

**MINUTES OF THE JOINT MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON K-12/HIGHER EDUCATION/CIPS
AND THE
SENATE COMMITTEE ON FINANCE
SUBCOMMITTEE ON K-12/HIGHER EDUCATION/CIPS**

**Seventy-Seventh Session
April 16, 2013**

A joint meeting of the Assembly Committee on Ways and Means' Subcommittee on K-12/Higher Education/CIPS and the Senate Committee on Finance's Subcommittee on K-12/Higher Education/CIPS was called to order by Chair William C. Horne at 8:14 a.m. on Tuesday, April 16, 2013, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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 nelis.leg.state.nv.us/77th2013. 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 COMMITTEE MEMBERS PRESENT:

Assemblyman William C. Horne, Chair
Assemblyman Andy Eisen, Vice Chair
Assemblyman Paul Aizley
Assemblywoman Maggie Carlton
Assemblywoman Lucy Flores
Assemblyman Cresent Hardy
Assemblyman Pat Hickey
Assemblyman Randy Kirner

SENATE COMMITTEE MEMBERS PRESENT:

Senator Moises (Mo) Denis, Chair
Senator Debbie Smith
Senator Michael Roberson

Minutes ID: 837



STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Brody Leiser, Program Analyst
Carol Thomsen, Committee Secretary
Olivia Lloyd, Committee Assistant

Chair Horne asked the State Public Works Division (SPWD) to begin its presentation of the "State Public Works Division, Capital Improvement Program Presentation," ([Exhibit C](#)), beginning with the Department of Administration. During the presentation Chair Horne asked that the SPWD comment on the possibility of combining projects at the same locations for possible cost savings. Also, if the same contractor was able to work on the same type of projects, such as heating, ventilation, and air conditioning (HVAC) projects or floor replacement at multiple locations, the Chair asked that the SPWD comment about possible savings that could be realized by those projects.

Chair Horne requested a brief synopsis regarding the circumstances and types of projects that required the occupied facilities allowance and whether that allowance should only apply to work on the interior space of a facility that was occupied by staff. He also asked about the necessity to include the construction contingency cost calculation on the occupied facility allowance.

Gustavo Nuñez, P.E., Administrator, State Public Works Division (SPWD), Department of Administration, advised that the coordination necessary to work on interior projects where staff was relocated throughout the building created the need for the occupied facility allowance. For exterior building projects there was the need to provide protection and safety for persons entering and leaving the facility. Mr. Nuñez indicated that the allowance was needed whether the work was being done on the interior or the exterior of a facility.

Chair Horne asked about the construction contingency cost calculation on the occupied facility allowance.

Assemblyman Eisen added that the construction contingency cost calculation appeared to be built on a base that included the occupied facility allowance, and he wondered why it was calculated in that manner.

Mr. Nuñez explained that all contingencies, whether for remote sites, secured facilities, or occupied facilities, affected the total cost of construction. That increase in cost had been noticed when compared to similar projects that were not being completed under one or more of those conditions. The contingency was part of the total construction cost and was noted in the bidding process at which time various costs were identified. The construction contingency cost calculation, said Mr. Nuñez, was always calculated based on the total construction cost.

Mr. Nuñez stated that Mr. Chimits would provide the detailed presentation on the individual projects to the Subcommittees, and there were staff and others present in Las Vegas regarding project 13-C01, Replace Access Bridge, Caliente Youth Center. Mr. Nuñez noted that representatives from the various agencies were also present should the Subcommittees require additional information.

Chair Horne thanked Mr. Nuñez and asked Mr. Chimits to proceed.

**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
STATE PUBLIC WORKS DIVISION
CAPITAL IMPROVEMENT PROGRAM
BUDGET PAGES APPENDIX 4-6**

DEPARTMENT OF ADMINISTRATION
PROJECT 13-C06 – COMPACT SHELVING
STATE LIBRARY AND ARCHIVES
BUDGET PAGE APPENDIX-4

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the presentation ([Exhibit C](#)) was based on the recommendations in The Executive Budget. Mr. Chimits indicated that he had met with Brody Leiser, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), during the past week and provided corrections because of mathematical errors that had been pointed out to the SPWD during the last hearing.

Mr. Chimits said the cost for project 13-C06 was \$700,144, and the project would remove half of the basement static shelving at the Division of State Library and Archives and replace it with high density, mobile compact shelving. There would be some minor remodeling work associated with the project

including new electrical service, floor covering replacement, and modification of lighting and fire sprinklers.

Per Mr. Chimits, the State Records Center (SRC) of the Division of State Library and Archives was in need of additional storage space to accommodate the growing paper record storage requirements of state government. Also, by providing storage for inactive and low-use records, the SRC provided an estimated statewide cost-avoidance of \$875,000 per year. Mr. Chimits stated that increasing the storage capacity was estimated to increase the cost-avoidance by an additional \$744,000 per year.

Assemblyman Eisen asked when the SRC would run out of space and reach full capacity in the current static shelving space. He noted that there was a mix of new records coming in while the older records were being disposed of.

Daphne DeLeon, Administrator, Division of State Library and Archives, Department of Administration, explained that the SRC currently had a capacity of 34,586 spaces. Based on use patterns, the number of records received annually, and the records that could be disposed of because they had reached the time frame mandated by the records retention schedule, the Division projected that every year it added 2,200 boxes to the capacity of the occupied spaces. Ms. DeLeon stated that based on those projections, by fiscal year (FY) 2014, the State Records Center would only have 626 spaces available and would fill to capacity very quickly.

Chair Horne asked about use of electronic records retention. Ms. DeLeon replied that the Division had reviewed the records in the SRC, and 58 percent of those records had a retention period of up to six years. Even though most agencies were transitioning from paper to electronic records, many records that were currently stored in the SRC had not been converted to electronic records. Ms. DeLeon said the Division projected that within five to six years, there would be a significant change in the pattern of record storage and there would be less than 2,200 boxes added to the SRC. Per Ms. DeLeon, as agencies moved toward the electronic records environment, the Division of State Library and Archives, in cooperation with the Division of Enterprise Information Technology Services (EITS), would establish an electronic records center using the EITS facilities and an electronic records retention schedule.

Assemblyman Eisen said it appeared the Division was moving toward more digital storage, and he wondered whether it would make sense to move forward with the proposed shelving project, versus temporary storage, to address the capacity needs of the SRC. When the volume of paper records decreased because of electronic records storage, the temporary storage could be eliminated.

Ms. DeLeon stated that many of the paper records stored at the SRC had a longer retention schedule. She estimated that 25 percent of the records currently in storage had minimum retention of 16 years to 100 years. When agencies moved toward electronic records storage, there would be less focus on paper retention. However, said Ms. DeLeon, the SRC would still be required to store legacy records such as older adoption paper records that had a 100-year retention. There would eventually be a decrease in the storage of paper records, but unfortunately it would be a slow transition.

