

**MINUTES OF THE MEETING**  
**OF THE**  
**LEGISLATIVE COMMISSION'S COMMITTEE TO CONTINUE**  
**THE REVIEW OF THE TAHOE REGIONAL PLANNING AGENCY (TRPA)**  
**(Senate Concurrent Resolution No. 2, File No. 15, *Statutes of Nevada 1997*)**

**March 13, 1998**

**Incline Village, Nevada**

The third meeting of the Legislative Commission's Committee To Continue the Review of the Tahoe Regional Planning Agency (TRPA) (S.C.R. 2) was held on Friday, March 13, 1998, commencing at 9:20 a.m. The meeting was held in the Little Theatre at Incline High School, 499 Village Boulevard, Incline Village, Nevada. Pages 2 and 3 contain the "Meeting Notice and Agenda."

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Brian E. Sandoval, Chairman

Senator Lawrence E. Jacobsen

Senator Mark A. James

Senator Michael (Mike) A. Schneider

Assemblywoman Marcia de Braga

**COMMITTEE MEMBER ABSENT:**

Assemblywoman Vivian L. Freeman

**LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:**

Fred W. Welden, Chief Deputy Research Director

Eileen G. O'Grady, Principal Deputy Legislative Counsel

Susan Furlong Reil, Senior Research Secretary

## **MEETING NOTICE AND AGENDA**

**Name of Organization:** Legislative Commission's Committee To Continue the Review of the Tahoe Regional Planning Agency (TRPA) (S.C.R. 2)

**Date and Time of Meeting:** Friday, March 13, 1998

9 a.m.

**Place of Meeting:** Incline High School

Room: Little Theatre (Ground Floor, Front Entrance)

499 Village Boulevard

Incline Village, Nevada

**Note:** Parking is limited.

## **A G E N D A**

### I. Introductions and Opening Remarks

Assemblyman Brian E. Sandoval, Chairman

### \*II. Approval of Minutes from January 30, 1998, Meeting

### III. Status Reports

#### 1. Streamlining of TRPA Ordinances and Procedures

James W. Baetge, Executive Director, TRPA

#### 2. Study of Alternative Sources of Revenue

James W. Baetge, Executive Director, TRPA

### IV. Forest Health in the Lake Tahoe Basin

John Christopherson, Forest Health Specialist, Nevada Division of Forestry

John Cobourn, Water Resource Specialist, Western Area Cooperative Extension,  
University of Nevada, Reno

### V. Recommendations for Committee Action

A. Pamela B. Wilcox, Administrator, Division of State Lands

(Ms. Wilcox will be assisted by representatives of several state agencies.)

B. James W. Baetge, Executive Director, TRPA

C. Richard Hill, Executive Director, Tahoe Transportation District

#### VI. Testimony and Recommendations from Lake Tahoe Transportation and Water Quality Coalition

Steve Teshara, Co-Chair, Lake Tahoe Transportation and Water Quality Coalition

Rochelle Nason, Co-Chair, Lake Tahoe Transportation and Water Quality Coalition

Stan Hansen, Co-Chair, Lake Tahoe Transportation and Water Quality Coalition

#### VII. Public Testimony

#### \*VIII. Committee Discussion of Future Meetings

#### IX. Adjournment

\*Denotes item on which the Committee may take action.

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Research Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, Capitol Complex, Carson City, Nevada 89701-4747, or call Susan Furlong Reil at 702/684-6825 as soon as possible.

Notice of this meeting was posted in the following Carson City, Nevada, locations: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; Carson City Courthouse, 198 North Carson Street; Legislative Building, Room 1214, 401 South Carson Street; and Nevada State Library, 100 Stewart Street. Notice of this meeting was faxed for posting to the following Las Vegas, Nevada, locations: Clark County Office, 500 South Grand Central Parkway; Grant Sawyer State Office Building, 555 East Washington Avenue.

### **INTRODUCTIONS AND OPENING REMARKS**

Chairman Sandoval called the meeting to order at 9:20 a.m. and directed the secretary to call roll. All Committee members were present except Assemblywoman Freeman.

Addressing Incline High School students present at the meeting, Chairman Sandoval thanked them for hosting the Committee. Chairman Sandoval outlined the Committee's mission and indicated that it would be hearing recommendations for legislation from government agencies and the private sector. Senators Jacobsen and James encouraged the students to share their views with the Committee during the public comment portion of the meeting.

### **APPROVAL OF MINUTES FROM JANUARY 30, 1998, MEETING**

SENATOR JACOBSEN MOVED FOR APPROVAL OF THE MINUTES OF THE COMMITTEE'S MEETING HELD ON JANUARY 30, 1998, IN STATELINE, NEVADA. THE MOTION WAS SECONDED BY SENATOR JAMES AND CARRIED UNANIMOUSLY.

### **STATUS REPORTS**

#### **STREAMLINING OF TRPA ORDINANCES AND PROCEDURES**

##### ***James W. Baetge and Rick Angelocci***

James W. Baetge, Executive Director, and Rick Angelocci, Chief, Project Review Division, both of the Tahoe Regional Planning Agency (TRPA), provided the Committee with a summary of the steps which have been taken by the TRPA to streamline its regulatory process (please see Exhibit A). Mr. Angelocci covered the following points:

