the classified employees' salary schedule.

The last enhancement decision unit is E-818.

E-818 IT Contract Unit – Page DCNR-156

Decision unit E-818 transfers the Information Technology contract from the Department of Information Technology (DoIT) to the Purchasing Division.

The Division has two bill draft requests (BDR), BDR S-1221 and BDR S-1260, regarding one-shot funds for replacement of vehicles and computer equipment and a supplemental appropriation for utilities and aircraft insurance.

BILL DRAFT REQUEST S-1221: Makes an appropriation for the Department of Conservation and Natural Resources - Water Resources, Forestry, Forestry Conservation Camps and State Parks, for replacement vehicles and computer equipment and various other projects. (Later introduced as [Senate Bill 251](#).)

BILL DRAFT REQUEST S-1260: Makes an appropriation for the State Department of Conservation and Natural Resources for ongoing utility bills for FY 07, costs of smaller fires from July through October 2006, projected shortfalls of utilities and incorrectly budgeted aircraft insurance. (Later introduced as [Senate Bill 336](#).)

CHAIR RHOADS:

Would you please comment on the Division's recommendation to transfer the two fire management officer positions from the Forestry Intergovernmental Agreements budget account to the Forestry administration budget account to be funded with General Funds?

MR. ANDERSON:

The fire management officers are responsible for a wide range of issues across regional boundaries. The two fire management officers funded by the county fire protection district are restricted to that fire district. We see that as a significant concern. It is imperative we work with the local governments, counties and at the federal level to plan and develop an operational approach for wildfires. The State spent almost \$10 million last year to fight these fires, and it is imperative these two fire management officers are able to work across regional boundaries to achieve some control of this situation.

CHAIR RHOADS:

The transfer of these positions was denied by the Budget Division in previous years. Why is it included in this *Executive Budget*?

MR. ANDERSON:

We have tried for several Legislative Sessions to get these two positions transferred to the General Fund. Their responsibilities are region-wide and should not be confined to a fire district. It is important we look at the entire State.

CHAIR RHOADS:

At this time, we will take public comments from the audience regarding their concerns.

ED FLAGG (President, Nevada Corrections Association):

I am here to speak on behalf of the employees of the Nevada Division of Forestry regarding their salaries.

A conservation crew supervisor I begins at Grade 27. There is an automatic progression up to Grade 31. They are out in the public with inmates, working on ranches and other projects. A couple of years ago, they worked at the flood. There is 1 crew supervisor with 12 inmates and their equipment, including chain saws and axes. The only time a custody officer goes with them is when they go out of state or when they will be gone for a long period of time.

If it were not for the Nevada Division of Forestry crew supervisors and crew bosses, the fires in Elko and across the State last year would have been catastrophic. I would like to see something in this budget to upgrade their salaries. It is not appropriate to have these employees, who supervise inmates that have been assigned to their Division through the Department of Corrections, begin at a Grade 27.

CHAIR RHOADS:

What would you recommend?

MR. FLAGG:

I would recommend at least a 15- or 20-percent upgrade all the way through, similar to the salary increases recently given to the Department of Corrections. The turnover rate is high because of the pay issue.

CHAIR RHOADS:

What are the vacancies in the Division?

RICH HARVEY (Resource Management Program Manager, Division of Forestry, Department of Conservation and Natural Resources):

The Division's turnover rate is 30 percent. The vacancy rate is lower than that.

CHAIR RHOADS:

Was this discussed with the Governor when the budget was being prepared?

MR. BIAGGI:

While we brought this up during the budget cycle, an ongoing salary survey was in process and there were some concerns about waiting until the salary survey was completed. I have a letter from Ms. Jeanne Greene of the Department of Personnel addressing the salary issue and evaluation. To some extent, she recognizes this disparity. We recognize the importance of these employees to the Division of Forestry. It is because of their work the State was saved from an

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even greater catastrophic wildfire season last year. We would like to see parity at some point between the salaries of these employees and those of the Department of Corrections.

CHAIR RHOADS:
Do you have any idea what this would cost?

MR. BIAGGI:
I do not at this time.

CHAIR RHOADS:
I know they did a great job because I was in the middle of most of those fires. It was amazing to see what they went through.

ASSEMBLYMAN GRADY:
A corrections officer starts at Grade 29, and they have the inmates while they are in camps. Then, the inmates are turned over to an employee of the Division of Forestry who is a Grade 27. The crew chiefs are responsible for taking the inmates out and teaching them a trade, but their pay is two grades lower than a corrections officer's.

MR. BIAGGI:
The corrections officers do a fantastic job, but there is a difference. The Division of Forestry staff are with the inmates out in the field working where there is much more potential for incidents to occur. That should factor into this pay disparity as well.

CHAIR RHOADS:
Is there a bill in the Assembly that addresses this?

ASSEMBLYMAN GRADY:
There is no bill of which I am aware.

CHAIR RHOADS:
I will ask staff to find out what the cost would be.

MR. FLAGG:
There is a classification process for inmates before they are sent to the conservation camp. When they first come into the system, they do not go right to camp.

I have to correct my earlier statement. A corrections officer trainee begins at a Grade 31, not 29 as I previously stated.

MR. ANDERSON:
Our Conservation Camp Program is mandated to generate in the neighborhood of \$2.5 million each year. It takes about three months to train a crew supervisor, and the continuous vacancy and turnover issues are a problem.

It is a huge responsibility for a crew supervisor to be in the field, basically alone, with 12 inmates. It is a challenge for us to keep people in the field and meet our revenue target.

CHAIR RHOADS:

You have had a good track record.

MR. ANDERSON:

A lot of the credit goes to the Division of Forestry employees who do a fantastic job every day.

CHAIR RHOADS:

We will try to get a BDR in on this.

SENATOR BEERS:

What percentage of the work crews' efforts is billable? This summer, they were working on one of the hotels being refurbished in Tonopah. What percentage of their efforts is for billable projects such as that?

MR. ANDERSON:

That fluctuates from year to year. When we are fighting fire on federal land, that is a billable project. We send the federal agencies a bill for our equipment and manpower. It is only within our fire districts, where we have jurisdictional responsibility for the fire, that we do not bill. The rest of the time is spent on conservation-oriented projects. The time spent on conservation-type projects is in the neighborhood of 40 percent. The rest of the time is spent on wild land fires that are either within our jurisdiction or on federal land.

SENATOR BEERS:

How do you determine the pricing?

MR. ANDERSON:

We have a rate structure that we update each year for our aviation service, equipment and staff.

SENATOR BEERS:

Does the Legislature not set the rates?

MR. ANDERSON:

No.

SENATOR BEERS:

The billable portions of what the Division does should be considered an option for the customer. Therefore, passing increased costs through to the customer would not be considered a fee or a tax hike by the Governor's Office or the Legislature, because we are not compelling anyone to use it. Is that a potential source of funding for fixing the salary disparity?

MR. ANDERSON:

Given the situation we are in, it is our opinion \$2.5 million is our plateau. When we have large fire seasons like 2006, where we spent over seven months on the fireline, that is not applied to the \$2.5 million revenue target. At the moment, we are behind where we should be for revenue generation.

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MR. BIAGGI:

Senator Beers' question about whether the increased cost for the salaries could be factored into the rate charged for the crews is an option we can explore. I am not sure how much it would increase our cost structure, but it does bear some evaluation.

SENATOR BEERS:

Staff has probably already calculated that number but did not anticipate having this discussion today, so that number should be available soon.

ASSEMBLYWOMAN WEBER:

If you have a 30-percent turnover rate and a number of vacancies, how much overtime did you pay? Since it was a busy season, that would have played a significant role and cut into the profit margin.

MR. ANDERSON:

Our overtime rates were high this summer, given the amount of wildfire activity, but I do not know the exact amount. I can get that number for you.

CHAIR RHOADS:

It is obvious there is a problem, along with a morale problem, because of all the people who are present at this hearing. We will try to put something together to bring before the Senate and the Assembly. Keep talking to your representatives about the problem. Thank you for coming today. It shows there is a problem and we will take a look at it.

We will now continue the discussion on the transfer of the fire management officer positions in decision units E-500 and E-900.

Since the Division will be doing some work in the counties, can the counties help pay for a portion of the two positions? If so, how much could they pay?

MR. ANDERSON:

The transition at Washoe County is what started driving this scenario. Some of the larger counties are transferring our fire districts back, yet we still have the responsibilities on State land and in assisting the county governments with wild land fires. It would be best if it were a fully-funded General Fund proposition, but we can certainly take a look at that.

