

**MINUTES OF THE MEETING
OF THE
LEGISLATIVE COMMITTEE ON PUBLIC LANDS**

(Nevada Revised Statutes 218.5363)

March 5 and 6, 1998

Elko, Nevada

The fifth meeting of the Nevada Legislature's Committee on Public Lands (*Nevada Revised Statutes* [NRS] 218.5363) during the 1997-1998 interim was held on Thursday, March 5, 1998, and Friday, March 6, 1998. A tour of local mining properties owned by Barrick Goldstrike Mines, Inc., and Newmont Gold Company was held on Thursday. The committee meeting was held in the Elko County Convention Center, 700 Moren Way, Elko, Nevada, on Friday. Pages 2, 3, and 4 contain the "Meeting Notice and Agenda" for this meeting.

COMMITTEE MEMBERS PRESENT:

Senator Dean A. Rhoads, Chairman

Assemblyman John W. Marvel, Vice Chairman

Senator Lawrence E. Jacobsen

Assemblyman P.M. Roy Neighbors

Assemblyman John C. Carpenter, Alternate Member

Assemblywoman Genie Ohrenschall

R. Llee Chapman, Elko County Commissioner

COMMITTEE MEMBERS ABSENT:

Senator Dina Titus

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Michael J. Stewart, Senior Research Analyst

J. Randall Stephenson, Senior Deputy Legislative Counsel

Ann Iverson, Deputy Legislative Counsel

Linda Chandler Law, Senior Research Secretary

All place names mentioned in these minutes are in Nevada unless otherwise noted.

MEETING NOTICE AND AGENDA

Name of Organization: Nevada's Legislative Committee on Public Lands

(Nevada Revised Statutes 218.5363)

Date and Time of Meeting: Thursday, March 5, 1998

8:45 a.m.

Friday, March 6, 1998

8 a.m.

Place of Meeting: **Thursday**

See Mine Tour Information Below

Friday

Elko County Convention Center

700 Moren Way

Elko, Nevada

A G E N D A

Thursday, March 5, 1998

10 a.m. - 4:30 p.m. Mine Tour

Jointly Sponsored by Barrick Goldstrike and Newmont Gold Mining Companies. The tour will leave from the main entrance of the Elko County Convention Center promptly at 8:45 a.m. and will return at 5:30 p.m. Lunch will be provided. Participants should wear hiking boots and casual, warm attire.

The public is cordially invited to participate in this tour. To ensure adequate transportation and lunch accommodations, interested persons must make reservations in advance. Please call Michael Stewart or Linda Chandler Law at the Legislative Counsel Bureau before 5 p.m. on Monday, March 2, 1998, to reserve space. Transportation for the tour cannot be guaranteed without a reservation. The telephone numbers are:

From Reno/Carson City: 702/684-6825

From Las Vegas: 702/486-2626, extension 6825

From all other parts of Nevada: 1-800/992-0973, extension 6825

Friday, March 6, 1998

I. Opening Remarks by Chairman and Introductions

***II. Approval of the Minutes of the Meetings Held on November 18 and 19, 1997, in Washington, D.C.; and December 18, 1997, in Las Vegas, Nevada**

***III. Discussion of Committee Meetings to be Held on April 28 and 29, 1998, in Washington, D.C.**

***IV. Reports to the Committee**

***A. Reports on Mining in Nevada**

***1. Economic Overview of the Mining Industry**

Russell Fields, President, Nevada Mining Association

1. Division of Minerals Activities in Nevada and the Abandoned Mine Lands Program

Doug Driesner, Acting Administrator, Division of Minerals,

Department of Business and Industry

**3. Update on Federal Mining Legislation, "3809" Regulations and Bureau of Land Management (BLM) Activities Relating to Mining in Nevada*

Tom Leshendok, Deputy State Director for Minerals, BLM

Dave Vandenberg, Assistant District Manager, Nonrenewable

Resources, Elko Field Office, BLM

4. Water Pollution Control and Reclamation

Leo Drozdoff, P.E., Chief, Bureau of Mining Regulation and

Reclamation, Division of Environmental Protection,

State Department of Conservation and Natural Resources (SDCNR)

R. Michael Turnipseed, P.E., State Engineer, Division of Water

Resources, SDCNR

5. Assessments of the Humboldt River Basin and Mine Dewatering

Russ Plume, Hydrologist, United States Geological Survey (USGS)

Stanley N. Wiemeyer, Resource Contaminate Specialist, United States

Fish and Wildlife Service (USFWS)

Glenn C. Miller, Ph.D., Professor of Environmental and Resource

Sciences, College of Agriculture, University of Nevada, Reno

**B. Update on Statewide Policy Plan for Public Lands*

Pamela B. Wilcox, Administrator, Division of State Lands, SDCNR

Terry Randolph, Planner, Division of State Lands, SDCNR

**C. Update on State Water Plan*

Naomi Smith Duerr, State Water Planner, Division of Water Planning,

SDCNR

**D. Interior Columbia River Basin Ecosystem Management Project*

Judi Danielson, Idaho State Senator; Co-Chair, State and Federal Lands

Task Force, Idaho; Member, Western Legislative Forestry Task Force

Chuck Cuddy, Idaho State Representative; Co-Chair, State and Federal

Lands Task Force, Idaho; Member, Western Legislative Forestry Task Force

Jerry Deckard, Executive Director, Western Legislative Forestry Task

Force

Andy Brunelle, Public Affairs Team Leader, United States Forest Service

Mike Nannini, Vice Chairman, Elko County Board of Commissioners

**E. Interbasin Transfers of Water*

R. Michael Turnipseed, P.E., State Engineer, Division of Water Resources
Julie Wilcox Slay, Director, Management Services, Las Vegas Valley
Water District (LVVWD); Southern Nevada Water Authority
Kay Brothers, Director, Resources, LVVWD
Stephen T. Bradhurst, Planning and Water Consultant

V. Public Comment

*VI. Work Session on Preceding Agenda Items

*Denotes items on which the committee may take action.

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Research Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, Capitol Complex, Carson City, Nevada 89701-4747, or call Linda Chandler Law, at 702/684-6825, as soon as possible.

Notice of this meeting was posted in the following Carson City, Nevada, locations: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; Carson City Courthouse, 198 North Carson Street; Legislative Building, Room 1214, 401 South Carson Street; Nevada State Library, 100 Stewart Street. Notice of this meeting was faxed for posting to the following Las Vegas, Nevada, locations: Grant Sawyer State Office Building, 555 East Washington Avenue; and the Clark County Office, 500 South Grand Central Parkway. Notice of this meeting was faxed for posting at the following Elko, Nevada, location: Elko County Convention Center, 700 Moren Way.

THURSDAY, MARCH 5, 1998

TOUR OF PROPERTIES OWNED BY

BARRICK GOLDSTRIKE MINES, INC.(BARRICK)

AND NEWMONT GOLD COMPANY (NEWMONT)

The committee, together with approximately 20 members of the public, toured Newmont facilities. During this portion of the program Mary Korpi, Michelle Gonzales, and Paul Pettit, along with other Newmont employees, explained various processes and answered questions regarding the:

- Gold Quarry pit operations and statistics;
- Integrated laboratory and its computerized equipment and procedures; and
- Control room of Mill 5, as well as the mill process itself.

Mr. Pettit, Hydrology Manager, described the extent of the dewatering taking place at the Gold Quarry, Lone Tree, and Twin Creeks Mine properties and discussed the Summary and Conclusions from the "Preliminary Assessment of Cumulative Impacts on Humboldt River Streamflow from Mining Operations in Humboldt River Basin," prepared by Hydrologic Consultants, Inc., of Lakewood, Colorado, dated November 1997. See Exhibit A.

After lunch, the tour proceeded to the Betze-Post pit and Meikle Mine properties of Barrick. Hosts Michael Brown and Kristen Birchfield, along with other Barrick employees, described:

- The equipment and workings of the Betze-Post pit;
- The extensive underground operations of the Meikle Mine (tour conducted by Steve Long); and
- A recently completed water treatment facility that processes the water dewatered from the mine sites.

Tom Bassler, Water Treatment Facility Manager, described the original quality of the dewatering resource, the volume of water treated, the purification process, and standards that must be met prior to the water being discharged into the Humboldt River system. He noted that the discharge water temperature has to be carefully matched to the ambient temperature of the river at the entry point on the system.

FRIDAY, MARCH 6, 1998

OPENING REMARKS BY CHAIRMAN AND INTRODUCTIONS

Chairman Rhoads called the meeting to order and the members and staff introduced themselves. Senator Jacobsen commended the employees of the mines toured on Thursday for the scope and quality of the program. Senator Rhoads expressed his appreciation to Senator Jacobsen and Assemblyman Carpenter for being present following recent open-heart surgeries and noted that Senator Titus was absent due to her

father's illness.

The Chairman explained that, during the interim, the committee visits rural communities to stay current on public lands issues facing residents.

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APPROVAL OF THE MINUTES OF THE MEETINGS HELD ON

NOVEMBER 18 AND 19, 1997, IN WASHINGTON, D.C.;

AND DECEMBER 18, 1997, IN LAS VEGAS, NEVADA

Chairman Rhoads called for a motion to approve the minutes of the meetings held November 18 and 19, 1997, in Washington, D.C.; and December 18, 1997, in Las Vegas, Nevada.

ASSEMBLYMAN MARVEL MOVED TO APPROVE BOTH THE MINUTES OF THE SECOND MEETING OF THE COMMITTEE, HELD ON NOVEMBER 18 AND 19, 1997, IN WASHINGTON, D.C.; AND THE THIRD MEETING OF THE COMMITTEE, HELD ON DECEMBER 18, 1997, IN LAS VEGAS, NEVADA.

SENATOR JACOBSEN SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

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DISCUSSION OF COMMITTEE MEETINGS

TO BE HELD ON APRIL 28 AND 29, 1998,

IN WASHINGTON, D.C.

Michael Stewart, Staff Director for the committee, explained that:

- The Washington, D.C., meeting is scheduled for Tuesday and Wednesday, April 28 and 29, 1998, following the congressional spring break to coincide with meetings of the Western Land Commissioners Association and the Bureau of Land Management (BLM, United States Department of the Interior) state directors. April 27 and 30 are reserved for travel days.

Chairman Rhoads explained he had received a note from Secretary of the Interior, Bruce Babbitt, who has yet to commit to meet with the committee.

REPORTS TO THE COMMITTEE

Senator Rhoads said he was reassured during Thursday's tour that mining will continue in Elko County into the next few decades.

REPORTS ON MINING IN NEVADA

Economic Overview of the Mining Industry

Russell Fields

Russell Fields, President, Nevada Mining Association, agreed that mining will continue in Nevada. He expressed his appreciation for the members taking time to participate in the tour of the mining properties, since being informed about the industry is important.

