

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS  
AND THE  
SENATE COMMITTEE ON FINANCE  
JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP**

**Seventy-Fourth Session  
April 18, 2007**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on Higher Education/CIP was called to order by Chair Morse Arberry Jr. at 8:38 a.m., on Wednesday, April 18, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/74th/committees/](http://www.leg.state.nv.us/74th/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Assemblyman Morse Arberry Jr., Chairman  
Assemblywoman Barbara E. Buckley  
Assemblywoman Heidi S. Gansert  
Assemblywoman Sheila Leslie  
Assemblyman John W. Marvel  
Assemblywoman Debbie Smith

**SENATE COMMITTEE MEMBERS PRESENT:**

Senator William J. Raggio, Chairman  
Senator Barbara K. Cegavske  
Senator Bob Coffin  
Senator Bernice Mathews

**STAFF MEMBERS PRESENT:**

Mark W. Stevens, Assembly Fiscal Analyst  
Gary Ghiggeri, Senate Fiscal Analyst  
Eric King, Program Analyst  
Connie Davis, Committee Secretary  
Patricia Adams, Committee Assistant

**PROJECT 07-C01 ADA CONNECTING STRUCTURE-STATE MUSEUM,  
CARSON CITY, PAGE 2**

Chairman Arberry opened the hearing on Project 07-C01.

Gustavo Nunez, Manager, State Public Works Board (SPWB), appeared before the Subcommittee to testify in support of Capital Improvement Program (CIP) CIP 07-C01.



The Executive Budget recommended \$2,943,159 to complete a 3,500 square-foot connecting structure between the Carson City State Museum building and the museum's north annex building, the installation of a passenger elevator, and the replacement of an existing service elevator.

Mr. Nunez provided a PowerPoint presentation ([Exhibit C](#)) that included a vicinity map and site plan of the existing museum building; two additions to the rear of the main building; the north building, previously used by First Interstate Bank (FIB); and the proposed structure connecting the buildings.

Mr. Nunez provided the following information:

- The total budget for the project was \$2,943,159.
- CIP 07-C01 was a continuation of Project 05-C27.
- The project proposed 3,500 total square feet of new construction, remodeled portions of three floors of the Mint building, and one floor of the old First Interstate Bank building.
- The project proposed a structure to connect the Mint, Guild, Calhoun, and north buildings.
- The project would bring the Mint building into compliance with the Americans with Disabilities Act (ADA).
- The project was 100 percent state-funded and would be constructed on existing state-owned land.

Christian Chimits, Deputy Manager, State Public Works Board (SPWB), told the Subcommittee that the U.S. Mint building, housing the State Museum, was over 130 years old and served to fire the imaginations of visitors and their perceptions of Nevada history.

Mr. Chimits advised that although the Mint building was architecturally unique, it was not ADA accessible and lacked an obvious single point of entry. In 1991 the First Interstate Bank building was purchased and remodeled to house an additional museum and gift shop. Although the remodel included a plaza between the two buildings, a connecting structure would enhance the entire museum experience for visitors.

Continuing the PowerPoint presentation, Mr. Chimits advised the Subcommittee that the project architects developed an unusual design solution. The design incorporated a glass elevator adjacent to the main entrance of the Mint building, a location that would render the basement and two upper floors completely accessible, and a structure with glass exterior and tube-steel framing to connect the two buildings. Additionally, Mr. Chimits pointed out that the new addition replicated a head frame reminiscent of Nevada mining architecture. He pointed out that the connecting structure, when lit in the evening hours, would provide a dramatic setting for the exhibits.

Mr. Chimits advised that the design for the project was expensive because of costs for the addition of the connecting structure, a tunnel to the basement of the Mint building, the removal and replacement of the freight elevator, the remodel of three floors of the Mint building, and significant ADA upgrades.

Mr. Chimits reiterated earlier testimony that the request was for a continuation of the 2005 CIP project, and he explained that the cost for the project was confirmed based on the low bid for the 2005 project.

In response to questions Senator Raggio asked regarding the entrance on the north side of the Mint building, Mr. Chimits confirmed that the project would accommodate removal of the north entrance.

Mike Fischer, Director, Department of Cultural Affairs, testified in support of Project CIP 07-C01 and told the Subcommittee that museum staff were "ever mindful" they were "in the entertainment business" serving those who visited the museum facilities. Mr. Fischer said the glass structure, connecting the south buildings to the north building, would provide a single point of entry that would draw visitors and facilitate the movement of those visitors between exhibits in the museum buildings and the museum gift shop. Additionally, Mr. Fischer advised that the glass structure would showcase changing exhibits such as the "40 et 8" Merci Train, one of which that was filled with gifts and donated to each state by the French people in gratitude for aid American citizens sent at the close of World War II.

In closing, Mr. Fischer remarked that the glass structure was a "billboard for success" and an invitation to enter the museum and created the possibility of increasing retail sales in the gift shop.

Chairman Arberry asked Mr. Nunez to comment on the request for \$2,943,159 relative to previous requests associated with the structure and ADA upgrades. The Chairman asked for comments specific to:

- CIP 03-C19 for the design of a wheelchair lift and a new north entrance.
- CIP 03-S02 for funding to provide controls to the existing service elevator for public use.
- Subsequent cancellation by the Interim Finance Committee of CIP 03-C19 and a change of scope to CIP 03-S02 to use \$30,000 for a feasibility study and schematic design for the connecting structure.

Mr. Nunez explained that after legislative approval of the 2003 projects, it was determined that the freight elevator had to be replaced rather than repaired and ADA upgrades were needed as well. At that time, the SPWB approached the Interim Finance Committee to request a change in scope to use funding from CIP 03-S02 for a feasibility study and design of a connecting structure and to resolve ADA issues. Mr. Nunez further advised that the representatives of the Nevada State Museum and the Public Works Board revised the scope of the projects to arrive at CIP 07-C01 that encompassed all issues of concern.

