

**ORAL HISTORY INTERVIEW**

**DAVID C. ANTONUCCI**



**STATUS OF INTERVIEW:  
OPEN FOR RESEARCH**



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OF ORAL HISTORY INTERVIEW OF  
DAVID C. ANTONUCCI

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INTERVIEWER: DONALD B. SENEY



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## Introduction

In 1988, Reclamation began to create a history program. While headquartered in Denver, the history program was developed as a bureau-wide program.

One component of Reclamation's history program is its oral history activity. The primary objectives of Reclamation's oral history activities are: preservation of historical data not normally available through Reclamation records (supplementing already available data on the whole range of Reclamation's history); making the preserved data available to researchers inside and outside Reclamation.

In the case of the Newlands Project, the senior historian consulted the regional director to design a special research project to take an all around look at one Reclamation project. The regional director suggested the Newlands Project, and the research program occurred between 1994 and signing of the Truckee River Operating Agreement in 2008. Professor Donald B. Seney of the Government Department at California State University - Sacramento (now emeritus and living in South Lake Tahoe, California) undertook this work. The Newlands Project, while a small- to medium-sized Reclamation project, represents a microcosm of issues found throughout Reclamation: water transportation over great distances; three Native American groups with sometimes conflicting interests; private entities with competitive and sometimes misunderstood water rights; many local governments with growing water needs; Fish and Wildlife Service programs

competing for water for endangered species in Pyramid Lake and for viability of the Stillwater National Wildlife Refuge to the east of Fallon, Nevada; and Reclamation's original water user, the Truckee-Carson Irrigation District, having to deal with modern competition for some of the water supply that originally flowed to farms and ranches in its community.

The senior historian of the Bureau of Reclamation developed and directs the oral history program. Questions, comments, and suggestions may be addressed to the senior historian.

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## **Oral History Interview**

David C. Antonucci<sup>1</sup>

Seney: My name is Donald Seney. I'm with David C. Antonucci, the General Manager of the Tahoe Public Utility District, and I'm in his office in Tahoe City, California. It's August 25, 1998. This is our first session and our first tape.

Good morning.

Antonucci: Good morning.

### **Educational Background and Career**

Seney: Why don't you tell me a little bit, first of all, about yourself, what your background is and how you got to be the General Manager of the district.

Antonucci: I was reared in Southern California. I'm a civil engineer by training. I went to college at Cal Poly [California State University, San Louis Obispo]<sup>2</sup> got a master's degree at Oregon State in environmental and civil engineering, and I began my career working for the Lahontan Regional Water Quality

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1. The manuscript was submitted to Mr. Antonucci for his review and comment. However, he chose not to return it with his comments.

2. Unless otherwise indicated, material in brackets was inserted by editor.

Control Board in Bishop[, California,] in 1973.

In 1975 I was offered a promotion to come to Lake Tahoe, and I worked from 1975 until 1980–

Seney: For the board?

### **Working on Water Quality Problems At Lake Tahoe**

Antonucci: For the Regional Water Quality Control Board in South Lake Tahoe, where I did water pollution enforcement and regulation, worked on the 208 Plan, water-quality plan.

Seney: 208 is what?

Antonucci: Section 208 of the Clean Water Act refers to area-wide planning that's done for water-quality protection, handling of waste, treatment and disposal of waste.

So while I was there, I wrote permits, I served as a technical expert in court, worked with the Attorney General for California on some of the litigation, got drawn into the some of the litigation over casinos and land-development issues.

Seney: All this has to do, of course, with water quality in Lake Tahoe that you're talking about here. When you say litigation having to do with casinos, they must be one of the major holders of sewage permits, I would think.

Antonucci: Yes. They're major generators directly.

Seney: I guess that's the way to put it, isn't it.

Antonucci: Right. But from the California perspective, it was more of the casinos—and this is mostly the South Lake Tahoe experience—generated a need for the employees in California. So, the impact, the secondary impacts, were all felt in California.

**“The feeling was that the . . . casinos on the Nevada side gave all the revenue benefits to Nevada, whereas California was forced to deal with the social impacts of the casinos and the environmental impacts. . . .”**

The feeling was that the construction of casinos on the Nevada side gave all the revenue benefits to Nevada, whereas California was forced to deal with the social impacts of the casinos and the environmental impacts.

So, California was pretty active during the

[Governor] Jerry Brown administration [1974-1982] in trying to curtail casino expansion and new development in Nevada. So I functioned as a technical expert during some of that litigation over the years, plus whatever enforcement we did on the California side, plus planning and assistance for grant projects to get new waste water treatment facilities built and constructed.

In 1980, I left the Regional—

### **Housing in the South Lake Tahoe Area**

Seney: Let me just stop you to say that it's clear to any of us who live in the area that the employees, the lower-level employees of the casinos, live on the California side. Clearly, the executives live on the Nevada side.

Antonucci: Right.

Seney: Once you cross the state line, the homes are much grander and so forth.

Antonucci: Yes. Right.

Seney: I take it this is a deliberate zoning policy, do you think, of Douglas County [Nevada] to—

Antonucci: No. Development in California occurred

sooner, and so the housing stock was older and therefore cheaper and more plentiful, and the subdivision activity in Nevada occurred at a later date after Lake Tahoe had risen to prominence as a highly desirable destination resort. So it, at that point, began attracting more wealth, and people were able to build more expensive homes, and the subdivisions then evolved in that way.

Prior to 1960, you had fairly inexpensive second-home cabin-type development. Post 1960 housing and particularly throughout the seventies and eighties and even into the recent time is much more expensive, much more elaborate type of housing. Some of these older communities, like around the Stateline area in South Lake Tahoe, the housing is thirty, forty years old and so it was within the economic reach of the lower-wage casino workers.

Seney: And I suppose the tax laws in Nevada would attract the wealthy as well, no income tax, especially, for permanent residents.

Antonucci: Correct.

Seney: Okay. Good. Go ahead. You said that in 1980–

### **Going to Work for the Tahoe City Public Utility District**

Antonucci: So in 1980 I was offered a job here as the Chief Engineer of the Tahoe City Public Utility District, and I did the engineering.

Seney: What was the attraction? Why did you move from one to the other? What was attractive about this job?

Antonucci: It was a career advancement. I wanted to work in local government, and my sense was that I'd pretty much run my course, career-wise, at the Regional Water Quality Control Board and wanted to continue my life at Lake Tahoe, and they had an opening here, I knew the General Manager here and had worked with him, he knew me, and they were having some problems getting their projects through the regulatory agency phalanx.

Seney: That's not infrequent.

Antonucci: Hired somebody who had some experience in the area.

Seney: Sure. You would know the procedures and the people involved.

Antonucci: Right. And I brought with me some pretty

strong environmentalist credentials. I had quite a bit of credibility with the environmental community because I had done some pretty significant actions for the state of California in court and in administrative proceedings. So it kind of was like a peace accord that settled over the area.

Seney: And I take it politically that would have been important to the public utility district here to have someone with those kind of credentials, given the community.

Antonucci: Yes, although at the time there was a little bit of a backlash because there was strong resentment towards agency people. I often compared that period of my life as being like occupation troops in a foreign country. The locals kind of viewed you as some kind of foreign power that had come in to try to rule them from outside, and you were the on-the-ground representative. So there was a little bit of political backlash, not significant, though.

### **Relations Between Nevada and California over Lake Tahoe**

Seney: Let me ask you a little more about the Regional Water Quality Control Board, because we've got a lake here that really is in two states, and while pollution doesn't respect

state boundaries, administratively you need to do that. How did you work with the Nevada side? During the period you were there, the Regional Water Quality Control Board, how did all that work?

Antonucci: We didn't work very closely with them at all. In fact, I was involved in one lawsuit that was brought by the National Resources Defense Council against the treatment plant that served the casino core in Douglas County for being in violation of its discharge permit. So I was the expert witness for that. I was the expert witness on a water-pollution enforcement case in Nevada, and it was like a back-door approach to get them to clean up their act because the state had not taken an aggressive stance on enforcement.

Seney: The state of Nevada?

Antonucci: The state of Nevada. Right. So the state of California encouraged the National Resources Defense Council to file suit under the Clean Water Act against the treatment plant in Douglas County that served the casinos.

Seney: Why wouldn't the state have filed suit?

Antonucci: I think there was a problem in establishing how the state of California had any interest in

a water-pollution problem that was totally contained within the state of Nevada, why would the state of California care about that. I think there were other implications about one state suing the other. So the Natural Resources Defense Council, which was a national environmentalist organization, agreed to pick up the case, and the state of California then supplied the technical expertise.

### **Establishment of the Tahoe Regional Planning Agency in 1970**

Seney: When does TRPA [Tahoe Regional Planning Agency] come into this?

Antonucci: TRPA originally starts up in 1970 and is pretty ineffective throughout the seventies. All they're doing is, for the most part, they're down-zoning some large parcels of land, but most of the development is moving forward. New casino projects are still moving forward. It was flawed in several different ways. It didn't really have a lot of regulatory teeth. They had a thing called dual majority where a majority of the California delegation and a majority of the Nevada delegation had to vote to deny a project, and if you didn't get dual majority, a project was deemed approved as submitted. So, large casino projects were allowed to move forward by default, even

though you'd have all seven delegates on the California side voting against the casino project, four in Nevada could vote for it, so to speak, and so four out of fourteen could carry the project forward.

Seney: As submitted?

Antonucci: As submitted. Right.

Seney: That's a blank check, isn't it?

### **California Acts to Slow Growth at Lake Tahoe**

Antonucci: Yes, right. So environmentalists very quickly became disenchanted with TRPA. So by 1974, California had reestablished the California Tahoe Regional Planning Agency, which just had jurisdiction on the California side, and began extremely stringent regulation of land-use policies only on the California side. So that, for instance, in 1975, there was just a moratorium on new subdivisions in California, including condominiums, which fall under that.

So California did its own thing, recognizing that that was all it could do. It could not really exercise any significant influence over what was going on in Nevada. The primary concern about what was going on

in Nevada was the casino development. That's when you had the forerunner of Caesar's, which was the Park Tahoe went up, and then there were two other casinos that were approved: the Jennings Casino and the Cale Casino [phonetic], which later were bought up by the Forest Service, and the Jennings Casino site was restored to meadow, and the Cale Casino site was, I think, eventually transferred to Douglas County, and that's where the Douglas County Government Center is now, in South Lake Tahoe. Those were all approved casino sites, and Caesar's, which originally was the Park Tahoe, was the only one that got built and actually went to completion and operation.

