

# **WELL DRILLERS'**

# **ADVISORY**

# **BOARD**

*Nevada Revised Statutes 534.150*

EXHIBIT F – SUNSET SUBCOMMITTEE  
Document consists of 9 pages.  
Entire Exhibit Provided  
Meeting Date: 02-27-12

January 12, 2012

Jason King, P.E. State Engineer  
Office of the State Engineer  
Well Drillers' Advisory Board  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701-5250

Dear Mr. King:

On November 17, 2011, the Sunset Subcommittee of the Legislative Commission met for the first time and selected a number of boards and commissions for review, including your board or commission. The purpose of the review is to determine whether the board or commission should be terminated, modified, consolidated with another board or commission or continued. The review must include, without limitation:

- (a) An evaluation of the major policies and programs of the board or commission, including, without limitation, an examination of other programs or services offered in this State to determine if any other provided programs or services duplicate those offered by the board or commission;
- (b) Any recommendations for improvements in the policies and programs offered by the board or commission; and
- (c) A determination of whether any statutory tax exemptions, abatements or money set aside to be provided to the board or commission should be terminated, modified or continued. (Section 9 of Senate Bill 251, *Nevada Revised Statutes* 232B.220)

Senate Bill 251 requires the Subcommittee to review every board or commission not less than once every 10 years – selection of a board or commission for review *does not mean* that the board or commission will be eliminated; the law also requires the Subcommittee to make recommendations to make the operation of a board or commission more efficient or effective. The Subcommittee selected a wide variety of boards and commissions for the initial review, balancing larger and smaller boards and commissions.

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Jason King, P.E., State Engineer  
January 12, 2012

Enclosed are copies of the form to be completed by all entities selected for review, including items to be submitted along with the form, and instructions for completing the form, all of which can be found on-line (the form needs to be completed on-line) at this address:

<http://www.leg.state.nv.us/Interim/76th2011/Committee/StatCom/Sunset/?ID=33>

Please feel free to contact me directly if you have any questions concerning the Subcommittee or the required information.

Sincerely,

Lorne J. Malkiewich, Director  
Legislative Counsel Bureau

LJM/jp:L02  
Enclosures



**Information concerning Board or Commission  
Subject to Review by the  
Sunset Subcommittee of the Legislative Commission**

*as required by section 10 of S.B. 251 of the 2011 Legislative Session*



**Board or Commission Name:** Well Drillers' Advisory Board Statewide

**Members' Names:** Fred B. Allen, III, Roger M. Thrall, Harlan "Andy" Andresen, Daniel Kohlman and Gary Layne Harris

**Web site Address (if any):** <http://water.nv.gov>

**Web site Developer**  
(if not DoIT, please indicate if DoIT approved the web site): Nevada Division of Water Resources, approved by DoIT

**Executive Director's Name and Contact Information:** Jason King, P.E., State Engineer  
c/o Thomas K. Gallagher, P.E. (tgallagher@water.nv.gov)  
Nevada Division of Water Resources  
901 South Stewart Street, Suite 2002, Carson City NV 89701 Telephone 775-684-2800

**Staff Members' Names:** Thomas K. Gallagher, P.E.  
Mark Sivazlian  
Sue Gilbert

**Created by what Authority:** NRS 534.150(1)

**Authority to adopt regulations (NRS) and citation to regulations (NAC):** NRS 534.150(6)  
NAC 534.282 et seq

**Any required regulations that have not been adopted:** None

**Governing structure of the Board or Commission:** Three member Board with two Alternate members to fill in when regular Board member is absent. Board meets quarterly and sits in an advisory capacity and makes recommendation to State Engineer on suitability of applicant to be licensed as a well driller in Nevada and may hear disciplinary matters pursuant to NRS 534.150(7). Board members are generally chosen from a pool of active well drilling contractors that are willing to participate.

**Information concerning Board or Commission  
Subject to Review by the  
Sunset Subcommittee of the Legislative Commission (Continued)**

**Duties of the Board or Commission:**

Three member Board with two Alternate members to fill in when regular Board member is absent. Board meets quarterly and sits in an advisory capacity and makes recommendation to State Engineer on suitability of applicant to be licensed as a well driller in Nevada and may hear disciplinary matters pursuant to NRS 534.150(7).

**Dates of the Immediately Preceding Six Meetings:**

Aug 11-12, 2010; Nov. 3-4, 2010; Feb. 9-10, 2011; May 4-5, 2011; Aug. 11-12, 2011; Nov. 2-3, 2011.

**Statement of the objectives and programs of the Board or Commission:**

To provide the State Engineer the recommendation of the Board regarding the suitability of an applicant to be licensed as a well driller in Nevada and may hear disciplinary matters pursuant to NRS 534.150(7). This objective goes well beyond standardized testing for applicants and assures the best candidates are licensed to protect the public from less than minimum well construction standards statewide. The licensee is also responsible for protecting groundwater from waste and contamination.

