



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

(Nevada Revised Statutes 218E.555)

SUMMARY MINUTES AND ACTION REPORT

The first meeting of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and Marlette Lake Water System was held on November 14, 2011, at 9 a.m. at The Chateau at Incline Village, 955 Fairway Boulevard, Incline Village, Nevada. A copy of this set of "Summary Minutes and Action Report," including the "Meeting Notice and Agenda" ([Exhibit A](#)) and other substantive exhibits, is available on the Nevada Legislature's website at <http://leg.state.nv.us/interim/76th2011/committee/>. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's (LCB's) Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775/684-6835).

COMMITTEE MEMBERS PRESENT:

Senator John J. Lee, Chair
Assemblyman Kelly Kite, Vice Chair
Senator David R. Parks
Senator James A. Settelmeyer
Assemblywoman Marilyn Kirkpatrick

COMMITTEE MEMBER ABSENT:

Assemblywoman Peggy Pierce

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Jennifer Ruedy, Senior Research Analyst, Research Division
Eileen G. O'Grady, Chief Deputy Legislative Counsel, Legal Division
Heidi Chlarson, Deputy Legislative Counsel, Legal Division
Susan M. Young, Assistant Supervisor of Secretarial Services, Research Division
Lucinda Benjamin, Senior Research Secretary, Research Division

Brian Van Geel, Technical Communications Systems Specialist, Broadcast and
Production Services
Ryan Dombrowski, Technical Communications Systems Specialist, Broadcast and
Production Services

ELECTION OF CHAIR AND VICE CHAIR

- Senator John J. Lee opened the first meeting of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System. He explained the changes to the public comment process enacted by the 2011 Legislature. He welcomed the public and members of the Committee, noted the procedures for Committee business and testimony, and requested Heidi Chlarson, Deputy Legislative Counsel, Legal Division, LCB, to provide an explanation of the revised public comment process.
- Heidi Chlarson, previously identified, explained the two options for general public comment as set forth in Assembly Bill 257 (Chapter 459, *Statutes of Nevada 2011*). She indicated that for this meeting the Chair would take public comment after each possible action item listed on the Agenda, in addition to a period for public comment before adjournment of the meeting.
- Chair Lee moved to nominate Senator James A. Settelmeyer as the Vice Chair. The motion was rescinded per Subsection 3 of NRS 218E.555.

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. I; however, no testimony was presented.
- The Committee **APPROVED THE FOLLOWING ACTION:**

SENATOR SETTELMAYER NOMINATED AND MOVED THAT SENATOR LEE SERVE AS THE COMMITTEE'S CHAIR. THE MOTION WAS SECONDED BY ASSEMBLYMAN KITE, AND PASSED. SENATOR PARKS WAS NOT PRESENT FOR THE VOTE.

SENATOR LEE NOMINATED AND MOVED THAT ASSEMBLYMAN KITE SERVE AS THE COMMITTEE'S VICE CHAIR. THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KIRKPATRICK, AND PASSED. SENATOR PARKS WAS NOT PRESENT FOR THE VOTE.

OPENING REMARKS AND INTRODUCTIONS

- Chair Lee commended the experience and leadership capabilities of the Committee members and requested each member to comment on their background and interest in the future of the Lake Tahoe Basin. Chair Lee stated his goal was to facilitate dialogue between local governments, environmentalists, development groups, oversight management teams, the TRPA, and representatives from the State of California.

- Senator Settelmeyer provided information of his background, district representation, service on the Blue Ribbon Property Tax Commission. He voiced his interest in improving the water quality of Lake Tahoe and reducing any degradation of property in the Lake Tahoe Basin.
- Assemblywoman Kirkpatrick, Chair of the Assembly Committee on Government Affairs from the 2011 Legislative Session, commented on the importance of protecting Lake Tahoe. She noted her commitment to examine and understand fully the issues presented to the Committee, that will be vetted in the 2013 Legislative Session.
- Assemblyman Kite provided information on his 12-year background as a Douglas County Commissioner and his past involvement in protecting the natural beauty of Lake Tahoe.

OVERVIEW OF STATUTORY DUTIES OF COMMITTEE AND LEGISLATION ENACTED IN THE 2011 SESSION RELEVANT TO THE LAKE TAHOE BASIN

- Jennifer Ruedy, Senior Research Analyst, Research Division, LCB, presented background information on the formation of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System and the duties and membership of the Committee. She cited pursuant to NRS 218E.560, "Meetings; rules; quorum; compensation, allowances and expenses of members." She noted the Committee has 10 months from November 1, 2011, to August 31, 2012, to complete its assigned tasks. Further, Ms. Ruedy explained that the Committee is budgeted for six meetings and as a statutory committee can request up to 10 bill draft requests (BDRs), which must be submitted to the LCB by September 1, 2012. She provided information on the Committee's voting requirements and the final report summarizing the activities of the Committee. Ms. Ruedy briefly explained legislation passed by the 2011 Legislative Session that included: Assembly Bill 167 (Chapter 387, *Statutes of Nevada*); A.B. 578 (Vetoed by Governor Brian Sandoval on June 17, 2011); Senate Bill 271 (Chapter 530, *Statutes of Nevada*); and S.B. 438 (Chapter 437, *Statutes of Nevada*). Ms. Ruedy provided detailed information on the passage and content of S.B. 271, which included: (1) amendments to the Tahoe Regional Planning Compact [Compact]; (2) new duties for the Committee; and (3) withdrawal of the State of Nevada from the Compact. (Please see [Exhibit B](#).)

