

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

**Seventy-Sixth Session
April 12, 2011**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on Human Services/CIP was called to order by Chair April Mastroluca at 8:11 a.m. on Tuesday, April 12, 2011, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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/76th2011/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; telephone: 775-684-6835).

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman April Mastroluca, Chair
Assemblywoman Debbie Smith, Vice Chair
Assemblyman David P. Bobzien
Assemblywoman Maggie Carlton
Assemblyman Pete Goicoechea
Assemblyman Crescent Hardy
Assemblyman Joseph M. Hogan

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Sheila Leslie, Chair
Senator Barbara K. Cegavske
Senator Steven A. Horsford

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Mike Chapman, Principal Deputy Fiscal Analyst
Eric King, Program Analyst
Carol Thomsen, Committee Secretary
Cynthia Wyett, Committee Assistant

Chair Mastroluca advised that the Subcommittee would review material from the State Public Works Board via the Nevada Electronic Legislative Information System (NELIS), and that information was also available to the public. Chair Mastroluca asked Mr. Nuñez to commence with his presentation.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), introduced himself, Chris Chimits, R.A., Deputy Manager of Professional Services, and Ward Patrick, Chief of Planning, to the Subcommittee. Mr. Nuñez indicated that Mr. Chimits and Mr. Patrick would discuss the various Capital Improvement Program (CIP) projects depicted in the PowerPoint presentation entitled, "State Public Works Board, Presentation to Senate Finance/Assembly Ways and Means Joint Subcommittee on Human Services and Capital Improvements," ([Exhibit C](#)).

Mr. Chimits stated that he appreciated the opportunity to present what SPWB believed were the critical projects for the upcoming biennium. He stated that each slide that depicted a project within the PowerPoint presentation also included "Estimated Job Years" in the lower left corner. That information had been included at Senator Horsford's request, and that estimate depicted the number of job years per American Recovery and Reinvestment Act of 2009 (ARRA) standards. Mr. Chimits explained the formula that was used to determine the number of years that each project would provide private-sector work, as depicted on page 2 of the exhibit. Through use of ARRA criteria, the total private-sector job years created by the CIP projects for the 2011-2013 biennium was 640 job years.

Mr. Chimits stated that his presentation would follow the information contained in the PowerPoint presentation ([Exhibit C](#)).

DEPARTMENT OF ADMINISTRATION

PROJECT NO. 11-M03—LAXALT BUILDING CEILING AND WALL REPAIR
BUDGET PAGE APPENDIX-8:

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M03 was a \$35,034 state-funded project that would install a fire-rated gypsum board ceiling system to conceal wood framing in portions of the basement of the Laxalt Building in Carson City. Fixtures and conduits would be relocated as needed, and the project also included sealing penetrations in walls and ceilings.

Mr. Chimits explained that some basement ceilings in the building were open with exposed wood framing, which was a gross violation of the fire code. The SPWB recommended funding the project to comply with fire code and at the recommendation of the State Fire Marshal.

PROJECT NO. 11-M08—UPGRADE ELECTRICAL POWER
BUDGET PAGE APPENDIX-8

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M08 was a \$1,252,739 state-funded project at the Stewart Facility in Carson City. The project would construct the replacement of the current overhead power distribution system on the west side of the Stewart campus, which had been installed approximately 90 years ago. The project would also replace existing street lighting and would finish the design that had commenced in the 2007 CIP recommendation and again in the 2009 CIP recommendation.

Mr. Chimits explained that the current electrical distribution system presented life-safety hazards because the poles were brittle with age, and the transformer banks to feed the system were operating at their maximum capacity.

PROJECT NO. 11-M08a—SEPARATE FIRE/SMOKE SYSTEM AND UPGRADE
HVAC SYSTEM – ADVANCE PLANNING
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M08a was a \$401,388 state-funded project that would redesign the fire and smoke control system at the Grant Sawyer State Office Building in Las Vegas, and address the

heating, ventilating, and air conditioning (HVAC) problems that had been identified throughout the building over the years.

Mr. Chimits said the Sawyer Building had a nondedicated fire panel and smoke control system that shared control of the dampers, fans, and air flow with the HVAC temperature control system. The components common to the fire and smoke detection systems were reaching the end of their service life and would be replaced with simpler and more reliable designs.

Chair Mastroluca referred to project 11-M08 at the Stewart Facility, and asked why the project amount had been reduced from the 2009 legislatively approved amount.

Mr. Chimits explained that the Buildings and Grounds Division had used approximately \$80,000 for temporary improvements to the poles, and SPWB had adjusted the cost of the project to allow for that funding. Mr. Chimits said the cost for lighting had also been reduced to the “must have” or more critical category, and those were the two primary areas where the project budget had been reduced.

Chair Mastroluca asked whether there was any portion of the project that would not be completed. Mr. Chimits said SPWB planned on completing all required work. The project had gone to bid prior to being cancelled, and the bids had come in lower than expected. The SPWB was using empirical data to arrive at the new cost estimate.

PROJECT NO. 11-M09—UPGRADE ELECTRICAL POWER SUPPLY SYSTEM
BUDGET PAGE APPENDIX-8

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), said project 11-M09 was a \$723,277 state-funded project that would update the power supply system at the Blasdel Building in Carson City.

The project would design and install a replacement transformer and service entrance in the Blasdel Building. Mr. Chimits said the new system would meet current codes and would be designed to meet existing and future electrical capacity requirements.

Senator Horsford asked why the state was required to provide maintenance for electrical supply systems rather than the utility company. Mr. Chimits explained that the state owned the system at the Stewart Facility.

Senator Horsford asked why the state had to replace the transformer at the Blasdel Building. Mr. Chimits explained that the system was on the downstream side of the meter. Senator Horsford asked Mr. Chimits to elaborate because he did not understand why the state was required to provide maintenance for electrical systems.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), said the state owned the electrical system at the Stewart Facility, but SPWB could look into the possibility of transferring ownership of that system to the utility company. However, because of the condition of the existing system, Mr. Nuñez doubted that the utility company would agree with the transfer. When the state assumed responsibility for the Stewart Facility, it had also assumed responsibility for the electrical system. Mr. Nuñez did not think the utility company would accept maintenance of either system—the Stewart Facility or the Blasdel Building—until those systems could meet the standards of the utility company.

Mr. Nuñez stated that the transformer at the Blasdel Building was currently located in the basement, which was a code violation. The new transformer would be installed on a pad outside the building, and at that point, SPWB could investigate the possibility of transferring maintenance to the utility company because the transformer would be up to code. He pointed out that the actual system was the responsibility of the owner up to the meter. At both the Stewart facility and the Blasdel Building, Mr. Nuñez said improvements would need to be completed before SPWB could approach the utility company for possible transfer of maintenance responsibility.

Senator Horsford believed the issue should be evaluated. He wondered why the state was required to build transformers. After the upgrades were completed at the two facilities, SPWB should evaluate the situation to see whether it would be more sensible to transfer future responsibility for maintenance of electrical systems to the private sector. Senator Horsford said SPWB could present that evaluation to the 2013 Legislature for review and possible action, based on the fact that SPWB continued to request funding for maintenance of electrical systems.

Mr. Nuñez agreed, and stated that once the systems were upgraded to the utility company's standards, SPWB would determine whether it made sense to turn future maintenance issues over to the utility company, and SPWB would report its findings to the 2013 Legislature.

PROJECT NO. 11-M31—COMPUTER ROOM HVAC UNIT INSTALLATION –
DMV
BUDGET PAGE APPENDIX-8

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M31 was a \$171,093 Highway Fund project that would install an additional computer room HVAC unit to provide additional cooling capacity to the data room. Mr. Chimits explained that additional cooling capacity was required to keep the existing computer room space temperatures within the range necessary for computer equipment to properly function.

PROJECT NO. 11-S01—STATEWIDE ROOFING PROGRAM
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), said project 11-S01 was a \$3,096,918 state-funded project that would provide a weather-tight roofing system on various state-owned buildings throughout the state.

Mr. Chimits explained that the project would remove and replace failed roofing systems that were beyond their useful lives. New roofing systems were the first step in ensuring that a building was water-tight and would protect all other building systems from damage because of weather.

PROJECT NO. 11-S01H—DMV ROOF REPLACEMENT
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-S01H was part of the Statewide Roofing Program and was funded 100 percent through the Highway Fund. The project consisted of a \$1,035,651 roof replacement for the Department of Motor Vehicles' (DMV), Carson City Office for the east wing, warehouse, and computer buildings.

Chair Mastroluca asked about the roofing project for the Florence McClure Women's Correctional Center (FMWCC) in Las Vegas. The roof at that facility was only 14 years old, and Chair Mastroluca wondered why it needed to be replaced.

Mr. Chimits explained that the state had purchased the building that housed the FMWCC and the existing roof had deteriorated very quickly in the extreme temperatures of the Las Vegas area. Mr. Chimits explained that there were problems with the current roof that could not be repaired.

Chair Mastroluca said it appeared there had been no warranty on the roof when the building was purchased, and Mr. Chimits stated that was correct.

Chair Mastroluca asked about the Roof Maintenance Reserve account, budget account (BA) 1502, which contained a balance of over \$700,000. It appeared that expenditures from the Reserve account for roof-related costs had averaged approximately \$27,000 annually, and Chair Mastroluca wondered whether that funding could be used to fund a portion of the current Statewide Roofing Program.