Mr. Fields provided an overview of mining in the state, and stated:

- When the analysis of 1997 operations is completed, he expects that production and other indicators will be similar to 1996;
- The price of gold has decreased more than 28 percent — dropping from \$388 per ounce in 1996 to \$360 per ounce during the summer of 1997 to \$279 in January 1998, thereby decreasing overall mining revenues.
- Barrick and Newmont mines produce 80 percent of Nevada's production, more than 7 million ounces annually, which represents 67 percent of United States' production.
- Although the mining industry has no control over the market price of gold, it can control when and where mining operations are undertaken, and Nevada's situation is not "bleak."
- There is concern that the Swiss government will "dump" some of its gold reserves and the Chairman of Barrick Goldstrike, Peter Monk, has attempted to discuss this issue with European leaders.

- The geologic reserves in Nevada, together with the state's business environment, give the mining industry reason for long-term optimism.
- Low prices cause the mining companies to change the strategy behind mining plans, to concentrate on high-grade ores, and to improve recovery by expanding and upgrading milling processes.
- Although some jobs have been lost because of falling prices, personnel layoffs are normally the last step taken by most companies because of the potential negative effects on local communities.
- The history of mining has been cyclical due to the exhaustion of resources and the vagaries of the gold market.

Expectations for the near future:

- Adjustments will be necessary and made based on all available information.
- The industry expects the price of gold to stabilize at about \$300 per ounce.
- Smaller gold mines will be most impacted by the low market price.
- Exploration will decline until the price improves but will rebound quickly, led by the larger mines.
- Efficiency and cost controls will be emphasized to optimize profits and support the 2 million ounces per year being processed, partly from reserves.
- Production for 1998 is anticipated to approach that of 1997.
- New mining properties are slated for 1998: the Midas Joint Venture, a vein-type operation in Elko, is expected to be a low-cost, high-production mine with a "footprint" of less than 100 acres.

Mr. Fields explained that:

- The central banks, particularly in Europe, hold gold reserves that exceed annual mine production. The development plan for a common specie for the European Union will include a decision related to the level of gold reserves that will back the value of that currency. In the event a low reserve level is chosen, the price of gold may decrease in response.
- If Asian economies return to health, the demand for gold will increase.
- During times of uncertainty or crisis, people tend to invest in gold rather than currency. Currently, due to the relative economic and political stability across the globe, the price of gold has suffered.

In conclusion, the mining industry is experiencing its most difficult time in the last 15 years, and that is putting pressure on operational decisions. Policymakers need to be cognizant of that situation and not make choices that compound expenses for mining companies. Many small- and medium-sized companies are at or below marginal costs currently. Those who have been involved in mining long-term know not to become too excited when times are good nor too depressed when the market goes down (as it is, likewise, with agriculture and ranching). Nevada has broad potential to support its mining industry; however, it is wise to guard against becoming too eager to increase royalties or taxes levied against the industry when gold prices rise again.

Responding to questions from the panel, Mr. Fields noted:

- There are four mining reform bills before the United States Congress, each of which contains some type of royalty provision. It is not anticipated that these bills will be successful this term.
- The mining association is following the progress of the 43 CFR 3809 ("3809") regulations since changes in fees would affect the cost component for the industry and may alter the way in which the state regulates mining.
- No further layoffs are anticipated at this time. Earlier layoffs were experienced at high-cost operations. In addition some layoffs resulted from the merger of Sante Fe Pacific Gold and Newmont, which required some consolidation to become more efficient and gain from economies of scale.
- Lobbying is being carried on to support the full-gold backing of the European currency and to prevent excess reserves from being "dumped" on the world market. Selling off gold reserves in Switzerland will require an affirmative vote of the Swiss citizens, he noted.

During a brief discussion of permitting times and procedures, Mr. Fields indicated that the association is closely following various legislative proposals that could have an adverse effect on mining operation costs.

Assemblyman Marvel noted that he has requested a bill draft that proposes to restore the Divisions of Agriculture and Minerals (both within Nevada's Department of Business and Industry) to department status. Mr. Fields endorsed that change.

He also noted that:

- The Pegasus Mine has declared Chapter 11 bankruptcy protection but is still in operation.
- Vista Gold's Hicroft Mine is still producing gold from tailing heaps, but if the price of gold does not increase, it will close.
- Battle Mountain Gold has experienced permitting problems for its Phoenix Mine.
- McCoy Cove mine experienced significant layoffs, but it has also improved profits following reductions in costs and increases in the market price of silver, which also is produced at that site.
- The Ruby Hill Mine near Eureka has come on-line and is a low-cost, efficient operation.
- The Pipeline Mine in Crescent Valley is a promising property.
- Two new mines are being developed on the Carlin Trend: the Leeville Mine, a new joint venture between Barrick and Newmont; and the Gold Bug owned by Newmont.

Following a discussion of the effects of recent changes to the net proceeds of mines tax and the difficult market, Chairman Rhoads suggested that Nevada's Department of Taxation be placed on the agenda for the June 1998 meeting in Ely to update the committee on this issue. Mr. Marvel stated the revenue from the net proceeds tax should be used for capital improvements and establish "rainy day" funds.

Senator Jacobsen suggested that Nevada showcase its mining industry by promoting mine sites as tourist destinations. Assemblyman Neighbors described the Tonopah Mining Park and the Mizpah Mine Tours in Nye County.

Division of Minerals Activities in Nevada and the Abandoned Mine Lands Program

Doug Driesner

Doug Driesner, Acting Administrator, Division of Minerals, Department of Business and Industry, announced that Allen Coyner will become the division's new Administrator on March 19, 1998.

He explained that the purpose of the division is to support the mining industry, since it represents an important part of the state's overall economy. The State Mine Registry is the repository for information related to mining production. During 1997, gold production in the state was approximately 7.75 million ounces, an all-time record. Silver production was also high, at about 24.5 million ounces.

The division has undertaken a program to publicize Nevada's mining industry, its various mineral commodities, and the related end products, i.e., bowling balls (barite), and printed circuit boards (gold), among others. Displays have been placed in shopping malls to concentrate efforts on the general populace, and the public response has been positive.

A report on abandoned mine lands (AML), petroleum production, and geothermal activity in Nevada was provided by Mr. Driesner. The AML data focused on statistics for the period 1987 through 1997 (see Exhibit B):

- There are 7,172 discovered abandoned mine sites in the state, 4,832 (67.4 percent) of which have been secured.
- Between May 1971 and April 1997, 20 humans and 1 animal have been injured or killed in reported AML incidents.
- Clark and Lyon Counties have less than 50 percent of their AML sites secured, while Churchill, Eureka, and Washoe Counties have more than 90 percent secured.
- By degree of hazard posed, over 80 percent of high-hazard sites have been secured; and between 66 and 71 percent of low- to moderate-hazard sites are secured.

Assemblyman Neighbors asked if patented mine properties are included in this report. Mr. Driesner said those properties are included; but, it does not include simple cut sites less than eight feet in depth, which are classified as a nonhazard.

Referring to Exhibit B, he also briefly discussed:

- The status of orphan mining properties;
- Nevada's oil industry, which showed a total production of 1,059,106 barrels in 1996 and 980,200 barrels in 1997; and
- The 1997 gross output of the state's geothermal resources was 1,648,652 megawatt hours, of which approximately 1.35 million megawatt hours were sold.

Answering questions from the panel, he concluded that:

- Since imposition of a \$100 mine property rental fee by the BLM, there has been a 50 percent decrease in the number of permits issued

in the state.

- The state's claim fees were, thereafter, doubled to provide enough revenue to support the division.
- The number of claims processed have leveled off at about half of the volume they were prior to the imposition of those higher fees.
- The need to do bond assessment work has also reduced the demand for new claims, especially by individuals and small companies.
- Many claimants have ceased to work their claims.
- New claim monuments must be made from wooden posts or unperforated, capped pipe; old claims using perforated or open pipes must be restaked to remain valid.

Update on Federal Mining Legislation, "3809" Regulations, and Bureau of Land Management (BLM) Activities Relating to Mining in Nevada

Tom Leshendok

Tom Leshendok, Deputy State Director for Minerals, BLM, introduced several members of the Elko Field Office, including: Dave Stout, Associate District Manager; and Deb McFarland, Geologist.

Mr. Leshendok provided a written summary of mining activities (see Exhibit C), including:

- The current exploration and mining activity in Nevada, which shows: (1) 58 percent of all new mining claims were filed with BLM, (2) \$390 million in mine reclamation bonds and guarantees are held by the bureau, (3) a decrease of over 40 percent in new claims has been experienced, (4) eight major mining project Environmental Impact Studies (EISs) are currently in progress; and
- The average processing time for major mining plans of operations and EISs has been reduced, from 28 months to 19 months. Although the findings of such reports are being challenged by the public, to date, EIS appeals have been unsuccessful.

Answering a question from Assemblyman Marvel, Mr. Leshendok said the Great Basin Mine Watch organization includes members from the Sierra Club, various Native American groups, and other interested persons.

- The BLM continues to monitor upcoming changes and regulatory issues and is involved in the revision of the "3809" surface management/mining regulations and has met with the Western Governor's Association as well as state agencies. Draft regulations cannot be published until November 1998. Prior to that time, the proposed regulations will be discussed with the Resource Advisory Councils (RACs); and
- The Northwest Mining Association and others, supported by the U.S. Small Business Administration, have filed suit relating to bonding regulations, and that case is pending.

When any significant action occurs, either on pending litigation or on regulatory changes, that information will be conveyed by the BLM to this committee, he said. Working with various state agencies and others has become an important component in policy development. It is easier to resolve issues before they become problems and, therefore, a consensus approach has been and is being used. The BLM and Nevada's Division of Minerals cooperate to secure hazardous mine properties on the public lands. As a result, in 1997, 527 mine sites were remediated.

Responding to questions from Senator Jacobsen and Mr. Chapman, Mr. Leshendok stated:

- He would find out if inmate crews can be utilized to secure mine sites on public land.
- A rough draft of the "3809" regulations is being shared with state agencies at this time but is considered an "internal" document and, therefore, its contents cannot be divulged. He has requested, however, that the Federal Government make those documents public as soon as possible.
- Nevada's BLM representatives are interested in working with the state to address water rights issues on public lands.

(Jo Simpson, Deputy State Director of BLM, provided members with a list of people interested in public lands matters, including RAC members, for reference. See Exhibit D.)

