



**VERBATIM TRANSCRIPTION
MINUTES OF THE MEETING
OF THE
NEVADA LEGISLATURE'S MARLETTE LAKE WATER SYSTEM
ADVISORY COMMITTEE
(*Nevada Revised Statutes 331.165*)
June 3, 2002
Carson City, Nevada**

The second meeting of the Nevada Legislature's Marlette Lake Water System Advisory Committee (*Nevada Revised Statutes* [NRS] 331.165) was held on June 3, 2002, at 9:30 a.m. in Room 2144 of the Legislative Building, Carson City, Nevada. Page 2 contains the "Meeting Notice and Agenda."

COMMITTEE MEMBERS PRESENT:

Assemblyman Joseph (Joe) E. Dini, Jr., Chairman
Senator Mark E. Amodei
Assemblywoman Bonnie L. Parnell
Robert E. Erickson, Research Director, Legislative Counsel Bureau (LCB) (nonvoting member)
Gene Weller, Deputy Administrator, Division of Wildlife, State Department of Conservation and Natural Resources (SDCNR)
Pat McGinness for Mike Meizel, Chief, Buildings and Grounds Division, Department of Administration
Wayne R. Perock, Administrator, Division of State Parks, SDCNR
Steve Robinson, State Forester, Division of Forestry, SDCNR

OTHER LEGISLATOR PRESENT:

Senator Lawrence E. Jacobsen

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

M. Scott McKenna, Principal Deputy Legislative Counsel, Legal Division
Nenita Wasserman, Senior Research Secretary, Research Division

**REVISED
MEETING NOTICE AND AGENDA**

Name of Organization: Nevada Legislature's Marlette Lake Water System Advisory Committee (*Nevada Revised Statutes* 331.165)

Date and Time of Meeting: Monday, June 3, 2002
1:30 p.m.

Place of Meeting: Legislative Building
Room 2135
401 South Carson Street
Carson City, Nevada

If you cannot attend the meeting, you can listen to it live over the Internet. The address for the Legislative Web site is <http://www.leg.state.nv.us>. For audio broadcasts, click on the link "Listen to Meetings Live on the Internet."

A G E N D A

- I. Opening Remarks
- *II. Approval of the October 30, 2001, meeting minutes.
- III. Overview Reports by State and Local Government Entities
 - A. Division of Forestry, State Department of Conservation and Natural Resources
 - B. Division of Wildlife, State Department of Conservation and Natural Resources
 - C. Division of State Parks, State Department of Conservation and Natural Resources
 - D. Buildings and Grounds Division, Department of Administration
 - E. Division of State Lands, State Department of Conservation and Natural Resources
 - F. Local Governments
- *IV. Discussion of Issues Related to Marlette Lake Water System
 - A. Update on Pipeline to Virginia City and Related Issues
 - B. Supplementing Water Supply for Carson City through Marlette Lake Water System
- V. Public Comment

*Denotes items 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, 401 South Carson Street, Carson City, Nevada 89701-4747, or call Nenita Wasserman at (775) 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; City Hall, 201 North Carson Street; Legislative Building, 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; and Grant Sawyer State Office Building, 555 East Washington Avenue. Notice of this meeting was posted on the Internet through the Nevada Legislature's Web site at www.leg.state.nv.us.

Following is a verbatim transcription of the Marlette Lake Advisory Committee meeting held on June 3, 2002.

OPENING REMARKS

Chairman Dini:

Let the records show that all members of the committee are here. I would just like to thank the agencies for a very interesting tour of the Marlette [area]. It was very interesting, very beautiful and we wanted to stay there. If we would have had the option we would have had the meeting there. Certainly a beautiful day.

APPROVAL OF THE OCTOBER 30, 2001, MEETING MINUTES

Chairman Dini:

The first order of business today is approval of the meeting minutes. Do I have a motion for approval

of the last meeting minutes?

Senator Amodei: So moved.

Assemblywoman Parnell: I second the motion.

Chairman Dini:

The motion has been made to second and approve the minutes of the October 30, 2001 meeting. All in favor say aye.

Committee Members: AYE

Chairman Dini:

Motion has carried unanimously. We did have some overviews presented at Marlette Lake today. I would like to have each agency give us a brief recap of what we saw today. We will start out with the Division of Forestry.

OVERVIEW REPORTS BY STATE AND LOCAL GOVERNMENT ENTITIES

Division of Forestry, State Department of Conservation and Natural Resources

Steve Robinson, State Forester, Division of Forestry, SDCNR:

I'll just ask Tim Rochelle to make that presentation –he gave the one this morning.

Chairman Dini: Okay. Excellent job.

Tim Rochelle, Forester, Nevada Tahoe Resource Team, Division of Forestry, State Department of Conservation and Natural Resources:

My name is Tim Rochelle, Nevada Division of Forestry, Nevada Tahoe Resource Team. I have a handout for the committee, Mr. Speaker. (The handout is Exhibit A of this set of minutes and is titled "Marlette Lake Water System Advisory Committee Meeting, Nevada Tahoe Resource Team Forest Restoration Phase I EIP Update, dated May 30, 2002.) This outlines some of the activities that are not necessarily vegetation management related but I wanted to give everyone an update. Besides the first two items on the list, I have the Spooner/North Canyon Harvest Plan and Spooner/North Canyon Harvest Contract – these are some activities that take a lot of work in collaboration with other team members. I am proud to be a member of the Nevada Tahoe Resource Team working on EIP [Environmental Improvement Projects] within the Tahoe Basin. We hope to make more headway acre by acre if we get mechanized equipment on the ground. This is an outfit [CTL Management Incorporated] that is working closely with the Forest Service down in the basin. It also has close working relations with TRPA [Tahoe Regional Planning Agency]. We hope to utilize a three-week time frame at North Canyon Corridor with CTL Management Incorporated.

(Stream Assessment Contract)

Some other things that are being paid for out of Forest Restoration Phase I is the stream assessment contracts. There is a company [RCI] that will look over five miles of stream forests in North Canyon. We have a final report and hope to get some work on the ground with hand crews right after we meet with State Parks on the ground with RCI and then get the crews in when we design and implement these phases of the project. There are 11 primary treatment locations. We are happy that there is not a lot of work to do in North Canyon. It is properly functioning for the most part. It is a beautiful area and we will make some improvements in Forest Restoration Phase I.

