

JOINT MEETING

ASSEMBLY WAYS AND MEANS COMMITTEE
SENATE FINANCE COMMITTEE

MINUTES OF MEETING

March 23, 1977

The meeting was called to order by Chairman Mello at 8:00 a.m.

PRESENT: Chairman Mello, Mr. Bremner, Mrs. Brookman, Mr. Glover, Mr. Hickey, Mr. Kosinski, Mr. Rhoads, Mr. Serpa, Senator Lamb, Senator Echols, Senator Gibson, Senator Hilbrecht and Senator Wilson.

ABSENT: Mr. Vergiels and Senator Young.

EXCUSED: Mr. Bode Howard, due to illness.
Senator Glaser, due to illness.

OTHERS PRESENT: John Dolan, Assembly Fiscal Analyst; Ron Sparks, Senate Fiscal Analyst; Bill Hancock, Public Works Board; Bill Flangas, Public Works Board; Peter Simon; James Wren-Jarvis; Joe Brown, Esquire; Donald Klasic, Deputy Attorney General and Olga Giovacchini, Vital Statistics.

Chairman Mello stated the reason for the joint hearing is that there appears to be a problem with the utilities for the Southern Nevada Correctional Center in Jean.

Bill Flangas stated that the Public Works Board was quite aways along in construction of the prison at Jean, and they anticipate its completion late this year for use at the first of next year. Apparently a difficulty has arisen. The Public Works Board met with Mr. Simon last week and discussed the problem in great detail.

Mr. Flangas stated that two years ago when the major construction started to come about, the Public Works Board was in the business of looking for proper sites in Clark County. They had two sites chosen, both on public land with available utilities. Mr. Simon came to the Legislature at that time and persuaded the Legislature to locate the prison facility in Jean, and he would provide both land and utilities. They negotiated a very clean agreement with Mr. Simon on this arrangement. The Public Works Board feels they protected the state's interests with a \$500,000 Letter of Credit. They are now in a position where Mr. Simon is almost in breach of the contract because he is either unable or unwilling to fulfill the agreements of the contract. This is a very serious business of having the prison almost completed and having a hangup on the utilities. The Board feels that they cannot allow this project to be held in hostage due to either the whims or caprices or the inability of Mr. Simon to complete his end of the agreement. The Board has reached that stage of construction where the utilities have got to be firmed up. The Board feels that April 1st is a drop dead date. From that point on the Board can be in serious difficulties as far as opening the facility.

The Board's recommendation to the Committees is that unless they can get this matter resolved by April 1st, that the state go it alone after that point. The Attorney General tells them they have a valid, unambiguous, clean binding contract. At the meeting last Wednesday, the Board made a motion and tabled it pending this meeting as to proceeding with whatever legal action is necessary to complete the Jean facility.

Mr. Hancock stated that if the Board is to do everything to provide all the necessary utilities, according to the Board's figures they would need \$866,000 from this Session of the Legislature. That would provide a well, a water treatment system and a sewer lagoon system. Of that amount \$216,000 would be refundable by the power company over a period of ten years on the basis of the consumption of power. If the \$500,000 Letter of Credit from Mr. Simon was collected, the extra cost to the state, as the Public Works Board sees it at this stage in time, would be something in the vicinity of \$170,000. To do it themselves, the Board needs an \$866,000 allocation from the Legislature.

Mr. Simon passed out a copy of his prepared remarks, together with a copy of the original Agreement. (Please see attachment.) He went over what the situation was two years ago. The Public Works Board did have two other sites located in North Las Vegas, referred to as Section 21 and Section 24. They were out Interstate Freeway 15 north to Salt Lake City. The utilities were not available at no cost and Mr. Simon doesn't believe the Board should leave the Committee with that impression. The numbers Mr. Simon got from the Board at the time called for \$439,000 for Section 21 excess utility costs to run the water and the sewer line. Section 24 had a \$654,000 cost, plus other costs. Mr. Simon said that once you add it all up, he thinks that the costs were somewhere for Section 21 about \$786,000 and right around \$1 million for Section 24. Mr. Simon doesn't want the Committees to have the impression that you have these sizable utilities right there on site. Otherwise it is very doubtful that the Legislature would have even considered the Jean site. The arguments Mr. Simon made at the time were that Jean would cost less than these other sites because of the deposits and in fact Jean has cost less.

Mr. Simon feels they have a good contract and there is no question that the contract itself is enforceable. The situation has gone on and there has been substantial things done on both parties' part to fulfill the contract. Mr. Simon has donated the land, donated easement and built the water system. He has tried to make Jean presentable for the community and for the prison that will develop there. He has spent \$500,000 at least on the project so far: \$325,000 for the water system plus approximately \$100,000 to extend the water system down into Jean and make it available for trailer parks, etc. so there can be residential housing and community services for the people at the prison. There was \$75,000 in associated expenses, which included legal fees, title problems that developed with the property and some other monetary things.

Mr. Simon feels that there are three basic questions that need to be resolved. Mr. Simon said he didn't believe they should be before the Committees asking the Committees to resolve and hear the problems, but he could not reach an understanding with the Public Works Board.

Mr. Simon stated that the problem he considers of the greatest magnitude is the sewage. The contract itself, on Page 4, stated that the maximum daily flow will be 62,500 gallons per day, with a maximum peak flow of 16 gallons per minute for a one hour period. That was based on 250 inmates and 250 gallons of sewage per inmate per day which Mr. Simon felt at that time, after consultation, was an adequate amount of sewage reserve. It provided peak inflows which will occur with great regularity in the prison because all the activity takes place at one point of time in the day generally, and it also allowed for some amount of guards and other people who will be visiting the prison in excess of the population.

Mr. Simon stated that this started out as a 250 inmate minimum security prison. Now the state has decided to make it a 350 inmate medium security prison. He realizes that the point of fact is that construction has begun and they are going to build what they want to build, but that is not what the Legislature approved the money for and that is not what Mr. Simon gave the land for. If the Warden is correct, and Mr. Simon believes he is, he feels he must have steel doors, chain link fences, razor wire, etc to keep the people in the prison, by all means do it, but Mr. Simon feels there should be a question asked about why this wasn't brought out before two years ago. Mr. Simon stated that had the Legislature approved the Hollywood Boulevard site which was at the base of Sunrise Mountain, he would not be alone protesting these changes. Regardless of that fact, there is a real

problem with the sewage flow. Mr. Wren-Jarvis and people who are involved in the design of advanced waste water treatment facility in the City of Las Vegas have designed sewage plants for prisons and have done a study for Mr. Simon which shows, and he believes it to be correct, that the 62,500 gallon a day average is not an adequate amount of sewage and that the 106 gallon per minute flow is not nearly adequate to take care of the peaks that will occur, which they estimate to be in excess of 170 gallons per minute at peak periods of time.

