



NEVADA LEGISLATURE
LEGISLATIVE COMMITTEE FOR THE REVIEW AND
OVERSIGHT OF THE TAHOE REGIONAL PLANNING
AGENCY AND MARLETTE LAKE WATER SYSTEM
(Nevada Revised Statutes [NRS] [218E.555](#))

MINUTES

February 15, 2022

The first meeting of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System for the 2021–2022 Interim was held on Tuesday, February 15, 2022, at 1 p.m. Pursuant to [NRS 218A.820](#), there was no physical location for this meeting.

The agenda, minutes, meeting materials, and audio or video recording of the meeting are available on the Committee's [meeting page](#). The audio or video recording may also be found at <https://www.leg.state.nv.us/Video/>. Copies of the audio or video record can be obtained through the Publications Office of the Legislative Counsel Bureau (LCB) (publications@lcb.state.nv.us or 775/684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Sarah Peters, Chair
Senator Melanie Scheible, Vice Chair
Senator Chris Brooks
Senator James A. Settelmeyer
Assemblywoman Lesley E. Cohen
Assemblywoman Lisa Krasner

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Alysa M. Keller, Senior Principal Policy Analyst, Research Division
Lisa Creamer, Research Policy Assistant, Research Division
Heidi Chlarson, Senior Principal Deputy Legislative Counsel, Legal Division
Justin Luna, Program Analyst, Fiscal Analysis Division

Items taken out of sequence during the meeting have been placed in agenda order.

AGENDA ITEM I—CALL TO ORDER

Assemblywoman Peters:

Welcome to our first meeting of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System (MLWS). As the vice chair last interim, I will be presiding over the meeting until we have a new chair and vice chair.

[Assemblywoman Peters reviewed virtual meeting and testimony guidelines.]

AGENDA ITEM II—PUBLIC COMMENT

[Assemblywoman Peters called for public comment; however, no testimony was presented.]

AGENDA ITEM III—ELECTION OF CHAIR AND VICE CHAIR

Assemblywoman Peters:

The next agenda item is the election of chair and vice chair for the 2021–2022 Interim. The chair and vice chair will be selected by members of the Committee; the chair is to be elected from one house of the Legislature and the vice chair from the other house. Last interim, a member of the Senate was chair of the Committee, and I was vice chair for the Assembly. I would accept a nomination for chair of the Committee.

SENATOR SCHEIBLE MOVED TO NOMINATE ASSEMBLYWOMAN PETERS TO SERVE AS CHAIR OF THE COMMITTEE.

ASSEMBLYWOMAN COHEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Peters:

Thank you so much. It is an honor to serve as chair of this Committee. Next, we will move on to the nomination of vice chair of the Committee. This person must be from the other house. Do I have a nomination?

SENATOR BROOKS MOVED TO NOMINATE SENATOR SCHEIBLE TO SERVE AS VICE CHAIR OF THE COMMITTEE.

ASSEMBLYWOMAN COHEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Peters:

Great. Senator Scheible is elected vice chair.

AGENDA ITEM IV—OPENING REMARKS AND INTRODUCTIONS

Chair Peters:

We can move on to opening remarks and introductions by myself and the rest of my Committee.

I want to thank you all. It is an honor to be serving as chair this interim. Last interim was interesting. We had a couple of initial in-person meetings, and then we moved to a virtual format. We heard from regional stakeholders on a variety of issues that we will be discussing. Some of the bills that came from this Committee were based on those discussions. However, like much of the last two years, things were sidelined because of various unknowns with the Coronavirus Disease of 2019 (COVID-19) pandemic. I am sure we will be talking about an increased need to address certain niche issues, such as traffic, climate change, and wildfire impact on the Tahoe Basin. We will be taking input from regional efforts around these issues as well as looking at impacts to local and regional communities.

We are charged with the policy oversight of the public utility. We will also be talking about communities outside the Tahoe Basin and the needs of the Marlette Lake Water System, which is always an interesting topic.

After this initial meeting, our next meeting will be in May, and then we will be holding one meeting per month until our final meeting in August. My hope is that by May, we will be able to hold our remaining meetings in person at various locations within the Tahoe Basin, and we will have related informational tours as has been the tradition of this Committee.

Topics the Committee will cover in the remaining meetings include transportation; sustainable recreation; economic development, including regional housing and Airbnb issues; forest health and wildfire, including emergency management; Lake Tahoe health; climate resiliency; water quality clarity; and aquatic invasive species. Our final meeting will include our work session regarding recommendations.

Members, please do not hesitate to contact myself or our policy analyst, Alysa Keller, regarding other topics you would like the Committee to consider. There are a variety of areas of interest in the Tahoe Basin, and we would like to hear from you about what you think are important issues. During the interim, the Committee will be receiving ideas for recommendations for action and legislation. I encourage presenters to bring ideas to the Committee's attention early in the interim so we may best utilize our time as a Committee and ask important policy questions related to those. After this meeting, a Solicitation of Recommendations will be posted to the Committee's web page. I encourage members of the public to submit their recommendations for Committee action and legislation as well.

Next, I would like to introduce the members of our Committee and staff. I would be remiss if I did not say, I represent Assembly District 24, which is in the heart of Reno. I have lived in Nevada my whole life, and the Tahoe Basin is really important to me. I would like to go through the Committee members and have them introduce themselves and indicate their interest in serving on this Committee. I am going go ahead and start with Vice Chair Scheible.

Vice Chair Scheible:

Thank you to all of our staff, presenters, and members who have made the time to be available today to join us for our inaugural Committee meeting. My name is Melanie Scheible. I represent Senate District 9, which is in the southern part of the state. It includes parts of Las Vegas as well as Spring Valley, and it almost touches Red Rock Canyon. I originally hail from the North in the Reno area, and I am excited about learning more about the Lake Tahoe region and what we can do to protect it.

Chair Peters:

I am going to ask Senator Brooks to introduce himself next.

Senator Brooks:

I am Senator Chris Brooks from Senate District 3, which is 500 miles away from the Tahoe Basin. As someone who was born and raised in the state and has served on natural resources for three sessions and finance for two, I am very familiar with the importance of Tahoe to our entire economy and to everyone who lives in this state. I look forward to doing what I can to help protect it.

Chair Peters:

Senator Settelmeyer, would you like to introduce yourself?

[Senator Settelmeyer did not provide any remarks.]

Chair Peters:

Assemblywoman Cohen, would you like to introduce yourself next?

Assemblywoman Cohen:

I am Leslie Cohen representing Assembly District 29, which is even farther away from the Basin than Senator Brooks's district. My district is in the older part of Henderson, a little bit of Silverado Ranch, and the older part of Green Valley. I am excited to serve on this Committee and see how we can best protect the Basin and also help the Basin remain a wonderful place to live and visit.

Chair Peters:

Assemblywoman Krasner; would you like to introduce yourself?

Assemblywoman Krasner:

Chair. I am Assemblywoman Lisa Krasner. I am the sitting Assemblywoman for Nevada State Assembly District 26, and part of Lake Tahoe is in Assembly District 26. I represent Incline Village and Crystal Bay. I love Lake Tahoe and have brought my children there since they were little. It is truly the jewel of Nevada, and I want to do everything I can to preserve and protect Lake Tahoe. I am so very happy to be on this Committee.

Chair Peters:

I would also like to take a moment to introduce our staff for this interim. Alysa Keller will be serving as our committee policy analyst. She will be helping us with background and

research on the issues that come before the Committee. Eileen O'Grady and Erin Sturdivant are serving as our legal counsel. They are unable to attend today. For today's meeting, our legal counsel will be Heidi Chlarson. Our fiscal analyst, Justin Luna, will assist us with any fiscal matters. And our committee secretary, Lisa Creamer, will be preparing our meeting minutes and will assist us all with a variety of other tasks as they arise.

AGENDA ITEM V—OVERVIEW OF COMMITTEE'S STATUTORY DUTIES AND A SUMMARY OF RECOMMENDATIONS FROM THE 2019–2020 INTERIM

Chair Peters:

We will move on to our next agenda item, which is an overview of the Committee's statutory duties and a summary of recommendations from the 2019–2020 Interim.

Under this agenda item, I will ask our committee policy analyst, Alysia Keller, to provide an overview of the Committee's duties and responsibilities. Ms. Keller, would you please go ahead and proceed?

Ms. Keller:

Good afternoon. I am pleased to be serving as your committee policy analyst this interim.

I have prepared a short, four-page Committee overview document, that is available in the members' meeting packet, and it is available on the Committee's web page on the Legislature's website ([Agenda Item V](#)). I will briefly touch on some of the high points in that document.

The first page of the document sets forth some of the history of the Committee and membership details. The general duties of the Committee are set forth, which include providing appropriate review and oversight of the TRPA and the MLWS; reviewing the budget, programs, activities, responsiveness, and accountability of both entities in such a manner as deemed necessary and appropriate by the Committee; studying the role, authority, and activities of the TRPA regarding the Lake Tahoe Basin and the MLWS regarding Marlette Lake; and continuing to communicate with members of the Legislature of the State of California to achieve the goals set forth in the Tahoe Regional Planning Compact.

The next page includes a description of voting requirements and bill draft requests (BDRs). The Committee is authorized to submit no more than ten to the Legal Division of the LCB for drafting, and those legislative measures must relate to matters within the scope of the Committee and be submitted by September 1, 2022. Regarding voting, a simple majority is required to approve most Committee actions. However, Committee BDRs must be approved by a majority of the members of each house appointed to the Committee. Following the final meeting of each interim, a written report will be prepared summarizing the activities of the Committee, including any bill drafts requested for the next legislative session. The [report](#) from last interim is available on the Nevada Legislature's website.

I have included descriptions and links to some other reports available on the Nevada Legislature's website that may be of particular interest to the Committee. Those include the [annual audit report of the TRPA](#), the [2021 Annual Report to the Nevada Legislature: Fire Prevention and Forest Health in the Nevada Portion of the Lake Tahoe Basin](#), and the [Status Report to the Legislature's Interim Finance Committee: Fund to Protect the Lake Tahoe](#)

[Basin](#). Please let me know if you have any trouble accessing these reports or any other reports that you are interested in for review.

On the third page, you will find a summary of Committee recommendations for legislation from the 2019–2020 Interim. Last interim, the Committee recommended three resolutions and one bill, all of which were adopted by the 2021 Legislature.

The first recommendation resulted in [Senate Concurrent Resolution 9](#) expressing the Nevada Legislature’s support for the Nevada System of Higher Education (NSHE) to work collaboratively among its institutions to coordinate all research focused on addressing the specific needs of the Lake Tahoe Basin and recommending NSHE enhance coordination and collaborative efforts with the State Department of Conservation and Natural Resources (DCNR) and other state and federal agencies.

The second resulted in [Senate Joint Resolution 12](#) expressing the priority of the timely completion of the Tahoe East Shore Trail extension project along the State Route 28 National Scenic Byway and urging congress to provide federal funding for completion.

The third resulted in [SCR 8](#) expressing the Nevada Legislature’s support for identifying key transportation priorities for the Lake Tahoe Basin to improve resident and visitor safety while protecting and enhancing the ecosystem.

The fourth recommendation resulted in [Senate Bill 368](#) authorizing the release of the next phase of bonds in an amount of \$4 million to continue to implement Nevada's portion of the Lake Tahoe Environmental Improvement Program (EIP) for the 2021–2023 Biennium.

