

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
April 13, 1981

The Senate Committee on Finance was called to order by Vice Chairman James I. Gibson, at 8:00 a.m., Monday, April 13, 1981, in Room 231 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator James I. Gibson, Vice Chairman
Senator Eugene V. Echols
Senator Lawrence E. Jacobsen
Senator Norman D. Glaser
Senator Thomas R. C. Wilson
Senator Clifford E. McCorkle

COMMITTEE MEMBER ABSENT:

Senator Floyd R. Lamb, Chairman

STAFF MEMBERS PRESENT:

Ronald W. Sparks, Chief Fiscal Analyst
Dan Miles, Deputy Fiscal Analyst
Candace Chaney, Secretary

CLOSING OF BUDGETS

ADVISORY COMMITTEE ON FEDERAL LANDS (Pg. 793)

Senator Echols moved to approve the ADVISORY COMMITTEE ON FEDERAL LANDS budget as recommended by the Governor.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

CAREY ACT TRUST FUND (Pg. 794)

Senator Jacobsen moved to approve the CAREY ACT TRUST FUND budget as recommended by the Governor.

Senator Echols seconded the motion.

The motion carried unanimously.

TAHOE REGIONAL PLANNING AGENCY (Pg. 803)

Senator Jacobsen moved to approve the TAHOE REGIONAL PLANNING AGENCY budget as recommended by the Governor.

Senator McCorkle seconded the motion.

The motion carried unanimously.

VIRGINIA AND TRUCKEE RAILROAD (Pg. 806)

Senator Jacobsen moved to approve the VIRGINIA AND TRUCKEE RAILROAD budget as recommended by the Governor.

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Senator McCorkle seconded the motion.

The motion carried unanimously.

FORESTRY INTERGOVERNMENTAL AGREEMENTS (Pg. 828)

Senator Jacobsen moved to approve the FORESTRY INTERGOVERNMENTAL AGREEMENTS budget as recommended by the Governor.

Senator McCorkle seconded the motion.

The motion carried unanimously.

FOREST AND WATERSHED REHABILITATION (Pg. 831)

Senator Jacobsen moved to approve the FOREST AND WATERSHED REHABILITATION budget as recommended by the Governor.

Senator Echols seconded the motion.

The motion carried unanimously.

FORESTRY NURSERIES (Pg. 832)

Senator Echols moved to approve the FORESTRY NURSERIES budget as recommended by the Governor.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 326 - Clarifies law relating to emergency financial assistance to public schools.

Mr. Ted Sanders, Superintendent of Schools, testified in support of Senate Bill No. 326. He said this was an administration bill and asked the committee to note that the bill would alter that section of statutes, chapter 387.1245 dealing with emergency financial assistance to the public schools.

Mr. Sanders indicated during the past school year the State Board of Education and the Board of Examiners under the provisions of this statute had considered five emergency school funding requests. As those requests were considered, focus was placed upon paragraph four whereby the State Board of Education and the State Board of Examiners must determine the least amount of additional money which would be necessary to provide a minimum educational program and meet its irreducible contractual obligations. The State Board of Education and the Board of Examiners determined this was the pivotal point in the language of the statute and therefore, could, in considering such applications, go beyond the shortfall of revenues that were being experienced by the districts.

On November 12, 1981, the Attorney General issued an opinion to support this particular position and would thereby allow the State Board and the Board of Examiners to go beyond that amount of shortfall. Mr. Sanders stated, as the applications were considered for emergency financial assistance from the districts, it was recognized that there could be a possibility that districts could underestimate their revenues and therefore become eligible. Those revenues would actually materialize at a later point in time. Therefore, the resolution grant-in-aid assistance to each of the districts contained the condition that would call for a final re-examination of their revenues at the time of the final apportionment from the Distributive School Fund was made. At that time adjustments could be made downward based on any underestimates of revenues.

Mr. Sanders noted there was considerable discussion throughout the consideration of each of the applications as to whether or not it was the legislature's intent

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to only pick up that amount of shortfall. Senate Bill No. 326 gave the legislature the opportunity to give policy direction in this regard.

Senator Gibson asked if there was any common element in the requests for financial assistance such as reduction of average daily attendance, etc. Mr. Sanders said there were no common elements across the five applications, rather no element common to all five. Senator Gibson inquired if the five applications eventually received some kind of money. Mr. Sanders stated they all did eventually receive some money.

The Vice Chairman noted the new language proposed tied the relief to the final approved budget. Mr. Sanders concurred and added the language would restrict that amount that might be awarded to the shortfall; one could not go beyond the revenue projections of the final approved budget. This language would restrict the State Board of Education and the Board of Examiner's actions to only making up, at most, that amount of revenue shortfall.

The Vice Chairman asked if Mr. Barrett had any comments on this bill. Mr. Barrett stated this was not the Budget Division's bill. He noted he had asked for a bill that would do the same thing, but did not have it as yet. He did not think the legislature intended to give the Board of Examiners the authority to make up more than the shortfall. He thought this was left in legislation at a time when it was thought 874 monies would be decreased. Mr. Barrett said, with Attorney General's opinion, White Pine County was short \$10,000 and yet they were able to get \$378,000. He did not think the legislature intended that.

SENATE BILL NO. 496 - Makes supplemental appropriations to the Supreme Court for development of uniform register of actions.

Mr. Mike Brown, Court Administrator, testified in support of Senate Bill No. 496. (See Exhibit C.)

