

MEMBERS PRESENT: Chairman Dini
Vice Chairman Schofield
Mr. Craddock
Mr. DuBois
Mr. Jeffrey (Excused)
Mr. May
Mr. Mello
Mr. Nicholas
Mr. Polish
Mr. Prengaman
Mr. Redelsperger

MEMBERS ABSENT: None

GUESTS: Please refer to the attached guest list.

Chairman Dini called the meeting to order at 8:05 A.M.

Mr. Dini stated that the day before yesterday the committee had heard AB 29. A Clark County lobbyist suggested this. The problem we had was in lines 10 through 13 and his suggestion was that we do the following:

On Line 12, after "until a tentative map has been" insert "submitted for comment by the same agencies as required under N.R.S. 278.335."

Mr. Dini stressed that they would just use the word "comment" and not the word "approval".

Mr. Schofield stated as follows: "until the tentative map has been submitted for comment by the same agencies".

Mr. May asked if the words "review and certify" could be left out.

Mr. Dini stated that it should read "submitted for comment" instead of reviewed and certified".

The committee further discussed the amendments to AB 29.

Mr. Dini stated that there is a serious water problem and an absolutely serious sewer problem. Mr. Dini indicated that the State would still not be able to stop P.U.D.'s except by moratorium.

Mr. Dini stated that this was a protection for the general public. He further stated that the problem in Carson City has caused a lot of problems out where he lives. They went crazy in Carson City with overbuilding. They are under the gun right now, but what happens if they don't pass the bond issue next May.

Mr. Redelsperger asked if they, on final maps, have to now go through other state agencies but they don't on tentatives?

Mr. Dini stated that 278.335 provides for review of tentative maps by state agencies. He stated that a copy of the tentative map must be forwarded by government to the Division of Water Resources and the Division of Environmental Protection and to the Health Division for review. They don't sign it - they just review it.

Mr. Redelsperger asked if that was just subdivisions or planned unit developments?

Mr. Dini stated it was P.U.D.'s. They do it now for subdivisions.

Mr. Redelsperger asked if what Mr. Dini was reading was for just for subdivisions.

Mr. Dini stated that under 278.335 that is the kicker to put P.U.D.'s under it.

Mr. Redelsperger asked what problems they had. Mr. Schofield stated that the committee had Wendel Curry testify and Bill Newman and Mr. Hataway.

Mr. Craddock stated that the words "review and comment" is an improvement over just "review". That gives them an opportunity to place comment on them to call to the attention of the local people any problem that may be gleaming before the state review is concerned.

Mr. Dini stated that 335 provides for review but it also provides for certification by the Board of Health. We are saying in this submission for comments by the agency which has required NRS 278.335, so we are not saying that they have to certify, we are just saying review.

Mr. Redelsperger stated that further down it talked about a final map.

Mr. Nicholas stated that in looking over his notes involving our hearing on AB 29, the other day, some comments that Dick Heikka made were intriguing to me concerning his thought that there would be extra cost to the developer and extra cost to local government as a result of this. Are there any comments from the committee on this?

Mr. Dini stated that Mr. Heikka came and said that that he would not object to the review part of it but that he would not go for the certification part.

Mr. Nicholas stated that the change that Mr. Dini suggested would have satisfied Mr. Heikka as far as we can tell.

Mr. Schofield stated that he believed Wendel Curry and Bill Newman were both very much in favor.

Mr. Dini stated that when the state put the moratorium on subdivisions in Carson City they figured out that they could go to PUD's and circumvent the law.

Mr. Mello moved for an amend and do pass on AB 29, which was seconded by Mr. Craddock.

Mr. May indicated that he would vote yes, but he stated that he was a real estate agent.

Mr. Redelsperger asked Mr. Dini as a real estate developer, if he may have a conflict here.

Mr. Dini stated that if he was going to vote yes that he did not have a conflict, but if he voted no he would.

Mr. Dini stated that perhaps Mr. Redelsperger should not vote on AB 29. He further stated that if Mr. Redelsperger was going to vote "no" that he should take the "not voting".

Mr. Dini explained that a "Yes" vote would be adverse to Mr. Redelsperger's position - a "no" vote would be towards his community of interest, so therefore it would be a conflict so it is better to vote "not voting".