Last interim, the Committee recommended the drafting of several letters, including some in support of various grant applications for improvements of the MLWS. Finally, this document includes a list of staff contacts. Please do not hesitate to reach out if you have any questions or if you would like any research performed regarding the matters that will come before for the Committee. I look forward to working with you all. Thank you.

Chair Peters:

I want to express my gratitude for Ms. Keller in this Committee. She has been around probably longer than all of us serving on the Committee—and she is a wealth of knowledge and information and a joy to work with. If you have questions that come up about what this Committee has previously done or current issues in the Basin, please do not hesitate to reach out. She is amazing.

AGENDA ITEM VI—OVERVIEW OF THE TAHOE REGIONAL PLANNING AGENCY: ORGANIZATIONAL STRUCTURE, PROGRAMS, BUDGET, AND PRIORITIES

Chair Peters:

We are going to move on to an overview of the TRPA. We have a full agenda, so I would like to remind our presenters to please do your best to stay within the requested 20-minute time frame. Will the presenters for our first agenda item please proceed when ready?

Joanne S. Marchetta, Executive Director, TRPA:

Good afternoon, members of the Committee. My goal today is to offer context for presentations that will follow. It will be both an overview of the TRPA as well as updates of key issues facing the bistate region. This is a refresher for some of you. For new members, it offers us a common base of understanding Tahoe as a starting point. Joining me today is the TRPA's Deputy Director and Chief of External Affairs, Julie Regan.

Tahoe's context has always been complex, but our challenges that we are facing today are unprecedented. Climate change is causing wildfire danger unlike any we have experienced, and the Caldor Fire from last September is emblazoned in our mind's eye. The lake temperatures are warming, which is opening new threats from invasive species, and the pandemic-driven outdoor recreation demand is off the charts. The need right now for bistate collaboration is more important than it has ever been.

Being at the intersection of so many jurisdictions, Tahoe started from a fractured history. In the mid-1960s, the states realized that overdevelopment was threatening the lake and its pristine environment, and the states saw the need to come together to save the lake. In 1969, a bistate compact agreement (Tahoe Regional Planning Compact) was signed by the states, ratified by the United States Congress, and signed by President Nixon, which formed the TRPA. This unique interstate compact is literally one of a kind in the United States, and it created a unique jurisdiction that is defined by Lake Tahoe's watershed. That governance agreement created the TRPA as a bistate regional authority to protect Lake Tahoe by harmonizing our natural and human made environment. The TRPA, during our first three decades, successfully halted—through both control measures—the unchecked development that was threatening the lake.

The Compact is unique because our responsibility range is broad and encompassing. We have planning, regulatory, and environmental protection authority over the region. We are the federal and state designated transportation planning authority that is authorized to receive federal and state transportation funds to implement our adopted regional transportation plan (RTP). We are not a single-purpose agency. The regional plan and the regional transportation plans we create address land use, transportation, recreation, conservation—all that are needed to achieve and maintain our regional environmental standards while at the same time providing orderly growth and development.

The Compact has evolved with the times. Amendments in 1980 changed the governing board's voting structure and directed the creation of environmental goals called "thresholds" for the region. I will touch on those in a moment. Further amendments in 2013 authorized the TRPA to incorporate economic considerations in our decision-making, and Congress ratified that change in 2016.

That watershed boundary that is the Tahoe region spans state lines; two-thirds is in California, one-third of the lake and land bases are in Nevada, and there are portions of five local government jurisdictions within the region's bounds. Parts of Douglas and Washoe Counties in Nevada and the rural portion of Carson City touch the lake, and parts of Placer and El Dorado Counties in California, as well as the City of South Lake Tahoe, all fall within Tahoe's jurisdiction. The two states as well as each local government that touches Lake Tahoe have representatives on the TRPA's 15-member Governing Board—7 from Nevada and 7 from California—and there is 1 nonvoting federal presidential appointee.

The vast majority of Tahoe's land base, 80 percent, is under federal ownership and management by the U.S. Forest Service. Only about 10 percent of the Basin's land is in

private ownership, and that is largely the developed areas in our small-town centers like Stateline—the casino core, Incline Village, South Lake Tahoe, King’s Beach, and Tahoe City on the California side. The TRPA makes all of our decisions in consultation with a 21-member Advisory Planning Commission that includes the Washoe Tribe as well as the two states’ water resource agencies and fire district representatives. Everything that we do is in coordination and partnership with multiple jurisdictions, agencies, and landowners. Some of you have heard me say often, “The secret sauce of Tahoe is epic collaboration across jurisdiction boundaries and across all sectors.” Fortunately, our 50-year-old partnership positions us to cooperate well and tackle some of these unprecedented challenges. That culture of collaboration, though, has taken 50 years to build.

The scope and scale of the TRPA’s mission is broad. In its broad outline, we set goals that are called “thresholds.” We adopt plans to achieve those goals; we coordinate and deliver programs and projects to implement those goals; and then we are accountable to outcome by monitoring, measuring, and reporting on progress made. The first adopted regional environmental standards, called thresholds, were adopted in 1980 and the required categories are shown here on the slide. We comprehensively updated our Lake Tahoe Regional Plan in 2012 with the changes needed to achieve our threshold standards, and that new Regional Plan was unanimously adopted and widely supported. In the last threshold evaluation in 2020—where we report progress comprehensively every four years—we found that 80 percent of our threshold standards that we can measure are in attainment, and the trends are positive in most of these categories.

The Lake Tahoe region is 500 square miles of steep, high alpine forest, making it one of the deepest and clearest large alpine lakes in the world. Most of our resource degradation happened early in the 1950s through the 1970s—prior to having a comprehensive regional plan. It was in those early decades that private development was degrading our natural environment—75 percent of our marshes, 50 percent of our meadows—and those lost wetlands are the natural systems that filter nutrients and pollutants before they get to the lake.

After the early growth-control measures that we adopted had successfully slowed the harms from development, we saw that regulation alone was not enough to restore past damage. We needed a different approach. We needed programs to correct the problems of the past to restore the watershed and to repair those legacy harms to the system. It was in the late nineties when the TRPA launched what we call the Lake Tahoe Environmental Improvement Program. We often shorten that to the “EIP.” It is our coordinated partnership strategy to attain thresholds and meet the requirements of our regional plan. Kim Caringer, who heads the TRPA’s EIP division, is going to present later today with our Nevada colleagues on this exceptionally important program. I will say this about it—with over 25 years of shared progress, the EIP’s reputation for effectiveness rivals the importance of other large, national restoration initiatives like the Chesapeake, the Everglades, the Great Lakes, and maybe others. The work we do for Tahoe is not just on a regional—but on a national and international—stage with strong support of our federal Congressional Delegation.

Implementing the EIP is a top strategic priority of the TRPA. I am going to touch on three important strategic focus areas—water quality, aquatic invasive species, and forest health and fire management. With the lake as our organizing center, water quality is of course one of our highest priorities of the EIP, and the signature measure of lake health is our famously clear waters. For decades, from the 1960s through the 1990s, the lake had been losing clarity at a rate of a foot a year. It was fine sediment particles that we learned about from our roads and our urban areas that were the largest cause of clarity decline. And it was after a decade of study, in 2011, when we launched what is called the Lake Tahoe Total

Maximum Daily Load—or the TMDL Program. It is a science-based plan that sets targets to reduce fine sediment phosphorus and nitrogen pollution that comes from stormwater to restore the lake's famous clarity. That program sets interim goals that we call the "clarity challenge" to restore clarity to roughly 100 feet. According to the most recent performance reports, implementing partners are meeting the targets for pollution reduction and declines in Lake Tahoe's famed water clarity have now stabilized. The improvements we are seeing are driven by those EIP investments to reduce stormwater pollution. But now, due to the shifting patterns that we are seeing from climate, we are also seeing impacts from warming lake temperatures. While winter clarity is improving, our average summer clarity is actually getting worse. The Tahoe Science Advisory Council, which Jim Lawrence will speak to a little later today, is helping us assess what might be done.

Prevention and control of aquatic invasive species (AIS) is another top priority for TRPA and the partnership. It was a little over a decade ago that we saw signs of a new peril; it was the spread of AIS across the waterways of the western states. We saw that as a new threat to Lake Tahoe's environment, its recreational experiences, and the \$5 billion economy. In response, TRPA organized nearly 40 partners, and that Tahoe partnership has become a national leader in invasive species prevention and control. Since then, federal agencies recognized our bistate management plan as a model for the nation, and we now have a mandatory boat inspection program that has overseen the inspection of more than 100,000 watercraft since 2008. That boat inspection program is working. There have been no new AIS introductions since then. And truthfully, we have to remain vigilant. Last summer, 28 boats containing invasive mussels were stopped by Tahoe boat inspectors before they could launch into our lake, and that is a 40 percent increase over the prior year.

Drought and rising temperatures are bringing more and more boaters to Lake Tahoe, as more look to escape some of this record heat and some of the low reservoirs. The importance of this prevention program cannot be overemphasized. We are so grateful for the funding commitments that have been made by Nevada and California that, combined with federal funding and our inspection fees paid by boaters, sustainably fund this very important program.

Invasive species prevention is coupled with a very robust control program against invaders that are already in the lake. This slide shows the impact that invasive species can have and an example here of our control program. The TRPA is managing the largest aquatic weed control project to date in this Taylor Creek marsh. It is a 17-acre project and it is a necessary prerequisite to the U.S. Forest Service's EIP project to restore one of the last functioning wetlands remaining in the Tahoe Basin. Here again, epic collaboration is at work. You will be hearing later today from Amy Berry who is the CEO of the Tahoe Fund. Their private philanthropic donations actually contributed to this and other critical projects for Tahoe. We have a science-based roadmap that was created by the University of Nevada at Reno that guides our priorities in the fight against AIS, and it is called the [*Implementation Plan for the Control of Aquatic Invasive Species within Lake Tahoe \(2015\)*](#). It identifies our best chances to control and eradicate and the locations where projects will be most effective. This plan identifies the need for more than \$7 million a year to manage existing invasive species. I am happy to say we have successfully secured the lion's share of this funding through the partnership—federal, state, private sector support—and most recently, that includes \$17 million in the recently passed bipartisan infrastructure law.

The TRPA's top priorities on the water side combined with one of the EIP's top concerns on the landscape is the health and preservation of our forests and the safety of our communities. Catastrophic fires burned on every side of Tahoe last summer, and one of them—the Caldor Fire—tested our resilience in a big way. It inflicted loss and destruction

across more than 221,000 acres of forest in an astonishing rate and eventually entered the Tahoe basin. It burned 10,000 acres on our south shore and our neighbors, just out of the basin to the west, lost 1,000 homes and businesses. Remarkably, Lake Tahoe's communities were spared. More than 30,000 residents safely evacuated from the south shore last summer, and blessedly, not a single home or life was lost. Firefighters and a change in wind direction helped. But years of successful fuels reduction work in our wildland urban interface and the fire defensible space work of our local communities were crucial factors in why Tahoe, as we know it, still stands today. The unwavering commitment made by more than 21 Tahoe Fire and Fuels Team (TFFT) partners to hazardous fuels reduction and community wildfire protection have helped save our communities in stemming destruction. Since the devastating Angora wildfire in the basin in 2007, where we lost nearly 250 Lake Tahoe homes, our TFFT partners have reduced fuels on more than 67,000 acres in the basin. Given the unprecedented threats to Tahoe's forests, we are working to increase that pace and scale of hazardous fuels reduction going forward. Our Governing Board will be voting next week on a policy that will allow mechanized equipment on steep slopes—up to 50 percent—to accelerate those forest treatments. We are grateful for the State of Nevada's support for this crucial policy change.

