

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

**Seventy-Eighth Session
April 16, 2015**

The Committee on Government Affairs was called to order by Chairman John Ellison at 8:32 a.m. on Thursday, April 16, 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 at 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; 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 Jim Wheeler

COMMITTEE MEMBERS ABSENT:

Assemblywoman Melissa Woodbury (excused)

GUEST LEGISLATORS PRESENT:

Senator Joseph (Joe) P. Hardy, Senate District No. 12

Minutes ID: 913



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Eileen O'Grady, Committee Counsel
Lori McCleary, Committee Secretary
Aubrie Bates, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Warren B. Hardy II, representing Virgin Valley Water District
Kevin Brown, General Manager, Virgin Valley Water District
David Goldwater, representing Lakemoor Canyon
Bob Unger, Principal, Lakemoor Canyon Development
Fred Horvath, Assistant City Manager, City Manager's Office, City of Henderson
Andrew Zaninovich, representing Nevada Conservation League
Jenny Reese, representing Henderson Chamber of Commerce

Chairman Ellison:

[Roll was called. Committee rules and protocol were explained.] We will hear Senate Bill 271 (1st Reprint) first and welcome Senator Hardy to the table.

Senate Bill 271 (1st Reprint): Revises provisions relating to the Virgin Valley Water District. (BDR S-730)

Senator Joseph (Joe) P. Hardy, Senate District No. 12:

My job is to introduce the people who actually know what they are doing. Former Senator Warren Hardy will carry the water for me.

Warren B. Hardy II, representing Virgin Valley Water District:

The Virgin Valley Water District is located in and services Mesquite, Nevada, and Bunkerville, Nevada. For those of you not familiar with those communities, they are about 80 miles north of Las Vegas on I-15. With me today is Kevin Brown, the general manager of the water district, who will provide a little more detail on the reason for the bill.

Mesquite, much like all of southern Nevada during the boom years in the early 2000s, experienced a considerable amount of growth. We were providing will-serve letters to service that growth at a pretty good clip, not anticipating that those projects would eventually become bank-owned and no longer viable economically.

Due to an oversight on our part, we did not provide expiration dates to those will-serve letters. Those will-serve letters we provided during that time are open-ended. Although no one has yet, technically one could argue that those are open-ended commitments. There are a couple of problems with having that kind of an open-ended commitment. One, it encumbers the water so we cannot use it. As Mr. Brown will testify in a moment, that is becoming a problem. That water, from our perspective, is encumbered and cannot be used for another project that might want to come on line.

The second problem is when we issue a will-serve letter, we obviously have an obligation to provide the infrastructure and other things necessary to actually deliver that water, which we did. When the will-serve letters were issued, we invested a lot of money and infrastructure to serve those projects. When those projects did not come online, the funding was not there through water use fees to be able to service the debt.

What this bill proposes to do is retroactively allow us to go back to place an expiration date on those will-serve letters, at the same time allowing the holders of those will-serve letters, under certain circumstances, to come forward and renew them. They must pay a fee for the continued service of the infrastructure that was put into place to be able to fulfill those requirements. If they want to keep the will-serve letter because they think the project is going to come back online, that is fine. However, while they are sitting on those will-serve letters, we need them to help us service the debt that their original commitment required us to encumber.

I should indicate to the Committee that this bill passed in the Senate unanimously, both in the committee and on the floor. We did realize there was one oversight that we missed, so we need one technical amendment. If you look at page 3 of the bill, line 2, it provides for the circumstances under which these will-serve letters can be renewed. It contains the word "or" and it should be "and." In defining what it means for a building permit for the property not to be cancelled, it has to have a final note associated with the property. They have to prove that the final map associated with the property is not cancelled or active, and the holder of the letter within the immediately preceding 12 months contributed toward the development of the project. This needs to be ongoing if they want to continue to hold the will-serve letter that was provided. We would like to propose that amendment, and I apologize for not having that in writing. We just discovered that issue this morning. I will get a formal amendment to the Committee.

