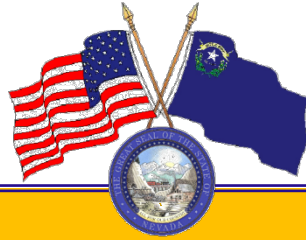


Bulletin No. 11-14



Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System

Legislative Counsel Bureau



January 2011

**LEGISLATIVE COMMITTEE FOR THE REVIEW AND OVERSIGHT
OF THE TAHOE REGIONAL PLANNING AGENCY AND
THE MARLETTE LAKE WATER SYSTEM**

BULLETIN NO. 11-14

JANUARY 2011

TABLE OF CONTENTS

	<u>Page</u>
Summary of Recommendations	iii
Report to the 76th Session of the Nevada Legislature by the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System	1
I. Introduction	1
A. Committee Members and Staff	1
B. Meetings and Recommendations	2
C. Informational Tours	2
Thunderbird Lodge	2
Boulder Bay	3
D. Judicial Ruling on Amended Shorezone Ordinances	4
II. Overview of the Tahoe Regional Planning Compact	4
A. History of the Bistate Compact	4
B. Major Elements of the Bistate Compact	6
III. Overview of the Marlette Lake Water System	8
A. Historical Background	8
B. Recent Improvements	10
IV. Discussion of Major Issues Resulting in a Bill Draft or Letters During the 2009–2010 Interim	12
A. Environmental Improvement Program	12
B. Transportation	14

	<u>Page</u>
C. The Lake Tahoe Regional Plan Update.....	15
D. General	16
V. Concluding Remarks	16
VI. Appendices	17
Appendix A	
<i>Nevada Revised Statutes 218E.555</i>	19
Appendix B	
Committee Letters Approved at the Final Work Session	23
Appendix C	
Suggested Legislation	37

SUMMARY OF RECOMMENDATIONS

LEGISLATIVE COMMITTEE FOR THE REVIEW AND OVERSIGHT OF THE TAHOE REGIONAL PLANNING AGENCY AND THE MARLETTE LAKE WATER SYSTEM

Nevada Revised Statutes 218E.555

The following is a summary of the recommendations approved during the 2009–2010 Interim by the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System. One bill draft request (BDR) will be submitted to the 76th Session of the Nevada Legislature for its consideration in 2011.

RECOMMENDATION FOR LEGISLATION

1. Assembly Bill 18 (Chapter 431, *Statutes of Nevada 2009*) authorized the sale of general obligation bonds up to \$100 million over the next decade for Nevada's portion of the Environmental Improvement Program (EIP). The costs of carrying out the EIP are apportioned among the federal government, the States of California and Nevada, local governments, and private property owners within both states. The Administrator and State Lands Registrar of the Division of State Lands, State Department of Conservation and Natural Resources, is authorized to submit a request to the Legislature each biennium, as necessary, for an appropriation to the Program. The Committee approved a BDR for the sale of \$12 million of the authorized general obligation bonds for the 2011–2013 Biennium. The preliminary list of projects that will be submitted for consideration with this legislation includes:

- \$1 million for continued forest health, restoration, and fuels management project implementation;
- \$300,000 to control invasive terrestrial and aquatic species;
- \$1,037,500 for recreation enhancements;
- \$335,000 for protecting sensitive species and improving wildlife habitat;
- \$8,827,500 for water quality, erosion control, and stream restoration/enhancement projects; and
- \$500,000 for project contingencies.

The bill would provide that the total bond value issued for the Program may be reduced by the amount of money appropriated by the Legislature. **(BDR S-97)**

RECOMMENDATIONS FOR COMMITTEE LETTERS

2. Send a Committee letter to California's and Nevada's Congressional Delegations to request support of Lake Tahoe Transportation Authorities in the Reauthorization of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

Include a statement that the Metropolitan Planning Organization (MPO) designation under the current federal SAFETEA-LU for transportation and the transportation project implementation funds the Tahoe MPO (TMPO) receives have been of tremendous benefit to the people and the environment in the Lake Tahoe Basin. Specify support of the Committee for the retention of all authorities currently designated for the Lake Tahoe Region in the reauthorization of the bill.

Express the concern of the Committee that the TMPO does not receive transit operating formula funds as do all other MPOs, and request that the new transportation bill add this authority for the TMPO.

Therefore, the Committee supports the amendment of Section 5307 of the *United States Code* (U.S.C.), as follows:

Amend Section 5307(h) of Title 49, U.S.C., Chapter 53 to add a new subsection 5307(h)(2):

(2) For purposes of this section, the Lake Tahoe Region, as defined in Title 49 U.S.C. 5309(f)(3)(A), shall be treated as an urbanized area with a population of 150,000 and a land area of 77 square miles, as defined in Section 5302.

Point out that significant operating funds are necessary to provide an effective regionwide transit system given the dominance of federal land ownership at Lake Tahoe (approximately 80 percent), the policy direction of the Tahoe Regional Planning Compact (Public Law 96-551) to provide alternatives to the automobile, and the large annual visitation that comes to enjoy Lake Tahoe.

3. Send a Committee letter to Nevada's Department of Transportation to encourage the Department's continued cooperation with the Tahoe Transportation District to ensure that drop inlet grates on roads in the Lake Tahoe Basin are safe for bicyclists.
4. Send a Committee letter to the Tahoe Regional Planning Agency to urge consideration of the recommendations in the Lake Tahoe Regional Plan Initiative as the TRPA continues work on the Regional Plan update. The Committee noted that an economic foundation is necessary to support environmental gain, and that nothing in the letter should be construed as supporting or opposing any particular development proposal.

5. Send a Committee letter to Steve Teshara in acknowledgment of his nearly 30 years of work promoting collaboration between diverse entities for the common goal of improving environmental and economic conditions in the Lake Tahoe Basin.

**REPORT TO THE 76TH SESSION OF THE NEVADA LEGISLATURE BY THE
LEGISLATIVE COMMITTEE FOR THE REVIEW AND OVERSIGHT
OF THE TAHOE REGIONAL PLANNING AGENCY AND
THE MARLETTE LAKE WATER SYSTEM**

I. INTRODUCTION

Nevada's Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System is a permanent committee of the Nevada Legislature whose authorization is set forth in *Nevada Revised Statutes* (NRS) 218E.555 (see Appendix A). With the enactment of Senate Bill 216 (Chapter 408, *Statutes of Nevada*) in 2003, the Nevada Legislature created a permanent statutory committee with oversight of both the TRPA and the Marlette Lake Water System. In previous interims, review and oversight of the TRPA and the Marlette Lake Water System was conducted by two separate committees. The Marlette Lake Water System Advisory Committee was a permanent committee authorized by NRS 331.165 and was repealed by S.B. 216. The Committee to Continue the Review of Programs and Activities in the Lake Tahoe Basin (Basin) (including the TRPA) was authorized as an interim study during each legislative session except one from 1985 to 2001.