**Statutory tax exemptions, abatements, or money set aside for the Board or Commission:**

None. The Board is paid a daily stipend of \$60 per day and \$30 per half day spent doing work of the Board, in addition to the normal per diem afforded a state employee or official, all paid from the well driller licensing fund (4169), pursuant to NRS 534.140(5).

**Conclusion concerning the effectiveness of the objectives and programs of the Board or Commission:**

The Statewide Well Drillers' Advisory Board has been very effective in going well beyond standardized testing for applicants and assures the best candidates are licensed to protect the public from less than minimum well construction standards and insuring the licensee is also responsible for protecting groundwater from waste and contamination.

**Information concerning Board or Commission  
Subject to Review by the  
Sunset Subcommittee of the Legislative Commission (Continued)**

**Any duplication of services with those offered by another Board or Commission or recommendation for consolidation with another Board or Commission:**

None

**Any recommendations for statutory changes which are necessary for the Board or Commission to carry out its objectives and programs:**

The statutory daily stipend needs to be increased (NRS 534.150(4)) to adequately compensate the Board members for their time away from their company business, as they are typically active well drilling contractors.

**If additional space is necessary, please attach additional pages and refer to the attachments on the form. Please include with this form:**

- 1. The operating budget of the Board or Commission.**
- 2. A statement setting forth the income and expenses of the Board or Commission for at least 3 years immediately preceding the date on which the Board or Commission submits this form, including the balances of any fund or account maintained by or on behalf of the Board or Commission.**
- 3. The most recent legislative audit or other audit of the Board or Commission, and any efficiency studies or constituent or staff surveys conducted in the past 3 years.**
- 4. Any reports required to be filed with the Legislative or Executive Branch over the past 3 years. Please indicate if any reports were filed late or have not been filed.**
- 5. The minutes of any meetings of the Board or Commission in the past year, if any.**

**Please forward all documents to: [jeanne.peyton@lcb.state.nv.us](mailto:jeanne.peyton@lcb.state.nv.us)**

DWR - Well Driller's Licenses  
SCHEDULE OF SOURCES AND USES - B/A 4169  
For the Cumulative Years Ended June 30, 2011

																		Actual			Partial B/F	Final B/F
	FY94	FY95	FY96	FY97	FY98	FY99	FY2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011		CUMULATIVE	FY 2012	FY 2012
REVENUE																						
Unknown Rev. Sources	28,332.00																		A	28,332.00		
Well Driller's License (GL3603)		32,300.00	35,150.00	29,760.00	29,450.00	28,705.00	30,385.00	29,315.00	27,180.00	27,025.50	29,500.00	28,750.00	27,650.00	22,050.00	29,900.00	24,300.00	23,000.00	24,550.00	B	478,970.50	31,625.00	0.00
Bal. Fwd. - From Old		28,332.00	29,017.85	17,749.69	20,758.94	14,874.00	16,323.00	15,952.00	31,837.00	36,668.00	41,108.00	36,879.00	35,806.00	24,009.00	18,598.00	27,591.00	35,939.00	45,815.00	B	477,257.48	30,000.00	21,455.00
Bal. Fwd. - To New	(28,332.00)	(29,017.85)	(17,749.69)	(20,758.94)	(14,873.95)	(16,323.00)	(15,951.74)	(31,837.28)	(36,667.73)	(41,108.07)	(36,878.95)	(35,806.84)	(24,008.93)	(18,598.28)	(27,590.61)	(35,939.22)	(45,815.09)		B	(477,258.17)		
TOTAL REVENUE	31,614.15	46,418.16	26,750.75	35,334.99	27,256.00	30,756.26	13,429.72	22,349.27	22,585.43	33,729.05	29,822.16	39,447.07	27,460.72	20,907.39	15,951.78	13,123.91	70,365.00			507,301.81	61,625.00	21,455.00
EXPENDITURES																						
Salaries - Category 01	1,384.09	2,076.63	1,581.36	1,668.94	1,350.39	1,562.88	1,261.81	1,560.39	16,506.87	21,126.13	18,015.01	18,480.83	11,444.84	6,050.54	3,718.06	4,089.45	7,077.16			118,955.38	30,338.00	11,203.00
Board Members	1,384.09	2,076.63	1,581.36	1,668.94	1,350.39	1,562.88	1,261.81	1,560.39	1,440.00	1,020.00	1,260.00	480.00										
Salaries & Workers Comp									15,066.87	20,106.13	16,755.01	18,000.83										
Operating - Category 10	29,903.06	44,215.53	25,044.39	33,446.05	25,686.61	29,109.38	12,083.91	20,707.88	5,997.56	11,836.92	11,049.15	20,064.24	15,094.88	13,829.85	11,095.72	8,132.46	10,928.04			328,225.63	30,337.00	11,202.00
Salaries - Intrafund Transfers	9,936.96	17,859.47	13,269.99	17,049.29	19,311.02	21,825.43	5,992.60	14,124.88														
In State Travel	3,858.04	5,344.62	1,831.90	3,582.95	2,695.68	3,490.75	2,426.79	3,059.86	3,528.79	5,240.16	4,870.83	4,899.37	5,447.52	7,213.70	7,099.34	3,826.00	6,494.00					
Out of State Travel									208.50				345.10									
Supplies	212.03		265.08	187.96	69.38	12.84	77.19	67.46	109.87	2,610.73	270.53	1,741.53			222.75	425.16	518.85					
Printing/Xerox/Microfilm	3,197.22	1,837.08	1,524.34	1,604.38	2,543.57	1,125.41	1,617.95	2,255.49	522.07	341.52	3,171.57	2,601.62	2,998.47	1,386.80	136.52	711.14	781.04					
Insurance														430.25								
Contracts				80.00	0.00					772.00	716.00											
Advertising & Public Relations										222.89												
Legal		10,304.50		3,453.85	0.00		642.52					7,555.00										
Vehicle Operation	14.20	26.78		44.81	0.00	114.19						29.90	37.29	20.89	53.12							
Postage	1,764.61	2,089.62	2,018.42	3,459.81	1,066.96	1,742.39	1,326.86	1,200.19	1,515.83	1,380.62	1,942.72	3,116.01	4,106.34	4,108.87	3,383.99	2,520.16	2,410.15					
Dues & Registrations			35.00	48.00	0.00				112.50			8.75		10.00			150.00					
Publications & Periodicals		74.46																				
Refunds												50.00		350.00	600.00	200.00	650.00	550.00				
Professional Services		905.00																				
Puchasing Assessment																	24.00					
Remit to Fed. Gov. (USGS)	10,920.00	5,774.00	6,099.66	3,935.00	0.00																	
Computer-Other												12.06	14.10	13.34								
Computer-Software												100.00	891.44									
Computer-Hardware							798.37			1,269.00				46.00								
D.O. Cost Allocation - Category 40										766.00	758.00	902.00	921.00	1,027.00	1,138.00	902.00	905.00			7,319.00	950.00	(950.00) D
SWCAP - Category 88	327.00	126.00	125.00	220.00	219.00	84.00	84.00	81.00	81.00	0.00	0.00	0.00								1,347.00	0.00	
TOTAL EXPENDITURES	31,614.15	46,418.16	26,750.75	35,334.99	27,256.00	30,756.26	13,429.72	22,349.27	22,585.43	33,729.05	29,822.16	39,447.07	27,460.72	20,907.39	15,951.78	13,123.91	18,910.20			455,847.01	61,625.00	21,455.00

