

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS  
AND THE  
SENATE COMMITTEE ON FINANCE  
JOINT SUBCOMMITTEE ON HUMAN SERVICES/CAPITAL IMPROVEMENTS**

**Seventy-Fifth Session  
February 24, 2009**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on Human Services/Capital Improvements was called to order by Chair Debbie Smith at 8:05 a.m. on Tuesday, February 24, 2009, 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/75th2009/committees/](http://www.leg.state.nv.us/75th2009/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:**

Assemblywoman Debbie Smith, Chairwoman  
Assemblyman Morse Arberry Jr., Vice Chair  
Assemblywoman Barbara E. Buckley  
Assemblywoman Heidi S. Gansert  
Assemblyman Joseph (Joe) P. Hardy  
Assemblywoman Sheila Leslie  
Assemblyman John Ocegüera

**SENATE COMMITTEE MEMBERS PRESENT:**

Senator Bob Coffin, Chair  
Senator Bernice Mathews  
Senator William J. Raggio

**STAFF MEMBERS PRESENT:**

Gary Ghiggeri, Senate Fiscal Analyst  
Tracy Raxter, Principal Deputy Fiscal Analyst  
Eric King, Program Analyst  
Connie Davis, Committee Secretary  
Vickie Kieffer, Committee Assistant

**DEPARTMENT OF ADMINISTRATION - BUILDINGS AND GROUNDS (710-1349)  
BUDGET PAGE ADMIN-64**

Cindy Edwards, Administrator, Buildings and Grounds Division, Department of Administration, identified herself for the record and introduced Patrick McInnis, Chief Engineer, Plant Operations, Buildings and Grounds Division, Department of Administration.

Ms. Edwards testified that the Buildings and Grounds Division administration proactively managed and maintained state facilities, provided efficient and

cost-effective office space, managed the state's central mail services and the Marlette Lake Water System, and funded the Capitol Police section of the Department of Public Safety.

Ms. Edwards reported that Budget Account 1349 was an internal service fund with revenue received from special services and "rent charged to state agencies for the use of state-owned building space." Ms. Edwards advised that the Division requested to decrease state agencies' office rent from \$1.09 to \$1.02 per gross square-foot in each year of the 2009-11 biennium, which would be achieved by decreasing operating and maintenance expenses to state-owned office complexes.

Chairwoman Smith asked agency representatives when the Division would begin to receive rent revenue from the new Campos Building that was currently under construction.

Ms. Edwards advised that the Campos Building would be occupied in January 2010.

Continuing her presentation, Ms. Edwards said that decision unit Maintenance (M) 200 recommended increasing operating, maintenance, and utility expenditures because the new Campos Building in Las Vegas would become operational in January 2010, and tenant improvements were made to the Belrose Building for the Division of Welfare and Supportive Services. Ms. Edwards indicated that savings achieved from vacating leased office space would fund tenant improvements for the Division of Welfare and Supportive Services in the amount of \$357,000 in fiscal year 2010 and \$525,000 in fiscal year 2011.

Ms. Edwards provided the following information on decision units Enhancement (E) 275, E500, and E606:

- Decision unit E275 recommended expenditures of \$2,088 in fiscal year 2010 and \$1,592 in fiscal year 2011 for employee trade-skills training.
- Decision unit E500 recommended aligning revenue associated with the transfer of Clear Creek Youth Center, Budget Account 1353 expenditures in decision unit E900 with the Buildings and Grounds Budget Account 1349.
- Decision unit E606 recommended the elimination of two Department of Public Safety Capitol Police officer 1 positions, one in the north and one in the south. Layoffs would not occur because of two vacancies in fiscal year 2009 created by the retirement of officers. Decision unit E606 also included the elimination of \$21,103 of expenditure authority in each year of the 2009-11 biennium. The funding was formerly used to reimburse the General Fund for additions and renovations to the Reno Purchasing Warehouse.

Chairwoman Smith asked agency representatives to comment on how the elimination of two Capitol Police positions would affect security services provided for the Supreme Court and the Grant Sawyer buildings.

Ms. Edwards advised that the elimination of the positions would not cause "a significant detriment" to security services provided by the Capitol Police

officers stationed in Carson City at the Governor's Mansion, the Office of the Attorney General, and the Supreme Court.

In response to Chairwoman Smith's request for additional information on the reduction of Capitol Police services, Brad Valladon, Chief, Capitol Police Division, Department of Public Safety, advised that the position being eliminated in Las Vegas was a vacation-relief position. Chief Valladon advised that a day-shift officer would be assigned to cover both day shift and vacation relief time and explained that when an officer was away on annual, sick, compensatory time, or training, a day-shift officer would be assigned to cover for the officer on leave. Chief Valladon indicated that the elimination of the position would only affect the Capitol Police insofar as not having the flexibility to participate in career development training or to dedicate an officer to patrol a building or parking lot.

Chairwoman Smith questioned whether overtime would be required because of the elimination of the positions.

Chief Valladon indicated that overtime would only occur if additional positions were lost by officers either retiring or moving on to other opportunities. He indicated, however, that salary savings would be used to cover any overtime costs.

Chairwoman Smith asked whether the Supreme Court administrators had been consulted about the elimination of positions.

Chief Valladon advised that although the Supreme Court was not enthusiastic about the reduction, the elimination of the positions brought the Capitol Police contingent of the Supreme Court in line with all of the other buildings. Chief Valladon said, however, that a compromise was reached to provide the Supreme Court another officer on a day-by-day basis with the availability of additional officers.

In response to Senator Mathews, who asked for clarification on the overtime issue, Chief Valladon explained that there were two officers on day shift and a corporal providing supervisory services. Chief Valladon said that rather than paying overtime, one of the two officers on day shift would be moved to another shift to cover for an officer on leave, which left one officer and one corporal on day shift.

In response to Senator Mathews, who questioned security services provided for the Governor's Mansion, Chief Valladon advised that the mansion was protected 24 hours-a-day, seven days-a-week.

Continuing with her presentation, Ms. Edwards advised that decision unit E607 recommended eliminating an electrician 1 position in lieu of an existing vacant maintenance repair specialist position. Ms. Edwards explained that the maintenance repair specialist position better served the agency in performing various tradesmen duties, and the transfer would prevent a layoff because the incumbent electrician would be transferred to the vacant maintenance position to perform multiple journey-level repair duties.

In response to Chairwoman Smith, who asked whether the incumbent's salary would be reduced in the transfer, Ms. Edwards advised that the difference in salary was a one-step decrease.

