

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-sixth Session
April 1, 2011**

The Senate Committee on Government Affairs was called to order by Chair John J. Lee at 8:10 a.m. on Friday, April 1, 2011, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator John J. Lee, Chair
Senator Mark A. Manendo, Vice Chair
Senator Michael A. Schneider
Senator Joseph (Joe) P. Hardy
Senator James A. Settelmeyer

GUEST LEGISLATORS PRESENT:

Assemblyman Pat Hickey, Assembly District No. 25
Assemblyman Kelly Kite, Assembly District No. 39

STAFF MEMBERS PRESENT:

Michael Stewart, Policy Analyst
Heidi Chlarson, Counsel
Jennifer Ruedy, Senior Research Analyst
Cynthia Ross, Committee Secretary

OTHERS PRESENT:

Larry Carroll, Managing Principal, Poggemeyer Design Group
James Duddleston, President and CEO, G.C. Wallace, Inc.
Peter Krueger, Subcontractor Legislative Coalition
Alisa Nave, American Council of Engineering Companies of Nevada
Fred Hillerby, American Institute of Architects
Patrick T. Sanderson, Laborers' International Union Local 872

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Bruce Arkell, Nevada Association of Land Surveyors
Leo M. Drozdoff, P.E., Director, State Department of Conservation and Natural Resources
Bruce Grego, City Council Member, City of South Lake Tahoe, California
Mike Young, Nevada Association of Realtors
Sara Ellis, Nevada Association of Realtors
Lee Bonner, Douglas County Commissioner
Gaye Johnston
Thomas O'Hara
David Fabrizio
Mark Turner, President, Builders Association of Western Nevada
Rick Gardner
Charles Bluth
Mark Neuffer, Alta Consulting, Ltd.
J. B. Lekumberry
Rochelle Nason, League to Save Lake Tahoe
Katherine Edwards
Margaret Eadington
Kyle Davis, Nevada Conservation League
Tim Cashman
Coe Swobe, Former Senator
Ann Nichols, North Tahoe Preservation Alliance
Mike Riley
Joanne Marchetta, Executive Director, Tahoe Regional Planning Agency
James R. Lawrence, Administrator, Division of State Lands, State Department of Conservation and Natural Resources
Joe Johnson, Sierra Club
Steve Teshara, Sustainable Community Advocates

CHAIR LEE:

I am opening the Senate Committee of Government Affairs meeting with Senate Bill (S.B.) 268.

[SENATE BILL 268](#): Revises provisions relating to competing for public works by design professionals. (BDR 28-740)

SENATOR JOHN J. LEE (Clark County Senatorial District No. 1):

I am proposing S.B. 268. This bill will create preferences for Nevada-based architects and engineers when bidding on public projects. Nevada's construction

industries have suffered immensely during this recession, and the architects and engineers have borne the brunt of it. The unemployment rate for architects and engineers exceeds 60 percent. Engineering firms in the State that once had over 400 employees are now below 20 employees. Architects and engineers are well-educated, well-paid professionals who have residual impacts upon the economy. They hire other specialized, well-paid professionals, and when architects and engineers have no work, it causes a downward ripple effect in the economy.

Senate Bill 268 allows architects and engineers to receive a preference when qualifying for public works projects provided they prove they have paid the minimum of \$2,000 annually in Modified Business Tax over the previous five consecutive years. The requirement mirrors the five-year requirement under the existing contractor preference statute. The \$2,000 annual threshold was chosen to ensure that small architectural and engineering firms have the same opportunity to receive preferences as larger firms. The \$2,000 Modified Business Tax equates to roughly \$300,000 to \$350,000 in total annual wages. This is about the size of a three- to five-member firm.

Keeping Nevada's design professionals working during the recession is critical to the long-term viability of Nevada's development industries. Design professionals are the first in line in the development chain. The more projects are designed, the more projects are built. Nevada architectural firms should be designing Nevada's public projects.

LARRY CARROLL (Managing Principal, Poggemeyer Design Group):

Poggemeyer Design Group has been a Nevada business since 1982, and we support the intent of S.B. 268 to keep design professionals employed. The economic downturn has impacted every citizen in the State. Design and construction sectors have experienced severe unemployment never seen in the past 30 years. This legislation is critical for the following reasons. The State needs to maintain the pool of professionals employed here. The State cannot afford the exodus of the brightest engineers and architects because we are not taking advantage of local talent. Nevada's engineers and architects have more knowledge on local design considerations, and this results in cost-effective design solutions. Our employees are highly educated, well-paid members of our local communities who contribute in making our communities better places to reside.

Poggemeyer does practice in other states, and we are not ranked the same as local design firms. There is no existing State legislation requiring local and State government agencies to give preference to in-State design firms. The federal government allows for local preference for design firms as mandated by the Brooks Act of 1972, Public Law 92-582. Legislation has been passed giving local contractors a preference for pursuing public works projects. Local engineers and architects should be afforded the 5 percent preference.

We cannot continue to allow the public projects in Nevada to go to out-of-state engineers and architects and have the tax dollars supporting the economy of other states. We should not make the minimum thresholds too high, which can preclude small design firms from qualifying for the local preference.

Hiring out-of-state design firms does not contribute to Nevada's economy. Employees own homes, shop in stores, eat in restaurants, support local charities, attend churches, buy vehicles and pay tax. Nevada has the local design experience. We do not need to go beyond the State's borders to find an expert. It is time for this legislation before the design industry is destroyed.

JAMES DUDDLESTEN (President and CEO, G.C. Wallace, Inc.):

I echo the comments made by Mr. Carroll. This bill addresses a preference for the design professional. Our company had 480 people in 2006 and today we have 75 employees. We had offices in Sacramento, California, and in Reno and Las Vegas, but we are down to the Las Vegas office. We do not want design work that typically should be earmarked for locals to go out of state. This bill would keep the jobs in Nevada for Nevadans.

PETER KRUEGER (Subcontractor Legislative Coalition):

We are in support of Senate Bill 268. It affords the design professionals the same benefits that subcontractors and others have in public works projects.

ALISA NAVE (American Council of Engineering Companies of Nevada):

The Nevada chapter is in support of this bill. Senate Bill 268 goes far in bringing equity to design professionals by putting Nevadans back to work on Nevada projects. The minimal threshold incentivizes long-term investment by Nevada companies. It also allows for small design firms to compete.

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FRED HILLERBY (American Institute of Architects):
When we are addressing this bill, are we including the mock-up amendment ([Exhibit C](#))?

CHAIR LEE:
Yes.

MR. HILLERBY:
The architects are in support of S.B. 268. We worked diligently last Session on a similar bill to afford the design professionals the same opportunities as those in the construction trade in terms of preference and public works. The unemployment rate for architects was 75 percent. It is down to the principals of the firms only having work. The amendment offers the smaller firms an opportunity to have the opportunity for preferential treatment in terms of bidding public works.

PATRICK T. SANDERSON (Laborers' International Union Local 872):
We are affiliated with the AFL-CIO. We support Senate Bill 268. Local architect firms know local contractors and this legislation will put Nevadans to work.

SENATOR SETTELMAYER:
Why the desire to move away from the sales tax to the excise tax?

MR. HILLERBY:
The excise tax is referenced. Designed professionals are not purchasing large amounts of materials, so the sales tax is too high a bar.

BRUCE ARKELL (Nevada Association of Land Surveyors):
We echo the testimony and support the bill with the amendment, [Exhibit C](#).

CHAIR LEE:
I am closing the hearing on S.B. 268 and opening the hearing on S.B. 271.

SENATE BILL 271: Provides for withdrawal of the State of Nevada from the Tahoe Regional Planning Compact. (BDR 22-988)

SENATOR JOHN J. LEE (Clark County Senatorial District No. 1):

Lake Tahoe is a special place for me and my family. We have created memories that only Lake Tahoe's backdrop can provide. Its beauty and serenity is a true treasure.

Nevada, having one-third ownership of the Lake Tahoe Basin, has an obligation to protect and preserve Lake Tahoe for future generations and for people of the world to experience.

It is with humble understanding of the magnitude to protect this natural wonder that I met my appointment to the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency (TRPA) and the Marlette Lake Water System. I worked with great interest to guide the necessary stewardship of lands and waters in the Tahoe Basin. The Legislative Oversight Committee's intent was to ensure progress in water quality, air quality and resource protection in the Tahoe Basin and to have the reporting ability on the millions of taxpayer dollars keeping Tahoe blue. As I peeled back the complex layers in the Tahoe Basin, I found the Agency hamstrung by heavy-handed legal tactics by Nevada's partners. The Nevada delegation of the TRPA was trying to do right by the Lake and its constituents while facing the threat of derailment and interference by California and others. Nevada residents, users of the region and the natural resource, are struck with the burden of a broken government and a jeopardized partnership and by edict of the Tahoe Regional Planning Compact, a failed Agency.

The Tahoe Regional Planning Compact of 1980—Public Law 96-551, 94 Stat. 3233; California Government Code Title 7.4, section 66800-66801; *Nevada Revised Statute* (NRS) 277.200—Article I, paragraph (b) directs the TRPA with two missions. The TRPA is 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.

Nearly 42 years after former California Governor Ronald Reagan and former Nevada Governor Paul Laxalt entered the two states into the Lake Tahoe partnership, the environmental threshold carrying capacities have not been met or maintained. Also, the 1987 Regional Plan expired in 2007. Work began to

update the plan in 2002, but the Agency has yet to adopt a new regional plan. There is also a major concern with our California partner. They have taken a different approach to the autonomy of the TRPA.

