

Minutes of the Nevada State Legislature
Senate Committee on Government Affairs
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Present: Chairman Gibson
Vice Chairman Ashworth
Senator Dodge
Senator Echols
Senator Ford
Senator Kosinski
Senator Raggio

Others Present: See Attached Guest Register

Chairman Gibson opened the sixth meeting of the Government Affairs Committee at 2:00 p.m., the first order of business was discussion on SB-49

SB-49

Extending the powers of the Elko City-County Civic Auditorium Authority.

Senator Glaser testified in favor of SB-49 and introduced Mr. Charles E. Harper, Elko City-County Civic Auditorium Authority Chairman and Mr. Lamar B. Williams, Executive Director of the Elko City-County Civic Auditorium Authority, to the committee and asked that they answer any questions regarding this bill.

Mr. Lamar Williams went over the bill for the committee, section by section. He indicated that the first major change was to increase the board members from 3 to 5. In going over the remainder of the bill Mr. Williams felt that it was similar to legislation drafted by Washoe and Clark County. The language has been tightened up and implied powers have been more clearly defined.

Chairman Gibson asked Mr. Harper what the boundaries were and where they were defined. Mr. Harper responded that the boundaries included the city of Elko and the surrounding subdivisions, Spring Creek, part of Lamoile and other subdivisions around that area. The boundaries are fully defined in the enabling legislation.

Chairman Gibson asked Mr. Williams if the County Commissioners were in agreement with this bill and gave it their support. Mr. Williams stated that they were in full support of SB-49.

The committee requested Mr. Frank Daykin come to the meeting in order to answer questions about the open meeting law and the possibilities of amending the bill in order to drop the reference of Commissioners and use only the "Board".

Mr. Daykin, Legislative Counsel, informed the committee that there was no need to include language about the open meeting law as it was included in the enabling legislation.

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Mr. Daykin stated removing reference to "Commissioners" and referring only to the "Board" could be carried throughout the bill and would be in compliance with the statutes.

Senator Dodge moved "Amend and Do Pass" on SB-49, seconded by Senator Ford. Motion carried unanimously.

SB-128

Prescribes procedure for nomination of independent presidential candidates.

David Howard, deputy in the Secretary of State's office, testified in favor of this bill to the committee and stated that it provides a vehicle for that independent candidate that wants to get on the Nevada ballot for election of the President. The procedures will be the same as for other independent candidates in Nevada.

The committee discussed the bill and felt that the filing date should be amended to be the first of September (Page 2, line 27) Mr. Daykin informed the committee that on this measure the only consideration he had for the change in dates was to be sure it would allow the printers enough time to enter the independent candidates name on the ballot for the general election.

Senator Dodge moved "Amend and Do Pass" on SB-128, seconded by Senator Raggio. Motion carried unanimously.

SB-42

Extends time for division of Colorado River Resources of Department of Energy to issue bonds.

Noel Clark, Director of the Department of Energy, testified to the committee that he was in favor of both SB-42 and SB-61 and turned questions over to Mr. Sudweeks. Mr. Clark explained that he was needed in another committee meeting and could not stay for the duration of this meeting.

Mr. Duane Sudweeks, Administrator of the Colorado River Resources testified to the committee and introduced both Mr. Lee Bernstein, Deputy Administrator and Mr. Jim Long, Financial Manager to the committee. Mr. Sudweeks read his prepared testimony to the committee. (See Attachment #1) Included in Mr. Sudweeks testimony there were requests for amending SB-42.

The committee followed Mr. Sudweeks written testimony and the attachments and made comments regarding same.

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Mr. Sudweeks informed the committee that there were three plans originally submitted for land use but the primary one was for industrial use.

Senator Dodge questioned the plans for accumulating the money necessary and Mr. Long responded by stating that portions of the land would be sold to fund the project. The legislative authority is just a back-up method for funding should they not be able to, in a timely manner, obtain the necessary funds through the sale of the land.

Senator Kosinski asked if Mr. Sudweeks would have any problem with an amendment requiring approval of any sale of land by the interim Finance Committee. Mr. Sudweeks and Mr. Long both responded they would not have any problem with that amendment.

Chairman Gibson felt that Mr. Kosinski's suggestion should be checked out to be sure that it would be the proper place for approval.

Mr. Frank Daykin, Legislative Counsel, indicated that the approval of any sale would best be placed with the Legislative Commission because they could also approve the sale during the session without interfering with legislative matters.

Senator Dodge moved "Amend and Do Pass" on SB-42, seconded by Senator Kosinski. Motion carried unanimously.

SB-61

Increases amount of money division of Colorado River Resources of Department of Energy may borrow for certain water service facilities.

Mr. Duane Sudweeks, Administrator of the Colorado River Resources, testified to the committee on the urgency on SB-61 and read his testimony to the committee. (See Attachment #2)

The committee followed Mr. Sudweeks written testimony and discussed same. Mr. Sudweeks pointed out that the deadline date for awarding the bid was April 10, 1979. He felt that they needed to have it go through both houses and be signed by the Governor by March 1st.

Chairman Gibson asked Mr. Sudweeks to explain to the committee how the bonds would be sold.

Mr. Sudweeks stated that operational and maintenance expenses will be paid for by revenues from the sale of water to the water users.

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Responding to discussion by the committee on water use Mr. Long stated that the average family uses about one acre foot of water per year.

At this point Mr. Sudweeks concluded his testimony by reading a letter in support of SB-61 from Mr. Raymond D. Schweitzer, City Manager of North Las Vegas. (See Attachment #2 A)

Mr. Don Paff, General Manager for the Secretary of the Las Vegas Valley Water District, testified in favor of SB-61 to the committee and read his testimony to the committee. (See Attachment #3)

Ronald Jack, City of Las Vegas, testified in favor of SB-61 and urged speedy passage.

Mr. John P. Names, Director of Public Works and Electrical Distribution, testified to the committee on behalf of Boulder City. Mr. Names felt that the bill was urgent and concurred with previous testimony given in favor of the bill. (See Attachment #4)

Jay M. Rassler, P.E. Deputy P.W. Director, testified in favor of SB-61 on behalf of the City of Henderson. Urged speedy passage and concurred with previous testimony favoring SB-61.

Senator Raggio moved that SB-61 be moved out of committee with a "Do Pass", seconded by Senator Ford. Motion carried unanimously.