CHAIR RHOADS:

Would you please comment on the elimination of the administrative assistant position and the seasonal salary costs in decision unit E-600? The seasonal positions were reestablished in decision unit E-605.

JENNIFER BYERS (Administrative Services Officer, Division of Forestry, State Department of Conservation and Natural Resources):

Governor Guinn implemented the Two-Times Rule during the 2001-2003 biennium. The Two-Times Rule states the agency's total budget request cannot exceed two times the amount of the agency's Legislatively-approved General Fund appropriation for fiscal year (FY) 2006-2007. The Division exceeded the Two-Times Rule and had to build a decision unit to stay within the two-times cap. The decision unit included the

elimination of one permanent administrative assistant position, and four of the six seasonal positions funded with General Funds. The Division did not ask for an enhancement decision unit to bring the seasonal positions back in items for consideration. However, the Governor included them in the *Executive Budget*. The administrative assistant position was assisting us with paying bills and clerical assistance related to Washoe County. With the transfer of the Sierra Forest Fire Protection District to Washoe County, that position is not needed. We are requesting the return of the seasonal positions used during the fire season.

CHAIR RHOADS:

If this decision unit is not approved, what positions would be eliminated?

MR. ANDERSON:

The impact would be significant because we would not have firefighters on the ground. From a public safety standpoint, the seasonal positions are needed.

SENATOR BEERS:

What is different about your Division that the Two-Times Rule should not apply to you? There is clearly a case to be made that you should be exempt from the Two-Times Rule. Why is that, and what is different about your Division?

MR. ANDERSON:

The fire district moving from our Division to Washoe County had an impact throughout the Division. A number of things have come together to put us in this situation that is changing in population, development and environment. The rangeland health is deteriorating.

MR. BIAGGI:

The Division is not asking for an exemption or an exception to the Two-Times Rule. We are playing by the rules and adding these positions back in as an enhancement as required.

CHAIR RHOADS:

Please provide an overview of the deferred-maintenance projects in decision unit M-750. Are there any sources, other than General Funds, available to assist with funding these projects?

MR. ANDERSON:

The projects are all for State facilities. They have been identified by the State Public Works Board. The facilities are not shared. The maintenance is for items that have been neglected for some time. Many of them are Americans with Disabilities Act (ADA) and OSHA mandates. Some of the items are leaking windows and roofs.

CHAIR RHOADS:

Are these projects being worked on now? Do they have to go to bid and be contracted out?

MR. ANDERSON:

Yes, they will have to go through the bid process.

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CHAIR RHOADS:

Would you please describe your aviation program?

MR. ANDERSON:

The ship approved in the 2005 Legislative Session is now almost ready. Some hydraulic testing still needs to be done, but it will be ready for this fire season. We will have three rotorcraft up and available. It is our hope to be able to utilize those aircraft not only along the front but wherever the fire dangers are the highest. We have conducted an analysis on our fixed-wing ship. There has been a transition at the federal level from heavy air tankers to smaller, single-engine air tankers.

CHAIR RHOADS:

Can you no longer use the Piper Cheyenne to lead the big planes to make the drops?

MR. ANDERSON:

We can still do that, but there is not the demand there was in the past because of the federal shift from the heavier air tankers to single-engine tankers.

CHAIR RHOADS:

Is that airplane needed?

MR. ANDERSON:

We did an analysis and have looked at several options. We are currently in discussions with the Washoe County Sheriff's Office (WCSO) because they have a need for prisoner movement. The WCSO is willing to take on the insurance, maintenance and storage of that aircraft to utilize it. If we have a need for the ship, we would be able to utilize it by paying the operational cost for that specific flight or mission. We should have feedback and an agreement on this in another couple of months.

CHAIR RHOADS:

Is the third helicopter operational?

MR. ANDERSON:

It will be ready for the fire season. Some hydraulic work needs to be done, but it is fully assembled and is being tested. We have gone through it carefully, as we want to make sure it is in excellent shape before we put people in it and have it in the field. These helicopters are excess-federal property that flew in Viet Nam.

CHAIR RHOADS:

Is there any opportunity to get another helicopter from the federal government?

MR. ANDERSON:

We are continually looking for opportunities to upgrade our fleet.

ASSEMBLYMAN GRADY:

Will you be able to staff all three helicopters? Also, Assemblyman Goicoechea would like to see one of the helicopters stationed in Elko or the eastern area of the State. Would you please comment on these two issues?

MR. ANDERSON:

The intent of the last Legislative Session was to have a spare helicopter. The Division has a full-time pilot plus a seasonal pilot who works approximately nine months. We also utilize the Department of Wildlife pilots during busy periods. With three helicopters, we hope to be able to always have two in the air.

One of the major goals of our Division is to move a helicopter to Elko. To do that effectively and efficiently, we need a module that can take a mechanic, a field truck and the other support infrastructure to Elko. Elko County has offered hangar space at no charge. It is not in this budget, but we are working in that direction.

SENATOR BEERS:

Would you be able to use the services at the Elko Regional Airport?

MR. ANDERSON:

When there is a fire, the helicopters would be out in the field and flying out of a ranch or another area.

SENATOR BEERS:

You would need a refueling station away from the airport. Have you looked into whether there is a mechanic in Elko who would be available?

MR. ANDERSON:

If mechanical services are necessary, we would either have to ship our only mechanic to Elko or get private-sector assistance which is available in Elko.

SENATOR BEERS:

If a mechanic is available, then what is needed is a fuel truck.

MR. ANDERSON:

The mechanic is needed in the field, where the helicopter is, not in Elko. It would be a logistics and timing problem to support the helicopter when it is out of the immediate area of the Elko Regional Airport.

SENATOR BEERS:

Would you anticipate having a mechanic as a full-time seasonal employee?

MR. ANDERSON:

Yes, the seasonal mechanic and our existing full-time mechanic would be able to handle all three helicopters.

SENATOR BEERS:

I do not know if we will be able to put it together for this budget, but if you would prepare an estimate of the cost, Senator Rhoads and I would be interested in seeing that.

MR. ANDERSON:

We will prepare the estimate.

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CHAIR RHOADS:

Please describe the Division's one-shot appropriation of approximately \$900,000.

MR. ANDERSON:

The one-shot appropriation is comprised of replacement hardware and software necessary to maintain our computer systems. The other part of the one-shot appropriation is replacement of vehicles. Many of the Division's vehicles are ten years old and have over 150,000 miles on them. In the last Legislative Session, the Division did not receive many vehicles, and some of these older vehicles need to be replaced because they are no longer safe.

CHAIR RHOADS:

One thing we have discussed before is the lack of equipment the volunteer fire departments have. The truck in our volunteer fire department is 30 years old and has to be jump-started. The local people are the first responders to a fire. They know the location of the highways, gates and water. I have requested a BDR for \$1 million to restore equipment used by the volunteers, and there is about \$500,000 ongoing to match it. This would be a good investment and I hope you will support my bill when it comes out.

MR. ANDERSON:

We agree there is that need. The local volunteers are our front line, not only from the standpoint of initial attack, but to provide the communication link back to the dispatch centers.

SENATOR BEERS:

Since your Division does a lot of work in the field, are there any laptop computers in your one-shot appropriations? The laptop computers can serve as a desktop when you are not in the field.

MR. ANDERSON:

The Division has laptops and a docking system, so they can function both ways.

MS. BYERS:

Based on the DoIT schedule, the Division has approximately ten laptops in our budget for replacement.

CHAIR RHOADS:

Next we will hear B/A 101-4196, Forest Fire Suppression.

DCNR - Forest Fire Suppression – Budget Page DCNR-161 (Volume III)
Budget Account 101-4196

MR. ANDERSON:

In this budget account, I would like to discuss decision unit E-350.

E-350 Environmental Policies and Programs – Page DCNR-163

Decision unit E-350 increases the General Fund appropriation for emergency response and wild land fire suppression from \$1 million to \$2.5 million. This is

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based on the average costs for the last nine years which have exceeded \$2.5 million. This last summer, when the Interim Finance Committee Contingency Fund was virtually out of money, we turned to the Disaster Relief Fund to cover our wild-land fire costs. Based on this, we are asking for an increase because of the growing cost of wild-land fires impacting our State.

CHAIR RHOADS:

Are there any positions in this budget?

MR. ANDERSON:

No, there are not.

A supplemental appropriation is contained in BDR S-1260 to cover the costs of the smaller fires that were not covered in the Disaster Relief Fund request last summer.

CHAIR RHOADS:

What was the rationale for increasing this budget by \$1.5 million annually to a total of \$2.5 million?