The first litigation against the TRPA began with California litigating against the TRPA's adoption of the 1987 Regional Plan, which a supermajority of California's delegation had to vote affirmative to proceed. Twenty-four years later, there are consistent litigation threats against the Agency. The threat against the TRPA is not limited to California but also comes from Tahoe Basin interest groups.

Interest groups and California have the right to pursue legal recourse, but Nevadans have the right to determine if litigation followed by legal appeal upon appeal is how to spend tax dollars at Lake Tahoe. Also, because of the structure of TRPA's voting rules, California can and has played political gamesmanship to obstruct due process of projects based in Nevada. This is the case with the Boulder Bay project. It is a redevelopment project at North Shore's state line. The project is the latest victim to get caught in the maneuverings of California's buzz saw.

I am doing what I can in my capacity as a Nevada State Senator to release pressure in the Tahoe Basin and to protect the Nevada side of Lake Tahoe and its interests. I am told that the Nevada Legislature's scope regarding the TRPA is limited to funding discussions and to Nevada's participation in the Tahoe Regional Planning Compact. Senate Bill 271 is the only arrow in my quiver to use and is why I am testifying before this Committee.

Senate Bill 271 calls for Nevada to separate from California and remove its participation in the Tahoe Regional Planning Compact as is granted in Article X, paragraph (c) of the Compact. This action is at the discretion of the State. It does not require approval by California or the United States Congress.

This bill calls for the creation of a Nevada Tahoe Regional Planning Agency. This agency would take over the planning and regulatory authority for the Nevada portion of the Tahoe Basin, which covers areas of Washoe and Douglas Counties and Carson City. The Nevada TRPA's first responsibility would be to adopt a regional plan.

The powers and duties for the Nevada TRPA have existed in NRS 278.780 since 1973 for this circumstance. It provides that if either state removed itself from the Compact, Nevada's portion of Lake Tahoe would be planned, regulated and protected.

The duties spelled out in NRS 278 are similar to those in the Southern Nevada Regional Planning Coalition and the Truckee Meadows Regional Planning Agency. The Nevada TRPA has added emphasis on natural resources and watershed protections. The Nevada TRPA regional plan must include conservation, transportation, recreation, land use and public facilities plans. Topics including scenic preservation, water quality, air quality and shoreline will also be addressed. The manner in how they will be addressed will occur through the regional plan and regulatory process of the Nevada TRPA.

It is time for Nevada to stand alone in serving Nevadans and the valuable natural resource, Lake Tahoe. With our pioneering programs and research through Desert Research Institute, Sierra Nevada College, participation in the Tahoe Science Consortium, State Department of Conservation and Natural Resources, and Nevada Tahoe Conservation District, the Nevada TRPA will lead the Nation in resource planning and protection.

Federal agencies and organizations oversee the Tahoe Basin. Nevada will continue to participate with these agencies under this legislation. The Nevada TRPA is good for Nevada, and it supports true partnership in the Tahoe Basin.

This legislation is not gamesmanship. I am an Eagle Scout, a master trainer of a national organization called Leave No Trace and a master trainer of Tread Lightly! I have lived in the Tahoe Basin at Glenbrook for the last four Legislative Sessions. I have biked around the Lake, I have hiked and completed the 165 miles of the Tahoe Rim Trail, and I have chaired the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System as a Committee member for six years. This is not another day at the office. I love Lake Tahoe. Support Senate Bill 271.

SENATOR JAMES A. SETTELMAYER (Capital Senatorial District):

My district encompasses the Douglas County and Carson City portions of the Tahoe Basin. I have served as an Assemblyman for District 39, which includes every piece of lakeshore on the Nevada side of Lake Tahoe. This included

Douglas County, Carson City and Washoe County below the Mt. Rose Highway. I represented a large number of individuals living within the Nevada portion of the TRPA.

I have no ownership of Tahoe Basin lands, but when I went door to door in my campaign, I found the issues and concerns of constituents were drastically different in the Tahoe Basin. There are many concerns. One is private roads. For example, a constituent has a private road and when it gets wet, it develops ruts, causing the soils to drain into Lake Tahoe. The person wanted to pave the road to prevent this from occurring and went to the TRPA. In this effort, the person spent four years and \$50,000 in permits, and the TRPA never allowed the road paving. A neighbor had a similar story. The person told me the neighbors had a dead tree next to their house presenting a fire danger, and they want it removed. I looked at the dead tree and asked how long he had been working with the TRPA on the project, and he said four years and counting. There are many similar stories.

I am a rancher, farmer and a conservationist. I am chair of the Carson Valley Conservation District and I have served on the State Conservation Commission. My goal in life is to be a steward of the land, and land needs to be managed. It is frustrating when I speak with constituents and learn they are trying to work within the best management practices and the best environmental practices but are not allowed to do so. I wanted to get on the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System at its inception, but it took a couple of sessions. I was on it last session, and it provided me with a great opportunity to talk further with constituents about resource concerns and issues at Lake Tahoe.

We have individuals with capital who are willing to go into the Tahoe Basin and do massive projects. The rules state that for any project, more coverage must be removed than what will be built. We have individuals who are willing to take out paved parking lots to lessen draining into Lake Tahoe. They are willing to build parking garages. They are willing to improve the environment, they are willing to make a difference, yet they are kept from doing it. The Park family has a project. They want to build a lodge and to do it, they will have to buy numerous hotels and motels at Lake Tahoe. These properties cause environmental issues. There are a bunch of these small, antiquated hotels and motels that take too much coverage. It would be best to have a willing buyer and willing seller to buy the smaller hotels and motels and build larger projects.

We would see drastic improvements to the quality of the Lake. This legislation is about the ability to affect these kinds of changes.

The people who live at Lake Tahoe drink the Lake water. Lake Tahoe is their water source. They have no interest in making the water dirty. Senate Bill 271 is about how to affect environmental concerns to benefit the Tahoe Basin. The best way is to have Nevada take control of its own destiny. We need to stand up and do what is right. If allowed the opportunity, Nevada will surpass what California has done. Too often, California gets mired in regulations and bureaucracy, and this is evident in the overreaching TRPA. It is preventing us from getting work done in the Tahoe Basin.

ASSEMBLYMAN KELLY KITE (Assembly District No. 39):

My district covers every inch of shoreline of the Nevada side of Lake Tahoe as Senator Settlemeyer mentioned, as he was the Assemblyman in District 39 before me. I was also a Douglas County Commissioner for 12 years, which gave me jurisdiction in the Tahoe Basin. The stories Senator Settlemeyer told go far beyond the citizens. We have businesses that have spent millions of dollars and years of time to get a project through TRPA that would environmentally help Lake Tahoe. Gamesmanship can stop a project with years invested in it and millions of dollars. A project can stop overnight with one change of a voting member. In my 12 years as a County Commissioner, many projects came forth that offered environmental improvement for Lake drainage. These projects went away because of expense in time involved in getting a permit or because permits were denied. Requirements are constant moving targets. Many times the Nevada side has met goals and achievements as prescribed by TRPA, only to have California drag us down. When one side or the other fails, the entire Tahoe Basin fails. Targets move because of what is happening and who is on the TRPA Governing Board. Who is on the Board determines if a person can go forward with a million-dollar improvement project or if that project goes away. This is not to say a person is bad or the idea of the TRPA is bad.

About ten years ago, I asked ex-Governor Paul Laxalt what his thoughts were on the TRPA, and he said it was a noble project but that it has run amok. The Agency is overgrown and has become an obstruction organization versus a proactive organization that wants to move forward and protect the Lake and restore its water quality. The first time I saw Lake Tahoe, it was about 150 feet for clarity measurement, and today we are sitting at around 90 feet. These are rough estimates, but the clarity is much less than it was when the TRPA was

founded. As a Nevada representative of the Lake Tahoe Basin, I am 100 percent in support of S.B. 271. It is the right thing to do for Lake Tahoe.

ASSEMBLYMAN PAT HICKEY (Assembly District No. 25):

I was born and raised at Lake Tahoe. I lived there in the 1950s when there were only 150 year-round residents. A member of my family married Wallace Park from the Park Cattle Company. The family built the dams that have turned into the Edgewood Water Company. Early pioneer families, such as the Park family, have always been good stewards of the land.

I can remind this Committee of the two worst environmental disasters for Lake Tahoe in the Basin. The first most likely precipitated the creation of the TRPA. It was the building of the Tahoe Keys development in the 1960s. This contributed to more sediment and silt at the South Shore of the Lake than anything else that has happened. The Angora Fire in June 2007 was also disastrous. It was not the direct fault of the TRPA, but the Agency's policies, such as on pine needles, helped to fuel the fire. The policies had a chilling effect by prohibiting people from doing prevention projects on their own property that might have mitigated the Fire's damage. I can tell anecdotal stories as a contractor about what, in effect, are takings or eminent domain issues based on how the TRPA causes delays. One person tried to build a 6-foot by 12-foot deck on the back of his home, and it took two and one-half years to gain permission from TRPA.

In 40 years, Nevadans know how to be stewards of land and water in the Tahoe Basin. As said in one of our Nation's great founding documents, in the course of human events, it sometimes becomes necessary to dissolve certain political bonds, and in this case—a Compact. I support that Nevada has the wisdom and commitment to our lands, waters and neighborhoods to do what might be a bloated bureaucracy cannot. I support the creation of a Nevada TRPA.

I want to also state that Assemblyman Randy Kirner, from Washoe District No. 26 representing areas of Incline in the Tahoe Basin, supports S.B. 271.