Mr. Chimits asked for clarification regarding the Reserve account.

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said BA 1502 was used to collect money set aside when a new building was constructed or a roof on an existing building was replaced, for the costs of a roof maintenance agreement. Mr. King stated that between \$10,000 and \$20,000 per project was put into the Reserve account.

Mr. Chimits said that was preventive maintenance agreement funding, which was used to pay for annual inspections completed by roofing manufactures to guarantee their product for 15 years. Mr. Chimits explained that once a year representatives from the manufacturer would perform a comprehensive inspection of a building's entire roof and make any necessary repairs.

Chair Mastroluca stated that the average expenditure in BA 1502 had been \$27,000 and the account balance was over \$700,000, and she asked whether that balance should be reduced.

Mr. Chimits stated that if the funding was not allocated to roof inspections, he believed it could be used for roof replacement. He would research that issue and provide additional information to the Subcommittee.

Chair Mastroluca said it appeared that the DMV computer facility roof had been replaced in 1997, prior to the end of the 20-year warranty under the Statewide Roofing Program, and she asked whether the Roof Maintenance Reserve account, BA 1502, would fund that replacement.

Mr. Chimits explained that the east wing and the warehouse were the roofs that had failed and had multiple leaks. The roof for the computer facility was the newest of the roofs and might last for a few more years. However, said Mr. Chimits, that facility contained the primary equipment for the statewide DMV system and was the most sensitive to water leaks. The SPWB would prefer to have those three buildings roofed by the same manufacturer, and because the east wing and warehouse needed to be roofed immediately, SPWB would like to include the computer building.

Mr. Chimits explained that the preventive maintenance agreement would then be the same for all three buildings, which would allow for annual inspections of all buildings once per year. If SPWB waited two years to replace the roof on the DMV computer building, it would cost extra for the maintenance agreement and the inspection of the one building by the manufacturer. The cost of the trip to the buildings increased as the roofs aged, said Mr. Chimits, and SPWB would like to save the cost on the DMV computer building by including that building with the roofing project for the east wing and the warehouse.

Chair Mastroluca encouraged SPWB to ascertain whether funding could be used from BA 1502 to pay for roofing costs within the Statewide Roofing Program. Mr. Chimits stated that he would look into the issue and would provide that information to Fiscal Analysis Division staff.

PROJECT NO. 11-S02—STATEWIDE ADA PROGRAM
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that SPWB had included \$149,999 in the Capital Improvement Program (CIP) to address possible Americans with Disabilities Act (ADA) issues, but that funding would not constitute a Statewide ADA Program. The funding would be used as a contingency fund that could be used to address ADA mandates from the Department of Justice (DOJ). Mr. Chimits said the state had received such mandates in the past, and those usually followed a complaint made about a prison or university facility, at which time the state would be mandated to address the ADA barriers. Mr. Chimits explained that because of the state's

bonding capacity, SPWB had not submitted a Statewide ADA Program for the upcoming biennium.

Senator Leslie stated that the amount was not a substantial amount of money to address ADA issues and was much less than the usual request for funding to address ADA compliance. Mr. Chimits stated that the amount of funding requested in previous years was between \$2.5 million and \$3 million.

Senator Leslie asked how SPWB had arrived at the figure of \$149,999, which was low even for a contingency fund. Mr. Chimits agreed that the amount was low. He explained that SPWB had reviewed previous DOJ mandates and averaged the costs to arrive at that figure. The SPWB was using empirical data to establish the contingency fund; he reiterated that the funding was not for the Statewide ADA Program and would simply be available in the event Nevada was mandated to address the issue of an ADA barrier.

Senator Leslie said it appeared that there was not a backlog of projects, and Mr. Chimits advised that there was a backlog. Senator Leslie again asked why SPWB believed that the amount would be sufficient to address ongoing and future ADA issues.

Mr. Chimits explained that for the past two years, DOJ had approached the state only after an ADA complaint had been lodged to direct the state to make the necessary improvements to address the complaint. The SPWB immediately responded to mandates from DOJ to correct those situations and had maintained a good working relationship with DOJ. In adding up the costs of DOJ mandates that had been issued over the past two years, SPWB believed that the amount would be sufficient to address future DOJ mandates. Mr. Chimits hoped the economy would improve over the 2011-2013 biennium, and SPWB could then include costs for the Statewide ADA Program for the following biennium.

Senator Leslie opined that it was a small amount of money to address construction or other ADA mandates. Mr. Chimits said DOJ mandates were usually for such things as correcting grab-bar heights and were not large in magnitude.

Senator Leslie asked what would occur if DOJ issued a more severe ADA mandate. Gustavo Nuñez, Manager, State Public Works Board (SPWB), stated that there were various options available if something unanticipated occurred that would exceed the \$149,999 contingency funding. Special

arrangements could be made with respect to the issue, and the consequence might include moving a program to a different location.

Senator Leslie commented that moving a program would cost more than \$149,999. Mr. Nuñez said SPWB would evaluate the situation, and as previously indicated by Mr. Chimits, SPWB had a good working relationship with DOJ because it had always addressed complaints quickly. In addition, DOJ was aware that SPWB maintained the Statewide ADA Program and usually spent between \$2 million and \$3 million over the biennium to address ADA issues as they arose.

Mr. Nuñez explained that as long as the state made an effort to address an issue, such as commencing with design of needed architectural modifications, and provided DOJ with a reasonable compliance schedule, DOJ would work with the state regarding completion of the project. Typically, said Mr. Nuñez, funding of \$149,999 would be sufficient to conduct quite a few architectural modifications. The funding, however, would not be sufficient to address a significant ADA barrier, such as the lack of an elevator in a two-story building where a public program was housed.

Senator Leslie asked whether sanctions could be filed if the state failed to address ADA complaints over the biennium. Mr. Nuñez said the funding request was a judgment call on the part of SPWB based on prior history, and the fact that there were no known ADA barriers within current state buildings.

Senator Leslie asked whether Mr. Nuñez felt the state was at risk for sanctions from DOJ, and Mr. Nuñez said he did not think there would be any sanctions against the state. He stated he was comfortable with that amount of funding, even though programs changed every biennium and ADA problems sometimes surfaced. The SPWB would attempt to address those problems through the Statewide ADA Program. Mr. Nuñez believed that \$149,999 would be sufficient for the 2011-2013 biennium.

PROJECT NO. 11-S03—STATEWIDE FIRE AND LIFE SAFETY
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-S03 was a \$3,221,178 state-funded project. The project included installation of fire sprinklers, fire alarms, exit signs, and egress lighting in existing buildings that were constructed prior to the current regulations that applied to new structures.

Chair Mastroluca pointed out that the Department of Corrections' (DOC) Wells Conservation Camp was included in project 11-S03, but that the camp was recommended for closure in The Executive Budget, and she asked whether that camp would be removed from the list. Mr. Chimits replied that if the Wells Conservation Camp was approved for closure, it would be removed from project 11-S03. Should the camp reopen in the future, the installation would again be considered.

Chair Mastroluca asked about SPWB's plan for the remaining DOC conservation camps and whether SPWB would be installing new fire sprinklers and alarm systems or improving existing systems. Mr. Chimits replied that SPWB would be adding new systems.

Chair Mastroluca asked for clarification of the Stewart Facility fire protection planning project. Mr. Chimits explained that Stewart was a project that would replace existing sprinkler systems.

Chair Mastroluca asked whether \$65,000 was sufficient to replace the sprinkler systems, and Mr. Chimits stated the funding was sufficient because the project would only replace those sprinklers that were leaking.

PROJECT NO. 11-S03H—STATEWIDE FIRE AND LIFE SAFETY-HIGHWAY
FUNDED
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-S03H was a \$222,122 Highway-funded project that would encompass two buildings, the Nevada Highway Patrol (NHP) dorm building 13 at the Stewart Facility in Carson City and the Department of Motor Vehicles' East Sahara office and training building in Las Vegas.

Mr. Chimits said the project would replace sprinkler pipe at the Stewart Facility, exit signs and egress lighting at the East Sahara DMV office, and fire alarms and exit signs in the training building.

Chair Mastroluca asked whether the project to replace fire sprinkler piping for building 13 should be funded in part with general obligation bond proceeds as well as Highway Funds.

Mr. Chimits said both projects would be funded with Highway Funds; he noted that the DMV's East Sahara Office had been built with Highway Funds and was occupied by an agency that was funded by the Highway Fund. Building 13 at the Stewart Facility had not been built with Highway Funds, but was 100 percent occupied by the Nevada Highway Patrol (NHP). Mr. Chimits stated that was why the CIP project was funded 100 percent by the Highway Fund. The use of General Funds for the Stewart Facility project would cause SPWB to delete another critical General Fund project.

Chair Mastroluca stated that building 13 at the Stewart Facility housed both NHP officers and Division of Parole and Probation officers who were attending Peace Officers' Standards and Training (POST) sessions, and Chair Mastroluca wondered why a portion of the project was not funded through the General Fund.

Mr. Chimits believed that officers attending POST sessions were housed in building 12 at the Stewart Facility.

