

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

**Seventy-Eighth Session  
March 24, 2015**

The Committee on Government Affairs was called to order by Chairman John Ellison at 8:06 a.m. on Tuesday, March 24, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website: [www.leg.state.nv.us/App/NELIS/REL/78th2015](http://www.leg.state.nv.us/App/NELIS/REL/78th2015). In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman John Ellison, Chairman  
Assemblyman John Moore, Vice Chairman  
Assemblyman Richard Carrillo  
Assemblywoman Victoria A. Dooling  
Assemblyman Edgar Flores  
Assemblywoman Amber Joiner  
Assemblyman Harvey J. Munford  
Assemblywoman Dina Neal  
Assemblywoman Shelly M. Shelton  
Assemblyman Stephen H. Silberkraus  
Assemblywoman Ellen B. Spiegel  
Assemblyman Lynn D. Stewart  
Assemblyman Glenn E. Trowbridge  
Assemblywoman Melissa Woodbury

**COMMITTEE MEMBERS ABSENT:**

None



**GUEST LEGISLATORS PRESENT:**

Assemblyman James Ohrenschall, Assembly District No. 12  
Assemblywoman Heidi Swank, Assembly District No. 16  
Assemblyman Tyrone Thompson, Assembly District No. 17

**STAFF MEMBERS PRESENT:**

Jered McDonald, Committee Policy Analyst  
Eileen O'Grady, Committee Counsel  
Jordan Neubauer, Committee Secretary  
Cheryl Williams, Committee Assistant

**OTHERS PRESENT:**

Michael M. DeLee, Private Citizen, Amargosa Valley, Nevada  
Susan Joseph-Taylor, Deputy Administrator, Office of the State Engineer,  
Division of Water Resources, State Department of Conservation  
and Natural Resources  
Kelvin Hickenbottom, P.E., Deputy State Engineer, Office of the State  
Engineer, Division of Water Resources, State Department of  
Conservation and Natural Resources  
Andrew Zaninovich, representing Nevada Conservation League  
Terry K. Graves, representing Vidler Water Company  
Steve K. Walker, representing Truckee Meadows Water Authority; and  
representing Lyon County, Storey County, Douglas County, and  
Eureka County  
Edwin James, General Manager, Carson Water Subconservancy District  
Justin Harrison, Director, Government Affairs, Las Vegas Chamber of  
Commerce  
Randolph J. Townsend, Commissioner, Nevada Gaming Commission

**Chairman Ellison:**

[Roll was called. Committee rules and protocol were explained.] I will open the hearing on Assembly Bill 347.

**Assembly Bill 347: Revises provisions relating to domestic wells. (BDR 48-253)**

**Assemblyman James Ohrenschall, Assembly District No. 12:**

Good morning Mr. Chairman and members of the Committee. For the record, I am James Ohrenschall, representing Assembly District No. 12 in Clark County. Thank you for the opportunity to present Assembly Bill 347 for your consideration.

As the Committee is aware, Nevada is the most arid state in the nation. I am bringing A.B. 347 forward to help fulfill our obligation to safeguard Nevada's most precious resource: water. [Continued to read from prepared text ([Exhibit C](#)).]

**Chairman Ellison:**

Right now, there are two water bills that are coming forward; they are in the Senate Committee on Government Affairs before they come here. I think water meters are going to be involved. Have you talked to Senator Goicoechea to find out the content of the bills? Who will pay for the meters and maintain them?

**Michael M. DeLee, Private Citizen, Amargosa Valley, Nevada:**

I have had several meetings with the State Engineer. We have talked about this bill and their bills for quite some time. We initially thought that this was something they could accomplish in the bills they were bringing forward. It turns out that their bills are parallel, but not exactly the same. This is focused exclusively on a new type of domestic well; it does not affect existing domestic wells at all. The bills that are coming forward may allow the State Engineer to, in fact, reduce existing domestic well draft, but this bill does not do that. This is only for new domestic wells. It does not affect existing rights whatsoever.

To your question about water meters, this would be required by the people who install the conservation domestic wells. It would be their responsibility to maintain them, along with any other part of their well.

**Chairman Ellison:**

Are you saying that you are going from the normal one acre-foot of water to a half acre-foot of water?

**Michael DeLee:**

The normal is two acre-feet, which was changed a few years ago from a reading of 1,800 gallons per day, but some time ago it was 1,400 gallons per day. The change several years ago actually increased the amount a regulated domestic well would be allowed to pump because 1,800 gallons a day is not two acre-feet a year. You are not going to pump more than that, and in the winter you pump a lot less, whereas a two acre-foot standard is actually more because it is annualized rather than daily. This is a completely different approach, and it is reflecting the amount of water people actually pump, which is proven to be about a half an acre-foot on average throughout the state. It is what would be allowed in the basins where this is either required or people can voluntarily install it under certain circumstances.

**Assemblywoman Spiegel:**

For those of us who are not familiar with acre-feet, can you please explain what two acre-feet and a half acre-foot means, and what it translates into in a way that those of us who are not familiar with wells can understand?

**Michael DeLee:**

I will try to give you the 30,000-foot view. If you were to fly over, for example, Amargosa Valley at 30,000 feet, which I am sure many of you have, you will see the little crop circles, and each one covers about 125 acres. To give you an idea of what an acre-foot represents, if you were to cut down one acre, which is 43,560 square feet, or roughly 200 by 200 square feet, and fill it up 12 inches tall with water, that is one acre-foot of water, one acre, one foot deep. For the domestic wells that are in existence right now, it would be 1 acre filled 24 inches tall with water. This is over the course of one year.

**Assemblywoman Spiegel:**

How does that translate into usage by a person or a family? We need a context to understand, not literally what an acre-foot is, but how it is used and what the impact of this would be.

**Michael DeLee:**

Some cities have a per capita water use. I think Tucson, Arizona, is down around 100 gallons per capita, per day, and we are trying to get Las Vegas to around 200 gallons per capita, per day. A family of two people uses about 400 gallons per day in Las Vegas. Two acre-feet would be approximately 1,800 gallons per day, so half an acre-foot would be about 450 gallons per day. It is well above what you would expect for an allotment in a city that has a per capita use. It is currently within the range of what people are actually using per day, per household.

**Assemblywoman Neal:**

When I read the existing law it says that when the State Engineer is working in a groundwater basin that has been designated, the drilling must occur within a definable underground aquifer. I am trying to figure out the conflict or if there is one, because you take away some of the approvals and section 1, subsection 6, paragraph (c) says, "Shall, in connection with the approval of a parcel map in which any parcel will be served by a conservation domestic well, require the relinquishment to the State Engineer of any right to appropriate water in an amount determined by the State Engineer to ensure a sufficient supply of water based on conditions within the basin." I do not know what that means. Are we taking away approvals? In the statute there are several approvals. There is a group that the State Engineer has to go to in order to act. Even though it is saying conservation, are we touching right above and below

the ground? I do not know what your limits are and where you can pull your water.