CHAIR LEE:

I understand the Tahoe Basin had many problems before the Compact was established. Zoning issues and the like were out of control. The TRPA made sense. There were few restrictions and the Tahoe Basin was neglected, but now

the pendulum has swung to the other side and it has been pinned. There are too many restrictions, the TRPA exudes too much authority and the Basin suffers environmentally and economically; the pendulum needs to swing back to the middle. The restrictions and the Agency need to work for the Lake and for the citizens.

SENATOR SCHNEIDER:

I was on the legislative oversight committee for the Tahoe Regional Planning Agency and Marlette Lake Water System for a couple of Sessions. It sounds like the TRPA is similar to a homeowners' association (HOA) gone bad. Every good HOA will eventually go bad, and the same sounds true for the TRPA. I would agree there are problems. I am interested in learning more, but I am hesitant to back out of an agreement with the state of California because it controls two-thirds of the Tahoe Basin. An organization can get off its mission.

LEO M. DROZDOFF, P.E. (Director, State Department of Conservation and Natural Resources):

I am presenting the State of Nevada's neutral position on S.B. 271. Written testimony is submitted ([Exhibit D](#)).

CHAIR LEE:

Mr. Drozdoff has presented the words of the Governor expressing a problem and a challenge with the TRPA that they want to work out. Jennifer Ruedy, Senior Research Analyst for the Research Division of the Legislative Counsel Bureau, let us know about a bill that passed in the California legislature that would establish a committee to meet with Nevadans. I stood ready to have the meeting. I made several inquiries and California never established the committee. It appears California is not interested in putting legislators together to help solve the TRPA problems. To address funding for the Nevada TRPA, the amount of money Nevada contributes to the TRPA and private funding equates to about \$2 million. Nevadans are behind this legislation. I have received calls from people showing support and stating they will donate or help raise money.

SENATOR HARDY:

Mr. Drozdoff, you mention there will be a void if we withdraw from the TRPA. Is there a possibility to adopt rules and regulations pending new rules and regulations to allow for a seamless transition?

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MR. DROZDOFF:

The Nevada TRPA is an existing body that resides in the Division of State Lands within my department. The program is funded at \$1,200 a year and has no staff. Jim Lawrence and his deputies at the Division of State Lands have oversight of the Nevada TRPA. To try and make these individuals ramp up in a short amount of time with no budget or staff is not plausible.

SENATOR HARDY:

Are you saying there will be a fiscal note?

MR. DROZDOFF:

We have not placed a fiscal note onto this bill because Chair Lee is working on funding.

SENATOR SCHNEIDER:

Where does the additional \$415 million come from?

MR. DROZDOFF:

The \$415 million is authorized money through the Lake Tahoe Restoration Act of 2011. It would be federal funds to go toward the Environmental Improvement Program (EIP). The Environmental Improvement Program has been in place since 1997. It would fund projects on both sides of the Lake.

SENATOR SCHNEIDER:

This money is pending in Congress.

MR. DROZDOFF:

Yes.

SENATOR SCHNEIDER:

Residential oversight was also mentioned. What does this mean?

MR. DROZDOFF:

Many of the frustrations with the TRPA reside with the interaction between the TRPA and a homeowner. Under most governments, homeowners deal with local governments on residential issues such as lengths of driveways and how to pave them. Local governments know how to deal with these issues and are better equipped to respond to the frustrations that result from these issues.

SENATOR SCHNEIDER:

The local governments in the Tahoe Basin would come together, work with the Nevada TRPA to develop guidelines regarding needle removal, driveways and water drainage into the Lake, and the local governments would enforce the rules and regulations?

MR. DROZDOFF:

Yes, this is the concept.

SENATOR SETTELMAYER:

When we amend the Compact because we have special resource concerns, can California ignore it?

MR. DROZDOFF:

The point of establishing the Compact was to make it difficult to amend. To amend the Compact requires an act of Congress and then approval from each state's legislature. To return to your question, it would require California approval. I echo Chair Lee's frustrations about working with the California legislature in the past, but this bill would inform those discussions. If they do not, it is an important point. The California legislature and the California governing structure has the ability not to move forward on reforms that Nevada would like to see take place. Nevada should take up the reforms and see where it leads.

CHAIR LEE:

People have mentioned their concerns regarding California's response to Nevada's actions. I do not care about California. I concern myself with the State rights of Nevada. I appreciate the Governor standing for the rights. The Governor wants to work on a regional plan concerning quagga mussels. This aquatic invasive species and others are a huge issue at the Lake. I am not trying to get away from that relationship.

BRUCE GREGO (City Council Member, City of South Lake Tahoe, California):

I am here in support of S.B. 271. The Lake Tahoe Basin needs accountability and sensible regulations that balance environmental concerns with socioeconomic needs. Written testimony has been submitted ([Exhibit E](#)).

MIKE YOUNG (Nevada Association of Realtors):

I am a 31-year resident of Lake Tahoe and an avid outdoor enthusiast. I am the President of the Nevada Association of Realtors. I am here in support of Senate Bill 271. I am also a Nevadan held hostage by a broken government. The State put us under the government of the TRPA, which is failing. Twenty-four years later, our communities are diminished. We are suffocating from regulation, stagnation and a Compact that holds us captive to the desires of California. It is time to end our capture from California. Written testimony has been submitted ([Exhibit F](#)).

SARA ELLIS (Nevada Association of Realtors):

I cover the Nevada area of the Tahoe Basin for the Nevada Association of Realtors. I echo the comments made by Mr. Young. I want to address funding and what we can look at to see what this new endeavor will cost. Under NRS 278, it took the Southern Nevada Regional Planning Coalition and the Truckee Meadows Regional Planning Agency two years to formulate and adopt their initial regional plans. The Truckee Meadows Regional Planning Agency covers about 430,000 people, Reno and Sparks, and Washoe County. They have seven staff members, and their yearly budget is about \$1.1 million. In comparison, the Nevada TRPA would cover approximately 20,000 on the Nevada side of the Tahoe Basin with two population centers. These are Incline Village in Washoe County and the Kingsbury-Stateline area in Douglas County. The budget going to the TRPA would be an efficient and comprehensive funding mechanism for the Nevada TRPA based on the comparisons.

CHAIR LEE:

How long have you been working in the Tahoe Basin?

MS. ELLIS:

I am in my eleventh year.

CHAIR LEE:

Why do the interest groups litigate? Why is this the manner in which business is done?

MS. ELLIS:

It works. Litigation is a stall tactic. It gets the TRPA in a situation of having to pour valuable resources and money into legal staff. It mires the TRPA in

litigation for years. Almost all litigation against the Agency runs through California courts. In order for the 1987 Regional Plan to be adopted, the California Governing Board members had to approve it with a supermajority. Right out of the gate, the plan was litigated by the California attorney general's office and the League to Save Lake Tahoe. For 20 years of the Regional Plan, the result stipulated to that Plan. This meant that for the 20 years of the Agency, the Agency had to check in with the League to Save Lake Tahoe and the California attorney general every time it did anything. Litigation is a successful strategy.

CHAIR LEE:

The intent is to bleed the funds of the TRPA to disable the Agency.

MS. ELLIS:

Yes.

CHAIR LEE:

A week ago, in the middle of a TRPA member's term, California's Governor Jerry Brown pulled the member off the Committee right before the Nevada Boulder Bay project was likely to get a favorable vote to build. This project has been developing for many years and in one week, with a change of one member, the vote failed.

MS. ELLIS:

The Boulder Bay project's developers have been working on the project for four years. Hundreds of thousands of dollars have been spent. That vote you mentioned, Chair Lee, was the last vote by the TRPA. Boulder Bay is entitled to due process. Is the membership change and vote interesting? Did it raise eyebrows that the governor of California within his right took the ex-governor's appointee off the board? The key to this situation is that Governor Brown did not replace the member immediately. The way the voting rules work with TRPA, in order for Boulder Bay to go forward, it required a supermajority of favorable votes.

SENATOR HARDY:

Has there been discussion in the Agency looking at the supermajority vote of a state over a state trying to accomplish something?

MS. ELLIS:

The conversation has taken place in the Tahoe Basin amongst stakeholders. What is important is that for Nevada to change the supermajority requirement, it would take an act that would have to pass both houses of the California legislature, the California governor, both houses of Congress and the President of the United States.

SENATOR HARDY:
I get it.

SENATOR SCHNEIDER:
I have a question for Mr. Young. Have you been to Las Vegas lately?

MR. YOUNG:
Yes.

SENATOR SCHNEIDER:
Do you notice the loss of jobs and the closed businesses? It is similar to the Tahoe Basin.

MR. YOUNG:
Yes.

SENATOR SCHNEIDER:
This condition is a result of the economy, not the TRPA. The Tahoe Basin is a tourist destination as is Las Vegas. The tourists are not traveling.

MR. YOUNG:
We are addressing the amount of rules, ordinances and codes that are strangling businesses trying to survive. A commercial owner has tenants who are trying to survive, but the cost the owner needs to charge for rents far exceeds what is common down the hill in Reno. The costs are high because the Agency requires rules and many studies. The tight control ties up the economy.

SENATOR SCHNEIDER:
The real estate industry is impacted by these conditions, but the industry is also impacted by pollution. Is an action or inaction on the California side of the Tahoe Basin going to affect us?

MR. YOUNG:

California would respond in the same manner Nevada is responding and be good stewards of the Lake. The tie-up is we cannot come to a meeting of the minds on what is good for our State compared to California.