The motion was unanimous, with Mr. Redelsperger not voting.

Mr. Dini stated that Mr. Beyer brought him a bill, BDR 20-231* given to him by the League of Cities. It is an act relating to printing. Repeals provisions which require counties and cities to use the services of certain newspapers for printing purposes.

Mr. Mello moved for committee introduction of BDR 20-231, which was seconded by Mr. Craddock. The motion carried unanimously.

Mr. Dini stated that SB 92 would be heard next and that this was a clean up bill. He stated that it was sent to us from the Senate Government Affairs Committee. Mr. Dini further stated that the only thing it does is on Page 2, line 34, there is a reference to the United States Postal Savings Banks. Mr. Dini stated that they no longer exist. He stated that this was in the special act on the Las Vegas Valley Water.

Mr. Craddock moved for a do pass on SB 92, which was seconded by Mr. Mello. The motion carried unaimously.

*A.B. 182

Mr. Dini indicated the next bill to be heard by the committee would be SB 130.

Mr. John Clark, Administrative Assistant testified next. He stated that this bill would enable the PSC's pipeline safety engineer to enforce federal guidelines (safety guidelines) with respect to interstate pipelines with hazardous liquids. There are only two in Nevada that we know of. Both of them are in Las Vegas. A gasoline and it carries jet fuels and the like. Funding for this is approximately 50% by the federal government. It is our understanding from the pipeline engineer who will be here if you desire to ask any questions of him, that the inspection and reporting requirements will not require any substantial amount of time from him, but, nevertheless he will receive some funding from the federal government for whatever time he does put it.

As I say, there are only two pipelines in Nevada. I think about a month ago one of them exploded around Las Vegas causing substantial damage from the spillage of the gasoline onto the highways and those are the types of things that could be avoided through inspections. The reason the federal government does not carry out the inspections is that they have two pipeline safety men for the fourteen western states, so there is inadequate man time on the federal side to enforce these regulations. In the case of the Las Vegas pipeline spill, had we had jurisdiction to enforce the federal regulations, Walter Hernandez, who is our safety pipeline inspector could have flown down to Las Vegas and insured that the nick that had actually caused the breakage two or three days later was properly taken care of and wrapped or whatever has to be done to avoid those types of explosions.

Mr. Dini asked if this covered the storage tank near Lovelock?

Mr. Clark stated that there are two federal laws, one dealing with hazardous liquids, not including LNG, and one dealing with natural gas which includes LNG. In this action, the senate felt it appropriate to include liquified natural gas so that we could inspect and enforce it. There is a companion bill which would allow enforcement of interstate standards pertaining to natural gas pipelines and it is my own opinion that unless that other one comes out of committee, we would have the jurisdiction to enforce the standards regarding liquified natural gas, but we would not get any federal funding. I did speak with the Federal Safety Engineers yesterday, and they felt it could be worked out. Under this bill the commission would have jurisdiction to enforce safety standards over the LNG facility in Lovelock.

Mr. Mello asked Mr. Clark that if without the passage of this bill he would not receive the federal funding?

Mr. Clark stated no.

Mr. Mello stated that they had an inspector now for this purpose.

Mr. Clark stated we did have an inspector now, but not for the purpose of enforcing hazardous liquids pipeline safety act.

Mr. Mello asked if we would bring him on board.

Mr. Clark stated that he is available for reports now, but indicated that we do not have jurisdiction to enforce those standards. He has the personnel and expertise to enforce that law.

Mr. Mello questioned if the federal laws were already there.

Mr. Clark stated yes.

Mr. Mello stated then we most certainly do. The federal laws supersede any state laws, and I don't understand your problem.

Mr. Clark stated that we had jurisdiction over any intrastate pipelines. These are interstate - hazardous liquid pipelines - the commission does not presently have jurisdiction to enforce safety or other regulatory measures on interstate facilities, and this would give a special limited jurisdiction for that very purpose.

Mr. Mello asked what the SP pipelines were transporting?

Mr. Clark stated that he was not quite sure but that Mr. Hernandez is here and would be able to answer that question.

Mr. Walter Hernandez of the Public Service Commission testified. He stated that he was the gas pipeline safety engineer. They transport gasoline, jet fuel, different types of fuel up to pressures of 700 pounds per square inch. The pipeline is about 170 miles from the state line in California up to Fallon. I believe it is a six inch line from California line to Reno, and from Reno it changes to a four inch line.

