

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

**Seventy-Third Session  
February 17, 2005**

The Committee on Government Affairs was called to order at 8:12 a.m., on Thursday, February 17, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Mr. David Parks, Chairman  
Ms. Peggy Pierce, Vice Chairwoman  
Mr. Kelvin Atkinson  
Mr. Chad Christensen  
Mr. Jerry D. Claborn  
Mr. Pete Goicoechea  
Mr. Tom Grady  
Mr. Joe Hardy  
Mrs. Marilyn Kirkpatrick  
Mr. Bob McCleary  
Mr. Harvey J. Munford  
Ms. Bonnie Parnell  
Mr. Scott Sibley

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Assemblyman Lynn Hettrick, Assembly District No. 39, Douglas, Carson City (part), Washoe (part)

**STAFF MEMBERS PRESENT:**

Susan Scholley, Committee Policy Analyst  
Eileen O'Grady, Committee Counsel

Linda Eissmann, Senior Research Analyst  
Nancy Haywood, Committee Attaché

**OTHERS PRESENT:**

Terry Johnson, Deputy Director, Nevada Department of Employment,  
Training, and Rehabilitation  
Michael T. Coleman, Ed.D., Administrator, Nevada Department of  
Employment, Training, and Rehabilitation  
Edwin D. James, General Manager, Carson Water Subconservancy  
District, Carson City, Nevada  
Patrick M. McInnis, P. E., Division of Buildings and Grounds, Nevada  
Department of Administration  
Michael Leahy, Systems Manager, Division of Buildings and Grounds  
Marlette Lake Water System, Nevada Department of Administration  
Richard Bacus, Director of Public Works, Storey County, Nevada

**Chairman Parks:**

[Meeting called to order. Roll was called.] Today we have two bills on our agenda as well as several other matters to handle.

**Assembly Bill 28: Makes various changes regarding administration of Rehabilitation Division of Department of Employment, Training and Rehabilitation. (BDR 18-386)**

**Terry Johnson, Deputy Director, Nevada Department of Employment, Training, and Rehabilitation:**

[Introduced himself.] I am joined by Dr. Michael Coleman, Administrator of the Department of Employment, Training, and Rehabilitation Division, who will be presenting Assembly Bill 28 to you this morning.

**Michael T. Coleman, Ed.D., Administrator, Nevada Division of Rehabilitation, Nevada Department of Employment, Training, and Rehabilitation:**

[Introduced himself.] I'm here this morning to present Assembly Bill 28. This bill has been provided to the Committee. We do have additional copies for anybody who needs it. We're also going to do an amendment to the bill that I'll discuss at the end of this testimony. Just a general overview about the Rehabilitation Division: We have a primary emphasis on providing essential services to persons with disabilities to assist them to find work and to live independently. We're one of the four divisions of the Department of Employment, Training, and Rehabilitation.

[Michael Coleman, continued.] The Division itself is comprised of three bureaus. We have the Bureau of Disability Adjudication, which provides determination for people who are applying for social security disability benefits, SSI [Supplemental Security Income] and SSDI [Social Security Death Index]. We also have the Bureau of Services to the Blind and Visually Impaired, which provides vocational rehabilitation services, leading to employment outcomes and independent living for people who are blind or visually impaired. We also have the Bureau of Vocational Rehabilitation, which provides services leading to an employment outcome for persons with disabilities.

The changes that we are looking at in the statute really look at the program management of the bureau chiefs and the responsibilities of the administrators. I'd like to clarify the Division administrator's responsibilities. As I stated, I have overall responsibility for three bureaus, and this relates to two of those bureaus, the Bureau of Vocational Rehabilitation and the Bureau of Service to the Blind and Visually Impaired. The bureaus are administered by a chief who is appointed by the administrator of the Rehabilitation Division.

The purpose of the bill is to abolish the positions of chief of both the Bureau of Services to the Blind and Visually Impaired and the chief of the Bureau of Vocational Rehabilitation and transfer the powers and duties of that position to the administrator. [Submitted [Exhibit B.](#)]

It appears that the existing legal structure evolved over time when the two bureaus were stand-alone agencies, and they provided administrative and policy direction themselves. As we worked within the Department of Employment, Training, and Rehabilitation (DETR), and also with the Workforce Investment Act, a federal act that passed in 1998, vocational rehabilitation became one of the many partners. It helps people find employment rather than just being a stand-alone program. We do that through the ten JobConnect offices that are located throughout Nevada.

The Act alters the current legal structure and gives the administrator [of DETR] and the director more oversight for the Bureau of Vocational Rehabilitation (BVR), and Bureau Services to the Blind Program. Moreover, administrative support and office policymaking for the Nevada JobConnect offices are now provided by the local workforce investment boards. This diminishes the need for administrative support at the bureau level.

The legal authority is in NRS [*Nevada Revised Statutes*] 426 and NRS 615. It presently gives oversight responsibilities to the Bureau of Vocational Rehabilitation (BVR) and the Bureau of Services to the Blind and Visually Impaired bureau chiefs. There is a redundancy here in the managerial authority,

and it's not practical in the current environment. We desperately need to have line staff provide services to clients. So these changes create no change in services to the people we serve, but we're trying to work within the services with their limited resources and address the challenges of Nevada, one of the fastest-growing states in the nation.

