

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, February 08, 2017

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Siddoway, Vice Chairman Hagedorn, Senators Davis, Hill, Winder, Lodge, Stennett, and Buckner-Webb

ABSENT/ EXCUSED: Senator Lakey

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Siddoway** called the Senate State Affairs Committee (Committee) to order at 8:02 a.m.. **Chairman Siddoway** welcomed those in attendance.

GUBERNATORIAL APPOINTMENT: **The Gubernatorial reappointment of Dennis Duehren to the Bingo-Raffle Advisory Board.**

Dennis Duehren stated he was a District Ranger for the U.S. Forest Service in Montpelier, Idaho in District 5. **Mr. Duehren** explained he was a member of the local rotary club which holds a bingo night once a week for fundraising purposes, and Mr. Duehren was the chair of the bingo process. **Mr. Duehren** stated he was invited to become a member of the Bingo-Raffle Advisory Board five or six years ago. **Mr. Duehren** stated the Advisory Board meets three or four times a year depending on the need. **Mr. Duehren** stated not every meeting has a lot of activity or things to talk about, but the Advisory Board provided a number of clarifying edits to Idaho Code relating to bingo a couple years ago.

Mr. Duehren stated the purpose of the Advisory Board was to reread and consider code related to bingo and raffles. **Mr. Duehren** stated his belief that one of the most important things the Advisory Board can do is to provide education and help to anyone considering running a bingo game as a fundraiser. **Mr. Duehren** stated everyone on the Advisory Board is involved in raffle or bingo, so they provide their experience and expertise to make sure fundraising goals are met.

Chairman Siddoway asked if there were any violations that reach a point of fine or activity that prohibits applicants from receiving licensure or result in policing by the Advisory Board, or if most requests were merely for information on how to put together a bingo or raffle, or how violations would be handled. **Mr. Duehren** stated the Lottery Commission has never brought a question, case, or opinion to the Advisory Board about whether an infraction warranted punishment rather than a warning. **Mr. Duehren** stated his belief that those issues are usually handled by the Lottery Commission. **Mr. Duehren** stated an annual report is made available about bingo results, including who is doing events, how much revenue was generated, expenses, and how much was donated to charity. **Mr. Duehren** reiterated that the Advisory Board is not involved in any enforcement. **Chairman Siddoway** asked Mr. Duehren to describe common violations. **Mr. Duehren** replied that according to Idaho Code each club or organization is only allowed 18 percent of gross revenue to be used for expenses, and 20 percent of gross revenue must be given to the charity.

Chairman Siddoway thanked Mr. Duehren and stated a vote would take place at a later Committee meeting.

GUBERNATORIAL APPOINTMENT: The Gubernatorial reappointment of James Hammond to the State Building Authority (telephone interview).

Mr. Hammond said the State Building Authority (Authority) began as a way for the State to build its own facilities rather than rent. **Mr. Hammond** said the Authority builds the facility and leases it to either the State or another entity. **Mr. Hammond** said the recent renovation of the Capitol was a project of the Authority. **Mr. Hammond** said the Authority takes on the debt of building for the State, as the State is not allowed to take on debt. **Mr. Hammond** said the Authority owns the facility until they are paid back, and then it sells the building and the property on which it stands to that entity for one dollar. **Mr. Hammond** said he was originally appointed by Governor Batt, and at that time the Authority was building a facility to house prison inmates. **Mr. Hammond** said he enjoyed the work as he likes being involved, and is always glad to serve the State.

Chairman Siddoway expressed his appreciation for Mr. Hammond's service to the State and stated a vote would take place at a later Committee meeting.

VOTE ON GUBERNATORIAL APPOINTMENT: The Gubernatorial reappointment of John Chatburn as Administrator of the Office of Energy and Mineral Resources.

Vice Chairman Hagedorn moved to send the Gubernatorial appointment of John Chatburn as Administrator of the Office of Energy and Mineral Resources to the Senate floor with the recommendation that he be confirmed by the Senate. **Senator Lodge** seconded the motion. The motion carried by **voice vote**.