MR. ANDERSON:

This is based on the average rapidly-increasing trend of fire costs with which we are faced.

CHAIR RHOADS:

Is the increase from \$1 million to \$2.5 million in the Governor's budget?

MR. ANDERSON:

Yes, it is.

MR. BIAGGI:

The Governor has been extremely supportive and has directed this Department to initiate a pre-suppression effort, recognizing we need to change the way we are dealing with fuels management in this State. It is not acceptable we continue to have \$10 million in fire-suppression costs, and \$30 million at the federal level. Hopefully, through these efforts, by working with federal agencies and local governments, we can find ways to manage the fuels on our rangelands and stop this fire cycle to reduce suppression costs and save our sagebrush habitats.

CHAIR RHOADS:

How do you measure the severity of fires in the coming season?

MR. ANDERSON:

Many factors go into that forecast, along with the climate and weather models. If we have an early, wet spring, we can expect a lot of fine field growth and grasses, primarily cheat grass. The fuel will grow and become extremely flammable by the end of the summer. Across the State, we have stations that can measure fuel and fuel moisture. That is fed back into computers to try to get some modeling on where the highest danger is going to be.

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CHAIR PARKS:

What are your projections for 2007?

MR. ANDERSON:

This year has been different, because our winter has come later than in the past. One of the factors we rely on is snow depth which crushes fine fuels to the ground and makes them a little less flammable. It is too early to forecast. Typically, April or May is when we have good data. We have to be ready, so we are preparing for another active wild-land fire season.

CHAIR RHOADS:

Next, we will hear B/A 101-4198, Forestry Conservation Camps.

DCNR - Forestry Conservation Camps – Budget Page DCNR-166 (Volume III)
Budget Account 101-4198

MR. ANDERSON:

The first decision unit I would like to discuss is M-202.

M-202 Demographics/Caseload Changes – Page DCNR-168

Decision unit M-202 supports the Department of Corrections' forecast of a rapidly-expanding inmate population. Included within this decision unit are 17 new positions and the necessary equipment to accommodate 16 additional inmate crews arising from the camp expansion.

CHAIR RHOADS:

Is the expansion of the Indian Springs Conservation Camp under construction?

MR. ANDERSON:

It is not.

CHAIR RHOADS:

Is the expansion on track?

MR. ANDERSON:

It is on track. An expansion of the Stewart Conservation Camp is projected for the near future as well. There has also been interest from several rural counties for new camps.

CHAIR RHOADS:

Do all of the 17 positions need to be filled prior to the opening of the Indian Springs Conservation Camp?

MR. ANDERSON:

Those positions will not begin until the end of FY 2008-2009. There is a three-month training window after the positions are filled.

CHAIR PARKS:

There is an immediate need for a tilt-up facility at the women's prison. We are considering doing four at one time, all under one contract. We are not certain of the timeline, but nothing has begun at this point.

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CHAIR RHOADS:

There seems to be an error in the assistant camp supervisor position.

MR. ANDERSON:

That is correct. The assistant camp supervisor position was eliminated in the last Legislative Session. The correct position is a conservation camp supervisor. Because we are adding 16 new crews to one camp, it is outside the span of control of one conservation camp supervisor. With two conservation camp supervisors, we will have the management staff capabilities to run a camp of that size.

CHAIR RHOADS:

Does the Budget Division support this position?

MR. ANDERSON:

Yes, they do.

Next, we will discuss decision unit M-520.

M-520 OSHA Mandates – Page DCNR-169

Decision unit M-520 includes funding for the installation of a firewall at the Carlin Conservation Camp, a concrete pad to store barrels of hazardous waste at the Tonopah Conservation Camp and surge protectors and furnace repairs at the Ely Conservation Camp industry shop.

The next decision unit is M-750.

M-750 Building Construction Outside Cap – Page DCNR-170

Decision unit M-750 funds reroofing, painting, window replacements and flooring construction at the Tonopah, Ely and Jean Conservation Camps.

Next, we will discuss decision unit E-818.

E-818 IT Contract Unit – Page DCNR-170

Decision unit E-818 transfers the Information Technology contract from DoIT to the Purchasing Division.

There is a one-shot appropriation in BDR S-1221 for replacement vehicles and computer equipment for this budget account.

CHAIR RHOADS:

Is that \$750,000? Does it include 13 pickups?

MR. ANDERSON:

Yes.

CHAIR PARKS:

Any increase in camp revenues should offset General Fund appropriations. However, your revenues do not reflect any substantial increase. Would you please comment on that?

MR. ANDERSON:

A significant part of the Division's revenue over the last couple of years, which has exceeded our targets, was based on federal grants and fuel-reduction projects, among other things. That money is starting to dry up as federal funds are being reduced in many programs. We feel we have reached a plateau at the \$2.5 million level. We are still generating some revenue when the crews are out fighting fires, but it does not count in that number.

CHAIR RHOADS:

The next budget account is B/A 101-4227.

DCNR - Forestry Inter-Governmental Agreements – Budget Page DCNR-173
(Volume III)

Budget Account 101-4227

MR. ANDERSON:

The first decision unit for discussion is E-818.

E-818 IT Contract Unit – Page DCNR-176

Decision unit E-818 transfers the information technology contract from DoIT to the Purchasing Division.

The next decision unit is E-900.

E-900 Transfer Fire Mgmt Officers to B/A 4195 – Page DCNR-176

Decision unit E-900 transfers the two fire management officer positions out of this budget account into Forestry Administration, B/A 101-4195.

CHAIR RHOADS:

Would you please discuss the transfer of the Sierra Forest Fire Protection District to Washoe County and how the transfer impacted your agency?

MR. ANDERSON:

There were a wide variety of impacts, some small and some large. We have gotten through the transition and we are comfortable with the change.

CHAIR RHOADS:

Were 41 positions transferred from the Division of Forestry to Washoe County?

MR. ANDERSON:

The number of positions transferred was 43. Those fire staff members are still available to our Division when we have large incidents. Instead of having full-time State employees, we would pay for their service as needed. We are still in transition. We reorganized the agency and there will continue to be ongoing impacts from this transition. At this point, we are happy to be back to our

wildfire mission in most of the counties and feel good about where the agency is headed.

CHAIR PARKS:

Will there be any reimbursements to this budget as a result of these transfers?

MR. ANDERSON:

The counties fund the day-to-day operations of our county fire districts. They cover the salary and equipment costs for the operation of the district. When there is an incident or a large fire, the State's emergency account, B/A 101-4196, covers those costs. We no longer have that liability in Washoe County. The fires that occur now, in the old Sierra Forest Fire Protection District of Washoe County, are the responsibility of Washoe County. We would probably see a savings because we would no longer have those wildfire costs.

CHAIR RHOADS:

Next we will hear B/A 101-4151.

DCNR - Division of Conservation Districts – Budget Page DCNR-18 (Volume III)
Budget Account 101-4151

PAMELA B. WILCOX (Administrator and State Land Registrar, Division of State Lands, State Department of Conservation and Natural Resources):

I am the Acting Administrator of the Division of Conservation Districts. The Division of Conservation Districts is a small agency with three full-time salaried staff members. They provide regulation and assistance to the State's 28 locally-elected conservation districts. The State Conservation Commission is a regulatory and policy-making board.

The conservation districts have many local conservation programs. Over the years, they have focused on soil erosion and productivity, water conservation, water-quality projects, flood prevention and mitigation, and noxious weeds. The districts also provide public information and education programs. The Division gives each of the 28 conservation districts \$5,000 in grants each year which they are required to match. They have been so successful in acquiring matching money, they are now up to \$28 in matching funds for each dollar they receive. Thus, the \$140,000 the Division grants to the districts annually is turned into about \$4 million.

The Division has a small budget of about \$440,000, of which \$140,000 is the grant program. There are no new programs requested this Session.

The Division has requested six enhancement decision units. The first is E-351.

E-351 Environmental Policies and Programs – Page DCNR-21

Decision unit E-351 is a request for \$1,500 the first year of the biennium and \$1,800 the second year to facilitate conservation district outreach. For us to work with the conservation districts, we have to get information and publications out to them.

CHAIR RHOADS:

Why is this in the budget this year if it was not in the last budget?

MS. WILCOX:

These are all continuing efforts. Because of the Two-Times Rule, to keep the budget flat, we revisit the way in which we expend funds. We are trying to put more money into this for the next two years.

Next is decision unit E-352.

