

**CARSON WATER SUBCONSERVANCY DISTRICT
REGIONAL WATER SYSTEM COMMITTEE
October 14 2013, 9:00 A.M.**

DRAFT Meeting Minutes

Directors Present:

Carl Erquiaga, Churchill County (by teleconference)
Don Jardine, Alpine County
John McKenna, Carson City
Austin Osborne, Storey County (by teleconference)
Barry Penzel, Douglas County
Fred Stodieck, Douglas County ag representative (by teleconference)

Others Present:

Ed James, CWSD General Manager
Toni Leffler, CWSD Administrative Assistant/Board Secretary

The meeting of the Regional Water System Committee called to order by Director McKenna at 9:03 a.m. at the CWSD Conference Room, 777 E. William St., #110A, Carson City, Nevada. A quorum of the Committee was present at the meeting.

Item #2 - Approval of the Regional Water System Committee's Meeting Minutes of September 16, 2013. *Director Jardine made the motion to approve the September 16, 2013, Regional Water System Committee meeting minutes. The motion was seconded by Director Stodieck and unanimously approved by the Regional Water System Committee.*

Item #3 - Public Comment. None.

Item #4 - Discussion for possible action regarding the future utilization of the Lost Lakes water rights. Mr. James gave an overview of the Lost Lakes area as the headwaters of the West Fork of the Carson River. The water overflow from the Upper Lost Lake goes into a meadow. The overflow from the Lower Lost Lakes goes down the West Fork of the Carson River through Hope Valley. Mr. James showed a map and photos of the Lost Lakes area. Elevation of the lower lake is 8,600' and the upper lake is 8,650'. Alpine County used to grade the road once a year but with budget cuts hasn't done so in several years, so the road is very rough. There have been problems with the intake to the Lower Lake. The slide gate has broken twice this year, and there is currently a sediment accumulation around the broken area of the slide gate, keeping it from leaking. Mr. James spoke with Director Schank who suggested hiring a diver to put a hook on the slide gate to open it with a come-along. Mr. James showed a picture of the sloughing of sediment along the back side of the lower dam.

Mr. James explained that the upper lake is bigger by area but less by volume. There are similar but smaller facilities on the gate. Historically, the water releases were controlled on the downstream side but when that wasn't working the control was moved to the upstream side of the dam.

The reservoirs are operated to keep the water in the lakes for recreation during the summer. In the fall CWSD releases the water down the West Fork to keep flows in the river. In some years Carson City

would lease the water right for municipal use in the winter. Carson City expressed the desire to use the water this year, but we have no way of releasing it. Carson City may not need Lost Lakes water in the future since the pipeline coming from Minden can provide supplemental water. The upper lake holds 92 af of water and the lower holds 127 AF. We have spent \$160,000 since we purchased Lost Lakes. CWSD originally paid about \$1,200/yr. in dam safety fees, but California has increased that to \$5,000/yr. for municipal use of the water. If we could get an ag exemption for the water use, we would only have to pay less than \$1,000/yr. in dam fees.

CWSD held a workshop in Markleeville on September 25 to discuss Lost Lakes. It was well attended by interested parties from Alpine County who like how we've managed it and would like to keep water flowing from Lost Lakes. A variety of options were discussed including:

- Maintaining the water rights where they are. We paid \$330,000 for the water rights in 1999 and have spent \$160,000 since. The elevation makes it tough to manage.
- Requesting the California Legislature for an environmental exemption to reduce the dam safety fees. Mr. James noted that California government changes will take time. The environmental exemption would apply if the water were diverted for fishery during winter. CWSD would request the exemption for summer recreation, maintaining fall streamflow, and supplementing Lahontan Reservoir water levels in the winter.
- Transferring the water rights from one or both Lost Lakes downstream to Indian Creek Reservoir and abandoning the Lost Lakes reservoirs.
- Selling the Lost Lakes water rights to a third party. Director Rawson told Mr. James that Shirley Taylor or the Celio family might be interested in buying them for ag use. Another interested party might be California Fish & Game (CA F&G). They own Red Lake water rights, which were previously offered to CWSD, but have no funding to manage them.

Director Penzel noted that only about 4% of Alpine County is private land. The future for CWSD is in using the water rights downstream and maintaining the small amount of upstream storage. He asked what the spillway and drain repairs would cost. Mr. James responded that the contractor who did some work up there already estimated about \$8,000. Director Penzel asked what the liability would be to CWSD should the dam break. Mr. James responded that the water from a break would go into a remote valley which would have minimal noticeable impact. The Dam Safety Inspectors recognize this and have required debris removal but that only minor work to be done to the structure.

Director Penzel asked the amount for which Mr. James would expect to sell the water rights. Mr. James responded that he would expect \$300,000 which would go back into the Acquisition/Construction Fund. He would still like to work with CA F&G to coordinate Red Lake water releases. Director Penzel asked the cost of management for maintaining Lost Lakes. Mr. James responded that staff normally go up to Lost Lakes three or four times a year for simple maintenance. This year has been an exception with the slide gate breaking twice, requiring more staff time.

Director Penzel asked Director Stodieck for his opinion. Director Stodieck asked who takes over maintenance of the Lost Lakes reservoirs if we move the water rights downstream to Indian Creek Reservoir. Mr. James responded that we would still own the water rights and would probably have the cost of breaching at least the lower dam. Director Penzel asked what the cost would be for South Tahoe PUD (STPUD) to pick up management of the water rights. Mr. James responded that CWSD

would have to discuss this in detail with STPUD. He knows of couple of places in the ditch to Indian Creek Reservoir which need to be lined. STPUD would take the water in the summer and CWSD would take this water in the winter. We would have to discuss long-term plans with STPUD.

Director Penzel asked what immediate action was needed to stabilize the dam and work toward a long-term transfer of the water rights to Indian Creek Reservoir. Director Stodieck suggested maintaining what we have and, if California insists on \$4,000/yr. in dam fees, looking at how CWSD can reduce M&I uses of the water. Mr. James suggested asking California for an environmental benefit exemption because we use the water in California to enhance the river flow. We release water all at once, and then store the water in Lahontan Reservoir during the winter as mitigation for other pumping as Carson City uses it all winter. Silver Springs might need to use the water in the future, probably 10-15 years out.

Director Stodieck noted that maintaining these water rights may be a drain on CWSD until the need is there. Mr. James mentioned that maintaining the water rights keeps them active while we use them for environmental enhancement of river flow. Director Jardine agreed that there was a benefit for CWSD to continue to own the water rights for benefit of downstream users.

Director Penzel suggested maintaining Lost Lakes for the short-term and look at transferring the water rights down to Indian Creek Reservoir. Director Jardine noted that Alpine County would like to work with CWSD to help get an environmental exemption from the State.

Director McKenna asked if the new plan stays within the Charter of CWSD. Mr. James responded that buying the water rights was within the intent of the Charter when we bought them. Director McKenna noted that we can't change what we are doing, so if we have to eat the cost, we have to eat the costs; we don't want to give up water. We should keep the water and even expand ownership of water. Director Erquiaga agreed that it would be shortsighted to sell the water rights unless it's to trade up.

The Regional Water System Committee agreed that its informal recommendation to Board would be to maintain what we are doing, try to get the fees reduced, and continue the discussion at the Board meeting on Wednesday. No formal motion was made.

Item #8 - Public Comment. None

There being no further business to come before the Regional Water System Committee, Director Penzel made the motion to adjourn, seconded by Director Jardine, and the meeting was adjourned at 9:39 a.m.

Respectfully submitted,

Toni Leffler
Secretary