Our Governing Board sets and regularly updates TRPA's key strategic initiatives and our work program priorities. They will guide our work over the next, roughly, five years. Among those not mentioned yet is a three-legged stool of interrelated issues—transportation, recreation, and housing.

Let me start first on transportation, which we call "Keep Tahoe Moving." This is transportation and its relationship to visitation travel. Roughly 20 years ago, TRPA became a federally designated Metropolitan Planning Organization—or MPO. As Tahoe's MPO, TRPA has this very unique opportunity to link land use planning to the region's transportation system. We adopt—every four years—an updated RTP. That transportation plan authorizes the region to receive federal and state transportation funding for the projects and programs that we approve in that RTP. Tahoe's \$5 billion dollar economy is built largely on a foundation of tourism. In transportation, our emphasis is in how we move growing numbers of visitors. The region's disconnected transportation network gives people very few options to driving and underserves the need of residents and visitors. We have data now showing that 10 million cars enter the basin annually. That is more than previous estimates. How we manage people and their movements to and from and around Tahoe are important to the quality of the recreation experience, the health of the economy, and the protection of the lake.

The TRPA adopted a new RTP last year. It calls for new investments in transit, trails, and updated technology. It is specified to develop detailed corridor plans, like the one you are seeing unfold on State Route 28 along Nevada's east shore. That updated RTP clearly identifies a long-term transportation funding shortfall that needs to be filled by new unspecified revenues to deliver on the plans—strategies for solving these recreation and commuter travel needs. The TRPA is participating with many others in a bistate consultation on transportation that has been convened by the two states. Jim Lawrence will touch on this important partnership work. We are trying to drive alignment among the myriad interests in our complicated transportation program area of the lake.

I will go to recreation. We couple our transportation work with a new initiative to align outdoor recreation and tourism goals, specifically to improve our recreation destination management. For the last two years, the only safe option to COVID isolation was the call to get into the great outdoors. The experience that we know as our backyard became the backyard of 15 million people who lived within a day's drive of Tahoe. Like many other

favorite outdoor recreation destinations across the West today, that increasing popularity and use of Lake Tahoe is now negatively impacting some of our natural resources, our travel at peak times, and the quality of the recreation experience. The TRPA helped form a sustainable recreation and tourism coalition with the U.S. Forest Service that is bringing the public and private sectors together for the first time. And now, our public land managers and visitors' authorities are beginning to coordinate goals and actions to better manage our recreation visitation and stewardship. On field tours with you this summer—hopefully they will be face-to-face—we will show you some of this collaborative work firsthand.

We also have a housing initiative that we call "Tahoe Living" because Tahoe cannot sustain its businesses and tourism if we cannot attract and affordably house our workers. Housing workers closer to their employment reduces traffic congestion and implements the Compact's directive to reduce the region's reliance on the automobile. The TRPA formed the Tahoe Living Housing Working Group to bring housing interests together, and we are making changes to our regional plan to encourage the full range of workforce housing. Some examples, specifically, are accessory dwelling units on single family properties as well as other strategies. We do this work with partners to deliver new, affordable, and workforce housing. We are working with partners like the Mountain Housing Council on the north shore and the Prosperity Center and the St. Joseph Community Land Trust here on the south shore. One recent example of that growing success is that last year, our Board approved a 250-unit, mixed rate, affordable housing project in South Lake that we permitted in record time. We are going to use that collaborative model and apply it to future projects. Projects like these are part of strengthening our community element of our regional plan and tying transportation and land use together so that our local workers can afford to live in quality housing close to where they work without having to drive off the hill.

One last initiative—but very important—is the overarching climate initiative called "Building Resilience." This is where all of our initiatives are implemented with a climate resiliency focus. We are collaborating with the EIP partners to launch a climate resiliency action plan that builds off of Tahoe's updated greenhouse gas (GHG) emissions report that we released last year. Our transportation system implementation, like the deployment of our electric vehicle charging infrastructure, is all developed to support the state's goals in GHG emissions.

One final programmatic mention is that technology is transforming the way we do business. The pandemic changed the way most public agencies engage with the public. The TRPA, too, ramped up. We now have electronic permit applications and online customer service. Last year, more than 80 percent of our applications were processed online, and it improves efficiency and reduces car trips. Technology is also giving us the capability for real time reporting and tracking. We have an online dashboard at laketahoeinfo.org that houses all of our current data on threshold standards as well as current information about the hundreds of active projects of the EIP. It is through this portal that your constituents can actually access their permit history and property data through a parcel tracker.

Let me close today with a quick snapshot of TRPA's budget for the 2021–2022 Fiscal Year. Our total budget is \$19.4 million. The bulk of our General Fund—\$9.3 million—comes from appropriations by the two states with an increment from fees-for-service that come from reviewing development projects. Our special funds are roughly 47 percent of our budget, and that comes predominantly from grant funding. Our contracts keep [inaudible] level and lean and flexible enough to respond to the expected fluctuations and program needs. We make appropriations requests from Nevada and California in a ratio of two-thirds California to a one-third Nevada share. Because of budget cuts in the last two cycles, Nevada is currently \$400,000 short on its one-third funding share to the TRPA's operating

budget and is supporting roughly 23 percent of the TRPA's current General Fund. We hope to work with you on solutions to this budget shortfall through the interim.

I want to thank you for the opportunity to talk with you today, and I am happy to take questions.

Chair Peters:

Thank you, Ms. Marchetta. I appreciate all that you do—quite a lot of work up there. I want to echo that water quality is really a criteria issue, and I am right there with you on the importance of it. My family has adopted what we can, including reef-safe sunscreen and using sunscreen shirts instead of applying sunscreen, to try our best to help with those clarity issues that we are continuing to see at the lake. Are there any questions from the members on Ms. Marchetta's presentation? Assemblywoman Krasner, please go ahead.

Assemblywoman Krasner:

Thank you very much for that excellent presentation, Ms. Marchetta. I had a question regarding the two fires—the Caldor Fire and the Angora Fire. Do you feel that we have adequate fire protection? Do we need more firefighters in the Lake Tahoe area in your opinion? What are your thoughts on that?

Ms. Marchetta:

I would leave it to the fire districts to speak to firefighting capacity. But I can tell you Tahoe is organized as a region around fire and fuels work. You saw we have completed 67,000 acres. We coordinate every year around seeking funding, and we have just received grants, or commitments to grants, from the [Southern Nevada Public Lands Management Act](#) (SNPLMA). That is going to let us significantly expand our forest health and fire treatments in the Tahoe Basin. The work that we do is highly coordinated. I am sure that the fire districts would say we can always use more firefighting capacity, but I am not going to answer that for them.

Assemblywoman Krasner:

Thank you, Ms. Marchetta.

Chair Peters:

I want to highlight, lastly, the budget deficit issue. This time around we have a couple of us on the Interim Finance Committee (IFC) and the fiscal committees, and we will have future conversations, I imagine, on that particular issue. Are there any other questions from the Committee? I am not seeing any, so I am going to go ahead and thank you so much for the presentation. We look forward to seeing you in person.

The presentation for Agenda Item VI is on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. For copies, contact the Library at (775) 684-6827 or <https://www.leg.state.nv.us/Division/Research/About/Contact>.

AGENDA ITEM VII—UPDATE ON NEVADA-CALIFORNIA BISTATE COLLABORATION RELATED TO THE LAKE TAHOE BASIN

Chair Peters:

I will move us on to our next agenda item, which is an update on the Nevada-California bistate collaboration related to the Lake Tahoe Basin. We have presenters—our own Jim Lawrence and Bryan Cash from California. Please go ahead and proceed when you are ready.

James R. Lawrence, Deputy Director, DCNR:

Thank you, Chair Peters, and the rest of the Committee. Joining me for the meeting today is Bryan Cash. Bryan Cash serves as the assistant secretary for Administration and Finance for the California Natural Resources Agency (CNRA). I have a short presentation about some of the main topics that both CNRA and DCNR are working on jointly. We have a very long history of collaboration between the two states regarding Lake Tahoe issues dating way back, as Director Marchetta pointed out, with the passage of the Compact, which is really the two states getting together. At the time, it was Governor Reagan for California and Governor Laxalt for Nevada who recognized the importance of Lake Tahoe to the two states and the importance of protecting Lake Tahoe. I think another highlight of the collaboration is the states committed to the EIP back in 1997, and it was in a memorandum of understanding—again between the two governors of the states—recognizing that change had to happen at Lake Tahoe and that we need to get more aggressive with environmental improvement projects, get more into the area of doing environmental restoration, and not rely so much on regulation. I think the next time the states really had to get together on collaboration was in 2011 and 2012.

In 2011, some of you might remember, or recall, that Nevada passed [SB 271](#), which called for Nevada to possibly pull out of the Compact if there was not a regional plan update done by the end of 2012. Certainly, [because of] the importance of Lake Tahoe, both administrations got the two states in high gear and, between Secretary Laird with CNRA and my boss at the time, Director Drozdoff of DCNR, we held a series of meetings over two years to get to the sticking points of the regional plan updates. We were able to successfully resolve that. As Director Marchetta pointed out, the regional plan update was adopted in 2012. Since 2015, we have been working together to put science to action, and there is the Tahoe Science Advisory Council (TSAC). I will touch more on that. That is really to look at putting science into our decision-making. Lastly, there is the ongoing bistate consultation on transportation, which I will touch on later.

Three areas I do want to touch on are climate, science, and transportation. The EIP is certainly something that we closely collaborate on, but since we will get a more detailed presentation after I speak, I will leave that up to those presenters. Climate change, or the impacts of climate to the environment, has always been baked into the regional plan—into our decision-making. I think some of the recent changes and some of the climate patterns are really accelerating the need to look at how we incorporate climate to our land use plans and into our environmental restoration activities.

I want to express my appreciation to California for CNRA being in partnership with the California Tahoe Conservancy. They recently led a collaboration for the adoption of a *Tahoe Climate Adaptation Action Portfolio* that documents exactly what we are doing today to incorporate climate in decision-making. There is also a climate vulnerability assessment, which looks at the areas that might be the most vulnerable to changing climate. With those

documents, and some other documents, TRPA is leading the collaboration for a Tahoe climate resilience strategy. States are going to be involved in that. We want to make sure the Tahoe climate resilience strategy aligns with both Nevada and California climate strategies. Director Marchetta talked a little bit about changing climate and sustainable recreation. What does that mean for winter sports, and what does that mean for the winter tourism economy? Conversely, what does that mean for the summer tourism economy? We have found over the last couple of years, as temperatures increase in the valleys, more and more folks are going to Lake Tahoe to recreate, and that creates its own challenges. Certainly, the climate has some challenges with watershed resilience—whether it is forest health and dangers to catastrophic wildfire—but also lake clarity and water quality. What we have learned from the science community is that the lake has not “mixed” for the last few years, which means that deep water has not come up to the top and the top water has not gone down to the bottom. We are finding the absence of mixing is having an effect on lake clarity. Certainly, we need to look at our infrastructure of protecting our vulnerable communities as well. Climate is one of the areas where we are collaborating.

