

Assembly

GOVERNMENT AFFAIRS COMMITTEE  
MINUTES OF THE MEETING  
FEBRUARY 23, 1971

56 ASSEMBLY SESSION

1-162

PRESENT: SMITH, RONZONE, FRAZZINI, HAWKINS, LAURI, BRANCH

LATE: DINI, BRYAN (EXCUSED)

ALSO PRESENT: HOWARD BARRET, DEPT. OF ADMINISTRATION  
ROGER TROUNDAY )  
DEL FROST )  
MARVIN FLANDERS ) DEPT OF HEALTH AND WELFARE  
DR. CARR )  
ORVILLE WAHRENBOCH )  
BURNELL LARSON, DEPT. OF EDUCATION  
RAY KNISLEY  
ASSEMBLYMAN TORVINEN  
WALLY WHITE, INCLINE VILLAGE CORP.  
RAY ROBINETT, LAKE TAHOE PROPERTY OWNER  
ROGER STEELE, LAKE TAHOE PROPERTY OWNER  
OTHER LAKE TAHOE PROPERTY OWNERS  
OTHER INCLINE VILLAGE CORPORATION REPRESENTATIVES

The meeting was called to order by Chairman Smith.

SB 98 - Modifies procedure on contracts for services between State and independent contractor.

Mr. Barrett spoke in favor of the bill explaining that it was introduced at the request of the Department of Administration to correct a situation which has come up in the past, where an agency contracts for services and does not have the money to pay for such services. This bill would allow the Budget Division to review such contracts before they are signed and if there was not enough money to pay for them, they would not be approved.

Mr. Larson spoke against the bill, explaining that his department makes a great many contracts with independent contractors and he felt that this would only increase the paper work involved.

Assemblyman Branch asked if the Department of Education could live with the bill if it were amended to exclude contracts paid by federal or private monies.

Mr. Larson said he felt that such an amendment would help.

Mr. Trounaday and his Division Chiefs explained that they have a system now in effect which provides for checks on such contracts. They explained that they enter into a great many contracts for very small amounts and that this would cause delay in serving the people they try to help.

Assemblyman Branch asked if an amendment to set a limit on the amount of such contracts would help.

Mr. Trounaday agreed that this would solve his problem.

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AB 160 - Provides alternative annexation procedure for general improvement districts.

AB 264 - Allows annexation change by general improvement district.

Mr. White read his prepared statement to the committee.

Mr. Knisley stated that when the law was passed it was the intention of the legislature to allow people to join a general improvement district and pay a pro-rated share of the assessment.

Mr. Paul Richards, a Tahoe property owner, stressed that some solution had to be reached. He suggested a combination of

AB 264, AB 421 and SB 173.

Chairman Smith stated that he was disturbed by the lack of review by the Public Service Commission of the fees charged.

Mr. Robinett, also a Lake Tahoe property owner stated that the residents had three choices, join the present district, form a new district or form a new district and contract for services from the present district.

He outlined the reasons he felt that the property owners did not want to join the present district and pointed out that the cost of forming a new district and building facilities would be considerable, so that he felt the only reasonable answer was to form a district and contract for services from the existing district.

Mr. White explained the cost of the services to the committee and Chairman Smith asked for a more complete breakdown of the costs to be submitted to the committee.

Mr. Steele, a Lake Tahoe property owner, who has property both in and out of the present district explained that he felt that forming a district and contracting services was the answer to the problem. See attached statement.

Mr. Lester Berkson, attorney for the Incline Village Corporation stated that he would like to submit a statement to the committee refuting some of the statements made by Mr. Robinett and Mr. Steele.

Mr. Knisley stated that this was a problem that must be solved this session and urged the committee to give the matter just consideration.



**Lincoln County School District**

P. O. Box 118 — Phone 728-3236

PANACA, NEVADA 89042

7-164

PRESTON R. PRICE, Superintendent

February 22, 1971

Government Affairs Committee  
Assemblyman Smith, Chairman  
Legislative Building  
Carson City, Nevada 89701

Dear Assemblyman Smith:

I am writing regarding A.B. 256 which proposes to have the board of county commissioners submit names to the state superintendent to fill vacancies on school boards.