[Michael Coleman, continued.] The administrator has to be able to respond quickly, and what we intend to do here is clarify the responsibility of the administrator to give the administrator the authority to structure the Division to meet existing needs and to better coordinate and economize as needed. We can go line by line over the bill itself, if it's the preference of the Chairman.

**Chairman Parks:**

I don't think so. To me it appears to be a fairly straightforward bill. If you could just simply hit on the significant parts to bring those to our attention, we certainly would appreciate that. I believe you have an amendment. If you could bring that in, it would be great.

**Michael Coleman:**

The U.S. Department of Education gives one grant to Nevada, and we then split it out. They view the role of the administrator, my position, as having primary responsibility for the program. We're trying to align the statute to reflect how the federal government looks at my position and to give us the ability to function in that way.

In NRS, there is a change related to abolishing the bureau chiefs, but we're also the administrators, the deputies of the position. In the occupational study done by the Nevada Personnel Commission, we are recognizing that we will have two deputies in the Division. One will be responsible for program services to coordinate the activities of both vocational rehabilitation and services to the blind on the service delivery side. Then we'll have another deputy who will administer the operations for our bureaus but also will allow us to have better internal control, work with our management system, and budgetary operations. This gives better checks and balances to that system. We have a number of individual changes that reflect that kind of responsibility.

**Terry Johnson:**

Basically, wherever you see a "bureau chief" previously referenced in the statutes, they would be replaced by the "administrator" who would be ultimately responsible for the Division. That's the gist of the bill. With regard to the amendment that's been offered, as part of our partnership with the federal government's Rehabilitation Services Administration, we wanted to clarify in statute that it is the Rehabilitation Division that serves as the designated State

unit for purposes of independent living programs, and so the amendment makes that modification and clarifies the same in statute. That is the gist of the bill: to consolidate the authority and transfer it from the bureau chiefs to the administrator to modernize the statutory scheme. Then the amendment seeks to merely harmonize our relationship with the federal government for purposes of independent living.

**Assemblyman Goicoechea:**

I was just trying to figure out the net loss/net gain in positions. It looks like we lose three chiefs and gain three deputies. Is that what it is?

**Terry Johnson:**

We lose two chiefs. They become deputy administrators. The authority in the statute is transferred to the administrators. There will be no additional positions added as part of this bill. Those persons would no longer be bureau chiefs; they would be deputy administrators and have been included as part of The Executive Budget in the unclassified pay bill.

**Assemblyman Goicoechea:**

You don't have to add a couple more deputies?

**Terry Johnson:**

No, sir.

**Assemblywoman Parnell:**

Are those positions currently classified? Would those be moving from classified to unclassified?

**Terry Johnson:**

Yes, those positions are currently in the classified service, and they would be as deputy administrators in the unclassified service.

**Assemblywoman Parnell:**

If you were to look at another division such as BADA [Bureau of Alcohol and Drug Abuse] and you're clients-based, does this compare with other departments in the state? Or is this something new?

**Terry Johnson:**

The transition to unclassified service for these two positions you would find replicated throughout state government. The persons in these positions would be serving in the unclassified service. As Dr. Coleman alluded to at the outset of his testimony, once upon a time it appears these bureaus were separate and independent. I think, with the various reorganizations in state government that

have occurred over the past decades, we wind up today with bureaus within a division, and those bureau chiefs have authorities that are more appropriately suited for the administrators of the divisions. I would think that you would find this model throughout state government.

**Assemblywoman Parnell:**

You feel very confident that your clients—say the blind population that you deal with—will not be hurt at all by the change. I guess that would be the bottom-line concern for all of us: that the service to those populations would not be diminished in any way.

**Terry Johnson:**

I'm confident with that. We have a commitment to the services to the blind and visually impaired. In fact, I think this will strengthen it, because it allows for better field operations and consistency of that. This is not backing away from our commitment to services for the blind and visually impaired.

**Chairman Parks:**

Further questions? I have one observation I would like to share with our Committee members. We will be seeing a classified/unclassified bill draft request sometime during the session, dealing with a study that was undertaken by the Nevada Department of Personnel. That will be coming to us later. Apparently there are a number of changes relative to that. That aspect will cover most of what deals with this particular change in making certain positions that are classified unclassified. My question is about the Office of Disability Services that's over in the Department of Human Resources (DHR). Is there any possibility that it would just be moved back to the Department of Education, Training, and Rehabilitation?

**Terry Johnson:**

That office was moved by the 2003 Legislative Session from DETR over to the Department of Human Resources. As I understand it now, there are certain levels of interconnectivity between that office and some of its sister agencies within the Department of Human Resources that have made that option less likely at this time. It's my understanding that it's not something that's being examined, but we are looking to clarify the Rehabilitation Division's role and working with that office and ensuring that there's the proper program oversight to honor our commitment to our federal partners as well.