- The TRPA's goal is to provide a consistent, efficient, and reasonable regulatory atmosphere while achieving and maintaining high environmental standards.
- A hearings officer position has been established as an intermediate level in the regulatory process to speed approval of projects. The hearings officer will meet every two weeks beginning in May 1998. Currently, applicants are approved either at the staff or at the governing board level, and timing issues have arisen due to the monthly meeting schedule of the TRPA Governing Board and notification problems.
- A local assistance unit has been established within the TRPA's Project Review Division. The unit will provide education, guidance, and support for the TRPA's memorandum of understanding (MOU) partners and assist in carrying out the MOUs. This is an important component of the streamlining program as local jurisdictions now have increased regulatory responsibilities.
- The City of South Lake Tahoe, California, is developing zoning amendments to adopt the TRPA's Plan Area Statements to ensure that both the City of South Lake Tahoe and the TRPA are operating under the same set of base rules with regard to allowable land uses. The adoption of rules that are consistent with those of the TRPA is the first step in increasing the delegation of regulatory responsibilities to local jurisdictions.
- The TRPA and its MOU partners are negotiating to expand the terms of the MOUs to increase local regulatory responsibilities. These partners include the United States Forest Service, United States Department of Agriculture; El Dorado County, California; Washoe County, Nevada; the City of South Lake Tahoe; the Lahontan Regional Water Quality Control Board; and the Tahoe Conservancy. These expanded MOUs are expected to assist the TRPA in reaching its goal to establish a one-stop permitting process. (Notably Douglas County, Nevada, is not a participant in the MOU process.)
- In an effort to further streamline the permitting process, the TRPA has entered into a contract with the Sedway Consulting firm and agreed to a work program. Sedway Consulting will gather information from the various agencies having jurisdiction in the Lake Tahoe Basin (Basin); document the policies, processes, and regulations of each agency; formulate a strategy; and develop a draft action plan and a final action plan for the consideration of every agency. It is anticipated that the final action plan should be completed by the end of June 1998 and will provide the TRPA with direction necessary to assemble all regulatory agencies in the Basin under a uniform set of regulations.
- The ultimate goal of the TRPA is to provide a one-stop permitting process for project applicants.

Responding to a question from the Committee, Mr. Baetge indicated that the actions recommended in the final plan will be implemented between July 1, 1998, and July 1, 1999.

## **STUDY OF ALTERNATIVE SOURCES OF REVENUE**

### ***James W. Baetge and Pamela Drum***

Mr. Baetge reported that the TRPA has been attempting for several years to commission a consultant to update the alternative revenue feasibility study done in the early 1970s which is commonly known as the "McDonald Smart Report." The State of California has committed \$80,000 toward this project provided the TRPA is able to garner \$20,000 in local funding. Pamela Drum, Environmental Information Coordinator, TRPA, reviewed the status of the TRPA's efforts to obtain the local funding, covering the following points:

- The local community has been instrumental in the effort to update the alternative revenue feasibility study.
- The TRPA has approached three groups of organizations to contribute local matching funds: (1) the chambers of commerce which represent the local business communities; (2) local governments, including some of the major public utility districts, which are key players in implementing the Environmental Improvement Program (EIP); and (3) the visitors' and convention authorities.

- Local matching funds of \$11,000 have been raised thus far, with contributions ranging from \$1,000 to \$2,000. The TRPA anticipates that it will be at or near its goal of \$20,000 by the end of March 1998. Contributors are interested in participating and guiding the study as well as having a voice in what steps should be taken once the study has been completed.

Mr. Baetge noted that the TRPA expects to select a consultant within the month. The consultant will develop a list of 10 to 12 alternative local revenue sources and report its findings to the TRPA by July 1998. Thereafter, the TRPA will facilitate extensive community discussion of the report's findings and narrow the list of potential alternative local revenue sources to two or three proposals. These discussions should conclude late this year. Economic analysis of the final proposals is expected to be completed in early 1999, and once completed, the interested parties may begin developing plans to implement the revenue generation proposals.

Continuing, Mr. Baetge pointed out that an issue which should be addressed late this year or early in 1999 is that of which entities should receive and distribute the funds generated from alternative revenue sources for construction and maintenance of EIP projects. For example, with the numerous general improvement districts operating in Douglas County, it is possible that funds could be distributed to either the County or to an improvement district. Mr. Baetge suggested that this issue may need to be addressed by the Legislature in order to ensure long-term maintenance of the EIP facilities.

Responding to questions from the Committee, Mr. Baetge covered the following points:

- He is of the opinion that the updated local alternative revenue generation report will include discussion of a Basin user fee; gas tax; parking fees; recreational user fees; sales tax; transient occupancy tax (room tax); and utility tax. Within this process, it will be necessary to determine the proper mix of revenue sources needed to accomplish the goals of the EIP.
- It is unlikely that one revenue source will address all local EIP funding requirements. Discussion of the proposed alternatives at public meetings will ensure that all alternatives are considered and ultimately lead to a determination of the proper mix of revenue sources necessary to accomplish the goals of the EIP.
- He anticipates that there will be a mix of public and private EIP projects, with responsibility for implementation of most projects resting with the local governments. He also expects that funds for improvement projects and maintenance of facilities will flow through the States of Nevada and California, local governments, improvement districts, and perhaps the Tahoe Transportation District.
- The Request for Proposal (RFP) for the consultant included a provision that the successful consultant must ensure that the public hearings include broad representation.
- The TRPA plans to submit any requests it may have for legislative assistance in time for Nevada's 1999 Session.

## **FOREST HEALTH IN THE LAKE TAHOE BASIN**

### ***John Christopherson and John Cobourn***

John Christopherson, Forest Health Specialist, Division of Forestry, State Department of Conservation and Natural Resources, announced that John Cobourn, Water Resource Specialist, Western Area Cooperative Extension, University of Nevada, Reno, was unable to attend the meeting. Mr. Christopherson gave a slide presentation illustrating forest health issues in the Basin. Depictions of the forest dating from 1867 to the early 1900s were included. Mr. Christopherson covered the following points.