Chair Horne said [Exhibit C](#) indicated that the statewide cost-avoidance was \$874,000 per year, and increasing the storage capacity would increase the cost-avoidance by an additional \$744,000 per year. Chair Horne said LCB Fiscal Analysis Division staff indicated that the projected increase in annual cost-avoidance had been revised to \$141,386 per year.

Mr. Chimits stated that was the correct figure for the cost-avoidance.

Chair Horne said the project included shelving costs of \$485,000, and project 13-M55 included \$385,000 for shelving costs for the Division of State Library and Archives. Chair Horne asked whether the shelving for both projects could be purchased from the same vendor and whether a cost savings could be realized.

Mr. Chimits explained that those two projects—13-C06 and 13-M55—would be good candidates to combine. The construction costs would not be reduced because the scope was somewhat different; it was the same contractor, but one project was for new compact shelving and the second project was to repair existing shelving. Mr. Chimits said the benefit of combining the projects would be a reduction in project-management costs. The SPWD would research the possibility of combining those projects, and if possible, would submit a budget that reflected the savings.

Chair Horne asked about the basis for applying inflationary calculations to the shelving costs. He wondered whether the inflationary costs could be removed for the shelving cost portion of the project.

Mr. Chimits stated that the estimates for all projects for the upcoming biennium had been prepared in April 2012. The time frame for planning projects was 18 months, with an additional 24 months for construction. Mr. Chimits indicated that inflation was currently between 2 and 3 percent.

Chair Horne asked whether that inflationary cost could be removed from the shelving cost portion of the project.

Mr. Chimits said the SPWD would not feel comfortable removing the inflation costs because the shelving was also subject to inflation. The SPWD would feel comfortable in combining the two aforementioned projects and reducing the management effort.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M02 – FIRE/SMOKE CONTROL SYSTEM UPGRADES
SAWYER OFFICE BUILDING
BUDGET PAGE APPENDIX-4

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the project cost was \$986,036. The project would construct the design that was completed under project 11-M08a. The project would separate the control of the fire/smoke system from the control of the heating, ventilation, and air conditioning (HVAC) system in the building.

Mr. Chimits explained that the Grant Sawyer State Office Building had a nondedicated fire panel and smoke control system that shared controls with the HVAC system in the building. Those shared components were required to be listed as a fire system component, which the existing HVAC manufacturer no longer provided. Mr. Chimits indicated that the components had to be replaced so that the fire and HVAC systems acted independently: that would greatly reduce the complexity of the system, the annual testing, and the maintenance needed for the building.

Chair Horne asked when the SPWD anticipated that project 11-M08a would be completed.

Mr. Chimits stated that project 11-M08a commenced with two contracts; a design programming contract had been completed that fully defined the electronic problems. The system required an intense investigation prior to ascertaining the scope of the project. Mr. Chimits stated that contract had been completed in its entirety, and the second contract was with an engineering firm for the design of the system. The SPWD had recently received the design development drawings, and it was in the process of coordinating with the State Fire Marshal Division, Department of Public Safety, about how the 2012 International Building Code (IBC) would apply to the project.

Mr. Chimits explained that was important because receipt of that application would greatly simplify the control system. Mr. Chimits believed that the construction documents would be completed in approximately three months, and the SPWD would then move forward with execution of the construction of the design, providing that project 13-M02 was funded.

Chair Horne asked when the recommended 13-M02 project would begin. Mr. Chimits replied that the project would commence as soon as funding was available from the 2013 Legislature.

Chair Horne asked whether the remaining bond proceeds from project 11-M08a could be reassigned to project 13-M02.

Mr. Chimits indicated that the SPWD had recently received the design development package, and until the design was finished, it was somewhat premature to return funds when the project had not been completed.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M08 – MAIL ROOM HVAC SYSTEM INSTALLATION
SAWYER OFFICE BUILDING
BUDGET PAGE APPENDIX-4

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$297,956. The project would separate the heating, ventilation, and air conditioning (HVAC) system that served the loading dock and the mail room from the system that served the remainder of the building.

Mr. Chimits explained that the air handler that served the mail room and the loading dock also served other occupied spaces in the building, which would be subject to contamination in the event of an airborne containment release in the loading dock or the mail room area.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M26 – HVAC SYSTEM RENOVATION
STEWART BUILDING 107
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$190,040. The project would replace the existing chiller and pumps with new high-efficiency equipment. Part of the project would include installation of two new split-system heat pumps to serve the investigation office.

Mr. Chimits explained that the current equipment was more than 20 years old and had reached the end of useful service. The investigation office was currently served by electric resistance heating, which was extremely inefficient.

Assemblyman Hardy noted that the existing chiller had reached the end of its service life, and he asked whether there had been problems with the chiller. Mr. Chimits said there had been maintenance issues, and the struggle was locating parts for the older equipment.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M27 – CHILLED AND HOT WATER PIPING REPLACEMENT
SAWYER OFFICE BUILDING-PHASE 1
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$594,745. The project would replace the chilled and hot water heating, ventilation, and air conditioning (HVAC) piping. Phase 1 would design the entire project and complete approximately \$300,000 worth of necessary repairs.

Mr. Chimits explained that external corrosion had damaged the chilled and hot water HVAC piping. Some piping had begun to leak and had prematurely failed in some areas of the building. Where corrosion had occurred, there was a risk of flooding and other damage. Mr. Chimits said once the design investigation

was completed, there was the possibility that all work could be done in phase 1; however, the SPWD could not gauge the scope of the project until the investigation was complete.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M28 – SERVER ROOM VENTILATION SYSTEM UPGRADES
BRYAN BUILDING
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$65,103. The project would install new exhaust fans in each of the five server rooms in the Bryan Building and would connect them to emergency power panels.

Mr. Chimits explained that the new fans were intended to provide for mitigation of excessively high room temperatures during a loss of normal electrical power or failure of one of the fan coil units that serve those rooms.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M29 – HVAC SYSTEM RENOVATION
STEWART BUILDING 6
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$255,341. The project would replace the existing chiller and pumps with new high-efficiency equipment. Mr. Chimits explained that the equipment was more than 20 years old and had reached the end of useful service, which created a significant maintenance effort.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M38 – BOILER PLANT IMPROVEMENTS
BLASDEL BUILDING
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$407,412. The project would remove an existing gas-oil boiler which was approximately 25 years old, and replace it with two new, high-efficiency gas boilers. New hot water distribution pumps and new direct digital controls would also be installed.

Mr. Chimits explained that the existing boiler had reached the end of useful service and was very inefficient compared to modern boiler technology.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M49 – ELEVATOR UPGRADE
BELROSE BUILDING
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$275,715. The project would provide improvements and upgrades to elevator equipment, signage, controls, and a ventilation unit. The project would address the Americans with Disabilities Act (ADA) and fire safety requirements for two elevators.

Mr. Chimits explained that the Rehabilitation Division of the Department of Employment, Training and Rehabilitation served a significant number of clients with special needs who used the elevators to reach the second floor offices in the Belrose Building. The two elevators currently did not meet ADA signage and control requirements, nor did they meet the current fire code for manual override or universal key requirements for firefighter use.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M51 – DRAINAGE SYSTEM IMPROVEMENTS
GOVERNOR'S MANSION
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$75,226. The project would design and construct upgrades to the existing drainage system for the rear yard of the Governor's Mansion. The project included installation of underground drainage pipe to the Carson City storm drain system on West Robinson Street.