Mr. Mello asked if Mr. Hernandez had anything to do with the Southern Pacific Pipeline now.

Mr. Hernandez stated no.

Mr. Dini stated that it was not his jurisdiction because it was interstate.

Mr. Hernandez stated that that was correct.

Mr. Mello stated that that was the other pipeline.

Mr. Clark stated that there were two pipelines.

Mr. Craddock stated that there was a Cal Neva line that goes to Nellis Air Force Base - just north.

Mr. Craddock indicated that there was a third one that may be under the same jurisdiction and that is a slurry pipeline at the Mojave Generating Station.

Mr. Hernandez stated that it runs about two miles in our state. The liquid pipeline there runs 47 miles in our state.

Mr. Clark asked if that was a coal slurry pipeline at Mojave? He wondered if that was in the hazardous liquid pipeline act.

Mr. Craddock stated that any substance which is in a liquid state.

Mr. Clark stated that it would have to pose an unreasonable risk to life or property. He is not really familiar with the dangers of coal slurry to answer that question. If it is dangerous I am sure it falls within the statute. It includes more than just petroleum products, it includes acids or something like that.

Mr. Dini asked if Mr. Hernandez had any comments on SB 130.

Mr. Hernandez stated that he believed the only thing that he could add is that at present, there are two more coal slurry lines proposed in the southeastern section of the state pending congressional legislation if it would be beneficial to this part of the country. That is coming up just as the Rocky Mountain Pipeline that is coming and is either going to cut across the state or will go approximately 170 miles from the eastern part of the state down through Las Vegas and into California.

Mr. Dini asked if he thought we ought to specify jurisdiction over coal slurries on this bill so that it is clear.

Mr. Hernandez indicated that he felt that the more the state knew what was underground, the more we can protect the public. We have just put together now a map of the entire state of all hazardous pipelines on interstate and the fire marshall and also the department of forestry service in fighting forest fires had no idea of where the pipelines were and there were two occasions where they almost hit them and they asked me if I would assist them. We have developed this map of the state and it is in publication right now.

Mr. Dini asked if there were any intrastate pipelines?

Mr. Hernandez indicated that when it comes off the interstate transmission line - in Reno at City Gate Station the gas is sold from Southwest Gas Transmission Company to Sierra Pacific Power Company. That's where it would change.

Mr. Dini asked if that was where Mr. Hernandez' jurisdiction came in? Natural Gas? How about the other gasses?

Mr. Hernandez stated that the liquid propane tanks - there is - the LP Board is involved because it is liquid. We are involved because under our agreement with the federal government to enforce regulations that the federal government has jurisdiction over, unless we have specific state jurisdiction within the state.

Mr. Dini asked if there had been any problems with the LNG thing in Lovelock?

Mr. Hernandez stated that he had an agreement with Southwest Gas Company that I can enter on to their premises at any time on the interstate system and inspect it. I have since they started to do the work there then up to Lovelock about every two weeks to make an inspection and to see what progress has taken place and any changes in the construction of the tank. I have copies from Southwest Gas.

Mr. Dini asked if that project had been finished yet.

Mr. Hernandez stated the first sheet of steel going up the side-wall of the tank is in place right now. It will be three months before they reach the height of the tank with the steel.

Mr. Polish asked if Mr. Hernandez had heard anything about the pipeline that was coming out of Wyoming linking Southern California? He indicated that they had heard some testimony on that in Ely, Nevada that it would follow Highway 6 and that will be about a 36 inch line.

Mr. Hernandez stated that he believed that that was the Rocky Mountain.

Mr. Nicholas stated that he assumed that the liason on a 36 inch pipeline passing through what may be MX country is being performed by someone. Is there an area, Mr. Hernandez where you are perhaps looking at the situation?

Mr. Hernandez stated that the Commission's Deputy Attorney General intervned for the State of Nevada in that pipeline so that we're aware of every step that Rocky Mountain Pipeline has taken prior to their taking it. We felt that the state should derive some benefits for going through the state which is the position we took and Southwest Gas is the company that would be involved and really does want to have some sort of connection with that pipeline.

