

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

**Seventy-fourth Session
March 15, 2007**

The Senate Committee on Legislative Operations and Elections was called to order by Chair Barbara K. Cegavske at 2:04 p.m. on Thursday, March 15, 2007, in Room 2144 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Barbara K. Cegavske, Chair
Senator William J. Raggio, Vice Chair
Senator Warren B. Hardy II
Senator Bob Beers
Senator Bernice Mathews
Senator Valerie Wiener
Senator Steven A. Horsford

GUEST LEGISLATORS PRESENT:

Senator Dean A. Rhoads, Rural Nevada Senatorial District
Senator Maurice E. Washington, Washoe County Senatorial District No. 2

STAFF MEMBERS PRESENT:

Brenda J. Erdoes, Legislative Counsel
Michelle L. Van Geel, Committee Policy Analyst
Josh Martinmaas, Committee Secretary

OTHERS PRESENT:

Allen Biaggi, Director, Department of Conservation and Natural Resources
Janine Hansen, Nevada Eagle Forum
Lynn Chapman, Nevada Families
Steve K. Walker, Truckee Meadows Water Authority
Andy Belanger, Southern Nevada Water Authority
Mary C. Walker, City of Carson City; Douglas County; Lyon County; Storey County

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John Tatro, Justice Court II, Carson City

CHAIR CEGAVSKE:

I bring the Committee on Legislative Operations and Elections to order. We will open with Senate Bill (S.B.) 267.

SENATE BILL 267: Creates the Legislative Committee on Water Resources.
(BDR 17-205)

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

This bill is a recommendation from the Interim Study Committee on Use, Management, and Allocation of Water Resources. Senate Bill 267 would add an interim statutory committee to study water resource issues. Realizing several of us have criticized too many standing committees, I suggest the bill be amended to put these reviews on water under the authority of the Legislative Committee on Public Lands as it was from 2003. That authority sunsets in June. I would like an amendment to this bill removing the sunset and letting the Committee on Public Lands monitor the water issues in the interim.

SENATOR BEERS:

What does the amendment do?

SENATOR RHOADS:

Right now, the Committee on Public Lands can act on water issues and because we created that new committee last session, took the water duties out of the Committee on Public Lands and put it in this full committee. I want to take the sunset off. That way, the Committee on Public Lands could act on water matters.

CHAIR CEGAVSKE:

This way, we would not be asking for another study and creating a new committee, it would be under the Committee on Public Lands.

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

I will be speaking on behalf of Tracy Taylor, P.E., State Engineer, Division of Water Resources, Department of Conservation and Natural Resources, as well as myself. We strongly support Senator Rhoads' amendment. We did not support a standing committee for a variety of reasons as we indicated to the

Interim Study Committee on Water Resources. Senator Rhoads' compromise is a good one.

JANINE HANSEN (Nevada Eagle Forum):

I do not know how Senator Rhoads' proposed changes address our concerns. I want to pursue those to some degree. Senate Bill 267 outlines specific issues covered by the Committee on Water Resources. I did not see anything about the damaging effects of water transfer from agricultural lands to municipalities or public versus private corporate control of water resources and systems.

The information I handed you ([Exhibit C](#), original is on file in the Research Library) is from the Vidler Water Company, Incorporated. They control a lot of water in the State of Nevada. On the last sentence on the first page it says, "Vidler intends to expand its operations in order to become the leading private water resource asset company in the western United States." This is from their Website. It talks about conversion of agricultural water for emerging higher-valued municipal and industrial uses.

This concerns me. When I went hunting with my husband a few years ago, there had been fires and few deer left in the area. Across the road from where we stayed was a ranch with hundreds of deer every night in their fields. Agriculture provides refuge and natural habitat for animals. When we eliminate ranches, we eliminate natural habitat. If we use all of our water resources for cities, we will turn rural Nevada into a dust bowl.