Discussion ensued concerning the number of meetings allocated to the Committee for the 2011-2012 Interim. Ms. Ruedy noted she will request clarification on the number of meetings and any provisions for travel for the three-member delegation. The Committee also discussed the approval requirements for bill draft requests (BDRs) that require approval by a majority of members of each house.

- Chair Lee provided details on the formation of S.B. 271, and its subsequent enactment by the 2011 Legislature. He was adamant that the focus of the Committee be to fulfill the requirements set forth in S.B. 271 and to protect Lake Tahoe and the interests of the

State of Nevada. He emphasized the dedication of the Committee members to accomplish the requirements assigned to the Committee.

- At the request of Assemblywoman Kirkpatrick, Ms. Ruedy clarified that the Committee submitted only one BDR during the 2011 Legislative Session, which was S.B. 438 (Chapter 437, *Statutes of Nevada*).

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. III; however, no testimony was presented.

UPDATE ON RECENT BISTATE DISCUSSIONS RELEVANT TO TRPA

- Leo M. Drozdoff, P.E., Director, State Department of Conservation and Natural Resources (SDCNR), commented on S.B. 271 and noted, in his opinion, that the bill has fostered effective communication between Nevada and California, the TRPA, and all stakeholders. Mr. Drozdoff has met regularly with John Laird, California Secretary for Natural Resources, and has spoken to him at least once each month. He explained their discussions began in April 2011; however, California representatives did not testify for or against the bill during the 2011 Nevada Legislative Session. Mr. Drozdoff introduced his team as: James R. Lawrence, Administrator and State Land Registrar, Division of State Lands, SDCNR; Colleen Cripps, Administrator, Nevada's Division of Environmental Protection (NDEP); Charlie Donohue, Deputy Administrator, Division of State Lands; Dave Gaskin, P.E., Deputy Administrator, NDEP; and Robert Gregg, Nevada Tahoe Resource Team Lead, Nevada's Division of State Lands. He stated Mr. Donohue and Mr. Gaskin are also members of the TRPA Advisory Planning Committee.

Continuing, Mr. Drozdoff explained the areas that he and Secretary Laird have agreed upon are the need for: (1) an update to the Regional Plan; and (2) the TRPA to examine and focus on a core mission. He added that Ms. Marchetta and the TRPA staff have established a priority to complete the update to the Regional Plan by December 2012 and to identify what roles the local governments would have as part of the Plan. There is an agreement between Nevada and California that local governments are the closest to the residents and can carry out the work needed in the Lake Tahoe Basin. In addition, Mr. Drozdoff explained that the current Regional Plan is more than 20 years old and in order to meet the December deadline, the TRPA has agreed that the Regional Plan should focus on the areas of water quality and redevelopment strategies that combine environmental gain with economic improvement.

Mr. Drozdoff told the Committee members that the SDCNR would ensure that Nevada has a strong and coordinated voice on Lake Tahoe issues. In addition to meeting with Mr. Laird and TRPA staff, SDCNR staff conducts routine meetings with local government representatives from Carson City, Douglas County, Washoe County,

business leaders, and environmental advocacy groups. He opined that it is critical for all stakeholders to be involved with the work, and there have been productive TRPA Governing Board meetings focused on completing the update to the Regional Plan.

Continuing, Mr. Drozdoff commented on the three-member delegation appointed by the Committee and briefly spoke about past efforts by Nevada legislators to meet with California representatives. He stressed the need to maintain meaningful discussions with members of the California Legislature and suggested the Committee send a letter to the Speaker of the Assembly and Senate Majority Leader to explain S.B. 271 and the role of the three-member delegation. He offered assistance in developing the letter and was of the opinion that the message would be well received. Mr. Drozdoff briefly discussed the local government subcommittees formed by the TRPA that can ensure that the issues identified in S.B. 271 are thoroughly vetted. In addition, he commented on the Nevada Tahoe Regional Planning Agency operating budget, lack of staff, and the economic and legal ramifications if Nevada were to withdraw from the Compact.

Concluding, Mr. Drozdoff stated that the Committee has a very large task ahead and clarifying the number of Committee meetings is vitally important. He reiterated that the SDCNR staff is committed to assisting the Committee to make sure that the record is clear to facilitate informed decisions.

In response to questions from Chair Lee, Mr. Drozdoff explained there are ongoing discussions regarding aquatic invasive species, environmental improvement programs, fire protection, forest restoration, planning, and transportation. He clarified the role of SDCNR as a conduit in coordinating activities and disseminating information between Nevada and California and, as requested by the Chair, would take the lead role in discussions with California. He offered to meet with the three-member delegation and provide background information on the activities of his Department. Mr. Drozdoff opined that local governments are the closest to the Lake Tahoe residents' issues, but agreed that there has been a shift in the role of local governments in the Lake Tahoe Basin, which is different from in other states. In his view, TRPA and local governments can work together to clarify their roles and responsibilities to establish a better working relationship. In his opinion, the TRPA needs to focus on regional planning issues while local governments focus on daily interaction with businesses and residents, similar to how other locations and states operate.

- Chair Lee reiterated the Committee's commitment to support local government involvement and pointed out Assemblyman Kite, District 39, represents residents of Douglas County and the Lake Tahoe Basin. At the request of the Chair, Assemblyman Kite agreed to take the lead role in meeting with local governments, SDCNR staff, and the TRPA staff to identify and develop a process for collaboration and cooperation and to keep the Committee apprised of the results. Chair Lee explained that the budget does not include the cost of conducting the meetings, but stressed their importance for accomplishing the directives in S.B. 271.

