

Assembly

MEETING OF
COMMITTEE ON GOVERNMENT AFFAIRS
APRIL 24, 1975

4-1228

Chairman Dini called the meeting to order at 8:10 A.M.

MEMBERS PRESENT: Assemblyman Joseph E. Dini, Chairman
Assemblyman Patrick M. Murphy, Vice Chairman
Assemblyman Don A. Moody
Assemblyman Roy Young
Assemblyman Jean E. Ford
Assemblyman Paul W. May
Assemblyman Harley L. Harmon
Assemblyman Robert G. Craddock
Assemblyman James W. Schofield

MEMBERS ABSENT: None

OTHERS PRESENT: Joe L. Gremhan, Sierra Pacific Power Company
Wallace Warren, Sierra Pacific Power Company
Tom Young, Sierra Pacific Power Company
Bruno Manicucci, City of Reno
Robert H. Oldland, City of Reno
Robert Warren, Nevada League of Cities
James H. Berry, City of Reno
Evo A. Granata, Nevada Public Service Commission
John Wright
Gene Milligan, Nevada Association of Realtors

(Bills discussed: S.B. 364, S.B. 419, S.B. 427, S.B. 435,
A.B. 613, BDR 40-1854, BDR 20-1961, BDR 43-1858.)

S.B. 364 - Mr. Joe L. Gremhan, Executive Vice President, Sierra Pacific Power Company, said in checking the Internal Revenue Code his company had found it could issue tax exempt bonds in order to finance water facilities, including all facilities from mains to treatment plants, services, etc. In reviewing Nevada Revised Statutes, however, it was determined that the only tax exempt bonds that could be issued were those covering pollution control facilities. In reviewing the benefits involved in the issuance of tax exempt bonds it was determined to be a saving in interest of two to three percent. It is, therefore, requested that the statutes be amended to enable the company to issue this type of security, which would be done in conjunction with the county and which the county supports, in order to take advantage of the lowest cost of money available and pass that benefit on to the consumer. He strongly urged this bill be adopted.

Discussion was held with the Committee. In response to Mrs. Ford's question as to why the bond authorization was to be given by resolution rather than ordinance, Mr. Latimore explained the adoption procedure of both.

Mr. Robert Warren, Nevada League of Cities, spoke in favor of the bill.

Mr. Joe H. Latimore, City of Reno, said the City has continually asked the power company to construct improvements and, at the same time, the City has opposed any increase in rates. It is felt this

type of bill would provide funds for the power company to improve the facilities in the Reno area at a minimum of expense. He said the City of Reno in the past has opposed tax free bonds for construction of private buildings and industry, but when it comes to a utility which results in a saving to the general public, the City does support this bill.

Mr. Evo A. Granata, Nevada Public Service Commission, said that the Commission supports this bill and the effect it will have of reducing rates rather than increasing them. Experience with air pollution bonds in Southern Nevada has shown that the bonds could be issued at between six and six and one-half percent when the bond market was around nine and nine and one-half percent, so there is a definite saving which could be passed on to the consumer.

S.B. 419 - Mr. Robert H. Oldland, City Manager, City of Reno, said this is a bill to correct a defect in the existing city charter in the City of Reno in that when the charter was adopted by referendum, the duties of the city manager were spelled out in detail, including his powers of appointment and dismissal, subject to the provisions of the civil service section of the charter. Inadvertently in the passage of the charter during the last session, the section regarding the city manager's duties and responsibilities were eliminated. This bill is an attempt to correct that defect.

Discussion was held with the Committee concerning the civil service procedures of the city.

Mr. Bruno Manicucci, Councilman, City of Reno, also requested favorable consideration of this bill since it was simply an omission.

Mr. Latimore said there was a second part of this bill which provides that the deputy city clerk is authorized to perform the duties of the city clerk during the absence of the city clerk.

S.B. 427 - Mr. Joe H. Latimore, City of Reno, said the City Council feels at this time it is appropriate to ask the people of Reno through a vote in the general election whether or not they wish to expend funds for the beautification of the Truckee River by authorizing the issuance of Two Million Dollars in bonds for this improvement. Specific plans have not been drawn up at this time, but would be presented to the people through public hearings, if the bond issue is approved.

Mr. Manicucci said civic organizations had spearheaded the movement for this improvement through public hearings which most of the Councilmen had attended. It is desired to put to a vote of the people the question of whether or not they wish to obligate themselves to improve this resource. Although the city is at the \$5 limit, it is only at about twenty-two percent of its bonding capacity. He requested support of this bill.

