

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON NATURAL RESOURCES, AGRICULTURE, AND
MINING**

**Seventy-Fifth Session
February 9, 2009**

The Committee on Natural Resources, Agriculture, and Mining was called to order by Chair Jerry D. Claborn at 1:33 p.m. on Monday, February 9, 2009, in Room 3161 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/75th2009/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Jerry D. Claborn, Chair
Assemblyman Joseph M. Hogan, Vice Chair
Assemblyman Paul Aizley
Assemblyman David P. Bobzien
Assemblyman Pete Goicoechea
Assemblyman Tom Grady
Assemblyman Don Gustavson
Assemblyman Harvey J. Munford
Assemblyman James Ohrenschall
Assemblyman Tick Segerblom

COMMITTEE MEMBERS ABSENT:

Assemblyman John C. Carpenter (Excused)

STAFF MEMBERS PRESENT:

J. Randall Stephenson, Committee Counsel
Jennifer Ruedy, Committee Policy Analyst

Judith Coolbaugh, Committee Secretary
Sherwood Howard, Committee Assistant

OTHERS PRESENT:

Dave Aiazzi, Vice Chair, Western Regional Water Commission; Vice Chair,
Truckee Meadows Water Authority, Reno, Nevada
Mark Foree, General Manager, Truckee Meadows Water Authority, Reno,
Nevada
Rosemary Menard, Director, Department of Water Resources, Washoe
County, Reno, Nevada
Allen Biaggi, Director, State Department of Conservation and Natural
Resources
Pete Anderson, State Forester, Division of Forestry, State Department of
Conservation and Natural Resources
David K. Morrow, Administrator, Division of State Parks, State
Department of Conservation and Natural Resources
Leo Drozdoff, P.E., Administrator, Division of Environmental Protection,
State Department of Conservation and Natural Resources
Jason King, P.E., Acting State Engineer, Division of Water Resources,
State Department of Conservation and Natural Resources
James R. Lawrence, Administrator, Division of Conservation Districts;
Administrator, Division of State Lands, State Department of
Conservation and Natural Resources
Jennifer Newmark, Administrator, Nevada Natural Heritage Program,
State Department of Conservation and Natural Resources
Catherine Barcomb, Administrator, Commission for the Preservation of
Wild Horses, State Department of Conservation and Natural
Resources

Chair Claborn:

[Roll was called.] The first item on the agenda today is an informational presentation on the Western Regional Water Commission.

**Dave Aiazzi, Vice Chair, Western Regional Water Commission; Vice Chair,
Truckee Meadows Water Authority, Reno, Nevada:**

With me today are Mark Foree, General Manager, Truckee Meadows Water Authority and Rosemary Menard, Director, Department of Water Resources, Washoe County.

Mark Foree, General Manager, Truckee Meadows Water Authority, Reno, Nevada:

During the Interim, the Legislative Oversight Committee, the Commission's governing board, met four different times. The WRWC is a nine member board of elected officials representing the member agencies which are the Truckee Meadows Water Authority (TMWA), the City of Reno, the City of Sparks, Washoe County, the Sun Valley General Improvement District (GID), the South Truckee Meadows GID, and the Truckee Meadows Water Reclamation Facility.

The legislatively mandated key responsibilities of the WRWC are planning for conjunctive use and for scheduling of water delivery held by the public purveyors in the planning area. Also, the WRWC establishes service territory boundaries for its public purveyors, and provides oversight for the development and implementation of the Comprehensive Regional Water Plan. Further, the WRWC is responsible for the preparation, adoption, and update of the regional water conservation plan. It also has authority over the Northern Nevada Water Planning Commission (NNWPC).

The Northern Nevada Water Planning Commission provides recommendations to the Western Regional Water Commission. Although there are more members, the makeup of the NNWPC is similar to that of the former Regional Water Planning Commission of Washoe County. The major responsibilities of the NNWPC are to act as the technical advisory body to the WRWC. It is responsible for the development of the Comprehensive Regional Water Plan. Two new plan objectives have been added to the NNWPC responsibilities. One is to make recommendations for the development and implementation of consistent policies for the public water purveyors in the area for regional drought reserve standards, developer costs, impact fees, dedication of water rights, and standards for drainage of water. The other objective is to evaluate and make recommendations for the consolidation of public purveyors in the planning area. This consolidation process is currently being studied by evaluating the possible integration strategies of the Truckee Meadows Water Authority and the Washoe County Department of Water Resources, the two major and largest water suppliers in the region.

We did a bond analysis of the debt being carried by both agencies. Currently, the outcome of that analysis shows it is not cost effective to defuse the bonds of either party. We will monitor the financial situation because the status of the bonds could change in the future. We are continuing to look at integration by working with several different joint teams with the Truckee Meadows Water Authority and the Washoe County Department of Water Resources.

**Rosemary Menard, Director, Department of Water Resources, Washoe County,
Reno, Nevada:**

The Western Regional Water Commission was formally instituted on April 1, 2008. The staff and the elected officials have been working together on the items the Legislature asked us to consider. In addition, we have defined some critical water needs in the Truckee Meadows area.

The handout ([Exhibit C](#)) that we distributed has a listing of the WRWC's key accomplishments. Mr. Foree did address the WRWC's effort with the TMWA and the Washoe County Department of Water Resources (DWR) to look at consolidation. In addition, a joint effort was made to evaluate possible cost savings by making better use of existing resources and infrastructure before we acquire additional resources. That work is underway. Further, we have looked specifically at water quality and wastewater issues in the central Truckee Meadows, and especially in the areas of the Truckee Meadows where water reclamation facilities discharge sewage into the Truckee River. We have been working with the Nevada Department of Environmental Protection on water quality issues.

We are looking at completing an integrated watershed-based water quality plan for the Truckee River. It will give us the opportunity to make some strong regional decisions that will support improving and protecting water quality. We will be working with many of the stakeholders in our community, both upstream and downstream, to maintain the quality of the Truckee River's source water.

In the north valleys, a multiple agency team is working on water supply, wastewater, and reclaimed water issues. A new water source in the area is the 8,000 acre-feet of water being supplied by the Fish Springs Ranch. The resulting wastewater needs to be suitably disposed of in the north valleys area. Sewers cannot bring the wastewater back to the Truckee River. We are looking for an integrated way to use this additional resource of reclaimed water in the north valleys. The TMWA and the South Truckee Meadows GID facilities have been using reclaimed water for many years. We are looking at using additional technology, and possible regulatory changes, to use reclaimed water more widely for different applications in the north valleys.

In January, the WRWC adopted amendments to the Comprehensive Regional Water Plan. In March, the WRWC will be looking at a conceptual plan and scope for updating the Plan to meet the completion due date of January 1, 2011. We have also been working with community development agencies and the regional planning agency on water source sustainability, conservation, landscape codes, and ordinances. The goal is to develop

a regional overview and strategies that will make us stronger and more consistent in other jurisdictions in the Truckee Meadows area.

We are working on developing a schedule and a plan for delivery of water that can be integrated into the work the TMWA and the DWR are doing. By lowering operating costs through more efficient scheduling of water delivery to existing, new, and joint service areas, we can reduce consumer costs. By integrating our systems and their infrastructure, we can reduce the amount of additional infrastructure needed, and/or we can use more effective cost phasing to further lower operating costs. The issue of establishing future service territories is on hold because it may be a moot point if there is an integration or consolidation of the TMWA and the DWR. The decision on possibly integrating the two entities is probably nine to twelve months out.