SB-121

Changes date of primary elections in charter of City of Henderson.

Chairman Gibson explained the reason for this bill. The bill was requested by the City of Henderson in order to bring conformity with the dates and reduce the costs for elections in Henderson.

Senator Echols moved that SB-121 be moved out of committee with a "Do Pass", seconded by Senator Dodge. Motion carried unanimously.

At this point Chairman Gibson asked for consideration on the following for Committee introduction:

BDR-31-256* - This was requested by the auditor and revises designation of various accounts for funds and makes them consistent with present accounting procedures.

*SB 171

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BDR S-1430* - City of Las Vegas requested this so that they can make their city attorney appointed rather than elected.

BDR-27-964** - The Local Government Purchasing committee requested this to broaden the provisions of surplus property among governmental agencies.

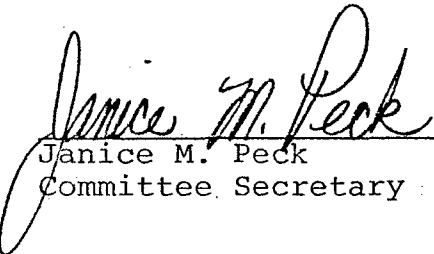
The committee agreed to consider BDR-31-256, BDR S-1430 and BDR-27-964 as Committee introduced measures.

BDR-22-849 - Concerns conflicts of interest on local planning and zoning. It will affect Chapter 278 on local planning and zoning.

The committee held their decision on this measure until further information could be obtained.

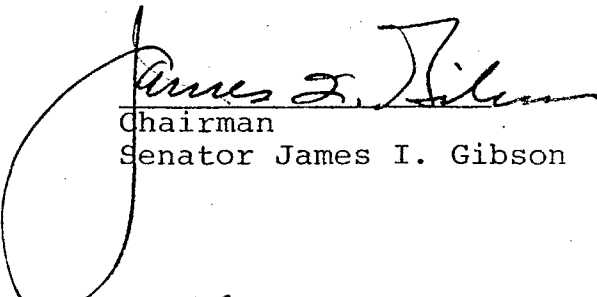
With no further business the meeting was adjourned at 4:40 p.m.

Respectfully submitted,



Janice M. Peck
Committee Secretary

Approved:



Chairman
Senator James I. Gibson

*SB 169
**SB 168

DEPARTMENT OF ENERGY

DIVISION OF COLORADO RIVER RESOURCES

Testimony Regarding Senate Bill No. 42 -
Senate Committee on Government Affairs

January 31, 1979

Mr. Chairman and Committee members, I am Duane Sudweeks, Administrator of the Division of Colorado River Resources. With me are Lee Bernstein, Deputy Administrator, and Jim Long, Financial Manager. I am testifying today in support of Senate Bill No. 42 which amends Chapter 462, Statutes of Nevada, 1975.

By way of background, the Federal Government presently owns approximately 105,000 acres just south of Boulder City, known as the Eldorado Valley. On March 6, 1958, the 85th Congress approved Public Law 85-339, which gave the State of Nevada the option to purchase that land upon compliance with the provisions of the terms thereof. The 1957 Nevada Legislature approved legislation to acquire that land and the responsibility for such purchase was given to the Colorado River Commission, now known as the Division of Colorado River Resources.

In March, 1968, the Colorado River Commission, with the approval of the Eldorado Valley Advisory Group created by the Eldorado Valley Development Law, NRS 321.390 to 321.470, submitted an Application to the Secretary of the Interior (for Transfer and Conveyance) in accordance with the terms of Public Law 85-339. To date

no formal approval for the transfer has been received from the Secretary of the Interior. Once the Secretary approves our Application for Transfer, the Division, acting on behalf of the State of Nevada, will have one year in which to purchase the 105,000 acres at the old appraised value of \$1,233,100.

Chapter 462, Statutes of Nevada, 1975, provides a final alternative or backup method to provide funds for purchase of the land, funds to enable a comprehensive land planning project and to provide other necessary administrative funds including interest capitalization for a three-year period.

The General Obligation Bonds would be sold and used for these activities only as a last resort should other methods of acquisition fail. Repayment to bondholders will be made from revenues received from sales of land, or if the land should be retained as a State land bank past the maturity date of the bonds, repayment would then become an obligation of the State.

The low cost derived from the early appraisal of Public Law 85-339 lands places the cost on the State of Nevada at less than \$12.00 per acre, and we believe that a substantial revenue above the purchase price and other costs is highly probable.

This matter was on the agenda of the meeting of the Eldorado Valley Advisory Group which met on January 11, 1979. A copy of the minutes of that meeting is attached to my prepared testimony which you have received. By their motion approved at that meeting, it was recommended that the Division seek legislation which would extend the acquisition authorization an additional 15 years. Senator Wilbur Faiss and Assemblyman Nash Sena are both members of that Advisory Group.

We seek this legislation to continue to protect the interests of the people of the State of Nevada in the acquisition of lands which we believe to be a valuable natural resource asset. Should the Secretary of the Interior take action on our Application for transferring these lands, the State must be in a position to purchase the land and have the legislative authority to fund the acquisition. Inasmuch as our current legislative authority to fund the acquisition of these lands expires on May 15, 1980, it is imperative that this acquisition authorization be extended.

Upon final examination of this Bill, it was noted that it should be amended to delete the words "Department of Conservation and Natural Resources" from the preamble provisions and substitute the words "Department of Energy" in their stead in order to be technically correct. We have attached this suggested amendment to our testimony.

Mr. Chairman and Committee members, I again seek your support in the passage of S. B. 42 with our recommended amendment and wish to thank you for the opportunity of appearing before your Committee. My colleagues and I will be pleased to answer any questions you may have.

ATTACHMENT to Testimony Regarding Senate Bill No. 42 -
Senate Government Affairs Committee January 31, 1979

ELDORADO VALLEY ADVISORY GROUP
MEETING NO. 71

January 11, 1979

Eldorado Valley Advisory Group meeting, 9:00 a.m.,
January 11, 1979, Division of Colorado River Resources
office, Suite 318, La Plaza Business Center, 4220 South
Maryland Parkway, Las Vegas, Nevada

Members of the Eldorado Valley Advisory Group present:

Lorna Kesterson, Chairman
Jan MacEachern, Vice Chairman
Wilbur Faiss, Secretary
Daniel Fitzpatrick
Nash Sena
Arleigh B. West

Eldorado Valley Advisory Group members absent:

Thomas Brown
Marvin Leavitt
Richard Ronzone

Others present:

Duane R. Sudweeks, Administrator,
Division of Colorado River Resources
Leon Bernstein, Deputy Administrator,
Division of Colorado River Resources
Gail Erickson, Administrative Aide,
Division of Colorado River Resources

The meeting was called to order by Chairman Lorna Kesterson at 9:00 a.m.