The duties of the Committee are set forth in NRS 218E.565 and include:

- Review and oversight of the TRPA and the Marlette Lake Water System to include the budget, programs, activities, responsiveness, and accountability of each;
- Study of the role, authority, and activities of the TRPA regarding the Lake Tahoe Basin and the Marlette Lake Water System regarding Marlette Lake; and
- Communication with members of the Legislature of the State of California to achieve the goals set forth in the Tahoe Regional Planning Compact.

A. Committee Members and Staff

The following legislators served on the Committee during the 2009–2010 Legislative Interim:

Senator John J. Lee, Chair
Assemblyman James A. Settlemeyer, Vice Chair
Senator Mark E. Amodei
Senator David R. Parks
* Assemblyman Morse Arberry Jr.
Assemblywoman Peggy Pierce

*Assemblyman Arberry resigned from office on August 31, 2010.

The following Legislative Counsel Bureau (LCB) staff provided support for the Committee:

Jennifer Ruedy, Senior Research Analyst, Research Division
Tracey Wineglass, Senior Research Secretary, Research Division
Eileen G. O'Grady, Chief Deputy Legislative Counsel, Legal Division
Stephen J. Avillo, Deputy Legislative Counsel, Legal Division

B. Meetings and Recommendations

The Committee held three meetings, including a work session, during the 2009-2010 Legislative Interim. All meetings were held in the Basin. The meetings addressed a variety of issues, programs, and activities pertaining specifically to the TRPA and Marlette Lake Water System, and relating generally to the Basin and the Carson Range. To view the Committee's meeting agendas and minutes, including copies of exhibits, please refer to the Committee's webpage: <http://www.leg.state.nv.us/Interim/75th2009/Committee/StatCom/Tahoe/?ID=16>.

The Committee adopted five recommendations, including one recommendation for a bill draft request (BDR) for consideration by the 2011 Legislature. The recommendations address the following major topics:

- Nevada's ongoing participation in the Environmental Improvement Program (EIP), including completion and ongoing maintenance of the EIP's projects;
- Transportation; and
- The Lake Tahoe Regional Plan Update.

C. Informational Tours

The Committee participated in informational tours of the Thunderbird Lodge on the East Shore and the Community Enhancement Program (CEP) project on the North Shore, known as the Boulder Bay Resort and Wellness Center (Boulder Bay).

Thunderbird Lodge

George Whittell, Jr., was born to a privileged life in San Francisco in 1881. In the 1930s, he began what would ultimately be a purchase of 40,000 acres of land on the Nevada side of Lake Tahoe, including 27 miles of the shoreline, from the Carson & Tahoe Lumber and Fluming Company and other landholders who had not fared well in the stock market crash of 1929. There he built a lakefront estate, known as Thunderbird Lodge. Before he died in 1969, Mr. Whittell sold a portion of his immense Tahoe land holdings to Crystal Bay Development, the State of Nevada, and the National Forest Service. Sand Harbor State Park is situated on land acquired from Mr. Whittell. Mr. Whittell is often credited with slowing

development efforts on the east side of the Lake, by retaining such a large area of land for three decades without developing the majority of it. The Thunderbird Lodge was added to the National Register of Historic Places in November 2000. This information about the Thunderbird Lodge was found on a website maintained by the Thunderbird Lodge Preservation Society (www.thunderbirdlodge.org).

Boulder Bay

The TRPA started the CEP to encourage revitalization projects in downtown and recreation areas that demonstrate substantial environmental as well as social and economic benefits. The TRPA website includes information about nine of the CEP proposals, of which seven remain active, and only one is located in Nevada. The sole CEP project located in Nevada is Boulder Bay, which is a project proposed to redevelop the Tahoe Biltmore property in Crystal Bay, Nevada, into an environmentally sustainable, economically viable, community-oriented facility focused on health and wellness.

The TRPA prepared an Environmental Impact Statement (EIS) to inform agency decision makers of the potential environmental effects of the Boulder Bay project. Much of the information that follows was found in the Hydrology and Water Quality Section of the EIS. According to the EIS, Boulder Bay is required through participation in the CEP, to complete three EIP projects in the North Stateline Community Plan (NSCP): (1) Nevada Utility Undergrounding-Phase I; (2) Brockway Residential Water Quality Improvement Project; and (3) NSCP Lake Vista Mini-Park. The implementation of regional storm water treatment systems is also required. While Nevada's Department of Transportation (DOT) has installed and managed several drop inlets along State Route 28, no storm water treatment system exists within the project area.

Members of the Nevada Tahoe Resource Team joined the Committee for the Boulder Bay tour to highlight certain EIP projects in which the State will participate in some capacity such as a storm water treatment system. An infiltration basin will be constructed on a California parcel located to the south of State Route 28 and within Placer County. The basin is designed to infiltrate storm water runoff generated from the Boulder Bay properties (existing Biltmore Casino) and Washoe County, Placer County, and DOT rights-of-way. A basin will also be located in the Crystal Bay Hotel property to the south of State Route 28. In prior interims, the Nevada Tahoe Resource Team has coordinated tours for the Committee to visit various EIP projects funded by the State of Nevada through the General Obligation Bonds (GOBs) and the Lake Tahoe License Plate Program; however, reduced funding for the Committee resulted in the elimination of these tours during the 2009–2010 Interim. The Nevada Tahoe Resource Team did, however, illustrate many of its projects through Microsoft PowerPoint presentations to the Committee during meetings.

The founder of the Boulder Bay project, Roger Wittenberg, and Brian Helm, Project Manager, demonstrated to the Committee the various innovative green building technologies in a visitor center constructed directly across State Route 28 from the Tahoe Biltmore. Additional

information about Boulder Bay is available through the following websites: <http://www.boulderbayresort.com/> and www.trpa.org.