- In his 1990 survey of the forest, G. B. Sudworth described it as containing very large, widely spaced trees, much different than the characteristics seen in today's dense forests.

- The early forests were shaped by natural agents of change such as avalanches, climate, disease, fire, insects, and storm events.
- New agents of change were introduced to the forest in the mid-nineteenth century including construction of roads, fire suppression, residential development, and most significantly, logging.
- Following the clear cutting of the forest, regeneration occurred during a period of very favorable precipitation. At the same time, fire suppression efforts were implemented. These two factors are largely responsible for the denseness of today's forest.
- As a result of the fire suppression policy, the forest floor changed. Vegetation grew back unchecked by fire's "thinning effect." Fire no longer released nutrients that would have stimulated the regrowth of grasses, plants, and wildflowers. An alteration in the relative distribution of tree species across the landscape also took place. In addition, the fire regime changed from one of very frequent, low-intensity fires moving across the forest floor to one of large conflagrations. While fires do not occur as frequently as they did before the fire suppression policy was implemented, the fires that occur today are usually large and destructive. In the past, low-intensity fires scarred the trees rather than destroying them. In contrast, the high-intensity fires of today destroy trees.
- As the trees grow larger and older, their water and soil volume requirements increase. When the forest is too densely stocked, the trees become very weak and are more likely to be impacted by stressors such as disease, drought, and insects, resulting in widespread areas where the trees are dying.
- While the forest still contains the same types of trees, their relative proportions have changed. For example, in the early- to mid-1800s, the forest contained few Jeffrey pine trees; today, it is a significant tree species.
- There has been a significant increase in the abundance of live and dead fuel in the forest, making it much more likely that the forest could burn with high intensity.
- The Basin is at risk for catastrophic wildfires. High intensity wildfires cause substantial damage to natural resources, killing entire stands of trees. In addition, they do not clean the forest under story. When a stand of trees and the vegetative cover are killed by fire, the soil becomes much more susceptible to erosion. If catastrophic wildfires occurred in the Basin, they would cause significant amounts of sediment and nutrients to flow into Lake Tahoe.
- The forests are currently very unstable. They are subject to wide swings in stocking levels of numbers of trees per acre. Solutions include reducing the number of trees per acre, breaking up the tree age classes to add diversity to the forest; and reintroducing fire back into the forest ecosystem.

Responding to a question from Senator James, Mr. Christopherson noted that it will take many years to restore forest health. One of the greatest challenges faced by forest management officials today is obtaining consensus among interested parties as to the magnitude of the problem and the appropriate steps which must be taken to restore forest health. The Forest Health Consensus Group, as part of the TRPA, has been meeting since 1991 in an effort to resolve some of the issues.

Senator Schneider questioned if, in the process of thinning the forest, it would be possible to sell the trees. Mr. Christopher indicated that while live trees that have a minimum diameter of 12 inches do have value, the forest lacks a sufficient number of them to make this a viable option. In addition, there is no road system which would allow access to many of these trees. While helicopter logging is possible, the cost would most likely prohibit this type of operation.

Assemblywoman de Braga asked if old records exist which might provide statistics on forest health and disease. Responding, Mr. Christopherson stated that historical records focus on the volume of timber rather than disease. However, it is known that over thousands of years, insects and diseases have played an important role in stimulating the recycling of nutrients and eliminating weakened trees, leaving the stronger, more resistant trees in place. Insects are very much regulated by the food source and weather, and when all the trees weaken, the beetle population can increase rapidly.

In response to a question from Chairman Sandoval, Mr. Christopherson indicated that the Forest Health Group has reached consensus on some matters. The group is currently attempting to develop strategies that may focus on individual watersheds. The U.S. Forest Service is initiating a large watershed study of the Basin, and it is anticipated that the results of that study will provide the group with logical direction in determining appropriate treatment for the various watersheds. Mr. Christopherson was unable to give the Committee a time frame within which the group expects to reach consensus on the issues and begin implementing its decisions.

## **PUBLIC TESTIMONY**

### ***Mark Greenberg***

Mark Greenberg, a teacher of Environmental Science at Incline High School, summarized the activities of his class, covering the following topics:

- One of the goals of the Environmental Science course is to increase the students' awareness of environmental issues.
- The class has worked on the Third Creek Project to improve the creek and the watershed area.
- A one-minute television spot is being developed by the class.
- The students are also participating in a water quality control project.

Senator James thanked Mr. Greenberg for allowing his class to participate in the Committee meeting. Responding to comments of Senator James, Mr. Greenberg indicated that Incline High School's Environmental Science course focuses almost entirely on global environmental issues. Senator James encouraged Mr. Greenberg to follow the activities of the TRPA.

### ***Nicki Ward***

Nicki Ward, an Incline High School student, asked why the TRPA will not permit the construction of fast food restaurants in Incline Village. Responding, Mr. Baetge (previously identified on page 4 of these minutes) stated that fast food restaurants are allowed in Incline Village; however, drive-up windows are not permitted due to air quality issues. Patrick McCartney, Environmental Writer, *Tahoe Daily Tribune*, South Lake Tahoe, California, reported that the Incline Village General Improvement District (IVGID) had informed him that it would welcome a fast food restaurant in the area.

### ***John Preston***

John Preston, a teacher at Incline High School, pointed out that controlled burning is often harmful to those who suffer from respiratory problems and spoke in favor of balancing the needs of human beings with those of the environment. Senator James acknowledged Mr. Preston's concerns and expressed a desire to have representatives of the Forest Service address this issue.