Mr. Nicholas stated that he thought that he was asking if there had been coordinated planning between some of the plants out there in the eastern part of the state. Is anybody taking into consideration the impact of something like a 36 inch pipeline which has an obviously

large impact against a lot of construction details that may be required in the MX program. It is a little off the subject, but I thought I would bring it up.

Mr. Hernandez stated that he believed one of the commissions that was on the committee for the MX missile and all the side effects it would have relative to the utility commission.

Mr. May asked if this was an outgrowth of the accident that was referred to in Las Vegas. Mr. May indicated that the pipeline that broke was located West of Interstate 15, south of Sahara.

Mr. Hernandez stated that they had plans for that prior to that accident, but under federal regulations, that liquid pipeline comes under this gentlemen that is sitting behind me who is region chief of the office of pipeline enforcement from California and he is in charge of the 14 western states for interstate pipelines. There are only two men that cover these fourteen states which have approximately 30,000 operators. It is an impossible task. We have these two liquid pipelines that we know of now. If in that incident in Las Vegas that pipeline was hit on a Friday afternoon by a bulldozer or a backhoe, one or the other, that pipeline was inspected by an inspector of the company. This is my understanding because I am awaiting an official report from Mr. Ogley here and at the time of the accident when that pipeline was hit, their inspector checked it and from what I understand he put it down for repair at a later date. On Monday morning at ten minutes past twelve in the morning, I understand that pipeline ruptured. Now if I had been notified, I require the gas utilities when they have an accident to call me within twenty to thirty minutes. They have to call Washington and report to Washington any accident that falls into a certain classification of \$100,000 damage or a person has been killed. Then, by an act of Congress the National Transportation Safety Board has to investigate it. In just a normal accident where no people were injured, such as the one in Las Vegas, the call went into Washington and Mr. Ogley's office was not aware of it until Monday morning when I called him because I had the people in Las Vegas call me early Monday morning and then I called him. If I had been notified that that pipeline had been hit by a bulldozer I would have taken certain action. I would have requested they reduce the pressure and throw a clamp on that pipeline if it was an absolute necessity that that pipeline had to operate. But, if I felt the public was in danger, I would have asked them to shut the pipeline down, because I consider it unsafe.

Mr. May asked Mr. Hernandez if the maps he had previously referred to would be available for distribution to the public?

Mr. Hernandez indicated yes. He stated that they were going to have to sell them at \$10.00 each because the State Department of Transportation and all of the free work that he got still came up to almost \$11.00 per copy and he indicated that he ordered 100 copies, starting with the cities, towns and counties and the sheriff's department,

fire chiefs - those people who would be directly involved - it also gives the emergency numbers of the six utilities - a 24 hour a day emergency number. They would be available.

Mr. May indicated that he would like to purchase one.

Mr. Mello asked if at the present time the federal government was doing the inspection?

Mr. Clark indicated yes he believed so, to the extent they can with their limited manpower and resources.

Mr. Mello stated that that was the way it always starts on a limited manpower thing. He asked what this would cost.

Mr. Hernandez questioned if Mr. Mello meant cost to the State.

Mr. Mello stated yes.

Mr. Hernandez stated right now his salary was 50% funded by the federal government on any work that he did. All work that I do is related to pipeline safety in one way or another so that 50% of my entire expenses are reimbursed to the State by the federal government. Mr. Hernandez stated that it would not involve any more money from the state pocket because he would be the one that would be doing these inspections.

Mr. Mello stated then he would not be drawing another 50% it would be the same 50% that Mr. Hernandez was drawing now.

Mr. Clark stated that what Mr. Hernandez was trying to explain was that he would have the ability to efficiently utilize his time to carry out the inspections of these additional pipelines, and his time and expenses that would be involved in doing that to whatever extent those are, apparently not very substantial, would be funded 50%.

Mr. Dini asked if his present salary was paid 50% by the federal government?

Mr. Hernandez stated yes.

Mr. Hernandez stated that 50% of his entire expenses - meters, etc.

Mr. Mello stated that he understood that 50% would come from the federal government. Mr. Mello stated that there had to be some money coming from the State. Mr. Mello asked if that was not part of the agreement of wanting the state to become involved in that?