D. Judicial Ruling on Amended Shorezone Ordinances

For several interims, the Committee received periodic updates regarding the status of the Shorezone Ordinance amendment that had been under consideration by the TRPA. On October 22, 2008, the TRPA Governing Board adopted the Amended Shorezone Ordinances, thereby ending a stalemate over new development rules in Lake Tahoe's shorezone that lasted more than 20 years. Petitioners League to Save Lake Tahoe and others subsequently sued TRPA, arguing that adoption of the Amended Shorezone Ordinances violated two provisions of the Tahoe Regional Planning Compact.

The United States District Court for the Eastern District of California issued a decision on September 16, 2010, that TRPA acted arbitrarily and capriciously in adopting the amendments and approving the Environmental Impact Report (EIR). The court vacated the TRPA's adoption of the Amended Shorezone Ordinances and certification of the EIR and remanded the matter to the TRPA for further proceedings consistent with the court's order. Even though the court decision was issued after the final meeting of the Committee this interim, the decision is mentioned in the Committee's final report because the subject has been repeatedly discussed by the Committee over the years.

II. OVERVIEW OF THE TAHOE REGIONAL PLANNING COMPACT

Previous reports of the TRPA and Marlette Lake Water System legislative committees contain extensive background information and recommendations concerning the Tahoe Regional Planning Agency Compact. Copies of these reports are available online at <http://www.leg.state.nv.us/Division/Research/Publications/index.cfm> or by calling the LCB Publications Office at: (775) 684-6835. Following is a summary of select topics that may be of particular interest.

A. History of the Bistate Compact

Creation of the Bistate Compact

In the 1960s, Nevada Governor Paul Laxalt and California Governor Ronald Reagan began discussing how best to address bistate issues in the Lake Tahoe Basin. California Assemblyman Edwin L. Z'Berg and Nevada State Senator Coe Swobe carried the resulting legislation in each state.

Senator Swobe based Nevada's legislation on: (1) a California proposed draft; (2) participation in more than 30 meetings with public and private interests; and (3) the review and modification of five preliminary drafts.

In February 1968, Governor Laxalt called a special session of the Nevada Legislature to consider the proposals to create a Bistate Compact (Compact) between the States of Nevada and California. After a joint hearing of four Senate and Assembly committees, and 19 days of additional testimony and amendments, Senate Bill 9 (Chapter 5, *Statutes of Nevada 1968, 13th Special Session*) was approved by the Legislature and signed by the Governor on February 23, 1968. The President signed federal legislation ratifying the Compact on December 18, 1969.

Efforts to Revise the Compact—1975 through 1979

Several provisions in the original Compact resulted in serious controversy as it was being implemented. The basic structure of the Governing Board and a voting system that considered a project approved unless a majority of the members from each state voted to deny it, proved unworkable in achieving several of the Compact's objectives. Additionally, specific controversy arose over the location and control of gaming in the Basin, as well as inadequate requirements for establishing planning standards and criteria for environmental evaluations.

From 1975 to 1979, each state unilaterally attempted to prepare Compact revisions that would be acceptable to the other state. Nevada enacted its proposal in 1975, California developed amendments in 1976, and Nevada proposed a different set of amendments in 1977. Each attempt was rejected by the other state.

Between 1977 and 1979, representatives of Nevada Governor Mike O'Callaghan and California Governor Jerry Brown began working on draft proposals to revise the Compact. This effort formed the starting point for legislative negotiations.

Before the 1979 Legislative Session, a Special Committee of 13 Nevada legislators was appointed to work on revisions to the Compact with their counterparts in California. This Special Committee, under the chairmanship of Assembly Speaker Joseph E. Dini Jr., met 18 times to debate the issue and met another 8 times for direct negotiations with California legislators. Thirteen redrafts of different portions of the Compact were exchanged between the states during this time.

As Nevada's legislative session neared adjournment in 1979, several substantive points had not reached agreement. On the session's closing day, Nevada enacted Assembly Bill 503 (Chapter 575, *Statutes of Nevada 1979*) without obtaining California's agreement on these points. The California Legislature subsequently rejected the Nevada bill.

Amendment of the Compact in 1980

In late 1979, attempts were renewed to resolve the remaining issues associated with revision of the Compact. Nevada State Senator Thomas "Spike" Wilson and Speaker Dini began discussions with California Senator John Garamendi and Assemblyman Victor Calvo.

Through numerous meetings, conference calls, and work sessions, 15 different drafts exchanged hands between the two states. On August 25 and 26, 1980, the California Legislature enacted revisions to the Compact. Once Governor Brown signed the bill, Governor Robert List called a special session of the Nevada Legislature. On September 12, 1980, the Nevada Legislature met as a Special Committee of the Legislative Commission. On September 13, it enacted A.B. 1 (Chapter 1, *Statutes of Nevada 1980, 14th Special Session*) and the measure was signed by the Governor.

Congress passed a bill ratifying the amended Compact on December 4, 1980. It was signed by the President on December 19, 1980.

Further Proposals to Amend the Compact

Since 1980, additional modifications to the Compact were attempted. One bill was approved in each of Nevada's 1981, 1983, and 1985 Legislative Sessions. In 1987, Nevada passed Assembly Bill 5 (Chapter 22, *Statutes of Nevada 1987*), which combined the previous measures and conformed them to relevant California legislation. The major proposed change was with the structure of Nevada's delegation to the TRPA Governing Board.

Bills to ratify this amendment were introduced in Congress in 1987, but no action was taken. Nevada subsequently adopted resolutions in 1989, 1991, 1993, and 1995 urging Congress to ratify the proposed amendment. To date, Congress has taken no action.

Modification of the Compact in 1997

Article IX of the Bistate Compact establishes the Tahoe Transportation District (TTD) and authorizes amendment of these provisions by joint actions of the two states without congressional ratification. In 1997, the states agreed to modify the structure and authorities of the TTD to provide for expanded public-private cooperative activities.

B. Major Elements of the Bistate Compact

The following outlines major elements of the Tahoe Regional Planning Compact.

General Policy

The "Findings and Declarations of Policy" described in Article I highlight the Lake Tahoe Basin's unique environmental and ecological values while simultaneously addressing opportunities for orderly growth and development consistent with the Basin's environmental threshold carrying capacities.

Governing Body and Voting Structure

The TRPA Governing Board and its relatively complicated voting structure are described in Article III of the Compact. The Governing Board consists of 14 members (7 from each state). A dual majority (at least four members from each state) is required to act upon environmental threshold carrying capacities, the regional plan, ordinances, rules, regulations, and variances. Approval of a project requires the affirmative vote of at least five members from the state in which the project is located and at least nine members of the overall Governing Board. A simple majority, eight members, is required to undertake routine business.