E-352 Environmental Policies and Programs – Page DCNR-21

Decision unit E-352 requests additional money for training and out-of-state travel. There is a large national network of conservation districts. There is a National Association of Conservation Districts and a National Association of State Conservation Agencies. They all have meetings, workshops and training opportunities from which we, as a small state, get a lot of benefit. We would like to shift funds to enable us to take more advantage of these opportunities.

CHAIR RHOADS:

How do you determine whether that is going to bring in more revenue?

MS. WILCOX:

At these meetings, we find out about federal opportunities that may not come to this agency but go directly to local conservation districts. Over the years, a lot of Environmental Protection Agency and Natural Resources Conservation Service funds have gone to conservation districts. By attending these meetings we find out what is going on.

Decision unit E-354 is a non-General Fund enhancement.

E-354 Environmental Policies and Programs – Page DCNR-21

This is one of the programs that receives donations. Some years the donations are higher, some years they are lower, but we think we will be able to generate about \$5,000 in donations.

The next decision unit is E-355.

E-355 Environmental Policies and Programs – Page DCNR-22

Decision unit E-355 requests additional funds for in-state travel. The State Conservation Commission meets quarterly, but travel funds have been so tight the last few years the Commission's fourth meeting of the year has had to be teleconferenced. We are shifting funds to enhance the in-state travel budget to enable the Commission to meet face-to-face four times a year.

Next is decision unit E-710.

E-710 Replacement Equipment – Page DCNR-22

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Decision unit E-710 is a standard unit to replace computer equipment pursuant to the DoIT schedule. The Division is requesting a printer replacement and some standard software upgrades.

Decision unit E-720 is a request for new equipment.

E-720 New Equipment – Page DCNR-22

In decision unit E-720, the Division is requesting a PowerPoint projector. They currently borrow PowerPoint projectors for presentations to local conservation districts. We are also requesting personal digital assistants (PDA) for two professional staff positions. These are field positions and they need to be able to set their schedules in the field. The PDAs would also enhance their ability to have copies of statutes and regulations in the field.

CHAIR RHOADS:

Most agencies do not have PDAs. Would we be setting a precedent by providing them to your Division? Could you get along without them?

MS. WILCOX:

That would probably have to be justified on a case-by-case basis. This agency has never before had PDAs. We have done without them for many years, but it would be more efficient with them.

ASSEMBLYMAN GRADY:

In the past, the conservation districts have received engineering and other help from federal agencies. They are no longer getting that service and it is hampering them because they need more funds in this area. Would you please comment on that for the Subcommittee?

MS. WILCOX:

It is correct, the conservation districts have traditionally had a close partnership with the Soil Conservation Service which is now called the Natural Resources Conservation Service (NRCS). The NRCS has traditionally provided engineers, agronomists and other experts to support districts and their programs. The NRCS has had severe budget cutbacks and their ability to provide that support has greatly diminished. This is having an impact on conservation district programs.

CHAIR RHOADS:

Our next hearing is on B/A 101-4173.

DCNR - State Lands – Budget Page DCNR-30 (Volume III)
Budget Account 101-4173

MS. WILCOX:

The Division of State Lands is located in Carson City. They have 22 full-time positions and one seasonal forester position who helps take care of sensitive lands in the Tahoe Basin. The Division of State Lands has four separate programs.

The State Land Office holds title to the State lands. We buy and sell land on behalf of the State. We issue easements and leases. The approval of the Interim Finance Committee is required for the sale or lease of land.

The State Land Use Planning Agency provides technical planning assistance to local governments in rural areas that do not have their own planning staffs. We assist with such things as master planning, zoning and ordinances.

The Nevada Tahoe Resource Team is coordinating the implementation of the Lake Tahoe Environmental Improvement Program (EIP).

The Division of State Lands has a grant program funded by Question 1 which was approved by the voters in November 2002. This is a conservation grant program for open space acquisition and other conservation purposes. It is primarily for local governments and, to some extent, for nonprofit groups.

Decision unit M-750 is for deferred maintenance.

M-750 Building Construction Outside Cap – Page DCNR-33

Decision unit M-750 is for deferred maintenance funds for the Winnemucca facility of the Department of Conservation and Natural Resources. The Department of Conservation and Natural Resources, in cooperation with the Department of Wildlife, acquired from the federal government the excess Bureau of Land Management headquarters in Winnemucca. It consists of three office buildings, a shop and some storage buildings. It is an old facility. It requires regular maintenance and it also has some large maintenance items. In the last biennium, we requested deferred-maintenance funds for some of these items. The items were all recommended by the State Public Works Board. In this budget, we are requesting another \$228,850 to continue that effort. Most of this money will go toward the replacement of some of the doors and windows, some reroofing and potential asbestos abatement.

CHAIR RHOADS:

Why has only \$10,000 been spent of the \$472,000 approved by the 2005 Legislature for deferred maintenance on the Winnemucca building?

Ms. WILCOX:

The deferred maintenance program is carried out in cooperation with the State Public Works Board. They are doing the work and they assure us it will be done by the end of this biennium. It is, to some extent, outside our control other than urging them to go ahead and get it completed.

CHAIR RHOADS:

Are any of the other agencies in the building paying rent to the State?

Ms. WILCOX:

The non-State entity in the building pays \$5,400 a year. The Nevada Department of Transportation (NDOT) occupies one of the small buildings with a field crew. The law does not allow us to charge rent to State agencies, but the NDOT gives us \$100 a month to cover increased administrative costs. Those funds go into a continuing maintenance account.

CHAIR RHOADS:

Have you ever considered using some of your cash reserves for recommended maintenance projects?

MS. WILCOX:

That is what we use them for. We use the cash reserves for the kind of maintenance needed when something breaks on an emergency basis or something needs to be repainted.

CHAIR PARKS:

Does the NDOT do their own maintenance on the building they occupy?

MS. WILCOX:

They do the day-to-day maintenance. We do not provide janitorial services. If there is something major, we would take care of it.

ASSEMBLYWOMAN MCCLAIN:

Where is the \$472,000 approved for deferred maintenance projects for the current biennium?

MS. WILCOX:

The \$472,000 is in our budget. It is allocated for projects that are all in progress.

ASSEMBLYWOMAN MCCLAIN:

Is the Public Works Board telling you the projects will be finished by the end of this fiscal year? If they are not completed, the money will revert.

MS. WILCOX:

Yes. The projects need to be finished because this is an aging facility. We are doing everything we can to make sure the work is completed.

Next is decision unit E-350.

E-350 Environmental Policies and Programs – Page DCNR-34

Enhancement unit E-350 requests about \$1,000 each year for classes, dues and registrations. This is partly because of increasing costs and partly because there were some vacancies and we were not able to send people to the classes and conferences.

CHAIR RHOADS:

What is the reason for the in-state travel increase for the 2007-2009 biennium in decision unit E-354?

E-354 Environmental Policies and Programs – Page DCNR-35

MS. WILCOX:

We are short on in-state travel funds. We prioritize from the first day of each fiscal year to get it all in. We have not been able to have our staff physically look at the transactions we do in the office. We have issued easements for land we have not inspected and we have acquired land we have not inspected. That

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is not acceptable. The purpose of these travel funds is to make sure we get staff out in the field to look at these transactions and make sure there are no field problems.

We are the agency responsible for coordinating the State's participation in the implementation of the Southern Nevada Public Land Management Act. That requires many meetings, most of which are in Las Vegas. They are attended by me or my deputy, and we are always short of funds to do that. The county land bills being developed the last few years also require travel.

CHAIR RHOADS:

Would you also address the increase in out-of-state travel in decision unit E-355?

E-355 Environmental Policies and Programs – Page DCNR-35

Ms. WILCOX:

A portion of the out-of-state travel is required to attend the meetings in the Tahoe Basin that are held on the California side. Some of it is to enable us to enhance our training capacity. We are trying to get into geographic information systems (GIS) and that requires sending people to training.

CHAIR RHOADS:

Is this training and travel new?

Ms. WILCOX:

It is not new. We are using our flat budget within the Two-Times Rule and prioritizing and juggling funds to enable us to better do our job.

CHAIR RHOADS:

Could the money come out of the Tahoe EIP bond funds instead of the General Fund?

Ms. WILCOX:

No. The staff supported by the Tahoe EIP bond funds is paid entirely out of Tahoe EIP bond funds. Their travel never comes out of the General Fund.

ASSEMBLYWOMAN WEBER:

The Western States Land Commissioners Association had a meeting in Wyoming last year. I was told by Ms. Wilcox she could not attend because there were no travel funds. That meeting is important to Nevada because we have so much land in federal ownership and it affects the permanent school funds. I would be supportive of the Division attending these meetings.

