

MEMBERS PRESENT: Chairman Dini  
Vice-Chairman Schofield  
Mr. Craddock  
Mr. DuBois  
Mr. Jeffrey  
Mr. May  
Mr. Nicholas  
Mr. Polish  
Mr. Prengaman  
Mr. Redelsperger

MEMBERS EXCUSED: Mr. Mello

GUESTS PRESENT: Please refer to Guest List attached.

Chairman Dini called the meeting to order at 8:05 A.M.

Mr. Dini stated the first bill to be considered would be AB 494.

Bob Gagnier, Executive Director, State of Nevada Employee's Association testified first. He stated that AB 494 was requested by us and we would like to thank the committee for getting it printed and introduced. The bill has two purposes and the purposes are to allow for classification of a large number of unclassified employees in two departments of state government. One, the University of Nevada System, and the other, the Gaming Control Board.

Two years ago we introduced a bill which was considered in the Senate and was very broad. It would have classified in effect all non-teaching which at that time was estimated by Dr. Butler to be about 300 employees statewide. It would also have unclassified more people within the Gaming Control Board. What we did this time was to go back and determine that some mechanism needed to be built into the law to allow for a variety of people, administrative people within the University of Nevada system particularly to be unclassified because as it was determined two years ago, the way we had originally written the legislation the vice presidents of the two universities would have been classified and that was not our intent so what we suggested to the bill drafters in doing this was to allow a mechanism for the personnel advisory commission to set up a hearing and determine which administrative officers of the university system and the Gaming Control Board would be unclassified. The remainder would then be classified. Particularly with the University of Nevada System, we have a large number of people there that we consider to be in a no-mans land; they are neither a member of the teaching staff nor classified. The way we read the law currently we could probably make a legal case that they should be in fact classified at this time because it reads officers and members of the teaching staff are currently unclassified and I think you could make a legal case that that means only officers and the teaching staff. Everybody else must be classified. The same holds true for the Gaming Control Board

which was taken care of on the second page on lines 7 and 8. I do think that our intent should be made clear insofar as two functions of the University of Nevada System are concerned. We had to send this bill back to billdrafting once because it was not written correctly. They tell us that now it does what we intended. It is not our intent to change in any manner whatsoever the current status of the agricultural extension service or the Desert Research Institute. That was our intent. Those two should not be affected in any way by this bill. We read it that way and if there is some question that this bill does in fact affect DRI or the AG extension service, then we would be more than happy to go back to billdrafting and get that taken care of but that was our intent. We think that in the case of the Gaming Control Board the employees of that facility are getting more and more classified all of the time including AB 515 which has been introduced and which is in the Ways and Means Committee at this time and would modify the law concerning the employees of the Gaming Control Board and set their salaries slightly different from the salaries of other unclassified employees. They determine in their bill as an example that clerical and technical employees of the board must be in the classified service but there is no definition of technical. Our bill would allow a mechanism for determining who would be classified and who would be unclassified and leave that up to the personnel advisory commission.

Mr. Dini asked if there was any fiscal impact to this bill.

Mr. Gagnier stated no.

Mr. Dini asked if it had to go to Ways and Means.

Mr. Gagnier stated no it does not other than if it were to pass it might affect the unclassified pay bill and it might also affect AB 515 because these positions could in effect be stricken from the unclassified pay bill.

Mr. Joe Crowley, representing the Board of Regents and the Chairman of the University of Nevada and the Chancellor of the System. They are not here in the state and so they have asked me to express the Board's and the system's opposition to the provisions of this bill which would include the University of Nevada System and put the Board of Regents out of the business that it has been in for many many years of making determinations as to which of its employees are properly classified as classified and which are properly classified as professional. I think we have done that job well. If there are problems we certainly see no reason why it would take legislation to resolve those problems and so for that reason I express the board's and the systems opposition to the legislation.

Mr. Dini asked if there was no intent to change the DRI or the Agricultural Extension Service would that change their position.

Mr. Crowley stated that he thought not. He did not know why the

bill would wish to exclude those components of the system and include others. Of course I did not hear the testimony and I apologize for that but I am not sure what the rationale would be for including some parts of the system and not all. In any case we are opposed to including any part of the system in the coverage of this legislation.

Mr. Nicholas stated that since there appears to be no one from gaming, he asked Dr. Crowley if he had any indication as to whether or not they would have objections.

Mr. Clifford Murino, President of the Desert Research Institute testified next. He stated that his testimony would be somewhat different than I had intended because having heard the proponents speak and address the issue indicating that there was no intention to include the Desert Research Institute under this, the way I read the bill we are definitely included. Let me mention to you that under current legislation, under NRS 396.7953 not before you right now, the matter of the personnel policies and procedures for the Desert Research Institute are specifically set forth and that legislation was developed at the time you created the Desert Research Institute. It was recognized at that time that DRI as a soft money institute must have a capability to move very flexibly to hire and let go of people as we shifted our research needs and it gives the Board of Regents very special authority with respect to DRI saying that they may, and I will quote: "The Board of Regents may devise and establish personnel policies and procedures in connection with the operation of contractual or sponsored research activities of the institute separate and apart from those personnel policies and procedures established for the professional personnel of all other colleges and divisions of the university. In devising and establishing these personnel policies and procedures, the Board of Regents shall not be bound by any of the other provisions of this chapter or the provisions of Title 23 of NRS that specifically the board is not bound by that". That are the governing principles under which the Board of Regents currently operates and it is vitally important that that be continued that in no way would DRI be brought even under this.