**Chairman Parks:**

Thank you for that clarification. Just because we did that in 2003, we're always correcting our mistakes in subsequent legislative sessions.

Not seeing anyone else wishing to testify, I will close the hearing on Assembly Bill 28 and open the hearing on Assembly Bill 49.

**Assembly Bill 49: Authorizes issuance of revenue or general obligation bonds to finance capital costs of improving Marlette Lake Water System. (BDR 27-309)**

Assembly Bill 49 was requested on behalf of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System.

**Assemblyman Lynn Hettrick, Assembly District No. 39, Douglas, Carson City (Part), Washoe (Part):**

[Introduced himself.] I had the privilege during the interim, Mr. Chairman, to serve as the chairman of the Legislative Committee for the Review and Oversight of Lake Tahoe Regional Planning Agency and Marlette Lake Water System. We obviously did the tasks that the title implies.

One of those things that came out of those hearings was that the Marlette Lake Water System is in serious need of repair. That system has been fixed over the years since 1873. If you look at the handout that you have ([Exhibit C](#)), it's a fascinating system that was designed just before that time to deliver water to Virginia City from the Sierra Nevada mountains, because Virginia City didn't have any water. There was water in Marlette Lake, and we needed a way to get it there so Virginia City, at the time, could survive.

The system is a fascinating one, in that the pipeline runs down to the bottom of Carson Hill as you go out towards Reno, goes back up the mountain on the other side, and then goes over the top and feeds Virginia City. At the lowest point, the pressure in the system is several hundred pounds per square inch. If you get a leak, it will literally cut paper or blow things apart. It's a very interesting system. By the time it gets back up to Virginia City and goes over the top, the water comes out in almost a trickle currently because we're simply not keeping that system maintained.

The way the system's set up right now, it's paid for by the water users, which is the city of Carson City and Virginia City. They pay for everything. The problem is that the Marlette Lake Water System is not allowed to issue bonds. Everything must be done on a cash flow basis. They can't go out and get enough money at any one time to actually fix the system and then use the revenue generated by the water sales to pay off the bonds.

[Assemblyman Hettrick, continued.] Assembly Bill 49 essentially does just that. It allows for the issuance of bonds. It allows the water then sold to repay the bonds. It requires that the bonds cannot be issued unless they know the bonds can be repaid by the revenue.

This is essentially enabling to fix a system that is in desperate need of repair. It would bring potentially significantly more water into Carson, make it available in the Carson area, and ensure the water supply for Virginia City. This is probably 95 percent to 100 percent of Virginia City's water supply, which is very close to all. This thing needs to be maintained.

I would encourage you, if you haven't read the overview that Linda Eissmann—who staffed the committee for us—did, to glance at that overview. This pipe was laid in about six weeks. If you read it, it has about a million rivets, 35 tons of lead caulk in the pipe, and 1,524 joints. You could never put this pipe down in this day and age, with all the mechanic equipment we could bring to bear, as fast as they did by hand back in 1873. It was an amazing feat and very interesting. If you ever get the opportunity to go up there and look at it, I certainly encourage it.

The key part of this, from your standpoint, is probably in the third paragraph, down on the summary of the bill's front page of the handout ([Exhibit C](#)). Essentially, it authorizes the Director of the Department of Administration to request the issuance of revenue or general obligation bonds to the state of Nevada to finance the capital cost of improving the system. The amount of bonds can't exceed \$25 million. They must first determine if sufficient revenue will be available to pay off the bonds. It's that simple. This is enabling. It's not going to cost the State of Nevada anything to do it, and we need to get this system repaired.

**Assemblyman Grady:**

The only thing I would like to add is that it came out of your committee with a unanimous recommendation, and it is truly needed for the people in Virginia City. Not that I'm prejudiced, but that is part of my district.

**Chairman Parks:**

I was looking at the map that was on the attachment. I was trying to follow it across, and I'm seeing a lot of different transmission lines and inclined tunnels. Is all that part of the water system?

**Assemblyman Hettrick:**

At various times, water out of Marlette Lake was actually run around the back side of the mountains on the Lake Tahoe side of the Sierra Nevada mountains,



over to a tunnel through a wooden flume, came through the tunnel, went back into a pipe, was taken down, and dropped in Hobart Lake. It then came out of Hobart Lake in a pipe down towards where it says "18-inch transmission line" to the tanks. It then came down to where it splits, where you see the Lakeview Tanks about in the center of your map ([Exhibit C](#)).

[Assemblyman Hettrick, continued.] Over the years, the flume was in poor repair, but they were trying to keep it up when they sold this system, and finally the tunnel collapsed. They went back and tried to re-dig the tunnel, but it's so unstable that every time they dig the tunnel, it just collapses again. It was unusable.

If you look at the pictures, to get the water out of this system now, what we have up there is a diesel pump sitting on Marlette Lake, and, whenever we want to get water out of this system, we have to literally turn on this pump, pump it over the top of the hill, then it trails downward through a quick bed somewhere at some point into Hobart Lake, and from there it can flow into the pipeline and come down. The problem with this is that the diesel pump, when it runs, must be monitored 24 hours a day by human beings standing there. There is a serious risk if there's ever any kind of a failure.