**Michael DeLee:**

A few sessions ago, the Legislature granted the State Engineer authority to require the relinquishment of water rights when approving parcel maps. This bill is upon that authority that was granted. What that means is right now you might have 10 acres out in the middle of a rural area where domestic wells are common. If you were to split the ten acres into four two and a half acre lots, which is commonly done with parcel maps, and we did not have a provision for relinquishing water rights, then each one of those additional lots would be entitled to an additional domestic well. Under the old statutes as they stand now, each one of those new lots would get an additional two acre-feet of water. So you went from one domestic well for ten acres to four domestic wells for each of the two and a half acre lots. The total goes up by six acre-feet, and it is a stress upon the groundwater basin.

Three sessions ago, the Legislature authorized the State Engineer to sign parcel maps and require the relinquishment of water rights from some other source. For example, someone else in the same area might be farming or using water, they would sell their water to someone that would be doing the parcel map, those would be relinquished back to the basin, and they would reduce their pumping accordingly to account for the new domestic wells at the rate of whatever the State Engineer would want to require. Most of the time it is provided for by local ordinance in the county.

The State Engineer has the authority, and it is primarily a backup provision in case the counties do not exercise their own ordinances. As far as I know they are all doing that now. By having a conservation domestic well the State Engineer can use his authority in a different way that goes beyond domestic wells. If someone wants to have much lower-yield wells because they do not need a lot of extra water and they are able to live much more efficiently, it does not make sense to require two acre-feet per well, but maybe that is appropriate if the basin is overstressed. Some basins are stressed in some places around the state.

The State Engineer has the authority, under this proposal, to require more water to be dedicated for the parcel map than what is proposed to be used. He does not have to exercise that authority if it is not warranted, but it gives him the authority to manage the basin in a way that works for the people wanting to make new parcels or for people who already have land that is difficult to develop because domestic wells are posing a threat to the groundwater level as it is already.

**Assemblywoman Neal:**

There are two things that you said: Maybe somebody has a well, but they are not using all of the water, so they want to relinquish some of the water; and second, there may be a situation where they want to develop a parcel and share their water so that someone can develop on a parcel. Where does the conservation domestic well fit into that relationship?

**Michael DeLee:**

Conservation promotes a more reasonable use of water that is consistent with what the actual averages are throughout the state for domestic wells, a half acre-foot rather than two acre-feet. Where you have a water budget for a basin, as we have for most basins around the state, each type of water usage is accounted for, such as stock watering, irrigation, quasi-municipal, and domestic wells. The domestic wells have to be accounted for as to what the Legislature has allowed for them to be pumped. There are a number of places around the state, you might have 10,000 or 20,000 undeveloped lots, and they are all entitled to drill domestic wells, so it may be an additional 40,000 acre-feet of water that could be a stress upon the basin.

As you know from other legislation coming forward, the State Engineer is trying to find a way to deal with that. One of the ways is to stop the amount of water being drawn from the existing domestic wells or reduce them. We are looking at an alternative for new wells that have not been drilled yet. People who want to develop can conserve water by agreeing that they will only pump a half acre-foot and it will be reported; it is one thing I think we should be doing for water. At the same time, the water budget will account not only for the half acre-foot, but if the State Engineer requires an additional amount to be relinquished from an existing use, such as from stock watering or quasi-municipal or more likely irrigation, that is going to help to bring those numbers in balance. Where you have over-appropriated basins where too many water rights have been given out in relation to how much water is coming in to recharge the basin, this could help bring that back into balance when the State Engineer requires more water to be dedicated than what was actually going to be able to be used. In that sense, it is conservation because you have actual improvement in the water budget itself.

**Assemblywoman Neal:**

There are rights associated with existing use. How are you dealing with the adjustment to those existing uses? I understand they have to relinquish it, and we are not changing the process. We are not circumventing someone's rights where they have already been allocated or made a plan for the usage of their water. They have an existing right associated with that. Your example was if someone pulls 40,000 acre-feet of water they put stress on the basin, but

maybe they are doing an activity that requires that much water or they have a plan three years from now.

**Michael DeLee:**

The requirement for relinquishment is looking to market forces. It is going to look to whomever wants to put in these wells, whether it is the existing homeowner or someone developing additional parcels to come to the State Engineer with water within that basin in an amount satisfactory to the State Engineer. This is voluntary and through the market. Either it is water that they already own or it is water that they purchase from a willing seller who has those existing rights and is doing something with them or at least has the active water rights legitimately on paper. As the process has already been used in parcel maps and subdivisions over the years for quite some time where they require relinquishment of water, which is already in the statute, they take a portion of the water rights. There is a form from the Office of the State Engineer that you fill out to relinquish those water rights. It then becomes a credit to the basin and is applied toward the allocation of the domestic wells. We are not changing the process in the statute at all. We are simply providing for it as a requirement for conservation domestic wells. You are not going to get one of these through parceling unless you do in fact relinquish an amount of water.

**Chairman Ellison:**

What valley are you from?

**Michael DeLee:**

Amargosa Valley.

**Chairman Ellison:**

Is that the water aquifer you are talking about?

**Michael DeLee:**

I do not actually think that this water situation is a problem in Amargosa Valley at this time. I think it has application more directly in other parts of the state like Diamond Valley and Pahrump. Hopefully it does not become an issue in the Amargosa Valley. I think it will be an issue elsewhere first, but it could have application to the Amargosa Valley, particularly for some of the development restrictions. Mostly it is a tool throughout the state to allow an alternative to the State Engineer's current status, which is for new domestic wells, either you get it or you do not. If you are going to have domestic wells, they are at two acre-feet.

**Assemblyman Trowbridge:**

What is the value of an acre-foot of water?

**Michael DeLee:**

That varies across the state considerably. For example, I have heard prices in Las Vegas are \$20,000 to \$30,000 per acre-foot, in Pahrump I think it is probably more around \$4,000 to \$5,000 per acre-foot now, but it has been as high as \$20,000 to \$25,000.

**Assemblyman Trowbridge:**

My point is that an acre-foot of water has value. If I own 20 to 40 acres and with it I have the normal water rights, why should I not sell off my excess water rights down to the half-acre per lot that I am going to ask for subdivision rights on? It sounds like a good way to avoid this entire thing of allowing the State Engineer to require relinquishment. You are requiring relinquishment of something with value in exchange for something of value, a subdivided lot at the state level. Is extortion the proper word to use at this point?

**Chairman Ellison:**

Every county has different regulations; 5 acres per lot, 20 acres per lot, there are very few one-and-a-half or two-and-a-half acre parcels anymore.

**Assemblyman Trowbridge:**

That is correct and that is my point. In some places, a half-acre might be adequate for a lot and other places it may be very inadequate. If you are going to buy a five-acre lot with a half-acre draw on it, you may not be able to do much more than have a home for a family of four.