I want to touch on science, because we do think it is critical to use science to inform our decision-making when we are talking about environmental restoration activities. As I spoke earlier, there was a memorandum of understanding in 2015 between DCNR and CNRA that establishes a Tahoe Science Advisory Council. The one—if I have to say the primary—goal for this Council is to integrate science and management. We do not need a situation at Lake Tahoe where science is not collaborated, or it is independent, and then the decision makers do not get the best science to incorporate into our plans. One of the primary goals is to create that forum. Along with that, the Council has been working in a number of areas that are very beneficial to both states as well as the Tahoe environment. One is the TRPA threshold updates. Director Marchetta touched on this briefly, but I would add that these thresholds standards were adopted about 40 years [ago], and I think they were developed with the best information at the time.

There are about 150 standards and indicators below the thresholds, and some of those are antiquated and need to be brought up to date to today's standards. I will use, for example, vehicle miles traveled. The Council was very instrumental in updating the vehicle miles traveled standard; now it reflects 2021 and 2022 conditions and not 1980 conditions.

The Council has also been very valuable in peer review. They did the peer review for the environmental impact statement from the Tahoe Peace Project to make sure that the monitoring protocols and plan for action are soundly based in science. They are also geared for emerging issues. We had the Caldor Fire, and the Council—through different universities like the University of Nevada, Reno (UNR)—was able to coalesce quickly and put together projects regarding monitoring the smoke impacts to lake clarity. We are still doing that project and analyzing the data, but they are able to look at this as we have emerging issues—to look forward. They also provide consultation with different management agencies. For instance, I have been doing some remote sensing work with some of the California agencies. I would be remiss if I did not point out that funding the base operations, basically funding the meetings and the excellent work of the director to make sure that this all works seamlessly—has been challenged. We are hopeful that we can find some sustainable funding for them because the work that they have been doing is very important.

The last area of collaboration that I will touch on is transportation, which has been particularly challenging. We have had bistate transportation discussions that began in 2017. We have not met continuously during that time. We took a break for a period of time, and also, with some of the COVID protocols, it got a little challenging for a little while. But the bottom line is the roadway capacity of the Tahoe Basin is continuously exceeded during

peak traffic time, and this is usually during heavy visitation. The roadway system is challenging in that it really cannot be expanded because of the topography. Due to the conditions, it is not possible—and I do not think it would be the best solution—to just keep widening highways to where you get more capacity—that makes it a challenge.

There are other challenges, including the different jurisdictions with the two states and the five local jurisdictions, finding sustainable funding, and funding a transportation system that is seamless to the user. The user does not care which county they are in. They just want to go around Lake Tahoe and visit. Being able to set up a transit system across these different jurisdictions has been quite a challenge. We do have a Regional Transportation Plan that was adopted in 2021. The primary goal of the RTP—due to the constraints of roadway capacity—is to focus on different modes of transportation, whether it be transit services, bike paths, shuttle services, or even ferry services. The idea is to get folks out of the single-occupancy vehicle in order to help protect the Tahoe environment and reduce the congestion on the highways.

We have identified that there is an annual funding gap of about \$20 million to implement the RTP, and that is a pretty huge gap. Our bistate transportation group is really working on coming together to find consensus on the best revenue sources for funding that gap. We do have consensus on top priority projects. For the Nevada side of the basin, one of the two top priority projects is the completion of the State Route 28 corridor plan. That is basically the highway between Incline Village and then going south to Spooner Summit. It is primarily recreational beaches and places like Nevada state parks, Sand Harbor. This is where we get most of our traffic congestion in the summer months and the parking on the roadside, and all of the issues that come with the traffic congestion is really causing environmental damage to Tahoe.

While we do have consensus on the top priority projects, we do, like I said earlier, need more work to arrive at funding gap consensus. At the last meeting with the bistate consultation, they got some momentum regarding how to split up the shared responsibility of funding transportation. I think there was general consensus that by using the EIP model, where everybody collaborates their share, we would look at a split of what we call “7-7-7.” The states would try to identify—between Nevada and California—an additional \$7 million, local governments and the private sector an additional \$7 million, and then the federal government an additional \$7 million. There are lots of challenges with this. But one of the other challenges is to fund the RTP; we are looking at a mixture of infrastructure funding in order to get the actual infrastructure in place and capital improvements in place, within the ongoing operations that go on with operating a transit system—bus drivers and funding for anything that goes along with the operations, including maintenance facilities and things like that—finding those dollars can be more challenging.

Regarding infrastructure, between Nevada and California, we have been working hard with TRPA staff and Tahoe Transportation District (TTD) staff as well as our Congressional Delegation. We talk to them about opportunities and are looking hard at the different infrastructure packages so that we can get, at least, immediate infrastructure and foundational structure in place. Hopefully, we can find some funding for those [inaudible].

Lastly regarding transportation, Alysa Keller mentioned SCR 8 in the last session, which requires the bistate group to come back and report on project priorities, project cost benefits, funding recommendations, and implementation barriers. There is a lot of work there. A lot of work has been done, but we are still working on the final package. We are looking forward to coming back at a future meeting and giving the Committee more in-depth discussion on transportation issues in the Tahoe basin.

Here is my contact information and Mr. Cash's contact information. I went through a lot of information quickly. I am happy to answer any questions, or perhaps Mr. Cash would want to say something on California.

Bryan Cash, Assistant Secretary for Administration and Finance, CNRA:

I would like to express my appreciation for Jim and DCNR and all the support that we are getting from everyone who is working with us in Nevada. It is a great partnership, and I look forward to continuing to work with you in the future.

Chair Peters:

Thank you, Mr. Cash and Mr. Lawrence. Are there any questions from the Committee?

I want to say that I was aware of the SCR 8 holdup and request to extend to the next meeting, and I think that is appropriate. We do hope that you come up with some solutions to bring to the table for that transportation funding piece. It is really a crux issue in the Tahoe basin. We have to find ways to figure out what will work for the community and ensure that folks can continue to visit while retaining funding for the limited infrastructure up there.

I am not seeing any questions from my Committee, so I would like to extend a thank you for presenting on the bistate collaboration, and I appreciate all the work that you do in the basin. Thank you for working together. I know that it cannot be easy to have as many entities in the same pot of soup, but you guys do manage to make good things come out of that process. We really appreciate all of your work and collaboration. I am going to close this agenda item.

The presentation for Agenda Item VII is on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. For copies, contact the Library at (775) 684-6827 or <https://www.leg.state.nv.us/Division/Research/About/Contact>.

AGENDA ITEM VIII—OVERVIEW OF THE ENVIRONMENTAL IMPROVEMENT PROGRAM AND THE RELATED NEVADA PROGRAM

Our next agenda item is an overview of the EIP and the related Nevada programs. Our presenter is Charlie Donohue. He is the administrator with the Division of State Lands, and I believe he has a couple of others with him. Mr. Donahue, go ahead and start whenever you are ready.

Charles Donohue, Administrator, Division of State Lands, and State Land Registrar, DCNR:

Good afternoon, Madam Chair, and Committee members. We spoke to staff about having TRPA go first because they are going to give a broader overview, and then we will talk about the Nevada portion of the EIP, if that is okay with the chair.

Chair Peters:

Yes, absolutely. We will start with TRPA. Please go ahead when you are ready.

Kimberly Caringer, Environmental Improvement Division Manager, TRPA:

Thank you, Madam Chair, and members of the Committee. As Joanne mentioned, for 25 years now, partners across the basin have worked together to restore and protect the Lake Tahoe region. This strong collaborative partnership has implemented hundreds of projects to improve water quality, the health of our forests, improve access to our public lands, and revitalize our local communities. I am excited today to dive into the details a little bit more. Everyone set a great foundation for me, so, I will give a brief history of how the program works, how we set our priorities, and what we have planned for the future.

First, many of you know the history well and have been part of it, as the EIP has grown and matured over the last 25 years. Back in 1997, the lake clarity was declining at a faster pace than any one jurisdiction could manage. It was at this time that Lake Tahoe really faced an environmental emergency. The TRPA led the charge to develop a list of environmental improvement projects that we needed to enact immediately to avert losing the lake. The two states worked together to get the attention at the federal level and welcomed President Bill Clinton and Vice President Al Gore to see the first of these issues firsthand and commit the federal partnership to joining and being part of this solution. It was here that our first Lake Tahoe Summit was born, and the EIP was born with the “all-hands-on-deck” approach for every sector committed to being part of funding and implementing it.

I want to talk about partnerships—which we talk a lot about in Tahoe—and it is probably the single biggest factor that makes this program successful. You have heard a lot today about landscape scale collaboration and working on costs across boundaries. Lake Tahoe was one of the first collaboratives in the nation to embrace this way of completing environmental restoration and protection. Instead of following agency boundaries, we follow the watershed boundary. You see here the map of how the partnership has grown over the last 25 years. It is now over 80 partners strong, and all of these entities helped plan, fund, and implement projects; it is all housed under one umbrella—the EIP. We set our priorities together; we fund projects together; we coordinate implementation; and we track our progress and outcomes together.

I will talk about the four main program focus areas of the EIP, which has evolved a lot since that big list of projects at the beginning. The first is watersheds and water quality, and Joanne gave a good tee up of this focus area. We focus on reducing stormwater pollution into the lake. We focus on restoring our meadows and tributaries. We focus on preventing AIS from entering the lake and controlling the ones that are currently in the lake. I will give you an example of the type of projects that we work on for reducing stormwater pollution into the lake. At the beginning, it was as simple as adding curb and gutter to our highways on both states. A lot of other areas might take something like that for granted, but we did not have all of that in place right at the beginning when we started the EIP. We can now say that curb and gutter is installed in all of our major highways, and we are continually working on more sophisticated approaches to reducing stormwater and naturally filtering it before it gets to the lake.

A key part of that, also, is restoring our meadows and tributaries. Here you see a picture of the Upper Truckee River Marsh. The California Tahoe Conservancy just broke ground on restoring this meadow last year, but this river corridor is one of our biggest priorities as it crosses multiple jurisdictions. It has been a collaborative undertaking for the last ten years. On the Nevada side, similarly, Third Creek has been one of our major focuses in the Incline Village area and has undergone a few different phases to restore its natural alignment and improve wildlife habitat. Lastly, I will mention AIS. Our boat inspection program has continued to evolve over the last decade. We are focused now on establishing permanent

inspection stations with the top of Spooner being our top priority for our first permanent station.

Regarding forest health, Joanne spoke a lot about how we approach the management of our forests here in Tahoe. Since the Angora Fire in 2008, we established the TFFT as a collaborative, multijurisdictional partnership. Since then, tens of thousands of acres have been treated in Tahoe using hand fitting [techniques], mechanical equipment, prescribed fire, even helicopter logging. Tons of work has been happening across the entire basin here, and it is through the strategic work by the TFFT that played an enormous role in protecting Lake Tahoe from the Caldor Fire last year. It has been clearly mapped on how fire behavior changed when it entered the areas that have been thinned and how the work that homeowners did to implement defensible space and replace old shake roofs helped save Christmas Valley. It is now more clear than ever how important this work is and the continuing need to increase the pace and scale of it.

