

Nevada Land Management Task Force
(Established Pursuant to Assembly Bill 227 enacted in the 2013 Legislative Session)

August 16, 2013, 1:00 p.m.
Eureka Opera House
31 S. Main St.
Eureka, NV 89316
Meeting Minutes

Attendance

Commissioner Virgil Arellano, Lyon County; Commissioner Pat Irwin, Pershing County; Commissioner Nancy Boland, Esmeralda County; Commissioner Dan Cassinelli, Humboldt County; Commissioner Laurie Carson, White Pine County; Commissioner Tom Collins, Clark County; Mayor Bob Crowell, Carson City; Commissioner Demar Dahl, Elko County; Commissioner Carl Erquiaga, Churchill County; Commissioner JJ Goigoecheia, Eureka County; Commissioner Vaughn Hartung, Washoe County; Commissioner Doug Johnson, Douglas County; Commissioner Kevin Phillips, Lincoln County; Commissioner Bill Sjovangn, Storey County; Commissioner Jerrie Tipton, Mineral County; Commissioner Patsy Waits, Lander County; Commissioner Lorinda Wichman, Nye County.

Agenda Item 1. Public Comment.

Commissioner Wichman thanked Demar for sending out the memo on committee protocol and suggestions.

George Farman noted that the state of Nevada's federal public lands are deplorable, that agriculture is and should be the back bone of our state's economy, as mining is a nonrenewable resource. He said that he believed that the ranching industry has disappeared. He said that there were 15 permittees with cattle and one with sheep in the Toiyabe Forest. Mr. Farman believes that that has caused the fuels build up.

Agenda item 2. Approval of Agenda. For Possible Action.

Commissioner Tipton moved to approve the August 16th Agenda for the Nevada Land Management Taskforce meeting. Laurie Carson seconded the motion. No discussion. Motion carried unanimously.

Agenda item 3. Approval of the Minutes of the June 28, 2013 Meeting of the Nevada Land Management Task Force. For Possible Action.

Commissioner Jerrie Tipton moved to approve the minutes of the June 28th Nevada Land Management Task Force. Commissioner Lorinda Wichman seconded the motion. No discussion. Motion carried unanimously.

At this time in the meeting Chair Dahl referred to the memo that he sent out to the committee. Chair Dahl briefly reviewed the memo, which included recommendations of issues that should be incorporated as the Task Force moves forward. This memo has been attached for reference.

Chair Dahl also reminded the Task Force that if there is a specific issue area that someone has particular interest or expertise in, to let Dagny Stapleton know, as the board may want to create subcommittees to concentrate on specific issues.

He also reminded the board members that they are responsible to take the information that is provided at the Task Force meetings back to their respective county commissions. He also reminded them to make sure their report of the meeting is included on the agenda for the commission meeting so that everyone that is interested in what the Task Force is doing can attend.

He also reminded the board to state their names and counties for the record and for people who are participating via phone or video.

Chair Dahl then addressed the Task Force's work moving forward. He noted that the process is just being started, but that the goal is to try and come to a consensus on the task that was given to them by the legislature. As the Task Force proceeds it is a general practice to hire someone to consult or plan to help do the job. He said that his idea, rather than do that, is that this committee do the work. He said that as they meet today, comprehensive notes will be taken about what is said, those notes will be analyzed to try and find direction, and that a meeting synopsis will be provided for each member to take back to their commissions. After that report is made to the commissions and feedback is given from the public, information should be given to Dagny and it will be put on the agenda for the next meeting.

Chair Dahl noted that he is hoping that the work of the Task Force will come full circle - moving from ideas, concerns and questions, to respective commissions and to the public, and then their concerns, ideas and questions will come back to the Task Force.

Chair Dahl stressed that the process will be inclusive of everyone in the State that has an interest in this issue, and then reminded the board that there is just under a year for the task to be completed.

Chair Dahl then asked the Task Force to add their ideas, and asked if anyone else had any other recommendations for moving forward and getting the Task Force where they need to be - which needs to be as close to they can get to a consensus on whether or not the State should move forward on trying to get federal lands back.

Commissioner Boland asked if Chair Dahl saw a need in the future to hire someone to help them analyze any data that might need to be collected. She added that that would be a good thing to bring these to the attention of the respective counties now, in case there is a need to request financial support.

Commissioner Collins said that Clark County has the staff to help provide some of the extra support and expertise.

Agenda Item 4. Overview of Legislation in Other Western States Regarding the Transfer of Public Lands.