1. Conformance to Open Meeting Law. Mr. Sudweeks stated that in compliance with the Open Meeting Law, the notice of this meeting and agenda were distributed to those on the regular mailing list. In addition, a notice was posted in the Clark County Courthouse, City of Las Vegas City Hall, State of Nevada Bradley Building, Boulder City City Hall, and the Division of Colorado River Resources office.

2. Approval of Minutes. Mr. Sudweeks recommended approval of the minutes of the meeting held on September 21, 1978, a copy of which had been previously distributed to the Advisory Group. Mrs. MacEachern moved that these minutes be approved, Mr. Sena seconded the motion, carried unanimously, and so order by the Chairman.

3. Holiday Filing. Mr. Sudweeks stated that Staff had been advised that an action for a temporary restraining order was filed by the Attorney General's office on June 22, 1978. District Court Judge John Mendoza granted a preliminary injunction on August 25, 1978. The matter is now scheduled for trial on January 29, 1979, at which time it is hoped that the company will be permanently enjoined from doing business in the State of Nevada, and that civil and/or criminal penalties will be imposed upon the principal participants.

Mr. Sudweeks also reported that the resolution passed by the Advisory Group at their September 21, 1978, meeting, and subsequently forwarded to appropriate offices, produced several responses. Those that were aware of the activities of Holiday Filing Service expressed appreciation of our concern, and those that were not aware of the company and/or its activities were grateful for calling it to their attention.

4. Legislation Pertaining to Acquisition of Eldorado Valley Lands. Mr. Sudweeks gave a quick review of the background pertaining to the Eldorado Valley. On March 6, 1958, the 85th session of Congress passed Public Law 85-339, known as the Eldorado Valley Act. This act gave the State of Nevada the option of purchasing approximately 105,000 acres in the Eldorado Valley. Thereafter, the Legislature of the State of Nevada passed the Eldorado Valley Development Law, which is contained in Chapter 321, Nevada Revised Statutes. This law authorized the Administrator of the Division of Colorado River Resources to acquire the land set aside in the aforementioned public law, which was designated as the Transfer Area.

Mr. Bernstein gave a review of the Transfer Area master plan, as shown on the official map dated February, 1968, and pointed out various areas originally designated as airport, residential, industrial, resources/conservation, and State public use areas. The 105,000 acres is subject to many restrictions for entire

development due to water availability. Some recent inquiries about Eldorado Valley land tend to favor development as an International Trade Zone, since Nevada is a free port state, and development of this type would be more feasible since ground disturbance and water requirements would be minimal.

A. Extension of Time of Present Bonding Authority and Other Changes. Mr. Sudweeks reviewed Public Law 85-339, which gave the State of Nevada a ten-year option to acquire title to any land within the Transfer Area. Initially, it stipulated that filing of an application for the conveyance of title to any land within the Transfer Area, received by the Secretary of the Interior from the State, would have the effect of extending the period of segregation of such lands until the application was finally disposed of by the Secretary. In order to maintain the State's option to acquire these lands, the Division, acting on behalf of the State of Nevada, filed a development plan and an application on March 1, 1968.

The 1975 Nevada State Legislature passed Senate Bill 565, contained in Chapter 462, Nevada Revised Statutes, which authorized the Division to sell bonds during a period of five (5) years from May 15, 1975, said bonds not to exceed the amount of Two Million Dollars (\$2,000,000) for the purpose of acquiring lands in the Transfer Area. That authorization expires May 15, 1980, which is before the legislative session in 1981, and it is essential that the 1979 Legislature now extend the five-year period.

Bill Draft Request No. S-335 has been prepared by the Legislative Counsel Bureau, which makes two minor changes: It actually puts the Division into the right department, i.e., from the Department of Conservation and Natural Resources, to the Department of Energy, and; changes the original five (5) years to ten (10) years, giving an additional five-year period in which to obtain title. Staff recommended approval of Bill Draft Request No. S-335, extending the time of bonding authority to May 15, 1985.

B. Alternative Actions. Discussion was held regarding the advisability of the State of Nevada purchasing these lands outright from existing State funds now available. It was felt that such authorization from the Legislature was improbable since the option to purchase whenever necessary was already available to the DCRR. Further discussion regarding amending the current BDR to indicate a 15-year extension of the bonding authority instead of the proposed 5-year extension, was conducted and Messrs. Faiss and Sena indicated they would contact the Legislative Counsel Bureau for a legal interpretation as to whether the wording could be changed without too much delay before the proposed legislation is introduced. Mr. Sudweeks indicated that DCRR would also be in contact with the Legislative Counsel Bureau in this regard.

Mr. Sena made the motion that the proposed BDR No. S-335 be approved in concept, and as amended, Mr. West seconded the motion, carried unanimously, and so ordered by the Chairman.

5. Next Meeting Date. The next meeting was tentatively scheduled for May 25, 1979, at 9:00 a.m., with an alternate date of May 18, 1979, selected.

There being no further business, the meeting adjourned at 9:55 a.m.

Wilbur Faiss, Secretary

The original copy of the minutes was mailed to Senator Faiss for signature on January 19, 1979.

SUGGESTED AMENDMENTS TO S.B. 42

EXPLANATION - Underlined matter is new; matter in brackets [] is to be deleted.

The title of S.B. 42 should be amended as follows:

AN ACT to amend the title of and to amend an act entitled "AN ACT relating to acquisition of certain federal lands in Eldorado Valley; authorizing the division of Colorado River resources of the state department of conservation and natural resources on behalf of the State of Nevada to acquire certain federal lands in the Eldorado Valley and to issue securities therefor; relating to the acquisition, maintenance, improvement and disposition of properties appertaining to such federal lands; otherwise concerning such securities and properties, revenues, taxes, pledges and liens pertaining thereto by reference to the State Securities Law; and providing other matters properly relating thereto," approved May 15, 1975.

