

to provide the necessary services.

Mayor Flammer then explained his comment that the City would grow as the State grew.

(1-0785) Gary Hunter questioned the amount of water which the City presently has. He urged the Board to determine the amount of services currently provided and ways to increase capacity prior to assessing how the City can grow and procure additional water. Mr. O'Brien and Mr. Nagy explained that the wastewater treatment plant, with modifications, could handle a population of 70,000. A consultant is presently evaluating the water production needs and capacity. Before additional water is purchased, the Board should have this report as well as answers on how to finance the purchases.

(1-0963) Consultant Bruce Scott explained a report which is available to the public, which spells out the present capacity, the number of rights which the City currently owns, and the amount which the City could deliver at this time. He felt that it may be necessary to procure an additional 10,000 acre feet of water rights to meet the needs of a population of 70,000.

Supervisor Scrivner stressed the need to have written offers so that all the pertinent facts may be evaluated prior to purchase. Supervisor Fetic questioned the wisdom of halting growth. He also explained his feeling that even if all problems attached to growth were solved, the growth rate would remain at 3 percent a year.

(1-1114) Don Schultz urged the Board to consider all the resources and cooperate with the surrounding counties in developing them to their maximum potential. He felt that a commission similar to the Colorado River Commission should be established for this purpose. He urged the Board to utilize the effluent for proper agricultural purposes which would be beneficial to all concerned. He felt that by establishing priorities, all of the problems could be addressed.

Mayor Flammer responded by explaining that the purpose behind the joint water meeting scheduled for Wednesday evening was to establish a cooperative attitude and program.

(1-1299) Harold Jacobsen, representing the Carson-Truckee River Water Conservancy Board, explained how the three percent growth rate had been determined. He expressed the feeling that the City was providing Mr. Helms with \$20 million which he would use to purchase the \$24 million Dangberg ranch. He then explained his reasons for supporting the Watasheamu Dam or a similar project, which would be accomplished on a regional basis. He offered to help in any way he could.

Mayor Flammer explained that the meeting on September 2, Wednesday, would be at the Carson Valley Inn at 6 p.m. This was to be the beginning of a unified regional program to solve the water problem.

Supervisor Swirczek then explained Assembly Bill 251 and its purpose.

Mayor Flammer then noted that Pete Morros and Roland Westergard supported the proposed regional concept.

(1-1616) Ted Kolbe with Water and Mineral Rights Research explained the change in certificated water rights which had occurred in the last ten years. He then questioned the actual amount the State now certified for the City and where the City would get enough water to meet future needs. He urged the Board to acquire Carson River water rights posthaste. If it is determined that they are not needed in the future, these rights could be sold. He then explained the loss of rights which would occur when the usage is changed from irrigation to municipal purposes. As the City could use the River during the winter, it would not create a hardship on the ranchers. He then expressed his feeling that the City may be better off to go direct to the bankruptcy court and offer to purchase the Dangberg water rights. He questioned whether the City would be able to go beyond the needs of a population of 70,000 based upon the land constraints created by BLM's ownership of the surrounding mountains. Discussion ensued concerning the Marlette-Hobart Reservoirs, the agreement with the State on these reservoirs, the storage capacity of that area, and the possibility of having a second reservoir in that vicinity. The Hobart-Marlette system's needed improvements may cost \$12 to \$15 million. EPA requirements mandating treatment of ground water was noted. Mr. Jacobsen provided information on the Hobart-Marlette watershed capabilities, the dam costs, and reasons the City had not purchased this system several years earlier.

(1-2250) Mr. Scott explained the improvements which the City could make to the Marlette treatment plant were beneficial and inexpensive. He then explained that improvements could be made in Ash Canyon and Kings Canyon which would allow the City to begin using the surface water rights in these canyons. USGS's study on the groundwater recharge rate should be released soon and may provide additional information for discussion with the State Water Engineer. He explained that residential use of water requires 0.5 acre feet and commercial uses require 0.1 acre feet. Discussion ensued concerning the amount of water rights recognized by the State Engineer for municipal purposes and that which could be utilized without costly treatment. These water basins are in Eagle, Dayton, and Carson Valleys.

(1-2631) Mr. Schultz offered to take the City's 7 percent of these water rights, treat the water, and sell it to the City at no less than 53 cents a thousand gallons. He was requested to make this offer in writing.

BREAK: At 7:55 p.m. a 15 minute recess was called. When the meeting reconvened at 8:10 p.m. a quorum was present although Supervisor Scrivner was absent.