Page 3 of [Exhibit C](#) shows Vidler projects in Nevada. Page 4 is titled "Fish Springs Ranch Water Project" and says, "The primary strategy for the Carson City company is to locate, aggregate, develop and convert water rights from highly fragmented agricultural markets to emerging municipal and industrial uses." The next page talks about marketing. Their efforts are political since water laws come under the states. It talks about transfer of water rights to the end user. It states, "The value of an appropriate water right is strongly influenced by its seniority." In other words, in a dry year, those who have seniority get water and those at the bottom may not. One paragraph down says, "After a water right has been acquired and converted to its intended use, the water usually must be transported"

Water is essentially the new oil. It is financially important for people to be investing in this; it is an important resource. In the Glossary of Water Terms, on

page 8, "Water Right" is "A property right to make a beneficial use of a particular amount of water." The water rights in Nevada are already adjudicated. They have to get water rights from someone who is now using the water. Under "Links" on page 10 show PICO Holdings Inc. is a holding company for Vidler and Nevada Land & Resource Company, LLC. Page 11, says the Nevada Land & Resource Company, LLC is the largest private landowner in Nevada. On page 13 is information on PICO Holdings. Their objective is to maximize long-term shareholder value. "We manage our operations to achieve a superior return on net assets over the long term, as opposed to short-term earnings." Further down the page is the Vidler Water Company and Nevada Land & Resource Company. I am not antibusiness; I am in favor of free enterprise. If we are allocating and studying water, we need to be aware there is a profit motive involved and some private companies are more interested in profit than providing water.

"Water is the New Oil" is on page 18 and it says, "Since 1950, the world population has doubled, but water use has tripled. ... According to the United Nations 50% of all hospital beds worldwide are occupied by patients who are ill from contaminated water." The next article on page 21 is headed "Is Water the New Oil?" and talks about the privatizing of water infrastructure.

As we look at studying our water resources, we need to make sure they are managed in a way that is not just for the benefit of profit companies but for all Nevadans.

SENATOR HARDY:

As I understand your testimony, you do not support water being used as an instrument of commerce.

Ms. HANSEN:

I did not say that. As we study the use of water, I am concerned we do not price citizens out of water. Sometimes it is advantageous to privatize but we have to consider the impact on our state.

SENATOR HARDY:

Privatizing is not what I meant by using water as an instrument of commerce. Would you oppose sale of water by governmental entities for constructing government infrastructure?

MS. HANSEN:

I cannot say; I have to see each individual project. It has to be viewed whether it is a benefit to the public. You cannot have a blanket statement it would be good or bad. As we look at privatizing water and use of water for corporate profit, we have to make sure it first benefits Nevadans. Oil is different than water in that you can live without oil, but not without water.

SENATOR HARDY:

Do you support the notion water belongs to the people of Nevada, to be used where needed?

MS. HANSEN:

In Nevada, the water has been adjudicated in most cases and people have priority rights under state law. Whether the water is for public use, I would not say because a lot is for private use. Most of the water is allocated for private use as on ranches.

SENATOR HARDY:

Madam Chair, I get nervous when we talk about these kinds of things. We have good water law in Nevada and those charged with administering that law, particularly our State Engineers—both current and past—have done a good job. I am not a fan of tinkering with our water law. It has worked and it does work, so whenever I see these studies I want to get on the record it is not broken. We can put this committee together, but there is nothing to fix.

MS. HANSEN:

I was talking to the Nevada State Livestock Association this morning and that was their concern. They think the State Engineer has done a good job and it is a better place for that authority to be than in a situation where you have the Legislature looking into it without the expertise.

SENATOR HARDY:

I do not intend to diminish the role of the Legislature. I am saying if it is not broken, let us not fix it.

MS. HANSEN:

That was the position of the chairman of the Nevada Livestock Association. We just wanted to bring up the issue of the growing corporatization of water.

LYNN CHAPMAN (Nevada Families):

I am also concerned and worried. I have a handout ([Exhibit D](#)).

In some regions of the United States there is not enough surface or ground water available to support the demands for domestic and fire protection water needs. In these areas it may be necessary to develop alternative sources

One person in five across the world has no access to safe drinking water, and one in two lacks safe sanitation. The problem is expected to worsen over the next two decades as our water use is estimated to increase by about 40 percent.