(Tunnel Creek and North Canyon Road Improvements)

Some improvements you saw at North Canyon road and actually on the road surfaces itself were paid for out of Forest Restoration primarily but also out of some other bond moneys. Some of those improvements were completed last October. They held up pretty well with what snow we did get. We had the wettest April in the last 80 years according to the National Weather Service. We completed 8.5 miles of grading, 60 graded dips, maintaining roads that were originally placed. This work included culvert cleaning, culvert replacement, 2300 tons of aggregate base and 420 tons of drain rock. Some of those improvements you saw at the fish ladder today. We were not allowed to widen the road. This was a maintenance issue.

(2002 Work Locations – Forest Restoration)

As we came over Marlette Saddle, within the past week and a half, six feet of snow on the north side has melted off. We went up with the Division of Wildlife and also State Parks front loader with NDF [Nevada Division of Forestry] firefighters and punched hole through there. Everything is still intact and [the equipment] did not dig up any road service. We were worried about putting that money in there with the priority for getting the eggs out of Marlette. We went ahead and were able to remove some snow and have the operation in place as you saw earlier.

Some other things that are taking place adjacent to the main corridor in North Canyon is a lot of conservation crew activity. That will be taking place again this year at those Aspen sites which is one of our priorities from a fire prevention standpoint and from a wild habitat enhancement standpoint. We are working closely with the Division of Wildlife representative, Shawn Espinoza. We are able to get in there and treat a lot of acres. It does cost [a lot]. We do a lot of hand removal. We are making headway, nudging things along. It is a safer place in North Canyon now with some of the reductions that have taken place. We have a few more years of work to lateral off North Canyon corridor and other primary treatment locations. To do that, there are not enough NDF crews to go around. I wish there was. I would like to have all of them.

We also entered into an inter-local contract with the North Lake Tahoe Fire Protection District. This is a combined contract with the Division of Wildlife. Some of the Division of Wildlife lead projects on the environmental improvement program and the Nevada Tahoe Resource Team are completing things in that area of Spooner Meadows. We are working short-term working towards Slaughterhouse Canyon area which is a priority area within the basin as well. The EIP moneys are being spent to get crews down into those areas also.

The Nevada Conservation Corps and the Western Great Basin Institute at UNR [University of Nevada Reno] will be working to help us out. We ran into a survey crew almost literally this morning coming down North Canyon Corridor. Those are some human resources we have back there and we hope to escalate all these projects, and continue to work on some of the vegetation management projects but also some other extracurricular projects, that go hand in hand of completing these projects timely and efficiently.

One Forest Restoration Project Phase project [completed] was the archaeological study which we completed last field season. It was the second field season with 2000 and 2001 we completed survey and degradation on 4,800 acres, 7,000 [acres] within the park. We have learned a lot. Those that had base line information will help us in the projects to protect heritage and cultural resources in the park. This was approximately \$300,000 of EIP moneys for that project. That has really helped us give an idea of where things are at and to help mitigate the impacts for the resources. [I am] Happy to be hear to update you on some of our current and past activities. If there are any questions, I can answer on where the Forest Restoration projects primarily are, I will be happy to do that.

Chairman Dini:

You are doing an excellent job up there. Looks like a lot of work going on there. You are doing a

great job. Any questions from the committee? Yes.

Wayne Perock, Administrator, Division of State Parks, SDCNR:

Tim, when we were on the field trip we had talked with Rick about some of the forest health issues on the east side of the range. I think the rest of the committee might want to hear about what some of the funding options we might be continuing this side of the mountain.

I am sorry I did not introduce Rick Jones earlier, he is our Forest Restoration Officer who accompanied us earlier this morning. In that area of the Hobart Watersheds, there is a lot of issues of vegetation. Rick has been around for many years of experience. If he would like to Rick to answer some of those questions on funding.

Chairman Dini: Rick, come on up.

Rick Jones:

Good Afternoon, Rick Jones, Western Area. The question was brought up about funds. We do have some federal funds that have come through the U.S. Forest Service to the Division of Forestry. Some of them [funds] are mainly what we call fire funds that were doled out to the Western states to help mitigate some potential fuels and fire threats in forest interface. The area that they are looking at is outside the Tahoe Basin and is in Washoe County. We had earmarked (at least our fire people had) \$15,000 for fuels abatement for the south end of Washoe Lake State Park. I just got the information Friday to take a look at that but on the surface I do not see a lot that we can do to improve specifically in Washoe Lake State Park. I would hate to spend that much inmate time down there for the sake of burning up money. I was going to entertain with our Carson staff to see if we could use some of those moneys possibly up on a state park where we have a tremendous fuel load up there. Fifteen thousand dollars is only going to scratch the surface but would be a start. We have not had a chance to explore that. That is one of the avenues there have been some federal moneys available.

We currently have projects all over the states. We have been some federal monies come available and are close to wrapping up a project at Galena Forest Estates. We are mechanically thinning 100 acres on home owner association lands. They [the trees] are being de-limbed cut to log length. Anything that will not make commercial log is being hauled out for fire wood. The rest is being chipped. That operation should be complete in two weeks. We have another 150 acres down on another development called Callamont. They are paying to do some selves that are not any fire or federal funds associated with it. St. James Village, they are paying 50 percent of the cost which is \$35,000 out of their funds to achieve the work up there. Late this fall, will also part of that project will be used what we call a "brush domesticator" and the carriage is a hydraulic excavator type and will crawl on steep slopes. It can handle up to 55 percent slopes. It will be going out there and grinding out 50 to 60 percent of the brush and mahogany in some critical areas there to improve the fuel situation in those most communities. Those are the types of things that can be looked at. It is costing us, the thinning itself, at St. James, was costing \$400 an acre. The brush domestication is contracted out for \$350 an acre. They are handling slopes up to about 40 percent. We are also looking at some similar moneys that might be available for Washoe County parks to try and also see if we can get some money for initial thinning done in a rapid manner around Davis Creek Park where there are actual campsites. We do not have enough to do the whole thing because we are having to split between that and Galena Park. There is a tremendous fuel loading in there. If a fire breaks out there, that will not only jeopardize the camp but will probably go right across Mount Rose Highway into Galena Forest Estates.

