

**MINUTES OF THE
SENATE COMMITTEE ON NATURAL RESOURCES**

**Seventy-fifth Session
February 24, 2009**

The Senate Committee on Natural Resources was called to order by Chair David R. Parks at 3:35 p.m. on Tuesday, February 24, 2009, 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 David R. Parks, Chair
Senator Allison Copening, Vice Chair
Senator Bob Coffin
Senator Bernice Mathews
Senator Dean A. Rhoads
Senator Mark E. Amodei
Senator Dennis Nolan

GUEST LEGISLATORS PRESENT:

Assemblyman Bernie Anderson, Assembly District No. 31

STAFF MEMBERS PRESENT:

Randy Stephenson, Committee Counsel
Michelle Van Geel, Committee Policy Analyst
Shirley Parks, Committee Secretary

OTHERS PRESENT:

P.J. McGuire, Regional Manager, Nevada Golf Industry Alliance
Brady Exber, Vice President, Nevada Golf Industry Alliance
Rosemary Menard, Director, Water Resources, Washoe County
Darrin Price, Chair, Northern Nevada Water Planning Commission
Mark W. Foree, P.E., Acting General Manager, Truckee Meadows Water Authority
John Rhodes, Legal Counsel, Western Regional Water Commission
Michael A.T. Pagni, Legal Counsel, Truckee Meadows Water Authority

Leo Drozdoff, P.E., Administrator, Division of Environmental Protection, State
Department of Conservation and Natural Resources
Tom Porta, P.E., Deputy Administrator, Corrective Actions, Mining and Water
Programs, Division of Environmental Protection, State Department of
Conservation and Natural Resources
Steve Walker, Truckee Meadows Water Authority
Jim Smitherman, Program Manager, Western Regional Water Commission

CHAIR PARKS:

The meeting of the Senate Committee on Natural Resources is now open to
hear the presentation of the Nevada Golf Industry Alliance.

P.J. McGUIRE (Regional Manager, Nevada Golf Industry Alliance):

I will give an overview of the Nevada Golf Industry Alliance using reference
materials and my handout titled, "When the Going Gets Rough, the Rough Gets
Smart" ([Exhibit C](#)). The National Golf Foundation conducted a survey of the golf
industry in the United States. It found that the revenue from the golf industry
totaled \$76 billion annually. This speaks to the popularity of the activity and the
impact it has nationwide. This is a huge industry. In Las Vegas alone, the golf
course industry contributes nearly \$1 billion annually to the local economy. The
average tourist spends \$637 per person, per visit. Total spending by golfing
tourists and their related parties is \$1,162,000,000 annually in southern
Nevada.

The Nevada Golf Industry Alliance offered recreation to more than
65,000 young people in 2008, through "The First Tee" programs for at-risk
youth.

The Southern Nevada Golf Course Superintendents Association and the
Sierra Nevada Golf Course Superintendents Association of America have worked
with their water purveyors to document their efficient water use. The Southern
Nevada Water Authority (SNWA) has showcased golf course superintendents as
the best water managers of their customers.

In reality, golf course water use has decreased by more than 1.5 billion gallons
annually since the 2003 drought plan was put into place. Golf courses in
Nevada use reclaimed water where available. That means they are using water
that has been reclaimed, treated and is safe for irrigation systems. Water is the
number one cost for our industry. It makes sense it would be the highest

managed asset. The southern Nevada golf industry pays the highest water rates in the Country and uses less than 8 percent of the valley's water and that percentage has been decreasing since 2003, due to reductions in acres of turf being watered and the use of increasingly more efficient irrigation systems and management practices.

We have expertise with the issues and want to be of help to shape the water usage in the Nevada.

SENATOR COPENING:

In your exhibit, you referred to the graph stating the current water budget, [Exhibit C](#). Who establishes this? Is it a SNWA budget?