Mr. Chimits explained that the west edge of the Governor's Mansion was subject to excessive water build-up because of inadequate drainage. The existing system of French drains did not properly function and caused flooding of the rear yard during rain storms.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M52 – EXTERIOR FINISHES
GOVERNOR’S MANSION COMPLEX
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$609,656. The project would include the repainting of the exterior surfaces of the buildings in the complex—the Governor’s Mansion, north hall, cook’s house, garage, equipment and storage sheds, and the Llewellyn Gross Memorial Pavilion. Along with painting, the project would address exterior caulking, rain gutter repair, and sealing to ensure weather-tight buildings.

Mr. Chimits explained that the project would maintain the weather resistance and aesthetic appearance of the Governor’s Mansion complex. The exterior finishes of the complex were beginning to look under maintained and did not present a good image of the state to visitors. If deferred maintenance of the finishes continued, it would lead to increased long-term maintenance costs and the appearance of the complex would continue to degrade.

Assemblyman Hickey stated that he was a painting contractor, and he noted that the cost for professional services was listed at \$99,024, which he assumed was labor.

Mr. Chimits said the main cost under professional services was for the architectural engineering design provision. The project would be put out to bid, and the SPWD would hire an architect to complete the construction documents that illustrated the work so that contractors were able to bid on the project. Another portion of that fee would be used to retain the architect to provide construction administration and overview of the project. There was also a cost for the SPWD to manage the project.

Assemblyman Hickey said the cost \$609,656 seemed quite high for painting the complex. He believed architects were important when a project was being constructed, but he assumed there was a plan for each phase of construction, and the SPWD could manage the project without an architect.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M55 – UPGRADES TO THE COMPACT SHELVING
STATE LIBRARY AND ARCHIVES BUILDING
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$463,801. Mr. Chimits believed that project 13-M55 could be combined with project 13-C06, as previously discussed, and he would advise the Subcommittees if the SPWD decided to combine the projects.

Mr. Chimits stated that the project would upgrade the existing motorized compact shelving and would include the conversion of the main library shelving systems and Talking Book collection to a mechanical assist, or manual, system. The program would refurbish and modernize the automated shelving systems in rooms 204 and 205 with new electronic and mechanical components.

Mr. Chimits explained that the electronic controls and safety devices were 20 years old and required replacement to ensure the safety of both staff and the public. The electronic controls were no longer supported and replacements parts were not available. There were 80 shelving units that required conversion. Of those 80 existing units, 16 required safety override operation to access the materials. Mr. Chimits stated that if the systems were not upgraded, the shelving systems would have to be closed to the public.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-M58 – HVAC SYSTEM RENOVATION
CARSON CITY MOTOR POOL
BUDGET PAGE APPENDIX-6

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$46,890. The project included the replacement of the existing heating, ventilation, and air conditioning (HVAC) equipment that served the administration portion of the building. The project was funded with the agency's enterprise fund. Mr. Chimits explained that the equipment was more than 25 years old and had reached the end of useful service.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-P02 – PLANNING FOR THE LAS VEGAS METRO
BUILDING UPGRADES
BUDGET PAGE APPENDIX-6

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$319,287. The project included upgrading the exterior insulation and finishes, reglazing, reroofing, fire sprinkler installation, painting, carpeting, information technology/telephone installation, Americans with Disabilities Act (ADA) upgrades, lighting and ceiling upgrades, parking lot slurry sealing, interior tenant improvements, and heating, ventilation, and air conditioning (HVAC) systems upgrades.

Mr. Chimits explained that upgrading the building would allow the Buildings and Grounds Section, and other state agencies in the Las Vegas area, to relocate to a better functioning building. The relocation of the Buildings and Grounds Section would allow for future capital improvement to the overall East Sahara complex site.

Assemblyman Eisen asked how project 13-P02 was intertwined with project 13-P01, the design through construction documents for the new Department of Motor Vehicles (DMV) office. He noted that the Building and Grounds Section currently occupied a facility that was recommended for demolition, which was the proposed construction site for the new DMV office. He also asked about the timeline for all projects located at the East Sahara parcel and the dependencies that existed within the projects.

Mr. Chimits explained that the design of the Las Vegas Metro building was the first step, and concurrent with that, the SPWD would like to commence with the design for the new DMV office. The reason for designing the projects concurrently was that the SPWD planned to use a construction manager-at-risk throughout the design process with the architect and engineering team. Mr. Chimits said the SPWD thought that would be best because of the nature of coordinating each of the project elements. The SPWD believed that participation of the contractor in the design process would enable the contractor to create the most efficient scheduling for an efficient construction process for each project.

Mr. Chimits said the first steps were the design of the Las Vegas Metro building and the design of the new DMV office. The design for the Las Vegas Metro building would take approximately nine months to complete, and the design for the DMV office would take approximately one year to complete. Mr. Chimits said the SPWD would integrate the Las Vegas Metro building design with the DMV design. Once the designs were complete, the projects would be presented to the 2015 Legislature for funding. Mr. Chimits explained that the first construction step would be the remodel of the Las Vegas Metro building, which would commence immediately after close of the 2015 Session. That construction project was expected to last between five to six months and should be completed by the end of December 2015 or in January 2016.

Mr. Chimits stated that after completion of the Las Vegas Metro building, the Buildings and Grounds Section would move out of the existing building and into the newly remodeled Las Vegas Metro building. The building currently housing the Buildings and Grounds Section would be demolished, and construction would immediately commence on the new DMV office. Mr. Chimits said that office building would be an approximately 13-month construction project, and upon completion, the DMV would be moved from its existing location in the Sahara complex to the new office building. At that time, said Mr. Chimits, the old DMV office would also be demolished. Mr. Chimits advised that the SPWD anticipated the overall projects would be completed by July 2017.

Assemblyman Eisen stated that the upgrade of the Las Vegas Metro building would allow the Buildings and Grounds Section, and other state agencies, to relocate, and he asked what other state agencies would be moving into the building.

Mr. Chimits stated that the SPWD had been combined with the Buildings and Grounds Section, so it would also relocate to that building. Also, the Department of Agriculture was located near the Las Vegas Metro building, and it was hoped that the Department would also relocate. Mr. Chimits opined that those three agencies would occupy the Las Vegas Metro building.

Gustavo Nuñez, P.E., Administrator, State Public Works Division (SPWD), Department of Administration, stated that the SPWD currently handled the leases for state agencies located in private space. The SPWD would review leases of private space to ascertain which agencies were at the end of their leases and could be accommodated in the remaining space available in the Las Vegas Metro building. Mr. Nuñez commented that there would be

significant space available after the SPWD and the Building and Grounds Section moved into the Las Vegas Metro building. The review of leases for private space would commence as the process moved forward.

Assemblyman Hardy asked about the total square feet within the Las Vegas Metro building.

