

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

**Seventy-Eighth Session
May 26, 2015**

The Committee on Natural Resources, Agriculture, and Mining was called to order by Chair Robin L. Titus at 1:54 p.m. on Tuesday, May 26, 2015, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website: 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:

Assemblywoman Robin L. Titus, Chair
Assemblyman Nelson Araujo
Assemblywoman Maggie Carlton
Assemblyman Richard Carrillo
Assemblyman Chris Edwards
Assemblyman John Ellison
Assemblyman David M. Gardner
Assemblyman Ira Hansen
Assemblywoman Heidi Swank

COMMITTEE MEMBERS ABSENT:

Assemblyman Jim Wheeler, Vice Chair (excused)
Assemblywoman Victoria A. Dooling (excused)
Assemblyman James Oscarson (excused)

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Susan E. Scholley, Committee Policy Analyst
Jim Penrose, Committee Counsel
Donna J. Ruiz, Committee Secretary
Cheryl L. Williams, Committee Assistant

OTHERS PRESENT:

Colleen Cripps, Ph.D., Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources
Andrew Zaninovich, representing Nevada Conservation League
Peter Krueger, representing Nevada Petroleum Marketers
Robert C. Nellis, Assistant Director, Administration, Department of Transportation

Chair Titus:

[Roll was taken. Committee policies and procedures were explained.] I will open the hearing on Senate Bill 89. Would the sponsors of the bill please come forward.

Senate Bill 89: Revises provisions regarding expenditures from the Fund for Cleaning Up Discharges of Petroleum. (BDR 51-370)

Colleen Cripps, Ph.D., Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources:

With me today is Greg Lovato. He is my Deputy Administrator and has worked directly on the program we are going to be talking about. I appreciate the opportunity to be here to introduce Senate Bill 89. This bill amends *Nevada Revised Statutes* Chapter 590, by revising provisions related to the Fund for Cleaning Up Discharges of Petroleum. Before I start talking about the bill itself, I want to give you a little bit of background about the Petroleum Fund. [Ms. Cripps continued to read from prepared testimony ([Exhibit C](#)).]

I would like to thank you for your time. I realize that we are at the very end of the session, and I appreciate your giving me the opportunity to present this bill. At this time, Mr. Lovato and I would be happy to answer any questions you might have.

Chair Titus:

You mentioned the federal Superfunds that you did not want to tap into because it did not mandate those types of expenses or programs. Are there any other federal funds that assist with this type of program on a smaller scale?

Colleen Cripps:

Not that I am aware of, no.

Assemblyman Ellison:

You mentioned the Petroleum Fund and that any remaining money in that Fund at the end of the year would go back to the Department of Transportation. Is that correct?

Colleen Cripps:

We maintain the Fund. Any additional amount of unused revenue that is over \$7.5 million goes back to the State Highway Fund. That was a statutory change made three sessions ago. Prior to that, the revenue had always remained in the Fund.

Assemblyman Ellison:

The reason I asked the question is that I know several people who have applied for funding to remove tanks, and they were always told there was no money available. It is confusing to me that they say there is no money to remove these tanks. I can give you a list of names of vendors if that would help.

Colleen Cripps:

We do not actually remove tanks unless it is required as part of a cleanup under this Fund.

Assemblyman Ellison:

It was money they could use to hire somebody to help clean up these areas. They used to be able to get some federal funding and grant money to help remove the tanks and do the cleanup.

Colleen Cripps:

It is my understanding that we have never had any issues with the Fund. There has always been money available to do those types of cleanups. However, they do have to be registered and part of the program in order to be eligible for the Fund. There are a number of requirements for reporting, et cetera, and if they fail to comply, they may be ineligible for the Fund. There may be some circumstances of ineligibility. I would be happy to talk with you off line about some of those specific instances.

Assemblyman Ellison:

I appreciate that. I know those people in Battle Mountain and Elko could use the help.

Assemblywoman Swank:

I want to thank you for including dry cleaning chemicals in this. In my district in Paradise Palms, a couple of years ago, there was a big problem with an Al Phillips The Cleaner plume. When Senator Segerblom was in the Assembly, he represented that area and they worked very hard to get that remediated and cleaned up so that they could monitor the water. It is really important that we include that chemical as part of the chemicals that need to be cleaned out of our environment.

Assemblyman Carrillo:

Do your cleanup operations have to be submitted to the U.S. Environmental Protection Agency (EPA) to make sure that everything has been followed through? I was just trying to follow up on another bill that the Department of Transportation (NDOT) has in the Assembly Committee on Transportation regarding being compliant with the Municipal Separate Storm Sewer System. I am trying to understand the compliance side of this bill through the EPA if that is a concern with Nevada's Division of Environmental Protection.

Colleen Cripps:

We do have oversight from the EPA in general. A number of the programs we implement are federal programs we implement in lieu of the EPA. They do retain oversight authority to ensure those programs are being implemented consistently across the country.

Assemblywoman Carlton:

Is the \$2 million from the Interim Finance Committee just for this particular Fund?

Colleen Cripps:

That is correct.

Assemblywoman Carlton:

I have always been interested in a dry cleaner fund. I think it would be a good idea in the future to work out the kinks. We have a lot of small dry cleaners and then we have a lot of very large dry cleaners. We do not have a lot of cleaners in the middle. In other states, do they break it down by the large ones versus the small ones? We have some very large commercial cleaners in Las Vegas that take care of all the uniforms in all the casinos. These are not

little guys that we have to worry about impacting but if anything ever happened to their facility, it could be a huge issue. Have we broken that down? Do we know where we stand on that?