Section 3 should be added to S.B. 42 as follows:

SEC. 3. The title of the above-entitled act, being chapter 462, Statutes of Nevada of 1975, at page 715, is hereby amended to read as follows:

An Act relating to acquisition of certain federal lands in Eldorado Valley; authorizing the division of Colorado River resources of the [state] department of [conservation and natural resources] energy, on behalf of the State of Nevada to acquire certain federal lands in the Eldorado Valley and to issue securities therefor; relating to the acquisition, maintenance, improvement and disposition of properties, revenues, taxes, pledges and liens pertaining thereto by reference to the State Securities Law; and providing other matters properly relating thereto.

DEPARTMENT OF ENERGY

DIVISION OF COLORADO RIVER RESOURCES

Testimony regarding Senate Bill 61 - Senate Committee on Government
Affairs, January 31, 1979

Mr. Chairman and Committee members, I am Duane Sudweeks, Administrator of the Division of Colorado River Resources. With me are Lee Bernstein, Deputy Administrator, and Jim Long, Financial Manager. I am testifying today in support of Senate Bill No. 61.

S. B. 61 amends Chapter 482, Statutes of Nevada 1975. Chapter 482 authorizes the Division to acquire the State and Federal facilities comprising the second stage of the Southern Nevada Water System. The 1975 Act, as originally amended by Chapter 397, Statutes of Nevada 1977, authorizes the Division to borrow money, pursuant to the State Securities Law, and otherwise become obligated up to \$55-million for the State Facilities, up to \$192.5-million for the Federal Facilities, and up to \$5-million for electric transmission facilities.

Current cost estimates, which I feel are accurate at this time, indicate that the \$5-million authorized for electric facilities is adequate and that the \$192.5-million authorized for Federal Facilities is more than adequate. The \$192.5-million was authorized only to the extent needed if Congress should fail to appropriate funds to the U. S. Bureau of Reclamation for construction of second stage Federal Facilities. Congress appropriated a total of \$49.7-million

through fiscal year 1979 and \$41-million is included in the President's budget for fiscal year 1980. It appears that the President and Congress will continue to recommend and approve Federal funding of the Federal Facilities to the full amount authorized by Public Law 89-292. Our present estimate indicates \$ 32 -million of State securities will have to be issued against the authorized \$192.5-million to fund the portion of Federal Facilities that exceeds the authorized Federal funding.

The \$55-million authorization for funding second stage State Facilities is inadequate. At the time my predecessor testified in 1977 relative to Chapter 397, he estimated the construction costs of the State Facilities to be \$28.4-million in 1976 dollars, excluding interest during construction; therefore, \$55-million seemed adequate at that time, even after adding conservative estimates for escalated construction costs and interest during construction. Construction bids for expansion of the Alfred Merritt Smith Water Treatment Facility were opened on December 12, 1978. The lowest of the seven bids is \$38,560,000. After adding equipment, administrative and engineering costs and estimates for interest during construction, plus funded operation and maintenance and bond reserve funds, it is necessary to increase the funding authorization from \$55- to \$63-million. This provides a reasonable contingency of 10% for remaining construction, administration, debt expense and engineering, and an overall 3% contingency for interest rate fluctuations and possible funded reserve fund requirements. The increased construction costs, above those estimated in the 1976

pre-design report, are principally attributed to inflation, design modification and transfer of work responsibility from the United States Bureau of Reclamation to the State for improved projects coordination.

I would like to emphasize that executed contracts with Water Users, namely Boulder City, Henderson, Las Vegas Valley Water District, North Las Vegas and Nellis Air Force Base, require that all debt repayment obligations, as well as operation and maintenance expenses, be paid from revenues from the sale of water to the Water Users. Although the credit of the State is pledged against the debt, it will not be necessary to appropriate General Fund money or assess taxes so long as the aforementioned contractual commitments are met.

The Water Users were consulted prior to drafting Senate Bill 61. The bill has their unanimous support. I understand the Las Vegas Valley Water District, the City of Henderson and the City of Boulder City will testify today in support of the bill. I have a letter of support from the City of North Las Vegas, a copy of which has been handed out with copies of my prepared testimony.

In addition to increasing State Facilities funding authorization, Senate Bill 61 amends the title of Chapter 482 to recognize the change made in 1977, making Colorado River Resources a division within the Department of Energy and removing it as a division within the Department of Conservation and Natural Resources.

Attached to this testimony is reference data, including a map of the Southern Nevada Water System, cost components of second stage State Facilities supporting this \$63-million funding authorization request, cost of Federal Facilities and funding sources, and Consulting Engineers' analysis of State Facilities cost increases.

Before concluding, I would like to point out that it is extremely urgent that Senate Bill 61 be acted upon, passed and approved by the Governor as quickly as possible. If second stage State Facilities are to be constructed in accordance with present plans and specifications at the lowest possible cost, it is necessary that the construction contract be awarded to the successful bidder by April 10, 1979. That is the deadline date for awarding the bid within the required 120 days from bid opening on December 12, 1978. If the contract is not awarded and the project is delayed, it is unlikely that we will be able to meet the water needs of the users in 1982. In order to allow time for selling bonds by April 10th, we estimate that this authorizing legislation should be concluded by the middle of February, but certainly no later than March 1, 1979. Of course, action by the Assembly is required after action by this Committee and the Senate, and this will require additional time.