Ogallala Aquifer, U.S.A.—This is North America's largest aquifer, stretching from Texas to South Dakota. Unfortunately it is mostly "fossil" water with little renewal. Farmers are pumping the groundwater faster than it can be replenished. Currently the Ogallala is being depleted at the rate of 12 billion cubic meters (bcm) a year. It is estimated that underground system has lost 325 bcm, a volume equal to 18 Colorado Rivers.

This page lists other places around the world where water is becoming a problem: Mexico City, Spain, South Africa, the Nile River, Egypt, Sudan, Ethiopia, the Tigris River, the Euphrates River, Central Asia, the Ganges in India, the Yellow River in China and the Snowy River Project in Australia.

According to the article on page 3, [Exhibit D](#), there are many European corporations buying up water rights around the world. I will read excerpts from pages 3 and 4.

STEVE K. WALKER (Truckee Meadows Water Authority):

I was initially neutral on S.B. 267. With proposed amendments from Senator Rhoads for it to go to the Committee on Public Lands, I will represent to the Board of Directors of the Truckee Meadows Water Authority we should support the amendment.

CHAIR CEGAVSKE:

What were the concerns?

MR. WALKER:

The bill as written was so large and took on so much responsibility it might have usurped some responsibility from the State Engineer. That is a personal opinion.

ANDY BELANGER (Southern Nevada Water Authority):

We support the bill as amended. We supported the compromise in 2003 allowing the Committee on Public Lands to have jurisdiction over water-related issues. We support Senator Rhoads' request to remove the sunset clause.

CHAIR CEGAVSKE:

Were you opposed to the bill without the amendment?

MR. BELANGER:

We supported the bill as it went through the Interim Committee on Water Resources.

CHAIR CEGAVSKE:

We will close the hearing on S.B. 267 and open the hearing on Senate Concurrent Resolution (S.C.R.) 8.

SENATE CONCURRENT RESOLUTION 8: Directs the Legislative Commission to conduct an interim study of the use of methamphetamine in this State.
(BDR R-1177)

This was introduced by the Senate Committee on Legislative Operations and Elections on behalf of the Senate Committee on Human Resources and Education. There are at least six bills on this issue in some shape or form coming through both Houses. We will not take action on this today; we will look at the other ones and then make our decision.

SENATOR WIENER:

We are already probably processing interim study legislation as I recall. Do we wait to review them all at one time?

CHAIR CEGAVSKE:

That was the Chair's intent. We did that last session; we can see all of them and make decisions. There are some set to sunset this year and we will be looking at those.

SENATOR WIENER:

I know some are specifically for an interim study, but I also recall times when we have a bill written as a bill and then changed to an interim study bill. Will we have those coming to us as well?

CHAIR CEGAVSKE:

Yes.

SENATOR MAURICE E. WASHINGTON (Washoe County Senatorial District):

Senate Concurrent Resolution 8 was an interim study to deal with the ongoing methamphetamine problem. The bill was to put together a legislative committee to take a collateral, comprehensive look to eradicate the use of methamphetamines and the cause and effects. This bill would look at the state and local levels, the cause and effect on agencies and impacts on appropriations and revenues to combat this plight.

There were some amendments proposed by Mary Walker. We were going to amend them to the bill, but because the bill is an interim study, we were unable to based on the Legislative Counsel Bureau's recommendations. We found another bill in the Committee on Human Resources and Education. It is Bill Draft Request (BDR) 40-744 which deals with drug treatment.

BILL DRAFT REQUEST 40-744: Creates the Task Force for a Methamphetamine Free Nevada and makes various appropriations relating to public health. (Later introduced as [Senate Bill 530](#).)

This recommendation will fit nicely within the scope of that bill. Madam Chair, we would like to request you send our bill back and we will deal with the amendments when BDR 40-744 comes out of the Committee on Human Resources and Education.

CHAIR CEGAVSKE:

Do you no longer want this bill as a study?