Unless there are specific questions for me, I will have Mr. Brown provide a little more detail on the problem we are trying to solve here.

Assemblywoman Spiegel:

I do have a question about your legislative intent in section 1, subsection 2. When it says that the letter must be renewed on an annual basis, could you clarify that. I could read that sentence two different ways. Do you mean the water district is required to renew the letter if it meets the criteria, or do you mean that proactive efforts must be taken by the recipient of the letter?

Warren Hardy:

The intent is if the current holder of the letter wants to renew the letter and meets the criteria, we must renew it. We would not have the discretion not to renew because they have obviously made an investment as well with the payment of their ordinance fees and other things. If they desire to have it done and meet the criteria, we are required to renew the letter.

Chairman Ellison:

Are there any other questions for Mr. Hardy? [There were none.] Is that basin overallocated?

Warren Hardy:

Not currently, but we are getting close.

Chairman Ellison:

Is the aquifer on the list to be closed?

Warren Hardy:

No.

Kevin Brown, General Manager, Virgin Valley Water District:

We have roughly 20,000 people who live in Mesquite. We have hundreds of thousands of visitors because it is on the I-15 corridor. Those visitors either drive through Mesquite on their way to southern California or vice versa. We have seven golf courses and three casinos in Mesquite where people spend time for recreation.

The Virgin Valley Water District was created in 1993, with the assets of the Mesquite and Bunkerville water companies. The water district has five treatment plants to remove arsenic. We have 8 wells, 130 miles of pipe, and 24,000 acre-feet of water.

For the purposes of discussion today, one acre-foot of water equals one equivalent dwelling unit (EDU) for a three-quarter-inch meter. Most houses use a three-quarter-inch meter to serve themselves. We have roughly 24,000 EDUs of water available to serve the residents in Mesquite and

Bunkerville. We are currently serving EDU commitments of 14,000, which leaves us with 10,000. Out of those 10,000, we have 7,000 paper commitments, which is why we are here today. We provided those will-serve letters to developers in 2004 through 2006, when things were going great. After the crash, those 7,000 water commitments were still sitting on the books with no potential, at least that we were aware of, for anything moving forward from the developers or the banks that took over from those developers when the development crashed around 2010.

That leaves us with 3,000 available EDUs. Currently, Pulte Sun City has 1,000 homes built, and they have a need for another 3,000 homes to be committed. If we committed everything we have available at this point to the entire Sun City project, that would eliminate the ability for us to provide additional EDUs to any other development now or in the future. We are here to talk about the 7,000 EDU paper commitments.

Every time we issue a will-serve letter to a developer, it goes to the Office of the State Engineer and it is subtracted from the available water we have available to serve our community. Having the ability to get a portion of the 7,000 EDUs back, or having the ability to have the owners of those EDUs come forward and let us know if they still want to keep those EDUs because of future plans, would be very beneficial to us.

As Mr. Hardy mentioned, with those 7,000 EDUs, the district incurred millions of dollars of debt in bonds that we are currently paying off. We are not seeing any revenue source from those 7,000 EDUs to help us retire the debt. This bill is to give us the ability to get the will-serve commitments back or to get a firm commitment from those holding those EDUs to provide some sort of financial assistance to help us pay off our debt.

Assemblywoman Neal:

Did you say the letters were already issued but had no expiration date?

Warren Hardy:

That is correct.

Assemblywoman Neal:

In section 1, subsection 1, it mentions "conditions precedent." What are those? A condition precedent must accrue before. You issued a letter that did not have an expiration date. Now you are changing the terms but a condition precedent must occur before the right accrues. Someone has rights with no expiration date at this point based on the letter. Is that true or false?

Warren Hardy:

That is true.

Assemblywoman Neal:

In section 1, subsection 3, how can you say, ". . .the District shall not refund any fees paid by, return any water rights dedicated to or pay any expenses of the holder of the letter. . ." if they fail to meet any condition precedent when the conditions were not there in the first place?

