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**PROPOSED BILL AB393 PRESENTATION
RETENTION**

Introduction: Good afternoon, my name is Brent Moser—I work for the Clark County Water Reclamation District in Las Vegas NV, previously known as the Clark County Sanitation District. I am a Principal Civil Engineer for the District and Supervisor of Construction Management.

The District is very concerned about the consequences of AB393 and oppose the passage of this bill.

Since 1999 the District has constructed approximately \$350M of new Capital Facilities. The majority of the projects that we construct contain very expensive, complex Wastewater Treatment Plant Equipment with intricate Instrumentation and Control Devices. A typical project valued at \$30M usually contains about \$10M-\$15M of Equipment, Instrumentation & Control. During the final days of the project is when the contractor is in the process of proving that the equipment and devices operate and function as intended. This is a large and costly coordination effort that involves many subcontractors, and suppliers. That does not take into account that there will also be a substantial and varied amount of punch list work for the remainder of work on the project. It is also very common to have other potential issues surface in the final days of a project such as Prevailing wage rate non-compliance, Liquidated damages, and discharge permit violations. Add to that, critical close out documentation, As Built drawings, demobilization, and it becomes very apparent that the Owner would come up extremely short of completing these tasks with \$50,000 of retention money that would be available under the proposed retention Bill AB393.

If the Contractor were to default or abandon the project, it would be very unlikely that the surety would compensate the Owner for what they may perceive as overpayment to the contractor. [In current times more and more sureties are going out of business which would increase the financial responsibility of the Owner] [The final cost to the District for this example could easily be valued in excess of a \$1M. Proposed bill AB393 would put the Owner in a precarious and vulnerable position that could have been avoided with our current retainage language.

The Clark County Water Reclamation District recognizes that Contractor's would like to receive retention money sooner, but we feel that proposed bill AB393 is not an appropriate solution. The District is willing to sit down at the table with all concerned parties to work out a reasonable solution to this matter. But we urge that Bill AB 393 does not end up becoming the solution. Thanks for you time.

Questions?