Chairman Dahl gave a brief update on land transfer initiatives in other states. Five states have passed legislation related to this topic including Utah, Montana, Idaho, Nevada, and Wyoming. The Wyoming land transfer group has met once, with others planned soon. There is a meeting in Park City Utah, on October 2nd, which is part of an effort to try and coordinate with other states and present a united front. Utah passed their transfer bill already, and is currently starting a study. Montana has a joint resolution that requests an interim study that would review the management of federal lands, assess risk, and to identify solutions to management issues. Idaho has passed HCR21, which would authorize the Idaho Legislature's counsel to assign a study committee to look at acquiring federal lands. Arizona's bill was passed last session but vetoed by the governor for lacking a number of protections. The bill will be re-introduced. Colorado and New Mexico tried to duplicate Utah's efforts and in their next legislative sessions they will look to introduce bills to commission studies, much like what was done in Nevada.

Agenda Item 5. Presentation on Studies Commissioned by Eureka County in 1994 and 1996 on Public Lands Transfer Issues.

At this time, Commissioner Dahl included **Agenda Item 7: Initial Discussion of Cost and Revenue Implications of the Transfer of Public Lands to Nevada**, as Mr. Baughman would be covering these issues in his presentation.

Mike Baughman, President of Intertech Services, gave a presentation on studies he participated in, in the 1990s regarding impacts and feasibility of transferring federal lands to the State. Mr. Baughman has a PhD in environmental policy, a master's degree in resource economics, and an undergraduate degree in resource economics, from UNR.

To help frame the issues in his presentation, Mr. Baughman began by saying that Nevada is the only state in the West with greater than 50% of its land area administered by the BLM. All others have less than 50%. Nevada also has the highest percentage of federal land administration of all federal agencies.

Mr. Baughman gave his PowerPoint presentation on studies that were completed at the behest of Eureka County in the mid 1990's. Multiple firms were hired to gather information on the administration of public lands in Nevada. After the information was compiled it was reviewed and a number of resource Documents were produced.

First Mr. Baughman spoke about the Eureka County initiatives, saying that they are a good as a base of information for the Task Force to begin with. He noted that many of the conclusions in the documents and the inferences that can be drawn from them will be relevant to today. He suggested that this Task Force look at this information and ask how it is still applicable today, and how the case can be made for its relevance.

Mr. Baughman then gave the time frame within which the 5 studies were done.

In 1994 Resource Concepts, Inc. worked on the fiscal analysis for this report.

In 1995 Mediation and Public Management Inc. helped to produce the study called “Eureka County Alternatives for Decision Possibilities and Options.” A hard copy of this study has not been found.

In 1995 “Eureka County’s Plan for Nevada’s Public Land” was produced with help again from the Mediation and Public Management Inc. This document might also be in the County Archives.

In 1996 “Alternatives for Management of an Expanded State Land Base in Nevada,” was prepared by Intertech Services with assistance from Resource Concepts Inc. This study will be the focus of the presentation, as it was in this study that most of the economic and fiscal analysis was done.

The last document was sponsored by Eureka county in the 90’s was called “Managing Public Land in Nevada: A Strategy for Encouraging Public Discourse on the Need for and Design of Enhanced State and Local Government Roles.” Mr. Baughman noted that he believed that this study would be helpful in providing information on how to reach the desired consensus on this issue.

Mr. Baughman reviewed state versus federal land management – from an economic perspective. He noted that the first observation was that states do in fact manage land profitably. The report found that the BLM consistently spends more than it takes in to manage public lands. He noted that this notion isn’t necessarily wrong - as the BLM’s mission is different than that of the state, local government or a private owner, and therefore the goals and objectives may also be different. Mr. Baughman went on to say that there is no reason that the management of public lands can’t be looked at from the perspective of generating a net revenue, to help fund other activities or programs that the state is struggling to fund.

Commissioner Collins asked how the state or local government would work to not compete with the private sector for the development of the land, but be in a position where they have the ability to transfer to the private sector or develop.

He also reviewed a chart that looked at the cost and management styles of states and the federal government side by side. The states that were looked at were western states that had land managed by both the state and by the federal government. In this study all revenue amount and net profit and loss numbers were reviewed for both states and BLM. They found that across the board all states generated positive net revenues that ranged in magnitude from 127.5 million to a low of 15.6 million per year, this averaged out to positive net revenues of 51 million dollars a year.