The Public Works Board, in a letter of January 27th, anticipated this. They sent Mr. Simon a letter which requested the additional supply required is 25,000 gallons per day which is no problem; the additional sewage capacity required is 25,000 per day with an increased max peak flow of 43 gallons per minute. The Public Works Board requested Mr. Simon to come up and do something about this. The contract itself is very definite as to the max flows and very definite as to the charges for those flows. Anything over and above those charges is not controlled by the contract and in fact would impose upon Mr. Simon the burden of determining an arbitrary price. Mr. Simon doesn't feel that is the correct way to do it and he pointed this out to the Public Works Board. At that point the Board refused to discuss it any further and said that the 62,500 gallons a day of sewage was adequate and 106 gallons a minute flow was adequate, and if they exceeded those flows it was their problem. The law clearly stated that it is Mr. Simon's problem. He is the one who is receiving the sewage and he is the one who will be dumping the sewage in the desert and he is the one who will have to face the wrath from the District Attorney should he be in violation of the law if he dumps sewage into the desert. There is the problem of mosquitos, pollution and EPA fines which range from \$2,500 to \$25,000 a day. Mr. Simon doesn't understand why they won't consider this.

The second problem is one interpretation of the contract. On Page 5, Paragraph 6, the contract calls for Mr. Simon to arrange for, at no cost to the state, electrical power and telephone service. 750 kilowatts will be provided for the initial construction. In the first meeting with the power company the total demand exceeded 750, but to actually exceed that, everything would have to be turned on. That was without exterior lights and without an additional 100 inmates. Because of these, Mr. Simon funded a study and determined what the most cost effective method of bringing power in would be--a method which would allow the increased usage of power and allow for more power to be brought in as needed. Mr. Simon funded the study. He had surveys done in determining the location of the power lines, the location of the sub-station and the cost running the lines. He has done all that, granted easements to the power companies and worked out the process by which they are going to extend the power to the property line. Now the power company requests, as if their right under the Public Service Commission laws, to a \$216,000 deposit which is fully refundable to the state over a period of less than seven years, although the power company has extended the refund period to ten years to guarantee that the full amount of money will be refunded. Mr. Simon doesn't believe that the refundable deposits are his responsibility. Mr. Simon believes that this advance payment which is in fact going to be refunded, should not be his responsibility.

The third issue is a very minor one in cost, but very important to Mr. Simon. That is the issue of lighting the access road.

Senator Wilson inquired as to when the question of the advance payment arose. The power company raised the question with Mr. Simon recently and Mr. Simon raised the question with the Public Works Board and it is unresolved.

Senator Echols inquired as to what the deposit is for. Mr. Simon replied he presumed it covers the capital cost of construction of the

transformer station, the sub-station and the cost of running a line to the prison site.

The Public Works Board sent the first contract down to Mr. Simon which required or requested that he do a great number of things, none of which he thinks were anticipated or desired by the Legislature. It had to do with the road. Mr. Simon was to construct an access road with four lanes, curves, gutters and street lights to two prison sites, not just one. The first construction was approximately a mile and the second construction was 7/10ths of a mile. During the negotiation of the agreement that was signed, the Public Works Board agreed to build the access road. Now the access road is two lanes. When Mr. Simon requested they light it, in a letter to Mr. Simon of March 2nd they refer to the road as the same as a rural road anywhere not requiring street lights. It was a rural road when they wanted Mr. Simon to build it, but Mr. Simon doesn't think it is a rural road now. It is the main access to a medium security prison. The prison is lighted, the town is lighted and for security reasons alone he feels the road should be lighted.

Mr. Hancock stated that on the sewage flows, the Board is happy with the 62,500. With 350 inmates it will give them 177 gallons through the sewer system and the Public Works Board feels that is adequate. The Warden agrees.

Mr. Simon stated that they may be able to live with it, but Mr. Simon can't.

Senator Lamb asked if Mr. Simon had agreed to 62,500. Mr. Simon replied yes, for 250 inmates, but it has increased 40% and the sewage flow has not increased. There is nothing in the agreement that says anything about 350 inmates.

Senator Wilson inquired what then is the legal solution to the problem if it arises and if they exceed the generation of treated sewage by this amount. Mr. Hancock replied that if they go over that amount, then it is up to the Public Works Board to handle it.

Senator Wilson inquired as to how they would handle it. Mr. Hancock replied that if they had to build their own system down there, they would. All they are asking Peter Simon to do is live up to his agreement. If more water is needed and they have to handle more sewage, that is the obligation of the state. The State Health Department has looked into it. Mr. Simon says he could be sued. It is the Public Works Board's understanding from the State Health Department that they will look to the prison as far as solving that requirement.

Senator Wilson inquired if Mr. Simon would be held harmless if the capacity provided in the contract is exceeded. Mr. Hancock replied he thought they would have to. The contract is what the Public Works Board is willing to live by. The agreement states what the Public Works Board asks of Mr. Simon and beyond that point it is the Board's headache.

Senator Wilson inquired if the Board really thought they are going to stay with this gallonage. Mr. Hancock replied yes.

Mr. Simon rebutted as to the sewage flow. He stated he would like Mr. Wren-Jarvis to go through his figures from actual designs and operations that his company has done to determine the flows. Mr. Simon didn't think that the state wanted to be in the utility business. That's why Mr. Simon has done this. He has expended a lot of money to do this and the design of the prison itself does not allow another

treatment pond or a plant somewhere up the road.

Senator Lamb stated that if Mr. Simon has agreed to supply a system that takes care of 62,500 gallons that if it goes over that, it is the state's headache. Mr. Simon replied that unless the state will show him in the design where they are going to install a sewage plant or some system that would take care of the excess flows, he has to presume that it is going to come down the sewage drains into his ponds. Senator Lamb stated that Mr. Simon's opinion is no better than the state's opinion. Senator Lamb further stated that if the state signed a hold harmless agreement with Mr. Simon and it backs up on them, that is the state's headache. Senator Lamb feels that Mr. Simon has to live with what he agreed to live with. Mr. Simon pointed out that the Public Works Board is coming to the Legislature for another \$3.5 million to make this prison 40% larger and yet they haven't come up with any way to take care of the additional sewage flow. Mr. Simon is not saying that he is not going to live up to the agreement. Senator Lamb stated there is nothing in the contract that says anything about 250. Mr. Simon replied no there is not. There is nothing in the contract that says anything about a minimum security prison. Mr. Simon agrees that they aren't there, but thinks that was the basis of the deal. That was what the Legislature approved the money for and those were the arguments that were made. Mr. Simon understands that it's not in the contract and he is not telling anybody he is not going to build these things. He wanted to point out the issues to the Committees and try to arrive at a reasonable solution that doesn't put the state in the utility business and that preserves the original basis of the concept.

Joe Brown, Esquire, representing Mr. Simon, spoke primarily toward the legal aspects of the contract. The contract is for the most part a good contract, but it does not speak to all the issues which have arisen in the last two years since this thing was formulated. Mr. Brown stated that he didn't think that any of the people here in the 1975 Legislature would agree that the site on Sunrise Mountain was a sure thing. Mr. Brown stated this was an inducement to Peter Simon. It is well documented in quotes from some of the members of Ways and Means and Senate Finance.

Mr. Brown stated that the inducement was that there would be a minimum security prison for youthful offenders. Mr. Brown further stated that one of the members of either Ways and Means or Senate Finance said this would be beautiful for Clark County because it would be rehabilitative, they can use the community college system and many of the other attractions or facilities available in Clark County to rehabilitate these youthful offenders. That is why Peter Simon entered into this and this is why he came to the state. He was going to give the state 100 acres of his land and he could develop the rest because nothing would be put up that would detract from an overall picture of him putting in other items that would aid in the rehabilitation and aid in the development of Jean. This is an inducement not an integrated contract. There were certain inducements made to Peter Simon in order to make him enter into this agreement.