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the Department of Public Safety Training Division was funded through a mixture of General Fund and Highway Fund revenue that depended upon the persons being trained by the Training Division. Mr. King believed that building 13 was used by both NHP officers and Division of Parole and Probation officers. For that reason, the project should be partially funded with general obligation bond proceeds or the General Fund.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), stated that DMV had informed him that building 13 was used 100 percent by the NHP at the present time. However, SPWB would research the issue.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that building 13 was a shared facility and was in the Training Division's budget within the Department of Public Safety. The Training Division was responsible for training both Nevada Highway Patrol (NHP) officers and Division of Parole and Probation officers. Mr. Krmpotic pointed out that building 13 had not been dedicated to NHP for a number of years.

Chris Chimits, R.A., Deputy Manager of Professional Services, SPWB, said he would work with the Buildings and Grounds Division to determine what portion of the building was used by NHP in an effort to split the funding for the project. However, that action would remove another project from the state-funded list.

Chair Mastroluca asked Mr. Chimits to work with Fiscal Analysis Division staff to ascertain the proper funding mix for project 11-S03H to ensure it was funded from the correct account.

Assemblywoman Carlton noted that the state was not hiring Division of Parole and Probation officers at the present time and most of the hiring was being done through NHP. In essence, even though it was a shared facility, it had become an NHP training facility.

Mr. Krmpotic agreed and stated that The Executive Budget had reflected a decreased emphasis on training for Division of Parole and Probation officers in the past. The funding split for the Training Division had been 40 percent General Fund and 60 percent Highway Funds, but Mr. Krmpotic believed that mix had decreased to a lesser percentage of General Fund for the Division over the 2011-2013 biennium.

Mr. Chimits indicated that he would work with Fiscal Analysis Division staff to determine the correct funding split.

PROJECT NO. 11-S04—STATEWIDE ADVANCE PLANNING PROGRAM
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that the Statewide Advance Planning Program was a \$704,546 state-funded program. The Program would provide funding for specific studies performed by outside consultants. The Program facilitated the orderly programming, scheduling, and funding of construction projects over two or more biennia. Mr. Chimits indicated that the Program also included SPWB professional staff time needed to evaluate a requested Capital Improvement Program (CIP) project, prepare the project, and shepherd it through the legislative process.

Mr. Chimits stated that the Statewide Advance Planning Program developed systematic methods of decision making that facilitated good capital planning for the state. The SPWB had noted a preponderance of maintenance projects, which required an increase in field time on the part of SPWB to investigate existing facilities.

Mr. Chimits said SPWB also found that coordinating statewide planning efforts with its Facility Condition Analysis team was becoming increasingly important as the state had to operate with less maintenance funding in the CIP.

Chair Mastroluca asked for clarification regarding the funding formula used for project 11-S04.

Mr. Chimits explained that development of the 2005-2007 biennium CIP had required approximately 4,800 hours. Development of the 2007-2009 biennium CIP had required 5,300 hours, and development of the 2009-2011 biennium CIP to date had required approximately 3,500 hours. Mr. Chimits stated that empirical data was used by SPWB for projecting future CIP development. Mr. Chimits said SPWB had submitted 3,200 hours for development of the CIP for the 2011-2013 biennium. As previously noted, a preponderance of maintenance projects and very few construction projects called for an increase in field time, but a decrease in the overall size of the CIP.

Mr. Chimits said there had been a corresponding decrease in the number of requests from state agencies because SPWB had turned down significantly more CIP projects than it had in the past. However, SPWB still had to evaluate the requests, which had not decreased to the level of the finished product. Mr. Chimits said SPWB had reviewed the 2009 Statewide Advance Planning Program and tried to trim the 2011 request down as low as possible while still providing viable evaluations for future projects. The SPWB felt 3,200 hours was the minimum amount of time needed for evaluation.

Gustavo Nuñez, P.E., Manager, SPWB, stated that he had testified before the Senate Committee on Commerce, Labor and Energy on April 11, 2011, regarding Senate Bill 409, which would have an effect on the type of additional advance planning required from SPWB. Mr. Nuñez noted that SPWB had not submitted a fiscal note to S.B. 409 because it felt the funding requested in project 11-S04 for the Statewide Advance Planning Program would be sufficient to complete that function.

Over the 2011-2013 biennium, said Mr. Nuñez, SPWB would review all leased space and provide an evaluation regarding whether the state would be better served by building additional energy-efficient new space as part of the CIP. Mr. Nuñez said he had informed the Senate Committee on Commerce, Labor and Energy that the request in S.B. 409 to review leased building space could be handled with the funding included for project 11-S04.

Assemblywoman Smith asked whether it would be possible for SPWB staff to complete the specific studies that were performed by outside consultants because of the reduced number of CIP projects.

Chris Chimits, R.A., Deputy Manager of Professional Services, SPWB, replied that \$50,000 of the requested \$704,546 would be allocated to private consultants. The SPWB only used that funding for specialty consultants that would assist SPWB's mechanical engineers in evaluating acoustics or other areas where additional expertise was necessary.

PROJECT NO. NO. 11-S05—STATEWIDE PAVING

Mr. Chimits explained that there was no Statewide Paving Program included in the Capital Improvement Program (CIP) because of the bonding limitations of the state.

PROJECT NO. 11-S06—STATEWIDE ENVIRONMENTAL
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-S06 was submitted as a \$200,000 project that was funded by the Risk Management Division. The SPWB had recently been informed by the Division that the funding in its budget for Project S06 had been reduced to \$100,000; therefore, SPWB would resubmit the project with a total budget of \$100,000.

Mr. Chimits said the project would address environmental issues such as asbestos, indoor air quality, lead paint, and mold as required by the U.S. Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA).

Chair Mastroluca noted that SPWB would make a funding adjustment from \$200,000 to \$100,000 for project 11-S06. Mr. Chimits stated that was correct.

Chair Mastroluca pointed out that \$200,000 had been approved in the 2009 Capital Improvement Program (CIP) to address indoor air quality and environmental issues, and it appeared that no funding had been spent to date. She asked whether the current \$100,000 request would be in addition to the amount approved in 2009.

Mr. Chimits stated that SPWB had spent approximately \$35,000 over the 2009-2011 biennium to address EPA and OSHA issues, and the remaining funds were held in reserve.

Chair Mastroluca noted that the remaining funds from prior statewide CIP environmental programs currently totaled approximately \$300,000, and she asked how SPWB could justify the request for an additional \$100,000.

Mr. Chimits explained that funding for the 2007 CIP environmental projects would sunset, and the 2009 CIP funding could be used for two additional years. The SPWB could use that funding to address current environmental issues. Mr. Chimits said SPWB was comfortable with funding of at least \$100,000 to address environmental issues should there be a significant EPA project, such as underground tanks. It was difficult to predict those issues until other CIP projects commenced and EPA issues became apparent.

Chair Mastroluca said she was struggling with adding additional revenue when there was a significant reserve, and she asked for additional justification for the current request. Mr. Chimits stated that he would provide the requested information.

PROJECT NO. 11-S09—STATEWIDE BUILDING OFFICIAL PROJECTS
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-S09 was a \$924,112 agency-funded project that would allow SPWB to effectively perform building-official functions for projects that were not within the Capital Improvement Program (CIP). Project 11-S09 would allow SPWB to accept fees for plan review and inspection services on those non-CIP projects.

Chair Mastroluca asked why the fees charged for SPWB project management and inspection services had not been included in the 2011 CIP recommendation.

Mr. Chimits said it appeared that an error had been made by not adding those fees in the CIP recommendation. Chair Mastroluca asked whether a correction would be submitted to address that error. Mr. Chimits stated that over the 2009-2011 biennium SPWB plan review and project inspection services totaled approximately \$760,000, and it would appear reasonable to match that amount for the 2011-2013 biennium.

Chair Mastroluca asked why the estimated fee paid to the State Fire Marshal Division for plan checks for buildings under construction would increase by over \$350,000 when compared to the 2009 CIP. She also asked about the duties of the State Fire Marshal Division that justified the need for the funds.

Gustavo Nuñez, P.E., Manager, SPWB, said the current CIP recommendation had been submitted to the Office of the Governor in the fall of 2010, and the funding level reflected the expected services of the State Fire Marshal Division at that time. Mr. Nuñez said any changes in the duties of the State Fire Marshal Division over the upcoming biennium would be taken into consideration. The request was for receipt and expenditure authority up to the authorized amount, and those funds that were not needed would revert.

Chair Mastroluca said it appeared to be a very significant increase, and she asked SPWB to work with Fiscal Analysis Division staff to address that funding issue. Mr. Nuñez stated that he would do so.

Chair Mastroluca asked about the amount that been spent to date on the 2009 CIP for Statewide Building Official Projects and whether that justified the requested increase in funding for the 2011 CIP.

Chris Chimits, R.A., Deputy Manager of Professional Services, SPWB, explained that the amount had been computed according to the business completed by SPWB over the past two years. He stated that SPWB carried forward empirical data to arrive at the amount of \$924,112 for project 11-S09.

Chair Mastroluca asked whether SPWB believed that amount was accurate for the 2011-2013 biennium. Mr. Chimits replied that SPWB did not believe it would exceed that amount over the biennium.

