



Tahoe Regional Planning Agency and the Marlette Lake Water System

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

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SUMMARY OF RECOMMENDATIONS

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

Nevada Revised Statutes 218.53871

The following is a summary of the recommendations approved during the 2007-2008 Legislative Interim by the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System. One bill draft request (BDR) will be submitted to 75th Session of the Nevada Legislature for its consideration in 2009.

RECOMMENDATION FOR LEGISLATION

1. The State issued only \$11,930,000 of the \$16,800,000 general obligation bonds authorized by Assembly Bill 458 (Chapter 298, *Statutes of Nevada 2005*); therefore, the Committee requests legislation to extend the period of time within which the State may issue the remaining \$4,870,000 of these authorized but unissued general obligation bonds. The Committee further requests legislation to authorize the total issuance of general obligation bonds up to \$100 million for Nevada's portion of the Environmental Improvement Program (EIP) at Lake Tahoe over the ten-year period from July 1, 2009, to June 30, 2019. This legislation includes a specific request for the sale of \$4,420,000 in general obligation bonds to carry out Nevada's portion of the EIP for the 2009-2011 biennium. **(BDR S-375 [A.B. 18])**

RECOMMENDATIONS FOR COMMITTEE ACTION

2. Include a statement in the final report recognizing the threat of aquatic invasive species to the Tahoe Basin's natural and economic resources and supporting programs that jointly involve the efforts of scientists and resource management agencies to control infestation. An effective program may include a public education campaign, boat inspection program, boat wash stations, agricultural inspection points, monitoring near boat ramps, and fines for noncompliance.
3. Include a statement in the final report in support of an operational study regarding the impact of climate change on small water systems that depend on the snowpack, such as the Marlette Lake Water System.
4. Include a statement in the final report in support of reducing carbon dioxide and greenhouse gas emissions through public transportation, fuel efficient vehicles, and alternative sources of energy as a means to address climate change in the Tahoe Basin.

5. Include a statement in the final report in support of the mission of the Tahoe Regional Planning Agency as set forth in the Tahoe Regional Planning Compact (Public Law 96-551), specifically that the TRPA has been charged “to establish environmental threshold carrying capacities and to adopt and enforce a regional plan and implementing ordinances which will achieve and maintain such capacities while providing opportunities for orderly growth and development consistent with such capacities.” The success of the Lake Tahoe EIP relies on the teamwork of more than 50 public and private organizations and adherence to the priorities set forth in the Tahoe Regional Planning Compact. The Committee supports the EIP and recognizes the challenges of achieving the goal set forth in the compact.
6. Send a Committee letter to Nevada’s Department of Administration and the Nevada Legislature in support of baselining Nevada’s current level of support (\$200,000 per year) for the Pathway Regional Plan update and implementation program for Fiscal Years (FYs) 2009-2011 and beyond to match the State of California’s existing baseline funding of \$400,000 per year.
7. Send a Committee letter to the Nevada Legislature’s Interim Finance Committee in support of an increase in Nevada’s one-third share (\$100,000) of TRPA’s baseline funding for FY 2008-2009 to meet TRPA’s compliance, enforcement litigation, and legal support needs, subject to receiving California’s two-thirds matching share (\$200,000).
8. Include a statement in the final report in support of Nevada’s local fire districts within the Tahoe Basin increasing efforts to enforce the building standards and defensible space requirements.
9. Send a Committee letter to the United States Forest Service (USFS) of the U.S. Department of Agriculture and Nevada’s Division of State Parks, State Department of Conservation and Natural Resources, in support of encouraging prosecution to the fullest extent of the law for illegal campfires in the Tahoe Basin.
10. Include a statement in the final report supporting increased resources for volunteer firefighters who are often the first responders to wildfires.
11. Include a statement in the final report in support of increasing the number of burn days available in the Tahoe Basin for the purpose of understory burning. The Committee supports finding alternatives to open air pile burning by encouraging the removal of biomass to biomass facilities.
12. Include a statement in the final report commending all participating agencies and individuals for their collaborative work on the *Emergency California-Nevada Tahoe Basin Fire Commission Report* presented to the Committee on April 18, 2008.

The numerous meetings held by the Commission were well attended and served to open the channels of communication among diverse parties, as is necessary to foster long-term solutions. The Committee encourages participating parties to continue the collaborative work that began during the Commission process.

13. Include a statement in the final report in support of the *Lake Tahoe Basin Multi-Jurisdictional Fuel Reduction and Wildfire Prevention Strategy 10-Year Plan*. This document was developed to comply with the White Pine County Conservation, Recreation and Development Act of 2006 (Public Law 109-432) under the direction of the USFS's Lake Tahoe Basin Management Unit in cooperation with 17 other fire and land management agencies in the Tahoe Basin. This plan proposes to treat approximately 68,000 acres over the next 10 to 15 years across many jurisdictions. The priority for fuels reduction should be the Wildland Urban Interface, particularly the non-stream environment zones (SEZs) and the non-steep slopes leaving these sensitive areas until the scientific community has identified methods to remove fuels while also protecting the lake and improving water clarity.
14. Include a statement in the final report in support of the Nevada Fire Safe Council and its community-based wildfire threat reduction programs.
15. Include a statement in the final report recognizing that people living in a forest environment have a personal responsibility to keep their properties fire safe.
16. Include a statement in the final report in support of: (a) encouraging programs to retrofit existing homes and other structures with ignition resistant roofs, windows, siding, and decking; and (b) implementing defensible space around structures throughout the Basin in conjunction with the implementation and/or maintenance of Best Management Practices.
17. Include a statement in the final report in support of: (a) comprehensive watershed-scale restoration of SEZs that includes a holistic approach for a healthy forest restoration which benefits from the results of scientifically-based demonstration projects; and (b) a forest restoration plan for the rest of the forest.
18. Include a statement in the final report recognizing that fire protection and lake restoration are compatible goals and need to be pursued concurrently and that all efforts to reach these goals should be based on proven scientific methods.

**REPORT TO THE 75TH SESSION OF THE NEVADA LEGISLATURE BY
THE LEGISLATIVE COMMITTEE FOR THE REVIEW AND OVERSIGHT OF
THE TAHOE REGIONAL PLANNING AGENCY AND
THE MARLETTE LAKE WATER SYSTEM**

I. INTRODUCTION

Nevada's Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System is a permanent committee of the Nevada Legislature whose authorization is set forth in *Nevada Revised Statutes* (NRS) 218.53871 (see Appendix A). The 2003 Nevada Legislature created a permanent statutory committee relative to the TRPA and the Marlette Lake Water System with the enactment of Senate Bill 216 (Chapter 408, *Statutes of Nevada 2003*). In previous interims, review and oversight of the TRPA and Marlette Lake Water System was conducted by two separate committees. The Marlette Lake Water System Advisory Committee was a permanent committee authorized by NRS 331.165 and was repealed by S.B. 216. The Committee to Continue the Review of Programs and Activities in the Lake Tahoe Basin [Basin] (including the TRPA) was authorized as an interim study during each legislative session except one from 1985 to 2001.