He noted that in looking at data for the BLM gathered across many states it was apparent right away that the revenues they were taking in were much lower, they were managing more acres, their expenses were higher without exception and they don’t have any net positive revenues. As an example he said that the federal government does give the BLM a billion dollars to manage land and the BLM doesn’t turn around and give the federal government back 200 million

because they had a net profit. He continued to explain that they believed that the concept at the state level might be: that the state could give 1 billion dollars in funds to manage land, and end up with 200 million dollars coming back from net profits that have been generated in a variety of different ways in different states. He added that that is an issue that would need to be debated - should a positive net revenue stream be created, where should that money go?

Commissioner Carson asked for clarification on the scope of the studies being reviewed, asking specifically if they only looked at BLM management.

Mr. Baughman said that the scope of their analysis was only BLM managed land, as he believed the definition of “public lands,” to be BLM lands and the use and nature of BLM land and Forest Service land is very different. He also went on to say that should this group decide to try and redeem all federal lands, it may be difficult to redeem Forest Service lands, in general, as opposed to getting BLM land transferred. He went on to say that he believed the nation views the National Forests as having a higher intrinsic value than they do the lands administered by the BLM. In terms of resources, the National Forests have a lot of timber, and some minerals; however, there is more revenue generating potential on BLM lands in regards to mining, oil, etc. Commissioner Wichman asked if Mr. Baughman thought there might be legal issues with transfer because of how the National Forest Service was created using congressional reserves.

Mr. Baughman acknowledged that Doris Metcalf, retired BLM from White Pine County, would be a great resource and is very knowledgeable on these issues. Commissioner Carson introduced Ms. Metcalf. Commissioner Carson when on to introduce Mike Herder, Ely District of the BLM.

Mr. Baughman then directed the Task Force’s attention to a table that addresses the FTE numbers, which can be an indicator of efficiency of land management. He noted that in general states manage a greater number of acres per full time equivalent than the BLM. The BLM puts out a performance report each year. It would be important for this group to find out if these numbers have changed since the study was done in 1996.

Mr. Baughman acknowledged that fire is a big question when looking at land management issues. He presented data on fire suppression - they found that the state agencies were seemingly much more efficient with their resources when fighting fires; however, he acknowledged that he couldn’t point to exact reason why this was.

Commissioner Arellano noted that because the cost for fire suppression is so high, fire budgets are just “thrown out of the window.”

Mr. Baughman noted that when looking at the average acres burned for the two entities, state and federal, the numbers aren’t too different; however, the costs per acre for fighting fire are significantly less for states. He asked, if the state was to take on a larger fire suppression role, could the state maintain a cost structure that would make it affordable to do so?

Mr. Baughman noted that they tried to take the information from other states and create a template of land use in Nevada. He noted that the bottom line was that when looking over the numbers you see a range of net profits that are from a high at about \$9.50 per acre in New

Mexico, and a low at \$4.36 per acres in Utah.

Mr. Baughman went on to say that to complete their study they took the cost structures from other states and applied them to Nevada's BLM land base which, in 1996 was 47,966 217 acres.

Using these ranges of numbers they were able to show that, using the models, it would be possible to obtain positive net revenues - and looking at the total area, they derived that it could be possible to obtain net revenues that approach 450 million dollars, or so. They projected that by adopting a similar management style, the cost of managing the land could be around 154 million dollars, which would leave a net revenue of around 350 million dollars.

Mr. Baughman ended his presentation by saying that they were able to conclude that the state of Nevada, or local governments in Nevada, could administer an expanded land base and that it does appear that Nevada could affectively manage those resources and even generate revenue. After reviewing to scenarios, in the worst case situation, in which it costs the state a lot more to manage the land than they had anticipated, there is still positive net revenue per acre.

Finally his presentation looked at economic land uses. He acknowledged that the BLM does in fact have revenue generating economic land uses on public land, but they also spend a lot of money doing it.

Commissioner Collins questioned that if their report from 1996 included all of the infrastructure, and public service entities that would need to be created. He acknowledged that State Lands in Clark County are hard to access and more costly than federal lands.

Mr. Baughman noted that they looked at other states and found that each state had figured out what models and cost structures needed to be adopted to make state lands workable and profitable.

At this time Commissioner Collins expressed that he would like the federal government to release the Gold Butte area, and to allow off road vehicle use on the Nellis Sand Dunes Area.

Commissioner Waits expressed that she would like to see mountain biking added under multiple use, as that is something that areas with Forest Service land have to deal with.

Mr. Baughman noted that with regard to the cost of operation, the BLM is higher than what the states do and appears to be less efficient - the net cost of operations, in 1996 was 830 million dollars nationwide, and in 1997 the net cost of operations was 1.2 billion. In 2007, which was the most recent BLM accountability report, the nationwide cost of operation was 2.5 billion dollars a year. In the 10 years since this study was done the net cost of the BLM's operations has doubled. He acknowledged that they do not have information on whether the state's cost to manage lands has increased in the last 10 years, but that would be information that could be beneficial to this group.