- Of the 225,000 to 300,000 abandoned mine features in the state, approximately 165,000 are on public lands.
- The counties and mining companies have been cooperative in securing abandoned mine sites throughout the state.
- At the end of March 1998, the BLM state offices will be relocated to 1430 Financial Boulevard in Reno.
- The Internet address for the state office of the BLM is www.NV.BLM.gov, and for the Washington, D.C., office it is www.BLM.gov.

Senator Jacobsen asked Mr. Leshendok to garner support for Nevada's seed bank to improve reclamation resources.

Water Pollution Control and Reclamation

Leo Drozdoff

Leo Drozdoff, P.E., Chief, Bureau of Mining Regulation and Reclamation (BMRR), Nevada's Division of Environmental Protection (NDEP), State Department of Conservation and Natural Resources (SDCNR), thanked the sponsors of the mine tour for allowing him to participate. He explained that his presentation would tie the responsibilities of the bureau to some of the issues discussed during the mine tour. A copy of his overhead presentation is attached as Exhibit E.

There is no federal component to or involvement in the operation of the BMRR, and its budget is funded entirely from fees collected from the mining industry.

The regulation branch is responsible for water quality through:

- The protection of state waters that could be impacted by mining projects in accordance with Chapter 445A, "Water Controls," of Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) 445A.350 through 447.
- The comprehensive permitting program, under which the BMRR holds approximately 150 mining permits, which deal with every phase of mining operations, including acid rock or acid mine drainage, dewatering, and pit lakes.

The reclamation branch is responsible for ensuring effective post-mining land use through:

- The protection of lands within the state that are impacted by exploration or mining projects in accordance with Chapter 519A, "Mining Reclamation, General Provisions," of NRS and NAC 519A;
- Revegetation and site stabilization. The BMRR administers reclamation permits and bonds to ensure that both private and public land is returned to a physically stable and safe condition consistent with BLM regulations; and
- The use of memoranda of understanding with the BLM and United States Forest Service (USFS), Department of Agriculture.

Mr. Drozdoff remarked that:

- The processing time for a new water pollution control permit is four to six months;
- Reclamation permits may take less time, unless public interest is substantial;
- Streamlining the process is desirable and duplication of effort should be eliminated, but there is no way to reduce the length of time involved in the public comment phase;
- The water being discharged into the Humboldt River from Barrick's water treatment plant is apparently cleaner than the water normally seen in the river in a high-runoff year, and the mining companies have been "very responsible" in that regard, he concurred; and
- At "the end of pipe," both the water from Barrick's facility and Newmont's dewatering process meet Humboldt River water quality "on its best day" and comply with pertinent standards

Allen Biaggi

Allen Biaggi, Deputy Administrator, NDEP, SDCNR, explained that the Simplot Corporation approached the division early in its relocation process to obtain air quality permits and inquire about water discharge permits. The division has worked with the company to ensure there will be no delays in bringing operations on line in a timely manner.

Continuing, Mr. Drozdoff briefly mentioned that:

- The state groundwater protection statutes relating to the mining industry have been in effect since the late 1980s.
- Compliance monitoring is comprehensive.
- In-field inspections are conducted by the BMRR and other federal and state agencies.
- All cyanide and related chemical use is limited to contained areas.
- Some subsidence-type activity was noted on Maggie Creek some years ago, but that has been alleviated. It is difficult to determine whether the changes in surface or groundwater resources are the result of mine activities or are naturally occurring, i.e., cycles of drought or high moisture.

(Chairman Rhoads noted that some ranchers near Valmy have noticed that a series of artesian wells in the area have been dry in the past few years, since dewatering was begun at the Lone Tree Mine.)

- Daily water discharge quantities for the Barrick mine dewatering facility are comparable to the volume discharged from the waste water treatment plant in Clark County — about 90 million gallons.
- While the mines are reinjecting or re-percolating some of that water, or using it for irrigation purposes, Clark County is not.
- Barrick's process is also known as a "national pollution discharge elimination system" (NPDES) and is subject to the federal Clean Water Act. The NDEP has been given the authority to permit such systems on behalf of the Federal Government. Underground injection control (UIC) permits also allow mines to inject dewatering resources directly back into the groundwater system after treatment.
- Currently, Newmont discharges water at a level less than that for which it is permitted; however, whether dewatering rates will increase in the future is unknown at this time.

Mr. Drozdoff explained acid rock drainage and how it occurs naturally as well as at mining sites. When inert sulfides come in contact with air and water, sulphuric acid may be formed. Therefore, analyses are performed as part of the milling process and various techniques are utilized to mitigate and neutralize the problem.

He outlined:

- The various aspects and conditions of the reclamation and revegetation processes that are required under mining permits, of which there are about 230 statewide;
- How, when a permit is issued for use of public lands, bonds for reclamation work are held jointly by the BMRR and the federal agency that manages the affected land;
- The memoranda of understanding and the positive relationship between the bureau and the BLM and the USFS in Nevada;
- The goal of ensuring the completion of reclamation work, which, in some instances, is a concurrent process to overall mining activity;
- That no reclamation bonds have been forfeited to date;
- That the bureau is taking an active part in the "3809" regulation process, along with Mr. Driesner and Mr. Leshendok;
- That no obvious water quality change has been observed by representatives of his office in the Humboldt River as a result of mining discharges into the system; and
- The future of pit lakes, in his view, will be of general benefit to the citizens of the state.

R. Michael Turnipseed

R. Michael Turnipseed, P.E., State Engineer, Division of Water Resources, SDCNR, submitted a report titled "Mine Pumpage Within the Humboldt River Basin," prepared by the division on March 3, 1998. See Exhibit F.

Mr. Turnipseed explained:

- The philosophy of allowing basin overpumping on a temporary basis for mining purposes;
- The replacement of the water resource within the basin of origin and substitute groundwater uses;
- That some rapid infiltration basins have not accepted water as rapidly as planned and, in some cases, more basins are being built to speed the process; and
- That the amount of water permitted to be carried by Barrick's pipeline is approximately 162 cubic feet per second (cfs), which equates to 72,900 gallons per minute (gpm). One cfs is equivalent to 450 gpm. The current pumpage rate is approximately 60,000 gpm, about 80 percent of permitted flow.

Exhibit F lists data for 18 mine sites in the Humboldt River Basin by hydrographic basin, the permitted diversion rate, the total 1997 pumpage, permitted consumptive duty, and the consumptive use for 1997 and depicts relevant statistics in chart and graph format.

Mr. Turnipseed reviewed each mine's hydrologic activities briefly. He stated that the Lone Tree Mine west of Battle Mountain, now owned by Newmont, is permitted to pump significant amounts of water for a relatively short period of time to extract and stockpile ore efficiently. Then, pumping will cease and milling of the ore will continue based on available reserves. About 10 percent of the water pumped at Lone Tree will be used at Sierra Pacific Power Company's Valmy power plant. Other small percentages will be used for other industrial and mining purposes. Reinjection is difficult in that region because there is little unsaturated soil.

He explained that the normal flow of the Humboldt River at the Palisade gauge is about 260,000 acre-feet per year, and the discharge from the mines could theoretically double that; however, it has not done so historically. Currently, approximately 82,000 acre-feet is being discharged into the system from the Betze-Post, Gold Quarry, and Lone Tree Mines. Also, the flow in the Humboldt River varies widely year to year.

When asked about other mine dewatering projects, Mr. Turnipseed concluded there are none of similar magnitude. This activity on the Humboldt River System is the "largest pump test in the world."

Assessments of the Humboldt River Basin and Mine Dewatering

Russ Plume

Russ Plume, Hydrologist, USGS, introduced Jon O. Nowlin, Nevada District Chief of the USGS Water Resources Division in Carson City; Stanley N. Wiemeyer, Resource Contaminate Specialist, United States Fish and Wildlife Service (USEWS); and Glenn C. Miller, Ph.D., Professor of Environmental and Resource Sciences, College of Agriculture, University of Nevada, Reno (UNR).

Jon C. Nowlin

Jon C. Nowlin gave a brief survey of USGS activities in Nevada and noted that the agency has four division in Nevada, including the: (1) Biological Resources, which is new; (2) Geologic; (3) National Mapping; and (4) Water Resources.

The focus of the presentation was on past and ongoing investigations in the Humboldt River Basin. Responding to a question from Chairman Rhoads, Mr. Nowlin stated that the responsibility for monitoring test wells throughout the Humboldt System lies with several different agencies, depending upon the nature of the wells. Data is pooled from various sources and is assessed on a regional basis. That information soon will be available on the Internet.

Russ Plume provided copies of overheads and a brochure titled "The Humboldt River Basin Assessment Progress Report, October 1997." See Exhibit G for details of the USGS presentation as well as a list of USGS Internet addresses.

The USGS has been involved in a variety of long-term scientific activities in the Humboldt River Basin, where hydrologic data has been collected since the late 1800s. The study summarized in the assessment report in Exhibit G was primarily funded by the two major mining companies (Barrick and Newmont).

Mr. Plume reviewed and discussed:

- The general location of the Humboldt River Basin;
- The location of the USGS stream gauges on the river;
- The location of recent USGS water resources studies, including: (1) one, two-part study related to the Carlin Trend area (between 1988 and 1994 done in cooperation with Nevada's Division of Water Resources), which assessed the effects of mining groundwater pumping on both surface and groundwater systems in the area; and (2) one at the lower end of the basin, which was completed in 1991 and analyzed the effects of irrigation drainage on water quality in the Humboldt River Wildlife Management Area.
- The study includes:
 - Phase One activities in the middle Humboldt River (funded), e.g., (1) hydrologic data collection; (2) use of water budget techniques; (3) development of hydrogeologic framework; (4) determination of groundwater levels, from 1982 through 1996; and (5) groundwater use in 1998.
 - Phase Two activities (currently unfunded), e.g., (1) groundwater modeling and water budgets for the middle Humboldt; (2) water budgets for the upper Humboldt; and (3) charting flow characteristics of river, assessing spring discharge, and evaluation of climatology for the entire basin.
 - Phase Three activities (currently unfunded), e.g., (1) surface water and groundwater interactions in the middle basin area; (2) effects of increased low flows on flooding and riparian vegetation; trends in sediment loads, and summary appraisal of water resources along the entire system; and (3) overall water quality studies to assess the effects of mine dewatering discharges on groundwater and surface water quality, the evolution of pit water quality, and potential impacts from acid drainage from waste rock piles.

In addition, Mr. Plume noted that the money to fund Phases Two and Three has not been forthcoming. The \$500,000 that funded Phase One came from a settlement between the BLM and Barrick, which was earmarked to fund these types of studies. Mr. Nowlin explained. Newmont added money to that for a total industry commitment for Phase One of \$650,000 to which the USGS added \$422,000 in matching funds. Additional federal funds can be obtained for Phases Two and Three but only if matched by a 50 percent commitment from a partner in the project.