This is one of the most beautiful lakes you can imagine up on top of the Sierra Nevada mountains. It's gorgeous. It's also one of the breeding grounds for where we do fish hatchery work. We went up and, during our tour, got to watch the fish spawning and the collection of the eggs to spread throughout Nevada in various places. All of that is at risk with this big tanker sitting up there full of diesel fuel that they have to drive in and out. You can see a picture of the pipe there lying on the ground. This pipe isn't buried; it's just lying out there on the ground.

What appears to be worked out now, at least engineering-wise, is that they're literally going to run a gas pipeline up there. We're going to put in a gas pump buried under the ground in a vault so there will be no need to have someone stand there. If there were ever a leak, we would lose natural gas that would just dissipate into the air. It would never pollute the lake.

It's a fascinating place to visit, and I encourage you to go. It's changed a lot over the years. Mr. Chairman, your point's a good one. Between the wood flume and the tunnels that have all gone away now, we can't use gravity to get the water to Virginia City anymore the way we did; now we have to pump it because the tunnel can't be rebuilt.

**Assemblywoman Parnell:**

I had the pleasure of serving on this committee during one of my prior sessions. If you're still looking at the map, especially those of you who are not from around here, there's been snow on the ground since you arrived in Carson City. In the middle of our Waterfall Fire last summer, which really took up the entire area from the Lakeview tanks—if you could find that on your map—all the way down and actually south of the Ash Canyon water treatment plant, they were both very much in danger. There was a lot of concern about the tanks during the Waterfall Fire. You just might make note of that.

My question is, during that committee this time, Assemblyman Hettrick, was there any discussion about the water needs of Lyon County? I know when I was on it, if you were to extend the pipes, with such dramatic growth in Lyon County, was there any discussion about ever being at a point where we could do that?

**Assemblyman Hettrick:**

There was some discussion about the ability to use additional water. There are about 3,000 acre-feet of water rights up there owned by the State of Nevada. However, it's kind of a moot point, because unless we can get the system rebuilt and enlarged, we simply can't move enough water through the pipe right now to do any additional water supplying.

The idea is to be able to move this water into Carson City, primarily, and to assure Virginia City's water. If we're lucky enough to get enough supply and enough pipeline capability to be able to supply more, we could consider additional use. I think at this time we're just trying to make sure we can get the water to Virginia City, because they are totally dependent on this water. That town would literally close down if this pipe breaks. Carson City, of course, is growing and the state government is here. I think we have an obligation, just from state government's standpoint alone, to provide some supply of the water that we generate some of the need for in this city. I don't know that we can say that we're going to be able to provide water to Lyon County in the future.

**Assemblywoman Parnell:**

We've put money out and invested into the V&T [Virginia and Truckee] Railroad for tourism and to get people up into that area. It would seem this should be very supported by the public. We'd hate to finally get that accomplished and not have any water in Virginia City.

**Chairman Parks:**

Thank you, Assemblyman Hettrick, for the explanation. We also have Linda Eissmann, who is joining us at the table. I understand that you worked on this ([Exhibit C](#)).

**Linda Eissmann, Senior Research Analyst, Legislative Counsel Bureau:**

Yes, I was the policy analyst for the interim study and prepared the handout ([Exhibit C](#)). Certainly, if anybody reads it and has any questions at a later date, please feel free to ask.

**Assemblyman Goicoechea:**

Mr. Hettrick, are you looking now at upsizing the pipe by changing the pump station there? I see you have an 8-inch pipe over the top. Clearly, if you were to run an 18-inch to a 24-inch pipe, it would limit the amount of time that pump would run. It looks like you've got the Hobart Reservoir as another storage system.

**Assemblyman Hettrick:**

I think Buildings and Grounds [Nevada Department of Administration, Division of Buildings and Grounds] is going to go into that after we are able to actually pump and know we can move water. They will decide what we can actually do in terms of the pipe. It's not going to be easy to increase the size of the pipe. We've already had to work with TRPA [Tahoe Regional Planning Agency] just to get the gas line up there, and it's a very long process. They've looked at multiple ways to do this. We've looked at various systems that we can take up there. This gas, while it's not the cheapest, appears to be the best. The total capacity of Buildings and Grounds is here. They may be able to tell you whether they intend to increase the size, but the most important thing right now is to make sure that we can actually operate this system and get the water through it that we're getting right now. If it shuts down, Virginia City is dead meat. We'd be trucking water up there in unbelievable quantities.

**Assemblyman Goicoechea:**

That is the only pumping that occurs on this line then, right from the booster at Marlette?

**Assemblyman Hettrick:**

Correct. Once you get it over the hill, it runs into Hobart. You can see where there are some dotted lines that say, "Open water line." You can see Marlette pumping station there on the northeast side. The pipeline runs over the top and then, literally, pumps it right out to the ground. It runs down into Hobart Lake, which is another beautiful little lake. Then, it runs over to the Red House diversion, and then goes back in the pipeline there. That east slope connection

pipe in green that says, "Flume and Incline Tunnel," that's all closed down and gone. Remnants remain, but it's all closed down and gone.