PROJECT NO. 11-S10—STATEWIDE AGENCY PROJECTS
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-S10 budgeted \$13,622,043 in receipt and expenditure authority and was 100 percent agency-funded. The project would allow SPWB to effectively perform project management functions for projects not in the CIP per *Nevada Revised Statutes* (NRS) Chapter 341. The project would also allow SPWB to accept fees for project management services of those non-CIP projects.

Mr. Chimits stated that the project allowed SPWB to meet the requirements of NRS Chapter 341 for building projects on state land or funded with state money. The amount was based on empirical data gathered over the past two years. Mr. Chimits explained that SPWB already had agency projects lined up for the 2011-2013 biennium, such as the \$8 million Eagles Nest project for

the Department of Corrections (DOC). Mr. Chimits indicated that there were several other known agency projects that would total approximately \$1 million.

Assemblywoman Carlton stated that Eagles Nest had been a controversial project with many underlying issues, and she wondered whether that project would commence during the 2011-2013 biennium.

Gustavo Nuñez, P.E., Manager, SPWB, stated that negotiations were underway with SPWB, DOC, and the Reno-Sparks Indian Colony, and it appeared that funding was available and the Eagles Nest project was ready to commence. The agreement was being drawn up and the project would proceed by late summer 2011.

Chair Mastroluca asked whether there had been instances where a project had been materially affected because of the need for Interim Finance Committee (IFC) approval.

Chris Chimits, R.A., Deputy Manager of Professional Services, SPWB, stated that he could not recall specific projects that had been affected by the requirement for IFC approval, but he was aware that when agency jobs required such approval the delay could affect the project. He stated he would provide specific information regarding the material effect of those delays to the Subcommittee.

Chair Mastroluca said she would like to understand how projects could be improved. She pointed out that the 2007 and 2009 recommended CIP had included similar recommendations to provide receipt and expenditure authority of between \$96.5 million and \$98 million to SPWB for agency projects; however, those recommendations had not been approved by the Legislature. She asked how oversight of SPWB's operations and projects would be improved if project 11-S10 were approved.

Gustavo Nuñez, P.E., Manager, SPWB, explained that there were two methods used by the SPWB to handle agency projects. The first method was when the agency retained the funding and SPWB acted on behalf of the agency. Typically, that method delayed payment to the contractor because the billing was sent to SPWB and was then forwarded to the agency for payment. The second method, said Mr. Nuñez, was when SPWB requested that the agency approach IFC with a request to transfer the funding from the agency to SPWB so invoices could be paid more quickly.

Mr. Nuñez stated that the two or three months required for IFC approval was not an issue in some cases; however, in some cases it was an issue because of timing and scheduling. For those cases the agency would retain the funding for the project and IFC approval was not required because transfer of the funding to SPWB had not been requested. Mr. Nuñez said approval of project 11-S10 would allow certain projects to be initiated without the delay of two or three months required for IFC approval to transfer funds.

Mr. Nuñez indicated that he would provide information regarding projects where the delay for IFC approval had not been an issue, and projects where the delay created an issue in scheduling and the agency had retained the funding so the project could proceed without delay.

Chair Mastroluca agreed that it appeared to be a matter of scheduling, but she was not comfortable with eliminating IFC oversight for projects. She believed it was the responsibility of the Legislature to monitor the funding for projects that used taxpayer dollars, and she believed IFC oversight was necessary.

Chris Chimits, R.A., Deputy Manager of Professional Services, SPWB, stated that two years ago SPWB had asked for \$100 million in receipt and expenditure authority and the current request was for \$13 million. The SPWB already had identified \$9 million in projects.

Chair Mastroluca said approval of project 11-S10 would set a precedent, and once the economy improved it would be difficult to impose IFC authority once again.

PROJECT NO. 11-E05—DMV FLOOD WATER PROTECTION IMPROVEMENTS
PHASE 1a
AMENDED BUDGET PAGE APPENDIX-2

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-E05 was a \$363,440 flood-water protection project for the Department of Motor Vehicles (DMV) in Carson City that was funded through the Highway Fund. The project was a continuation of CIP project 07-P01 that had completed 30 percent of the design when General Fund shortfalls required cancellation. The project would provide design and construction for critical flood protection improvements at the Carson City DMV building. The funding to complete the Master Flood Study and Planning Project would be requested in a future CIP recommendation when funding became available.

Chair Mastroluca said the recommended project would install double flood doors to mitigate damage to facilities, and she asked about the effectiveness of those doors.

Mr. Chimits stated that hydrostatic pressure had to be evaluated, and that evaluation would result in the appropriate door design and hardware needed. The existing doors would be removed around the DMV building, and approaches and hardware systems would be designed to resist the hydrostatic pressure. Mr. Chimits indicated that the design was not completed, and he was not aware of the specifics.

Chair Mastroluca asked for further clarification about the critical flood protection needed at the DMV facility.

Mr. Chimits stated that storm water runoff from the foothills on the Westside of Carson City ran down Kings Canyon and affected other buildings along with the DMV building; however, the DMV building was located at the lowest point in the basin. Other state-owned buildings on the Westside of Carson City had experienced flood damage such as water intrusion into basements. The SPWB wanted to complete the first step in flood mitigation measures with project 11-E05. Mr. Chimits said SPWB would request further funding to complete the study that would evaluate all state-owned buildings in harms way on the Westside of Carson City. After the design and planning efforts had been completed, SPWB would commence with individual construction projects as funding allowed.

Chair Mastroluca commented that typical architectural/engineering fees were approximately 8 percent, and the fee included in project 11-E05 was 10.7 percent, and she asked about the higher fee.

Mr. Chimits said 8 percent was the national median fee percentage. The SPWB used Marshall & Swift and RSMeans estimating guides because architects in Nevada generally assessed fees within the parameters set by those guides. Mr. Chimits explained that the parameters usually allowed for a 2 percent to 3 percent increase in fees for remodeling projects. Existing building remodeling projects required additional field effort and additional time by both the architects and SPWB staff.

DEPARTMENT OF CORRECTIONS

PROJECT NO. 11-C01—SDCC CORE EXPANSION PHASE III
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), said project 11-C01 was a \$4,961,872 state-funded project. The project was the third and final phase of the Southern Desert Correctional Center (SDCC) core expansion. Phase III would provide tenant improvement to build out and furnish the space created in Phase II.

Mr. Chimits reported that Phase I of the project provided upgrades to core facilities, including improvements to the dining and chapel services and master planning and programming. Phase II of the project, CIP project 07-C07a, provided new culinary/kitchen facilities, a final dining expansion, and a new laundry facility shell.

Mr. Chimits explained that completion of Phase III would allow SDCC to operate safely while improving accessibility and security to the culinary, dining facility, and laundry facility. Phase III would complete the expansion that started with CIP project 07-C07a. Mr. Chimits explained that SDCC was designed for 750 inmates and the current inmate population was approximately 2,000.

Chair Mastroluca asked about the effect of the Governor's amendment that reduced funding by \$26,528 for project 11-C01.

Mr. Chimits explained that the contingency funding for project 11-C01 had been reduced to help fund the additional ten projects that had been added by Budget Amendment No. 2. Chair Mastroluca assumed that was the reason the reduced funding would not affect the completion of the project, and Mr. Chimits stated that was correct.

Senator Horsford said he could not understand why the state should spend another \$4.9 million on culinary/kitchen facilities at SDCC, other than the fact that the facility was over capacity. Senator Horsford stated that he had toured the facility, and there had been major expansions to the culinary operation a few years ago, and now it appeared that further expansion was requested.

James G. (Greg) Cox, Acting Director, Department of Corrections (DOC), explained that the facility had been designed for 750 inmates and currently housed approximately 1,800 inmates. The laundry facility shell had been

constructed, and Phase III would build out the space and add the needed equipment to help manage the facility's population. Mr. Cox believed that the culinary at SDCC was the most intense and highly used culinary facility within DOC because of the population of SDCC.

Mr. Cox stated that he had recently visited the SDCC culinary, and the facility was extremely taxed and was used to its full capacity in every category, from washing dishes to preparing meals. He believed that Phase III was desperately needed to make the operation safe and maintain food service for 1,800 to 2,000 inmates.

Senator Horsford asked whether the upgrades to core facilities at SDCC were part of DOC's bed-capacity plan that would move inmates from facilities throughout the state to SDCC. Mr. Cox stated that DOC could add inmates to the capacity at SDCC, and also had 602 available beds at High Desert State Prison.

Senator Horsford said he was attempting to clarify the situation surrounding the proposal to close the Nevada State Prison (NSP), and whether DOC's expansion plan was to accommodate any or all of the inmates that would be moved from NSP to SDCC. Mr. Cox indicated that was a possibility because SDCC had housed over 2,000 inmates in the past; he pointed out that project 11-C01 had been ongoing for a number of years.

Senator Horsford asked whether inmates from NSP would be relocated to SDCC and was that part of the rationale for the Phase III request. Mr. Cox stated that transfer of NSP inmates to SDCC was not part of the rationale for the requested CIP project.

Senator Horsford stated that James Austin, Ph.D., JFA Associates, had recently submitted a report regarding the updated prison population projections for DOC. The report indicated that the prison population in Nevada had decreased substantially, and Senator Horsford wondered about the need to complete project 11-C01 over the 2011-2013 biennium.