In response to questions Chairman Arberry asked regarding the low bid, Mr. Chimits advised that a \$4.2 million bid received in March 2006 for the construction of the 2005 project exceeded the available approved funding. Mr. Chimits advised that the \$4.2 million cost was adjusted to \$4.88 million to account for the current rate of inflation, and if approved, the project would be advertised for construction to begin in September or October 2007.

In response to Chairman Arberry who requested information on the request for funding to recover historic aircraft, Mr. Nunez indicated the funding request was for the recovery of artifacts not aircraft and apologized for the error.

In response to questions Chairman Arberry asked regarding the recommendation for 2007 project management and inspection fees totaling \$117,682 and 2005 project management and inspection fees totaling \$184,000, Mr. Nunez explained that project management and inspection fees were proposed for each of the projects. However, Mr. Nunez indicated he would review the possibility of combining the projects to determine whether a fee reduction was possible and provide that information to the Subcommittee's staff.

In response to Chairman Arberry who questioned the projected \$20,000 cost for the roof maintenance agreement, Mr. Nunez advised that the cost should be reduced to \$10,000 and apologized for the error.

In response to Chairman Arberry who questioned the \$4,835 for heating and air conditioning maintenance costs, Mr. Nunez explained that the one-year, heating and air conditioning maintenance agreement costs had increased based on the value of the project.

Chairman Arberry closed the hearing on Project CIP 07-C01.

PROJECT 07-C02 CONSTRUCTION FUNDING SHORTAGE, LAS VEGAS SPRINGS PRESERVE MUSEUM, PAGE 4

Chairman Arberry opened the hearing on Project 07-C02.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that The Executive Budget recommended \$11,502,875 for the completion of a 69,000-square-foot museum at the Las Vegas Springs Preserve site based on the receipt of bids. Mr. Nunez explained that the funding would accommodate unanticipated construction inflation costs.

Mr. Nunez advised that narrative in the 2007-09 Capital Improvement Program (CIP) Projects binder should be corrected to reflect that the project was actually 69,000 square feet rather than 75,000 square feet. Additionally, Mr. Nunez reported that the SPWB awarded the contract to avoid construction inflation costs between the time the contract was awarded and approval of the 2007 Capital Improvement Program. Additionally, he said the contract was signed, the costs set, and the project was moving forward although the city of Las Vegas had not yet issued the building permit.

In response to questions Chairman Arberry asked regarding the bid, Chris Chimits, Deputy Manager, SPWB, advised that Question 1 bond funding, approved by the voters in November 2002, included \$35 million for the design and construction of the Las Vegas Springs Preserve museum. The original construction budget was approved at \$26 million. However, Tiberti Construction, the Las Vegas contractor selected by the Las Vegas Valley Water District (owners of the property) to build the project, projected a cost estimate of \$36 million to complete the entire building.

Mr. Chimits advised that after approaching the Interim Finance Committee (IFC) for approval to construct the shell to avoid a 14 percent inflation rate for the entire project, the SPWB awarded a contract for \$26 million that included construction of the shell; installation of heating, air conditioning, electrical systems; and landscaping. The \$11,502,875 requested in the 2007-09 CIP would complete the interior and construct the exhibits. Mr. Chimits commented

that by adding the \$11,502,875 to the original funding and dividing by the number of square feet, the cost per square foot was approximately \$400.

In response to Chairman Arberry who questioned bond sale costs, Evan Dale, Deputy Manager, SPWB, explained that the bond cost would only be necessary if bond issue costs exceeded the premium received from the bond sale. Additionally, Mr. Dale explained that the bond cost was based on a formula adjusted for each project.

In response to Senator Mathews who asked whether the museum would be constructed in Lorenzi Park, Mr. Chimits advised that it would be built in the Las Vegas Springs Preserve.

Mr. Nunez pointed to the vicinity map slide ([Exhibit C](#)) that showed Lorenzi Park located on North Valley View Boulevard and the Las Vegas Springs Preserve museum location on South Valley View Boulevard.

In response to Chairman Arberry who questioned the construction schedule, Mr. Chimits projected construction would begin in May, and the museum would be completed within 15–16 months.

Senator Raggio noted that the project narrative and agency project application reflected that as a result of inflation, funding was set aside for the construction of exhibits, furniture, and equipment to pay for the cost of construction. Senator Raggio asked for information relative to funding availability for the construction of exhibits, furniture, and equipment.

Scott Sisco, Administrative Services Officer, Department of Cultural Affairs, explained that a miscommunication had occurred between the Department and the SPWB regarding the funding, but that funding for the furniture, fixtures, and equipment remained intact. The funding for the interior of the building and the exhibits, however, had been tapped for construction, and the \$11.5 million would be used to complete the interior of the building and to construct the exhibits.

In response to questions Senator Raggio asked regarding square footage, Mr. Sisco advised that the museum was planned for 69,000 square feet with an additional 11,000 square feet of build-out space for future expansion. Additionally, Mr. Sisco indicated that the interior of the museum measured 68,311 square feet.

Chairman Arberry closed the hearing on CIP 07-C02.

PROJECT 07-C19 DEPARTMENT OF CULTURAL AFFAIRS RESOURCE CENTER,  
PAGE 34

Chairman Arberry opened the hearing on Project 07-C19.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that The Executive Budget recommended \$1,580,615 in Project 07-C19 to remodel a portion of the existing Nevada State Museum at Lorenzi Park. The remodeled portion would house a Resource Center for the Department of Cultural Affairs as well as space for the Nevada Arts Council, Nevada State Library and Archives, State Historic Preservation Office, and Division of Museums and History.