I will also mention water infrastructure as a major priority of this area. Many of our water systems are small, underaged, and under capacity to deliver the amount of water you would need to fight a fire when or if it enters the basin. In the Caldor's case, the South Tahoe Public Utility District was well-equipped, but that would not be the case everywhere. The Cave Rock system on the Nevada side is one of the top priority EIP projects we have in this focus area, and Douglas County has made great progress on the first phases of planning and implementation of that upgrade. Additional funding and partnerships will be needed to complete that one as well as the many others we need to upgrade to be prepared in the event of catastrophic wildfire.

Regarding sustainable recreation and transportation, I will be brief because this has been spoken about a few times. I will highlight that in the first phase of the EIP, we focused on increasing public access to the lake and our public lands and improving our public recreation facilities. We have made a ton of progress there. You can see those improvements firsthand at our popular beaches, such as Sand Harbor and Round Hill on the Nevada side, where some amazing upgrades have been completed to improve the visitor experience and increase visitor management. We have also made some major progress on the transportation side when it comes to getting people out of their cars and onto their bikes or onto their feet. We have completed about half of the pedestrian multiuse trail that we envision around the lake with one of the major links being completed last year—the Incline to Sand Harbor link of about three miles, which was a big undertaking of public-private partnership. I am sure many of you have gotten to experience and walk that trail. We have plans to complete some of these big links that we need to finish the Tahoe Trail, including around Emerald Bay and places like Crystal Bay on the Nevada side.

Lastly, I will talk about science, stewardship, and accountability. The EIP has a strong scientific foundation that helps guide our management decisions, monitor and track our progress, and implement adaptive management. Including science and monitoring in all of our EIP projects allows us to quickly adapt to see what is working and what is not working and why we can adapt quickly.

Our science partners have helped us find out the root of what causes some of the environmental degradation we are trying to fix and helps us determine the best ways to solve it. I will give you some examples. We currently have scientists exploring how rising temperatures affect lake clarity, which you heard about from Jim Lawrence and Joanne. We incorporate that into our management where we have scientists track the spread of invasive weeds and what drives their growth. Our science partners are part of our cohesive stewardship programs—UNR, TERC (the Tahoe Environmental Research Center), the Tahoe Institute for Natural Science, the League to Save Lake Tahoe, and the Tahoe Fund. We all

work together to develop and implement stewardship programs for the public to help us clean up litter or complete wildlife surveys or help track those invasive weeds I have talked about. All these partners have helped to contribute to and develop our messaging for the Take Care campaign, which improves our overall science stewardship and accountability program in a cohesive way.

I will also touch on accountability. For funding to date, 25 years since the inception of the EIP, we have invested over \$2.6 billion in this program combined. You can see that split here among partners and sectors. Here you see the federal, state, local, and private contributions. While that number can seem big, it actually tracks well with our initial estimates of the EIP. In the first ten years, we estimated a \$900 million cost estimate for all of the projects needed to implement our first-phase goals. The second ten years cost about the same, and we are now in our third steps. We are tracking right along that original cost estimate of \$2.6 billion.

Last year the TRPA, the Tahoe Fund, and the League to Save Lake Tahoe worked together to commission an economic analysis of what this investment has done to date—not just for the environment but for our economies. From that \$2.6 billion investment, there has been a \$5.2 billion outcome in total economic output to the region since 1997. That report showed that the EIP supports an average of 1,700 jobs a year. Really, \$1 million in the EIP spending generates \$1.6 million in total economic output, and that output does not count for within the watershed. All of that output generates economic benefits to the surrounding counties including Washoe, Carson City, Douglas County, Alpine County, Eldorado, and Placer County.

Regarding tracking and accountability, I think it was seven years ago that I did my first presentation to this Committee, and that was when we had first launched the EIP Tracker and laketahoeinfo.org. This tool makes all of the EIP investment and accomplishments transparent to the public, to funders, and to decision makers. A unique aspect of the EIP is, as a partnership, we all have agreed to a set of shared EIP performance measures that every implementer reports on each year. We account for how many forest acres are treated, the amount of stormwater pollution reduced, and the amount of boat inspections completed as part of the AIS program. Those are some examples. In this graph you will see the amount of defensible space inspections that the TFFT completed over the last ten years, and I will note that it was the highest ever in 2021. I do invite you to please go to laketahoeinfo.org and look at these different portals that can show you clearly, in a visual way, our progress and accomplishments.

The first Lake Tahoe Summit occurred in 1997, and it is still continued every year to this day. It is through this Summit that the full partnership physically gets together. The TRPA, through the EIP Tracker, annually reports on our funding and our accomplishments through the partnership, which drives our upcoming priorities. We look forward to this event every year to do the annual check-in and continue to drive the prioritization of the projects we implement through the program. Here are some photos from last year, which were posted by U.S. Senator Alex Padilla with a special keynote speaker, Secretary Deb Haaland from the U. S. Department of Interior.

I will highlight some of these big accomplishments; it is truly remarkable what this partnership has accomplished and achieved over the last 25 years. We have averted catastrophic wildfire from destroying our communities through our work on forest health. We have also averted any new AIS being introduced into the lake through our nationally recognized boat inspection program. We have exceeded targets to reduce the amount of stormwater pollution that is flowing into the lake, and we have stabilized the clarity loss of the lake. We have completed more than half of the multiuse path that we envision around

the lake; we have a cohesive approach to our stewardship and messaging program through the Take Care campaign; and we have established TSAC that is really guiding the implementation of the EIP.

Looking forward into our future priorities as we implement the EIP, our threats and our issues that we face do change over time. Today, we are already seeing the effects of climate change on the lake, and our biggest priority is increasing the pace and scale of restoration to make our region healthy and resilient to withstand things like drought, wildfire, and other threats. We need sustainable funding strategies. We have accomplished a lot of planning and budget forecasting, but finding reliable sources that can fund programs over time allows us the ability to plan together more efficiently, guarantee smooth implementation, and leverage each other's funding dollars.

Finally, I will end with partnership building because that priority never goes away, and it takes constant care and time to make this collaborative work together and stay committed. I am looking forward to continuing to build on the strong foundation we have built over the last 25 years to continue this program. Thank you.

Chair Peters:

Thank you, I love a good presentation with highlights on successes. I think it is really important that we acknowledge how our efforts are being put to use and the benefits for communities from those efforts. Then looking to the future—when we invest more, what expectations can we have of those efforts in the future? We still have a long way to go. Tahoe is a very vulnerable component of our state and our region, and it is important that we continue to work towards those broader goals and maybe more nuanced goals of the region.

Mr. Donahue, did you have an additional presentation or statements you would like to make on this piece?

Charles Donohue:

Yes, Chair Peters, I do. I was going to introduce the Nevada portion of the EIP and then hand it over to my colleague, Deputy Administrator Ellery Stahler, if that is appropriate.

Chair Peters:

Before we jump into that, does anybody have any questions on the California portion of the EIP?

Go ahead, Senator Settelmeyer.

Senator Settelmeyer:

You brought up the concept of the Tahoe Summit. I was curious if this year it will be live or if it will be virtual again—if anyone knows.

Kimberly Caringer:

I think it is still in planning. Over the last couple of years, we have had great success in allowing an online portion as well as in person. I think we are working on trying that integrated approach again.

Senator Settelmeyer:

I appreciate that. Last year, it seemed rather difficult for individuals to try to make it personally. There was very low attendance with the physical capacity. I am hoping this year that it will be more readily available for individuals. I agree with keeping the online portion as well because it allows people to attend from all over. However, I was looking forward to the concept of the live, in-person presentations. I think there is more to gain that way. Thank you.

Chair Peters:

I was able to attend last year, and it was a beautiful day. It was the one break we had from wildfires for most of the summer. It was pretty spectacular up there.

Any other questions for California and Ms. Caringer? Seeing none, thank you, Ms. Caringer. I will go ahead and pass it on to Mr. Donahue.

Mr. Donahue:

Thank you, Chair Peters, and Committee members. I have had the pleasure of working in different capacities in the EIP for over 20 years now, and I am also serving on the Nevada Tahoe Resource Team. Today, Lands is here to speak with you about how Nevada implements its portion of the EIP. As I indicated before, I am here with our Deputy Administrator, Ellery Stahler, who will be presenting our programs this afternoon. At the end of that presentation, both she and I would be more than happy to answer any of your questions. I am going to turn it over to Ellery now.

Ellery Stahler, Deputy Administrator, Division of State Lands, DCNR:

Thank you, Chair Peters, and members of the Committee. You have heard from Kim about the EIP from a regional perspective. I would like to share more information about EIP implementation in Nevada.

The EIP was established in 1999 through the Fund to Protect the Lake Tahoe Basin. We work in five program areas—water quality, forest health, sensitive species, AIS control, and sustainable recreation. This work is primarily funded through the sale of general obligation bonds approved by legislation. In 2009, through [Assembly Bill 18](#), the Legislature renewed the state's commitment to the EIP by establishing \$100 million in bond authority over the subsequent 10 years. [Senate Bill 197](#) in 2017 extended that ten-year deadline to issue bonds until June 30, 2030. Bond authority under the \$100 million cap is approved by the Legislature in installments based on a schedule established by the administrator of the Division of State Lands. Once an installment is approved, bond sales are coordinated through the State Treasurer's Office. So far, \$28.4 million of the \$100 million in authority has been authorized, and we have about \$71.6 million in authority remaining.

Who implements the Nevada EIP? The Nevada Division of State Lands houses a multidisciplinary and multiagency team called the Nevada Tahoe Resource Team (NTRT). This includes representatives from the Division of State Lands, Nevada's Division of Forestry (NDF), Nevada's Department of Wildlife (NDOW), and State Parks. Nevada Tahoe Resource Team members lead projects in their fields of expertise, and they coordinate among each other and with basin partners to implement the EIP. Each member contributes their expertise, and we like to say that they bring their agency with them in order to strengthen projects and make them even more holistic. For example, our NDF forester and NDOW wildlife biologists worked closely together on the Spooner Landscape Resilience Project. The

forester looked through the lens of wildfire mitigation and tree stand diversity, and the wildlife biologists viewed the project in terms of habitat value and protecting sensitive species. They walked the entire project area, jointly deciding which trees should be marked for removal so that they could at once mitigate fire risk while also preserving quality habitat. This type of collaboration is a hallmark of our team. The NTRT implements EIP projects directly. We also run a water quality grant program, which provides funding to other state and local governments for their own stormwater improvements, stream restoration, and erosion control projects.

The picture you see on this slide is of Cave Rock in the Lake Tahoe Nevada State Park. We experience high visitation at this park and, as a result, there have been some unauthorized cut-through trails that go along this slope above the beach. We are working to direct visitors to the park entrance by installing temporary and long-term fencing. We are stabilizing and revegetating the slope—approximately 1,200 square feet of eroded slopes—and these are created trails. This work will reduce a source of sediment that is directly adjacent to the lake.

We are continuing capital improvements at the Spooner unit of Lake Tahoe Nevada State Park. There is construction of a new visitor center. It was constructed last summer and continues to be developed. Environment Improvement Program bonds are funding the development of the new amphitheater. Construction of this phase is anticipated to be completed by the end of this year, and then construction of phase two of Spooner frontcountry, which includes trails, picnic areas, a nonmotorized boat ramp, and fishing platform, is expected to begin this summer. Improvements are also envisioned in the Van Sickle unit of the State Park. The NTRT and State Parks are currently scheduling the planning and design of multiple phases of development, including residences for park staff, expanded from country trails, and day-use parking.

