

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
JANUARY 30, 1973

The meeting was called to order at 8:30 a.m. Senator Lamb was in the chair.

PRESENT: Floyd R. Lamb, Chairman  
Warren L. Monroe  
B. Mahlon Brown  
James I. Gibson  
William J. Raggio  
Clifton Young

Cy Ryan, UPI  
Earl Oliver, LCB Fiscal Analyst  
Bob Tripp, LCB Deputy Legislative Auditor  
Howard Barrett, Administrator, Dept. of Administration  
Gene Pieretti, Management Analyst  
Jean Ross, Management Analyst  
Stan Jones, Labor Commissioner  
Arthur Etheredge, Veterans Affairs  
Jesse Scott, Equal Rights Commission  
Robert Goodman, Economic Development

STATE-OWNED MARLETTE WATER SYSTEM:

Senator Lamb asked about the possibility of selling the state water system. Mr. Barrett said that the 1969 Session of the Nevada State Legislature gave the Department of Administration authority to sell the system not including the land, simply the water rights, pipes, etc. An appraisal was made which indicated a value of the water system of \$1,300,000. This was advertised but the state received no offers. The 1971 Session of the Legislature gave the Department of Administration the authority to sell or lease the system at less than the appraised value, to either Carson City and/or Virginia City. He sent an offer to Carson City and on June 26, 1972, he sent the committee a review of their recommendation and they were quite a distance apart at that time. Carson City was asking the state give them the remaining portion of the system for the price of \$700,000 to be paid not in cash but in water at the rate of ninety-one cents per thousand gallons. We have offered them the water system at no cost if they could give us water forever at no cost based upon present consumption. If we build additional buildings we would pay the regular residential rate for those buildings.

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The system is divided into three parts, (1) Marlette Lake and Hobart Reservoir and its pipes to storage tanks, (2) pipes down to Carson City and three small reservoirs on the west side of town, (3) pipes to Virginia City and five-mile reservoir. Virginia City has made a proposal to buy part three for \$500, but Carson City is also interested in this because they envision expansion on the northern end of town and building lines off this system. However, Virginia City has a historic obligation to receive 300,000 to 500,000 gallons a day at 14.6 cents per thousand gallons. Carson City proposed to buy all three portions of the system and would then be the sole supplier to Virginia City.

Carson City has rejected Mr. Barrett's counter proposal and their present proposal is the state transfer all three portions of the system to Carson City and they supply the state for thirty years at no charge up to one million gallons of water. The state currently must pay costs of approximately \$20,000 per year for one million gallons so over a thirty-year period this would accrue a savings of \$600,000 not figuring in interest.

Recently the Health Division demanded that the state cover the three small reservoirs just west of town. The Planning Board has estimated this can be done at a cost of \$114,200. In addition there will be a requirement coming in to seal five-mile reservoir which will cost forty to fifty thousand. We do not have to cover it, just seal it to prevent weeds from growing into it. This will mainly prevent animals getting near the water, although it has been fenced.

The state currently owns 5,377.91 acres upon which the water system is located. In 1964 when the Whittel property nearby was condemned the state had figures indicating that the property was worth \$125 per acre or approximately \$672,239 at that time.

The state currently charges Virginia City and Carson City 14.6 cents per thousand gallons for water and Carson City sells this water at the commercial rate of 91 cents per thousand gallons. Hobart Leonard, owner of the Virginia City water system has been taken to court in the past for non-payment of water usage fees, and as of December 31, 1972, he was \$4,138 in arrears again.

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Senator Young mentioned that Carson City was one of the fastest growing communities in the state and noted we may need this water one day. He questioned whether we should dispose of this asset and asked why the state either lost a little or made a little each year. Mr. Barrett replied that because we operated as a state entity and not a public utility we encountered restricting rules and regulations which hampered the freedom to operate. Senator Lamb also noted that someday this water is going to be mighty valuable to this area and Carson City would have to come to us, that this was of valuable potential. Mr. Barrett agreed that the state has not been successful in getting Carson City to negotiate until the first dry spell in the spring.