Mr. Baughman noted that the BLM and the Nature Conservancy have documented that the health of the land in Southern Nevada is declining - despite the increase in BLM cost for managing the land. Mr. Baughman suggested that this was because the BLM doesn't have a designated revenue

stream, and they have to go to Congress to get funding. Mr. Baughman noted that he didn't believe that they were able to generate enough money from revenue to have enough money to put back in to the landscape. Mr. Baughman also said that he believed that a state government would be better able to allocate funds more directly to the landscape and to take care of the resources they are administering.

Mr. Baughman then presented what he believed to be the four main overarching approaches to how a state might have greater state or local government control of public lands: 1) a state gets full title - congressional transfer outright; 2) partial title, obtaining rights of part of the land, like mineral rights; 3) land use agreements with the BLM, or special designation by Congress; 4) though contract management.

Agenda Item 6. Initial Discussion on Potential Lands to be Included in a Transfer of Public Lands from the Federal Government to Nevada.

Chair Dahl opened up the discussion to the committee. He then read a scoping letter that was written by Jake Tibbits, Eureka County Natural Resources Director. A number of members hadn't received it. Chair Dahl asked that the information be sent to everyone. Commissioner Dahl went on to read a paragraph from the letter, as a suggestion of where to start the discussion.

He began by saying that, one of the first things that Utah did in their bill, when they made the demand for the transfer was ask that National Parks, Monuments, Wilderness Areas, and other congressionally approved areas were taken off the table for transfer.

Commissioner Bill Sjovangen began the discussion by talking about a meeting with Congressman Amodei that they had about the Storey County Land Bill. During the conversation the Congressman suggested that possibly though NACO and the Task Force, a list should be created respective to each county for all desired lands – he suggested that it might be easier to go in with a big package and then trim the request down. Commissioner Sjovangen noted that there is also an issue right now trying to actually get these lands bills introduced on the floor. He went on to say that Storey County has broken their desired land in to three categories: land that they definitely want, land that they are neutral on, and land that they definitely don't want because of liability issues.

Commissioner Phillips said that Lincoln county would like to see all land transferred except land that has been congressionally set aside, to the management of Nevada and Lincoln County within their borders. He noted that they need to find about who would have rights to the mineral estate.

Commissioner Boland reminded the board that moving forward they need to keep in mind that the state has extensive military instillations - should DOD Lands be exempt? Should test site land be exempt?

Commissioner Collins said he believed that the state would be best served if they presented a prioritized list of lands by county.

Commissioner Waits informed the board that Lander County has approximately 83.2 percent of its land administered by federal entities. BLM manages 74% and the Forest Service 8%; however, she was unsure if Forest Service land was going to be considered. She also noted that Lander County doesn't have any designated Wilderness Areas.

Commissioner Arellano said that he would like to express some of the concerns that are being shared by Lyon County constituents, which are: historical usage, grazing, recreation, public access and mining opportunities.

Commissioner Hartung informed the Task Force that Washoe County created a GIS Map, which has different overlays relating to land use. He sent the link to the map to NACO staff and asked that staff make the information available.

Commissioner Carson informed the board that White Pine County is still reviewing what lands they might want to consider, however, legal language questions have arisen. A list of those concerns were sent to NACO staff. She also noted that this information has not gone in front of their Commission, and that she has been working with their planning department, and with the public lands department. She said that as of right now, White Pine County would not touch any Wilderness Areas. They have, however, identified through their land act, 45,000 acres up for disposal that they think they will look at.

Commissioner Carson went on to explain that she has concerns about an actual transfer, and what might happen if the land indeed got transferred to the State and then to the county - what would counties, based on their fiscal responsibilities, be able to handle?

Commissioner Wichman informed the Task Force that a map of Nye County showing their desired lands was sent to NACO staff. She asked that it be reviewed, but said that this is just a starting point for Nye County.

Agenda Item 7. Initial Discussion on Transferring Multiple Uses, Including but not Limited to Outdoor Recreation, Mining and Prospecting, Timber, Grazing, and Fish and Wildlife Purposes, with the Transfer of Public Lands.

Chair Dahl referred to Jake Tibbitts' statements in his scoping letter, as a place to start the conversation:

“...All valid existing rights and currently permitted rights associated with these lands, such as mining claims, grazing rights, rights of way would transfer as well...”

Commissioner Sjovangen expressed that he believes the State of Nevada should identify the land it wants as well.