Senator McCorkle commented when the legislature approved the Judicial Record Information System there was an appropriation for 1 million dollars. He asked why the \$25,000 requested in this bill was not included in the aforementioned appropriation. Mr. Brown stated that 1 million dollar appropriation was defeated in the Assembly. Senator McCorkle inquired, then, if the 1 million was not approved, what was the point of requesting \$25,000. Mr. Brown noted the \$25,000 would be used to start-up in one court a system that they could take at a lesser cost from that court, to another district court, all the way through the State. Mr. Brown indicated this would provide a district court level that was uniform. At that point, they would move into the lower courts again getting the counties and cities to pick up the cost. Over four or five years, it would probably come to 1 million dollars in expense, but would be county and city implementation on a much slower, gradual basis than the original attempt to have a statewide system created.

Senator Jacobsen referred to the portion of the bill stating "if the conversion becomes totally impossible due to physical barriers", and asked what that meant. Mr. Brown said the language problems going between a basic language into some other was what that meant; one type of computer may not communicate with another manufacturer's computer.

Senator Jacobsen inquired if this was a systems programmer to keep track of the court cases on file, jurisdiction, etc. Mr. Brown indicated the Systems Programmer would be working with the Judge, the Clerk of the Court, etc., in developing the procedures for that individual court. All judges following a general format had a different priority. The Systems Analyst would be in that court training the staff on how to run the basic system and developing the specific needs of that court. Also, a parallel system would have to be run in case the proposed system failed.

Senator Jacobsen asked if Douglas County court was felt to be an average example of a court system in the state. Mr. Brown concurred, he noted there were bigger courts but added Douglas County had been growing quite rapidly.

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Senator Wilson inquired if it was settled to the type of format to be used statewide. Mr. Brown said the study had been completed and they knew the parts to go into the system. The present system was geared to accept the new one. It would be implemented in each county as the county was receptive to it.

Senator Wilson inquired if the county succeeding Douglas County would purchase equipment and what county would that be. Mr. Brown stated it would either be Carson City or Lyon County.

Senator Wilson asked if the AOC had assurances that whoever the members of the Judiciary were who worked to defeat the bill in the Assembly, would they be supportive of Senate Bill No. 496 when it got to their county. Mr. Brown did not know who went to the Assembly to kill the bill. He indicated they did have the assurances of the Councils, the district judges, and their presidents saying they would endorse the program.

Senator Jacobsen asked if it were not true that the court in any county could go ahead and implement the system on their own. Mr. Brown stated they could, but it would not necessarily be uniform and tie in with a statewide uniform system.

Senator Echols inquired as to what the study cost. Mr. Brown said he would provide that information to the committee. Senator Echols asked how many pages were involved in the study and the number of documents involved in the case mentioned in the hand-out. Mr. Brown indicated the problems of an overabundance of paper was being solved by reducing the number of forms utilized.

Senator Jacobsen asked if there were no standard forms utilized in the court systems. Mr. Brown noted there were none, each county or district developed their own.

SENATE BILL NO. 498 - Makes supplemental appropriation to Supreme Court to provide retirement benefits for former Justice Gordon Thompson.

Mr. Brown noted retirement was funded by appropriation and the last budget hearing AOC did not anticipate the retirement of Justice Thompson. This supplemental appropriation was to provide for six months retirement from January 1.

Senator Gibson asked if Justice Thompson was receiving some compensation presently. Mr. Brown stated he was.

SENATE BILL NO. 514 - Provides for continuing education for district judges.

Mr. Brown testified in support of this bill. He noted the AOC was extremely in favor of this program and added the district judges have not had very much opportunity for education. The program was begun on Federal funds, approximately \$7,000, to try and develop a program to see if the district judges were receptive to the concept of continuing education.

The dollar amount of the bill was suggested to Mr. Daykin based on what AOC put in their budget for district judges. Additional monies were asked for district judges travel. The amount was based on three phases of education each year: one week sessions of the National College for specialty courses, a two week related course program, and a four week journal jurisdiction course at the National College. The numbers were based on 27 judges; the basic approach would be to take one third of the judges in each element each year on a rotational basis.

Senator Wilson asked how this related to the budget item for education of judges. Mr. Brown stated \$26,800 was requested in that budget. He noted what was done presently for the JP's and the municipal judges was that the National College had worked out a special slot between the election and January 1. The new JP's and municipal judges came in during late November or early December to get presitting on the bench training.

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Senator Wilson inquired if the balance of the education budget would then apply to continuing education generally with respect to JP's, municipal judges, and district judges. Mr. Brown indicated the education budget was solely for JP's and municipal judges. This would be the only application for district judges.

Mr. Brown indicated the Judicial Council had gone through twice and passed a general guideline. They would finish up at their May meeting on a prescribed set of courses.

Senator Wilson asked if AOC would mind if the committee modified Senate Bill No. 514 to find plenary jurisdiction in the court to provide for continuing education curriculum for all sitting judges instead of those newly elected. Mr. Brown said he would have no objection. Senator Wilson inquired if AOC needed some flexibility with respect to periods of time during which they could give the inductory courses. Mr. Brown did not think so because the National College had been extremely cooperative in putting together a package for AOC to accomplish that very thing.

Senator Jacobsen asked if there was any way this program could be self-funded. Mr. Brown noted that had been discussed from time to time. He said possibly the filing fee for civil matters could be increased and would generate a great amount of support for the court administration, improvement of education, etc.

Senator McCorkle inquired if AOC interpreted this bill as permissive for sitting judges and mandatory for new judges, or was it permissive for everybody. Mr. Brown felt it was permissive for sitting judges and mandatory for new judges. He said he would prefer to see the bill mandatory for every judge but indicated there would be certain circumstances that would arise that would make that difficult.

Senator Glaser asked who structured the Judicial College and took the responsibility of putting the format together. Mr. Brown stated the notification, paperwork, accounting, enrollment, and any assistance came from the AOC to the judge. In setting up the curriculum, the staffing, instructors, and the content was done by the staff at the college. In the training section at the college, there was a curriculum development division that worked on the program. Senator Glaser agreed with Senator Wilson that this was a good program and agreed with Senator Jacobsen that the program should be funded on an ongoing basis. Senator Glaser asked if it would be possible for Mr. Brown to provide a report to see what could be put together to make this program self-funded. Mr. Brown said he could put something together in a few days and provide such data to the committee.

