

Committee in session 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 Eugene V. Echols
Senator Norman D. Glaser
Senator Thomas R. C. Wilson
Senator Lawrence E. Jacobsen
Senator Clifford E. McCorkle

ABSENT:

OTHERS: Mr. Ronald W. Sparks, Chief Fiscal Analyst
PRESENT: Mr. Eugene Pieretti, Deputy Fiscal Analyst
Mr. Howard Barrett, Budget Director
Mr. Roland Westergard, Director, Department of Conservation and Natural Resources
Mr. Lody Smith, State Forester
Mr. Noel Clark, Director, Department of Energy
Mr. Kelly Jackson, Deputy Director, Department of Energy
Mr. Duane Sudweeks, Director, Colorado River Resources
Mr. James Long, Financial Manager, Colorado River Resources
Mr. Joe Miner, Program Administrator, Predatory Animal and Rodent Control
Mr. Mike Laughlin, Assistant State Supervisor, Predatory Animal and Rodent Control
Mr. John Rice, Associated Press
Mr. Cy Ryan, United Press International

S.B. 179 - Meals for employees of the forestry division while fighting fires.

Senator Jacobsen moved "Do Pass" on S.B. 179.

Seconded by Senator Gibson.

Motion carried unanimously.

DIVISION OF FORESTRY - Page 676
Young Adult Conservation Corps

Mr. Roland Westergard and Lody Smith represented the Division of Forestry.

Mr. Smith said that the Young Adult Conservation Corps is totally federally funded. They have two crews, one in Las Vegas and one in Reno, to do conservation work around these areas. The ages of the youths are 15 to 24 and they have to be recruited through the Employment Security Department.

Nurseries - Page 678

The Nurseries receive their funds by selling plants. They receive some federal funds for special projects which they are asked to work on. Their crews consist of Young Adult Conservation Corps youths and prison inmates.

Mr. Smith said they are moving into new complexes and the facilities will be moved from downtown Reno to Washoe Valley. Presently they have no buildings in Las Vegas, but they have a new structure in the works. Mr. Smith said he had no idea how much the solar unit is going to cost in Las Vegas.

Senator Jacobsen asked what the solar unit was to be used for. Mr. Smith said it is the first one of its kind in the United States; that is, a solar heated green house. The unit is 40 tons of river rock with a reversing fan on a thermostat that puts the heat back in. The Fleischmann grant of \$25,000 was for the completion of the solar unit.

Watershed Rehabilitation - Page 681

This is a holding fund in the event they do have a major fire in their area of responsibility. This allows them to work with the landowners for the funds to reforest the areas.

Forest Fire Suppression - Page 682

This pays for the overtime, volunteer fire department expenses, tools and equipment utilized on the fire suppression activities. Senator Jacobsen asked Lody Smith to put some figures together on what a fire crew would cost if it were self-contained.

FOREST FIRE SUPPRESSION

Senator Gibson moved for approval of this budget.

Seconded by Senator Jacobsen.

Motion carried unanimously.

WATERSHED REHABILITATION

Senator Jacobsen moved for approval of the Governor's recommendation for this budget.

Seconded by Senator McCorkle.

Motion carried unanimously.

FOREST NURSERIES

Senator Jacobsen moved for approval of the Governor's recommendation for this budget.

Seconded by Senator Gibson.

Motion carried unanimously.

CONSERVATION CORPS:

Senator Gibson moved for approval of the Governor's recommendation for this budget.

Seconded by Senator Jacobsen.

Motion carried unanimously.

DEPARTMENT OF ENERGY - Pages 683-694

Noel Clark, Director of the Department of Energy, presented his budget. Mr. Kelly Jackson, Deputy Director of the Department of Energy assisted him.

Mr. Clark explained that the positions were administratively approved, but not legislatively approved. Senator Gibson asked what their Other Contract Service was. Mr. Jackson said they are contracting certain services in relationship to forecasting activities. Rather than hire a full-time staff position with the technical background they need, they are looking at contractual services.

Senator McCorkle asked why they need those additional people. Mr. Jackson explained they need a Planner Engineer for technical services related to federal and state programs such as solar, energy conservation and geothermal energy. Mr. Clark went on to justify the other new positions to Senator McCorkle. Mr. Clark said the \$76,000 would pay for the positions.

Senator Jacobsen asked Mr. Clark if there was an emergency situation, would his department be prepared to handle it. Mr. Clark replied that it would.