The duties of the Committee are set forth in NRS 218.53873 and include:

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

A. Committee Members and Staff

The following legislators served on the Committee during the 2007-2008 Legislative Interim:

Assemblywoman Peggy Pierce, Chair
Senator Dean A. Rhoads, Vice Chair
Senator Mark E. Amodei
Senator Maggie Carlton
Assemblyman Morse Arberry Jr.
Assemblyman Tom Grady

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

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

B. Meetings and Recommendations

The Committee held five meetings, including a work session, during the 2007-2008 Legislative Interim. All meetings were open to the public, and four were conducted through simultaneous videoconferences between the Legislative Building in Carson City, Nevada, and the Grant Sawyer State Office Building in Las Vegas, Nevada. The fourth meeting and work session was videoconferenced to Great Basin College in Elko, Nevada, in addition to the Las Vegas site. One meeting was held in Incline Village, Nevada; where videoconferencing was not available. Some members participated via teleconference for the fifth meeting. For summaries of testimony and exhibits, please refer to the meeting "Summary Minutes and Action Reports," available online at <http://www.leg.state.nv.us/74th/Interim/>.

The meetings addressed a variety of issues, programs, and activities pertaining specifically to the TRPA and the Marlette Lake Water System, and relating generally to the Lake Tahoe Basin. The Committee adopted 18 recommendations, including 1 recommendation for a bill draft for consideration by the 2009 Legislature. The recommendations address the following major topics:

- Aquatic Invasive Species;
- Climate Change;
- Nevada's ongoing participation in the Environmental Improvement Program (EIP);
- Support for an increase in Nevada's one-third share (\$100,000) of TRPA's baseline funding for Fiscal Year (FY) 2008-2009, subject to receiving California's two-thirds matching share (\$200,000) for legal services;
- Support of baselining Nevada's current level of support (\$200,000) for the Pathway Regional Plan update and implementation process for FYs 2009-2011 and;
- Wildfires.

C. Informational Tour

The Nevada Tahoe Resource Team, Division of State Lands, State Department of Conservation and Natural Resources (SDCNR), in cooperation with the Lake Tahoe Basin Management Unit, United States Forest Service (USFS), U.S. Department of Agriculture (USDA) and Heavenly Mountain Resort, coordinated a full-day informational field tour for the Committee on October 24, 2008. The tour included a briefing by the staff of the Lake Tahoe Basin Management Unit, USFS, regarding the ongoing recovery efforts following the Angora Fire. The Angora Fire started southwest of South Lake Tahoe on the afternoon of June 24, 2007, from an unattended campfire. The fire burned 254 homes and 3,100 acres before it was fully contained on July 2, 2007. Media reported that the fire cost more than \$20 million to fight, caused \$150 million in damage, and generated 60,000 tons of debris. The briefing was followed by a tour of a portion of the burned area.

Tour sites included two stream environment zones (SEZs). The first SEZ, Heavenly SEZ, had been treated for fuels reduction, while the second SEZ in the Van Sickle Bi-State Park had not been treated. The Heavenly Creek SEZ Fuels Reduction Project, conducted on 21 acres, represented the first use of low ground pressure cut-to-length forwarder/harvester technology to treat overstocked fuels in a SEZ in the Tahoe Basin. The total direct cost of the fuels reduction contract was \$174,237. The project was monitored to evaluate impacts of the mechanical treatment for potential future use.

Heavenly Mountain Resort provided a briefing of its multimillion dollar storm water management project designed to ensure compliance with the Total Maximum Daily Load for suspended sediment. The system is designed to keep sediment out of the creeks flowing to Lake Tahoe.

The final site visited was a \$1.3 million water quality improvement project sponsored by Douglas County Community Development and funded by Nevada's Division of State Lands' Tahoe Bond Act Funds and TRPA Water Quality Mitigation Fees. The system collects storm water and conveys it to a pretreatment vault at the end of Kahle Drive within the Oliver Park General Improvement District in Douglas County. It is designed to remove sediment before the storm water passes to a series of constructed wetland ponds for further treatment. Overflow from the wetland ponds is conveyed across Kahle Drive to the meadow area.

II. OVERVIEW OF THE TAHOE REGIONAL PLANNING COMPACT

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

A. History of the Bistate Compact

Creation of the Bistate Compact

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

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

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

Efforts to Revise the Compact—1975 through 1979

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

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

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

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

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

Amendment of the Compact in 1980

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

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

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

Further Proposals to Amend the Compact

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

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

Modification of the Compact in 1997

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

B. Major Elements of the Bistate Compact

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

General Policy

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

Governing Body and Voting Structure

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

Major Planning-Related Requirements

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

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

Agency Funding

Local governments pay a portion of the TRPA annual budget, apportioned as outlined in Article VIII. State funding is also described. Specifically, the Compact directs the TRPA to

request state funding in the proportion of two-thirds from California and one-third from Nevada.

Other Relevant Provisions

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

- A series of definitions explaining relevant terminology is contained in Article II. One of the terms defined in the Compact that is particularly unique to the Compact and the activities of the TRPA is "environmental threshold carrying capacity," which means "an environmental standard necessary to maintain a significant scenic, recreational, educational, scientific or natural value of the region or to maintain public health and safety within the region. Such standards shall include but not be limited to standards for air quality, water quality, soil conservation, vegetation preservation, and noise."
- The TRPA's powers are defined in Article VI, including: (a) its ability to adopt ordinances, rules, and regulations necessary to effectuate the regional plan; (b) its project approval responsibilities (as well as those relating to casinos); (c) the venue for appropriate legal actions; (d) records management; and (e) the Agency's ability to enter into contracts and agreements.
- Environmental Impact Statements are required before the TRPA may act upon matters having a significant effect on the environment, as described in Article VII.
- The TTD is established and its powers are defined in Article IX.

III. OVERVIEW OF THE MARLETTE LAKE WATER SYSTEM

A. Historical Background

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

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

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

In August 1873, the first water from Hobart Creek in the Carson Range reached Virginia City and Gold Hill. Wild celebrations by residents of the area reverberated up and down the surrounding canyons and mountainsides.

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

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

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

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

In 1876, the Virginia and Gold Hill Water Company received permission to draw water from Marlette Lake. The dam was raised to 37 feet high, 213 feet long, and 16 feet wide at the crest.

