

**MINUTES OF THE
SENATE COMMITTEE ON NATURAL RESOURCES**

**Seventy-third Session
February 23, 2005**

The Senate Committee on Natural Resources was called to order by Chair Dean A. Rhoads at 1:30 p.m. on Wednesday, February 23, 2005, in Room 2144 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dean A. Rhoads, Chair
Senator Mike McGinness, Vice Chair
Senator Mark E. Amodei
Senator Bob Beers
Senator Bob Coffin
Senator Michael Schneider
Senator Maggie Carlton

STAFF MEMBERS PRESENT:

Linda Eissmann, Committee Policy Analyst
Lee-Ann Keever, Committee Secretary
Jonathan Sherwood, Committee Secretary

OTHERS PRESENT:

Tyrone Kelley, Deputy Forest Supervisor, Lake Tahoe Basin Management Unit, Forest Service, U.S. Department of Agriculture
Dave Marlow, Staff Officer, Fire, Fuels, Vegetation and Urban Lots, Lake Tahoe Basin Management Unit, Forest Service, U.S. Department of Agriculture
Mary Morgan, Program Manager, Southern Nevada Public Land Management Act, Lake Tahoe Basin Management Unit, Forest Service, U.S. Department of Agriculture
Kelly Kite, Chair, Board of Commissioners, Douglas County
Dan Kaffer, Coordinator, Western Nevada Resource Conservation and Development, Natural Resources Conservation Service, U.S. Department of Agriculture

Leo Drozdoff, Administrator, Division of Environmental Protection, State
Department of Conservation and Natural Resources
Dan Musgrove, Director, Intergovernmental Relations, Clark County
Andrew Goodrich, Director, Air Quality Management Division, District Health
Department, Washoe County
Clay Thomas, Deputy Director, Nevada Department of Motor Vehicles
Dennis Colling, Chief, Administrative Services Division, Nevada Department of
Motor Vehicles

Chair Rhoads opened the meeting with a presentation from Tyrone Kelley, Deputy Forest Supervisor, Lake Tahoe Basin Management Unit, Forest Service, U.S. Department of Agriculture. Mr. Kelley spoke from a prepared statement ([Exhibit C](#)) and utilized a PowerPoint presentation ([Exhibit D](#), original is on file at the Research Library).

Mr. Kelley began with the issue of recreation at Lake Tahoe. He spoke of a variety of issues and statistics included under recreation. He explained the Management Unit received a budget of approximately \$1.5 million for recreation purposes. Mr. Kelley said Lake Tahoe faces a unique challenge in providing the appropriate infrastructure for the great number of tourists who visit every year.

Mr. Kelley spoke about the Southern Nevada Public Land Management Act (SNPLMA). He explained its history and that \$38 million was received for various projects at Lake Tahoe every year. Chair Rhoads asked what effect President George W. Bush's proposed budget would have on funding for Lake Tahoe projects. Mr. Kelley stated the Management Unit supported the President's budget, but did not know how it would affect the projects at Lake Tahoe. He said the projects would be done with available monies. Chair Rhoads asked if the Management Unit would receive the same amount of money for 2005 as from previous years. Mr. Kelley responded yes, they would. Mr. Kelley continued his presentation, explaining how the money was budgeted.

Mr. Kelley spoke on the topic of fuels management. He explained the objectives of the program and the proposed budget for fiscal years 2005 and 2006. He said 2,000 acres were to be treated for fuel management by hand-thinning, prescribed burns and mechanical means. Chair Rhoads asked if these projects were conducted in both California and Nevada. Dave Marlow, Staff Officer, Fire, Fuels, Vegetation and Urban Lots, Lake Tahoe Basin Management Unit, Forest Service, U.S. Department of Agriculture, responded that programs were

conducted throughout the Lake Tahoe Basin in both Nevada and California. Senator Beers asked if 2,000 acres was a large enough area to make any long-term progress at Lake Tahoe concerning fuel management. Mr. Marlow explained the 2,000 acres were not enough. The problem, he explained, was the need for other environmental projects, which took money from their available funding. This, he said, forced them to cut back the number of acres normally done in a typical year. Mr. Kelley continued with his presentation, explaining various methods of mechanical thinning and the equipment necessary for those operations. He also discussed hand-thinning techniques and how they worked. Chair Rhoads asked if the Management Unit did any hand thinning or mechanical thinning on private property. Mr. Marlow said they were not allowed to work on private property, but they did work with local homeowners associations and fire safe councils in the community. Mr. Kelley continued his presentation and discussed prescribed fire treatments.