Senator Jacobsen asked about gas rationing. Mr Jackson said that

the Federal Government is preparing a program. Mr. Clark said they have a monthly inventory for emergency situations.

RESEARCH AND DEVELOPMENT - Page 687

Senator Lamb asked why their In-State Travel went from \$444 to \$2,100. Mr. Clark said that it was due to the geothermal development.

Senator Lamb asked what their current projects were. Mr. Clark said the Nevada Research Program (which is just winding down) was a federal grant. There was also the Four Corners Grant for geothermal energy. He said the Division is in the process of re-drafting the new contract for this, which will give them an excess of \$80,000 in federal money.

COLORADO RIVER RESOURCES - Page 695-696

Mr. Duane Sudweeks, Administrator, and Mr. Jim Long, Financial Manager, represented the Colorado River Resources.

Mr. Sudweeks read his testimony. (See Attachment A.) In relation to Senator Lamb's question about Out-of-State Travel, Mr. Long stated that it is because of the three law suits that are being heard in Washington, D. C.

Senator Lamb asked about their reserve. Mr. Long explained that it is the amount that is remaining at the end of the year. It is the amount that their revenues exceed their expenditures; and is the amount that is carried forward into the next year.

Senator Gibson asked about the status of the development of their work on the new power contracts. Mr. Sudweeks said they are using the Deputy Attorney General assigned to them. At this point in time, they do not know all the criteria.

Senator Wilson asked about the renewal contract coming up in the next four years. Mr. Sudweeks said that the first major one will be the Parker-Davis System in 1986, Hoover Dam in 1987, and the Colorado River Storage Project comes up for re-allocation in 1989. He stated that their Deputy Attorney General is Bryan O'Kay.

PREDATORY ANIMAL AND RODENT CONTROL - Page 719

Mr. Joe Miner, Program Administrator, and Mr. Mike Laughlin, Assistant Program Administrator, presented the budget. Mr. Laughlin read the testimony. (See Attachment B.)

Senator Lamb asked if Fish and Game gave them \$20,000. Mr. Laughlin answered yes.

Senator Lamb asked him if Fish and Game had anyone that controlled predatory animals. Mr. Laughlin said no.

Senator Glaser asked about the aircraft operation which costs \$65,000. Mr. Laughlin stated that the aircraft and pilot is furnished by the contractor they lease from.

Senator Lamb asked what their other contract service was. Mr. Laughlin said it was concerned with lion hunting. Senator Lamb asked about control of the mountain lion. Mr. Laughlin replied that the lion has to kill something before they can do anything about it.

Senator Lamb asked if Fish and Game shouldn't be concerned about the mountain lion population. Mr. Laughlin replied that they have not been able to do the job of controlling the population of mountain lions in Nevada. He said they have been without a mountain lion hunter in Elko and it has really cut into their lion program.

Senator Lamb asked if the mountain lion population is devastating to the deer, antelopes, etc. Mr. Laughlin said the work he has been involved in primarily for the last 24 years has been lions and livestock. He said that lions do kill a number of deer; but the amount of devastation on a particular deer herd would depend upon the area.

Senator McCorkle asked what it costs to kill one coyote through their program. Mr. Laughlin replied that coyotes take about 75 percent of their budget. The total number of coyotes taken in Fiscal Year 1978, was 4,323. Of this total, 2,226 were taken by aerial methods. This is one of the more expensive ways of taking coyotes; but ground trapping proved to be the most expensive way. Senator McCorkle remarked that 80 percent of their budget is spent on taking coyotes; at 4,323 coyotes that is \$87.00 apiece.

Senator Jacobsen asked what kind of relationship they have with Fish and Game. Mr. Laughlin said that they have had their differences in one or two areas, but the relationship isn't all that bad.

GRAZING BOARD CONTRIBUTIONS - Page 721

Mr. Mike Laughlin said this budget represents those funds deposited by three Nevada Grazing Boards for aerial hunting for predators within their respective boundaries. The \$22,000 for the 1979-80 and the \$22,000 for the 1980-81 fiscal years, is the best estimate of the funds they might contribute.

WOOL GROWERS PREDATORY ANIMAL CONTROL - Page 722

Mr. Laughlin said this budget is derived from the 20 cent per head tax on sheep. (See Attachment C.) Senator Lamb said their fur sales are too low. Mr. Laughlin replied that there are approximately 3-1/2 months (October, November and December) when the furs are salvageable. During and after the mating season the animals tend to root around in the snow and the hair is rubbed off. When this happens, a \$100 coyote pelt becomes a \$2.50 pelt three weeks later. Senator Wilson commented that this was why their estimate was for \$10,000.