RS 24887 RELATING TO PERSONNEL to revise a provision regarding nonclassified employees.

Susan Buxton, Administrator for the Division of Human Resources, stated **RS 24887** amends Idaho Codes (I.C.) §§ 59-1607 and 67-5303. **Ms. Buxton** stated the purpose of the legislation is to clarify the application of the State personnel system for certain classified and non-classified positions under the State Board of Education. **Ms. Buxton** said the State Board of Education and various Representatives were working with the Division of Human Resources on this bill, along with the Governor's office. **Ms. Buxton** stated the amendment would remove an unnecessary cross reference in Title 59, Idaho Code, and clarified it does not change existing requirements for elected officials. The amendment to I.C. § 67-5303(j) clarifies professional staff of educational institutions and agencies under the State Board of Education. **Ms. Buxton** stated that some entities were included and others were not, so this amendment will clarify the institutions that are included. In addition, professional staff of Idaho Public Television, Career Technical Education, and Vocational Rehabilitation agencies are also non-classified. The legislation would also remove obsolete language and clarify personnel systems for professional staff, and serve as a better delineation of who is a classified and who is a non-classified employee. The point system used to determine pay for classified employees allows interagency comparisons based on knowledge and skills.

Senator Davis stated that during the Obama administration new overtime rules were put into place, and asked if that change was related to this bill. **Ms. Buxton** said the changes were not related to this legislation, and the change made by the Obama administration was stayed by a Texas court and has not moved forward at this time. **Ms. Buxton** clarified this bill would not change how the State would use federal overtime laws.

Chairman Siddoway asked why the points in the system were called "Hay points." **Ms. Buxton** said the system was created several decades ago by a company called the Hay Group, and the system was modified and used across the United States. **Ms. Buxton** said there would be no fiscal impact, because the changes do not require any new funds.

Chairman Siddoway asked if changing classification of State employees would result in a fiscal change because these employees would potentially receive a change in compensation. **Ms. Buxton** said that was not the case because these jobs have already been identified as having a certain number of Hay points, and having non-classified job usually means the skills used in that job are specialized. **Ms. Buxton** said this bill would make it easier for human resources departments to determine if jobs are classified or non-classified.

Senator Winder stated he reviewed the fiscal note and his belief that the Division of Human Resources did a good job of explaining why there was no fiscal impact.

MOTION: **Senator Davis** moved to send **RS 24887** to print. **Senator Hagedorn** seconded the motion. The motion carried by **voice vote**.

S 1040 **RELATING TO CODIFIER'S CORRECTIONS to provide a correct code reference and to make technical corrections.**

Chairman Siddoway welcomed Katharine Gerrity from the Legislative Branch to the Committee to present **S 1040**.

Senator Davis stated he had gone through the bill and identified each of the changes in each of the sections and it does appear to be congruent with the duty to make appropriate codifier corrections, and it contains no policy changes.

MOTION: **Senator Davis** moved to send **S 1040** to the floor with a **do pass** recommendation. **Senator Stennett** seconded the motion.

Senator Hill stated the legislative branch should be setting an example for using a new rule by changing the fiscal note to give a reason why there was no fiscal impact. **Ms. Gerrity** said they would make the change.

The motion carried by **voice vote**.

PRESENTATION: **Verizon - Small Cell Technology.**

Mark Estess, Eiguren Ellis in Boise, said Idaho has seen significant population growth and that growth is anticipated to continue in the Treasure Valley and other parts of the State. Verizon has also seen growth that mirrors the population growth in terms of both business and consumer growth. **Mr. Estess** said the proliferation of tablets, laptops, and smart phones and the increasing data needs that go along with that use are important parts of economic development. **Mr. Estess** introduced Christal Canada and Travis Griffin, who travel around the country and work in partnership with local jurisdictions to deploy small cell technology.