Mr. Chimits replied that there was 16,000 square feet. Assemblyman Hardy asked how many square feet would be used by the SPWD and the Building and Grounds Section. Mr. Chimits said until the design was completed for the building it would be impossible to provide the square footage that would be used. He believed that there was sufficient square footage beyond what was needed for the SPWD and the Buildings and Grounds Section to accommodate another agency, perhaps the Department of Agriculture.

Assemblyman Hardy said he was unaware of the plan to move the SPWD and the Building and Grounds Section into the Las Vegas Metro building, and he asked whether that had been the original plan.

Mr. Nuñez commented that perhaps the SPWD had not communicated the plan to move into the Las Vegas Metro building along with the Buildings and Grounds Section. The building itself was approximately 8,000 square feet, and in addition, there was an adjoining shop with a separate entrance and a high bay with a roll-up door for vehicular access, which was approximately 4,000 square feet. Mr. Nuñez said the Buildings and Grounds Section could function with 1,500 square feet and a portion of the high bay, which other agencies could also use. Per Mr. Nuñez, the Buildings and Grounds Section was currently located in a state-owned building, and the SPWD currently occupied space in a privately owned facility and leased approximately 2,400 square feet.

Mr. Nuñez said the remaining space in the Las Vegas Metro building would be available for another agency. The building space was well-situated and could be easily divided because of the common entrance and various exits. Much depended on when the two projects moved forward and the coordination of expiring leases with the completion of the projects; state-owned space was always used before private space was leased for state agencies.

DEPARTMENT OF ADMINISTRATION
PROJECT 13-P03 – ARMORY BUILDING RENOVATION
BUDGET PAGE APPENDIX-6

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$144,080. The project included the complete program and schematic design for seismic reinforcement and building rehabilitation. The project would use energy-efficient design solutions to provide office space for state agencies that were currently located in leased spaces.

Mr. Chimits explained that the armory was a historic building built in 1900, and the project would retrofit the building to comply with current seismic codes that would better protect the building from damage caused by earthquakes. Other issues associated with older buildings would also be addressed. Mr. Chimits said agencies that currently paid for leased space could find economic value in relocating to a state-owned building; also, outlying agencies would have the opportunity to relocate to the Capitol Complex.

In the absence of the Chair, Vice Chair Eisen asked about the \$1 million that had been set aside by the Office of Energy for future construction of the project. He asked that a representative come forward to address that funding.

Stacey Crowley, AIA, LEED AP, Director, Office of Energy, Office of the Governor, stated that the Office of Energy had set aside the \$1 million in April 2012 when the budget was constructed. The \$1 million was rebate money the Office of Energy had received from stimulus projects that occurred on state buildings throughout the past two years. Ms. Crowley said the Office of Energy had taken advantage of rebates through the energy efficiency and renewable energy programs offered by NV Energy. Ideally, the Office of Energy could then relocate into a state-owned building. Additionally, the building was historical and was currently vacant. Ms. Crowley stated that any work on the Armory building would enhance the Capitol Complex, and the Armory could become an example of a significant energy retrofit and a structural stabilization project for the state.

Ms. Crowley said from the perspective of the Office of Energy, it could set an example of energy retrofitting because the Office was encouraging persons throughout the state to do the same with commercial and residential buildings. The \$1 million was available, but Ms. Crowley noted that the Office of Energy

had researched many opportunities to spend the rebate money, as well as other funds, that would potentially bring that money back to the Office of Energy through energy savings. Ms. Crowley stated that if the initial step of the project moved forward, it would likely be several years before construction dollars would be needed in the Capital Improvement Program budget for the project. The Office of Energy believed that it could expend the funds on a current project and hopefully recoup that money through energy savings to be used for the Armory building. Ms. Crowley said the Office of Energy believed the Armory building was an important project.

Vice Chair Eisen asked whether there would be a commitment from the Office of Energy for \$1 million when the project reached the construction stage. He asked whether there were any other restrictions on the use of the \$1 million.

Ms. Crowley explained that the Office of Energy had a commitment to reduce energy consumption in state-owned buildings by 20 percent by the year 2015. The Office of Energy would do everything it could to meet that goal and had adopted a series of strategies to reach that goal. Ms. Crowley said the \$1 million might play a role in that strategy, and she would not firmly commit the funds to the Armory building because the project had not yet been approved. The current project was one step in a series of steps that would lead to the ultimate renovation of the Armory building. Ms. Crowley stated that she did not want the funding to sit idle, particularly if it was needed to help the Office of Energy meet the aforementioned goal to reduce energy consumption in state-owned buildings. She could not commit the \$1 million in funding today if it was not going to be spent until a future biennium.

Vice Chair Eisen asked whether any portion of that \$1 million could be used for project 13-P03. Ms. Crowley replied that the Office of Energy understood that the stimulus dollar rebates had to be used for energy efficiency or renewable energy projects.

Mr. Chimits stated that the Armory building was currently unoccupied, and the best way to preserve the building would be to occupy it; taking steps toward occupancy would be the best way to maintain a valuable asset. Mr. Chimits indicated that the building was architecturally valuable and was constructed of cut limestone. The SPWD believed the building should be preserved, given its location, and it would like to take steps, however measured, towards occupancy.

Vice Chair Eisen asked whether there was anything in the Armory building at the present time, either occupants or storage. Mr. Chimits replied that the shop on the north side of the building was used for materials storage, but there were no occupants in the office areas of the building.

Vice Chair Eisen asked whether the findings of the structural feasibility study required the seismic reinforcement of the building and whether there were any other safety issues to be addressed prior to occupancy.

Mr. Chimits said the process used for seismic stabilization would address the other safety issues, including the roof diaphragm, the floor diaphragm, and the circulation areas inside the building.

Assemblywoman Carlton asked about the location of the Armory building. Mr. Chimits replied that the building was located across from the Supreme Court Building on Stewart Street.

Vice Chair Eisen thanked Ms. Crowley for her statements and asked Mr. Chimits to proceed with his presentation.

Mr. Chimits stated that prior to continuing his presentation, in response to earlier instructions from Chair Horne, the SPWD would review projects 13-C06 and 13-M55 to determine whether those projects could be combined. The other two projects that the SPWD believed could be combined for a cost savings were project 13-M26 and project 13-M29, which were both heating, ventilation, and air conditioning (HVAC) renovations at two buildings located at the Stewart facility. Those projects would use similar subcontractors and could be combined.

Mr. Chimits said the SPWD would not include the projects at the Grant Sawyer State Office Building because project 13-M02 was already in the design process, and combining it with project 13-M08 would create a delay. Also, there were different consultants involved in those projects. Project 13-M27 could not be combined because it used a different contractor. Mr. Chimits said the SPWD would keep the Sawyer Office Building projects separate.

NEVADA SYSTEM OF HIGHER EDUCATION
PROJECT 13-M57 – DEFERRED MAINTENANCE FOR THE
NEVADA SYSTEM OF HIGHER EDUCATION – MULTIPLE SITES
BUDGET PAGE APPENDIX-6

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$15 million. The project would address the ongoing system-wide repairs and improvements that were completed for less than \$500,000, which would reduce the backlog of maintenance on various campuses. The project also included projects under \$100,000 to renovate existing space or improve safety and accessibility. Mr. Chimits stated that the project would use \$10 million in state funding and \$5 million in slot tax proceeds.