Potentially, a very difficult water year is coming up. Local entities are currently collaborating and cooperating to be better prepared for a possible water shortage, and to find a way to share existing water resources.

Chair Claborn:

Are there any questions for Ms. Menard?

Assemblyman Grady:

You are to be commended for involving the Pyramid Lake Paiute Tribe in this process and plan. Are other public entities such as Storey, Lyon, and Churchill Counties and the City of Fernley receiving information about this plan? Have they been invited to participate? Are they participating? I am leery of the name Western Regional Water Commission when you are referring only to Washoe County and other public entities within it.

Rosemary Menard:

As we worked on developing this plan, we were given very specific legislative direction on the membership makeup of the Western Regional Water Commission, as well as the Northern Nevada Water Planning Commission. The plan was to get all elements operational in Washoe County before expanding the program to other areas. We have been doing informal outreach to public entities, both upstream and downstream on the Truckee River, including some in California, to include them in the watershed-based water quality planning process. We plan to work with them in a more formal process as the plan develops. Many of the public entities you just mentioned are involved.

Assemblyman Hogan:

To what extent are your communities installing water metering capabilities? We established through statute last session that conservation pricing was an effective way to cope with present and future water shortages. Its viability depends upon having reliable and accurate information on the amount of water people are using. Are water meters in place?

Rosemary Menard:

The Washoe County DWR customers are 100 percent metered. I will let Mr. Foree address the progress being made in the TMWA service area.

Mark Foree:

The TMWA has been on a meter retrofit program for the last 15 years. It was a requirement in the federally-legislated negotiated settlement agreed on for the Truckee River. Currently, all single-family residences have meters installed. Some of the multi-family units still require retrofitting. The funding for multiple units comes from developers' meter retrofit fees. Therefore, the retrofit is completed as the money becomes available. About 12,000 of those units remaining are still paying the flat-rate for billing. We have slowly converted these customers to metered billing. One method is voluntary meter installation by the homeowner. The other method is based on a move-in, move-out situation. When a change of ownership or tenancy occurs, we convert the dwelling to the metered rate. The TMWA Board of Directors is ending the flat rate on January 1, 2010, which gives customers time to prepare for the change.

Assemblyman Hogan:

Is it correct to assume various types of graduated rate schedules are used, so there is a built-in incentive for people to conserve water through moderated use? Are those types of rates in place, and are they going to become more steeply graduated?

Mark Foree:

Yes, we do have a tiered rate for residential customers. It is divided into three tiers. The first tier goes from 0 to 6,000 gallons per month; 6,000 to 28,000 per thousand gallons is the second tier; and, anything beyond 28,000 gallons is the third tier. Commercial customers have a similar tier structure.

Assemblyman Goicoechea:

I represent Gerlach, Wadsworth, and some of the other rural communities that are not involved with the WRWC, but I am curious. What would the charge be for 28,000 gallons?

Mark Foree:

The first tier, 0 to 6,000 gallons per month, is \$1.58 per thousand gallons; the second tier is \$2.50 per thousand; and, I believe the third tier is about \$3.00 per thousand.

Assemblyman Goicoechea:

I would like to impress on Washoe County and the WRWC that communities like Gerlach pay far more for water, and Gerlach is in Washoe County. They also require some help.

Chair Claborn:

Are there any more questions? [There were none] Are there any other speakers from your delegation? [There were none] Our next presentation is an overview of the State Department of Conservation and Natural Resources.

Allen Biaggi, Director, State Department of Conservation and Natural Resources:

[Department of Conservation and Natural Resources 2008 Biennial Report distributed to the Committee ([Exhibit D](#)).] With me is Kay Scherer, Deputy Director of the Department and Pete Anderson, State Forester for the Division of Forestry. We will be providing a quick overview of each Division by that program's administrator.

The mission of the Department of Conservation and Natural Resources is to conserve, protect, manage, and enhance the state's natural resources for the benefit of all of Nevada's citizens and visitors. A copy of my PowerPoint presentation has been distributed to the Committee ([Exhibit E](#)). The Department has eight Divisions and nine statutory boards and commissions which advise and consult on our programs, and provide Departmental oversight. Even though these are difficult and challenging financial times, we take our mission very seriously. We are the protectors of the natural resources for the State of Nevada. The Department approached the budget process differently this time by looking at the budgets holistically, rather than individually. We met many times and decisions were made primarily on determining what was in the best interests of our natural resources, our citizens and visitors, and also the Department's valued and dedicated employees. The Division of Forestry will start the presentations.

Pete Anderson, State Forester, Division of Forestry, State Department of Conservation and Natural Resources:

I have distributed a copy of my PowerPoint presentation to the Committee ([Exhibit F](#)). The Division's state headquarters is located in Carson City, and it includes an emergency operations center. In addition, statewide coverage is maintained through 3 regional offices, 2 dispatch centers, 2 nurseries, 3 career

and 24 volunteer fire stations, 3 helicopters at the Minden air operations center, and, the Conservation Camps Program. The reduction in career and volunteer fire stations reflects the decision made by three counties to take back their fire districts. This slide shows different funding levels for the upcoming biennium. The Three Lakes Valley Conservation Camp expansion accounts for the increase in the fiscal year (FY) 2011 budget.

We have several natural resource programs managed in partnership with the United States Forest Service (USFS). The eight programs have a multitude of different assets and program opportunities for land owners and communities. Through biomass recycling, the Northern Nevada Correctional Center at Stewart has the Fuels for Schools program up-and-running.

The state's first Forest Legacy project was completed with the purchase of 112 acres for \$600,000 dollars. It is located next to Lake Tahoe State Park, and the area will now be protected from any future development.

The Conservation Camps program is the backbone of our emergency response and natural resource programs. They are our labor force. Our training crew supervisors take twelve-person inmate crews into the field daily to work on a wide variety of projects. Also, we maintain mobile emergency kitchens to support personnel working in the field. We currently have 76 twelve-person crews working out of nine conservation camps under the Department of Corrections. Roughly half of the inmate personnel are fire-qualified, and our goal is to have 72 qualified after testing and training by the end of this season.

Through the Division's fire management program, we provide statewide resources in conjunction with local governments for human-caused and natural catastrophes. Also, we provide the initial attack resources for most of our federal lands. As sanctioned by *Nevada Revised Statutes* (NRS) 473—the county fire districts code—we work closely with Carson City, Storey, Elko, Eureka, and a portion of Clark County. We have an agreement with the Nevada National Guard for help when the wildfire season gets very busy. We can use their trained pilots and heavy type-one helicopters to assist us. We are working on an agreement with the Division of Emergency Management to provide operational support for hazard emergency incidents.

This slide shows some key budget points. There are no one-shot appropriations for the Division of Forestry at this time. We have a couple of Occupational Safety and Health Administration (OSHA) projects involving a second door to one of our fire stations and some emergency lighting. There is a supplemental appropriation for payment of terminal leave upon closure of the Tonopah Conservation Camp.

