

**EXCERPT FROM DRAFT MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Fifth Session  
March 4, 2009**

Following is an excerpt of the draft minutes of the Assembly Committee on Commerce and Labor held March 4, 2009, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Marcus Conklin, Chairman  
Assemblyman Kelvin Atkinson, Vice Chairman  
Assemblyman Bernie Anderson  
Assemblyman Morse Arberry Jr.  
Assemblywoman Barbara E. Buckley  
Assemblyman Chad Christensen  
Assemblywoman Heidi S. Gansert  
Assemblyman Ed A. Goedhart  
Assemblyman William C. Horne  
Assemblywoman Marilyn K. Kirkpatrick  
Assemblyman Mark A. Manendo  
Assemblywoman Kathy McClain  
Assemblyman John Ocegvera  
Assemblyman James A. Settelmeyer

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Bonnie Parnell, District No. 40  
Assemblyman Joseph Hogan, District No. 10  
Assemblyman Tick Segerblom, District No. 9



**STAFF MEMBERS PRESENT:**

Dave Ziegler, Committee Policy Analyst  
Dan Yu, Committee Counsel  
Andrew Diss, Committee Manager  
Patricia Blackburn, Committee Secretary  
Sally Stoner, Committee Assistant

**OTHERS PRESENT:**

Leo M. Drozdoff, Administrator, Division of Environmental Protection,  
Department of Conservation and Natural Resources  
Steve K. Walker, representing Truckee Meadows Water Authority, Reno,  
Nevada  
Naomi Duerr, Director, Truckee River Flood Project, Reno, Nevada  
Shweta Bhatnagar, Management Analyst, Southern Nevada Water  
Authority, Las Vegas, Nevada  
Gale Frazer, General Manager and Chief Engineer, Clark County  
Regional Flood Control District, Las Vegas, Nevada

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**Chairman Conklin:**

We have a presentation scheduled for 3 p.m. This is the presentation that we are bringing back from Monday's stimulus hearings.

Committee members, you may recall that we had one item from the stimulus that we had to push back to Wednesday. We will take that up now. This should last no longer than one hour, and my recollection from a meeting I had on Monday with them is that we might be looking at 30 minutes. We will take up Mr. Segerblom's bill immediately following this presentation.

**Leo M. Drozdoff, Administrator, Division of Environmental Protection,  
Department of Conservation and Natural Resources:**

I will keep these remarks brief. We were asked to provide an update on some of the provisions of the American Recovery and Reinvestment Act of 2009 that relate to the Nevada Division of Environmental Protection (NDEP). Those projects primarily fall into one large pot, which is our Clean Water and Drinking Water State Revolving Fund. The Division of Environmental Protection will receive grants from the U.S. Environmental Protection Agency (EPA) totaling approximately \$19.5 million in each program, so that is a total of \$39 million. We have already applied to the EPA for these grants, and we plan to distribute these monies through our traditional mechanism, which is loan agreements. At least 50 percent of the grant funds must be used to provide assistance that

includes some form of loan subsidy including principal forgiveness or negative-interest loans. In Nevada this provision will enable funding on a number of projects in disadvantaged communities that might otherwise not be built. At least 20 percent of the grant funds must be used to support projects that support green infrastructure, water conservation, or energy efficiency. Our Division solicited shovel-ready project proposals from municipalities and operators in December 2008. We received proposals totaling nearly \$2 billion. We have received more proposals than we have money. However, \$39 million is more than we had a month ago.

Our plan is to publish a priority list and accept public comments on that list in the next two weeks. The projects that are highest on the list and that are most ready to proceed with construction will receive the funding, and our plan is to allocate those until the money is gone. The program is a stimulus program, and our hope is that we can combine stimulus and public health protections in this process.

I can provide the Committee with a brief update on some other elements of the stimulus plan, but I know the Chairman wants us to be brief. I will leave that up to you.

**Chairman Conklin:**

We do not want to be so brief that we miss out on the opportunity to find out how much money is available to us. Right now you are saying there is \$39 million, but that comes through standard grant programs that come to you traditionally. So it is an expansion of the dollars you get, but the criteria for that money have not changed, right?