Interesting note, a lot of people thought that last year was a tough year on moisture. A lot of the mortality at Davis Creek Park (we do not have a crystal ball) we can only look at indicators from the ground. More than likely though, the trees that died at Davis Creek Park, died from lack of water. They were heavily infested with dwarf mistletoe which takes moisture nutrients from the tree. When there is not enough for the tree, the tree will die. In St. James, we are cutting green trees - probably 60 percent or more of them are not weeping any sap and they should be. This is a real indicator that there is not a lot of moisture in the ground. I think if that is the condition we are looking at in most of

the Sierras on the east face, we are probably going to see a lot more insect mortality this year. That is about all I have right now.

Chairman Dini: Great.

Assemblywoman Parnell.

Thanks for that information. As I spoke to you this morning about the Bark Beetle, just to let you know that when I did come, I called Mr. Robinson and told him that I got your phone call and if discussion came up on any available funds we could take care of that. I think possibly some of the homeowners out around Davis Creek might even be willing to go 50/50 or help with at least a couple of folks. The people I spoke with were willing to do whatever they could do to alleviate the problem. It is my understanding if that would just continue to spread, once that gets going, that correct.

Rick Jones:

Until our trees have enough moisture, it leaves the trees prone to that [dying]. We have a commercial operator at Davis Creek Park who has basically has one load left of firewood. All the dead brown trees are basically on the ground. Most of them are out with the exception two on Mr. Sivaughn's property is where the bed and breakfast is on the west side of the highway. There is not enough [trees] left there to pick up. They have picked it up on three additional lots in addition to Davis Creek Park.

Assemblywoman Parnell: Great. Thank you.

Chairman Dini: Senator Amodei.

Senator Amodei:

Thank you Mr. Chairman. You have delineated a lot stuff that is going on in Washoe County. As we sit here in Carson City when we look up at the eastern slope, we start to see from what I assume (from not getting up there to look closer) is a bunch of dead stands of fir and stuff like that starting to show up on the eastern slope. I noticed up when I was up towards the upper end of Kings Canyon a couple of weeks ago, that the Forest Service has done a wood cutting area out there. I do not know if it is still active or not but within the last year or two. It was utilized as a way to get volunteer labor to help with thinning the resources. Are there any opportunities for that as we look at the eastern slope along the Carson Range? I am not sure what goes into it. I am not suggesting one way or the other because I know trees have to be marked and policed. In this press to try to do some fuels management, if there is a way to get the air polluters of the world to help get rid of some fuel - it may be something we ought to look at.

Rick Jones:

A good part of the east front we are seeing now is owned by the U.S. Forest Service now. In the last 20 years there has been a major shift from private land ownership to federal ownership. The Forest Service has their hands are tied [because] they have an explicit procedure they have to go through first. They have to conduct an environmental surveys and they have to bring in interdisciplinary teams, do their archeological surveys, wildlife, and endangered plant surveys [must be completed]. It is difficult for them with current procedures that they have to act as quickly as a private landowner can act. If you have access, they will try and utilize woodcutters frequently to get a lot of material out. It still leaves you with slash on the ground in some cases to deal with. We are working with a couple of people now, where it is whole treed. They are bringing in everything and it will be all chipped up and out. The problem you also have on the east front, which is very restrictive, is the steep slopes. You have very little access and they are not allowing [vehicles] with very few exceptions to go over 30 percent slopes with mechanized equipment. They have to really jump through a bunch of hoops to justify it. There are cable systems out there that can do it. They are quite costly to set up and bring out but they are far more cost effective than using helicopters.

Historically in the Tahoe Basin once you get over 30 percent slopes. According to TRPA, you have to use an aerial system must be used. To them, aerial systems are helicopters. We have for many years tried to convince them to use some cable systems which are not nearly as costly. Some of the helicopters used today, cost in the neighborhood of \$7,500 an hour to operate. You cannot fly junk wood with that [high cost]. Part of the mortality you saw at North Canyon today was some of the firs that had died a number of years ago, are even marginal for firewood. The point of decay is getting to the point that when you drop them down, they [the wood] are breaking them up and it becomes difficult to deal with.

Senator Amodei:

Thank you Mr. Chairman. You had indicated that you had completed quite a bit of the cultural resources survey within the park -- 4,800 out of 7,000 acres or something like that. Do you have a time frame or a plan on paper for finishing that up? The reason I ask is because a couple of years ago that was one of the major stumbling blocks in getting to access the park to do anything in terms of fuels management, [to] harvest lumber or any of that sort of stuff is the cultural resource stuff had not been done.

Rick Jones:

That is the primary trimming location, those 4,800 acres. The rest of the areas are high ground, high elevation, steep ground that we do not anticipate..

Senator Amodei:

So then for all practical purposes we are almost done with the cultural resources inventory.

Rick Jones:

Yes we are. [In] The third phase we may go back and look at some areas more intensely that would be costly also.

Senator Amodei:

Mr. Chairman. This is probably an appropriate place Mr. Chairman, since we have the resource folks here, and we have hit on this cultural resource thing a couple times. I had asked the Legislative Counsel Bureau to get a hold of the Forest Service with respect to Kings Canyon Road which is not within the Marlette Basin but it all kind of ends up in the same family since we are talking about the Eastern Slope. - Talking about maintenance issues and also about potential designation for the National Register as a linear whatever. It is very preliminary but, I throw that out at this point because it is very preliminary but if any of the resource people here or anybody you talk to have a major piece of heartburn operationally and anything else with that. The next 30 or 60 days would hopefully a good time to take me off quietly and tell me what a stupid idea that as opposed to the real publicly. Thank you Mr. Chairman.

Wayne R. Perock:

I have a follow up question to Senator Amodei's question about the cultural resources survey. If we start working around the eastern side are we going to run into those things on state properties.