Senator Gibson stated that Peter Simon came to the money Committees and asked that they consider his site. Nobody went to him and asked him to offer the site, so that the inducements were on Mr. Simon's part. The state offered no inducement to Peter Simon to offer this site or anything else.

Mr. Brown replied that the inducement was in the nature of the facility that was going to be built on his property. Senator Gibson stated there was no inducement to Peter Simon to come up here. Senator Gibson was one of the people Mr. Simon called to ask if he could come before the Committees, which the Committees agreed.

Senator Wilson stated that if the nature of the facility, landscaping, size or compatability with a community college extension or anything else is a material part of the agreement, he assumes it would be incumbent upon counsel for both parties to put it in the contract because if what they had in mind was a type of development compatible with and perhaps supportive of additional real estate development, that then becomes material to the transaction. Senator Wilson would expect to see it in the contract. Unless it is in the contract, it is difficult for Senator Wilson to draw the inference that it was a material part of the bargain. Senator Wilson stated he didn't know what the inducements were but stated he was skeptical of that kind of talk for those reasons.

Donald Klasic, Deputy Attorney General and legal counsel to the Public Works Board, drew to the Committees' attention Page 2 of the contract, which has a reversion clause which gives this property to the state for so long and no longer as the state continues to use said property as a site for institutional or educational purposes. This certainly was not tied to a prison. As a matter of fact, Mr. Klasic remembers how this problem came up. Mr. Simon originally wanted to put in the words "for prison purposes" but Mr. Hancock and Mr. Klasic immediately objected on the basis that no, they may not want to be tied down to a prison. They may want to use the land for something else. Mr. Simon is certainly totally aware that the state was not signed to being a minimum prison here.

Mr. Brown stated anything other than a prison would have been perfectly acceptable to Mr. Simon. It is the fact that it has gone from one type of prison to another.

Senator Wilson stated that when you use language of inducement, he wants them to be explicit and not implicit. Senator Wilson wasn't here then and inducement means a representation made of one which you rely on in committing your obligation and remedies in the contract. Senator Wilson told them to be careful of their use of the word unless they mean it.

Mr. Brown stated he thought that can be documented on their part. Senator Wilson stated the only documentation he is going to look to is the contract. Mr. Brown stated it is not an integrated contract.

Mr. Serpa asked if Mr. Brown approved the contract before Mr. Simon signed it. Mr. Brown replied yes.

Mr. Simon feels that the Public Works Board and he should go back and try to work out something to handle the increase in sewage. That is the issue. Mr. Simon realizes that they are going to build a medium security prison and he would hope that the Legislature would keep their eye on what goes on in Jean.

Mr. Simon stated that the only thing that took place at the recent Public Works Board meeting was the demand that Mr. Simon fulfill the contract as they see it by sticking to the 106 gallon per minute maximum flow and the 62,500 gallon a day with some ludicrous suggestions as to what Mr. Simon should do if, in fact, they dump more sewage than that. The Public Works Board then voted to come to the Legislature, without any attempt to try to substitute or work out the situation in a manner that is fair to all. Mr. Simon is not trying to be unreasonable or unfair. He pointed out that the Public Works Board made a 40% increase and some adjustment should be made to the sewage problem.

Senator Wilson inquired if the plant was being built to service any other land. Mr. Simon replied no. Senator Wilson asked if it was possible, because of the basic design, to increase the capacity at a later time. Mr. Simon replied yes, but it takes time. Senator Wilson

stated one of the questions is, is it necessary to lay out the capital expenditure if the prison expands and if the sewage flow generated exceeds these figures in the contract, whether or not that capacity has to be built now or whether it can be built later on. Mr. Simon stated it is the kind of a problem that must be solved now because the money has been appropriated to build it to 350 inmates. There is a substantial amount of lead time necessary to construct these facilities. The way the facility is built, the sewage runs downhill and Mr. Simon is downhill. They are going to be dumping into Mr. Simon's sewage plant.

Senator Wilson stated that mechanically Mr. Simon could meter and control flow with a valve. Mr. Simon asked Senator Wilson if he was suggesting that the sewage be backed up in each cell. Senator Wilson said what he is saying is that it is not Mr. Simon's problem, it may be the Prison's. He feels it should be solved. Senator Wilson stated that from Mr. Simon's standpoint, Mr. Simon could valve the transmission line and meter the flow. Mr. Simon replied he intends to. Senator Wilson stated that that burden needn't be passed onto Mr. Simon. Some kind of hell is going to be visited on the prison authority and the Public Works Board if the sewage flow backs up and they can't handle it.

Chairman Mello found it very interesting that the whole plan of Jean has changed. He remembers very well that the Committee had a seven hour hearing on a Saturday on Project 77-16 last Session. It says in the project that a minimum-medium security institute for 250 inmates was to be built. There is nothing in the project about more than 250. Mr. Hancock replied that is what they ask be funded. They had a master plan at the same time the project was presented to the Legislature which was prepared by LEAA, the Prison and the Public Works Board for a 350 man institution. That was the master plan. The Public Works Board asked the Legislature to fund the first increment of 250.

Chairman Mello stated that this has been discussed before and there are some people left on the Committee and they can't recall that and neither can Chairman Mello. Mr. Hancock stated he could show the Committees the master plan that was developed recommending that the Jean facility go to something like 350 to 400.

Mr. Bremner stated he requested a copy of the master plan and it does call for a 350 man prison, but the Committee wasn't told that two years ago.

Senator Lamb asked what would be wrong if the Public Works Board entered into agreement with Mr. Simon that he supply the 62,500 and then the Public Works Board pays Mr. Simon for anything over that. Mr. Flangas replied that is in essence what they are asking. They are asking Mr. Simon to comply with his agreement. The Public Works Board asked Mr. Simon to give them a proposal on increasing it. Senator Lamb said if he were Peter Simon, he would build a 62,500 and if anything went wrong he would sue the Public Works Board. Mr. Simon, however, wants to build it big enough to handle the 350 people and he has experts who can tell the Committees that it has to be bigger.

Mr. Flangas stated they have been in the middle of this problem for a long time and they do have some numbers from the other institution and they are fully prepared to live within the terms of the agreement they have signed.

Mrs. Brookman stated she sat on the capital improvements sub-committee, flew over the site, discussed it and there was no indication at that particular time when the project was approved in the sub-committee and brought to the full committee that it was going to be anything other than a 250 minimum-medium security (no fences or guard towers), and that is what the Legislature approved.

Mr. Glover asked Mr. Simon if he had ever seen the master plan. Mr. Simon replied he received some documents from the American Correctional Institute which discussed the Clark County facilities. Mr. Simon probably did look at the basic type of building or the basic type of appearance. He never specifically looked at the blueprints. Mr. Glover asked when was the first time Mr. Simon heard about it being a 350 man prison. Mr. Simon replied he couldn't really recall exactly when the first time was. Mr. Brown stated it was certainly after the contract was signed.