- Senator Settelmeyer noted his commitment to work on issues impacting the Lake Tahoe Basin and asked Mr. Drozdoff to notify Assemblyman Kite and all affected Nevada and California legislators, including Senator Ted Gaines, Senate District No. 1, which includes El Dorado and Placer Counties, of any additional meetings with the three-member delegation. He expressed the need to have all designated California assembly members and senators conduct a round table discussion on issues relevant to the Lake Tahoe Basin.
- Mr. Drozdoff said he would provide Senator Settelmeyer with invitations to future meetings and added that SDCNR representatives have attended regional meetings of the TRPA Governing Board that includes local government representatives from Nevada.

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. IV.
- Bruce Grego, Member, South Lake Tahoe City Council, California, expressed support of S.B. 271 and indicated that the City of South Lake Tahoe passed a resolution in support of the measure during the 2011 Legislative Session. Mr. Grego told the Committee that the City of South Lake Tahoe hired lobbyists to represent their interest as the amendments to the Compact develop pursuant to S.B. 271, and a subcommittee of two Council members was formed to provide additional input to the California Legislature. In his opinion, S.B. 271 has been the catalyst for creating more sensitivity to local governments' issues and for expediting the update of the Regional Plan. He supported a move by the TRPA to delegate some duties to local governments on small projects and homeowners' requests. Mr. Grego has received messages of nonsupport for sections of S.B. 271 from some California representatives and individual members of the South Lake Tahoe City Council, but asserted his support for the objectives of the bill. Mr. Grego commented on the appointment of the three-member delegation and requested if it was possible to add representation of local governments on the delegation. He applauded the discussions that have occurred between the Governors of Nevada and California and expressed support for the fair voting structure of the TRPA Governing Board created by S.B. 271.
- Chair Lee commented on the management of the entire Lake Tahoe Basin and supported the request for increased local government involvement in future discussions. He asked Mr. Grego to follow up with Assemblyman Kite.

APPOINTMENT OF THE THREE-MEMBER DELEGATION REQUIRED BY SUBSECTION 5 OF SECTION 22.5 OF SENATE BILL 271 (CHAPTER 530, STATUTES OF NEVADA 2011)

- Chair Lee discussed possible members of the three-member delegation, and clarified that the appointed delegation shall consist of one member of the Senate and

two members of the Assembly, representing at least one member from each party, as designated by S.B. 271.

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. V; however, no testimony was presented.
- The Committee **APPROVED THE FOLLOWING ACTION:**

SENATOR PARKS MOVED TO APPOINT SENATOR SETTELMAYER, ASSEMBLYWOMAN KIRKPATRICK, AND ASSEMBLYMAN KITE TO SERVE AS MEMBERS OF THE DELEGATION, WITH SENATOR SETTELMAYER SERVING AS CHAIR. THE MOTION WAS SECONDED BY ASSEMBLYMAN KITE, AND PASSED UNANIMOUSLY.

OVERVIEW OF TRPA ORGANIZATIONAL STRUCTURE AND BUDGET AND REVIEW OF LAKE TAHOE REGIONAL PLAN UPDATE

- Joanne S. Marchetta, Executive Director, TRPA, explained that the TRPA was established in 1969 through a bi-state compact ratified by the United States Congress and approved by President Richard M. Nixon. She explained that the TRPA has planning and regulatory authority for environmental protection over a region that encompasses multiple jurisdictions. The Compact as amended in 1980 requires the adoption of environmental threshold carrying capacities and a Regional Plan for land use, transportation, recreation, and conservation needs to maintain threshold standards while providing opportunities for orderly growth and development. Ms. Marchetta clarified that the 1987 Plan remains in place and that the TRPA is currently working to update the Plan to restore Lake Tahoe's water quality, improve the permitting process, and create sustainable land use and transportation systems. She has participated in recent discussions between Nevada and California on the future of the Lake Tahoe Basin that has provided the opportunity to address current, critical issues collectively. (Please see [Exhibit C](#) and [Exhibit C-1](#).)

Continuing, Ms. Marchetta provided information on events that have had negative impacts on the Lake Tahoe Basin including clear-cut logging, building booms, fine-particle sediment runoff, erosion, road construction, fertilizer use, buildup of forest fuels, and invasive species. She was adamant about the TRPA's priority to update the Regional Plan and stressed the Board's commitment to deliver the updated Plan by December 2012. She explained that the Regional Plan is a package of documents that include: (1) a code of ordinances; (2) environmental thresholds; (3) goals and policies for the Lake Tahoe Basin; and (4) a zoning framework. Ms. Marchetta further explained that the Plan that was adopted in 1987 is still valid, but it was amended literally hundreds of times over the last 20 years to make small adjustments. She clarified that the Plan did not expire as was represented in the

2011 Legislative Session, and a majority of the Plan's policies are in effect and will remain in place going forward. In the update, TRPA is proposing a targeted set of amendments to address areas in need of improvement to restore Lake Tahoe water quality and to enhance the economic revitalization to sustain the communities in the Lake Tahoe region.

Further, Ms. Marchetta discussed past planning difficulties, which included a proposed bridge over Emerald Bay, a four-lane highway around Lake Tahoe, and a projected population of 750,000 in the Lake Tahoe Basin. The first 1969 Bi-State Compact was approved by the Governors of Nevada and California and stopped the proposed development. The 1980 Compact amendments created a solid foundation to control growth; however, she explained that the effects of the projects completed in the 1950s and 1960s still continue, such as development in wetlands, river channelization during heavy runoff conditions, and the "Tahoe Keys" development. The compromise of the 1970s was to cut off the uncontrolled growth, which is the root of the current debate on how to balance controlled growth with private property rights.