Warren Hardy:

It is very clear elsewhere in ordinance and district policy that the fees are not refundable. This just makes it clear in the letter that those are not refundable so there is no confusion. When the ordinance fees for the water are paid up front, it is very clear to those that are paying those fees that if they are not used, the fees are not refundable. That speaks only to the refundability of the fees.

Assemblywoman Neal:

We are talking about dedicated water rights. I am still going back to the condition precedent issue. How can you do that when it is supposed to happen before the rights accrue? They already have rights. Just because you did not put an expiration date on the letter does not remove those rights. What are the legal implications for the rights they believe they had that you are now somehow circumventing with this condition precedent language? What was in the original letter?

Warren Hardy:

We believe this brings us on par with the policy of pretty much every other water district in the state. When you have a water right, under state law you do not own the water. The water belongs to the people of the state of Nevada for use in the state of Nevada. That is established water law. What you have is a right to use that water. The right to use that water under other statutes relative to water use in the state is very carefully tied to a demonstration of beneficial use. If you do not provide beneficial use, you lose the water under existing law. We are not changing or altering that with this bill.

What we have in Mesquite is Ordinance II fees that basically say if you want to do a development under Ordinance II, you either have to bring wet water to the project or you pay an Ordinance II fee. We will then allocate some of the water we have to your project. In that transaction, it is very clear that all of the beneficial use requirements exist under current state law. We are not attempting to remove, alter, or change anyone's right to use water as it is currently defined in law. Again, that is preempted by state law.

Chairman Ellison:

The existing state water law states it has to be for beneficial use. Is that correct?

Warren Hardy:

That is correct. My father had water rights he purchased many years ago, but he did not show beneficial use and he had to forfeit that water. That is traditional, standard water law.

Assemblywoman Neal:

I am seeing this as terms being adjusted or changed, not beneficial use. I understand beneficial use. Give me the list of what the conditions precedent are that you are referring to in the language in this bill. That is what is not clear to me.

Warren Hardy:

Most of that is contained in section 2 of the bill. It outlines what you have to do. In addition to showing beneficial use, if you want to renew the letter and you are showing beneficial use for the water, that is all you need to do. If you are not showing beneficial use, then you have to show the other criteria. Eventually, subject to Nevada water law, you are going to forfeit that water under the beneficial use laws in the state.

Here is the policy that I think is important for the Committee to focus on with regard to this. When we issue a will-serve letter, we have an obligation based on the letter to deliver the water. The letter says we will serve your project. That requires us to put significant infrastructure in place, which requires us to encumber debt. When you decide not to go forward with the project, unless we have the provisions of this bill, it essentially puts the other residential customers on the hook for that money. We would have to raise water fees across the board, which we feel is unfair and inequitable. If you propose a project, you have an obligation to either complete the project or continue to fund the infrastructure we put into place to service your project. If you do not want to do that, then you forfeit your will-serve letter so the water can be used elsewhere.

We cannot allow people in perpetuity to tie up these water rights. The only option we would have at that point would be to raise rates across the board for our current water users. That is the important thing to focus on here.

With regard to everything Assemblywoman Neal has brought up, it is not our intent to change current existing water law.

Assemblywoman Neal:

In section 1, subsection 1, it says, ". . .supply water service to the property subject to certain conditions precedent, including, without limitation, the payment of fees, the dedication of water rights or the construction and dedication of infrastructure." I hear what you are saying regarding section 2, but the phrasing of the line in section 1, subsection 1, indicates there are other things, including the water rights, payment of fees, dedication, et cetera. You have set it off as if there are certain conditions precedent that are not clearly established.

Warren Hardy:

I understand your question now. What that refers to are the other things that are currently in place for anyone seeking a will-serve letter. We are not changing that at all.