SENATOR TITUS:

Do you have a list of the projects that have received Question 1 money?

Ms. WILCOX:

Yes. A copy of a document titled "Question One Program Summary, Budget Account 4173" ([Exhibit D](#)) is being distributed to the Subcommittee.

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SENATOR TITUS:

What is the status of that money?

MS. WILCOX:

The Question One program allocated \$65.5 million to the Division of State Lands to be distributed as grants. About half of that amount has been issued at this time. There are a total of 90 projects listed on [Exhibit D](#). The program requires a match from the local government or nonprofit group that receives the grant. The match is usually less than 50 percent. People are offering more than they have to offer as match because they are so enthusiastic about this program.

SENATOR TITUS:

Is there a time constraint on when the money has to be spent?

MS. WILCOX:

There is not in the Question 1 Conservation Bond Act, but there is a general state law which provides that when a bond issue has been approved by the voters, the bonds have to be sold within six years. Question 1 was approved in November 2002, so the bonds must be sold by November 2008.

SENATOR TITUS:

Would the bicycle path along the Truckee River be eligible for this funding?

MS. WILCOX:

Yes. We issued a grant for a bridge needed to go across the Truckee River. That project is a little uncertain because they may not be able to get the needed private rights-of-way.

SENATOR TITUS:

The Subcommittee to Study the Protection of Natural Treasures has a bill that would attempt to help with some liability issues. If you think this is a good project, you might want to talk to them and speak on behalf of the bill.

MR. BIAGGI:

Along with the Office of the State Treasurer, we are evaluating the ability to extend the bonding period for another three years to allow us to continue to sell the bonds without incurring arbitrage charges. We are working with the bicycle-path proponents and the Office of the Attorney General to evaluate the continued funding of that project, particularly as it relates to planning on the California/Nevada border.

MS. WILCOX:

Decision unit E-710 is for replacement equipment.

E-710 Replacement Equipment – Page DCNR-36

This decision unit is for our scheduled computer replacements.

MS. WILCOX:

Next is decision unit E-720.

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E-720 New Equipment – Page DCNR-36

Decision unit E-720 requests some GIS data layers for county parcel data.

Ms. WILCOX:
Decision unit E-805 is a position reclassification.

E-805 Classified Position Reclassifications – Page DCNR-37

Decision unit E-805 would reclassify our office manager, who is currently in a clerical position. The Division does not have a fiscal officer.

CHAIR RHOADS:
Is this a new position? Will this person be your assistant?

Ms. WILCOX:
It is not a new position. It will be a reclassification of our current highest clerical position to a management analyst position. The position would become the fiscal and management officer for the Division.

The two final enhancement units, E-840 and E-860, are not General Fund. They are related to our two bond programs.

E-840 Q1 Conservation Bond – Page DCNR-38

Decision unit E-840 is the Question 1 bond program. This decision unit has a request for approximately \$2,000 each year in additional funds for travel and operations.

E-860 Tahoe EIP Program – Page DCNR-38

Decision unit E-860 requests about \$13,000 each year for additional travel and operating funds for the Tahoe Resource Team.

I would be happy to answer any questions about B/A 101-4173.

CHAIR RHOADS:
Would you please explain the \$449,000 Technology Investment Request (TIR) for the design, development and implementation of a new land management system?

Ms. WILCOX:
The Division of State Lands is the repository of all of the State's land records since statehood. We are a recognized sub-archive in the State archive system. We have a climate-controlled vault, and we have many paper records.

CHAIR RHOADS:
I understand this will be discussed further during the budget hearing for Information Technology Projects.

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CHAIR PARKS:

Have you discussed the reclassification with the Department of Personnel, and do they support the reclassification?

MS. WILCOX:

In doing the research to determine the appropriate classification for this position, we did talk with the Department of Personnel. At this point, it has been submitted as a budget request. I was notified this morning the Department of Personnel is aware Legislative committees have been asking whether the reclassification will be approved by their Department. I was informed if I submit the request to the Department of Personnel at this time, they will review it and make a decision. This would be a departure from established procedures.

CHAIR PARKS:

Will that be available before this budget is closed?

MS. WILCOX:

I will do my best to get that for you.

ASSEMBLYWOMAN MCCLAIN:

With regard to the Capital Improvement Planning Project requested by the city of Las Vegas to consider the sale of property to the city, will they share the cost of the feasibility study?

MS. WILCOX:

The Division has an existing State facility located within one of the city's parks. It is an office building on Vegas Drive and it is occupied by the Division of State Parks, the Division of Forestry and the Department of Wildlife. The city has asked if we would be willing to sell that facility to them. We told them we could not do so unless we could find a way to replace the facility. The city has been working with us to identify federal land we could receive at no cost. The purpose of the CIP request is to do the planning necessary to go through the zoning changes needed to bring the parcel online, as well as to go through the federal process to obtain the land. The city has not offered to participate in the advance planning, although they have told us they would support it. They are, however, doing all of the legwork in identifying a new parcel. They understand we would expect them to pay fair market value for the improved parcel they want and those funds would go into the construction of the replacement facility.

CHAIR PARKS:

Would you receive reimbursement for the advance work when the transfer takes place?

MS. WILCOX:

We will do our best to make that happen.

CHAIR RHOADS:

The next budget is 101-4162, State Parks.

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DAVID K. MORROW (Administrator, Division of State Parks, State Department of Conservation and Natural Resources):

In developing the budget for the Division of State Parks, we met with every park supervisor throughout the state. In addition, we worked with the four regional managers to review and prioritize our requests so the budget reflects the most important and critical items for the Division of State Parks.

We appreciate the support we have received from the Governor and from the Governor's Budget Division. This budget is a balanced approach using existing funds, anticipated revenue and a small increase in General Funds. This budget request represents an attempt to resolve some long-standing problems. The Subcommittee has been provided a handout titled "Division of State Parks Budget Overview, Joint Sub-Committee Public Safety, Natural Resources and Transportation, Fiscal Years 2008 & 2009" ([Exhibit E](#), original is on file in the Research Library).

CHAIR RHOADS:

Is the attendance in the State Parks increasing or decreasing?

MR. MORROW:

The attendance in State Parks has been relatively flat over the last ten years. Part of the issue is the State Park system is old and the facilities have been stable for years. Without an increase in the number of parks or an increase in the facilities, we are at capacity in most areas of the State. We might be able to increase the attendance in some of the shoulder seasons.

CHAIR RHOADS:

How is your newest park, the Elgin Schoolhouse, doing?

MR. MORROW:

The Elgin Schoolhouse had quite a few visitors, considering the condition of the road leading to the park.

SENATOR BEERS:

What is the shoulder season?

MR. MORROW:

The shoulder season is late fall, early spring.

SENATOR BEERS:

What are the prospects for the road to the Elgin Schoolhouse being repaired?

MR. MORROW:

It is my understanding the project is on line.

CHAIR RHOADS:

I have a BDR in on it, but I do not know whether it will be processed.

MR. MORROW:

I would like to start with maintenance decision unit M-504.

Decision unit M-504 funds the law enforcement specialist to conduct the required training around the State for our commissioned officers. We have 32 commissioned peace officers who are required to receive 40 hours of training. In some cases, we have not complied with this because we have been unable to provide the travel funds for our law enforcement specialist.

Decision unit M-505 is the weed management program.

M-505 Mandates – Page DCNR-47

ALLEN NEWBERRY (Chief of Operations and Maintenance, Division of State Lands, State Department of Conservation and Natural Resources):

The Division is attempting to implement a new statewide weed management program. We currently have a weed management abatement program in one region.

The three regions where we want to establish a weed management program are Panaca, Las Vegas and Carson City. We have noxious weeds and invasive species in 24 State parks. The list of noxious weeds includes Russian knapweed, short and long whitetop, goat weed, leafy spurge, cocklebur, yellow toadflax, salt cedar, low thistle and musk thistle. State lands are adjacent to both federal and private properties. We are working with our neighbors to assure these invasive species do not leave State lands onto private or federal lands.

The program would be run primarily in May, June and July, using seasonal staff. We have asked for three separate crews because of the time and distance required to cover the statewide programs. Our budget request is for seasonal staff, the equipment and the product to manage the weed program.

In the past, we have tried unsuccessfully to contract for weed control. We had minimal results at a high cost because of the remote locations of the weed problems. It is important for us to develop a weed management program to help with this critical problem.

CHAIR RHOADS:

What do you do with the equipment when it is not being used since this would be a seasonal program?