Senator Brown expressed concern regarding the tentative withdrawal or trend toward withdrawal of federal funding from state programs. Discussion followed this and Mr. Barrett agreed to provide the committee with lists indicating which state programs involve federal funding. It was decided it would be rather difficult at this time to determine what Congress or President Nixon will do in this area.

LABOR COMMISSION - Pages 434-436:

Mr. Jones stated that the 58.4% increase in salaries was due mostly because of the recommended two and a half new positions requested. He said they received seventy complaints per day, 17,000 per year and had recovered \$277,840 during the biennium ending June 30, 1972 on these complaints. He stated that for years this department has been understaffed. (See attached.)

Discussion followed concerning the fact that the Labor Commission has been contracting the services of private attorneys, Tom Beatty in Las Vegas and Keith Lee in Reno.

EQUAL RIGHTS COMMISSION - Pages 101-103:

Effective March 24, 1973, after sixty days if the Commission doesn't resolve matters they will be dealt with by local municipalities or private organizations. Mr. Scott stated that it costs about \$1,000 a day for a public hearing due to court reporter costs, \$500 for a transcript, etc. He said they have had four public hearings in the last four years. Senator Gibson stated that he heard Mexican-Americans were asking to establish a separate commission. Mr. Scott said they had two Mexican-Americans on their staff. If Mr. Scott receives the requested equal opportunity investi-

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gator he will be placed in Reno.

VETERANS AFFAIRS - Pages 97-98:

Mr. Etheredge stated they have four positions in Las Vegas and three in Reno, and have found they have been less effective in their service to outlying areas. He said they have assisted veterans in obtaining \$3,900,000 in benefits. He didn't feel they would be less busy if the war in Viet Nam were ended. He is requesting one position for Las Vegas and one-fourth position for Reno.

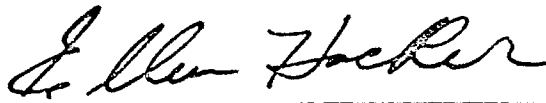
ECONOMIC DEVELOPMENT - Pages 85-87:

Mr. Goodman stated they were asking for five cents per twenty million tourists. He said they had a communication problem between rural Nevada and their department and that their agency intended to work more with rural Nevada than in the past. He said they mailed out 4,500 brochures per month and had used 100% of their postage allotment in the past. They no longer have one contract with one advertising agency but plan to place particular jobs with whatever agency they feel is best suited to it. He said rural areas need direction and planning to best handle the growth in camper trailers to provide facilities. He said the agency had put out fourteen different brochures.

Senator Lamb left the meeting at 10:<sup>34</sup>~~30~~ a.m. and returned at 10:<sub>30</sub><sup>34</sup> a.m.

The meeting was adjourned at 10:40 a.m.

Respectfully submitted,

  
Secretary

APPROVED:

  
Floyd R. Lamb, Chairman

GENTLEMEN:

I AM MOST APPRECIATIVE TO MR. SWACKHAMER AND TO YOU FOR THE OPPORTUNITY TO PRESENT AND DISCUSS THE DETAILS OF MY PROPOSED BUDGET FOR THE STATE ARCHIVES

DURING THE PAST FOUR GENERAL LEGISLATIVE SESSIONS, THE ARCHIVES BUDGET INVOLVED BUT A BRIEF DISCUSSION PERIOD TO RECEIVE YOUR ENDORSEMENT. THIS YEAR, HOWEVER, I FIND IT NECESSARY TO RESPECTFULLY REQUEST NOT ONLY AN IMMEDIATE EMERGENCY APPROPRIATION, BUT A <sup>20%</sup>~~15%~~ PERCENT INCREASE OF THE BUDGET SUBMITTED FOR THE NEXT BIENNIUM.