MR. MCGUIRE:

Yes, there is a water budget and golf superintendents work with the SNWA to determine levels we can reduce our water usage in a way that would not negatively impact the long-term health of the turf of our golf courses. This is important because many times for short periods of time, we can make large changes to how we use water, in order to facilitate short-term issues with water usage. We do get concerned for the long-term reduction of water usage. In our State, the water supply we have and the issues around water resources can make a negative impact on our ability to grow grass. We are careful to monitor the long-term effects of certain water levels on our golf courses so that they do not disappear. We have worked with SNWA and funded research to find specifically how much water is necessary and how little water we can get by on and still have a product to sell. These are important factors in how we set the water budget numbers. Included in those water budget numbers were some severe penalties for exceeding them. We do agree that we need to do our part with conservation and those who choose to ignore this should pay a penalty. We have had no water over-usage penalties. Everyone seems to have gotten the message. We appear to have found the balance of water use and healthy turf.

SENATOR MATHEWS:

How much gray water are you using these days?

MR. MCGUIRE:

A recent 5-year, water-use study provided by the National Golf Course Superintendents Association of America has found in most Southwestern states, 30 percent of golf courses use recycled water, but in southern Nevada,

60 percent of our golf courses use recycled water. We are double the average in the Southwest for golf courses using recycled water.

SENATOR MATHEWS:

Compare Nevada's golf courses to Arizona's. I am looking at the water costs per acre-foot, [Exhibit C](#). Is the Phoenix area comparable to Las Vegas? The prices are so different.

MR. MCGUIRE:

Yes, they are different. We pay more for water in Nevada than any other part of the nation, including Arizona. Additionally, there are many differences between Nevada and Arizona. The soil is not conducive to growing much. Arizona has better soil. Rain that falls in Arizona is twice as much as southern Nevada and it comes in the late summer months, a more opportune time of year. Golf courses require less water use when the rain comes in the summer. Nevada's rain comes in the winter when the water usage is down and there is no water saving.

BRADY EXBER (Vice President, Nevada Golf Industry Alliance):

We have a membership of 13,000. We represent another 165,000 golfers who play regularly in southern Nevada. They have a vested interest in the game of golf and quality-of-life issues as do the superintendents and the owners of golf courses. This is why we have formed the golf industry alliance.

CHAIR PARKS:

I am curious about this chart in your exhibit. It appears to show the number of square feet of turf that have been removed over recent years.

MR. MCGUIRE:

As a result of the ongoing drought in Nevada, golf courses have decreased turf and have done an estimate of the water savings. It is significant, [Exhibit C](#). We know the water issue is not going away. We are streamlining the courses.

CHAIR PARKS:

Do most golf courses have their own source of water?

MR. MCGUIRE:

There are 48 golf courses in Las Vegas, and 45 of them purchase water from 1 of the 7 purveyors in and around the area. Very few golf courses have access

to their own sources of water. Some of the data coming out of the national research that is being conducted on golf courses was a shock. In 2007, members of the national organizations of golf organized a golf day at the capital and went to Washington, D.C., and gave a presentation much like this one to the members of Congress and Senate as well. Some of the facts that came up at the meeting were that golf in the United States is a \$76-billion-a-year industry. It is larger than the newspaper industry, motion picture industry and all other spectator sports combined. This is a huge amount. Many Americans are somehow tied into the game of golf. This is a tremendous industry to our national economy.

SENATOR MATHEWS:
How many golf courses are in Las Vegas?

MR. MCGUIRE:
Are you asking how many are run by a municipality in some way? The purpose of today's presentation is to give you contact information, to give you names of people who are in this business for decades, who are not going anywhere in the State. Let us know when you are coming down and we will help you find a good place to go.

SENATOR COFFIN:
The First Tee program is a terrific way for youth to learn life lessons. This is a good community builder. I would hope we could have more of these programs in our State someday.

MR. EXBER:
The First Tee program in Las Vegas is one of the largest in the Country. The golf program focus is on intercity youth.

CHAIR PARKS:
That concludes the presentation of the Nevada Golf Industry Alliance. We will move to the overview of the Western Regional Water Commission (WRWC).

ROSEMARY MENARD (Director, Water Resources, Washoe County):
I am the director of the Washoe County Department of Water Resources (WCDWR). We have several presentations for the Senate Committee on Natural Resources related to water issues.