Christal Canada, Verizon Wireless Pacific and North Central Planning, said her role is to work with cities and utility companies across the country to share what small cells are and why Verizon is looking to deploy them. **Ms. Canada** stated U.S. mobile data is expected to increase sevenfold by 2019, and more than 48% of households are wireless only. Idaho has seen 65% growth in recent years. Verizon plans to add as much capacity to macro sites as possible and introduce small cells.

Travis Griffin, Radio Frequency Design Manager for Verizon Wireless, said his team is responsible for the planning and design of the wireless network in a five state area, including Idaho. **Mr. Griffin** stated small cells are not intended to

replace macro sites but to augment them. Where small cells can serve miles or tens of miles in rural areas, small cells work more in terms of feet, 250 to 1,000 feet. Therefore, they must be placed carefully. Small cells are intended to off-load capacity and to fill in coverage gaps, such as small areas of freeway. Small cells have lower antenna heights, lower size and lower power usage, as well as a smaller footprint. **Mr. Griffin** explained that Verizon also partners closely with emergency services.

Chairman Siddoway asked if small cells are mounted on Verizon poles or other utility poles. **Mr. Griffin** said both can be done.

Vice Chairman Hagedorn asked if a small box in a picture is part of the small cell. **Mr. Griffin** said yes, in this case it is, although some small cells do not require ground space while others do.

Senator Hill asked if small cells interact with macrocells to "boost" the macrocells or if they were independent. **Mr. Griffin** said they are more independent than boosters and can operate independently but are intelligent enough to communicate with the macro network and coordinate to work together.

Mr. Griffin said benefits include emergency service and bring service where it is needed, and keep up with demand in businesses and homes. **Mr. Griffin** also stated that while macrocells can have up to 12 antennae and be aesthetically imposing, small cells are much less visually impactful. **Mr. Griffin** said the goal is to work with cities to figure out what they are looking for and work with them. **Mr. Griffin** said the antenna are much smaller, and street signs can be mounted directly on to the small cell. Fiber cables are run underground and through the pole so there is no visual impact from the cables.

Ms. Canada stated that three main areas targeted are street lights, Verizon owned pole in the right-of-way, and traffic signal attachment. **Ms. Canada** said Verizon works with Ada County and Ada County Highway Department (ACHD) to determine their preference for deployment. **Senator Davis** asked if Ms. Canada had seen states engage to make a decision on behalf of a political subdivision, or if cities and counties are mostly given purview to make those decisions. **Ms. Canada** said she had not seen states weigh in on their preference to date. **Ms. Canada** emphasized the conversational nature of their work is between Verizon and cities to make sure small cells are blended into existing infrastructure in the best way possible. **Ms. Canada** stated small cells bring needed capacity to keep up with the 65 percent growth in data usage Idaho has exhibited. It helps aid in emergency services, public safety, public benefit. Verizon's goal is to use existing infrastructure but can add their own poles and **Ms. Canada** stated small cells are the basis for smart cities and the evolution of 5G data technology.

Vice Chairman Hagedorn asked what the data capacity of a small cell is compared to a macrocell. **Mr. Griffin** estimated it would be one-sixth to one-tenth of the capacity of a macrocell, but noted that the quality of signal, location of users, and type of usage can impact that amount. **Vice Chairman Hagedorn** asked if there was a data capacity specification and transmitting power specification. **Mr. Griffin** said the transmitting capacity is 5 watts per radio, with two radios on each small cell, and the data capacity specification is about one-ninth of a macrocell. **Vice Chairman Hagedorn** asked if small cells used the same frequencies as macrocells. **Mr. Griffin** said small cells use the same frequencies as macrocells, so cell phones can transition seamlessly between the two. **Vice Chairman Hagedorn** stated Idaho frequently switched most of their emergency services to 700 megahertz radios and asked if any other cities had experienced interactions between emergency services radios and small cells. **Mr. Griffin** said the frequency spectrum used by Verizon is licensed by the Federal Communications Commission (FCC) and is different than

the one used by emergency services. **Ms. Canada** clarified that all of Verizon's agreements have language about interference to assure it will not interfere with any emergency services.