**Assemblyman Claborn:**

Mr. Hettrick, who mans the pump? I don't know if you stated that or you just said somebody had to stand by the pump.

**Assemblyman Hettrick:**

Buildings and Grounds has people that have to go up there whenever that pump comes on. It's generally during the summer. They have to man that pump 24 hours a day. You don't dare leave that pump to run by itself because, if anything ever happens, you could be putting diesel fuel or whatever right into the lake. I don't know who literally mans the pump, but Buildings and Grounds is responsible to see that it is manned.

**Assemblyman Claborn:**

It's not a county or a city employee, though?

**Assemblyman Hettrick:**

No, it's Buildings and Grounds, I believe.

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

We do regional planning for the entire Carson watershed area. Lynn Hettrick really covered it pretty well, the history of this. When they built this, it was an engineering marvel. When that pipeline went in, the inverse siphon at the bottom of that siphon, is over 800 psi [pounds per square inch]. At the time, it was the highest pressurized pipe in the world. When they put that in, it was actually seven miles long. It took them six weeks to do it. Today, with our technology and rules and regulations, we could probably have it done in two to three years. You see how far we've come.

A neat thing about this system was that it was built in the early 1800s to mid-1800s. A lot of the system has been upgraded. In the 1960s, the 18-inch pipeline was put in. What's unique is that the inverse siphon, which was built and put into place in 1887, is still being operated today and is in good shape. The pipeline put in in the 1960s is falling apart. Again, we've come a long way since then on our technology. [Laughter.] We were involved and the subconservancy [Carson Water Subconservancy Board] started looking at the system.

[Edwin James, continued.] We started looking at the Marlette System and how it's operated. That was a real concern to us. One of our roles, too, is to protect the environment. If you look at some of these pictures, you can see that when we first went up, we had a real concern about it, the way they got the water out of Marlette Lake. If you look at the first one, you'll see the diesel fuel pump and the tank. If you look under it, you can see a plastic tarp around it. That's their enclosure containment. If it leaked, again we have a lot of concerns about that whole thing. It is a beautiful area. It also provides water that flows into Lake Tahoe. Any contamination that occurs in that lake would also get into Lake Tahoe.

Because of this concern, we had several people up there. We actually got a grant from the Environmental Protection Agency (EPA) to try to modify this system. We brought the people, and they realized there was a risk to the environment. We almost had up to a \$1 million grant to change how we currently operate the system. We were administering that to the goals of working on that. This is an important system, but you have the 18-inch line deteriorating. A lot of this is just deteriorating. You need a funding source to maintain this. The Buildings and Grounds people who are running it are doing a very good job, but you can no longer bandy this about. You have to look at large things. It's an enterprise zone, so it will not cost the other people in this state. It will be borne by the people of Carson City and Virginia City. Again, it is a really important resource.

With the lake, there are restrictions. You can only pull water down three feet because of the environmental issues there. It's a recreational opportunity there. We need to start balancing all these needs. It's really critical that you balance this. That's why we're involved, and we totally support what's going on, but you need some bonding authority because you can't just go ahead. The 18-inch pipeline is over 4 1/2 miles. When that goes, it's going to replace several million dollars, and, again, you cannot generate enough in reserves to then come and build using a pay-as-you-go system. That's why this is critical, and we support the state and their wish to have the opportunity to issue bonds.

**Assemblyman Goicoechea:**

What's the total amount of water rights that are appropriated on Marlette Lake? Do you know?

**Edwin James:**

On the entire lake, the state has a right for 3,000 acre-feet. With restrictions, it's going to be harder to get it over, but those are the rights. Then there are also ten CFS [California Forest Service] rights on the east slope, on the other side, where you have the Hobart and the East Collection systems. One of the

things that was asked earlier was about expanding this water to other places. That cannot be done, because there was the Franktown Decree that said that this water could only be used in the Carson City area and into the Virginia City, Silver City, and Gold Hill areas.

[Edwin James, continued.] However, we do regional planning. We currently sell water to Carson City through another source. By expanding the system and enhancing it, the water we currently sell to Carson City will no longer be needed by Carson City, and that water could be sold to Lyon County. This is why, again, we look at the regional system and enhancing it. It's a critical element to the overall health of the watershed.

**Patrick McInnis, Chief Engineer, Buildings and Grounds Division, Nevada Department of Administration:**

We operate the Marlette Water System for the Department of Administration. We're currently manned full time by one guy and another person half-time. In the summer, we hire temporary people to man the phone. Typically, it's the same guys who come back summer after summer, because they like living up there in the tent or the trailer that we drag in.

The current pump is operable in a typical year from the first of July until the middle of October. That is sort of when the weather lets us in and out. The place is snowed in most of the time. Part of the opportunity with some of the enhancements we're looking at, through Ed's grant and through working with Carson City utilities, is to put in a full-time pump that Assemblyman Hettrick described, operating much more environmentally friendly, and we could also operate it during the winter or parts of the winter. Right now, we have to helicopter or snowmobile into the area.