Senator Wilson asked if they exceeded the gallonage per day, what kind of an offer did the Public Works Board give Mr. Simon. Mr. Hancock replied that they asked Mr. Simon to give them a proposal to increase the capacity of the water and sewer for around 18,000 gallons. On the transmission lines, Paragraph 6 of the agreement says "for initial development of the prison capacity of 750 KW." Mr. Hancock stated they are happy with that.

Senator Wilson said he was talking about the sewage. Mr. Hancock replied that the sewage and the water they originally asked for was 250 gallons per inmate per day. They can now get by with 177. They are willing to live with that figure. Senator Wilson asked what the solution was when they can't. Mr. Hancock replied they can either have Peter Simon expand his plant or they can build their own. Senator Wilson asked if Mr. Hancock was saying that this amount was adequate for the full 350 men. Mr. Hancock replied yes.

Mr. Jim Wren-Jarvis, working for URS Company and a Sanitary Engineer by profession, stated that they have done some research into prison waste treatment systems. They found that flows in general from a prison facility such as one in Washington and the documentation of prisons in Michigan indicate that flows are peak up a day due to regimented flows and regimented activities. They have come up with a number ranging in the 280 to 290 gallons per capita range. That means each prisoner can put out as much as 280 to 290 gallons per person per day. This is significantly larger than what is anticipated or suggested at Jean. They designed the Washington facility after taking measurements at 283 actual gallons per person. They designed that facility with 210 gallons per person per day. What Mr. Wren-Jarvis is suggesting here is that in a prison you can expect peak flows at peak times of day which is significantly greater than what is suggested in the contract under the 106 per minute as suggested. They believe that it will go up to about 175 gallons per man peak flows. To allow for these variations in flow they suggest that a higher loading rate be allowed. Starting with 250 people at 250 gallons per prisoner per day is 62,500. If this is bumped to 350, it is 87,500.

106 gallons a minute peak flow is written into the contract. They believe that it will be 175 per minute peak flow. This is not per person, but just the flow rate.

Senator Hilbrecht stated he had a credibility difficulty which he wanted Mr. Hancock to clear up. On Page 4 of the agreement he noted that this was signed on July 1, 1975. There are two problems Senator Hilbrecht has. Here they have fixed that 62,500 and 106 gallon figure and apparently subsequent to that the Public Works Board contacted Mr. Simon to determine a basis for an extension of these flow rates and capacity. The difficulty he has is understanding either they overdesigned in the first place by 40%, which he finds hard to believe, or we really have the need and if we have the need what good does it do to sit here and say we are happy with it when we are not.

Mr. Hancock replied they asked for the 250 gallons per minute per inmate in the original discussions on this particular thing. That

was based on an over allowance on what they were using in medium and minimum security prisons here. When they realized that they were going to come to the 1977 session of the Legislature and ask to increase that facility to 350, they at that time asked Mr. Simon what his proposal would be to increase that capacity. That's when Mr. Simon came back with his proposed Addendum stating that several things had to be changed. Mr. Hancock said they were willing to live with 177. Senator Hilbrecht stated he didn't think it was reasonable to do that. They were figured with a safety margin and he feels that's the only responsible way to make state planning work. Senator Hilbrecht doesn't feel it's reasonable to live under the 62,500 and say you are comfortable with it. Senator Hilbrecht is not comfortable with it. Mr. Hancock replied that you realize that the 62,500 is for domestic use only. It does not consider fire water or irrigation water.

Senator Hilbrecht stated that these figures were either grossly excessive for 250 men or they are inadequate for 350 men. There is just no other reasonable conclusion that can be drawn. The problem is just developing a contract for a reasonable rate in excess of that authorizing Mr. Simon, if he is willing to put up the capital investment, to increase his plant, which seems to be the reasonable way to do it, or else build a satellite plant to handle the excess flows. Those are the only two alternatives we have.

Mr. Kosinski stated that it was indicated that because of the heavy regimentation that exists in the prison environment that in one case figures showed 280 to 290 gallons per inmate per day. It would seem to him that with the same regimentation possibly the administration of prison facility would be able to knock that peak flow way down merely by controlling the routines of the prisoners and that maybe under that kind of a system the prison could live with a much lower per gallon per inmate flow.

Senator Gibson stated there are a lot of design paramaters that are changing these days and he doesn't see that 177 gallons per day is unreasonable at all. By regimentation, where they are not all taking a shower at the same time, that could be easily controlled.

Senator Lamb stated when this business was started, Mr. Simon agreed that he wanted 62,500 gallons of sewage to handle 250 people. Now the figure has been changed to 350 people so needless to say more sewage is going to be needed. Mr. Hancock replied that this agreement was written to get the best possible deal they could get out of Peter Simon. 250 gallons was in excess of what they had up at the high peak of 243 which was measured at the medium security prison. Mr. Hancock felt at that time that was a reasonable thing to ask for. Senator Lamb stated if you are going to expand the prison, there is no question that somewhere down the road they are going to exceed the 62,500. It appears to Senator Lamb that it is more feasible at this time to recognize what the need is going to be, what the peak is going to be and enter into an agreement with somebody to do it now instead of later on building another plant. Mr. Simon replied if they say they have a maximum peak of 243 gallons down at the medium security prison, Mr. Simon thinks there are going to be days when they exceed that 62,500 per day by their own measurement.

Senator Lamb stated that in another year or two the Public Works Board is going to have egg on their face because they will need some more money to expand the sewage system.

Mr. Hancock stated they had asked Mr. Simon to give them a proposal for expansion. The Public Works Board asked for that. At that point in time Mr. Simon wanted to change the whole agreement. At that stage in time the Public Works Board said the hell with it. They are willing to live with the deals they have now and he thinks that the 62,500 in water and sewage is adequate for 350 people. If Mr. Simon had said okay, he will design a modular system and it will be at the same rate, the Public Works Board probably would have bought it.

Chairman Mello appointed Senator Wilson, Senator Hilbrecht and Mr. Kosinski to sit in with both sides to try and reach a solution.

After the meeting it appeared that more discussions would be needed to resolve the problem, so the joint hearing adjourned, but Ways and Means stayed in session.

A.B. 142. Chairman Mello stated that he moved that the bill be referred to Ways and Means because there was a fiscal impact, at least by the fiscal note, but it was amended out.

Olga Giovacchini, Vital Statistics, stated there was an impact on this bill because they were going to revise their marriage and divorce certificates. It didn't work out and the bill was amended. As of now there is no fiscal impact on the bill whatsoever. The remainder of the bill is just to standardize various sections of vital statistics.

Mr. Hickey made a motion for "No Recommendation"; seconded by Mr. Kosinski. Motion passed.

OFFICE OF COMMUNITY SERVICES (Page 12). Mr. Serpa stated that after careful study and much deliberation of the New Careers Program budget, the 1975-77 budget shows a June 30, 1977 remaining fund balance of \$125,000 plus with an indication that they will get at least \$25,000 more federal funding to give them the \$150,000 New Careers requested. The sub-committee felt with utilizing this fund balance by changing the reversion date from June 30, 1977 to June 30, 1979, that will put it into another two year period with \$150,000. Therefore, the sub-committee recommends that we don't fund the \$75,000 for each year of the biennium from the general fund for the New Careers Program. In the 1975 bill already is the provision that they report to the Interim Finance Committee on the monthly progress of the program.