**Chairman Ellison:**

I think an acre would be the minimum.

**Assemblyman Trowbridge:**

That is what this provides for, a half-acre per lot.

**Chairman Ellison:**

I know.

**Assemblyman Trowbridge:**

How do we deal with those situations?

**Michael DeLee:**

I understand your concern, but this bill actually addresses your concern. Extortion is not the word I would choose, but that is what it could feel like to



someone who wants to develop his or her property. Perhaps they have held the property in the family for a number of years and now they are required to relinquish water rights in order to put in new wells even though they might not be using two acre-feet per lot. They would still be required to relinquish two acre-feet under the existing law, not this bill. Pahump would have to relinquish three acre-feet of water per new well. This bill allows the type of flexibility you were mentioning. If you are only going to be using one acre-foot or half an acre-foot, why have two acre-feet? It is limited to a half acre-foot. The studies have shown that is the average for a domestic well in Nevada. We are allowing flexibility for the State Engineer to use it as a management tool so that in requiring relinquishment of the water rights, it can be half an acre-foot instead of the two or three acre-feet that are now required.

**Assemblyman Trowbridge:**

I perfectly understand.

**Chairman Ellison:**

Are there any other questions from the Committee? [There were none.] Those in favor of the bill who would like to testify, please come forward.

**Susan Joseph-Taylor, Deputy Administrator, Office of the State Engineer, Division of Water Resources, State Department of Conservation and Natural Resources:**

I am going to read into the record the testimony of the State Engineer, Jason King, the Administrator of the Division of Water Resources.

The Division is in support of this bill. Our office views it as adding another tool that we can use to manage the water resources in those sensitive basins that are overappropriated. [Continued to read from prepared text ([Exhibit D](#)).]

**Assemblyman Trowbridge:**

The size of the lot that the larger parcel has been divided into has no bearing on the half-acre draw that would be authorized?

**Susan Joseph-Taylor:**

That person would have to agree that he is not going to plant grass and trees or irrigate that lot; otherwise, he is going to be using more than a half acre-foot of water.

**Assemblyman Trowbridge:**

You are restricting use of the property.

**Susan Joseph-Taylor:**

The person is requesting the half-acre-foot conservation domestic well.

**Assemblyman Trowbridge:**

If I own 40 acres and I want to subdivide it and people buy the lots that I have subdivided, by applying for the subdivision, I have forfeited the rights to the water. The people who buy the lots from me are restricted on how they can use the property based upon the half acre-foot. I do not see that being a good move nor do I see this being an overall solution because what is to stop me, as the owner of the 40 acres who wants to subdivide, from simply putting in a community well?

**Susan Joseph-Taylor:**

It is a choice the developer makes, and the person who purchases the property would be subject to this. The term forfeiture is a term of art in water rights; it means completely losing your water. This bill is saying relinquish water for the purpose of the development.

**Assemblyman Trowbridge:**

Relinquish and forfeit are totally different words, but the result is pretty much the same.

**Susan Joseph-Taylor:**

They are different concepts. I do not agree.

**Assemblyman Trowbridge:**

Can I use my relinquished rights?

**Susan Joseph-Taylor:**

You would be using it through the conservation domestic well. You cannot then sell it.

**Assemblyman Trowbridge:**

If I cannot use the water using the term relinquished and I cannot use the water using the term forfeit, the result is the same.

**Kelvin Hickenbottom, P.E., Deputy State Engineer, Office of the State Engineer,  
Division of Water Resources, State Department of Conservation and  
Natural Resources:**

The relinquishment of water rights protects the health of the groundwater basin. If you were going to develop a subdivision, you would dedicate water to a purveyor in order to serve the subdivision. Essentially, the relinquishment of a water right back to the groundwater source is doing the same thing. It is not

making an additional draft on the groundwater basin, it is just saying that you give up a portion of your water rights in order to support the new domestic well. You are not increasing the demand, but you are not losing anything; the domestic well can use a half acre-foot or, as it is in statute today, two acre-feet.

In certain areas it may not be voluntary, but if somebody in any other groundwater basin wanted to have a conservation domestic well subdivision, that person could come in and relinquish a half acre-foot or possibly more in order to support the half acre-foot. It does not have to be in Pahrump, Amargosa Valley, or basins of that nature. It could be anywhere that people wanted to develop and not have to bring necessarily as much water as they would under the existing law of two acre-feet. You are not losing, and neither are the people who are buying the property from you if you subdivide. They should understand that it is all they can use because that is what the deeds will say. I do not see how anyone is losing anything.

**Assemblywoman Neal:**

This does not eliminate your ability to create a reversion, correct? If you change use and the deed goes to someone else, you would not have a reversionary interest in the water. Is it tied up? Once you decide to be a conservation weller that is it, there is no changing. There is no reversion? There is no future right for new people to say that they do not want to be conservation wellers?

**Susan Joseph-Taylor:**

There is no reversion. Once the subdivision is dedicated to a conservation domestic well, the water is committed to that project. You cannot come back later and decide you do not want it, sell it, and then go back to a domestic well. I do not see that ever being allowed.

**Chairman Ellison:**

Half of these basins are based off studies that say the aquifers are overallocated. The last studies that have been done, unless the counties have done a study themselves, were in the 1960s on mountaintops. The state has not done anything to actually do current studies of the water in the aquifers. Am I correct?

**Kelvin Hickenbottom:**

There have been recent studies that have proven that the older studies in the 1960s and 1970s are very reliable. They might change by a few percent one way or the other, but the studies were based on sound science at the time. When there is a big project that comes in, there is always somebody who is going to try and say that there is more water to be appropriated; that is just the

way it is. We would have a hearing and both sides would have the ability to contest the science that was put into determining whether there was more water or less water, but the old studies have shown they were done correctly, and they give reliable information to us to this day.

**Chairman Ellison:**

I think there are areas out there that might show differently. I think the state will eventually have to go back and look at some of these areas. Years ago, people tied up thousands and thousands of acres for parcels, they got water rights on them, and that was the end of the study, correct?

**Kelvin Hickenbottom:**

I cannot say what was done in the 1960s and 1970s through our office and how they dedicated the water rights, but in many cases, they knew what the sustainable yield of the basin was. During that time, the Bureau of Land Management, U.S. Department of the Interior, was opening up lands for desert land entries and a lot of people applied for water rights and failed. In certain basins, the failure rate was a lot less than others, and that is why you get overappropriated basins in most cases.

Parcel splits are a completely different matter. Pahrump would be a good example of a basin that was split into parcels prior to our office having the ability to sign off on water quantity for subdivisions. A lot of them were done before we had the authority to actually require water rights to be relinquished or dedicated for the development of a subdivision. Those are two different examples.

**Chairman Ellison:**

If they exceed the half acre-foot of water that is allocated and metered, what fines and penalties would be assessed?

**Kelvin Hickenbottom:**

Our mission is not to fine anybody.