Executive Budget Account 4195 shows the loss of three positions including a southern regional forester, a mechanic in the Elko shop, and our statewide mutual aid coordinator. It also shows reduced funding for some of our volunteer fire departments personnel physicals. The Division had a multitude of inoperable federal excess property vehicles which have been disposed of and removed from our fleet. The largest item in Budget Account 4198 is the closure of the Tonopah Conservation Camp with seven employee layoffs. We are also reducing their federal excess property vehicle fleet by 20. The closure of the Tonopah Conservation Camp does impact the state by reducing our wildfire suppression response. However, with the expansion of the Three Lakes Valley (formerly Indian Springs) Conservation Camp, the budget will increase with the hiring of sixteen new crew supervisors and one new camp supervisor.

The Division's nursery program provides nursery stock conservation for a multitude of projects around the state, and seed for wildfire rehabilitation. We are having some revenue shortfalls because of the depressed economy, and the Capital Improvement Program (CIP) payback requirement. Climate change and continued drought problems in the state are increasing the potential for large catastrophic wildfires.

Three bills are requested for this legislative session. Assembly Bill 75 generated by the Blue Ribbon Commission at Lake Tahoe requires annual reports about forest health and fire prevention in the Lake Tahoe Basin. Senate Bill 94 provides uniform defensible space guidelines for the Lake Tahoe Basin. The last bill is Assembly Bill 78 which provides statutory authority for the Conservation Camps program.

The last slide shows the number of wild land fires and acres burned over the last ten years. Last year and 2003 were mild fire seasons, but typically, we bounce back with a vengeance within a year or two of mild seasons. Currently, the Sierra front is extremely dry, and in the southern end of the Sierras, there have already been several fires. The recent weather will help, but we need to remain vigilant as the summer approaches.

Chair Claborn:

I wish to commend you for doing a great job. It is unfortunate we are in this budgetary crunch. The resulting loss of programs is detrimental to the state and its citizens.

Assemblyman Hogan:

Later in the session, we will request a list of your priority projects to see if we can find funding to restore some of the endangered programs. Are there any reports or statistics that show how many inmates released from the Conservation Camps Program are able to find employment with fire departments or other security organizations? The Conservation Camps provide inmates the opportunity to prove their worth with meaningful work. Their ability to learn the complexities of fuels and firefighting techniques, and to show their physical strength and endurance in wildfire suppression, is a great contribution to the people and the state. Is there any way to widen the career path for these highly-trained and well-qualified inmates to follow upon release?

Pete Anderson:

Yes, there are some scattered statistics. We frequently have inmates coming through the program who are hired by federal agencies or other agencies in the fire suppression field, and go on to success. I will try to get you some numbers.

Assemblyman Grady:

I, too, agree with Mr. Hogan. After we close the Silver Springs Conservation Camp and the Tonopah Conservation Camp, how will the Division cover fire suppression across the middle of our state?

Pete Anderson:

The Tonopah Conservation Camp plays a key roll in central Nevada. There will be a slower response time in getting resources dispatched from Las Vegas, Pioche, or from the north to any fire in that region. Also, the tremendous amount of fuel reduction work being done in Belmont, Manhattan, and those small communities in central Nevada will probably stop.

Allen Biaggi:

Despite the fact we have had substantial budget reductions, some very difficult decisions have been made, especially for the Department of Corrections with the closure of the Tonopah Conservation Camp. We are still able to meet our mission and goals for these programs.

Assemblyman Goicoechea:

What other counties besides White Pine withdrew from the Nevada Division of Forestry (NDF), and are maintaining their own fire districts?

Pete Anderson:

Douglas and Washoe Counties both had small strips along the foothills of the Sierras, and both of those have gone back to county jurisdiction.

Assemblyman Goicoechea:

Were there any other major changes across the northeastern or rural parts of Nevada?

Pete Anderson:

The withdrawal of White Pine County from the NDF is the biggest change.

Assemblyman Goicoechea:

Is the NDF helicopter program up-and-running?

Pete Anderson:

Yes, it is up-and-running. Three helicopters are available this year since their modifications and rebuilds from last season are complete. We will have a full-time pilot and a seasonal one available along with the use of the Department of Wildlife pilots when we need them.

Chair Claborn:

Are there any more questions? [There were none.]

Allen Biaggi:

We would like to move on to the Division of State Parks presentation by Dave Morrow.

David K. Morrow, Administrator, Division of State Parks, State Department of Conservation and Natural Resources:

I would like to echo Allen Biaggi's remarks about the cooperativeness of the Department, and the hard work done to make the necessary budget cuts. We will still be able to meet our missions and mandates.

I have distributed a PowerPoint presentation to the Committee ([Exhibit G](#)). The mission of the Division of State Parks is to plan, develop, and maintain a system of parks and recreation areas for the use and enjoyment of the citizens and visitors of Nevada. The Division also preserves areas of historic, scenic, and scientific significance. We operate under the statutory authority of the *Nevada Revised Statutes* (NRS) 232.135 and NRS Chapter 407. Currently, there are 111 full-time employees (FTEs), but in FY2010 and FY2011, the figure will be reduced to 98.

The impact to the Division of State Parks is significant, both economically and socially, in the communities it serves. Every dollar spent on recreation changes hands several times before leaving the local communities in which it is spent. State parks improve the quality of life for residents and visitors. They provide affordable family recreation opportunities, and promote better health through

physical activity. They provide public access to unique historic, and natural recreation areas, and give opportunities for community and statewide activities. They also enhance various educational programs by providing field study opportunities.

Twenty-five state parks, covering 146,196 acres, and 400 historical structures are administered by the Division of State Parks. In FY2008 and FY2009, we administered the state park system through four regional offices and a central office here in Carson City. In order to reduce operating costs, the number of regional management units will decrease from four to two in FY2010 and FY2011. The remaining two regions are well balanced with thirteen parks in the northern region, and eleven in the southern. The average distance to each of the parks within its region is almost identical.

Eliminating 15 FTEs and reducing funding for 22 seasonal months will have an impact on park services and programs throughout the state. Although it will decrease access in the slowest visitor months, 10 state parks will be operating on a seasonal basis. Deferred maintenance units totaling \$1,455,881 will be eliminated, which will impact the system in the future.

We will be temporarily closing the Elgin Schoolhouse and Walker Lake State Parks. We do not think the impact on those facilities will be severe because non-budgetary conditions are responsible for those closures. The road leading to the Elgin Schoolhouse was washed out in the flood a few years back, and access is still limited to only local residents. At Walker Lake, the level of the lake itself has minimized the ramp access and utilization of that facility.

Chair Claborn:

Are there any questions?

Assemblyman Goicoechea:

How are we going to maintain security at these facilities, for example at Lahontan and Rye Patch State Parks, when they close in the slow season? Just closing these parks might not stop the vandalism. Are you going to work with the Truckee-Carson Irrigation District (TCID) and/or the Pershing County Water Conservation District to provide security? Or will the security be handled by the local governments?

David K. Morrow:

The Division plans on maintaining security there. Only a few facilities that are operating at that time of year will be closed down. We will have some staff available for park patrols. Also during these months, the staff will go to the schools to provide educational opportunities. The savings would be in the

closure of the facilities. Lahontan has a fair amount of security and vandalism issues even when we are open and running. I do not think this seasonal closure will particularly worsen those problems.