He stated that they are a soft money operation. We receive our funding for the salaries from grants and contracts from federal and private sponsors principally. No money virtually comes from the state for that purpose. We have to be able to very carefully balance the amount of money we have for salaries for our personnel with the amount of salaries that we pay and play a very careful game of balancing the two. And as well, we have to be very careful to make sure that we are not paying more than we actually have money to cover or paying too low salaries and then lose our people. Our staff at DRI have to go out and earn their own salaries. They have to find sponsors who will pay them their salaries. In that kind of game where you have people who are not being paid by the state and are going out to develop their own salary money, obviously people of that calibre, top talented

research staff, could find jobs anywhere under those terms. We are not giving them anything, they are going to find the salaries for themselves. Under circumstances like that it is very important that we not be brought in under this and I am pleased to see that the sponsors and proponents of the bill are not opposing that we are brought in but my reading of it, it seems to say that we are and therefore I would suggest a change in wording, or at least that the committee consider one, and that is immediately in front of the words "Desert Research Institute" on page 2, we say "and excluding the Desert Research Institute". That could be done on line 22 down below if there is no intention to include the Agricultural Extension Department, then the word "including" should say "excluding" as I read the bill.

Mr. Al Stoess, a staff member of the Chancellor's Office testified next. He stated that like President Crowley he would agree that the bill seems to include the Desert Research Institute and the Extension Service in the bill and like President Crowley I see no difference between these employees and the other employees at the University. Dr. Crowley has asked me to stay a few specific things about this particular. What it would do would be to create a number of personnel problems for the University. All university professional employees are members of the faculty. They all have faculty status and what this bill would do is to create a dual system and create some particular problems. We would have problems as far as merit salaries are involved, we would have problems in our rating system, we would have a great number of fringe benefit problems, we would have problems with our grievance system, we would have a great number of leave problems. Many of these people are within a different retirement system, if they were changed, they would have to go into the other system, the state system which would foul up their entire retirement program. We have a number of people that are included in these bills who have tenure. What would happen to their tenure as they were shifted from a professional staff to a member of the classified staff under this particular bill. I think we would have a number of lawsuits on our hands, people wondering how it would affect their tenure status, how it would affect their fringe benefit status and a number of other problems. It is possible that the personnel advisory committee could determine that very few of the people are in positions that are unclassified with the result being that many of the administrators who are charged with carrying out the functions and the policies of the board of regents would no longer be directly responsible to the Board of Regents and this in itself would create a system that is contrary to universally accepted governments patterns.

Mr. Niles Quista, Personnel Officer of the Gaming Control Board testified next.

He stated that the Gaming Control Board opposes this bill. The Gaming Control Board has a formal personnel system. All guidelines, rules, procedures and sanctions are written into a personnel manual which is given to all unclassified employees and governs all

unclassified employees. Our personnel system we feel is working smoothly today and I feel that any benefits that would be derived by the state, the Gaming Control Board, the general public or the industry that we serve if our employees were to come under the classified service. We oppose altering a system as ours that is functioning as we see it today, that is functioning pretty well.

Testimony on AB 494 was concluded.

Mr. Dini stated that the next bill to be considered would be AB 495.

Mr. Larry Ketzenberger of the Metropolitan Police Department testified next. He stated that AB 495 was requested by Metro for a problem which had occurred resulting from a law passed in 1979. In 1977 apparently the legislature conducted a study of local government records and found out that there were no minimum retention schedules and therefore in each county or city local records could be kept different lengths of time. In 1979 NRS 239.125, Section 2 was passed, which authorized the Director of Archives to develop minimum retention schedules for local government records before they could be destroyed. From 1979 to 1981 we tried to get an answer from the State Division of Archives as to how long they would set up the schedule for for local government records and were not successful in doing so.

As a result of that, we requested this bill. The Division of Archives had some problems back in 1979 and continuing on to until recent past and Mr. Guy Rocha who is sitting with me this morning is the new director of archives, and we have been working together over the last month. A meeting was held a month ago with state agencies - local government agencies - and the State Director of Archives and there is a minimum retention schedule being developed which will resolve the problem of experience in the past. However the bill turned out to be a good thing anyway, because as a result of the bill we have found that there are some problems with existing law and we will point those out. We will have to broaden the law also, I might say. Mr. Rocha will speak to that. I will let him speak on the problems that were discovered as a result of this bill being requested.

Mr. Guy Rocha, State Archivist testified next. With this bill we discovered that Section 1, if properly amendment, would address a problem in the law that we find in statute 239.122. We would like to suggest an amendment to Section 1 to read on line 3:

"Any custodian of records in this state may destroy, etc."