Continuing, Ms. Marchetta discussed the overall growth management and allocations, land coverage, residential development constraints, commercial and tourist development caps established in the 1980s, and pointed out that in the proposed update all of the caps are to remain in place. In her opinion, the update would not cause the type of uncontrolled growth that occurred in the 1970s. She informed the Committee that there have been concerted efforts by agencies to buy private property to reduce the growth potential of the Lake Tahoe Basin. The U. S. Forest Service, California, and Nevada have purchased approximately 10,000 lots primarily in developed areas for public ownership.

Ms. Marchetta presented a Tahoe development timeline from 1900 to 2030 and clarified that the Lake Tahoe Basin is facing different circumstances today than it was three decades ago. Today, rather than facing uncontrolled growth, the Lake Tahoe Basin is close to being "built out." She indicated the purpose of the updated Regional Plan is to respond in a more focused way to:

1. Identify and mitigate threats to water quality;
2. Manage congestion in the transportation system;
3. Prevent catastrophic wildfire;
4. Control and prevent aquatic invasive species; and
5. Address the decline of gaming as the core economy in the Lake Tahoe Basin.

In Ms. Marchetta's stated opinion, growth control is firmly in place although the Lake Tahoe Basin's development potential continues to shrink. The five-year

Threshold Status Evaluation Report (TSER) consistently shows insufficient progress toward environmental gain, which supports the realization that regulation alone will not meet the nine environmental threshold standards. Ms. Marchetta stated that there is a need for investment in restoration. The environmental improvement program (EIP) has brought capital restoration projects to the Lake Tahoe Basin with approximately \$1.5 billion invested in the ecosystem that includes an estimated \$90 million from the State of Nevada. These capital investments, coupled with targeted improvements, are leading to substantial improvements in nearly every threshold category; however, the only environmental threshold category that continues to show regional decline is water quality. For nearly 40 years, water quality has been a continuing challenge, and according to Ms. Marchetta, every five-year threshold evaluation since the first one has shown a continuing downward trend although the rate of decline has slowed, which demonstrates that investments in restoration projects have had positive effects.

Further, Ms. Marchetta explained that the most recent TSER showed the majority of the threshold standards are moving toward attainment with only a small proportion of the indicator categories moving away from attainment; those are in the water quality category. The TRPA is currently preparing the 2011 TSER, and Ms. Marchetta offered to brief the Committee on the report. She said the TRPA expects water quality thresholds to continue to be the biggest problem, but indicated that there is new science to guide solutions to the loss of clarity in Lake Tahoe. The Lake Tahoe Total Maximum Daily Load (TMDL) provides clear guidance on where to focus to improve water quality. Ms. Marchetta explained that at the 2011 Annual Lake Tahoe Summit Governor Sandoval, Governor Brown, and Jared Blumenfeld, Regional Administrator, Environmental Protection Agency, signed the TMDL Water Quality Restoration Plan.

Ms. Marchetta noted that the TMDL indicates that the pollutants of greatest concern to Lake Tahoe are fine sediment from developed areas, nitrogen, and phosphorous. The Regional Plan Update will focus on three key points to: (1) improve the Lake Tahoe Basin's permit review system; (2) restore Lake Tahoe water clarity; and (3) shift to the original regional role of the TRPA. She explained that the population in the Lake Tahoe Basin has been shrinking for a decade and no changes to growth control standards are proposed, so the challenge is to address deteriorating buildings and outdated infrastructure that are polluting Lake Tahoe. She discussed the new California statutes that require TRPA to address greenhouse gas emissions by developing a sustainable community strategy that requires a regional land use plan. The plan would integrate land use, transportation, and housing strategies to create mixed-use town centers to facilitate walking, biking, transit options, and to promote affordable housing near transit to reduce greenhouse gas.

Continuing, Ms. Marchetta opined that environmental redevelopment is within the scope of the amendments to the Regional Plan. The amendments do not propose growth in the Lake Tahoe Basin but to improve what already exists and to provide incentives to property owners to remake properties and possibly move populations to walkable town centers served by transit. The TMDL science points to roads and

developed areas as the primary culprits that reduce Lake Tahoe's clarity. The EIP has been addressing roads for over a decade with hundreds of millions of dollars invested in roadway projects. The land use changes in the Regional Plan Update will target the environmental redevelopment of old properties. She said the move to a true regional planning approach would have local governments submitting plans to the TRPA for conformance review and would simplify the complicated, burdensome permitting system.

Ms. Marchetta explained that the Regional Plan establishes development caps and environmental sideboards. The updates would strengthen the regional sideboards and have local governments implement parcel-specific zones for sustainable redevelopment of older properties. She also said the proposed update will include the community input received over the last seven years, and the public has expressed strong support for compact, walkable, transit-friendly communities with neighborhood gathering places, and better access to recreation. The proposed changes could decrease vehicle trips and miles traveled, reduce runoff, and increase economic and environmental sustainability. She indicated that this type of model has proven to be successful in the Lake Tahoe Basin at south Stateline and Tahoe City, California. Ms. Marchetta explained that a significant number of tourist accommodation units required to support the redevelopment came from offsite motel units built on environmentally sensitive lands that were demolished and replaced with state-of-the-art wetlands to provide public amenity, in addition to reducing runoff from a whole neighborhood. She explained that concentrating existing development rights in town centers can achieve Lake Tahoe restoration goals. The compact communities can be served by multi-modal transportation reducing greenhouse gas emissions while supporting living-wage jobs.