Assemblyman Stewart:

I want to make sure I understand. You have 24,000 EDUs of water, of which 14,000 are currently committed, 7,000 are committed on paper, and 3,000 are in reserve. Of the 7,000 EDUs, you want to update them to see if the people are actually going to use the water or not. If they sign a new letter of agreement, then you will move forward to serve them.

Warren Hardy:

That is correct. The overwhelming majority of those 7,000 will-serve letters are currently bank-owned. The bank would still have the option, if they felt it was an advantage to that property, to continue the will-serve letters. However, they need to participate, like everyone else does who gets a water right, in paying those fees associated to service the debt that we have encumbered to service the project.

Assemblyman Stewart:

If they have no intent of using those units required by the letter, then they would default and you could give a will-serve letter to someone else. Is that correct?

Warren Hardy:

That is correct and that is the intent. It is completely their choice.

Chairman Ellison:

What is the amount of water we are looking at? Are most of these residential?

Warren Hardy:

It is one acre-foot of water, or one equivalent dwelling unit (EDU). When we talk about residential, we refer to it as an EDU. There are currently 7,000 EDUs that we have to hold because of the will-serve letter, but they are likely not going to be built. The challenge is, we will not be able to serve future growth to the community, which is absolutely essential to our community in putting people back to work.

Assemblyman Stewart:

If this bill passes, those letters would be nullified unless the holders of those letters come forward to renew them. If they have sufficient grounds for renewing, you would honor that. You are taking care of the water district, updating what is going to be used and what is not going to be used, but you are still being fair to those you have committed to if they want to renew and go forward with the project. Is that correct?

Warren Hardy:

That is an important point to make. We are not taking the water rights from anyone. They have over one year, until July 2016, to renew their letters under these circumstances. It is completely at their discretion. If they meet the minimum requirements, we have to continue the will-serve letter. They are in control of whether they want to keep those water rights.

Assemblyman Stewart:

You will then know what water you have available. If the letter holders want to move forward, then they are taken care of. No one is being shafted. Is that correct?

Warren Hardy:

That is our intent.

Assemblyman Munford:

Perhaps I should be talking to the State Engineer, but I had a personal experience with a well. I was on a community well for 15 years on my property. We kept having mechanical problems. The other members did not want to pay. To make a long story short, we lost the use of our water. They give you five years to renew it and get back on the well. I could kick myself because I did not take advantage of that. If you do not use it, you lose it. I did not use it for five years and I lost it. I wish I had my well back because it is much cheaper than the city water. I do not remember if I received any compensation for my water rights. The water rights are confusing to me.

Warren Hardy:

That is exactly the situation that happened to my father. It is important to know that this bill does not impact in any way the terms of well groundwater rights. This is water used by the Virgin Valley Water District to serve its customers. That is an issue I had worked on extensively while I was here as a member of the Senate, trying to create some fairness and equity for that type of situation. It is difficult because the underlying philosophy is that the water belongs to the people of the state of Nevada. When you have a water right, you have the right to use the water that belongs to the people of the state of Nevada. In many cases, people spend a lot of money to use that right, but if they do not, it is forfeited. That is current state water law that this bill does not impact in any way.

Assemblywoman Spiegel:

For the people whose letter is going to expire if this bill becomes law, will they receive notice regarding the change in the law and understand they must be proactive to renew the letter?

Warren Hardy:

Yes. In fact, the process for implementing this is going to be the subject of a series of open meetings with public participation. We have a lot of support, however, from our community because they understand if the people who are sitting on these water rights do not do something, the burden to fund the debt is going to fall to them. That is obviously unfair. We anticipate wide public support for this. The entire process will be open, and part of that will be a significant notification. It is a small enough community that we will likely personally notify everyone that their water is subject to renewal.

Chairman Ellison:

Are there any further questions from the Committee? [There were none.] Is there anyone wishing to testify in favor of the bill? [There was no one.] Is there anyone in opposition to the bill? [There was no one.] Is there anyone wishing to testify in neutral to the bill? [There was no one.] I will close the hearing on Senate Bill 271 (1st Reprint). I will open the hearing for Senate Bill 297, and once again welcome Senator Hardy to the table.