Chairwoman Smith asked whether it was acceptable personnel policy to eliminate a position, transfer an incumbent to another position, and reduce the incumbent's salary.

Ms. Edwards admitted being uncertain about the personnel policy but indicated that since electrical work was included in the job specifications for maintenance repair specialists, the position would be better utilized by transferring the incumbent.

Chairwoman Smith asked Ms. Edwards to work with the Subcommittee's staff on the salary issue, and Ms. Edwards agreed.

Ms. Edwards continued her presentation and advised the Subcommittee that decision unit E710 recommended the purchase of four used vehicles to replace unreliable vehicles, the replacement of one 1987 vintage skid steer loader and backhoe attachment, and the replacement of four desktop computers that were purchased between 1997 and 1998.

Ms. Edwards advised that decision unit E850 recommended using \$146,278 from the reserve fund in fiscal year 2010 for building renovation projects at multiple facilities.

Chairwoman Smith noted that it appeared the building renovation budget was only 10 percent of previous budgets and expressed concern regarding deferring maintenance costs. Chairwoman Smith asked agency representatives to comment on the reduced budget and the accumulation of costs for future maintenance projects.

Ms. Edwards responded that budget savings were achieved by reducing state agencies' office rent because of an increase in the amount of "billable square footage" and a decrease in operating and maintenance expense. Ms. Edwards indicated that agency representatives understood that the deferred maintenance backlog would increase, which meant that rent would also be increased accordingly in the future to cover the backlog. Ms. Edwards advised that, excluding the \$146,278 request for the 2009-11 biennium, a backlog existed of approximately \$2.5 million in deferred maintenance projects.

Chairwoman Smith indicated that deferring maintenance projects would require further consideration since it appeared to make little sense to build up costs that would have to be addressed at some point in the future.

Chairwoman Smith returned to the issue concerning the elimination of the electrician position and asked for additional information relative to the current duties of the electrician.

Ms. Edwards explained that the electrician's current duties were related to electrical work but that with the transfer of the incumbent, the work would be divided among all of the maintenance repair specialists. Additionally, Ms. Edwards advised that while the Division would contract for major electrical projects, an increase in contracting costs was not anticipated.

In response to questions Chairwoman Smith asked regarding current contracts for major electrical work, Ms. Edwards advised that the Division contracted for major projects and reiterated that the dollar amount for those contracts would not significantly change based on the elimination of the electrician position.

Chairwoman Smith asked whether there was an adequate reserve level for the account and what factors the agency considered in determining an adequate reserve level.

Ms. Edwards advised that the ending reserve balance for fiscal year 2011 was expected to total approximately \$3.3 million, which would be a 75-day reserve. Additionally, Ms. Edwards indicated that utility increases were funded by the agency on an average of about \$350,000 in each year of the biennium, which would provide a 60-day reserve for unforeseen repairs that were not identified for the 2009-11 biennium.

Chairwoman Smith noted that it appeared the recommended budget did not include funding for inflation of utility costs during the biennium.

Ms. Edwards reiterated that a portion of the reserve or \$350,000 in each year of the biennium would be used for utility increases.

There being no additional questions from the members of the Subcommittee, Chairwoman Smith closed the hearing on Budget Account 1349 and opened the hearing on Budget Account 1366.

**DEPARTMENT OF ADMINISTRATION - BUILDINGS AND GROUNDS –  
MARLETTE LAKE (712-1366) - BUDGET PAGE ADMIN-85**

Cindy Edwards, Administrator, Buildings and Grounds Division, Department of Administration, identified herself for the record and introduced Patrick McInnis, Chief Engineer, Plant Operations, Buildings and Grounds Division, Department of Administration.

Ms. Edwards identified Marlette Lake Budget Account 712-1366 as an enterprise fund that received revenue from the following sources:

- Raw water sales to Carson City and Storey County that supported the operating budget.
- Marlette System improvement fees that supported the bond debt repayment for capital improvements.
- Miscellaneous revenue fees that supported the operation and maintenance of the permanent pump station.

Ms. Edwards reported that in fiscal year 2010-11, an additional \$4.4 million in bond debt would be incurred to repair and replace a one-third section of the 18-inch transmission pipeline, install a second line to Carson City's Quill Water Treatment Plant, and to install backup valves at the dam and reservoir.

Assemblyman Arberry noted that A.B. No. 49 of the 73rd Session, (2005) authorized the issuance of revenue bonds not to exceed \$25 million to finance the capital costs of improving and modernizing the Marlette Lake Water System. Assemblyman Arberry asked for the current status and future plans for improvements to the system.

Ms. Edwards advised that \$7.6 million had been expended thus far on improvements and an 18-inch transmission water line, which was a critical portion of the water system, was scheduled for completion in fiscal year 2011.

Assemblyman Arberry asked whether any delays had been encountered in completing the system improvements and whether delays had affected the system's customers.

Mr. McInnis advised that to date the Division had entered into two, two-phase contracts to improve and modernize the transmission of water from Marlette Lake to Carson City. The first contract replaced the pipeline from Marlette Lake to Hobart Lake, and the second contract, begun in 2008, was for the installation of a generator outside of the Tahoe Basin and a permanent pump at Marlette Lake.

Mr. McInnis advised that the project to improve the Marlette Water System began in 2000, and as the project developed with the realities of working at an elevation level of 8,500 feet on a one-lane road within a park, the project was divided into two phases. Mr. McInnis advised that the project, originally believed to take one summer to complete, took one summer for the pipe installation and two summers to install the generator and the pump. Mr. McInnis indicated that the projects were currently on schedule.

In response to Assemblyman Arberry's question concerning whether improvements to the System had affected customers, Mr. McInnis advised that there was no impact on Virginia City customers. However, he said that Carson City was running about 10 percent low, which could mean the implementation of water conservation efforts until mid-August when water could be pumped from Marlette Lake.

Chairwoman Smith questioned the need for overtime costs that were included in the budget and asked why the System improvements would not result in the need for less overtime.

Ms. Edwards advised that the Marlette Lake Water System was a 24 hour-a-day, 7 days-a-week operation that would always require overtime. Ms. Edwards stated that the System required constant attention by its two operators even though automation of the System provided ease of management and an opportunity to sell more water.

Continuing her presentation, Ms. Edwards advised that decision unit Enhancement (E) E250 recommended funding the rental of heavy equipment to maintain the 25 miles of back-country roads used to access the water system's pipelines, catchments, tanks, dam, and water-controlling devices. Ms. Edwards said that because of the age and poor condition of the current equipment, funding was requested to rent heavy equipment to maintain the roads at different intervals throughout four months in each year of the 2009-11 biennium. Ms. Edwards explained that replacement of all the equipment at the Marlette Lake Water System was cost prohibitive, and the only way the roads could be maintained was to rent the equipment.