I am opposed to this bill. I feel that in the small counties it has political implications that would create many problems for the public schools. The commissioners could, if several vacancies occur, load school boards with their nominees and control the entire politics of a county.

I feel that this bill is not logical because the present law allows any group to send recommendations to the state superintendent to fulfill vacancies existing on the board of school trustees.

I would appreciate it if you would present this letter to your committee. I would like to assure you that Assemblyman Swallow never talked with any school people in Lincoln County before submitting this bill. Any consideration you can give this letter will be appreciated.

Sincerely,



Preston R. Price  
County Superintendent

PRP/sh



# CLARK COUNTY SCHOOL DISTRICT

LAS VEGAS, NEVADA 89109

2832 EAST FLAMINGO ROAD - TELEPHONE 736-5011

1- 165

## BOARD OF SCHOOL TRUSTEES

Mr. Glen C. Taylor, President  
Mrs. Helen C. Cannon, Vice President  
Mr. John F. Anderson, Clerk  
Dr. Clare W. Woodbury, Member  
Mr. C. Donald Brown, Member  
Mr. James C. Andrus, Member  
Mr. David Canter, Member

Dr. Kenny C. Guinn, Superintendent

February 19, 1971

All Senators and Assemblymen  
Clark County Delegation  
Nevada State Legislature  
Carson City, Nevada 89701

Dear Legislators:

This letter is to inform you as a representative from Clark County to our Nevada Legislature, that the Clark County School District Board of School Trustees passed a motion unanimously opposing the passage of Assembly Bill 256. This bill would provide that vacancies occurring on boards of trustees would be filled from a list of qualified persons submitted by the Board of County Commissioners.

It is the feeling of our Board of Trustees that such vacancies should be filled by the Superintendent of Public Instruction upon the recommendation of the Board of Trustees. In this manner, it will be assured that the appointee will have the best interests of the school system as the primary reason for seeking such vacancy. Therefore, it is respectfully requested that Assembly Bill 256 not be enacted into law.

Sincerely yours,

A handwritten signature in cursive script that reads "Glen C. Taylor".

Glen C. Taylor, President  
Board of School Trustees

GCT:bm

Incline Village Statement as to Extension of Water  
and Sewer Service Outside Their Boundaries

7-166

W. W. White

This statement is made in connection with A.B. 160, A.B. 264 and S.B. 173. Incline Village General Improvement District has an interest and responsibility in making available water and sewer service to those persons just outside of the present District boundaries.

The Board policy is that sewer service will only be extended when that property is annexed and becomes a part of the District. There is a problem with present N.R.S. 318.258-5 in that if annexation was made District could not recover any of the costs of providing this service. There is an Attorney General's opinion to this effect. Should District annex these properties without a recovery of costs comparable to that assessed to the persons in the District, then District would be derelict to those property owners who have already spent \$12,464,000 for sewers and \$7,718,000 for water system.

The question of reasonable cost has been bandied about and has been loosely stated as costing \$7,000 as the cost of sewers. Attached to this statement is a copy of our various costs. District believes that a reasonable cost of recovery per household unit should be capital cost and interest, less depreciation of the facilities at the time of annexation. Based on costs to June 30, 1971, the cost for a sewer unit would be \$843.51 and \$337.23 for water.

S.B. 173, Section 8 should receive some clarification and if the recovery is based on capital and interest, then the sewer cost would be \$920.38 and water \$379.68. It is suggested that reasonable cost include some definition of "reasonable cost" as "capital plus interest less depreciation at the time of annexation". The other costs involved would be our regular connection charges and those charges of the outside property to bring their services to the District's system.

District is willing to accept those properties adjacent to the present District boundaries consisting of homes and condominiums but we would be extremely reluctant to service any new gambling casinos or hotels. District has an agreement with the State of Nevada to serve Sand Harbor State Park and will consider receiving treated effluent from the State Highway facilities at Spooners.

We have no intention of extending the District's boundaries on District initiative. If this is a concern, then those provisions initiating annexation, Section 2, 3, 4, 5, 6, and 7, might be deleted.