Mr. Cox stated that the initial design for SDCC was to accommodate 750 inmates, but the current population was approximately 1,800 inmates. He noted that the facility had housed over 2,000 inmates in the past.

Senator Horsford pointed out that the culinary and laundry facilities at SDCC were currently operating without completion of Phase III, and he again asked

why the CIP project had to be completed over the upcoming biennium. There were schools around the state that were over capacity with as many as 40 students per classroom, and those facilities were also taxed to the limit. Senator Horsford said he could not understand the rationale behind the request to complete Phase III at SDCC because the prison population was decreasing. He asked why the state should spend an additional \$4.9 million on expansion of SDCC.

Mr. Cox said SDCC had needed the expansion for a number of years, regardless of the population. The facility had been designed to house 750 inmates and currently housed 1,800 inmates. Mr. Cox realized that the state was facing economic difficulties, and DOC had partnered with SPWB in reducing the scope of many CIP projects. He noted that SDCC was a significant medium-security facility within DOC, was one of the major facilities in southern Nevada, and was the facility that was used to accommodate additional inmates. The core expansion that commenced several years ago would be completed through Phase III. Mr. Cox emphasized that the culinary facility at SDCC needed the expansion to manage the safety and security of staff and inmates and to provide adequate food service for the higher population level.

Senator Horsford asked whether DOC had looked at alternatives such as multiple shifts for the culinary facility. Mr. Cox stated that multiple shifts had been initiated and the culinary facility currently operated 20 hours a day. The DOC had researched different strategies about how to manage the culinary facility and provide food service to the inmate population. Mr. Cox believed that staff had done a yeoman's job at the SDCC culinary facility. He opined that Phase III should be completed to provide culinary facilities that were consistent with the custody and population level. The SDCC was a medium-security facility and was DOC's second largest facility in the state.

Senator Horsford said he respected Mr. Cox's opinion, but the state simply could not afford project 11-C01. The Legislature had to prioritize projects. The SDCC population was at 1,800 inmates, and it appeared that the culinary facility was able to provide food service for that population. Senator Horsford said he had not heard any life and safety issues that would warrant the funding for the project. He stated he also had not heard anything about additional costs that might accompany the closure of NSP. There was a possibility that additional medical components would need to be added to DOC based on that closure. Senator Horsford said he simply could not support the request to spend \$4.9 million on completion of the culinary/kitchen facility at SDCC with the other priorities facing the Legislature.

Mr. Cox emphasized that the project should be completed because SDCC was one of DOC's main facilities. He invited legislators to tour the culinary facility at SDCC before a decision was made about project 11-C01; the DOC needed completion of the kitchen facility.

Chair Mastroluca appreciated the invitation to visit SDCC, but time was of the essence, and the Subcommittee was in the process of closing budgets. She appreciated Mr. Cox's frustration, but she agreed with Senator Horsford that Mr. Cox had not provided sufficient justification for funding the project. Chair Mastroluca recommended that Mr. Cox submit further justification that depicted life/safety issues to the Subcommittee.

PROJECT NO. 11-M14—INSTALL ELECTRONIC DOOR CONTROLS
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M14 was a \$1,534,431 state-funded project at the Warm Springs Correctional Center (WSCC) in Carson City. The project would install electronic touch screen door controls in the control rooms at the sally port and inmate housing unit 1. The doors and frames would be replaced to accommodate the locks, and conduits and conductors would be run to all cells.

Mr. Chimits indicated that the sally port had electrical door controls, but the housing units had only manual keyed locks on the doors. Keys were issued to inmates daily and turned in at night. Installation of new electronic door controls would greatly enhance security as the opening of doors would be under the control of staff.

PROJECT NO. 11-M15—REPLACE DOORS, LOCKS, CONTROL PANELS
BUDGET PAGE APPENDIX-8

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), indicated that project 11-M15 was a \$3,356,250 state-funded project that would replace 306 cell doors, locks, wing gates, and touch screen control panel systems in housing units 2, 3, and 4 at Southern Desert Correctional Center (SDCC). The 25-year-old doors were in very poor condition, and parts were no longer available for control panels.

PROJECT NO. 11-M21—EVAPORATIVE MEDIA REPLACEMENT
BUDGET PAGE APPENDIX-8

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M21 was a \$734,637 state-funded project that would replace the evaporative media in the air handling units installed in Phases I and II at High Desert State Prison (HDSP).

Chair Mastroluca said there was a remote site allowance of \$77,400 included in project 11-M21, and she did not believe the site was a sufficient distance from Las Vegas to require that allowance.

Mr. Chimits explained that remote site allowance was often part of a construction estimate, and some projects included remote site allowance funding while others did not. The SPWB had either received an estimate from a contractor or empirical data from the past two years had indicated a greater degree of confidence in the estimate by including those costs. The last project that addressed evaporative media replacement was completed at Ely, Nevada. Mr. Chimits said those costs were sometimes included in projects by SPWB to "hedge its bet" so that when the project was designed there would be sufficient funds to complete the construction.

Chair Mastroluca asked whether those costs could be eliminated from project 11-M21. Mr. Chimits stated that SPWB would like to retain those costs in the project to avoid the necessity of requesting additional funding from the Interim Finance Committee (IFC). Mr. Chimits stated that funds not expended on the project would be reverted.

Chair Mastroluca appreciated the savings and diligence of SPWB in ensuring that funds were properly expended. She was concerned about the remote site allowance, which was usually included to address excessive travel costs. Chair Mastroluca said she could not identify the justification for that allowance for a project at Indian Springs.

Mr. Chimits said he had not justified the remote site allowance as travel costs, but rather as a confidence issue when the estimate was prepared.

Chair Mastroluca said if SPWB believed that an extra allowance was needed for project 11-M21, she wondered whether remote site allowance was the correct category in which to include that funding. Mr. Chimits stated that in future projects, the allowance would be included in the overall construction budget.

PROJECT NO. 11-M27—HVAC REPLACEMENT – NNCC REGIONAL MEDICAL FACILITY
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M27 was a \$1,341,470 state-funded project that would replace the chiller and cooling tower and add a plate heat exchanger at the Regional Medical Facility (RMF) located at Northern Nevada Correctional Center (NNCC).

Mr. Chimits said the existing chilled water system was approximately 18 years old and had become unreliable. The condenser water pumps were in an underground vault that was subject to flooding throughout the year. Significant expenditures arose for repair and replacement of mechanical and electrical equipment whenever the underground vault flooded.

PROJECT NO. 11-M30—BOILER REPLACEMENT – LCC CENTRAL PLANT
BUDGET PAGE APPENDIX-8

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M30 was a \$1,512,714 state-funded project that would replace the existing water tube boilers at the Lovelock Correctional Center (LCC) with new high efficiency modular boilers.

Mr. Chimits indicated that the boilers were 18 years old, were inefficient, and had cracked tubes and tube sheets that were beyond repair. The replacement effort commenced in the 2009 CIP, and the project would be complete with the proposed upgrade.

PROJECT NO. 11-M34—UPGRADE CULINARY WALK-IN FREEZER AND REFRIGERATORS
BUDGET PAGE APPENDIX-8

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M34 was an \$846,048 state-funded project that would upgrade the existing walk-in freezer and refrigerators/coolers at the Northern Nevada Correctional Center (NNCC) by replacing the existing roof-top compressor rack, compressors, condensers, and evaporators with a new ground-mounted compressor and new refrigeration

equipment. The project would also provide new piping and electrical and a 100 square-foot addition to the bakery cooler.

Mr. Chimits explained that the current equipment did not maintain appropriate temperatures according to the Health Division and jeopardized the health of the entire institution. Oftentimes, when those systems failed, it resulted in discarding thousands of dollars worth of food.

Chair Mastroluca asked how long the freezer and refrigerators had been in need of repair and how long it would take to complete the project because of the life-safety factor; she commented that it was a very serious problem.

Mr. Chimits said the project would commence as soon as possible once the CIP recommendation had been approved for the 2011-2013 biennium. The SPWB anticipated the design time at approximately six months because of the need to select architects and engineers for the project. The actual construction would take an additional five months or so, with a lead time of approximately two months to order the equipment. Mr. Chimits said SPWB would expedite the project as much as possible.

Regarding the question about how long the situation had existed at NNCC, Mr. Chimits believed that DOC could assist with that reply.

Kent LeFevre, Chief Engineer, Department of Corrections (DOC), explained that the issue with the refrigerators and freezers at NNCC had been ongoing for several years. The roof-top compressors had been in and out of operation over the past two years, and obviously the equipment had to be replaced and repaired so the institution could provide food service for the inmate population.

Chair Mastroluca asked whether there was an estimate regarding the amount of food waste that had occurred because of the condition of the compressor units. Mr. LeFevre said he could not provide a quantified cost of waste, but in January 2011 the compressor system failed and significant food items were discarded because of the temperature issue.

Senator Horsford believed that temperature issues in refrigerators and freezers were serious, and temperatures should be maintained for sanitation as well as food safety. Senator Horsford asked whether DOC had evaluated alternatives to walk-in freezers, such as the newer independent freezer units that were mounted on pads. It appeared that \$677,184 was a bit high for the building and miscellaneous total; however, if the project included disposition of the

existing walk-in freezers and replacing them with new units, there would be a significant effect on the existing infrastructure around those units.