SENATE BILL NO. 417 - Makes appropriation to the division of Colorado River Resources of the Department of Energy to pay for certain costs of litigation.

Mr. Duane Sudweeks, Administrator of the Division of Colorado River Resources, introduced Mr. Jim Long, Financial Manager of the Division, to the committee. Mr. Sudweeks testified in support of Senate Bill No. 417. (See Exhibit D.)

Senator Wilson inquired if any amounts not spent would revert to the General Fund. Mr. Sudweeks said they would. He felt the division had to be prepared to indicate that the State was serious with regard to the litigation.

The Vice Chairman inquired if the Attorney General was in agreement with CRR in this request. Mr. Jim Lavell, Deputy Attorney General appearing on behalf of Attorney General Bryan, responded to the Senator's question. He said the Attorney General's office was in full support of Senate Bill No. 417 with one slight modification. Mr. Lavell stated the amount of money placed into the bill reflected the position of the legal investigation at that time. Since that date, approximately January of this year, there had been additional legal investigation into the issue of compensation which was reflected in Senate Bill 511. He stated it was the Attorney General's recommendation that the \$500,000 appropriation requested be modified to reflect the additional investigation and that the sum be increased to \$750,000.

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Mr. Lavell explained the need for the additional \$250,000. He indicated the compensation issue was a very involved one; it would mandate hiring experts in evaluation of electrical utility systems, increased contact with their Washington law firm, separate hearings in the Federal district court, etc. All of those items would involve increased costs. He felt the State's resolve to see this matter through should litigation be necessary, would be better reflected by the appropriations in the \$750,000 amount. He noted the division had attempted to fully utilize the previous appropriations made by the Interim Finance Committee.

Mr. Lavell stated the present indication of the Western Area Power Administration, which was the Federal arm of the Department of Energy handling this matter, appeared to be to continue with their initial announcement which was the renewal of the same percentage basis. If that did occur, it would mandate that the State immediately act on a procedural basis. This would require that the State utilize the Federal district court to test the process under which Western's position was developed. He indicated it was the Attorney General's opinion that the \$750,000 would more adequately safeguard the ability of the State to react to whatever situation developed.

Senator Wilson inquired as to specifically what was the additional \$250,000 to be used for. Mr. Lavell indicated those monies were to be used for expert witnesses, economic analysis, travel, and related expenses. Senator Wilson asked why the money was not included in the funds requested in Senate Bill No. 417. Mr. Lavell stated the compensation issue was one that was not fully examined at the time the legal memorandum was published in January, nor was the methodology fully identified. Senator Wilson asked if the case was developing more rapidly than before. Mr. Lavell indicated it had, in terms of the narrowing of issues. From his perspective, the office had accomplished every bit of investigatory work which reflected going back all the way to 1919.

Senator McCorkle inquired as to what the economic gain would be to the State. Mr. Sudweeks noted, if the State were successful in obtaining a third of the Hoover resource, the annual gain for the State would in the order of 31 million dollars annually in 1981 dollars. Those figures were obtained by comparing the Hoover resource with the alternate sources of energy in 1981 dollars, which would be at a much more expensive rate.

Senator McCorkle did not understand how a suit like this could cost three times the cost of a constitutional suit. Mr. Lavell recalled that the \$250,000 used for the Sagebrush Rebellion suit was to develop background information for the State of Nevada with reference as to whether or not it was possible to file a suit. The \$150,000 the CRR had been previously allocated by Interim Finance had accomplished essentially the same goal. Mr. Long noted the CRR did investigate the costs involved in the Truckee River litigation and said he believed there was an original appropriation there of \$500,000 and subsequent appropriations of about \$600,000.

Senator Glaser commented the State had already spent \$180,000 to date out of the \$250,000 for the Sagebrush Rebellion suit. He noted the Attorney General was still holding \$60,000 in reserve and thought there would be approximately \$17,000 that would revert. Senator Glaser concurred with Mr. Lavell's statement that those monies were used to develop the Sagebrush Rebellion case. Senator Gibson noted a difference in that case to this suit; he said there were other states joining in the Sagebrush Rebellion suit who were also sharing the costs of litigation.

Senator McCorkle asked what were the odds of winning this suit. Mr. Lavell stated it was very hard to predict the outcome. He added that a great amount of time and effort had gone into the identification of State's legal status with regard to the State's ability to make a valid argument in court on its rights to one third of Hoover. He could not guarantee that the State would be awarded one third of the Hoover power resource.

Senator McCorkle felt it was very important for the Attorney General's office to make a judgment to justify investing another \$750,000 in the suit. Senator Gibson remarked there was another risk involved; the risk of Nevada holding on to what it already had if the case was not fought.

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Mr. Sudweeks said what "Western" had done was to develop a plan that would split the resources into what they were calling the base resource that would be allocated where Nevada would get 17.6% of that resource available for renewal. He stated that was somewhat less than the benefits Nevada enjoyed today because they had taken a portion of the current resources and called those new resources and were opening that up for allocation. Mr. Sudweeks said the division had no idea as to exactly what Nevada was going to get of that resource.

Mr. Sudweeks indicated that the condensation in the act, California only had to address facilities that were actually rendered idle. All they were looking at would be what facilities were actually built to carry that power to California.

Senator Gibson inquired, would the State be successful in increasing their allotment, could there be a way devised within the length of such contract that the State could recoup the cost expended in legal activities to compensate as a surcharge. Mr. Sudweeks felt that could be possible to assess a charge as presently done to cover their administrative costs.