Senate Bill 297: Revises certain provisions relating to redevelopment plans. (BDR 22-1028)

Senator Joseph (Joe) P. Hardy, Senate District No. 12:

I have brought people with me who are better able to present this bill to help you understand why so many people are in favor of this economic development.

David Goldwater, representing Lakemoor Canyon:

I have with me today Bob Unger, who is the developer of Three Kids Mine, and Fred Horvath with the City of Henderson. I would like to take some time to thank Senator Hardy; Assemblywoman Spiegel has been working on this issue since 2009; and the rest of the Henderson delegation from whom we have received nothing but encouragement, support, and dedication toward what is an environmental problem in their district.

What we have in Senate Bill 297 is an excellent example of a public-private partnership with what was Three Kids Mine. Let me tell you where this mine is. A lot of you know the road to Lake Las Vegas. If you turn north into Lake Las Vegas, you see a beautiful development that was master planned by the City of Henderson. If you were to go right where the boatyard is located, you would find two giant pits that, from 1917 to 1961, were a manganese mine. Manganese is an element used in building ships. The mine shut down in 1961. It is contaminated with arsenic, lead, and diesel fuel. It is the state's number one site for environmental remediation.

I will call your attention to a letter submitted by Leo Drozdoff, the Director of the State Department of Conservation and Natural Resources ([Exhibit C](#)). The letter encourages you to support this project. It is his number one priority in this state.

I have on the screen, pictures of Three Kids Mine ([Exhibit D](#)). The second and third pictures are the northwest view of the site, looking out toward Summerlin and the Strip. You can see where the old tanks used to be, which are filled with arsenic and diesel fuel, not too far from some of the homes in Henderson. The last two pictures show the pits, which are not too far off the road. People trespass on the road to hike. It is a serious danger, which is one of the reasons it needs to be remediated.

I also have a PowerPoint presentation ([Exhibit E](#)). I will not go through the entire PowerPoint presentation to spare the Committee's time and effort, but the aerial view on this slide [page 3, [Exhibit E](#)] gives you an idea of where it is. The area is about 1,200 acres.

To help the Committee understand, the site was contaminated, and it is likely the responsibility of the federal government. Our congressional delegation, through Mr. Unger, said, rather than the federal government fixing this and paying to take care of this problem, the concept would be to use the tax increment financing mechanism that we sometimes use for redevelopment. In this case, we would use it for remediation of this environmental site. We will use this increment to clean up the site and improve the value of the land, and

for that, the federal government, rather than pay us cash, will give us land. If we pay for the cleanup of this land, the federal government will give us the land in return. That is the general concept.

The bill was conceived in 2009. The federal act ([Exhibit F](#)) did not pass until the final hours of the last congressional meeting in 2014. We lost those five years of increment to clean it up. That is the reason we are before you today.

The reason that is important is on this graph ([Exhibit G](#)). The redevelopment statute allows 30 years of increment financing for any redevelopment district. We are asking for an extension of 15 years so we can get the money we anticipated getting in 2009—in today's dollars with that five years—starting when we get the land. That is what this bill does. The blue line is the cost of the cleanup. We need to find a way for the cost of the cleanup to eventually meet what we raise in the redevelopment area. It is a simple concept, and that is what we hope to do.

Someday on this site, once it is cleaned up and the federal government transfers the land, there will be homes, schools, parks, et cetera. I will let Mr. Unger tell you what the vision is for this piece of property.

Bob Unger, Principal, Lakemoor Canyon Development:

This has long been a priority for both the City of Henderson and the Division of Environmental Protection of the State Department of Conservation and Natural Resources. Basically, this is primarily a federal liability as far as who created the contamination. It was done during World War I and World War II, mainly in World War II. The manganese is a hardening material that is used in the hulls of ships. After Pearl Harbor, this mine became a huge operation. There is a picture in the PowerPoint presentation [page 1, ([Exhibit E](#))] showing when the mine was in full operation.