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ON SEPTEMBER 21ST, LAST YEAR, FORMER SECRETARY OF STATE, JOHN KOONTZ AND I APPEARED BEFORE THE STATE PLANNING BOARD TO REQUEST THEIR CONSIDERATION FOR A 16,000 SQ. FT. NEW ARCHIVES BUILDING. AFTER HEARING TESTIMONY FROM MR. KOONTZ, MYSELF, A LETTER FROM THE STATE FIRE MARSHALL AND THE COMPLAINTS FROM THE CARSON CITY FIRE DEPT., THE "BOARD" DECIDED TO PLACE A NEW "ARCHIVES BUILDING" ON THE PRIORITY LIST. UNFORTUNATELY FOR THE ARCHIVES, BUT FORTUNATE FOR THE OVER-ALL BENEFIT OF THE STATE, THE MAXIMUM SECURITY PRISON, MENTAL HEALTH AND THE UNIVERSITY TOOK PRECEDENT.

A MEETING WAS HELD ON DECEMBER 12TH, PRESENT WAS GOVERNOR O'CALLAGHAN, MR. KOONTZ, MR. BARRETT, MR. BIBLE AND MYSELF. THE GOVERNOR RECOGNIZED THE DIRE NEED FOR EXPANDED FACILITIES FOR THE ARCHIVES

AND SUGGESTED TO MR. BARRETT THAT FURTHER DISCUSSIONS BETWEEN HE AND MR. BARRETT BE HELD TO FIND THE ANSWER TO THE SPACE PROBLEM OF MY DIVISION.

WITH YOUR PERMISSION, A FEW STATISTICS: AS OF AUGUST 1ST, 1972, THE ARCHIVES HAD OVER FIVE THOUSAND (5000) LINEAL FEET OF GOVERNMENT ARCHIVAL MANUSCRIPTS AND PERMANENT STATE, COUNTY AND MUNICIPAL RECORDS. ALL CONTAINED WITHIN 3,800 SQUARE FEET! FURTHER, DECEMBER SAW THE ARRIVAL OF THIRTY-EIGHT LARGE CARTONS OF THE "WALTER S. BARRING RECORDS" WHICH I MAY ADD GIVES A FANTASTIC CORRELATION BETWEEN NEVADA AND THE FEDERAL GOVERNMENT OVER A 20 YEAR PERIOD. (MR. BARRINGS RECORDS ARE ~~BEING~~ <sup>BEING</sup> CLASSIFIED AND ARRANGED BY MYSELF AND ARE CURRENTLY GATHERING GREAT HEIGHTS IN MY OFFICE.)

I MENTION THESE DETAILS BECAUSE YOUR STATE, COUNTY AND MUNICIPAL ARCHIVES HAS GROWN "LIKE TOPSY" !

I DO NOT KEEP RECORDS THAT ARE "USELESS OR SUPERFLUOUS". I KEEP ONLY RECORDS THAT, IN MY PROFESSIONAL OPINION, ARE NECESSARY TO PRESERVE THE IMPORTANCE OF OUR FORMER TERRITORIAL AND STATE GOVERNMENT ADMINISTRATION.

EGOTISTICAL AS IT MAY SOUND, YOU HAVE ONE OF THE TOP SEVEN STATE ARCHIVES IN THE UNITED STATES REGARDING EFFICIENCY AND OPERATION. THIS HAS BEEN SUBSTANTIATED BY THE "AMERICAN SOCIETY OF ARCHIVIST". I MAY ADD, WITH ONLY TWO (2) FULLTIME EMPLOYEES AND THE ARCHIVES AUXILLARY.