Major Planning-Related Requirements

Planning requirements of the TRPA are outlined in Article V. In summary, the TRPA is directed to adopt:

- Environmental threshold carrying capacities (defined on the following page);
- A regional plan which, at a minimum, achieves and maintains the adopted environmental threshold carrying capacities; and
- The ordinances, rules, and regulations necessary to effectuate the adopted regional plan.

Agency Funding

Local governments pay a portion of the TRPA annual budget, apportioned as outlined in Article VIII. State funding is also described. Specifically, the Compact directs the TRPA to request state funding in the proportion of two-thirds from California and one-third from Nevada.

Other Relevant Provisions

Some of the Compact's other provisions are described below:

- A series of definitions explaining relevant terminology is contained in Article II. One of the terms defined in the Compact that is particularly unique to the Compact and the activities of the TRPA is “environmental threshold carrying capacity,” which means “an environmental standard necessary to maintain a significant scenic, recreational, educational, scientific or natural value of the region or to maintain public health and safety within the region. Such standards shall include but not be limited to standards for air quality, water quality, soil conservation, vegetation preservation, and noise.”
- The TRPA's powers are defined in Article VI, including: (1) its ability to adopt ordinances, rules, and regulations necessary to effectuate the regional plan; (2) its project approval responsibilities (as well as those relating to casinos);

(3) the venue for appropriate legal actions; (4) records management; and (5) the Agency's ability to enter into contracts and agreements.

- Environmental Impact Statements are required before the TRPA may act upon matters having a significant effect on the environment, as described in Article VII.
- The TTD is established and its powers are defined in Article IX.

III. OVERVIEW OF THE MARLETTE LAKE WATER SYSTEM

A. Historical Background

To appreciate the historical significance of the Marlette Lake Water System, it is important to understand its historic context. The Comstock Lode, one of the richest mining areas in the world, was discovered in 1859 on the eastern flank of Mount Davidson in the Virginia Range. The Virginia Mining District was the first mining district organized in western Utah Territory and Virginia City was one of the greatest mining towns of its day. Together with nearby Gold Hill and Silver City, these three towns supported large populations in the 1860s, 1870s, and 1880s.

Providing water to the mining towns on the Comstock posed a serious problem in early Nevada. Originally, several nearby springs and streams fed a series of tunnels, flumes, pipes, ditches, and reservoirs. By the early 1870s, however, these supplies of water had become inadequate to support the growing population.

The Virginia and Gold Hill Water Company decided in August 1871 to develop a water system stretching more than 21 miles west to the Carson Range—part of the Sierra Nevada. Surface water was plentiful in the Carson Range, but the key was bringing water out of the western mountains, across Washoe Valley, and back up the Virginia Range to Virginia City (at an elevation of 6,620 feet). The solution was an inverted siphon pressure pipeline designed by Hermann Schussler, a German-born engineer from San Francisco. In August 1873, the first water from Hobart Creek in the Carson Range reached Virginia City and Gold Hill.

Originally, the system included several components: (1) a small diversion dam on upper Hobart Creek at the Red House; (2) a 4.62-mile wooden flume to a tank that marked the start of the pipeline, at an elevation 351 feet higher than the outlet end of the pipeline in the Virginia Range; (3) a riveted, wrought iron, 11½-inch pressure pipeline extending 7 miles down to the lowest point on the system at Lakeview (at the south end of Washoe Valley) and back up to the high point in the Virginia Range; (4) a 4.04-mile flume to a point where Five-Mile Reservoir was constructed; and (5) a 5.66-mile flume to tanks located above Virginia City and Gold Hill.

The pipe for the system was made of iron plates bent to a cylindrical shape and then riveted. The pipe was fabricated in San Francisco and shipped by train to Lakeview. It came in 26-foot sections and the thickness of each pipe segment varied depending on where engineering calculations showed differences in internal pressure. The first pipe segments were laid on June 11, 1873, and in just six weeks, the last section was in place on July 25, 1873. There were 1,524 joints in the pipeline; 1 million rivets and 35 tons of lead caulk were used in its installation.

In 1875, a second flume/pipeline was installed adjacent to the first to double the original maximum production of 2.2 million gallons per day. Unfortunately, the flow of water in summer months from the Hobart drainage dwindled to only 700,000 gallons per day. An additional water source was needed.

During the time the original pipeline was constructed, a lumbering enterprise in the Carson Range created a small reservoir in the Marlette Basin above Lake Tahoe at an elevation of 8,000 feet. Originally named Goodwin Lake, it was renamed Marlette Lake, honoring Seneca Hunt Marlette, the first Surveyor General of the State of Nevada. The water collected in Marlette Lake was to be used for fluming purposes to send logs through a six-inch V-flume south to Spooner Summit, then down the Clear Creek main flume to a lumberyard south of Carson City.

In 1876, the Virginia and Gold Hill Water Company received permission to draw water from Marlette Lake. The dam was raised to 37 feet high, 213 feet long, and 16 feet wide at the crest. A covered box flume was constructed from Marlette Lake north along the mountainside above Lake Tahoe, to the west portal of a 3,994-foot tunnel driven through the granite ridge dividing the Lake Tahoe drainage from the Hobart Creek drainage. A secondary flume north of the tunnel captured water from many small creeks on the west side of the mountain, bringing the water to the tunnel to join with the flow from Marlette Lake. With this increased water availability, a storage reservoir was needed on Hobart Creek to regulate the discharge of water and the Hobart Reservoir was created.

In 1877, a third pressure pipe was installed in substantially the same location as the first two pipes. When completed, the water system included three reservoirs, a total of 21 miles of pressure pipes, approximately 46 miles of covered box flume, several structures, and one three-quarter-mile tunnel. The total investment in the water system exceeded \$3.5 million.

With the decline of the Comstock in the years and decades to come, the fortunes of the water system suffered. In 1933, the water company's name was changed to the Virginia City Water Company. By 1941, the company started to remove parts of the first (1873) and third (1887) pipelines to replace the flume between Five-Mile Reservoir and Virginia City. Continued failures in the aging pipeline and a lack of funds caused the company to sell the water system to Curtiss-Wright Corporation in 1957. That corporation planned to use water from the system for a proposed missile test site on lands it owned in Storey County.

However, the contract for the missile testing program was never approved. After making certain improvements to the system, the Curtiss-Wright Corporation subsequently sold it to the Marlette Lake Company.