Assemblyman Goicoechea:

That was my point exactly since we already have problems. A limited presence of park personnel will be there during those months of closure, is that correct?

David K. Morrow:

Yes, that is correct.

Assemblyman Bobzien:

Are we effectively closing public access to state lands?

David K. Morrow:

Some of the parks will actually have a physical closure. Because of the nature of the site itself, it is nearly impossible to restrict access to Lahontan. What would be closed for those months are some of the service facilities, like restrooms. We are talking about an extremely slow period of time, and we took that into consideration when we made this recommendation. We were forced to look at many options, including complete closure of different state parks. We feel this alternative, best described as "light" closure, is far superior to some of the more severe cuts we considered and reviewed.

Another budgetary cutback will be the loss of the seasonal invasive weed program in the Panaca region. We will go from having four seasonal weed control programs to just two. It will increase travel, time, and distance, but we have it organized just like when there were four regions, and we will be able to effectively address the weed issues. It will just take us longer, and we will be covering more parts of the state with fewer people.

A bright note in the budget is a small amount of money—\$107,274—is available to replace some health and safety equipment, including water rescue equipment at Lake Tahoe, snow removal equipment at Wild Horse, one law enforcement vehicle, and some radio equipment. There is a pressing need for snow removal at Wild Horse to permit winter access, as we often have people stranded there, including our own staff.

In summary, four major issues face the Division of State Parks. One is the uncertainty of continued funding from the Land and Water Conservation Fund. This federal program, enacted in 1965, has funded about 40,000 projects in the state. The money received is split equally between state parks and the various community programs throughout the state. For the past four or five years, it

has been in jeopardy for continued funding. We have not seen it included in the economic stimulus package, but we are hopeful the funding will show up some place.

A second issue is the age and condition of the majority of State Park's equipment. It is making it difficult, and in a number of places, unsafe for us to continue to maintain park facilities.

The third problem is twenty key Division employees are eligible for retirement within the next five years. Two of these very important key employees will likely retire this year. We will be doing all that we can to replace those employees.

The fourth issue is not having adequate funding and personnel to maintain the State Parks information technology (IT) equipment. Gratefully, we do receive some IT help from other divisions within the Department, but that help is usually confined to Carson City. The outlying areas of the state have no IT assistance at all, and we have 191 computers scattered throughout the state. I will answer any questions you may have.

Chair Claborn:

Are there questions? [There were none.]

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

The mission of the Department of Environmental Protection (DEP) is to preserve and enhance the environment of the state, to protect public health, to sustain healthy ecosystems, and to contribute to a vibrant economy. I have distributed my PowerPoint presentation to the Committee ([Exhibit H](#)). While remaining cognizant of any negative or adverse impacts our programs might have on the economy, our main job is to provide the state with environmental protection. We operate through a traditional regulatory approach by setting standards, issuing permits, enforcing action, and conducting inspections. We also have a number of assistance programs including grants, loans, and technical assistance. We also have many voluntary programs and do work in the schools.

Three boards and commissions are affiliated with the DEP. The largest and most significant is the State Environmental Commission that adopts nearly all of our regulations. It holds some contested case hearings and ratifies certain administrative penalties. We also have a board to review petroleum claims, and we have a board to finance water projects.

The DEP budget is not as impacted as other divisions within the Department because less than one percent of our funding comes from the General Fund. The majority of our \$44 million revenue comes from fees and federal grants. The DEP has 252 FTEs. One new FTE position in our fee-based mining program is requested to handle the increased workload. We have offices in Carson City and Las Vegas. We operate a number of federally-delegated programs and also many state stand-alone programs, specifically our groundwater protection and mining programs.

The DEP programs are administered through ten bureaus. Our two largest environmental programs are air and water, and they are further subdivided into two sections: air and water quality planning, and air and water pollution control.

We have two small pieces of legislation this session. To allow us to pass money through to local governments, we are requesting passage of S.B. 37. Currently, contracts are used as pass-through vehicles, but contracts infer we receive something in return. We would like to have the ability to award subgrants directly to local governments, and not go through the formal contract process. Senate Bill 105, to be introduced by the Public Lands Committee, will allow the board more flexibility in making monies available to communities to finance water projects.

I will quickly summarize the DEP's ten programs. The Bureau of Air Quality Planning is responsible for ambient air monitoring and the alternative fuels program. The program also monitors climate change. Senate Bill No. 422 of the 74th Legislative Session established the greenhouse gas registry, and it is available online at the DEP's website. Last session, two other bills added to the DEP's capabilities and enhanced the mercury control programs. The chemical accident prevention program was enhanced by the passage of Senate Bill No. 118 of the 74th Legislative Session. This bill and other regulations allowed us, over the past two years, to ensure the mercury stored at Hawthorne has adequate safeguards in place. It also assures the public the facilities are in good condition, and it provides an ongoing oversight presence.

The Bureau of Air Pollution Control issues permits. Currently, there are 633 permitted stationary sources of pollutants. The Bureau also does inspections, compliance assessments, and emission audits.

The Bureau of Water Quality Planning sets water quality standards throughout the state. We have a number of voluntary and non-regulatory as well as regulatory programs. Public outreach and school programs are emphasized.

The Bureau of Water Pollution Control is the regulatory arm of our water program. We have a number of active permits throughout the state. The program is experiencing a reduction in revenue because of a decrease in construction activity. There has been a 34 percent decrease in storm water permits. The program has a 75 to 80 percent reduction in subdivision permit requests. This reduction has had a corresponding financial impact on the Bureau as well.

The Bureau of Safe Drinking Water ensures the public drinking water supply, whether serving homes and businesses, is satisfactory. It serves nearly the entire population of this state. Arsenic is the biggest program challenge. Eight years ago, the federal standard changed from 50 parts per billion down to 10. With very few federal support dollars, we have worked extensively with a number of communities to meet that standard.

Chair Claborn:

We have some questions.

Assemblyman Goicoechea:

How many small water systems do you have that are in non-compliance due to arsenic? I know there a number of them that are still struggling.

Leo Drozdoff:

It is a two-part answer. We are still working with about 20 facilities because time extensions and waivers were granted. Otherwise, the facilities are in compliance, but they do not meet the required regulatory number. There are probably about ten or fewer enforcement-driven facilities that we are working with. The payoff is essentially the same. The program needs to spell out the terms of compliance for these facilities. The needs of the community vary throughout the state. The Bureau recognizes that few federal assistance dollars are available, so we try to ease the burden as much as possible.

Assemblyman Goicoechea:

Therefore, the short answer is approximately 30 are in compliance, but they still do not meet the 10 parts per billion regulatory standard.

Leo Drozdoff:

That is correct. I can get you a list if that would be helpful.

Assemblyman Goicoechea:

It would probably be scary.

Assemblyman Aizley:

Does bottled water come under your purview? Are there any regulations governing the purity or quality of bottled drinking water?

Leo Drozdoff:

The short answer is no. Bottled water does not come under the purview of the DEP. There are some consumer health regulations that provide some oversight of bottled water, but it is not associated with our program.

Assemblyman Segerblom:

Last session, we talked about trying to have Nevada participate in the western governors' coalition regarding climate change. Are you familiar with that?

Leo Drozdoff:

Yes, I am.