We are working within the Lake Tahoe Nevada State Park to reduce wildfire risk and improve forest health. We recently submitted a \$1.4 million proposal for SNPLMA Round 19 [grants]. This is for the Marlette Hazardous Fuels Reduction Project. This project would treat 450 acres in two large segments near Marlette Lake to reduce the risk of wildland fire that could come upslope from the south or the southwest, and work would include thinning areas of dense conifers, reducing surface fuels, and pile burning. Speaking of pile burning, NDF crews are currently burning piles at Spooner from the Spooner Landscape Resilience Project while they have the weather window to do so. We are working with State Parks to implement defensible space treatments near buildings and infrastructure at Sand Harbor. This work will make that area of the park more resilient and more dependable.

One of our most significant recent projects with respect to AIS was the installation of benthic barriers at Sand Harbor to control the invasive Asian clam. In partnership with TRPA, we treated ten acres of the lake bottom between 2017 and 2020. We treated the lake bottom with these large mats. Those mats depleted the lake substrate of dissolved oxygen, which has the effect of killing the Asian clams. Our initial monitoring indicated 99 percent mortality of Asian clams underneath the barriers. We removed the barriers in 2020, and are currently monitoring for potential recolonization through an agreement with UNR.

You have heard this project mentioned a couple of times before—the SR 28 Scenic Highway. It includes continuation of the East Shore Trail from Sand Harbor to Spooner. This project would not only provide a dedicated pedestrian/bike path separated from traffic but would include parking areas and transit and reduce traffic congestion. It would improve water quality by helping to prevent people from parking on the shoulder in the dirt. The project identifies a permanent boat inspection station as well, across from Spooner, with additional parking. Federal infrastructure funds are being pursued for this project. We believe a

portion of the EIP's remaining bond authority could contribute towards the state's share of this project as well.

I wanted to give you a quick status update of where we are with our bond funds. Our EIP projects are currently being funded by bonds sold in 2019 under [SB 438](#) (2011), and we anticipate fully expending those 2019 bonds by the end of this summer. There is an additional \$12 million in bond authority combined between [AB 220](#) (2019) and [SB 368](#) (2021). Of this \$12 million bond authority, \$5.1 million has been sold in 2021. The remaining amount of about \$7 million is anticipated to be sold in November 2022.

This chart shows a history of Tahoe bonds since the passage of [AB 18](#) in 2009 that established the \$100 million cap. The red bars indicate bond authority authorized by the Legislature and the green bars are bond sales completed through the Treasurer's Office. You will see a blue line that cuts through; this indicates EIP project expenditure year-over-year. Expenditure on major capital projects, including the Spooner frontcountry recreation project and Washoe County's Lower Wood Creek water quality project, account for the rise that you see in 2021 and 2022.

We use a number of different platforms to share program performance and the investment of EIP bonds. This includes the EIP Tracker, which Kim Caringer mentioned earlier. This is an online dashboard maintained by TRPA, which is updated annually by EIP partners, including us—the NTTRT. We produce semiannual bond reports to the State Treasurer's Office, including cash flow projections. We also provide a semiannual report on project implementation and our bonds to the IFC.

Over the 2024–2025 Biennium, we would initially request \$6 million in general obligation bond authority to continue carrying out the EIP. By the end of the interim, we imagine this value may be higher as we learn more this spring about the SR 28 National Scenic Byway and a little bit more about Van Sickle planning. We plan to continue to engage with our program partners as well as this Committee as we further develop this request.

I would be happy to answer any questions, and I know Charlie would as well.

Chair Peters:

Thank you for the presentation. I do want to clarify that earlier, I said that Ms. Caringer was with California and she is with TRPA—my fault. I apologize, Ms. Caringer. Are there any questions from the Committee on DCNR's presentation? I am not seeing any. The coordination efforts you guys do within the state agencies is really impressive and important. We appreciate your effort on that as well. I look forward to talking more about what we can be doing to help in this next legislative session.

Mr. Donohue:

We welcome the conversation.

Chair Peters:

Hopefully we will be in person in May to see some of the programs you are working on up at the lake. Thank you both, and Ms. Caringer as well.

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AGENDA ITEM IX—PRESENTATION REGARDING PRIVATE SECTOR ENVIRONMENTAL IMPROVEMENT PROGRAM CONTRIBUTIONS

Chair Peters:

The next agenda item is a presentation regarding private sector EIP contributions. For this agenda item, we decided to include a private entity because of the consistent private-public partnerships that occur in the basin and the importance of these entities in assisting in the programs that we have been hearing about from TRPA and the states. Last interim, we heard from the League to Save Lake Tahoe. This interim, we decided to invite the Tahoe Fund to present today. I believe Amy Berry is here with the Tahoe Fund, and I will go ahead and ask you to begin whenever you are ready.

Amy Berry, Chief Executive Officer, Tahoe Fund:

It is great to be here today. Going last means that you have probably heard a lot of what I am going to touch on, so I will go quickly for everybody. Please, stop me if you have any questions. The Tahoe Fund is a nonprofit. We are celebrating our 12th year, and we were started to help get the private community engaged in all of this work that is happening in the basin. Our mission is to use the power of philanthropy to improve the Lake Tahoe environment for all to enjoy. What does that mean? The power of philanthropy? Since our founding, we have raised over \$10 million in private funding. The power of that philanthropy is we have helped secure over \$50 million of public funding for incredible projects all around the lake, many of which you have already heard about today. I will focus on a few for you as well.

There are many different focus areas around the lake that people are working on for the Tahoe Fund. Our board has selected these five areas in our strategic plan, and as you heard many say today, everything is important. For the Tahoe Fund, forest health is our number one priority. If we burn down the forest, we are going to lose a lot. We are going to lose lake clarity. We are going to lose our recreation. No one is going to come to the lake, so we will not have to worry about transportation. We are trying really hard to help our partners increase the pace and scale of restoring our forests to try to prevent catastrophic wildfire.

We are an organization focused on projects. How can we get more environmental improvement projects completed around the lake? By working with all our partners. We have over 60 different projects that we have helped fund. When I say “we,” that is our private donor pool of individuals, second homeowners, and businesses. Most of the Tahoe businesses are very supportive of the Tahoe Fund, and that is great. There are a number of different projects that we have worked on with our partners to help make happen on the Nevada side. I wanted to share a few of those with you. As you heard Joanne, Kim Caringer, and Charlie talked about, epic collaboration is what makes Tahoe so successful. This is a sheet of some of the partners that we are working with to get all of these projects done. Certainly, we could not do anything on our own. It is just a tremendous partnership and collaboration.

Let us talk about projects you might know and recognize. I know we just heard about the East Shore Trail. Hopefully everybody has been on it. If you have not, we need to get you out there as soon as possible. It is truly spectacular. It is what we refer to as the impossible trail because, for 40 years, there was a line on a map and everybody said, “That is a nice line on a map, but it is impossible. You will never get it built.” This is what happens when 15 partners come together. Everybody puts funding in. You hire a great contractor—Granite Construction. Nevada’s Department of Transportation (NDOT) built this beautiful path for us.

You might have heard the role of the Tahoe Fund was to raise private funding to help secure the public funding. I wanted to share with you how we did that. If you have not been on the trail, there are 16 vista points all along the path. This is one of the larger ones, and we were able to sell these lake-shaped plaques, which private donors could put inscriptions on, ranging anywhere from \$25,000 up to \$100,000. This is a \$100,000 vista here. We did this before we had a trail. We had manzanita bushes and shrubs, and we took people for walks along the side of the highway and said to them, "Picture what this could look like. There is going to be a beautiful trail." They all bought into it; they all saw the vision; they all believed it. We were able to raise, originally, a little over \$750,000 from vista points.

We knew that we were going to attract a lot of people on the trail, and as beautiful as it is, we wanted to make sure we were taking advantage of the educational opportunity that we could build lifelong stewards of the lake. We got a great grant from the NV Energy Foundation, and we were able to build out 23 different interpretive panels along the whole trail. So not only do you get a great view of Tahoe, but it truly is a learning experience at the same time; we worked with all our partners on the content on these. Also, we did not just sell vista points. We knew that there were people out there—the vista points sold out in about six weeks—who really wanted to be part of the trail. We also sold fish-shaped plaques for a \$5,000 donation. You can put your family's name on a trout, and it goes along the bridges along the trail. We have now sold over 150 trout; times that by \$5,000, and you can see the numbers are really adding up for the private support. Then we came in at a little slightly lower level. You can get a bear-shaped plaque for \$2,500. These went on the path right when it starts. Then last year, we built a blue concrete outline of Tahoe as you come through the tunnel at Hidden Beach. I think there are about 84 bear-shaped plaques in there and more are scheduled to go in. But probably what makes this project such a success is not the folks that could write the big checks, but we wanted everybody to be a part of it. We told folks that, for a \$100 donation, their names can go on the donor wall. The original donor wall that is up right now has over 700 different families' names on it. We are in the process of putting up a second donor wall because, of course, as soon as we built the trail, everybody said, "This is so awesome. How do I get my name on the donor wall?" So now we have over 800 names going on a second donor wall a little further down the path, which has been great.

We funded the first \$500,000 that we needed for the construction match to secure a \$12.5 million federal grant. We put everything else that we raised into a long-term maintenance fund for the first three miles. Then we got to a point where we had \$1 million in the long-term maintenance fund, and we were still selling bear- and trout-shaped plaques and people want their name on a donor wall. We decided in June of 2019, that all new donations would go into a general bike trails fund so that we could start to grow funding for the next phase from Sand Harbor down to Spooner. Because of our great success with these donation options, we now have \$1 million in the long-term maintenance fund—a little more than that—and we have about \$1.4 million in the general bike trails fund.

Thirty-six thousand of that has already been committed for expanded parking in Incline Village—the northern trailhead. That will be used by TTD to match for lots more public funding. The same thing for new parking in a trail from Chimney Beach, Secret Harbor, and the Thunderbird Cove area—\$350,000 has been committed of private funding to help secure all the public funding for those. A couple of weeks ago, we worked with the TTD. We pledged that we would have \$2 million as a match for construction for a Federal Tribal Lands Grant. That would be \$60 million. We have not raised all that money yet, but if they are able to secure that grant, we will come up with \$2 million. No problem for that next spectacular trail. That is probably the best example of the power of philanthropy and what the Tahoe Fund can do when we are able to work with our great partners, especially the State of Nevada.

I know that you already saw pictures of the Spooner Lake State Park improvements. We fell in love with this project when State Parks came to us a few years ago. We were able to raise a little over \$300,000. It was great to see the state support this project with the bond sales. I mean, that is really where you get private donors involved and excited when you say, "Hey, if we can raise a few \$100,000 of private funds, that will encourage the state to commit the public funding—the bond funds to make this project happen." I was out there a couple of months ago. If you have not been out there yet, they have made incredible progress. The outdoor amphitheater is nearly complete, and the visitors center is even further along than this photo. It is under snow right now, so it is probably a little hard to get out there and finish construction. I know they plan to do it later this spring, and we look forward to a great grand opening celebration for that. What we love about this project is Spooner is this magical place that sees over 150,000 visitors a year, but there was never really an infrastructure in place to tell people where to go. You pulled in and the parking lot was confusing; there was an old bathroom there, and now there will be this beautiful, welcoming visitors center, which will set the tone for sustainable recreation and stewardship and for how people should appreciate the environment while they are here recreating in it. As was mentioned, Phase 3 is a new water wildlife viewing platform out onto Spooner Lake, and we are currently in conversations with a potential donor for a \$200,000 gift to help make that project happen. There are more exciting things to come for Spooner.