Steve Chilton, Vegetation Threshold Manager, TRPA, noted that prescribed burning is just one of many tools available to address forest health issues. For example, the TRPA recently met with the California Energy Commission (CEC) regarding the possibility of utilizing specialized equipment on the timber sale that would convert unusable forest materials to biomass through a chipping operation. A gasification plant on the timber sale would create electricity from burning the gas, and the electricity generated from this process could then be sold to the power company.

Responding to questions from Assemblywoman de Braga, Mr. Chilton indicated that while there are a number of companies in Northern California that perform this type of operation, a large volume of material is needed in order for the project to be successful. There is currently a timber sale of 1,200 acres on the North Shore which may be appropriate

for biomass conversion as no bidders have been received on the regular timber sale. Mr. Chilton also stated that he is of the opinion, based on information provided to him by people knowledgeable about biomass conversion equipment, that any emissions from the process are quite small. However, the TRPA will further investigate this issue.

### **RECOMMENDATIONS FOR COMMITTEE ACTION**

#### ***Pamela B. Wilcox***

Pamela B. Wilcox, Administrator, Division of State Lands, State Department of Conservation and Natural Resources, announced that representatives from a number of state agencies would present summaries of proposed EIP projects to be funded and implemented in order that Nevada may meet its commitment to solving the environmental and economic challenges facing the Basin.

#### ***Wayne Perock and Steve Weaver***

Wayne Perock, Administrator, Division of State Parks, State Department of Conservation and Natural Resources, acknowledged that serious resource management problems exist on Nevada's portion of the Basin. He indicated that one minor step which has been taken to address forest health issues is the utilization of inmate labor to remove wood for fire sales.

Steve Weaver, Chief, Planning and Development, Division of State Parks, provided the Committee with a compilation of the EIP threshold projects recommended by the Division of State Parks over a ten-year period (please see Exhibit B), covering the following points:

- The Division of State Parks manages a total of over 14,000 acres in three separate counties. In addition, it manages 542 acres of property which were donated by the Van Sickle family in 1989 for use as a future state park.
- The primary focus of the ten-year, five-phase forest restoration project is to work on those 5,000 acres that are in greatest need of rehabilitation.
- Funds needed by the Division of State Parks to implement all projects listed on Exhibit B are \$20,319,000.
- The Divisions of State Parks and Forestry are in the process of negotiating a MOU to share resources. However, both agencies will require additional staffing to coordinate the EIP projects.

Ms. Wilcox noted that all projects listed on Exhibit B are included in the TRPA's EIP.

#### ***Jeffrey Fontaine, P.E., and Amir Soltani***

Jeffrey Fontaine, P.E., Deputy Director, Nevada's Department of Transportation (NDOT), and Amir Soltani, Chief Hydraulics Engineer, NDOT, provided the Committee with an overview of proposed NDOT projects for the Basin for the years 1998 through 2007. Please see Exhibit C. Mr. Fontaine summarized the activities of NDOT in the Basin, covering the following points:

- The NDOT has made significant investments in the Basin, including the installation of the Road Weather Information System (RWIS) (please see Exhibits D and E); the introduction of alternate chemicals for ice and snow control; and erosion control and water quality improvements.
- This past year, NDOT has increased its snow removal operations in the Basin. It recently opened a part-time maintenance station that will function as a barracks for road maintainers during storm events.
- In the process of working with the Division of State Lands and the TRPA on the development of the EIP, NDOT and the TRPA have reached some agreement on the priority of NDOT's projects.



- In addition to the funds needed to carry out those projects that NDOT has identified as part of the EIP, general projects such as road maintenance and repair of retaining walls will require expenditures of \$20 million.
- Over the next ten years, NDOT will make every effort to meet its commitment as identified in the EIP.

Continuing NDOT's presentation, Amir Soltani discussed the following topics:

- To ensure the success of the master planning process, NDOT holds monthly meetings with all interested agencies within the Basin.
- In 1998 NDOT will spend \$15,280,343 in the Basin. He noted that roadway projects are not included as part of the EIP improvements.
- The funds necessary for NDOT to complete the projects identified in the EIP over the next ten years is approximately \$55 million, with an overall cost for all types of NDOT projects in the Basin of \$74 million.
- Of the \$55 million needed for NDOT's EIP projects, \$17 million in funding has been identified from federal, highway, and state bond sources. The NDOT intends to seek \$20 million from the State of Nevada. It also plans to work closely with TRPA to identify additional funding sources, particularly federal funds, for the remaining \$18 million needed to complete the EIP projects.
- The maintenance cost of EIP facilities was not included in the 1998 EIP. The current yearly maintenance cost of these facilities is \$100,000; and NDOT estimates these costs will increase to approximately \$800,000 by the year 2008.
- Another provision not included in the EIP is the creation of a monitoring program to measure the effectiveness of NDOT's design, construction, and maintenance of EIP facilities. Monitoring program costs are estimated at approximately \$100,000 a year for nine years.
- Equipment, maintenance, and monitoring costs will require an additional \$6.2 million over the next ten years.

Senator Schneider questioned what percentage of overall project costs was for labor. Mr. Fontaine offered to review past projects to determine how labor costs were set out.

Responding to a question from the Committee, Ms. Wilcox, previously identified on page 10 of these minutes, indicated that NDOT's portion of the state's EIP commitment of \$82 million is \$30,700,000.