Mr. Gene Milligan, Nevada Association of Realtors, said his organization would like to go on record as being enthusiastically in support of this bill.

S.B. 435 - Mr. Joe H. Latimore, City of Reno, said this bill is one that would provide for a consolidation of an improvement district, which is a district formed to make an improvement into an area and the cost of the district is assessed to the property owners in that district. This addition to the present legislation would provide that other sources of funds could be used to pay a portion of the assessments that were levied against the property owners. This is done in several other states, but has not been approved in Nevada, a possible reason being that the consolidation improvement law is not used generally. The reason for putting this bill in the Legislature this year is for Mayor Dibitonto's program of lowering the railroad tracks through the Reno area and the possibility that this could be done under the consolidation improvement law, and the revenues produced from such as air rights, hotels, etc., as a result of the space made available, could be used to pay part of the costs of the assessments.

A.B. 613 - Mr. Robert Warren, Nevada League of Cities, said this bill would provide for assessment of an owner of unimproved property adjacent to a street which is improved, thereby eliminating bottlenecks created by small, unimproved street areas. At present an owner cannot be assessed unless his property contains 50% improvements. It is requested that that portion be excluded and that even if there are no improvements on the property, each owner may be assessed his fair share. He pointed out that most of these properties were held by out-of-state owners for speculation purposes.

Following discussion with the Committee, and a question raised by Mr. Schofield of language in the bill which might require amendment, it was decided that the bill be held pending clarification.

Mr. May presented BDR 40-1854 which places control of certain county hospitals in the board of county commissioners. Chairman Dini indicated this would be held until the next meeting.

Mr. May presented BDR 20-1961 which requires establishing merit personnel systems in all counties. Chairman Dini passed the gavel to Vice Chairman Murphy and moved this bill not be introduced. Mr. May seconded the motion. Motion carried unanimously.

Mr. Murphy presented BDR 43-1858* which amends the Financial Responsibility Act to require proof of financial responsibility after drivers license revocation. He stated the Department of Motor Vehicles is in favor of it. Mr. Moody moved that BDR 43-1858 be introduced. Mr. Schofield seconded the motion. Motion carried unanimously.

S.B. 364 - Mr. Young moved "Do Pass" on S.B. 364. Mr. Schofield seconded the motion. Motion carried unanimously.

S.B. 427 - To be held.

S.B. 435 - To be held until evening meeting this date.

Meeting adjourned at 9:25 A.M.

Respectfully submitted,

Mildred Cave, Secretary

AB637 see attachments

AB 618 see attachments

*A.B. 725

ASSEMBLY

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS
THURSDAY,
Date APRIL 24~~th~~ 1975 Time 8:00 A.M. Room 214

4-1227

Bills or Resolutions to be considered	Subject	Counsel requested*
S.B. 419	Amends Reno City Charter to permit city manager to employ and dismiss officers and employees and providing powers of deputy city clerk in absence of city clerk. NOTIFY: Senator Raggio, City of Reno, City Manager	
A.B. 626	Permits state engineer to restrict development in any area where water basin will be depleted. NOTIFY: Assemblyman Benkovich, Roland Westergard	
S.B. 364	Amends County Economic Development Revenue Bond Law to promote furnishing of water if available on reasonable demand to members of public and amends and adds to manner of financing all projects authorized. NOTIFY: Sierra Pacific Power Company	
S.B. 427	Authorizes City of Reno to beautify, better and otherwise improve the Truckee River and areas adjacent to the river and to issue securities to defray costs of such project. NOTIFY: Senators Young and Gojack, City of Reno	
S.B. 435	Allows governing body to receive and apply certain revenues to assessments levied under consolidated local improvements law. Notify: Senator Young, Cities and Counties	

*Please do not ask for counsel unless necessary.

Monday, March 10, 1975—NEVADA APPEAL-3

Engineers issue water statement

William Shewan, P.E., chairman of the Eagle Valley Water Committee and Robert May, P.E., president of the Carson Chapter, Nevada Society of Professional Engineers, today released this statement:

"As concerned members of the community, the Eagle Valley Water Committee has examined Carson City's water supply situation in detail. We believe that serious summer water shortages are imminent and that the best interests of both the City and State will be served by immediate development of State-owned water sources of the Marlette system. But, with seven weeks of the Legislative session gone, we are growing seriously concerned over the apparent lack of progress toward this end.