Concluding, Ms. Marchetta informed the Committee that the goal of the Regional Plan Update is to move TRPA from backyard parcel-by-parcel planning and project review of decks and pathways into a regional role of building partnerships and working with federal, state, and local governments. She opined that by shifting parcel-specific zoning authority to local governments, consistent with TRPA's environmental and regional sideboards, the Agency can focus on establishing partnerships and collaboration of organizations on the EIP to benefit the Lake Tahoe region. In her view, a major focus of the 2011 Lake Tahoe Summit was the need for public-private partnerships to deliver environmental gain in the Lake Tahoe Basin.

Ms. Marchetta noted one of the most urgent resource issues in the Regional Plan Update is protecting Lake Tahoe from aquatic invasive species, a program that began in 2007 when quagga mussels were discovered at Lake Mead. She provided information on the TRPA regional coordinating role in fostering the agency partnerships to implement boat inspection programs, eradication programs, and studies geared toward protecting Lake Tahoe. She added that another high priority for the Regional Plan is reducing the threat of catastrophic wildfire.

In closing, Ms. Marchetta presented information on the TRPA budget. The overall TRPA budget is \$16 million for Fiscal Year 2012, with 46 percent, \$7.3 million, allocated to the General Fund. She explained that grant funds are primarily used for special programs such as transportation planning and protection from invasive species. Ms. Marchetta pointed out that the TRPA workforce was reduced by 20 percent over the last three years to the current 68 staff members.

In response to questions from Senator Settelmeyer, Ms. Marchetta agreed that predictability is essential to the permitting process. She stated the TRPA is committed to reducing the current processing time and has processed much of the long-standing backlog of permits. She explained that the TRPA objective is to complete the review, issue a simple permit in two or three months, and reduce the review process for complex permits for large development projects. She said the TRPA has also set the following strategic goals to:

1. Assist applicants on how to navigate the permitting process;
2. Coordinate with local jurisdictions to expedite the dual approval process; and
3. Reduce duplication and the degree to which an applicant is sent back to “redo” parts of the process.

Discussion ensued about situations regarding ex-employees of agencies and departments who start private consulting firms in areas where they were formerly employed. Ms. Marchetta stated that the TRPA will examine its scope of contracts, the contracting process, and Nevada’s contracting policy.

· Assemblywoman Kirkpatrick requested information on the following:

1. Environmentally friendly and energy-efficient building codes;
2. Legislative requirements for local government redevelopment authorities;
3. Original versus current goals of the TRPA;
4. Proposed use of the TRPA \$12 million bond fund;
5. The notification process of new legislation enacted by the California Legislature regarding the Lake Tahoe Basin; and
6. Written policies for the permit approval process.

Ms. Marchetta explained, in response to Assemblywoman Kirkpatrick, that redevelopment focuses on rebuilding existing, deteriorating infrastructure rather than establishing new jurisdictional redevelopment authorities. She noted that the permitting system is highly

duplicative and includes a local jurisdiction design review in addition to the TRPA design review, which also contains regulations unique to the regional regulatory structure. Ms. Marchetta explained the history of the expansion of TRPA's authority, the proposed strategic plan, and the procedure used to integrate California legislation with Nevada's building code structure.

- Julie Regan, Chief of External Affairs, TRPA, provided information on the use of the bond fund and the bonding capacity of TRPA. She stated the EIP is the capital portion of the Regional Plan Update and is a combination of funds from the federal government, California, Nevada, local governments and the private sector. Ms. Regan explained there is a five-year priority list of projects and commented on the need to increase public-private partnerships.

In response to questions from Assemblywoman Kirkpatrick, Ms. Marchetta stated the TRPA is designated as the Metropolitan Planning Organization (MPO) for purposes of federal transportation authorities and funding. She further explained that the California transportation plan is updated every four years in order to authorize continued federal and state funding for transportation projects in the Lake Tahoe Basin. She explained that the California Legislature uses the Regional Plan as the authorized plan for legislation for projects in the Lake Tahoe Basin and to meet California's regional transportation planning obligations.

- Continuing her testimony, Ms. Regan provided information on the public participation strategy for the Regional Plan Update process including a review of the base plan and a series of community-visioning workshops. She explained that additional workshops would be conducted in March 2012 after the draft plan becomes available for public review. There is an informational outreach campaign planned to provide information to the public by using the TRPA website, an e-newsletter, advertisements, direct mail, and speaking engagements at local service organizations around the Lake Tahoe Basin. Ms. Regan stated the public input received during the outreach campaign would be included in the updated Plan.
- Ms. Marchetta stated that active conversations have occurred between the Board and staff of every local jurisdiction around the Lake Tahoe Basin concerning the concept of delegating review authority and the best design to move the TRPA into a conformance review system and to identify each local jurisdiction's interest. She added that two committees of the TRPA Governing Board were appointed that included representatives from the six local governmental jurisdictions in California and Nevada. One group is a local government committee assigned to identify issues and to develop compromises on issues of interest. The second group is a Regional Plan Update committee that represents the three caucuses of the TRPA Governing Board and consists of state-level representatives from California and Nevada and local jurisdictional-level representatives. The structure creates greater communication on disparate policy interests. Ms. Marchetta concluded the TRPA Governing Board members and the

two committees have accepted the challenge to deliver the updated Regional Plan by December 2012.

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. VI.
- Ann Nichols, President, North Tahoe Preservation Alliance, Crystal Bay, Nevada, commented on the change on limitations for high-rise development. She stated the new Regional Plan Update sets building height at 197 feet (20 stories) in the casino core at the south shore, and the previous Plan limited the height to six stories. She voiced strong concern about the change. Ms. Nichols commented on the change to the voting structure of the TRPA Board to a majority vote for approval. (Please see [Exhibit D.](#))
- Joseph Johnson, member, Toiyabe Chapter of the Sierra Club, Reno, Nevada, supported the goals of the Committee but stated the Sierra Club would continue to examine any retreat on threshold values, ways to anticipate noncompliance with special values of development, and possible remediation of potential problems. He stated a viable and workable Regional Plan is needed.
- Nicole Gergans, The League to Save Lake Tahoe, Tahoe City, California, stated that a new permanent executive director for the League is to be hired soon.
- Chair Lee extended an invitation to the new executive director, when hired, to attend future meetings, so the Committee can receive more information about the League's mission.