RECENTLY I CONSULTED MR. HAMERNICK, THE SUPERINTENDENT OF BUILDINGS AND GROUNDS, REGARDING THE POSSIBILITY OF LEASING A BUILDING THAT COULD ACCOMODATE THE GROWING "STATE ARCHIVES". HE STEARED ME TO A FACILITY IN THE CARSON CITY INDUSTRIAL AREA, (ON INDUSTRIAL PARK WAY, APPROXIMATELY ¼ MILE SOUTH OF THE CAPITOL BUILDING), THIS 18,000 SQUARE FOOT FACILITY WILL COST THE STATE OF NEVADA \$44,640.00 PER YEAR TO LEASE. SUCH A FACILITY WOULD MEET NEVADA'S STATE, COUNTY AND MUNICIPAL NEEDS FOR THE NEXT 75 YEARS.

AT THIS TIME, I AM ASKING FOR \$20,000 AS AN "EMERGENCY APPROPRIATION". TO COVER THE FOLLOWING ITEMS FOR A PERIOD OF FOUR MONTHS: RENTAL OF THE INDUSTRIAL PARK FACILITY, <sup>\$14,880.00</sup> SALARY OF \$2,224.00 FOR A STOREKEEPER AND \$2,900.00 FOR MOVING COSTS.

IN ORDER TO MAINTAIN THIS IMPORTANT ASPECT OF OUR STATE GOVERNMENT, I AM ASKING FOR A TOTAL BIENNIAL APPROPRIATION OF <sup>120,884.00</sup> ~~\$109,778.00~~. THE ORIGINAL REQUEST WAS FOR \$109,778.00. A BIENNIAL DIFFERENCE OF ~~\$5,000.~~ <sup>16,000.</sup>

I ADMIT IT IS AN IDEAL FACILITY UNTIL YOU, THE LEGISLATURE CAN FIND THE MEANS TO BUILD OR PURCHASE YOUR OWN ARCHIVES FACILITY.

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MIKE O'CALLAGHAN  
GOVERNOR

1/30/73

STATE OF NEVADA  
OFFICE OF  
LABOR COMMISSIONER  
CARSON CITY, NEVADA 89701

STANLEY P. JONES  
LABOR COMMISSIONER  
RALPH M. GAULT  
DEPUTY LABOR COMMISSIONER  
RAY E. EHRGOTT  
CHIEF ASSISTANT

STATEMENT OF JUSTIFICATION

The Nevada State Labor Commission is the nerve center of people to government relationship. There are two (2) offices established to serve the needs of Nevada workers, one in Carson City, the administrative headquarters, and an office in Las Vegas. Nevada has experienced a dramatic increase in our work force and the projections for the decade of the 1970's show even greater growth. Every Nevadan is a potential client of the service provided by the Nevada State Labor Commissioner.

While considerable demands are now being made upon each employee of the Commission, experience tells and shows us that significant changes will have to be instituted in order to assure the highest possible level of service to Nevada people. It is toward that end the 1973-74, 1974-75 budget has been developed.

We, in the Nevada State Labor Commission, must constantly seek new and more effective ways to improve both the quality and quantity of those services which are our responsibility. As an advocate of the Labor and Industrial Relations Laws of the State of Nevada we touch the life of the very young, the very old, the very rich, the very poor, and all Nevadans in between.

The Labor and Industrial Relations Laws with which we are charged with administering and enforcing include the following, but is not limited to this list since the law says the Labor Commissioner shall enforce all labor laws of the State of Nevada; the enforcement of which is not specifically and exclusively vested in any other officer, board or commission:

1. Wage, hour and working conditions of employees
2. Collection of unpaid wages
3. Employment of minors
4. License and regulate private employment agencies
5. Director of apprenticeship and training
6. Predetermination of wages on all public work
7. Mediation and conciliation service to labor and management
8. Sexual discrimination investigations
9. State approval agency for Veterans on-the-job and apprenticeship training

With the full consideration and understanding of the enormity and complexity of the challenge to serve Nevada's total work force that exceeds 250,000 people and 18,000 places of business, this budget is minimally designed.

70 Complaints PER DAY, 17,000 PER YEAR

\$277,840.00 Recovery During Biennium Ending 6-30-72