SENATOR SCHNEIDER:

Several years ago, the California legislature invited me to appear on HOA issues. I met with California committees, who thanked me and said it is nice we can learn from our eastern neighbors. They have adopted a lot of what we do here in regard to HOAs. I watch our laws become law in California. We have a disconnect. We might need to do more to get California to work with us, or we go over and see them. We can talk with their speaker and majority leader. We can meet with their new governor.

CHAIR LEE:

Ex-Senator Mark Amodei reached over to California, tried to establish a meeting with California legislators and set up a meeting. He made one mistake. He did not ask the senate majority leader. Those California legislators were prohibited to attend the meeting. The California senate majority leader said he would decide whom he wanted to attend the meeting. The attempt in reaching out to California was made and rebuffed. California has no desire to work hand in hand with us.

LEE BONNER (DOUGLAS COUNTY COMMISSIONER):

As a new Douglas County Commissioner, I am also new to public service. During the campaign, I spoke with people in the Tahoe Basin, and one question kept surfacing. What are you going to do about TRPA? The public perception among our constituents at the Lake is that the TRPA is the bully on the block, and a person never knows how much it is going to cost to get to the next block. We have to stop this now. We have the opportunity with S.B. 271. It is time to be the agent of change. There are two aspects to consider with the TRPA. First, there are the men and women who make up the executive board and make the operating decisions. The second is the Governing Board, and that is California. We are not able to change California. We have to be the change. California cannot dictate the future of our State and what we can do on our shoreline. I ask you to move this legislation forward. We need a Nevada TRPA.

A Nevada TRPA might cause a transition, but we need to get back on track, and to do it, we need to do a few things. One, we need to bring sensibility to the

decisions made in the Tahoe Basin. Second, we need measured results from the Nevada TRPA. What is the Nevada TRPA there to do? How do we measure its work, how do we define it and how do we know that we are getting the investment for the citizens of our State? Third, what type of accountability and oversight are we going to put on the Nevada TRPA? The way the TRPA is set up, Nevada has no jurisdiction over California. If we break the Compact, we can establish the correct accountability and oversight under legislative leadership to ensure we meet the demands of our citizens. Abraham Lincoln said we will determine our own success, and California cannot determine the success of Nevada.

GAYE JOHNSTON:

I am president of an HOA in the Tahoe Basin. I am testifying in support of S.B. 271. I represent about 900 members on the shores of Lake Tahoe, and I want to share with you the experience we have had with the TRPA ([Exhibit G](#)). Either TRPA does not understand its own regulations or the staff makes them up as they go. Everyone I know who lives in the Tahoe Basin is an environmentalist at heart and wants to keep the Lake clean, the air pure and the forest healthy. I submit there must be a better way to protect Lake Tahoe and her resources.

THOMAS O'HARA:

I have worked in South Lake Tahoe for ten years. The Tahoe Regional Planning Agency has good intentions but has overgrown its bounds. It no longer responds to the locals' needs. It is more than difficult to amend the Compact, as it takes an act of Congress. If Nevada withdraws from the Compact and becomes a separate organization, we can begin to negotiate to establish a better TRPA or run our own Nevada TRPA.

Regulating the Lake and keeping it pristine is in the best interests of us all. Nevada is able to accomplish this on its own. If we separate and decide to reunite with California, we can start with fresh ground rules.

DAVID FABRIZIO:

I echo many of the comments made today regarding the TRPA. I offer the viewpoint of a common person who resides in South Lake Tahoe.

People who live in South Lake Tahoe are environmentally conscious and responsible. We do not want to see the Lake deteriorate, but the TRPA's

restrictions are harmful. For example, if residents rake needles away from their houses for defensible space against fire, the TRPA writes people warnings and they are told to put the needles back. The Division of Forestry has come out to my property and marked trees that can be cut down, but the TRPA prevents it. A fire occurred in Tahoe Paradise, and the fire trucks could not get down the fire roads because the TRPA had placed big boulders across the road. This is all under the falsehood of protecting Lake Tahoe.

There is also no consistency with ground cover, and it appears all projects approved by TRPA are approved in exchange for a money payoff. I will share a TRPA story that I witnessed ([Exhibit H](#)). The Agency needs to disband. The intent of the TRPA is good. It started out as a well-meaning organization, but it is corrupt. Absolute power corrupts absolutely. People in the Tahoe Basin know that the TRPA is the end-all of everything. The Division of Forestry cannot tell the TRPA what to do. The TRPA does whatever it wants. Defunding it and starting over will root out the problems, and Nevada can rebuild the agency into an effective, protective agency.

MARK TURNER (President, Builders Association of Western Nevada):

We support S.B. 271. In a time when the State of Nevada is facing serious budget issues, we need to be doing whatever we can to ensure that our governments are operating in an efficient manner with the highest rate of return on tax dollar investments.

No updated regional plan is in place in the Tahoe Basin. Our members have a difficult time penciling projects in or securing financing because there is a shadow hanging over us. Will a project be mired by another one of California's lengthy legal battles? We understand that it will take time to develop a regional plan under a Nevada TRPA, but the benefits of having Nevadans control their own destiny is worth the wait.

Policy exists to serve people. People do not exist to serve policy. I have heard testimony that the TRPA is largely offtrack. Policy that is in place to protect Lake Tahoe needs to serve the people who live in the Basin and use the Lake.

RICK GARDNER:

I am a contractor in the Tahoe Basin. Our family has lived there for 50 years. We own the Red Hut restaurants on the California and Nevada sides of Lake Tahoe. I have many TRPA experiences, but it is insightful commentary that

the problems do not reside with the TRPA staff. As a contractor and with my law degree, I help people get through the TRPA as part of their permit processing. I have a lot of contact with the TRPA, and they are good people. The bullets might be getting shot at the wrong people. It is more the Governing Board and the politics that are at fault. Politics are getting in the way of saving Lake Tahoe and keeping the Lake Tahoe Basin environmentally safe. No one will argue against the environmental issues.

In law school, we studied a few bistate compacts. The Tahoe Regional Planning Agency was one of them, and I found it odd that one state would allow another state to govern its land. This is the issue at hand. Nevada is allowing the politics of California, whether it swings left or right, to impact and tie your hands on what Nevada wants to do in the Tahoe Basin. The decision becomes, does Nevada want to be in control of its destiny? Many times, when the pendulum swings, Nevada loses. I am a citizen of Nevada and a resident of the Lake Tahoe Basin. This is not the correct way to be stewards of your own land.

The Compact may have served 40-year-old needs, but Nevada is backed into a corner without compromise. In politics, there is compromise, and in this case, I do not see one. The choice becomes: stay in the Compact or get out and gain control over Nevada lands. I choose the latter by supporting S.B. 271.

CHARLES BLUTH:

I have been in the Tahoe Basin for 25 years and have been a builder and developer for over 40 years. I have dealt with over 25 different cities, counties and state agencies. I have dealt with the California Coastal Commission, the San Diego Harbor Division and hillside sensitive construction. I owned the Lake Tahoe Cal Neva on the North Shore for 21 years. I bought the Cal Neva in disrepair and brought it back to a good property, but I spent five years trying to do an expansion and a total remodel. It was an old property and too small to be a total success. After five years of dealing with the TRPA, I gave up and sold the property. Since I sold the property, it has gone through bankruptcy and is in terrible disrepair, tremendously impacting the North Shore. This is a result of how the TRPA's negativity and attitude addresses businesses.

I built a home in Incline Village about 15 years ago. It took about three or four months to get a permit. Seven years ago, I finished a home at Logan Shoals in Glenbrook. The facility was an old marina that had a dilapidated restaurant. It had a boat repair shop. For 50 years, cars and boats leaked

gasoline and oil on the backshore. The property was a mess. It has 70 slips. Twenty of them were old wood slips that were bleeding into the Lake. There were over 100 tires in the Lake. It took me two years to get a building permit. There were no conditions in cleaning up the Lake. I did it on my own and spent over \$400,000. The best people to have on Lake Tahoe's lakefront are people who have money and the capacity to go in and make improvements. In the process, I was sued for overlandscaping. In my overall experience, it took me two years to get the building permit, two years to build the house and then I was in litigation with the TRPA for three years. After three years because of misconducts by an outside attorney TRPA hired, we got back to where the TRPA was willing to sit down with us to try and resolve the problem. The way to resolve the problem with the TRPA was with a \$250,000 fine. I spent \$300,000 in legal fees to get to that point. I am stubborn and will fight what is not right. I have the capabilities, but the vast majority of people who have to fight the TRPA because of the Compact and how it is written end in federal court and cannot afford it.

Nevada needs to control its destiny and properly handle its people. There have been improvements with the TRPA staff, but the only way to change the conditions is by having Nevadans controlling Nevada's destiny.

SENATOR MANENDO:

For the record, Senator Kieckhefer is in the audience.

MARK NEUFFER (Alta Consulting, Ltd.):

I live in Garnerville and I am in the land use business. The TRPA is broken. The system no longer works. We have talent in Nevada, and we can take it upon ourselves and take the risk to create the Nevada TRPA. I support this bill.

J. B. LEKUMBERRY:

I am here representing the Trimmer-Giovaccini family who purchased property in the Tahoe Basin known as High Meadows in 1929. It is in proximity to my family ranch in Genoa. From that time, my family drove cattle from the valley up through Kingsbury Grade, through Stateline and onto the High Meadows property in California. We would drive our cattle back home through Monument Pass and did so for over 50 years.