**Leo Drozdoff:**

Some of the criteria have changed. The point you make is correct. These are mature programs so we do not need any additional legislation to work it through. There are elements of this money that are now different. Specifically, 20 percent of the grant funds must be used to support projects that address green infrastructure, water conservation, or energy efficiency, and 50 percent must be used to provide assistance, which will enable us to help disadvantaged communities. The last point I want to make is that traditionally, we have had a 20 percent match on these programs, and that match requirement has also been lifted. It makes it more flexible.

**Assemblywoman Buckley:**

The existing revolving grant program that this money can flow into—where is that codified?

**Leo Drozdoff:**

That is codified in NRS Chapter 445. I can get you the exact citation.

**Assemblywoman Buckley:**

You said 20 percent for green infrastructure, energy efficiency, and what else?

**Leo Drozdoff:**

Water conservation.

**Assemblywoman Buckley:**

So in December 2008 you solicited proposals, and in two weeks you will hold hearings to establish priorities. Do you have any sense of the types of proposals you think this might fund?

**Leo Drozdoff:**

Yes. On the drinking water side, or what we call the Safe Drinking Water Funds, there are a lot of smaller projects. We have some mobile home parks in rural areas that at times have had boil water orders or problems with arsenic compliance. Those are the kinds of projects that would fit into the disadvantaged communities.

As far as green infrastructure, we received projects from Truckee Meadows Water Authority to replace a mobile bypass or to use different equipment at various treatment plants that will result in what are said to be savings of millions of dollars in energy costs. Similar projects for the Southern Nevada Water Authority changing equipment to get dollar savings in energy efficiency were submitted. Those are the kinds of projects we would see that would be part of the 20 percent of the grant funds that could be used for green infrastructure. Our traditional programs that are shovel-ready can be anything from sewer locations, or lining of treatment ponds, or drilling new wells on the water side. To be clear, some of this is going to be very obvious and some will be based on our staff working with these communities to get at this whole concept of shovel-ready. We did receive \$2 billion worth of requests. I am certain there are not \$2 billion worth of shovel-ready projects. We are basically going to try to take all of those elements in a matrix format—disadvantaged communities, green energy, and shovel-ready—put forth a document that we think represents our best thinking, make it available to the public, and then proceed from there.

**Assemblywoman Buckley:**

I think those are really good points. We are beginning to hear from all the other agencies that some of the local entities that you deal with are claiming things are shovel-ready but they really are not. I begin to wonder if the state should

require some sort of assurance from the local governments that if they are committing to us that the projects are shovel-ready or that they will expedite the permitting to ensure that they will be ready, and then they miss the deadline and we lose the funding, they will, for instance, give us the money in their property tax—some sort of “we really mean it” provision. Obviously, that would be a very bad development. I almost feel we should make them sign something.

**Leo Drozdoff:**

I get the point.

**Assemblywoman Buckley:**

Additionally, is this money—part of the stimulus—it is coming to the state and not to you directly through a grant program, so it does need to go through our appropriations process?

**Leo Drozdoff:**

Yes. This is money that we have applied for. The U.S. Environmental Protection Agency has the pot of money, we are applying for Nevada's share, and then we will be distributing that money through loan agreements to the communities. I do not believe that we need to go through a step of coming before the Legislature to get that \$39 million.

**Assemblywoman Buckley:**

We will ask our staff to confirm that with Legal, because I think if the money comes directly to the state, it goes through the appropriations process. If the federal bill requires the funds to go through a different federal agency that requires any sort of grants and applications, then the other portions of the State Budget Act apply. We are trying to make it clear on every division where it goes. We will double check that.

Lastly, we are seeing so much money directed towards renewable energy, green energy, green infrastructure, and energy efficiency. While \$39 million may not seem like a lot of money in the big scheme of things considering all of the needs that you see, there is \$39 million, \$50 million, or \$100 million in all of these different budget accounts. Whether it is the Energy Division, water, or local government, we need to make sure we are not missing out on some broader opportunities when you combine all of those to really get the most bang for your buck.

The last thing I would like to ask you to do is make sure in your evaluation you look at job creation and how it stimulates the economy. I think part of the

money is not only to achieve your unmet goals, of which there are many, but to also look at stimulation of the economy and job creation.

**Leo Drozdoff:**

I take all of that direction and appreciate it. I would like to make one point regarding your concern that we make sure we are not working at cross purposes. My Division set up a program with other funders, for example, U.S. Department of Agriculture (USDA), that provide similar kinds of funding. We have been working on this for years where we will get together with other funders to discuss the general need, and maybe NDEP can handle this and USDA can handle that. We are doing the same as part of this program. That clearly will not get to all of the sub elements of this program. To the extent that we are related in these kinds of work, we are working with other funders, especially the USDA, which received money in the stimulus program as well.