Senator Wilson asked if the development of the White Pine Power Project had any bearing on the allocation of Hoover in the lawsuit. Mr. Sudweeks did not feel that had any bearing on this particular suit.

Senator Glaser thought this was an important case and felt the State would have to pursue it to protect the State's interest in the matter. He noted this item was not in the Governor's recommendation as a one-shot appropriation so the General Fund balance would have to be decreased in order to do this. He asked how many mills were being charged to run the administration of the Colorado River Commission presently. Mr. Sudweeks said they charged 127,000'ths of a mill per kilowatt hour presently which raised a little less than \$300,000 per year. To raise the amount of funds being discussed, that charge would have to be more than doubled. He felt, if they were to receive additional power, it would be a palatable thing to raise from revenues enough monies to reimburse the General Fund. If they were not successful in obtaining additional power, he thought it would be a burden to put on their present contractors to raise funds at this time which would involve a tripling of the present charges.

Senator Jacobsen inquired as to what criteria was used to choose the Washington D.C. law firm and asked if it was a fixed amount for their services. Mr. Sudweeks indicated the firm was being paid on an hourly basis, \$125 per hour for supervising and senior attorneys, \$90 per hour for principal attorneys, \$65 per hour for associates, and \$35 per hour for research assistants. Mr. Lavell noted this particular firm in Washington was picked as they had the greatest expertise in the utility field. Also, the firm's senior partner was a solicitor in the development of legislation involving the Colorado River. Mr. Lavell said it was important to have the firm located in Washington as the capitol was the primary source of information for data pertaining to the suit.

Senator Echols asked if the Washington law firm was the only outside consultants the State had. Mr. Lavell said at the present time, that was the case but added it may be extremely necessary that other consultants and experts be brought in.

Senator Echols inquired as to how the charges were monitored. Mr. Lavell indicated that he had required that a detailed billing be submitted to the division setting out each individual that was involved on a monthly basis with this issue. Senator Echols asked who was administering the case. Mr. Lavell stated the amount of money given to the division by the Interim Finance Committee when expended the bills were submitted bills then paid by the division. From a legal perspective, it was the Attorney General's office that had the decision making authority. Mr. Lavell indicated he was the person who had been most intimately involved in the process along with Mr. Robert Peccoli from the Las Vegas office working on the case on a day-to-day basis with Attorney General Bryan having the ultimate approval.

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Mr. Sudweeks, referring to subsection one of the bill, noted the way the bill was drafted, the division felt it was important that certain costs for litigation involving reallocation of the electrical power from Hoover Dam and for consulting independent experts be included. The division wanted it understood that they would have the right to retain the necessary independent experts and there were going to be certain costs incurred prior to actual litigation of the case.

Mr. Lavell remarked the amount of money being requested was not for the purpose of handing the State's problems over to a Washington law firm and saying "do it for us". He said that was not the intent of the use of the money or the intent of the Attorney General's office.

Senator Gibson asked Mr. Barrett if he had discussed this matter with the Governor. Mr. Barrett said he had not. Mr. Sudweeks indicated the division had met with the Governor earlier this year to point out the fact that there would be additional funding required. He stated there were no specifics discussed as to the amount of the request. Mr. Sudweeks stated, as of today, the decision had not been made whether the division was going to litigate. The investment had to be made irregardless of which direction the division went. Senator Gibson commented the division should try to determine the support of the Governor on this issue.

SENATE BILL NO. 304 - Makes appropriation for purchase of lands in Eldorado Valley.

Mr. Sudweeks introduced Mr. Jack Stonehocker, Deputy Administrator of the Division, to the committee. Mr. Sudweeks provided testimony in support of Senate Bill No. 304. (See Exhibit E.)

Senator Glaser commented that historically the State had always paid \$2.50 per acre when buying land from the Federal government and asked why the purchase of Eldorado Valley was at \$11.75 per acre. Mr. Sudweeks stated the actual public law which made the land available to the State of Nevada addressed what the purchase would be. The purchase price was set as of the date of the act which was in 1958 at the fair market value at that time. The land was reappraised later in that year and the price of the land was decreased approximately one half. He noted it was an act of Congress that made the land available to the State and prescribed what the purchase price would be.

Senator Glaser inquired if land was taken out of the transfer area for an airport or whatever land might be needed for the community or county to be available for those requirements. Could those lands be sold to the private sector enabling recouping of General Funds expended. Mr. Sudweeks felt the possibilities were good in recouping the money but there was no way knowing if all the land could be disposed of in a five year period.

Senator Wilbur Faiss testified in support of Senate Bill No. 304. (See Exhibit F.)

Senator McCorkle requested an explanation of the mechanical procedure of the resale of the land that would not be used for the airport/industrial site and how the State would recoup that money. Mr. Sudweeks indicated the division would entertain proposals to acquire and develop the land. Based on the application submitted to the Secretary of the Interior. If the proposal was determined to be reasonable, the division would make some recommendations and would look to the Eldorado Advisory group for advice relative to the development of the land. If the land was then sold, the monies would be recouped and would revert to the Eldorado fund, unutilized monies would then be transferred to the State from that fund.

Senator McCorkle inquired as to how much of the land would be sold. Mr. Sudweeks stated that had not been determined as yet. There were lands set aside for public purposes but he felt the majority of the land could be made available for use and development.

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Senator McCorkle asked how the land acquisition tied in to the growth ordinance in Boulder City. He also inquired, assuming the sale procedure was approved, why was there a concern in recouping the money inside of five years. Mr. Sudweeks indicated the division was concerned that the land was not sold merely for speculation. He noted it was envisioned and mandated by legislation to sell the land and encourage development in the area. If there were not a reasonable plan for development, the division would not be interested in disposing of the land. Mr. Sudweeks said it was a requirement mandated by statute, as well as, a requirement in the application to the Secretary of the Interior to recover the funds within a five year period. He indicated Boulder City had developed a policy having to do with not wanting to have extensive growth in their area. He noted the division concurred with the site Boulder City had chosen for the new airport. Senator Gibson commented the growth ordinance did not apply outside of the city limits.