In response to Chairwoman Smith, who asked whether the road to Marlette Lake had already been modified by the contractors, Ms. Edwards indicated that the contractors had modified the road for the construction of the permanent pump station, which would be completed and operational by September 1, 2009. Additionally, she said that the contractors were required to restore the road to the same or better condition upon completion of the contract.

Chairwoman Smith recalled a request to replace four used vehicles in the previously discussed Buildings and Grounds budget and advised agency representatives that staff had been requested to review whether vehicles eliminated from one budget could be used in another location.

Senator Coffin asked whether the raw water from the pumping station was treated with chlorine and ozone.

Ms. Edwards explained that the raw water from Marlette Lake was treated at the Carson City water treatment plant and asked Mr. McInnis to provide information on how the water was treated.

Mr. McInnis described the Carson City Quill Treatment Plant as a state-of-the-art diatomaceous earth filtration system and said that chlorine was used as the main disinfectant agent.

In response to questions Senator Coffin asked concerning public use of Marlette Lake, Mr. McInnis advised that the Lake was open to fishing for a short period of the year. Mr. McInnis indicated that the Department of Wildlife staff planted fish each spring at the south end of the Lake.

Ms. Edwards continued her presentation and advised the Subcommittee that decision unit E730 recommended funding to paint the metal exterior of the Marlette Lake shop building, portions of which were rusting.

Ms. Edwards advised that decision unit E732 recommended funding to complete repairs to the Marlette Lake House, including replacing wood siding, fascia, soffit, and trim to protect the building from further deterioration.

There being no additional questions from the members of the Subcommittee, Chairwoman Smith closed the hearing on Budget Account 1366 and opened the hearing on Budget Account 1082.

**ELECTED OFFICIALS – BOND INTEREST AND REDEMPTION FUND (395-1082) - BUDGET PAGE ELECTED-192**

Kate Marshall, State Treasurer, Office of the State Treasurer, identified herself for the record and testified that the Office of the State Treasurer issued debt on behalf of the state and repaid the debt with revenue from property taxes and accrued interest. Ms. Marshall advised the Subcommittee members that the numbers in the Bond Interest and Redemption budget, which had been submitted in August 2008, had been revised, and the revisions were reflected in the Treasurer's *Debt Capacity Report* ([Exhibit C](#)).

Chairwoman Smith requested that the revisions be provided to the Subcommittee's staff.

Ms. Marshall pointed out that the *Debt Capacity Report* reflected an assumed zero percent growth.

Chairwoman Smith questioned why property tax revenue was recommended to increase in the Bond Interest and Redemption account at the same time that the *Debt Capacity Report* indicated zero growth in assessed valuations for the 2009-11 biennium.

Ms. Marshall advised that because of the weak economy, a conservative approach was used in projecting property tax revenue, which she indicated was revised to reflect a decrease, and zero percent growth in assessed valuations was projected for the 2009-11 biennium.

Ms. Marshall also advised that salaries for two full-time equivalent and one half-time staff, whose work was strictly related to the issuance and payment of debt, could be realigned to be funded from bond issuance fees.

Chairwoman Smith questioned whether the proposed assessment that would be added to each bond issued had been factored into the bond issuance costs included in the project cost estimates for the 2009 Capital Improvement Program.

Ms. Marshall advised that the one-tenth of one percent assessment was miniscule and would be added to each bond issued. Ms. Marshall explained that her office was attempting to more closely align the positions' funding sources with the work being performed by the staff.

Returning to the issue concerning assessed values, Chairwoman Smith noted media reports regarding reduced valuations, particularly in Washoe County, and asked whether assessed values would actually decline in fiscal year 2010 and fiscal year 2011.

Ms. Marshall advised that property owners were challenging assessed valuations, which was one of the reasons zero percent growth was forecast. Additionally, Ms. Marshall pointed out that 70 percent of property tax revenue was received from Clark County and if trends were being examined, Clark County should be reviewed for its substantive effect rather than Washoe County. Ms. Marshall advised that after a lengthy review, the Treasurer's Office had provided a "buffer" based on a number of assumptions, including zero percent growth in assessed valuations. Ms. Marshall said, however, that the state's capacity to issue additional debt had diminished, which provided less of a buffer since there would be less money. Ms. Marshall said she attempted to achieve a balance between using a conservative approach to the issuance of bonds while at the same time not being too restrictive.

Chairwoman Smith asked the Treasurer for comments concerning the Local Government Pooled Investment Fund.

Ms. Marshall advised that the Governor's budget recommended reserve funding generated by property tax be used to pay a portion of the line of credit from the Local Government Pooled Investment Fund.

Chairwoman Smith questioned whether any funds had been drawn from the line of credit to date.

Ms. Marshall advised that although no funds had been drawn from the line of credit, the Governor's recommendation was accounted for in the *Debt Capacity Report*.

Assemblywoman Buckley questioned whether it appeared likely that the line of credit would be utilized.

Ms. Marshall advised that when the line of credit was originally proposed, projections were made for worst-case scenarios, which had not materialized.



Ms. Marshall advised that at the beginning of each month, after payments were made, was when the least amount of money existed in the General Fund. However, Ms. Marshall advised that although the General Fund projection for the beginning of February was approximately \$360 million, approximately \$400 million was available. Ms. Marshall stated that the General Fund currently held \$558 million, and the Local Government Investment Pool (LGIP) currently held \$770 million. Ms. Marshall pointed out that the entire \$160 million credit line authorized under the provisions of Assembly Bill No. 2 of the 24th Special Session (2008) could be borrowed, if the need arose.

Chairwoman Smith questioned whether the \$30 million in the Governor's recommended budget to repay the line of credit affected the state's bonding capacity.

Ms. Marshall advised that the \$30 million lowered the state's bonding capacity by about \$27 million because of a one-time utilization of the line of credit.

There being no additional questions from the members of the Subcommittee, Chairwoman Smith closed the hearing on Budget Account 1082 and opened the hearing on Budget Account 1560.