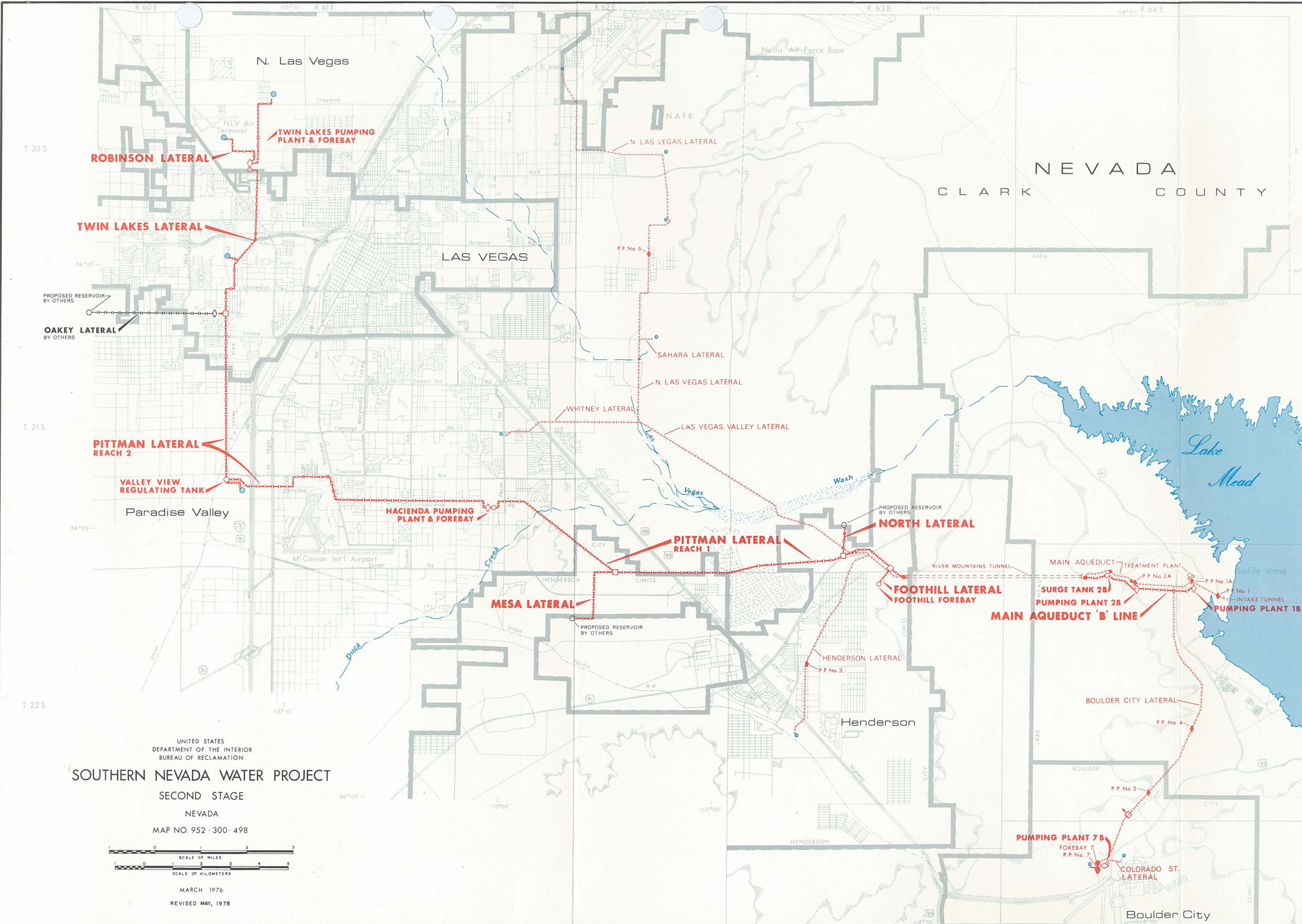
Mr. Chairman and Committee members, that concludes my testimony. I sincerely appreciate the opportunity to bring before you this matter which is so vital to the citizenry of Southern Nevada. My colleagues and I will be pleased to answer any questions you may have.

ATTACHMENT to Testimony regarding Senate Bill No. 61 -
Senate Government Affairs Committee - January 31, 1979

REFERENCE DATA

Southern Nevada Water System
Second Stage

- * Map and Schematic of Southern Nevada Water System
- * Cost Components of State Facilities
- * Cost and Funding Sources of Federal Facilities
- * Consulting Engineer's Analysis of Estimated Construction Cost Increases

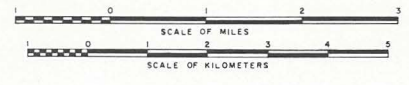


**EXPLANATION
USBR WORKS**

	EXISTING	PROPOS SECOND S
PIPELINE	---	---
PUMPING PLANT	◆	◆
FOREBAY or SURGE TANK	●	○
RESERVOIR	○	○
BIFURCATION or TURNOUT	○	○
REGULATING TANK	●	○
NON-USBR WORKS		
PIPELINE	---	---
RESERVOIR	○	○

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

SOUTHERN NEVADA WATER PROJECT
SECOND STAGE
NEVADA
MAP NO. 952-300-498



MARCH 1976
REVISED MAY, 1978



T. 20 S

T. 21 S

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T. 23 S

R. 60 E

R. 61 E

R. 62 E

R. 63 E

R. 64 E

R. 65 E

N. Las Vegas

LAS VEGAS

NEVADA
CLARK COUNTY

NORTH LATERAL

PITTMAN LATERAL
REACH 1

MESA LATERAL

FOOTHILL LATERAL
FOOTHILL FOREBAY

MAIN AQUEDUCT 'B' LINE

Henderson

BOULDER CITY LATERAL

COLORADO ST.
LATERAL

Boulder City

Lake Mead

Saddle Island

McCarran Int'l Airport

Nellis Air Force Base

N.A.F.B.

NLV Air Terminal

TWIN LAKES PUMPING
PLANT & FOREBAY

ROBINSON LATERAL

TWIN LAKES LATERAL

OAKEY LATERAL

PITTMAN LATERAL
REACH 2

VALLEY VIEW
REGULATING TANK

Paradise Valley

HACIENDA PUMPING
PLANT & FOREBAY

HENBERSON

PROPOSED RESERVOIR
BY OTHERS

PROPOSED RESERVOIR
BY OTHERS

MAIN AQUEDUCT

TREATMENT PLANT

SURGE TANK 2B

PUMPING PLANT 2B

PUMPING PLANT 1B

INTAKE TUNNEL 1B

RIVER MOUNTAINS TUNNEL

PP No. 2A

PP No. 1A

PP No. 1

PP No. 3

PP No. 4

PP No. 5

PUMPING PLANT 7B

FOREBAY 7

PP No. 7

ATTACHMENT to Testimony regarding Senate Bill No. 61 -
Senate Government Affairs Committee - January 31, 1979

Southern Nevada Water System
State Facilities - Stage II Expansion
Estimated Cost