Senator Echols asked if the CRR, upon acquisition of the transfer land, had complete authority in the disposal of Eldorado Valley. Mr. Sudweeks concurred but added there were some restrictions in the legislation with regard to land disposal.

Mr. Stonehocker remarked when the division applied for that land, they submitted a development proposal which, at that time, zoned the land into what was to be used for commercial, recreational, and residential purposes. The conditions of that sale were that the division comply with that plan that was submitted. Any purchaser of the land must also comply with those restrictions or the recourse would be with the Department of the Interior. The development plan provided for twenty sections to be set aside for development. In those 20 sections, 12,800 acres were set aside for industrial development and the airport.

Mr. Bob Ferrero, Mayor of Boulder City, presented an alternative proposal to the disposal of the Eldorado Valley. He noted that Boulder City had taken a consensus that the city ask the State of Nevada, through legislative processes, to allow the transfer of the entire 105,000 acres to Boulder City at the previously appraised value of \$11.75 per acre.

Mr. Ferrero said the City of Boulder wanted to see this done for several reasons. One reason was that Boulder City very much needed a new municipal airport, a site to be located in the transfer lands. He stated preapplication had already been made to FAA for the airport site and for airport funding. Mr. Ferrero noted the city's means of paying for the land would be to go to Clark County which was in a most favorable position to go ahead and pay for the acquisition of the Eldorado Valley and to have that entire area transferred to the jurisdiction of Boulder City. This would be a payout plan that Boulder City could arrange with Clark County.

Mr. Terry Zerklin, City Manager of Boulder City, testified in support of the Boulder City proposal. Mr. Zerklin showed various maps to the committee displaying the area and boundary relations of Eldorado Valley. He indicated the airport area would comprise 1,200 acres.

Senator Glaser inquired if the airport was designed to accommodate the larger jets. Mr. Zerklin said it was not, it was a general aviation airport. He noted the city was the only entity in Southern Nevada, other than the county, which was a public entity, therefore, were the only ones that qualified for reliever airport funding from FAA.

Mr. Bruce Woodbury, County Commissioner from Clark County representing Boulder City, presented testimony in support of the Boulder City proposal. He stated that Clark County believed that passage of Senate Bill No. 304 was necessary for the orderly accomplishment of the legislative intent to make lands available in Eldorado for the benefit of Nevada citizens. Recognition of a bona fide need, at this time, for the expansion of general aviation facilities in Clark County was the initial basis in the county's interest in Senate Bill No. 304. The potential development of such facilities would also accomplish the desired land

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transfer in a fiscally responsible manner. He said there was existing statutory authority whereby Clark County appeared to have certain option rights or rights of first refusal with regard to the lands should the State acquire them.

The county had previously entered into a contract with Boulder City whereby the county would apply to the State if necessary to purchase a certain portion of the land and either sell or lease it to the city. Mr. Woodbury said the county had no plans or desires which were in dependent of, or inconsistent with the needs of Boulder City and were willing to fully cooperate with the City and the State in the acquisition by the city whatever portion of land they deemed necessary for their needs and purposes.

Mr. Woodbury said Clark County expressed through the aforementioned contract its general support for the concept and body of Senate Bill No.304. They also supported the expression of intent to transfer the land to Boulder City and would cooperate fully with Boulder City with the financial arrangements necessary to transfer the property to the city.

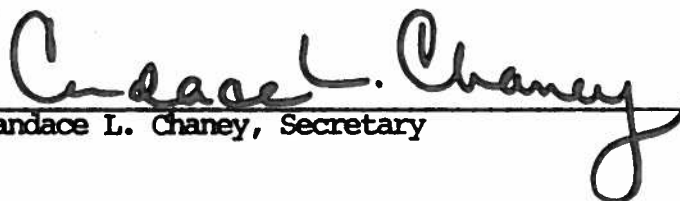
Senator Wilson said he thought it was a requirement of the sale to the State that the lands be developed after acquisition. Mr. Sudweeks noted the division had received Boulder City's development plan and the proposal stated the city was only interested in eighteen sections.

Mr. Steve Parsons, City Attorney for Boulder City, commented on the Boulder City proposal of the acquisition of Eldorado Valley and his support of that proposal. He stated that Boulder City felt it wanted to be the agency to administer and to direct development of the Eldorado Valley as they were the local government most proximate. He noted to the committee that either through the county or through their own, they could fund the entire withdrawal of the Eldorado Valley. He indicated their concern was to show there were alternative arrangements should funding of the acquisition by the State be a problem. He stated the city wanted to see that land developed with the interests of Boulder City in mind.


Senator Gibson noted the contract was between the Department of the Interior and the State of Nevada so the Boulder City proposal would have to be approved by the State.

The Vice Chairman requested the Boulder City group to bring the committee their requested legislation. He noted Mr. Sudweeks said the bond issue was not appropriate. Mr. Sudweeks stated the division did not feel it was operative because there was not a method identified to repay the debt. The Vice Chairman wondered if the issues might not be separated; buy the land and get it in the State then work out the other issues with the city and the county. He thought the legislature might authorize the issuance of general obligation bonds of the State to buy the land and worry about repayment at a later date.

Respectfully submitted by:


Candace L. Chaney, Secretary

APPROVED BY:



Senator Floyd R. Lamb, Chairman

DATE: _____

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

Day (SEE BELOW), Date (SEE BELOW), Time 8:00 a.m.

MONDAY, APRIL 13, 1981 - 7:30 a.m.