### ***Jim Smitherman***

Jim Smitherman, Environmental Scientist IV, Division of Environmental Protection (DEP), State Department of Conservation and Natural Resources, reported on the agency's activities in the Basin (please see Exhibit F). Referring to Exhibit F, he pointed out that the expenditures for Fiscal Years 1996 and 1997 were included in the amounts listed in the total column; however, future expenditures were not. Mr. Smitherman discussed the following topics:

- The DEP has programs which monitor water quality in the Basin, such as inspection of wastewater treatment plants and collection systems. It also performs air quality planning and monitoring. In addition, the DEP is responsible for overseeing the control and remediation of petroleum and other chemical leaks.
- The largest source of revenue of the DEP is federal Environmental Protection Act (EPA) grants. While a few programs rely on state fees and other funds, very little of DEP's funding comes from the state.
- Expenditures in the Basin since the inception of the DEP total approximately \$21 million, of which 11 percent, or \$2.5 million, were state funds.
- The DEP is not requesting an increase in state funding.

### ***James M. Brandmueller***

James M. Brandmueller, Transportation Projects Manager, Nevada State Energy Office, Department of Business and Industry, gave a brief overview of the agency's activities in the Basin (please see Exhibits G and H), covering the following points:

- The Nevada State Energy Office is actively involved with biomass projects in the Basin. With funds from a U.S. Department of Energy (DOE) grant, the agency established a basin-wide planning and development program for forest thinning operations. Under the plan, the organic material from the thinning operation would be transported to Sierra Pacific Industry's Loyalton, California, cogeneration facility for conversion to electricity. The electricity would then be available for sale to residents in the Basin.
- In addition, the Nevada State Energy Office met with the National Ethynol Coalition, which purports to have a cost-effective means of converting the biomass substance into fuel ethynol for gasoline additives. This process could be done in the Basin without pollution or adverse impacts.
- In the fall of 1997, the agency joined with Denver-based NEOS Corporation, the Nevada-Tahoe Conservation District, Sierra Pacific Industries, Sierra Pacific Power Company, and the TRPA and submitted a proposal to the DOE's Western Regional Biomass Energy Project for \$74,963 in matching funds to support development of the green power program. A decision on the proposal is expected in late March or early April of 1998.
- A "Clean Cities" program was created in the Basin pursuant to the Federal Energy Policy Act of 1992 to promote the use of clean burning alternative fuels. The Clean Cities Group has completed a petition to the DOE which, if accepted, will enable the group to apply for supplemental funding. In addition, the Nevada State Energy Office has submitted a joint application with California for competitive DOE funding for the incremental costs for five buses within the Basin.
- Following the 1997 Presidential Forum, the U.S. Postal Service replaced its mail transport fleet with delivery vehicles powered by natural gas. The Nevada State Energy Office, in concert with the CEC, Fleetstar, Inc., the TRPA, and other interested parties, developed a short-term plan to ensure that adequate natural gas fueling is available in the Basin. The CEC has agreed to fund transportation and development costs of a permanent natural gas fueling site in South Lake Tahoe. The TRPA is working to locate publicly-owned land for the fueling site, and Fleetstar, Inc., which currently operates several natural gas fueling stations in Las Vegas, Nevada, has agreed to place the equipment and operate the permanent facility.
- It is attempting to promote the Basin as a high altitude demonstration area for DOE and U.S. Department of Transportation ongoing transit and vehicle projects.
- The agency is in contact with a Las Vegas-based firm that is developing a battery-powered vehicle to discuss the possibility of using a bus powered by electricity in the Basin.
- In addition, the agency is investigating the use of natural gas hydrogen blended fuels being developed by a Reno firm.
- During the summer of 1998, the State Energy Office is hosting the International Alternative Fuels and Fuels of the Twenty-First Century Conference in conjunction with the University of Nevada, Reno's Desert Research Institute, in which 17 nations will participate.

### ***Pamela B. Wilcox***

Pamela B. Wilcox, Administrator, Division of State Lands, provided the Committee with an overview of the \$30 million Tahoe Bond Act of 1986 and the \$20 million Tahoe Bond Act of 1996. Please see Exhibits I and J.

- The Tahoe Bond Act of 1986 provided the Division of State Lands with the funds to purchase 499 parcels of

environmentally sensitive property. The purchase of another two or three parcels is currently pending. In addition, a total of 15 erosion control and water quality protection projects were completed at a cost of \$7,377,526.

- One-third of the bond funds from the Tahoe Bond Act of 1996 (\$6.6 million) will be allocated to NDOT for erosion control and stream restoration projects. The remaining bond funds will be available for local governments to carry out erosion control and stream restoration work.

Responding to a question from Senator Schneider, Ms. Wilcox indicated that erosion control and stream restoration projects are often bid out to private contractors.

Ms. Wilcox summarized the presentations made to the Committee by NDOT, the Division of Environmental Protection, Division of State Parks, the Division of State Lands, and the Nevada State Energy Office, covering the following points:

- The proposed projects presented by the state agencies represent expenditures of well over \$100 million. It will be necessary for the agencies to prioritize projects and allocate among the various environmental thresholds.
- A total of \$25,561,593 is available in 1998 for EIP projects. In order for Nevada to realize its ten-year commitment to the Basin, it needs to set aside an additional \$56 million. While the exact mix of funds needed has not yet been determined, passage of a bond almost certainly will be required.
- The Division of State Lands expects strong support for the effort to preserve the environment of the Basin from the Executive and Legislative Branches of state government and from the public.

Ms. Wilcox requested that the Committee sponsor and introduce two resolutions during the 1999 Legislative Session supporting:

1. The appropriation of funds as part of the Executive Budget to enable Nevada to fulfill its commitment to Lake Tahoe; and
2. Legislation for extraordinary funding for the implementation of EIP projects.

Continuing, Ms. Wilcox stressed the importance that each resolution contain a clear statement of the purpose of the funds sought and that the language be broad enough to: (1) allow projects to protect the water quality of Lake Tahoe and its tributaries; (2) control erosion; (3) enhance recreational opportunities in the Basin; and (4) restore watersheds, including fish and wildlife habitat, forests, and streams. Ms. Wilcox indicated that she would work with Fred W. Welden, Chief Deputy Research Director, Research Division, Legislative Counsel Bureau, to finalize details regarding the funding mix needed to fulfill Nevada's commitment.