In 1963, the Marlette Lake Company offered to sell the water system to the State of Nevada for \$1.65 million of the State's GOB. Included in the sale approved by the 1963 Legislature were water rights, over 5,300 acres of land, easements, pipelines, flumes, the Red House Diversion Structure, the caretaker's house at Lakeview (Lakeview House, 1873), and other water facilities. Administration of the system was assigned to Nevada's Department of Administration.

For many years, the State of Nevada was able to provide water to its Capitol Complex and the maximum security prison, in addition to the water it continued to provide to Virginia City. Subsequently, the State began selling water to Carson City, particularly during periods of peak demand.

Other notable dates in the history of the Marlette Lake Water System include the following:

- The tunnel carrying water from Marlette Lake to the east portal collapsed in 1957. Efforts by the State of Nevada to reexcavate the tunnel failed.
- In 1959, Marlette Dam was raised 15 feet, thus increasing the capacity in Marlette Lake to over 4 billion gallons (11,800 acre-feet).
- A diesel pump was installed at Marlette Lake in 1966 to pump water over a drainage divide to the Hobart Reservoir drainage.
- The wooden flume from the east portal to the Red House Diversion Structure was replaced with a pipeline in 1968.
- In 1974, a contract was signed between the State of Nevada and Storey County to ensure the supply of water by the State to Virginia City, Silver City, and Gold Hill on a continuing basis, and to convey from the State to Storey County the siphon system and relevant rights-of-way east of Highway 395 at Lakeview.
- In 1975, the Marlette Lake Water System was designated a Historic Civil Engineering Landmark. It was the first American system developed to overcome mountainous topography.

B. Recent Improvements

Historically, pumping has been required seasonally from Marlette Lake over a drainage divide into the Hobart Reservoir drainage. During periods of pumping, State personnel used to monitor the diesel generator and pump on a 24-hour basis, routinely hauling diesel to the site. A 2000 study commissioned by the Carson Water Subconservancy District (CWSD) evaluated

various alternatives to this supplemental pumping from Marlette Lake. The diesel pump water delivery system was found to be seasonal, expensive, environmentally risky, and unreliable. The study pointed out that over the long-term the most cost-effective and environmentally sensitive method of conveying water from Marlette Lake to the Hobart Reservoir would be to bore a hole through the drainage divide between these two bodies of water.

In 2003, the CWSD received a grant from the U. S. Environmental Protection Agency to improve the distribution system out of Marlette Lake, making it more environmentally compatible with the surrounding area. The CWSD completed the environmental assessment on the preferred alternatives in 2006. From 2007 through 2009 the following improvements were made to the water system:

- An existing 8-inch diameter pipeline was demolished in most areas except in Mountain Beaver habitat and replaced with 7,390 feet of new 12-inch diameter pipe from Marlette to Hobart Creek. Most of the pipeline was underground, with 828 feet of the pipeline constructed above ground in the Stream Environment Zone and Mountain Beaver habitat.
- The diesel-powered pump was replaced with a permanent 250-horsepower submersible electric pump on the northeast shoreline of Marlette Lake.
- Power and fiber optic raceways were installed from the pump site to the generator site located at the Sierra crest.
- Road drainage was improved from the Lakeview Tanks to Marlette Lake.
- A 650-foot intake suction line was constructed in Marlette Lake, approximately 40 feet below the lake level.
- A building for the generator was constructed near the crest of the Sierras (outside of the jurisdiction of the TRPA) and two natural gas-powered generators (300 kW and 25 kW) were purchased.
- A 4-inch natural gas line was constructed, by an independent contractor through Southwest Gas, from the generator building site to connect to the Paiute Pipeline.
- Automatic controls to monitor and to adjust flow levels from remote locations via cell phone were installed at Marlette Lake, the Hobart Reservoir, the Red House Diversion Structure, and the Lakeview Tanks.

Projects set for 2010 included a study to determine whether new redundancy valves at Marlette Lake and the Hobart Reservoir are needed and the replacement of an 18-inch diameter transmission line from Lakeview Tanks to Sawmill. A 7-mile section of inverted siphon that was constructed in 1875 delivers water to Virginia City.

IV. DISCUSSION OF MAJOR ISSUES RESULTING IN A BILL DRAFT OR LETTERS DURING THE 2009–2010 INTERIM

During the Committee’s work session on May 21, 2010, the members voted to submit one BDR to the 76th Legislative Session. Additionally, the members voted to send four letters (see Appendix B) to various entities. The “Work Session Document” can be found online through this hyperlink: <http://www.leg.state.nv.us/Interim/75th2009/Committee/StatCom/Tahoe/?ID=16>.

A. Environmental Improvement Program

United States President Bill Clinton sponsored a series of events in 1997 relevant to Lake Tahoe, known collectively as the Lake Tahoe Presidential Forum. Nevada Governor Bob Miller participated in these events, joining the President and others in committing to work together to implement the EIP. Discussed as a major aspect of implementing the agreements reached through the Presidential Forum, the EIP is an integrated procedure for identifying the projects, continuing programs, and studies necessary to achieve environmental goals in the Lake Tahoe Basin. Of special significance has been the EIP’s capital improvements element, which outlines specific projects (categorized by environmental thresholds) and funding sources.

In 1997, implementation of the EIP was estimated to cost \$908 million, and Nevada’s share would be \$82 million. At the time, Nevada already had \$25.6 million committed toward the EIP (including a \$20 million erosion control bond approved by voters in 1996, and \$5.6 million in current project and program funding by various State agencies), leaving a balance of \$56.4 million. In 1999, the Nevada Legislature authorized the issuance of \$56.4 million in bond funds to be made available through June 30, 2007. In addition, funding would be appropriated based on a program and schedule of projects coordinated through the Division of State Lands, State Department of Conservation and Natural Resources. In each session since 1999, the Legislature has approved a specific bond appropriation to carry out projects identified in the EIP. To date, these appropriations included the following:

LEGISLATIVE SESSION	BILL	APPROPRIATION
1999	A.B. 285 (Chapter 514, <i>Statutes of Nevada</i>)	\$3.2 million
2001	A.B. 177 (Chapter 302, <i>Statutes of Nevada</i>)	\$16.2 million
2003	S.B. 46 (Chapter 438, <i>Statutes of Nevada</i>)	\$9.87 million
2005	A.B. 458 (Chapter 298, <i>Statutes of Nevada</i>)	\$16.8 million
2007	S.B. 55 (Chapter 504, <i>Statutes of Nevada</i>)	\$9.6 million

Each of the previous bond appropriation bills was sponsored by the legislative committee providing oversight to the TRPA. The 2007 legislation was the final installment authorized by the Legislature in 1999 to pay for Nevada's share of the costs of the EIP in the Lake Tahoe Basin between July 1, 2007, and June 30, 2010.