1. S.B. No. 304 - Makes appropriation for purchase of lands in El Dorado Valley. (Duane Sudweeks)
2. S.B. No. 417 - Makes appropriation to division of Colorado River resources of department of energy to pay for certain costs of litigation. (Duane Sudweeks)
3. S.B. No. 326 - Clarifies law relating to emergency financial assistance to public schools. (Ted Sanders)
4. S.B. No. 496 - Makes supplemental appropriations to the Supreme Court for development of uniform register of actions. (Mike Brown)
5. S.B. No. 498 - Makes supplemental appropriation to Supreme Court to provide retirement benefits for former Justice Gordon Thompson. (Mike Brown)
6. S. B. No. 514 - Provides for continuing education for district judges.

TUESDAY, APRIL 14, 1981

1. Closing of Budgets.

WEDNESDAY, APRIL 15, 1981

1. Closing of Budgets.

THURSDAY, APRIL 16, 1981

1. Closing of Budgets.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON FINANCE

DATE: April 13, 1981

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
James V. Lovelle	Attorney General Office Las Vegas	783-7755
Mike Brown	Administrative Office of the Courts	885-5076
TOM GARDNER	" " " "	" "
TED SANDERS	DEPT OF EDUCATION	885-5700
Michael D'Amico	Airport Authority file dept.	785 2676
Roy Edgington	Airport Authority File Dept.	785 2676

Uniform Register of Actions (UROA)

The Administrative Office of the Courts has developed a model uniform register of actions for use in the district courts of Nevada. The standardization of procedures through the state will result in greatly increased efficiency and significant cost avoidance in future years. While the efficiency increases in the court system may afford some monetary savings to the state in terms of judges required, the major dollar benefits will go to the counties in salary and operating costs avoided.

We are seeking a supplemental appropriation to be effective on passage in order to begin this project as close to April 1, 1981, as possible. We estimate it will take ninety (90) days to structure programs to fit the precise needs of our pilot test court. By accomplishing that systems work this Spring, we will be in a position to begin operational testing July 1, 1981, which will give us a full fiscal year of data, cost history, and benefit analysis prior to the preparation of the county budget in the Fall of 1982.

We have selected the District Court in Douglas County as our test court. This decision is based upon several issues. First, Judge McKibben is very supportive of judicial improvement and has assisted the AOC in many areas. He is strongly supportive of the UROA project. Second, the county clerk and the deputy county clerk serving the District Court are extremely cooperative and supportive of the program. Third, the AOC has complete statistical records for this court for comparative analysis. And fourth, both the judge and the county clerk feel that the assumption of costs by the county upon completion of the test phase will present no problem.

It is our intent to provide systems work and training by a state employee, the Systems and Methods Analyst I requested. The funding of this position will be the only ongoing cost to the state for this program. The Administrative Office of the Courts has cut existing positions and reassigned responsibilities to provide for this position while not increasing staff size as of July 1, 1981.

The equipment requested is a one-time expense to the state. Upon completion of the test phase, the county will purchase the equipment required and the state equipment will be moved to the next court to begin a new implementation phase. The software produced will be the property of the state as well, and will be provided to all courts as the implementation progresses.

For those counties with existing data processing capabilities, the program conversion will be made. If the conversion becomes totally impossible due to physical barriers, we feel the economics of the proposed system will justify the purchase of additional equipment by the county. We plan to proceed with implementation in the smaller courts first while simultaneously working with Washoe and Clark counties on standardization based on their existing capabilities.

Upon implementation in the district courts, or a sizeable majority of them, the program will be adapted to the justice and municipal courts. We are presently working on a compatible system for the Supreme Court of Nevada.

Cost Summary

The following costs are based on an effective date of April 1, 1981.

Salary

System & Methods Analyst I, Grade 35, Step 1

Salary	\$1,464.73 X 3	=	\$4,394.19
Pay Asses.	5.13 X 3		15.39
NIC	29.29 X 3	=	87.87
Unemp. Comp.	3.66 X 3	=	10.98
Retirement	117.18 X 3	=	351.54
Insurance*	<u>0 X 0</u>	=	<u>0</u>
	\$1,619.99 X 0	=	\$4,859.97

* The insurance would not be in effect until July 1, 1981.

Travel

We expect to incur travel expenses in the first several months due to on-site systems analysis. Any expenses will come from existing AOC appropriations. We request no additional funding.

Operating

The majority of costs will be county expense but we request \$1,300 to cover an initial printing of standard forms, instructional manuals and service contracts on the equipment.

Equipment

As stated before, we are requesting a one-time purchase of equipment for use in multiple courts. The specific equipment requested is as follows:

1. TRS - 80 Model III 48K Computer	\$ 1,500
2. 30 Megabyte Hard Disk	7,350
3. Video Mirror Back-up	1,500
4. Phone Modem	250
5. Letter quality line printer	1,800
6. RS 232 module with phone	<u>400</u>
Total	\$12,800

We are also requesting \$6,000 in software which is also a non-recurring expense. Once the initial package is operational in Douglas County, future modifications for ensuing courts would be minimal and would be accomplished by the Systems & Methods Analyst.

The initial software package, which we regard as minimal to initiate the program, will consist of the following modules:

1. Uniform Register of Actions
 - a. Format-input programs
 - b. Inquiry programs
 - c. Statistical package (caseload)
2. Custom application
3. Custom application
4. Custom application

Modules 2, 3 and 4 will depend on the specific needs of the court. Once the first module is in place, the remaining applications become minor programs. Depending on the court's needs, these modules could include any of the following:

Jury management, jury selection, docketing, case tracking, attorney notifications, fee, fine and forfeiture accounting. There are other applications possible, as well.

The additional modules are needed to make available existing staff to proceed with the test program while maintaining the current system. We believe the reduction of time consuming tasks is productive in any event.