**Chairman Conklin:**

Are there any additional questions from the Committee?

**Assemblyman Settlemeyer:**

Can these funds be used for flood walls and home elevations?

**Leo Drozdoff:**

These funds, in particular, are not used for that, but I think there is going to be a discussion on flood projects and other monies that are used for that. Our State Revolving Fund (SRF) monies have been used for either drinking water or waste water projects.

**Chairman Conklin:**

Mr. Settlemeyer, we have the flood district here as well. They will be making a brief presentation.

**Assemblyman Anderson:**

In regard to the Truckee River flood projects which are already underway, can we expect any help with this particular project?

**Leo Drozdoff:**

Specifically to the elements of the state revolving fund, the answer is no. I do believe that there are other elements in the stimulus bill on flooding.

**Assemblyman Anderson:**

What about wells which have now moved into the incorporated areas and need to be sealed off and the problems that it creates? In Spanish Springs we have several homeowner groups that had been in a system of their own construction

and are now moving into the Truckee Meadows Water Authority (TMWA). It is costing them a lot of money to do this. Would they be able to get some potential relief with this kind of stimulus package?

**Leo Drozdoff:**

Our projects will typically require a loan agreement with a municipality. If that municipality has submitted a program that says: what we want to do is connect X number of homeowners to a sewer system and it is on the priority list, then that will be a project that we will look at. We will not be providing direct assistance to a homeowner. We work with the local government. What that government then chooses to do, would be up to them.

**Assemblyman Anderson:**

May I restate that in my own words? Knowing that the stimulus dollar was there and the local government offered this opportunity to homeowners to entice them into joining TMWA, the local government would make an agreement with, and potentially draw those dollars through you into that program. But in the event the dollars did not come through, then the city would still have to stand for the assistance, whether you provided it or not.

**Leo Drozdoff:**

The way that this has been dealt with in the past, even before the stimulus money, is if municipalities wanted to obtain a low-interest loan from NDEP, and as part of that low-interest loan they wanted to then run some sort of discounted connection service with local entities they can do that. But from where I sit, our project would be to give Washoe County, Sparks, or TMWA a grant, and they would fund their own program out of that. I guess the answer is that it is possible. We are going to deal directly with the local government.

**Assemblyman Anderson:**

I am concerned about TMWA's part of this question. They are throughout the river system, all the way from Verdi in Washoe County out to Storey County, and you would be dealing with traditional land areas that have wells that are fairly close to the river. The water quality question is one that your agency is concerned about. If we have an opportunity to access stimulus funds, which governmental agency will be responsible for making sure the dollars are there? As the funding agency, are you going to do this directly? From what I hear, you intend to rely on a local governmental agency to do it directly.

**Leo Drozdoff:**

In a couple of weeks, we hope to have a list of projects that are broken down into various subcategories—principal forgiveness, green infrastructure, and traditional project—that are all ranked based on whether they are shovel-ready

and their public health impact. The list will be the agency's best effort. People can then weigh in on whether they think our agency got it right or not. It is going to be project-driven but probably not down to the level that you just described.

**Assemblywoman Kirkpatrick:**

I have a few more questions. Please explain what part of the statute already allows you to do low-interest financing with local governments and also what the criteria is for that? Can they only use it on public projects? Can they use it on private dwellings? Could you tell me how often we've done it in the past?

Also, can you define "public safety"? It is a big issue when it comes to water, and we cannot find any statutory definition.

**Leo Drozdoff:**

I will have to get you the specific statutory cites. Basically, we have had a SRF for clean water since 1989 that has allowed us, over the years, to provide low-interest loans to communities in the hundreds of millions of dollars, cumulatively. Typically, we get a certain amount of money in and we work with those communities, even back then, on projects that are shovel-ready. The program is mature and has been in place for some time.

On the drinking water side, the drinking water SRF was modeled after the Clean Water Fund in the mid-1990s and is very similar. That program originated with the state in the Division of Health. Just a couple of sessions ago, that program came to NDEP. In both cases there is statutory and regulatory language that allows us to collect this money and then to provide low-interest loans with a match component to local governments.