DARRIN PRICE (Chair, Northern Nevada Water Planning Commission):

After enactment of the WRWC Act, S.B. No. 487 of the 74th Session, member agencies of the WRWC got an early start. The commission met six times from September 2007 to February 2008, to review the new legislation and discuss the creation of the WRWC. Early WRWC meetings were held in roundtable fashion, including Northern Nevada Water Planning Commission (NNWPC) members and key staff, promoting good communication and working relationships. The WRWC Board of Trustees is listed in my prepared testimony ([Exhibit D](#)). I will continue to read it. The Board appointed members to the NNWPC as required by section 56 of the bill and included voting representatives of the Pyramid Lake Tribe and the Washoe County Water Conservation District.

Key accomplishments and the WRWC mission statement along with other information is listed in my report ([Exhibit E](#)).

MARK W. FOREE, P.E. (Acting General Manager, Truckee Meadows Water Authority):

I brought a handout of my presentation ([Exhibit F](#), original is on file in the Research Library). Please feel free to follow along with me as I read through the exhibit. Truckee Meadows Water Authority (TMWA) was formed as a result of a collaboration of the cities of Reno and Sparks and Washoe County with a stated purpose to retain local control over water resources. The financing for the acquisition from the former Sierra Pacific Power Company was \$452 million of revenue bonds that was a total debt-financed acquisition. The TMWA revenues are derived from rates and customer charges and fees. We have no property or sales tax revenue nor revenue from federal land sales. The governance is a joint power authority under chapter 277 of *Nevada Revised Statutes* (NRS). Our revenue is down because people are conserving more water. This is a nationwide trend. There are a number of vacant properties due to the economy.

We have a seven-member board. The TMWA has been successful building regional coordination and involvement with advisory groups. This helps with population forecasting and other related issues. We have a technical advisory committee made up of technical experts who provide recommendations to our board. There is a customer group called the "Standing Advisory Committee" made up of all our customer classes and other stakeholders.

Current issues of concern are declining revenues, expenses to mitigate the April 2008 earthquake damage to facilities, implementing the Truckee River

Operating Agreement, regional consolidation, integration of evaluations and climate variations and operations.

An important rule is that no project can be built without first dedicating sufficient water rights acceptable to TMWA and the state engineer and the rule is that 1 acre-foot will provide water for 2.2 residential units.

SENATOR MATHEWS:

What is the average yearly acre feet coming in from Vidler Water Company?

MR. FOREE:

They are allowed 8,000 acre-feet per year.

SENATOR MATHEWS:

I know that Reno Hilton is a regular business use. What would UPS be doing as a business using water? Would they have especially high usage?

MR. FOREE:

The exhibit is showing the various types of businesses which would use water. If, for instance, they are building a transfer facility or something like that, they would need water rights. They would need to acquire and dedicate those rights.

SENATOR MATHEWS:

I thought they were doing something special that you had not talked about.

CHAIR PARKS:

I have a question concerning upstream storage. Your reference on page 3 of [Exhibit F](#) states that there are 22,250 acre-feet of upstream storage. Is this near Lake Tahoe? Where is this storage area?

MR. FOREE:

No, Lake Tahoe is private storage. Independence Lake is the area for the bulk of the storage you have asked about. We also own one-half of the water in Donner Lake and that is a smaller portion. In addition, we have a contract for storage in federal water reservoirs at Stampede and Boca.

CHAIR PARKS:

You pump 56 million gallons per day from 33 wells. Are these mostly wells along the river bank of the Truckee River? Where are these wells?

MR. FOREE:

The wells are interspersed throughout our system. Some are close to the river, but not all of them.

MS. MENARD:

I have a handout for you providing an overview of the WCDWR program ([Exhibit G](#)). Reading this will give me an opportunity to share the WCDWR program with you. We serve the suburban areas around Reno. We operate 18 drinking water systems serving approximately 56,800 people. There are 3 wastewater treatment plants and 15 wastewater collection systems serving about 46,800 people. We operate the reclaimed water system of south Truckee Meadows. These are water systems that came to WCDWR as failed projects. We were the only facility available to accept this responsibility at the time.