Then a smaller project is the Incline Flume Trail. If you have not been on the Incline Flume Trail, it is the flattest, most family-friendly trail in all of Lake Tahoe. You access it off Mount Rose Highway; it is an old flume system, so it is very flat. Everyone in the community loved it, but it was not technically part of the Forest Service trail system. The Tahoe Fund supported the efforts of Friends of Incline Trails to do all the environmental work necessary for the Forest Service to approve it through the National Environmental Policy Act (NEPA). Nevada's Department of Wildlife (NDOW) came in and gave us great help with some goshawk studies. We were able to get the project approved, and then we were successful in getting a recreation trails program and RTP grant through State Parks to help do all the work on the trail—about \$130,000. It is almost complete; 90 percent of the project is done. There is one bridge that needs to get done. The Caldor Fire and COVID have delayed us, but we hope to get that in this summer as the snow melts.

The big flume trail everyone knows about is the Marlette Flume Trail, and at the end of the flume trail is this sandy, dusty road called Tunnel Creek. Bikers come bombing down the trail, and a lot of folks do not make it to the bottom. Well, they make it to the bottom, but usually in an ambulance. It is really not meant for bike riding. The other thing we are seeing, as Joanne mentioned, is this huge increase in recreation in the basin. It is a beautiful hike. It is not very intense; it is a wide road; and it feels very safe. So, you have all these people walking up a road while bikes are bombing down it. We are so excited to partner with State Parks and Great Basin Institute, our friends at TAMBA (Tahoe Area Mountain Biking Association), and the Rim Trail to help build a new single-track trail. You can see the road—sort of this line through the road. The trail is going to go down below it. We will be able to separate bikers and hikers from each other, and it will be a much better experience for everyone. If you have not been to Tunnel Creek, let me know, and I am happy to guide a tour. The first mile up, there is a giant rock that somebody carved into the shape of a monkey. Everybody calls it "monkey rock"—another great one.

Lastly, we have a project we are really excited about. Our mission is to use the power of philanthropy to improve the Lake Tahoe environment for all to enjoy. We really have to ask ourselves, "What kind of projects can we do for all to enjoy the East Shore Trail?"—universal access. We see people out there all the time in wheelchairs and it just makes you feel so great to know that we really are making this for all to enjoy.

If you have ever driven across Mount Rose Highway in the Tahoe Meadow, there is a beautiful boardwalk that was put in to protect the wetlands that people were trampling across. But if you look at in the view of somebody who is in a wheelchair, it looks like an amazing way to experience Tahoe. The only issue is that to get from the highway to this ramp, there are stairs, but there is not a way to get to the boardwalk from the stairs because the intention was not accessibility—it was environmental protection. We are working with some partners, the Truckee Meadows Parks Foundation and hopefully with NDOT, to try to get a ramp built this summer so that people who are disabled can easily access this beautiful ramp and get out onto the Rim Trail. There is so much more to come on that. Those are some of the projects we are working on right now on the Nevada side of the lake.

If you want to stay up-to-date on Tahoe, on most Thursdays we put out something we call our "Lake Tahoe Fun Facts." If you want to be in the know, you can subscribe to our e-newsletter on our home page, or send me an email and I will sign you up. About every Thursday, you will learn something interesting.

Thank you very much for your time. I am happy to answer any questions.

Chair Peters:

Thank you, Ms. Berry. That was a really wonderful, enthusiastic presentation. I am excited about a lot of the programs that you have put in. I have yet to do the walking trail myself, but it is on my list now that my kids are a little bit older and can maybe manage to walk most of it themselves. Honestly, it has been hard for our family to make it up there because we have five of us and all our gear to park before we can get down to the lake. Parking has been such a hardship that we have not gone for almost two years now. I am looking forward to all the efforts that are going in to make it easier for us to come up and visit the lake more often. It is also funny to me that we are working on access to some of these hidden gems that, as a kid, you had to know which rock to pull off at on the highway; I could not find it. I am glad that we are taking the environmental consequences of more access seriously and putting in the kind of stability that we need to make those work for our communities. Thank you for your effort. It is really impressive. Are there any questions for Ms. Berry? Yes, Assemblywoman Krasner, go ahead.

Assemblywoman Krasner:

Thank you, Ms. Berry, for your presentation. Regarding the \$100 name on the donor wall, can we still do that or are we too late?

Ms. Berry:

You can still do it. It will go on the third donor wall, which has a giant TBD in terms of the date of when it will be installed.

Assemblywoman Krasner:

Great news for us. The next one—the Tahoe Meadows accessibility ramp—what a wonderful idea for people with disabilities. Is that something that is in the works now, or is that something that you are hoping to get a BDR from this Committee for?

Ms. Berry:

We had not even considered a BDR. The Tahoe Fund funded all the planning for last year, and now we have a budget—I cannot remember if it is \$150,000 or \$200,000—for the

construction build. We may need some support from NDOT. They are going to be redoing that highway this summer. Last year they did conduit, and this year they are going to redo the highway. If there was any way we could work with NDOT to maybe build it into that contract or find a way to have some cost savings and maybe a public-private partnership—NDOT could put some funding in and the Tahoe Fund would raise the rest to make that happen.

Assemblywoman Krasner:

Thank you.

Chair Peters:

Thank you for the question. I think there are some folks on here who could offer that suggestion to NDOT. I love the Tahoe Basin. It really is like a crux in my life. My husband and I took our engagement photos in that meadow, and I just love that area. Any other questions from the Committee? I am not seeing any. Thank you, Ms. Berry. I appreciate your presentation and your enthusiasm for this work.

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AGENDA ITEM X—OVERVIEW OF THE MARLETTE LAKE WATER SYSTEM AND UPDATE ON IMPROVEMENTS AND PRIORITIES

Chair Peters:

We are going to move on to our last presentation for the day, which is the overview of the Marlette Lake Water System and updates on improvements and priorities. This is always interesting and complex. The System is unique and something that is kind of a gem in Nevada, although it is a gem in need of attention. I am going to go ahead and pass on the presentation to Ward Patrick and his office to talk a little bit about where they are at. Go ahead, Mr. Patrick.

Ward D. Patrick, P.E., Administrator, State Public Works Division (SPWD), Department of Administration (DOA):

Thank you, Chair. To answer questions today, we also have Deputy Director Matthew Tuma and Daniel Marlow, Administrator from the Administrative Services Division. I would like to introduce you to one of our newest team members, David Dutra. He is our deputy administrator and is overseeing the MLWS. He comes from a background of waste reduction and the recycling industry. He has business management system experience and most recently, from UNR, in facilities maintenance. I will turn the presentation over to David.

David Dutra, Deputy Administrator, Buildings and Grounds Section, SPWD, DOA:

Thank you, Madam Chair and members of the Committee.

Let us start the presentation with an overview. Originally, the Marlette Lake Dam was constructed in 1873 in support of the logging industry, but later it went into service for the collection, treatment, and conveyance of water for domestic and industrial mining uses, primarily in the Comstock area. The State of Nevada acquired the System in 1963, and currently, it is the sole source of water for Virginia city, Gold Hill, and Silver City. In

addition, Carson City consumes the majority of the water that the System generates. For today's presentation, we are going to cover the historical overview and key features; some of the major components of the facility; the stakeholders, customers, and beneficiaries; our recent improvements that have been completed and are in use; planned improvements that are in design and engineering; and future improvements.

We will begin with the history overview of the more significant features of the System. The System was engineered by Herman Schussler in 1873 and later was acquired by the Curtis Wright Company in 1933. And the state again purchased the System in June of 1963 for the total sum of \$1.65 million. The System is recognized as an engineering feat, and as such, was dedicated an Historic Civil Engineering Landmark in 1975 by the American Society of Civil Engineers. It was listed on the National Registry of Historic Places in 1992. Water is collected from various sources within the basins—in total, as much as 2.63 billion gallons of water annually. Water is collected and then sold to nearby Storey County and Carson City. The table here indicates eight years of water sales between our customers in acre feet and on a combined basis accounts for over 550 million gallons of water.

A significant key feature was introduced in 1966 with the collapse of the tunnel, and I will share more about that in a few minutes. After the tunnel collapsed, a diesel-fired generator was put in place in order to power a pump system, which allowed the water System to pump water over the hill, the basin, and into the Hobart basin. Prior to pumping the System, it relied on a robust flume system constructed of redwood. This flume system extended for eight and one-half miles. What would happen is water would drain out of Marlette Lake through the flume system and around to the Incline Portal—or West Portal—or tunnel system. Amy Berry was talking about the trail systems that utilize this old flume system that has long since been abandoned. The Incline Tunnel, or the “West Port” as it is sometimes called, was nearly 4,000 feet long, with connections made from both sides in 1877. It allowed water to flow from Marlette Lake to reach the Comstock in 1877. The tunnel system collapsed in 1957 and the System now relies on pumping, which I discussed earlier. The System is a collective combination of major components. Some of the more significant components include the Marlette Lake itself, Marlette pump and generator facility, Hobart Reservoir and the diversion dam, as well as the inverted siphon, which is a piping system from the Lakeview Tank east across Washoe Valley to support Virginia City. Both Storey County (Virginia City) and Carson City have a significant investment in facilities that include water distribution, storage, and treatment.

The east slope is primarily under the state's management. It includes Marlette Lake and the pumping station that routes water up and over the ridge into the Hobart Reservoir. Water then flows out of the Reservoir and around to the east side. But in addition to that, we also have a number of collection basins shown here. Those collection basins collect water from small tributaries that are receiving water from snowmelt. Those flow into the diversion dam along with the Hobart Reservoir spill. At that point, it is metered and flows around again further to the east to the Lakeview Tank where it is then divided between Carson City and Virginia City.

Each of the components is considered a vital aspect, or part, of the operation. But really none is as important as the Marlette Lake generator building. This one really stands out. It is a converted 12-cylinder diesel motor. It was converted to natural gas shown here and it supports, or powers, the pump. This particular project was a \$7.5 million project completed in 2009. Prior to that, we relied on that smaller diesel motor that was shown.

Water is pumped from the Marlette Lake to the Hobart Reservoir where it can add up to 35 million gallons of storage capacity. All of that is made possible by a rubble and earth

filled dam supporting the reservoir. I mentioned catchments that are located on the east basin. These catchments, which number six today, can add up to as much as 200 gallons per minute to the System, and again, they catch runoff. They are small seasonal tributaries supported by the snowmelt and small streams. The catchments, again, are an important aspect of the System.

Shown here in the upper right-hand corner is one of the older catchments. Those were later rebuilt—were replaced—in 2014 with the newer catchments. This is a blow off lid catchment in case water overwhelms the System. It allows water to come out of the top. You can see there is debris netting with reinforced steel in front of those catchments to catch larger debris.

