

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
MAY 2, 1975

653

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

Senator Floyd R. Lamb was in the Chair.

PRESENT: Senator Floyd R. Lamb, Chairman  
Senator James I. Gibson, Vice-Chairman  
Senator B. Mahlon Brown  
Senator William J. Raggio  
Senator Clifton Young  
Senator Warren L. Monroe  
Senator Lee E. Walker

OTHERS: William Hancock, Public Works Board  
Carrol Nevin, Crime Commission  
John McDonald, Highway Department  
Chief James Lambert, Highway Patrol  
Stan Warren, Nevada Bell  
Tom Wilson, Nevada Bell  
Gene Phelps, Highway Department  
Howard Hill, Highway Department  
Noel Clark, Public Service Commission  
Ron Sparks, Fiscal Analyst

Correctional Center

Mr. William Hancock testified on the site that he toured in Jean, Nevada. Mr. Hancock said that there was nice contour to the site; however, distance is a factor, the townsite needs cleaning up, and something will have to be done with the railroad housing there.

Senator Young - Motion to approve the Jean, Nevada site, on the following criteria:

- a) Peter Simons signs a performance bond in the amount of \$500,000
- b) The legal work must be completed by July 1, 1975, and the construction work by January 1, 1976.
- c) Legislative procedure must be followed to find an alternate site in case the Jean site is not feasible.

Senator Gibson - 2nd  
Motion Carried.

Mr. Hancock asked what procedure the Board would follow to choose an alternate site.

Senator Young - Motion that if the Jean, Nevada site is not feasible, any alternate would be subject to approval by the Interim Finance Committee.  
Senator Gibson - 2nd  
Motion Carried.

PAGE TWO

AB 161

Mr. Carrol Nevin gave testimony on how the Communications Board began. Mr. Nevin said that the microwave system includes users such as the Emergency Medical Services; schools; Civil Defense; all federal, State and local law enforcement systems; Nevada Highway Patrol; Highway Department; Fish and Game; Forestry.

Senator Raggio asked why there is a need for the State General Services to use this system. Mr. Nevin said that General Services controls the telephone communications, and in some cases the microwave system will be less expensive and more efficient to use. Mr. Nevin said that Pioche and Winnemucca both have certain phone lines that could be replaced by microwave at less cost, however, there is no attempt on the part of the Board to go into the telephone business.

Senator Young asked how many people will be involved now whose salaries will be paid by the State, and how many more will there be in perhaps the next two to five years. Mr. Nevin said that there is a Director for the Board, a secretary, and two technicians for maintenance. Chief James Lambert said that each using agency has its own technicians. Senator Monroe asked how many maintenance men would be in Elko. Mr. John McDonald said that there are currently two radio technicians in Elko in the Highway Department, and the Highway Patrol, and there won't be any additions. Mr. McDonald said that there is a cooperative effort among all the agencies in emergency services, but the agency technicians will be responsible for their respective radios. Chief Lambert said that the Department of Fish and Game furnishes the shop area to the technicians in Elko, and the Highway Patrol maintains their radios in return.

Mr. Stan Warren testified in behalf of Nevada Bell on this bill, and said that he had the endorsement of Mr. Wayne Norris from Central Telephone in Las Vegas on this presentation. Mr. Warren said that the proponents of the bill have already said that they will take over certain Bell systems because they feel that it will be less expensive to be on their system. Mr. Warren said that Nevada Bell is not against mobile radios for certain agencies, nor are they against calls made from dispatcher to another dispatcher. Mr. Warren said that the way the bill is written, it does not tell the whole story. Mr. Warren said that all the costs should be considered before a decision is made, as there is already approximately \$1 1/2 million in the system now, and this does not include all the finishing costs. Mr. Warren said that the low bid for completion is \$246,000 more than is available, and this will not provide a 220 channel system as has been stated.