SENATOR WASHINGTON:

It is not needed. After hearing Mary Walker's testimony, you will understand why.

CHAIR CEGAUSKE:

I did review it and was impressed with the recommendations and suggestions. I made some comments to change a few things but otherwise it was right on track with where we need to go.

MARY C. WALKER (City of Carson City; Douglas County; Lyon County; Storey County):

When a community is grappling with the problem of methamphetamine, how will they pull together all the different departments and public and private associations and step forward with a comprehensive plan? I saw we do not have one. If a community, for example, puts on a prevention program or educational program, they go over here for those prevention dollars. If they need law enforcement money, they go over there. If you need treatment money, you would go somewhere else, and if you need drug court money, you go somewhere else as well. Yet, they are all dealing with the same problem. Without having a comprehensive state program, it is difficult to have a local comprehensive program. I broke it down into two major problems. The first is that methamphetamine drug abuse has destroyed families and lives throughout Nevada. The second is a lack of comprehensive, integrated, multidisciplinary approach for the eradication of meth-drug abuse ([Exhibit E](#)).

I will read from [Exhibit E](#).

This is one of the things we have seen. We had a National Association of Counties survey sent out. The methamphetamine problem, particularly in small rural areas, is hitting them so hard and fast they do not know how to put their arms around it.

My proposal on page 2, [Exhibit E](#), is entitled "Task Force for a Meth Free Nevada." The Committee's first purpose is to develop a statewide plan to eradicate meth. The second purpose would be to develop a grant process to disseminate state funds. Community grants would be a bottom-up approach. Communities would step forward and make a grant request. It would be reviewed by a technical advisory committee and they would make recommendations to the committee membership. The committee would make the final decisions on grants.

There are two things I saw: We need statewide leadership and statewide oversight of these funds. The Governor has put \$17 million dollars into his

budget, but when you look at the problem, it is not enough. Whatever money we have, we must utilize it appropriately. The oversight this committee provides could make the money last longer.

CHAIR CEGAVSKE:

This is a great approach—the umbrella effect. Right now, everyone is trying to take a stab at it. To have a coordinated effort with the state as a whole is something we should have already started—not only methamphetamine, but all drugs looked at in the same arena.

SENATOR WASHINGTON:

I asked Ms. Walker about the administration of grants to ensure they are allocated based on recommendations and approval of the task force. She mentioned the Governor's Office, but there is a better agency housed within the Department of Health and Human Services and that is the Substance Abuse Prevention and Treatment Agency (SAPTA), formerly the Bureau of Alcohol and Drug Abuse. The Substance Abuse Prevention and Treatment Agency would probably be the best place to administer those funds to ensure the goals and objectives of the community are met.

CHAIR CEGAVSKE:

That is a great idea since they are already administering grants. Have you talked to that agency yet?

SENATOR WASHINGTON:

We were going over it before we got here. Once we draft or amend the bill, we will put SAPTA in to administer.

CHAIR CEGAVSKE:

There are community people we could get for other ideas. From my witnessing of drug courts, they would be able to help us. I am glad to see a drug court judge on this proposed committee.

SENATOR WASHINGTON:

I do not know why Ms. Walker left this out, but within the technical advisory committee, there should be one representative from the rural community who provides treatment and another who is with the school district.

CHAIR CEGAUSKE:

We should be able to do that. We were concerned with it getting too large, but the way you did it now, you have the committee and then the technical advisory committee. I think it is good and it works.

JOHN TATRO (Justice Court II, Carson City):

I see the methamphetamine problem firsthand everyday. I see the horrors of it, the filth families live in and the way kids are raised. I had 18-year-old kids come up to the table looking young, healthy and innocent. They have been arrested for some methamphetamine-related charge and then six months later they come back; they have lost their innocence. They have sores and weight loss—a horrible look—they are a totally different human being. I cannot tell you how many people I have seen; young kids come in and then they die. It is related to methamphetamine; there is no mistake about it. I started 12 years ago, I have seen kids who are now adults who have kids and now their kids are there. It is a cyclical problem within families. Eighty percent of my criminal casework is directly related to methamphetamine, whether it is through theft, violence or the direct charge of the drug.