Mr. Plume described the location of and measurements to be taken from wells throughout the middle Humboldt basin watershed. That data obtained from monitoring those wells, which would form the basis for the development of a groundwater model for the middle basin, was

planned for and is scheduled as a part of Phase Two. A brief discussion of the funding of the deep carbonate aquifer program in central Nevada, which took place in the mid-1980s, followed. Mr. Nowlin explained that money for that study was authorized by the Nevada Legislature's Interim Finance Committee and matched by funds from the Bureau of Reclamation and the USGS. The scientific work was done by the Desert Research Institute and the USGS and better defined the controls of the geology onflow of the system from Wells south to the Colorado River and on to the Death Valley area. That was a ten-year program, the first three years of which was funded by the Las Vegas Valley Water District/Southern Nevada Water Authority. He also noted that all the information gathered during that study is readily available from the USGS.

Stanley N. Wiemeyer

Stanley N. Wiemeyer, Environmental Contaminant Specialist, USFWS, presented a slide show and summarized information from the USFWS off-refuge study plan, titled "NV - Humboldt River Aquatic Biota Monitoring," dated June 16, 1997. See Exhibit H.

Mr. Wiemeyer explained:

- The environmental contaminants program strives to protect and improve the quality of fish and wildlife resources through the identification, prevention, and correction of environmental contaminant problems.
- Those participating in the study in addition to the USFWS are: Barrick, which has provided extensive dewatering data and \$120,000 in funding; the USGS; the SDCNR; Nevada's Division of Wildlife; and UNR.
- Manmade sources of contaminants in the Humboldt River and its terminal wetlands, include (1) abandoned mines; (2) the abandoned Toulon arsenic mill; (3) irrigation drainage; (4) livestock grazing; (5) mine dewatering; and (6) municipal wastewater effluent.

Responding to a question from the panel, Mr. Wiemeyer explained that USGS data and other information indicates that concentrations of various metals and trace elements (which may occur naturally) are higher at discharge points from agriculture and mining than are those found in the normal background concentrations in the river system. Therefore, he would disagree somewhat with information given earlier, that the dewatering discharge is cleaner than the river system on the whole.

Various National Irrigation Water Quality Program (NIWQP) studies have shown irrigation water harmful to fish and wildlife in other areas of the country. Locally, the USGS conducted a reconnaissance investigation study on the lower Humboldt River in 1990 and a field verification study in the same area in 1996; both focused on the Humboldt Wildlife Management Area (HWMA). The 1990 study was done at the height of the drought when the wetlands were drying up and the 1996 study was conducted under more "normal" conditions. The primary concerns of the reconnaissance investigation included analysis of dissolved solids and various chemical contents; the field verification study found increased concentrations for several chemicals.

Mr. Wiemeyer contrasted 1990 readings with 1996 data relative to effects on:

- Avian eggs, invertebrates, juvenile bird livers, and vegetation; and
- Arsenic loads and total dissolved solids (TDS) loads at points of discharge and downstream.

Study objectives assessed:

- Trends in surface water quality and trace elements on the animals and plants;
- Adequacy of water quality standards; and
- Relative proportions of elements from various sources.

The study method was an ecosystem approach, which determined impacts to biotic communities both in the Humboldt River and at the terminal wetlands at the HWMA. Nine sampling sites and three dewatering discharge points were included, from above Elko to the terminus of the system.

Information on surface water quantity and quality was collected at permitted discharge sites and obtained from the USGS and Nevada agencies for various sampling sites. Thirty characteristics of flow, specific conductance, pH, TDS, major inorganic constituents, and selected trace elements were then analyzed to determine effects on the aquatic community and other biota. The results, combined with information from other studies, indicate an adverse effect on duckling survival. To his knowledge, there was no "control" group related to the study.

Responding to questions from the members, Mr. Wiemeyer noted that:

- Mercury does occur naturally in the river system.
- Although the current mine dewatering discharges are required by regulation to be in compliance with federal and state water quality standards, dissolved solids concentrations and several trace elements (including arsenic and selenium) may exceed concentrations that exist in the Humboldt River near discharge points according to the "NV - Humboldt River Aquatic Biota Monitoring" report (see Exhibit H).

- Levels of dissolved boron and selenium, which are leached from the surrounding soils, were found to be 2 to 18 times higher in areas of irrigation discharge than readings in other experimental studies.
- Completion of the study is expected to cost between \$300,000 and \$400,000, whereas the expense of data collection in 1996 was \$40,000 and was funded by the NIWQP through several different agencies.
- At this time, there are no recommendations for a mitigation plan to offset the poor water quality and its effects in the basin.
- If funding to extend the study becomes available, several agencies and organizations (including a mine in the process of dewatering) will be involved in the collection of information beginning this year and continuing for a two-year period, followed by one year of analysis.
- High concentrations of some chemicals are prevalent in the sink area, and more study is necessary to determine the synergistic impacts of irrigation and mine dewatering with the periods of drought and constant water flow experienced since 1990.

The intent of the presentation is to show the increase in some trace element concentrations that are present in the Humboldt River system, which appear to be approaching concentrations that have been shown in other studies to adversely affect fish and wildlife.

Mr. Chapman interjected that it might be beneficial to go forward with the study now, while water flows are constant in the system. He also noted that Barrick has spent millions of dollars to ensure that the quality of the dewatering discharge meets federal and state water quality standards. He asked if it is Mr. Wiemeyer's intent to conclude, through further study, whether or not the water discharged by the mining activity is "better or not" than the water existing in the system.

Mr. Wiemeyer responded that:

- Constant water flows are beneficial to wetland areas;
- It is his goal to restart and continue the study this year to take advantage of heavier flows;
- From the limited data available on the quality of water that is being pumped from some of the mining operations, it appears, for some chemical constituents, that the water from the dewatering process is slightly poorer than the quality of the water in the river; and
- A continued investigation of the system might determine what the water quality trends are in the river as related to dewatering operations. It would also require the installation of additional gaging and monitoring stations along the river's route to separately assess return flows from irrigation and those from mining.

Mr. Chapman offered to provide monitoring data from Barrick's operations to be used by the USFWS as part of its analysis.

Chairman Rhoads commented that there should be a more consistent policy, broader sharing of data, and cooperation between federal and state agencies and others involved in water quality. Conflicting reports and contradictory information make it difficult for members and others to understand what level of purity will be considered sufficient on this river system.

Glenn C. Miller, Ph.D.

Glenn C. Miller, Ph.D., Professor of Environmental and Resource Sciences, College of Agriculture, UNR, submitted a paper, titled "NCERQA Grant progress Report, EPA Grant Number R825289-01-0," together with a series of overheads containing statistics on the Grantsville Heap, the Toiyabe Mine, and the Sleeper Pit Lake. See Exhibit I.

Dr. Miller explained that:

- His primary concern is with the dewatering and reinfiltration processes associated with the mining industry, since water quality in many areas has not followed the models that were used to forecast long-range results.
- There are coordination efforts underway between several agencies, universities, and others.

The UNR study referred to in Exhibit I was funded by the EPA in conjunction with the National Science Foundation under the Water and Watersheds Program and has the understanding of how various mining activities affect the Humboldt watershed as a whole as its goal. He listed the participants in the study and noted that the objective of the study is to investigate the long-term chemistry and environmental risk of large pit lakes, drainage from cyanidization heaps, the biological effects of arsenic and antimony, and the long-term effect of the alteration of the watershed in the Humboldt River basin. Proposed as a three-year study, only one year has been completed.

Discussing dewatering, Dr. Miller described:

- The increase in TDS that occurs with the reinfiltration process.
- A monitoring well (at an unnamed "large mine" location in the Humboldt River basin) at which the TDS readings increased from 120 milligrams per liter prior to reinfiltration to between 800 and 900 milligrams per liter approximately one year later. Such high levels of

TDS may make the water unusable for irrigation.

- The characteristics of reinfiltrated water, which are not the same as that of the original hydrologic system because salts are leached from the soils into the groundwater, thereby diminishing water quality.
- The difficulty in projecting the water quality of the pit lakes that will be formed when mining operations cease, in his view, is that there is no way to accurately forecast whether such bodies of water will be a recreational benefit the citizens of Nevada or whether they will pose an inherent hazard due to poor water quality.

Following a discussion of the technical findings of this study, Dr. Miller said there has been a preliminary evaluation of the economic issues related to water use in the Humboldt River basin. Current dewatering practices result in an abundance of water now, which benefits farmers and other water users. When mining operations slow or cease over the next 15 years, however, and the effects of dewatering become evident, it is estimated that there will be a long-term, consumed water deficit of 4.5 million acre-feet. There is no way to predict the economic or hydrologic impacts precisely.

Dr. Miller noted that a funding mechanism — perhaps assessments against industries that benefit from dewatering (based on an estimate of the water deficit created) — should be established to pay for research projects on the Humboldt River system. A research program funded in this manner might ensure that scientific investigation could go forward on water quantity issues in this state, especially since dewatering affects Nevada primarily and is not the direct responsibility of the Federal Government.

A discussion followed regarding the effects of drought and subsequent flooding on water systems in general and in the Humboldt basin particularly. Mr. Chapman commented that the mining industry wants to find solutions to water quality or quantity problems; however, so long as the industry follows the law, it should not be treated differently or required to meet higher standards than any other entity or resident of the state. He also noted that the "extreme" growth in southern Nevada has produced similar strains on water resources in that region.

Recognizing that the current levels and types of water use has a bearing on the users of the resource and may have a negative effect on the resource itself is important. The key is to understand those issues and to find ways to minimize the long-term impact. There is a significant amount of cooperation in this field of study according to Dr. Miller.

INTERBASIN TRANSFERS OF WATER

Stephen T. Bradhurst

Stephen T. Bradhurst, Planning and Water Consultant, on behalf of the Lincoln, Nye, and White Pine County Commissions, submitted a copy of the amendment which was proposed to Senate Bill 454 ("Limits inter-basin transfers of water") during the 1997 Legislative Session. See Exhibit J. He noted that at the December 18, 1997, meeting of this committee, the commissioners from those three counties made a presentation that identified concerns over interbasin transfers of water. As a result of the filing of applications by the Las Vegas Valley Water District in 1989, rural counties have worked toward three goals:

- To prepare their representatives to appear before the State Engineer and before the Legislature to discuss their concerns, as addressed in the language included in Exhibit J.
- To work in a collaborative way with the Clark County Board of County Commissioners. In December 1997, rural commissioners invited the members of the Clark County Board to join them to discuss the issues related to interbasin transfers. The invitation has been accepted and two commissioners from each of the four counties will meet informally, probably in April 1998.
- To become involved with policymakers, including the LVVWD, to lift the perceived "cloud" that is hanging over the water resources in those rural counties.