Assemblyman Segerblom:

Have we done anything about that? Or is there anything we can do to participate?

Leo Drozdoff:

I believe you are referring to the Western Climate Initiative. Nevada has been participating in the alliance as an observer. Originally, five western states organized the Western Climate Initiative project to develop a program to deal with climate change, a cap and trade program, and other objectives. At that time, Nevada was not ready to fully commit to the program, but we did want to be part of the process. I and one of my deputies serve as official observers. We have gone to the meetings, and contributed a number of suggestions. During that time, a number of other initiatives have sprouted up including the Regional Greenhouse Gas Initiative in the northeastern states, and the Midwest Climate Change Group that encompasses Illinois and other states. Our official position is we are still observing and participating in the process, but we are not an official member of the Western Climate Initiative.

Assemblyman Segerblom:

Can the Legislature authorize the state to join, or is that strictly the Governor's decision? Is there a financial problem? Do you know what the problem is?

Leo Drozdoff:

I believe it is an administrative decision, not a financial problem. Based on President Obama's statements, a nationwide climate change program is in the works, so existing regional programs are trying to figure out what their role will be in a new federal program. Probably, the Governor's Office is also waiting to

see if there will be a new federal program. Although not an official member, Nevada is a pilot state, and the first in the country to meet reporting requirements for greenhouse gases in the Climate Registry. If the Legislature weighed in on joining the Western Climate Initiative program, official membership would be seriously considered.

The Administrative Services section of DEP helps financially with infrastructure problems relating to clean water—which is actually wastewater—and public drinking water. Public water systems and water conservation grants are also funded. We think this program will be included in the upcoming stimulus bill, and if so, it will play a big role in terms of money coming into the state. Then, our goal would be to get the money moving quickly within the confines of the bill, and with zero hindrances from our end. We are asking for one position in the Bureau of Mining Regulation and Reclamation for increased caseload. Even though mining actually has done well in the present economy, we are starting to see some facilities laying off personnel.

We jointly hold about \$1.1 billion in reclamation bonds. If companies fail to do their required reclamation, the bonds are our ample insurance policy for cleaning up and reclaiming the abandoned mine property.

The Bureau of Waste Management focuses on regulatory and educational programs. Regulatory programs ensure compliance at treatment, storage, and disposal facilities. Recycling efforts throughout the state are included in the educational programs.

The Bureau of Corrective Actions works with our Board to review submitted claims. To date, we have disbursed about \$147 million for remediation of leaking underground storage tanks to prevent further contamination of groundwater.

The new brownfields restoration program allows the DEP to work with local governments in blighted communities. Restoring and recycling non-productive properties into useful ones generates a new property tax revenue source.

The Bureau of Federal Facilities is based in our Las Vegas office. It reviews and regulates activities at the Nevada test site. We do not have any involvement with the Yucca Mountain program.

I will be happy to answer any questions.

Chair Claborn:

Are there any questions? [There were none.]

Allen Biaggi:

I would like to move on to the Division of Water Resources. The Administrator of this program, Tracy Taylor, is currently on long-term sick leave. Jason King, the Acting State Engineer will present the program.

Jason King, P.E., Acting State Engineer, Division of Water Resources, State Department of Conservation and Natural Resources:

I have distributed a copy of my PowerPoint presentation to the Committee ([Exhibit I](#)). Our mission is to conserve, protect, manage, and enhance the state's water resources for Nevada citizens through the appropriation and reallocation of the public waters.

The main office is in Carson City and is supported by three branch offices in Las Vegas, Elko, and Winnemucca. Nevada's water law can be found in Chapter 278, Chapters 532-536, and in Chapters 538, 540, and 543 of the *Nevada Revised Statutes* (NRS).

The duties of the State Engineers' office include the appropriation of both ground and surface water within the state, and the adjudication, distribution, and regulation of those waters. The State Engineer is responsible for dam safety, including review of proposed dams, and inspection of existing ones. Further, water planning, flood plain management, and subdivision approval are under our jurisdiction.

In FY2008 and FY2009, we had 73.5 General Fund FTEs. In FY2010 and FY2011, the number of FTEs will be reduced by 11.4. The Division of Water Resources budget in FY2009 was \$7.4 million. In FY2010 and FY2011, it will be reduced by 17 percent to around \$6.1 million. The General Fund is the Division's primary revenue source. Local governments provide a modest amount of funds to support some mapping positions, flood plain management, and dam safety. On the expenditures side, salary expenses represent the lion's share of our budget. Therefore, any budget reduction translates into a loss of positions. A small amount of funds are appropriated for operations; for the United States Geological Society's gauging stations, and for the federal flood plain management program.

The elimination of 11.4 FTEs reduces the Division's personnel to 62.1 FTEs. This staff reduction eliminates the entire Bureau of Water Quality Planning. It reduces the number of staff working on water-right ownership by almost 40 percent, which impairs our ability to issue water-right permits in a timely

manner. The elimination of three engineering positions reduces the number of water-right applications being acted on. Also, three clerical staff positions will be eliminated for a 19 percent reduction in our clerical work force.

The Division will receive about \$150,000 in FY2010 and \$24,000 in FY2011 for repairs and maintenance at the South Fork Dam, just south of Elko. It is the only dam the Division is responsible for.

Potential water related issues in this session include provisions for an inventory of water resources in certain basins, funding requests for additional hydrologic studies, changes to some forfeiture language for clarification, costs for bonding stays of a State Engineer decision, interbasin transfers, and some extensions of time language as proposed in S.B. 66.

Senate Bill No. 274 of the 74th Legislative Session was passed to give the Division the ability to adopt regulations, and assess fines and penalties for violations of Nevada's water law. That was accomplished. The codified regulations will go into effect July 1, 2009. A fiscal note attached to the bill requested an enforcement branch, which was not granted. With the proposed staff reductions in FY2010 and FY2011, enforcement of these regulations may be difficult.

During the past five years, strides have been made to reduce the Division's backlog of over 4,000 pending applications and title work. We are now down to around 2,000. More of our applications are being protested, so the Division is conducting more hearings to resolve water-right issues. We are continuing to expand our website by linking our permit certificates, maps, and well logs to their actual scanned images. This program has generated positive feedback from the public because it is no longer necessary to come to our office and leaf through books. Needed documents can be printed at home.

Chair Claborn:

Are there any questions? [There were none.]

Allen Biaggi:

Jim Lawrence will make the presentation for the Division of State Lands.

**James R. Lawrence, Administrator, Division of Conservation Districts;
Administrator, Division of State Lands, State Department of Conservation
and Natural Resources:**

I have distributed a copy of my PowerPoint presentation to the Committee ([Exhibit J](#)). The mission of the Division of State Lands is to uphold the conservation and land resource values of Nevadans. This is accomplished

through responsible land use planning, resource programs that protect the natural environment, and land stewardship worthy of the lands entrusted to us. The Division has four major programs which are: the State Land Office, the State Land Use Planning Agency, the Nevada Tahoe Resource Team, and the Conservation Bond Question 1 Program. The Division is losing two FTEs for a 17 percent reduction in staff. One position is a land agent in our State Land Office; the other, a land use planner in the State Land Use Planning Agency.