The emphasis on the uphill side of the system is to be able to tap our water right and deliver it to Carson City. We have a program ongoing right now. We are doing an engineering study on the condition of the pipeline pipes that are existing now. We hope to have an answer sometime at the end of this summer as to how good of shape the pipe siphon's in, how good of shape the 14-inch pipe's in, and the projected life of those.

Currently, the siphon pipe is 132 years old, and it seems to be in really good shape, what we can see of it. On the uphill, newer pipes are not in such good shape. They're 40-plus years old, so we're entering into the replacement zone, and we need the ability to fund these replacements in order to keep the system running. That's why we're supporting this and hope that you are also supporting this.

**Assemblyman Claborn:**

I assume that the people that you hired to run this pump and fuel come out of that grant money you've just been explaining?

**Patrick McInnis:**

No. Actually, we're an enterprise-funded system. We collect the money from sales of water to Carson City and Virginia City, and we've paid for the operators out of that money. Carson City currently pays 100 percent of the cost of pumping out of Marlette, because we can supply everything Virginia City needs without ever tapping Marlette at this point.

The fuel comes out of our operating budget. We typically do a work program every year to operate the pump, at least in dry years. We are four years in a row this time; previously we were four years off. In the wet years we don't have to pump. The demand just gets bigger from Carson City, and we're projecting some growth in Virginia City coming up soon, too.

**Assemblyman Goicoechea:**

To deliver 3,000 acre-feet of water through an 8-inch line, you're running 24/7 [24 hours a day, 7 days a week] for 5 or 6 months to accomplish that. Right?

**Patrick McInnis:**

Yes, that's true. It's a demand kind of system, and our demand on the system currently is in the summer months when everyone's watering their lawns. The scheme is to do the delivery during the five months starting in May, typically.

**Assemblyman Goicoechea:**

Are there times in the Hobart Reservoir that the water level falls somewhat before you can start pumping?

**Patrick McInnis:**

Yes. Right now, we're operating just on runoff up until the first of July most years. Some years, we operate all summer with just the runoff. I don't think, with Carson City's current demand, that we can pull that off anymore.

**Assemblyman Goicoechea:**

Typically, then, you'd run with the runoff into Hobart as long as you can and then start pumping Marlette.

**Patrick McInnis:**

Yes. There are also some issues with the quality of water out of Hobart. It has a lot of organic material in it, and we like to blend the water from Hobart and

Marlette together because it's a lot easier to treat for Carson City when they get it down to the bottom.

**Mike Leahy, Systems Manager, Marlette System, Division of Buildings and Grounds, Nevada Department of Administration:**

I just wanted to come in case you had any daily operations questions, anything of that nature. I would be happy to answer any of your questions.

**Assemblyman Munford:**

I just wanted to know, being from the south, what is the population of Virginia City? How many people live there?

**Mike Leahy:**

I'm not positive on that, but I'm thinking about 1,000.

**Richard Bacus, Public Works Director, Storey County, Nevada:**

The population of Virginia City is roughly around 1,300. We also service Silver City, which is Lyon County, and I'd say the population down there is roughly 400 to 500.

Assemblyman Hettrick said that Storey County does not do much work on their siphon. I'll go back to 1997, where Storey County, on the Clean Water Act, had to put in a new filtration plant, which was \$2.7 million. We have a loan out on that of around \$600,000 that Storey County's obligated to. In the 1980s, Storey County put in roughly one mile of ductile iron, ten-inch, to get rid of a lot of that old, riveted pipe that we had problems with.

Two years ago, we upgraded our siphon from the Five Mile Reservoir to the cinder pits, which was 3.7 miles of old riveted pipe that people could hit with a rock, destroy it, put holes in it, and people shot holes in it. So we have upgraded that with ten-inch ductile iron for 3.7 miles. We have eliminated our Five Mile Reservoir, which used to hold 8 million gallons of water, because of the leakage.

We do have a grant right now from United States Senate Bill 198, 2003]. They have given us \$785,000, plus CDBG [Community Development Block Grant] monies, which is another \$166,000, to put in two storage tanks right above our filtration plant in Virginia City, which will be 1.7 million gallons for storage.

Then we can have some storage in Virginia City instead of the 8 million gallons we used to have. Right now, we only have 5 million gallons of storage, which is out at the Five Mile Reservoir in a tank.



[Richard Bacus, continued.] People go out and vandalize that. They shoot holes in it. We have to plug it. This new storage tank will be a great thing for Storey County, to get this much water in Virginia City, right above the filtration plant, for fire protection. Then we have the storage there in town in case of vandalism, or a problem with the siphon, or whatever.

**Chairman Parks:**

We'll go ahead and close the hearing on Assembly Bill 49.

We do have in front of us a couple of other things. What I'd like to do is first go into a work session. I have four bills here that we've had testimony on. Unless there are further concerns from members of the Committee, I think that we're ready to act on those. I'd like to ask our research analyst, Susan Scholley, to take us through those.