Seney: Was California trying to squeeze the casinos a little bit in the sense that—

Antonucci: Yes.

Seney: —if there's not enough housing built where you—

### **Differences over Development Around Lake Tahoe**

Antonucci: Right. They were choking off the housing, and they were also choking off the transportation. They were refusing to build the freeway. There was a freeway proposed

that would start from Myers area and then go straight into Stateline and bypass the Highway 50 corridor. The state took a position of opposition to that and other projects.

In fact, if you look right behind you, there's a map there. That was TRPA's vision of what Lake Tahoe should become. You can see that there's several roads that would have ringed Lake Tahoe, freeways, parkways, local access roads, a bridge across Emerald Bay, high population, looked at a million people at one time. A pretty grandiose vision for what Lake Tahoe would become. The environmental groups, particularly the League to Save Lake Tahoe, had a hard time with that and used political influence in California to bring it to a halt.

Seney: Yes. The Jerry Brown administration was very important in that, wasn't it?

Antonucci: Yes.

Seney: My recollection is that Highway 50 from Icehouse Road, where it becomes two lanes, that was planned to be a four-lane highway, expanded to a four lane, and Jerry Brown axed that as well.

Antonucci: Right. Yes, the Brown administration cut

back on all the major highway expansion projects coming into Tahoe because they felt that that was not a solution to the transportation problem, the roads were already overloaded, there was too much traffic here, and to further expand the roads was simply to bring more traffic into the basin and to just put off the day of reckoning on transportation. So there was pretty much a halt called to freeway construction. The state eventually divested itself of its property acquisitions and abandoned the right-of-way for the freeways that were shown on the west shore and the south shore.

Seney: And I assume they did that to make sure no one in the future would do that.

Antonucci: Right.

Seney: I mean, that's a pretty final way to get rid of a proposed project.

Antonucci: Yes. They dumped their holdings. What they did with some of it, they sold it back to private owners, which was unfortunate because a lot of it that they bought up were vacant lots. So those were sold back to private owners then who wanted to develop the property. So that really solved one problem but created another.

Seney: Well, at least you now have houses in the path of where that might go feasibly, I suppose.

Antonucci: Right. But the land that the state sold, particularly on the west shore, was environmentally sensitive land that should not have been built on under any circumstance, whether it's a road or a house. So there was a lot of argument back and forth over that.

Cal-Trans [California Department of Transportation] is probably the classic bureaucratic organization in the most extreme sense in terms of being totally unresponsive to what's going on in the world around them and what the local needs are, and they had just a single-minded vision: "The Highway Code says we have to sell the property and we have to sell it to the highest bidder, blah, blah, blah, and that's what we're going to do," and that's what they did. Then, come the mid-eighties, the state of California goes to the voters, gets an 85-million-dollar bond issue from the taxpayers, and what do we do? We go back and we buy up all the lots that Cal-Trans had dumped out into the private sector, and now we buy them up at higher rate using the same taxpayer money because of the, I think, very narrow view of Cal-Trans leadership.

Seney: The Cal-Trans leadership must have been

annoyed that they didn't get to build this road, and that might have been part of the reason. Do you think that they took that view?

Antonucci: Yes, very much so. They had a hard time with it. Cal-Trans had a real hard time with it. I don't know if you remember that era, but Jerry Brown had appointed—

Seney: Adriana Gianturco.

Antonucci: Gianturco, right, who was greatly disliked by the Cal-Trans bureaucracy.

Seney: That's right. Her view was for a more balanced transportation system, to try to pry some of the highway fund money loose generally for mass transit in urban areas.

Antonucci: Bike trails, and things like that.

Seney: Yes. Alternative forms of transportation, and they were very bitter about that and still are, I think.

Antonucci: Still are. Oh, yes.

Seney: The people who were there and remember that era, they're very unhappy about it.

### **Allocation of Water Rights at Lake Tahoe**

Maybe it's appropriate now to raise the question of water rights in terms of how much development could have been sustained by the surface water rights, especially, available at Lake Tahoe. I know, as you know, the state of Nevada and California had negotiated the split.

Antonucci: It's 23,000 acre-feet to California and 11,000 acre-feet for the Nevada area of Tahoe.

Seney: How does that play into what we're talking about here, that interstate allocation of surface water rights, to the potential development that—

Antonucci: It will eventually limit the growth potential at the lake, because eventually the 34,000 acre-feet will be fully utilized, and then that will be a lid on growth, and there will be no more growth after that.

Seney: How close are we to that number at this point?

Antonucci: In California we're using about 17,000 acre-feet of the 23,000, and with the existing subdivided lots that are here now minus the buy-outs that have occurred and we expect to occur, that should be barely adequate for us at build-out. Well, we'll need to have some water conservation in effect to be able to stay

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within that limit.

### **Trying to Determine Domestic Water Use in the Tahoe Basin**

Seney: What do you assume each one of these households will use.

Antonucci: Well, it really varies, depending on where you are. We do our own projections that are specific to our area. Other areas do the same thing. They project based on the water-use patterns. The Settlement Act [Public Law 101-618]<sup>3</sup> addressed water users that are single-family homes that are not metered, like lake fronts, and I think they were identified to be four-tenths of an acre-foot. Usually it's less than that, and there's not very many of those that are direct diverters for domestic use. So we do our own projections based on our total production and number of connections, and we forecast that based on what limited new growth we're going to see, plus the more significant component is the increasing occupancy of the area as it trends more toward a year-round area for people to live here and higher visitation by tourists.

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3. This public law contains two acts of November 16, 1990: Fallon Paiute Shoshone Indian Tribes Water Rights Settlement Act of 1990; Truckee-Carson-Pyramid Lake Water Rights Settlement Act, 104 Stat. 3289.

Seney: Is that what you're seeing, more year-round use?

Antonucci: Yes.

Seney: What kind of percentage in numbers are you talking about over the years?

Antonucci: We don't have really good numbers. We've just done another survey, and we'll know where the change has been over the last ten years, but we know that it's increasing in terms of people relocating here on a permanent basis for retirement or even pre-retirement to work out of their homes here.

Seney: I should think this compounds your projection problem, when you've got some of your hook-ups that are part time, for instance, and some full time, but potentially those part time largely could become full time, couldn't they.

Antonucci: Right. If it all became full time, we would have a problem. We would not have enough water. So we have projected a maximum year-round occupancy of around 85 percent. Think about it. Most people don't realize you take a city like Sacramento, the occupancy there is probably like 95 percent. So at any one time 5 percent of the housing is vacant, renters moving around, homes for sale, or

whatever. So we figure with 85 percent year-round occupancy and with water conservation, we should have enough water if it's distributed fairly and rationally among the California users. That has yet to be determined. All we have now is the allocation to the California-Lake Tahoe Basin, but it hasn't been suballocated to the users, or the zones, as we call them. There's three zones.

### **Various Sources of Drinking Water in the Tahoe Basin**

Seney: If we turn on the tap here, what's the source of that water?

Antonucci: It depends on where you are. Here in Tahoe City, it's all groundwater wells. Depending on where you are, if you're in South Lake Tahoe, in almost every case it would be groundwater wells. If you were in Kings Beach or Tahoe Vista, it might be lake water, surface water. If you were in some of the privately owned water systems that are scattered throughout our area, it might be lake water or might be a well.

Seney: Does the Tahoe Public Utility District have any right to surface water?

Antonucci: Yes, we have rights.

Seney: How much do you have?

Antonucci: It's around—I'm trying to think. It's been a while since I looked at it because we're not using surface water anymore, but I think it's around 1,500 to 2,000 acre-feet.

Seney: Obviously you did use it.

Antonucci: We did use it, right.

Seney: How do you keep your right to that water alive if you don't continue to use it?

Antonucci: The law was changed in California that if you have a surface water right and you convert to groundwater and you use the groundwater, as long as you continue to report your groundwater use on the surface water right, you maintain your surface water right.

Seney: That must have been done specifically for places like this.

Antonucci: Right. Yes. So we've continued, then, to report our groundwater use as well as surface water use and preserve our right.

Seney: Why would you switch from surface water to groundwater?

Antonucci: The Federal Safe Drinking Water Act required that surface water be given treatment for potential microorganisms that could be harmful to humans, and the state Department of Health for California determined that water drawn from Lake Tahoe needed to be treated, and so we took a look at the cost of doing that and concluded that it was cheaper for us to drill groundwater wells because they don't require treatment.

Seney: Natural filtering takes care of—

Antonucci: Yes, filtering and disinfection.

Seney: But you filter and disinfect, too.

Antonucci: No. No, we don't.

Seney: It's just natural?

**“At one time we were taking about 85 percent of our water from Lake Tahoe. Now we're 100 percent from groundwater and 0 percent from Lake Tahoe. . . .”**

Antonucci: Natural, yes. The groundwater is not subject to contamination from the microorganisms, and otherwise it's chemically acceptable for human health and public consumption, but Lake Tahoe water was not. So, therefore, we

concluded through engineering studies that we should abandon our surface water intakes. At one time we were taking about 85 percent of our water from Lake Tahoe. Now we're 100 percent from groundwater and 0 percent from Lake Tahoe.

Seney: If you didn't have to treat it, if this law wasn't in place or you felt you didn't need to treat, would it be cheaper to take the surface water?

Antonucci: Yes.

### **Questions of Water Quality and Radon Gas from Some Wells**

Seney: Any difference in the taste quality of the water?

Antonucci: I think the groundwater tastes better because it has a little bit higher mineral content. The lake water tastes flat like distilled water to me. I prefer the taste of groundwater simply because it has a little more mineral content. It's not real high.

Seney: Yes. What do you guys do to it before it reaches the customer, between the well and the customer?

Antonucci: We pump it, and we inject a small amount of

liquid chlorine into the water. Mostly it's not perceptible to the user. It goes right straight into the system, or it's used to fill a tank, and it's consumed.

Seney: As I've told you, as you know, I live in South Shore, and there they're having problems with the wells. I mean, they're having contamination, point contamination from gasoline tanks leaking in certain service stations. But also uranium, apparently, has contaminated some of the wells. Do you have that problem here?

Antonucci: Some of our wells are in granitics, granite, which is a source of uranium. Uranium is found in granite. And while we have not encountered uranium, we do have radon in our water, and that is a concern. The standards on radon are being worked out right now at the Federal level.