	<u>Expended Thru 10-31-78</u>	<u>Estimated Cost to Complete</u>	<u>10% Contingency</u>	<u>Total</u>
Construction				
Treatment Plant		\$38,560,000	\$3,856,000	\$42,416,000
Powerline Relocation	\$ 19,000			19,000
Terminal Chlorination		500,000	50,000	550,000
Equipment				
Contracts PP-1 through PP-7	6,600	1,224,400		1,231,000
Other		180,000	18,000	198,000
Engineering				
Design	2,292,000	100,000		2,392,000
Construction Management	7,000	1,493,000	150,000	1,650,000
Administration	133,100	222,900	22,000	378,000
Debt Expense	94,100	122,900	12,000	229,000
Sub-Total	\$2,551,800	\$42,403,200	\$4,108,000	\$49,063,000
Interest During Construction				7,231,000
O & M Reserve				100,000
Bond Repayment Reserve				4,648,000
Total				\$61,042,000
Contingency (3%)				1,958,000
Total				\$63,000,000

ATTACHMENT to Testimony regarding Senate Bill No. 61 -
Senate Government Affairs Committee - January 31, 1979

Southern Nevada Water System
Federal Facilities - Second Stage
Cost and Funding Sources

Total Construction Cost (1978 Dollars)	\$113,500,000
Federal Funding Ceiling (1978 Dollars)	94,000,000
State Obligation (1978 Dollars)	<u>\$ 19,500,000</u>
Escalation to 1981 and 1982 (7% Annually)	4,700,000
Escalated Construction Cost	<u>\$ 24,200,000</u>
Contingency 10%	<u>2,420,000</u>
Total	<u>\$ 26,620,000</u>
Rounded to	\$ 27,000,000
Interest During Construction	2,100,000
Bond Reserve Fund	<u>2,500,000</u>
Total	<u>\$ 31,600,000</u>
Rounded to	\$ 32,000,000

ATTACHMENT TO Testimony regarding Senate Bill No. 61 -
Senate Government Affairs Committee - January 31, 1979

Southern Nevada Water System
State Facilities - Stage II Expansion
Consulting Engineer's Analysis of Estimated
Construction Cost Increases

	<u>Current Estimate</u>	<u>Estimate in Pre-Design Report</u>	<u>Net Increase</u>
1. Concrete, Unit Cost Increase(1)	\$ 1,935,000		\$ 1,935,000
2. Concrete, Quantity Increase(1)	8,755,000	\$6,510,000	2,245,000
3. Inplant Telemetry(2)	157,000		157,000
4. Uninterruptible Power Supply(2)	132,000		132,000
5. Plant Bypass(2)	45,000		45,000
6. Aeration Channel(2)	368,000	95,000	273,000
7. Chemical Pit 1 Building(3)	36,000		36,000
8. Utility Building(3)	1,080,000		1,080,000
9. Administration Building(3)			
Laboratory	223,000		223,000
Storage, Hallways	212,000		212,000
10. Chlorine Dioxide System(3)	1,090,000	265,000	825,000
11. Replace Existing Filter Bottoms(3)	1,091,000		1,091,000
12. Existing Filter Piping(3)	-0-	600,000	(600,000)
13. Air Backwash(3)	842,000	580,000	262,000
14. Vertical Floc Drives(3)	2,977,000	1,400,000	1,577,000
15. Carbon Flow, Flocculation Basins(3)	518,000		518,000
16. Effluent Flow Control, Flocculation Basins(3)	1,563,000		1,563,000
17. Deeper Flocculation Basins(3)	140,000		140,000
18. Combined Flow Splitter & Mixing Chamber(3)	100,000		100,000
19. Area Lighting(3)	300,000		300,000
20. Yard - General(3)	600,000		600,000
Total	<u>\$22,164,000</u>	<u>\$9,450,000</u>	<u>\$12,714,000</u>

(1) Increase due to material costs and quantities. Items 3 through 20 exclude costs of concrete.

(2) Increase due to transfer of construction to State from Bureau of Reclamation.

(3) Project design concept changes from the pre-design report.

Explanations relate to the correspondingly numbered items above.

Construction Cost Increases (Continued)

1. Unit prices for concrete in place in current estimate compared to prices estimated in pre-design report are:

	<u>Pre-Design</u>	<u>Current</u>
Slab on Grade	\$150/Cubic Yard	\$120/Cubic Yard
Walls & Slab Above Grade	200/Cubic Yard	280/Cubic Yard
Complex Placement - Columns and Beams, etc.	250/Cubic Yard	380/Cubic Yard
Precast	--	180/Cubic Yard

2. Concrete quantities increased as follows:

Slab on Grade	1,900 Cubic Yard
Walls & Slab Above Grade	3,450 Cubic Yard
Complex Placement	3,125 Cubic Yard
Precast	5,200 Cubic Yard

Structures became more complex during design than anticipated in pre-design report due to restrictions not defined during report stage. Pre-design report did not include any precast concrete members.

This increase in concrete quantities represents 30% of the final estimated quantity of concrete. Principal areas contributing to the increase in quantity of concrete are: 1) aeration channel; 2) mixing chambers and flocculation basins (deeper basins required thicker walls); 3) Administration Building (added basement section to East wing); 4) Chlorine Building (added basement to provide storage for chemicals required for chlorine dioxide generation); and 5) Utility Building.

- 3 thru 6. During the course of design, a number of items of common interest between the Federal Facilities and the State Facility were incorporated within the State Facility and deleted from the Federal Facilities. These items were transferred for reasons of convenience and compatibility of design after completion of the pre-design report.
7. Chemical Pit 1 Building. The functions of equipment to be installed in this building were to be incorporated within the USBR Pumping Station 1. To eliminate having two contractors working in the same location at once, it was mutually agreed that a separate facility should be provided.
8. Utility Building. This building houses recovered wash water pumps, electrical switchgear, variable frequency drives and motor control centers for the flocculators, local control station, satellite control panel, process blowers, and standby generators. The pre-design report did not consider a Utility Building, as only the recovered wash water pumps were planned at this location. Electrical switchgear, motor control centers, process blowers, and standby generators were to be installed in the Administration Building, and the other features were either not planned at the time of the pre-design report or were small units

Construction Cost Increases (Continued)

designed for open, unhoused installation. During design, the potential nuisance and maintenance problems associated with the blowers and standby generators occupying space in the basement of the Administration Building were discussed, and by mutual agreement it was decided to provide a separate enclosure for these units, and the Utility Building was added.

