

**SENATE FINANCE COMMITTEE
HEARING**

MAY 8, 2015

TESTIMONY ON SENATE BILL 46

**JAYNE HARKINS, P.E.
EXECUTIVE DIRECTOR
COLORADO RIVER COMMISSION OF NEVADA**

Good morning Chairman Kieckhefer, distinguished members of the committee, I am Jayne Harkins, Executive Director of the Colorado River Commission of Nevada (CRC). I am honored to appear before you to provide the CRC's testimony in support of Senate Bill (SB) 46. Our Chairman regrets that he is not able to be here in person because he is in trial in Las Vegas, but he sends his regards and his appreciation for the efforts of the Committee.

The CRC is directed by Nevada Revised Statutes (NRS) Chapter 538 to receive, protect, safeguard, and hold in trust for the State of Nevada all rights to waters of the Colorado River and power generated thereon. The primary resources of the Colorado River consist of hydroelectric power generated at the dams on the river, the 300,000 acre feet of water allocated to Nevada from the Colorado River (which is 90% of Southern Nevada's water supply) and the wildlife habitat and species in the Lower Colorado River Basin.

The CRC is further charged with the responsibility to represent the State of Nevada to bring the greatest possible benefit to the state from Colorado River water, which we have done in conjunction with the SNWA over the past two decades, and from electric power. The CRC also operates and maintains a high-voltage transmission and distribution system valued at \$120 million and transacts around \$280 million annually in electric power purchases and sales for its contractors.

PURPOSE OF SENATE BILL 46

The purpose of Senate Bill 46 is to give the CRC the ability to recruit and retain the highly capable and technologically knowledgeable personnel needed to protect the State's rights to Colorado River resources and carry out its electric power functions.

The CRC has lost valuable employees with high level education and professional expertise in electric power and water matters to jobs with private or public utilities, companies, and local government agencies, which pay significantly higher salaries. Employees with these qualifications are not generally available at other State agencies.

One CRC employee making \$102,000 accepted a job offer at a public power company in Washington for \$150,000. Two other employees have left in the last 2 years for higher paying salaries. Additionally, the CRC has 8 employees eligible to retire in the next 5 years, which is 24% of our current workforce. Current salary levels are the single greatest obstacle to the agency recruiting and retaining the qualified professionals needed to carry out our mission and maintain customer service.

SUMMARY OF SENATE BILL 46

- Exemption from the State Budget Act:

SB 46 proposes to streamline the budget approval process by authorizing the CRC and the Public Utilities Commission of Nevada (PUC-N) to approve agency budgets and salary structures in open public meetings subject to NRS 241.

- Moves All Employees to Nonclassified Service and Exempts them from Pay Cap:

SB 46 proposes to recategorize CRC employees as nonclassified employees, exempt them from the pay cap, and allows employees to participate in PERS and PEBP.

SB 46 also gives one-year reemployment status to classified employees who wish to stay in the classified service in another state agency.

- **Continued Legislative Oversight:**

SB 46 requires CRC to continue to submit its biennial agency budget to the Legislature and to the Budget Division of the Department of Administration, which is similar to the way several other agencies are treated today.

CRC would remain as an agency of the state under the oversight of the Legislative Committee on Public Lands and comply with the Nevada's Open Meeting Law, Public Records Act and other applicable state laws.

CRC would continue to issue annual Comprehensive Annual Financial reports, and be subject to audits by the Legislative Counsel Bureau and the Department of Administration's Division of Internal Audits.

SB 46 DOES NOT IMPACT GENERAL FUND REVENUES

The CRC receives no general fund revenues, because it is fully funded through fees paid by our power and water customers, and it will receive no general fund revenues if SB 46 is enacted.

CRC SUPPORT

On April 23, 2015, the Colorado River Commission of Nevada voted 5-2 in support of SB 46.

Chairman Ogilvie provided more detailed support for SB 46 in his February 23, 2015 testimony, which is available on NELIS.

Thank you very much for this opportunity to provide information to the Committee in support of SB 46.