Senator Raggio noted that the terms of the 99-year land lease with the city of Las Vegas required that the State maintain a functioning museum in Lorenzi Park, or the land leased for \$1.00 a year would revert. Senator Raggio requested clarification relative to the number of square feet that would be remodeled and the size of the museum, exhibit space, and archive center.

Mr. Nunez advised that approximately 30,000 square feet of museum space was projected for remodeling.

Mike Fischer, Director, Department of Cultural Affairs, advised that the Department of Cultural Affairs intended to maintain a museum presence at Lorenzi Park even during the reconstruction phase. Additionally, Mr. Fischer advised that the city of Las Vegas had been apprised of the plan, which included a slightly reduced space to incorporate either a history of Las Vegas exhibit or a Veterans' Museum.

Senator Raggio noted that the project included \$368,053 for furnishings and equipment, and the Department of Cultural Affairs' recommended operating budget included \$123,363 for equipment. Senator Raggio asked Department representatives to confirm that furnishing and equipment items were not duplicated in the recommended capital improvement and operating budgets.

Scott Sisco, Administrative Services Officer, Department of Cultural Affairs, explained that the Lorenzi Park museum currently measured approximately 11,000 square feet, and the reduced space would measure between 7,400 to 8,000 square feet. Additionally, Mr. Sisco explained that the funding for the furniture, fixtures, and equipment was primarily for shelving for the records and archive center, while the equipment to move the records, a trash compactor, and office equipment, for the new records center, was contained within the operating budget. Mr. Sisco agreed to provide the Subcommittee's staff with a list of furnishings and equipment.

Senator Raggio noted that the lease agreement stipulated that failure to use the premises as a functioning museum for three consecutive months was cause to terminate the lease and asked whether the museum would remain operational during the remodeling process.

Mr. Sisco advised that Department representatives believed the museum could remain open, but if it had to close for a temporary period, representatives of State Lands indicated they had a good enough relationship with the city of Las Vegas to close the museum temporarily without penalty.

Assemblywoman Buckley questioned whether the Department had a long range plan to draw visitors to the Las Vegas Springs Preserve Museum and the Lorenzi Park Museum and whether any thought had been given to using a railroad theme for Lorenzi Park.

Mr. Fischer advised that the close proximity of the two museums provided an excellent advantage for cross marketing, and although the specific exhibits were yet to be determined, vertical exhibits would be used to provide for a museum presence at Lorenzi Park. Mr. Fischer explained that although the lease did not stipulate the number of square feet required for a museum presence, the end result would be a functioning and better-than-adequate museum. Mr. Fischer agreed that a railroad theme in Lorenzi Park would draw visitors, and he said that in the next few years changes would be made to increase attendance.

Assemblywoman Buckley indicated the city of Las Vegas would probably not be concerned about the square footage if the museum at Lorenzi Park was exciting enough to draw visitors. However, Assemblywoman Buckley predicted problems would be encountered if the spirit of the agreement was not met.

Mr. Fischer indicated the Department would have the ability to learn through tracking data who visitors to the Las Vegas Springs Preserve Museum were, and he said that the Department would use every available enhancement to cross-market the two museums and make them exciting enough to draw visitors.

In response to the concern Senator Mathews expressed relative to the proximity of the two museums, Mr. Fischer advised that the Las Vegas Springs Preserve would provide a unique experience for visitors to southern Nevada, and the Department's plans included a unique museum experience for Lorenzi Park as well.

Chairman Arberry closed the hearing on CIP 07-C19.

PROJECT 07-M35 SECOND UPS AND GENERATOR SYSTEMS-COMPUTING CENTER, PAGE 142

Chairman Arberry opened the hearing on Project 07-M35.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that The Executive Budget recommended \$1,270,109 for a second backup system to maintain critical electrical services at the state Computer Facility in Carson City. The redundant power systems would prevent service interruption and data corruption for statewide systems, such as the state Integrated Financial System's (IFS) servers.

Chairman Arberry noted that the Legislature did not fund a similar power system requested in the 2005 Capital Improvement Program (CIP) and asked why the system in the 2007 CIP project cost \$412,730 more than in 2005.

Mr. Nunez attributed the increased cost to the current cost of the Uninterruptible Power Supply (UPS) system and the generator.

In response to questions Senator Raggio asked regarding the need for a second generator and UPS system, Mr. Nunez said that the Department of Information Technology (DoIT) had advised the SPWB that the redundant power systems were considered "industry-standard" equipment and were required for the Computer Facility.

Herman Boyd, Computer Operations Manager, DoIT, based the importance of the request on the numerous functions of the data center. Mr. Boyd reported that the Computer Facility currently housed the capitol complex telephone system, the network infrastructure, the local area network, the wide area network, microwave switching equipment, and a variety of other computer equipment, such as the mainframe and open systems such as UNIX and Windows. Additionally, Mr. Boyd pointed out that the DoIT supported the following State agency systems that would be affected by a service interruption:

- Department of Motor Vehicles' GENESIS
- Welfare Division's NOMAD

- Department of Child and Family Services' UNITY
- Department of Employment, Training and Rehabilitation's GUIDE

Mr. Boyd also advised that the Department of Public Safety used the State's mainframe to look up out-of-state drivers' licenses and registrations

Senator Raggio noted that funding of \$170,000 was included in the recommended project to fund modifications to the facility and, considering recent renovations to the facility, questioned the additional modifications.

Mr. Boyd responded that the additional building modifications were required because the second generator and the UPS were not taken into consideration during the recent addition and renovation to the Computer Facility.

Senator Raggio noted that the project cost estimate included funding for a guard for 60 working days and asked why the payment for guard services was necessary.

Mr. Boyd discussed problems during the recent renovation of the Computer Facility with construction workers propping doors open and people walking into the normally secured facility. Mr. Boyd indicated the problems continued until security was brought on site.