I want to share two dealings my family has had with the TRPA. In the late 1980s and the 1990s, the Tahoe Basin had a Japanese beetle infestation. Our

pinos were no exception, and many large pines at the base of our property closest to the road needed to be cut down. The California Division of Forestry's (CDF) manager and enforcer for state and private lands in the Tahoe Basin put in for an emergency tree removal to harvest the pines. The estimated value from harvesting the pines was estimated at \$275,000. The inactivity of the TRPA let the pines rot. I just finished cleaning up that area. The rotted trees took time to clean. I also tried to save wood for firewood, but pine goes bad quickly. The cleanup took several seasons, and we ended up doing a mastication project with the CDF's cost-share program. We received state money to clean the area. The TRPA is responsible for this expenditure. Instead, had the Agency granted the emergency tree removal, \$275,000 could be made collectively in the harvesting process and the money returned into the economy.

California's forest health practice rules are the most comprehensive in the world. The example of the TRPA ignoring the CDF's recommendation demonstrates a federal agency superseding a state or local government's abilities to govern and ignoring best practices. This is often evident in the Tahoe Basin.

The Tahoe Regional Planning Agency's grazing ordinance in 2001 was enforced in the same manner. It could have been considered a taking, but TRPA was able to slip that by, saying to us that you can graze your animals on your property, but we are telling you that you have to fence off the streamside zone. We owned the Clear Creek watershed at the time and our estimated cost to fence off the streamside zone was \$97,000. We ran 60 pair of cattle for 100 days a year. It was not feasible.

I urge the State of Nevada to take the opportunity to show California and set a better example. Nevada can be a leader. Wake up the area and take charge of Nevada's destiny.

ROCHELLE NASON (League to Save Lake Tahoe):

I am the Executive Director of the League to Save Lake Tahoe, commonly known as "Keep Tahoe Blue." In addition to my comments, written testimony has been submitted ([Exhibit I](#)).

We consider ourselves a Nevada organization, a California organization and a national organization. The League to Save Lake Tahoe is dedicated to the

proposition that Lake Tahoe is a natural resource of national and international significance. It is the obligation of everyone who has the chance to contribute to the effort to restore the resource due to mistakes and protect it so that it can be passed down to the next generation in at least as good a condition as we found it. Many members feel that their most important and happiest memories were formed at Lake Tahoe. They want to ensure people of the future have the same opportunity.

The League to Save Lake Tahoe opposes Senate Bill 271. We understand the positive desires behind the legislation. There are problems and change is needed, but the change that is needed is a renewed commitment to the collaborative effort that was highly successful for many years. Be aware that between 1993 and 2008, there was little significant environmental litigation in the Tahoe Basin. In this 15-year period, the only environmental litigation launched by environmental advocates had to do with the expansion of the Tahoe Keys Marina. The litigation was over property rights. Claims were from property owners whose ownership preceded the establishment of the Compact in 1969. They were seeking compensation. It is not correct that there has been a continuous history of conflict and litigation going back to 1987.

In recent times, there has been a breakdown in collaboration. The testimony by Mr. Drozdoff regarding the governors coming together to discuss the needs in the Tahoe Basin is a wonderful idea. We support Nevada and California legislative leadership coming together. It is an inaccurate perception in Nevada that California is not receptive to the idea. I understand California is willing, but there are procedures and protocols that must be followed. If they are followed, Nevada would find a receptive partner in the California legislature.

The withdrawal from the compact would make it impossible to keep Lake Tahoe blue. One-third of a lake cannot be saved. The Compact has a simple structure. The Agency establishes environmental standards known as the environmental threshold carrying capacities. It makes a plan to achieve and maintain them. It is a struggle, but it is possible with a strong commitment and with collaborative engagement and action.

People struggle with regulation everywhere. Two types of regulation from the Agency anger people the most in the Tahoe Basin. The first is the issue of paving in the watershed, and a set of related regulations that are designed to reduce paving. It was recognized years ago that the area was overpaved and

destroyed too many soils. The fragile soils are particularly damaging to the watershed if they are disturbed. It is hard for a person to be told they cannot do what they want with their property. If there are no limits on paving, the overpaved situation will be aggravated. Everyone has to do their share. Contributions are made for the common good.

The second regulation that angers people relates to height specifications. This sets limits on the height of hotel towers. There has been an understanding in the Tahoe Basin that the era of tall hotel construction had come to an end. In recent times, there is a push to build tall hotels. People are saying good things can happen if there is more flexibility to build taller hotel towers. The environmental community is not closed to the idea, but we want to see a plan for how much height. Where will it be? It is the case-by-case decision making that tends to lead the TRPA down the wrong road. Will changes to the overall rules and plan and what is required get us to where we want to go? The Tahoe Regional Planning Agency can be successful with a plan. By the way, it is not true that a supermajority of Californians must approve a project. A majority of members in both states must approve a project.

To the person who does not support planning and wants to look at development case by case, I say do not "throw the baby out with the bath water." The Tahoe Regional Planning Agency brought us the EIP. This was an effort supported by the League to Save Lake Tahoe and by business interests from the Tahoe Basin, including the gaming industry, ski industry and small business. It has brought hundreds of millions of dollars from the federal government and California, and Nevada has been an active and engaged participant in the EIP. If Nevada withdraws from the Compact, Nevada will nullify the EIP. Nevada could develop its own EIP and expect California to develop its own, but there will no longer be a unified program for funding, restoration and protection. There will also be no unified regulatory scheme to assure the achievement and maintenance of the region's environmental standards.

We urge this Committee to vote against S.B. 271 and follow the leadership expressed by Mr. Drozdoff: to encourage the Nevada and California governors to make the Tahoe Basin and Lake Tahoe a priority. We urge this Committee to also meet with your counterparts in the California legislature. Let us continue to pull together in the effort to keep Lake Tahoe blue.

CHAIR LEE:

Ms. Nason, you have heard testimony telling Nevada's side of the story. The League to Save Lake Tahoe's political agenda is the biggest problem. Your organization is controlling the California TRPA votes, and you are utilizing every power possible to control Nevada. For you to sit here and say that you are trying to work with Nevada is not true. You tell us to follow a plan and not make decisions on an individual case-by-case basis, but we do not have a plan. Why is there no regional plan? The State of Nevada has done everything it can to work with the League to Save Lake Tahoe, and you continually see there is no plan in place. I do not want to change environmental restrictions or projects the League has put forth. I am not asking for more paving in the Tahoe Basin. I am challenging you to explain to the State why the League acts the way it does toward Nevada and why a person in your position rallies the troops to the detriment of Nevada.

Ms. NASON:

I do not understand the accusation. The policies the League is pursuing are policies to ensure the coverage threshold is achieved and maintained, the height of buildings are carefully planned to preserve scenic views, and traffic congestion is avoided. The League's policies are those pursued since the 1960s.

CHAIR LEE:

Why do we not have a regional plan?

Ms. NASON:

Is the question, why is the TRPA still working on Pathway 2007 when it is 2011?

CHAIR LEE:

We started to update the plan in 2002 and nine years later, we still do not have a plan. With all of your involvement, I would expect that you have tried to make a plan work and have reasons as to why there is no plan.

Ms. NASON:

From the League's viewpoint, the TRPA made a serious wrong turn. The Agency came forward and said it needed a new plan. There was agreement that a new plan was needed for 2007. The Agency said it wanted to start fresh. It wanted to drop everything and begin with new environmental standards. There were existing standards, and the League was worried because we wanted to

ensure the new standards could be supported scientifically and were at least as strong as the ones in place. If a standard is to be weakened, an environmental document analyzing the impact of the weakened standard on the environment must be done. The Agency decided it did not want to weaken standards. Since this decision, it has been working on a plan to achieve and maintain the standards in place. The League is active in working with the Agency to develop a conservation alternative to be considered in the plan.

CHAIR LEE:

Has Nevada attempted to weaken the standards? Is it Nevada's fault there is no regional plan?

MS. NASON:

No, weakened standards have not come before the TRPA Governing Board. The League has concerns that important decisions are not coming forth to the Governing Board. The Governing Board needs to make decisions. Does it want standards equal or superior to the existing standards, or does the board want something different? This decision has not been made in nine years. In 2002, a wrong turn was taken. The political will to turn back onto the right path and begin the process has not been done. This is the fault of the Agency, not the League. The League is a proponent of strong, clear and scientifically supportable standards. If standards are to be weakened, the process needs to be done in a straightforward manner and environmental documents need to accompany them. Standards cannot be addressed on a project-by-project basis.

KATHERINE EDWARDS:

I am also testifying on behalf of my husband, Donald L. Edwards. We reside in Zephyr Cove.

We have expressed our disapproval of the TRPA from time to time, but we support the Agency's ultimate goals. We are thankful for the progress made in maintaining and gradually improving the Lake's clarity and beauty.

We have been Nevadans for 17 years. It used to be that the water of Lake Tahoe was purer than the water in Crater Lake. There is development also at Crater Lake, and people visit that lake too. Crater Lake also has restrictions. One restriction prohibits boats on the water.

We are appalled by the Nevada Legislature's attempt to pull out of the Compact. The Compact is necessary for preserving Lake Tahoe. There has been a lot of development in the Tahoe Basin over the past 20 years, and we stand firm that without the TRPA's efforts under difficult circumstances, there would be concrete high-rises surrounding the Lake and a shoreline that would do justice to Hong Kong Harbor.

Having two organizations, each with its own vested interest and political impressions trying to save the same Lake, is a recipe for disaster. Communication and respect needs to be restored. It was true 40 years ago when the governments of California and Nevada came together and formed the TRPA. How is a lake divided? How would the federal government work with two separate organizations in regard to appropriations? What if the two organizations have different rules and regulations? Who would be the arbitrator? The separation of Nevada from the TRPA would make an already difficult task far more difficult, and the Lake, its residents and visitors would be the losers. Put Lake Tahoe and the people first. Vote no on Senate Bill 271.