**STATE PUBLIC WORKS BOARD - PUBLIC WORKS ADMINISTRATION  
(101-1560) BUDGET PAGE PWB-1**

Evan Dale, Deputy Manager of Administrative and Fiscal Services, State Public Works Board (SPWB), identified himself for the record. Mr. Dale testified that the SPWB Administration Budget Account 1560 held responsibility for the general administration of public works and was funded entirely from the General Fund. Mr. Dale advised that the SPWB Administration budget was currently approved for nine positions and that a major budget issue was the recommendation to transfer six positions from Budget Account 1560 to Budget Account 1562, the Public Works Inspection budget. Mr. Dale further advised that approval of the transfer would reduce the budget by \$1.3 million leaving a total biennial budget request of about \$523,000.

Chairwoman Smith asked for information concerning the day-to-day activities of the six positions that were recommended to transfer and the three positions that would remain.

Mr. Dale explained that the three remaining staff members worked in the Facility Condition Analysis and Maintenance Support Program and did not work directly on Capital Improvement Program (CIP) projects. Mr. Dale advised that the three employees surveyed state-owned buildings statewide to evaluate building maintenance needs and to develop plans and support requests for capital improvement projects and maintenance funds.

Mr. Dale explained that the six positions that were recommended to transfer predominately spent their time working directly on CIP projects or in general support of the entire CIP, which he indicated was the reason the six employees could be funded from CIP project management and inspection fees.

In response to Chairwoman Smith, who asked for additional information concerning the reason for the transfer, Mr. Dale advised that transferring the positions would preserve General Fund dollars because the six employees

worked in support of the CIP and could be funded with project management and inspection fees.

Senator Mathews questioned whether salaries were being paid from twenty-year bond funds.

Mr. Dale advised that salaries were funded with bond funds in the same proportion that bonds funded the CIP. Mr. Dale explained that bonds retired in different maturities and that twenty years was the longest maturity of the bonds that were issued for CIP projects.

Senator Mathews questioned the cost effectiveness of bonding salaries over twenty years.

Mr. Dale explained that when funding the entire cost of an asset with bond funding, it was generally accepted accounting practice to include labor and management costs to bring the asset to its intended use and to depreciate those costs over the long term.

Chairwoman Smith asked for the percentage of time that the six positions spent on day-to-day activities versus the CIP projects.

Mr. Dale indicated that the SPWB did not have a statistical study on the percentage of time spent on the CIP projects, but that from a general observation, employees spent 80 percent of their time working on CIP projects, and the remainder of the time working with Legislative Counsel Bureau analysts and on other practical matters, such as setting up board meetings.

Assemblyman Arberry noted that inspection fees historically had been collected from the state's CIP to support the Inspection account's costs and that those fees were based primarily upon the estimated number of hours the SPWB project management and construction inspection personnel spent on CIP projects. Assemblyman Arberry also noted that the 2009 Capital Improvement Program recommended 3.24 percent project management and inspection fees or \$18.9 million of the total \$582.8 million recommended for the 2009 CIP. Assemblyman Arberry compared the 2009 CIP with the 2007 CIP project management and inspection fees of 2.22 percent or \$18 million of the total \$811 million approved for the CIP and asked agency representatives to comment on how funding the six positions with fees affected the cost of the CIP.

Mr. Dale explained that the cost of the 2009 CIP would increase slightly because the percentage the SPWB took for managing the CIP would increase. In response to the inquiry concerning the comparisons between the 2009 and 2007 Capital Improvement Programs, Mr. Dale advised that the percentage the SPWB took to manage the 2007 CIP was "extremely low" because the SPWB "substantially" benefited from economies of scale that resulted from the \$811 million CIP. Additionally, Mr. Dale explained that the 2009 CIP was weighted with small maintenance projects, and the percentage fee to manage a small project was higher than a large project, which also increased the percentage taken by the SPWB. Although he did not have the exact figures, Mr. Dale advised that the percentage the SPWB took to manage the 2005 CIP was higher than the 2007 or the 2009 CIP.

Assemblyman Arberry indicated that contractors would, most likely, bid low on CIP projects because of the weak economy and asked how low bids would

affect the cost of transferring the six positions to the Inspection account since the 2009 CIP project management and inspection fees were based on 3.24 percent of the total amount of the CIP.

Gustavo Nuñez, P.E., Manager, State Public Works Board, advised that the percentage rate for project management and inspection fees related to the volume of work and the size of the CIP rather than to the bid prices, which he indicated would not significantly affect the transfer of positions. Mr. Nuñez pointed out that the SPWB overhead costs changed very little with the volume of work and that a review of the percentage rate for the fees and the total amount of the CIP would reveal they were related. Providing additional clarification, Mr. Nuñez advised that cost estimates were based on calculating that it would take a certain number of hours to properly inspect a project with general overhead and direct costs included to establish a "charge-out rate" for the project manager or inspector, and that percentage rate was used throughout the entire CIP.

In response to questions Assemblyman Arberry asked concerning the recommendation to fund the Inspection account from the General Fund, Mr. Nuñez advised that the Governor's budget recommended transferring the six positions from the Public Works Administration account to the Inspection account because their work was considered a part of the project costs. Mr. Nuñez said that "it made sense to capture all of the costs associated with the projects whether the costs were direct or indirect."

Chairwoman Smith asked for information concerning the hourly rates charged for the project management and inspection staff in the recommended 2009 CIP.

Mr. Dale advised that project managers earned \$157 an hour and inspectors earned \$97 an hour, which included adjustments for the transfer and elimination of positions.

Chairwoman Smith noted that General Funds totaling \$190,828 were recommended to be used in the Inspection account and asked whether the recommendation was an error or whether the agency wished to change the manner in which the Inspection account was funded.

Mr. Dale advised that the \$190,828 recommendation was in error, and the Budget Division was preparing an amendment to The Executive Budget.

Hearing no further questions from the Subcommittee, Chairwoman Smith closed the hearing on Budget Account 1560 and opened the hearing on Budget Account 1562.

**STATE PUBLIC WORKS BOARD - PUBLIC WORKS INSPECTION (401-1562)**  
**BUDGET PAGE PWB-8**

Evan Dale, Deputy Manager of Administrative and Fiscal Services, State Public Works Board (SPWB), identified himself for the record. Mr. Dale testified that the SPWB Public Works Inspection account provided for the project management and inspection of the state Capital Improvement Program (CIP) construction and maintenance projects. Mr. Dale advised that the account received funding from project management and inspection fees assessed to the projects included in the CIP.

Mr. Dale reported that the Public Works Inspection account currently supported 71 positions and that a major issue for consideration was decision unit Enhancement (E) 607, which recommended the elimination of 12 positions including five building construction inspectors and seven project managers. Additionally, Mr. Dale advised that decision units E900, E902, and E500 recommended the transfer of six positions from the SPWB Administration Budget Account 1560 to the SPWB Inspection Budget Account 1562, which Mr. Dale would add approximately \$1.3 million to Budget Account 1562.