Seney: This is dissolved, I take it.

Antonucci: As a gas. It's a gas that's given off by the decomposition of uranium.

Seney: So when I turn on my tap, along with the water I may get some radon gas, too.

Antonucci: Right. Like if you're taking a shower, then the

radon gas would come out into the atmosphere in your house, and you would inhale it. And radon is thought to be a source of lung cancer.

Seney: Yes. Getting much?

Antonucci: It depends on where we are. Further south of here, the more we're in granitics, the more we see the occurrence of radon. It's pretty easy to get rid of. You just strip it out into the atmosphere. There's radon naturally occurring in the atmosphere anyway.

Seney: Sure. The problem is it concentrating in basements and houses.

Antonucci: Yes. From here, we think the seepage of radon through the ground up into the house is a much more significant source than water coming into the household.

Seney: Which, in an area like this, where for months out of the year you don't have a lot of ventilation because of cold weather, it is serious. Could be a serious problem.

Antonucci: Right. We've been very active in opposing stringent requirements on radon concentrations in water because of the high cost we would incur to strip the radon out of the water and the negligible benefit that would

occur because other sources of radon are much more significant for household radon accumulation.

Seney: Who are you waiting for to move on this, State Department of Health, Environmental Protection, EPA?

Antonucci: Federal EPA.

Seney: And they'll tell you whether or not you have to strip it out or not.

Antonucci: They will issue a standard on radon in drinking water. We think what they're going to do is issue a pretty stringent standard on radon in drinking water but then also say that if the states have an indoor radon-mitigation program, that they won't require the water systems to remove radon as a condition of a drinking water standard.

Seney: Does California have an indoor mitigation program?

Antonucci: They will have to have one. They will be pressured to have one by the water agencies in California. That will be coming in the next few years. The legislature will have to act and appropriate funds.

Seney: So you all, through your state organization, will be putting pressure on the legislature so that you won't have to spend money, essentially.

Antonucci: Right. It'll be cheaper for the state to do it on a statewide basis in regions where there is radon occurrence than for the water systems to remove all this radon and still have unhealthful radon levels in homes, even though the water districts have spent hundreds of millions of dollars to get it out of the water, and still have other sources.

Seney: I could see your rationale. I know in areas like Colorado, where there's a lot of it, there's basement venting. Basements are common there, which even compounds the problem because now you've gone deeper into the ground.

Antonucci: Right, exposed the surface area.

### **Source of Groundwater Used in Tahoe City**

Seney: When you talk about your groundwater, what is the source of that groundwater? It's not coming out of Lake Tahoe?

Antonucci: No.

Seney: And you could be certain of that?

Antonucci: Yes, we're absolutely certain of that.

Seney: Let me ask you, how do you know that it's coming from the snowmelt and not from the lake?

Antonucci: Our geologists have studied the geology and the geohydrology. We looked at the groundwater contours.

Seney: That means?

Antonucci: The groundwater contours are the surface elevation of the groundwater surface itself, and it slopes down toward the lake. You don't see a reverse gradient from the lake down to the well. It's all coming down this way, flowing into the Lake. If anything, all we do is intercept water that's flowing down from the mountains into Lake Tahoe. We just intercept it before it gets into the lake. We don't draw backwards out of the lake.

Seney: Does anybody raise questions about this in terms of downstream users and their water rights, that you're taking water that might get into the lake?

### **Water Right Allocations on Lake Tahoe**

Antonucci: No, because it's all within our allocation. See, our allocation is 23,000 acre-feet.

END SIDE 1, TAPE 1. AUGUST 25, 1998  
BEGINNING SIDE 2, TAPE 1. AUGUST 25, 1998.

**“The 23,000 acre-foot allocation is a gross allocation from any source or diversion. So they don't care. They don't care if it's all groundwater. They don't care if it's all lake water. It makes no difference to them . . .”**

Antonucci: It doesn't matter where you take it out of, lake, stream, ground, spring. The 23,000 acre-foot allocation is a gross allocation from any source or diversion. So they don't care. They don't care if it's all groundwater. They don't care if it's all lake water. It makes no difference to them, in their view, as long as we're held to the 23,000 acre-foot limitation.

Seney: And again, how much do you have? How much does your public utility district have?

**Tahoe City Public Utility District Water Right Is  
1,500 to 2,000 Acre Feet**

Antonucci: Right now our water right is around 1,500 to 2,000 acre-feet. I'd have to go back and look at it specifically.

### **6,000 Acre Foot Application Has Been Pending for Twenty-nine Years**

We have an application that's been pending for about twenty-five years—no, twenty-nine years for 6,000 acre-feet.

Seney: That's pending in California with the—

Antonucci: State Water Resources Control Board. It's never been acted on. Because of all the litigation over water rights, the Pyramid Lake Tribe, other litigation related to that has, in the eyes of the state of California, cast doubt on whether California truly has that kind of right to grant rights to water users.

### **1990 Settlement Act, for the First Time, Established a Confirmed Allocation**

That has pretty much quieted down now since the 1990 Settlement Act.

Seney: Right, because that does include the allocation specifically, doesn't it.

Antonucci: Right. For the first time now there was a confirmed allocation. As you know the history on the compact, where it tried and failed, and so when the compact failed, the state just said they were not going to act on

water-rights applications until something with some degree of certainty had occurred as far as confirming what rights California had to water at Lake Tahoe and the Truckee River.

### **The Failure of the Interstate Compact in 1985**

Seney: The big final failure of the compact was in 1986, and by that time you were here and had been for, what, six years.

Antonucci: Right.

Seney: You got here in 1980. Did you play any part? Were you aware of what was going on in the Senate about [Paul] Laxalt trying to get the—

Antonucci: We were aware of it. The state was taking the lead. We had, as a local agency, signed off on the compact. We said we would accept it at that time, so our support—and I think I might have even written a letter to our Senator saying, "Please approve the compact," but it was defeated, but we were aware that Laxalt was trying to push it through before he left office.

### **Became General Manager of the Utility District**

Seney: By this time, are you the General Manager, by 1986?

Antonucci: Yes.

Seney: Well, you would have been.

Antonucci: I became General Manager in 1983.

Seney: Okay. Right. So you were only here as Chief Engineer for three years, and then you become General Manager.

Antonucci: Right.

### **The Governing Board of the Tahoe City Public Utilities District**

Seney: Who's the governing body here? How are they selected?

Antonucci: It's a five-person elected board of directors that serve four-year terms.

Seney: What's the average tenure of the board members? Do they serve a long time?

Antonucci: They serve a long time. They serve at least two or three terms. We've had one board member who's been on since 1980, came on the same time that I joined the district, and he's still on. He's running for reelection this year. The other board members, three of them are in their second terms, and one is running

for his second term now.

Seney: What are their backgrounds? What do they do?

Antonucci: They're local business people.

Seney: That's typical, isn't it?

Antonucci: Very typical, self-employed local business people, all white male. Never have had a woman on the board, never have had any kind of minority. It's all been white males, middle-aged.

Seney: You know, for years the SMUD [Sacramento Municipal Utilities District] Board down in Sacramento was not—until the nuclear power plant, there was never really any controversy, so if someone were going to leave, they would resign early, and the rest of the board would appoint the replacement, who would then run as an incumbent. You're smiling. That's not unknown here?

Antonucci: That would happen here. That's somewhat typical of small-town special districts. People don't pay a lot of attention to them.

Seney: Unless something goes wrong.

Antonucci: If something goes wrong. So from a political standpoint, it's been pretty stable at the board level and even management-wise, and our district has been in operation for sixty years, and I'm only the fourth General Manager in sixty years.

Seney: Yes, and that's not uncommon either, is it, to have in a water district—

Antonucci: Long-tenured General Manager.

Seney: I take it you get along well with the board or you still wouldn't be here. [Laughter]

Antonucci: Right.

Seney: You pay some attention to—

Antonucci: Right, to the politics.

Seney: Which can be quite intense, can they not?

Antonucci: Yes, very intense.

Seney: And one has to be very careful. I mean, a person in your position needs to be quite skilled, really, to maneuver around the interests in the community. I would think even though the business community dominates the board, you've got to be

concerned about people's environmental views and others.

Antonucci: Yes, that's true, and that's the job of the General Manager, is to maintain those lines of communication and good working relationships with all interest groups. I've been pretty fortunate that the elected Board of Directors pretty much is an accurate reflection of the electorate, of the community itself. Almost every faction has their person on the board: the retail community, the construction industry, lumber yard, the recreation element. They all have their representative or somebody who kind of covers their area, and they feel that their point of view is being presented. There's no one group that feels disenfranchised, except for the second-home owners, because the second-home owners don't vote here, so they feel greatly disenfranchised and totally at the mercy of these locals who are all in bed. [Laughter]

### **The Interests of Vacation Home Owners**

Seney: [Laughter] And they're right.

Antonucci: And they feel ripped off and taken advantage of, that they have no say.

Seney: Yes, I'm sure they do. Now, you're not

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metered here individually, are you, so it's flat rate. I pay the same rate if I'm here one month or twelve months, right?

Antonucci: Right.

Seney: And that's got to be something they're angry about.

Antonucci: That galls them, yes.

Seney: I would think that would be the major issue that they would be concerned about so long as water quality and delivery questions remain resolved. I know it's the same thing with, say, garbage collection, which you pay every month, whether you're there to put out garbage or not, and a lot of the people in our area are upset about that, and I'm sure that the garbage company here, whoever that—is that you, by the way? You don't collect—

Antonucci: No. It's a private—the county does it under contract with a private garbage hauler.

### **Controversy in Board Elections**

Seney: But then, of course, they may get angry, but that's about all they can do, because they don't vote, and that's the critical matter. And I take it probably not many people vote in the

election for board members unless you've got a problem. Have you ever had a problem where you've had people defeated or large numbers turn out?

Antonucci: We've had people defeated, but it's not been upheaval like you would normally see where all incumbents are swept out or something like that.

Seney: Yes. That's likely to be a matter of personality instead or conflict within the business community maybe only partially related to what you're doing here.