**Chairman Ellison:**

However, it will happen, correct?

**Kelvin Hickenbottom:**

Not necessarily—we would send them a letter letting them know they are out of compliance with their conservation domestic well. Today, with domestic wells, if they were over their two acre-feet we would do the same thing. We would communicate with them, tell them they are overpumping and they need to come back into compliance, and hopefully that is what they are going to do. If they

did not come back into compliance, we would then pursue a penalty, but it is not our mission. Our mission is to have compliance regardless of domestic wells, certificates, permits, et cetera. That is what our job is, not to fine people.

**Chairman Ellison:**

What would the fine be if they were out of compliance?

**Kelvin Hickenbottom:**

The statutes allow \$10,000 per day, but we would not fine that much in a situation like you expressed. It would have to be based on some sort of value system of how much the water right in the basin is worth. That is the best I can tell you. In most cases where we fine people when they are out of compliance with their domestic well, they just generally do not know the amount they are using. They will put a meter on the well, and they will come into compliance. If they do not, then they have to go out and purchase a water right to make up the difference between the two acre-feet and whatever they are using. If they were using five acre-feet, they would have to purchase a water right for three acre-feet in order to make good. I could not tell you exactly. We try not to fine anybody. We only have one instance of that and it was not a domestic well owner, it was a large irrigator and it was a lot of work to determine what the fine should be. I do not have a good example of what a domestic well owner would be fined if they did not come into compliance.

**Assemblywoman Dooling:**

On page 1, lines 23, 24, and 25 say, "A violation of these requirements by an owner of a conservation domestic well could subject the owner to civil and criminal penalties." Once this bill goes into law and we do not know what the penalties are, it is difficult to imagine what they could be. Can you enlighten me on that?

**Kelvin Hickenbottom:**

That is already in statute. We have the ability to do that and as I said, we go through a lot of effort to determine what our costs are to get the company or the individual back into compliance, and then we determine what their economic gains were in terms of irrigation, et cetera. We try to do a lot of analysis, but we do not have a set scale. In the future we probably should determine what we think is a reasonable penalty per day or per year for noncompliance on any domestic well or any other use. Again, our mission is not to fine or take anyone's water away, it is just to have them in compliance with Nevada's water laws. I am sorry I do not have a better answer.

**Andrew Zaninovich, representing Nevada Conservation League:**

We are in support of A.B. 347. We believe that it will allow the State Engineer another tool to get overappropriated basins back into compliance.

**Chairman Ellison:**

Is anybody else in favor of the bill? [There was no one.] Is anybody in opposition?

**Terry K. Graves, representing Vidler Water Company:**

We looked at this bill as maybe being a duplicate effort. There are currently two similar bills that are being processed in the Senate, Senate Bill 65 and Senate Bill 81. We have been working on those two bills to try and sort out some of the issues on drought management. We feel this is a duplicate effort. Vidler Water Company advocates changing this in rules and regulations instead of statute; for instance, in this bill we put a half acre-foot limit and maybe in reality, given whatever water basin they are working in, maybe a quarter acre-foot or three quarters acre-foot would be more appropriate. We have concerns about putting these kinds of concerns into statute.

The other thing we advocate, and you mentioned it when you talked about water studies, is that the more you can do using science and technology, the better you are in making water policy. Almost every basin in the state has different conditions. When I say science and technology, I mean that we need to test wells and chemical data on the waters involved in the basin so you know where they are coming from and you can define how much water is actually in the basin. There is a lot of data that could be brought together. As you may be aware, Assembly Bill 198 is a proposed water study that is being heard in the Assembly Committee on Legislative Operations and Elections.

We are not necessarily opposed to the spirit of this bill, but we think there are some problems. As far as we know, there is no other western law that deals with a conservation domestic well.

**Chairman Ellison:**

Like Mark Twain said, whiskey is for drinking and water is for fighting over. I think this is one of those bills.

**Assemblyman Flores:**

With the bill we have in front of us now, are you willing to work with the sponsor or have you tried to work with the sponsor to address some of your concerns?

**Terry Graves:**

I would be more than happy to work with the sponsor.

**Chairman Ellison:**

Is anyone else in opposition? [There was no one.] Is anyone neutral?

**Steve K. Walker, representing Truckee Meadows Water Authority; and representing Lyon County, Storey County, Douglas County, and Eureka County:**

We are neutral on this bill. As a water person, I wanted to make some comments. Water quality and water quantity are related. Most of the time when we have densities of one acre or less for a domestic well and a septic, we pollute groundwater with nitrogen. It has happened all over the state. We do it repeatedly. I trust the State Engineer to regulate this. We cannot keep doing this; we shoot ourselves in the foot. Conservation domestic wells at a half acre-foot are still going to contribute the same amount of recharge via their septic system to ground water as the two acre-foot use. Be aware of densities. It is only going to go into designated basins, and there are 120 designated basins in Nevada.

**Chairman Ellison:**

Are you saying the smaller the parcel the worse the nitrogen content?

**Steve Walker:**

The higher the density septic system the worse it is. If you took a 640-acre section and put 400 one-acre parcels on it, and you have a soil that has a high intake rate, your groundwater is going to have nitrogen in it above the 10 milligrams per liter standard.

**Chairman Ellison:**

I agree, thank you.

**Edwin James, General Manager, Carson Water Subconservancy District:**

We do regional water planning for the entire Carson River Watershed. We talk about basins as a whole, and we have water right allocations to basins, but each one of our basins—I can show you examples of where we have a subbasin where we only have domestic wells—do not have any municipalities and there are not any agricultural water rights or industrial wells there, but the water tables are dropping.

We are neutral on this bill. We do not know if this is the way to take care of the problem. We urge you to be aware that right now the only other hammer you have is to not allow anyone to drill. These are things that we need to

look at. We have a lot of parcels out there that if we continue to add more domestic wells, the water tables will continue to drop and then neighbors are taking water from their own neighbors. Eventually you have to have tools in place to deal with the subbasins in a large watershed; otherwise, we will all be running out of water, and we will have no other choice but to drill deeper until we run out of water.

**Chairman Ellison:**

Did you say that you wanted to put a moratorium on water drilling in the Carson Valley?

**Edwin James:**

I am not saying that. I am saying that there are subbasins that are seeing water tables drop due to domestic wells. How long, if you allow continued drilling, before people run out of water in those areas? Right now, the State Engineer could stop drilling in those areas because they are allowed two acre-feet. It is a tool; we just do not know which way to go. The other alternative is to bring in a municipal water supply to the community. There are a lot of areas we are studying right now. Some places may even have five-acre lots, and we are seeing the water tables drop because of very small recharge in a little area. These are isolated pockets, but it does have impacts to the existing residents and future residents. These are some of the planning tools that we are trying to figure out. How do we deal with this in the future?