Commissioner Collins added that fees should stay the same for the rights of ways and easements for infrastructure.

Commissioner Dahl said that he would continue to make changes to the specific language, but at

this point he would accept this as general consensus on this issue.

Agenda item 8. Initial Discussion on Which Public Lands, if Transferred to State Ownership, Should be Sold or Exchanged into the Private Sector and How Should the Sales Take Place?

Chair Dahl began the conversation by saying that he wanted to see a process that was transparent. He said that there are a number of lands that this committee could get a consensus on for sale, especially along the rail corridor.

It was suggested that any land that would be sold should be approved by the governing county commission - so that everyone in the county would have an opportunity to keep track. Also, any land that was sold should be a benefit to the state, county, and private sector - though there would have to be justification to why the land was sold and there would have to be a plan for the use of the land.

Commissioner Boland said that she wanted to see maps of the state and the counties in order to help identify land to be disposed of.

Commissioner Jim French said that he expects difficulty releasing the PILT payments that counties receive from the federal government.

Commissioner Tipton asked about phasing in and phasing out of lands, suggesting that this might be a way to simplify the transfer process and help with the PILT funding issues.

Agenda Item 9. Suggested Agenda Items for the Next Meeting Including the Possible Continuation of Agenda Items from the August 16th, 2013 Meeting, Identifying Additional Stakeholders, and Approval of Dates and Locations for Future Task Force Meetings. For Possible Action.

Commissioner Kevin Phillips said that he would like to discuss the relationship between the state and the counties.

Dagny Stapleton noted that the Jim Lawrence from the Nevada Division of State Lands was willing to make a presentation to the Task Force.

Commissioner Waits said that law enforcement and emergency medical aid should be included.

Commissioner Dahl noted that he would like the Task Force to invite the Nevada Mining Association, Doug Bussleman from the Farm Bureau, Tina Nappe of the Sierra Club, the Nature Conservancy, SLUPAC, the Sheriffs Association, and the Forest Service to be involved in meetings.

The committee decided that the next Task Force meeting would be held on Friday September

27th at 10am in Winnemucca - video conferencing should be available for this meeting.

Agenda Item 10. Public Comment - Please Limit Comments to 3 Minutes

Jim Faulk, secretary of the Fallon Tea Party spoke about the great increases in federal lands over the last number of years, and said that he believed that this increase was related to the UN's Agenda 21 initiative.

Jim Gifford noted that the Task Force needs to pay attention to using the word "public lands." He also suggested that the Task Force would benefit from obtaining a financial analyst.

Assemblyman John Ellison said that he wanted to see Senator Pete Goicoechea, as sponsor of the bill, and requested that these issues be discussed by the Interim Committee on Public lands. He also noted that PILT Funding is not consistent, and it is an ongoing up hill battle.

Jeff Fontaine informed the Task Force that he met with representatives from Senator Heller's and Senator's Reid's offices, both are trying to introduce legislation to address the Sage Grouse issue.

Agenda Item 11. Adjourn - Action

Commissioner Nancy Boland motioned to adjourn the meeting. Commissioner Collins seconded the motion. The motion carried unanimously.

Nevada Land Management Task Force
(Established Pursuant to Assembly Bill 227 enacted in the 2013 Legislative Session)

MEMORANDUM

August 9, 2013

TO: Task Force Members
FROM: Demar Dahl, Nevada Land Management Task Force Chair
SUBJECT: Committee Protocol & Suggestions

The following are a few suggestions we might want to incorporate into our activities as we move forward with our task:

- Remember nearly everything being done this early in the process is still in the idea stage. We can and probably will change our minds, collectively and individually, maybe several times, as we move through the process and get more information.
- Being early in the process, it may be a good idea, for now, not to call for a vote on the issues unless there is an obvious consensus or to only vote on where and when to meet next, etc.
- If there is an issue that you have a particular interest in or incredible expertise, let Dagny know, as at some point we may want to create subcommittees to concentrate on particular issues.
- Remember you are responsible to take the information from our meetings to the County Commission you represent. Also make sure your report is included on the agenda of the meeting you report in so everyone who has an interest in what we are doing can attend.
- Because some will be participating in our meetings via video and teleconference it is sometimes difficult for them to tell who is speaking, lets always state our name and county before speaking. That seemed to work well in our last meeting and it will also help us not to talk over one another.
- Remember, we agreed not to tolerate rude behavior and to assure everyone is treated fairly.

Thank you for your willingness to serve. I look forward to serving with you and expect we can do a good job for the people of Nevada.