As far as how we rank projects based on public health, projects that receive the highest ranking from us are those that address areas where there is noncompliance with a federal or state drinking water standard—for example, arsenic, nitrates, or uranium—or where there are problems meeting basic requirements in terms of disinfection. If a mobile home park or any drinking water system has a hit that shows that disinfection is a problem, we issue a boil water order. We maintain records these types of problems. Those would be the type of projects that would be at the top of our list in terms of protecting the public health, that is, there is a violation of a state or federal drinking water standard.

**Assemblywoman Kirkpatrick:**

Could you please give me that statute? Is it only for public to public, or is it public to private? If you do not know the answer, I would like to see the statute myself.

**Leo Drozdoff:**

I will get you the statute. It is essentially public to public.

**Assemblywoman Kirkpatrick:**

So you could give it to one public agency who then could offer it to private citizens based on their criteria.

**Leo Drozdoff:**

I believe so.

**Steve K. Walker, representing Truckee Meadows Water Authority, Reno, Nevada:**

I not only represent Truckee Meadows Water Authority, but I sit on the board for financing water projects and the SRF loans can go to private water companies that are under the regulation of the PUCN. The loans can also go to nonprofit mutual water companies. The grant program is restricted to government-run utilities.

**Assemblywoman Kirkpatrick:**

I find it amazing that local governments are going to come out the winners on the infrastructure pieces going forward. I want to know, at the state level, what tools we actually have in place to make sure we get the best bang for our buck. I understand the shovel-ready part, the accountability part I worry about, but I think we have a lot of bills this session that may not be as necessary with all of these things that we have out there to provide infrastructure to local governments.

At the state level, what tools do we currently have that we can enhance through, for example, dollars or projects?

**Leo Drozdoff:**

I think the main tools that we have had at our disposal since the late 1980s on wastewater, and since the mid-1990s on drinking water, are these SRF projects. As alluded to by Mr. Walker, since 1992 the state has run a state-only grant program where we have been able to provide money to local governments for compliance with water projects. Those programs have existed for a while. The stimulus money is going to enhance those. At the state level, those are our main tools to provide assistance in the area of infrastructure.

**Naomi Duerr, Director, Truckee River Flood Project, Reno, Nevada:**

I am currently with the Truckee River Flood Project; previously I was the state water planner for seven years and managed the program that Mr. Drozdoff was speaking of. During that time we gave out almost \$60 million of grants to small water systems, and those grants were just for public water systems or private systems that were under control of the PUCN. We were not able, at that time, to give any direct grants to individual homeowners. It went to the utility to improve the utility's treatment of water.

**Chairman Conklin:**

Are there any other questions for Mr. Drozdoff or do you have anything else to add?

**Leo Drozdoff:**

I would add that the Division received assistance in four different areas:

- On the Clean Water Act, we received \$194,000 in funding for water quality planning, and a portion of these funds will be passed to local governments.
- On the Leaking Underground Storage Tank Program, we expect to receive \$1.3 million, although that number is not finalized, and additional grant funds that could be used to clean up sites contaminated with petroleum from leaking underground storage tanks where no viable, responsible party is present.
- On the brownfield side—this is an area where we basically clean up old, historically damaged projects to a certain level—we are eligible to compete nationally for \$100 million. We have identified assessment costs totaling \$2.6 million, and we will be pursuing that.
- Finally, under the Diesel Emissions Reduction Act, the Division expects to receive \$1.7 million in grant funds to essentially pass to local governments to replace school buses that are older.

**Chairman Conklin:**

So just roughly, your estimates are \$5.6 million plus \$194,000, for a total of \$5.8 million.

**Leo Drozdoff:**

Yes.

**Chairman Conklin:**

Of course, that is assuming the \$2.6 million of the brownfield money goes to you.

**Leo Drozdoff:**

That is correct.

**Chairman Conklin:**

Are there any more questions for Mr. Drozdoff?

**Steve Walker:**

I want to be specific about Truckee Meadows Water Authority projects that could fit under the SRF programs. One specific project is the Mogul bypass, which is the ditch that was broken by the recent earthquakes around Verdi. It basically provides water to the major water treatment plant on the Truckee River called Chalk Bluff. With this funding, we could enhance a project that is shovel-ready because we have to fix the system now. It fits very well in the 20 percent of the projects that would save energy. Once this bypass is built, the majority of the flow goes to the plant through gravity, through a ditch. Right now we are pumping that water to the plant. This would save approximately \$250,000 to \$350,000 a year in electrical costs.