We talk about a watershed or a groundwater basin, but within them there are small pockets. We are seeing problems with water quality and other problems too. Generally, if you look at the watershed or the water basin, it looks fine. We started looking at how to deal with the little individual places where water tables are dropping and what tools are available. I am also looking at communities in Alpine County, California. We do not know if there is a problem yet, but if we collect data and see that there is a problem, there are a number of lots that can be developed. At what point do you put a water system in or stop development?

**Chairman Ellison:**

What is the standard parcel in Carson City County?

**Edwin James:**

They are all different sizes. I do not have an answer, but I can get the information for you.



**Chairman Ellison:**

I think it will be interesting to know because each county is different based on their planning. I know that they allowed one small group to go in with less than two-and-a-half acres in Elko County, but most of them are five-acre lots and larger.

**Edwin James:**

I believe each county is different and each area is different. We have one development that is half-acre and quarter-acre lots on well and septic. They are now putting in a sewer system because there was too much density there. We are finding out that even the one-acre lots with septic are too dense in some places. There are so many factors that one law or one rule does not fit them all, but historically we had these standards and now we are finding out with new science that sometimes they have to be site-specific, and there are a lot of things that drive these. That is what we are working on, new science and better understanding of every basin and subbasin in order to meet the quality and supply that people deserve.

**Chairman Ellison:**

Are there any questions from the Committee? [There were none.] Is anyone else neutral? [There was no one.] Does the sponsor of the bill have any closing remarks?

**Assemblyman Ohrenschall:**

I think there is a misunderstanding; this is not a taking bill. There is nothing in the bill that provides for any kind of taking pursuant to the Fifth Amendment of the *United States Constitution*.

**Chairman Ellison:**

Right now a domestic well is allowed two acre-feet of water and you are going to drop it down to a half acre-foot of water on new parcels, but not existing parcels, correct?

**Michael DeLee:**

As was mentioned earlier, this is an additional tool; it does not reduce what a domestic well is now. That is still defined under the statute, and it is still allowable for people to qualify for it or already have it. This allows for a new type of well, a conservation domestic well, which can be used as a tool in basins where it is appropriate. You have heard concerns about water levels dropping, and the tools that are available to the State Engineer under statute can prohibit additional domestic wells.

As to the question of is this a taking bill, certainly somebody who bought a five-acre or a ten-acre lot 20 years ago intending to retire on it and then all of a sudden there is a moratorium imposed on it, that person is going to feel like that is a taking. Instead of being able to come up with two acre-feet or three acre-feet at whatever the price might be per acre-foot, we are offering an alternative that if you are not going to use that much water, half an acre-foot, you can provide whatever is appropriate under the State Engineer's regulations for that basin. It is a tool that is allowed in those types of scenarios that we can see coming because the water tables are dropping around the state in certain basins. I want to clarify that this allows flexibility; it does not mandate something that the State Engineer does not already have.

You heard earlier about criminal sanctions and penalties, and those are already in statute. Senate Bill No. 275 of the 74th Session is what gave the State Engineer the authority to require relinquishment of water rights through parcel maps. You can see on page 2, line 33, we are not proposing any changes; it is already in statute. This allows flexibility that is not already there. We would like to work with people who have concerns about the bill to clarify that this is what we feel we need to have going forward throughout the state.

**Chairman Ellison:**

Are there any questions from the Committee? [There were none.] I will close the hearing on A.B. 347. I will now open the hearing on Assembly Bill 410.

**Assembly Bill 410: Revises the membership of certain boards and commissions of the Executive Department of the State Government. (BDR 28-741)**

**Assemblyman Tyrone Thompson, Assembly District No. 17:**

I served as the Co-Chair of the Southern Nevada Forum Governance Reform Committee along with Senate Majority Leader Michael Roberson. During the work of our committee, which spanned almost two years, one of the priorities was to ensure that representation on state boards and commissions are proportionate based on population. I am thankful for Assemblywoman Swank's diligent work, which is evident through the language in this bill. This was a collective effort through the Southern Nevada Forum.

**Assemblywoman Heidi Swank, Assembly District No. 16:**

I am going to use a PowerPoint ([Exhibit E](#)) to go through the bill. Also, on the Nevada Executive Legislative Information System (NELIS) there are a couple of amendments ([Exhibit F](#)). The amendments are due to a couple of slips in drafting that happened in my communication to the Legal Division.

**Chairman Ellison:**

I see one amendment ([Exhibit F](#)) on NELIS; are there more?

**Assemblywoman Swank:**

It is one document, the top of it says, "AB410 Amendments" and then there are Department of Transportation amendments, Real Estate Commission amendments, and amendments for each of the sections.

The aim of this bill was to create proportionate representation for some, not all, of the boards and commissions in our state. I worked with the Lindsey Institute to come up with seven boards and commissions that seemed like they should have proportionate representation across the state. You can see the list of the seven boards and commissions that we worked on and that are in this bill on page 2 ([Exhibit E](#)).

The current approach to selecting members is that they are sometimes apportioned by field. This happens if you need people of certain expertise on certain boards and commissions. Some of them, like the Department of Transportation, are currently apportioned by population caps. The Real Estate Commission is apportioned by equal numbers: two seats in the northern district and two seats in the southern district. There is also apportionment by appointment; for example, the Speaker of the Assembly appoints one member, et cetera. Some of these approaches are used together, overlaying each other.

The problems with some of these are disproportionate representation. For example, the Real Estate Commission is apportioned with two seats in the northern district and two seats in the southern district, so if you take the northern district, one member of the Real Estate Commission represents 350,000 Nevadans and in the southern district one member of the Real Estate Commission represents about a million Nevadans. There is not proportionate representation on the Commission. It seems to be a problem.

There is no process for reapportionment of the population distribution as it changes and as we have seen in the past few decades, our population distribution can change quite a bit and quickly. Clark County is so large and it cannot be grouped with other counties without marginalizing them, and on some of our boards and commissions, smaller counties are grouped in with Clark County, and they get a certain number of seats for the entire group. The smaller counties are dwarfed by Clark County.

Taking these ideas and problems into account, I created three different groups statewide. We are trying to get proportionate representation statewide. One of

the geographic groups is Clark County because it has 1.9 million people, and there is no way to group it with any other counties because it is so large on its own. I put Washoe County, Lyon County, Storey County, and Carson City County together. This is a common grouping in other areas of the *Nevada Revised Statutes* (NRS), and it gives us a little over half a million people. I grouped all of the rural counties together, which is a little bit less than a quarter of a million Nevadans. That is a total of 2.7 million people in Nevada, according to the last census. These three groups are the groups I am going to be talking about as I reapportion the boards and commissions.