This would be inclusive of all records custodians, not just state or local law enforcement agencies. The reasoning behind the more inclusive descriptor is basically those of you that have your NRS available to you, if I may read, NRS 239.122, Section 3:

"The custodian of records shall maintain a photographic or microphotographic film, electronic recorded video production or some other duplicate of any record, document, instrument or book or paper scheduled for destruction. A reproduction made pursuant to this subsection shall be deemed to be the original."

Subsection 3 applies only to records received or prepared pursuant to State law and those expressly required by law ought to be filed and preserved. That is a very small percentage of the records that are being generated. If section 1 were amended to include any custodian of records and all the additional language below in section 1, this would make any reproduction of a record deemed the original and admissible in a court of law.

Therefore, we suggest that in Section 1 you add the language "any custodian of records" to substitute for "state or local law enforcement agency."

We would like to see Section 2 dropped, deleted completely.

Section 3 is only a cleanup on language which we have no problem with.

Testimony on AB 495 was concluded.

Mr. Dini indicated that the committee would hear AB 510 next.

Mr. Dini stated that AB 510 is a clean up bill.

Mr. Polish moved for a Do Pass on AB 510, which was seconded by Mr. Schofield. The motion carried unanimously.

Mr. Dini stated that AB 511 is also a clean up bill by Mr. Daykin.

The new language in AB 511 is a Supreme Court Decision. The court ruled that whoever was in the system had to stay in the system, but from that day on you could take them out. This just puts that Supreme Court Decision in the statute. This is a legal technical cleanup.

Mr. Schofield moved for a Do Pass on AB 511, which was seconded by Mr. Nicholas. The motion carried unanimously.

Mr. Dini indicated that the next bill to be discussed by the committee would be SB 424.

This bill authorizes the Public Service Commission of Nevada to appear before hearings of the Federal Energy Regulatory Commission. Mr. Dini stated that Mr. Hardy was not able to be here today and he felt that the bill was really self-explanatory.

Mr. Redelsperger moved for a Do Pass on SB 424, which was seconded by Mr. Nicholas. The motion carried unanimously.

Mr. Dini stated that he had the amendments on SB 4.

Mr. Polish explained that they are going to have the section on page 1, line 3 amended by deleting "Board of County Commissioners" and inserting "Board of County Commissioners of a county whose population is less than 9,000."

We did that purposely because it would hold this bill probably more directly to White Pine County and other counties below that otherwise it would affect Humboldt County and Nye County. We also did amend Section 3, line 5, we deleted "city" and inserted "city located in a county whose population is less than 9,000".

Mr. Redelsperger moved for an Amend and Do Pass on SB 4 which was seconded by Mr. Polish. The motion carried unanimously.

Mr. Dini stated that the committee had the amendments before them for AB 417. A copy of the amendment on AB 417 is attached to the minutes of this meeting as EXHIBIT A. Mr. Dini stated that all the parties agreed on this. The retirement board is now no longer opposing it. They are not taking a position for it but they no longer oppose it. There is no fiscal impact.

Mr. Craddock moved to Amend and Do Pass AB 417, which was seconded by Mr. Polish. The motion carried unanimously.

Mr. Dini stated that the committee had heard SB 174 some time ago

There was some question on the fiscal impact, but it is minimal on it.

Mr. Craddock asked if we could make this effective in the local political subdivisions when they reorder applications?

Mr. Dini stated yes, we sure can. Mr. Dini asked Mr. Craddock if he wanted to propose an amendment to that.

Mr. Craddock stated yes.

Mr. Schofield moved for an Amend and Do Pass on SB 174, which was seconded by Mr. Polish. The motion carried unanimously.

The committee took a five minute recess.

Mr. Dini stated that the next bill before the committee would be AB 506.

Mr. Bill Engle, the Adjutant General for the State and he stated he was representing two agencies in testifying. One is the military department and the other is the Department of Civil Defense.

Mr. Engle stated that the bill was asked for by the budget office although I did ask Mr. Dini to introduce it, because it does have a definite impact on the use of the guard. The reason stems from

what occurred at Lake Tahoe with the explosion at Harvey's. The national guard was called out and put on alert first during the period when the bomb was in the process of hopefully being disarmed. This did not work and of course it did go off. They we were called in to provide some additional protection for the property while the FBI was sifting through the damaged area to try to find pieces of the bomb and we assumed that under the existing rules we could do something like that and so did the governor, when the sheriff's office in Douglas County asked for us and the governor agreed.

Fortunately they were able to use emergency funds, but the budget director had some real concern over the use of those monies in that particular situation and if the existing wording in the bill, although it intends to be broad, is really very narrow, covering some very major items but not covering many of the smaller emergencies that occur around the state. Currently, the only thing it provides for is using funds in case of invasion, insurrection, riot, epidemic or natural disaster. Well, unfortunately, the thing that occurred at Harvey's really didn't fit that category, so the budget office felt and I certainly agreed that by broadening the verbage in the bill we would provide the governor with a much better ability to meet disaster and it now only affects the guard, it can affect any other money that might be needed at the local level to assist local government in handling disasters and I think we have covered just about every situation with the current wording.