9. Administration Building. The facilities central laboratory was designed into the expansion of the East wing of the Administration Building during the pre-design report. At the time the report was made public, the Environmental Protection Agency (EPA) released guidelines for water treatment plant laboratories for EPA certification under the Interim Primary Drinking Water Standards set by EPA. To insure that the proposed laboratory would be certifiable under the proposed regulations, the laboratory's analysis capabilities were modified and expanded. In conjunction with this expansion, a decision was made during design to create a regional certified laboratory for additional testing to meet the requirements of all water purchasing agencies associated with the facility. This decision changed the nature of work at the proposed laboratory from routine quality control and process evaluation to both quality and process control and assembly line type mass analysis of regional water samples. These decisions resulted in the need for a larger laboratory facility for instrumentation and personnel. Reviewing the two basic alternatives of lengthening the wing or designing a lower level, the second was chosen to be more feasible. The basement level that was created contains the additional space required by the expanded laboratory and unassigned areas for supply storage, ancillary laboratory support facilities, and future laboratory expansion.
10. Chlorine Dioxide System. The pre-design report addressed several methods of disinfection that could be used at the facility. The report recommendation was to maintain and expand the existing chlorine facilities and to provide space only for future installations of chlorine dioxide facilities. During the design phase of the project, EPA proposed a limit on the formation of the trihalomethanes (THM's), of 100 micrograms per liter. These THM's are formed from the reaction of chlorine and naturally occurring organic compounds such as humic acids. To enable the facility to meet this limit, a decision was mutually agreed upon to provide chlorine dioxide as the primary disinfectant. Chlorine dioxide does not form THM's.
11. Replacement of Existing Filter Bottoms and Filter Media. Two basic methods of cleaning the filters were reviewed during the development of the pre-design report. The first was water backwash with surface washers (the method currently in use at the facility) and water backwash with air backwash. The report recommendation was to stay with the surface washers with further study on the air backwash techniques. During the design phase, air backwash was determined to be superior in respect to maintenance problems and was recommended for the new filters. At this time, the decision was made to design the new filters with air/water backwash, and to upgrade the existing filters with this cleaning technique.

Construction Cost Increases (continued)

12. Existing Filter Piping. During the design phase, a joint effort to rework the existing piping in the filter gallery resulted in an estimated \$600,000 savings over that which was proposed during the pre-design report.
13. Air Backwash. The method of cleaning the filters by the use of air backwash was adopted during the design phase of the project. (See Item No. 11 for related details). At that time, it was noted that air backwash had an estimated higher initial capital cost but would result in a lower operation and maintenance cost.
14. Vertical Flocculator Drives. The estimated cost of flocculation equipment in the pre-design report was based upon 30 drive units driving horizontal line shaft turbine and reel-type flocculators. This method of flocculation required the use of submerged flocculating equipment, bearings, and shafts, except the drives. Concerns about maintenance and corrosion problems and deeper flocculation basins (Item 17) resulted in reviewing current flocculating practices for improved application. The result of this study was a recommendation to use vertical shaft flocculating equipment constructed of 304 stainless steel. Again, it was noted initial installed cost would be greater but operation and maintenance costs would be decreased. In addition to the flocculators themselves, variable frequency drives (VFD's) were recommended over mechanical drives and SCR controllers because they utilized standard AC motors at higher operating efficiencies and would allow the most flexibility in adjusting the speed of the flocculators to match the varying characteristics of the raw water being taken from Lake Mead. The space required for these VFD's and motor control centers was assigned to the Utility Building (See Item 8).
15. Carbon Flow Scheme. To maximize the contact time for powdered activated carbon during taste and odor periods (caused by lake destratification during low flow demand periods of October through January) a concept was adopted that would make double use of two flocculation basins that would be normally idle at this season and which could be used for taste and odor removal. This concept required the modification of the established flow scheme through the two flocculation basins prior to the coagulation process. This additional flow scheme added five (5) large rectangular butterfly valves to the project.
16. Effluent Flow Control on Flocculation Basins. The pre-design report did not go into detail concerning the method of basin isolation and flow control. To maximize flexibility in putting individual basins in and out of service and allow for maintenance on individual basins without taking the entire facility out of service, thirty (30) rectangular butterfly valves were added to the flocculation facility. These valves would allow isolation and dewatering of individual basins for maintenance without shutting down the entire facility.
17. Deeper Flocculation Basins. The pre-design report flocculation basins were longer and shallower than the final design. During the report, it was our understanding that the BMI water line which traverses along the northern project limit could be relocated farther north. During the

Construction Cost Increases (continued)

design phase, it was determined that the line could not be moved, and further, construction of the new facility could not penetrate within forty (40) feet of the line. This decision required shortening the flocculation basins to avoid the water line, which, in turn, required deepening the basins to maintain both the require volume and the most effective sizing of the basins. Deepening of the basins resulted in more excavation, more concrete, because of deeper and thicker walls, and adjustment to the design of flocculation equipment (See Item 14).

18. Combined Flow Splitter and Mixing Chamber. For the same reasons as outlined in Item 17 above, the mixing chamber and flow splitter structure were combined to avoid the BMI water line.
19. Area Lighting. The cost assigned to area lighting during the pre-design report was based upon a low intensity lighting for emergency ingress and egress only. During the design phase, the lighting codes were reinterpreted to require a lighting intensity around and on water holding structures equal to that required on factory catwalks. This increase in light intensity required more fixtures, electrical conduit, wiring and controls.
20. Yard - General. The pre-design report addressed the use of contoured landscaping to hide and blend the facility into the natural landscape. Throughout the design phase, this concept was adopted, expanded and re-expanded in coordination with the USBR and the National Park Service. The final design is greater in magnitude, requires double handling of excavation, stockpiling of topsoil for final placement, and creation of an excess excavation disposal area with landscaping.

RAY H. DAINES
Mayor

RAYMOND D. SCHWEITZER
City Manager



Councilmen
THOMAS BROWN
CYNTHIA BAUMANN
MARY J. KINCAID
GARY J. DAVIS

City of North Las Vegas

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NORTH LAS VEGAS, NEVADA 89030

Telephone 649-5811

January 30, 1979

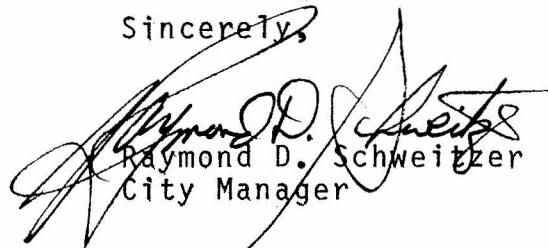
The Honorable James I. Gibson and Members of
Senate Committee on Government Affairs
Carson City, Nevada

Gentlemen:

The City of North Las Vegas is the second largest contract user of the Southern Nevada Water Project and as such we recognize the importance and the urgency of the completion of this project.