Senator Winder asked what Verizon was doing locally, what plans they had, and whether they had done any installations already. **Ms. Canada** stated Verizon has an existing agreement with Idaho Power, they are working with the ACHD, and they are working with the cities of Boise, Eagle, and Meridian to partner with them to deploy small cells. **Mr. Griffin** said, to date they have not deployed a small cell but are working to make that happen. **Senator Winder** asked if local governments were receptive to the technology. **Ms. Canada** said so far they have had a very good reception, and everyone acknowledges the need for updated capacity.

Senator Davis asked if there were significant rural benefits to small cell technology. **Mr. Griffin** said small cells are primarily targeted for the urban environments but Verizon will continue to deploy macrocells as needed, particularly along highways. **Mr. Griffin** stated historical, smaller towns can use small cells to better blend in with the aesthetics of the city, where macrocells may not blend in as well. **Senator Davis** asked who legislators should talk to to address problem spots. **Ms. Canada** stated they would be happy to leave their cards, and noted their goal is to invest in Idaho and ensure seamless coverage everywhere.

Senator Siddoway asked what kind of service would be needed on posts to install small cells. **Ms. Canada** said four components are needed: antenna, radios, power, and fiber. The connection for power and fiber connect at the bottom of the radios, so dark fiber is needed. **Senator Siddoway** asked if small cells are not installed if the optics are not there. **Mr. Griffin** said Verizon partners with third parties to install fiber, and it can benefit local communities because once fiber infrastructure is in place it is much cheaper for other parties to connect to it. **Senator Siddoway** asked if many towns had existing underground conduits. **Mr. Griffin** said in some cases it might be some distance away, so Verizon partners with fiber providers to build out fiber as needed. **Mr. Griffin** also stated the units run on AC power which draw about 1 amp each, about the same power as a lightbulb. Depending on the local power provider, Verizon can do a direct unmetered connection or a meter on the cell. **Senator Siddoway** asked if a meter was placed on each cell. **Mr. Griffin** said yes, on each cell, and this can be integrated into the pole. **Ms. Canada** stated Verizon was working with Idaho Power to come up with an unmetered solution.

Senator Hagedorn stated that macro sites are typically leased, and asked if leases are created for small cell technologies and if the process was cumbersome. **Ms. Canada** stated Verizon was putting together a framework that resembles a master license agreement that would include term, installations, insurance requirements and more with each city or local authority. The agreement doesn't obligate either party. Verizon would then enter a site license agreement for each location after appropriate permitting.

Mr. Estess noted the State government has jurisdiction over telecommunications matters, and his firm was actively seeking formal partnerships with jurisdictions inside Ada County, eventually seeking for a statewide, as-needed agreement. **Mr. Estess** stated he and Verizon would be receptive to any recommendations regarding gap-coverage service.

Senator Davis asked if there was any need for the State legislature to look at statutory changes. **Mr. Estess** said that remains to be seen, and this presentation served mainly to make the legislature aware of what is going on. **Mr. Estess** emphasized Verizon's approach has been mainly to work at the local level. **Mr. Estess** said he did not see any need for legislation at this time but expressed his openness to a task force or working group to put stakeholders together, including law enforcement and public safety. **Senator Davis** asked if cities are reporting back to Verizon about legal barriers to installing small cell technology. **Mr. Estess** stated that so far there are not absolute legal prohibitions to access to rights-of-way, but noted that Ada County Highway District is a unique jurisdiction. **Mr. Estess** stated that it might be a goal of a working group to determine what legal barriers might exist.

ADJOURNMENT: There being no further business, **Chairman Siddoway** adjourned the Committee at 9:07 a.m.

Senator Siddoway
Chair

Twyla Melton, Secretary

David Bujarski, Assistant Secretary