Rick Jones:

[In response to Mr. Perock's question, Mr. Jones said] that is a potential stumbling block. With federal moneys, technically we have to comply with archaeological requirements the *Antiquities Act* No. 106, when you are using federal moneys you have to do an arch [archaeological] survey or something to check for archaeological values or locations. Now hopefully, and I have looked into some of this in the

past on the east side. We have some areas where basically Historical Preservation has said the whole mountain side is covered. That area up there, basically Little Valley, Franktown, all that area in there at least from a historical standpoint was heavily used. There are old flume lines, old mill sites, old campsites, not to mention the current flume line that Marlette is using now [which includes] Red House and those other facilities. There are a lot of those up there that are prehistoric sites. I know they have a full plate but if we could somehow shake loose someone from the Historical Preservation to possibly assist and locate some of these...We can use some systems that may be would not disturb or cause much disturbance. A lot of what we are doing by hand, I don't think that they would much objection to. That is also very costly. The easiest thing we can do first is by hand. There are some studies that when you get machinery on the ground, there are some studies out there that show that some techniques do not seem to disturb the resource too much. Particularly with the cable systems, they can reach out there, bring material in suspended so that it is not dragging on the ground so much, and those can be looked at in a contract type basis.

Chairman Dini: Can we do anything to help you?

Rick Jones:

I am really speaking out of turn here for them. I know that they [the Historical Preservation Society] have a full plate with everything they have to do. If we could shake some days loose where they could help us with some field work. There are some known sites out there. Part of the problem is trying to relocate them because they have a circle on the map. If we could pinpoint where those sites are, this is where we tread lightly and/or stay out of, would help us immensely. For their own sanity they would probably love to help us, if their workload would permit. Some encouragement might help - I do not know.

Chairman Dini:

Okay, we will direct a letter to Ron James and ask him for some assistance. Sounds like a good project for him.

Steve Robinson:

Mr. Chairman, just as a follow up to our last meeting. I think it is related to what Rick and Tim have said. The issue of doing work in Glenbrook Slaughterhouse Canyon area. We were having some trouble with the Forest Service cooperation up there and getting that going. We have probably \$1 million in projects ready to move in that area with some of it on the ground. We had hoped to see some progress. The Governor sent a letter to the Chief of the Forest Service asking cooperation to do that. We got the money, but we don't see the action on the ground yet. We have held several meetings with the Basin Forest Service Unit and are not satisfied with what they have come up with which was basically that they will have to do a complete EIP statement up there in that area before we can proceed on the ground. The Governor is not satisfied with that answer and has called both Regional Foresters that are involved: One out of Ogden [Utah] and one out of San Francisco to the state later this month to talk about that with the idea of coming up with an action plan and doing something on the ground up there.

Chairman Dini: Any other questions or comments? Thank you very much.

Division of Wildlife, State Department of Conservation and Natural Resources

Gene Weller, Deputy Administrator, Division of Wildlife, State Department of Conservation and Natural Resources:

Thank you Mr. Chairman. I am just going to just briefly summarize what you heard this morning. I hate to try and preempt some of our folks out there working in the field. You did see when we were up there, that at the spawn taking station, with the assistance of the Division of Forestry and the

Division of State Parks we were able to punch a hole in the road and get in there. It is kind of interesting since they first set up [the spawn taking station] on Thursday, the water temperatures were in the low 40s and the fish were not even thinking about moving. Since then, we have had pretty close to 1,500 fish that have showed up there and tried to spawn. It happens very quickly when it happened. I apologize we could not put together an opportunity for you to see a spawning operation but it is so "what we get, is what we get." The fish have their own minds on that [spawning]. We are in the process of taking spawn. We have a very aggressive objective this year of 1 million eggs. As you remember we are taking Tahoe Rainbow eggs out of Marlette now and have been able to develop the Tahoe strain of Rainbow Trout in Marlette. Primarily fish that were initially taken from fish that run out of Tahoe – native fish that run out of Tahoe into streams like Third Creek and Incline Creek to spawn. We took those eggs several years, started to build this brood stock of Rainbow and have augmented them with some Independence Lake strain fish. We are pretty much depending on the strain that is developing in the lake. We will be taking those fish, taking 1 million eggs which will be taken to our hatcheries and raised distributed through out the northern half of the state in our stocking programs over the next two years.

I imagine that the spawning operation will be in at Marlette probably for another two weeks. It will happen fast and furious now that has begun. That is my status report unless anybody has some questions.

Chairman Dini:

Any questions that were raised? Good report [Mr. Weller]. Thank you very much. We will go to State Parks.

Division of State Parks, State Department of Conservation and Natural Resources (SDCNR)

Wayne R. Perock, Administrator, Division of State Parks, SDCNR:

Thank you, Mr. Chairman. I will highlight a few of the things that Jay Howard, who was our Tahoe Resource Specialist on the Tahoe Team on our field trip. He briefly gave an overview of the parks which encompasses 14,000 acres; approximately 7,000 of that is in the [Tahoe] Basin. It caters to a lot of recreational activities that generate mainly out of Spooner Lake area. He told us that the visitation was approximately 150,000 people per year through Spooner. Sixty percent of that is mountain bikes with about 10 to 15 percent that are hikers. He talked about the Spooner Concessionaire who does cross country ski operations during the winter and the concessionaire caters to mountain bikes in the winter time.

Really, the important part of our trip this morning was to look at the Environmental Improvement projects. Tim mentioned a number of important things we are doing there. The forest health is extremely important to us. Before we had the bond initiative, I came before the Legislature and was always waving this flag [regarding] the conditions of the forest. It makes me feel so proud that we are doing something [about forest health]. We have stepped up to the plate to do things where sometimes our colleagues in California are not doing that.