**Assembly Bill 23: Authorizes state agencies and political subdivisions to request and receive certain information concerning person applying to attend academy for training peace officers. (BDR 19-302)**

**Susan Scholley, Policy Analyst, Legislative Counsel Bureau:**

[Ms. Scholley provided work session documents ([Exhibit D](#)).] Starting with Assembly Bill 23, Assembly Bill 23 was sponsored by the Assembly Committee on the Judiciary and was heard in this Committee on February 16. It authorizes the academies training police officers to request background checks from the Federal Bureau of Investigation for academy applicants. There were no proposed amendments, there was no testimony in opposition to the bill, and there's no identified fiscal impact. With that, I'd be happy to answer any questions.

**Assemblyman Claborn:**

Did you say that there were no amendments for the bill? There wasn't any opposition?

**Susan Scholley:**

That's correct, Mr. Claborn. There were no proposed amendments and no testimony in opposition.

**Chairman Parks:**

I think that when we had testimony on it, Lieutenant Standals from Metro [Las Vegas Metropolitan Police Department] did the opening remarks, but I've subsequently learned that it was Speaker Perkins' requested bill. The mystery is solved as to who asked for this. The floor is open for a motion.

ASSEMBLYMAN McCLEARY MOVED TO DO PASS  
ASSEMBLY BILL 23.

ASSEMBLYMAN CLABORN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

**Chairman Parks:**

The next bill we have is Assembly Bill 26.

**Assembly Bill 26: Revises provisions relating to management and operation of veterans' homes. (BDR 37-271)**

**Susan Scholley, Policy Analyst, Legislative Counsel Bureau:**

Assembly Bill 26 was sponsored by the Assembly Committee on Government Affairs on behalf of the Office of Veterans Services. Assembly Bill 26 requires the executive director for Veterans Services to establish rules, policies, and procedures for the management, maintenance, and operation of veterans homes in Nevada. With the advice of the Nevada Veterans Commission, the executive director is also required to establish a schedule of rates for rooms in veterans homes and to deposit those funds into the veterans home account. Again, no proposed amendments. There was no testimony in opposition to the bill, and there is no identified fiscal impact to the state or local governments.

**Chairman Parks:**

Are there any questions or any concerns that Committee members may have?

ASSEMBLYMAN HARDY MOVED TO PASS ASSEMBLY BILL 26.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

**Chairman Parks:**

The next bill before us is Assembly Bill 29.

**Assembly Bill 29: Revises jurisdiction and duties of Buildings and Grounds Division of Department of Administration. (BDR 27-411)**

**Susan Scholley, Policy Analyst, Legislative Counsel Bureau:**

Assembly Bill 29 was sponsored by the Assembly Committee on Government Affairs, this time on behalf of the Buildings and Grounds Division of the Department of Administration. Assembly Bill 29 removes buildings, grounds, or

other property leased or owned by boards that are exempt from the State Budget Act, pursuant to NRS 353.005, from the jurisdiction of the Buildings and Grounds Division and absolves the Division from responsibility for assigning or leasing office space to such boards. There were no proposed amendments to the bill. There was no testimony in opposition, although Assemblyman Hardy expressed concerns about the potential impact of another bill, which he was introducing, on Assembly Bill 29 and has discussed the issue with Committee legal counsel. No fiscal impact has been identified to either local government or state government.

**Chairman Parks:**

Dr. Hardy, have your concerns been addressed?

**Assemblyman Hardy:**

I want to let the Committee members know that I have introduced Assembly Bill 1 that would waive application fees for out-of-state nurses seeking a nursing license in Nevada. The intent of my bill is to deal with the nursing shortage in Nevada, making it easier for experienced nurses and other nurses coming out of training to be licensed in our state. If the State Board of Nursing receives an appropriation to replace the monies lost by not charging application fees, I have been assured that the receipt to the state appropriation would not affect the status of the Board's statutory exemption in NRS 353.005 from the State Budget Act. Therefore, it would not affect Assembly Bill 29, which relieves the Division of Buildings and Grounds from responsibility for leases and properties of boards exempt from the State Budget Act, including the State Board of Nursing. I will be voting do pass on this bill, but I wanted these clarifications on the record.

**Chairman Parks:**

Any other comments or questions? The floor is open for a motion.

ASSEMBLYMAN HARDY MOVED TO DO PASS  
ASSEMBLY BILL 29.

ASSEMBLYMAN CHRISTENSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

**Chairman Parks:**

The next one we have, I believe, is the final one, Assembly Bill 39.

**Assembly Bill 39: Revises provisions relating to purchasing by local governments. (BDR 27-560)**

**Susan Scholley, Policy Analyst, Legislative Counsel Bureau:**

Assembly Bill 39 was sponsored by Chairman Parks. It was heard in this Committee on February 16. It makes a number of changes to the purchasing procedures for local government, as was recommended by the Nevada Public Purchasing Study Commission. I have attached to your work session document a summary of the proposed changes and the rationale, as presented to you yesterday by the representatives of the Public Purchasing Commission.