The State Land Office serves as the state's "real estate agency" for all state agencies except the Legislature, the University System, and the Department of Transportation. We acquire land and water rights needed by the state, and occasionally dispose of excess land and water rights to generate revenue. The State Land Office authorizes the use of state land by issuing easements, leases, and permits. This last fiscal year, the office processed over 200 state land use requests, and it holds title to land used by most agencies. Some of the old historic land records go back to statehood. Federal government land transfers to the state or private parties are also held. The titles and land records are protected and secured in the Land Office's climate controlled vault.

The State Land Office is in charge of the state's navigable waters. Upon statehood and under the Equal Footing Doctrine, the state received title to all submerged lands beneath navigable bodies of water. These titles cover seven bodies of water including Lake Tahoe, Washoe Lake, Walker Lake, Truckee River, Carson River, Virgin River, and the Colorado River. We are responsible for their management, and hold them in public trust. A lot of the office's work involves authorizing piers and buoys at Lake Tahoe, and issuing easements and authorizations along rivers for various restoration and recreational activities. The Land Office holds title to approximately 2,500 acres of original school trust lands. It manages and disposes of these lands making sure any use or transfer generates fair market value for the Permanent School Fund. The Land Office is responsible for lands used for office buildings, and for the Truckee River restoration project. Also, it is the real estate agent for the Division of State Parks.

The State Land Use Planning Agency is within the Division of State Lands. We have two primary responsibilities. One is to provide technical planning assistance. The other is facilitating the process of master plan and ordinance development for rural local governments. We ensure their plans are in accordance with state laws. Recently, we worked with Lincoln County, and the Cities of Eureka and Austin on the development of master plans. It is an outreach public service program.

We also represent the state in public land planning and policy development on federal lands. We review federal land use planning projects as they come through the state clearinghouse. Further, we provide information on Congressional land bills, and assist counties in the development of their public land policy plans. By law, when a federal land use decision is made, the federal government has to recognize any prior public policy plan that is in place. We recently worked with Elko on completing their public land policy plan, and currently, we are assisting Mineral and Esmeralda Counties in developing theirs. The State Land Use Planning Agency also serves as staff to the State Land Use Planning Advisory Council. This is the only Governor-appointed council that includes members from all 17 of Nevada's counties. They provide guidance and advice to each other and to us.

The Division of State Lands administers the Nevada Tahoe Resource Team, and carries out the state's responsibility for implementation of the Environmental Improvement Program (EIP) at Lake Tahoe. About ten years ago, the science community put out the charge that immediate changes were necessary or the ability to restore the lake's clarity would be gone forever. I believe that charge has been met. This past year, for the first time, the science community made the statement that the decline in lake clarity, while not reversed, has been stabilized. That is a significant accomplishment over the last ten years.

Assembly Bill 18 provides continuation of the EIP, and requests \$100 million in bond funds over the next ten years for ongoing restoration. The program focus will continue to be on water quality, forest restoration, fuel reduction, and control and eradication of invasive aquatic species like the quagga mussels. This is not just a State of Nevada effort. California, federal and local governments, and private parties are in the partnership. Originally, the EIP was granted \$908 million to fund 126 projects, and Nevada's share was \$82 million. Currently, 73 projects are completed; 33 are in the construction and planning stages; and, 20 more will be initiated in the future. The Lake Tahoe EIP's highest priority remains water quality. We have restored more than 2,000 acres of land through erosion control and storm water treatment programs to improve the lake's water quality. Also, we have cleaned up 1,600 acres of forest to reduce fuel on state park lands at Lake Tahoe. These efforts decrease the risk of catastrophic fire, and enhance wildlife habitat.

The Division's fourth program is the State Lands Question 1 Program, which is a 2002 voter-approved conservation bond program. State Lands administer about \$65.5 million worth of bonds in the form of grants. The grants are made to local governments, counties, state agencies, and non-profit organizations for recreational trails; land acquisitions for protection of open space; habitat restoration; restoration projects on the Carson River; and, the development of

the Tahoe Path Bike System. To date \$54 million has been awarded in grants. These grants have generated about \$54 million in matching and non-state funds. We are always looking for opportunities to leverage these dollars to get more dollars into the state. The goal is to ensure awards go to all counties, and to date, we have awarded grants to 15 of the 17 counties.

Assemblyman Segerblom:

What was the total amount of the bonds?

James R. Lawrence:

The total amount of the bonds was \$200 million.

Assemblyman Segerblom:

Is there still \$150 million left?

James R. Lawrence:

Out of the \$200 million, \$65.5 million came to our Division. About \$25 to \$27 million went to the Division of State Parks for park improvements. Another \$27 million went to the Department of Wildlife for wildlife improvements. Some other amounts went to Clark and Washoe Counties for restoration projects, but I do not have their actual figures.

Assemblyman Segerblom:

What was the total amount for your Division?

James R. Lawrence:

The amount was \$65.5 million.

Assemblyman Segerblom:

Therefore, you have \$11 million left. Is that correct?

James R. Lawrence:

Yes, that is correct.

Assemblyman Segerblom:

Do the remaining funds have to be expended by a certain time?

James R. Lawrence:

Yes, they do. A bill in the last session extended the bond selling time frame to 2011.

Assemblyman Bobzien:

What is the agency's role as the state clearinghouse on federal lands legislation for incoming county land bills? I am concerned the state does not offer enough resources, such as renewable energy planning and zoning, transmission corridors, and wildlife impact studies to the counties as a whole. How does your Division participate in this process?

James R. Lawrence:

The state clearinghouse is the single point of contact for federal land proposals, and for getting comments on those proposals. We interface with the counties on any proposals that may impact state lands within their jurisdiction. We typically will comment on issues that have a broader impact to the state whether it is for wildlife or energy. We make sure those agencies are aware of the clearinghouse item that is before them. Occasionally, when county land bills are being considered by Congress, we organize meetings with the state land agencies and the Congressional delegation so they can interface. The Congressional delegation can propose or show what is being proposed, and the state agencies have an opportunity to comment.

Assemblyman Bobzien:

You make your best effort to identify the impact to agency programs, and try to facilitate some sort of a meeting. Is that a fair statement?

James R. Lawrence:

Yes, for the most part, it is. With advance notice on some of the larger issues, we can give a more organized response.

Assemblyman Goicoechea:

Some Question 1 money was used to acquire a 6,500 acre parcel called Snow Storm Mountain in Elko County. Can someone give me a common name for it, and tell me where it is located?

James R. Lawrence:

The acquisition you are referring to is commonly called the Snow Storm Acquisition in northwestern Elko County. It was acquired by the Department of Wildlife from a private property owner with Question 1 funds. The Department of Wildlife determined the property acquisition was critical to protect springs used by wildlife.

Assemblyman Goicoechea:

I asked Senator Rhoads where it was located since he is from Elko County, but he did not know either. Could you get me with a map showing the location?

James R. Lawrence:

[Mr. Lawrence nodded in assent to Mr. Goicoechea's request.] I will move on to the Division of Conservation Districts where I am the Acting Administrator. I have distributed a copy of my PowerPoint presentation to the Committee ([Exhibit K](#)). This is a small program with a long history of implementing resource and conservation programs in the field through a network of conservation districts.