A covered box flume was constructed from Marlette Lake north along the mountainside above Lake Tahoe, to the west portal of a 3,994-foot tunnel driven through the granite ridge dividing the Lake Tahoe drainage from the Hobart Creek drainage. A secondary flume north of the tunnel captured water from many small creeks on the west side of the mountain, bringing the water to the tunnel to join with the flow from Marlette Lake. With this increased water availability, a storage reservoir was needed on Hobart Creek to regulate the discharge of water and Hobart Reservoir was created.

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

With the decline of the Comstock in the years and decades to come, the fortunes of the water system suffered. In 1933, the water company's name was changed to the "Virginia City Water Company." By 1941, the company started to remove parts of the first (1873) and third (1887) pipelines to replace the flume between Five-Mile Reservoir and Virginia City. Continued failures in the aging pipeline and a lack of funds caused the company to sell the water system to Curtiss-Wright Corporation in 1957. That corporation planned to use water from the system for a proposed missile test site on lands it owned in Storey County. However, the contract for the missile testing program was never approved. After making certain improvements to the system, the Curtiss-Wright Corporation subsequently sold it to the Marlette Lake Company.

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

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

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

- The tunnel carrying water from Marlette Lake to the east portal collapsed in 1957. Efforts by the State of Nevada to reexcavate the tunnel failed.
- In 1959, Marlette Dam was raised 15 feet, thus increasing the capacity in Marlette Lake to over 4 billion gallons (11,800 acre-feet).

- A diesel pump was installed at Marlette Lake in 1966 to pump water over a drainage divide to the Hobart Reservoir drainage.
- The wooden flume from the east portal to the Red House Diversion Structure was replaced with a pipeline in 1968.
- In 1974, a contract was signed between the State of Nevada and Storey County to ensure the supply of water by the State to Virginia City, Silver City, and Gold Hill on a continuing basis, and to convey from the State to Storey County the siphon system and relevant rights-of-way east of Highway 395 at Lakeview.
- In 1975, the Marlette Lake Water System was designated a Historic Civil Engineering Landmark. It was the first American system developed to overcome mountainous topography.

B. Current Condition

Historically, pumping has been required seasonally from Marlette Lake over a drainage divide into the Hobart Reservoir drainage. During periods of pumping, State personnel had to monitor the diesel generator and pump on a 24-hour basis, routinely hauling diesel to the site. A 2000 study commissioned by the Carson Water Subconservancy District (CWSD) evaluated various alternatives to this supplemental pumping from Marlette Lake. The diesel pump water delivery system was found to be seasonal, expensive, environmentally risky, and unreliable. The study pointed out that over the long-term the most cost-effective and environmentally sensitive method of conveying water from Marlette Lake to Hobart Reservoir would be to bore a hole through the drainage divide between these two bodies of water.

In 2003, the CWSD received a grant from the United States Environmental Protection Agency to improve the distribution system out of Marlette Lake, making it more environmentally compatible with the surrounding area. The CWSD completed the environmental assessment (EA) on the preferred alternatives in 2006. In 2007, an existing 8-inch diameter pipeline was demolished in most areas except in Mountain Beaver habitat and replaced with 7,390 feet of new 12-inch diameter pipe from Marlette to Hobart Creek. Most of the pipeline was underground, with 828 feet of the pipeline constructed above ground in the SEZ and Mountain Beaver habitat. Construction on a 650-foot intake suction line in Marlette Lake, approximately 40 feet below the lake level, began in September 2008. This will include a pump switchgear station.

Replacement of the diesel-powered pump with a permanent 250-horse power submersible electric pump began in 2008 when a steel pump can was set 50 feet down on the northeast shoreline of Marlette Lake. A new generator powered by both solar and propane will be installed in a new concrete block building above the Sierra crest (outside of the jurisdiction of the TRPA). Installation of a 3-mile gas line from the generator site to connect to the Paiute Pipeline will be done by an independent contractor through Southwest Gas. The installation of

the gas line will cost approximately \$2 million and it is a Capital Improvement Program bonded project that will be paid back through the rates.

The manual control valve at Red House Diversion Structure was replaced with an automatic valve controlled through the Marlette Lake Water System's Supervisory Control and Data Acquisition. A building structure at Hobart Dam will house a manual control valve and eventually an automatic control zone will allow for remote operation of the system.

Two projects under consideration for the future of the Marlette Lake Water System are:

- Replacement of an 18-inch-diameter transmission line from the Red House Diversion Structure, which is a concrete diversion dam with a tiered emergency overflow, to the Lakeview tanks; and
- Installation of an additional 10-inch diameter transmission line to run parallel to the existing line to increase service to Carson City.

IV. DISCUSSION OF MAJOR ISSUES RESULTING IN A BILL DRAFT, LETTERS, OR STATEMENTS DURING THE 2007-2008 INTERIM

During the Committee's work session on August 15, 2008, the members voted to submit one bill draft request¹ (see Appendix B) to the 75th Legislative Session. Additionally, the members voted to send three letters (see Appendix C) to various entities and voted to include 14 statements in this report expressing their support or concern for certain topics. The work session document can be found online at <http://www.leg.state.nv.us/74th/Interim/>.

A. Environmental Improvement Program

In 1997, U.S. President Bill Clinton sponsored a series of events relevant to Lake Tahoe, known collectively as the Lake Tahoe Presidential Forum. Nevada Governor Bob Miller participated in these events, joining the President and others in committing to work together to implement the EIP.

Discussed as a major aspect of implementing the agreements reached through the Presidential Forum, the EIP is an integrated procedure for identifying the projects, continuing programs, and studies necessary to achieve environmental goals in the Lake Tahoe Basin. Of special significance has been the EIP's capital improvements element, which outlines specific projects (categorized by environmental thresholds) and funding sources.

¹ Subsequent to the meeting it was determined that any recommended legislation proposed by the Committee must be voted on and approved by a majority of the members of the Senate and of the Assembly per NRS 218.53872, "Meetings; rules; quorum; compensation of members." The final decision that was announced at the August 15, 2008, work session was not pursuant to statute. The Committee voted again on this recommendation on August 27, 2008, and it was approved unanimously.