At the hearing of the bill, you will recall that the Public Purchasing Study Commission did propose a number of amendments to the bill, which are, again, set forth in the attached document. There was no testimony in opposition to the bill, although several local government representatives had not reviewed the proposed amendments prior to the hearing. Those entities have since confirmed that they have no objections to the amendments. No fiscal impact has been identified to state and local governments.

I wanted to highlight on the proposed amendments, which is the very last page of your work session document, the very first amendment that's been suggested to reference a bid document. Legal counsel has advised us that there is no term "bid document" elsewhere in the statutes. So, the Legal Division will need to work with commission representatives on the language to accomplish their purpose in the first amendment proposed. We feel that can be done through the bill drafting process on the amendment. With that, I'd be happy to answer any questions, and Ted Olivas is here if there is a need to ask him any questions.

**Chairman Parks:**

Any questions anyone might have regarding this bill? Further questions or comments on Assembly Bill 39? Is there a motion for an amend and do pass?

ASSEMBLYWOMAN PIERCE MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 39.

ASSEMBLYMAN CLABORN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

That concludes our work session, and I think the one thing that I overlooked doing was, as we went through those, to assign somebody to do the Floor statement when it comes up on the Floor. If we might just go back through those. Any volunteers for Assembly Bill 23?

**Assemblyman McCleary:**

I'd be happy to do A.B. 23.

**Chairman Parks:**

Assembly Bill 26, veterans homes, I think the appropriate person is a veteran himself, Dr. Hardy. Assembly Bill 29, Buildings and Grounds, Ms. Pierce, would you like that one? Finally, Assembly Bill 39 has my name on it. I'll go ahead and handle that one.

We do have a couple other things to discuss. We might go back to matters from a previous meeting. Did we want to discuss that? Following the presentation on the Public Employees' Benefits Program, we did get a multi-page handout, and we'll get a cover sheet on it and get that distributed to Committee members. There's also a benefit plan comparison done in 2004. It's a rather lengthy document, more than 35 pages. If anyone would like a copy of that, I'm sure we can make that available to Committee members. I think that pretty well covers the matters from previous sessions.

I do have a handout that was given to us by Ms. Kimberly McDonald from North Las Vegas. It goes into the issues and questions that we had on Assembly Bill 22. That's there for your information. We will obviously be revisiting the bill in work session, and, if you have any questions, I appreciate knowing what they might be in advance so that we can address those prior to the work session.

Finally, I have two bill drafts that are ready for introduction. The first one is BDR 23-319. It makes various changes concerning personnel that assist certain boards, commissions, and authorities. The bill transfers the authority to the director of the Department of Business and Industry for several divisions. It includes the Real Estate Division and the Taxicab Authority. Do we have a motion to introduce?

- BDR 23-319— Business and Industry, Department of Director's Office, Centralizes administrative control of the agencies within the Department of Business and Industry. (Assembly Bill 73)

ASSEMBLYMAN GOICOECHEA MOVED FOR COMMITTEE INTRODUCTION OF BDR 23-319.

ASSEMBLYWOMAN PIERCE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chairman Parks:**

The second bill draft request is for introduction of BDR 21-330. It authorizes governing bodies of local governments to create maintenance districts to pay costs of maintaining and improving certain local improvement projects. I think that's pretty much self-explanatory.

- BDR 21-330— Authorizes assessments for maintenance of facilities financed through a Local Improvement District (Assembly Bill 74).

ASSEMBLYMAN CLABORN MOVED FOR COMMITTEE  
INTRODUCTION OF BDR 21-330.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chairman Parks:**

Finally, we have a request for a bill draft. That would be a bill draft for the Nevada State Employee Workplace Relations Act, an act relating to state employees authorizing discussions of workplace relations with state employees and changing the local government employee management relations board to the Public Employment Relations Board and other numerous things. I guess we'll call this the Collective Bargaining bill. This one does not have any economic issues in it. It's strictly an administrative one.

ASSEMBLYMAN McCLEARY MOVED FOR THE COMMITTEE TO  
REQUEST A BILL DRAFT RELATING TO THE NEVADA STATE  
EMPLOYEE WORKPLACE RELATIONS ACT.

ASSEMBLYWOMAN PARNELL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chairman Parks:**

I think that concludes our business for this morning. With that, we are adjourned [at 9:17 a.m.].

RESPECTFULLY SUBMITTED:

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Nancy Haywood  
Committee Attaché

APPROVED BY:

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Assemblyman David Parks, Chairman

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Date:

**EXHIBITS**

**Committee Name: Assembly Committee on Government Affairs**

**Date: February 17, 2005**

**Time of Meeting: 8:12 a.m.**

<b>Bill #</b>	<b>Exhibit ID</b>	<b>Witness</b>	<b>Dept.</b>	<b>Description</b>
	A			Agenda
<u>A.B. 28</u>	B	Michael J. Coleman		Exhibit, 3 pages
<u>A.B. 49</u>	C	Lynn Hettrick		Exhibit, 5 pages
	D	Susan Scholley	LCB	Work session documents