"For many years, going back to 1968, the Carson Chapter of NSPE has advocated development of the Hobart reservoir as a source of gravity-supplied water for the city. We believe that the city's present heavy dependence on pumping from wells is a questionable situation in these energy-short times, and that the system needs additional storage. We see no alternative but to develop the Marlette system to supply the immediate needs of Carson City supply in the interim period while other sources are being explored or developed. Some work has been done toward securing water from city-drilled wells in Carson Valley. This will be an expensive and time-consuming process at best; we have been informed by the City Engineer that the delivery of water from this source to Carson City is many years away.

"We have presented our analysis to the engineers of the community and have discussed the situation with the City Engineer and City Manager, the Director of the State Department of Administration and with Carson City's legislative representatives. We believe that agreement toward priority

development can be reached. Design of the Hobart reservoir was funded by the 1973 Legislature. Construction can be funded at this session and long delays in financing and design avoided. Costs can be repaid by the water users over a long period of time.

"For those who have some knowledge of the Marlette System and who may be interested in the background, the 1973 Legislature funded a study of the entire Marlette system as well as design of the Hobart reservoir. This study was essentially directed toward development of the maximum amount of water which could be taken from the entire system, including Marlette Lake, the East Slope and the Hobart watershed. The costs of such development were found to be high — the recommended alternative placed it at eight and a half million dollars. In order to use the total water developed, the report recommended using this water as Carson City's base supply, with its wells used only to provide for peak usage during summer months. This would mean that Carson City's already developed wells would stand idle for almost nine months of the year and would result in heavily increased costs to water users.

"After analysis we concluded that our proposal, to develop less water but to use it for peak loads, would serve more people (providing for an approximate doubling of 1974 water use) and would cost a great deal less money. This results from the fact that initial expenditures would be lower and that the full capacity of the City's already-developed wells would be used year around.

"City officials agreed with the concept of using the Marlette system water for peaking and that development of the Hobart reservoir would provide a satisfactory solution. But, because more water would be available from Marlette Lake than from the developed Hobart reservoir and because the report's figures indicated that

this would be somewhat less expensive than the Hobart development, decided that their priority request to the Legislature would be for the necessary development to bring Marlette Lake water to Carson City, leaving development of the Hobart reservoir as a possible alternative. We have strong reservations concerning this proposed use of Marlette Lake and watershed for the following reasons:

"(1) **Environmental Considerations.** As a municipal water source, the Marlette Lake watershed would have to be protected, thus preventing its reasonable use as a park. Marlette Lake is a beautiful mountain lake; we believe it should be made more available to the public than this use would permit. Use of the lake itself as a basic water supply reservoir, with heavy demand during summer months, would cause significant fluctuations in the water surface elevation to the point where interference with the present important use of the lake as a fishery would result. Installation of 25,000 feet of heavy pipeline at a high elevation along the west side of the Sierras would scar the mountain side and be visible from Lake Tahoe. These considerations would not apply to development of the Hobart reservoir since, while much more accessible to Carson City, the area is remote and little exists there now.

"(2) **Costs.** The Marlette Lake delivery system is quite complex and replete with potential problems in contrast to the straight-forward and simple nature of Hobart development. The use of Marlette Lake water might be considerably more expensive than figures taken from the report indicate. Pipe sizes designed for peaking use would be much increased from those used in the report for base source year around use. Operation and maintenance costs, particularly for the 25,000 feet of pipe along the west side of the Sierras delivering water to the tunnel, could be very

significant. Reopening of the tunnel, which is necessary to bring the Marlette Lake water to Carson City, could be much more expensive than anticipated. The probability of a requirement for expensive treatment of the water would be notably increased, as discussed in more detail below.

"(3) **Water Treatment.** The Hobart watershed is remotely located and could be fenced with minimal interference to recreational activities. We believe that most of the color which has shown up in past use of Marlette system water has come from bogs in the existing small reservoir on Hobart Creek; the reservoir site could be cleaned during the period of dam construction. Marlette Lake also contains bogs which could not be cleaned up without causing serious environmental and economic problems. Hobart reservoir water, in smaller quantities and cleaner to begin with, would be much diluted with well water when used for peaking; the probability of a requirement for expensive treatment would be reduced. We believe that this is an important plus for the Hobart reservoir alternative, not only from the standpoint of cost but also from that of energy conservation.

"In conclusion, we believe (1) it is vital to Carson City's immediate future that a new water source be developed, (2) that the Marlette water system, particularly because of the availability of State funding, is the only source which can be developed in the time available and (3) that to accomplish the necessary development in time to avoid serious water shortages, agreement must be reached between city and State during the present Legislative session.