### ***James W. Baetge and Andrew Strain***

James W. Baetge, Executive Director, TRPA, and Andrew Strain, Senior Planner, TRPA, presented recommendations to the Committee for consideration. Please see Exhibits L and M. Mr. Strain covered the following points:

- In its review of the 1998-1999 budget, the Legislature deferred final action on funding the EIP threshold studies pending: (1) a completed draft of the EIP; and (2) inclusion of these funds in the California budget. Both of these conditions have been met, and the TRPA is ready to resubmit its budget proposal to Nevada's Interim Finance Committee (IFC).
- The TRPA requested that the Committee urge, by letter, that the IFC approve funding of Nevada's one-third share of the threshold-related studies to be carried out in 1998 and 1999. These studies include: (1) deep water plant mapping; (2) motorized water craft study; (3) an origin and destination study to enable the TRPA to update its database for use with transportation and air quality thresholds; (4) recreation user study; (6) tributary stream monitoring on both sides of the Basin; and (6) wildlife study.

Responding to a question from Assemblywoman de Braga, Mr. Baetge indicated that the purpose of the studies is to

ensure that the EIP projects are based on scientific analysis and that once implemented, they will accomplish the goals of restoring and protecting the environment of the Basin.

Senator James also expressed concern about the studies and stated that he was of the opinion that the Committee could not issue a letter of support because this item was not noticed for action by the Committee. Continuing, he suggested that the Committee may need to express its support for funding of the studies in some other manner. Mr. Baetge indicated that the TRPA would not appear before the IFC until it was assured that California will fund its two-third portion of the studies.

Mr. Strain reviewed the TRPA's proposal to develop a utility undergrounding program along the primary scenic byways (one of only 14 National Scenic Byways in the country) on the Nevada portion of the Basin, covering the following points:

- Tourism and outdoor recreation provide the economic impetus that will generate the revenue necessary to fund many of the EIP projects.
- The TRPA's goal is to develop a funding source and a mechanism by which local governments in Nevada can create utility undergrounding districts.
- The Nevada Legislature's previous oversight committee requested by letter that the Public Utilities Commission of Nevada (PUCN) (formerly the Public Service Commission of Nevada) work with the local governments, local utilities, and the TRPA to develop a utility undergrounding program that could be modelled after that which was implemented by California.
- The PUC recommended to the TRPA that it secure a statement of public policy from the Nevada Legislature which: (1) indicates that it is in the collective best interests of Nevadans to go forward with a utility undergrounding program in the Basin; (2) identifies the funding mechanism for the program; and (3) sets forth the organizational framework for the program.
- It is anticipated that the utility undergrounding project would cost approximately \$1 million a year for a period of 20 years.
- California currently spends approximately \$1 million annually on undergrounding projects.
- Possible funding sources for an undergrounding program include: (1) creating local assessment districts; (2) a net revenue set-aside by the electrical utilities that is budgeted five and ten years in the future; and (3) a specific line item on monthly utility bills that would be strictly for undergrounding efforts.

On behalf of the TRPA, Mr. Strain requested the Committee's support in introducing a bill during the 1999 Session to accomplish its undergrounding goals if the appropriate details can be outlined. He pointed out that two bills dealing with undergrounding of utilities in the Clark County, Nevada, area were passed during the 1997 Session: Senate Bill 283 (Chapter 540, *Statutes of Nevada 1997*) and Assembly Bill 379 (Chapter 523, *Statutes of Nevada 1997*). Assembly Bill 379 enhanced the ability of Nevada communities to create undergrounding assessment districts and place facilities underground. In addition, it allowed bond financing by local governments that created undergrounding districts.

Chairman Sandoval disclosed that he is the attorney for the Utility Shareholders of Nevada and stated that he would neither participate in discussion of nor vote on the undergrounding proposal presented by the TRPA; however, he indicated that he did intend to facilitate debate on the proposal.

In response to questions from Assemblywoman de Braga, Mr. Strain indicated that new utility lines are undergrounded. He emphasized that only those utility lines which are located along the scenic byway or are visible from the Lake would be required to be undergrounded.

Assemblywoman de Braga suggested that before it takes action, the Committee needs to hear testimony from the utility companies regarding this proposal. She also expressed concern about the impact of the proposal on citizens.

Mr. Welden noted that before the Legislative Counsel Bureau is able to submit the TRPA's recommendation to the Committee for a vote, he will require detailed information (for example, the type of set-aside). Mr. Welden offered to work with the TRPA to craft a detailed proposal that would result in a bill draft recommendation.

### ***Richard Hill***

Richard Hill, Executive Director, Tahoe Transportation District (TTD), provided the Committee with a memorandum to the Committee dated January 28, 1998, from Kevin Cole, Chairman of the TTD, and himself, regarding Lake Tahoe issues. Please see Exhibit N. Mr. Hill discussed the following topics:

- The TTD is the regional coordinator for transit operations in the Basin, serving as the applicant for operating funds and conferring its operating authority to transit operators within the Basin.
- The goals of the TTD are to: (1) create a single transit theme throughout the Basin; (2) develop a consolidated, user-friendly schedule; and (3) implement a transfer program that enables passengers to move from one bus to another throughout the Basin.
- It is the intent of the TTD to utilize its operating authority to apply for additional funding to enhance the Coordinated Transit System (CTS) program.