Mr. Dini stated that the actual control on this is the State Board of Examiners.

Mr. Engle stated that they felt it was needed and he was sure that the budget office strongly feels it is needed so that the governor can feel a little more comfortable about responding to local requests for assistance.

Mr. DuBois asked if a breach of the peace didn't cover everything.

Mr. Engle stated that he did not know the legal definition of breach of the peace. What we used in case that did not cover everything was substantial threat to life or property as being really the board term that would cover almost any emergency beyond the ability of local people to handle and that is pretty well where this hotel explosion would have fit. It might have come under breach of the peace, but I don't know enough about the legal definition of that term - the wording came out of the budget office with the help of the bill drafting people so I assume it is pretty broad too. I really can't help you there.

Mr. Engle stated that the only way the guard can be called in or these emergency funds can be used is after the governor was assured that all local resources have been expended. It isn't that just every time you have a bar fight somebody calls the governor's office and wants to crank up the guard. The local officials have to assure the governor and he has to feel comfortable that they are not able



to handle the situation and I realize that this could just be a local brawl, but unless it could not be handled locally, we wouldn't be involved in it and the expenditure of the funds would not be warranted.

Mr. Engle stated that the governor still had to approve the request locally and somebody from his office has to contact us before we can go anywhere.

Mr. Craddock asked if there was any particular reason why natural disaster was removed.

Mr. Engle stated that they took that out and just put in the word disaster to cover natural or manmade. We felt there was no reason to narrow the terminology - just natural disasters. Because in our state we get very few natural disasters, but we have had a number of man-caused disasters.

Mr. Engle stated that the Civil Defense is the agency through which the guard is activated. The way the current procedures are set up the request comes down to the Civil Defense and is laid on the guard. We have another bill that that is currently be considered where the two agencies will be combined so you will really only be dealing in the future if that bill passes, with one agency.

Mr. Craddock stated that he did not realize that the National Guard actually worked subordinate to civil defense through the governor. I thought the governor was in charge of the guard.

Mr. Engle stated he is, but the governor's office some time ago established a procedure whereby all requests for guard assistance filtered through - well all requests for state assistance came down through the civil defense office because they are supposedly the point of contact for emergency planning and emergency response by the state. They in turn go to the governor if the system works and he in turn comes back down through them to us. Most of the time the governor's contact with the guard is much more direct but the way the system has been intended to work in the past is to allow civil defense to coordinate all emergency support from the state level and we are hopeful we can get that operative a little better than it is now, by combining the two agencies and eliminating the need to go through both agencies to get that so you will just get to the military department, so we may have if the bill passes, civil defense under our structure. That confusion over who do you contact to get us would be eliminated. But it isn't that the guard is subordinate to civil defense, it is that civil defense has been give a responsibility by legislation to be responsible for all emergency activity at the state level and the guard hasn't.

Mr. Dini stated that the next bill to be heard by the committee would be AB 504. Mr. Dini stated that Mr. Rusk was not available and that we could not conduct the hearing.

Mr. Schofield moved for a Do Pass on AB 506, which was seconded by Mr. Prengaman. The motion carried. Mr. Jeffrey, Mr. May and Mr. Mello were not present at the time of the vote.

Mr. Nicholas moved for an Amend and Do Pass on AB 495, which was seconded by Mr. DuBois. Mr. Dini explained that the amendment was on line 3, and it will say "any custodian of records of the state" and we will delete Section 2. The motion carried unanimously. Mr. Jeffrey, Mr. May and Mr. Mello were not present at the time of the vote.

Mr. Dini stated that with regard to AB 494, he was a little disturbed about the bill. We may want to get more information on it, unless the committee wanted to take action.

Mr. Polish moved for the Indefinite Postponement of AB 494, which was seconded by Mr. Redelsperger. The motion carried.

Mr. Dini announced that the committee had a letter from John Crossley concerning the audit on the Reno Airport Authority and he stated that the committee members may want to read it over the weekend and we will take it up next week. A copy of Mr. Crossley's letter is attached to the minutes of this meeting as EXHIBIT B.

Mr. Dini asked if there was anything else to be brought up this morning.

Mr. Vernon Bennett of the Public Employees Retirement Board asked if he could make a technical comment on AB 511.

Mr. Bennett stated that the Retirement System has no position on AB 511, but we would like to point out what we consider a technical problem in the bill as drafted. The current law provides that a correctional officer of the state prison whose duties require daily contact with prisoners for a majority of his work shall be under the early retirement for police and firemen. This bill under page 1, lines 20, 21 and 22, will in addition to adding some groups that were the result of a recent Supreme Court Decision also add "or a correctional officer of the state prison whose duties did not require daily contact with the prisoners for a majority of his work". It is our opinion that that section should be deleted and on line 12 put a period right after prison, so it would just read that the people that are covered are a correctional officer of the state prison. If you don't within one section of the law you have one part that says you cover all the people who do contact the prisoners and in the same section you say you cover all the people who don't contact the prisoners. We think it is a technical clean up that we would like to bring to your committee's attention.