In response to Senator Raggio who noted that the project also included a 10 percent security/access allowance, Mr. Nunez advised that the security restrictions created issues for the contractor. Mr. Nunez explained that the 10 percent allowance was intended to compensate contractors for the additional time required to access worksites in secured areas.

Chairman Arberry noted that the project narrative indicated that the generator and UPS would provide 825 and 300 kVA (kilovolt-ampere) of power, but the project cost detail indicated that the generator and the UPS system were planned to provide 850 and 350 kVA of power. The Chairman asked for clarification on the amount of power to be provided by the generator and UPS system.

Mr. Nunez advised that the project provided for a second 825 kVA electrical generator and a duplicate 300 kVA UPS system with a one-hour capacity.

Chairman Arberry closed the hearing on CIP 07-M35.

#### PROJECT 07-36 COMPUTER FACILITY PHYSICAL SECURITY IMPROVEMENTS, CARSON CITY

Mr. Nunez advised the Chairman that Project 07-36 was deferred as a result of budget issues.

#### PROJECT 07-C21 DESERT TORTOISE MITIGATION-PATENT, PAGE 38

Chairman Arberry opened the hearing on Project 07-C21.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that The Executive Budget recommended \$154,695 to patent 181 acres of land adjacent to the National Guard Armory in North Las Vegas necessary to meet the current and future training needs of the Office of the Military and to provide for desert tortoise mitigation. Mr. Nunez explained that



the funding provided for Project 07-C21 would complete the tortoise mitigation required to patent an entire 1,500 acres of property located adjacent to the National Guard Armory in North Las Vegas.

In response to Chairman Arberry who asked whether the patent had been received, Mr. Nunez advised that the funding for the tortoise mitigation would allow for eventual receipt of the patent for the 1,500 acres.

Chairman Arberry noted that a 2005 Capital Improvement Program project provided funding to patent approximately 791 acres of land adjacent to the National Guard Armory and asked whether other state agencies would benefit from the earlier patent.

Mr. Nunez advised that the National Guard had allowed other compatible uses of the land that Major General Kirkland could identify.

Major General Cindy Kirkland, Adjutant General for Nevada, testified that the Office of the Military had been working on a project with multiple law enforcement and public safety agencies to conduct an Emergency Vehicle Operators Counsel (EVOC) course for all law enforcement agencies in southern Nevada. Major General Kirkland indicated that the law enforcement agencies had created a compact among 17 different agencies that would share in creating that training opportunity.

Chairman Arberry noted that the recommended project included \$10,538 to pay the SPWB for project management and asked why project management fees were necessary.

Mr. Nunez advised that he would provide a breakdown of the \$10,538 project management and inspection fees to the Subcommittee's staff.

Chairman Arberry closed the hearing on CIP 07-C21.

#### PROJECT 07-C27 CIVIL SUPPORT TEAM WMD READINESS CENTER, PAGE 50

Chairman Arberry opened the hearing on Project 07-C27.

Gustavo Nunez, Manager, State Public Works Board, advised the Subcommittee that The Executive Budget recommended \$21,256,045 (\$7,256,045 in state funds and \$14 million in federal funds) to design and construct a new 24,000 square-foot Civil Support Team (CST) Weapons of Mass Destruction (WMD) facility adjacent to the National Guard's new Las Vegas Readiness Center.

Mr. Nunez reported that the facility was planned in response to a federal directive to establish the 92<sup>nd</sup> Civil Support Team as part of the implementation of the National Defense Authorization Act for fiscal year 2003.

Mr. Nunez provided a PowerPoint presentation ([Exhibit C](#)) that showed a vicinity map and an aerial photograph of the facility adjacent to the Las Vegas Readiness Center. An additional slide provided the following information on the project scope for the facility:

- 24,000 total square feet
- Climate-controlled vehicle bays, administrative space, classrooms, communication security space, and support space

- Utilities and off-site development
- Provision of \$14 million in federal funds

Chairman Arberry asked whether the federal government intended to build the facility even if the State did not provide the funding.

Mr. Nunez said that the state funding was intended to provide for the off-site development infrastructure. Additionally, Mr. Nunez explained that federal government did not typically provide funds for off-site development.

Adjutant General, Major General Cindy Kirkland indicated that the State was required to provide the infrastructure including power, water, and sewer utilities to support the building. Major General Kirkland reiterated that the federal government would fund the construction phase of the project, but without the infrastructure, the building could not be constructed.

In response to Chairman Arberry who asked whether the \$14 million was a fixed amount, Mr. Nunez said that both the infrastructure and construction amounts, as recommended in the Capital Improvement Program budget, were fixed and would be the maximum amount that could be spent. However, Mr. Nunez advised that if the low bid was received at \$13.5 million, for example, the federal government would only provide \$13.5 million.

In response to questions Chairman Arberry asked regarding who would be responsible for the facility's operating costs, Major General Kirkland advised that because the duties of the Civil Support Team were considered a federal function, all of the costs to support the operation of the facility would be federally funded.

In response to Chairman Arberry who asked whether the federal Civil Support Team would be the sole occupants of the facility, Major General Kirkland advised that the space was being specifically designed to accommodate only the Civil Support Team and their equipment. Major General Kirkland explained that the team's sensitive high-tech equipment had to be maintained in a climate-controlled environment.

In response to Assemblywoman Gansert who asked whether the federal government would pay for costs above the \$14 million level, Major General Kirkland advised that if the bids were above \$14 million, additional funds would be requested from the federal government. The Major General further indicated that if additional funds were received, the Office of the Military would approach the Interim Finance Committee to increase authority to receive those funds.

Senator Raggio asked for information relative to what off-site developments would be provided for the \$7,256,045 of state funding.

Mr. Nunez responded that the state funding would be spent on utilities and access roads. Mr. Nunez agreed to provide the Subcommittee's staff with a breakdown of each item estimated for the utilities and road access.