SHEEP COMMISSION - Page 724

Mr. John Humphrey, Commissioner of the Sheep Commission, stated that it was organized in 1905 for the purpose of protecting the health of Nevada sheep, so the products of the industry can be readily accepted in inter-state transfer. (See Attachment D.)


Meeting adjourned at 9:30 a.m.

Respectfully submitted,



Carol Lee Chavez, Secretary

APPROVED:



Floyd R. Lamb, Chairman

A G E N D A

Senate Committee on Finance

Date Thursday, February 15, 1979

Time 8:00 a.m. Room 231

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel Requested*</u>
Budget Page 669-682	Division of Forestry	
Page 683-694	Department of Energy	
Page 695-696	Colorado River Resources	
Page 719	Predatory Animal and Rodent Control	
Page 721	Grazing Board Contributions	
Page 722	Woolgrowers Predatory Animal Control	
Page 724	Sheep Commission	

*Please do not ask for Counsel unless necessary.

DEPARTMENT OF ENERGY
DIVISION OF COLORADO RIVER RESOURCES

Remarks on 1979-81 Biennium Budget
Presented February 15, 1979

Corresponding Executive Budget Page Nos. 695 & 696

Senate Finance Committee

Mr. Chairman and Committee members, I am Duane Sudweeks, the Administrator of the Division of Colorado River Resources. With me is Jim Long, the Division's Financial Manager.

I have only a few comments supplementing the program statement contained on page 695 of the Governor's Executive Budget. No General Fund appropriations are requested. Programs of the Division are funded by an administrative charge collected from power and water contractors plus reimbursements from other accounts, principally the Southern Nevada Water System, for salaries and overhead properly allocable to those accounts. The administrative charge paid by power contractors was increased on July 1, 1977 from .1 mills to .127 mills per kilowatt-hour to provide a fair share of additional revenues necessary to fund the 1977-79 budget. This was the first increase imposed since early in 1970. We believe this rate is sufficient to fund the 1979-81 budget without further increase and leave a reasonable fund balance on June 30, 1981.

No additional personnel positions are requested. The legal and court expense line item has been increased to allow the Division to reimburse the Attorney General's account for the services of a full time Deputy Attorney General who has been serving the Division on a one-half time basis. Three current court actions, legal consideration relative to construction of the second stage of the Southern Nevada Water System, and preparation for Hoover, Parker-Davis and Colorado River Storage Project power contract renewal negotiations require the services of a full time Deputy Attorney General.

During the biennium, construction activities will continue for Stage II of the Southern Nevada Water System. Completion is scheduled for late 1981. In-house activity on this program has been, and will continue to be, accomplished with the present staff. S. B. 61 has been introduced this session which amends Chapter 482, Statutes of Nevada, 1975 authorizing the construction and financing of Stage II. No General Fund monies are requested for this activity. Construction and related activity will be funded from bond sale proceeds.

Mr. Long and I would be pleased to answer any questions you may have.

EXHIBIT A

PREDATORY ANIMAL & RODENT CONTROL BUDGET

NARRATIVE STATEMENT

N.R.S. 567.010-.090 established the State Predatory Animal and Rodent Committee to cooperate with the U.S. Fish and Wildlife Service with such funds as might be made available for the control of predatory animals, crop destroying birds, and rodents within the State of Nevada.

This budget is one of three major fund sources that finance the Nevada animal damage control program supervised by the U.S. Fish & Wildlife Service. The other two budgets are from the Woolgrowers Predatory Animal Control Committee and the U.S. Fish & Wildlife Service.

Major emphasis of the program in Nevada is the control of coyotes and mountain lion to protect sheep and cattle on both private and public lands. The use of chemical toxicants for predator control was restricted by Presidential Order in 1972. Since then, trapping and shooting (primarily from aircraft) are the principal successful methods of coyote control. Depredating mountain lions are taken with trained hunting dogs, and a few with snares.

PERSONNEL

This budget requests 20 positions, a reduction of one. The 1977-78 budgets authorized 21. The entire program is dependent on these positions since they represent all except two of the field workers who provide the trapping and aerial gunning services throughout the state.

Without these positions there could be no field program of

EXHIBIT B

trapping and aerial hunting to reduce predation on livestock.