Mr. Dini stated that according to Mr. Daykin this was in that Supreme Court Decision and that is why he wanted to put it in the statutes. Mr. Bennett stated that they were not objecting to that, we are objecting to the way the bill is drafted. It is our opinion that if

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he could put a period after the word "prison" on line 12, so that in the early retirement you have a correctional officer of the state prison then you don't need to have a correctional officer who gets in contact with the prisoners and then in another place a correctional officer who does not have contact with the prisoners. We are just suggesting a technical clean up to it.

Mr. Dini stated that perhaps Mr. Bennett could discuss this with Mr. Daykin and come back and discuss it with the committee later.

Mr. Bob Rusk testified on AB 504. Mr. Rusk stated that he would read through the bill briefly and highlight it. He stated that the committee should recall the discussion that got the request through the graciousness of this committee. Each public utility which supplies electricity, gas or water to any public, elementary school, college or university, office building, warehouse, etc. this bill points only at public buildings at this point shall annually report to the Public Service Commission for each type of utility it supplies, the following: the amount of money which was collected for electricity, gas and the number of gallons of water used in the preceding calendar year for each public building which it serves. The Public Service Commission shall use the information submitted to it pursuant to subsection 1 to compile a list annually which states the consumption per square foot. Now that is the key as you will recall in the discussion several weeks ago - I guess a month or so ago, where the idea would be to make public the consumption per square foot of electricity, equated into dollars, also for gas, and then the consumption for gallons for water which was used for each public building in the state. The Public Service Commission shall make the list available to the public and post one copy for public inspection in each courthouse. The advantages to this I hope are fairly obvious and that is in the day of consideration and concern for what and how much each building is using, it is just absolutely no different than the gallons per mile posted on an automobile which as we discussed before, not too many years ago was something that none of us worried about. And today I suspect it is one of the first considerations that people look at when they buy a car. What this would hopefully lead to some day, assuming it becomes economically feasible, a housebuyer would be able to literally know what the consumption per square foot of his house would be because of the way it was constructed and the energy conservation that was a part of that building. I think it is a responsibility that we can easily justify at the public level in public buildings and again the information being made available would be very advantageous for any commercial building or like commercial privately owned building in the state because you would be able to then get a feeling which building are energy efficient and which are not. Why should one office building have half the power bill as compared to another office building and it will cause energy minded people, of which we are all becoming more and more so every day, to look at those buildings, to make comparisons and to find out what can be done to improve the energy conservation.

Mr. Craddock asked how they would be expected to accumulate the gallons of water they use.

Mr. Rusk stated that in Reno for example we have meters on commercial buildings and the power company if they have not completed that job they are darn close to it, so obviously the way they would compute it is the meters would give you the answer.

Mr. Craddock questioned Mr. Rusk if he had said that it would eventually reach the point where it got to housing.

Mr. Rusk answered affirmatively. He stated that he thought that Mr. Craddock was leading into a question of how soon is Washoe County going to have meters in downtown Reno.

Mr. Rusk stated that he suspected the answer to that is that time will only tell. I think one of the big steps in that direction myself included, there are several Washoe County legislators have committed that if we can get permanent storage in Stampede that we would be favorably disposed to meters and I think we are very close to it now.

Mr. Craddock pursued the subject of meters because he indicated that Mr. Rusk's thought was that eventually private homes would have the consumption of gallons of water.

Mr. Rusk stated that it would eventually lead to it.

Mr. Craddock asked if Mr. Rusk would be receptive to let people who wished to voluntarily go on meters, including private homes, to allow them to do so.

Mr. Rusk stated certainly. I have no objection to that.

Mr. Redelsperger asked if we could put that in the bill.

Mr. Redelsperger stated that there are a few things that concern him. On line 1, public buildings and on line 5 you have or any other public building. That covers everything. There is no fiscal note in here and it seems like an awful lot of paperwork and time to get a cover on that.

Mr. Rusk stated there was no question of that and of course the key is the public utility is the one that has to supply the information annually and that is going to have some fiscal impact and we are going to have to talk about that. There is no question. It has to be within reason, obviously I just don't want to blanket the state with a problem that is going to cost a lot of money. There has to be some return and the return has got to balance against the money spent. The return is obvious if we get our larger buildings and publicly noted as to what kind of consumption they are utilizing then we are going to be able to do something about it.

Mr. Redelsperger stated that it would not be cost effective until it was over 20,000 square feet so maybe we could add a minimum like that in here and then go after the buildings that you are really concerned about.

Mr. Rusk stated that he thought that was reasonable because your biggest users of energy are the larger buildings and that again is a beginning.

Mr. Dini stated that the description of what buildings would be covered under this bill was pretty broad. We ought to maybe narrow that down just a little.

Mr. Rusk stated that he agreed.

Mr. Dini stated that maybe then it would not be such an impact.

Mr. Redelsperger stated that maybe after warehouse or any other public building you should put 20,000 feet or more.

Mr. Dini stated that that would be all right. That would take part of the load off of the utilities.