"We further believe that development of the Hobart reservoir provides the most simple and clearcut alternative and presents the best likelihood for city and State agreement and accomplishment."

4-1238

Telephone 882-1565

Post Office Box 1136
Carson City, Nevada 89701The logo consists of several concentric, curved lines forming a partial arc on the left side of the page.

ARSON
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HAMBER of
OMMERCE

April 24, 1975

The Honorable Joe Dini, Chairman,
and Members, Assembly Governmental
Affairs Committee
Legislative Building
Carson City, Nevada 89701

Gentlemen:

Carson City is experiencing unprecedented growth; accordingly, if it is to meet the increasing demands being made upon its resources, it must have access to available area resources and be assured of the improvement of same.

Water is critical and the State owns a valuable area water reserve - the Marlette Lake System.

Since much of Carson City's growth is related to the fact that it is Nevada's principal seat of government, it stands to reason that the state-owned Marlette System should be developed to its potential to allow the city to meet its growth demands.

Accordingly, the Carson City Chamber of Commerce urges passage of AB 637 in order for the city to meet the needs of its citizenry and adequately respond and meet the needs of an expanding state government.

Very truly yours,

Ron E. Landis, President

BY: A handwritten signature in dark ink, appearing to read "James C. Lien", written over a horizontal line.

James C. Lien
Legislative Chairman

cc: Henry Etchmendy
City Manager

I am George C. Hastings, a Civil Engineer licensed in Nevada and South Dakota as a Professional Engineer. I am registered as a lobbyist for the Nevada Society of Professional Engineers, and for the Nevada Section of the American Society of Civil Engineers. I have been a member of the Eagle Valley Water Committee, Carson City Chapter, Nevada Society of Professional Engineers since its formation in 1968.

Since the publication of the Eagle Valley Water Committee Report of June 1968

I have been very much interested in the potential for development of a water supply for the Carson City area from the State owned Marlette Lake water system.

I am pleased that Assembly Bill number 637 is being proposed to authorize the execution of a contract between the State of Nevada and Carson City for development of this potential water supply. I urge the passage of this enabling legislation.

However, I am concerned that the Marlette Lake water system has not been adequately described in this bill to clarify the fact that this system includes not only the Marlette Lake watershed on the west slope of the Sierras but also the two watersheds on the east slope of the mountains, one of which is the Hobart Creek drainage area and the other simply designated as the East Slope Drainage. Too often when referring to the Marlette Lake water system, people think only of the Marlette Lake watershed portion of the system, and this bill could be interpreted in this same erroneous manner.

I have read the engineering report recently prepared at the direction of the Director of the Department of Administration. It is a fairly comprehensive document however several alternative plans or proposals can be drawn from it.

With this in mind, Section 9, subparagraph 2, (d), on page 4 of this bill, should be deleted since it infers that the recommended plan in this report should be followed. Suggested language for Section 9, subparagraph 2, (d), would be, "Description of the improvements to the Marlette Lake water system to be made by the State to provide water for Carson City."

Regarding alternatives, I believe this bill should allow the Marlette Lake water system advisory committee and the Department of General Services, or the State Public Works Board, to investigate the various alternatives of using any one or some combination of the three drainage areas in the Marlette Lake system, to determine which alternative would best serve the objectives of the State for environmental, fish and wildlife, and park and recreational purposes as well as for water supply purposes. This should be done before entering into negotiations with the City, and before the plans and specifications, provided in Section 8 of this bill, are finalized.

For many reasons both technical and financial as well as environmental, I am in favor of the recommendations of the Eagle Valley Water Committee to develop the Hobart segment of the Marlette Lake water system, rather than the Marlette Lake segment.

My main purpose for appearing here is to support the passage of legislation to allow the State and the City to negotiate an agreement. Hopefully, my other suggestions will be considered.

Thank you.

AB618- Method of notification- ^{CamvASS} Kansas would be made by certified mail with document enclosed for consent to the improvement district which would include a description of improvements and maximum costs to be assessed to property owners. We have no objections to an amendment to include one public hearing in the preliminary stages of the proposed project. We would like to have an amendment in regards to majority of tracts which would change to:

If 66 2/3% of the parcels within the district representing 66 2/3% of the cost of the proposed project consent in writing to the assessment.

Projects up to \$1,00,000 in cost of implementation

If you have any problems, call Colleen Karnes after 5 p.m. at 451-6781.