There was some concern from Mr. Vergiels that the sub-committee didn't want to harm the people who are at the present time being serviced by this program. With the amount of money in there, it would take care of the ongoing.

Regarding the New Careers budget to date, in personnel the budget was approved for \$67,000 plus and expenditures in 1975-76 were \$50,000 plus. In-state travel was approved at \$5,000 and they used \$1,600. Out-of-state travel was approved at \$1,000 and none was used. Operating was approved at \$7,500 plus and they used \$3,300. Equipment was approved at \$1,100 plus and they used \$239.00. Stipends were approved at \$135,988 and in 1975-76 the expenditures were only \$3,607.00 and then it carried over into 1976-77. Mr. Matthews said they had a late start on the program but even in the next fiscal year they only used \$8,759.00 so that was definitely an indication that they never got the program off the ground the second year. Education was approved at \$50,000 the first year and in 1975-76 they had only used \$50.00. This budget was sent to the sub-committee on February 17, 1977. Out of a total approval of the budget of \$268,100, their expenditures at the end of 1975-76 were \$59,608.28 and out of that the figure for personnel was \$50,762.00.

Mr. Bremner stated that what this shows is that out of their request for \$268,100 given to New Careers two years ago, better than \$185,000 of that money was supposed to go for stipends and education and a little better than \$11,000 has been spent for what they said it would be spent for. That is a pretty shocking statistic in itself. They have overspent their budget in salaries. They requested \$67,000 and have actually spent \$82,000.

Mr. Bremner stated the program is supposed to be helping kids but all that is being done is hiring people who aren't spending the money the way they told the Legislature it would be spent.

Mr. Bremner stated that the New Careers Program had no idea of what they were doing when they requested these funds.

Chairman Mello stated he was shocked to see a program that was initiated by the Governor last Session not to have been implemented whatsoever other than just putting some people to work. They haven't done a thing to help the people that they were supposed to be helping and Chairman Mello thinks it's disgraceful.

Mr. Kosinski made a motion that the budget of the Office of Community Services be amended by deleting the the \$75,000 in each year of the biennium for the New Careers Program; seconded by Mr. Glover. Motion passed.. (Mrs. Brookman voted no.)

A bill will be drafted to amend the present statute changing the reversions from June 30, 1977 to June 30, 1979.

Mr. Bremner stated the sub-committee also suggested that State Personnel be directed to conduct a productivity study of the Office of Community Services and in particular the New Careers Program to find out what kind of results were actually being gotten. The request can be made to State Personnel by a letter from the Committee.

It was the wish of the Committee that a letter be directed to Mr. Matthews indicating the Committee's concern over the high administrative costs in this program on the county level, and that Mr. Matthews should take a look at what is going on.

Mr. Kosinski made a motion for a "Do Pass-Governor's Recommendation, as Amended"; seconded by Mr. Serpa. Motion passed. (Mrs. Brookman voted no.)

The meeting adjourned at 10:45 a.m.

The original contract was a very general agreement intended to set basic guidelines and requirements. It did not and could not reflect all the specific problems which would arise. The contract was entered into with the anticipation that both parties were dealing in good faith to accomplish a common purpose. The project has progressed and I have made very substantial contributions to its progress, including the expenditure of a half million dollars. I have been willing to do this based upon the understanding that adjustments to be made were warranted to protect me and the State and make this a workable project. I am now in a position of incurring a large debt if the project is to go forward as planned, and in order to finance the project I have to be able to demonstrate the financial rationality of the project and that it can carry such debt. The original concept was based around the following:

On the State's part, to build and operate a 250 inmate minimum security prison for youthful offenders.

On my part, to develop and operate a company capable of delivering water and the disposal of sewage in set amounts; to arrange for Nevada Power Company to bring in the necessary power, and to arrange with the telephone company for the phones; donate the land and a road easement to it.

I have done the following: Donated 96.5 acres of land to the State for the construction of a minimum security prison, and given an easement across approximately 3/4 of a mile of my land for the roadway, in which I have requested that the roadway be lit; arranged for Central Telephone to bring in the phones, and for Nevada Power Company to bring in the power; built a water system

at a cost of \$325,000 capable of meeting the needs of 250 inmates; other things, which include legal matters, the cleaning up of the town site, and the developing of plans to meet the needs of the new community that will develop. I have done the planning to meet my obligations for sewage disposal under the original contract at 250 gallons per inmate per day, with an average flow therefrom of 62,000 gallons total.

What has the State done? They have begun construction on a 350 medium security prison. The original contract is being violated directly by the increase in the number of inmates, and the basic concept and intent is being violated by the change from a minimum to medium security prison containing a much more dangerous character of inmates.

Even though on January 21, 1977 the Public Works ^{Board} ~~Board~~, in a letter to me, requested that I be prepared to handle the increase in sewage flows that would result from the increase in the occupancy of the prison, they have since denied that 350 inmates would add to their original estimate of the sewage flows.

The original estimate was based upon 250 inmates, and even though they have increased the occupancy 40%, they refuse to discuss this at all. I have been advised by experts in this field that with this increase in occupancy there is a serious risk of violating Federal EPA standards, which could result in a fine to me of as much as \$25,000 per day.

The sewage rate provided for under the contract is one used in the Las Vegas Valley. That rate depends upon water usage, and is composed of a standard charge plus a ^{sur} ~~per~~ charge based upon the number of gallons used each year. At present that rate produces a cost to the State of between \$8,000 - \$11,000 per year. This

rate depends upon, of course, the amount of water which the State consumes. There is no question but that in the future this rate will be increased in order to meet the costs of new, advanced waste water treatment plant in the city, and upon other demands of the environmental protection agency. This is an arbitrary method of determining the cost to the State and in no way accurately reflects the situation in Jean. However, it was adequate to determine the cost during the initial phase of the construction. Now, however, given the changes in the size and nature of the prison to be located in Jean, there is additional capital necessary to handle the increase of sewage, and a more realistic method of charging for the service. ^{is needed} Additionally, the power company requires a deposit of ~~\$260,000~~ ^{216,000}, which is fully refundable, and estimates show that it would be returned to the State within 7 years. The Public Works Board demands that, in addition to the granting of the easements and the planning and arranging that has been done with Nevada Power Company, that I put up this deposit. I don't think refundable deposits are my responsibility. The Public Works Board also refuses to discuss this.

In the first draft of the Public Works Board's idea of a contract, they demanded that I build the access road that contained 4 lanes to two prison sites, install curbs and gutters, and street lights. Now the Public Works Board has agreed to build the access roads, with just two lanes, but my request for lighting has been refused. The Public Works Board said, in a letter of March 2, 1977, that they considered the roadway between the town site of Jean and the prison exactly the same as a rural road anywhere, and did not

require street lighting. It wasn't considered a rural road when they wanted me to build it, and it is not a rural road now.

It is the only access to this medium security prison, and it passes directly behind the town itself. For security reasons alone the road should be lit at night.