If the water transfer issues are not resolved prior to the beginning of the 1999 Legislative Session, the rural counties will, again, request that this committee support legislative change as proposed in S.B. 454 and amended by the language in Exhibit J.

Julie Wilcox Slay

Julie Wilcox Slay, Director, Management Services, LVVWD; Southern Nevada Water Authority (SNWA), concurred with Mr. Bradhurst's update on activities between the affected counties. She introduced Kay Brothers, Director, Resources, LVVWD.

Kay Brothers

Ms. Brothers presented and discussed a series of slides (see Exhibit K) that illustrate:

- The member agencies of the SNWA;
- Nevada's portion of the allotments from the Colorado River Basin water resource;
- The demand on SNWA resources in acre-feet per year through the year 2030; and

- Key elements of SNWA's 1994 integrated resource plan (IRP), including: (1) the IRP schedule; (2) recommendations, adopted in June 1995; (3) resource goals through 2010; and (4) new water intake and water treatment alternatives.

Ms. Brothers reviewed the Water Resource Plan (WRP) adopted by SNWA in January 1996 and amended in February 1997. She briefly outlined details regarding:

- The Plan's Purpose, which describes how the authority intends to meet the demands, including annual reviews and revisions;
- The 1997 Amendments that respond to the: (1) increased water demand forecast; (2) inclusion of the use of Las Vegas Valley shallow aquifer; (3) decreased availability of Arizona's unused Colorado River apportionment in Nevada; and (4) use of Arizona's Water Banking Authority, which will provide further opportunities for Nevada to bank water in Arizona (where 50,000 acre-feet are currently on deposit);
- A comparison of the 1996 and 1997 University of Nevada, Las Vegas water use forecasts and population projections; and
- An assessment of SNWA demands and resources (how it intends to maximize the use of Colorado River apportionment and surplus as well banked water to meet future demand).

Answering a question from Chairman Rhoads, Ms. Brothers explained that there have been substantive negotiations with authorities in Arizona, and it is promising that southern Nevada will be able to procure water from that source. Rules for the interstate water transfer under the Arizona program are due to be finalized during the summer of 1998. The 1989 Cooperative Water Project, which includes those water applications filed for resources in Lincoln, Nye, and White Pine Counties is still an option in the WRP, but no action has been taken in any of the affected basins over the past two to three years. That potential resource is not high on SNWA's priority list, since it is anticipated that water will be available from other points of origin. The applications have not been withdrawn in those three counties because an alternate resource agreement has not been reached as yet. Dialogue will continue, however.

In summary, Ms. Brothers stated that there is:

- An existing firm supply of water through 2007;
- Resources from the Southern Nevada Groundwater Bank, and the Arizona Demonstration Project, in addition to unused and surplus Colorado River allocations will be utilized to meet the demand through 2026; and
- Beyond 2026, the most promising options to meet demands include: (1) wheeling of water from the Muddy and Virgin Rivers, (2) Colorado River banking, and (3) Colorado River marketing and transfers.

Responding to questions and comments from the panel, Ms. Brothers said:

- Water purchased through the Arizona banking program will be more expensive than current sources.
- The exact quantity of water that Arizona may bank for Nevada is unknown.
- With the 50,000 acre-feet banked in Arizona and the water that can be banked in southern Nevada, resources are available through about 2017.
- Obtaining water from the Colorado River to satisfy demands in the Las Vegas Valley will be less expensive than piping water from the basins of central Nevada.
- In her view, Clark, Lincoln, Nye, and White Pine Counties will be able to work out their differences and come to an agreement.

Assemblyman Neighbors commented that rural counties must also plan for the future, and it is, therefore, important to resolve these interbasin transfer issues.

Ms. Wilcox Slay added that the SNWA would be agreeable to sharing more data with the committee or conducting a tour of the southern Nevada facilities.

Mr. Turnipseed commented on Mr. Bradhurst's proposed amendment language to S.B. 454 from the 1997 Session contained in Exhibit J. The wording is not clear in subsection 3, as to whether it refers only to groundwater or if it includes surface water as well. The Truckee River, for instance, flows through four different groundwater basins and discussing basins of origin may cause confusion and lead to transfers being deemed to be "interbasin" when they are not. Otherwise, the suggested language would provide guidance to the State Engineer; however, it does not include anything that is not already considered by that office when deciding on water applications.

Transfer applications must identify the use to which water will be put and the quantity needed to be considered for approval. The language in subsection 2(c) that deals with pending applications would be acceptable if the status of water records for the state was up to date. However, more than 3,000 applications are still backlogged, and there may be bona fide applications for interbasin transfers contained in that number. The proposed language may be a valid restriction, but it will take five years, perhaps, to become current with the filings.

Responding to various questions, Mr. Turnipseed explained that during the 1995 Session his office was authorized to hire seven new people to assist with clearing the back filings. During this past year there was a net reduction in that backlog of over 400 applications. Therefore, over time, the backlog will be substantially reduced; however, there are some files upon which action cannot be taken due to either pending litigation, a need to obtain a federal or state agency determination, a study being in progress, or for some other legitimate reason. Although most western states are not so far behind as is Nevada, most of those states have different forms of water law and they are not experiencing the same level of growth.

The State Engineer's office receives about \$2.3 million from the State General Fund annually, but it also collects fees that supplement its budget. About \$1.6 million will be collected from fees this year. Although only 30 percent of applications come from the mining industry mines, it pays more than its proportionate share of the total fees. As an example of the costs mines incur, Barrick paid \$58,000 to file the temporary change applications for its mine dewatering wells.

In conclusion, Mr. Turnipseed explained that two additional staff positions will be requested during the 1999 Legislative Session. One position is vacant at this time but, recently, there has been less turnover in the engineering staff.

UPDATE ON STATEWIDE POLICY PLAN FOR PUBLIC LANDS

Pamela B. Wilcox, Administrator, Division of State Lands, SDCNR, explained that the division is involved:

- Not only with state land issues but also federal land issues within the state; and
- With the state's counties in an effort to develop policy plans for the public lands.

She introduced Terry Randolph, Planner, Division of State Lands, SDCNR, who was hired following the approval of a new position during the 1997 Legislative Session. She provided a copy of a letter, directed to all Nevada's Boards of County Commissioners and Planning Commissions, dated February 27, 1998, which described the division's ability to provide assistance to interested counties (see Exhibit L).

Terry Randolph

Terry Randolph described his experience with public lands issues and said it is his goal to familiarize himself with the needs of communities throughout the state and act as a "catalyst." It is important to emphasize and initiate programs within the state that are successful. Mr. Chapman welcomed Mr. Randolph and told him that Elko County is in need of immediate assistance to deal with the USFS on road definition and identification issues, and he noted the state still has 5.6 million acres designated as Wilderness Study Areas, which are quasi-wilderness areas. A determination needs to be made and those lands that do not qualify as wilderness areas should be released from study. The time frame for study has expired, and some areas have been determined to be not suitable for wilderness. Such lands should be released now.

Other members suggested that:

- An effort should be made to identify lands for future development adjacent to or within communities that are virtually landlocked.
- The Nevada Association of Counties and the Nevada League of Cities should be contacted for their input.

Mr. Randolph said he would follow up on those suggestions.

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UPDATE ON STATE WATER PLAN

Naomi Smith Duerr

Naomi Smith Duerr, State Water Planner, Division of Water Planning (DWP), SDCNR, provided copies of a draft report, titled "Elko County Socioeconomic Overview, March 1998," prepared by the DWP and used a series of overheads to assist with her update on the State Water Plan (SWP). See Exhibit M.

Ms. Duerr explained that the DWP is responsible for:

- Updating the SWP, which was initiated in the early 1970s. Many changes have occurred in Nevada since that time, and preparing a new plan is similar to developing a large-scale IRP that forecasts the demand for and supply of water throughout the state;
- Collecting and analyzing both hydrologic and economic data statewide as it relates to the division's needs;
- Making grants to small water systems;
- Programs for water education;
- Floodplain management (the National Flood Insurance Program), which includes counseling the state's counties and inspecting areas

to ensure that flood prone areas are not developed;

- Watershed planning;
- Natural resource planning within the department and devising a statewide plan for all natural resources; and
- Cooperating with the 15-member Water Advisory Board authorized in Chapter 540, "Planning and Development of Water Resources," of NRS.

She explained the SWP's schedule and the activities that have been or will be undertaken during its several planning phases, including a period for: (1) introduction, May 1997 through April 1998; (2) economic and hydrologic analysis, May 1997 through April 1998; (3) issue investigation, October 1997 through October 1998; (4) public workshops, June and July 1998; and (5) presentation of the plan to the Nevada Legislature in February 1999. About 20 different agencies maintain water resource data and another 20 deal with economic data, all of which must be accessed and evaluated before the actual water planning process can begin.

Ms. Duerr described the hydrologic resources in the state, referring to maps in the overhead series included in Exhibit M, describing:

- Committed groundwater resources by use and hydrographic regions;
- Fully appropriated groundwater basins, about one-half of Nevada's basins are fully appropriated;
- Major rivers, lakes, and reservoirs;
- Average annual precipitation;
- Average annual lake surface evaporation; and
- The state's 14 hydrographic regions and basins. About one-half of the basins have been designated and are under the scrutiny of the State Engineer.

She then discussed economic and water resource indicators for Elko County, including:

- How the proportional growth rate in Elko County, with 2.7 percent of the state's population, slightly exceeds that experienced in Clark County, which is home to 66.9 percent of Nevada's citizens;
- The rise in service-sector employment contrasted to jobs in the county's mining industry;
- Total valuation of county mineral production, based on the county's gross proceeds of mines tax;
- Water withdrawals, compared with the other counties in the state; and
- Water withdrawals, by use category, which indicate that the majority of water consumption in the county is for irrigation purposes (97.17 percent).

Relative to interbasin transfers of water, the DWP has made recommendations regarding issues that the State Engineer should be considering when assessing such applications, i.e., has the applicant prepared a conservation plan, is the water really needed, is there a need to go outside the basin of destination, does the plan include a regional long-term solution to water resource supply and management for both the basin of origin and destination, and have the economic, environmental, and financial benefits and costs been mitigated.

Answering questions from the panel, Ms. Duerr explained that:

- The recommendations and provisions of the SWP will be used as a guideline by the Legislature and the counties, to accept or reject, in setting water policy in Nevada.
- There are various inventory-type reports on water resources in the state, i.e., the 1992 hydrographic basin summary of the 262 subbasins in the state, but many of those reports are out of date due to understaffing in the division.
- The State Engineer is entering data into a statewide data base from permit applications and other records, and over time that data base will become more comprehensive and useful as a public resource. About 85 percent of all water rights information has been input.
- There is no accurate compilation of irrigation water use in the state. The USGS was producing a water use compilation every five years but, due to budgetary constraints, the status of that project is unknown.