Chairwoman Smith asked agency representatives to elaborate on the basis for the elimination of 12 inspector positions.

Mr. Dale explained that the SPWB was facing a reduced workload because the 2009 CIP totaled approximately \$580 million compared with almost \$900 million for the 2007 CIP. Mr. Dale indicated that with the elimination of the 12 positions, the project management and inspection hours available to the agency would more closely match future project management and inspection hours needed to carry out the Board's work in a timely manner.

Chairwoman Smith asked agency representatives to provide the Committee's staff with the estimated number of hours of project management and inspection services that were needed to complete CIP work.

Mr. Dale advised that 61,000 hours of project management services and 64,000 hours of inspection services were estimated for the 2009 CIP.

Chairwoman Smith asked agency representatives to discuss decision unit E250, which recommended \$18,624 in inspection fees to add two motor pool vehicles for building inspection staff to use in Las Vegas.

Mr. Dale responded that there had been a shortage of motor pool vehicles in the Las Vegas office for some time, and he said that through an oversight the vehicles had not been requested during the 2007 Legislative Session when positions were added. Mr. Dale advised that to prevent sharing and using personal vehicles in the field, two vehicles were requested for the inspection and project management staff in Las Vegas.

Chairwoman Smith asked whether the vehicles were needed considering the elimination of positions.

Mr. Dale indicated that the vehicles were needed and advised that the positions being eliminated were all vacant and had been vacant for some time.

Chairwoman Smith noted that decision unit E710 recommended replacement equipment and asked whether the positions that were being eliminated had been taken into consideration in requesting replacement equipment.

Mr. Dale reiterated that the positions that were being eliminated were vacant and that there was no equipment associated with the vacant positions.

Chairwoman Smith addressed Assembly Bill (A.B.) 40, which removed the requirement that a school district with a population of 400,000 or more submit plans, designs, and specifications to the SPWB. Chairwoman Smith noted that it appeared the SPWB budget was calculated to include passage of the bill and asked agency representatives to comment on how the SPWB planned to

address plan, design, and specification submittals if the legislation was not approved.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), advised the members of the Subcommittee that A.B. 40 was heard in the Assembly Committee on Government Affairs where the same question was asked. Mr. Nuñez indicated that if the bill did not pass, the SPWB would collect fees plus 10 percent for administrative costs to manage the cost of reviewing plans, which he indicated were outsourced and not reviewed in-house. Mr. Nuñez indicated that SPWB representatives would have to approach the Interim Finance Committee to request revenue and expenditure authority if A.B. 40 was not approved. However, Mr. Nuñez pointed out that no one spoke in opposition to the bill when it was heard in the Assembly Committee on Government Affairs.

Hearing no further questions, Chairwoman Smith closed the hearing on Budget Account 1562 and opened the hearing on Capital Improvement Project 09-C18.

**OFFICE OF VETERANS SERVICES – CAPITAL IMPROVEMENT PROJECT 09-C18  
CEMETERY EXPANSION, BOULDER CITY - BUDGET PAGE APPENDIX-8**

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), introduced Chris Chimits, R.A., Deputy Manager of Professional Services, SPWB.

Mr. Chimits introduced Tim Tetz, Executive Director, Office of Veterans Services and provided a PowerPoint presentation ([Exhibit D](#)) on Capital Improvement Program Project CIP 09-C18, Boulder City Veterans Cemetery Expansion.

Mr. Chimits began the presentation with a vicinity map that showed that the Southern Nevada Veterans Memorial Cemetery (SNVMC) expansion bordered Buchanan Boulevard in Boulder City, which was followed by an aerial photograph of the site.

The next two slides showed the site plan and an aerial photograph overlay of the site plan that highlighted the planned improvements for the cemetery, including the construction of new pre-buried vaults and new columbarium walls and an addition and renovation to the existing administration building.

Mr. Chimits provided the following budget and scope information for the cemetery expansion:

- The project was budgeted at \$4,901,392.
- Construction costs totaled \$4,493,461.
- Professional Services costs totaled \$407,931.
- C18 was a continuation of CIP 07-P05.
- The project was 100 percent federally funded, and General Fund seed money required to bid the project would be reimbursed.
- A new columbarium wall would be constructed.
- New burial vaults would be constructed.

- The existing administration building would be renovated and expanded to increase current capabilities.

Mr. Chimits provided the following information to justify the expansion of the cemetery:

- The cemetery expansion costs would be 100 percent reimbursed with funding from the federal Department of Veterans Affairs.
- The SNVMC was the nation's second busiest Veterans cemetery and was expected to quickly outgrow its available capacity.

Since state funding had not been recommended for the project, Chairwoman Smith asked how state funds for seed and construction-progress payment funding would be obtained.

Evan Dale, Deputy Manager of Administrative and Fiscal Services, SPWB, advised that pursuant to Chapter 34 of the *Nevada Revised Statutes* (NRS), an advance could be secured from the General Fund in anticipation of the receipt of federal funding. Mr. Dale advised that if the collection of federal funds for the project was not timely, the SPWB would reimburse the General Fund upon completion of the project.

Chairwoman Smith asked when agency representatives contemplated requesting an advance from the state General Fund.

Mr. Dale indicated he believed that the advance would be requested when the architecture and engineering design (A&E) contract was drawn up in July or August 2009.

Chairwoman Smith asked the Office of Veterans Services representative to comment on the length of time the expansion would meet the projected needs of the SNVMC.

Tim Tetz, Executive Director, Office of Veterans Services, reported that the federal Department of Veterans Affairs (VA) required enough burial plots for five years and both areas of expansion would provide enough interment spaces for seven to eight years into the future.

Chairwoman Smith asked agency representatives to comment on staffing needs for the cemetery.

Mr. Tetz advised that while staffing was currently 60 percent below the national average, the expansion would require agency representatives to request additional staffing. Mr. Tetz advised Subcommittee members that the current workload was managed with the assistance of volunteers. Additionally, he explained that a request for additional staff was submitted but was not included in the Governor's recommended budget. Mr. Tetz said, however, that he would continue to request staff until federal requirements for staffing were met.

Chairwoman Smith asked agency representatives to comment on the status of the Department of Veterans Affairs approval of the schematic design for the cemetery project.