The problem with trying to take care of the cleanup is the fear that as soon as we put demands on the federal government to clean it up, it would become a Superfund site and virtually nothing would happen. In reality, it would be put off by the federal government. Both the state and the city want to keep control over what will happen at this site. If the site is put into the Superfund program, we could wait another 30 years before they actually take action on it. The total budget for mine cleanup for the entire country is currently \$10 million. Our goal is to avoid all of that and keep control in the state and city. In doing so, Congress will grant the 969 acres to the city when the city is satisfied all the economic funding and financial assurances necessary are present. It is my job to find the funding to do this. We will be repaid out of the tax increment that

we create on the property. In order to make it work, my job is to find \$1.8 billion for construction on that site. That becomes the magic number for what the tax increment will be during this 45-year period to meet those cleanup costs. In order for me to find the funding and get that tax increment started, we need to have a specific base and time frame.

That is why this legislation has been written, to start the time period in which we take down the federal land. That is the date the city and the state would be satisfied with the corrective action plan that we enter into with the state of Nevada and the city redevelopment agency whose responsibility it is to make sure the funds are there for us to complete the work. This bill is necessary for us to get that upfront funding. We would then generate the repayment out of our own work. There is some fear. If we start this, I have to make sure there is enough construction on the site; otherwise, we are not repaid. This is strictly limited to this one area and the redevelopment funds that are available for this one area.

We are looking at this project in a unique way. It is actually something the Bureau of Land Management of the U.S. Department of the Interior has become interested in as a model in other situations around the country where the mines are fairly close to communities. Congress is certainly looking at this, and they recognize how unique this is. It may be something we repeat in other situations, but we will start with this site.

Assemblyman Stewart:

I think I am the only one here who remembers when the Three Kids Mine was operational. Currently, the land is sitting there useless. Not only useless, but dangerous to hikers who may be wandering around in the area. What you are asking is to make the land useful again by doing the cleanup, which would then make it available for development, which you would do. You would also have a tax incentive over the next 45 years to get back the money used for the cleanup. It would be useful to the City of Henderson, the developers, and homebuyers, and it would prevent the dangers that now lurk there. Is that correct?

David Goldwater:

That is correct. I would like to modify your description. It is not a tax incentive; it is a tax increment that will be used on this site.

We did not get everything together due to a short time frame. The people on this committee from the Henderson delegation, and Assemblywoman Spiegel, would have liked to have cosponsored this bill because they are advocating strongly for their community to make this area safe. Had it not been for the

time constraints we were on, I am sure Senator Hardy would have petitioned their cosponsorship.

Chairman Ellison:

For me, this is a good bill. If you can get the land deeded back to Henderson, eventually you can build.

Assemblywoman Dooling:

Looking to the future, what are you thinking of developing in that area?

Bob Unger:

This is going to be a typical master-planned community. Our agreement with the City of Henderson is up to 7,800 homes. I doubt it will be at that level. It would be a matter of market conditions, which could be changing throughout the project. We anticipate a small commercial area and a grocery store. There is definitely a need for a grocery store at the Lake Las Vegas complex. At the current intersection, a left turn goes to Lake Las Vegas. That will become a four-way intersection with a commercial area, around which will be multifamily dwellings, with single-family dwellings going up the mountain.

Assemblywoman Dooling:

If this bill passes, how long in the future before that can be started?

Bob Unger:

One of the reasons why we have the bill triggering with the transfer of the land from the federal government is because we still have some scientific work to do with the state, and we have to reach a corrective action plan. We have been working on this for nine years. With our studies with the state, we have progressed quite a bit already. We would expect within 18 months to 2 years to have the corrective action plan finished. Based on that corrective action plan, we will put this whole project out to bid and have the hard numbers for ourselves and for the city to determine what the adequate funding would be for the project. We will not start the project until we have the full funding available to do the cleanup.