Chair Rhoads wanted to know which programs would suffer if the SNPLMA did not receive their money in 2006 due to the President's proposed budget. Mary Morgan, Program Manager, Southern Nevada Public Land Management Act, Forest Service, U.S. Department of Agriculture, said the water quality program, watershed restoration program and fuels management program would be hurt by any budget cuts. Chair Rhoads asked if those programs would be eliminated as a result. Ms. Morgan said they would be reduced considerably. Senator Coffin said Clark County had provided a list of projects impacted by proposed budget cuts ([Exhibit E](#)). Senator Amodei asked if the three programs Ms. Morgan identified previously were the primary elements of the Lake Tahoe Environmental Improvement Project (EIP). Ms. Morgan said they were the main focus of the EIP. Senator Amodei asked if the President's proposed budget cuts occurred, would it essentially be the end of the EIP in regard to resources. Ms. Morgan said unless they received money from elsewhere, the answer was yes.

Kelly Kite, Chair, Board of Commissioners, Douglas County, discussed the Eagles and Agriculture Tour. He explained the aspects of the tour and offered an invitation to those who wanted to attend. Chair Rhoads asked how many years the tour had been operating. Mr. Kite said it was the third year of the tour. Dan Kaffer, Coordinator, Western Nevada Resource Conservation and Development, Natural Resources Conservation Service, U.S. Department of Agriculture, provided more detail including meals and daily plans for the tour. He said the partners for the tour were listed in a brochure provided to the

Committee ([Exhibit F](#)). Senator Beers asked if the recent wet weather had impacted the tour. Mr. Kaffer said the weather had made the drive more difficult. He said the weather had also killed 80 percent of the barn owls in Carson Valley. He explained the purpose of the tour was to encourage agro-tourism and provide awareness to agricultural issues. He said the tour also was an effort to save ranches in Nevada currently being subdivided. Mr. Kaffer said contact information was in a pamphlet provided to the Committee ([Exhibit G](#)).

Chair Rhoads opened the hearing on Senate Bill (S.B.) 16.

SENATE BILL 16: Authorizes use of money in Fund for Cleaning Up Discharges of Petroleum by State for cleanup of discharges involving petroleum and other discharges under certain circumstances. (BDR 51-662)

Leo Drozdoff, Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources, spoke about S.B. 16. He explained the Division of Environmental Protection (DEP) has managed the Fund for Cleaning Up Discharges of Petroleum since 1989. He said the purpose of the fund was to assist owners of storage tanks to comply with federal and State regulations. He said over 1,225 projects had been submitted to the fund for reimbursement, and, to date, over \$108.9 million had been disbursed. Mr. Drozdoff explained S.B. 16 would augment the use of the fund by allowing DEP to spend not more than \$500,000 in response activities related to petroleum releases and contaminant spills. The funding, he said, would allow DEP to enter into a contract with an environmental response company with a larger staff and more equipment to assist them in cleanups. Mr. Drozdoff requested the Committee review and pass S.B. 16.

Chair Rhoads asked where the fund comes from. Mr. Drozdoff replied from the gas tax. Chair Rhoads asked how much of the tax goes into the fund. Mr. Drozdoff said it was 0.75 percent. Chair Rhoads asked how the cleanup process worked in regard to DEP. Mr. Drozdoff said when a spill occurs, first responders would be contacted. Following that, he explained, the first responders contact the responsible party. If the party was not found or unavailable, the DEP would come in to assist.