Mr. Tetz advised that he had directed the SPWB to delay approval of the design because last fall the project was 54th of 55 to receive federal funding, and at the same time the Department of Veterans Affairs was focusing on other construction projects at the Northern Nevada Veterans Memorial Cemetery (NNVMC) and the SNVMC. With those projects currently underway, Mr. Tetz indicated that he had directed the SPWB to pursue CIP 09-C18, and pending the Architecture and Engineering contract and final documents, federal funding could be available as early as federal fiscal year 2010 (October 2009).

Senator Raggio asked whether anything was being done to improve the Northern Nevada Veterans Memorial Cemetery.

Mr. Tetz advised that the NNVMC was discovered in the fall of 2007 to have a shortfall of single-burial vaults. In May 2008, a memo to Renny Ashleman, Chairman, State Public Works Board, requested a declaration of emergency status so that a cemetery expansion could be pursued. The request for expansion was granted, and planning ensued for a four-acre expansion. A 90 percent plan for the expansion would be submitted to the Department of Veterans Affairs (VA) during the week of February 23, 2009. Mr. Tetz advised that he planned to illustrate the need for immediate funding for the expansion during meetings in the next several days with the VA's Acting Undersecretary for Memorial Affairs and the Program Manager for the Veterans Cemetery Programs. Mr. Tetz expressed confidence that construction would begin in 2009 to continue to improve the NNVMC.

Senator Raggio questioned whether the entrance to the cemetery had been improved upon.

Mr. Tetz advised that neither the Office of Veterans Services nor the state controlled the land along the entrance to the cemetery, although Veterans Services' staff did pick up trash. Mr. Tetz explained that the 40 acres inside the fence was under the control of the Office of Veterans Services and "beautifully maintained." Mr. Tetz indicated that unless private landowners agreed to improve the acreage outside of the entrance, northern Nevada rangeland would continue to be encountered near the cemetery entrance.

Mr. Chimits advised that the 2007 Statewide Paving Program was completed, and the SPWB planned to spend remaining funding on improving the pavement at the NNVMC.

In response to Assemblyman Hardy, who questioned whether utilities were included as a part of the budget for the expansion of the SNVMC, Mr. Tetz affirmed that utility costs were included in the project cost estimate.

Senator Coffin asked for information concerning whether any creative methods "both respectful and economical" were being utilized in cemeteries around the country to address space shortages.

Mr. Tetz advised that the interment of cremains in the ground and in columbarium walls was the wisest use of space, but he indicated that "a great disparity" existed concerning burial rates and the type of burials in the northern and southern regions of the state. Mr. Tetz advised that while far fewer cremains took place in southern Nevada than in northern Nevada, more cremains in the south were placed in the ground, while in northern Nevada, the cremains were usually placed in a columbarium wall. Additionally, Mr. Tetz advised that the NNVMC had 40 acres of which 12 were currently being used,

and 16 acres was projected to be used with the expansion. The SNVMC had 80 acres of which 40 acres had been developed. Mr. Tetz indicated that he was in contact with Nevada's Congressional delegation, and that at some point in the future when the undeveloped space at the SNVMC was reduced to 20 acres, he would request their assistance to acquire additional acreage. Mr. Tetz explained that both the southern and northern Nevada cemeteries had adjacent federal property. Additionally, Mr. Tetz indicated that at some point in the future, if needed, Veterans cemeteries could be placed in other Nevada communities.

In response to Chairwoman Smith's request for clarification, Mr. Tetz confirmed that the SNVMC had interment capacity until approximately 2036, but the expansion project would provide capacity for only seven to eight years into the future.

Senator Coffin indicated that he believed it was important to project long-term burial needs into the hundreds of years rather than just a decade or two. He said that by projecting long-term needs, land could be conserved, and troops could be provided educational information on why the use of cremains was respectful and economical, and he advised they could make the interment decision rather than their survivors.

Chairwoman Smith advised that she had recently attended a service at the NNVMC and commented on how lovely the cemetery was and that even the road to the entrance had improved in the last few years.

Mr. Tetz indicated a film director recently requested permission to film the NNVMC in conjunction with a movie being filmed at the Naval Air Station in Fallon and that he was "proud to say that the NNVMC would star in an upcoming Hollywood feature film."

Hearing no further questions, Chairwoman Smith closed the hearing on CIP 09-C18 and opened the hearing on CIP 09-M09.

**OFFICE OF VETERANS SERVICES – CAPITAL IMPROVEMENT  
PROJECT 09-M09 COOLING TOWER REPLACEMENT, SOUTHERN NEVADA  
VETERANS' HOME - BUDGET PAGE APPENDIX-9**

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), provided a PowerPoint presentation ([Exhibit D](#)) on Capital Improvement Program Project CIP 09-M09, Cooling Tower Replacement at the Southern Nevada Veterans Home in Boulder City.

Mr. Chimits began the presentation with photographs of the cooling towers taken in 2005 and 2009. The latest photograph taken on February 19, 2009, showed a deterioration that resulted from the corrosive effect of the water on the galvanized metal basins.

Chairwoman Smith noted that the Southern Nevada Veterans Home was a relatively new facility and questioned why the towers had failed so rapidly.

Tim Tetz, Executive Director, Office of Veterans Services, advised that funding was provided in the 2007-09 biennium for a water-softening system, which was most likely installed too late to prevent the deterioration of the cooling towers. Citing other examples of the destructive nature of the water in Boulder City, Mr. Tetz advised that the washing machine was replaced after



four years and water to the facility was turned off for over four hours while a corroded main waterline was replaced.

Chairwoman Smith asked whether the installation of the water softening system was considered a method that would extend the useful life of the replacement cooling towers.

Mr. Tetz indicated he was uncertain whether the water-softening system would extend the life of the cooling towers but explained that the new cooling towers would be constructed with stainless steel water basins rather than galvanized steel water basins.

Chairwoman Smith asked Mr. Tetz to work with the Subcommittee's staff to ensure that the water treatment system would prevent deterioration of the new cooling towers.

Mr. Chimits advised that the more expensive stainless steel replacement towers, although not required by code, would "offset" the effects of the water.

In response to Assemblyman Ocegüera, who asked for the square footage of the Southern Nevada Veterans Home, Mr. Tetz advised that the entire facility measured 80,000 square feet. Mr. Tetz explained, however, that the newly expanded dining room was cooled internally and not by the cooling towers.

Assemblyman Ocegüera cited a personal experience concerning the installation of a cooling tower for a 30,000 square-foot fire administration building in southern Nevada and advised of the availability of rebates depending on the type of system. Additionally, Assemblyman Ocegüera commented that a chemical water-treatment system placed in a fire-station cooling tower, while expensive, eliminated the corrosive effect of the water.