Mr. Chimits explained that the project would mitigate a backlog of deferred maintenance that was needed at various Nevada System of Higher Education (NSHE) facilities.

Chair Horne asked whether there were questions from the members of the Subcommittees.

Assemblyman Eisen stated it appeared that the funding split for the project would be \$10.7 million in general obligation bonds and \$4.3 million in Special Higher Education Capital Construction (SHECC) funds, and he wanted to make sure those numbers were correct.

Mr. Chimits indicated that Ms. Naroll from the Department of Administration could better address inquiries about funding splits.

Maud Naroll, Chief Planner, Budget Division, Department of Administration, said she did not have the exact figures for the funding split, but she would provide that information to Legislative Counsel Bureau (LCB) Fiscal Analysis Division staff.

Chair Horne asked Ms. Naroll to explain the rationale for the funding split of \$10.7 million in general obligation bonds and \$4.3 in SHECC funds.

Ms. Naroll explained that there were NSHE projects throughout the 2013 CIP, and most were long-term projects that were suitable for bonding. There were some short-term projects that used both General Fund cash reallocated from earlier projects and slot tax proceeds.

Chair Horne asked why the recommended funding for project 13-M57 only included \$4.3 million in SHECC funds.

Ms. Naroll said it was her understanding that the NSHE was not concerned about the source of funds for maintenance projects as long as the state authorized \$15 million toward maintenance costs. Ms. Naroll believed that most of the maintenance projects were long-term and would be suitable for bond funding; therefore, general obligation bond funding was used for a substantial number of projects, and a portion of slot tax proceeds was used for other suitable CIP projects.

Chair Horne asked whether it was the Department of Administration's intent to support non-NSHE projects with SHECC funding in the recommended 2013 CIP and future CIPs.

Ms. Naroll said the Department had used SHECC funding in other budgets within The Executive Budget in the past. Ms. Naroll indicated that she would provide additional information to the Subcommittees.

NEVADA SYSTEM OF HIGHER EDUCATION
PROJECT 13-C07 – ACADEMIC AND STUDENT SERVICES BUILDING
GETCHELL DEMOLITION, REIMBURSEMENT JUSTIFICATION

[Project 13-C07 was added to the 2013 CIP by budget amendment and is not listed in the Appendix].

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$800,000. The project would partially reimburse the University of Nevada, Reno (UNR) for the demolition of the Getchell Library. The work would be conducted in three phases: (1) asbestos abatement; (2) utility relocation and termination; and (3) demolition and limited site preparation. Mr. Chimits stated that UNR proceeded with the project during the summer months prior to the funding authorization from the Legislature; therefore, the funding would partially reimburse UNR for the costs incurred on the project.

Mr. Chimits explained that the building had been considered to be past its usable life and was replaced with the Knowledge Center in 2008; the Getchell Library had remained vacant since that time. Representatives from UNR and the SPWD had investigated other uses for the building, but the current configuration, the decay and outdated utilities, and the other upgrades that would be required to put the building back into service made that option cost-prohibitive. Mr. Chimits stated that the \$800,000 was a portion of the project cost, and UNR would pay the remainder of the cost. The cost for asbestos abatement was approximately \$1.5 million and the demolition cost would be approximately \$1 million to \$1.3 million. The total project cost for the first three phases would be approximately \$2.5 million to \$3 million.

Chair Horne asked about the total amount that would be required to complete the scope of the demolition phase. Mr. Chimits replied that the cost would be approximately \$2.5 million to \$3 million; however, there would be additional costs for the design and construction of the new building.

After the demolition contract was issued in May 2013, Chair Horne asked when UNR would commence with demolition. Mr. Chimits replied that it was his understanding the demolition would commence immediately.

Chair Horne asked whether the work would be dependent upon legislative approval of the project and passage of Senate Bill 185. Mr. Chimits replied that the project was not dependent on passage of S.B. 185.

Chair Horne wondered what would occur if S.B. 185 failed to pass. Mr. Chimits stated that Mr. Zurek could better address the Chair's inquiry.

Ron Zurek, Vice President, Administration and Finance, UNR, explained that UNR had existing authorization for \$59 million, which would finance the two major projects planned for the next biennium—the Student Achievement Center and a new dormitory building. Mr. Zurek reiterated that UNR had sufficient bonding for those projects, but there were other CIP projects on the horizon, which was the reason for the request for an increase in the authorization via S.B. 185.

Chair Horne asked about the scope of the anticipated site development work that was included in the demolition phase of the project.

Mr. Zurek stated that demolition had been estimated at approximately \$3 million, which included the asbestos abatement, the demolition of the building, and the cleanup of the site. After that was completed, the project would move into the construction phase of the new Student Achievement Center. It was a combination of those activities that totaled \$36 million for the project.

Mr. Chimits explained that there was a basement in the Getchell Library building that would need to be filled and compacted. All sidewalks and flat work would also be restored to the point where it would be ready for the new construction or restored to its existing condition.

Chair Horne thanked Mr. Zurek for his testimony. The Chair instructed Mr. Chimits to continue his presentation.

NEVADA SYSTEM OF HIGHER EDUCATION
PROJECT 13-P05 – UNLV HOTEL COLLEGE
ACADEMIC BUILDING
BUDGET PAGE APPENDIX-6

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$4,945,461. The project would complete the planning process through construction documents and plan checking for the William F. Harrah College of Hotel Administration. That process commenced in 2009 with project 09-P02a. The proposed design would be approximately 95,000 square feet of multistoried programmed space. The project would be funded with \$3,220,000 in state funding and \$1,725,461 in other funding from the University of Nevada, Las Vegas (UNLV).

Mr. Chimits explained that the William F. Harrah College of Hotel Administration currently shared the approximately 115,000 square foot Frank and Estella Beam Hall with the College of Business and had outgrown its 45,000 square foot allotment in that building. The College had also outgrown the 35,000 square feet of space it occupied in the Stan Fulton Building. Mr. Chimits stated that the two buildings were in different areas of the campus, which made it difficult for coordination of the program and negatively affected recruiting. The full-time enrollment at the William F. Harrah College of Hotel Administration had grown by 46 percent from 1995 to 2011.

Chair Horne asked about the recommended funding split that had shifted to 65 percent state funds and 35 percent university funds; he noted that the previous project, 09-P02a, was approved with a 50:50 funding split.

Mr. Chimits believed Chair Horne's inquiry could better be answered by an UNLV representative, who was present in Las Vegas.

David Frommer, AIA, Executive Director of Planning and Construction, UNLV, stated that the funding split for the 2009 project had been 50 percent state and 50 percent UNLV. For the 2013 CIP project, UNLV proposed a 60 percent state and 40 percent UNLV funding split, which was more in line and appropriate based on past funding splits on state and university projects. For example, Greenspun Hall had been a very significant CIP project with a cost of approximately \$92 million from the 2005 and 2007 CIP projects, and that funding split had been 60 percent state and 40 percent UNLV. Mr. Frommer believed that was the largest gift UNLV had received for a CIP project and the highest level of funding split.