Chair Rhoads closed the hearing on S.B. 16 and opened the hearing on S.B. 25.

SENATE BILL 25: Revises provisions governing distribution of money in Pollution Control Account in State General Fund. (BDR 40-326)

Dan Musgrove, Director, Intergovernmental Relations, Clark County, requested the Committee withdraw S.B. 25. He said S.B. 26 would help in the way S.B. 25 did, and so S.B. 25 was no longer necessary. He stated the Department of Motor Vehicles (DMV) had estimated the effects of S.B. 25 would adversely affect other State agencies in regard to funding. He said more research was needed since the fund would begin to show diminishing returns due to increasingly smog-efficient cars. Chair Rhoads said the increasing population should offset the diminishing returns. Mr. Musgrove said he agreed with that assessment, but the county must accept the DMV estimates. As a result, Mr. Musgrove explained, they do not want to hurt other State agencies with S.B. 25. He said his main concern with S.B. 26 was the DMV increasing their reserve to \$1 million, which might affect the reserve fund used for air quality programs in the State. Andrew Goodrich, Director, Air Quality Management Division, District Health Department, Washoe County, also spoke in favor of S.B. 26.

Chair Rhoads opened the hearing on S.B. 26.

SENATE BILL 26: Revises provisions governing distribution of money in Pollution Control Account to local governmental agencies. (BDR 40-397)

Clay Thomas, Deputy Director, Department of Motor Vehicles, spoke about S.B. 26. He explained the bill was concerned with money in the State's Pollution Control Account. He said the DMV desired an expedited release of dedicated grant funds to the counties involved in the air pollution control program. He said there would also be a request to increase the amount in the reserve fund by \$500,000 to ensure State agencies responsible for air quality programs have adequate funding at the beginning of the fiscal year to continue their operations. He referred to some changes the DMV hoped would be placed into S.B. 26 as a result of working with Washoe and Clark Counties. These changes were listed in a document distributed to the Committee ([Exhibit H](#)). He referred specifically to line 55, subsection 4 of section 1, on page 3 of the document. He said this cleared up the laborious process required to distribute the grant money to the counties. He said the DMV wanted to delete lines 62 through 64, subsection 4 of section 1 in S.B. 26. He explained the reason for the change was many of the grant programs are tied to stationary or general

air quality programs. He said restricting use of the funds to mobile-source activities would severely impact these operations. Mr. Thomas also discussed subsection 5 of section 1 of S.B. 26, which was added to provide legislative oversight to the money distributed. Senator McGinness asked if the bill only pertained to Washoe County and Clark County. Mr. Thomas said it did.

Dennis Colling, Chief, Administrative Services Division, Department of Motor Vehicles, discussed the increase from \$500,000 to \$1 million that must remain in the Pollution Control Account before local governments may receive grants of excess funding. The fund is used for a variety of purposes on the local and State levels. The request, Mr. Colling explained, was to increase the required money in the account in order to be able to operate for the first two months of the fiscal year. This would allow operations to continue before money generated from the emissions control checks would be available in the account. Chair Rhoads asked if this would expedite how quickly the money would be available. Mr. Colling said the DMV would like to make regular payments on dedicated funds, and this would speed up the process of those payments.

Senator Carlton asked if line 65, subsection 5, section 1, of the desired amendment to S.B. 26 meant the reporting to the Legislative Counsel Bureau (LCB) was being changed. Mr. Thomas stated the reporting would only be needed once per year to the LCB, and the new bill would allow the report to go directly to the Interim Finance Committee (IFC) instead of going to the DMV first.

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Senator Carlton asked if quarterly reports by local governments to the DMV were also reported to the IFC. Mr. Thomas said those reports remained at the DMV.

Chair Rhoads closed the hearing on S.B. 26 and adjourned the meeting at 2:22 p.m.

RESPECTFULLY SUBMITTED:

Jonathan Sherwood,
Committee Secretary

APPROVED BY:

Senator Dean A. Rhoads, Chair

DATE: _____