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

1999 Legislative Session (A.B. 285)	\$3.2 million
2001 Legislative Session (A.B. 177)	\$16.2 million
2003 Legislative Session (S.B. 46)	\$9.87 million
2005 Legislative Session (A.B. 458)	\$16.8 million
2007 Legislative Session (S.B. 55)	\$9.6 million

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

The request for the 2009 Legislature will renew the authorization for the issuance of GOBs up to \$100 million and provide for legislative appropriations for the next decade from July 1, 2009, to June 30, 2019. The Office of the State Treasurer recommended to the Division of State Lands revised language to ensure that approved bonds may be sold at the time the funds actually need to be expended. Bonds may need to be expended later than anticipated, including after the biennium for which they are approved. For example, the State issued only \$11.93 million of the \$16.8 million GOBs authorized by A.B. 458; therefore, this legislation would extend the period of time within which the State may issue the remaining \$4.87 million of these authorized but unissued GOBs. The 2009 legislation also includes a specific request for the sale of \$4.42 million in GOBs to carry out Nevada's portion of the EIP for the 2009-2011 biennium. **(BDR S-375 [A.B. 18])**

The Southern Nevada Public Land Management Act (SNPLMA) became law in October 1998. It allows the Bureau of Land Management to sell public land within a specific boundary around Las Vegas. Proceeds from those sales are then made available for certain types of projects. In November 2003, the Act was amended to direct \$300 million over the next eight years to Lake Tahoe for implementation of the Federal EIP. Projects that are funded by SNPLMA are submitted each year to the Secretary of the Interior for approval. At the annual Tahoe Summit held on Saturday, August 16, 2008, Secretary of the Interior Dirk Kempthorne announced the approval of \$140 million in conservation, recreation, and capital improvements for Nevada and Lake Tahoe through the ninth round of funding under the SNPLMA. The funding includes a \$30 million Lake Tahoe Reserve to fund future rounds, ensuring that the full

\$300 million federal funding commitment will be met for the Lake Tahoe EIP. Detailed information about the SNPLMA funding is available on the website of the Lake Tahoe Basin Management Unit, <http://www.fs.fed.us/r5/ltbmu/local/snplma/>.

B. Aquatic Invasive Species

The Lake Tahoe Aquatic Invasive Species Working Group held its first meeting on May 3, 2007, to educate the public and decision makers, and recruit more partners. There are over 20 partners in the working group including federal agencies, agencies from both California and Nevada, nonprofit organizations, and the Washoe Tribe. The working group was officially formed following the discovery of Quagga mussels, which are similar to Zebra mussels, in Lake Mead in January 2007. Quagga mussels are prolific breeders known to quickly clog pipelines and threaten native species of fish by competing for their food. They are difficult to control and nearly impossible to eradicate. It is presumed they were introduced into Lake Mead and Lake Havasu by a private boat infested with them from Michigan's Great Lakes. Below is a list of species of concern to the Lake Tahoe Basin:

- Asian clam;
- Black crappie;
- Bluegill;
- Curlyleaf pondweed;
- Eurasian watermilfoil;
- Largemouth bass
- New Zealand mudsnail;
- Quagga mussel;
- Smallmouth bass; and
- Zebra mussel.

The Committee heard testimony including suggestions to minimize the spread and introduction of invasive species. The TRPA spearheaded the effort to commence a watercraft inspection program prior to the 2008 boating season in the Tahoe Basin, and the agency goal continues to be inspecting every boat that enters the lakes of the Tahoe Basin without negatively impacting businesses that depend on boating activity.

Statement in the Final Report

The Committee voted to include the following statement in the final report:

- **The Committee recognizes the threat of aquatic invasive species to the Tahoe Basin's natural and economic resources and supports programs that jointly involve the efforts of scientists and resource management agencies to control infestation. An effective program may include a public education campaign, boat inspection program, boat wash stations, agricultural inspection points, monitoring near boat ramps, and fines for noncompliance.**

C. Climate Change

The Committee heard testimony on February 29, 2008, regarding the general impact of climate change in the Lake Tahoe Basin. Testimony was also provided regarding specific impacts of climate change on aquatic invasive species, vegetation, and water resources. Some potential effects discussed included: (1) diminishing snowpack and earlier snowmelt that may require an adjustment to the period of water usage; (2) wetter wet years and drier dry years; (3) stressed vegetation; (4) increased risk of wildfire; (5) increased sediment load to Lake Tahoe; and (6) aquatic and terrestrial invasions by alien species.

Statements in the Final Report

The Committee voted to include the following statements in the final report:

- **The Committee supports an operational study regarding the impact of climate change on small water systems that depend on the snowpack, such as the Marlette Lake Water System.**
- **The Committee supports reducing carbon dioxide and greenhouse gas emissions through public transportation, fuel efficient vehicles, and alternative sources of energy as a means to address climate change in the Tahoe Basin.**

D. TRPA 20-Year Regional Plan “Pathway”

The 20-year Regional Plan currently enforced by TRPA was adopted in 1987. The planning process to update this plan is commonly referred to as “Pathway,” and it should be completed in 2009. Pathway is a collaborative effort between TRPA, the USFS, the Lahontan Regional Water Quality Control Board, and Nevada’s Division of Environmental Protection, SDCNR. These agencies are coordinating the update of their respective management plans.

The Regional Plan is the document that describes how the environmental threshold carrying capacities will be achieved and maintained. The Regional Plan guides all land use decisions in the Basin and is the basis for all of TRPA’s ordinances and environmental codes.

Threshold carrying capacities are standards of environmental quality targets to be achieved in the Tahoe Region. The standards identify the level of human impact the Lake Tahoe environment can take before irreparable damage occurs. There are nine thresholds:

1. Water Quality;
2. Air Quality;
3. Scenic Resources;
4. Soil Conservation;
5. Fish Habitat;
6. Vegetation;

7. Wildlife Habitat;
8. Noise; and
9. Recreation.

All nine of the environmental thresholds will be evaluated as part of the Pathway planning process. The thresholds are evaluated by professionals, researchers, and scientists and also reviewed through extensive participation by the public and community stakeholders.

The Committee heard updates on the status of Pathway, and expressed its support for the process and the involvement of local governments and private entities that share responsibility for funding the EIP at all levels.

Letters from the Committee

The Committee voted to send the following two letters:

- **A letter to Nevada’s Department of Administration and the Nevada Legislature in support of baselining Nevada’s current level of support (\$200,000 per year) for the Pathway Regional Plan update and implementation program for FYs 2009-2011 and beyond to match the State of California’s existing baseline funding of \$400,000 per year (Appendix C).**
- **A letter to the Nevada Legislature’s Interim Finance Committee in support of an increase in Nevada’s one-third share (\$100,000) of TRPA’s baseline funding for FYs 2008-2009 to meet TRPA’s compliance, enforcement litigation, and legal support needs, subject to receiving California’s two-thirds matching share (\$200,000). (Note: On September 23, 2008, California Governor Arnold Schwarzenegger signed the 2008-2009 FY Budget for the State of California, and it did not include the supplementary funding for legal services that the TRPA had requested. Therefore, this letter was not sent as there will be no match.)**

Statement in the Final Report

The Committee voted to include the following statement in the final report:

- **The Committee supports the mission of the TRPA as set forth in the Tahoe Regional Planning Compact (Public Law 96-551), specifically that the TRPA has been charged “to establish environmental threshold carrying capacities and to adopt and enforce a regional plan and implementing ordinances which will achieve and maintain such capacities while providing opportunities for orderly growth and development consistent with such capacities.” The success of the Lake Tahoe EIP relies on the teamwork of more than 50 public and private organizations and adherence to the priorities set forth in the Tahoe Regional Planning Compact.**

The Committee supports the EIP and recognizes the challenges of achieving the goal set forth in the compact.