^{g.l.c.}
A reduction in the number of positions would reduce services and increase livestock losses to predators.

The increase in the salary sub-account is entirely due to inflation. Positions are at the same grades as in previous budgets. Requested funding for overtime is \$1,500. Compensatory time off is the normal method of compensating employees for overtime.

IN-STATE-TRAVEL

Sub-account item 6200 in the amount of \$16,000 is for per diem expenses of the employees. Most of these funds are spent in reimbursing employees at an \$8 per day "grub box" rate when they are in field camps. If these funds were not available and field employees returned to their homes each night, the increased mileage costs for the extra travel and the unproductive hours spent in travel status would be a larger expense and result in less service to livestock producers.

Sub-account item 6230 in the amount of \$9200 reimburses 18 of the field employees at the rate of \$45 per month for furnishing a horse on official business. Horseback travel to livestock ranges in mountainous and rough terrain is a necessity in providing predator control services.

Sub-account item 6240 in the amount of \$77,400 is for mileage payments to all 20 employees who furnish their personally owned 4-wheel drive vehicles on the job. No motor pool or agency

vehicles are available for employees. They each average 19,350 miles per year and are reimbursed at the maximum rate of 20¢ per mile. Any reduction in this sub-account would limit travel, reduce predator control services, and result in increased predation on livestock. Funds requested for this in-state-travel category are \$3,320 less than authorized in the 1977-78 budget and the reduction is the result of reducing one position.

Item 7070, Other Contract Service, reimburses a lion hunter for dog rental (8 dogs at \$14 per month per dog) and reimburses an employee for use of his snowmobile (30 days at \$15 per day of use). Item 7090 in the amount of \$500 is for equipment repair. Item 7160, Aircraft Operation, pays charter costs of airplanes and helicopters for aerial hunting of coyotes. The ^{65,000}~~70,000~~ requested would provide 875 hours of airplane charter at \$40 per hour and 250 hours of small helicopter charter at \$140 per hour. Aerial hunting is the only successful alternative to the use of toxicants for the selective control of coyotes over the large areas of remote open range used by livestock in fall, winter, and spring months. The more expensive helicopter charter is needed to successfully hunt rough and tree covered areas where airplanes are not effective. This budget requests \$10,000 increase in aerial hunting funds to pay for the increased cost of these services. Item 7970, Raw Materials, in the amount of \$5,000 is needed for the purchase of ammunition (\$1,000 for rifle ammunition - \$2000 shotgun shells for aerial hunting) and trapping supplies.

John E. Humphrey
JOHN E. HUMPHREY

EXHIBIT B - J

STATE WOOLGROWERS PREDATORY ANIMAL BUDGET

NARRATIVE STATEMENT

N.R.S. 567.100-.170 established the State Woolgrowers Predatory Animal Committee to levy a special tax on sheep for predatory animal control, to accept contributions and fur sale receipts, and to enter into agreements with the U.S. Fish & Wildlife Service for control of predatory animals.

This budget is one of three major fund sources that finance the Nevada animal damage control program administered by the U.S. Fish & Wildlife Service. The other two budgets are from the State Predatory Animal and Rodent Committee and the U.S. Fish & Wildlife Service.

Three main fund sources finance this budget. A tax of 20¢ per head on sheep is collected by county tax assessors and deposited in this budget. Receipts for the sale of furs taken in the Nevada Animal Damage Control Program are deposited in this budget. The third fund source, shown as a separate budget, are monies received from three Nevada Grazing Boards for aerial hunting within their respective district boundaries.

Since this budget is funded by ear marked funds, this is a request for legislative approval of planned expenditures based on best current estimates of income and program needs.

A minimum carry-over of \$10,000 is necessary to pay salaries and travel expenses of employees in this budget. Tax receipts and fur sales do not provide income until the September-October period. The carry-over is necessary to meet expenses from July 1 to October.

EXHIBIT C - 1

PERSONNEL

Two existing positions are requested in this budget. Anticipated revenue during the two budget years is only adequate to finance two positions and associated travel expenses.

IN-STATE-TRAVEL

A total of \$11,970 in-state-travel funds are requested for each of the two budget years. Planned expenditures include \$8,320 for 41,600 miles of travel annually by the two employees who are reimbursed at the rate of 20¢ per mile for their personally owned 4-wheel drive vehicles. Horse hire expenses amount to \$1620 per year for three horses. Each employee is reimbursed \$45 per month per horse. Per diem expenses of \$2,030 are planned to pay camp rate and commercial lodging expenses of the two employees.