Mr. DuBois asked if the public service portion of each particular building do it themselves. They know what their bill is, and if they know the square footage. Could it not be done in that manner.

Mr. Rusk stated that he thought that the power company could help us here because they can put together information whether or not they have that type of information. It sounds like it would be much easier if we devised a form that everybody would uniformly use that would have very simple calculations as you point out that would be sent to that building operator and who would simply fill it out and send it in to the county of origin for example where it would be posted. That might save a whole bunch of paper-work.

Mr. DuBois stated that in the case of public buildings, some of them are old and some of them are new. There is a tremendous variation. If they have a high energy consumption in an older building I don't know what could be done about it. What do you do about it? Do you go out and spend \$100,000 for insulation.

Mr. Rusk stated there is a lot you can do about it. That is the amazing thing. St. Mary's Hospital is a classic example. It's a very old building and it cut the consumption cost tremendously by an energy audit that we had done. There are things that can be done that are cost effective. If you spend \$100,000 you are not going to get your money back in a few years. That is the whole intent of this bill - to establish publicly so it is right in everybody's view that this bill, old new or middle-age wise is doing a good job. If not, why not. It spotlights and it makes people more publicly aware of a problem that can be addressed by doing some of the things that are suggested.

Mr. Dini asked if the committee members had any questions to ask of the people from Sierra Pacific Power Company.

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Mr. DuBois asked what the cost to the utility that will be passed on to the customers.

One of the people from Sierra Pacific Power Company stated that he did not know, but that they were computerized now and we have a standardized industrial classification code on all commercial accounts which would include public governmental-type buildings so that it would be fairly easy to access consumption, but as far as a cost breakdown, we haven't done that kind of analysis.

Mr. DuBois stated that with the computers you could pretty easily tell.

The representative of Sierra Pacific Power Company stated that the computer could supply a hard copy actually with ease.

He further stated that on line 6, he was told by the people in customer accounting that often times there can be a huge disparity between what was collected and what was billed. Here I would assume that any governmental type agency would certainly pay their bills but sometimes there is a disparity between what was billed and what was collected. You might want to consider changing that to billed rather than collected.

In line number 3 each public utility - would this include the municipals. Would they be classified as a public utility.

It should be all inclusive - it should pertain to any utility that serves water, municipal or private or whatever.

As to the square feet of these kinds of facilities, that we do not have and I am not sure how that would be obtained. Probably you could solicit these customers and find out what kind of square you were talking about. You may encounter another problem and that is with multiple stories. Do you count each floor or do you count the foundation. It would have to be worked out to make the computation meaningful. You would want to compare similar calculations.

Mr. DuBois stated that they would not be responsible for the square footage, that would be the Public Service Commission.

Mr. Dini stated that he thought that what we wanted to get to was how much electricity was consumed and the dollar amount really isn't as significant as the measure - kilowatt hours or whatever. This is more important to me than the dollar amount. The dollar amount is important to local governments - if they can cut their dollar amounts down, but in energy use, the significant part there is if we can cut down the number of kilowatts we use in this building. That is more significant to me than the amount of money spent.

Mr. Craddock asked if the rates are level across the board now.

The Sierra Pacific Power Company representative stated that they are for our utility, and I am assuming that for the gas company also but the rates will vary. The gas company will have a rate - in other words if you were to compare a building - let's say a library in Reno, compared to the library here in Carson City, the dollar amount would probably be different because Southwest Gas has a different gas rate than we have in Reno.

Mr. Schofield referred to lines 12 and 13 and asked why there was a dollar amount for the water. He felt that it should be number of gallons.

The representative from Sierra Pacific Power company stated that whatever common denominator is chosen, whether it be gallons or dollars or whatever, the average layperson must understand or it will have no significance. That is why using the dollar amount really is attractive as far as I am concerned because everyone understand the dollar as they do gallons. You start talking about therms per square foot, to the average person this doesn't have too much meaning. They have no idea what this increment or the amount of this measure stands for.

Mr. Rusk stated that in Washoe County, the big thing clearly regarding water is the consumption by gallons everybody can relate to that. That is the only reason for doing water by gallons instead of dollars. We have fixed rates now in Washoe County, however on meters it is separated out.

Mr. DuBois asked if that would not vary tremendously. For instance would a cafeteria use much more?

Mr. Rusk stated yes, and that is one of the reasons to get this laid out so when you compare a cafeteria you compare it against another cafeteria. A hospital against a hospital, a school against a school, an office building with nothing but secretarial help in it against another office building that does the same thing. That is very key and that is why we try to break it out by all of these different uses.

Mr. Schofield asked what Mr. Rusk felt would be accomplished by this bill.

Mr. Rusk stated to make people aware of energy conservation which is becoming more and more important. For example in downtown Reno there are some businesses today that use cooling towers for a lot of different reasons and they use the water right out of the spicot and it goes right down the drain to cool. Now that we have water meters we are able to measure. Someone who uses the open-ended spigot would have water consumption. There is a tremendous waste of water going on that the general public would never be aware of under the best of circumstances. But under this bill we will make everybody aware publicly what each public building is using per square foot and it has to be per square foot so you can make a comparison.