The Committee received testimony regarding the status of the Shorezone Ordinance amendment under consideration by the TRPA Governing Board at the meeting on August 15, 2008. During the informational tour on October 24, 2008, TRPA staff shared with the members that the TRPA Governing Board, in a majority vote, adopted the Amended Shorezone Ordinances on October 22, 2008; thereby ending a stalemate over new development rules in Lake Tahoe's shorezone that lasted more than 20 years. The new ordinances are scheduled to take effect on December 22, 2008.

E. Forest Health and Fire Prevention

Forest health and catastrophic wildfire prevention in the Lake Tahoe Basin have always been significant for the Committee, and this interim was no exception. The Angora Fire started southwest of South Lake Tahoe on the afternoon of June 24, 2007, from an unattended campfire, and burned 254 homes and 3,100 acres before it was fully contained on July 2, 2007. Media reported that the Angora Fire cost more than \$20 million to fight, caused \$150 million in damage, and generated 60,000 tons of debris.

The Angora Fire motivated various groups to focus their attention on forest health and fire prevention. The Governors of California and Nevada entered into a *Memorandum of Understanding Between the State of California and the State of Nevada* on July 25, 2007, to establish the California-Nevada Tahoe Basin Fire Commission. The Commission presented its final report to the Committee on April 18, 2008, and to the Nevada and California Governors in May 2008. The report makes 90 recommendations in 6 categories: environmental protection, issues of governance, community and homeowner fire prevention, forest and fuels management, fire suppression, and funding. On August 27, 2008, Governor Jim Gibbons appointed former TRPA member Coe Swobe, Nevada's State Forester Firewarden Pete Anderson, and Glenbrook Homeowners' Association President A.J. "Bud" Hicks to a panel to oversee implementation of the Commission's work.

For more than a century, forest management programs were designed to exclude fire from the Basin's natural ecosystem. Today, the forests of Lake Tahoe are in an undesirable condition due to drought, lack of natural fire, overstocking (too many trees), and beetle infestation. Accumulations of forest fuels have reached a level that requires immediate attention in order to avoid catastrophic wildfires. Such a fire would have disastrous, long-term impacts to the environment, Lake Tahoe's clarity, private property, and the economy. The potential danger to public safety is also a serious concern in light of the limited potential for evacuation routes on the often winding and narrow roads in the area. The Committee spent considerable time discussing issues related to wildfires throughout the 2007-2008 Interim.

Letter from the Committee

The Committee voted to send the following letter:

- **The Committee sent a Committee letter to the USFS of the USDA and Nevada's Division of State Parks, SDCNR, in support of encouraging prosecution to the fullest extent of the law for illegal campfires in the Tahoe Basin (Appendix C).**

Statements in the Final Report

The Committee voted to include the following statements in the final report:

- **The Committee supports Nevada's local fire districts within the Tahoe Basin increasing efforts to enforce the building standards and defensible space requirements.**
- **The Committee supports increasing resources for volunteer firefighters who are often the first responders to wildfires.**
- **The Committee supports increasing the number of burn days available in the Tahoe Basin for the purpose of understory burning and finding alternatives to open air pile burning by encouraging the removal of biomass to biomass facilities.**
- **The Committee commends all participating agencies and individuals for their collaborative work on the *Emergency California-Nevada Tahoe Basin Fire Commission Report* presented to the Committee on April 18, 2008. The numerous meetings held by the Commission were well-attended and served to open the channels of communication among diverse parties, as is necessary to foster long-term solutions. The Committee encourages participating parties to continue the collaborative work that began during the Commission process.**
- **The Committee supports the *Lake Tahoe Basin Multi-Jurisdictional Fuel Reduction and Wildfire Prevention Strategy 10-Year Plan*. This document was developed to comply with the White Pine County Conservation, Recreation, and Development Act of 2006 (Public Law 109-432) under the direction of the USFS's Lake Tahoe Basin Management Unit in cooperation with 17 other fire and land management agencies in the Tahoe Basin. This plan proposes to treat approximately 68,000 acres over the next 10 to 15 years across many jurisdictions. The priority for fuels reduction should be the Wildland Urban Interface, particularly the non-stream environment zones and the non-steep slopes leaving these sensitive areas until the scientific community has identified methods to remove fuels while also protecting the lake and improving water clarity.**

- **The Committee supports the Nevada Fire Safe Council and its community-based wildfire threat reduction programs.**
- **The Committee recognizes that people living in a forest environment have a personal responsibility to keep their properties fire safe.**
- **The Committee supports: (1) encouraging programs to retrofit existing homes and other structures with ignition resistant roofs, windows, siding, and decking; and (2) implementing defensible space around structures throughout the Basin in conjunction with the implementation and/or maintenance of Best Management Practices.**
- **The Committee supports: (1) comprehensive watershed-scale restoration of SEZs that includes a holistic approach for a healthy forest restoration which benefits from the results of scientifically-based demonstration projects; and (2) a forest restoration plan for the rest of the forest.**
- **The Committee recognizes that fire protection and lake restoration are compatible goals and need to be pursued concurrently and that all efforts to reach these goals should be based on proven scientific methods.**

V. CONCLUDING REMARKS

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

VI. APPENDICES

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APPENDIX A

Nevada Revised Statutes 218.53871

APPENDIX A

Nevada Revised Statutes 218.53871

218.53871 Creation; membership; Chairman; Vice Chairman; vacancies; annual report.

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

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

3. Any member of the Committee who is not a candidate for reelection or who is defeated for reelection continues to serve until the next session of the Legislature convenes.

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

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

APPENDIX B

Suggested Legislation

The following Bill Draft Request will be available during the 2009 Legislative Session, or can be accessed after “Introduction” at the following website:
<http://www.leg.state.nv.us/75th2009/BDRList/page.cfm>.

BDR S-375	Authorizes the issuance of bonds for environmental improvement
A.B. 18	projects for Lake Tahoe for 2009-2019.