There has been some discussion as to the District's recreation charge. District has no intention of applying the \$50 per year recreation charge to any annexed property. In fact, the deed restrictions and the bond covenants financing this \$2,600,000 beach facility limit the use within the District boundaries as now constituted. District could not permit these persons to use the facilities excepting as guests of another property owner and on this basis could not impose the \$50 charge.

A.B. 264 has modified A.B. 160 and S.B. 173 to provide the charging of a reasonable fee with the addition of what a reasonable fee might be. This would be minimum for District to serve these outside areas.

The service into this system is vital to the program to provide sewer service and export of sewage out of the Basin. We are willing to accept these outside areas and state that the passage of enabling legislation on this subject is vital, and the sooner that this can be provided the quicker District can proceed with arranging for the finance, engineering and extending of these services. A.B. 264 would accomplish this purpose.

We would warn, however, that to accomplish this would require initiative on the part of these outside areas and they must not expect the initiative to come from this District. Contiguous pieces of property, as the 32 lots on Incline Beach, would have to unanimously ask for annexation; otherwise, easements across these properties could be troublesome.

Copies to: Senator Thomas R. C. Wilson  
Senator James Gibson  
✓ Assemblyman Hal Smith  
Assemblyman Lawrence Jacobsen

Server costs

Cost of original system 10/31/62 - 6/30/68 \* 5,885,298.  
 Interest to 6/30/71 2,428,978.7

Cost to include to this date  
 12,824.8 units  
 per unit \* 648.29

Add 1969-71 projects

trunk servers \* 1,183,880.  
 plant 1,497,748  
 report 2,704,752

interest 248.75/unit  
 33.34

Cost server/unit \* 920.38

using replacement 1.48 = \* 1362.16

using Depreciation

depreciated value as of 6/30/71 \* 4,653,890.3  
 interest 2,428,978.7

depreciated value + interest 7,082,869.1

12,824.8 units  
 per unit \* 552.27

add, per unit report 391.24

\* 843.51

Server system costs \* 17,463,749.10  
 Replacement \* 10,282,646.27 + \* 5,907,968.00 =



Water costs

Cost of original system - 10/31/62 / 6/30/68 <sup>169</sup> \*3,464,813.

Interest to 6/30/71 1,332,000.

\*4,796,813.9

12,824.8 units  
Cost per unit  
Add 69-2 per unit  
interest

\* 374.03  
5.24  
41

\* 379.68

using replacement cost. \*569.52

using capital, add interest-depreciation \*337.73

Depreciate the \*3,464,813.61 to

add interest 6/30/71

\*2,779,470.00

1,473,042.4

\*4,252,512.5

divide by 12,824.8  
plus per unit 1969-2  
Interest.

\*334.58

5.24

.40

cost per unit hence

\*339.23

Invested in water system. \*4,796,813.91

2,921,646.01

\*7,718,459.92

February 18, 1971

Thomas R. C. Wilson II  
Nevada State Senator  
P. O. Box 2670  
Reno, Nevada 89505

Dear Spike:

Thank you so much for your letter of February 15 setting a time for hearing on S.B. 173. This bill appears to be along the lines of our attorney's discussion of a bill encompassing all of the defects of N.R.S. 318. A similar bill was introduced by Lawrence Jacobsen as A.B. 160.

Recognizing the sensitivity of Clark County to annexation proceedings in that county in recent years, I had questioned annexation provisions in A.B. 160. Sure enough, Mr. Smith questioned those provisions and rewrote A.B. 160 to what is now A.B. 264. A.B. 264 as a minimum is a must to solve the sewer problems of the areas adjacent to this District. The hearing on this bill and others on annexation is scheduled for 2:30 on February 23rd.

This District can provide service to those outside areas on the recovery of reasonable cost. There will be a question as to what is reasonable cost. In your bill, S.B. 173, Section 8 gives some direction to what is reasonable cost and would apply at this particular time, but there is some question whether this will apply in the distant future when bonds have been paid off. As an example, the cost of our sewer system including the export line, etc., is \$5,885,298. The interest on those bonds as of July 1, 1971, is \$2,510,185. According to your Section 8, this would result in a charge per each lot of roughly \$728 and this is actually what each person in the Improvement District is now paying for that reasonable annexation cost. However, that plant is depreciating and I would take into account an item of depreciation but charging interest to the date of annexation, and as of July 1 this would be something in the neighborhood of \$843.51.