Summary

Salary - Personnel Costs	\$ 4,900
Operating	1,300
Equipment	12,800
Software	<u>6,000</u>
Total	\$25,000

Exhibit D

DEPARTMENT OF ENERGY
DIVISION OF COLORADO RIVER RESOURCES -
Testimony Regarding Senate Bill No. 417
Senate Committee on Finance
April 13, 1981 .

Mr. Chairman and committee members, I am Duane Sudweeks, Administrator of the Division of Colorado River Resources. With me is Jim Long, Financial Manager of the Division. We are here to testify in support of S.B. 417.

The original 50 year contracts with Hoover power allottees expire in 1987. The Western Area Power Administration, which I will hereafter simply call "Western", has taken a number of preliminary steps to establish the criteria it plans to publish governing the marketing of Hoover power subsequent to the expiration of the present contracts.

The Division has taken the position with Western that Nevada is entitled to one-third of Hoover output instead of the 17.6 percent it now receives. Western's Post 1987 marketing scheme would decrease the amount of resource available to present allottees under renewal contracts. This could mean less power for Nevada and a monetary loss to Nevada contractors of approximately three million dollars annually.

Because of Western's attitude, the Division requested a \$150,000 allocation from the Contingency Fund to pay the costs of determining Nevada's legal rights. The Interim Finance Committee approved this request on August 25, 1980. A Washington, D.C. law firm was retained to assist the Attorney General in reviewing all applicable laws, legislative histories and testimony to determine Congressional intent and the State's rights to the Hoover resource. This effort resulted in a 134 page document entitled "The Legal Position of the State of Nevada with Respect to the Next Allotment of Power from Hoover Dam". The primary conclusion expressed in the document is that strong arguments exist for Nevada's right to one-third of Hoover power.

Western has postponed publishing its marketing plan while it reviews Nevada's legal position document. We have seen no change in Western's position, however, and at this time all indications point to an early publication of Western's originally proposed renewal plan. If this happens, Nevada should be prepared to litigate if necessary.

The \$150,000 allocated from the Contingency Fund has been exhausted. S.B. 417 appropriates an additional \$500,000 to the Division to continue development of the State's case for one-third of Hoover should efforts to arrive at an acceptable settlement without litigation prove futile. The money appropriated would be used to continue the services of outside legal counsel, any needed consultants or expert witnesses, related travel and court costs. With today's unknown and uncharted course it is impossible to predict the necessary total funding. The

\$500,000 requested in S.B. 417 is the Division's best estimate of the cost for the next biennium given the level of activity we can reasonably assume.

I should emphasize that if protracted litigation results, or if it becomes necessary to engage expert consultants and prepare considerable testimony, additional funding requests will undoubtedly be necessary. We believe, however, the potential gain or loss to Nevada citizens warrants our best efforts and necessary investment of public funds. For instance, we estimate the gain to Nevada of successfully obtaining one-third of Hoover to be worth approximately 31 million dollars annually in 1981 dollars. The legal position document points out that compensation is due other allottees for any facilities rendered idle as a result of Nevada's increased allotment. This compensation question is another matter that requires further legal research since it must be considered and offset against any potential gain in considering the available options.

I have tried to limit my comments to the essential highlights as they pertain to S.B. 417. There is a multitude of detail I have not addressed and you may have questions. We would be happy to answer those questions at this time.

DEPARTMENT OF ENERGY
DIVISION OF COLORADO RIVER RESOURCES
TESTIMONY REGARDING SENATE BILL NO. 304
SENATE COMMITTEE ON FINANCE
APRIL 13, 1981

Mr. Chairman and Committee Members, I am Duane Sudweeks, Administrator of the Division of Colorado River Resources. With me is Jack Stonehocker, Deputy Administrator of the Division. We are here today to provide testimony supporting Senate Bill No. 304 which seeks the appropriation of funds to purchase lands in the Eldorado Valley which were set aside for acquisition by the State of Nevada in Public Law 85-339.

After ten years of evaluating the lands set aside under Public Law 85-339, an Application was submitted on March 1, 1968 to the Secretary of Interior (Secretary), requesting sale to the State of the approximately 105,000 acres selected. The application has been retained by the Secretary since that date awaiting a request for action by the State.

The request for action has been delayed pending a development plan for some portion of the transfer area. Wadell Engineering has completed a study for Boulder City concerning relocation of their airport with a site recommendation which is within the Eldorado Valley transfer

area. The Division staff, the Eldorado Valley Advisory Group (EVAG) and the Colorado River Advisory Commission (CRAC) have concurred that a new airport and airport related industrial park would be an appropriate use for a portion of the transfer area.

If the Division is to make that portion of the Eldorado Valley available to Boulder City, the application must be acted upon. When the application is activated, there must be available a method of meeting financial obligation of the State of Nevada as set forth in the application. Nevada made a commitment to purchase all lands in the Eldorado Valley transfer area when it submitted its application to the Secretary. Once the Division begins the acquisition process by the purchase of as little as 18 sections, it is incumbent upon the Division to have anticipated the source from which the money will come to satisfy the balance of the acquisition cost. The Division is committed to pay for all remaining lands within five years of the first acquisition. The bonding authority given the Division would, by any measure of reasonableness, not be operative without a development plan of sufficient magnitude to provide debt retirement from reasonably anticipated sales of land.

The Division believes the prolonged period which the application has remained dormant holds the potential of adversely affecting the State's ability to procure the land without the possible imposition of additional terms and conditions. The legislation predates the National

^{Policy}
Environmental ~~Protection~~ Act which should preclude a
Comprehensive Environmental Impact Statement if we meet the
terms and conditions of the application.

The cost basis of this acquisition is fair market value
as of March 6, 1958. This would seem a very prudent
investment by the State in the industrial future of Southern
Nevada. Land costs average approximately \$11.75 per acre
for the entire 105,000 acres.