Mr. Tetz advised that 65 percent of the funding would be available from the federal Department of Veterans Affairs since the deterioration of the towers presented a life-safety issue and that it was his "intent to seek payment after the fact." Mr. Tetz requested, however, that the project not be delayed waiting for funding because the residents of the Veterans Home could not be without air conditioning.

Chairwoman Smith asked why the architectural and engineering design and supervision fee was projected at 9.6 percent of construction costs when the typical fee was approximately 8 percent of construction costs.

Mr. Chimits advised that the SPWB staff used Marshall & Swift (a company that provided commercial-building cost estimates) as a guide in projecting the fee at 9.6 percent of construction costs. Mr. Chimits reported that although the national average was at about 8.5 percent of construction costs, the SPWB's 9.6 percent included "some attention to detail in terms of commissioning the project and verifying that the water softening system was functioning."

Chairwoman Smith noted that the original project included the replacement cost for condenser water pumps that were not included in the Governor's recommended budget and asked for an explanation on why the cost for condenser pumps was removed.

Mr. Chimits advised that the SPWB staff removed the cost for three condenser water pumps from the project in an effort to reduce the cost of the cooling

tower replacement. Mr. Chimits explained that the three pumps could be salvaged by replacing the bearings and other parts.

Hearing no further questions, Chairwoman Smith closed the hearing on CIP 09-M09 and opened the hearing on CIP 09-M29.

**DEPARTMENT OF WILDLIFE - CAPITAL IMPROVEMENT PROJECT 09-M29**  
**NDOW ELKO OFFICE REPAIR AND PAVEMENT PROJECT -**  
**BUDGET PAGE APPENDIX-9**

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), identified himself for the record and introduced Lisa Schettler, Supervising Professional Engineer, Department of Wildlife.

Mr. Chimits provided a PowerPoint presentation ([Exhibit D](#)) on Capital Improvement Program Project CIP 09-M29 that began with photographs of the Elko conference room and parking lot repair projects.

Mr. Chimits provided the following budget and scope information for the project:

- The project was budgeted at \$570,895.
- Construction activities totaled \$422,192.
- Professional services totaled \$148,702.
- The project was 100 percent state-funded.
- A storm water collection and drainage system would be constructed prior to paving.
- New paved parking area would be constructed where gravel currently existed.
- A deteriorated exterior concrete patio on the north side of the building would be replaced.
- "Curled concrete floor slab" would be replaced and acoustical improvements would be made in the conference room.
- Miscellaneous fire sprinkler improvements would be made.

In response to questions from Chairwoman Smith, Mr. Chimits advised that the Nevada Department of Wildlife (NDOW) office building was completed in 2001, and at that time, the north yard was not paved because of other cost priorities.

Chairwoman Smith asked why the floor in the conference room cracked when the building was relatively new.

Mr. Chimits advised that he surmised that the interior concrete floor in the conference room cracked because of freeze-thaw conditions that occurred during construction, which could be determined by removing the slab and inspecting the soil.

Chairwoman Smith questioned whether the inspection reports from the construction period could assist in determining weather conditions and responsibility.

Mr. Chimits advised that although the one-year warranty and guarantee period had expired, the inspection and engineering reports would be reviewed to provide assistance in remediating the soil and to minimize the cost.

Chairwoman Smith asked that information concerning the engineering and inspection reports be made available to the Interim Finance Committee's (IFC) Subcommittee to Review Public Works Board Matters.

Mr. Chimits agreed to provide the information to the IFC Subcommittee.

Chairwoman Smith asked whether the project estimate for the parking lot repair should be increased to include crack and slurry seal of the existing asphalt surfaces.

Mr. Chimits indicated a math error had occurred and that a budget revision would be submitted to increase the cost for crack and slurry sealing of the parking lot.

Chairwoman Smith noted that project included \$5,152 for Legal Description/State Lands and asked what the funding was for since no information had been provided.

Mr. Chimits explained that the \$5,152 related to survey costs for the construction of a storm drain system to "carry concentrated runoff from roof drains off of the property."

Chairwoman Smith asked whether the \$38,275 to repair and improve the conference room could be completed with agency funds rather than Capital Improvement Program funds.

Lisa Schettler, Supervising Professional Engineer, NDOW, advised that NDOW had committed \$51,775 in Question 1 Bond funding for the conference room repairs.

Noting that the NDOW had committed \$51,775 to the project and the CIP included \$38,275, Chairwoman Smith asked SPWB representatives to work with the Subcommittee's staff concerning the two funding sources and the reason the improvements were included in the CIP.

Hearing no further questions, Chairwoman Smith closed the hearing on CIP 09-M29 and opened the hearing on CIP 09-M06.

**STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES -  
CAPITAL IMPROVEMENT PROJECT 09-M06 – INSTALL TRAFFIC SIGNAL,  
KYLE CANYON FIRE STATION - BUDGET PAGE APPENDIX-8**

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), identified himself for the record and introduced Pete Anderson, State Forester, Division of Forestry, State Department of Conservation and Natural Resources.

Mr. Chimits provided a PowerPoint presentation ([Exhibit D](#)) on Capital Improvement Program Project CIP 09-M06 for the installation of a traffic signal at the Division of Forestry's Kyle Canyon Fire Station.

Mr. Chimits began the presentation with a photograph of the Kyle Canyon Fire Station, located on Kyle Canyon Road twenty miles from Highway 95 north in Las Vegas. The photograph showed the station's proximity to the road.

Mr. Chimits provided the following budget and scope information for the project:

- The project was budgeted at \$596,693.
- Construction related activities totaled \$437,582.
- Professional services totaled \$159,111.
- Project 09-M06 was a continuation of Project 07-M43.
- The project was 100 percent state-funded.
- The project provided for an emergency signal and controls for the fire station.
- The signal would be located in the Nevada Department of Transportation right-of-way.

Mr. Chimits provided the following justification for the project:

- Project 09-M06 was a continuation of Project 07-M43 deferred from the 2007 Legislative Session.
- The fire station was located too close to the road.
- Traffic hazards existed when fire trucks responded to emergency calls.
- Traffic continued to increase on the road.
- There was no traffic signal for the Kyle Canyon Fire Station.

Chairwoman Smith asked agency representatives to address the reasons why the fee for project management and inspection (PM&I) services had increased from 8.7 percent in the 2007 CIP project to 17 percent in the 2009 CIP project and why the fee for architectural and engineering (A/E) design and supervision services had increased from 8.6 percent in 2007 to 11.1 percent in 2009.