On behalf of the TTD, Mr. Hill sought the Committee's endorsement of two funding proposals as follows:

1. Operational expenses of \$90,000 a year for two years to sustain the TTD's existing operations (the TTD would work to secure a long-term revenue source during this period); and
2. An additional expenditure of \$50,000 per year for two years to provide administrative support to assist with coordination and implementation of projects and grant and fiscal administration.

(Note: These specific proposals were subsequently withdrawn in favor of a more general recommendation regarding analysis of potential sources of funding for the District.)

## **TESTIMONY AND RECOMMENDATIONS FROM**

### **LAKE TAHOE TRANSPORTATION AND WATER QUALITY COALITION**

#### ***Rochelle Nason and Steve Teshara***

Rochelle Nason, Co-Chair, Lake Tahoe Transportation and Water Quality Coalition (LTTWQC), and Executive Director, League To Save Lake Tahoe, and Steve Teshara, Co-Chair, LTTWQC, and Executive Director, Lake Tahoe Gaming Alliance, announced that Stan Hansen, also a Co-Chair of the LTTWQC, would be unable to appear before the Committee.

Mr. Teshara commended the Nevada state agencies for their efforts to meet Nevada's commitment to the EIP. He also expressed appreciation to the Governor's Office, NDOT, and Nevada's legislative oversight committee for their assistance in attempting to establish Lake Tahoe as a Metropolitan Planning Organization (MPO).

Issues of importance to the LTTWQC include:

1. Addressing the forest and watershed restoration needs on the Nevada side of the Basin;
2. Working with Nevada to bridge some East Shore areas with bicycle trails;
3. Completion of NDOT's erosion control stormwater management master plan;
4. The opportunity to utilize Nevada leadership in urging California to reduce its application of salt and sand in

the Basin by implementing technology similar to that of the RWIS system implemented by NDOT;

5. Resolving the infrastructure issue of a fueling station for alternative fuel vehicles;

6. Continued consideration of biomass as a means to improve forest health and reduce the impact of prescribed burning; and

7. Working with Nevada to identify and develop funding sources for the unfunded portion of Nevada's \$82 million commitment.

In conclusion, Ms. Nason stated that the LTTWQC will continue to aggressively pursue assistance from the Federal Government and from California and will work to build consensus on private projects that enhance the environment.

Senator James called the Committee's attention to a letter he sent to Assemblyman Sandoval dated March 11, 1998, (please see Exhibit O) and suggested that the Committee consider the following recommendations:

1. Identify a method of institutionalizing the commitments of the federal, state, local, and private entities responsible for implementation of the EIP; and

2. Devise a mechanism for coordinating the TRPA's budget requests being submitted to the States of Nevada and California and the subsequent legislative actions taken by the two states.

### **PUBLIC TESTIMONY**

#### ***Don Kornreich***

Don Kornreich, of Incline Village, Nevada, provided the Committee with a memorandum dated March 12, 1998, regarding recommended action for the 1999 Nevada Legislature. Please see Exhibit P.

Mr. Kornreich suggested that consideration be given to the installation of parking meters throughout the Basin and requested that the Committee determine whether this would require a change to the Bi-State Compact.

It was also suggested by Mr. Kornreich that the Legislature mandate surcharges on both electric and telephone services in Nevada. A portion of the funds collected through surcharges could be utilized for undergrounding of utilities. The remainder of the surcharge collected could be used for various environmental projects, including transportation. (He indicated that he would provide additional information for this recommendation before the next Committee meeting.)

Chairman Sandoval stated because of his relationship with the Utility Shareholders of Nevada, he will not participate in the debate or vote on the recommendation to mandate surcharges on electric and telephone services.

#### ***Kay Bennett***

Kay Bennett, a Carson City Supervisor, member of the Governing Board of the Tahoe Regional Planning Agency, Secretary of the TTD, and Chairwoman of the Nevada Tahoe Resource Conservation District, encouraged a bistate conference of legislators and offered her assistance in facilitating or participating in the meeting. Continuing, she urged the Committee to continue its oversight of the TRPA. She also expressed support for the funding request of the TTD. Ms. Bennett thanked the Committee for its continued interest in the challenges facing the Basin and complimented NDOT and the Division of State Lands for their efforts.

Chairman Sandoval requested that legal staff determine whether or not there are legal issues which must be resolved before action can be taken on Mr. Kornreich's proposal to install parking meters in the Basin.

Mr. Welden indicated that he would compile the recommendations made at all previous Committee meetings and send them to all parties on the Committee's mailing list prior to the next meeting.

***Debbi Bullock***

Debbi Bullock, a resident of Incline Village, Nevada, directed the Committee's attention to Mr. Kornreich's recommendation to impose a mandatory surcharge on electric and telephone utility services. Ms. Bullock suggested that perhaps such a surcharge could be equalized among persons if it was imposed on both gas and electric users. It was suggested by Committee members that it would be most helpful if concerned citizens participated in the public hearing process which will be initiated by the consultant who will be hired to update the alternative revenue resource study.