In response to questions Senator Coffin asked relative to off-site developments, Mr. Nunez advised that when the Las Vegas Readiness Center was constructed, the water system was "looped" around the Center to provide for a new service connection from the main water line to the Civil Support Team WMD Readiness building.

In response to questions Senator Coffin asked regarding water rights, Mr. Nunez indicated he was unaware that there were any water rights attached to the property.

Senator Coffin noted that the topographical map indicated the site was in the center of a wash area and asked whether the preparation work for the Las Vegas Readiness Center was enough to provide drainage for the Civil Support Team WMD Readiness Building.

Mr. Nunez advised that extensive drainage improvements were included in the off-site development for the Las Vegas Readiness Center, and the new Readiness Center would include an off-site provision to hold back the additional water flow in the impervious area of the site.

Mr. Nunez agreed to provide Senator Coffin with detailed information on the offsite developments for the project.

Chairman Raggio assumed the duties of the Chairman and closed the hearing on Project 07-C27.

PROJECT 07-C31 NATIONAL GUARD COMPLEX SITE ENTRY AND GUARD BUILDING, PAGE 58

Chairman Raggio opened the hearing on Project 07-C31.

Gustavo Nunez, Manager, State Public Works Board (SPWB), reported that The Executive Budget recommended \$561,950 (\$314,450 in state funds and \$247,500 in federal funds) for a National Guard Complex site entry and guard building. Specifically, the funds would be used to construct a reconfiguration of the site-access roadway and to replace an existing temporary guard shack with a larger permanent structure to function as a control point at the entrance to the Nevada National Guard and Emergency Operations Center complex on Fairview Drive in Carson City.

Mr. Nunez said the site entrance would be designed to include a drive-through lane, inspection lane, a turnaround for rejected vehicles, and a permanent guard shack.

Additionally, Mr. Nunez reiterated that \$247,500 in federal funding was available for the project.

Chairman Raggio questioned the 75:25 percent funding ratio after determining that the state's portion of the project costs including inflation was calculated at approximately 56 percent rather than the recommended 25 percent.

Evan Dale, Deputy Manager, SPWB, estimated the federal portion of the project at \$247,500 "in today's dollars" and explained that additional funding could be applied for after the project was bid.

In response to questions Chairman Raggio asked regarding the funding ratio and the estimated \$314,450 in state funds, Mr. Dale reiterated that once the bidding process was concluded, application could be made to the federal government to increase federal funding.

In response to Chairman Raggio who asked what the likelihood was, based on experience, of returning to a 75:25 percent funding ratio, Mr. Dale rated the probability at 7.25 based on a scale of 1 to 10.

Major General Kirkland explained that the federal government did not share the portion of the project costs that expanded the turning lanes at the National Guard Complex because the turning lanes were not a part of the complex.

In response to questions Chairman Raggio asked regarding access to the facility, Major General Kirkland advised that the increased traffic on Fairview Drive and traffic in and out of the complex required moving the entrance to the facility on the other side of the complex.

Major General Kirkland advised that the reconfiguration of the site access would provide a controlled entrance to inspect vehicles driving into the complex and create an area where vehicles could safely pull away, park, and not impede incoming traffic from Edmonds Drive and Fairview Drive.

In response to questions Chairman Raggio asked regarding additional federal funding, Major General Kirkland confirmed that the opportunity existed to request additional federal funds for construction if justification could be provided that the need fell within the federal realm. The Major General indicated the Office of the Military had been successful in increasing federal funding for smaller projects in the past.

Gary Ghiggeri, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, expressed concern that it appeared the State was advancing money from the General Fund to fund a project in anticipation of a repayment from the federal government. Mr. Ghiggeri discussed either budgeting the project at a 75:25 percent split or providing information that would specifically define the portions of the project funded by the State and the federal government.

Chairman Raggio agreed that specifically defining the funding ratios would provide a better understanding of what the State was funding.

Mr. Nunez responded that construction was funded at the 75:25 percent ratio as indicated on the Project Cost Estimate sheet ([Exhibit D](#)) but pointed out that design fees and project management and inspection fees were not included in the equation.

Chairman Raggio expressed concern regarding the funding ratio for the project when recalling the Legislature's authorization of the Veterans' Home in Boulder City after being told that a majority construction costs would be paid for with federal funding.

Chairman Raggio closed the hearing on Project 07-C31.

#### PROJECT 07-C32 STORAGE BUILDING, PAGE 60

Chairman Arberry assumed the duties of the Chair and opened the hearing on Project 07-C32.

The Executive Budget recommended \$541,190 (\$135,297 in state funds and \$405,893 in federal funds) for the design and construction of a 1,800-square-foot, pre-engineered metal building at the site of the existing

Las Vegas Readiness Center in North Las Vegas. The building would provide secure storage space for mobilization gear and equipment.

Chairman Arberry noted that the project included \$40,669 for project management and inspection fees and asked how the fees were determined and why they were necessary for a pre-engineered metal structure.

Gustavo Nunez, Manager, SPWB, indicated that the management fees were included in the project cost estimate under the provisions of Chapter 341 of the *Nevada Revised Statutes* (NRS) that authorized the SPWB to supervise and inspect construction projects. Additionally, Mr. Nunez indicated the fees were determined based on construction costs.

In response to questions Chairman Arberry asked regarding the September 1, 2007, project completion date, Mr. Nunez indicated the date was in error. He explained that developing the site plan, bid documents, plan checks, and advertising; bidding and awarding the contract; and ordering the prefabricated building would take approximately 60 days.

In response to the Chairman's request, Mr. Nunez agreed to provide detailed information regarding a projected completion date to the Subcommittee's staff.

Chairman Arberry closed the hearing on Project 07-C32.