In the water plan, the DWP becomes the repository for all available information and baseline data, which will be compiled and summarized.

Mr. Chapman commented that, although the economic data was collected and displayed for Elko County in Exhibit M, that information does not accurately reflect what is "true" for the county. Many residents of Elko work in neighboring counties and the benefit of their work may be reflected elsewhere, e.g., Idaho, Utah, or Eureka County. Likewise, there are about 2,000 people employed in gaming in Elko who

commute into the community each day. When those types of discrepancies exist in local economic reports, in his view, it skews the state's decisions that may be based on that data.

Ms. Duerr concurred with that observation and added that characteristic of reporting is noted on page 3 of the draft report; however, such resident/employee movement takes place everywhere. In the SWP, the socioeconomic data will be considered, including its flaws, but it will not be the determining factor. The primary concern will be to determine where the water resource is located relative to where the people live and how those two elements interact.

Answering a question from Assemblyman Neighbors, Ms. Duerr explained that not all 17 counties are represented on the Advisory Board of Water Resources Planning and Development. Pursuant to NRS 540.111, "Advisory board of water resources planning and development: Creation; members; vacancies; compensation; chairman; meetings; quorum; duties," seven of the members of the board are from Clark County and represent a wide variety of water users; however, there is no set "end of term" for those members. The role of the board is to advise the Governor, the Legislature, and the DWP on water policy and to assist in the development and review of the SWP. Of course, that advice is considered along with other suggestions from various sources.

INTERIOR COLUMBIA RIVER BASIN ECOSYSTEM MANAGEMENT PROJECT

Chairman Rhoads introduced and welcomed Idaho State Senator Judi Danielson and Idaho State Representative Chuck Cuddy, co-chairs of the State and Federal Lands Task Force (Idaho) and members of the Western Legislative Forestry Task Force; and Jerry Deckard, Executive Director, Western Legislative Forestry Task Force.

Jack Blackwell

Jack Blackwell, Regional Forester, USFS Intermountain Region, explained that he is one of the federal executives that guides the Interior Columbia (River) Basin Ecosystem Management Project (ICBEMP). He introduced Gary Wyke to give a brief overview of the project and its subsequent socioeconomic report.

Gary Wyke

Gary Wyke, explained that:

- The BLM and the USFS are engaged in developing an ecosystem management strategy for 72 million acres of public lands administered by those agencies within the 144 million-acre project boundary, including about 2 million acres in Nevada (632,000 acres of which is in the Humboldt National Forest). The decisions from the project will apply only to federally administered lands.
- The project was authorized by and originated from presidential direction communicated by a letter in 1993. The letter directed the USFS to develop an ecosystem-based strategy for the forests in the eastern portion of Oregon and Washington. Subsequently, the Chief of the USFS and the Director of BLM signed a charter to establish the project, which was published in the Federal Register. The funding has been allocated from the regional offices of the USFS and the state offices of the BLM.
- Money has been appropriated from the two agencies to fund the project.

(Mr. Blackwell interjected that there has been some controversy surrounding the funding of ICBEMP. The General Accounting Office has announced that it will mount a study of where these funds have come from and how those agencies have been able to undertake such a plan. Senator Rhoads commented he understands that the gentlemen involved in this presentation are simply doing the job they are told to do, but the members question how a presidential letter directing the study of eastern Oregon and Washington grew to include approximately 144 million acres in seven states.)

- There was no direct congressional authorization.
- The authority for and the legal need to which this project responds comes from the National Forest Management Act and the Federal Land Policy Management Act (FLPMA), both of which passed in 1976. Those acts authorized the agencies to develop land use plans and to amend and revise them when warranted.
- The need to update these plans has been driven in large part by conditions within the basin, i.e., forest and range land health, noxious weeds, and compliance with the Endangered Species Act, which requires modification when species are added or deleted from the endangered or threatened lists.
- The comment period on this particular amendment project has been extended to May 6, 1998.
- The USFS and the BLM are responding to that presidential letter and the need to update the various management plans in the region. An interim strategy was designed and then this process, with its draft EIS and preferred alternatives, was put forward for discussion and public comment.
- Various species in several states need to be studied and their habitats were, therefore, added to the area under consideration.
- It is difficult to logically stop at state lines when ecosystems and watersheds cross those political boundaries.

The products of the ICBEMP include scientific reports and two draft EISs, which are available to interested parties. The final EIS and record of decision will be forthcoming. Mr. Wyke discussed the following issues related to the project:

- The statement of need, which is twofold — to support the needs of the people with sustainable and predictable levels of goods and services from the resources on public lands, and to restore and maintain ecosystems in the area.
- The preferred alternative that will be proposed as a result of the program will be measured by how it meets that needs statement.
- The seven action alternatives that have been offered under the plan, of which alternative two represents the existing situation and alternative four is the course most likely to be chosen. Alternative four contains the most aggressive restoration plan.

It is anticipated that the project will result in the following "on-the-ground" changes:

- Tree cutting will continue on forest lands, and the timber harvest will be slightly higher than current levels but will include smaller trees;
- A noxious weed control strategy will be applied to rangelands across the basin to limit the spread of these plants;
- An aquatic strategy will be implemented to restore riparian and aquatic areas; and
- A different mix of resource outputs, designed to benefit residents and their economic needs, is anticipated to reduce business fluctuations in the region.

A copy of a report titled "Economic and Social Conditions of Communities: Economic and Social Characteristics of Interior Columbia Basin Communities and an Estimation of Effects on Communities from the Alternatives of the Eastside and Upper Columbia River Basin Draft Environmental Impact Statements," will be mailed to each of the approximately 8,000 names on the project's mailing list. (See Exhibit N) That report:

- Can also be obtained at local BLM offices in western states or through the regional office in Walla Walla, Washington;
- Was prepared at the direction of the U.S. Congress to assess the economic and social data on a community-level basis and forecasts the effects of the various alternatives on those local areas, to augment the contents of the draft EIS. The coalition of counties (in Idaho, Oregon, and Washington) have met and continue to meet with the executives from ICBEMP to express their concerns and points of view; and
- Provides additional information that addresses questions from the public.

Mr. Wyke further described and discussed a series of slides (see Exhibit N) that characterize the economic and social conditions of communities within the study area, and which specifically depict the:

- Purpose and objectives of the study;
- Communities included in the analysis;
- Importance of mining, ranching, and timber employment to local economies;
- Socioeconomic resiliency (adaptability to change) of the affected counties;
- Descriptive characteristics of the basin communities, i.e., geographic isolation, industrial specialization, association with publicly administered lands, and interaction with American Indian communities;
- Limitations of the analysis, including what information cannot be accurately reflected in the report, i.e., "masked" industries; jobs supported by nontraditional exports; the importance of public lands in attracting nontraditional exports; and the proven influence of public lands on specialization, growth, or decline in a given industry;
- Methodologies used for effects analyses and the projected socioeconomic impacts of each alternative on various communities; and
- Cumulative effect on communities that specialize in select industries, including outputs and outcomes.

Mr. Wyke particularly directed the members to details on these topics located on pages 89 and 90 ("Assumptions, Methodologies, and Effects") of the report (see Exhibit N) and noted that a video discussion of the report is available from the BLM or the USFS.

In conclusion, he noted that the final EIS is expected by the spring of 1999 and the record of decision, which will amend all the related existing forest plans and land use plans in the basin, is anticipated to be completed soon thereafter.

Mr. Blackwell added that, although this project was instigated by a presidential letter, it is important to resolve the environmental issues with the socioeconomic realities of the region to avoid continuous and further litigation and to develop strategies to protect endangered species

without destroying local communities.

Jerry Deckard

Jerry Deckard, Executive Director, Western Legislative Forestry Task Force (WLFTF), provided copies of background information describing the formation, makeup, mission statement, focus and goals of the task force; Resolution 97-2, which resolves that ICBEMP be terminated; and a letter from Washington State Senator Bob Morton supporting the task forces' resolution regarding ICBEMP. See Exhibit O.

Judi Danielson, Idaho State Senator, District 8; Co-Chair, State and Federal Lands Task Force, Idaho; Member, WLFTF, described her district.

Chuck Cuddy, Idaho State Representative, District 7; Co-Chair, State and Federal Lands Task Force, Idaho; Member, WLFTF, introduced himself.

Mr. Deckard explained that:

- The WLFTF includes representatives from Alaska, California, Idaho, Oregon, and Washington in addition to two Canadian provinces, Alberta and British Columbia.
- The work of the task force has become more critical recently because of increased ICBEMP activity. After being involved in lengthy discussions with officials of ICBEMP, all western states' members of the task force voted unanimously to adopt WLFTF Resolution 97-2 on December 7, 1997, which calls for the immediate termination of the project. Although representatives from the Canadian provinces did not vote on Resolution 97-2, those members are monitoring the progress of this issue, since it may be a harbinger of future efforts in northern forests.
- A copy of Resolution 97-2 has been sent to the 104 counties directly affected by the project, many of which have indicated support.
- Legislative leaders in the affected states are also circulating letters in support of the termination of the project, which are to be sent to the congressional representatives and to the U.S. President.
- Similar action from this committee, in opposition to the continuance of ICBEMP, is sought, and representatives from Nevada are invited to join the task force even though the amount of land affected is less extensive than that in adjoining states.
- The ICBEMP has the potential to adversely affect the economies of local communities.

Answering questions from the panel, Mr. Deckard commented that the injunctions that have been handed down over the past several years should have been addressed directly. In his view, "running from the injunctive relief" by depending on the possible results of ICBEMP, has not solved any problems. Residents of affected areas will suffer from various orders for injunctive relief that result in the restricting of public lands to only wilderness use. Over time, restrictions and closures will "dry up" the West. In his view, too much money has already been spent on this project and too much damage has been done. When a saw mill, for instance, closes, it "never comes back."

Judi Danielson

Senator Danielson spoke in support of Resolution 97-2 and commented further that:

- Mining is important to Nevada and, although five of the seven alternatives in ICBEMP show no effect on the mining industry, the reason no change is shown is because mining activities in Nevada were virtually ignored.
- The project is likely to result in significant negative socioeconomic impacts on the communities of the 12 western states, which contain 92 percent of the nation's public lands.
- The drainage area affected by the Columbia River basin and related watersheds, approximately 144 million acres, is roughly the size of France.
- Human existence cannot be ignored as a part of ecosystems.
- The effects of injunctive relief in the region will not be improved by continuing ICBEMP, in her view, and if a record of decision is forthcoming, it will "shut down" most of Idaho.
- The potential cost for implementing some of the proposed alternatives would be "extremely high". The project itself started out with a budget of about \$2 million, but the cost-to-date is about \$35 million, all of which has been taken from existing agencies' budgets that have suffered as a result.
- Local forest supervisors and employees of BLM are not at fault, they are just doing their jobs, and some "good" scientific data has been collected.
- Legislative bodies in Idaho, Oregon, and Washington have all passed resolutions asking that ICBEMP be terminated and that no

record of decision be approved relative to the project.