We obviously operate wastewater, reclaimed water and utilities. We do capital planning and long-range planning for these projects and for groundwater resources currently in use. The WCDWR operates the Central Truckee Meadows Remediation District program authorized by the State Legislature in the mid-1990s. We have a 4-million-gallon-per-day membrane treatment plant to treat for arsenic which is required by federal standards.

The key legislative issue this Session is to develop additional tools that will help WCDWR work with communities that have failing septic systems or domestic wells to find affordable ways to connect to community sewer or water systems.

SENATOR MATHEWS:

Are reclaimed water and gray water the same?

MS. MENARD:

No, they are not the same. Gray water is typically used from sinks and shower water. This category of water is produced on-site. Reclaimed water goes through a waste treatment plant and is further treated to accomplish certain kinds of public health safety goals and regulatory standards for microbiological and other contaminants. Then it is redistributed through a double plumbing system.

SENATOR MATHEWS:

Is this water for consumption?

MS. MENARD:

This water is not for consumption.

SENATOR MATHEWS:

What about using reclaimed water in the garden?

MS. MENARD:

Reclaimed water can be used in the garden.

CHAIR PARKS:

I will open the hearing on Senate Bill (S.B.) 111.

[SENATE BILL 111](#): Revises provisions governing membership on the Western Regional Water Commission and the Northern Nevada Water Planning Commission. (BDR S-240)

SENATOR AMODEI:

I am the Chair of the Legislative Committee to Oversee the Western Regional Water Commission. A final report of our accomplishment is in front of you. I will highlight some of the results from the report ([Exhibit H](#), original is on file in the Research Library). The Nevada Legislature approved S.B. No. 487 of the 74th Session to create a WRWC in Washoe County, Nevada, as well as the NNWPC. The committee is directed to review the programs and activities of the WRWC, including an analysis of potential consolidation of the retail distribution systems and facilities of all public purveyors in the planning area.

The committee is comprised of six members. Assemblyman Bernie Anderson, Vice Chair for the committee, is here today bringing S.B. 111 which will correct several oversights in S.B. No. 487 of the 74th Session. There are three corrections outlined in S.B. 111. The bill will change the language to reflect, that if the Sparks mayor wants to serve as a representative on this entity, it will be a specific role description. The mayor of Sparks is not ordinarily a member of its city council. Another item included in this bill is that a tribal representative from the Pyramid Lake Indian Tribe be added to the bill as was intended. Finally, the reference to a "Washoe Storey Conservation District" is the wrong name for the Conservation District we planned to capture which is the "Washoe County Water Conservation District." These are the changes we would request through S.B. 111.

ASSEMBLYMAN BERNIE ANDERSON (Assembly District No. 31):

Water-quality concerns are an ongoing subject in my community. These proposed improvements to the legislation will make this issue more understandable and usable. There were several other distinguished people who worked very hard on this committee, Assemblyman David Bobzien, Assemblywoman Heidi Gansert, Senators Mathews and Washington. The bill has unanimous committee support.

CHAIR PARKS:

We have the Legislative Counsel Bulletin 09-06 in front of us should anyone have questions about the amendment.

SENATOR AMODEI:

This concept has been embraced by every local government. They have moved it forward even beyond the committee's expectation. The testimony you have heard today validates your judgment and votes to create a regional entity patterned roughly after the Southern Nevada Water Authority. I am in total support of this bill.

ASSEMBLYMAN ANDERSON:

I echo Senator Amodei's comments. I want to acknowledge, for the record, the former manager of the Truckee Meadows Water Authority, Lorie Williams, whose vision and dedication was extremely important to this project.

JOHN RHOADS (Legal Counsel, Western Regional Water Commission):

I am the legal counsel for the WRWC and the NNWPC. I want to thank Senator Amodei, Assemblyman Anderson and the Legislative Committee to Oversee the WRWC for all their efforts. Senator Amodei clarified our position on S.B. 111 very well. We fully support these technical amendments. They are necessary.

MICHAEL A.T. PAGNI (Legal Counsel, Truckee Meadows Water Authority):

We totally support this bill. There is one technical cleanup. It is on page 4, line 21 of S.B. 111, where it refers to the Washoe County Water Conservation District as having a Board of Supervisors. Actually, it should read Board of Directors. The word "Supervisor" should be replaced with the word "Directors."