PROJECT 07-M12 CLIMATE CONTROL UPGRADE-NEVADA ARMY NATIONAL GUARD, NORTH LAS VEGAS

Chairman Arberry opened the hearing on Project 07-M12.

The Executive Budget recommended \$570,850 (\$285,425 in state funding and \$285,425 in federal funding) to renovate the existing heating and air conditioning systems at the North Las Vegas Armory.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that existing evaporative cooling units in the Armory Building produced moisture in the building's air space, thereby limiting the cooling capacity of existing air conditioning equipment. Additionally, Mr. Nunez indicated that the evaporative cooling units had contributed to a mold problem.

Mr. Nunez further advised that upgrading the air conditioning systems would address the cooling and mold problems.

Chairman Arberry closed the hearing on Project 07-M12.

PROJECT 07-M32 OTAG EMERGENCY GENERATOR, CARSON CITY

Chairman Arberry opened the hearing on Project 07-M32.

The Executive Budget recommended \$500,899 (\$250,450 in State funding and \$250,499 in federal funding) to provide an emergency backup generator for the Nevada National Guard Headquarters in Carson City. Installation of a new generator would ensure continued operations during emergencies.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised that the existing generator was over thirty years old and was not of sufficient capacity to handle peak electric loads at the facility. Additionally, Mr. Nunez pointed out

that the existing generator was manually operated, while the new generator would include an automatic starting feature.

Chairman Arberry noted that the power rating of generators for both Project 07-M32 and Project 07-M33 would provide for the installation of emergency generators at the Carson City Armory and the North Las Vegas Armory rated at 600 KW and 400 kVA, respectively. The Chairman also noted that the narrative for both projects indicated that the power rating for both generators was 400 KW, but the agency's project applications stated that each generator was to be 250 KW. The Chairman asked for clarification regarding the size of generators that would be installed.

Mr. Nunez advised that electrical demand determined the size of the generator and pointed out that the two facilities were different sizes. Mr. Nunez advised that if requested to do so, he would provide electrical engineering calculations on the size of the generators.

Chairman Arberry asked whether a 10 percent security/access allowance totaling \$50,000 for Projects 07-M32 and 07-M33 could be reduced.

Mr. Nunez advised that the costs were estimates of what was projected to be received on the bid date and expressed a preference to wait until the bids were received to determine whether the security/access allowance could be reduced.

PROJECT 07-M33 CLARK COUNTY ARMORY EMERGENCY GENERATOR,  
NORTH LAS VEGAS

The Executive Budget recommended \$425,647 (\$212,823 in state funding and \$212,824 in federal funding) to provide an emergency backup generator for the North Las Vegas Armory to ensure continued operations during emergencies.

Refer to narrative under Project 07-M32 for information pertinent to Project 07-M33.

PROJECT 07-P06 ELKO READINESS CENTER PLANNING, PAGE 184

Chairman Arberry opened the hearing on Project 07-P06.

The Executive Budget recommended \$1,009,573 (\$514,573 in state funding and \$495,000 in federal funding) to provide design-through-construction documents for a new 31,000 square-foot readiness center in Elko.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that the square-foot requirements for the Elko Readiness Center had increased from 26,000 square feet to 31,000 square feet. He said the \$1,009,573 would fund the architectural, engineering, and design (AED) costs for the 31,000 square-foot project and that the increased size did not affect the cost estimate.

Mr. Nunez provided a PowerPoint presentation ([Exhibit C](#)) on plans for the Elko Readiness Center, and the site plan showed seven sites located near the Elko Municipal Airport that were being considered. Mr. Nunez identified sites 1 and 4 as the preferred sites.

Mr. Nunez advised the Subcommittee that State Lands and Office of the Military representatives were working with city of Elko and Great Basin College officials to negotiate a land exchange.

Chairman Arberry expressed concerns in reference to the state and federal funding mix, noting that the project narrative indicated the state's portion of the funding at 25 percent and the federal portion at 75 percent. However, in calculating the total cost of the recommended project, Chairman Arberry noted that the state's portion of the cost was approximately 51 percent.

Mr. Nunez explained that the request for funding was calculated based on design fees, plan checking fees, project management and inspection fees, and Leadership in Energy and Environmental Design (LEED) design costs and the availability of \$495,000 in federal funding. Mr. Nunez advised that the federal portion of the funding was estimated at 75 percent of the current design fee estimate.

Mr. Nunez reminded the Subcommittee that the request for funding covered the design-phase through the construction documents and that the SPWB would request construction funding in the 2009 Capital Improvement Program (CIP) budget. Additionally, Mr. Nunez discussed the probability that state funding would be requested in the 2009 CIP for off-site development but that the facility would be constructed using 100 percent federal funding.

Chairman Arberry noted that the project narrative indicated there would be no costs for land for the new facility and asked for clarification relative to the agreement between the city of Elko and the Office of the Military regarding the land and future land-acquisition costs.

Mr. Nunez indicated he believed that property at the existing armory site would be purchased by the city of Elko in exchange for the property located near the Elko airport.

Pamela Wilcox, Administrator, Division of State Lands, advised that land exchange discussions between representatives of the Great Basin College, the city of Elko, and the airport were currently on a "conceptual level." As previously discussed, Ms. Wilcox indicated several sites were preferred and indicated there were no land acquisition costs.

In response to Chairman Arberry who asked why an appraisal was needed for a land exchange, Ms. Wilcox advised that by law, appraisals were required for land exchanges.

Chairman Arberry closed the hearing on CIP 07-P06.

#### PROJECT 07-C87 HDSP PHASE IV-COMPLETION

Chairman Arberry opened the hearing on Project 07-C87.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that \$12,599,999 was recommended in the 2007 Capital Improvement Program to fund construction items that were deferred from Project 05-20b, High Desert State Prison Phase IV, approved by the 2005 Legislature.