**COMMITTEE DISCUSSION OF FUTURE MEETINGS**

Senator Schneider questioned whether or not prison labor or juvenile offenders could be utilized on EIP projects. Extensive discussion ensued during which the following topics were covered:

- Chairman Sandoval directed staff to make an inquiry into Senator Schneider's suggestion and that the topic be reviewed at the next Committee meeting.
- Ms. Nason, previously identified on page 18, reported that the League To Save Lake Tahoe is organizing a program this summer to have several hundred volunteers provide labor on a North Shore project of the U.S. Forest Service. She indicated that prison labor could be extremely helpful and encouraged the Committee's efforts.
- Senator Jacobson noted that inmate crews are regularly utilized in the Basin. At the request of the Governor, attempts are made to secure jobs in which some payment is made in exchange for the labor, and about half of the projects staffed by prison labor generate income. Care needs to be taken, however, that prison labor does not compete with private enterprise.
- Senator James indicated that he is a member of the Governor's Sentencing Advisory Commission and reported that the state plans to issue an RFP for prisoner programs. He suggested that a prisoner work program would not only benefit the Basin, but also assist the state in dealing with its growing prisoner population and the need for quality rehabilitative programs.
- Mr. Perock, previously identified on page 10 of these minutes, reported that the Division of State Parks uses inmate crews extensively when they are available. The Division of State Parks is implementing a pilot program this year in Lincoln County, Nevada, wherein a dedicated inmate crew will perform labor intensive work for the Division. Last year, inmate crews worked in the North Canyon cutting wood for sale in the fall. He pointed out that the EIP program is heavily dependent upon the use of inmate labor.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 3:30 p.m.

Exhibit Q is the "Attendance Record" for this meeting.

Respectfully submitted,

Susan Furlong Reil

Senior Research Secretary

APPROVED BY:

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Senator Lawrence E. Jacobsen

Date: \_\_\_\_\_

### **LIST OF EXHIBITS**

Exhibit A is a document titled "Streamlining Update," provided by Rick Angelocci, Chief, Project Review Division, Tahoe Regional Planning Agency (TRPA), Zephyr Cove, Nevada.

Exhibit B is a document titled "Lake Tahoe Nevada State Park - Tahoe Basin, Environmental Improvement Program 'Threshold' Projects," revised March 10, 1998, provided by Wayne Perock, Administrator, Division of State Parks, State Department of Conservation and Natural Resources, and Steve Weaver, Chief, Planning and Development, Division of State Parks, Carson City, Nevada.

Exhibit C is document titled "Nevada Department of Transportation, Lake Tahoe Basin Projects, 1998 - 2007," provided by Jeffrey Fontaine, P.E., Deputy Director, and Amir Soltani, Chief Hydraulics Engineer, both of Nevada's Department of Transportation, Carson City, Nevada.

Exhibit D is a brochure titled "RWIS, The Environmentally Sensitive Approach to Winter Road Maintenance," dated July 1997, which overviews the Road Weather Information System, provided by Jeffrey Fontaine, P.E., Deputy Director, Nevada's Department of Transportation, Carson City, Nevada.

Exhibit E is a brochure titled "SR 28 Water Quality Improvements," dated July 1997, provided by Jeffrey Fontaine, P.E., Deputy Director, Nevada's Department of Transportation, Carson City, Nevada.

Exhibit F is a document titled "Lake Tahoe Activities Summary," dated June 30, 1997, provided by Jim Smitherson, Environmental Scientist IV, Division of Environmental Protection, State Department of Conservation and Natural Resources, Carson City, Nevada.

Exhibit G is a document titled "Presentation to the Legislative Commission's Committee to Continue the Review of the Tahoe Regional Planning Agency," provided by James M. Brandmueller, Transportation Projects Manager, Nevada State Energy Office, Department of Business and Industry, Carson City, Nevada.

Exhibit H is a document titled "Testimony of James Brandmueller, Transportation Projects Manager, Nevada State Energy Office, Before the Legislative Commission's Committee to Continue the Review of the Tahoe Regional Planning Agency," dated March 13, 1998, provided by James M. Brandmueller, Transportation Projects Manager, Nevada State Energy Office, Carson City, Nevada.

Exhibit I is a two-page document titled "Division of State Lands, Tahoe Bond Act of 1986," provided by Pamela B. Wilcox, Administrator, Division of State Lands, State Department of Conservation and Natural Resources, Carson City, Nevada.

Exhibit J is a document entitled "Tahoe Bond Act, Capital Improvements Program, final Report," provided by Pamela B. Wilcox, Administrator, Division of State Lands, State Department of Conservation and Natural Resources, Carson City, Nevada.

Exhibit K is a document titled "Nevada EIP Commitment," provided by Pamela B. Wilcox, Administrator, Division of State Lands, State Department of Conservation and Natural Resources, Carson City, Nevada.

Exhibit L is a memorandum dated March 10, 1998, from the Tahoe Regional Planning Agency to the Nevada Legislative Commission's Committee to Continue the Review of the Tahoe Regional Planning Agency (TRPA)



regarding support of the Fiscal Year 1998-1999 budget proposal for EIP threshold studies.

Exhibit M is a memorandum dated March 10, 1998, from the Tahoe Regional Planning Agency to the Nevada Legislative Commission's Committee to Continue the Review of the Tahoe Regional Planning Agency (TRPA) regarding support of a utility undergrounding program on the Nevada side of the Lake Tahoe Basin.

Exhibit N is a memorandum to the Committee To Continue the Review of the Tahoe Regional Planning Agency from Kevin Cole, Chairman, and Richard A. Hill, Executive Director, both of the Tahoe Transportation District, dated January 28, 1998, and provided by Mr. Hill, of Zephyr Cove, Nevada. The subject of this memorandum is "Lake Tahoe Issues Meeting - January 30, 1998."

Exhibit O is a letter from Senator Mark A. James to Assemblyman Brian E. Sandoval dated March 11, 1998, provided by Senator James. This letter includes recommendations for the Committee's consideration.

Exhibit P is a memorandum from Don Kornreich, of Incline Village, Nevada, to the Legislative Commission's Committee to Review the TRPA dated March 12, 1998. The subject of this memorandum is "Recommended actions for the 1999 Nevada legislature."

Exhibit Q is the "Attendance Record" for this meeting.

Copies of the materials distributed in the meeting are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the library at (702) 684-6827.