Assemblywoman Neal:

My question is for the City of Henderson. In section 1, subsection 2, it states, ". . . a redevelopment plan adopted on or after January 1, 1991, and any amendments to the plan must terminate no later than 45 years. . ." The amendment language is what I am trying to get clarification about. There may be no issue, but in the redevelopment area, there are amendments to that specific area in Assembly Bill 445. I am wondering if the 45 years are the same 45 years that they asked for in their extension? I know the federal government

passed the bill, but has the City of Henderson actually conveyed the land to the private developer already?

Fred Horvath, Assistant City Manager, City Manager's Office, City of Henderson:

I am the city's executive sponsor for this redevelopment initiative. To answer your question, no, we have not conveyed the land. We have a large amount of work to do before that would take place, including financial guarantees. This is the vehicle we would prefer to use for Three Kids Mine development. I know there is language in another bill. It is our preference to use this bill to manage the reclamation and remediation of this property. We would be happy to amend the other bill to remove Lakemoor Canyon.

Assemblywoman Neal:

What year do you believe you will convey to the private developer so we can be clear when the 45 year requirement begins?

Fred Horvath:

I wish I had a specific answer for that. It will really come down to the work that the private developer and the state have to complete to create the remediation plan. That has to occur within 15 years or this will be moot. We are hopeful it is within the 2-year time frame and nowhere near the 15-year time frame. We are very excited about getting this moving.

Assemblywoman Shelton:

The bill does not say you are specifically talking about the Three Kids Mine. Are there other areas in Henderson or throughout the state where this bill would also help facilitate improving different lands?

David Goldwater:

We try not to have specific legislation that talks to one particular project. The answer is this would definitely apply if there were other remediation sites that met this criteria.

Chairman Ellison:

Is there anyone wishing to testify in favor of the bill?

Andrew Zaninovich, representing Nevada Conservation League:

We are in support of this bill and urge its passage.

Jenny Reese, representing Henderson Chamber of Commerce:

We would like to express our support for this bill.

Chairman Ellison:

Is there anyone else wishing to testify in favor of the bill? [There was no one.]
Is there anyone wishing to testify in opposition? [There was no one.] Is there
anyone who would like to testify in neutral to the bill? [There was no one.]
Would the sponsor of the bill like to make any closing comments?

Senator Hardy:

I think the necessary cleanup is very clear. I would say this is a huge jobs bill
and a huge economic development. Realistically, as the sponsor of the bill,
I would love to have cosponsors of the bill added should anyone desire.

Assemblywoman Spiegel:

You can count me in, Senator Hardy.

Assemblyman Stewart:

Ditto.

Chairman Ellison:

Is there any further discussion? [There was none.] I will close the hearing on
Senate Bill 297. Is there anyone here for public comment? [There was no one.]

[([Exhibit H](#)) was submitted but not discussed.]

This meeting is adjourned [at 9:28 a.m.].

RESPECTFULLY SUBMITTED:

Lori McCleary
Committee Secretary

APPROVED BY:

Assemblyman John Ellison, Chairman

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Government Affairs

Date: April 16, 2015

Time of Meeting: 8:32 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 297	C	Leo Drozdoff, State Department of Conservation and Natural Resources	Letter of support
S.B. 297	D	David Goldwater, representing Lakemoor Canyon	Photos of Three Kids Mine
S.B. 297	E	David Goldwater, representing Lakemoor Canyon	PowerPoint presentation
S.B. 297	F	David Goldwater, representing Lakemoor Canyon	Public Law 113-135, Three Kids Mine Remediation and Reclamation Act.
S.B. 297	G	David Goldwater, representing Lakemoor Canyon	Graph
S.B. 297	H	Stan Olsen, Henderson Chamber of Commerce	Position statement