Mr. Frommer said the proposal for project 13-P05, and the continuation of the project, would be a funding split of 60 percent state and 40 percent UNLV. When the SPWD budgeted for the current project, it took into account the 2009 funds that had already been allocated, and the full 40 percent of UNLV funds were apparently not needed to accomplish the scope of work in the current project. However, said Mr. Frommer, for the 2015 CIP, UNLV would request construction funding and would make sure that the funding split for the overall project costs would be 60 percent state and 40 percent UNLV.

Chair Horne asked whether the previously allocated funds were approximately \$422,539.

Mr. Frommer said the funding split for the overall planning in project 09-P02a was \$3.2 million state and \$3.2 million UNLV; however, the amount spent for the 09-P02a project was \$422,539.

Gustavo Nuñez, P.E., Administrator, State Public Works Division (SPWD), stated that UNLV had forwarded \$1.5 million for project 09-P02a. Of that amount, \$422,539 had been spent mainly in programming for the College of Hotel Administration building, along with conceptual drawings. Mr. Nuñez indicated that the remaining money would be reallocated and the work that had been completed in project 09-P02a could be used in project 13-P05, even though the

location had changed. The funding split would be 60 percent state and 40 percent UNLV for the project.

Chair Horne asked whether Special Higher Education Capital Construction (SHECC) funds could be used for project 13-P05.

Maud Naroll, Chief Planner, Budget Division, Department of Administration, stated she would not advise moving SHECC money that the Nevada System of Higher Education (NSHE) had set aside to fund short-term projects. Ms. Naroll said she would defer to NSHE about whether it wanted the remaining SHECC money to fund maintenance projects or to fund project 13-P05.

Vic Redding, Vice Chancellor for Finance and Administration, NSHE, stated that traditionally both Higher Education Capital Construction (HECC) funds and SHECC funds had been used for deferred maintenance. The \$15 million in funding for each biennium could not address the \$400 million backlog, but at least it kept that backlog from growing. Mr. Redding said the \$15 million had been fully allocated for the upcoming biennium to a long list of maintenance projects. The NSHE would not recommend moving HECC or SHECC funds, both from a historical precedent and from the very real need for deferred maintenance.

Assemblyman Eisen asked about the deferred maintenance needs within NSHE and whether there was a \$400 million backlog in deferred maintenance needs.

Mr. Redding replied that was correct, and that figure was based on the most recent facilities condition analysis that had been completed approximately three years ago.

Donald D. Snyder, Dean, William F. Harrah College of Hotel Administration, UNLV, said there was a comment made about enrollment growth since 1995, and the enrollment growth at the College of Hotel Administration had actually grown by 80 percent. The number quoted by Mr. Chimits was the blended rate between the Lee Business School and the College of Hotel Administration. Mr. Snyder stated that the College of Hotel Administration had experienced tremendous growth in the past several years, and the 80 percent growth was a significant part of why the CIP project was so important.

Mr. Snyder said several members of the Subcommittees had visited the campus and learned why project 13-P05 was important. He stated he would be pleased to provide a verbal recap.

Chair Horne thanked Mr. Snyder, and indicated that a verbal recap was not necessary at the present time because the Subcommittees had sufficient information.

Chair Horne asked Mr. Chimits to continue his presentation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-C01 – REPLACE ACCESS BRIDGE
CALIENTE YOUTH CENTER
BUDGET PAGE APPENDIX-4

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that page 64 of [Exhibit C](#) included a Federal Emergency Management Agency (FEMA) map of the flood zone, and the exhibit also included photographs of the flooding that occurred in 2005 and again in 2010. The cost for the project was \$2,599,369 and the project would replace two culverts and the bridge used to access the site.

Mr. Chimits explained that the funding for project 13-C01 was somewhat complex. The state funding would total \$619,843, federal funding that would be realized from a FEMA grant was \$1,949,526, and the City of Caliente and Lincoln County would contribute \$30,000 toward the project. Page 70 of the exhibit included a milestone schedule for the FEMA grant funding, which had commenced in March 2011. Currently, an environmental review was being conducted per the requirements of the National Environmental Policy Act (NEPA), after which the grant funding would be allocated.

Chair Horne asked when the SPWD anticipated approval of the FEMA grant application. He asked whether the federal funds were guaranteed and would not be jeopardized by sequestration [the automatic across-the-board cuts necessitated by the Budget Control Act of 2011].

Mr. Chimits explained that the FEMA grant funds had been reserved for the project and had been secured. He noted that on April 15, 2013, the SPWD had spoken to the FEMA fund manager who stated that the funds would not be affected by sequestration because funding was obtained from a fiscal budget

prior to passage of the Budget Control Act of 2011. Mr. Chimits emphasized that the federal funds for project 13-C01 were secure, and once the environmental study was complete, the project could move forward.

Chair Horne asked whether there were persons present from the City of Caliente and Lincoln County to verify the amount of cash and in-kind contributions that had been committed to the project.

Kevin Phillips, Vice Chair, Lincoln County Board of Commissioners, stated that Lincoln County had committed \$10,000 in cash and \$20,000 in equipment use or other needs for the project.

Chair Horne thanked Mr. Phillips, and asked whether that contribution was solely from the county or whether it included the City of Caliente and the Lincoln County Fire District.

Mr. Phillips said the \$10,000 cash and the \$20,000 in equipment use was strictly from Lincoln County; however, the City of Caliente had agreed to a duplicate effort.

Chair Horne asked whether the City of Caliente had made an identical commitment of \$10,000 cash and \$20,000 in equipment use. Mr. Phillips replied that was correct.

Rick Stever, Fire Chief, Lincoln County Fire Protection District, stated that the Fire Protection District supported the project, and recognized the need and the importance. The Fire Protection District would support the project in any possible way.

Chair Horne asked whether the Fire Protection District would make similar contributions as the City of Caliente and Lincoln County. Mr. Stever said the contribution would be similar. He noted that the Fire Protection District did not have proper construction equipment, but was prepared to support the project financially and with in-kind labor.

Chair Horne asked Chief Stever to submit a written document that described the financial contribution to project 13-C01, which would be very helpful for the Subcommittees. Chief Stever stated he would comply with the Chair's request.

Assemblyman Eisen pointed out that there was only one access to the Caliente Youth Center and he wondered how access would be maintained during construction.

Mr. Chimits explained that prior to the start of construction on the permanent bridge, an access road would be created downstream from the bridge. There was a trestle bridge downstream, but it was not located on state property and was an older structure that the SPWD did not believe would be reliable. Therefore, the temporary access road would be constructed, which would be removed when the main bridge construction had been completed.