Its mission is to serve the State Conservation Commission in assisting, guiding, and regulating Nevada's 28 locally elected conservation districts to meet the goals of Nevada landowners and land users in conserving renewable natural resources. It is a partnership effort. In FY 2008, state grants of \$5,000 for each of the Conservation Districts were leveraged by matching dollars exceeding \$17 to \$1 for a total of about \$2.5 million. We have a staff of 3 FTEs, which will be reduced to 2.5 in the next biennium. The administrative assistant support position is being cut to half-time. We will be able to carry out the duties of the Division with the decrease in staff. The Governor's proposed budget amounts to about a 16 percent decrease for the Division.

The 28 Conservation Districts' board of supervisors are elected and appointed officials who serve without pay under NRS and the *Nevada Administrative Code* (NAC) Chapter 548. The Division provides support to expand and implement Conservation District programs in education, watershed management and restoration, agricultural practices, water quality improvement projects, wildlife habitat improvements, and, noxious weed abatement programs.

As examples, over the last year we secured grant funding for watershed restoration work on Cottonwood and Martin Creeks in Paradise Valley. We assisted in securing funding for the Mason and Smith Valley's Conservation Districts to implement stream restoration, and invasive weed abatement. Also, we assisted the Star Valley Conservation District to secure funding for watershed and wildlife habitat improvement projects.

Assemblyman Hogan:

I have two questions. You indicated you would be losing one position of a land planner; one of how many? If it is one of one, we have a problem. How many land planners will remain?

James R. Lawrence:

We currently have two land planners, so one land planner position will be eliminated.

Assemblyman Hogan:

That is of some concern. Do you interact with the Division of Water Resources to assess environmental concerns in basin areas that are targeted for water export in the future? Do you anticipate any activity in assessing these concerns so advance notice of water export might be given?

James R. Lawrence:

If it is an activity with a direct impact to state lands, or if it is coming through the state clearinghouse as a federal project, the National Environmental Policy Act of 1969 (NEPA) and the environmental impact statement process give us an opportunity to provide comments on those specific projects.

Allen Biaggi:

The State Engineer's office looks at a wide variety of environmental impacts brought to it by the Division of State Lands, or by federal land managers. We are working with the State of Utah regarding their concerns in Snake Valley. The State Engineer is not limited by any particular state agency when considering environmental impacts from importation projects. They welcome all information made available to them, so they can make an informed and science-based decision.

I would like to move on to the Natural Heritage Program. Jennifer Newmark will make the presentation.

Jennifer Newmark, Administrator, Nevada Natural Heritage Program, State Department of Conservation and Natural Resources:

I have distributed a copy of my PowerPoint presentation to the Committee ([Exhibit L](#)). Our mission is to maintain comprehensive information on the locations, biology, and conservation status of all endangered, threatened, rare, and at-risk species in Nevada. We are a non-regulatory agency based in Carson City with statewide responsibilities. Our Division is staffed by nine FTEs. The Heritage Program is a contributing member of NatureServe, which is a network of similar heritage programs in all 50 states and the Canadian provinces.

The Nevada Natural Heritage Program sets conservation priorities for plants, insects, and other animals in the state. We do this by ranking species on the scale of one to five, with one being the rarest, and five being the most common. Generally speaking, species with a rank of three or lower become a priority species. This ranking system is applied not only at the state level, but it is also used in the national and international systems. Species that are conservation priorities are put on a track, or watch list, and become the conservation priorities of the state. Our at-risk tracking list covers any species whose long-term viability has been identified as a conservation concern.

Currently, 593 species are on the tracking list with an additional 178 species on our watch list. These species are of long-term concern, and may have priority ranking in the future.

The program maintains biological information including locations and conditions of individuals or species' populations in a geographic information system (GIS) biotic database system. This system is used by the entire network of Heritage programs which allows state data to be shared with data on a regional or national level. The system also gives us the ability to track species through time, and documents distributional changes and other data that would be of management concern. Our data comes from a variety of sources including museum specimens, university studies, field surveys, and from other agencies.

We have over 8,800 observations in our database. We serve as a database clearinghouse that provides custom data searches to other state and federal agencies, and to private consultants or individuals. Data provided ranges from a simple list of species known to occur within a project area to sophisticated GIS maps and shape files. Data searches are most frequently requested by the Nevada Department of Transportation, and private development consultants.

In addition to our rare species work, the Division is involved in a couple of special projects. Two years ago, in partnership with the Nevada Department of Agriculture, we began to maintain the Nevada State Weed Map. We compile infestation maps of noxious weeds throughout the state. Currently, we have approximately 5,000 observations in our weed database.

Our springs conservation plan is in its second year with completion planned for June 2010. We work in partnership with the Nature Conservancy and the Desert Research Institute. Almost 300 springs throughout the state are being surveyed on both public and private lands to assess conditions and map vegetation communities. Based on these surveys, we plan to write a comprehensive conservation plan.

Finally, a new initiative for the Heritage Program is a partnership with the Department of Wildlife to be funded by Question 1 bonds. We will be developing a species climate index, and updating our biological information to produce a new chapter to the state's wildlife action plan that will show the impact of climate change on various species.

For being a relatively small agency we have complex funding sources. Approximately half of our funding comes from the Nevada Department of Transportation (NDOT). The Heritage program provides NDOT accurate, timely, and up-to-date information on threatened, endangered, and other species of

concern. This information assists the NDOT staff in completing environmental and biological assessments as mandated by provisions of the National Environmental Policy Act and the Endangered Species Act. Other sources of revenue for our program include: federal and state grants, the General Fund, and database fees. With that very brief overview, I would be happy to answer any questions you may have.

Chair Claborn:

Are there any questions?

Assemblyman Goicoechea:

Does the springs conservation plan compile flow measurement data on the springs for the Division of Water Resources?

Jennifer Newmark:

No, we are only focusing on doing species surveys as well as mapping vegetation communities. Once that information is available and completed, we will certainly make it available to all interested parties.

Assemblyman Goicoechea:

Do you measure the water flow rate of any of the springs?

Jennifer Newmark:

No, we are not.

Chair Claborn:

Are you headquartered in Carson City?

Jennifer Newmark:

Yes, I am.

Chair Claborn:

I would like to meet with you about the Wildlife Action Plan.

Jennifer Newmark:

I would be happy to meet with you.

Chair Claborn:

You are familiar with it?

Jennifer Newmark:

Yes, I am.

Chair Claborn:

Are there any questions? [There were none.]

Allan Biaggi:

Our last program, the Wild Horse Program, will be presented by Catherine Barcomb. She is the administrator and sole employee of the program.

Catherine Barcomb, Administrator, Commission for the Preservation of Wild Horses, State Department of Conservation and Natural Resources:

I have distributed a copy of my PowerPoint presentation to the Committee ([Exhibit M](#)). The mission of the Wild Horse Program is to sustain viable herds of wild horses on public lands throughout Nevada, and to serve as a clearinghouse for information about wild horses in our state.

We historically and currently have one FTE position. The Heil Trust—the Program's sole funding source—will be exhausted by the end of FY2010, and the agency will have to close. With statutory-termed leave, we will probably be closing around March 2010.