We urge the timely passage of SB 61 as necessary legislation for the financing and constructing of the treatment works necessary in the project.

Sincerely,



Raymond D. Schweitzer
City Manager

RDS:JHM:nm

TESTIMONY OF DONALD L. PAFF
BEFORE THE SENATE GOVERNMENT AFFAIRS COMMITTEE, JANUARY 31, 1979
SENATE BILL NO. 61

My name is Donald L. Paff. I am the General Manager and Secretary of the Las Vegas Valley Water District, Las Vegas, Nevada. Prior to joining the Water District, I was Administrator of the State of Nevada, Division of Colorado River Resources for seven years. Along with other responsibilities, I was responsible for the construction and financing of the First Stage of the Southern Nevada Water System, and initiating the planning and financing of the Second Stage of the Southern Nevada Water System.

The Southern Nevada Water System consisting of both Federal and State facilities is a regional project designed to serve treated Colorado River water to the Las Vegas Valley and Boulder City areas. The First Stage of the System was placed in operation in 1971. The Federal facilities of the Second Stage, currently under construction, consist of the construction of the necessary pipelines, pumping plants and appurtenances, while Second Stage of the State facilities consist of the expansion of the Alfred Merritt Smith Water Treatment Facilities from a capacity of 200 million gallons per day to 400 million gallons per day. The combined stages of the Southern Nevada Water System will be capable of treating and transporting 299,000 acre feet per year of Colorado River water.

The Las Vegas Valley Water District was created by Chapter 167 of Nevada Statutes of 1947, to provide for, among other things, the procurement, distribution and sale of water, and to conserve the ground water resources of the Las Vegas Valley for present and future use. Currently, the District uses and pays for about 80 percent of the water treated and delivered from the First Stage of the System, and it is anticipated that this percentage usage will continue when the Second Stage is completed.

Because of the District's direct interest and utilization of the Southern Nevada Water System, we support Senate Bill No. 61 to extend to the Division of Colorado River Resources, on the behalf and in the name of the State, the authority to borrow money and otherwise become obligated in a total principle amount of not exceeding \$63,000,000 to defray wholly or in part the cost of acquiring, improving and equipping the State facilities.

The expansion of the State facility, the Alfred Merritt Smith Water Treatment Facility, was estimated to cost \$55,000,000, such funding being authorized by Chapter 482 Statutes of Nevada, 1975, amended by Chapter 397 Statutes of Nevada, 1977. However, in November 1978, a revised Engineer's Estimate, taking into account experienced inflation and construction cost percentage increases, indicated the required State facilities would cost between \$58,000,000 and \$65,000,000. The revised estimates were verified by the receipt of construction bids on December 12, 1978, supporting the total costs of \$63,000,000. After review by the

Division of Colorado River Resources, and the contracting water users of the Southern Nevada Water System, it was unanimously agreed on December 20, 1978, that the planned expansion and modification of the treatment plant should proceed subject to legislative action to increase the funding authorization.

Therefore, I respectfully urge this Committee to support the request of the Division of Colorado River Resources to provide the additional \$8,000,000 of funding authorization, pursuant to Senate Bill No. 61, required to proceed with the construction of the State facilities. Additionally, we urge the Committee's earliest action on Senate Bill No. 61 in order that construction can be initiated and proceed on a schedule consistent with the Federal construction work.

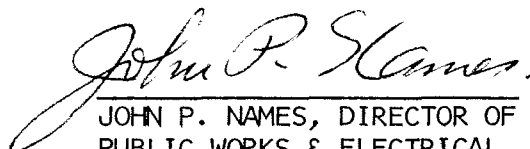
TESTIMONY BEFORE SENATE COMMITTEE ON GOVERNMENT AFFAIRS
JANUARY 31, 1979

MY NAME IS JOHN P. NAMES. I AM THE DIRECTOR OF PUBLIC WORKS-
ELECTRICAL DISTRIBUTION FOR THE CITY OF BOULDER CITY. I AM A CIT-
IZEN OF THE STATE OF NEVADA AND I LIVE AT 1128 SENO COURT IN BOULDER
CITY.

I AM HERE TO REPRESENT THE CITY OF BOULDER CITY AND TO REQUEST
YOUR ENDORSEMENT AND SUPPORT OF SB 61.

BECAUSE OF ITS CLIMATE AND ITS LOCATION, BOULDER CITY EXPERI-
ENCES EXTRAORDINARY DIFFICULTIES IN CONNECTION WITH AN ADEQUATE WATER
SUPPLY. BOULDER CITY'S UNUSUAL AMOUNT OF GROWTH IN THE RECENT YEARS
AND THE DETERIORATION OF THE ORIGINAL WATER SUPPLY EQUIPMENT NECESSARILY
RESULTS IN BOULDER CITY BECOMING MORE DEPENDENT UPON THE SUPPLY OF WATER
FROM THE SOUTHERN NEVADA WATER SYSTEM. BOULDER CITY RECEIVED AND CON-
TINUES TO RECEIVE WATER THROUGH A GOVERNMENT SYSTEM WHICH WAS BUILT IN
1931 AND IS NOW ANTIQUATED, DIFFICULT TO MAINTAIN AND VERY EXPENSIVE.

BOULDER CITY, BY ENDORSING THE ORIGINAL OBLIGATIONS AND FINANCIAL
COMMITMENTS TO MEET THE BONDING COSTS HAS ALREADY EXPRESSED A WILLING-
NESS TO PAY ITS PROPORTIONAL SHARE OF COSTS. THIS ATTITUDE IS ALSO AP-
PLICABLE TO THE ADDITIONAL FUNDING REQUESTED UNDER SB 61. THEREFORE WE
URGE AND REQUEST YOUR SUPPORT FOR THIS SENATE ACTION.


JOHN P. NAMES, DIRECTOR OF
PUBLIC WORKS & ELECTRICAL
DISTRIBUTION

DATE: JANUARY 31, 1979

EXHIBIT 51

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