

SENATE COMMITTEE ON FEDERAL, STATE, AND LOCAL GOVERNMENTS  
ASSEMBLY COMMITTEE ON STATE, COUNTY, AND CITY AFFAIRS

*18th mtg*

Minutes of Joint Meeting Held March 9, 1967

A joint meeting of the Senate Committee on Federal, State, and Local Governments and the Assembly Committee on State, County, and City Affairs, was held in Room 50, State Capitol, beginning at 1:05 p.m., Thursday, March 9, 1967, presided over by Senator James I. Gibson as Chairman.

Committee members present:

Senator James I. Gibson, Chairman  
Senate Committee on Federal,  
State, and Local Governments  
Senator Alfred J. Alleman  
Senator Vernon E. Bunker  
Senator Francis W. Farr  
Senator Chic Hecht  
Senator Clifton Young

Mr. Norman T. Hilbrecht, Chairman  
Assembly Committee on State,  
County, and City Affairs  
Mr. Bud Garfinkle  
Mr. Joseph E. Dini, Jr.  
Mr. Clinton E. Wooster  
Mrs. Geraldine B. Tyson  
Mr. Bryan K. Hafen  
Mr. Howard F. McKissick  
Mr. Robert Smith  
Mr. Roy Young

Absent: Senator Warren L. Monroe

Also present: Mr. Russ McDonald, Legislative Counsel  
Mr. Pat Head, Colorado River Commission  
Robert E. Jones, Esq., Colorado River  
Commission  
Senator B. Mahlon Brown

The Chairman announced that the purpose of the meeting was to consider legislation concerning the Colorado River Commission (CRC) and specifically, enabling legislation that will allow them to go forward on the Southern Nevada Water Supply Project, i.e., Senate Bills 303, 305, and 331 and corresponding Assembly Bills 357, 358, and 404. He called on Mr. Head to explain the purpose of this legislation.

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Mr. Head outlined the background of the project and stated this legislation will do two things:

1. Give the CRC Authority to construct and operate the water treatment plant facilities.
2. Give the CRC authority to finance, if appropriate, the Southern Nevada Water Supply Project, or any part of that project.

He said the contract with the United States, which is now nearing completion, calls for the State of Nevada to repay to the United States the moneys necessary to amortize the project.

The Chairman called for consideration of the specific bills, beginning with Senate Bill 331 and corresponding Assembly Bill 404.

Mr. McDonald explained that S.B. 331 was drawn in order to build into the general laws of the state a provision which would cut down the length of bond bills. He therefore urged that, irrespective of what action is taken on Senate Bills 303 and 305, the Legislature adopt S.B. 331. He stated this was a device developed in consultation with the CRC and bond counsel and is merely a vehicle which could be used by the state in undertaking this or any other bonding obligation. He stated this bill, termed the State Securities Law, is almost identical with the University Securities Act and in major part is identical with the Local Governments Securities Act.

Senator Brown presented amendments to S.B. 331 for consideration, and these were discussed.

The Chairman then called for consideration of S.B. 305.

Mr. McDonald terms this the trigger bill for the Southern Nevada Water Project, authorizing the CRC, on behalf of the state, to do various things, as generally spelled out on page 2. He explained that the facilities from Lake Mead into the valley are the federal facilities (the pipe line) and that at the termination point are the state facilities, commonly described as the water treatment plant. He said that S.B. 305 is tailored to try to accommodate or foresee future action or lack of action on the part of the federal government, and would authorize the CRC to assume the contracts and finish the construction in the event of failure of Congress to budget sufficient funds to carry the project

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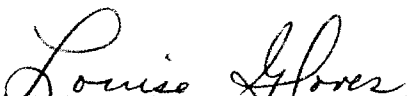
to completion. He pointed out that page 3 shows the types of securities the state and the CRC can issue: General obligation bonds, double-barreled bonds, and revenue bonds. In connection with bonding, he said, two constitutional questions immediately came up, and accordingly at the last session of the Legislature two resolutions were passed to raise the debt limit; both resolutions propose to delete the "debt limit exception" now found in the constitution. Discussion then followed on the type of financing it is anticipated may be used, and on the plan to obtain a judicial determination on the question of debt limit. In commenting on the financing of the project, Mr. Jones stated that an extensive feasibility survey was conducted over five or six years, both by the federal government and local agencies, to determine whether or not, if the project is built and financed entirely out of revenues, water could be sold at reasonable rates. The answer was affirmative.

The Chairman asked Mr. McDonald to explain the purpose of S.B. 303. The Legislative Counsel said this bill had been developed independently to take care of the after-the-fact situation, assuming completion, and that the bill is probably surplusage, in view of the language of S.B. 305. He said it builds in the same language as in S.B. 305 to require judicial approval to validate any contract.

The Chairman announced that additional deliberation would be needed on the CRC bills.

Since the afternoon Senate session was about to begin, the meeting adjourned at 2:00 p.m.

Respectfully submitted,

  
Louise Glover, Secretary

I certify that the foregoing minutes are correct.

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Senator James I. Gibson  
Chairman of the Joint Meeting