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that other options had been explored. He explained that the project would replace the existing roof-top compressors, but would not actually replace the freezers and refrigerators. The failure was occurring in the roof-top-mounted compressor equipment.

Senator Horsford asked about the closure of the Nevada State Prison and whether that equipment could be used to replace the NNCC equipment.

James G. (Greg) Cox, Acting Director, Department of Corrections (DOC), said he had reviewed the possibility of trying to provide freezer/refrigerator service from NSP, but the largest warehouse and food storage system was based at NNCC. The upgrades to the equipment at NNCC had been needed for a number of years, and Mr. Cox did not believe sharing the units at NSP would be practical.

Senator Horsford asked where most of the food storage and production occurred in northern Nevada. Mr. Cox replied that the warehouse and kitchen at NNCC provided the most storage and production.

Senator Horsford asked about food storage and preparation at NSP. Mr. Cox stated that NSP had its own coolers that were located inside the facility, but the major components of food operation in Carson City were conducted at NNCC.

Senator Horsford commented that the two facilities were in close proximity, and he asked why products could not be transported between the two facilities. Mr. Cox stated that the requested upgrades at NNCC had been needed for several years to support the food service and warehouse storage areas. There were only a few miles between the two institutions, but because of the Regional Medical Facility and the warehouse storage at NNCC, Mr. Cox believed that the upgrades should be completed.

Senator Cegavske asked why the compressors for the freezers and refrigerators had been placed on the roof where they were exposed to the weather. Mr. Chimits explained that the kitchen area at NNCC was extremely small. Senator Cegavske asked whether the compressors had been put on the roof because of the design of the kitchen. Mr. Chimits said when the facility was

built, there was no room to add the compressors within the kitchen area, so the most economical solution had been to place the equipment on the roof.

Senator Cegavske asked how often the compressors required repairs and/or replacement and how long they had been on the roof. Mr. Chimits said the current CIP project would be the first replacement of the compressors, which had been on the roof of the facility for approximately 18 years.

PROJECT NO. 11-M49—REPLACE FLOORING
BUDGET PAGE APPENDIX-10

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M49 was a \$445,519 state-funded project that would remove and replace existing flooring on the first floor of the Regional Medical Facility (RMF) at the Northern Nevada Correctional Center (NNCC). The design had been completed under project 9-M07.

Mr. Chimits indicated that the floor was a safety and health hazard. A portion of the flooring had been removed by NNCC maintenance staff because it had become a tripping hazard, and the remaining flooring had become delaminated.

NEVADA SYSTEM OF HIGHER EDUCATION

PROJECT NO. 11-M39—DEFERRED MAINTENANCE (HECC/SHECC)
BUDGET PAGE APPENDIX-9

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M39 was a \$15 million project at multiple sites within the Nevada System of Higher Education (NSHE). The project was funded with \$10 million in state funding and \$5 million in slot tax proceeds. Mr. Chimits said the project would address ongoing systemwide repairs and improvements that could be completed for less than \$500,000 and would reduce the backlog of maintenance work throughout NSHE. Projects under \$100,000 would also be included to renovate existing space or improve safety and accessibility.

Chair Mastroluca pointed out that Senate Bill 434 would exempt NSHE from SPWB oversight for capital construction projects. A proposal from the Governor would also allow NSHE to select and prioritize its maintenance projects, and Chair Mastroluca asked for clarification.

Gustavo Nuñez, P.E., Manager, SPWB, explained that the 2011 CIP recommendation originally included \$15 million in Higher Education Capital Construction (HECC) Funds and Special Higher Education Capital Construction (SHECC) Funds. In addition, there were other projects over and above the \$15 million in funding that SPWB felt were needed. Mr. Nuñez said SPWB learned of the final bonding capacity of the state in December 2010, and funding had been reduced for NSHE projects.

Mr. Nuñez said the request was to increase the HECC and SHECC to \$15 million and any additional projects for NSHE would be incorporated into the \$15 million. That would give the Board of Regents full authority over prioritizing the projects and expending the \$15 million. Historically, said Mr. Nuñez, that was the same process used in the past, and SPWB had been directed by the Office of the Governor to include that funding in its 2011 CIP recommendation.

Chair Mastroluca asked whether NSHE had always been in charge of prioritizing and expending the funding. Mr. Nuñez said NSHE had control over the HECC and SHECC funding of \$15 million. The SPWB typically oversaw the projects to ensure that the funding was being used only for deferred maintenance rather than new projects.

Chair Mastroluca said it appeared that \$7 million of the current project would be used for deferred maintenance. Mr. Nuñez replied that project 11-M39 was a \$15 million deferred maintenance project. He pointed out that the original 2011 CIP recommendation had included funding for other NSHE projects, but when the budget was reduced, the other projects for NSHE had been either eliminated or incorporated within the \$15 million HECC and SHECC funding. The Board of Regents would prioritize the projects and expend the funding.

Chair Mastroluca asked about the advantage of the process, and Mr. Nuñez said from the perspective of the Board of Regents, it gave NSHE the authority to prioritize the projects within the \$15 million limit, the same as had been done in the past.

Mark Stevens, Vice Chancellor of Finance, NSHE, said the Board of Regents would like to retain authority over the \$15 million in maintenance funds. The NSHE had a list of projects for each campus. Mr. Stevens stated that the funding would be allocated by campus through a two-step process: (1) a \$7 million base amount would be allocated that considered the amount of square footage maintained by each campus; and (2) an \$8 million allocation

would be made by prioritizing deferred maintenance projects that had to be completed on the various campuses.

Traditionally, said Mr. Stevens, the \$15 million funding through HECC and SHECC had been under the purview of the Board of Regents to be used for prioritized deferred maintenance projects. All other items in NSHE's capital improvement request were under the control of SPWB and the Legislature for prioritizing.

Chair Mastroluca said if that had been standard procedure, what was the reason for S.B. 434 that would exempt NSHE from SPWB oversight.

Mr. Stevens explained that CIP project 11-M39 would have SPWB oversight. The NSHE would prioritize which projects would be completed, but those projects would not be exempted from SPWB oversight.

Senator Cegavske asked whether additional staffing would be required if SPWB oversight was removed from NSHE projects. Mr. Stevens believed that NSHE staff would be available at major campuses. Senator Cegavske asked whether that would be existing staff or new staff. Mr. Stevens said that existing staff on major campuses could manage projects, but not on the smaller campuses. The NSHE would like to retain the option of opting in for SPWB oversight if that would be in the best interest of the project and the campus. However, NSHE would like to be allowed to internally handle projects at larger campuses where staff expertise existed.

Senator Cegavske said it appeared there might be a need for additional staff to oversee the projects. Mr. Stevens said additional staff would not be required for project 11-M39, and NSHE believed that current staff could manage future projects at major campuses. That might not be the case at smaller campuses, said Mr. Stevens, and NSHE would like to retain the ability to opt in for SPWB oversight for those projects.

Senator Cegavske asked whether those employees at major campuses could travel to the smaller campuses to oversee projects. Mr. Stevens said that was a possibility.

OFFICE OF THE MILITARY

**PROJECT NO. 11-E06—ENERGY EFFICIENT IMPROVEMENTS TO CSMS/FMS
FACILITIES**
AMENDED BUDGET PAGE APPENDIX-2

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-E06 was a \$377,565 project that would provide energy-efficient improvements as mandated by Executive Order No. 13423 for the Combined Support Maintenance Shop (CSMS) and Field Maintenance Shop (FMS) sites at the Nevada National Guard facility in Carson City and the Floyd Edsal Training Center in North Las Vegas. Mr. Chimits indicated that the federal government would pay 100 percent of the architectural fees, engineering fees, and construction costs in the amount of \$345,341. The state would be responsible for permitting and inspection fees, plans checking, and miscellaneous costs in the amount of \$32,224.

Mr. Chimits said the project would provide energy-efficient improvements for the two facilities. The existing facilities had not been retrofitted for energy improvements since original construction approximately 15 years ago. The older vehicle maintenance shops currently consumed utilities at a high energy intensity rate, which resulted in higher consumption and utility bills.

Chair Mastroluca asked about the amount that would be saved by installing energy-efficient improvements. Mr. Chimits said he would provide that information at a later date. He believed SPWB could review the energy-efficient systems that would be installed and make a determination about the amount of future utility bills versus current bills.

Captain Daniel Thielen, Construction and Facilities Management Office, Nevada National Guard, stated that his Office had run a pilot program that introduced some energy-efficient improvements at one facility. He stated that there had been an astounding savings of approximately 40 percent in utility bills, and based on the pilot program, the National Guard would like to continue expanding the energy efficiency program as funding permitted. Captain Thielen noted that federal funding was available for the current CIP project, and the savings on utility bills was expected to be as high as 40 percent.

PROJECT NO. 11-E07—UPGRADE SIMULATOR POWER
AMENDED BUDGET PAGE APPENDIX-2

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-E07 was a \$175,606 project to add power for up to three simulator units at the Nevada National Guard facility at Stead: (1) the Humvee Egress Assistance Trainer; (2) the Virtual Convoy Trainer; and (3) the Mine Resistant Ambush Protected vehicle trainer simulator. Mr. Chimits stated that the federal government would pay \$145,025, and the state would pay \$30,581 for professional services.