We also are revamping a dam at an underwater treatment plant. It is an Army Corp of Engineers cooperative project, but it also could fit into these criteria. It is ready to go. What the new dam will do is make a recreational passage of river rafting, and fish could potentially migrate. It is an environmentally friendly fix that is also more mechanically efficient at diverting water.

Finally, another project that is ready to go is in Assemblyman Anderson's area in the Sparks groundwater remediation project where we would look to fund the project. Included in our capital improvement program right now is the remediation of groundwater which has been impacted by arsenic and manganese. The project takes advantage of both the stimulus fund and the low construction and labor costs right now.

Those are examples of projects that are ready to go. We can use this money, and I wanted to be sure the Committee understood that.

**Chairman Conklin:**

Mr. Walker, do you have an estimation of how much those projects cost?

**Steve Walker:**

Yes, I do. The Mogul bypass is a \$35 million project. The Sparks project was originally considered to cost \$40 million, but with preliminary bids it appears that could cost \$25 million. It would be \$8 million to \$10 million on the Glendale diversion project.

**Chairman Conklin:**

The additional money in the grant program is \$39 million, and the cost of the other projects that Mr. Drozdoff mentioned is \$5.8 million. There is not a lot of money, relatively speaking.

**Assemblywoman Buckley:**

Are there any Clark County projects?

**Leo Drozdoff:**

Some of the projects in the area of energy efficiency were received from Southern Nevada Water Authority (SNWA), for example. They have talked about replacing various pumps and pump stations with more energy efficient ones. To get to Chairman Conklin's point, there is more demand than supply. We do not want to phase these projects down so that they are not doable. At the same time, it does not make a lot of sense to send \$30 million to one project and say we are done. We are going to be working with TMWA, SNWA, and all of these projects to see if there is an element we can do so that the money can be equitably spread throughout the state. That is part of what we are working on now and will present to the public in a couple of weeks.

**Assemblywoman Buckley:**

I think the legislators this session have been doing a good job of looking at one state and not breaking down into regional issues, but we want to make sure all the Executive Branch agencies are with us in that.

**Chairman Conklin:**

I have asked Southern Nevada Water Authority to come forward because they may have some things to get on the record.

**Assemblywoman Kirkpatrick:**

I understand some of those projects are replacement upgrades. I want to know which projects are on your priority list. The folks from Mr. Anderson's district have been calling me for over a year now; they are concerned about their groundwater and are trying to figure out how to hook up. I believe these folks have been told by local government that their drinking water is unsafe and a public safety hazard. I would be curious to see where they fit on your list. I am not sure that replacing a pump with a more efficient model is as important as

making sure those people feel comfortable with their quality of life. I would like to know where they are within the priority list and how we determine that priority.

**Leo Drozdoff:**

As I said, we have not published the priority list.

**Assemblywoman Kirkpatrick:**

I have not seen a list. I just want to know how that project would fit within your criteria. I have been hearing about it for a year, so I know it is an issue. I think Mr. Anderson was trying to ask that question. I thought I heard that it might not be possible to help these folks. I understood from local government that three days out, they can go in and start making changes to make it better. There are a million stimulus website packages out there that have a whole bunch of ideas. Sparks has 15 different things listed—and that is what my constituents are reading. On behalf of Mr. Anderson's constituents, I want to know how the criteria will be set to determine how a quality of life issue, such as water safety, will fare in comparison to replacement of something that could possibly wait. You do not have to get an answer to me today, but I think it is relevant to the discussion.

**Leo Drozdoff:**

I have received projects from Washoe County, Lemmon Valley, Desert Springs, and Heppner. If you tell me what projects you are looking at, I would be glad to tell you where the projects fall.

**Assemblywoman Kirkpatrick:**

I will get you a list.

**Leo Drozdoff:**

The only other point I want to make is that the 20 percent has to be funded for green infrastructure. That is not a value judgment on my part; it is a requirement for using the funds. We need to look at what projects fit within the 20 percent that must be used for green energy, what projects fall into the 50 percent for grant subsidies, and then what projects fit into the rest.

**Assemblywoman Kirkpatrick:**

I just want to say that water efficiency and water stability is part of the whole green energy program. I do not want to debate you, but I think a quality of life issue is just as important as doing something else.