Antonucci: Yes. One of the things about the way the elections are held and in the way this district is set up under the Public Utility District Act and the way the board members have opted to set up the elections is you have to actually run against an individual. It's not the top three vote-getters and you all run. You have to actually select an individual and say, "I'm running against you," and in a small town, that's a pretty aggressive act for someone to undertake. Someone has to be highly motivated to do something like that, to say, "I'm running against you, and I'm running because of this, this, and this," rather than where you're running in a, like, top vote-getter election, where you're saying, "I'm running

because I want to do all these things," and you're not in an attack mode; you're presenting the positive side of yourself as a candidate. So that really has a chilling effect on people seeking election, because they have to actually pick off somebody and take them on one on one, which is a tough thing in a small town.

### **The Experience of Board Members**

Seney: And I suppose, from your point of view, all things being equal, you prefer experienced board members to novices. Would you?

Antonucci: I've had both. They both have their advantages and disadvantages. Novices come in with a lot of misconceptions.

Seney: Right. There's an educational period there.

Antonucci: Experienced board members, they do one of two things: they become disengaged and lose interest, or they become extremely possessive, and it becomes their district, and they're interested in making the decisions that they made five years ago turn out right, even if it wasn't the right decision at the time. They're going to make sure it comes out the way they thought it should come out, so they either grab on to it and try to micromanage it or they disengage.

### **The General Manager Exercising His Own Judgement**

Seney: We talked about writing a letter in 1986 on the interstate compact. Would this have been something you'd go to the board with and say, "You know, I think it would be a good idea if we wrote a letter"?

Antonucci: No. I've write it on my own if it's clear, clear to me.

Seney: And that kind of thing, you have enough autonomy to make that sort of judgment?

Antonucci: Right. It was very clear to me that we needed the compact in order to get on with getting our water rights, and the compact had been negotiated, this was the deal, we were going to accept it, and I should write a letter. Couldn't do any better than this, so we should support it.

### **Allocation of Water to California**

Seney: I take it the overall allocation of—what is it—34,000 acre-feet here at the lake surface, subsurface, has to do with—the constraints on that are the downstream water rights that exist. I mean, you couldn't get more because that would have an impact on downstream

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rights in Nevada.

Antonucci: We cannot get more because it would be to the detriment of the downstream owners.

Seney: What's the priority date for the water rights? Is there a priority date?

Antonucci: There are priority dates, but the way we look at the allocation is, "We're first. We get it." That's the deal California got, was—

Seney: So priority date doesn't matter here. This has been legislated.

**“Priority date will only matter to the extent that the 23,000 acre-feet on the California side begins to be suballocated to individual users. . . .”**

Antonucci: Priority date will only matter to the extent that the 23,000 acre-feet on the California side begins to be suballocated to individual users. So they'll look to see where your application was in priority. We filed in 1968 or '69, so we're a lot better off than people who filed after us.

Seney: This is your 6,000 acre-feet application you mentioned a few minutes ago?

Antonucci: Right. So we have recognized there will be no

additional water after 23,000 acre-feet. We can't import it. We can't create it. We have to live with that.

Seney: Well, the law specifically prohibits any importation into the basin, doesn't it?

Antonucci: Correct.

Seney: Or exporting out of the basin as well.

Antonucci: Right.

Seney: I think the only exception is the Sierra Valley Water District?

Antonucci: Sierra Valley.

Seney: Has a 300-acre-foot 1870 priority.

**There Were a Few Preexisting Diversions Before  
the 23,000 Acre Foot Allocation to California**

Antonucci: Right, a preexisting diversion. There's also a preexisting diversion up at Echo Lakes.

Seney: That's right. That's one of the power companies. PG&E [Pacific Gas and Electric Co.] has a right to that.

Antonucci: I think it's PG&E, and then there are some

small exceptions for snowmaking, moving water back and forth for making snow at ski areas that straddle the basin or straddle the state lines. Like Heavenly straddles the state line. We have a ski area here that straddles the basin boundary.

Seney: Is that Squaw?

Antonucci: It's Alpine Meadows.

### **Legal Counsel for the District and Other Water Users**

Seney: Once the compact was defeated, was that alarming to you, that the compact was defeated in '86? Do you remember your reaction to that?

Antonucci: Well, I wasn't alarmed, because I had been told by our water-rights counsel that it was not likely to be approved.

Seney: Who's your water-rights counsel?

Antonucci: At the time, Adolf Moskovitz. He has since passed away.

Seney: He actually worked for a lot of the districts.

Antonucci: Yes.

Seney: I know he worked for Tahoe-Truckee Sanitation Agency.

Antonucci: Right.

Seney: Which is not uncommon, again. They often do that.

Antonucci: Yes. Kronik, Moscovitz, Tietum, and Girard firm represented—

Seney: The Newlands Project.

Antonucci: Right, the Carson Irrigation District for Girard, and Adolf Moscovitz was our water-rights attorney up until when he passed away two or three years.

Seney: And you said he was a very able guy?

Antonucci: Yes, very able, very intelligent, had a very good understanding of the dynamics of water rights and the politics of Tahoe-Truckee water.

Seney: Well, you've got to have that, don't you? It's not enough to know the statutes. You've got to know the political dynamics that go on.

Antonucci: Yes.

Seney: Did someone in his firm succeed him as your representative?

Antonucci: Yes, Janet Goldsmith has assumed. At least for us she's become our water-rights counsel.

Seney: Yes, and probably for the others, do you think, as well? I mean, I didn't ask Craig Woods [General Manager of the Tahoe-Truckee Sanitation Agency], and he didn't say.

Antonucci: I don't know.

Seney: And she must have worked with Mr. Moskovitz for a period of time, I would think.

Antonucci: She worked with him and was familiar with the different clients. She was also the water-rights counsel for the Placer County Water Agency. So she was pretty familiar there.

### **Need to Settle the Interstate Allocation at Lake Tahoe**

Seney: The states had voluntarily adhered to this allocation since it was agreed upon and ratified by the two state legislatures, I think '69 in Nevada and '70 in California, but that still didn't cut any ice with the Water Resources Control Board. Am I saying that right?

Antonucci: Right.

Seney: Yes, because they still wouldn't give out the allocation until the—

**State Water Resources Board Felt the 23,000 Acre Foot California Allocation of Tahoe/Truckee River Water Was Endangered by Pyramid Lake Tribe Lawsuits**

Antonucci: Right. If they still felt the 23,000 was endangered by, principally, Pyramid Lake Tribe lawsuits over endangered species and other tribal rights and things like that.

Seney: Well, they're been very successful after 1973 in pressing their rights. I mean, I can understand their reluctance. When you issue these water rights, I'm sure they have to have it absolutely right. If I give you a water right from the state and you develop property and then I come and tell you, "I'm sorry. You don't have a water right, after all"—

Antonucci: Yes. The tribe filed protest on everything.

Seney: Did they?

Antonucci: Yes. If we tried to do anything, the tribe would protest it immediately, and the state knew that there would be a massive litigation

with the tribe if they moved forward, so they would just stop and would not move forward on anything.

Seney: So even with your applications before the state of California, Bob Pelcygar [Attorney for the Pyramid Lake Tribe] would be there to—

Antonucci: Yes. His predecessor. I forget what his name was. Stitzer?

Seney: Stitzer, yes, right. He would be there.

Antonucci: Then later it was Pelcygar.

### **Settlement Negotiations Preceding Public Law 101-618**

Seney: They took a very comprehensive approach, and still do, to protecting their interests as they see them. Did you become involved at all in the negotiations that Senator [Harry] Reid sponsored?

Antonucci: Yes.

Seney: Tell me about that.

Antonucci: We worked through the state in coming up with the various aspects of the provisions in the Settlement Act that would apply to

California, worked on coming up with the right number of 23,000 acre-feet and how that was to be interpreted.

**“We negotiated an interpretation of the 23,000 acre-feet in a way that would actually give us more water out of it. . . .”**

We negotiated an interpretation of the 23,000 acre-feet in a way that would actually give us more water out of it.

Seney: Tell me about that. What does that mean?

Antonucci: Well, we recognized—when I say "we," I'm talking about a consortium of the three public utility districts on the California side—recognized that—

Seney: Meaning you, North Tahoe, and South Tahoe.

Antonucci: And South Tahoe PUD were the three main players here with our respective water-rights counsels. We resigned ourselves to the fact that 23,000 acre-feet was a magic number, and that it was unlikely that number would change, and that the strategy we had to pursue was how that number would be interpreted. Twenty-three thousand acre-feet wasn't really going to be 23,000 acre-feet. It was how could you measure it, how could you interpret

it, what kind of exceptions could you develop? In other words, how could you chisel it. And that's what we did.

### **The 23,000 Acre Foot California Allocation Is Measured after it Went Through a Meter into the House**

One of the things that I was involved and was instrumental in proposing and bringing forward was to have the 23,000 acre-foot measured after it went through a meter to the house.

Seney: And that's what the law says.

### **Depending on the Water System, Delivery Losses Are 20 to 50 Percent**

Antonucci: That's what the law says. Right now we measure the 23,000 acre-foot at the production sites, so it's at the wellhead or at the intake, and then, depending on what kind of water system you're in, you lose between 20 and 30, 50 percent of the water between when you produce it to when it gets to the customer. It's lost through leakage.

Seney: Right. How is your system? Is it in pretty good shape?

Antonucci: Our system's in pretty good shape. All the systems collectively, though, which includes the private water companies, which are in very poor condition, is about 20 percent loss. So even a very tight system is six or seven percent.

Seney: What's the advantage of measuring it at that one source to you before it gets into the system? Oh, I see. Then the losses don't get charged against you.

**“Yes, the transmission loss and storage loss does not get charged to you, so it's like a 20 percent increase on water. So it created about 5,000 acre-feet of additional water for us. . . .”**

Antonucci: Yes, the transmission loss and storage loss does not get charged to you, so it's like a 20 percent increase on water. So it created about 5,000 acre-feet of additional water for us.

Seney: So if you had, in other words, put somehow the measuring at the end of the system, you would have to maybe put 10,000 acre-feet in it to get 5,000 acre-feet to the customers.

Antonucci: Right. And we'd be billed for 10,000 acre-feet then against the 23,000.

Seney: But this way you can put in 5,000 acre-feet at

the beginning, and . . .

**“ . . . the argument we used was that whatever leaks out of the pipes goes right back into the ground, goes back into the system, and it's not a loss from the system. . . .”**

Antonucci: Get 5,000 out. We're not charged for the loss. And the argument we used was that whatever leaks out of the pipes goes right back into the ground, goes back into the system, and it's not a loss from the system.