Mr. Chimits indicated that at the present time there was only power available for one simulator at the Stead facility. Additional simulators were required to meet the training schedule requirements for the Nevada National Guard.

PROJECT NO. 11-E08—ARMY AVIATION SUPPORT FACILITY ADVANCE
PLANNING AND DESIGN
AMENDED BUDGET PAGE APPENDIX-1

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-E08 was a \$384,995 project that would provide advance planning and design through 35 percent design documents for a Army National Guard Aviation Support Facility at the Elko airport. The project would be federally funded in the amount of \$285,973, with state funding of \$99,022.

Mr. Chimits said federal National Guard Bureau standards required that every location in the state be accessible by helicopter within two hours in the event of a natural disaster or other regional emergency. Placement of a new facility in Elko would support that mission throughout the northeast corner of the state, which was the only portion of the state not currently covered by military aircraft.

Chair Mastroluca said it appeared the project had been in the planning stages for quite awhile, and she asked about the estimated amount of state funding that would be needed to complete the project. Mr. Chimits explained that federal funding in the amount of \$285,973 would be used for design fees and construction contingency. The state would be required to pay the project management and inspection fees, whatever plan checking was required, and miscellaneous printing costs up to a maximum of \$99,000.

Mr. Chimits asked whether Chair Mastroluca was inquiring about the overall construction costs of the facility. Mr. Chimits indicated that Captain Thielen could address the federal-state funding split for the actual construction costs for the project.

Captain Daniel Thielen, Construction and Facilities Management Office, Nevada National Guard, indicated that the Nevada National Guard Aviation Support Facility would be a 100-percent federally funded building. However, any improvements to bring power and utilities to the site would belong to the state. The building from the ground up would be 100 percent federally funded, but there would be some minimal costs to the state at approximately 20 percent of the total construction costs.

Mr. Chimits said because of the proposed location of the facility next to the Elko airport, SPWB did not anticipate significant utility costs during construction.

Chair Mastroluca asked whether there had been a similar CIP project in 2007 located at the Elko airport, which had ultimately been moved to Carlin. Mr. Chimits stated that was correct. Chair Mastroluca asked whether there was any funding remaining from that CIP project. Mr. Chimits said those funds were being used for the Carlin facility, which was reflected in the 2011 CIP.

Chair Mastroluca asked about the square footage cost for the hangar facility of \$295 per square foot, and how SPWB had determined that cost.

Mr. Chimits said project 11-E08 was a planning and design project, and the SPWB used Marshall & Swift and RSMeans estimating guides to determine costs. The costs for a rural project were higher than the costs would be in urban areas of the state, such as Las Vegas or Reno, because of the remote location. Because it was a planning project, said Mr. Chimits, the architectural and design process would yield a more accurate estimate of construction costs for the project, and SPWB would then submit a request for construction funding to the Legislature.

Chair Mastroluca noted that some architectural and engineering design for a facility at the Elko airport for the Nevada National Guard had already been completed, and she wondered why the fees for the current project could not be lower considering the work that had already been completed.

Mr. Chimits explained that project 11-E08 was a completely different project with a different program from the federal government and was located at a different site.

PROJECT NO. 11-E11—REMODEL C12 HANGAR VIP WAITING
AMENDED BUDGET PAGE APPENDIX-1

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-E11 was a \$110,209 project that included the design and remodeling of the VIP passenger waiting area in Hangar C12 at the Stead facility. The project would separate the waiting room from staff operations and upgrade the overall finishes. Mr. Chimits indicated that architectural and engineering costs, along with construction costs, would be 100 percent federally funded in the amount of \$76,010, with state funding of \$34,199 for project management, inspection fees, plan checking, and miscellaneous fees.

Mr. Chimits explained that the Hangar C12 VIP waiting area was very outdated and did not adequately represent the state and the military. Some of the exterior and interior finishes needed to be improved.

Chair Mastroluca asked why the aesthetic improvement of the VIP waiting area was necessary. Mr. Chimits explained that it was not an aesthetic issue, but more of a necessity because the building was in disrepair.

Chair Mastroluca asked who used the VIP waiting area at the Stead airport. Captain Daniel Thielen, Construction and Facilities Management Office, Nevada National Guard, explained that Hangar C12 was used by the Governor and other dignitaries of the state.

Chair Mastroluca asked how often the VIP waiting area was used. Captain Thielen replied that the waiting area was used quite often during the week and was used by military as well as state officials.

Chair Mastroluca commented that the management and inspection fees were higher for project 11-E11 than for other projects. Mr. Chimits stated that was correct, mainly because it was a small remodeling project that would require additional field time.

Chair Mastroluca stated that the recommended project included a fee of approximately 26 percent for project management and inspection services,

which was higher than the average of 7.5 percent. Mr. Chimits agreed that 26 percent was high, and SPWB would revisit the project in an attempt to trim down the cost.

PROJECT NO. 11-E12—AASF/STEAD REPLACE HANGAR DOOR SEALS AND
CONCRETE FLATWORK
AMENDED BUDGET PAGE APPENDIX-2

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-E12 was a \$137,815 project that would replace gaskets and flashing that was required to make hangar doors airtight and weatherproof. The project would also replace parts and adjust doors as required to ensure proper operation and remove existing landscaping and replace it with concrete. The project was mostly funded by the federal government with \$18,862 funded by the state.

Mr. Chimits explained that light, air, and water entered the building because of worn weather seals, which allowed heated or cooled air to escape, thereby contributing to significant energy bills. Water from the roof and irrigation system percolated through the landscaped areas and was damaging existing asphalt around the building.

PROJECT NO. 11-M04—REPLACE FIRE PROTECTION PONDS
AMENDED BUDGET PAGE APPENDIX-1

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-M04 was a \$559,483 project that would design and construct upgrades to the existing site's fire protection system by replacing fire protection ponds with underground storage tanks. The funding would be split with federal funding of \$501,605 and state funding of \$57,878.

Mr. Chimits indicated that the existing fire protection system used water from a municipal source and a well that supplied water to the two existing open-air ponds. The open-air ponds filled with debris, which accumulated on the surface or settled to the bottom. When the system was activated, the debris could cause fire sprinklers to become clogged and inoperable. That could cause a life safety issue in hangars where maintenance was being done.

DEPARTMENT OF MOTOR VEHICLES

**PROJECT NO. 11-E02—DMV BUILDING IN SOUTH RENO – ADVANCE
PLANNING**
AMENDED BUDGET PAGE APPENDIX-2

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-E02 was a \$369,300 agency-funded project that would provide advance planning through schematic design for a new Department of Motor Vehicles (DMV) office building that would include a commercial driver's license and a motorcycle course, an inspection station, and an emissions lab. The 15-acre parcel had been purchased in 2003 for the project.

Mr. Chimits said the project was needed because customer volume had increased at the Galletti Way DMV office because of express office closures. The Galletti Way facility was undersized and could not accommodate the increased volume. Parking was limited and wait times for services had increased to over three hours during peak hours. The new DMV office would accommodate more customers and reduce the pressure currently felt at the Galletti Way office.

Senator Leslie commented that closure of the DMV express offices had been a significant loss for many persons in the Reno area who wanted to avoid the Galletti Way facility because of the wait times and the lack of parking. Senator Leslie was concerned that there would not be sufficient construction funding to complete the new DMV building, and she thought DMV should consider alternatives to such a significant project.

Bruce Breslow, Director, DMV, said the Galletti Way building was constructed in 1977 when the population of the Reno metropolitan area was 120,000. The current population of that area was over 400,000, but he noted that population growth had begun to slow because of unemployment and persons leaving the state.

Senator Leslie asked whether use of kiosks and the Internet, and the reestablishment of satellite offices, would help alleviate some problems at the Galletti Way office. While it would be nice to have a new facility with the accompanying amenities, the state was not currently in a position to fund a significant construction project.

Mr. Breslow agreed that it was not the best time to request funding for advance planning for construction of a new facility. He noted that the request did not include architectural designs, and the planning would remain viable for several years. Mr. Breslow said DMV hoped it could distribute at least an additional 80 kiosks statewide if the pending legislation pertaining to kiosks was approved. The public could then be encouraged to use the kiosks, and the DMV could add other functions to the kiosks such as driver's license renewals. Mr. Breslow believed that would reduce the wait times in overcrowded offices. The wait time at the Galletti Way office was at the maximum and parking was a significant issue at that facility. Capital Improvement Program (CIP) project 11-E12 requested funding for advance planning so that when the economy improved at some point in the future, construction funding could be requested.

Senator Leslie asked whether it would be wise to put off the advance planning until the 2013-2015 biennium because, obviously, the state could not afford to construct a new building. Mr. Breslow replied that funding for the project would come from the Highway Fund rather than the General Fund, and it would simply be planning for the future.

Senator Leslie understood that funding for the project would come from the Highway Fund, but there were many other needs for that funding. Senator Leslie said it was her understanding that the wait time at the Galletti Way office could be less than one hour. Mr. Breslow commented that wait times at that office had been lower over the last quarter than during the same time period last year.

Senator Leslie opined that the Internet DMV service was fantastic, and she felt DMV had done a good job in offering alternatives to office visits. However, Senator Leslie did not think the state should spend money on planning for a project that could not be completed over the short term.