ASSEMBLY BILL NO. 18—COMMITTEE ON WAYS AND MEANS

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

PREFILED DECEMBER 5, 2008

Referred to Committee on Ways and Means

SUMMARY—Authorizes the issuance of bonds for environmental
improvement projects for Lake Tahoe. (BDR S-375)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to the Lake Tahoe Basin; authorizing the issuance
of general obligation bonds to carry out a program for the
protection of the Lake Tahoe Basin; extending the period
for the issuance of certain bonds to carry out the program;
and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 The Environmental Improvement Program was implemented in 1997 to carry
2 out projects to protect and improve the environment in the Lake Tahoe Basin. The
3 costs of the Program are apportioned among the Federal Government, the States of
4 Nevada and California and local governments and owners of private property in
5 both states. In 1999, the Nevada Legislature authorized the issuance of \$53.2
6 million in general obligation bonds between July 1, 2001, and June 30, 2007, to pay
7 for a significant portion of Nevada's share of the costs of the Program. (Chapter
8 514, Statutes of Nevada 1999, p. 2628) In 2005, the Nevada Legislature extended to
9 June 30, 2010, the deadline for the issuance of the total amount of those general
10 obligation bonds for the Program and authorized the issuance of the final \$16.8
11 million of those bonds. (Chapter 298, Statutes of Nevada 2005, pp. 1032-34)

12 **Section 3** of this bill requires the issuance of not more than \$100,000,000 in
13 general obligation bonds to carry out the Program between July 1, 2009, and
14 June 30, 2020. **Section 1** of this bill requires the issuance of the initial \$4.42
15 million of those general obligation bonds and specifies the authorized uses of that
16 money. **Sections 7 and 8** of this bill extend to June 30, 2011, the deadline for the
17 issuance of the remaining amount of general obligation bonds that were originally
18 authorized in 2005.



* A B 1 8 *

1 WHEREAS, The Lake Tahoe Basin exhibits unique
2 environmental and ecological conditions that are irreplaceable; and

3 WHEREAS, This State has a compelling interest in preserving,
4 protecting, restoring and enhancing the natural environment of the
5 Lake Tahoe Basin; and

6 WHEREAS, The preservation, protection, restoration and
7 enhancement of the natural environment of the Lake Tahoe Basin is
8 a matter of such significance that it must be carried out on a
9 continual basis; and

10 WHEREAS, In October 1997, Governor Bob Miller, on behalf
11 of the State of Nevada, signed a Memorandum of Agreement
12 between the Federal Interagency Partnership on the Lake Tahoe
13 Ecosystem, the States of Nevada and California, the Washoe Tribe
14 of Nevada and California, the Tahoe Regional Planning Agency and
15 interested local governments, in which the parties affirmed their
16 commitment to the Tahoe Regional Planning Compact, to the sound
17 management and protection of the resources within the Lake Tahoe
18 Basin and the support of a healthy, sustainable economy and to
19 achieve environmental thresholds for Lake Tahoe, and agreed to
20 cooperate to carry out, including, without limitation, providing
21 financial support for, the Environmental Improvement Program; and

22 WHEREAS, The costs of carrying out the Environmental
23 Improvement Program have been apportioned among the Federal
24 Government, the States of Nevada and California and the local
25 governments and private property owners within both states; and

26 WHEREAS, The cost of a continued investment in carrying out
27 the Environmental Improvement Program for the State of Nevada
28 and its political subdivisions is \$100,000,000 for the next 10-year
29 period; now, therefore,

30
31 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
32 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
33

34 **Section 1.** Money to carry out the Environmental
35 Improvement Program for the Lake Tahoe Basin established
36 pursuant to section 1 of chapter 514, Statutes of Nevada 1999, at
37 page 2627, must be provided by the issuance by the State Board of
38 Finance of general obligation bonds of the State of Nevada in a total
39 face amount of not more than \$4,420,000 pursuant to NRS 349.150
40 to 349.364, inclusive. The proceeds of the bonds issued pursuant to
41 this section must be deposited in the Fund to Protect the Lake Tahoe
42 Basin created pursuant to section 2 of chapter 514, Statutes of
43 Nevada 1999, at page 2628, and, except as otherwise provided in
44 this subsection, must be used as follows:



* A B 1 8 *

1 1. Activities related to the Environmental Improvement
2 Program to be carried out by the State Department of Conservation
3 and Natural Resources:

4 (a) Continued implementation of forest restoration
5 projects..... \$1,000,000

6 (b) Improvement of day and overnight recreational
7 facilities \$500,000

8 (c) Development of a comprehensive trail system \$500,000

9 (d) Protection of sensitive species \$150,000

10 (e) Control of invasive terrestrial and aquatic
11 species..... \$100,000

12 2. Water quality, erosion control and stream
13 restoration and enhancement projects of the
14 Environmental Improvement Program to be carried out
15 pursuant to grants and project agreements \$2,000,000

16 3. Contingency money to carry out environmental
17 improvement projects \$170,000

18 **Sec. 2.** 1. The Division of State Lands of the State
19 Department of Conservation and Natural Resources may combine
20 the contingency money authorized pursuant to subsection 3 of
21 section 1 of this act with any other contingency money authorized
22 by the Legislature to carry out an environmental improvement
23 project that is paid for with money from the Fund to Protect the
24 Lake Tahoe Basin.

25 2. If an amount authorized to carry out the projects set forth in
26 section 1 of this act or any other environmental improvement project
27 that is paid for with money from the Fund to Protect the Lake Tahoe
28 Basin is insufficient to allow the completion of the project for which
29 it is authorized, including, without limitation, any monitoring
30 necessary to ensure the continued effectiveness of the project:

31 (a) The Division of State Lands may, without the prior approval
32 of the Interim Finance Committee, allocate the contingency money
33 authorized pursuant to subsection 3 of section 1 of this act,
34 including any money combined therewith pursuant to subsection 1,
35 to carry out an environmental improvement project that is paid for
36 with money from the Fund to Protect the Lake Tahoe Basin,
37 notwithstanding the provisions of section 2 of chapter 504, Statutes
38 of Nevada 2007, at page 2925, section 2 of chapter 298, Statutes
39 of Nevada 2005, at page 1031, section 2 of chapter 438, Statutes of
40 Nevada 2003, at page 2656, section 2 of chapter 302, Statutes of
41 Nevada 2001, at page 1428, and subsection 2 of section 1 of chapter
42 514, Statutes of Nevada 1999, at page 2627; and

43 (b) Upon the request of the Division of State Lands, the Interim
44 Finance Committee may increase the amount authorized for the
45 project and offset the increase by reducing the amount authorized



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1 for another environmental improvement project or projects that are
2 paid for with money from the Fund to Protect the Lake Tahoe Basin
3 by the amount of the increase.

4 3. The Division of State Lands may use money authorized
5 pursuant to section 1 of this act for a project other than a project
6 listed in section 1 of this act if the Interim Finance Committee
7 approves such a use in writing before the Division of State Lands
8 engages in the project.