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Mr. Schofield asked if the Department of Energy was involved and if it was just the Public Service Commission.

Mr. Schofield stated that he saw a lot of work involved here and I understand this kind of a project but couldn't that be mandated that all public buildings -

Mr. Rusk stated very definitely yes and we might even want to identify 50 or 100 public buildings specifically and just say these are the buildings we are going to do it with and see how it works.

Mr. Schofield stated that he viewed a tremendous amount of paperwork involved in government. There is a lot of impact in this thing.

Mr. Rusk stated that the square footage would be a one time job and that should be available.

Mr. Dini stated that if a building was not efficient, there would be a governing body to make the building efficient - that is the purpose of the bill.

Mr. Prengaman stated that he did not know if we had to mandate it but that he thought that a copy should be sent to the local government too. It does not say it in the bill but school districts should get it.

Mr. Dini stated that he felt there would be some interesting statistics that would come out of it. We may find some buildings that are really cost-negative per square foot.

Mr. Rusk stated then the information would be available to do some comparatives and you could find out what buildings. It could be of great interest.

Mr. Craddock stated an establishment on Virginia Street had had a water meter put on the line and there was something like a couple of million gallons of water disappearing on an on-going basis and nobody even knew how long. It was purportedly pouring into an old sistern out there and recharging the ground water. It was several million gallons a month. No one had any account of it until it was metered.

The Sierra Pacific Power Company representative stated that this occurred in several cases. There were several installations that had absolutely incredible consumption. That is absolutely right.

Mr. Craddock stated that the installation of these water meters brought these facts out.

Mr. Craddock asked how long the computer retained this type of information.

The Sierra Pacific Power Company representative stated that right



now the computer could maintain thirteen months.

Mr. Craddock stated that that was really nothing.

Mr. Craddock stated that even one year was not enough to satisfy all of the potential needs.

The Sierra Pacific Power Company representative stated that it was his assumption was that this was an ongoing program.

Mr. Rusk stated yes that annually we would get the information.

Mr. Dini stated that what he would like to do is appoint a couple of the committee members to work with Mr. Rusk.

The representative of the power company was Mr. Nathan J. Shafer.

Mr. Dini appointed Mr. Schofield, Mr. Rusk and Mr. DuBois to work on this bill.

Testimony on AB 504 was concluded.

Mr. Vernon Bennett returned from Frank Daykin's office and stated that basically the correctional officers of the state prison were not involved in the lawsuit but what Mr. Daykin is doing is putting back into the law the results of a Supreme Court decision as the result of the 1977 legislation that took them out so he wanted to put everybody back in that was taken out at that time just to be doubly sure. I am sorry I wasted the committee's time.

There being no further business to come before the committee, the meeting adjourned at 9:28 A.M.

Respectfully submitted,

*Barbara Gomez*  
Barbara Gomez  
Assembly Attache

ASSEMBLY GOVERNMENT AFFAIRS COMMITTEE

GUEST LIST

Date April 24, 1981

PLEASE PRINT

<u>PLEASE PRINT YOUR NAME</u>	<u>PLEASE PRINT REPRESENTING:</u>	<u>I WISH TO SPEAK</u>		<u>BILL NO.</u>
		<u>FOR</u>	<u>AGAINST</u>	
✓ CLIFFORD J. MURINO	DESERT RESEARCH INST		✓	AB 494
Larry Ketzenberger	LVMPD	✓		AB 495
NATHAN J SHAFER	SIERRA PACIFIC POWER CO.			
✓ BOB GAGNIER	SINEA	✓		AB 494
Bob Camps	Parole + Prob.			
Mark G. Reed	NEV Lib Assoc.			
Joseph J. Asherson	State Librarian			
Guy Louis Rocha	STATE, County & Municipal Archives	✓		AB 495
Bill Engel	Military Dept	✓		AB 504

PLEASE PRINT

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1981 REGULAR SESSION (61st)

ASSEMBLY ACTION		SENATE ACTION		Assembly	AMENDMENT BLANK
Adopted	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	AMENDMENTS to	Assembly
Lost	<input type="checkbox"/>	Lost	<input type="checkbox"/>		<del>Joint</del>
Date:		Date:		Bill No. 417	Resolution No.
Initial:		Initial:		BDR 23-1618	
Concurred in	<input type="checkbox"/>	Concurred in	<input type="checkbox"/>	Proposed by Committee on Government Affairs	
Not concurred in	<input type="checkbox"/>	Not concurred in	<input type="checkbox"/>		
Date:		Date:			
Initial:		Initial:			

Amendment N<sup>o</sup> 643

Replaces Amendment No. 572

Amend the bill as a whole by deleting section 1, renumbering section 2 as section 1, deleting section 3, and renumbering sections 4 through 6, as sections 2 through 4.

Amend sec. 4, page 3, by deleting line 39 and inserting:

"(b) [An] Is an employee of the State of Nevada.