**Leo Drozdoff:**

We have to somehow prioritize \$2 billion of requests into \$39 million of money. We are going to see a lot of debate on that issue. The best we can do is present the most complete picture we have, explain our rationale, take comment on it, and go forward.

**Assemblywoman Gansert:**

Can we use the stimulus dollars to partially fund projects and also can we require some sort of matching funds from different entities?

**Leo Drozdoff:**

The answer to your question is yes. That is the kind of thing I was talking about when I mentioned phasing. Maybe we cannot fund a \$15 million project for TMWA or SNWA, but there may be an element of a project that we can help fund. The key is to make sure that we do not phase it so small that there is no real help. Typically these programs have required a match. Part of the rationale in not requiring a match was to create less of a strain. We could require a match, but we do not have to.

**Chairman Conklin:**

Are there any other questions? There are none.

**Shweta Bhatnagar, Management Analyst, Southern Nevada Water Authority,  
Las Vegas, Nevada:**

Just as a matter of reference, the SNWA has submitted numerous projects to the Drinking Water SRF for consideration. In addition, the Las Vegas Valley Water District has some of its small systems projects on the state's priority list. Some of our small systems include Kyle Canyon and the Searchlight Water system. The projects that we have submitted range in cost from \$2 million to \$120 million. Total projects that we have submitted for consideration are over \$400 million. In addition, the Bureau of Reclamation received \$1 billion in economic stimulus funding and we are hoping to access some of those funds for a project in our Las Vegas Wash. Again, all of our projects are shovel-ready and can be ready for construction within the next six months to a year.

**Chairman Conklin:**

Are there questions from the Committee? I see none.

**Naomi Duerr:**

[Spoke from written testimony ([Exhibit H](#)).]

For those of you who I have not met previously or spoken to, you may or may not realize that every couple of years, the Truckee River floods and every

ten years or so, we have a big flood that causes about \$1 billion in damage. We have put together a plan to deal with this problem, which has many elements.

[Continued with written testimony.]

Our list totals \$340 million. I did not bring the list with me today because I thought you were more interested on focusing on the big picture. Of course, we are focused on shovel-ready or what I call near shovel-ready. Some of the agencies that we are targeting for funding do not require that the money be spent in 120 days; in fact, they are making the money available over a two-year period.

[Distributed another handout ([Exhibit I](#)).]

I have analyzed the possibilities and prepared a matrix showing you the many programs that we are trying to analyze and target to get money for our project. This identifies the agency, the type of projects they fund, the criteria that we know about today, a quick assessment as to whether we meet the criteria, and the top flood projects options that might fit into there.

Briefly, since we are partners with the Army Corps of Engineers, we started with them. The challenge, looking at your chart, is that while they have \$4.6 billion total available, they have over \$60 billion of projects in the queue. They only made available \$25 million for what we call general investigations, which is where we are with our project. We are not formally under construction with the Army Corps of Engineers. Again, we are using our own money to do this early construction. So you need to be authorized. What we creatively came up with was going back to an old authorization that we got in 1988, and so far it looks like it might be a door in.

Are we receiving construction money? No. We are receiving this general investigation money, so right off the bat we do not qualify. We have been working with Senator Reid's office to see if we could get a construction appropriation this coming fall, which would then make us eligible for some of the stimulus dollars. The last part is if we have a project partnership agreement in place. No, we do not. We have not been reauthorized. We are working with the Army Corps of Engineers to make this happen, but it is a steep climb. There are many varieties of projects. We are mostly looking at things like home elevations, restorations, and bridge lengthening.

On the home elevation which was the subject of a bill discussion we had yesterday, Assembly Bill No. 54, the Army Corps of Engineers does require a

match. It is not clear to us whether we can match with public dollars, home elevations on private property. That is one of the reasons we asked for that bill, even though the money would pass through us.

In terms of the Bureau of Reclamation, as was just mentioned by SMWA, that is an opportunity. We have a lot of river restoration projects. Unfortunately, in talking with people who are fairly knowledgeable about this, much of that money is preprogrammed for big projects around the country such as the central Arizona project, the CalFed project in California, and not our project. Nevertheless, it is a very similar kind of criteria, executed quickly, immediate high employment and we meet many, but not all, of those criteria.