OPERATING EXPENSES

Operating expenses of \$16,344 are budgeted for FY79/80 and \$3,973 for FY80/81. Sub account 7070 is to pay for dog hire in mountain lion control (\$1344 each year). Sub account 7160 is for aerial hunting of predators. Anticipated revenue reduces this sub account from \$15,000 in the first budget year to \$2,629 the second year.

BUDGET - AGENCY NO. 231-4601

This budget represents those funds deposited by each of three Nevada Grazing Boards for aerial hunting of predators within their respective borders. They each require separate records for the expenditure of their funds. The \$22,000 for 1979-80 and \$22,000 for 1980-81 is our best estimate of the funds they might contribute.

John E. Humphrey
JOHN HUMPHREY

11/10/79 at E

SAVAL RANCHING COMPANY

North Fork, Nevada via Elko 89801
Phone: North Fork 6427

U.S. Fish and Wildlife Service
Branch of Animal Damage Control
18th and C Streets N.W.
Washington, D.C. 20240

Dear Sir;

In behalf of the Saval Ranching Company, I would like to offer some comments in support of the current Animal Damage Control Program.

Coyotes are a problem on the Saval Ranch. They have killed and maimed many calves of various ages and sizes. They pose the greatest threat during the late winter and early spring calving season. When a cow is down giving birth to a calf, she is vulnerable. We have had several cases in which newborn calves have been killed before the cow was able to get up and ward off the coyotes. First calf heifers also pose a particular problem. Often they will not readily claim their newborn calf and will walk off and leave it. The defenseless calf is then easy prey for coyotes. Occasionally, coyotes will attack and kill healthy and vigorous calves that have survived the postnatal obstacles of life.

In 1978, 22 calf deaths were attributed to coyotes. The majority of these occurred at the beginning of the calving season. U.S. Fish and Wildlife personnel were called in to assist in curtailing these losses. They did a postmortem autopsy on 4 calves and verified that the calves had been killed by coyotes. ADC personnel logged 10 helicopter hours and 8 airplane hours in gunning coyotes during the spring and killed 58 coyotes. Following the initial flights, calf losses were drastically reduced.

In January 1979 one calf was killed by coyotes. Concentrations of coyotes have been observed adjacent to the meadows where the cattle are being fed. To prevent the initial losses at the beginning of the calving season, ADC personnel were called in to reduce these coyotes. A helicopter was flown for 5 hours on January 30 and 23 coyotes were killed.

After the flying and gunning in 1978 calf losses to coyotes ceased. To prevent these losses in 1979, ADC personnel were asked to reduce coyote numbers in areas surrounding cattle. A total of 81 coyotes have been killed on the Saval Ranch as of February 1, 1979 by

SAVAL RANCHING COMPANY

North Fork, Nevada via Elko 89801
Phone: North Fork 6427

aerial gunning. However coyotes are still abundant on the Saval Ranch. Preliminary surveys conducted by the Nevada Fish and Game and the University of Nevada personnel in conjunction with the Saval Ranch Research and Evaluation Project (evaluating effects of livestock grazing and range improvements on all multiple uses) indicate that coyotes are prevalent on the Saval Ranch. Thus the aerial gunning has been effective in reducing calf losses but has not eliminated coyotes from the area.

It is realized that not all coyotes are responsible for killing calves. But it would be impossible to identify the offending individuals and eliminate them. Our cattle are wintered in small groups and spread over a large area. We don't have the manpower to observe each group of cattle through the evening and early morning when the kills are usually made. If the manpower was available, the extreme cold and adverse weather would prevent diligent observation. Therefore, it is much more practical to kill as many of those coyotes in the vicinity of the cattle in hopes of getting those that are doing the killing.

People shooting at coyotes and trapping in the area have made the coyotes on the ranch leery and wise, thus preventing effective control by these means. Aerial gunning has been very effective in the open meadows and low brush. Other methods are effective in other areas and other situations to curtail specific problems.

We therefore recommend that nothing should be cut from the current Animal Damage Control program. The flexibility and resources should be available to control and prevent livestock loss wherever it occurs with the methods that have proven most effective for that particular area.

Thank you for the opportunity to comment on this issue that has such a great bearing on our livelyhood. The ADC program has been effective in reducing our calf losses and we would strongly recommend that it be continued.

Sincerely,

Michael H. Ralphs
Manager