**“The tribe or whoever gets that water back, and the tribe saw it as, ‘Oh, this is good. This is an incentive to get these guys to go on meters.’ So the tribe bought into it, and the Nevada people bought into it, said, ‘This makes sense,’ . . .”**

The tribe or whoever gets that water back, and the tribe saw it as, "Oh, this is good. This is an incentive to get these guys to go on meters." So the tribe bought into it, and the Nevada people bought into it, said, "This makes sense," even though we felt that we could live with 23,000 acre-feet gross diversion measured at the point of diversion, meaning the wellhead or the intake. With good water conservation we still have always had this back-up of 5,000 acre-feet that could be realized by putting everybody on a meter.

Seney: And upgrading the system.

Antonucci: Yes, and the way the law is written, you don't have to build according to those meters. All you've got to do is read them. So it doesn't mean that people are buying water based on meter. They still would be charged a flat rate, but we would just have to read all the meters and say, "Well, this was how much was used in total that flowed through all these meters."

Seney: How many meters do you have, just the one?

### **Water Meters in the Tahoe City Public Utility District**

Antonucci: We have a meter on each production unit, and then we have about 220 meters on commercial accounts, and then there's a lot of meters, maybe as many as 1,000, spread throughout residential development, that we don't read. They just spin and no one looks at them.

Seney: Are they new construction?

**"The state changed the law about five years ago, five or six years ago, and required a meter to be installed on new construction, but they didn't require anybody to read it or bill according to usage. . . ."**

Antonucci: Yes, new constructions. The state changed the law about five years ago, five or six years ago, and required a meter to be installed on new construction, but they didn't require anybody to read it or bill according to usage. So the meter brass has to go in the ground, and it just sits there and spins and wears out, and no one looks at it.

Seney: It's interesting politically. I mean, to get it through the state legislature. It's a bunch of users who said, "Well, you've got to put them on but you don't have to read them." If they said you have to read them, too—

Antonucci: The reason they did them that way is, when they say you have to read it, it becomes a state mandate, and under the current law in California, when the state mandates a program on local government, the state has to reimburse local government. So we could then start sending them a bill for the cost of reading meters. So they stopped short of saying, "You have to read the meter and bill according to the reading." They just said that you have to install the meter, which falls back on the property owner.

Seney: And on you, in a sense, because at some point you're going to have to read those meters, I assume. You were talking about conservation

earlier, and at some point—will you read meters, do you think?

Antonucci: It's possible that meters will—

Seney: Never be used at all.

**Some Water Conservation Strategies Are More Cost Effective than Reading Meters**

Antonucci: —never be used here, and that we'll use high tech water conservation strategies to meet our—

Seney: What does that mean when you say "high tech"?

Antonucci: That means, for instance, changing out all the toilets and having—

Seney: That actually a cost-effective program, isn't it?

Antonucci: It saves a lot of water, yes. It's very cost-effective.

Seney: Do you subsidize that?

Antonucci: We could.

Seney: Some places do. Do you think you'll do that?

Antonucci: That's a possibility. I think it's much more cost-effective to use the water conservation measures to bring yourself down into compliance with the 23,000 acre-feet, and only then would we have to look at metering.

**“Our problem is that for meters to even pay for themselves, you'd have to get a twenty percent reduction in water use and implement a twenty percent rate increase at the same time. . . .”**

Our problem is that for meters to even pay for themselves, you'd have to get a twenty percent reduction in water use and implement a twenty percent rate increase at the same time. So it means people have to use less and pay more, which is going to be politically unpopular.

**“. . . eighty percent of the real estate in our district is owned by people who don't live here . . . metering has almost no effect on them because they don't use enough water. ”**

The other problem in our district is that eighty percent of the real estate in our district is owned by people who don't live here, and so you're talking about—metering has almost no effect on them because they don't use enough water. Even in any metered system, they still charge a base rate, whether you use water or

not, and then they have a charge, a block rate for use above a certain allocated amount per month. Second-home owners will never go above the base usage.

So to install meters and tell people, "You know you're being read," people who aren't here, who aren't using water, can't conserve any more than not being here and not using water. And the limited number of year-round residents here make it nearly impossible to use meters to bring ourselves down in terms of water consumption. Almost without question you have to use water conservation as the way to achieve it.

Seney: And there's a problem with using meters and water conservation that San Francisco ran into in the '75-'77 drought, and that is, people who didn't use a lot of water to begin with, who were conserving on their own, had a low usage rate. So then they come in and they cut everybody by twenty percent, and these poor people have hardly enough to get by on before they're paying huge premiums for the water.

Antonucci: Exactly right.

Seney: And they did make adjustments on that. They did say, "Oops, you're way below the base line here, so we're going to let you continue to use

..."

Antonucci: Yes. There wasn't a lot of room to conserve.

Seney: That's right, for some people. For others there were, but for some people there was not a lot of room to conserve.

**“... landscaping will be another area where conservation can have a significant impact and . . . retrofitting . . .”**

Antonucci: So I think landscaping will be another area where conservation can have a significant impact and in retrofitting the interior of the house with devices.

Seney: Showerheads.

Antonucci: Showerheads and spigots and things like that and the toilets. I think it has been proven that those are pretty significant in saving water, and it doesn't require any reduction in the quality of life or the lifestyle that people are used to.

Seney: And here you're not dealing with agricultural use. I mean, I can see a golf course out here, but there's an assumption on a return from the golf course.

Antonucci: Right. They have their own water supply anyway.

Seney: Oh, do they? They have wells of their own and rights to that?

Antonucci: They have rights. They have a surface water right.

Seney: They must go back quite a ways.

**“Most golf courses are such big water users, they develop their own water supplies. They can't afford to buy water at retail from water districts. . . .”**

Antonucci: Most golf courses are such big water users, they develop their own water supplies. They can't afford to buy water at retail from water districts.

Seney: But this is all pretty much domestic use. You're not going to have any agricultural use up here.

Antonucci: Right. There's no agricultural use of any significance.

Seney: How did you come to this business of the wellhead, measuring at the wellhead or at the diversion point?

Antonucci: We're required to do that by the State Department of Health and the State Water Resources Control Board, plus for our own operational information we need to know how much water we're producing and how much water we're taking out of the aquifer.

Seney: So you were measuring there anyway.

Antonucci: Yes. We've been doing that all along. That's a pretty basic data-gathering task for any water system, is how much water are you producing on a daily, weekly, monthly, yearly basis and tracking that.

### **Other Ways of Increasing the Effective Allocation**

Seney: You used the term "chisel" on the allocation. What else did you do?

#### **“We tried to get an exemption for snowmaking, and this is where our coalition fell apart. . . .”**

Antonucci: We tried to get an exemption for snowmaking, and this is where our coalition fell apart.

Seney: Tell me about that. I know that the first 600 acre-feet used for snow making are not charged against anyones' allocation.

Antonucci: Right, is exempted, and then we wanted a

percentage loss applied. The tribe maintained that the percentage loss from snowmaking was around twenty-six or thirty percent. We had data that showed it was like seven or eight percent. The three districts were not unified on that. One district, the North Tahoe Public Utility District, their legal counsel gets into a little bit of—a lot—small-town politics, became a renegade, and issued his own report saying that it should be twenty-two percent, which was definitely wrong, and it sent a message to the state that we were not unified on this.

So what happened was the state just said—rather than writing the correct technical number into the law, it was rolled over in the Settlement Act and said that the TROA [Truckee River Operating Agreement] would decide what the correct number was. Well, by then the tribe had just reached the conclusion they'd given too much in concessions and they were not going to concede any more, and we were at loggerheads with the tribe. We spent a lot of money on technical studies and lawyers trying to negotiate a number down that was technically correct, the seven or eight percent. We were willing to compromise with ten, and the tribe was up around twenty-two percent.

About two or three years ago, there was a

meeting here at our facility in which the state brought the subject up for the last time and literally tossed a coin over what the number should be, and it ended up at sixteen percent, which we still disagree with and we still oppose that number.

Seney: If I understand the question here correctly, it's how much of a snowmaking allocation will be charged against the 23,000 acre-feet.

**“ . . . how much of that out of the gross water used for snowmaking would be charged against the allocation. . . . from a technical standpoint, only seven or eight percent of the water is lost, the rest finds its way back into the system. . . . ”**

Antonucci: Yes, how much of that out of the gross water used for snowmaking would be charged against the allocation. What we're saying is, from a technical standpoint, only seven or eight percent of the water is lost, the rest finds its way back into the system.

Seney: And that's primarily through evaporation, I take it, that loss.

Antonucci: Right.

Seney: Now, again, if I have this right, the first 600 acre-feet are not charged against the

allocation. It's anything beyond 600 acre-feet.

Antonucci: Beyond that, it's then charged at sixteen percent.

Seney: Sixteen percent loss.

Antonucci: Right.

Seney: And how many more acre-feet are we talking about in terms of snowmaking?

Antonucci: Well, depending on what assumptions you use and whether you think there's going to be new ski-area development, we're probably looking at somewhere around 1,000 acre-feet more water needed, gross water needed, and then you're talking about 160 acre-feet being charged against the allocation.

Seney: So you'd lose 160 acre-feet off the 23,000?

Antonucci: Yes. See, the new ski-area development for Tahoe is solely within our district. Alpine Meadows would expand to the south into Ward Valley, and then Homewood ski area has a major expansion proposal.

Seney: So you would foresee—

END SIDE 2, TAPE 1. AUGUST 25, 1998.

BEGIN SIDE 1, TAPE 2. AUGUST 25, 1998.

Seney: I am Donald Seney. I'm with David Antonucci, the General Manager of the Tahoe City Public Utility District, in his office in Tahoe City, California. Today is August 25, 1998. This is our first session and our second tape.

So I take it if the state were going to give you another bit of water, you would like that 6,000 acre-feet, probably, in terms of the allocation. Let's say if they were going to give you 4,000 acre-feet, then they would have to say, "Well, we're only going to really give you 3,600 acre-feet because we've got to have a cushion against the snowmaking credits."

Antonucci: Right. And we would ask for snowmaking to be included in our allocation and ask them to incorporate that as part of their allocation to our zone, so, all water users in our zone.

Seney: So, in other words, say if you got 4,000 acre-feet, you'd take the 4,000 acre-feet, but you would leave yourself a cushion, I would take it, on that?

### **California Does Not Regulate Groundwater**

Antonucci: Right. It's because California water rights law is so antiquated. I mean, it goes back to 1914. There is no good way to apportion out water rights where you've got people using surface water and groundwater. See, the state does not regulate groundwater, and there's no direct way to regulate production of groundwater.