The 2009 Legislature approved Assembly Bill 18 (Chapter 431, *Statutes of Nevada*) to renew the authorization for the issuance of GOBs up to \$100 million and to provide for legislative appropriations for the next decade from July 1, 2009, to June 30, 2019. The Office of the State Treasurer recommended to the Division of State Lands revised language to ensure that approved bonds may be sold at the time the funds actually need to be expended. Bonds may need to be expended later than anticipated, including after the biennium for which they are approved. For example, the State issued only \$11.93 million of the \$16.8 million GOBs authorized by A.B. 458; therefore, A.B. 18 extended the period of time within which the State may issue the remaining \$4.87 million of these authorized but unissued GOBs. The bill also included a specific request for the sale of \$4.42 million in GOBs to carry out Nevada's portion of the EIP for the 2009–2011 Biennium.

The Administrator of the Division of State Lands is authorized to submit a request to the Legislature each biennium, as necessary, for an appropriation to fund Nevada's share of the EIP. To this end, James R. Lawrence, Administrator and State Land Registrar, Division of State Lands, requested that the Committee sponsor a bill for the 2011 Session to provide for the sale of \$12 million of the authorized general obligation bonds for the 2011–2013 Biennium.

Bill Draft Request

The Committee approved a bill draft request for the sale of \$12 million of the authorized general obligation bonds for the 2011–2013 Biennium. The preliminary list of projects that will be submitted for consideration with this legislation includes:

- **\$1 million for continued forest health, restoration, and fuels management project implementation;**
- **\$300,000 to control invasive terrestrial and aquatic species;**
- **\$1,037,500 for recreation enhancements;**
- **\$335,000 for protecting sensitive species and improving wildlife habitat;**
- **\$8,827,500 for water quality, erosion control, and stream restoration/enhancement projects; and**
- **\$500,000 for project contingencies.**

The bill would provide that the total bond value issued for the Program may be reduced by the amount of money appropriated by the Legislature. (BDR S-97)

B. Transportation

Letter From the Committee

Carl Hasty, District Manager, Tahoe Transportation District, requested at the Committee meeting on March 29, 2010, that the Committee send letters to California's and Nevada's Congressional Delegations to request support of Lake Tahoe Transportation Authorities in the Reauthorization of the Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The federal highway and transit programs legislation, SAFETEA-LU, expired on September 30, 2009, and has been operating on a series of short-term extensions. The current extension will expire in March 2011. These Committee letters were sent in January 2011 to the members of the 112th Congress, as a reauthorization of SAFETEA-LU was not acted upon in 2010, and is expected to be considered in 2011. The 112th Congress convened on January 5, 2011.

Letter From the Committee

The Committee voted to send two letters related to transportation:

- **A letter to California's and Nevada's Congressional Delegations to request support of Lake Tahoe Transportation Authorities in the Reauthorization of the Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).**

Include a statement that the Metropolitan Planning Organization (MPO) designation under the current federal SAFETEA-LU for transportation and the transportation project implementation funds the Tahoe MPO (TMPO) receives have been of tremendous benefit to the people and the environment in the Lake Tahoe Basin. Specify support of the Committee for the retention of all authorities currently designated for the Lake Tahoe Region in the reauthorization of the bill.

Express the concern of the Committee that the TMPO does not receive transit operating formula funds as do all other MPOs, and request that the new transportation bill add this authority for the TMPO.

Therefore, the Committee supports the amendment of Section 5307 of the *United States Code* (U.S.C.) as follows:

Amend Section 5307(h) of Title 49, U.S.C., Chapter 53 to add a new subsection 5307(h)(2):

(2) For purposes of this section, the Lake Tahoe Region, as defined in Title 49 U.S.C. 5309(f)(3)(A), shall be treated as an urbanized

area with a population of 150,000 and a land area of 77 square miles, as defined in Section 5302.

Point out that significant operating funds are necessary to provide an effective regionwide transit system given the dominance of federal land ownership at Lake Tahoe (approximately 80 percent), the policy direction of the Tahoe Regional Planning Compact (Public Law 96-551) to provide alternatives to the automobile, and the large annual visitation that comes to enjoy Lake Tahoe.

- **A letter to Nevada's Department of Transportation to encourage the Department's continued cooperation with the Tahoe Transportation District to ensure that drop inlet grates in the Lake Tahoe Basin are safe for bicyclists.**

C. The Lake Tahoe Regional Plan Update

Lake Tahoe's current Regional Plan was adopted in 1987, and it contains goals and policies, which in turn support implementation measures. The *Code of Ordinances* is the most visible of several documents that make up the Regional Plan. The Code regulates, among other things, land use, density, rate of growth, land coverage, excavation, and scenic impacts. The regulations are designed to bring the Lake Tahoe Region into conformance with the threshold standards established for water quality, air quality, soil conservation, wildlife habitat, fish habitat, vegetation, noise, recreation and scenic resources. The Regional Plan also includes a comprehensive monitoring program, which provides for the compilation of results and evaluation on a five-year cycle. This evaluation enables the TRPA to analyze the practical application of the Regional Plan and to advise the TRPA Governing Board on making critical adjustments in the *Code of Ordinances* and other planning documents.

The Committee heard testimony at both the second and third meetings regarding the current economic conditions within the Lake Tahoe Basin, which included high unemployment, declining population in the public schools, and vacant properties in varying stages of decay. Conversation ensued at the third meeting of the Committee about the need to include economic elements in the Regional Plan Update.

Letter from the Committee

The Committee voted to:

- **Send a letter to the Tahoe Regional Planning Agency to urge consideration of the recommendations in the Lake Tahoe Regional Plan Initiative as the TRPA continues work on the Regional Plan Update. The Committee noted that an economic foundation is necessary to support environmental gain, and nothing in the letter should be construed as supporting or opposing any particular development proposal.**

D. General

Letter From the Committee

The Committee voted to:

- **Send a letter to Steve Teshara in acknowledgment of his nearly 30 years of work promoting collaboration between diverse entities for the common goal of improving environmental and economic conditions in the Lake Tahoe Basin.**

V. CONCLUDING REMARKS

The Committee would like to thank all of the federal, State, and local agencies; businesses; nonprofit organizations; professional organizations; the TRPA; and the public for their contributions to the work of the Committee this interim. The members appreciate the time and expertise of those who testified at each meeting.