Chair Horne asked Mr. Chimits to continue his presentation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M01 – LIFE SAFETY UPGRADES
LAKE'S CROSSING CENTER
BUDGET PAGE APPENDIX-4

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$830,556. The project included the design and replacement of the fire alarm system, upgrading the fire sprinkler system, replacing nonfire-rated or damaged doors, upgrading the smoke control systems, upgrading the emergency exit lighting system, and making various seismic retrofits that included the heating, ventilation, and air conditioning (HVAC) system.

Mr. Chimits explained that the fire alarm system was experiencing intermittent problems because of the age of the components. The existing system required repeated maintenance and was in need of replacement. A new system would allow for expansion to meet the requirements of current codes for such a facility. Mr. Chimits said the fire sprinkler system required expansion into the storage areas and client rooms where there was currently no coverage. The existing doors did not meet current fire and safety regulations. The upgrades would allow the agency to apply for accreditation with the Centers for Medicare and Medicaid Services (CMS) which would make Lake's Crossing eligible to receive Medicare reimbursements for healthcare costs.

Assemblyman Eisen wondered whether there were additional steps required for the CMS accreditation in addition to the life-safety upgrades.

Elizabeth W. Neighbors, Ph.D., ABPP, Director, Lake's Crossing Center, Division of Mental Health and Developmental Services, Department of Health and Human Services (DHHS), stated that before Lake's Crossing could apply for accreditation with CMS, it would be required to meet all CMS conditions of participation. Dr. Neighbors indicated that Lake's Crossing had diligently worked toward meeting those conditions and correcting deficiencies, with the exception of the life-safety issues. There had been a significant degree of program modification, and the facility was currently fully staffed; the facility would need to maintain that status while working on the requirements to meet the conditions of participation.

Assemblyman Eisen stated that an audit report in September 2009 from the Division of Internal Audits, Department of Administration, indicated that Lake's Crossing would have to bill all clients to be eligible to bill Medicare after the facility had attained CMS accreditation.

Dr. Neighbors stated that was correct. Lake's Crossing would be required to bill all clients, and that process had not been put into place. She believed that the financial officer for Lake's Crossing could better address Assemblyman Eisen's inquiry.

Kurt Green, Administrative Services Officer (ASO) 3, Division of Mental Health and Developmental Services, Northern Nevada Adult Mental Health Services, Department of Health and Human Services, stated that the Division had not started direct billing of Lake's Crossing clients. Mr. Green noted that direct billing would only be useful if the facility was accredited by CMS, which would allow Lake's Crossing to receive Medicare reimbursements. Until the remaining life-safety issues were addressed, the facility could not bill clients. Mr. Green pointed out that process was in place to bill clients at the Northern Nevada Adult Mental Health Services (NNAMHS), and once Lake's Crossing was accredited, the billing could commence immediately.

Assemblyman Eisen asked whether there were other issues, other than the life-safety issues addressed in project 13-M01, that would keep Lake's Crossing from being accredited by the CMS. Mr. Green replied that, to his knowledge, there were no other issues.

Assemblyman Eisen commented that the estimated costs for the necessary fire safety upgrades identified in the 2009 report from the Division of Internal Audits was \$67,000, but the costs for the current project totaled over \$1 million with corrections for construction costs.

Mr. Green stated when the audit report was completed, it only included a small portion of the repairs that were needed; he believed it was more of an estimate than the actual costs.

Assemblyman Eisen asked whether the SPWD could explain how the scope of the project and the cost had changed from 2009 to the current 2013 CIP project.

Gustavo Nuñez, P.E., Administrator, State Public Works Division, stated he had no knowledge about the origin of the \$67,000 figure; if he knew what sources were used to arrive at that figure, he could provide additional information. Mr. Nuñez indicated that the SPWD had done its due diligence to arrive at the cost-estimate figures.

Senator Smith asked about the age of the Lake's Crossing facility. Dr. Neighbors replied that the facility was originally built in 1976, so the building was approximately 37 years old.

Senator Smith asked whether there was a long-term plan for renovation of Lake's Crossing and the other buildings on the NNAMHS campus. She noted that there were some buildings on the campus that were in need of significant maintenance repair. Senator Smith said the safety and health issues were addressed each session, but she worried about both patients and staff at Lake's Crossing and NNAMHS.

Mr. Chimits said the SPWD agreed that Lake's Crossing and other buildings on the NNAMHS campus were in need of maintenance and repair. The SPWD had designed a consolidated office building, which was a large project that had been completely designed and plan-checked and was ready to build. Mr. Chimits said the design would remove all agencies from the old buildings on the NNAMHS campus and combine them into one new efficient facility that met the current city codes and Department of Health and Human Services requirements. The utilities could be centralized, and there was a storage facility that could be used by the agencies. Mr. Chimits said the minute funding became available for

such a significant project, the SPWD would approach the Legislature with a highly prioritized CIP request that encompassed the entire NNAMHS campus.

Mr. Chimits said that a master plan had been created that used North Street as a divider for the NNAMHS campus and would locate all adult services on the north side of the street with children's services located on the south side of the street. Eventually, the remaining mental health facilities in the Reno area would be included in the master plan so that all mental health services would be located in one master-planned facility.

Senator Smith said she was very worried about the state of the facilities that housed very ill patients and was worried about the safety of staff. She believed the Legislature should continue to look closely at plans for the NNAMHS campus, including Lake's Crossing.

Chair Horne asked Mr. Chimits to continue his presentation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M04 – CONTROL ROOM RENOVATION
LAKE'S CROSSING CENTER
BUDGET PAGE APPENDIX-4

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$1,610,008. The project would renovate the control room for all security functions at the facility. The project would include door replacements, camera installations in observation rooms, and upgrades to the outdated personal duress system.

Mr. Chimits explained that the existing controls were original to the building and had been installed more than 30 years ago. The controls were outdated and problematic because it was difficult to locate replacement components. The controls were used frequently and must be reliable at all times to provide proper safety and security within the facility. Mr. Chimits pointed out that Lake's Crossing staff also had a need to monitor the activities in the observation rooms from the nurses' station, which required the installation of cameras and monitors.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M09 – BOILER PLANT IMPROVEMENTS
LAKE'S CROSSING CENTER
BUDGET PAGE APPENDIX-4

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$266,028. The project included removal of the existing gas boilers and replacing them with high-efficiency gas boilers. New hot water distribution pumps and direct digital controls were also included in the project.

Mr. Chimits explained that the existing boilers were 15 years old, had reached the end of useful service, and there were significant maintenance issues. Also, the energy efficiency at the facility could be significantly improved.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M19 – HVAC CONTROL SYSTEM UPGRADES
DESERT WILLOW TREATMENT CENTER
BUDGET PAGE APPENDIX-4

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$385,275. The project would replace the temperature control system and install direct digital controls for the 49 fan coil units in the facility.