OVERVIEW OF NEVADA TRPA (NRS 278.792)

- James R. Lawrence, Administrator and State Lands Registrar, Division of State Lands, SDCNR, provided a brief overview of the current structure and responsibilities of the Nevada Tahoe Regional Planning Agency (NTRPA) and stated he is also the Executive Officer of the NTRPA. He explained the NTRPA Board consists of members of the Nevada delegation of the larger TRPA Governing Board. He stated the Board consists of one member each from Carson City, Douglas County, and Washoe County; an appointee of Governor Brian Sandoval; the Nevada Secretary of State; a representative from the SDCNR; and an at-large member chosen by the other six members for a one-year term, which requires the NTRPA to meet at least once each year. He further explained that the composition of the California delegation of the TRPA Governing Board consists of seven members including representatives from El Dorado and Placer Counties; the City of South Lake Tahoe; two members appointed by Governor Jerry Brown; one member appointed by the Speaker of the Assembly; and one member appointed by the Senate Rules Committee. Mr. Lawrence presented information on the effects to the composition of the Board if Nevada were to withdraw from the current Compact. Continuing, Mr. Lawrence discussed the narrow

jurisdiction of the NTRPA in the current 1979 Compact to review areas within a structure that houses gaming (casinos). He further explained that Article VI of the Compact requires NTRPA review for: (1) certification of the amount of public and private space in casinos; (2) limitation on the amount of casino space; and (3) interior and exterior changes to casinos. Mr. Lawrence discussed examples of recent projects approved by the NTRPA that included the “Boulder Bay Project,” which required an entire teardown and rebuilding of a structure, and the recertification of the Harrah’s Casino due to a change in ownership.

In conclusion, Mr. Lawrence reiterated there is no dedicated NTRPA staff, no legal counsel assigned by the Nevada Office of the Attorney General, and there is a very limited budget. He commented on the reporting requirements contained in S.B. 271 pertaining to NTRPA and discussed the proposed changes and assessments if the NTRPA were to assume TRPA responsibilities.

In response to a question from Assemblywoman Kirkpatrick, Mr. Lawrence explained the NTRPA does not get involved with gaming control regulation but does regulate interior changes to public and private space in casinos. He provided examples of changes that might be requested by private owners, which are capped by regulation. Mr. Lawrence stated the NTRPA purview is narrow and recalled that only one lawsuit was filed citing the use of casino space.

- Charles Donohue, Deputy Administrator, Division of State Lands, SDCNR, presented the Microsoft PowerPoint presentation for Mr. Lawrence. (Please see [Exhibit E](#).)

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. VII; however, no testimony was presented.

OVERVIEW OF THE TAHOE FUND

- Allen Biaggi, Vice President, Tahoe Fund (The Fund), Tahoe City, California, presented an overview of The Fund that was created in 2010 as a catalyst to build strong, broad-based support for sustained public and private investment partnerships for projects in the Lake Tahoe Basin. Mr. Biaggi acknowledged the Board of Directors present at the meeting. (Please see [Exhibit F](#).)
- Patrick Wright, Executive Director, California Tahoe Conservancy, South Lake Tahoe, California, presented information on the mission and vision of The Fund to protect and improve the natural state of Lake Tahoe and to support the environmental and business interests in the Lake Tahoe Basin. The Fund’s mission is to protect the extraordinary natural and recreational resources of the Lake Tahoe Basin with a focus on projects that receive less attention from the public sector funding sources, such as bike trails and public parks, which are visible and have broad-based support from private sector

investors. The Fund has been a basin wide, bi-state collaborative effort of the 19 board members from California and Nevada to raise private funds and to support public funded projects in the Lake Tahoe region in conservation, recreation, and education, which have been vetted through federal, state, and local processes, including the EIP.

Continuing, Mr. Wright indicated that projects were taken from the EIP list and were completed using a combination of funding from federal, state, and local sources; however, the funding sources have diminished. He added that more than \$800,000 in donations have been raised, and Founders Circle members have contributed \$5,000 each. He added The Fund has awarded grants to three projects in the Lake Tahoe Basin that include the Van Sickle Bi-State Park and assistance as an organizational sponsor of the 2011 Annual Lake Tahoe Summit held at the Homewood Mountain Resort in California.

- Cindy Gustafson, President, Tahoe Fund, attended the morning portion of the meeting but had to leave prior to the time of the Tahoe Fund's presentation.

In response to comments from Senator Settelmeyer and Assemblyman Kite, Mr. Wright stated that The Fund, in partnership with the private sector and local governments, focuses on completing projects in the Lake Tahoe region. He added The Fund has identified a long list of public agency projects that are underfunded, and the board anticipates the Regional Plan Update will make those projects a priority.

Discussion ensued regarding the basin wide projects that The Fund has supported in Nevada and California. Mr. Wright explained the application process and noted that guidelines are being developed for grant assistance from The Fund.

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. VIII; however, no testimony was presented.