Closing of the agency will eliminate any direct voice the state has in the management of the 19 wild horse herd territories, and 102 herd management areas under the Forest Service and Bureau of Land Management (BLM) jurisdictions. The Commission has maintained a strong and consistent voice in assisting federal agencies to achieve and maintain the appropriate management levels on the state's ranges. Historically, we have been involved with land use planning, and we review approximately 250 environmental documents annually. We handle public and media inquiries, and we operate a very successful prison adoption program that was started years ago. Through the Mustang Heritage Foundation—which the Commission co-funded with the BLM—the prison program is doing a tremendous job in securing nationwide adoptions for Nevada's wild horses. Last year, about 1,000 wild horses were adopted through their program, and they expect to do more adoptions this year.

Chair Claborn:

Are there still around 40,000 wild horses in corrals east of the Mississippi River that we are feeding daily? Do you know anything about that?

Catherine Barcomb:

Yes, I do. Approximately 33,000 wild horses, managed by the BLM, are in short- and long-term holding facilities nationwide. Some are in larger sanctuaries in Oklahoma and South Dakota, and others are in a multiple of short-term holding facilities waiting for adoption.

Chair Claborn:

How much does it cost the program to feed a horse on a daily basis?

Catherine Barcomb:

The costs vary. On the sanctuaries, it costs around \$1.00 to \$1.25 per day. At the Palomino Valley Corrals adoption center and Snow Feedlot in Fallon, it costs \$4 to \$5 per day to feed the horses.

Assemblyman Segerblom:

What is the Heil Trust?

Catherine Barcomb:

In the early 1970s, a gentleman named Leo Heil passed away. He had moved to Nevada from California. Upon his death, he left his entire estate to the State of Nevada for the preservation and protection of wild horses in Nevada. The money was put in trust in the State Treasury until the 1985 Legislature created the Wild Horse Commission. We have been operating on that trust fund since then. With rising costs and lower interest income, the fund will be exhausted, and the agency will have to close at the end of 2010.

Assemblyman Segerblom:

Has there been any effort to generate new revenue sources?

Catherine Barcomb:

Yes, there has been. We have applied for numerous grants. As an example of new funding, the Nevada State Prison Wild Horse Program had to be moved from Warm Springs to the Stewart Camp. With one phone call, I was able to raise \$20,000 to move that facility. Individuals are willing to fund our prison adoption program, our rescue efforts, and feeding costs, but they do not want to fund the government. Trying to find someone to give you money to fund a government program is challenging.

Allen Biaggi:

It was anticipated that the Heil Trust would not last forever, so the 2003 Legislature authorized another independent foundation to take over the program. Was that the correct date, Ms. Barcomb?

Catherine Barcomb:

Actually, it was the 2001 Legislature.

Allen Biaggi:

The 2001 Legislature initiated and authorized a cooperative relationship between the BLM and the Heil Trust program to establish a non-profit

foundation to continue some of the work of the foundation and the Wild Horse Commission. The Mustang Heritage Foundation was established with \$400,000 from the Heil Trust and \$400,000 from the BLM. The Mustang Heritage Program is pursuing adoptions nationwide for Nevada's horses and horses elsewhere.

Assemblyman Segerblom:

Will some entity be looking after the wild horses even though the current program is ending?

Allan Biaggi:

That is correct at least for the adoption portion of the program. In the long run, we will be losing some of our land-use planning and oversight responsibilities, but the adoption program will move forward in a strong fashion through the Mustang Heritage Foundation.

Assemblyman Segerblom:

What about Ms. Barcomb's position?

Allan Biaggi:

We are still going to pursue all avenues to find additional funding resources. We will continue to look for opportunities for Ms. Barcomb, but this program does sunset in the next biennium.

Assemblyman Segerblom:

Perhaps nationally, movie stars or other interested private parties might help with raising funds.

Assemblyman Munford:

You said the prison adoption program was moved to Stewart Camp. What is Stewart Camp?

Catherine Barcomb:

It is the Stewart Conservation Camp which has a dairy and hay farms. It took a lot of man-hours and expense to maintain and manage the program at the Warm Springs Prison. Moving the program to the Stewart Camp has actually saved the prison program approximately \$45,000 per year.

Assemblyman Munford:

A Texas billionaire's wife, Mrs. T. Boone Pickens, has taken it upon herself to save the wild horses. Is there any way she could get involved? Could you connect with them to help save your program?

Catherine Barcomb:

That is an excellent suggestion, and we can certainly contact her to see if there is an interest. She has already committed to taking 30,000 wild horses from the BLM program, and they are in negotiations to complete that transfer. She has already saved 2,000 horses. Also, she is in negotiations with the federal government for a location to hold the horses. Rather than providing just a sanctuary, she would like to expand the facility to make it an entertainment park for tourists, and also provide educational programs. That is something I will pursue.

[Chair Claborn left. Assemblyman Hogan assumed the Chair.]

Assemblyman Ohrenschall:

I am back-tracking, but I have a question. Is the Division of State Lands involved in the acquisition and distribution of funding for the Southern Nevada Public Lands Management Act?

James R. Lawrence:

I sit on the Southern Nevada Public Lands Management Act (SNPLMA) Partner's Working Group. This group puts together the framework for how money is distributed, and makes funding recommendations. They compile recommendations from the various subgroups for those funding categories, and prepare one list which goes to the Executive Committee. We do not sit on that Committee, but they give the final recommendations of funding for the SNPLMA programs.

Assemblyman Ohrenschall:

Recently, some SNPLMA funds have been used for affordable housing. Do you see more of those funds going to that program, or do you think the funds will go more for environmental projects?

James R. Lawrence:

You are absolutely correct in that a portion of the SNPLMA funds can go to affordable housing projects. As to future demand, I really do not have a feel for it. Historically, they have been difficult projects to put together, and with the changes in the housing market, I do not know exactly how much will be allocated to those programs in the future.

Vice Chair Hogan:

The meeting is adjourned [at 3:30 p.m.].

RESPECTFULLY SUBMITTED:

Judith Coolbaugh
Committee Secretary

APPROVED BY:

Assemblyman Jerry D. Claborn, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Natural Resources, Agriculture, and Mining

Date: February 9, 2009

Time of Meeting: 1:33 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Rosemary Menard, Director, Department of Water Resources,	Western Regional Water Commission Handout
	D	Allen Biaggi, Director, State Department of Conservation and Natural Resources	2008 Biennial Report
	E	Allen Biaggi, Director, State Department of Conservation and Natural Resources	PowerPoint Presentation
	F	Pete Anderson, State Forester, Division of Forestry, State Department of Conservation and Natural Resources	PowerPoint Presentation
	G	David K. Morrow, Administrator, State Department of Conservation and Natural Resources	PowerPoint Presentation
	H	Leo Drozdoff, P.E., Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources	PowerPoint Presentation
	I	Jason King, P.E., Acting State Engineer, Division of Water Resources, State Department of Conservation and Natural Resources	PowerPoint Presentation
	J	James R. Lawrence, Administrator, Division of Conservation Districts; Administrator, Division of State Lands, State Department of Conservation and Natural	PowerPoint Presentation

		Resources	
	K	James R. Lawrence	PowerPoint Presentation
	L	Jennifer Newmark, Administrator, Nevada Natural Heritage Program, State Department of Conservation and Natural Resources	PowerPoint Presentation
	M	Catherine Barcomb, Administrator, Commission for the Preservation of Wild Horses, State Department of Conservation and Natural Resources	PowerPoint Presentation