9 **Sec. 3.** Money to carry out the Environmental Improvement
10 Program during the period between the fiscal year beginning on
11 July 1, 2009, and the fiscal year ending on June 30, 2020, in an
12 amount not to exceed \$100,000,000 must be provided by the
13 issuance by the State Board of Finance of general obligation bonds
14 of the State of Nevada in a total face amount of not more than
15 \$100,000,000. With the prior approval of the Legislature or the
16 Interim Finance Committee, the bonds may be issued from time to
17 time pursuant to a schedule established by the Administrator of the
18 Division of State Lands. Section 1 of this act constitutes the
19 approval by the Legislature for the issuance of \$4,420,000 of such
20 bonds pursuant to this section. The provisions of NRS 349.150 to
21 349.364, inclusive, apply to the issuance of bonds pursuant to this
22 subsection.

23 **Sec. 4.** The amount of bonds authorized by section 3 of this
24 act must be reduced by the amount of any money appropriated by
25 the Legislature for the same purpose upon certification by the
26 Administrator of the Division of State Lands of the amount of each
27 such appropriation to the State Board of Finance. The Administrator
28 of the Division of State Lands shall submit a request to the
29 Legislature each biennium, as necessary, for an appropriation for the
30 Program.

31 **Sec. 5.** The Administrator of the Division of State Lands may
32 issue grants to or enter into agreements with state and federal
33 agencies, local governments, nonprofit organizations and other
34 persons or entities to carry out the program established pursuant to
35 section 1 of chapter 514, Statutes of Nevada 1999, at page 2627.
36 The Administrator shall adopt such regulations as are necessary for
37 awarding the grants or entering into the agreements.

38 **Sec. 6.** The Legislature finds and declares that the issuance of
39 securities and the incurrence of indebtedness pursuant to this act:

40 1. Are necessary for the protection and preservation of the
41 natural resources of this State and for the purpose of obtaining the
42 benefits thereof; and

43 2. Constitute an exercise of the authority conferred by the
44 second paragraph of section 3 of article 9 of the Constitution of the
45 State of Nevada.



* A B 1 8 *

Sec. 7. Section 1 of chapter 514, Statutes of Nevada 1999, as amended by section 4 of chapter 298, Statutes of Nevada 2005, at page 1033, is hereby amended to read as follows:

Section 1. 1. The Administrator of the Division of State Lands of the State Department of Conservation and Natural Resources in cooperation with other state agencies, shall coordinate the development and implementation of a program of environmental improvement projects for:

(a) The protection and enhancement of the quality of the air and water;

(b) The protection and restoration of natural watercourses, wetlands, wildlife habitat, fisheries, vegetation and forests;

(c) Prevention and control of erosion; and

(d) Enhancement of recreational and tourism opportunities,

↪ in the Lake Tahoe Basin.

2. Money to carry out the program in an amount not to exceed \$3,200,000 must be provided for the period between the fiscal year beginning on July 1, 1999 and the fiscal year ending on June 30, 2001, by the issuance by the State Board of Finance of general obligation bonds of the State of Nevada in a total face amount of not more than \$3,200,000 pursuant to NRS 349.150 to 349.364, inclusive. The proceeds of the bonds issued pursuant to this subsection must be deposited in the Fund to Protect the Lake Tahoe Basin created pursuant to section 2 of this act and, except as otherwise provided in this subsection, must be used as follows:

(a) Sand Harbor Visitor/Administrative Center BMPs	\$1,000,000
(b) North Canyon Hiking Trail	15,000
(c) Sand Harbor Erosion Control	100,000
(d) Upland Wildlife Habitat Enhancement	66,000
(e) North Canyon Old Growth Habitat Restoration	130,000
(f) Forest Restoration - Phase I	1,500,000
(g) Sand Harbor-Memorial Point Trail	56,000
(h) Hidden Beach Rehabilitation, BMPs	106,000
(i) Sugar Pine Old Growth Habitat Restoration	75,000
(j) Project contingency	152,000

↪ If an amount authorized pursuant to this subsection is insufficient to allow the completion of the project for which it is authorized, the Interim Finance Committee, upon the request of the Division of State Lands of the State Department of Conservation and Natural Resources, may increase the amount authorized for the project and offset the



* A B 1 8 *

1 increase by reducing the amount authorized for another
2 project or projects pursuant to this subsection by the amount
3 of the increase. The Division of State Lands may use money
4 authorized pursuant to this subsection for a project other than
5 a project listed in this subsection if the Interim Finance
6 Committee approves such a use in writing before the Division
7 engages in the project. The Division of State Lands may
8 allocate money pursuant to paragraph (j) without the prior
9 approval of the Interim Finance Committee.

10 3. Money to carry out the program in an amount not to
11 exceed \$53,200,000 must be provided for the period between
12 the fiscal year beginning on July 1, 2001, and the fiscal year
13 ending on June 30, ~~2010,~~ 2011, by the issuance by the State
14 Board of Finance of general obligation bonds of the State of
15 Nevada in a total face amount of not more than \$53,200,000.
16 With the prior approval of the Legislature or the Interim
17 Finance Committee, the bonds may be issued from time to
18 time pursuant to a schedule established by the Administrator
19 of the Division of State Lands. The provisions of NRS
20 349.150 to 349.364, inclusive, apply to the issuance of bonds
21 pursuant to this subsection.

22 4. The amount of bonds authorized by subsection 3 must
23 be reduced by the amount of any money appropriated by the
24 Legislature for the same purpose upon certification by the
25 Administrator of the Division of State Lands of the amount of
26 each such appropriation to the State Board of Finance. The
27 Administrator of the Division of State Lands shall submit a
28 request to the Legislature each biennium, as necessary, for an
29 appropriation for the program.

30 5. The Administrator of the Division of State Lands may
31 adopt such regulations as are necessary to carry out the
32 program.

33 **Sec. 8.** Section 2 of chapter 298, Statutes of Nevada 2005, at
34 page 1031, is hereby amended to read as follows:

35 Sec. 2. Money to carry out the program of
36 environmental improvement projects for the Lake Tahoe
37 Basin established pursuant to section 1 of chapter 514,
38 Statutes of Nevada 1999, at page 2627, in an amount not to
39 exceed \$16,800,000 must be provided for the period between
40 the fiscal year beginning on July 1, 2005, and the fiscal year
41 ending on June 30, ~~2007,~~ 2011, by the issuance by the State
42 Board of Finance of general obligation bonds of the State of
43 Nevada in a total face amount of not more than \$16,800,000
44 pursuant to NRS 349.150 to 349.364, inclusive. The proceeds
45 of the bonds issued pursuant to this section must be deposited



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1 in the Fund to Protect the Lake Tahoe Basin created pursuant
2 to section 2 of chapter 514, Statutes of Nevada 1999, at page
3 2628, and, except as otherwise provided in this section, must
4 be used as follows:

5 1. Projects of the Environmental Improvement Program
6 to be carried out by the State Department of Conservation and
7 Natural Resources:

8 (a) Shorezone/Stream Restoration Project \$1,500,000

9 (b) Forest Restoration Phase III \$650,000

10 2. Water Quality, Erosion Control and
11 Stream Restoration/Enhancement Projects of the
12 Environmental Improvement Program to be
13 carried out pursuant to grants and project
14 agreements..... \$14,000,000

15 3. Contingency money to carry out any
16 environmental improvement project that is paid
17 for with money from the Fund to Protect the
18 Lake Tahoe Basin..... \$650,000

19 **Sec. 9.** This act becomes effective on July 1, 2009.