MARGARET EADINGTON:

I am a 42-year resident of Nevada. I am speaking on behalf of six environmental organizations that constitute Lake Tahoe's conservation community and wish to make a unified statement. We oppose S.B. 271. Written testimony has been submitted ([Exhibit J](#)).

SENATOR SETTELMAYER:

I have a question for Ms. Nason. I understand discussion about procedure and protocol, but that is not who I am. If I want to speak with a Senator, I call his cell phone. My door is open. Come in and let us talk. Let us figure issues out. There should not be a right procedure. We need to do what needs to be done. I am a member of a local conservation district. I look at the resource problems in the community and we fix them. We do not get mired in legal battles. How much money did the League to Save Lake Tahoe spend in legal fees compared to environmental improvement projects?

MS. NASON:

I will get that information for you.

SENATOR SETTELMAYER:

Do you have a rough estimate?

MS. NASON:

We are represented with the Sierra Club and other environmental organizations. We are usually represented by a not-for-profit environmental law firm that pays its own fees.

SENATOR SETTELMAYER:

Nevadans tend to be a more independent group of individuals as a State than California. We want to see environmental projects completed and the Lake quality improved. The litigation strategy used to stop activities needs to end, and the money needs to be used for the intended environmental projects.

MS. NASON:

I agree. For many years we did not file lawsuits because the Agency was willing to follow the law or where there was a need to change the law or rules, it would bring people together to talk and build consensus on what those changes should be. This has not been the pattern in recent years. The TRPA has proceeded to break the law without bringing people together.

Projects on the ground was "my baby in the bathwater" statement. In the mid-1980s, the League to Save Lake Tahoe initiated discussion on transportation and water quality matters we could all agree on through a group called the Lake Tahoe Transportation and Water Quality Coalition. The League also initiated the idea of turning the Coalition into a lobbying group that would unite the gaming industry, ski industry, environmental community and small business community behind an agenda we could all support in what became the EIP. The Environmental Improvement Program has brought hundreds of millions of dollars to the Tahoe Basin for on-the-ground projects. These are overwhelmingly public dollars, including tax dollars and proceeds from the sales of federal lands, but there are also environmentalist and private dollars. The League to Save Lake Tahoe was a strong supporter of the gondola construction at Heavenly Ski Resort. This reduced traffic. Everyone could get behind this private investment. This collaborative effort was the norm for many years, and we accomplished amazing projects. Environmentalists, business interests and government interests all working together is where we want to return. The key to accomplish this is clear identification of environmental standards—what are the objectives?

SENATOR SETTELMAYER:

You are discussing more studies and more objectives, I want to see projects accomplished. I want to see the Lake improve.

Ms. NASON:

We cannot throw money at a problem. We cannot have unregulated damage to the Lake Tahoe watershed while we are asking taxpayers nationally and throughout California and Nevada to invest in the restoration of other mistakes. We have to agree we will not continue to damage the resource while doing projects with other people's money to undo past mistakes. A regulatory element is an essential part of achieving a successful outcome for Lake Tahoe.

Ms. EADINGTON:

I live in Crystal Bay, and there is a EIP project that created good drainage near my home. The road project prevents runoff from streaming into the Lake by capturing it and allowing it to go through a filtering system. There are projects on the ground.

CHAIR LEE:

Yes. I live in Glenbrook, and we have been trying to clean the stream for six years and cannot get permission to remove the debris out of the stream.

Ms. Nason, are you satisfied with the Boulder Bay project? The developers brought forth a good project. They made it to the final point and were denied. What is your take on what occurred?

Ms. NASON:

The League's position on the Boulder Bay project as proposed is that it is too big for the community. I hate to see a particular project come up in a legislative hearing.

CHAIR LEE:

Four years ago, the League should have let the developers know they were opposing the project. They spent too much time and money on this project for the League to deny them in the last round of approvals.

Ms. NASON:

We have been telling the developers for years the project is too big. When discussing the Boulder Bay project, there are two issues. One is an amendment

to the ordinances to allow additional height. This is a planning issue. We want the height ordinance considered in the overall context of what heights are going to be allowed in the Tahoe Basin rather than change the law for each property that comes into play. There should be a clear set of rules. A person who is buying a property should undertake due diligence and build in accordance to the rules. The League would be strong supporters of the Boulder Bay project if it would be built in accordance with the rules. It is the change in the height rule that is of concern.

CHAIR LEE:

There are no rules because there is no regional plan. This is what we are contending.

MS. NASON:

There is an adopted community plan.

SENATOR MANENDO:

Where do you live, Ms. Nason?

MS. NASON:

I live on the California side in South Lake. The subdivision is called Tahoe Meadows.

SENATOR MANENDO:

How are you paid?

MS. NASON:

I am paid by the League to Save Lake Tahoe. It is a private, nonprofit organization. We raise our funding from membership, and the staff is paid from those funds.

The e-mail I sent to each Committee member yesterday references immediate and severe consequences if S.B. 271 were to pass. Please keep these in mind as you process the bill.

KYLE DAVIS (Nevada Conservation League):

We oppose this bill. We do not think this legislation is the right solution to the problems in the Tahoe Basin. The Compact is important.

There is a concept that people are stopping projects or California is stopping projects for the sake of causing problems. This is assuming there are no legitimate reasons for the roadblocks. Environmental protection is not easy. The Tahoe Basin is especially difficult because it involves two states and has many interested stakeholders. It is important to understand the Tahoe Basin is a unique area that cannot be compared to other areas in Nevada. Lake Tahoe is a world crown jewel. People everywhere are concerned about the environment and want to ensure the Lake is protected for us and for future generations.

We need the bistate Compact to proactively work with California and the federal government within a context of law. Protection of the environment does require laws to be in place to ensure everyone is held to the same standard. Decisions made in Nevada do affect California and decisions in California affect Nevada when it comes to the Tahoe Basin. The immediate negative consequences that can occur from a decision removing Nevada from the Compact need to be considered. There is also the issue of a loss of funding. There would be an immediate loss of \$10 million and the risk of losing the \$415 million from Congress for the EIP if Nevada is not proactively working with California.

There is also the issue of aquatic invasive species. We have a bill in the Assembly, Assembly Bill (A.B.) 167, which would implement an aquatic invasive species program for the rest of the State. We have a program at Lake Tahoe that is administered by the TRPA in coordination with other agencies. Aquatic invasive species is a serious problem. We want to ensure the problems occurring in Lake Mead in southern Nevada with these species do not reach the rest of the State. My biggest concern with Nevada dissolving the Compact is what happens to the invasive aquatic species program. The program is important in protecting the health and quality of the Lake.

[ASSEMBLY BILL 167](#): Enacts provisions for the protection of the waters of this State from aquatic invasive species. (BDR 45-847)

TIM CASHMAN:

I am a member of the TRPA Governing Board. I am speaking on behalf of myself and want to share my experiences working with the Agency and stakeholders in the Tahoe Basin over the last two and one-half years. I have never found a more difficult but interesting experience. I am disclosing I am a property owner in the Tahoe Basin.

I was appointed to the TRPA Governing Board by the balance of the Nevada delegation. I lobbied hard for the position. Lake Tahoe needs to be preserved, and I experienced firsthand the 1980s economy in the Tahoe Basin. The Basin is a difficult place to do business. I am a businessman, and I am concerned about preserving the Lake. There is an interesting synergy in the Tahoe Basin. There needs to be reinvestment and redevelopment in the Tahoe Basin if we want to improve the quality of the Lake's clarity, the quality of the water and the environment. The older development in the Basin is causing the majority of the Tahoe Basin's environmental problems. Sixty-five percent of the fine sediments come off developed property dating back to the 1950s and 1960s.

The Agency in my two and one-half years has focused on trying to build collaboration between development, the economy and the environment. If we do not have a clean Lake, no one will come to Lake Tahoe. The tourism industry depends on the Lake's clarity. The clarity of the Lake depends on the tourism industry because there is not enough money in the federal government or the state governments of California and Nevada to fix the Basin's problems. Most of the problems will be fixed by people reinvesting and redeveloping the properties that are creating the problems today. The Agency is focused on that effort. It is the right thing to do. We have to do this within the bounds of the stakeholder groups. It is a difficult and frustrating process to approve projects and to get the environmental improvement on the ground, but we are committed.

Any time property rights are addressed, there are property owners who are unsatisfied in the way their property is handled. The Agency has the responsibility to make sure what gets approved and built makes the environment better. The Agency has been responsive with Joanne Marchetta as Executive Director. It wants to change the ways of the past, and a new strategic plan has been initiated. It is designed to develop environmental gain, streamline the Agency's operations and regulations, and improve customer service so as to be responsive to its stakeholders.

The Agency is focused on developing public-private partnerships. It realizes that we have to have reinvestment to keep the environment safe. I have significant concern that if Nevada pulls out of the Compact, a number of unintended consequences might result. This can include more litigation, including litigation from California. We have not been subjected to lawsuits by the state of California while I have been on the Governing Board, and we have had a decent working relationship with California. It has been difficult, but it is important that

the states work together in their attempt to maintain the economy and the integrity of the Lake.

We need to rise above the state-to-state conflicts. There is a high burden placed on the policy makers to avoid these conflicts. The Compact is designed to force us to work together. This is the way to protect Lake Tahoe. I embrace the vision and mission Governors Laxalt and Reagan established. The staff and the strategic direction of the TRPA is right for Lake Tahoe.