Seney: All you have to do is report your groundwater usage to the Water Resources Control Board.

Antonucci: Right.

Seney: Because there is the State Department of Water Resources that does something else, but to the Water Resources Control Board, but they don't regulate it, unlike Nevada, where you need a permit from the State Engineer.

Antonucci: They don't regulate it. That's right. So it gets pretty complicated. What the state had proposed to do was suballocate the 23,000 acre-feet into three zones, and then each zone was to be limited to that suballocation, whatever it was. But here you've got a situation where you've got a public district, then you've got private water companies. We can't regulate the private water company, so the private water company could keep using water to our detriment. So what do we do? It is a recipe for extensive litigation that would

go on for generations. It is a huge mess.

Seney: You're talking about the three zones. That's Tahoe City PUD, North Tahoe PUD, South Tahoe PUD.

Antonucci: Right.

### **Private Water Companies**

Seney: But within your zone, say they allocate 6,000 acre-feet to you, you've got private water companies.

Antonucci: Right. That would use that water, too.

Seney: How would you decide how much was yours and how much was theirs? That's the problem you're raising.

Antonucci: That's the problem we have. And what do we say to them? "That water was given to us now. It's for our public water customers. You can't use any more water." We can't very well do that because they're our constituents, too. You can't sue your own constituents. They're our sewer customers and our parks and recreation customers, so you can't sue them. What do you do? There's no way written in law right now to administer that.

Seney: How many private water companies do you have?

Antonucci: There are fifteen now that are under thirteen different ownerships.

Seney: When we bought our house thirteen years ago, there was the Tahoe Paradise Water Company, and pretty soon we get something in the mail saying that they've been absorbed by—

Antonucci: South Tahoe PUD.

Seney: Right.

Antonucci: Purchase.

Seney: That would have been a purchase?

Antonucci: Yes.

Seney: Will you not consider purchasing these?

**“We are considering purchasing them. The problem is that they're in such a dilapidated condition and out of compliance that their value is negative because of all the infrastructure investment that's necessary . . .”**

Antonucci: We are considering purchasing them. The

problem is that they're in such a dilapidated condition and out of compliance that their value is negative because of all the infrastructure investment that's necessary to bring them up to current standards for drinking-water quality and fire protection and that. They're old small-diameter water mains that are rusting and wearing out. They can't deliver the required fire flow. They don't have storage for fire protection. There's a lot of problems there. So we don't actively covet them, because they are just a huge liability.

Seney: Are we talking about one fire department in your jurisdiction?

Antonucci: Two.

Seney: Two fire departments. There's the Tahoe City Fire Department.

Antonucci: Yes, North Tahoe.

Seney: And the other one is?

Antonucci: Meek's Bay.

Seney: So most of these, I take it, would be under Meek's Bay's jurisdiction, these private water companies, or under both?

Antonucci: They're under both. They occur in both.

Seney: See, I think if I were the Fire Chief in these two districts, I would be down here talking to you frequently about taking these over. Do you hear from them about that?

Antonucci: No. They know the political futility of it.

Seney: [Laughter] They've tried, in other words?

Antonucci: Yes.

### **Fire Fighting and Insurance Rates' Dependency on the Water Districts**

Seney: Because, of course, in the fire insurance rating system, the water-pressure, frequency of mains, and reliability is most important. I mean, that's more important than how many fire trucks you have. Obviously you've got to have some fire trucks, but the water supply is—

Antonucci: Yes. Exactly right. There are certain areas within the North Tahoe Fire District that are rated much higher because they have inadequate water supply. What we found out, though, is that the insurance agents cheat when they write the policies, and they tell the companies that they're in the public utility district.

Seney: Or they could never get a policy for them, probably, in some cases, would they?

Antonucci: Right. Or they'd be a seven or something like that on a scale of one to ten, ten being the worst. So to be competitive, they cheat. We found that out.

Seney: What's the fire insurance rating for Tahoe City?

Antonucci: Three.

Seney: A three. That's pretty good.

Antonucci: Where you have public utility district water supply.

Everywhere else, I think, it's a seven. It's inadequate water supply. But the agents, then, they fudge and say that they're served by a hydrant from the Tahoe City PUD or whatever. The companies don't check it.

Seney: Until the place burns down, and I don't know what they do then. I don't know enough about insurance law to know.

Antonucci: Insurance fraud.

Seney: I believe that's what it's called.

Antonucci: Prosecuted for that, but until someone discovers that and makes an issue out of it. . .

### **Concern about Tight Water Supply**

Seney: So you regard the snow making question, even the 150 acre-feet that you may be charged against it, as a serious matter.

**“We're getting pretty close to our suballocation. . .  
.”**

Antonucci: Yes. Right. Because we're going to be tight on our water supply. I think the original proposal to allocate to us was something like 4,000 acre-feet, and we're using somewhere around 3,800, 3,600 acre-feet now. We're getting pretty close to our suballocation.

Seney: Your suballocation at this point is?

Antonucci: Our old suballocation, which isn't valid anymore, but it was never valid.

Seney: So if you talk about the 23,000 acre-feet, you want 6,000 on top of what you've got?

Antonucci: Well, we had originally applied for 6,000 on top of what we're using, or I should say what we were permitted for, which is probably around 1,500. So we're looking for 7,500

acre-feet. We're not going to get it.

Seney: What do you think you're going to get?

Antonucci: Our zone is probably going to get somewhere around 5,000 acre-feet, I guess.

Seney: South Tahoe is going to get the bulk of it, aren't they? How much will they get, do you think?

Antonucci: They're going to get probably twelve or thirteen.

Seney: So that would leave three for—

Antonucci: Three or four for North Tahoe.

Seney: Yes, because they are smaller.

Antonucci: They are smaller.

Seney: Have you guys gotten together to talk about what you'd accept?

Antonucci: We haven't talked about it recently.

Seney: Is that not a smart way to do—I mean, would the Water Resources Control Board be responsive to that?

Antonucci: Yes, they would like that.

Seney: The relationship.

### **Relationship Between the Tahoe City PUD and the North Tahoe PUD**

Antonucci: Yes, the relationship between the Tahoe City Public Utility District and the North Tahoe Public Utility District is really poor, and there's essentially no communication.

Seney: What's the reason for that?

Antonucci: I think it's just a couple of personalities at the North Tahoe Public Utility District, particularly the legal counsel, who—

Seney: Is this the same gentleman you spoke of a minute or two ago?

Antonucci: Right. Who has an interest in keeping people divided and warring with each other. We have an excellent relationship with the South Tahoe Public Utility District. We've worked together on a lot of things. We have a lot in common. But between our two districts here at the north shore there's just been a constant, continuous source of friction that predates me and goes way back to God knows what. Others who have come along have just seized

upon it and exploited it for their own benefit. But I think it's primarily the legal counsel for the North Tahoe Public Utility District that sees an advantage in—

Seney: Is he a local attorney?

Antonucci: Yes, a local attorney.

Seney: Most of you use outside people, Sacramento people, Reno people.

Antonucci: Right. He's a local attorney and has just got his tentacles into everything. If you talk to them, they'll say it's Tahoe City's philosophy of "We're going to take you over." We're the largest, most powerful district in the region, the North Lake Tahoe region, and so we're feared. These smaller districts like in Squaw Valley, Alpine, North Tahoe, they believe that we have designs on them to take them over and discharge their management.

Seney: Any truth to that?

### **Attempts to Consolidate Water Districts in the past**

Antonucci: There have been attempts in the past to do consolidations. So, for instance, the North Tahoe and Tahoe City PUD got together and

looked at consolidation, but it was always with a voluntary partner. And there are people on our board who believe in consolidation of local government services for efficiency, more efficiency and effectiveness, and believe in incorporation of the area from an unincorporated county to town government to better manage our destiny here and take control of our future, and that, for various self-serving reasons, has been portrayed as a hostile takeover type of attitude and empire-building or whatever you want to call it. So it's led to very poor relations with neighboring districts as a result.

Seney: I'm familiar with the special districts in Washington State, actually, and I know there that it was not uncommon for water districts and sewer districts to be highly cooperative with one another, especially the water districts, where they would go so far as to share equipment. One would buy a backhoe, the other would buy a truck, and then they would share them back and forth. You don't do anything—

Antonucci: No, we don't do that. No.

Seney: Have you ever done that?

Antonucci: No. It doesn't work. It just would be an

impossible situation.

Seney: Given the current relationship between the two.

Antonucci: Right.

Seney: What would be the legal barriers to consolidating the districts? Say everyone agreed it should be done, but what about—

Antonucci: Well, it went to the voters. About four years ago it went to the voters, and the voters rejected it. The North Tahoe voters rejected it by a pretty strong margin, feeling that they would be just taken over and overrun and operated as an outpost. The Tahoe City voters felt that they were being asked to take over a welfare case and that their rates would go up.

Seney: So both sides turned it down?

Antonucci: Yes, both sides turned it down. And felt that their rates would go up in order to repair deficiencies in the North Tahoe District. Neither position is accurate, but that's what was out on the street.

Seney: Well, that's the end of that for quite a while, isn't it?

### **Tahoe City PUD Provides Park and Recreation Services While the North Tahoe District Doesn't Provide Much**

Antonucci: Yes. Right. That's the end of that for quite a while. But every seven years it comes up. See, and what really complicates it is, we're a major parks and recreation provider here, and so, like the North Tahoe District doesn't have much of a recreation program so their people come over and use our programs, and people from Squaw Valley bring their kids over here, and they pay the same fees as people who pay taxes in our district. So there's a lot of ill feeling about that, that "You don't want to cooperate with us, but yet you send your people over here for parks and recreation services. They don't pay their fair share. Our taxpayers have to subsidize it."

Seney: You must have considered a non-resident fee.

Antonucci: It's been considered, but it's seen as a negative act. If we did that, it would just play into their hands, like, "See, they don't want anything to do with us other than to take us over." The typical person that lives here doesn't perceive themselves as living in the Squaw Valley District. They think, "I live at North Lake Tahoe," and the Parks and Recreation Department's in Tahoe City, the biggest town

in the area. So, "I'm a local. I should get local rates." We've had differential rates off and on, not very recently, but we've had them in the past, and when we've had them in the past, it's been a real headache. Yes, I would say relations are not good.