What I did was take the state population of 2.7 million and divide it by the number of people on each board or commission. With a four-member board or commission I figured that each member should represent a little over 675,000 Nevadans, and if there was a five-member board or commission, each member would represent a little over half a million, and the rest are listed on page 6 ([Exhibit E](#)). I used these as guides, and I want to emphasize that this is just a guide. In order to get actual proportionate representation, we would have to grow some of our boards and commissions. It is difficult to get fair and equal representation across Nevada with a four-member board; I had to balance what is fair and what is proportionate. I have the exact ratios that worked out for each board and commission, so stop me if you would like to hear them, but I did not want to overburden you with a bunch of numbers. What I would like to do now is step you through each of the boards and commissions in each section of the bill. I will give you the current criteria and how the proportions will change.

Section 1 deals with the State Public Works Board. Currently their criteria is appointment by both field and the person who is appointing them. The Governor appoints four people from different fields and the Senate Majority Leader and the Speaker each appoint one member from a specific field. With the current apportionment, there are three members from Clark County, three members from the Washoe County grouping, and no members from the rural counties grouping. The proposed apportionment would change it to three members from Clark County, two members from the Washoe County grouping, and one member from the rural counties grouping.

Section 2 deals with the Commission on Tourism, who are appointed by the Governor. They have experience in travel and tourism, including gaming. With the current apportionment, there are three members from Clark County, three members from the Washoe County grouping, and two members from the rural counties grouping. The proposed apportionment would change it to five members from Clark County, two members from the Washoe County grouping, and one member from the rural counties grouping.

Section 3 deals with the Tax Commission, who are appointed by the Governor, by field. We have various people in different areas and three that are in property taxation. We would keep the current criteria, but we would overlay this distribution. With the current apportionment, there are three members from Clark County, three members from the Washoe County grouping, and two members from the rural counties grouping. The proposed apportionment would change it to five members from Clark County, two members from the Washoe County grouping, and one member from the rural counties grouping. We are also proposing to delete the provision that states that not more than five members can come from the same county. We do not have more than five from the same county, but we do not know what the future will bring. We want to be able to use this legislation in the future, so we do not want to constrain that number.

Moving on to the State Board of Education, we looked at both the voting members and nonvoting members. The voting members are in section 4, subsections 1 and 2: three members are by appointed by the Governor, of which one is nominated by the Senate Majority Leader and one by the Speaker. We currently have only three members on this board. This is where we are proposing to add one member because if we have a three-member board, there is no way to represent the rural counties, which is not comfortable for me. I added one additional member appointed by the Governor, which will give us two members from Clark County, one member from the Washoe County grouping, and one member from the rural counties grouping.

Section 4, subsection 4, pertains to the State Board of Education nonvoting members. The current criteria is that the members are appointed by the Governor by field. With the current apportionment, there is one member from Clark County, zero members from the Washoe County grouping, and three members from the rural counties grouping. The proposed apportionment would change it to two members from Clark County, one member from the Washoe County grouping, and one member from the rural counties grouping.

For the Department of Transportation, you will need to look at the amendment ([Exhibit F](#)). I did not convey what I meant to the Legal Division, my apologies. The members are currently appointed by the Governor by highway districts. We are proposing to eliminate the highway districts. Right now, there would not be any changes: two members from Clark County, one member from the Washoe County grouping, and one member from the rural counties grouping. That is the way the proportions worked out. Section 5, subsection 8, would be deleted; it is in reference to the highway districts.

Section 6 is the Nevada Gaming Commission. The members are appointed by the Governor with various qualifications. With the current apportionment, there are four members from Clark County, one member from the Washoe County grouping, and zero members from the rural counties grouping. The proposed apportionment would change it to three members from Clark County, one member from the Washoe County grouping, and one member from the rural counties grouping.

Section 7 is the Real Estate Commission; we have an amendment ([Exhibit F](#)) for this too. There were references left in the bill to the southern district and the northern district, which I do not think are used elsewhere, so I think we need to remove those. Right now, we have two members in the northern district and two members in the southern district. The proposed apportionment would change it to three members from Clark County, one member from the Washoe County grouping, and one member from the rural counties grouping.

Those are the changes that would happen to the different boards. There are some additional provisions that go along with this, and one of them is in the amendment ([Exhibit F](#)) at the bottom, where it says, "Amendment to each of the seven sections." Sometimes we have difficulty finding people to sit on the boards and commissions. Sometimes the boards and commissions meet in the middle of the day or they cannot find people with the qualifications. I added if a qualified member cannot be found in a certain region, let us say we cannot find a qualified and willing member in the rural counties, then the seat would roll up to the next least-populated grouping, so that would be the Washoe County grouping, and they would be able to look for a qualified person there to fill the seat. At the end of the term, the seat would revert to its original region, so we can give them another chance to look for someone. We want to do our best to maintain the representation across the state.

The one thing I like about this the most is that this is reviewed every 10 years. In the regular legislative session, after the United States Census, all of these boards and commissions will be reviewed, so we can make sure if there have been huge shifts in population that the boards' and commissions' compositions will change with the shifts in population. This is where we get the longevity from the NRS. I was told that at least one of these was set in the 1950s without any movement, so this gives us more flexibility. These also phase in. At the end of a particular person's term, their seat is reevaluated to determine if it fits with the appropriate distribution set forth in this bill.

**Chairman Ellison:**

Are there any questions from the Committee?

**Assemblyman Stewart:**

You have taken on a terrible job, and I think you have done a miraculous job in most instances. It is very difficult to satisfy everybody. The only concern I have is that on the Nevada Gaming Commission, the rural counties have one member. I have traveled around the rural areas, and I know there is some small amount of gaming in various places, but the vast amount is in Clark County and Washoe County. I think in most instances the rural counties deserve at least one member, but perhaps not in this instance.

**Assemblywoman Swank:**

I am always concerned for our rural counties to get representation, and we do have some gaming in the rural areas. I was trying not to expand boards and commissions in this bill because we get big fiscal notes, which we are trying to avoid, but that might be a way to offset those concerns so we can better balance that representation. With the Nevada Gaming Commission we have one member representing 630,000 Nevadans in Clark County, which is very different than the rural counties, which is one member representing 216,000 Nevadans with the new apportionment. It might be a good idea to look into expanding the Commission so we can maintain the representation. I am hesitant to allow the rural counties to have no representation at all.

**Chairman Ellison:**

I do not know if anyone has been to Wendover lately, but there has been a massive growth in gaming, also in Jackpot, Ely, and Eureka. Every town in this state has gaming. It is good to have representation in the rural areas. Does the Committee have any more questions? [There were none.] Is anyone in favor of the bill?

**Justin Harrison, Director, Government Affairs, Las Vegas Chamber of Commerce:**

The concept of this bill was drawn from 18 months of conversation with the Southern Nevada Forum. It is our belief that the proposed makeup of the boards and commissions would promote greater statewide conversations from all regions that were represented.

**Chairman Ellison:**

Is anyone else in favor? [There was no one.] Is anyone in opposition?