Thomas R. C. Wilson II

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February 18, 1971

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I think that Section 8 should be clarified to say that the annuaction charge should be based on the payment of the original principal plus interest, but less depreciation at the time of the connection.

There have been some rumors of what we were going to charge these people and I think it is important that I give you some idea of this at this time. Some of the statements have said the cost for service would be \$7,000 but, based on figures I have just given you, the cost to acquire sewer service based on interest less depreciation is in the neighborhood of \$843.51, the cost for water service is \$337.23.

I appreciate very much your calling the hearing to my attention. I would hope to be there and will bring your letter to the attention of the Trustees tonight.

I believe that your bill does the job but may have to settle for the amendment on Page 3, 318,258-5, and for that amendment, 318,200, on Page 1 of A.B. 264. I would certainly support your bill, S.B. 173, but might ask for clarification of Section 8.

With kindest personal regards, I am

Yours very truly,

**INCLINE VILLAGE GENERAL  
IMPROVEMENT DISTRICT**

**W. W. White  
General Manager**

WWR/av

cc: **Assemblyman Hal Smith**  
**Senator James Gibson**



STATE OF NEVADA

# Department of Education

CARSON CITY, NEVADA 89701

1-172

BURNELL LARSON  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

February 18, 1971

The Honorable R. Hal Smith  
Assemblyman  
Nevada State Legislature  
Carson City, Nevada 89701

Dear Assemblyman Smith:

This letter is in reference to Senate Bill 98 from the Committee on Federal, State and Local Governments, James Gibson, Chairman. The bill modifies procedures on contracts for service between the state and independent contractors by requiring that each contract be "submitted to the governor for approval through the budget division of the Department of Administration." We understand that this bill has passed the senate committee on Federal, State and Local Governments, and we did not have an opportunity to discuss this in the committee prior to its passage.

The Department of Education utilizes funds from a number of sources, including federal grants, foundation grants, state appropriations and others. In one instance, the Western States Small Schools Project operates totally from fund sources outside of Nevada, and the administrator for the five-state project is a Department staff member. Projects developed and approved by grantors for these funds specify contracting with consultants for specific purpose and to accomplish project objectives.

A significant portion of the Department operational funds is budgeted and used for contracted services. This mode of operation allows the Department to conduct comprehensive programs while maintaining a smaller permanent staff and provides highly expert services for accomplishing special tasks only as and when specifically needed. This method is more feasible, flexible and less expensive than building a large permanent staff for short-term projects. Thus, I am concerned with the implications of S. B. 98 as it relates to the operation of the Department under direction of the State Board of Education.

I have two basic concerns about the procedure. First, the additional step merely means more copies, and possible delays in processing contracts, also, the procedure is unnecessary duplication since copies of contracts are now filed with the budget division (pre-audit branch) at the time of request for payment.

Second, if the purpose of the bill is for control by the budget division, it would appear to interfere with my responsibilities. Each project conducted by the Department is first approved by the State Board of Education and subject to the

The Honorable R. Hal Smith

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February 18, 1971

conditions of the granting agency. The responsibility for managing the program to achieve stated objectives is mine, and the selection and hiring of independent contractors for specific purposes and identifying dollar amounts is a Department responsibility predetermined by our budgets and specific requirements of the program objectives. It does not seem probable that the budget division should be involved in these matters which are strictly educational in nature.

The present procedure of pre-audits is adequate for monitoring in compliance with state statutes, and anything beyond that imposes unreasonable and undesirable control and transfers proper responsibility from the Department of Education to the budget division of the Department of Administration.

Sincerely,



Burnell Larson,  
Superintendent of  
Public Instruction

BL:maj

SENATE STANDING COMMITTEES

A G E N D A

SENATE COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS

DATE: Wednesday,  
February 24th ROOM NO. 243 TIME 3:00 P.M.

SUBJECT:

- 1. SB-177 Enacts new Elko city charter.
- 2. SB-178 Enacts new Wells city charter.

/s/ James I. Gibson  
CHAIRMAN