CHAIR LEE:

What are your thoughts regarding the Boulder Bay project?

MR. CASHMAN:

I do not believe the Boulder Bay project is dead. I know the developers have worked hard with California's attorney general's office and with the conservation community. They have reduced the project's size, and Ms. Nason's testimony said it is not reduced enough. It takes four affirmative votes from California to make the necessary findings required for the Boulder Bay project to go through. It takes five Nevada votes. I expect that when the project comes forward in our meeting, there will be vigorous debate. I cannot project that Boulder Bay will be approved, but my understanding is the project is not dead and it stands a good chance of passage.

CHAIR LEE:

I understand there will be another meeting in 30 days, and this bill might still be alive.

COE SWOBE (Former Senator):

I am a lifelong resident of Nevada. I live in Reno and have visited Tahoe since I was a young boy.

The Compact was formed 40 years ago to create uniform, minimum standards for preserving Lake Tahoe. The states of Nevada and California have equal representation. Nevada funds one-third of the cost and California pays two-thirds of the cost. Three facts are still present. One, polluted waters do not respect state and county lines. Two, polluted air does not respect state and county lines. Three, forest fires do not respect state and county lines.

In the TRPA's 40 years, we have enacted good regulations concerning water quality, water clarity, clean air and forest removal. The uniform regulations have resulted in improved steps in those areas. When the Compact was discussed and created, we started with a study committee in 1965 with California and Nevada. The report of the committee came in 1967. We went from a partnership to a compact because we had nothing to follow. We studied every bistate compact, but these compacts did not cover what we wanted to do, and they did not address power or authority. The Agency we developed has a lot of authority.

Everyone involved knew we were treading on unfamiliar ground, and the Compact was formed. It would be reviewed and amended from time to time to suit needs. In 1980, the system broke down on the voting issue. There was a 60-day rule. If something was not approved in the 60 days, it became approved. The rule failed, so the states of California and Nevada came together. Former Senator Thomas Wilson and former Assemblyman Joe Dini represented Nevada, and Governor Jerry Brown represented California. They wrote amendments to the Compact, which were approved.

I agree with many people's discontent and Governors Laxalt and Reagan would not be pleased with how the Compact is running. Governor Brian Sandoval's suggestion to return residential permitting into local governments' control sounds like a good change. I do not know if it can be done. The Compact was first a partnership with the counties and the TRPA. The counties often did not have the guts to take an action, so they would push it upon the TRPA. It is good for the counties to reclaim permitting provisions. This will help to alleviate enforcement issues. I suggest that the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System, or a new committee, reviews what can be done with regulations concerning issues such as residential permitting. We can also amend the Compact. It is a lengthy process, but it can be done. I suggest the State take these steps, and if all fail, withdraw from the Compact.

There needs to be Basinwide control and standards for the air, water and forest fire areas.

Working with California has never been easy, and politics has interfered since the Compact's conception. When we were working on the bill, Governor Laxalt and I drove over to California to meet with California leaders. We were to use

Governor Reagan's conference room for the meeting. California Assemblyman Ed Z'berg wanted a different bill and refused to come to the meeting because it was to be held in Governor Reagan's office. We had to talk with a handful of environmentalists who convinced Assemblyman Z'berg to join the meeting. In Nevada, it took a special session to pass the TRPA bill. Nevada passed another bill to create an interim study for review of Lake Tahoe and the Basin. After Nevada's passage of the Compact, California took up the bill and Assemblyman Z'berg killed it. It was brought back about four to six months later and it passed. Persistence is needed with California.

I was disillusioned with Ms. Nason's comments. I belonged to the TRPA, and I was on the League to Save Lake Tahoe for years. I quit the League when they started threatening lawsuits, as I did not want to finance a group that was working against me. There is undue pressure from the League to Save Lake Tahoe on California members.

During the Compact's development, Governor Jerry Brown came to the table, so he might again. This legislative hearing is good because it highlights the Compact's problems. I suspect California does not want to have a separate agency because they cannot control the waters, air and forest fires on the Nevada side of the Tahoe Basin. This hearing might stimulate discussion between the states. I encourage a review group to meet this demand.

CHAIR LEE:

My goal is to continue working on the problems in the Tahoe Basin and to receive federal dollars to clean the Lake. This is the seventh time this bill has been brought before Nevada's Legislature.

SENATOR SWOBE:

It is important to recognize the void caused by withdrawing from the Compact might invite the federal government to get involved, further jeopardizing residential permitting and the Boulder Bay project. To repeat what Ms. Nason said, "Don't throw the baby out with the bath water."

ANN NICHOLS (North Tahoe Preservation Alliance):

I am a 40-year resident of the Tahoe Basin and have the Nevada nonprofit group called the North Tahoe Preservation Alliance. I have been a real estate broker in Nevada and California for over 35 years.

I understand the frustrations toward the TRPA. In regard to the Boulder Bay project, we have been strenuously opposed to the additional height and scale of the project. They want eight buildings over the community height recommendations. The Agency has bent over backwards to help the developers, and we have been chagrined over the matter. We want to see a project with the appropriate height limitations. It is better for residential neighborhoods. It appears the project does not want to play by the rules, and I am glad the Tahoe Basin has rules. We need them. People who develop within the rules get through the TRPA, and their developments get completed. Those who do not want to abide by the rules need code amendments, and this is where problems occur.

I have concern with the TRPA. There is no court of appeal. With county government, people go to planning. If they are unsatisfied, they can appeal to the county commissioners, and if they remain unsatisfied, they can go to district court. Under the Agency, an unsatisfied person can only sue in district court. There needs to be a commission where people can appeal so they do not have to litigate.

I am a strong advocate of property rights, but what happens in one place can affect the entire Basin. The \$1.3 million that the State of Nevada contributes is a drop in the bucket to run the Nevada side of the Basin. Costs can run into the millions with ongoing boat inspections and other environmental concerns. The high-rise Boulder Bay development we are objecting to can set a dangerous precedent. We understand property rights, and we do not want to ruin property values by creating a place where people will not want to come. Traffic is an issue with property values. We do not want the Tahoe Basin to become undesirable, and we encourage Nevada to work with California. California is asking the TRPA for performance measures in writing, so this State is asking similar questions.

I want to make a couple clarifications. One, California's ex-Governor Arnold Schwarzenegger made Ron Slaven's appointment a few days before he left office. It is not unnatural for a new governor to want his own appointee. Second, the Cal Neva project was approved by the TRPA. There were no community objections, as the developers stayed within height rules, did not increase the number of units and the project decreased coverage and gaming.

CHAIR LEE:

I am not advocating for the Boulder Bay project and do not know the height restrictions, but I do know they went through the process for a long time and were denied by TRPA in its final step. I want to move away from the property owners' litigious system. I could not figure out how to add an ombudsman without taxing every door.

MIKE RILEY:

I have been a permanent resident of Marla Bay for 16 years, and I have been going to Marla Bay as a tourist since 1945.

I am a member of the TRPA Advisory Planning Commission (APC). Before I joined the group, I had frustrations with TRPA and sided with proponents of this bill. I was almost fearful of the TRPA and did not think it did a good job.

In my experience with the Planning Commission, the Agency's staff and management have displayed a focus and commitment to environmental progress, and they are looking for the well-being of the community. Staff engages the community by attending events and meetings of partner organizations like never before, and this is helpful to people developing projects. The Agency is working on the problems with the community to tackle them in the context of the TRPA's regional plan update. The regional plan is not as updated as it should be, but it is not for a lack of effort.

I owe it to the Committee to state my concerns with S.B. 271. It seems implausible that a separate Nevada TRPA could function on the small appropriation Nevada provides.

The potential economic impacts could reach \$22 million in lost recreation, tourism, property values and increased maintenance costs. The wedding industry is at risk for the potential of the quagga mussels littering the Lake's sandy beaches. As a former President of the South Shore Chamber of Commerce, I find these risks are a huge threat to our community.

Many of the successes achieved in wildfire threat reduction in the Tahoe Basin have been made possible by the cooperation of the TRPA and with federal funding that the TRPA has helped to bring to the region. The Agency has helped to implement every feasible recommendation from *The Emergency*

California-Nevada Tahoe Basin Fire Commission Report, and our communities are safer for it.

I am frustrated with special interest politics, especially from well-connected environmental groups that meddle in the TRPA's business, but this legislation is not the answer. The Advisory Planning Commission approved the Boulder Bay project with a 15 to 1 vote. There were immediate rumblings in the neighborhood that if the TRPA Governing Board accepts the Boulder Bay project, a lawsuit will be pursued. The Planning Commission also approved by an overwhelming majority the Sierra Colina Village project between Stateline and Zephyr Cove. This project is now entangled in a lawsuit. I have empathy for the TRPA staff. They cannot get anything done because of litigation.

SENATOR SWOBE:

When the Compact was established we had the APC, and appeals would go to them. A succession of rule changes resulted and appeals were diminished, partly because the director of the TRPA did not have control over the process. Many regulations can be changed, and the Committee should take a hard look at the TRPA with California and Nevada. The people in the Agency would be pleased to have that review made. It will bring it back in line to the original Compact's intent.

JOANNE MARCHETTA (Executive Director, Tahoe Regional Planning Agency):

This is a critical juncture in the 100-year-old political debate over land uses in the Tahoe Basin. The debate is largely about the strong and different philosophies of two states. More than 40 years ago, Nevada and California reached a visionary compromise known as the TRPA.