Mr. Chimits advised that the construction portion of the 2007 project was approximately \$230,000, and the fee for PM&I services totaled approximately \$20,000 or 9 percent of the project's cost.

Mr. Chimits provided the following explanation concerning the cost increases for Project 09-M06:

- The project was budgeted at \$389,000 including \$63,000 or 20 percent of the project cost for a remote-site allowance. The remote-site allowance provided travel costs for contractors; however, Mr. Chimits explained that SPWB inadvertently had not included the remote-site allowance in the 2007 project.
- The existing topographic surveys showing the toe of the slope as the road contoured to the Kyle Canyon Fire Station were discovered to be inaccurate, and the 2009 project included funding for new topographic surveys that would provide accurate information for the project engineer.

In response to Chairwoman Smith, Mr. Chimits advised that the new topographic survey information would subsequently increase engineering and construction activity to address the contours along the road.

Chairwoman Smith asked agency representatives to comment on why the percentage of costs appeared to have doubled since the deferral of the 2007 project.

Gustavo Nuñez, P.E., Manager, State Public Works Board, provided additional clarification concerning the topographic survey and explained that construction

costs would increase to include earthwork and grading into the side of the canyon to create a sufficient shoulder to install the traffic signal.

In response to additional questions Chairwoman Smith asked concerning project costs, Mr. Nuñez advised that in developing the 2009 CIP, SPWB staff reviewed the 2007 CIP and found that the fees for PM&I services were varied. Because of the small size of the traffic signal project, the fee for PM&I services for Project 09-M06 was adjusted for "a worst-case scenario" and additionally included \$63,000 for the remote-site allowance. Mr. Nuñez pointed out, however, that the reverse was true for large projects where fees for PM&I services were reduced.

Chairwoman Smith asked SPWB representatives to continue the cost discussion with the Subcommittee's staff.

In response to Senator Coffin's concern regarding the proximity of the Kyle Canyon Fire Station to the Nevada Department of Transportation (NDOT) right-of-way, Mr. Chimits advised that because the Fire Station fit against the slope, the station was expanded to the south to provide enough space for the fire equipment.

In response to Senator Coffin, who asked whether the building was more than 5 feet from the right-of-way, Mr. Chimits advised that the concrete apron was within 5 feet of the right-of-way as shown in the photograph ([Exhibit D](#)).

Senator Coffin questioned the type of fire engine used to serve the Kyle Canyon community.

Pete Anderson, State Forester, Division of Forestry, State Department of Conservation and Natural Resources, advised that a Type 1 structural fire engine served the community residences and commercial interests in the Canyon.

Senator Coffin questioned the \$63,000 remote-site location allowance for the project and pointed out that 70 percent of the distance from Las Vegas city center to Kyle Canyon could be traveled on the freeway.

Mr. Chimits said that although \$63,000 was the amount included for the project, he was not certain the cost would total \$63,000. Mr. Chimits explained that the cost was based on a remote-site factor that related to architects, contractors, and subcontractors' loss of job efficiency in traveling to a remote site.

Senator Coffin questioned whether a pre-bid level existed and said he doubted that architects, contractors, and subcontractors would refuse the work if they were not compensated for the travel time.

Mr. Chimits agreed that perhaps the sentiment would change because of the depressed economy, but he said that, in the past, a "strong increase" in costs was experienced for remote projects.

Assemblyman Ocegüera expressed similar comments concerning the remote charge and indicated that in the current economy, a remote-site allowance "did not make sense." Additionally, Assemblyman Ocegüera agreed with previous statements that indicated Kyle Canyon should no longer be considered a remote site.

In response to Chairwoman Smith, who asked whether the fee for architectural and engineering services was expended in the current biennium budget, Mr. Chimits advised that a portion of the fee for the 2007 project was expended on the schematic design. Mr. Chimits indicated, however, that the majority of the funding for the project was returned to the General Fund.

Chairwoman Smith asked the SPWB representatives to work with the Subcommittee's staff concerning the funding that had been expended in the current biennium.

Chairwoman Smith asked agency representatives to discuss the status of the proposal to consolidate fire personnel into a single facility.

Mr. Anderson testified that ongoing negotiations were being conducted with Clark County personnel concerning available sites adjacent to the library and the school, which was being considered for closure. Mr. Anderson advised that the access road at the front of the station was a T formation and that the traffic signal was a good investment for the long term.

Hearing no further questions, Chairwoman Smith closed the hearing on CIP 09-M06 and opened the hearing on CIP 09-M32.

**STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES -  
CAPITAL IMPROVEMENT PROJECT 09-M32 – SEWAGE DUMP STATION  
UPGRADE, STEWART CONSERVATION CAMP - BUDGET PAGE APPENDIX-9**

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), provided a PowerPoint presentation ([Exhibit D](#)) on Capital Improvement Program Project CIP 09-M32 for the upgrade of the sewage dump station at the Stewart Conservation Camp.

Mr. Chimits began his presentation with an aerial photograph of the Stewart Conservation Camp and provided the following budget and scope information for the project:

- The project was budgeted at \$307,737.
- Building construction costs totaled \$217,414.
- Professional services' costs totaled \$90,322.
- The project was 100 percent state-funded.
- The project would provide for the design and construction of a self-contained sewage-dump station and a water faucet for the transmission of non-potable water that would meet Environmental Protection Agency (EPA) standards.

Mr. Chimits provided the following justification for the project:

- The existing sewage dump did not meet State of Nevada health standards.

Chairwoman Smith asked whether the state's ten other conservation camps met state standards, and Mr. Chimits confirmed that the other conservation camps did meet state standards.

Noting that the dump station was located at a conservation camp, Chairwoman Smith asked whether the worksite was within a secured area and whether the security allowance could be reduced.

Mr. Chimits advised that the security allowance could be reduced because the dump station was located outside of the secured area and that a revised cost estimate would be provided.

Hearing no further questions, Chairwoman Smith adjourned the hearing at 9:57 a.m.

RESPECTFULLY SUBMITTED:

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Connie Davis  
Committee Secretary

APPROVED BY:



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Assemblywoman Debbie Smith, Chair

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



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Senator Bob Coffin, Chair

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

<u>EXHIBITS</u>			
Committee Name: <u>Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on Human Services/Capital Improvements</u>			
Date: <u>February 24, 2009</u>		Time of Meeting: <u>8:05 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Guest List
	C	Kate Marshall, Treasurer, Office of the State Treasurer	Debt Capacity Report
	D	Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board	PowerPoint Presentation