Some of the things that we planned in the area this coming year include the North Canyon Alternative Trail. This will take hikers and equestrians off of the road that we saw this morning and reduce the conflicts between those user types. Also at Spooner this fall, we are going to be doing some major parking renovations of the parking area and putting BMPS and other water quality improvements. Again, this has been in the planning process for a number of years and we have finally got the TRPA permits. Also mentioned was the completion of the Rim Trail at the top of Spooner Summit off of Highway 50 and the amount of people that are coming off that a trail. Our backcountry ranger talked about some of the trail counters that she has just emplaced. The number of people, I think she said 1,400 since Memorial Day just in North Canyon. It was good to see that we are going to get some harder numbers on those things. We also handed out and have available for everybody, a brochure on the backcountry showing the trails which were released recently.

Some of the other things that we are considering in the area is some improvements to our back country campgrounds. There was discussion regarding the backpacking campground in North Canyon. We are going to be locating an improved restroom there, this month. Hopefully we will get a grant for us in improved recreational facilities there. Also there was discussion at Hobart Reservoir, is the type of camping that is taking place there right now, it is really illegal but it is occurring. There is a potential for backcountry backpacking campground that would cater to hikers and bicyclers and fishermen that use Hobart Reservoir.

Some of the special events planned for this summer is the Xterra triathlon and Backcountry Marathon. We are finding that our trail system is very favorable to different types of activities. When I heard about an ultra marathon, it is two marathons in one. These people are running or jogging at elevations above 7,000 and 8,000 feet. I get winded just thinking about it.

Other exciting events that we have started (which I also saw in the State of Utah) is a backcountry bicycle patrol. This is a volunteer effort where people have come together and bring their bicycles. We provide them shirts, radios, and first aid equipment, things like that. They will be patrolling the backcountry for people in need from water to first aid or lost or whatever. The backcountry is a busy place. With the advent of the mountain bikes 15 or 20 years ago but now there are hundreds using the trails daily.

Dini: Any questions? Okay, anyone here from Buildings and Grounds?

Buildings and Grounds Division, Department of Administration

Pat McGinness, Engineer, Buildings and Grounds Division, Department of Administration:

I am Pat McGinness, I'm sitting in for Mike Meizel. This year we have been pretty busy with the B&G side of the water system – we hired a new water master. Mike Leahy is now the officially new Water Master. He had been acting [water master] since Archie retired last January. He is finally on board officially with personnel. Last summer we pumped about 100 million gallons out of the lake with a diesel pump. It took us two engines and another pump to do it. We have a good system for this year. We have increased the horsepower on the engine. We have rebuilt the pump so that it does not leak internally. We are able to pump on an average 1,050 gallons per minute over the hill into Hobart. We are spreading the cost of that with Carson Utilities currently. We feel that we will probably have to pump this year, we are setting up to start the week of July 8th to move the equipment up and get it ready.

We are currently operating under a temporary use permit with [from] TRPA which is good for another six months. We are also applying for a permanent Change of Use [permit] for that area so that we can use water out of the area for the fire and health officials. That folds into the long-term plan of putting in a gravity feed at Hobart – out of the Hobart drainage. Ed James will probably talk some about that. We did a study with Public Works over the last couple of years, an engineering study to determine what was the long-term best way to get the water out of there. Not only to approve our water right but to have it available when we need it, instead of just dragging some fairly unreliable equipment – and pumping it out when we think we need it.

Both Ed James and my engineers who are not in any way connected with each other came back with a borehole [recommendation] from the Hobart side to tap into the lake was the least environmental impact. Also the cheapest if you throw in the maintenance operation [costs]. Ed is going for federal money. I'm trying to figure out a way with the new lease purchase laws and the energy retrofit kind of revenue based paybacks, how the state can come up with their share without costing the taxpayers any money above and beyond how we normally operate.

We have rented out the water master's house to a private individual. We are getting a little bit of revenue to keep that place going until Parks [Division of State Parks] decide what they want to do with

it long term. We now have a revenue source there we have not had before.

With Carson City utilities we reworked the east slope catchments last summer. Got most of them working pretty good which brought our yield up quite a bit from the east side. I do not know if we have been to every one [catchments] but this spring yet to rehab them but I'm sure they are full of dirt after the runoff. We plan to go through that again and make sure we do not lose too much water down the canyons that ordinarily we would have been able to sell to Carson City. I apologize for not bringing an official report.

Senator Amodei:

Do you have any documentation that indicates what the present condition between Hobart and Lakeview is? We have paid a lot of attention the last couple of interims to what is going on at the eastern end of that pipe with the Storey County but the last time I was up there taking a look at the age of a lot of that infrastructure, I am wondering what kind of shape is the state has responsibility for.

Pat McGinness:

As part of the engineering study we did, we looked at the general condition of the pipeline that runs from Red House to the tanks. In most of the area, it is in pretty good shape. Rocks have fallen on it, crushed and bent it [the pipeline] in a little bit. There are a few places where corrosion has eaten through it. It is an area of concern. Anything up on that mountain basically because of the winters it is always subject to avalanches, rockslides, vandalism, and all kinds of things. In general I think it is in reasonably good shape.

Senator Amodei:

If I can borrow a phrase of the Chairman, I guess what we would like to know is "what we can do to help you in terms of what needs to be realistically looked at that end of the system as far as the conduit goes." No matter what happens with the Subconservancy or Storey County that part is still going to be in operation. If something happens on that end of it after we have taken a critical look at some other ends of the system. It would not leave the state in a good risk management position. If there are things that are need to put into the mix in order to responsibility meet the ownership obligation we need to know what they are. We need to take whatever the appropriate action is.

Pat McGinness:

If we were a public utility or a responsible utility, I think we would try to be setting up a sinking fund to replace basically everything from Red House to the bottom of the syphon because we have pipe at the bottom of the siphon that is 140 years old. Everything else is as we got it pretty much. We patch it and fix it. A prudent person would be looking down the road at least setting up the way to pay for it when it does fail.

Senator Amodei: Message received. Thank you. Thank you Mr. Chairman.

Pat McGinness:

Everything else is as we got it pretty much. We patch it and fix it. A prudent person would be looking down the road, at least setting up the way to pay for it when it does fail, so that we are not scrambling around.

Chairman Dini: Thank you. Any other questions? Division of State Lands, Pam.