Mayor Flammer reconvened the hearing by commending the audience for coming and participating.

(2-2740) Fred Brown expressed his feeling that there had been economically

depressed periods when the City was glad that State functions had been located in Carson City. He felt that if the State population doubles, State functions would double, and so would Carson City. He suggested that the City attempt to trap some of the Clear Creek runoff. He felt that a reservoir could be located in such an area that the Ash and Kings Canyon runoff could be stored with the Clear Creek runoff. If this water is then allowed to percolate into the soil, it could be retrieved without having to be purified. He then suggested that the City purchase outright the Marlette system and improve it. The City could then give the State the 1,000 acre feet of water it currently uses if the State will maintain its water delivery system. The agreement would allow an additional 1,000 acre feet of water for the State's growth. The City in turn would trap the remaining 5,000 acre feet, recharge the Vicee Canyon groundwater table, and retain 3,000 acre feet at the Lake for State purposes and as a reserve. This would not cost the \$20 million projected for other items. He then questioned the wisdom of having a dam on the Carson River due the cost. (2-0001) He suggested piping water from Dixie Valley to Carson City. Purportedly, this would be cheaper than the dam. He suggested using condemnation to gain the Dangberg property and water rights. If effluent is treated sufficiently, it could be piped to Vicee Canyon and allowed to percolate back into the groundwater table for reuse. He then reviewed the current use of Lake Tahoe water and questioned why Carson City could not use it too. He felt that the City was entitled to 4200 acre feet of water in Lake Tahoe. He questioned why the remaining 0.4 of an acre foot of water not used for residential purposes in Fallon had not been purchased by Carson City. This would give the City access to Truckee River water which could be traded to Reno for water rights in Washoe Valley. Likewise, water could be obtained from the Virginia City area.

(2-0241) Craig Steele gave a memo to the Clerk for inclusion in the records concerning items which he felt the Board should consider in establishing a policy on the water utility. He then explained this memo. He felt that the water utility needed to operate as if it were a private industry in competition with other utilities. He felt that a change in status should be created removing water from one of the limiting resources. This should be done by acquisition of additional water rights and improving the infrastructure to such a degree as to eliminate the need to restrict its uses. His comments stressed his feeling that the City should be the one to do the acquisition and evaluation of the water rights rather than consultants or private industry. New growth and new home owners should not be forced to pay for the expansion. To do otherwise would place an unfair burden on the new residents which "older" residents had not been required to pay. His explanation included items he felt should be included in the connection and user fees. Economic growth depends on the City's ability to grow and develop. Therefore, the City should be responsible for the acquisition of water which had restricted this growth. Connection fees should include the physical and administrative costs of the connection. All other costs should be bore by the users. Commercial and industrial users should not be charged for the acquisition of water rights or to bring the service to its facility. He then explained the process used to acquire and transfer water rights, including activities by the State. Water rights with the earliest priorities or certificates should be actively sought. Reasons for seeking only

these rights were detailed. He urged the Board to begin building its water rights inventory, pumping and diversifying its capacity, and plan for future development of the resource. Clarification indicated that his statements about who should be responsible for water acquisition were in opposition to his April 1987 comments.

Discussion noted staff had not evaluated whether the City could purchase the Dangberg property from the Bankruptcy Court. Concern was expressed as to whether the City could support continued growth without a decrease in the quality of life.

(2-0771) Ted Stokes explained several studies compiled on the City's growth during the 1970's. Purportedly, no one had read this study. He then urged the Board to acquire water as needed. It was apparent that the City needed water at this time. Therefore, the Board should take steps to acquire it posthaste and heed the study now being compiled.

Supervisor Fetic expressed his feeling that the City could not condemn property in another County.

Supervisor Swirczek then reiterated his statements concerning the need for additional written information.

(2-1017) Dwight Millard suggested that Dan O'Brien be appointed the Temporary Water Manager until another individual is retained. He had been frustrated in his attempts to submit water right proposals due to the lack of a Water Manager. Mr. O'Brien should then be instructed to establish a file containing written offers. This would create an established site for offers which could be located and evaluated in the future. He then suggested that the Board become the Water District or Water Utility Board. While functioning in this capacity the Board would remove itself from the economics of other issues. Issues and functions addressed by this Board were then explained. He then urged the Board to establish a policy to acquire water at either no cost or a low cost to the present users.