**Randolph J. Townsend, Commissioner, Nevada Gaming Commission:**

I am here on behalf of our Chairman Tony Alamo. He could not be here today due to patient load, and he has asked me to provide some insight with regard to sections 6 and 7. I want to compliment Assemblywoman Swank on her thorough analysis and some of the challenges that boards and commissions

face. Her demeanor was outstanding. I want to apologize to her for not reaching out sooner to address the concerns that we have with regard to the Nevada Gaming Commission.

Let me address the concerns that we have, were this bill to pass with the Nevada Gaming Commission in it, and to be implemented as recommended by the sponsor and the Southern Nevada Forum. The first person that would have to be replaced would be Patricia Mulroy. Her appointment is up in April of this year, and it would mean that someone from the Washoe County grouping or the rural counties grouping would have to be appointed in her place after her serving for a little less than two years on the Commission. She is our only female member and provides unique insight due to her extensive knowledge of the growth in southern Nevada and the impacts on growth by the gaming industry based on her experience through the Southern Nevada Water Authority. The second person that would have to be replaced, because with this bill only three members would be from Clark County, would be our Chairman Tony Alamo in April 2016. That is a bit of a challenge given his expertise. Our members are chosen by their expertise.

I think something that is incredibly important is to remember that over 87 percent of gaming revenue comes out of Clark County. It does not mean there should not be a member from the Washoe County grouping or the rural counties grouping, but it does mean the Governor can make the choices.

I have 35 years of public service. I have worked with Governor Robert List, Governor Richard Bryan, Governor Robert Miller, Governor Kenny Guinn, and Governor Jim Gibbons. In my lengthy discussions with all of them, one of the single most difficult responsibilities of a Governor is the appointment of members to boards and commissions. It is primarily because of the lack of interested persons who would like to serve and their expertise in order to qualify to serve. Everyone wants to be on the Nevada Athletic Commission so they can go to all the fights, but no one wants to serve on any of the other boards and commissions. It is a very difficult and burdensome responsibility of the Governor and his office. They literally have people in their office calling people and asking them to serve. If you narrow this down and take away the flexibility of the Governor, it is going to make it even more difficult. It does not mean that the effort put forth today by Assemblywoman Swank is not a commendable effort, but one that should be pursued in a number of areas.

However, the areas of gaming are unique. Our largest employers and taxpayers in the state are in southern Nevada. Just as importantly, when we look at the responsibilities that would be placed on the Commission, if this bill passes, you



have in NELIS our fiscal note ([Exhibit G](#)). We have a limited budget for the Commission, and this fiscal note is rather significant.

For those of you who do not work in the gaming area, over 400 people work for the State Gaming Control Board. The Board is three individuals appointed by the Governor who work full time in gaming. Under them is a remarkable staff that does all of the work with which you are familiar and provides, obviously, the appropriate tax collection that is necessary to operate the state. The Commission has five part-time members and one full-time staff member. We are expected to know as much about gaming as anyone because we are the final arbiter when things are sent over from the Board. We make a decision or we put conditions on an applicant; we make the final determination.

Our fiscal note ([Exhibit G](#)) is significant given our current budget. If you were to add members from the Washoe County grouping and the rural counties grouping, you will see that our low budget analysis would be on top of what we have requested in the current biennium of \$54,000 to a high of \$67,000. That does not include any travel for Commission members to attend conferences that are very important in a global gaming environment. Many of us pay our own way. I have been to London, England, three different times, Singapore, and Macau, for which the state paid nothing. I am fortunate that I can do that, but I feel an obligation to the state to become better versed in world gaming matters, particularly when our licensees are licensed in other jurisdictions. This is a very complex area. We hope people who have a pecuniary interest in gaming will apply to the Commission. Whether it is from the rural areas, Washoe County area, or the Clark County area, we are hoping for that but it is not always easy, and I hope you will consider my remarks as you move forward with this.

I commend you, Mr. Chairman and Committee members, as well as the sponsor of this bill, for the effort that is put forward; I know how hard it is. I sponsored one or two bills in my almost 30 years at the Legislature, and I know how tough it is and particularly how tough the process is. I have gone through five revenue and tax budget issues over my almost 30 years, so I know how difficult it is, and I appreciate your time.

**Assemblyman Stewart:**

Would you prefer to increase the Commission so there would still be representation from the rural counties and keep a good number from Clark County? Do you have any suggestions? Would you rather keep it the way it is currently?

**Randolph Townsend:**

That would be up to the Committee. The camaraderie that is built with five members can be somewhat dissipated when you add individuals. You obviously have to have an odd number to keep from having ties. I do not think that the effort here should go unnoticed. Perhaps in the language of the bill you could strike the part about mandating it. Section 6, subsection 3 says, "It is the intention of the Legislature that the Commission shall be composed of the most qualified persons available, preferably no two of whom shall be of the same profession or major field of industry..." you might add something there that the Governor must consider geographic representation. I do not believe that exact number should be mandated because you may end up with less qualified people if he cannot find anyone.

**Chairman Ellison:**

One of the problems is when we appoint people to the boards and commissions, they sometimes have no clue; I think they should have experience in the field. They can still have developers in gaming or casino owners, et cetera. I always think that people who have common knowledge of the industry should be the ones who sit on the boards and commissions. Do you agree?

**Randolph Townsend:**

I agree. You need people who have some background and some skill level of working with others and who have knowledge in the industry, particularly in this industry. I know there were some concerns because they were shared with me by a number of members of the Legislature, both houses and both parties, about disproportionate issues with the State Board of Education and the Department of Transportation and that southern Nevada needs may not have been met, and I think those are legitimate concerns. I believe those concerns have been addressed in other bills. I do not think that is the concern with regard to the Nevada Gaming Commission. If there is some historical perspective that says Washoe County and the rural counties received a more favorable look regarding some revenues, that can be changed by this Committee, but to sweep others in when there does not seem to be a problem, I have not heard any complaints, and believe me, I would because I have feet in both ends of the state as you know, and I do not get any complaints from others about the representation of the Commission from a geographic perspective. They may not like our decisions sometimes, but they are decisions that must be made.

**Assemblyman Flores:**

I understand the concern that someone from the rural counties might not bring the vast knowledge that the individuals who are currently on the Commission have. Do you think that bringing someone from the rural counties will benefit

the overall scope because they might be able to take back the knowledge that they are learning by being a part of this Commission to help expand and grow gaming in the rural counties? It is not just what they bring to the table, but also what this means for the rural counties because of how much knowledge they will be able to take back with them.

**Randolph Townsend:**

That is an excellent point. Do not misunderstand me, you do not just get to the Commission as an expert, you learn every single day, as you do in your job. I know when I was at the Legislature I felt I learned something every day. That goes for this responsibility as well. It does not mean that those in the rural counties do not have knowledge of gaming and are not as good as anybody else is. It just means that many individuals that may have that possession and who may be a wonderful addition and bring a valuable perspective, they do not always put their hands in the air. These are extremely time-consuming jobs.