We also have been looking at federal highways and looking at Nevada's Department of Transportation (NDOT). We have 17 bridges in our flood project. We have submitted a list of all 17 bridges to NDOT. Nationally, the federal Department of Transportation has \$27.5 billion. They also identified monies for Indian lands, park roads, and federal lands. We work with all of those partners—the Pyramid Paiute Tribe and the Reno-Sparks Indian Colony—so we are going to see if there is a way to access the monies through some of our partners.

The challenge here is that NDOT maintains a list of what is broken and in need of repair. Not all of our bridges are broken, but some are in poor shape and 2 of the 17 may qualify for dollars.

Finally, we have been looking at the natural resources and conservation service, something that I have not heard mentioned here yet. They have money potentially for levees, restoration areas, and watershed improvement projects. They have approximately \$50 million in the watershed rehabilitation and \$140 million for purchasing and restoring flood plains. Those of you who know me know that I am pretty aggressive on stuff like this, so we have been out there meeting with them already, asking if we could access those dollars. It seems like the criteria are not quite as stringent as the Army Corps of Engineers criteria. So even though they do not have as much money, we might actually be eligible. We have put on our list things that are not in the Truckee River Flood Project, such as a project Reno has with the Double Diamond levee. Some of you may know that after Hurricane Katrina in New Orleans, the Army Corps of Engineers went around looking at all levees they had certified before. When they looked at the levee, they said it does not meet standards today and they decertified it, throwing hundreds of people in northern Nevada and Washoe County into a basket where they suddenly had to pay flood insurance. This was just because of a change in rules. That levee would cost \$5 million to restore;

we are submitting it to every agency because of the plight of these people, but there is not guarantee that it will be funded.

Lastly, you mentioned about legislation and legislative fixes that might be needed. The only thing that comes to mind is A.B. 54 that we worked on yesterday with the Assembly Committee on Government Affairs. We had quite a lengthy and detailed hearing on that. We firmly believe that the legislation is needed. Even if we do not get a dime of money from the economic stimulus package, it would enable us to use our own money to do some of these projects, putting small contractors to work and the kind of people who are out of work right now. It would be our own mini-economic stimulus program.

Finally, I know one of the things you would care about, because I do, is the kind of jobs that might be made available. We have actually done an economic study on our flood project and we found that for about every \$1 million we spend in the flood project, it will generate about 11.5 jobs. In toto, the \$340 million represents close to 4,000 jobs. I heard other committees ask how we know what job numbers to apply. We did a very detailed and conservative study. We probably have the lowest number of jobs per million that anyone does. If you talk to NDOT, they have two to three times as many jobs that they calculate per million. I do not know what the right number is; I just know that I feel we are not overstating the case. If anything, we are understating the case.

**Chairman Conklin:**

Are there any questions from the Committee? I see none. Before we wrap this up, Mr. Fraser, would you like to give your brief comments?

**Gale Frazer, General Manager and Chief Engineer, Clark County Regional Flood Control District, Las Vegas, Nevada:**

I am also President of the National Association of Flood & Stormwater Management Agencies. I was fortunate to be on a conference call with Army Corps of Engineers headquarters in Washington, D.C. this morning. To add some light to the Army Corps of Engineers stimulus package, which is \$4.6 billion, \$2 billion is for construction. This will be administered by the Army Corps of Engineers and not go through the state. To put it into perspective with what I heard earlier this afternoon, the Army Corps of Engineers has submitted 11,000 requests totaling \$15 billion, of which \$8 billion is competing for the \$2 billion in construction. This undertaking looks like it is nationwide. I am happy to report that we had a great working relationship with our delegation and the Army Corps of Engineers. We just wrapped up a \$336 million project, of which 75 percent was funded federally. There is more need in Clark County; it is projects on the ground, not lines on the map, that protect life and property.

**Chairman Conklin:**

Are there questions for Mr. Frazer from the Committee? I see none.

That is different than the update I was told I would get. I had heard a rumor that Clark County might not be eligible for very much money.

**Gale Frazer:**

We are not eligible because we just completed the Army Corps of Engineers project. We have no authorized Army Corps of Engineers project.

**Chairman Conklin:**

So under the Army Corps of Engineers projects, there will be no money in Clark County.

**Gale Frazer:**

You are right.

**Chairman Conklin:**

Are there any questions from the Committee? I see none. Is there any other testimony on the water stimulus package? I see none.