MR. NEWBERRY:

The equipment is designed so it can have other uses. It will be used year round by the Division.

CHAIR RHOADS:

Do the landowners adjacent to the State Parks spray for weeds?

MR. NEWBERRY:

The federal government is not doing a good job of controlling the weeds on federal lands. We are working with our private partners and the counties who support this weed abatement program.

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CHAIR RHOADS:

Have you tried to enforce *Nevada Revised Statutes* 555.201 which provides for penalties for landowners who refuse or neglect to control noxious weeds on their property? Maybe we should write a letter to the Bureau of Land Management.

MR. BIAGGI:

We do not enforce weed control. We are trying to control weeds on our own properties. We can enter into discussions with the U.S. Department of Agriculture and point out the problem areas.

ASSEMBLYWOMAN KOIVISTO:

There are a number of state agencies working on noxious weed abatement. Are there any cooperative agreements between the groups?

MR. BIAGGI:

Yes, there are. Several different agencies have responsibility for noxious weed control, including the U.S. Department of Agriculture and our Natural Heritage Program. There is a joint effort to fund a weed control individual within the Natural Heritage Program. There has been dialogue and a cooperative effort to address the weed problems in the State.

ASSEMBLYWOMAN MCCLAIN:

How many properties do you have in Las Vegas?

MR. NEWBERRY:

The four State Parks in Las Vegas are the Valley of Fire State Park, the Spring Mountain Ranch State Park, the Big Bend of the Colorado and the Old Las Vegas Mormon State Historic Park. As you are aware, the Floyd Lamb State Park is going to be transferred to the city of Las Vegas effective June 30, 2007.

ASSEMBLYWOMAN MCCLAIN:

Does this program need one-ton 4x4 flatbed trucks?

MR. NEWBERRY:

A heavy-duty vehicle is needed to support the products and sprayer.

ASSEMBLYWOMAN MCCLAIN:

Could this be done at a lower cost by the local governments? Have you looked into having the sprayer trucks built by prison inmates?

MR. NEWBERRY:

The vehicles need to be mobile and have to travel into the back country to reach the weeds.

ASSEMBLYWOMAN MCCLAIN:

The prison inmates refurbish trucks used on construction sites which they turn around and sell. They would probably be able to modify trucks for your use.

MR. NEWBERRY:

We will look into that.

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MR. MORROW:
Next is decision unit M-506.

M-506 Mandates – Page DCNR-47

Decision unit M-506 provides a small amount of funding each year of the next biennium for mandated first responder and cardiopulmonary resuscitation training. This would train new employees and provide refresher courses for existing employees.

The next decision unit is M-507.

M-507 Mandates – Page DCNR-48

Decision unit M-507 is to provide hepatitis vaccinations to our employees who are at risk because they often are first responders.

Next, we will discuss decision unit M-520.

M-520 OSHA Mandates – Page DCNR-48

Decision unit M-520 provides the funding to replace the protective law enforcement vests worn by commissioned officers. We have not had the funding to replace these vests as needed. This decision unit also provides smoke and carbon monoxide detectors in State park facilities.

We will now discuss decision unit M-525.

M-525 Americans with Disabilities Act – Page DCNR-49

Decision unit M-525 replaces existing drinking fountains, signs and walkways required under the Americans with Disabilities Act.

The next decision unit is M-588.

M-588 Safe Drinking Water Act – Page DCNR-49

Decision unit M-588 would fund a water system operator position for the Fallon region, primarily at the Lahontan State Recreation Area. This position would also be used at the other parks in the region and as a consultant for water issues throughout the State. The position, associated equipment and operating costs are required to meet the standards established under the Safe Drinking Water Act. The water system at the Lahontan State Recreation Area is currently under a boil order. In other words, it is not fit for drinking. We replaced the water system four years ago, but we have not had a certified water system operator which is required under State law.

This would bring us into compliance so we could utilize the water without the boil order. We have looked into private operators to provide this service, as noted following Tab D of [Exhibit E](#). The estimated cost of providing the services we need for the Lahontan State Recreation Area was \$100,000 a year.

CHAIR RHOADS:

Did the contractor estimate the cost to be \$100,000?

MR. MORROW:

Yes. The advantage to having this position is we would not only get the services in the bid for \$100,000, but the operator would be able to provide services to other parks in the State.

CHAIR RHOADS:

Would this be a full-time job?

MR. MORROW:

Yes, it would.

CHAIR RHOADS:

What has been done in the past?

MR. MORROW:

We have tried to cover it with our facility maintenance supervisor in the region. That person has a full schedule of duties and has not been able to meet the daily or legal requirements for this position.

Mr. Newberry will now go over decision unit M-750.

M-750 Building Construction Outside Cap – Page DCNR-50

MR. NEWBERRY:

Decision unit M-750 is our deferred-maintenance program.

I would like to discuss the status of the deferred-maintenance projects for FY 2006-2007. Two of our four regions have completely finished their deferred-maintenance projects. The Las Vegas and Carson City regions have assured us they will be able to complete their projects. About \$150,000 will be returned from projects listed as duplicate projects. The Division has contracts for the remaining projects and they will be finished by June 30, 2007.

In decision unit M-750, there are 112 deferred-maintenance projects ranging from sign replacements at the Big Bend of the Colorado to the replacement of a culinary water well at the Valley of Fire State Park. Two of these, the Valley of Fire State Park well project and the Spring Mountain Ranch State Park project, represent two-thirds of the budget in the first year of the biennium. There is a list of the projects following Tab E in [Exhibit E](#).

CHAIR RHOADS:

Would you please tell us what is happening with the Dangberg Home Ranch Historic Site?

MR. MORROW:

There is an interlocal agreement between Douglas County and the Division of State Parks to cooperate on the development and operation of the Dangberg Ranch.

CHAIR RHOADS:

How many acres are included in the site?

MR. MORROW:

There are about 5.5 acres in the current ownership. In the future, we would like to work with the Park Cattle Company, the owner of the adjacent land, to expand that acreage. We have cataloged about 20,000 items in the collection dating back to 1856. When we took over this site, it was as if the family had just walked out and left it. There were bills on the desk. There were kitchen utensils and food in the house. This represents some of the earliest ranching history in the State. Some of Nevada's early water rights were fought and resolved by Mr. H.F. Dangberg, Sr. This is a tremendous opportunity, as the State urbanizes, to remind people how important water and agriculture have been to the State.

CHAIR RHOADS:

What are you doing to improve the site?

MR. MORROW:

We just completed a roofing project. Roofs were replaced on five of the buildings. We are in the process of letting a second contract that will remove all the exterior paint, replace windows, upgrade the electrical, provide heating and provide upgrades to the exterior of all of the buildings.

SENATOR BEERS:

When did the family leave?

MR. MORROW:

The last daughter left the house in 1977.

CHAIR RHOADS:

Will the Division have a position on the site?

MR. MORROW:

Yes, we will. That position is in decision unit E-327.

E-327 Services at Level Closest to People – Page DCNR-50

Our interlocal agreement with Douglas County obligates the Division to repair and operate the buildings on the site and to provide interpretive tours once all the building repairs are completed. In decision unit E-327, we have requested a full-time position, which is a combination of an interpretive position and an individual to catalog, maintain and display the 20,000 items at the site.

CHAIR RHOADS:

Will you charge admittance fees or will donations be requested?

MR. MORROW:

In the beginning, we will request donations because we will only be able to operate the facility on a limited basis for the first couple of years while the project is under construction. The donations would go back into the operation of the site.

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CHAIR RHOADS:

When do you anticipate the facility will be open?

MR. MORROW:

We plan to open on a limited basis two days a week, by reservation, beginning April 1, 2007.

SENATOR BEERS:

Has a foundation or booster club been formed?

MR. MORROW:

Yes. It is called the Friends of Dangberg Ranch. We are working with that group. Mr. Michael Fischer, who was just selected to be the Director of the Department of Cultural Affairs, was the president of the group. We are collaborating with him to find a replacement for his position, but he is still interested in the park.

The next decision unit is M-804.

M-804 Cost Allocation – Page DCNR-50

Decision unit M-804 is the cost allocation readjustment. It is a reduction.

Next is enhancement decision unit E-331.

E-331 Services at Level Closest to People – Page DCNR-51

Decision unit E-331 adds an administrative assistant position at the Lahontan State Recreation Area. This would be a fee-funded position. By filling this position, we would be able to better cover our entrance gate and phones, provide earlier opening of the entrance station and expand the period of time the entrance station is open during the summer.