APPENDIX C

Committee Letters

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
401 S. CARSON STREET
CARSON CITY, NEVADA 89701-4747
Fax No.: (775) 684-6600



LEGISLATIVE COMMISSION (775) 684-6800
RANDOLPH J. TOWNSEND, *Senator, Chairman*
Lorne J. Malkiewicz, *Director, Secretary*

INTERIM FINANCE COMMITTEE (775) 684-6821
MORSE ARBERRY JR., *Assemblyman, Chairman*
Mark W. Stevens, *Fiscal Analyst*
Gary L. Ghiggeri, *Fiscal Analyst*

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(775) 684-6800

BRENDA J. ERDOES, *Legislative Counsel* (775) 684-6830
PAUL V. TOWNSEND, *Legislative Auditor* (775) 684-6815
DONALD O. WILLIAMS, *Research Director* (775) 684-6825

September 19, 2008

Chairman William J. Raggio and Members of the
Senate Committee on Finance
Chairman Morse Arberry Jr. and Members of the
Assembly Committee on Ways and Means
Nevada State Legislature
401 South Carson Street
Carson City, Nevada 89701-4747

Dear Chairmen and Members:

The Nevada Legislature's Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System (*Nevada Revised Statutes* 218.53871) listened to testimony from citizens, interest groups, and representatives of the TRPA and other agencies with responsibilities in the Lake Tahoe Basin throughout the 2007-2008 interim. Based on this testimony and our subsequent deliberations, the Committee adopted two recommendations of relevance to the Senate Committee on Finance and the Assembly Committee on Ways and Means.

In 1997, Nevada committed to implement its share of environmental improvement projects (EIP) on the Nevada side of the Lake Tahoe Basin as part of the basin-wide EIP. At the time, the total funding for projects throughout the Lake Tahoe Basin was estimated at \$908 million, and allocated among five major stakeholder groups: federal government, State of Nevada, State of California, local government, and the private sector. Nevada's share of the projects was \$82 million, which was provided largely through the sale of general obligation bonds. The issuance of these general obligation bonds was approved in installments during each of the past five regular sessions of the Nevada Legislature:

1999 Legislative Session (A.B. 285)	\$3.2 million
2001 Legislative Session (A.B. 177)	\$16.2 million
2003 Legislative Session (S.B. 46)	\$9.87 million
2005 Legislative Session (A.B. 458)	\$16.8 million
2007 Legislative Session (S.B. 55)	\$9.06 million

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The cost for implementing the second EIP for the next decade is estimated at approximately \$2.2 billion, with Nevada's share estimated at about \$100 million. To this end, the Committee voted unanimously to request the bill draft outlined below. Please note that the Office of the State Treasurer recommended language to allow for the legal issuance of a portion of the general obligation bonds that were authorized by 2005 legislation but not yet issued.

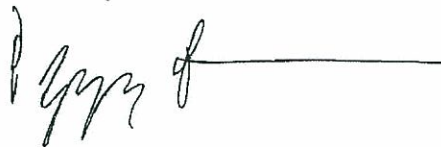
- 1. The State issued only \$11,930,000 of the \$16,800,000 general obligation bonds authorized by Assembly Bill 458 (Chapter 298, Statutes of Nevada 2005); therefore, the Committee requests legislation to extend the period of time within which the State may issue the remaining \$4,870,000 of these authorized but unissued general obligation bonds. The Committee further requests legislation to authorize the total issuance of general obligation bonds up to \$100 million for Nevada's portion of the Environmental Improvement Program (EIP) at Lake Tahoe over the ten-year period from July 1, 2009, to June 30, 2019. This legislation includes a specific request for the sale of \$4,420,000 in general obligation bonds to carry out Nevada's portion of the EIP for the 2009-2011 biennium. (BDR - 375)*

The Committee voted to support the following special budget request to enhance the TRPA's ability to carry out its programs and activities in the Lake Tahoe Basin:

- 2. Support of baseline funding Nevada's current level of support (\$200,000 per year) for the Pathway Regional Plan update and implementation program for Fiscal Year 2009-2011 and beyond to match the State of California's existing baseline funding of \$400,000 per year.*

As Chairwoman (or Chair) of the Committee, I respectfully request your favorable consideration of these two items, and I would be happy to provide additional information as needed.

Sincerely,



Assemblywoman Peggy Pierce
Chairwoman
Legislative Committee for the Review and
Oversight of the TRPA and the Marlette Lake
Water System

PP/st:Tahoe.L12

cc: Allen Biaggi, Director, State Department of Conservation and Natural Resources
John Singlaub, Executive Director, TRPA

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September 19, 2008

Terri Marceron
Forest Supervisor
United States Department of Agriculture
U.S. Forest Service
Lake Tahoe Basin Management Unit
35 College Drive
South Lake Tahoe, CA 96150

David K. Morrow
Administrator
Division of State Parks
State Dept of Conservation and Natural
Resources
901 South Stewart Street
5th Floor, Suite 5005
Carson City, Nevada 89701-5248

Dear Ms. Marceron and Mr. Morrow:

At the work session of Nevada's Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System (*Nevada Revised Statutes* 218.53871) on August 15, 2008, the Committee voted to send a letter to your agencies in support of encouraging prosecution to the fullest extent of the law for illegal campfires in the Tahoe Basin. Despite public awareness campaigns, there may always be some individuals whose reckless behavior will threaten our forests and adjacent communities.

I would be pleased to provide additional information or to discuss this recommendation with you. Please contact me with any questions regarding this correspondence. Thank you for your dedication to our public lands.

Sincerely,

A handwritten signature in black ink, appearing to read "Peggy Pierce", followed by a horizontal line.

Assemblywoman Peggy Pierce
Chairwoman
Legislative Committee for the Review and
Oversight of the TRPA and the Marlette Lake
Water System

PP/st:Tahoe.L11

cc: Allen Biaggi, Director, State Department of Conservation and Natural Resources
Pam Robinson, Congressional Affairs, USDA Forest Service, Lake Tahoe Basin Management Unit