### **Tahoe City PUD Parks and Recreation Program**

Seney: Describe your parks and recreations program. What do you do?

Antonucci: What we do is we have parks, wilderness parks and beaches. Some property we own. Mostly we manage properties that are owned by the state of California. We have bike trails, seventeen miles of bike trail. We have a boat ramp that's owned by the state of California. We manage it for them. We have facilities that we jointly use with the school district, and we do programming in the schools, use the gymnasiums, the ball fields and things like that. We're in the process of developing new ball fields on school grounds, and there will be joint use.

Seney: You sponsor leagues and that kind of thing?

Antonucci: Yes, adult leagues. We run education programs, classes, aerobics. We run kids' classes, day camps, youth sports, skiing. We

have some acreage that we concession out to a cross-country ski area and manage as a cross-country ski facility. Community centers, community buildings for meetings rooms and things like that.

Seney: And you have someone under you who manages this, a Recreation Director?

Antonucci: Yes, a Recreation Director.

Seney: How do you fund this?

### **Park and Recreation Activities Are Funded by Property Taxes and Fees**

Antonucci: It's funded by a combination of a portion of the property tax. We collect fees for some of the services.

Seney: Aerobics lessons are paid for and that kind of thing?

Antonucci: Right, classes and things like that we collect fees for, leagues. We have some concession income. We get grants from the state for new construction, and we also get some subventions from the state for bike trails and things like that. So it's a number of different sources kind of cobbled together to produce a balanced budget. The biggest contributor is

the property tax.

Seney: Sounds like a fairly significant program. Is it, as they go?

Antonucci: It's a full-on city-style parks and recreation program, comparable to what you have in South Lake Tahoe.

Seney: Do you have many headaches in terms of management?

Antonucci: Yes, lots of headaches.

Seney: More than the other parts? More than the water and the sewage?

Antonucci: It depends. [Laughter] Generally, water and sewage is pretty noncontroversial.

Seney: Yes, as long as the toilets flush and the taps work.

Antonucci: The parks and recreation sort of generates the politics, and it spills over into water and sewer, figuratively, and makes those more of an issue, because there's a very conservative element in our community that see the Parks and Recreation Department as principally a manifestation of the welfare society, and it's their fervent belief that it, first of all, runs on a

subsidy generated by water and sewer, that water and sewer rates are used to subsidize the department, and then it undermines the family by providing services like day care and alternatives for youth and providing a subsidized social program that they don't believe government should be involved in. So that's the main friction point right there.

Seney: And you hear from them regularly, I would guess.

### **Libertarians on the Tahoe City PUD**

Antonucci: They're on the board. They're elected on the board. They get elected on that.

Seney: On your public utility district board?

Antonucci: Right. Yes, I have two Libertarians that are on the Board of Directors. Are you familiar with Libertarians?

Seney: Yes, I am. Do they think that you should be offering water and sewer? I know how they feel about the other matters, but that could be privatized.

Antonucci: I think philosophically they don't believe that those are services government should be involved in, but both of them are pretty

practical people who say, "Well, since we're in the business, let's do it right, and let's not do it the way you'd do a normal government program." [Laughter] "Let's run it more as a business and use a business head for it." So they've been pretty practical about it. I think where you hear the most from them is where there's a decision to be made on expansion, like acquisition of a privately held water company. That's where they speak out. They're opposed to that.

Seney: But you're nowhere near doing that, I take it, for the reasons you discussed.

**Private Water Companies Could Be Made to Pay for Upgrades If They Joined the Tahoe City PUD**

Antonucci: No. They come to us. The private water companies come to us. They have to initiate it. We don't.

Seney: Can you make a limited improvement district out of one of these, and then make the particular people pay for the improvements?

Antonucci: Yes, they pay for their share of the upgrades, and we pay for our share of community-wide benefit.

Seney: So there are mechanisms that will permit you

to take this over if you could overcome the political hurdles, I take it.

Antonucci: Right.

Seney: It's hard to convince people that when you take over one of these poorly-maintained sieves that they're not going to be paying for it, that you can target the cost of the business.

**“What's come into play mostly here with these private water companies is the Safe Drinking Water Act. They're not in compliance, and they're getting forced to do something. . . .”**

Antonucci: Right. Exactly right. What's come into play mostly here with these private water companies is the Safe Drinking Water Act. They're not in compliance, and they're getting forced to do something. When you're a small water company and you have to build a treatment plant for, you know, a couple hundred customers, it's very, very expensive, when all you need to do is just hook up to the public utility district water supply and you're there.

**“So it's just a matter of time. We'll just wait them out. . . . and they'll eventually collapse, because they're just too small to generate enough revenue to make the kind of improvements that need to be**

**made. . . .”**

So it's just a matter of time. We'll just wait them out. That's all we have to do now is be patient and wait them out, and they'll eventually collapse, because they're just too small to generate enough revenue to make the kind of improvements that need to be made.

Seney: Well, they were sensible at the time. That was the only way to get water to people for a period of time.

Antonucci: Yes. They were stand-alone, independent systems that were part of the original subdivision, and then got sold off by the developer either to the homeowners association or to another investor, and they became investor-owned utilities for the most part.

Seney: Yes, and you wouldn't have had the development without them. But you don't have the maintenance. They just don't do maintenance.

Antonucci: Right. They don't do it.

Seney: Unless it bursts.

Antonucci: Yes. It's "Fix it when it's broke" philosophy.

### Public Law 101-618 Negotiations

Seney: I want to meander back to [Public Law] 101-618 again. You said that the measuring of the water and the snowmaking business were two things. Anything else that you wanted to influence on 101-618? And did you attend the negotiations at all that preceded it, that Wayne Mehl chaired?

Antonucci: Yes. We went to some of those when our issues were being discussed. We made a lobbying trip back to Washington, D.C. Adolf Moscovitz and I went back. We met with committee staff in the Senate.

Seney: Tom Jensen, Jim Bernie, people like that.

Antonucci: Yes. Right. A long time ago, I made up a list of all the little things I thought we could squeeze out of them. Snowmaking was one, the metering of the water. I think that was pretty much it, what we ended up with. I'd really have to go back now and research. I came up with some really wild ones, like, for instance, I said if we had a sewage spill into the lake, that we should get a credit for that because it went back into the environment. That's some gallows humor, I guess. They laughed like you did and said, "Nice try."  
[Laughter]

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Seney: Well, part of that, though, is to protect these other positions, isn't it, to raise things that may not fly so that your other positions that you really are serious about, they don't chip away at those too much.

**“I thought we came out pretty well, considering that all the water is way over-allocated. There's far more users and demand on the Lake Tahoe-Truckee system than the system is capable of producing on a regular basis. Plus the fact that California got its allocation . . . confirmed, and we've got it no matter what happens downstream. . . .”**

Antonucci: Right. No, I thought we came out pretty well. I thought we came out pretty well, considering that all the water is way over-allocated. There's far more users and demand on the Lake Tahoe-Truckee system than the system is capable of producing on a regular basis. Plus the fact that California got its allocation, got it confirmed, and we've got it no matter what happens downstream. If there's only 34,000 acre-feet of run-off in a year, it's ours. It's not theirs; it's ours. And that's the way it's going to be, and that's what they gave up. Everything else that flows past the state line is theirs, then, whatever flows. If it's more or less, that's their problem, not our problem.

Seney: You have certainty on that. Once this is suballocated, then you can move ahead with what you want to do.

Antonucci: Right.

**“And I think for all the players up here, they'd like more, but certainty was the key element . . .”**

Seney: And I think for all the players up here, they'd like more, but certainty was the key element here in terms of development. You're not going to have it unless people know that there's going to be reliable water supply.

### **Dealing with the Pyramid Lake Indian Tribe**

Did you deal directly with the tribe at all on these issues? Did you ever talk to Bob Pelcygar?

Antonucci: Yes, I talked to Pelcygar a little bit.

Seney: On what? And who would initiate that? Would he get a hold of you, you get a hold of him?

Antonucci: He talked a lot to Adolf Moscovitz, and then at meetings I would talk to him a little bit, not a whole lot. And then there was Joe Ely. I talked to him a little bit. Our issues weren't

real big. They did most of the representation with us, and I remember I was on a few—I think I went on a tour with Bob Pelcygar and we talked a little bit about it.

Seney: One of the Sierra Pacific tours that they put on?

Antonucci: Yes.

Seney: Did you have the feeling politically that if you got this squared with Pelcygar and the tribe that you'd have less problems, that that was the key player to—

Antonucci: Right. To the tribe. I felt that the tribe was definitely the key player and that we had to get them on board. I'd often said that things really changed when the tribe was successful on their first Endangered Species Act lawsuit. I told people, I said that was the equivalent of giving them nuclear capability. They could launch a nuclear strike against us now and all other water users, and we have to recognize that. We didn't have nuclear weapons, they did, and that there wasn't a whole lot we could negotiate for when you've got someone who's in that strong of a position.

**“I just felt that we were just really treated unfairly on snowmaking. I felt like we had the technical**

**arguments and that we should have been granted the percentage of water use that we were asking for based on strictly technical grounds. . . .”**

My only differences with them, I just felt that we were just really treated unfairly on snowmaking. I felt like we had the technical arguments and that we should have been granted the percentage of water use that we were asking for based on strictly technical grounds. That's just my point of view as an engineer, because I see things from a technical standpoint, and politics doesn't really have a part to play in it. But for some reason, the tribe just dug in on that and just would not concede anything. It went on for years and years about it.

I personally believe that the attorney for North Tahoe PUD went behind our backs and really antagonized the tribe toward us on this issue. I firmly believe that. I can't prove it, but the antagonistic response that we got from the tribe could only be explained that way. It could only be explained that way, because other than that, we had pretty much—I mean, a guy like me, I kind of see it the way the tribe sees it. Yes, they were there. They were promised this land and water, and then the government comes by later and takes the water from them and gives it to someone else.

Yes, they were treated unfairly, and we need to get right with that, and we need to straighten it out. And the poor farmers, you know, they made investments based on representations by the government, and they need to be made whole, but I don't think we had any axe to grind, so to speak, with the tribe. We were interested in them getting a fair deal. Always have been.

Seney: Did this seem like it was sort of an overnight change of attitude on their part?