VI. APPENDICES

	<u>Page</u>
Appendix A	
<i>Nevada Revised Statutes</i> 218E.555	19
Appendix B	
Committee Letters Approved at the Final Work Session	23
Appendix C	
Suggested Legislation	37

APPENDIX A

Nevada Revised Statutes 218E.555

APPENDIX A

Nevada Revised Statutes 218E.555

NRS 218E.555 Creation; membership; budget; officers; terms; vacancies; reports.

1. There is hereby created the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System consisting of three members of the Senate and three members of the Assembly, appointed by the Legislative Commission with appropriate regard for their experience with and knowledge of matters relating to the management of natural resources. The members must be appointed to provide representation from the various geographical regions of the State.

2. The Legislative Commission shall review and approve the budget and work program for the Committee and any changes to the budget or work program.

3. The members of the Committee shall elect a Chair from one House of the Legislature and a Vice Chair from the other House. Each Chair and Vice Chair holds office for a term of 2 years commencing on July 1 of each odd-numbered year.

4. Any member of the Committee who is not a candidate for reelection or who is defeated for reelection continues to serve after the general election until the next regular or special session of the Legislature convenes.

5. Vacancies on the Committee must be filled in the same manner as original appointments.

6. The Committee shall report annually to the Legislative Commission concerning its activities and any recommendations.

(Added to NRS by 2003, 2504; A 2009, 1152, 1562)—(Substituted in revision for NRS 218.53871)

APPENDIX B

Committee Letters Approved at the Final Work Session

JOHN J. LEE

SENATOR
Clark No. 1



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State of Nevada Senate

Seventy-fifth Session

January 17, 2011

The Honorable Harry Reid
United States Senator and Senate Majority Leader
522 Hart Senate Office Building
Washington, D.C. 20510-0001

The Honorable John Ensign
United States Senator
119 Russell Senate Office Building
Washington, D.C. 20510-0001

Re: Support for Lake Tahoe Transportation Authorities in the Reauthorization of the Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users

Dear Senator Reid and Senator Ensign:

The Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System (*Nevada Revised Statutes* 218E.555) has conducted hearings on issues important to the management, protection, and orderly development of Lake Tahoe. Among them are the importance of the transportation system and the role it plays in the environment, the community, and the economy. The Metropolitan Planning Organization (MPO) designation under the current federal Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) for transportation and the transportation project implementation funds the Tahoe MPO (TMPO) receives have been of tremendous benefit to the people and environment of Lake Tahoe. As the bill is now up for reauthorization, the Committee supports the retention of all authorities currently designated for the Lake Tahoe Region. This includes existing Section 202 funding, MPO designation consent, and the Lake Tahoe Ferry project authorized in SAFETEA-LU.

January 17, 2011

In addition the Committee is very concerned that the TMPO does not receive transit operating formula funds as do all other MPOs. We are in agreement with transportation supporters in the Region that the new transportation bill should add this authority for the TMPO.

Therefore the committee supports the amendment of Section 5307 as follows:

“Amend Section 5307(h) of Title 49, USC, Chapter 53 to add a new Subsection 5307(h)(2):

(2) For purposes of this section, the Lake Tahoe Region, as defined in Title 49 USC 5309(f)(3)(A), shall be treated as an urbanized area with a population of 150,000 and a land area of 77 square miles, as defined in Section 5302.”

Given the dominance of federal land ownership at Lake Tahoe (approximately 80 percent), the policy direction of the Lake Tahoe Regional Planning Compact (PL96-551) to provide alternatives to the automobile, and the large annual visitation that comes to enjoy Lake Tahoe, significant operating funds are necessary to provide an effective region wide transit system.

The Committee respectfully requests your support for the retention of the current Tahoe transportation authorities and the addition of transit formula operating funds as Congress works on the reauthorization bill. Lake Tahoe is a state and national environmental treasure, the resources and capabilities provided by these authorities helps ensure its protection and access for all Americans.

Sincerely,



Senator John J. Lee, Chair
Legislative Committee for the Review and
Oversight of the Tahoe Regional Planning Agency
and the Marlette Lake Water System

An identical letter regarding support for Lake Tahoe transportation authorities in the Reauthorization of the Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was sent to California and Nevada's federal representatives to the 112th Congress. Following is a list of the recipients:

NEVADA

The Honorable Shelley Berkley
United States Representative
405 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Dean Heller
United States Representative
125 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Joe Heck
United States Representative
319 Cannon House Office Building
Washington, D.C. 20515-0001

CALIFORNIA

The Honorable Barbara Boxer
United States Senator
112 Hart Senate Office Building
Washington, D.C. 20515-0001

The Honorable Dianne Feinstein
United States Senator
331 Hart Senate Office Building
Washington, D.C. 20515-0001

The Honorable Joe Baca
United States Representative
2245 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Karen Bass
United States Representative
408 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Xavier Becerra
United States Representative
1226 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Howard L. Berman
United States Representative
2221 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Brian P. Bilbray
United States Representative
2348 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Mary Bono Mack
United States Representative
104 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Ken Calvert
United States Representative
2269 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable John Campbell
United States Representative
1507 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Lois Capps
United States Representative
2231 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Judy Chu
United States Representative
2421 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Susan Davis
United States Representative
1526 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable David Dreier
United States Representative
233 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Sam Farr
United States Representative
1126 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Elton Gallegly
United States Representative
2309 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Jane Harman
United States Representative
2400 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Mike Honda
United States Representative
1713 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Darrell Issa
United States Representative
2347 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Dennis Cardoza
United States Representative
2437 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Jim Costa
United States Representative
1314 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Jeff Denham
United States Representative
1605 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Anna G. Eshoo
United States Representative
205 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Bob Filner
United States Representative
2428 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable John Garamendi
United States Representative
228 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Wally Herger
United States Representative
242 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Duncan D. Hunter
United States Representative
223 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Barbara Lee
United States Representative
2267 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Jerry Lewis
United States Representative
2112 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Daniel E. Lungren
United States Representative
2313 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Kevin McCarthy
United States Representative
326 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Buck McKeon
United States Representative
2184 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Gary Miller
United States Representative
2349 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Grace F. Napolitano
United States Representative
1610 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Nancy Pelosi
United States Representative
235 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Dana Rohrabacher
United States Representative
2300 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Ed Royce
United States Representative
2185 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Zoe Lofgren
United States Representative
1401 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Doris O. Matsui
United States Representative
222 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Tom McClintock
United States Representative
428 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Jerry McNerney
United States Representative
1210 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable George Miller
United States Representative
2205 Rayburn House Office Building
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The Honorable Devin Nunes
United States Representative
1013 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Laura Richardson
United States Representative
1330 Longworth House Office Building
Washington, D.C. 20515-0001