CHAIR RHOADS:

Would it be funded entirely by fees?

MR. MORROW:

Yes. Employees have a one-year probation. When the person is hired for the position, they will be put on notice that if sufficient fees are not collected, the position will not be continued.

Next is decision unit E-332.

E-332 Services at Level Closest to People – Page DCNR-51

Decision unit E-332 adds critical seasonal funding in various parks throughout the State. Following Tab F in [Exhibit E](#) is a description of all the sites where the positions will be extended. This decision unit will add coverage early and late in the season, and it will provide additional lifeguard coverage at Lake Tahoe Nevada State Park.

The next decision unit is E-333.

E-333 Services at Level Closest to People – Page DCNR-52

Decision unit E-333 adds an administrative assistant position and a park ranger position at the Valley of Fire State Park. These are fee-funded positions. In 2003, we had one commercial group-use permit. Presently, we have 11 and we have gone from about 50 weddings a year to over 1,000 weddings a year. That increase has completely inundated the staff and has had a dramatic impact on park resources and facilities. This request is to develop a reservation system available to the wedding companies and to provide staffing that will be funded by the companies that create the impact to the park system.

CHAIR RHOADS:

If a private party wants to have a wedding at the Valley of Fire State Park, are they charged?

MR. MORROW:

If it is not a commercial use, there would not be a charge other than the park entrance fees. Any commercial use of the park would be charged.

CHAIR RHOADS:

Are the commercial users voluntarily raising their fee?

MR. MORROW:

The previous program did not work for the Division or the wedding industry. It was determined that by changing this system to a reservation system and adding staff, we could better meet their demands.

CHAIR RHOADS:

Is your budget based on the increased fees?

MR. MORROW:

Yes, it is. Again, it would be dependent upon our ability to collect the fees. We anticipate we can collect somewhere between \$150,000 and \$200,000 in revenue.

CHAIR RHOADS:

Does that meet the Governor's policy on fine and fee increases?

MR. BIAGGI:

We are working with the Governor's office to ensure this is consistent with that policy. We are seeking the unanimous support of the industry. So far, those discussions have gone well.

CHAIR RHOADS:

If there is only one that does not support it, what do you do?

MR. BIAGGI:

We will have to take a hard look at it and determine whether it meets the policy. I believe we will have the unanimous consent of the industry.

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MR. MORROW:

It is important to understand we cannot continue as we are presently operating. We do not have the staff and there is a tremendous impact to the resources.

SENATOR BEERS:

Is a permit currently required? If so, you could start denying permits.

MR. MORROW:

Yes, a permit is required.

SENATOR BEERS:

Have you considered a wedding chapel?

MR. MORROW:

My understanding is the attraction is the outdoor experience. We and the Red Rock National Conservation Area experience similar numbers of people who are being married at those sites. It is the scenic backdrop of the weddings that is unique and different.

ASSEMBLYWOMAN WEBER:

Is the park able to handle all the extra wear and tear on the physical park facility?

MR. MORROW:

This program focuses the weddings in four locations in the park and provides us with staffing to monitor and ensure the people involved in the weddings are safe and we are not degrading the resources in the park.

Next is decision unit E-334.

E-334 Services at Level Closest to People – Page DCNR-52

Decision unit E-334 adds a fee-funded administrative assistant position at the Spring Mountain Ranch State Park. This position would monitor the telephone and take reservations. The Spring Mountain Ranch State Park has approximately 77 group reservations each year. We have been missing calls and returning calls late. This position would also cover the gate. It is a fee-funded position and would be based upon our ability to generate the revenue.

Next, we will discuss decision unit E-350.

E-350 Environmental Policies and Programs – Page DCNR 53

Decision unit E-350 reestablishes a portion of the budget from the Floyd Lamb State Park which is being transferred to the city of Las Vegas on June 30, 2007. The request provides continued funding for three permanent positions and four seasonal positions that will be transferred to other parks within the Las Vegas region. This is an opportunity for us to use existing funds to deal with existing problems in that area without requesting new funding from the General Fund. One position will go to the Big Bend of the Colorado to provide maintenance of the new campground and facilities being built there.

The other ranger position will go to the Valley of Fire State Park. This would be a back-country position that would be stationed on the back side of the park. We have a problem with off-highway vehicles (OHV). There have been as many as 200 to 300 OHVs in and around the perimeter of the park. They cause resource damage and this position would help monitor that and patrol the 35,000 acres we are presently unable to patrol.

CHAIR RHOADS:

Would fees pay for this position?

MR. MORROW:

Fees would not pay for this position. The purpose of this position would be to provide back-country coverage and protection of resources and it would not generate more fees.

CHAIR RHOADS:

Have there been over 400,000 visitors at the Valley of Fire State Park?

MR. MORROW:

Yes. This is one of the finest state parks in the country. It contains 35,000 acres and it is difficult to manage everything being requested at the park.

The other position would be transferred to our regional office to help with contracts and concessions in southern Nevada.

CHAIR RHOADS:

There was testimony in the 2005 Legislative Session that the park expansion at the Big Bend of the Colorado was to be completed by February 2007 and it has not yet begun. What has happened?

MR. MORROW:

There have been a lot of setbacks in developing the additional facilities at the Big Bend of the Colorado. One of the setbacks was a requirement by the local fire district that all of the new facilities had to be paved. That has not been a requirement in other parks in the State. They refuse to provide fire service to the park unless the roads are paved. This dramatically escalated the cost of that intended facility. We had to reduce the development from approximately 70 proposed sites to 25 with full-utility hookups. We also waited for a better bidding climate. To give you an idea about the difference in cost, the cost at the Big Bend of the Colorado is about \$1 million more than a similar facility at the Valley of Fire State Park which is not being paved.

We did not fill any of the authorized positions and, because of the difference in the number of facilities we are going to build, we will have to restructure that request. It will probably be about one-third of the original authorization.

CHAIR RHOADS:

Will that reduce your income?

MR. MORROW:

Yes, it will.

CHAIR RHOADS:

Have you reworked your budget?

MR. MORROW:

We have, and we calculated we will probably generate somewhere between \$130,000 and \$150,000 versus the original proposal of \$338,000. Our request for positions and staffing would be reduced accordingly.

SENATOR BEERS:

When is that construction going to start?

MR. MORROW:

The contractor has to be on site on April 1, 2007. The facility should be open by October 1, 2007.

SENATOR BEERS:

Will there be a reversion problem? Do we need to process legislation to allow that construction to carry on beyond the end of the fiscal year?

MR. MORROW:

There is nothing we have to do in regard to the construction. We would hope we would continue to have authorization for the positions you approved in the last Legislative Session based upon our ability to collect the revenue.

ASSEMBLYWOMAN MCCLAIN:

Would you please provide staff a prioritization of the requested positions that we can consider when we close the budget?

MR. MORROW:

We will do that.

ASSEMBLYMAN HOGAN:

The Legislative Commission's Subcommittee to Study the Protection of Natural Treasures received a presentation and gave consideration to the eventual development of Monte Cristo's Castle. Has your Division considered that, and do you have a position on whether it is feasible?

MR. MORROW:

We have been involved in that process almost from the beginning. We have provided input which includes a proposed budget for the development of that site. The cost to develop the site was estimated at \$3.4 million. The estimate for the first year of operation is about \$299,000 with an annual cost of \$250,000 thereafter. Our priority is funding our existing budget. We have taken a neutral position on the addition of Monte Cristo's Castle.

The next decision unit is E-600.

E-600 Budget Reductions – Page DCNR-53

Decision unit E-600 is the reduction of the budget for the Floyd Lamb State Park.

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Next is decision unit E-750.

E-750 Building Construction Outside Cap – Page DCNR-54

Decision unit E-750 is for maintenance of park facilities and grounds. This was placed in an enhancement unit because the project combines both the replacement of a certain amount of the irrigation system and the addition of another part of the system.

The last decision unit for discussion is E-860.

E-860 Tahoe EIP Program – Page DCNR-55

Decision unit E-860 is to annualize the Tahoe EIP program.

I would be happy to answer any questions you may have.

ASSEMBLYWOMAN MCCLAIN:

Did you mention the onetime appropriation for computer equipment and vehicles?

MR. MORROW:

There is a BDR for a onetime appropriation for the replacement of 61 vehicles and information technology equipment in our main office. The 61 vehicles to be replaced have an average of 149,000 miles. The cost of operating the 61 vehicles compared to newer vehicles in the Division is about 74 cents a mile versus 21 cents a mile for the newer vehicles. The vehicles to be replaced are costly and we have not been able to replace vehicles on an annual basis.