Division of State Lands, State Department of Conservation and Natural Resources

Pamela Wilcox, Administrator, Division of Lands, SDCNR:

Mr. Chairman, members of the committee. You are being given a status report on our Lake Tahoe Environmental Improvement Program [Exhibit D]. I knew you were going to hear a lot of individual reports on individual projects, I thought you would like to see an overview. The coversheet, I just put on it Friday. The bulk of the report is actually a report that was submitted to your Tahoe Oversight Committee on May 9, 2002. As you know we committed \$82 million for the EIP Program back in 1997 when there was a Presidential Forum up at the lake. As you also know, our Tahoe EIP Program is being implemented by a Tahoe Interagency Team many of those members met with you this morning, coordinated by the Division of State Lands. We are five years into this program and proud to report that we are on schedule with implementation of the EIP Program. To date \$45 million has been made available. I have given you a breakdown for the project type for which that \$45 million has been made available.

\$5.6 million - was made available prior to the 1997 Legislative Session.

\$26 million - Grants for Erosion Control and Water Quality Projects

\$2.3 million - Water Quality Projects on State Lands.

\$4 million - Stream Restoration and Fishery Projects.

\$3.4 million - Forest Restoration and Wildlife Improvement Projects within the Lake Tahoe Nevada State Park.

\$1.8 million - Recreation Improvement Projects within Lake Tahoe Nevada State Park. There is also a contingency fund.

The attached memo as completed projects, projects scheduled for their completion in 2002, projects designed in 2002 for probable completion in 2003. Long-term and continuing project and remaining project. Every time I look at this list, [Exhibit D] I am very impressed. Our Tahoe Team is doing a tremendous job. The projects that we have completed, you will see listed there starting with the Memorial Point Overlook finishing with Mill Creek, Phase I. These are mostly water quality projects but also give us benefits in areas of recreation, soils, and fisheries.

On the next page, page 2 of this memo, you will see projects scheduled for completion this year. Once again an impressive list including NDOT [Nevada's Division of Transportation] projects both along Highway 50 and Highway 28. A variety of grants to local governments, the North Canyon hiking trail which you heard about this morning. The Spooner Lake Park BMPs which you heard about this morning and Wayne [Perock] has also spoke to you about both of those. All of these are scheduled for completion this year. In design this year, in which we hoped that would be completed the next year. Once again a sizeable group of projects including some additional NDOT projects, some additional state park projects and some grants to local governments for BMP work on roadsides.

On page 3, there is a group of long-term and continuing projects and remaining projects. You heard discussion this morning about the continuing Forest Restoration project at the park as well as the enhancement project at the park. North Canyon Habitat Restoration which is going on simultaneously forward with the forestry project and the recreation projects. Sand Harbor BMP retrofit, Van Sickle Park Development that is the initial planning process for that southern unit of the park. Upland wildlife habitat enhancement, Sugar Pine habitat enhancement, land coverage restoration, urban lot management, Tahoe Yellowcrest, these are all programs that are long-term programs that we have been involved with since the beginning that are continuing.

Finally, there is a list of remaining projects. The list of remaining projects is much shorter than the list of projects that we also have done. It is a little misleading because a lot of the remaining projects are big projects such as Edgewood, Creekcrest Restoration. There is still about half of our work left to do. We are moving ahead and look from the beginning of the process to the end of the process and see indeed get it done. My thanks to all of the agencies that have helped us. Without the cooperation of Forestry, Parks and Wildlife, we have provided a full-time person to our Tahoe Team this would not be possible. I would be happy to answer any questions.

Chairman Dini: Anyone on the committee?

Wayne R. Perock:

Thank you Mr. Chairman. I just wanted to comment on some of the use of the bond money, especially the visitor center at Sand Harbor. We are using that to leverage federal land and water money. State Parks will continue every opportunity to use this to bring in other grants. Thank you.

Chairman Dini: Sounds like things are going well on the Nevada side.

Pamela Wilcox:

They really are. People are working very very hard. The project is a great success – not without difficulties. I have sat through discussions of many of these individual projects and in fact when you listen to the birth pains it is surprising how much we get done. But we do.

Local Governments

Chairman Dini:

You are doing an excellent job. Thank you. The next item is local governments, but we will take up Storey County and the next category. Anybody else except Storey County, local governments present. Okay. We will go to the next item of business, item four, an update on the pipeline to Virginia City and any other issues.

Update on Pipeline to Virginia City and Related Issues

Charles Hanes, Storey County Commissioner:

Thank you very much. This is Charles Hanes, Storey County Commissioner. Richard and Mr. Hess are fishing so consequently they were not able to attend. I would like to apologize for that. Right now the progress on the A.B.198 projects to replace pipeline from the top down to Five Mile Reservoir basically on hold waiting for the survey to be completed. On completion of the survey that should allow for it to go out to bid. As Speaker Dini and I had a little dialogue before the meeting this afternoon, we have had a little bit of a problem with going on with Five Mile Reservoir. The Public Works Board was able to drain the reservoir and clean it out in two days rather than two weeks as it took in 1975. We have a lot of cooperation with the local construction people. They were able to bring in a cat and a big wheel tired loader and muck it out. Of course in our next application for A.B. 198 will be included a liner for that reservoir so that we can eliminate water loss this year that occurs there. Other than that, if you have any questions for me, I will do my best to answer them.

Chairman Dini: Do you think you will go to bid this year on the pipeline?

Commissioner Hanes: Yes. As soon as the survey is completed, we are ready to go.

Senator Amodei: Chuck, did you find anything good in the reservoir when you cleaned it out?

Commissioner Hanes: Don't ask.

Senator Amodei: That is a yes.

Commissioner Hanes: No bodies.

Chairman Dini: Any other questions?

Wayne R. Perock:

The last time when we toured the pipeline and there was controversy over the alignment and following the historic alignment, was that resolved?

Commissioner Hanes:

That is one of the stumbling blocks because it was our intention to return to the original flume routing because it is a much better routing than the pipeline that was built in the 1950s. I doing so we ended up bumping our heads with the ship a little bit. There is really not much left of the original flume. I don't think there is much of a tremendous archaeological treasure out there. In the new alignment, the survey will be including will mitigate what portions are of the original flume that are remaining so that they will be saved.