UPDATE AND STATUS REPORT ON IMPLEMENTATION OF THE LAKE TAHOE BASIN PROSPERITY PLAN THROUGH THE TAHOE PROSPERITY CENTER

- Betty "B" Gorman, President, Lake Tahoe South Shore Chamber of Commerce, Stateline, Nevada, presented information on the Lake Tahoe Prosperity Center (Center), a nonprofit 501(c)3 corporation, created in 2011 to promote regional sustainability through economic vitality and environmental stewardship for healthy communities around the Lake Tahoe Basin. The Center is working to develop three industry clusters for: (1) green business and environmental innovation; (2) health and wellness; and (3) visitor services and tourism. Ms. Gorman discussed the resources and services for the three clusters, development of a data center, and regional linkages to Center Board members that speak on behalf of Lake Tahoe issues. She submitted a

flyer of workshops scheduled for November 2011 and stated that the Center is also working with The Tahoe Fund. (Please see [Exhibit G.](#))

In response to comments from Chair Lee, Ms. Gorman said the Center focuses on the interaction of visitors to the Lake Tahoe Basin in a natural and meaningful way and supports the need for jobs in the Lake Tahoe Basin; for example, the recruitment of medical services for health and wellness to serve area residents. Ms. Gorman supported the possible hosting of future Olympic games at Lake Tahoe.

In response to a question on the Center's services, Ms. Gorman added that the Center could possibly assist in locating support for a program to collect data if the tourism cluster wanted to perform a wage comparison with similar destination resort communities.

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. IX; however, no testimony was presented.

OVERVIEW OF THE BUSINESS CLIMATE IN THE LAKE TAHOE BASIN

- Mike Bradford, Board Member, South Tahoe Alliance of Resorts (STAR), and Chief Executive Officer, Lakeside Inn and Casino, Stateline, Nevada, stated that STAR supports tourism businesses in California and Nevada and works to establish a foundation for a healthy environment and economy in the Lake Tahoe Basin. He stressed the importance of communication and cooperation between municipalities, special interest groups, regulatory agencies, and state governments to improve the overall quality of the environment at Lake Tahoe. Mr. Bradford commented that the unpredictability of the regulatory process hinders development and "green" building, and makes it difficult to address the blight and deterioration of properties caused by poor economic conditions. In his opinion, the Lake Tahoe economy is currently having difficulty and has been since 1990, and there has been a reduction of 7,000 casino jobs in the south shore area. Mr. Bradford said infrastructure in the urbanized areas of Lake Tahoe needs to be improved while instituting environmentally friendly changes.
- Debbie Howard, Deb Howard and Company, South Lake Tahoe, California, commented on the positive strides accomplished since the passage of S.B. 271 to improve the environmental health and cultural and social well-being of the residents of the Lake Tahoe Basin. She stressed the importance of preserving the quality of life and the Lake Tahoe Basin environment to attract businesses to the area. She presented a video titled "Poverty to Prosperity" which showed scenes of blighted properties in the Lake Tahoe Basin. Ms. Howard stressed the need to maintain and protect the environment and to promote economic health and expressed strong support for updating the TRPA Regional Plan. (Please see [Exhibit H.](#))

In response to a question from Senator Settelmeyer, Mr. Bradford explained that support for business development in outdoor and recreational businesses in the Lake Tahoe Basin is essential to create a new form of tourism. He acknowledged that gaming is a part of the economy, but stated that Lake Tahoe needs to be attractive to visitors on a worldwide basis as a destination area based on natural beauty and recreational options.

- Continuing, Ms. Howard clarified that investment in the interior of as-built properties is at the discretion of the property owner. She agreed that investment is needed, and she stated that the business sector acknowledges the nexus between business development and improving Lake Tahoe's natural beauty and environment, but opined the current regulatory process hinders investment.
- Assemblywoman Kirkpatrick stressed the importance of planning for development by local entities, but added once regulations are established that waivers should not be granted because they can compromise a master plan.

In response to comments by Chair Lee, Ms. Howard provided information about the local real estate market and stated that properties have become more affordable for area residents, which she attributed to the current condition of the national real estate market. In her opinion, the cost of owners not investing in the maintenance or improvement of existing properties is tremendous, and she stressed the need for increased property investment.

- Mr. Bradford voiced support for S.B. 271 and the need to provide standardized regulation for development within the Lake Tahoe Basin in the Regional Plan Update, to develop regulations by local governmental entities, and to examine the voting structure of the TRPA Governing Board.

Discussion ensued on how the passage of S.B. 271 has started dialogue between elected officials in Nevada and California on finding solutions for environmentally friendly development that benefits all the residents of the Lake Tahoe Basin. The TRPA has been working on the Regional Plan Update and has demonstrated support for changes.

- Bruce Grego, previously identified, explained that the owners of properties suffering from "old age" would face obstacles if they wished to improve those properties under current TRPA regulations, which do not support a reasonable return on investment. He explained that the current restriction on the number of units per acre is less than when the original buildings were constructed, so replacing the older buildings with fewer new ones would not provide an adequate return on investment. He stressed the need to have greater flexibility in the regulations that govern existing properties and to establish a distinction between rebuilding properties versus new construction. Mr. Grego provided information on the incentives provided by the City of South Lake Tahoe to encourage rebuilding and stated that he plans to propose the establishment of a council of local governments at the upcoming South Lake Tahoe City Council meeting.