Discussion noted the potential for having an increase in the ad valorem rate to handle water acquisition. Supervisor Swirczek again reiterated his comments concerning the purpose of the hearing and suggested that all offers be submitted in writing. Staff would evaluate these offers and report back at another special meeting. Mr. Hamilton noted that some of the questions which Supervisor Swirczek had asked were being addressed by the consultant. A report was to be provided by the second meeting in October on these items.

Mr. O'Brien then explained his reasons for requesting a special meeting and the need for clear direction by the Board. He stressed that it is important that no water rights be purchased until a determination of the cost of acquisition has been made. He questioned whose responsibility it is to purchase the water rights. Mayor Flammer expressed his feeling that the Board should address the economics of any water acquisitions prior to adjourning. Mr. O'Brien emphasized

his need for clear direction regarding the type of offers the Board wanted staff to evaluate. Supervisor Swirczek felt that an evaluation of the water needs and offers was included in the \$10,000 consultant services approved earlier. If offers are made in writing, the consultants should evaluate them.

(2-1575) Edd Furgerson expressed his feeling that the actual amount of water needed by the City had been known for a long time. This amount was purportedly 8,000 acre feet for a population of 36-37,000. He felt that the questions which the Board should answer at this time were: How fast is the City to grow and then how fast will you need additional water. He urged the Board to take steps to acquire the water before others do.

(2-1621) Mike Oliver explained his written proposal which would increase the Marlette/Hobart facility. He had been prepared to do the work. He felt that the water issue had been "studied to death".

Supervisor Fetic then responded to the questions posed by Supervisor Swirczek earlier. He felt that only the questions left were concerning the criteria which should be included in the offers and who is to purchase the water, e.g., the City or the developers.

(2-1750) Dick Waiton suggested that, as a water master would be on staff soon, water be acquired by the City now and that the developers be required to bring the water to the City's system. This would allow waiver of the developer's connection fees in return for bringing the water to the City's system. He then noted that Incline Village is currently bringing approximately 10,000 gallons of effluent to the area. This could be treated and used for drinking. Growth could not be stopped.

(2-1908) Phil Marshall expressed his feeling that the answers to Supervisor Swirczek's questions would be answered shortly. He felt that it is the City's responsibility to be the water purveyor. Serious consideration was needed to determine who should pay for this water. He noted that Sierra Pacific is currently searching for additional water. The Public Service Commission had told Sierra Pacific that the new residents were to pay for this acquisition. To avoid a problem in the future, the public needed to be educated on this procurement process. He felt that a fair and equitable manner of addressing the situation could be found so that both the current residents and the new residents would share this cost.

(2-2029) George Thiel explained his experience in procuring and projecting the water in Carson Valley and Eagle Valley. He noted that as demand increases, the price also increases. He then explained reasons the State Engineer had used to reduce the number of water rights. He then asked the Board to establish a policy for small water right sellers. He felt that developers are willing to pay to develop the water resources and then would sell the improvements to the City. He then questioned how far he had to go to develop a proposal prior to having a commitment from the City. Mayor Flammer felt that Mr. Thiel should develop a feasible plan and give it to Mr. O'Brien for evaluation. Mr. O'Brien,

in turn, would evaluate the proposal and present it to the City. Supervisor Swirczek explained that the Board had authorized \$10,000 to be used to retain consultants for evaluation of water proposals. The Board would evaluate this report and make a decision.

Supervisor Fetic then suggested that the Board create a policy requiring developers to bring water to a development. Equity would require an adjustment for the difference between large and small developers. Consideration of the bond issue's anticipated repayment by both the connection fees and users must be included in the calculations. Although he was interested in Ted Stokes' offer, he had mixed feelings on whether Mr. Stokes should work with the developers.

Supervisor Swirczek again stated his position as being that his opening questions should be answered in writing before a policy is determined. A written statement would be prepared giving general term answers verbally given this evening within four or five weeks. The Board then continued the matter until this report is completed.

There being no other matters for discussion, Supervisor Chirila moved to adjourn. Supervisor Fetic seconded the motion. Motion was voted and carried 4-0. Mayor Flammer adjourned the meeting at 9:35 p.m.

A tape recording of the proceedings is on file in the Clerk-Recorder's Office. This tape is available for review and inspection during normal business hours.

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The Minutes of the Carson City Board of Supervisors Special August 31, 1987,
meeting

ARE SO APPROVED ON _____ July 7 _____, 1988.

_____/s/_____
Dan Flammer, Mayor

ATTEST:

_____/s/_____
Alan Glover, Clerk-Recorder