Chuck Cuddy

Representative Cuddy concurred with Senator Danielson's comments and submitted a copy of the Idaho House of Representatives' House Joint Memorial No. 14, which seeks the termination of the project. See Exhibit P. He noted that the vote in the House was 70 to 0 and that the resolution has been transmitted to the Senate for consideration.

The district Mr. Cuddy represents is outside Lewiston, Idaho, which is surrounded by two national forests containing about four million acres. The primary industry in Lewiston produces wood products. There is a pulp, paper, and saw mill, a tissue plant, and other related businesses.

Last year, those two national forests produced about 75 million board feet of timber. By way of comparison, the Idaho Department of Public Lands manages 250,000 acres of endowment land nearby that has and will continue to produce 50 million to 60 million board feet per year on a sustained-yield basis. The money generated from the sale of timber from the endowment land provides revenue for school funding, while the Federal Government activities rarely bring a profit and often operate at a deficit. In his view, ICBEMP is another layer added to the existing bureaucratic system.

The excitement that followed the initiation of ICBEMP, which resulted in businesses and residents anticipating that the project would lead to the management of public lands based on quality science and good business practices, has waned. The money and consultant support provided by Boise Cascade, for instance, has been withdrawn. The forecasts cited in ICBEMP are, in his view, flawed.

Together with Senator Danielson, he co-sponsored legislation that funded a study of the economic impacts on timber-dependent communities, which was performed by the University of Idaho, Business Department. That study predicted that six saw mills would close if the forests on public land were not managed in a manner similar to the practices used by the Idaho Department of Public Lands. Two of the mills mentioned have already closed. Further, the Policy Analysis Group, University of Idaho, has also researched related issues and their findings are not reflected in the ICBEMP report.

Recently, a proposal for improving elk habitat was issued under the guise of ecosystem management for the Clearwater National Forest, which recommends the burning of about 8 million acres of underbrush. The only thing wrong with that proposal is that there are some 56 million board-feet of standing, green timber encapsulated with the burn area. With an average of nine jobs dependent on each million board-feet of timber, such an action potentially destroys a substantial number of jobs. During one public ICBEMP hearing regarding the plan, there were 300 people, in a town of about 3,800 residents, protesting the burn plan. Although there is a need to greatly improve elk habitat, sacrificing jobs on such a scale is not the answer.

In the timber area being harvested by the state, the habitat for the bull, cutthroat, and steelhead trout, the Chinook salmon, and the lynx is secure. In the northern part of the state, where the Grizzly bear is present, management of the forest is done without harming the bear's range.

In conclusion, Mr. Cuddy said the management system used in an area may be the problem, rather than the land itself. He and Senator Danielson co-chair the Idaho Public Lands Task Force, which arranged a tour last year of logging operations on land owned or managed by the USFS, the state, and the Potlatch Corporation. The important result of that tour was the realization that once the process "got to the ground" it was almost the same in every instance; however, the difference was that Potlatch Corporation's planning process to time of execution was about six months; state lands took up to two years; and the USFS took up to six years.

Mr. Cuddy noted that the issues of fisheries and of breaching dams to accommodate fish migration was discussed before a meeting of the Senate Committee on the Environment and Public Works, chaired by U.S. Senator John H. Chafee (R-Rhode Island) about two years ago in Lewiston. At that time, Senator Chafee stated that although the Endangered Species Act (ESA) is "not going away," neither are the dams. Further, in recent discussions with representatives of Idaho's fisheries, it was noted that 3 to 6 percent of fish that migrate to saltwater need to return for spawning to continue the viability of salmon populations. Currently, the return rate is about 1.5 percent; however, there is little difference in the return rates for rivers that are dammed compared to those that are undammed, e.g., the Willamette River near Portland, Oregon, and the Frazier River in Canada.

Mr. Deckard thanked the committee for the opportunity to comment on ICBEMP and offered to further discuss related issues following the meeting or at any other time convenient to the members.

Mr. Chapman explained that, when he lived in Montana in the early 1980s, the 1,200 residents of Troy, Montana, urged the federal land managers to intercede in the beetle infestation that occurred in the Kalispell and Kootenai forests and log out the affected timber in the area. Today, where there were once spots of grey in the forests, there are now mountains of grey, and the result has been "disasterous." When fires occur in areas that suffer from such infestations, the consequence is a hot fire that burns "everything in its path." Federal studies, such as ICBEMP, often suggest burning as the solution to forest health problems, in lieu of using selected logging and slash burning.

Representative Cuddy responded, noting that:

- Idaho has a public corporation operating under the state lands department, which is a fire fighting unit, that oversees about a million acres. The cost to deploy that group is about one-half of the cost of other agencies. Although the area they work in experiences heavy

lightning activity, the average fire size is about 1.25 acres. In 1996, when fires were prevalent in the West, that group had 218 fires in one 24-hour period, the largest of which was 40 acres in size. Elsewhere, thousands of people were fighting fires that destroyed large tracts of land.

- The million acres in which this public corporation is located is the highest-producing temperate forest in the nation east of the Cascade Crest. Much of the property is privately owned by Potlatch Corporation, which strives to maximize the amount of timber brought to harvest. Management activity is taking place continually, and, as a result, there is no buildup of snag material on that timberland. When you contrast that with the forests on public land, you can understand why fires are easily contained and financial losses are minimized.

Senator Danielson added that each forest has its own characteristics and species within it. Therefore, flexibility should be maintained locally to ensure that individual forest communities will be managed properly to avoid heavy fuel loads and other threats to forest health and to improve the interface with residents and tourists.

Mr. Deckard stated that, based on what he has seen in northern forests, the Lake Tahoe Basin is apt to experience one of the "greatest conflagrations" in the history of the West because the forest in that area has not been properly managed.

Mike Nannini

Mike Nannini, Chairman, Elko County Board of Commissioners, introduced Robin Boyce, whose family has been ranching in the area for four generations. Mr. Nannini's written remarks are attached as Exhibit Q. In part, he discussed Elko County's:

- Growth and economy;
- Assessment of the EIS for ICBEMP;
- Concern over the effects proposed burning of forest land to the north of the county when viewed in contrast with the mandate generated in southern Nevada by the Grand Canyon Visibility Transport Commission (GCVTC) study, which demands that air quality be improved and particulates and other pollutants be contained and reduced over the next two decades;
- Untenable position, which results from those two massive federal efforts that make opposite demands on the local governments and residents of north central Nevada. This condition is unacceptable; and
- Position that Nevada's lands should be deleted from the ICBEMP study since the county: (1) has no salmon habitat areas; (2) has no logging or forestry resources; and (3) does not want its rural roads closed to "control erosion," thereby creating "defacto wilderness areas."

At a time when the population is rising in eastern Nevada and demand for recreational opportunities is increasing, funneling more people into smaller more restricted areas is not a good management plan, he said. In his view, the federal management answer is always "more restriction of, less public access to, more rules for, and less local control of" the public lands. How can the same set of rules apply successfully to the vast Columbia River system and to "tiny Jack Creek" in northern Nevada, he questioned.

Mr. Nannini discussed:

- The negative effects on economies, electric utilities, residents, and water rights and storage that would occur with the removal of hydroelectric dams in the northwest;
- The need to consider consequences of the actions proposed, since people must be part of any effective solution;
- The necessity for the county to work with all agencies to find workable solutions and the need for Federal Government agencies to recognize local communities as equal partners; and
- The desire to protect the area's animal species, ecosystems, and environment while providing the economic benefits and the lifestyle that brings people to Elko County.

Government should work from the bottom up and wise conservation and management strategies should be the overall goal of any program. It is the desire of the Elko County Board of Commissioners, therefore, that the county be removed from ICBEMP, he concluded.

Robin Boyce

Robin Boyce explained that most people would be daunted by the volume of material that would have to be read and assimilated to understand and effectively comment on the EIS for a plan such as ICBEMP. To address the needs of such a huge tract of land and the people who live on that land is "Homeric" in its proportion. In her view, due to the size and scope of ICBEMP, many state agencies and residents of affected areas have not become involved in the review process and are unaware of what may result from the project.

Ms. Boyce added that the Boyce family would like to have the opportunity for its children to continue to ranch in Elko County and live a lifestyle similar to that she has enjoyed; however, with the threat of road closures and further restrictions on the use of private and public

lands, the chance of that is uncertain. Beyond the legal, political, and public aspects of environmental issues, there are various personal agendas that can derail the process. In her view, the ICBEMP process "feeds into the hands" of some of those personal agendas.

Tony Lesperance

Tony Lesperance, member of the Elko County Board of Commissioners, explained that:

- Less than 20 years ago, Elko County was the second largest cattle producing county in the nation. Today, the county fails to rank within the top 100.
- The county's livestock industry has been decimated by ever-increasing federal mandates, policies, and restrictions, and by programs such as ICBEMP.
- Elko County contains about 10 million acres, and 26 percent of that land lies within the Columbia River basin and is home to five rural communities, including Jarbidge, Mountain City, Owyhee, Potsville, and Tuscarora.
- Although it is a sparsely settled area, it is the prime livestock area of the county, and if ICBEMP is adopted it will jeopardize the livelihood of that entire area.
- The tax ramifications to the state and county also could be substantial.
- Passage of ICBEMP would negatively affect the mining industry in Elko County.
- Recreation in the Owyhee upland area, which includes 1,300 miles of two-track, dirt roads also would be negatively impacted.
- The BLM and USFS has considered the discontinuance of these roads before and this program would exacerbate that situation. The closure of those roads would severely limit mining exploration, ranching, and recreation.

Mr. Lesperance submitted a copy of Elko County, Nevada, Resolution No. 14-98, dated February 4, 1998, which resolves to ensure the right of road access notwithstanding the interference of other agencies acting beyond their authority, and a copy of Elko County, Nevada, Resolution No. 73-97, dated November 5, 1997, which resolved to reject the draft EIS, the ICBEMP, and its implementation. See Exhibit R.

Mr. Chapman noted that Susan Giannettino, the project manager for ICBEMP, was asked about the obvious conflict between the criteria in this EIS and the recommendations made as a result of the GCVTC relative to air quality. In a letter of response she stated that, "We did not examine the impacts outside the project areas. We believe the Western Governors' Association and the Western Association of State Air Quality Agencies can help you explore these issues." In his view, that is not an acceptable answer. It is obvious that these two \$30 million-plus projects are in direct conflict with one another and all of Nevada is between them.