MS. MENARD:

I want to acknowledge the great working relationship we had with the interim oversight committee. We distributed a letter that was sent to Senator Amodei as the Chair of the Legislative Committee to Oversee the Western Regional Water Commission ([Exhibit I](#)) outlining the need for corrections in S.B. No. 487 of the 74th Session. We are thankful the changes have been made to address these technical issues with S.B. 111.

CHAIR PARKS:

I will close the hearing on S.B. 111 and open the hearing on Senate Concurrent Resolution (S.C.R.) 2.

SENATE CONCURRENT RESOLUTION 2: Encourages entities that are engaged in monitoring the water quality of the Truckee River to coordinate certain activities. (BDR R-237)

SENATOR AMODEI:

Sharing reports and other information gives a body of knowledge that can be most helpful. Almost all departments, divisions, commissions and committees in Nevada share information. One of the items recommended during the WRWC meetings is that the meetings should be public and formalized. The resolution, S.C.R. 2, is the result of this recommendation.

ASSEMBLYMAN ANDERSON:

On page 12 of [Exhibit H](#), a recommendation has been proposed to help facilitate sharing information. It suggests that all entities coordinate their water-quality monitoring programs so they can refine and enhance existing monitoring efforts and technical studies, and make the results readily available to the public.

The resolution as drafted ([Exhibit J](#)) will request the Division of Environmental Protection (DEP), State Department of Conservation and Natural Resources, to take the lead in developing a memorandum of understanding (MOU) among the entities engaged in water-quality monitoring on the Truckee River, to better define and memorialize the monitoring programs and the coordination of those efforts and results. The various agencies will communicate and share their information.

LEO DROZDOFF, P.E. (Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources):
We support this resolution. We want to further explain our position.

TOM PORTA, P.E. (Deputy Administrator, Corrective Actions, Mining and Water Programs, Division of Environmental Protection, State Department of Conservation and Natural Resources):

The DEP met with more than 20 entities that are involved with some form of monitoring, management or research on the Truckee River and its tributaries. The interviews include a number of federal, state and local entities.

With my written testimony, I will recap what we believe are the three major expected outcomes of the resolution before you today ([Exhibit K](#)). First, it encourages the entities which are engaged in the management and monitoring of water quality of the Truckee River to continue to work together toward developing a comprehensive and coordinated monitoring program. Second, it requests those entities to refine and enhance existing monitoring efforts. Lastly, it requests that the water-quality information be made available to the public from a single source.

During the December 16, 2008, meeting, the DEP discussed the Legislative Committee to Oversee the Western Regional Water Commission's request and determined the appropriate entities were at the table, and a subgroup was formed to draft a MOU among the participating agencies. The subgroup prepared a draft MOU. At another full Division meeting on February 12, it was revised. The DEP has set a target date of April 21 to have the final MOU completed and available to the Division's upper management for approval.

In closing, I would like to emphasize that the participating agencies are committed to working together to coordinate water-quality monitoring on the Truckee River and its tributaries. We are well on our way to meeting the Legislative Committee to Oversee the Western Regional Water Commission's desired outcomes of S.C.R. 2.

STEVE WALKER (Truckee Meadows Water Authority):

I represent TMWA and we are in support of S.C.R. 2. This bill will provide ongoing data that is valuable for background information.

JIM SMITHERMAN (Program Manager, Western Regional Water Commission):
The WRWC directed its staff to coordinate with the entities that are doing water-quality monitoring on the Truckee River. We have been engaged with the agencies to help craft the MOU. Leo Drozdoff and Tom Porta of the DEP, along with their staff, have been doing an excellent job leading and coordinating the subgroup. We are in total support of S.C.R. 2.

CHAIR PARKS:

I will close the hearing on S.C.R. 2. This concludes today's agenda. There is no further business. The Senate Committee on Natural Resources meeting is adjourned at 5:01 p.m.

RESPECTFULLY SUBMITTED:

Shirley Parks,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____