The Honorable Lucille Roybal-Allard
United States Representative
2330 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Loretta Sanchez
United States Representative
1114 Longworth House Office Building
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The Honorable Linda Sánchez
United States Representative
2423 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Brad Sherman
United States Representative
2242 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Pete Stark
United States Representative
239 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Maxine Waters
United States Representative
2344 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Lynn Woolsey
United States Representative
2263 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Adam Schiff
United States Representative
2411 Rayburn House Office Building
Washington, D.C. 20515-0001

The Honorable Jackie Speier
United States Representative
211 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Mike Thompson
United States Representative
231 Cannon House Office Building
Washington, D.C. 20515-0001

The Honorable Henry A. Waxman
United States Representative
2204 Rayburn House Office Building
Washington, D.C. 20515-0001

JOHN J. LEE

SENATOR

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State of Nevada Senate

Seventy-fifth Session

June 9, 2010

Susan Martinovich, P.E., Director
Nevada Department of Transportation
1263 South Stewart Street
Carson City, Nevada 89701-5229

Dear Ms. Martinovich:

At the meeting of Nevada's Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System (*Nevada Revised Statutes* 218E.555) held on May 21, 2010, the Committee voted unanimously to send a letter to the Nevada Department of Transportation to encourage the Department's continued cooperation with the Tahoe Transportation District to ensure that drop inlet grates in the Lake Tahoe Basin are safe for bicyclists. The Lake Tahoe Basin is a popular destination for bicyclists, and it is important to reduce known public safety hazards whenever possible.

Please contact me if you have any questions regarding this letter.

Sincerely,

A handwritten signature in cursive script that reads "John J. Lee".

Senator John J. Lee, Chair
Legislative Committee for the Review and
Oversight of the Tahoe Regional Planning Agency
and the Marlette Lake Water System

JJL/tlw:Tahoe L12

cc: Paul Frost, Chief Hydraulic Engineer, NDOT

Carl Hasty, District Manager, Tahoe Transportation District

Nick Haven, Transportation Team Leader, Tahoe Metropolitan Planning Organization, and Transportation Branch Chief, TRPA

JOHN J. LEE

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State of Nevada Senate

Seventy-fifth Session

June 9, 2010

Joanne S. Marchetta
Executive Director
Tahoe Regional Planning Agency
128 Market Street
P.O. Box 5310
Stateline, Nevada 89449-5310

Dear Ms. Marchetta:

At the meeting of Nevada's Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System (*Nevada Revised Statutes* 218E.555) held on May 21, 2010, the Committee received a presentation from Steve Teshara and Betty "B" Gorman regarding the Lake Tahoe Regional Plan Initiative (LTRPI). Subsequent to the presentation, the Committee voted unanimously to send a letter to the TRPA to urge consideration of the recommendations in the LTRPI as the TRPA continues work on the Regional Plan Update.

During the Committee's discussion of the LTRPI, the Committee noted that an economic foundation is necessary to support environmental gain. The Committee referenced the Tahoe Regional Planning Compact, which states in part that the "Maintenance of the social and economic health of the region depends on maintaining the significant scenic, recreational, educational, scientific, natural public health values provided by the Lake Tahoe Basin." The Compact further states, "The public and private interests and investments in the region are substantial." The Lake Tahoe Regional Plan Initiative is an example of a public-private collaborative effort and merits review.

Joanne S. Marchetta

Page 2

June 9, 2010

Nothing herein should be construed as supporting or opposing any particular development proposal. Please contact me if you have any questions regarding this letter.

Sincerely,

A handwritten signature in black ink that reads "John J. Lee". The signature is written in a cursive style with a large, prominent "J" and "L".

Senator John J. Lee, Chair
Legislative Committee for the Review and
Oversight of the Tahoe Regional Planning Agency
and the Marlette Lake Water System

JJL/tlw:Tahoe L10
cc: Steve Teshara
Betty "B" Gorman

JOHN J. LEE

SENATOR

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State of Nevada Senate

Seventy-fifth Session

June 7, 2010

Steve Teshara
P.O. Box 1875
Zephyr Cove, Nevada 89448-1875

Dear Mr. Teshara:

At the meeting of Nevada's Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System (*Nevada Revised Statutes* 218E.555) held on May 21, 2010, the Committee voted unanimously to send you a letter in acknowledgment of your nearly 30 years of work promoting collaboration between diverse entities for the common goal of improving environmental and economic conditions in the Lake Tahoe Basin. From serving as the Executive Director of the Tahoe Sierra Preservation Council in the mid-1980s to your recent resignation as President and Chief Executive Officer of the North Lake Tahoe Resort Association, you have been an effective force for positive change.

You have a long list of accomplishments including helping to secure millions of dollars in federal funding for watershed restoration and transportation projects in the Lake Tahoe Basin, establishment of the Lake Tahoe Gaming Alliance's luxury motor coach service to take visitors from the Reno-Tahoe International Airport to Stateline, and the successful lobbying of the 1997 Legislature to establish the Tahoe-Douglas Visitor's Authority (Assembly Bill 616 [Chapter 496, *Statutes of Nevada* 1997]). The Committee has enjoyed countless informational presentations by you over the years and wishes you well in your new venture as a consultant.

Feel free to contact me if I may ever be of assistance to you.

Sincerely,

A handwritten signature in cursive script that reads "John J. Lee".

Senator John J. Lee, Chair
Legislative Committee for the Review and Oversight of
the Tahoe Regional Planning Agency and the Marlette
Lake Water System

APPENDIX C

Suggested Legislation

The following Bill Draft Request will be available during the 2011 Legislative Session, or can be accessed after “Introduction” at the following website: <http://leg.state.nv.us/Session/76th2011/BDRList/>.

BDR S-97 Provides for the release of the next phase of bonds to carry out Nevada’s portion of the Environmental Improvement Program for Lake Tahoe for the 2011-2013 Biennium.