In Carson City, we established Partnership Carson City. Many of us in the system got together and said, "We have got to do something about this." Our steering committee consists of the Mayor, Sheriff, Superintendent of Carson City School District, District Attorney, Executive Director of Carson City Chamber of Commerce, a couple of private business owners, a banker, a lawyer, the City Manager, myself and two treatment providers. The Mayor and the Board of Supervisors all agreed and saw the problem. Each year they earmark \$100,000 to our steering committee. We are going into our third year. This committee votes on how to spend the money. It is much like you are talking about on a statewide level and it is making a difference.

We have started the awareness program; I have spoken at schools, public-access cable, churches and service groups. We have spoken to every school principal and teacher in the community. What we see now are people bringing their children in to get them evaluated, and we cannot keep up. The money is not enough. People who are deep into methamphetamine do not have money. They steal money. They cannot afford the evaluation. If somebody says, "I need an evaluation and I have a problem," you tell them to come back in two weeks, but they are not coming back; they are going right back to their lifestyle.

We have other smaller committees as well. There is a treatment committee, education committee, public policy committee and a law enforcement committee. We all meet and with our expertise have done some great things. If the state would follow this concept, it is a great one. I have friends who work in hospitals say, "I never realized." The emergency rooms are doctors' offices for methamphetamine users. I sign default judgments against people every day who are methamphetamine users because they cannot pay their hospital bill. It is a cycle that affects the entire community. This bill is a great way to start addressing the problem.

CHAIR CEGAUSKE:

Everybody on this Committee knows someone with some type of drug addiction. We have seen destruction in families and the things you described. It is devastating.

SENATOR HORSFORD:

I want to commend the proposed concept. As a member of the interim Committee on Health Care, we had a Subcommittee to Study Services for the Treatment and Prevention of Substance Abuse and one of the findings of that work was that Nevada had low-funding support for substance abuse prevention and treatment across-the-board. While I understand methamphetamine use is devastating, there are other forms of drug addiction that need to have systems in place so people can receive the services they need. How could other types of drug-addicted people benefit from this approach?

MS. WALKER:

If we could get started with the methamphetamine problem and get it going with this umbrella organization, you could see a lot of success. When you have a technical advisory committee, coupled with the other leadership committee we have, you are going to see the power of the judges, sheriffs, juvenile probation masters, as well as the Legislative Branch and Governor's Office. It is those offices working together that creates the power of this proposal. I recommend eventually changing to "Task Force for a Meth Free Nevada", "Task Force for a Drug Free Nevada." Right now methamphetamine is such a horrible problem we need to get the committee going. Later, we could continue using it and expand it to other drugs.

JUDGE TATRO:

I agree with you, Senator, and with what Ms. Walker is saying. It is like a whack-a-mole game. They pop up and you knock one down and then another one pops up. Methamphetamine is popping up right now. It is popping up big, huge and strong—bigger than what we have seen. I hate to say this, but we are keeping a handle on the other drugs. Methamphetamine is so insidious and addictive that there is no handle, it has popped out through the roof.

CHAIR CEGAVSKE:

I agree, that is what we are hearing from the providers and parents. The first bill I brought for the precursors when I was in the Assembly was to try to get a handle on what was being taken out of drugstores. The issue was not big enough and talked about enough and the bill never made it out.

JUDGE TATRO:

We are talking about prevention and education and those are extremely important. If we do not get the users treated, little Billy can learn in school all there is to learn about methamphetamine and when he comes home to mom and dad using it, he is going to use it. It is that simple. We need treatment.

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CHAIR CEGAVSKE:

Committee members, you have heard Senator Washington; he does not need this jacket anymore. For Legal Division, this bill will be withdrawn. This meeting is adjourned at 2:58 p.m.

RESPECTFULLY SUBMITTED:

Josh Martinmaas,
Committee Secretary

APPROVED BY:

Senator Barbara K. Cegavske, Chair

DATE: _____