- Mr. Bradford was of the opinion that there is some resistance to S.B. 271 in the south shore area by individuals who have concluded that business development is negative. Consequently, he stressed the need for an educational effort in California and Nevada to explain the focus of the bill is to promote positive change to the regulation process to achieve better environmental and economic solutions to meet the business development needs within the Lake Tahoe Basin, while promoting the natural beauty of Lake Tahoe. Mr. Bradford reiterated the importance of private investment to achieve the goal of environmentally friendly economic development in the Lake Tahoe Basin.
- Assemblywoman Kirkpatrick stressed the importance of collaborative planning by local entities and the need for unified development in the Lake Tahoe Basin. She asserted her commitment to work with all stakeholders to accomplish the goals of the Committee.
- Nancy McDermid, Vice Chair, Board of Douglas County Commissioners, Minden, Nevada, pointed out to the Committee the need for property improvement in the south shore area, and provided personal examples of successful development that has occurred in other western states. In her view, the status quo in the Lake Tahoe Basin is not maintainable, but there is an opportunity to make Lake Tahoe an area conducive to investment while protecting the environment.
- Leo M. Drozdoff, previously identified, expressed support for the proposed changes to the Regional Plan and the need to communicate with local governments to create a unified plan for development. He plans to: (1) maintain open and positive discussions with the TRPA; (2) support the three-member panel appointed by the Committee; and (3) promote “round table discussions” with California and Nevada representatives. He suggested the Committee send a letter to the California Legislature to explain that S.B. 271 contains information on proposed developments with target dates for completion. Mr. Drozdoff offered his assistance to staff to compose the letter and agreed with the Chair to extend an invitation to Secretary Laird to meet with the three-member delegation.
- Assemblyman Kite commented on the importance of working together to keep Lake Tahoe the “jewel of the world,” and he provided information about the contents of S.B. 271, which, in his opinion, would not be detrimental to the Lake Tahoe Basin. Assemblyman Kite stated that the three-member panel is committed to meeting the requirements set forth in S.B. 271.

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. X.
- Steve Teshara, owner, Sustainable Community Advocates, Zephyr Cove, Nevada, and former executive director of the North Lake Tahoe Chamber of Commerce, commented on the challenges of improving the infrastructure and school enrollment in the

north shore area. A particular challenge is that investment is occurring on properties adjacent to the north shore, but development is not occurring locally.

DISCUSSION OF THE IMPACT OF SENATE BILL 271 ON HOMEOWNERS IN THE LAKE TAHOE BASIN

- Jan Brisco, Executive Director, Tahoe Lakefront Owners' Association (Association), Tahoe City, California, stated the Association remained neutral on S.B. 271 during the 2011 Legislative Session. Ms. Brisco has worked to inform and provide information to homeowners to dispel misconceptions about S.B. 271 and the potential impacts to Nevada and California homeowners in the Lake Tahoe Basin. She surmised that S.B. 271 could improve accountability by fair and predictable regulation of projects in the region. She was adamant about the need for local entities to participate in the planning and development of the update to the Regional Plan.
- At the request of Chair Lee, Ms. Brisco provided information on the responsibility of the Association regarding sensitive land areas beyond the lakeshore that include environmental zones.

PUBLIC COMMENT

- Chair Lee called for public comment on Agenda Item No. XI; however, no testimony was presented.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:10 p.m.

Respectfully submitted,

Lucinda Benjamin
Senior Research Secretary

Jennifer Ruedy
Senior Research Analyst

APPROVED BY:

Senator John J. Lee, Chair

Date: _____

LIST OF EXHIBITS

[Exhibit A](#) is the “Meeting Notice and Agenda,” provided by Jennifer Ruedy, Senior Research Analyst, Research Division, Legislative Counsel Bureau (LCB).

[Exhibit B](#) is a Microsoft PowerPoint presentation titled “Statutory Duties of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System (NRS 218E.555) and 2011 Legislation Relevant to the Lake Tahoe Basin,” prepared by Jennifer Ruedy, Senior Research Analyst, Research Division, LCB.

[Exhibit C](#) is a Microsoft PowerPoint presentation dated November 14, 2011, titled “Restoring a National Treasure: Overview of the Tahoe Regional Planning Agency and the Regional Plan Update,” submitted by Joanne S. Marchetta, Executive Director, TRPA.

[Exhibit C-1](#) is a document titled “Restoring Lake Tahoe While Creating Sustainable Communities,” submitted by Joanne S. Marchetta, Executive Director, TRPA.

[Exhibit D](#) is the written testimony of Ann Nichols, President, North Tahoe Preservation Alliance, titled “Preferred Regional Plan Update Modifications-Alternative 3 (Thresholds: AQ-Air Quality, WQ-Water Quality, S-Scenic Resources, SL-Soil, N-Noise, R-Recreation).”

[Exhibit E](#) is a Microsoft PowerPoint presentation dated November 14, 2011, titled “Current Structure and Responsibilities of the Nevada Tahoe Regional Planning Agency,” submitted by James R. Lawrence, Administrator and State Lands Registrar, Division of State Lands, State Department of Conservation and Natural Resources.

[Exhibit F](#) is a Microsoft PowerPoint presentation dated November 14, 2011, titled “Tahoe Fund,” presented by Allen Biaggi, Vice President, Tahoe Fund.

[Exhibit G](#) is a document titled “The mission of the Tahoe Prosperity Center is to promote regional sustainability through economic vitality, environmental stewardship and healthy communities in and around the Lake Tahoe Basin,” submitted by Betty “B” Gorman, Board Member, Tahoe Prosperity Center, and President, Lake Tahoe South Shore Chamber of Commerce, Stateline.

[Exhibit H](#) is a Microsoft PowerPoint presentation titled “Overview of Business Climate in the Lake Tahoe Basin,” presented by Debbie Howard, Deb Howard and Company, and Mike Bradford, Board Member, South Tahoe Alliance of Resorts, and Chief Executive Officer, Lakeside Inn and Casino, Stateline.

This set of “Summary Minutes and Action Report” is supplied as an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits, other materials distributed at the meeting, and the audio record are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the Library online at www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm or by telephone: 775/684-6827.