PROJECT NO. 11-E04—DMV LAS VEGAS ADVANCE PLANNING AND SITE ACQUISITION
AMENDED BUDGET PAGE APPENDIX-2

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-E04 was a \$369,523 project that was agency-funded. The project would provide advance planning through schematic design, and included the acquisition of approximately 17 acres of Bureau of Land Management (BLM) land for a Department of Motor Vehicles (DMV) site that would include commercial driver's license and motorcycle

courses, an inspection station, and an emissions lab. The proposed area of the new DMV site was in the southwest portion of the Las Vegas Valley.

Mr. Chimits indicated that because customer wait times were four hours or more in some DMV offices within the Las Vegas Valley, those offices could not provide a safe and comfortable environment for customers to park and/or conduct business. The population within the Valley had increased by 70 percent since the last DMV office was built in 1998, and a new office in the southwest portion of the Las Vegas Valley would allow for a more reasonable and equitable distribution of customers.

Chair Mastroluca asked whether the land for the project had already been secured. Mr. Breslow stated that a reservation had been submitted to BLM to procure the land.

Chair Mastroluca asked about the proposed location of the new facility in the southwest portion of the Las Vegas Valley, which she believed was a light industrial area. While the area would have freeway access, it did not seem to be an appropriate site for a DMV office.

Mr. Breslow explained that the land was located approximately one block south of the South Point Hotel-Casino on Interstate 15, and DMV was attempting to secure BLM land that would be extremely affordable for the state. He stated that several DMV offices were located in light industrial areas, and the parcel under consideration for the new DMV office in Las Vegas was easily accessible and was affordable.

The current CIP project requested funding for advance planning because of the population in the Las Vegas Valley. Mr. Breslow noted that population growth had slowed in the Valley, and the project would provide advance planning that would remain viable for several years. He believed that the state should procure the land now while the price was lower.

Chair Mastroluca asked about the current wait times at DMV offices in the Las Vegas area. Mr. Breslow said it depended on the office. The statewide average wait time over the last quarter was 39 minutes. He indicated that DMV offices were competing with each other to reduce wait times, which brought the time down. However, said Mr. Breslow, a person visiting the Sahara DMV office during the afternoon hours would find a wait time of about 1 1/2 hours, while mid-morning wait times could be as low as 20 minutes.

Mr. Breslow said the DMV was attempting to educate the public by publishing the wait times at various offices so persons could select a different DMV office and possibly reduce their wait time. If pending legislation regarding kiosks was approved, the kiosks would not be operational until approximately spring of 2012, and it was hoped that DMV could reeducate the public in the use of kiosks rather than DMV offices.

Chair Mastroluca understood the request, but agreed with comments made by Senator Leslie. She had concerns about spending over \$300,000 at the present time to plan for a project that might not come to fruition for at least eight years. She would like to invest more in the idea of kiosks or satellite offices, which had worked very well. Chair Mastroluca noted that there was a significant amount of space available in various strip malls around the Las Vegas Valley that could house satellite offices. Chair Mastroluca said she was not in favor of project 11-E04 at the present time.

Chair Mastroluca asked whether the fees for architectural design and engineering between the two buildings would be similar and whether the design could be used for both buildings.

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that the structural effort for each building would be different. The property in Reno had already been purchased, and the geographical aspect was different from the BLM property being considered in Las Vegas. There was a possibility that one facility could be designed and perhaps that design could be used as a prototype for the second building. However, said Mr. Chimits, the structural system design would have to be completed for each facility because of climate variations. Buildings in northern Nevada required structural design for wind and snow load, and that differed from buildings in southern Nevada. Also, said Mr. Chimits, the mechanical systems could not be prototyped because of climate variations.

Chair Mastroluca asked about the time frame to purchase the BLM land in Las Vegas and whether that transaction had commenced. Mr. Chimits said that perhaps Ms. Cook could explain the time frame.

Deb Cook, Administrator, Administrative Services Division, DMV, explained that the Division of State Lands had requested a reservation with BLM on December 7, 2010. Chair Mastroluca asked how long it would take to transfer the land to the state. Ms. Cook said she was not aware of the time frame for completion of the transfer.

Mr. Chimits commented that the process would take time, but as stated previously by Mr. Breslow, it was an excellent opportunity to secure property in the Las Vegas area. To facilitate the transfer of property from BLM to the Division of State Lands, SPWB had to complete a minimal level of planning. Whether or not the land was used for a DMV building in the future, it was a perfect opportunity to secure BLM land that was appropriately suited for a DMV building at a significantly lower cost to the state.

Chair Mastroluca thanked Mr. Breslow for his testimony and asked that he check the wait time for driver's license tests.

Assemblyman Hogan agreed that it was the right time to secure property in Las Vegas. The location around the proposed DMV office site had become mostly residential and had been growing for several years. Assemblyman Hogan opined that it would be a good location for a DMV office. He also believed that some planning made sense, and the timing for construction could be decided in the future.

Mr. Breslow understood the unfortunate timing of the project. He wanted to inform the Subcommittee that he had created a task force and was reviewing a proposal to privatize driving tests. The DMV could then regulate private companies who administered the driving tests. Mr. Breslow stated that the current wait time for driving test appointments was as long as two and one-half months, and DMV hoped to improve that situation.

Chair Mastroluca appreciated DMV's efforts to improve its services.

DEPARTMENT OF WILDLIFE

PROJECT NO. 11-E03—LAKE MEAD HATCHERY – WATER TREATMENT PROJECT – ADVANCE PLANNING AMENDED BUDGET PAGE APPENDIX-2

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that project 11-E03 was a \$466,547 agency-funded project that would provide advance planning through construction documents for approximately one mile of new 16" diameter pipeline from an existing water treatment facility to the Lake Mead Hatchery. The project included the design of an 1,100 square-foot filtration building.

Mr. Chimits indicated that the project would provide water that was free of quagga mussels to the Lake Mead Hatchery. The Hatchery produced up to 200,000 pounds of trout per year to stock southern Nevada waters. The Department of Wildlife had halted trout production at the Hatchery to avoid the spread of quagga mussels throughout the state, which had resulted in a reduction in fishing license and trout stamp sales.

Chair Mastroluca asked whether other alternatives had been considered to provide water to the hatchery. Mr. Chimits stated that there were three or four other options that would address the situation, and he asked Mr. Haskins to provide information.

Richard Haskins, Deputy Director, Department of Wildlife, said alternatives to the current Capital Improvement Program (CIP) project had been reviewed, and the Department continued to pursue alternatives. The solution that the Department hoped would come to fruition was the negotiation between Basic Water Company in Henderson and Southern Nevada Water Authority (SNWA) to provide water to the Hatchery. He indicated that the Hatchery currently received water from Basic Water Company and quagga mussels were not the only problem.

According to Mr. Haskins, an additional problem was the warmer temperature of the water received from Basic Water Company because its water intakes were fairly shallow; therefore, water received at the Hatchery was fast approaching the point where it could not be used to raise trout. Mr. Haskins said because of the lower lake elevation, even if quagga mussels were not an issue, the Department would have to submit some type of CIP project to address the water temperature problem. Mr. Haskins explained that the water intakes for SNWA were deeper and the water was cooler, and negotiations between the two water companies was one alternative currently under consideration.

Mr. Haskins said as part of project 11-E03, the Department would also review recirculation systems that would lessen the demand for water at the Hatchery. The quagga mussel issue required treated water, which could be provided by SNWA and would be addressed in the project by the one mile of new 16" diameter pipeline from an existing water treatment facility to the Hatchery. The issue also required some type of redundant system that filtered water so the Department could be 100 percent certain that the trout it delivered were not transporting quagga mussels.

Chair Mastroluca asked whether the current CIP project, with an estimated \$3.6 million in construction costs for the planned pipeline and water treatment improvements was the most cost-effective or the most feasible option.

Mr. Haskins explained that the \$3.6 million cost was for the pipeline itself, and that was a reality faced by the Department at the present time. If Basic Water Company and Southern Nevada Water Authority (SNWA) were able to successfully negotiate a solution, the current pipeline from Basic Water Company could be shared by SNWA, thereby eliminating the cost for the additional pipeline. However, if those negotiations failed, the Department would need to install the additional pipeline.

Assemblyman Bobzien asked whether there were any options that were palatable from the standpoint of water reuse. Mr. Haskins said that was always an option, and the Department had researched the option of water reuse. If the state was willing to invest sufficient funding, the Department could install an almost 100-percent water recirculation system. He pointed out that a recirculation system for water used to raise trout would be much more expensive. One proposal by the Department to keep costs down for the delivered water was to consider at least a partial recirculation system.

Chair Mastroluca asked whether there were further questions or comments regarding the 2011 Capital Improvement Program (CIP) projects, and there being none, the hearing was closed.

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Chair Mastroluca opened public comment and asked whether there were persons who wished to testify before the Subcommittee regarding the CIP projects. There being none, the Chair adjourned the hearing at 10:29 a.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:

Assemblywoman April Mastroluca, Chair

DATE: _____

Senator Sheila Leslie, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on Human Services/CIP

Date: April 12, 2011

Time of Meeting: 8:11 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Chris Chimits, SPWB	PowerPoint presentation