Wayne Perock: Basically it will be close to the original flume line?

Commissioner Hanes:

Yes, we will move it over a little bit so an access road can be brought in. That is the most difficult part for us in mitigating the archaeological and historical concerns is any damage that would occur during construction. Not just the actual pipeline itself but the construction damage that goes on when you are digging a ditch.

Gene Weller:

Obviously, then you have been able to surpass the hurdle of the BLM [Bureau of Land Management] permits and that issue and that is an issue we fought with a couple of years ago. It appears that now the BLM is now working very cooperatively with us. Mostly archaeological concerns right now.

Chairman Dini:

Thank you very much. I appreciate you coming up. We'll go to Item B, water supply for Carson City through the Marlette Lake Water System.

Supplementing Water Supply for Carson City through Marlette Lake Water System

Edwin D. James, P.E., General Manager, Carson Water Subconservancy District:

Thank you, Mr. Chairman. I will give you an update. We have been pursuing funds to get this borehole through the system. We have been working on the regional water system for the whole Carson Watershed. It has been broken down into two major parts. The one we are focusing on now is what we are calling the Carson/Lyon County portion which has basically linking the various water entities together all the way to Stagecoach and then eventually to Silver Springs. The most important part of this is the Marlette System because it brings in additional water, stores the water and enhances the supply. In Carson City, Tom Hoffert can talk about the critical element that Marlette brings to the Carson City area for water supply. It also brings environmental issues to the borehole. The way it is currently set up now in the system is an environmental hazard potential. The borehole would prevent this and it is an opportunity to protect the environment. It is also more appealing. If you go up there now when they are pumping, using a large diesel motor and the noise and all that, it really doesn't fit very well with surrounding areas. A borehole would be set up that way. The design, if we get to that point in funding, is designed so it does not impact fisheries on the Marlette System. It will be a much more environmentally friendly system when it is set up. We have met with almost every one of our Congressional delegates. We have talked to a lot of their staff, Mike Leahy has been very helpful. We have been up there to show them. You can talk about it but when you take them there and show it, it really makes an impression on them. We have been told that they are going to try and shoot for funding. We are asking for the whole program which is \$15 million. The borehole is approximately is \$4 million. We are hoping to get that in 2003, to begin the design work. We will see how successful we are with the funding on that.

On the overall system, one of the concerns that we do have is that we have put all this money into

fixing up the system. If those pipelines from Red House to the reservoirs, tanks, start deteriorating, then we spend a lot of money, then we are still out of water. This would also be a concern to Storey County. One of the opportunities is if we can get more water through that is more revenue generated to the state, then it can be applied back to the system. Hopefully we can build something that can protect the overall the system. There is a concern there as we do move forward on that. At this point, if you have any questions of me or Tom Hoffert. We are crossing our fingers because \$4 million is quite a bit. There are matching funds that we are trying to get from the State Subconservancy and the City of Carson City because it is an opportunity for everyone to enhance that.

Chairman Dini:

Questions from the committee. How feasible is it to tie in Lyon County? Have you done a feasibility study on that?

Edwin D. James: To tie in Lyon County it is very feasible.

Chairman Dini: Moundhouse? Dayton?

Edwin D. James:

Running a pipeline from Carson [City] to Moundhouse provides a lot of advantages. One is that most of the water that comes to Moundhouse now comes from Dayton. To get the water from Dayton to Moundhouse, you have to pump it higher and the distance to travel is much further. It would have made sense historically to take water from Carson [City] up to Moundhouse. Because we had this county line back then and people did not want to cross so it never happened. Also, Carson [City] has some ideas and want to develop on Highway 50 and would like to upsize that pipe. There is an opportunity to enhance the ability for Carson and provide additional water to Moundhouse. Once you get water to Moundhouse, you free up the water that is in Dayton. That water does not have to go to Moundhouse anymore, then that would take care of the growth in Dayton and also some of the water issues that we are doing of a pipeline to Stagecoach. Stagecoach has a very large groundwater aquifer that could take some of those water rights that they currently can't use and store it underground. During the summer when the river is down and the demand is up, you can then pump it from the groundwater sources. This is how we are incorporating everything. I have an overhead presentation that may be next time I can give it to you on the goals of the overall system. One of the things of course is cost savings, reliability, enhancing environments that also looking in the long run how to meet the growth of the community at the least cost. This gives us an opportunity to incorporate all these opportunities and tie into what is already there. This is already tying into individual agencies that are out there. Just linking small parts together. Once you do it, you can move water back and forth fairly easily.

Assemblywoman Parnell:

Thank you. It sounds like a great idea to get water out to Storey, Lyon and Dayton because there is so much growth. My concern is doing any additional pipelining that unless we make sure that what we have coming out of Hobart down through Carson is really in good enough shape that we are not going to have a problem with that collapsing after doing a continuation piece. If we are going to put money in bonds and hope to have a long-term solution to some water supply in this part of Northern Nevada that we want shore up what we have. When we have parts of that [pipeline] that are so old and semi-deteriorated, I would just hope that everyone keeps that in mind. We need to pay attention to what is there, fix it and then add to it, is what I would like to see.

Edwin D. James:

Being a water manager in Southern California and looking on what is going on here. I would not get myself in the situation that we are in now. The state has some requirements and restrictions that I cannot do. It is different from the state than a public entity when I would run a district how we would set that up. Money has to be put away for when the day the pipe fails. The water is critical right now

for Carson City and Storey County. It is critical to keep that up, the pipe is in fair shape but is getting old and beginning to deteriorate. The borehole will put additional flow into the system. It should not put any more stress on the system. The wear and tear will take its toll. A management plan must be put together for the replacement of the pipeline would be a good idea and I am more than willing to assist the state to develop that and put a funding mechanism in place to reach that goal. If that falls, Carson [City] is out of water.

Chairman Dini: Water percentage of Carson City water comes out of Hobart?