Mr. Clark stated that he believed that it was a matching type agreement but it depends on where that matching comes from. Walter spends some time, in addition to inspection and carrying out the recordation requirements of the pipeline safety act, advising the

commission.

Mr. Mello again questioned the 50% which was matched by the federal government.

Mr. Clark stated that was of whatever expenditures he may have, including, I believe part of his salary.

Mr. Mello stated that he asked if they had the staff to do it and he thought that the answer to that question was no.

Mr. Clark stated that they did not need additional staff to do that.

Mr. Mello then stated that the state now is paying 100% of your salary?

Mr. Hernandez stated yes.

Mr. Mello stated that if we take this on though, it sounds like to me that they may pay 50% of your salary. That's not uncommon. It has been done numerous times within the Public Service Commission.

Mr. Clark asked Mr. Hernandez if the certification included payments for his time?

Mr. Hernandez stated that it does.

Mr. Mello stated that it was something that they have been doing and that they have asked us to do it now. I have some more questions in regard to this, but first of all we have to get this clarified before I go any further.

Mr. Hernandez stated that he projects what he is going to spend for the next calendar year - all of my expenses - that means my own personal expenses on the job, the cost of gasoline, vehicle, any test equipment, any development of film and I try to project that for the entire year. I send it to Washington; Washington usually approves it and say I was going to spend \$50,000.00 - Washington will state that they will reimburse us \$25,000.00. After the end of that calendar year when we submit an actual cost item by item of all of our expenses - supposing we only spent \$48,000.00 in total then they would only reimburse us the \$24,000.00 but if we spent the \$50,000.00 they would reimburse us the \$25,000.00.

Mr. Mello stated that he did not want to belabor this but that they have in the past ask that we have inspectors for the railroad and that they were going to pay 50% and they never did.

Mr. Clark stated that he believed they did now.

Mr. Mello stated that what he was getting at was that this obviously the job of the federal government at the present time. Because they

are short-handed they want the states to become involved in this. If that is the case, then they ought to pay for it.

Mr. Schofield asked if Mr. Hernandez was an employee of the IPA coming in on a share salary basis?

Mr. Hernandez stated that he was working for the State of Rhode Island Public Service Commission. I was in contact with the Public Service Commission through a school we have in Oklahoma for transportation safety specialists and that's how I came out here, had an interview and took a civil service examination and was hired. I was hired because of my specialty field. At that time, and that's about a year and a half ago since I started working for the State that all of my time - I have to put down how much time that I put on pipeline safety the entire year and then the federal government reimburses the state and it has been for I believe nine years.

Mr. Schofield asked if that was under a particular written agreement.

Mr. Hernandez stated yes.

Mr. Schofield questioned if the agreement was with the Public Service Commission.

Mr. Hernandez stated yes.

Mr. Schofield asked if the agreement was between the Public Service Commission and the Federal Government?

Mr. Schofield then stated that what Mr. Hernandez was trying to do on this - what is the purpose of this bill. Is it a request for the federal government to come in? I am trying to understand what Mr. Mello was talking about.

Mr. Hernandez stated that we have to have permission from the legislature to enter into this agreement with the Department of Transportation. We feel because there are only two inspectors for the fourteen states, that the State of Nevada does not get any time with the Federal Inspector when he comes in. He has to by an act of congress come in once a year and visit the Public Service Commission, evaluate their records, go out and probably make an evaluation on the utility.

Mr. Schofield asked if Mr. Hernandez was going to do that on his behalf? Is that what this is about?

Mr. Hernandez answered affirmatively.

Mr. Schofield stated if that be the case about the coal slurry pipes and any other pipelines, wouldn't it be better to specify those particular ones within the scope of what was given us?

Mr. Hernandez stated yes, he believed it would help.

Mr. Schofield asked if the Public Service Commission now allowed to do this. All you are asking for is to enter into an agreement, is that right?

Mr. Hernandez stated yes.

Mr. Clark stated what this particular bill goes to are the hazardous liquids and that I presume may include the coal slurry pipelines. I don't know whether those pipelines are included or not within the scope of the hazardous liquid safety pipeline act of 1978, that is the federal law.

Mr. Schofield asked if the PSC have this authority currently?