However, in 2017, the System was really overwhelmed with heavy snowmelt and runoff, blowing the top off of the system and requiring a great deal of restoration. We actually went in and rebuilt the top of it, adding two feet to it. You can see the catchment here, which allows water to slow and settle. It allows suspended solids to settle out before continuing, and this improves the clarity of the water by the time it gets to our customers. I mentioned the catchments and the Hobart streams—those come together here at this point. This is called the Diversion Dam. This is also a metered point where we can meter the catchment runoff as well as the outflow of Hobart Dam before its flows continue on to the Lakeview Tank.

The Lakeview Tank is the last point in the System where water is allowed to stand and solids to settle out before they are diverted on to the customers. What you are looking at here is a 22,000-gallon tank along with the fueling structure and the control stations that needle the water through the inverted siphon line as well as the line to Carson City.

This is an illustration of the line coming off from the Tank down into the Carson City basin. It requires the use of three air boxes to reduce the amount of pressure that water builds as it falls. It lands in the state-owned, 1-million-gallon reservoir, which Carson City utilizes as well as other standing tanks for the management of the water before going on to their water treatment facility. These air boxes that are used in that run were also rebuilt and replaced. You can see one here was damaged and weeping and leaking and not as efficient as it ought to have been. So, those systems were replaced.

Into our east, extending across Washoe Valley, is Storey County's east slope side that includes much of their system. At the time it was constructed, the inverted siphon was the largest inverted pipe siphon system in the world. It was designed for 800 pounds per square inch (PSI) and is currently accepting about 700 PSI pressure. At the end of the siphon shown here, that pressure is reduced as it climbs up out of the basin. It is reduced to about 30 pounds of pressure, which flows naturally over to the reservoir and onto the Virginia City side for treatment.

In addition to the water customers, there are of course, other beneficiaries and stakeholders in the System. There are two water customers at this point. We have Carson City, which supports about 20,000 customers, and Storey County supports just over 700 customers. On a combined basis, again, they require about 550 million gallons of water annually.

This is a list of some of some of the benefactors that frequent the area, but it is quite sufficient. We are quite proud of managing the asset with so much to offer beyond just water. Again, as Amy Berry pointed out, there is a trail system there that is utilized. Some estimate that as many as two million visitors frequent the area, and here is quite an extensive list of those benefactors. One, in particular, is NDOW. They have constructed a

number of fish catching systems, which allow them to catch eggs and plant those eggs in other waterways throughout the state. There is also a guzzler there for wildlife on the east slope. So again, the benefits extend well beyond just the water that is captured. But those recent improvements obviously make it possible for us to continue to run a 148-year-old System.

We talked about some of the catchments, but as you can see from this list, there were a number of projects completed in recent years. The replacement of the generator and the old pump control systems was a capital improvement project (CIP) completed in 2021. Most recently, Ward and I had an opportunity to tour Virginia City's water treatment facilities and took note of their two new tanks that are seen here on the hillside. They add about 1 million gallons of additional storage for their service accounts.

In addition to the state-sponsored projects, Storey County's rehabilitation of the reservoir is shown here. That is a welded seam—I believe an 80 ml polyurethane lined reservoir that is used for the storage of water for fire suppression as well as consumption. We have a picture of their treatment facility in the lower right-hand corner. In the middle is the Supervisory Control and Data Acquisition (SCADA) system that allows all of the jurisdictions benefiting through this System to look at what the flow rates are and manage their systems more effectively. But we are not finished.

We have a number of planned improvements that are currently in design. Most significant is the Marlette Lake Dam Restoration Project—now 60 percent complete. The illustration below is a cross section of the dam showing a buttress fill area as well as a new control station and a number of other projects that are tied in with this particular one, including road maintenance, trail restoration, and control points on the Dam. We are spending time to complete a master plan study, which will include water demands, the System as a whole, and what the System can support. The Hobart Dam Rehabilitation Project is in design now and 35 percent complete. That is a seismic retrofit to the dam. In restoring that infrastructure as well as the diversion dam, which I showed a picture of earlier, that too is going to be modernized and brought to standard. We would also like to add some additional catchments, and the design of those is 35 percent underway.

Future projects or projects that are planned but not yet funded are anything really from analytical and economic studies to infrastructure projects. The infrastructure or capital projects may include projects such as the East Slope Transmission Main Upgrade or the Sawmill Transmission Upgrade. That is a three and one-half mile pipeline replacement, 18 inches, currently, to 24 inches at a cost of \$15.8 million. The Lakeview to I-580 transmission line is about an \$8.6 million project, and that is to replace the original inverted line currently in use and installed in 1877. I think we got the useful life out of that line. The Lakeview to Carson City transmission line is also proposed, and that is about \$5.3 million. All combined, the list before you adds up to about \$40 million dollars of capital.

Operationally, the System requires fiscal attention as well. The Marlette Lake Dam level recovery, after the dam rehabilitation, is a matter of concern. This dam reconstruction will take water levels down as much as 10 to 12 feet and prohibit the pumping of water to the Hobart Reservoir. That will obviously restrict flows to Carson City and Virginia City, which will have an impact on our operating revenue. Rebuilding the generator is of interest, and most important, it is at the end of its useful life. Again, that large 12-cylinder motor operates on a continual basis during peak seasons. It does not take long before those motors are at end of life. We need to raise the inlet for the pump off the bottom of the lake. This will improve clarity and efficiencies. We also want to replace some of the operating

equipment, which has reached the end of life, and construct an equipment shed. This will help preserve the equipment that we have, especially during the snow season.

We would also like to upgrade the SCADA system, which is used for controlling the metering valves and operating the System. With that, the MLWS is recognized historically. It is a system of great engineering. It is a challenging system given its location. It is about 1,700 feet above Lake Tahoe and about 9,000 feet in elevation, so access to these systems in the infrastructure is difficult during winter months. It is a challenge, but it is one that we all love. We take great pride in the System, and I have to say, personally, I am thrilled to have the opportunity to take part in the management of that System. I am happy to turn it over back to the Committee for questions and answers.

Chair Peters:

Thank you. Are there any questions from the Committee?

I have one related to redundancies, as we heard about them last interim. There were not many on the System, and when it went down, we depended on the stored water. I am wondering if there are proposed designs or plans to address the redundancy issues, particularly for pumps, or if you were able to address this in the last biennium.

Mr. Patrick:

As we have mentioned, is a very old system, and it was originally designed without that redundancy. We have been discussing redundancy, but there has been no real work to improve any redundancy. You will note that there are so many needs just to keep one leg open in all directions. As that gets completed, it is likely we can keep some of the existing piping open, which would create some redundancy, although it would be age redundancy, not state-of-the-art redundancy.

Chair Peters:

It is a really unique System. If you have not seen parts and pieces of it, I would encourage you to try and get out and see this System. It is truly an engineering feat, and it is amazing that it is still up and running, especially with some of the parts and pieces being over 100 years old. It is almost 150 years old at this point. Are there any other questions from the Committee? I do not see any, but there may be some more as we keep talking about the needs of your program. I would also encourage the Committee to feel free to reach out to Mr. Patrick and Mr. Dutra if you have any questions related to the System. This has been kind of a contentious issue in the Legislature, but I do think they are in a pretty good place.

I do have one more question. Last interim, we talked about the potential of some sales of water to the Truckee Meadows Water Authority (TMWA) system. Do you have an update on those discussions?

Mr. Patrick:

We do, thank you. Yes, TMWA is still very interested in becoming a customer. We are looking into ways to trial pushing water through the federal watermaster—through Lake Tahoe—through the natural means. They are still very interested. We were hopeful when we had the big snow in December, like, “oh boy, there is going to be an excess of water.” I would say that TMWA has been working with Carson City and Store County to make sure that it is understood, and everybody agrees, that TMWA would take water that is not necessarily needed by the two primary customers right now. It appears to be working

towards a very symbiotic relationship. When there is less water, the existing couple of customers will be getting water. When there is an excess of water, the Reno area and the TMWA could utilize that and compensate the state. Thus, it would end up helping preserve and maintain the system. So, it is "all systems go," although that has not been put into effect—or tried and true—but they are still interested and so is the state.

Chair Peters:

I appreciate you keeping us updated. Can you remind me if you, as a state managing this system, set the rates for the users, or are those set by the treatment? Is the cost from the treatment systems passed on to the users?

Mr. Patrick:

Yes, we went to the IFC to get authority to use operating funding for the master plan, which was discussed here. Due to the current fiscal situations where we have a very low reserve, we put that on hold. We would appreciate the Committee's support in an item that has been sent through to the Governor's Finance Office. We believe it will make it to the April IFC meeting. The intent would be to complete the master plan that would enable a simple rate study to be done. Statute allows and requires the state to set the rates. The process that we have outlined for Marlette Lake is to work on the master plan and then develop rates based on the master planning process.

Matthew Tuma, Deputy Director, DOA:

I would like to add onto that. Like Administrator Patrick said, we set the rates of what we charge Carson City and Storey County as a whole, but they set the individual water rates for their customers; we do not set those rates.

Chair Peters:

Thank you. I have a history of being on that System. I grew up in a house in Silver City and I remember it was one of my first experiences with a different water system—seeing that tank on the hillside—and talking about where the water came from. I remember thinking, "How the heck do they get water across Washoe Valley?"

Are there any other questions from the Committee on this particular topic area? I am not seeing any. Thank you for the presentation and the updates on those issue areas. We look forward to hearing on things we can do to help out if there is anything that comes up in the interim. Thank you.

That is the end of our presentations for today.

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AGENDA ITEM XI—PUBLIC COMMENT

[Chair Peters called for public comment.]

Dora Martinez:

My name is Dora Martinez. I represent the Disability Peer Action Coalition, and I want to say thank you so much for Amy Berry's presentation. We are applauding her with a bunch of our disabled friends who are wheelchair users and those who use a walker. Hopefully we will get that ramp going. Thank you so much, Assemblywoman Lisa Krasner, for recognizing that. Hopefully, if they do not get funding for that, a BDR will be appropriate. Last year, we really wanted to go to Lake Tahoe. We have been so cooped up in our homes, but we could not make it up there due to inadequate Reno Transportation Commission (RTC) services. We were not able to go to the Summit Mall and get the RTC bus to go up to the lake. So hopefully this year, they will provide RTC at the Meadowood Mall so people with disabilities can be included and use that beautiful Lake Tahoe scenery that you all talk about. I appreciate all your time. Thank you so much, Chair. Have a great day.

Chair Peters:

Thank you. It is always lovely to hear from you. Is there another caller on the line for public comment?

[Broadcast and Production Services staff confirmed there were no other callers on the line.]

Chair Peters:

I will close public comment. Are there any comments from members of the Committee before we adjourn?

I want to thank you all for your time today. It is a pleasure being here with you, and I am looking forward to being able to meet in person and visit the lake if we can—hopefully in the summer months. I want to note that our next meeting is Friday, May 27th. We will let you know in the coming months whether that meeting is expected to be virtual or in person and where we may have it in person. That concludes our business for today.

AGENDA ITEM XII—ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 3:36 p.m.

Respectfully submitted,

Lisa Creamer
Research Policy Assistant

Alysa M. Keller
Senior Principal Policy Analyst

APPROVED BY:

Assemblywoman Sarah Peters, Chair

Date: _____

MEETING MATERIALS

AGENDA ITEM	PRESENTER/ENTITY	DESCRIPTION
Agenda Item V	Alysa M. Keller, Senior Principal Policy Analyst, Research Division, Legislative Counsel Bureau	Committee Overview

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