The State Gaming Control Board meets on the first Wednesday and Thursday of every month. They take the non-restricted applications on the first day and the restricted applications on the second day. The Nevada Gaming Commission meets on the third Thursday of every month, which is two weeks later. It makes it sound like since we only meet once a month our job might not be too hard, but I can assure you the first thing you have to do is go to all of the State Gaming Control Board meetings, and the materials you receive average between 20 and 40 pounds per month and they must be read. There are all proprietary documents. They have to be received in a secure manner, and you have to dispose of them in a secure manner. They are complex in terms of the financing, investigations, histories of companies, mergers, et cetera. It does not mean that there are not people throughout the state, no matter where they live, that cannot bring something to the table. It just means that not everybody wants to do it, and it costs money. You get a part-time salary, but if you are going to do the job appropriately, it is going to eat up a lot more time than just a part-time job, I assure you of that. I know what my colleagues do; I know how much time they spend. Will they take things back? Absolutely, they are going to learn so much, as so many of us have, to take back to whatever part of the state they are from.

**Assemblywoman Joiner:**

I appreciate that you have highly qualified members on the Commission that you would hate to lose, but I was happy to see that there is a grandfather clause. Members definitely will get to finish out their terms. It seems fair to me to have someone from the northwest part of the state and someone from the rural counties represented. There is a provision that allows your argument that if someone qualified cannot be found or if someone does not want to volunteer

that the next lowest populated area would get the next appointment. I think that provision is covered here. I am wondering from a fairness perspective what your argument is that everybody should be from southern Nevada.

**Randolph Townsend:**

It does not mean that everybody should be from southern Nevada, but when you are dealing with the vast majority of licensees and revenues from southern Nevada, obviously proportionately you are going to have three or more members from Clark County. The issue of fairness can be addressed by any Governor. There were many times during my tenure that the boards and commissions were dominated by either the rural counties or the Washoe County area and southern Nevada had complaints. Those were addressed by each Governor as those appointments came up. It does not mean that this bill does not add value because it does add huge value. This discussion alone is important. If I were the Governor, when the Legislature sends bills over that tend to narrow my ability to provide good appointees, I would probably be skeptical. The Governor does not have portfolios of individuals ready to take these spots.

To your point, should Washoe County have a member? In a way they do. I lived there for 40 years and probably know licensees better than I know most people. The fact that I was married and when my tenure in the Legislature was up, I decided to relocate does not mean that I do not know anything about Washoe County, the licensees there, or the licensees in Carson City where I spent a huge amount of my time during my Legislative time, and going there to work with the Legislative Counsel Bureau during three different interims. You can argue this back and forth, but what I am trying to bring to you is a perspective that our situation is slightly different. I am not saying that it is completely different or that we are different.

If this bill were to pass, I would hate to see the two individuals I named to be the first two to not be able to be considered again. The Governor would be forced to look for another female because one will be replaced. Knowing Patricia Mulroy for as long as I have, she would be very difficult to replace, as well as Tony Alamo. Tony Alamo grew up in the industry, and his dad ran one of the biggest companies in the state. When he finished medical school, he got very active with the Nevada Athletic Commission and served there for 10 years, most of it as Chairman. He has dealt with gaming all of this life. We will lose him. I think we have to be very careful. I think the intent and dialog is wonderful, but you have to look at the law of unintended consequences when you are looking at the individuals that each one of these affects.

**Assemblywoman Joiner:**

Relating to the two members that you mentioned, in all of the boards and commissions in the bill, I was looking through their websites trying to find out what the impact would be on them and how long the grandfathering would occur. It is my understanding that Patricia Mulroy would be appointed before the effective date of this bill, so I believe the next reappointment would be a full year. Is that correct?

**Randolph Townsend:**

You have to remember that her appointment is due April 27, but if you also look at how appointments are done, she will continue to serve until the Governor either appoints someone else or reappoints her. She might serve for another three or four months because the Governor is busy. If that happens, she may be included, but if she were appointed straight away, the next member would be our Chairman Tony Alamo. Our Chairman is picked by the Governor. After that, there are two members in 2017 at the same time, Commissioner Joseph Brown and Commissioner John Moran.

**Chairman Ellison:**

Are there any more questions from the Committee? [There were none.] Is anyone else opposed? [There was no one.] Is anyone neutral? [There was no one.] Does the sponsor of the bill have any closing remarks?

**Assemblywoman Swank:**

I just wanted to share a couple of comments. In my humble opinion, good policy is blind to those who actually sit in the seats, and we need to look at the future. I think the same argument could be made for every board or commission that is in this bill. They could all come in and say that they are going to lose some good members, but I think it is about fairness too.

I also want to emphasize that the amendment ([Exhibit F](#)) states that if a member cannot be found in the rural counties grouping, then they would look to the Washoe County grouping. If they cannot find a member within the Washoe County grouping, they would look to Clark County. It does not take any of the flexibility away from the Governor's appointments. If he cannot find a qualified person in the rural counties grouping for the Nevada Gaming Commission, flexibility is not taken away.

With the fiscal note ([Exhibit G](#)), I know there are great teleconferencing capabilities. I have worked for a nonprofit where we had seven different people across the state, we met once a year, and I believe the Nevada Gaming Commission does meet in Carson City once or twice a year already, so this might save a bit of money because they do not have to fly

five members to northern Nevada. There are ways in which members could meet without being physically present.

About the need for an odd number of members on a board or commission, having been in the nonprofit sector for some time, I can tell you that in my experience, it does not matter if you have an odd or even number of members, you usually can find a way forward.

**Chairman Ellison:**

You have done a great job on your presentation, thank you. I will close the hearing on A.B. 410. Is anyone here for public comment? [There was no one.] We are adjourned [at 9:48 a.m.].

[([Exhibit H](#)) and ([Exhibit I](#)) were presented but not discussed and are included as exhibits for the meeting.]

RESPECTFULLY SUBMITTED:

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Jordan Neubauer  
Committee Secretary

APPROVED BY:

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Assemblyman John Ellison, Chairman

DATE: \_\_\_\_\_

<b><u>EXHIBITS</u></b>			
<b>Committee Name: <u>Committee on Government Affairs</u></b>			
<b>Date: <u>March 24, 2015</u></b>		<b>Time of Meeting: <u>8:06 a.m.</u></b>	
<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
A.B. 347	C	Assemblyman James Ohrenschall	Prepared Text
A.B. 347	D	Susan Joseph-Taylor / Office of the State Engineer, Division of Water Resources, Department of Conservation and Natural Resources	Prepared Text
A.B. 410	E	Assemblywoman Heidi Swank	PowerPoint Presentation
A.B. 410	F	Assemblywoman Heidi Swank	Amendments
A.B. 410	G	Randolph J. Townsend / Nevada Gaming Commission	Fiscal Note
A.B. 347	H	John F. Bosta / Private Citizen, Amargosa Valley, Nevada	Letter
A.B. 347	I	Frank Maurizio / Private Citizen, Pahrump, Nevada	Email and Letter