Colleen Cripps:

I am not that familiar with those numbers. However, I am sure if there is discussion about developing a program like that, we could tailor it in order to tier the impact.

Assemblywoman Carlton:

I know the impact that these chemicals have, and I know the plume that Assemblywoman Swank was talking about; you and I had talked about that years ago. The issue is out there and it is an important issue to those residents in those areas, and people should be held accountable for that. As we move forward, I will reach out to you on that, but I think a couple of those large guys could have a dramatic impact on the neighborhoods they are in, and we should be looking at those.

Colleen Cripps:

I think we are regulating these facilities much more heavily than we used to. I also think a lot of them are going to different types of chemicals that are not necessarily as environmentally problematic as they used to be. I think there are other things in play here that will minimize the environmental impact from the dry cleaners as an industry.

Assemblyman Edwards:

I am looking at the numbers again. You said anything over \$7.5 million you would give to the Highway Fund, and you have been giving them money for several years. If I am reading the bill right, you are going to limit yourself to \$2 million for cleanup costs. That means you will always have \$5 million sitting there.

Colleen Cripps:

We continue to have leaking underground storage tank systems in need of funding under this program. The \$7.5 million that is in that Fund is designed for us to have sufficient money to address those cleanups that need to occur from the leaking underground storage tanks. That is a minimum that we maintain in the Fund. Anything above that goes back to the State Highway Fund. What we are proposing to do is to take a portion of the money that normally goes back to the State Highway Fund and use that to fund the cleanup of these dry cleaners' sites.

Assemblyman Edwards:

Under section 1, subsection 1, it says, "The Division may expend not more than \$2,000,000 from the Fund per fiscal year." It sounds like you are limiting your expenditures to \$2 million to do all that cleanup. Am I reading that wrong?

Colleen Cripps:

I think that may be because we are only reading the parts of our statutory authority that we are modifying in this bill as opposed to the program as a whole.

Chair Titus:

If you look under section 1, subsection 1, it shows in the past in statute it was \$250,000. You are expanding that to \$2 million.

Colleen Cripps:

We are changing the structure.

Assemblyman Edwards:

I see that, but unless I am reading this wrong, it still looks as though it says, "may expend not more than \$2,000,000 from the Fund per fiscal year."

Colleen Cripps:

That is what the Division of Environmental Protection is allowed to expend from the Fund for us to do the cleanup, not for everyone else who is doing cleanups under the Fund.

Chair Titus:

You are authorized to spend up to \$2 million, and if it needs to be more than \$2 million, you have to come back to the Interim Finance Committee. That is the way I am reading this.

Colleen Cripps:

That is correct. Again, these are only for the cleanups that the Division itself is going to do, not for all of the cleanups that are being done and paid for by this Fund. Those are typically done by the owners and operators themselves and contractors.

Assemblyman Edwards:

The rest of the money is used to reimburse them for the cleanup?

Colleen Cripps:

That is correct.

Chair Titus:

Are there any further questions? [There were none.] There are some folks who have signed in to testify in favor of S.B. 89.

Andrew Zaninovich, representing Nevada Conservation League:

We would like to express our support for S.B. 89 and urge its passage.

Peter Krueger, representing Nevada Petroleum Marketers:

We are the regulated community that benefits from the Fund, the owners and operators that Dr. Cripps talked about. This Fund was created in 1989 because the federal government required owners and operators to have the resources within their businesses to do these cleanups. Many businesses could not afford to have that kind of insurance, and for a long time that insurance did not exist. The Fund is up and operating. We are, and have been, supportive of this language for dry cleaning fluid. As Assemblywoman Carlton will remember from last session, we talked a lot about this. It will be incumbent upon me to say that this building, and this site, could be declared a toxic waste dumpsite if we do not get this cleaned up. Some people might not think that is a bad deal. I think for all of us in the process, we think that would be a bad deal. We are very supportive of this legislation.

Robert C. Nellis, Assistant Director, Administration, Department of Transportation:

We are here in support of this bill. The Department of Transportation (NDOT) has successfully used special cleanup funds on past projects. Since the total amount of funds available for NDOT use is just a small percentage of our total capital project expenditures, S.B. 89 will not jeopardize our ability to deliver future NDOT projects.

Chair Titus:

Is there any further testimony in favor of S.B. 89? [There was none.] Is there any testimony neutral for S.B. 89? [There was none.] Is there any testimony in opposition to S.B. 89? [There was none.] I will close the hearing on S.B. 89. Rule No. 57 of Assembly Resolution 1 has been suspended. I will entertain a motion to do pass Senate Bill 89.

ASSEMBLYWOMAN CARLTON MOVED TO DO PASS
SENATE BILL 89.

ASSEMBLYMAN GARDNER SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN DOOLING, OSCARSON,
AND WHEELER WERE ABSENT FOR THE VOTE.)

Chair Titus:

I will give the floor statement to Assemblywoman Carlton. Is there any public comment? [There was none.] The meeting is adjourned [at 2:16 p.m.]. [([Exhibit D](#)) was submitted but not discussed and is included as an exhibit for the hearing.]

RESPECTFULLY SUBMITTED:

Donna J. Ruiz
Committee Secretary

APPROVED BY:

Assemblywoman Robin L. Titus, Chair

DATE: _____

EXHIBITS

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

Date: May 26, 2015

Time of Meeting: 1:54 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 89	C	Colleen Cripps, Division of Environmental Protection	Written Testimony
S.B. 89	D	Chris Benedict, Washoe County Community Services Department	Letter in support