Mr. Clark stated that we do not have the authority to enforce the federal regulations dealing with any of the interstate pipelines be they hazardous liquids, if that includes coal slurry or natural gas pipelines. We do have authority to enter into agreements to enforce the natural gas pipelines.

Mr. Clark stated that to their knowledge there are no intrastate hazardous liquids pipelines.

Mr. Schofield stated then that there were two things that Mr. Clark were trying to do. One was to expand the duties of your particular area to do this and enter into an agreement with the federal government in order to do this.

Mr. Clark stated that was correct.

Mr. Clark indicated that he would like to clarify one thing.

He indicated that he believed that Mr. Hernandez was somewhat confused or got confused by the form of the question. His salary is not paid - 50% of his salary is not paid by check to him from the federal government. The federal government does reimburse the state for 50% of his salary for the time that he spends. 50% of his time in terms of salary for the time he spends inspecting interstate natural gas pipelines. If he spends additional time inspecting hazardous liquids pipelines, he will be reimbursed for half of that time.

Mr. Mello stated that presently 50% of his salary is coming from the federal government.

Mr. Clark stated that he did not believe that he spends all of his time inspecting or carrying out the regulations under the natural gas pipeline safety act. All of his time is spent in doing that - carrying out those regulations which is funded to an extent of 50%.

Mr. Dini then indicated that this just extends their authority to the petroleum lines where they had the problem in Las Vegas and Sparks and the LNG plant in Lovelock. I think that whatever time Mr. Hernandez spends on the federal inspection the state gets a refund of 50%.

Mr. Clark stated that Mr. Dini was correct.

Mr. Redelsperger referred to the Agreement to be entered into with the Secretary of Transportation, can that agreement stipulate that 50% be paid. Mr. Redelsperger asked if perhaps the federal government would not pay.

Mr. Mello stated that they have done that in the past, but it sounded to him, as confusing as this is, that they already are. They are already paying for 50% of his duties now. If 50% of his time is inspecting pipelines or whatever in the State of Nevada, they are going to pay 25%.

Mr. Clark stated that that was correct.

Mr. Mello stated that they were not paying 50% of his salary now. They could pay 50% if in enacting this bill, it takes 50% of his time.

Mr. Clark stated that Mr. Mello was correct.

Mr. Mello stated that his question was, and it has been quite confusing in the testimony here, I thought originally that the federal government wanted us to do this and now it sends like in your testimony that we feel they are not doing the job that they should be doing so we want to do it.

Mr. Clark stated that he felt it was kind of a combination. I think the federal inspectors - they are the ones that are carrying out the inspections - and they know that they do not have time to do that so they would prefer that Walt do it. We would also prefer that he do it since at least in that way it gets done.

Mr. Mello asked if the federal inspectors would still come in as they can?

Mr. Hernandez stated yes and that requirement also includes that they go out in the field with me and I make an inspection and they observe my actions.

Mr. Mello stated that the only reason he was belaboring this thing is that he has seen this so many times that I just think everybody on the committee ought to realize that this should be done but there is a chance that you will end up paying for this 100%.

Mr. Nicholas asked Mr. Hernandez how much additional time is it going to take for you to perform the functions that you will be allowed to perform under this particular bill. Do you have any estimates of that?

Mr. Hernandez stated probably in an average year, maybe 10 days.

Mr. Nicholas asked Mr. Hernandez if he was performing a majority of the functions now and simply asking for permission to do something about some of the problem areas?

Mr. Hernandez stated yes.

Mr. Dini stated that one of the important things is that Mr. Hernandez should have the powers in this bill instead of having to call Washington, D.C. All he would have to do is to call the state man and then be able to take immediate action. You don't have to wait for a whole weekend and have the thing blow up on you. I think that is the critical thing. If Mr. Hernandez has the authority to make certain recommendations, he would then be able to do it instantly instead of having to wait three days going through the Washington pipeline.

Mr. Craddock referred to the ten days a year which Mr. Hernandez had estimated and he stated that it sounded to him as though he intended to respond to emergency conditions rather than inspect. Is that what it amounts to?

Mr. Hernandez stated no. It would be for inspection also.

Mr. Craddock asked if he planned to inspect all these pipelines that we have in the State of Nevada that are under question in a period of ten days a year?