Mr. Warren referred to the pamphlet that he distributed to the Committee, and showed that on the, "Projected Savings of Nevada Teletype System", the costs for connection to the teletype were not given, and there is a problem involved in Nevada Bell maintaining a teletype that is connected to someone else's system. Mr. Warren also showed in this handout that in the Executive Budget the system is stated as being self-supporting, however if in accord with A.D. Little's study, 10% is to be expended

PAGE THREE

for Maintenance, and 10% for depreciation, plus the subtraction of the General Overhead costs, then in the first year of the Biennium the system will not be self-supporting by \$316,414, and by \$231,905 in the second year.

Senator Raggio asked if Mr. Warren's figures take into account the Civil Defense revenue. Senator Lamb noted that these are all federal funds. Mr. Warren said no, but the comparisons should be made on a fair basis. Mr. Warren further stated that if the microwave system fails, Nevada Bell should not be expected to be standing by to back this up. Mr. Warren said that he also had not heard an answer concerning the question Senator Brown had on the Watts lines being tied up. Mr. McDonald said that the proposed system does not intend to replace the Watts Line System. Mr. Warren also discussed the problems involved with split management between users, divided maintenance on the equipment, the use of snow vehicles, and supplies; and he also said that Nevada Bell has a 'hot' stand-by system, but the microwave proponents say that they will not use one. Mr. Warren handed out pictures that compared the types of towers used by each system, and noted that the Bell towers are of much more sturdy construction, and cost well over \$100.00/foot. Mr. Warren also submitted two amendments that he would like to have considered (one or the other) to S.B. 161 (see attached).\*

Senator Lamb said that he didn't see a savings if Federal money is involved, because there is always the possibility that this will be recalled, and the Board will come back for State funding. Senator Lamb said that Mr. Nevin should concentrate on the responsibility he has now. Senator Raggio said that he felt that it would be foolish not to complete the system, and he asked if anyone had fault with Mr. Warren's amendments. Senator Brown asked if Mr. Warren was proposing that a study be held every two years. Mr. Warren said that the system should be reviewed periodically, probably prior to each legislative session when the budgets are being prepared.

Senator Young asked how many maintenance people would be needed if Nevada Bell kept-up the system. Mr. Tom Wilson said that that is a difficult question as Nevada Bell has people in several locations; however, this would reduce the travel time for repair substantially.

Senator Gibson asked if 10% for maintenance is just a rough figure. Mr. Gene Phelps said that this includes land acquisition, access roads, etc. Mr. Wilson said that the maintenance figure is based on a capitalized figure of development.

Senator Raggio asked the Highway Department if the picture of their stations submitted by Mr. Warren was realistic. Mr. McDonald said yes, but we haven't experienced any vandalism, and we use the most economical means possible for construction. Senator Gibson asked how long have they had these systems. Mr. McDonald said the Department has had most of them for seven years or more.

\* Not included in minutes.

PAGE FOUR

Senator Young asked if other State systems have had problems with maintenance and back-up. Mr. Warren said that in Florida it was decided to stay with the Bell system, and in California a State system was started, but now they are asking the Bell System to buy back the operation, and some of the equipment was not usable.

Senator Raggio asked Mr. Warren how he wants the amendments considered. Mr. Warren said either pass the original, or the suggested insert, and he added that the first amendment takes this agency which we propose and makes it a matching party for a mobile radio system.

Mr. Howard Hill said if the Committee accepts this amendment, the Division of Motor Vehicles would like to make the following changes:

"Any proposal designed to provide telecommunications service, equipment or facilities to the State of Nevada shall be provided by the private sector unless following an analysis by the Board, savings can be achieved for all factors involved."

Senator Raggio agreed that there is a need for the Board to approve the system, so that there is a guarantee of prohibiting the private sector.

Senator Lamb asked what neighboring states have these systems. Mr. Warren said that there is a teletype system and mobile radio system in Arizona, and Washington State has a mobile radio system.

Chief Lambert said that the maintenance can't be divided out of the other costs, because of the multiple users in the system.

AB 452

Mr. Noel Clark said that six people will make up this consumer division, with the Director rated as unclassified, four consumer analysts, and a secretary. Mr. Clark said that if complaints and hearings are at a low-level this group will conduct interviews to review utilities.