There were no questions from the members of the Subcommittee.

Chairman Arberry closed the hearing on Project 07-C87.

PROJECT 07-M05 18-INCH WATER MAIN REPLACEMENT, PAGE 84

Chairman Arberry opened the hearing on Project 07-M05.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the members of the Subcommittee that The Executive Budget recommended \$1,776,278 to replace 6,730 lineal feet of an 18-inch water main and three new in-line valves at the High Desert State Prison (HDSP).

Mr. Nunez reported that the HDSP had experienced a number of breaks in the water main, and an investigation revealed large rocks were in the backfill adjacent to the pipe. Additionally, Mr. Nunez said that the Attorney General's Office had entered into a class-action suit against the pipe manufacturer because it appeared manufacturing procedures and materials were modified without notification to the Underwriters Laboratories or other pertinent parties. Mr. Nunez discussed the necessity of replacing the pipe and determining liability for installation and manufacturing problems.

In response to Assemblyman Marvel who expressed concern regarding the problems that were occurring in the new facility, Mr. Nunez indicated that before approaching the contractor, the SPWB was working with the Office of the Attorney General to define whether the water main failure was the result of installation or manufacturing.

In response to questions Assemblyman Marvel asked relative to determining the reason for the failure, Mr. Nunez indicated that the class-action suit against the pipe manufacturer was being litigated through the U.S. Attorney's Office in San Francisco. In the meantime, Mr. Nunez indicated the water main had to be replaced.

In response to questions Chairman Arberry asked regarding the length of time required to replace the water main, Mr. Nunez advised that he would provide design and construction documents to the Subcommittee's staff.

Chairman Arberry closed the hearing on Project 07-M05.

PROJECT 07-M06 SEWER: GROUNDWATER PROTECTION, PAGE 86

Chairman Arberry opened the hearing on Project 07-M06.

The Executive Budget recommended \$892,565 for construction of an alternate method to remove nitrates from sewage effluent at the Carlin Conservation Camp (CCC).

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that the Department of Corrections had requested funding to comply with Nevada Department of Environmental Protection discharge-permit requirements.

Mr. Nunez advised the members of the Subcommittee that as the result of a budget shortfall, the Interim Finance Committee (IFC) in September 2006 approved the transfer of \$607,434 from Project 05-M29, Carlin Conservation Camp (CCC) Groundwater Protection, to Project 05-M36 to repair chillers at the



Lovelock Conservation Camp. Mr. Nunez explained that the Nevada Department of Environmental Protection wanted to see the existing system function before proceeding with the treatment upgrade for the CCC under the 2007 CIP.

Chairman Arberry closed the hearing on Project 07-M06.

PROJECT 07-M07 SEWER WASTEWATER IMPROVEMENTS, WELLS  
CONSERVATION CAMP

Chairman Arberry opened the hearing on Project 07-M07.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that Project 07-M07 recommended funding for the design and construction of an alternate method to remove nitrates from sewage effluent at the Wells Conservation Camp. Mr. Nunez further advised that effluent treatment improvement would comply with Division of Environmental Protection permitting requirements.

PROJECT 07-M08 SEWER GROUNDWATER MONITORING WELL AND  
AERATION, HUMBOLDT, CARLIN AND WELLS CONSERVATION CAMPS

Chairman Arberry opened the hearing on Project 07-M08.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that Project 07-M07 recommended funding to install aerators and a groundwater monitoring well at the Southern Nevada Correctional Center (SNCC) and construction of groundwater monitoring wells at Humboldt and Ely Conservation Camps. Additionally, Mr. Nunez pointed out that the project cost estimate included upgrades at Carlin and Wells Conservation Camps, which were separate projects that should be deleted from the project cost estimate.

Chairman Arberry noted that Project 07-M08 included a 20 percent security/access allowance totaling \$46,000 and asked whether the worksites in the project were within secured areas.

Dan Daily, Project Manager, State Public Works Board (SPWB), advised the Subcommittee that the Southern Nevada Correctional Center was located outside of the main institution. However, workers could not gain access to the worksite without requesting maintenance staff to unlock the gate. Mr. Daily advised that the Humboldt, Carlin, and Wells Conservation camps were outside the perimeter of secured areas.

In response to additional questions Chairman Arberry asked regarding security issues and being provided a key to the worksite area, Mr. Nunez indicated he would look into the situation and provide the information to the Subcommittee's staff.

Chairman Arberry closed the hearing on Project 07-M08.

PROJECT 07-M24 DOOR CONTROL PANELS AND FIRE DOOR REPLACEMENT,  
SOUTHERN NEVADA WOMEN'S CORRECTIONAL CENTER

The Executive Budget recommended \$1,459,994 to replace five door control panels and seven fire doors and to correct intercom malfunctions.

There were no major issues concerning Project 07-M24.

PROJECT 07-M25 DOOR CONTROL PANEL REPLACEMENT, WARM SPRINGS  
CORRECTIONAL CENTER

The Executive Budget recommended \$586,918 to replace the cell-door control panel in housing unit 4B at the Warm Springs Correctional Center.

There were no major issues concerning Project 07-M25

PROJECT 07-M39 WINDOW AND SECURITY IMPROVEMENTS, PAGE 150

Chairman Arberry opened the hearing on Project 07-M39.

An amendment to the 2007 Capital Improvement Program (CIP) budget recommended \$4,292,933 to replace glazing, frames, and blocked-out portions of windows at the Northern Nevada Correctional Center (NNCC) in Carson City.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the members of the Subcommittee that Project 07-M39 originally recommended \$6,292,436 to replace 306 window units at the NNCC. Mr. Nunez explained that the number of replacements was reduced to 207 units when the scope of the project was amended to include only housing units 1, 2, and 3.