CHAIR RHOADS:

Staff will probably submit additional questions to you for a response before we close this budget.

Next, we will discuss the budget for the Division of Water Resources, B/A 101-4171.

DCNR - Water Resources – Budget Page DCNR-59 (Volume III)
Budget Account 101-4171

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

The Division of Water Resources administers the water resources in the State. Our budget supports 73.5 full-time employees. The General Fund comprises 92 percent of our budget, and 89 percent of the budget is for salaries and rents.

I would like to start with decision unit M-101.

M-101 Inflation – Agency Specific – Page DCNR-61

Decision unit M-101 reflects a 4-percent inflationary increase in the cooperative agreement we have with the U.S. Geological Survey for surface- and ground-water measurements. The increase is in the amount of

\$10,596 the first year of the biennium and \$17,821 the second year of the biennium.

Next is decision unit M-502.

M-502 Federal Mandate – Page DCNR-62

Decision unit M-502 is a federal mandate for installation of a stage gauge at the Wildhorse Reservoir pursuant to the Owyhee adjudication settlement with the Duckwater Tribe and the upstream users.

CHAIR RHOADS:

In the settlement that was reached in Washington, D.C., on the North Fork of the Owyhee, was \$60 million appropriated for the tribe to prove up their channels for irrigation purposes?

MR. BIAGGI:

The State of Nevada was an integral component of the Owyhee Agreement. Because the agreement involves a tribe, it must be ratified by the U.S. Congress. The Congressional Bill to do that has been introduced by Senator Reid and provides a substantial amount of money to the tribe for assistance in the development of water resources on the tribal properties. I do not recall the exact amount.

MR. TAYLOR:

In decision unit M-502, we are requesting \$74,900 the first year of the biennium to install gauges. The second year of the biennium, we are requesting \$59,000 for maintenance and taking the measurements. This would be an ongoing cost.

CHAIR RHOADS:

Why do we use General Fund money for a federal project?

MR. BIAGGI:

This is not a federal project. It also includes the activities of the upstream water users between the Wild Horse Reservoir and the tribal boundaries. It is a mixture of State, private and federal lands.

MR. TAYLOR:

I would like to move on to decision unit E-354.

E-354 Environmental Policies and Programs – Page DCNR-63

Decision unit E-354 is a request in the amount of \$32,500 in FY 2007-2008 for divers to inspect South Fork Dam for mechanical failures. Also included are hydraulic repairs for a sluice gate and the installation of equipment to measure the movement of the dam during earthquakes.

Decision unit E-710 is replacement equipment.

E-710 Replacement Equipment – Page DCNR-64

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Decision unit E-710 requests \$89,457 the first year of the biennium and \$21,080 the second year of the biennium for computer equipment and some chairs. These are replacement items that meet the DoIT replacement schedule.

Next I would like to talk about decision unit E-900.

E-900 Transfer of Coop Snow Survey to B/A 4171 – Page DCNR-65

Decision unit E-900 is the transfer of the Cooperative Snow Survey from the director's office to the Division of Water Resources. This is \$5,000 each year which is paid to the U.S. Department of Agriculture. The snow survey is a measurement of the snow pack that is done in the spring. It helps us determine how much water will run off in a year and how to distribute it.

CHAIR RHOADS:

When was the last time the snow pack was measured?

MR. TAYLOR:

That is done monthly. The snow pack is presently around 50 percent of average.

ASSEMBLYWOMAN MCCLAIN:

What is your Division's role in the developments in southern Nevada related to water and the Southern Nevada Water Authority?

MR. TAYLOR:

All water in the State is administered by the Division of Water Resources with the exception of domestic wells. An application must come through our office for any use of water. There are numerous statutes that define what we must consider in granting applications. Applications for the use of water on all those projects are filed with us and we determine the amount of water that can be allocated.

ASSEMBLYWOMAN MCCLAIN:

Would you talk about the status of those applications?

MR. TAYLOR:

There is a lot of information and many issues that have to be addressed in the southern Nevada project. We want to make sure we address every issue and make the correct decision. We have made a lot of progress and a decision should be coming out sometime this summer.

The onetime appropriation in BDR S-1221 contains \$83,000 for three trucks and replacement computer equipment. Also included is a request to replenish the channel clearance fund in the amount of \$250,000. The channel clearance fund is explained in the February 28, 2007, memorandum from Program Analyst Jeff Ferguson ([Exhibit F](#)).

CHAIR RHOADS:

Is the \$250,000 in addition to the current balance of \$189,000 in the account?

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MR. TAYLOR:

The fund is replenished as we use it.

CHAIR RHOADS:

Is that all State money?

MR. TAYLOR:

The funds are matched by the local entities. [Exhibit F](#) lists the projects that were accomplished with the previous \$250,000. The projects were done by conservation districts primarily on the Carson and Walker Rivers.

I would now like to discuss the Division's performance indicators. The Subcommittee has received copies of our handout titled "Nevada Division of Water Resources" ([Exhibit G](#)). Indicators for calendar year 2006 are provided in [Exhibit G](#). The Division was granted 11 new positions, and, in December 2005, we were able to fill 10 of those positions. These positions are hard to fill because they are engineering positions and the State salaries cannot compete with private and local entity salaries.

CHAIR RHOADS:

How many vacancies do you have?

MR. TAYLOR:

Of the 11 positions, we have one vacancy. We have other vacancies throughout the Division. The first page of [Exhibit G](#) shows where the 11 positions are located. There are eight in Carson City, two in Las Vegas and one in Elko. Page 2 of [Exhibit G](#) describes the positions in Carson City and page 3 describes the positions in Las Vegas and Elko.

On December 1, 2005, when the ten positions were filled, we declared 2006 the year of reducing the backlog. Our goal was to complete 1,000 actions from the backlog in a 12-month period. The definition of a backlog is anything that is ready for action with our Division that has been there longer than 12 months.

Page 7 of [Exhibit G](#) shows the actions taken in the backlog from 1997 through November 2006. In 2006, we took action on 1,049 backlog applications, so we met our goal. This represents the most actions taken in the past ten years and it is more than two times the average of the previous nine years.

As shown on page 8 of [Exhibit G](#), the backlog when we started was 3,037 applications. As of November 30, 2006, there remains a backlog of 2,539 applications. This is the lowest amount since 1980. Some backlogs are protested applications. We are seeing a large number of protested applications, and that is our biggest backlog at this time.

Page 9 of [Exhibit G](#) shows the history, from 1970 to 2006, of the number of backlogged applications. We now have the lowest backlog since 1980.

The Division receives applications daily, so the total number of annual actions taken is also significant. During calendar year 2006, we took 2,144 actions. In

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the previous nine years, the maximum actions taken in any year was 1,418. This is illustrated on page 10 of [Exhibit G](#).

Page 11 of [Exhibit G](#) shows the number of applications filed with this office for the last ten years. In 2006, almost 1,800 applications were filed with this office compared to 1,000 in 1997.

Page 12 of [Exhibit G](#) shows the number of protested applications from 1997 to 2004 averaged around 60 a year. In 2005 and 2006, over 325 applications each year have been protested.

Page 13 of [Exhibit G](#) shows the number of reports of conveyance received and completed by the Division over the last ten years. In 2006, the Division took more actions on reports of conveyance than were received.

Another area of concern was the transfer of ownership of water rights on the Truckee River. Page 14 of [Exhibit G](#) shows reports of conveyances received have increased every year from 2000, from about 175 in 2000 to 500 in January 2007.

The last page of [Exhibit G](#) illustrates what has been accomplished for the Division by the new employees. The backlog on reports of conveyance was up to 3,500. As of December 6, 2006, the backlog has been reduced to zero, and we are taking actions on items as they come in.

CHAIR RHOADS:

What is the status of the Internet Website regarding water-right documentation?

MR. TAYLOR:

In 2006, the Division put its permits database on our Website. Another database contains scanned images from our agency. We have received many positive comments on the Website.

MR. BIAGGI:

The staff of the Division of Water Resources, with the assistance of the Legislature and the new positions they authorized, have reduced their backlog in the face of increased applications. They have done an outstanding job and I would like to commend all of them for the good work they have done.

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CHAIR RHOADS:
There being no public comments and no further business to come before the Subcommittee, the meeting is adjourned at 10:31 a.m.

RESPECTFULLY SUBMITTED:

Anne Vorderbruggen,
Committee Secretary

APPROVED BY:

Senator Dean A. Rhoads, Chair

DATE: _____

Assemblyman David R. Parks, Chair

DATE: _____