The changes that the State has made in the prison plan creates an impossible position for me. The expected return based upon the Las Vegas rate will not support the ^{Added} actual capital cost and operating cost and I can not commit the balance of my financing capability to this aspect of the project alone because I need that money to develop other community services in the area.

The Public Works Board refuses to consider or discuss any of these points, but the economic facts are that the contract must be amended to reflect these changes which have taken place on the State's part. Being unreasonably restrictive only slows the growth and development of needed services in the Jean area and defeats one of the major benefits to both the State and myself in locating this facility in Jean.

In closing, it is not my intent to renig on the original contract. That contract for the most part is satisfactory and meets a great majority of the questions involved in this prison project. However, since this project was approved by the legislature, and the contract was drawn in 1975, many considerations have arrived which mandate certain revisions, and a need for far cited planning on behalf of the State and myself. My only intent is to try to plan in advance for those contingencies rather than push them off until they become far more serious than they need necessarily be.

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AGREEMENT

THIS AGREEMENT is made and entered into this 1st day of July, 1975, by and between PETER SIMON of Jean, Nevada, and the STATE OF NEVADA, acting through its Public Works Board, hereinafter called "State".

WHEREAS, Peter Simon desires to have the State construct and operate a prison in the vicinity of Jean, Nevada; and

WHEREAS, the Senate Finance and Assembly Ways and Means Committees of the Nevada Legislature authorized the construction of a proposed prison in the vicinity of Jean, Nevada, upon the completion of certain conditions; and

WHEREAS, the conditions above-mentioned included the requirements that (1) Peter Simon obtain a performance bond in the amount of \$500,000, (2) that the legal work in connection with the State contracting with Peter Simon for the purpose of locating a prison in the vicinity of Jean, Nevada, be completed by July 1, 1975, and (3) that Peter Simon complete by January 1, 1976, or give approved assurances of his ability by that date, to complete site preparation construction work in connection with locating a prison in the vicinity of Jean, Nevada, in accordance with State's approved construction schedule.

WHEREAS, the State, pursuant to the above-mentioned authorization of the Senate Finance and Assembly Ways and Means Committees of the Nevada Legislature, proposes to construct and operate a prison in the vicinity of Jean, Nevada;

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. Prior to January 1, 1976, at his own proper cost, and at no cost to the State, Peter Simon agrees to convey to the State of Nevada, by general warranty deed, fee simple conditional

BY GENERAL'S
OFFICE
SPRINGFIELD
NEVADA
101



1 title, free and clear of all encumbrances and easements whatever,
2 to 95.96 acres of real property, as described as set forth on
3 Exhibit "A", attached hereto, and for so long, and no longer, as
4 the State continues to use said real property as the site for
5 institutional or educational purposes. Said real property,
6 exclusive of State's improvements thereon, shall revert to Peter
7 Simon thirty (30) days after the State ceases to use said real
8 property as the site for institutional or educational uses.

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10 2. Prior to January 1, 1976, at his own proper cost,
11 and at no cost to the State, Peter Simon agrees to convey to the
12 State a deed of easement granting a perpetual, non-exclusive
13 easement and right-of-way to the above-mentioned real property
14 for the purposes of permitting access to the above-mentioned real
15 property and constructing improvements in the form of a roadway
16 thereon, provided however, said easement and right-of-way will
17 revert, along with the improvements thereon, to Peter Simon if
18 the State ceases to use the above-mentioned real property as the
19 site for institutional or educational uses. Said reversion shall
20 occur thirty (30) days after the State ceases to use the above-
21 mentioned real property as the site for institutional or educational
22 uses. Said easement and right-of-way shall be sixty feet (60')
23 in width and shall commence at old Highway No. 91, at a point to
24 be mutually agreed upon by Peter Simon and the State, acting
25 through its Public Works Board, and shall extend easterly to
26 State property to terminate at a point to be mutually agreed upon
27 by Peter Simon and the State, acting through its Public Works
Board. Simon shall provide, at State's expense, six (6) copies
of a policy of title insurance insuring an aggregate liability of
not to exceed \$500,000, insuring State's interest in and to the
subject real property and the access thereto in accordance with
this Agreement.

1 3. Peter Simon agrees to deliver by means of facilities
2 provided at no cost to the State, and the State agrees to purchase
3 pursuant to the provisions of Paragraph 5 hereinafter,
4 from Simon/ at the property line of the above-mentioned real
5 property, water, for as long as may be required by the State, for
6 the following purposes, in the following quality and quantity,
7 and according to the following standards:

8 (a) Purpose--Water shall be delivered
9 for construction and domestic water purposes
10 of the State to the property line of the
11 above-mentioned real property through an
12 approved underground water distribution system.

13 (1) Quantity--The water shall be
14 delivered in the quantity of 62,500 gallons
15 per day. Static pressure at the property
16 line shall be 60 psi minimum, 90 psi maximum.

17 (2) Quality--The water quality shall meet
18 the standards of the Clark County Health Depart-
19 ment as of May 2, 1975.

20 (3) Standards--All construction, equip-
21 ment and processes utilized in delivering
22 this water to the above-mentioned real
23 property for domestic water requirements shall
24 be subject to the equipment standards and
25 requirements of the Clark County Building and
26 Health Departments.

27 (b) Purpose--Water shall be delivered for
28 the purpose of fire protection, to the property line
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1 of the above-mentioned real property through
2 an approved underground water system in sufficient
3 quantity to fill, from time to time as soon as
4 practicable, a 500,000 gallon tank and to main-
5 tain said tank in a full condition to meet any
6 reasonably expected emergency.

7 (c) Purpose--Water shall be delivered for
8 the purposes of irrigation, to the property line
9 of the above-mentioned real property, through an
10 approved underground water distribution system.

11 (1) Quantity--Water in the quantity of
12 125 acre-feet per year shall be provided.

13 (2) Quality--Water quality for irrigation
14 purposes shall meet the standards of the Clark
15 County Health Department.

16 4. Peter Simon agrees to collect sewage at the pro-
17 perty line of the above-mentioned real property according to the
18 following quantity and standards:

19 (a) Quantity--The average daily flow
20 will be 62,500 gallons per day, with a
21 maximum peak flow of 106 gallons per
22 minute for a one-hour period and a
23 minimum flow of 16 gallons per minute
24 for a one-hour period.

25 (b) Standards--All construction, equip-
26 ment, processes, piping, effluent quality and
27 air pollution requirements, shall be subject
28 to all standards and requirements of the State of
29

1 Nevada's Bureau of Environmental Health Division
2 of Health, Department of Human Resources, unless
3 Clark County's applicable agencies develop such
4 standards in which case Clark County's standards
5 shall be followed.

6 5. Pursuant to the maximum quantities stated in
7 Paragraphs 3 and 4 above, it is further agreed that the cost to
8 the State for the consumption of water, based upon actual
9 measured flows at the property line, and the collection of
10 sewage from the property line shall not, at any time, exceed
11 the then-prevailing approved institutional charges and rates
12 of the Las Vegas Valley Water District and the City of Las
13 Vegas for water and sewage respectively, as charged within
14 their then-existing service areas.