Footnotes:  
A - "Projection" amount is based on a 5 yr. average, rounded to the nearest thousands.  
B - Difference between "Bal. Fwd. - From Old" and "Bal. Fwd - To New" is due to IFS rounding.  
C - It was discovered after the FY 05 closing that the balance forward to FY 06 was \$1001 in excess of the actual realized funding available in FY 05.  
See work program #C32523 to correct in FY 06.  
Footnote: Beginning in FY03 Salaries changed from weighted rate to actual itemization by Budget Account.  
D - Director's Office Cost Allocation no longer assessed on the basins per Kelvin Hickenbottom effective FY 2012.

Total Cash On Hand (COH):  
Less Partial B/F:  
Remaining Balance to be C/F to New Year:

51,454.80  
30,000.00  
21,454.80

Prepared By \_\_\_\_\_ Date \_\_\_\_\_

Reviewed By (Water Resources) \_\_\_\_\_ Date \_\_\_\_\_

Approved By (Water Resources) \_\_\_\_\_ Date \_\_\_\_\_

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	FY94	FY95	FY96	FY97	FY98	FY99	FY2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Actual FY 2011		CUMULATIVE	Partial B/F FY 2012	Final B/F FY 2012
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Bal. Fwd. - From Old		28,332.00	29,017.85	17,749.69	20,758.94	14,874.00	16,323.00	15,952.00	31,837.00	36,668.00	41,108.00	36,879.00	35,806.00	24,009.00	18,598.00	27,591.00	35,939.00	45,815.00	477,257.48	30,000.00	21,455.00	
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30,000.00  
21,454.80

Prepared By: mmumathu 8/17/11  
Date

Reviewed By: Bernie Kridonowicz  
Date: 8/17/11  
K.L. Hall  
Approved By: (Water Resources)  
Date: 8/17/11



Information concerning Board or Commission  
Subject to Review by the  
Sunset Subcommittee of the Legislative Commission

The operating budget for the Well Drillers' Board is generated by the collection of Well Driller License Fees. The revenue and Expenditures for the past 3 years are as follows:

<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>
Revenue \$24,300	Revenue \$23,000	Revenue \$24,550
Balance Forward \$27,591	Balance Forward \$35,939	Balance Forward \$45,815
TOTAL REVENUE \$51,891	TOTAL REVENUE \$58,939	TOTAL REVENUE \$70,365
Expenditures \$15,952	Expenditures \$13,124	Expenditures \$18,910

See Attached Sources and Uses for Revenue and Expenditures from 1995 through 2011. Please note that a portion of the salaries is also for an Administrative Assistant 3 and a Well Supervisor.

The Well Drillers' Board has not been audited; however, the Well Drillers' License Fund within the Division of Water Resources was audited in 1971, 1977 and 1982.