Mr. Nunez advised that existing windows would be replaced with new medium-level security frames and windows, which provided the appropriate level of security required at the NNCC.

Chairman Arberry questioned whether the project would involve the removal of inmates and whether there were sufficient beds available to accommodate their relocation.

Dan Daily, Project Manager, State Public Works Board (SPWB), advised that only a certain number of windows would be replaced in a wing of the facility during each project day. Inmates removed from their cells in the morning would be returned at the end of the day.

In response to Chairman Arberry who asked about the availability of a design for the repair and replacement of windows used during previous CIP projects, Mr. Daily advised that design documents had been completed for housing units 1 through 3, but not for housing units 4, 5, and 7.

Chairman Arberry closed the hearing on Project 07-M39.

PROJECT 07-M40 SHOWER AND BATHROOM RENOVATION, PAGE 152

Chairman Arberry opened the hearing on Project 07-M40.

The Executive Budget recommended \$4,793,745 to replace plumbing and renovate and rebuild showers and bathrooms at the Northern Nevada Correctional Center (NNCC) in housing units 1, 2, 4, 5, and 7 and install a backflow preventer in housing unit 8.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised the Subcommittee that the NNCC housing units were over thirty years old, and the plumbing required upgrading.

Chairman Arberry questioned whether inmates from those housing units would be moved during the project and whether a sufficient number of beds were available to accommodate their relocation.

Dan Daily, Project Manager, SPWB, advised the Subcommittee that inmates would not be relocated because the contractor would only demolish one bathroom and shower at a time in each wing before moving on to another. Mr. Daily said the contractor would secure the area in which the remodeling was taking place, and inmates would not have access to the bathroom undergoing renovation.

Chairman Arberry noted that the project cost estimate included \$7,188 for security fencing and asked how security fencing would be used for shower renovations.

Mr. Daily advised that the contractor would temporarily fence off the wing being renovated to gain access in and out of the area.

Chairman Arberry closed the hearing on Project 07-M40.

PROJECT 07-M41 RENOVATE BATHROOMS AND SHOWERS IN HOUSING UNITS 1-5, JEAN CONSERVATION CAMP

Chairman Arberry opened the hearing on Project 07-M41.

Gustavo Nunez, Manager, State Public Works Board (SPWB), advised that the Capital Improvement Program (CIP) budget recommended \$1,358,767 for the renovation of bathrooms and showers in housing units 1, 2, 3, 4, and 5 at the Jean Conservation Camp in southern Nevada.

Chairman Arberry questioned whether inmates would be moved during the project and whether a sufficient number of beds were available to accommodate their relocation.

Dan Daily, Project Manager, SPWB, advised the Subcommittee that the Jean Conservation Camp, a minimum-custody conservation camp for women, differed from others previously discussed in that the units were of a rectangular design. Additionally, Mr. Daily advised that SPWB would work with the Department of Corrections to develop a plan on how the renovation would take place and how the inmates would be affected. Although the total construction effort had not yet been discussed, Mr. Daily indicated that possibly half the restrooms would be closed during the renovation period.

In response to a request from Chairman Arberry, Mr. Daily agreed to provide the Subcommittee's staff with information on how the work would be completed and how the inmates would be affected.

PROJECT 07-M42 SHOWER AND BATHROOM RENOVATION, PAGE 156

Chairman Arberry opened the hearing on Project 07-M42.

The Executive Budget recommended \$2,725,021 for renovation of east and west shower rooms at the Silver Springs Conservation Camp in northern Nevada.

Chairman Arberry noted that the project cost detail indicated that the east and west shower rooms each measured 714 square feet, and the cost calculated to remodel the space was \$650 per square foot. However, the Chairman noted that the project application stated that the west shower room measured only 365 square feet.

Gustavo Nunez, Manager, State Public Works Board (SPWB) indicated that the best information he had was that each shower room measured 714 square feet. However, Mr. Nunez indicated he would review the plans and provide information on the square footage to the Subcommittee's staff.

Chairman Arberry also noted that the east shower room was rebuilt in 2005 and asked for comments relative to why the east shower room required another renovation so soon after the previous renovation.

Dan Daily, Project Manager, SPWB, advised that the 2005 renovation was a mold mitigation project that failed to bring the facility up to code requirements. Project 07-M42 would replace existing showers with stainless steel showers, upgrade and reinforce existing sinks and counter space, repair walls and ceilings, and increase ventilation and plumbing.

Chairman Arberry closed the hearing on CIP 07-M42.

Chairman Arberry opened the hearing on all agenda items for public comment.

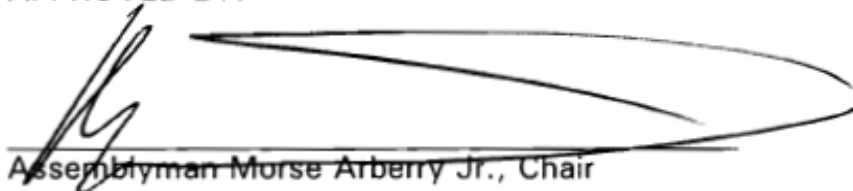
Hearing no response to the request for public comment, Chairman Arberry adjourned the hearing at 10:20 a.m.

RESPECTFULLY SUBMITTED:

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Connie Davis  
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

DATE: \_\_\_\_\_

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Senator William J. Raggio, Chair

DATE: \_\_\_\_\_

<u>EXHIBITS</u>			
<b>Committee Name: <u>Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on Higher Education/CIP</u></b>			
<b>Date: <u>April 18, 2007</u></b>		<b>Time of Meeting: <u>8:38 a.m.</u></b>	
<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
	C	Gustavo Nunez, Manager, State Public Works Board	PowerPoint Presentation
	D	Gustavo Nunez, Manager, State Public Works Board	Project Cost Estimate sheet