15 6. Peter Simon agrees to arrange, at no cost to the
16 State, for electrical power and telephone service to the property
17 line of the above-mentioned real property. For the initial
18 development of the prison, capacity for 750 KW will be provided.
19 The prison complex distribution system will be 480 volts, 3 phase,
20 60 cycle. The State shall pay the supplier of the electrical
21 power and telephone for such service, at the then prevailing
22 approved rates of the Nevada Power Company, Central Telephone
23 Company, or their successors.

24 7. All utility lines and extensions for water, sewage
25 and electrical power and telephone shall terminate at the
26 property line of the above-mentioned real property at a point or
27 points to be determined by mutual agreement of Peter Simon and
28 the State, acting through its Public Works Board.

29 8. The State agrees to grant Peter Simon utility
30 easements necessary across the above-mentioned real property, in
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1 locations to be concurred in by State, for the purpose of enabling
2 Peter Simon to provide or arrange for water, sewage and electrical
3 power and telephone service to the State as provided in this
4 Agreement.

5 9. By January 1, 1976, except as may hereinafter be
6 provided otherwise, Peter Simon must either complete all of
7 the provisions of Paragraphs 3, 4, 6 and 11 of this Agreement, or
8 present evidence satisfactory to the State, acting through its
9 Public Works Board, of his ability to complete said provisions
10 within such time, including the providing of water in the
11 quantities and of the quality specified in this Agreement; in the
12 form of (1) signed contracts, along with 100% performance bonds
13 with qualified, responsible contractors and subcontractors,
14 approved by the State, acting through its Public Works Board, or
15 (2) signed contracts, along with partial performance bonds with
16 qualified, responsible contractors and subcontractors, approved
17 by the State, acting through its Public Works Board, with the
18 differences between the partial performance bonds and the cost
19 of the contracts to be deposited in time certificates or loan
20 guarantees running to the benefit of the State, as approved by
21 the State, acting through its Public Works Board, in a banking
22 institution approved by the State, acting through its Public
23 Works Board, or (3) signed contracts with qualified responsible
24 contractors and subcontractors approved by the State, acting
25 through its Public Works Board, with the total cost of the
26 contracts to be deposited, in time certificates or loan guarantees
27 running to the benefit of the State as approved by the State,
28 acting through its Public Works Board, in a banking institution
29 approved by the State, acting through its Public Works Board.
30 Said contractor's performance bonds shall run to Peter Simon and
31 State and shall in no event be subject to cancellation except
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1 upon prior written approval of State, acting through its Public
2 Works Board.

3 10. In the event Peter Simon does not otherwise com-
4 plete the provisions of Paragraphs 3, 4, 6, and 11 of this
5 Agreement by January 1, 1976, and elects to follow one of the
6 alternatives set forth in Paragraph 9 above, then in any event,
7 Simon shall fulfill the requirements of Paragraphs 3, 4, 6, and
8 11 on or before the date or dates set by the State, acting through
9 its Public Works Board, for completion of each respective
10 requirement.

11 11. It is specifically provided and agreed to by Peter
12 Simon and the State, acting through its Public Works Board,
13 however, that Peter Simon shall have until January 1, 1976, to
14 (1) purchase, acquire or eliminate any easements upon the subject
15 real property conveyed by Peter Simon to the State, except for
16 such utility easements as may be granted Peter Simon by the State
17 on said real property, and (2) to obtain from other easement
18 holders on Peter Simon's property, permission to cross such
19 easements for the easement and right-of-way granted by Peter
20 Simon to the State in Paragraph 2 above.

21 12. At his own proper cost, and at no cost to the
22 State, Peter Simon agrees to provide to the State, by no later
23 than August 1, 1975, and in the form approved by the State,
24 acting through its Public Works Board, a performance bond from
25 a surety approved by the State, acting through its Public Works
26 Board, in the amount of \$500,000, which amount shall be
27 forfeited to the State should any or all the provisions of
28 Paragraphs 1, 2, 3, 4, 6, 9, and 11 be not completed and
29 accepted when required, or evidence not presented of the ability
30 to complete said provisions when required by January 1, 1976, as
31 provided in Paragraph 9 above; or shall deposit with the Treasure
32 of the State of Nevada, an irrevocable letter of credit in the

1 amount of \$500,000 from a financial institution qualified to do
2 business in the State of Nevada, running to the State of Nevada,
3 the form of which irrevocable letter of credit and the
4 guarantees specified therein shall be in accordance with this
5 Agreement and approved and accepted by State, which amount may
6 be drawn upon by State, in whole or in part, should any or all of
7 the provisions of Paragraphs 1, 2, 3, 4, 6, 9, and 11 above be
8 not completed and accepted when required, or evidence not
9 presented of the ability to complete said provisions when required
10 by January 1, 1976, as provided in Paragraph 9 above. Should said
11 performance bond or irrevocable letter of credit not be provided
12 to the State by Peter Simon as of August 1, 1975, this Agreement
13 is terminated and is of no force or effect whatever. Peter Simon
14 shall be released from said performance bond or irrevocable
15 letter of credit only upon completion and acceptance in place on
16 the site where applicable, of all the provisions of Paragraphs 1,
17 2, 3, 4, 6, 9 and 11 above, including the obligation to deliver
18 water in the quantity and of the quality specified herein.

19 13. In consideration for the faithful and timely
20 performance by Peter Simon of the provisions of this Agreement,
21 the State agrees to construct a prison, as authorized by Chapter
22 601 of the 1975 Statutes of Nevada, an appropriation of \$6,716.700
23 for said construction having been made thereby, on all or part of
24 the property described in Paragraph 1 of this Agreement, or upon
25 adjacent property to be acquired by the State from the Bureau of
26 Land Management of the United States Department of Interior.
27 Construction shall be scheduled to begin on or before July 1, 1977,
28 and completion shall be scheduled to occur on or before July 1, 1979

29 14. This Agreement shall be binding upon, and inure to
30 the benefit of, all heirs, executors, administrators, successors
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1 or assigns, as the case may be, of the respective parties to this
2 Agreement.

3 15. Time is of the essence in this Agreement.

4 IN WITNESS WHEREOF, the parties have hereunto set their
5 hands the day and year first above written.

6 STATE OF NEVADA PUBLIC WORKS BOARD

7
8 By: [Signature]
Secretary

9
10 [Signature]
11 PETER SIMON

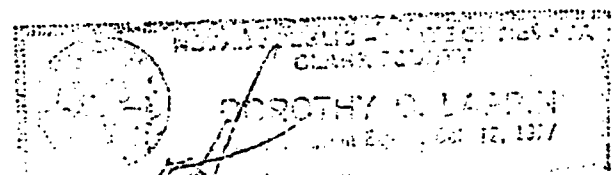
12 Approved as to Form Only
13 this 1st day of
14 July, 1975.

15 ROBERT LIST
Attorney General
16 By [Signature]
17 Deputy Attorney General

18 STATE OF NEVADA)
19) ss.
20 COUNTY OF CLARK)

21 On this 1st day of July, 1975, personally appeared before
22 me, a Notary Public in and for said County and State, William E.
23 HANCOCK and PETER SIMON, known to me to
24 be the persons described in and who executed the foregoing
25 instrument, who duly acknowledged to me that they executed the
26 same freely and voluntarily and for the uses and purposes therein
27 mentioned.