Mr. Hernandez asked if he could tell the committee what he does when he goes to inspect. As an example, in Clark County with 47 miles of transmission lines, I will go to their office; they are supposed to have an emergency plan for wherever their pipeline exists and they spell out the exact emergency action that they would take on any particular type failure. They also have to have an inspection and maintenance plan that shows that they have "x" number of critical valves in that system in the State. Each one of the valves that they designate as critical has to be recertified each year that that valve has been operated and is in operation for a shutdown. The records have to be there. If they have a pressure regulator or pumps; the recording charts on the pressures of these particular pipelines. These are documents that I would also check. I then would probably go out into the field and in the back of my mind I would say this afternoon I want to go to these two valve locations and verify that they indeed inspect those valves and they were operating. They have to check the protection on the pipeline and have protection records. In some instances every sixty days this has to be done. In other

cases it is every six months depending on what class area that that pipeline runs through. If they are doing any new construction, that they use the pipe that has been designated by the federal government as the minimum standard of pipe to be put in the ground, the depth it is in the ground, the coating on the pipeline. It is a monitoring of what they are supposed to do. Leak surveys - if they do them themselves, they have to certify it and document it and these are the records that I would verify. This is what I do. Let's say I spend a long period of time at that particular company - they have the same rules and regulations to follow as I do and I spot check them on what I think that particular area where I consider that pipeline was very serious. The public, I don't think was properly protected.

Mr. DuBois asked who handles the inspection of pipelines under construction. When a new pipeline goes in and you have all these regulations and rules to conform to, who is out there in the field checking them.

Mr. Hernandez stated if it is a gas utility, say Southwest Gas, I am notified that they are going to extend, say a distribution main. They will send me the specifications for that entire job. I will have the specifications and I will go out into the field and actually spot check. I don't tell anybody where I am going or when I am going - I just drop in on them and if they are doing what they are supposed to be doing there is no problem. If they are not, then things come to a halt. I do have very good cooperation with the gas utilities in the State.

Mr. DuBois asked if Mr. Hernandez was the only person - the inspector who goes around the State doing all of this?

Mr. Hernandez stated yes.

Mr. DuBois asked if Mr. Hernandez felt in the case of new pipeline construction we are going to have a lot more coal slurry lines? Do you feel that the public is being protected by proper inspections during the construction periods?

Mr. Hernandez stated that for the amount of construction that is going on right at the moment, I don't see a problem. If we should for instance get jurisdiction over that Rocky Mountain Pipeline, that is 170 miles in this state and it means a compressor station in the state and it means a maintenance crew's facility on that pipeline within the State. It is getting to be where it would need another man if we started to get some real construction in the State.

Mr. Dini stated that they had x-ray machines that could be used on the pipelines.

Mr. Nicholas moved for a do pass on SB 130, which was seconded by Mr. Redelsperger. The motion passed unanimously.

The committee next discussed BDR 20-527* which increases longevity pay and increases limitations on salaries of certain county employees. Mr. Dini asked if this gets rid of the 95% rule.

Mr. May stated that he did not know but that it was a County Association's bill.

Mr. Dini suggested that the committee look at NRS 245.047 because he believed that that was the 95% rule.

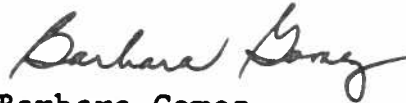
Mr. Schofield stated that he had requested a bill to abolish the 95% rule.

The committee then discussed the 95% rule and the removal of it.

Mr. Schofield moved for committee introduction of BDR 20-527,* which was seconded by Mr. Mello. The motion carried unanimously.

There being no further business to come before the meeting, the meeting adjourned at 9:17 A.M.

Respectfully submitted,



Barbara Gomez
Assembly Attache

*AB. 181

ASSEMBLY GOVERNMENT AFFAIRS COMMITTEE

GUEST LIST

Date February 18, 1981

PLEASE PRINT

<u>PLEASE PRINT YOUR NAME</u>	<u>PLEASE PRINT REPRESENTING:</u>	<u>I WISH TO SPEAK</u>		
		<u>FOR</u>	<u>AGAINST</u>	<u>BILL NO.</u>
<u>JOHN L. CLARK</u>	<u>PSC</u>	<u>X</u>		<u>SB 130</u>

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PLEASE PRINT