(c) At the time of his retire-"

Amend sec. 4, page 3, by inserting after line 41:

"4. Service as an employee of the state and service performed after July 1, 1981, in positions other than as a police officer or fireman, except military service, may not be credited toward the benefit conferred by this section. A police officer or fireman who has performed service which is not creditable toward this benefit may elect to:

(a) Select a retirement option other than one permitted by this section;

(b) Receive the benefit conferred by this section, with a spouse's benefit reduced by a proportion equal to that which the service which is not creditable bears to his total service; or

(c) Purchase the additional spouse's benefit at the time he retires by paying the full actuarial cost as computed for his situation by the actuary of the system.

5. The entire cost of the benefit conferred by this section must be paid by the employee. Each employer must adjust the salaries of its employees who are eligible for the benefit to offset its cost

To: E & E  
LCB File  
Journal ✓  
Engrossment  
Bill

Drafted by DS:ml Date 4-22-91

to the employer. Employers who adjust salaries pursuant to this subsection do not by doing so violate any collective bargaining agreement or other contract."

Amend sec. 6, page 4, line 4, by deleting "Section 5" and inserting "Section 3".

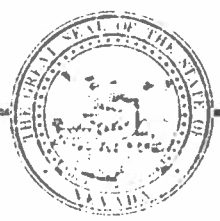
Amend the title of the bill to read as follows:

"AN ACT relating to public employees' retirement; amending provisions for benefits for spouses of deceased retired police officers and firemen; and providing other matters properly relating thereto."

Ex-B

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU  
LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710

LEGISLATIVE COMMISSION (702) 885-5627  
KEITH ASHWORTH, *Senator, Chairman*  
Arthur J. Palmer, *Director, Secretary*  
INTERIM FINANCE COMMITTEE (702) 885-5640  
DONALD R. MELLO, *Assemblyman, Chairman*  
Ronald W. Sparks, *Senate Fiscal Analyst*  
William A. Bible, *Assembly Fiscal Analyst*



ARTHUR J. PALMER, *Director*  
(702) 885-5627

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627  
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5620  
ANDREW P. GROSE, *Research Director* (702) 885-5637

April 23, 1981

Mr. Joseph E. Dini  
Chairman of Government Affairs  
Legislative Building  
Carson City, Nevada 89710

Dear Assemblyman Dini:

We have completed our preliminary inquiries into the Airport Authority of Washoe County. The personnel have been extremely cooperative in providing us and allowing us to obtain information. The following is a brief outline of our findings.

1. The Authority has signed contracts through 1996 with six major airlines. These contracts provided that the airlines will pay terminal rental and lease space, and provide for landing fee for per pound landed. The terminal and lease amounts are fixed. The landing fee is obviously not. Three other major airlines have not signed, but the Airport Authority is currently trying to obtain signed contracts. Certain other airlines will probably not sign major contracts, but will utilize the space of the major airlines.
2. The association between the rental car agencies and the Airport Authority is different from that of the airlines and the Airport Authority. Three major rental car agencies have facilities built on the premises. This gives more reliance that they will remain operative at the airport.
3. The passenger volume significantly increased in 1979. Based on our analysis, volume was forecast to increase 33% between 1978 and 1979. Actual results were a 49% increase, or 16% over the forecast. The same was true in 1980. There was a 10% increase over the forecast. The first six months in 1981 was at least 16% under the forecast.

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Exhibit B

4. The airport did obtain the \$2.7 million short term loan. This allowed for normal shutdown of Phase I projects in progress.
5. One of the main things about the \$44.5 million bond issue is that the operating costs of the airport are paid first, then the bond costs.
6. A review of the nineteen items that were to be accomplished in Stage I indicates that many of these items were deferred and the money was spent on the terminal. The terminal was originally budgeted for \$18 million, and now that total commitment is \$26,400,000. This means they are \$8.4 million over their budget for the terminal. This brings up one of the major points we identified in our review. No where in the statutes does a control exist on the amount a construction contract may be changed. In 1971, the Legislature amended into the Public Works Board Law a 10% limitation on State construction change orders. This change applies to both increases and decreases. No such law exists for local governments, and it is our feeling that one should exist.
7. The airport borrowed \$4.1 million for other items which they classified as non-construction fund items.
8. The Authority is preparing to float another bond issue to accomplish two things:
  - a. to complete Stage I
  - b. to start on Stage II


One of the major problems in preparing another bond issue is that they are experiencing difficulty in working with the airlines as to what the airlines will actually finance. There was supposed to be a set of financial statements completed as of December 31, but they are still pending completion. Another firm was to prepare a bond proposal as they did for the first issue. However, that is not forthcoming since they do not know how many projects will be accomplished in the new bond issue. What it amounts to is how much money will the airlines put up for future expansion of the airport.

Mr. Joseph E. Dini  
Page three  
April 23, 1981

The determination of the landing fee is the critical issue. The Airport Authority determines its operating costs, the amount of fixed payments, the proposed capital outlay, and then sets the landing fee rate.

We are available to discuss any of the above points and show you some of the schedules and analyses we have developed. Please call us at your convenience.

Sincerely yours,



John R. Crossley, C.P.A.  
Legislative Auditor

JRC:hjr  
pc: Senator Keith Ashworth