28 IN WITNESS WHEREOF, I have hereunto set my hand and
29 seal the day and year first above written.



30
31 [Signature]
32 Notary Public

Situate in the County of Clark, State of Nevada, described as follows:

PARCEL I:

The West Half ($W\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) of Section 13, Township 25 South, Range 59 East, M.D.B. & M. lying East of the Union Pacific Railroad (Los Angeles and Salt Lake Railroad) right of way.

PARCEL II:

The East Half ($E\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$) of Section 13, Township 25 South, Range 59 East, M.D.B. & M. lying East of the Union Pacific Railroad (Los Angeles and Salt Lake Railroad) right of way.



EXHIBIT "A"

SUMMARY OF AGREEMENT BETWEEN PETER SIMON
AND THE STATE OF NEVADA DATED JULY 1, 1975
AND THE ADDENDUM DATED DECEMBER 10, 1975

A. AGREEMENT

PETER SIMON SHALL:

1. Par. 1: Convey land title, "free and clear of all encumbrances and easements".
2. Par. 2: Convey a deed of easement for access road.
3. Par. 2: Provide title insurance for land and access road.
4. Par. 3: Deliver water to State property line for:
 - a. Domestic Use: 62,500 gallons per day, quality to meet Clark County Health Department standards of May 2, 1975.
 - b. Fire Protection: In sufficient quantity to fill 500,000 gallon tank.
 - c. Irrigation: 125 acre-feet per year, quality to meet standards of Clark County Health Department.
5. Par. 4: Collect sewage at property line: 62,500 gallons per day; piping, processing, etc., to meet requirements of the State Department of Human Resources, Bureau of Environmental Health.

THE STATE SHALL:

1. Par. 2: Pay cost of title insurance.
2. Par. 5: Pay for water and sewage collection. Payment shall not exceed the then-prevailing institutional rates of the Las Vegas Valley Water District and the City of Las Vegas.

PETER SIMON SHALL:

6. Par. 6: Arrange, at no cost to State, for electrical power and telephone service to the property line. Electrical capacity shall be 750 KW, 480 Volts, 3 Phase, 60 Cycle.
7. Par. 9: Complete all work concerning water, sewage, electrical power and telephone service by January 1, 1976, or present evidence of signed contracts with 100% performance bonds or loan guarantees.
8. Par. 11: Purchase, acquire or eliminate any easements on State's property and obtain permission to cross from holders of easements across access road easement by January 1, 1976.
9. Par. 12: Provide a performance bond or irrevocable letter of credit in the amount of \$500,000 by August 1, 1975.

B. ADDENDUM

1. Par. 2: Refund \$206,100 to State by means of 25% reduction in gross billings for water delivered.

THE STATE SHALL:

3. Par. 6: Pay suppliers of electrical power and telephone at the then-prevailing rates.
4. Par. 8: Grant Simon utility easements across State property to allow Simon to arrange for water, sewage, electrical power and telephone service.
5. Par. 13: Construct a prison; construction shall begin on or before July 1, 1977, and shall be scheduled to be completed on or before July 1, 1979.
1. Par. 2: Pay \$206,100 as "construction in aid" as work progresses on water system.

2. Par. 3: Construct, operate and maintain an underground water system approved by the State Fire Marshal, capable of delivering 2,800 gpm for 3 hours at 60-90 psi to State property. Provide engineer's report that sufficient water is available to comply with these requirements.

3. Par. 4: Store for exclusive use of State a quantity of water sufficient to supply a flow of 2,800 gpm for 3 hours in an approved tank.

2. Par. 5: Accept satisfactory completion as fulfilling terms of agreement pertaining to quantity of water.

3. Par. 7: Pay for water used at the then-prevailing rates of the Las Vegas Valley Water District for institutional uses.



STATE OF NEVADA
DEPARTMENT OF ECONOMIC OPPORTUNITY
CAPITOL COMPLEX
CARSON CITY, NEVADA 89701
TELEPHONE (702) 885-4420

MIKE O'CALLAGHAN
GOVERNOR

FRANK J. MATTHEWS
DIRECTOR

March 21, 1977

TO: John Dolan
Ways and Means

FROM: Frank J. Matthews, *FJM*
Director

SUBJECT: New Careers - Available Unexpended Funds

In answer to your questions please note the following:

1. Cash on Hand as of February 28th. \$121,385.93
2. Total funds requested by Clark County \$146,136.50
3. Total reported expenses as of February 28th. \$113,623.19
4. Cash on Hand with Clark County \$32,513.31
5. Estimated monthly expenditures \$7,000
6. Funds remaining on June 30th. \$ 125,899.24

Assembly Bill No. 228—Assemblymen Bennett, Chaney, Barengo, Bremner, Vergiels, Robinson, Murphy, Hickey, Price, Sena, Brookman, Harmon, Heaney, Schofield, Mann, May, Jeffrey, Coulter, Dreyer, Dini, Polish, Ford, Demers, Banner and Christensen

CHAPTER 211

AN ACT making an appropriation to the office of economic opportunity for a career opportunities program and requiring periodic reports of its progress.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. 1. There is hereby appropriated from the general fund in the state treasury to the office of economic opportunity the sum of \$268,100 for the purpose of conducting a new program to provide career opportunities, formal education and counseling for young Nevadans between the ages of 17 and 26 in an effort to increase the professional capabilities of such persons and to reduce their potential social dependence.

2. Beginning on October 1, 1975, the office of economic opportunity shall submit a monthly report covering the activities of the career opportunities program to the members of the interim finance committee, in such format and containing such information as the committee shall determine. In addition, the director of the office of economic opportunity or his designee shall appear before the committee, when requested, to report upon the program.

SEC. 2. After June 30, 197⁹, any unexpended balance of the appropriation made by section 1 shall not be encumbered or committed for expenditure and shall revert to the general fund in the state treasury.

SEC. 3. This act shall become effective upon passage and approval.

NEW CAREERS BUDGET

	<u>APPROVED BUDGET</u>	<u>EXPENDITURES 75/76</u>	<u>EXPENDITURES 76/77</u>	<u>TOTAL EXPENDITURES</u>	<u>FUNDS REMAINING</u>
PERSONNEL	\$ 67,412.00	\$50,762.88	\$31,520.73	\$ 82,283.61	(\$14,871.61)
TRAVEL IN-STATE	5,000.00	1,672.74	642.03	2,314.77	2,685.23
TRAVEL OUT-STATE	1,000.00	-0-	-0-	-0-	1,000.00
OPERATING	7,510.00	3,325.28	1,618.67	4,943.95	2,566.05
EQUIPMENT	1,190.00	239.80	69.00	308.80	881.20
SALARIES	135,988.00	3,607.58	8,759.48	12,367.06	123,620.94
EDUCATION	50,000.00	-0-	50.00	50.00	49,950.00
TOTAL	\$268,100.00	\$59,608.28	\$42,659.91	\$102,268.19	\$165,831.81
			Less: Cash Balance with Clark County		43,868.31
			(Total Requests to date: \$146,136.50)		
			SEOO Printing Expense		577.57
			TOTAL CASH AVAILABLE NEW CAREERS		<u>\$121,385.93</u>