Senator Young asked if Mr. Clark feels that there are problems that he is not aware of. Mr. Clark said yes, especially concerning telephone service. Senator Young felt that inciting people to complain would open 'Pandora's Box'. Mr. Clark cited a case in Dayton where it took a year to learn of a problem with the telephone service, and he added that the Commission has a constant backlog of complaints and no staff to handle them. Mr. Clark said that these people could be used to explain utility rates and operations to the public.

Senator Gibson questioned that there might be other areas where increased financing would be more valuable to the Commission than with this Division. Mr. Clark said that this program can be phased in, as it wouldn't reach its peak level the first year. Senator Gibson said that to him, the Commission as it stands now, represents the consumer.

PAGE FIVE

Senator Lamb agreed with Mr. Clark that the Commission is not aware of all the consumer problems. Senator Raggio said that the Commission has an 'image' problem in that the public sees the Commission as favoring the utilities, and this may, or may not improve. Mr. Clark said that if the same man who goes out and explains rates to an individual, also represents this person in a hearing, then perhaps the Commission won't carry such a biased 'image'.

Senator Young said that he felt that a young attorney as Director, and four staff members could not give adequate representation. Mr. Clark said that cities and counties will still have to maintain a high level of representation. Senator Gibson said that to him an understanding by the public about rates and meter reading is a responsibility of the utilities, and that this division may cause more harm than good if look on as an 'in-house' operation.

SB 584 (See attached bill)

Senator Raggio - Amend and Do Pass  
Senator Young - 2nd  
Motion Carried.

Capital Improvement 75-32:

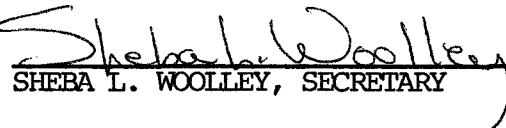
Senator Brown - Motion to appropriate \$366,000 for this project in General Fund monies.  
Senator Gibson - 2nd  
Motion Carried.

There being no further business, the meeting was adjourned at 10:15 a.m.

RESPECTFULLY SUBMITTED:

APPROVED:

  
FLOYD R. LAMB, CHAIRMAN

  
SHEBA L. WOOLLEY, SECRETARY

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 584

SENATE BILL NO. 584—COMMITTEE ON FINANCE

APRIL 28, 1975

Referred to Committee on Finance

SUMMARY—Requires contracts from students certified under Western Regional Higher Education Compact. Fiscal Note: No. (BDR 34-1988)

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to the Western Regional Higher Education Compact; requiring contracts from certified students; establishing criteria for such contracts; and providing other matters properly relating thereto.

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

- 1 SECTION 1. NRS 397.060 is hereby amended to read as follows:  
2 397.060 1. The commissioners shall:  
3 [1.] (a) Choose from among Nevada residents who apply those most  
4 qualified for contract places; and  
5 [2.] (b) Certify them to receiving institutions.  
6 2. Before certifying a student the commissioners shall, on behalf of  
7 the state, enter into a written contract with the student. The contract shall:  
8 (a) Set forth the methods and terms of repayment by the student to the  
9 state and shall be on terms and conditions and in a form provided by the  
10 commissioners.  
11 (b) Provide that the student shall, immediately after completing his pro-  
12 fessional education and internship, apply for any license or certification  
13 necessary to the practice of his profession in Nevada and begin the prac-  
14 tice of his profession in Nevada within 1 year after receiving his license or  
15 certification.  
16 (c) Provide that if the student engages in the practice of his profession  
17 within the state his indebtedness to the state may be discharged:  
18 (1) If he practices his profession in a city or town of 7,500 population  
19 or less, at the rate of 1 year of practice for each 1 year of study for which  
20 a portion of the cost was paid by the state; or  
21 (2) By payment to the state of all sums owed by the student within 6  
22 years after the completion of his professional education and internship  
23 together with interest at the rate of 4 percent per annum from the date or  
24 dates of disbursement by the state.

THIS EXHIBIT IS 2 PAGES LONG.  
CONTACT THE RESEARCH LIBRARY FOR  
A COPY OF THE COMPLETE EXHIBIT