The Tahoe Regional Planning Agency in 40 years has made progress in redeeming Lake Tahoe, but it takes compromise, and compromise is only viable when all entities are willing to participate. Along the way, there have been frustrations and concerns with the Agency. Change is needed, and we are heading in a new direction. We need to rebuild using environmental redevelopment to help preserve the Tahoe Basin and Lake Tahoe. Will the Compact's mission stand strong or will it dissolve? We need to end political polarization and come together in statesmanship to renew our pledge to move the Tahoe Basin forward ([Exhibit K](#)).

SENATOR SETTELMAYER:

We have worked together during the interim study and under your leadership, Ms. Marchetta, the Agency has improved. The days are gone when people would raise questions and the TRPA would send them legal letters saying they did not have the legal right to ask questions and to send in a check. We do not want to see this type of behavior from the TRPA again.

The State is tired of the stagnation that occurs with the TRPA due to legal processes. What percent of money does the TRPA spend on legal fees in one year?

MS. MARCHETTA:

I do not have the percentage of money spent on legal fees, but I can tell you that we are anticipating over the next couple of years to spend \$1 million to defend existing and anticipated litigation.

SENATOR SETTELMAYER:

The Compact has failed. What do we do? What do we need to do to get a compact that works? I do not think it is possible under the current procedural protocols to fix the Compact we are under.

MS. MARCHETTA:

I disagree the Compact has failed, but one thing we need to look at in context is the 1987 Regional Plan. It focused on growth control, particularly with residences. This is no longer what the Tahoe Basin needs. We have put the TRPA on a schedule to deliver a new updated regional plan with a focus on remaking areas causing the most pollution. We need to deliver the regional plan, get out from under residential permitting and focus on the highest priorities for making the greatest environmental gains. This will allow us to build partnerships in the Basin. The aquatic invasive species partnership is 40 agencies strong, and we helped to build it. The forest fuels efforts involve multiple agencies coming together for significant problem solving. We have changed the rules to allow people to do coordinated defensible space and fuels treatment. Let us do what we do best.

I will engage in discussions as to how we can transfer some of the residential permitting authority to local jurisdictions. We do have a memorandum of agreement in place to do this, and we can look at how to transfer further responsibilities to local jurisdictions in connection with residential permitting.

This will allow us to focus on the TRPA's strength, which is regional issues. Examples of regional issues are how to deliver improved transportation systems, aquatic invasive species and forest fuels removal, and broad-based, areawide storm water treatment systems at the public-private partnership level. Areawide water treatment results in bringing multiple jurisdictions and agencies together. Each of their contributions to the funding mix leverages larger gains than what each jurisdiction could do independently.

CHAIR LEE:

The time is exhausted, so we will submit written testimony from those who did not have an opportunity to speak. This includes written testimony from Gary Midkiff, Principal of Midkiff and Associates Inc. ([Exhibit L](#)); Carl Hasty, District Manager of the Tahoe Transportation District ([Exhibit M](#)); and Gerri Grego ([Exhibit N](#)).

United States Senator Harry Reid established the annual Tahoe Summit in 1997. I was the Master of Ceremonies this year. Among the dignitaries were Nevada U.S. Senator John Ensign and California U.S. Senator Dianne Feinstein. Senator Reid is monitoring this hearing, and I would like to acknowledge the presence of his staff in the room.

The hearing is closed on S.B. 271. I will open the hearing on the last bill, S.B. 438.

SENATE BILL 438: Requires the issuance of bonds for environmental improvement projects in the Lake Tahoe Basin. (BDR S-97)

Senate Bill 438 authorizes the issuance of general obligation bonds of not more than \$12 million to provide money for certain environmental improvement projects included in the second phase of the EIP.

SENATOR JOHN J. LEE (Clark County Senatorial District No. 1):

It is my pleasure as the Chair of the Legislative Committee for the Review and Oversight of the TRPA and the Marlette Lake Water System to introduce S.B. 438. At the table with me are Leo M. Drozdoff, Director of the State Department of Conservation and Natural Resources, and James R. Lawrence, the Administrator and State Land Registrar for the Division of State Lands. He has years of experience with the Nevada Tahoe Resource Team, which is the body responsible for implementing Nevada's commitment to the EIP.

Lake Tahoe is an absolute treasure I wholeheartedly want to protect for the enjoyment of future generations. Nevada committed \$82 million during the first phase of the EIP and committed \$100 million for the second phrase with the enactment of A.B. No. 18 of the 75th Session. The Legislature has authorized the issuance of general obligation bonds to carry out EIP projects since 1999, and I trust the Legislature will choose to continue this important work.

The State of Nevada is an important partner in the effort to preserve this incredible natural resource. Funding for EIP projects is also provided by local governments, the federal government and California. We all need to contribute a fair share. I urge this Committee to pass S.B. 438.

JAMES R. LAWRENCE (Administrator, Division of State Lands; State Department of Conservation and Natural Resources):

Senate Bill 438 provides for the issuance of bonds for the continuation of the EIP. The Division of State Lands has been coordinating Nevada's EIP projects at Lake Tahoe since 1999. Because of time constraints, I will not go into the superlatives of Lake Tahoe as a State, national and international treasure as well as its regional economic importance to Nevada. I will also not go into the details of the many challenges facing Lake Tahoe and the Basin, such as declining water clarity, dangerous forest health conditions contributing to the risks of catastrophic wildfire and the latest emerging threat, invasive aquatic species such as the quagga or zebra mussels that threaten our beaches and water infrastructure.

The beauty and environmental challenges of Lake Tahoe are well-documented. Nevada's participation in the EIP continues to be a resounding success. Because of the partnership of the EIP program, scientists are reporting that the decline of the Lake's clarity, which was one foot per year, has leveled off and is at the point where we can begin to reverse the trend. Forest health projects have been completed on 42,000 acres throughout the Tahoe Basin, including lands owned by the State of Nevada. An aquatic invasive species program has been established, focusing on the prevention of the aquatic species establishing at Lake Tahoe. This includes boat inspections at State Parks' launching facilities and removal of Asian clams off Nevada beaches.

The State of Nevada was the first partner to pledge full support to the EIP, and our support continues to be matched by California, federal, local and private

partners. Nevada has contributed \$91 million toward the EIP, which has been matched by federal agencies in the amount of \$454 million; California in the amount of \$617 million; local governments in the amount of \$61 million and private partners have matched \$264 million. There is also the introduction of the Lake Tahoe Restoration Act of 2011 for another federal share of \$415 million.

As we have done in each of the six Legislative Sessions since the development of the EIP, we are requesting bond authority for the next round of Nevada's projects. Senate Bill 438 provides the authority to sell \$12 million in general obligation bonds for the continuation of EIP projects.

The projects listed in S.B. 438 will continue to focus on the main areas of improving the water quality infrastructure at Lake Tahoe, continuing forest health improvements to reduce the threat of catastrophic wildfire and improving State-owned recreational facilities. These are active capital improvement projects that help create and retain jobs as well as protecting and promoting the regional tourism and economy of the Tahoe Basin.

The Office of the State Treasurer is reporting that the State's capacity to sell bonds is extremely limited moving forward. This \$12 million request is not in the *Executive Budget* for bond sales during the next biennium due to these projections. Passage of this bill is important to provide the authority to sell the bonds when the State's bonding capacity improves.

This is an authority bill, not a funding bill. I have talked with the Office of the State Treasurer about the bill, and the language in section 1 assures that no bonds will be sold if the State does not have the capacity.

SENATOR HARDY:

How are we paying off the bonds? What obligation are we using to do it?

MR. LAWRENCE:

These are general obligation bonds that are paid off through the Office of the State Treasurer through primarily property tax revenues.

CHAIR LEE:

On page 3, line 22 says, "Enhancement of recreational opportunities, \$1,037,500." Where does that money go?

MR. LAWRENCE:

We have continued to improve State Parks through the EIP. It has been in two areas within recreation. The money will be used for recreational enhancements, and it will be used to do the needed water quality improvement infrastructure within the State Parks system. We are looking in the next round to improve water quality at Cave Rock State Park and Sand Harbor State Park, and improve recreational trail facilities within Lake Tahoe State Park.

JOE JOHNSON (Sierra Club):

We support S.B. 438 and the EIP projects.

MR. SANDERSON:

I am a native Nevadan and have worked in the Tahoe Basin since 1962. This bill will help the environment and create jobs. We want the work to go to local contractors who hire local people. We support S.B. 438.

STEVE TESHARA (Sustainable Community Advocates):

I support this bill. I am involved with an organization in the Tahoe Basin called the Lake Tahoe Partnership. We recently sent a letter to legislative leadership indicating our support for moving the bonds forward. We understand the bonding capacity issue but support putting the authority in place when the bond sales can be authorized.

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CHAIR LEE:

The hearing is closed on S.B. 438. This meeting is adjourned at 12:25 p.m.

RESPECTFULLY SUBMITTED:

Cynthia Ross,
Committee Secretary

APPROVED BY:

Senator John J. Lee, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 268	C	Senator John J. Lee	Proposed Amendment
S.B. 271	D	Leo M. Drozdoff	Testimony
S.B. 271	E	Bruce Grego	Testimony
S.B. 271	F	Mike Young	Testimony
S.B. 271	G	Gaye Johnston	Testimony
S.B. 271	H	David Fabrizio	Testimony
S.B. 271	I	Rochelle Nason	Testimony
S.B. 271	J	Margaret Eadington	Testimony
S.B. 271	K	Joanne Marchetta	Testimony
S.B. 271	L	Gary Midkiff	Testimony
S.B. 271	M	Carl Hasty	Testimony
S.B. 271	N	Gerri Grego	Testimony with photos