As development occurs the receipts from land sales are
returned to the general fund until all monies expended are
reimbursed as provided for in NRS 321.470.

The current attitudes of Interior Secretary Watt and
the Washington Administration in general are definitely
conducive to finalizing a transaction such as the Eldorado
Valley. No one can know what attitudes will prevail in
Washington two years from now.

We would be happy to entertain any questions you feel
are appropriate concerning the Division's involvement in
this matter.

Mr. Chairman and Committee Members, I am Senator Wilbur Faiss. I am here today to provide testimony supporting Senate Bill No. 304. This act would appropriate funds to purchase certain lands set aside in the Eldorado Valley for acquisition by the State of Nevada.

By way of background, the Federal Government presently owns the land just south of Boulder City, known as the Eldorado Valley. On March 6, 1958, the 85th Congress approved Public Law 85-339, which granted the State of Nevada the option to purchase approximately 105,000 acres of that land upon compliance with the terms thereof. The 1957 Session of the Legislature enacted legislation authorizing acquisition of the land, and designated the responsibility for securing the valley to the Colorado River Commission, now known as the Division of Colorado River Resources (Division).

In March 1968 the Colorado River Commission, with the advice of the Eldorado Valley Advisory Group, submitted an Application to the Secretary of the Interior for transfer and conveyance of these lands in accordance with the terms of Public Law 85-339. To date, no acceptance of the Application 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 initiate the purchase of the 105,000 acres at the original appraised value of \$1,233,100.

Among my other responsibilities, I am presently serving as Secretary of the Eldorado Valley Advisory Group. The legislative mandate of this group is to advise the Division relative to the acquisition and development of these lands. Inasmuch as a substantial

amount of time has elapsed since the State of Nevada filed its Application, the Advisory Group concluded that it is mandatory that appropriate steps be taken to acquire these lands at the earliest possible date. Therefore, by resolution dated January 12, 1981, the Advisory Group unanimously endorsed introduction of a bill to provide the necessary funds to purchase the Eldorado Valley.

An early appraisal of the land as required by Public Law 85-339 established an average cost to the State of Nevada of approximately \$12.00 per acre. It is highly probable that substantial revenues above this purchase price could be realized as the land is sold and developed. The appropriation provided by Senate Bill No. 304 would, therefore, be a very wise investment by the State of Nevada; and I strongly urge that you support this measure.

81-1 RESOLUTION

STATE OF NEVADA

ELDORADO VALLEY ADVISORY GROUP

WHEREAS, the Eldorado Valley Advisory Group was created by an act of the legislature of the State of Nevada as set forth in NRS 321.420 through NRS 321.440; and

WHEREAS, the Eldorado Valley Advisory Group is charged with the responsibility of advising the Administrator of the Division of Colorado River Resources in connection with all phases of planning and development of Eldorado Valley; and

WHEREAS, on March 1, 1968 the Colorado River Commission, in behalf of the State of Nevada, did make application to the Secretary of the Interior for transfer and conveyance to the State of Nevada approximately 105,000 acres in the Eldorado Valley pursuant to the Eldorado Valley Act, Public Law 85-339, 85th Congress, S. 1568 as amended; and

WHEREAS, said application has been retained by the Secretary of Interior since that date and has not been acted upon; and

WHEREAS, the period of time during which said application has been retained without action is excessive; and

WHEREAS, a further extension of this period of inaction may weaken the State of Nevada's position relative to the original terms and conditions; and

WHEREAS, the acquisition costs agreed upon between the State of Nevada and the Department of Interior is extremely favorable to the State of Nevada; and

WHEREAS, the Administrator of the Division of Colorado River Resources has not requested the Secretary of Interior to act upon said application pending development plans for some portion of the transfer area; and

WHEREAS, Wadell Engineering Corporation has completed a study for Boulder City, Nevada which recommends an area in Eldorado Valley for construction of a new municipal airport; and

WHEREAS, staff from Boulder City have approached the Administrator of the Division of Colorado River Resources concerning the procurement of that portion of the Eldorado Valley for airport development; and

WHEREAS, to make that portion of that Eldorado Valley available to Boulder City the application must be acted upon by the Secretary of Interior; and

WHEREAS, when the application is acted upon by the Secretary of Interior there must be available a method of meeting the financial obligation of the State of Nevada as set forth in said application; and

WHEREAS, the present bond market and lack of immediate development plans for the remainder of Eldorado Valley render bond sales inadvisable at this time; and

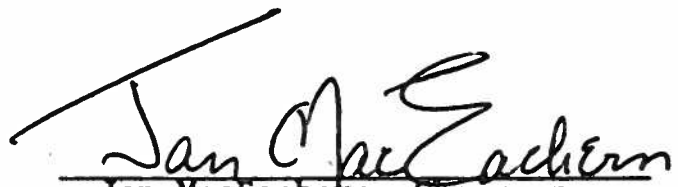
WHEREAS, time is a critical factor for the development of the Boulder City airport; and

WHEREAS, the Eldorado Valley Advisory Group believes the development of the Boulder City airport to be an appropriate use of a portion of the Eldorado Valley.

NOW, THEREFORE, BE IT RESOLVED, that the Eldorado Valley Advisory Group petition the Governor and the legislators of the Senate and Assembly of the State of Nevada to expeditiously make funds available to the Eldorado Valley development fund (NRS 321.460) for the acquisition of the entire Eldorado Valley Transfer Area as set forth in the Eldorado Valley Act, Public Law 85-339, 85th Congress, S. 1568 as amended.

BE IT FURTHER RESOLVED, that all monies received by the Division for the purchase of lands in the Eldorado Valley should be accounted for as specified in NRS 321.470.

Adopted at a regular meeting of the Eldorado Valley Advisory Group on January 12, 1981.


Jan MacEachern, Chairman
Eldorado Valley Advisory Group

January 12, 1981
Date