Tom Hoffert, Carson City Utilities Manager:

The percentage of water that comes to Carson City from Marlette/Hobart water system is very low - between 2 and 5 percent on an annual basis. But it is critical link in maintaining surface water flows during the irrigation months of June, July, and August to maximize or to increase the utilization of the treatment plant that Carson City has. It relieves some of the stress on the underground aquifers. With Pat [McGinness], and Ed James and the other counties, we have been looking at all the feasibilities and opening dialogues and communications on what is in the best interest of the region in regards to the Marlette Hobart Water System. I think things are starting to move forward and stuff. Other than that, can I answer any questions.

Edwin D. James:

One of the advantages is that this water has no arsenic to it. This is a great advantage to Carson City with the new arsenic standards. I believe that you have eight wells that don't meet the standard. Having this additional water with no arsenic can be used as a blend source, keep cost down and again brings water through the overall system and frees up water to other entities. We currently sell water to Carson City through our Marlette Lake Water supply. That water can then be freed up for Lyon County and because they have additional water from Marlette that frees up that water and moves forward. Again it becomes a regional process when we look at this.

Tom Hoffert:

I might add that the pipeline that currently diverts water from the tanks up at Lakeview and diverges it to Carson City and Storey County. The portion that goes to Carson City, we are about at its capacity limits on trying to move water to Carson City based on our last agreement that went into affect two years ago. It is somewhere around 1,200 - 1,300 gallons per minute. We are at its capacity. That would be another line identified that there will have to be some upsizing or replacements to be able to bring additional water. That is what we are talking about, putting to use more water that hasn't been put to use by doing a bore hole or some other means to get a more constant supply of water. Thereby not tapping any existing water systems or water they currently supply but enhancing and creating new water that could be thereby utilized to new users or to other county agencies. In addition to that Carson City has been working on what we call and an ASR (aquifer storage and retaining system). We are currently drilling new wells as part of our continual growth and management of the water system within Carson City. By doing that we have excess capacity in our water treatment plant to where we can treat up to 10 million gallons of water per day if we had that water. Winter demand in Carson City is running 5 million gallons a day. If we have additional water that can be treated through our treatment plant, we would re-inject that through a dual purpose well into the ground water storage area, thereby banking and reserving water to be pulled out at a later time when peak demands say we need to use that. That is a way of utilizing the water that would in essence go on by the counties.

PUBLIC TESTIMONY

Chairman Dini:

This is the time for public comment. Anyone in the audience that wishes to make public comments. We will close that part of the meeting then. Anything else that the committee would like to bring up at this time?

Senator Amodei:

The issues that come under the jurisdiction of this committee are kind of unique in that there are not a lot of other resources like this that play a part like they do in the region that they are located that has essentially an oversight committee assigned to them. The TRPA [Tahoe Regional Planning Agency] committee is the only other one that comes to mind. We have talked about the issues that have come up even in today's update and discussion. I just want to make it clear – I think we are going to have one more meeting this interim if the chair is agreeable to that. This is an opportunity in terms of resource management and infrastructure management that not a lot of other communities or agencies have this resource. To the extent that we don't use it, especially this time to do something to do something about some of the topics we have recognized over the last two interims with recommendations whether they lend themselves to full funding or not we need to get on the record with some needs that need to be addressed in terms of policy and resources by the state so that those folks in the Subconservancy and local governments know exactly where we stand or where we are headed. Because I would hate to get to a point where we start letting events dictate what do, as opposed to going out and getting in front of some of them. That is not a simple one in terms of where is the water coming from and where does it go to. There are some pretty serious infrastructure needs on this committee whether the state stays in the system or not. I think we need to have some definitive statements so that if it gives someone some heartburn, we can deal with it one way or the other. I don't think any of these issues will go away but hopefully we can make some go away without an emergency. Thank you Mr. Chairman.

Chairman Dini: Okay, you are campaigning. I can't help it.

Senator Amodei:

I have decided that I am the only member of this committee that has not announced his or her retirement. I am getting some advice on how may be to reconsider that since I don't want to let you two get ahead of me.

Robert E. Erickson:

Yes, Mr. Chairman. I would like to update everyone that there was a bill last session that at one time was going to sunset all the committees like this. It was to sunset the Public Lands Committee, Marlette Lake Advisory Committee, the Health Care Committee, and the Education Committee, all those statutory interim bodies. The bill was changed towards the end of session and instead, each of the committees was to have a report go to the Legislative Commission. On behalf of this Committee, I supplied that report to the Legislative Commission. I understand the Legislative Commission has received four reports so far. Maybe at the last meeting at the Legislative Commission before next session they will be trying to make a decision on whether they need to recommend that some of these committees sunset. So, if any of you are on the Commission or know someone that is, you may want to pass along whatever thoughts that are appropriate. I think this is a unique committee that combines legislative and executive branches and is a good opportunity to get together to discuss these issues in a very special part of our state.

Chairman Dini: Thank you Bob. Anything else? Meeting is adjourned.

Respectfully submitted,

Nenita Wasserman
Senior Research Secretary

Robert E. Erickson
Research Director, Research Division and nonvoting member of Marlette Lake

Advisory Committee

APPROVED BY:

Wayne R. Perock, Administrator, Division of State Parks,
State Department of Conservation and Natural Resources

Date: _____

Exhibits

Exhibit A is a handout provided by Tim Rochelle, Forester, Nevada Tahoe Resource Team, Division of Forestry, State Department of Conservation and Natural Resources that is titled “Marlette Lake Water System Advisory Committee Meeting, Nevada Tahoe Resource Team Forest Restoration Phase I EIP Update,” dated May 30, 2002.

Exhibit B are documents provided by Wayne R. Perock, Administrator, Division of State Parks, State Department of Conservation and Natural Resources for the Division of State Parks.

1. An update of the Backcountry, Environmental Improvement Projects, Forest Restoration Phase 1-5 and Other Projects and Events.
2. A brochure provided by Wayne R. Perock, Administrator, Division of State Parks, State Department of Conservation and Natural Resources titled “Marlette-Hobart Backcountry.”

Exhibit C is a handout provided by Pamela Wilcox, Division of State Lands, State Department of Conservation and Natural Resources which was a status report titled “Tahoe Environmental Improvement Program Status Report,” dated May 31, 2002.

Exhibit D is the “Attendance Roster” 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 (775) 684-6827.