Mr. Chimits explained that the existing temperature control system was approximately 15 years old and was no longer manufactured or supported. The system was having component failures that could result in unfavorable temperature conditions at the psychiatric hospital. The upgrades would significantly improve the energy efficiency of the facility.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M20 – REPLACE HVAC SYSTEMS
CALIENTE YOUTH CENTER MULTIPURPOSE ROOM
BUDGET PAGE APPENDIX-4

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$345,999. The project would replace the heating, ventilation, and air conditioning (HVAC) systems that served the multipurpose room. Mr. Chimits stated that the current

HVAC system for the multipurpose room had completely failed, and only two of the five units provided heat. The equipment was more than 40 years.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M31 – HVAC SYSTEM RENOVATION
NORTHERN NEVADA CHILD AND ADOLESCENT SERVICES
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$265,108. The project included replacement of the existing heating, ventilating, and air conditioning (HVAC) equipment that served the administration building. Mr. Chimits stated the HVAC units were more than 30 years old and had reached the end of useful service.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M32 – HVAC SYSTEM REPLACEMENT
MULTIPLE BUILDINGS – DESERT REGIONAL CENTER
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$278,009. The project would replace the heating, ventilation, and air conditioning (HVAC) units in buildings 1307, 1308, 1309, and 1310 at Desert Regional Center.

Mr. Chimits indicated that the HVAC units were approximately 15 years old and had reached the end of service life. The four buildings housed staff and clients that would need to be relocated in the event of an equipment failure. Replacement of the units would improve occupant comfort and would greatly improve energy efficiency.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M33 – REPLACE EMERGENCY GENERATOR
DESERT REGIONAL CENTER
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$1,279,479. The project would replace the emergency generator that served buildings

1306 and 1391 at Desert Regional Center. A load bank would also be included to facilitate regular generator testing.

Mr. Chimits explained that the existing generators were inadequately sized and had failed. The generators were only sized for the emergency services and did not include loads for the heating, ventilation, and air conditioning (HVAC) systems in the buildings. Occupants would require relocation in the event of a normal power failure. The generators for the buildings were powered by natural gas with no onsite fuel storage. Onsite fuel storage was required by the Bureau of Licensure and Certification for ongoing accreditation of the facilities at Desert Regional Center.

Assemblyman Hardy asked how the equipment had been deemed inadequately sized; he asked whether square footage had been added at a later date or whether the equipment had always been inadequate.

Mr. Chimits believed that the equipment was originally sized minimally to run the emergency lighting and minimal parts of the building as required by the building code at that time. The HVAC systems should have been put on generators because a power failure during the summer months in Las Vegas was a very significant event. The main driver for the project was to put the HVAC systems on a backup generator.

Assemblyman Hardy asked what the SPWD intended to do with the old generators when the new equipment was installed. Mr. Chimits replied that he did not know the salvage value for the generators that had already failed, and that issue would be addressed in the design process.

Assemblyman Hardy said he would be interested to know the condition of the old generators and how the SPWD planned to dispose of the units. Mr. Chimits said he would keep Assemblyman Hardy advised.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M34 – REPLACE ROOFTOP HVAC UNITS
SOUTHERN NEVADA CHILD AND ADOLESCENT SERVICES
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$98,357.

The project would replace four heating, ventilation, and air conditioning (HVAC) units at building number 15 (Desert Willow Treatment Center).

Mr. Chimits explained that the HVAC units were over 20 years old and had reached the end of useful service. The project would improve energy efficiency, and replacement of the units would avoid a catastrophic failure where occupants would need to be relocated.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M35 – HVAC SYSTEM RENOVATION
NORTHERN NEVADA CHILD AND ADOLESCENT SERVICES
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$89,068. The project included the replacement of one furnace and one condensing unit in each of the two family-learning homes. It would also replace the existing ductwork and diffusers in those buildings.

Mr. Chimits explained that the existing furnace and condensing units were more than 30 years old and had reached the end of useful service. The underground ductwork below the west residential building had been partially filling with groundwater over recent years and was no longer fully intact.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-M36 – HVAC SYSTEM RENOVATION
SIERRA REGIONAL CENTER BUILDING 603
BUDGET PAGE APPENDIX-5

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$48,973. The project included replacement of the existing heating, ventilation, and air conditioning (HVAC) equipment that served the building. Mr. Chimits stated that the equipment was more than 30 years old and had reached the end of useful service.

Assemblywoman Carlton asked whether there was a standard number of years for equipment to reach the end of useful service. She wondered whether there was a schedule of years for equipment before replacement was required.

Assemblywoman Carlton wondered what standard would be used in the future so the Legislature could be prepared for the expense of replacing equipment.

Mr. Chimits stated that the 2011 CIP included various maintenance requests that totaled approximately \$27 million, which was much smaller than normal. Mr. Chimits said in a normal biennium there was usually \$60 million in maintenance projects; however, the 2013 CIP maintenance request was approximately \$85 million because of the smaller 2011 request. He believed that Mrs. Carlton was recognizing that many of the older systems needed maintenance repair and replacement.

Mr. Chimits stated that boilers and chillers generally had a longer lifespan than rooftop equipment, up to 20 or 25 years, while refrigeration equipment had a shorter lifespan of 15 to 20 years. Also, said Mr. Chimits, the lifespan of equipment was often affected by use; when equipment had to operate 24 hours per day, 7 days per week, that shortened the lifespan of the equipment. Equipment lifespan was somewhat random, but there were replacement schedules for certain types of equipment that were similarly used.

Assemblywoman Carlton said she would like to know the expected energy savings from the new equipment in the future. She said when an older cooling system was replaced in her home, there was an immediate significant drop in energy usage.

Mr. Chimits agreed and noted that the seasonal user efficiency ratio of equipment that was up to 30 years old was nowhere near what it was now. The SPWD had not completed energy calculations because the equipment had not yet been selected and the design was not complete. He believed that the energy savings would be significant, similar to what Mrs. Carlton had noticed for her home. Mr. Chimits reiterated that energy calculations were done during the design of the project by the architectural engineering firm that was hired to actually design the project and select the equipment.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PROJECT 13-P06 – PLANNING FOR SANITARY SEWER UPGRADES
SNCAS, SNAMHS, AND DRC
BUDGET PAGE APPENDIX-6

Chris Chimits, R.A., Deputy Administrator for Professional Services, State Public Works Division (SPWD), stated that the cost for the project was \$240,266.

The project would study, evaluate, and develop plans through construction documents to replace key components of the sewer-line delivery system at the Southern Nevada Adult Mental Health Services (SNAMHS) campus.

Mr. Chimits said the majority of existing sewer lines were cast iron and were 15-plus years old. It was discovered that many of lines were pitted, corroded, and malformed making them prone to blockage. When a blockage occurred, raw sewage backed up into occupied buildings, and the cost to locate the line blockages was typically high and usually occurred during nighttime hours. The SPWD wanted to make a master plan for repair and replacement of the sewer delivery system for all buildings on the campus.

Mr. Chimits stated that concluded the SPWD presentation.

Chair Horne asked whether there were further questions from the Subcommittees, and there were none.

Chair Horne opened Public Comment and there was none.

The Chair adjourned the hearing at 10:03 a.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:

Assemblyman William C. Horne, Chair

DATE: _____

Senator Moises (Mo) Denis, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: April 16, 2013

Time of Meeting: 8:14 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
**	C	Chris Chimits, SPWD	PowerPoint Presentation