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PUBLIC COMMENT

Bevan Lister

Bevan Lister, Pioche, Nevada, resident and member of the Nevada Public Lands Commission and of the Western States Coalition (WSC):

- Discussed the WSC's opposition to ICBEMP;
- Noted that Rey Flake, Vice Chairman of the Lincoln County Board of Commissioners, was unable to attend this meeting due to previous commitments. However, it appears that Lincoln County will soon adopt an ordinance that will revise and expand the public lands policy in that county;
- Described a tour of southern Lincoln County, which included members of the Commission for the Preservation of Wild Horses, and the discussions that followed regarding a statewide plan for wild horses; and
- Outlined the progress that has been made on a local elk management plan, which should be completed before the beginning of the 1999 Legislative Session.

Responding to a question from Chairman Rhoads, Mr. Lister indicated that the county would compile a list of public lands that it might be interested in converting to community purposes.

Other actions under way in the county include:

- The discussion of a cooperative project between Douglas and Lincoln Counties, under which ranchers in Douglas County would forego development rights in exchange for public land being transferred to private ownership in Lincoln County;
- The identification of property that might come under the "Lincoln County Pilot Land Development and Disposal Law," which was established pursuant to NRS 321.540 in 1959. That statute developed a rotating perpetual fund for the investigation, study, and

disposal of land in the county:

- The negotiation between the BLM and individuals for the transfer or direct sale of public lands;

(Chairman Rhoads agreed with Mr. Lister that the direct sale of land is more desirable than exchanges or transfers.)

- A discussion with the LVVWD regarding desert land entry restrictions in adjacent basins affected by the water applications held by the district, which pose the same kind of hindrance to use as do WSAs; and
- An internal document that the BLM issued, which includes the "tortoise amendment" (the implementation of the tortoise recovery plan) to the Caliente Management Framework Plan affecting about 1.6 million acres in the southern portion of the county, wherein about 219,000 acres are identified as areas of critical environmental concern that will be effectively closed to use. An interesting aspect of the recovery plan is that about 95 percent of the critical habitat is on private land.

In meetings held during the past year with the USFWS, that agency has failed to recognize any significant adverse effects from the ESA on private land, while local communities and individuals have taken an opposing view. The USFWS has guaranteed representatives from the county that if private landowners do not want to implement the strategy outlined in the recovery plan, those individuals will not be forced to do so.

Mr. Lister commented that although ICBEMP does not directly affect land in Lincoln County, it may ultimately affect adjacent basins (i.e., the Colorado River or Great Basin); that would cause concern. In his view, ICBEMP represents "the great melting of state lines" and "one more loss of sovereignty."

He also provided a copy of a letter addressed to Mike Wickersham, Region III Director, Division of Wildlife, SDCNR, dated March 2, 1998, (see Exhibit S) and explained that Mr. Wickersham had threatened him with legal suit or prosecution for openly criticizing the division. He mentioned that he also filed an affidavit with the Lincoln County Recorder related to Mr. Wickersham's "inappropriate" actions.

Chairman Rhoads closed the period of public testimony and proceeded to action items.

MR. MARVEL MOVED THAT THE COMMITTEE STAFF DRAFT A RESOLUTION, DIRECTED TO NEVADA'S CONGRESSIONAL DELEGATION, OPPOSING ICBEMP . THE RESOLUTION TO BE SIMILAR IN CONTENT TO IDAHO HOUSE JOINT MEMORIAL NO. 14, ADOPTED BY THE IDAHO HOUSE OF REPRESENTATIVES, WHICH SEEKS THE TERMINATION OF ICBEMP.

MR. NEIGHBORS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

Chairman Rhoads commented that a letter should be forwarded to the BLM asking that the "in-house policy" documents related to the "3809" regulations, the comment period for which has been extended to May 6, 1998, be made public.

ASSEMBLYWOMAN OHRENSCHALL MOVED TO FORWARD A LETTER TO THE BLM REQUESTING THAT IT MAKE THE "IN-HOUSE" POLICY DOCUMENTS RELATED TO THE "3809" REGULATIONS AVAILABLE TO THE PUBLIC IMMEDIATELY.

MR. MARVEL SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

The following issues were discussed for inclusion on the agenda for the committee's work session:

- The need for three new positions for the office of the State Engineer's to aid in reducing the backlog of new and change applications for water rights in the state.
- The need to amend the statutes relative to the interbasin transfer of water. Chairman asked Mr. Bradhurst and Mr. Turnipseed to cooperate in providing possible language for a bill draft request.

Chairman Rhoads requested staff, prior to the Ely meeting in June 1998, to:

- Review the federal, state, county, and other agencies' requirements for water quality to determine and report on which has the final authority to determine what level of purity must be attained.
- Contact the Department of Taxation to arrange for a report on the affects on various counties of the tax on net proceeds of minerals and how the taxation process might be streamlined or improved to reduce the impact of market changes on local governments.

MR. CHAPMAN MOVED THAT A LETTER BE DRAFTED AND SENT TO SUSAN GIANNETTINO, PROJECT MANAGER OF ICBEMP, INFORMING HER THAT HER RESPONSE THE POTENTIAL CONFLICTS BETWEEN ICBEMP AND THE GCVTC STUDY DID NOT ADEQUATELY ADDRESS THE COMMITTEE MEMBERS' CONCERNS.

SENATOR JACOBSEN SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

The panel thanked the mining companies for arranging the mine tour.

Exhibit T is the "Attendance Record" for this meeting.

There being no further business, the meeting was adjourned at 4:30 p.m.

Respectfully submitted,

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Linda Chandler Law

Senior Research Secretary

APPROVED BY:

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Senator Dean A. Rhoads, Chairman

Date: _____

LIST OF EXHIBITS

Exhibit A is a copy of the Summary and Conclusions from the "Preliminary Assessment of Cumulative Impacts on Humboldt River Streamflow from Mining Operations in Humboldt River Basin," prepared by Hydrologic Consultants, Inc., of Lakewood, Colorado, dated November 1997, submitted by Paul Pettit, Hydrology Manager for Newmont Gold Company.

Exhibit B is a report on abandoned mine lands, geothermal activity, and petroleum production in Nevada, provided by Doug Driesner, Acting Administrator, Division of Minerals, Department of Business and Industry.

Exhibit C is a written summary of testimony related to mining activities in Nevada provided by Tom Leshendok, Deputy State Director for Minerals, Bureau of Land Management (BLM).

Exhibit D is a list of people interested in public lands matters, including RAC members, provided by Jo Simpson, Deputy State Director of BLM.

Exhibit E is a series of overheads presented by Leo Drozdoff, P.E., Chief, Bureau of Mining Regulation and Reclamation, Division of Environmental Protection, State Department of Conservation and Natural Resources (SDCNR).

Exhibit F is a report titled "Mine Pumpage Within the Humboldt River Basin," prepared by the Division of Water Resources, SDCNR on March 3, 1998, submitted by R. Michael Turnipseed, P.E., State Engineer.

Exhibit G includes copies of overheads and a brochure, titled "The Humboldt River Basin Assessment Progress Report, October 1997," and a list of USGS Internet addresses, presented by Russ Plume, Hydrologist, United States Geological Survey (USGS).

Exhibit H includes a copy of a slide show presentation and summarized information from the USFWS off-refuge study plan, titled "NV - Humboldt River Aquatic Biota Monitoring," dated June 16, 1997, submitted by Stanley N. Wiemeyer, Environmental Contaminate Specialist, United States Fish and Wildlife Service (USFWS).

Exhibit I is a paper titled "NCERQA Grant progress Report, Environmental Protection Agency Grant Number R825289-01-0," together with a series of overheads containing statistics on the Grantsville Heap, the Toiyabe Mine, and the Sleeper Pit Lake, provided by Glenn C. Miller, Ph.D., Professor of Environmental and Resource Sciences, College of Agriculture, University of Nevada, Reno.

Exhibit J is a copy of the amendment which was proposed to Senate Bill 454 ("Limits inter-basin transfers of water") during the 1997 Legislative Session, submitted by Stephen T. Bradhurst, Planning and Water Consultant for the Boards of County Commissioners of Lincoln, Nye, and White Pine Counties.

Exhibit K is a series of slides, describing the activities and plans of the district, presented by Kay Brothers, Director, Resources, Las Vegas Valley Water District.

Exhibit L is a copy of a letter (with attachments), dated February 27, 1998, transmitted to all Nevada's Boards of County Commissioners and

Planning Commissions, which describes the Division of State Lands' (SDCNR) capability to provide assistance to interested counties, submitted by Pamela B. Wilcox, Administrator.

Exhibit M includes a copy of a draft report titled "Elko County Socioeconomic Overview, March 1998," prepared by the Division of Water Planning (DWP), and series of overheads that provide an overview of the State Water Plan, presented by Naomi Smith Duerr, State Water Planner, DWP, SDCNR.

Exhibit N is a copy of a report titled "Economic and Social Conditions of Communities: Economic and Social Characteristics of Interior Columbia Basin Communities and an Estimation of Effects on Communities from the Alternatives of the Eastside and Upper Columbia River Basin Draft Environmental Impact Statements," provided by Gary Wyke, representing the Interior Columbia Basin Ecosystem Management Project (ICBEMP).

Exhibit O contains a copy of information describing the formation, makeup, mission statement, focus, and goals of the Western Legislative Forestry Task Force (WLFTF); Resolution 97-2, which resolves that ICBEMP be terminated; and a letter from Washington State Senator Bob Morton that indicates support for the task force's resolution regarding ICBEMP, submitted by Jerry Deckard, Executive Director, WLFTF.

Exhibit P is a copy of the Idaho House of Representatives' House Joint Memorial No. 14, which seeks the termination of ICBEMP, provided by Idaho Representative Chuck Cuddy.

Exhibit Q is a copy of written remarks submitted by Mike Nannini, Chairman, Elko County Board of Commissioners.

Exhibit R is a copy of Elko County, Nevada, Resolution No. 14-98, dated February 4, 1998, regarding road closures; and a copy of Elko County, Nevada, Resolution No. 73-97, dated November 5, 1997, relating to the rejection of the draft EIS, the ICBEMP, and its implementation, both submitted by Tony Lesperance, member, Elko County Board of Commissioners.

Exhibit S is a copy of a letter addressed to Mike Wickersham, Region III Director, Division of Wildlife, SDCNR, dated March 2, 1998, submitted by Bevan Lister, a resident of Pioche, Nevada.

Exhibit T is the "Attendance Record" for this meeting.

Copies of the materials distributed in the meeting are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the library at (702) 684-6827.