Antonucci: Yes, it was. It was just adamant, "No. No. We've given too much. You're not going to get this. We had too many concessions." I think it was because we were disorganized. I believe that people went behind our backs and antagonized the other parties, and I think the state [of California] could have done a better job of presenting the issue than they did. They really left us out in the cold. They saw it, overall, as a small amount of water, and they failed to see it as a significant amount of water for a zone, that it's five or ten percent of the water in our zone, and it was significant for us in that regard, but they saw it as, literally, drops in the bucket. So they never really got excited about it either, and that was a great disappointment to us.

Seney: This coin toss that you mentioned that set it at sixteen percent that you're not happy with, I understand that that's kind of falling apart, that this is part of the TROA negotiations now, that 101-618 finesses the issue.

Antonucci: Right.

Seney: Now, let me say, Wayne Mehl has told me, and maybe you were at this meeting, that they argued Pelcygar and I don't know who else, two hours about how much water snowmaking takes, and Wayne Mehl says, "How much are we talking about?" and they said, "Oh, 600 acre-feet," and he says, "Oh, to hell with it. We'll just forget that. We won't charge that against the allocation up here." Then they moved on, but obviously the tribe still insisting, so this gets over into the TROA.

Antonucci: Yes. That 600 acre-feet dealt with what was being used at the time. It didn't deal with the future projections for snowmaking, which could be significant.

Seney: But again they said, "Okay. We won't charge off the 600 acre-feet against the 23,000 allocation for California." But you get to this coin toss, and my understanding from other people is that this agreement over this percentage is falling apart. Is that your

feeling, too?

Antonucci: We're continuing to oppose it. There have been some slight changes negotiated as far as being able to move water back and forth between Alpine Meadows, the ski area in the Tahoe Basin and the Truckee Basin. I'd not heard that that part of the agreement is falling apart. We're continuing to oppose it. Our comments on that environmental document were very critical of the environmental document. It didn't address it at all. We asked them to address it and explain how they could justify a political number as opposed to a technically justified number. So what you're telling me is news to me, that the coin toss settlement is—

Seney: The comment may have been a broader one than that, that this has to do with the issue of depletion as well.

Antonucci: Right. Depletion is unraveling.

### **Unhappiness with Public Law 101-618 by California Interests**

Seney: Maybe I'm misinterpreting this or interpreting it too much, to think that this part is also unraveling, but I know that there has been unhappiness on the part of California's

people–

END SIDE 1, TAPE 2. AUGUST 25, 1998.

BEGIN SIDE 2, TAPE 2. AUGUST 25, 1998.

Seney: I understand that there have been unhappiness by you all, local government people here, and in the Truckee River Basin this side of the Nevada border. Talk about the representation by the state of California, from your point of view.

### **California Did a Good Job on the Settlement Act**

Antonucci: I thought the state of California did a really good job on the Settlement Act. They put their best people on it, and they did a good job. They got the best deal they could at the time, except for the snowmaking thing, which I think was mainly our fault because of our disunity at the local level.

### **“After the Settlement Act was approved, the focus in California was shifted to the Sacramento-San Joaquin Delta . . .”**

After the Settlement Act was approved, the focus in California was shifted to the Sacramento-San Joaquin Delta, and all the resources of the state of California Department of Water Resources began to be

directed towards solving that problem. That emerged as a major issue

**“ . . . the Cal-Fed process . . . diverted resources away from . . . [finishing] the negotiations on TROA. . . .”**

It is right now, the Cal-Fed process, and it really diverted resources away from the Department of Water Resources and the State Water Resources Control Board to finish through the negotiations on TROA. So there was a lot of unresolved questions that had been rolled over into TROA, and by then the DWR [Department of Water Resources] was changing technical people quite a bit. I think we're on our third or fourth.

Seney: Do you want to take a break for a minute?

Antonucci: Maybe I should.

Seney: Okay. [Tape recorder turned off.]

Antonucci: ... and the Sacramento-San Joaquin Delta emerging as a major water issue in California and staff resources and financial resources of DWR being redirected into that.

I think I was mentioning that there had been quite a bit of turnover on the technical

end of DWR, although the legal counsel, John Kramer, continued on through from the Settlement Act on through the Truckee River Operating Agreement, but I think his time availability for the Truckee River Operating Agreement was greatly reduced, and I think he began working on Colorado River and other issues for DWR. So they weren't putting a lot of staff resources into it.

I think the people were genuinely interested in getting the best deal possible for us and worked as hard as they could, but they simply didn't have the backing, the wherewithal of the Department of Water Resources to push it on through and get what they wanted. There were some disagreements, though, honest disagreements.

**“What we're asking for is not that much. We produce 95 percent of the water in the Lake Tahoe-Truckee River system, we're only getting 5 percent of the water . . .”**

I always felt that the state of California should always act like the 800-pound gorilla in this and say, "The state is not going to sign unless we have it this way. What we're asking for is not that much. We produce 95 percent of the water in the Lake Tahoe-Truckee River system, we're only getting 5 percent of the

water, and we're going to get the five percent we want, and we won't sign this agreement until we get it our way."

### **Fear of Having the Dispute Go to the Supreme Court**

And John Kramer would say to me, "That's crazy, Dave. If you take a confrontational position like that, it just throws it into an original jurisdiction lawsuit where it goes to the Supreme Court, and the state of California would come out worse in the Supreme Court."

My argument back on that was, *everybody* loses in front of the Supreme Court. No one wants that. That's the mutually assured destruction alternative from the Cold War: we all destroy each other. No one wants that, so no one's ever going to launch a nuclear attack like that against each other. The tribe's not going to do it; the power company's not going to do it; the state of Nevada is not going to do it; and certainly the state of California is not going to do it. We're going to avoid that at all costs, because everybody loses.

**“. . . politically, I just felt that the state could have been more demanding. . . .”**

He didn't see it that way. He thought, no, the

tribe would prevail, that they had the stronger legal argument, and I guess I'd have to defer to him as an attorney, a water-rights attorney. But politically, I just felt that the state could have been more demanding.

The other difference that occurred was, after the Settlement Act was signed into law, David Kennedy ceased to represent the state directly, and he was replaced by Carroll—I forget his last name. He's a retired DWR management person. We lost a lot when we lost Kennedy. His attention got turned to the Sacramento-San Joaquin Delta. But having the director of the Department of Water Resources there, the prestige of the director and his negotiating skills and ability was pretty significant to have at the table every time. I understand why the change was made and why his priorities were redirected towards the Sacramento-San Joaquin Delta, but it was a loss for us politically. We lost a major political player there at the table.

### **Role of the State of California in the TROA Negotiations**

Seney: My impression is that the Feds, Fred Disheroon, Bill Bettenberg, the power company, the tribe, Reno-Sparks, too, appreciated the importance of the TROA, that

the Settlement Act was only part of the package, that in some respects the TROA was just as important, and in some respects maybe more important.

Antonucci: Yes.

Seney: I'm beginning to get the feeling, from other interviews, that California didn't appreciate that.

Antonucci: I think you're right. I, for one, would say that, that I felt like we pretty much confirmed what we needed to get confirmed in the Settlement Act, and I think that's pretty much true for Tahoe. It's less true for the Truckee River Basin. There was a lot of it still up in the air, but the Truckee people were not very much involved in the settlement act. They were pretty low key. They weren't nearly as well organized as they are now, and that's shown in the law.

Seney: Well, clearly you guys were there.

Antonucci: Right, but the—

### **Organization of the Upper Truckee Interests**

Seney: For the meetings and to get your viewpoints across. And skipping them, everyone else was

from the Nevada border down, but I think they would agree with you that they weren't there. It was the Prosser Creek drawdown on Memorial Day of '92 that alarmed them and got them to see that something was going on here.

### **Formation of the Town of Truckee Created a New Way to Deal with Issues**

Antonucci: Yes, and got them organized and involved and engaged. And the formation of the town of Truckee coalesced a political base there. For the first time, the Truckee community could focus on an issue and devote resources to it, as opposed to either the Nevada County or the Truckee-Donner PUD, which was only interested in protecting their water rights, and no one was really looking out for Squaw Valley or other parts of the Truckee River Basin.

Seney: Did you attend the meeting that was called after that? Gary Elster was involved in that and some others, that got the local governments together. Did they include you guys in that?

Antonucci: I think they did, yes. We were supportive of that. I was involved in the early meetings on that, and then I dropped out as they focused

more on Truckee River Basin issues. They kept me informed, but I didn't attend their Truckee River Basin Water Group meetings.

Seney: I can understand that that's not really something of interest to you. You're through with it by the time it gets to them.

Antonucci: Yes, pretty much. There were some things they were doing. Our district actually extends all the way down the Truckee River to the town of Truckee. We have a little strip that comes out of here and follows the river all the way down. So I was a little bit interested, to the extent that it affected that.

Seney: That's where your sewer pipe runs, isn't it?

Antonucci: The sewer pipe that runs through there is not ours. It's owned by the Tahoe-Truckee Sanitation Agency.

Seney: But that's your sewage?

Antonucci: Yes, that's our sewage, and we have, then, two little feeder pipes that connect to it.

Seney: Are they on your sewers?

Antonucci: They're in our district, yes.

Seney: Are you serving people, actually, down there?

Antonucci: Yes.

Seney: So you do have a few customers.

Antonucci: We have a water system down there, and at various points we have a sewer collection system that goes into the main transport line.

Seney: I've spoken to several of them, and they have said that they're not so concerned about the 32,000 acre-foot allocation that they have, which is larger than yours, actually, but what they're more concerned about is the operation of the reservoirs, and I take it that's a matter of indifference, really, to you.

Antonucci: We're supportive because we see ourselves as an interlocked economy here, and wherever we have been able to support them we have by writing letters, speaking to politicians, taking positions of support, but we see it as their issue, and we expect them to take a lead on it, and we will support them wherever we are. It's not our issue.

Seney: So reservoir levels, as they relate to recreation, interest you because of the impact overall.

**“So it's in our mutual interest that we maintain a good water-based recreation economy here, and that's where we're coming from. . . .”**

Antonucci: Right. We don't want the area to get a reputation as having poor water recreation opportunities, where they say, "I went up to Tahoe, and Prosser was dry." People, for whatever reason, have a vision of Lake Tahoe as dry. That's been the drought. I mean, there's plenty of water here. There never was a problem, but people saw these pictures on the news, and they had the opinion that Lake Tahoe had gone dry. So it's in our mutual interest that we maintain a good water-based recreation economy here, and that's where we're coming from.

### **Details of the TROA**

Seney: One of the things that is in the TROA—and then I want to ask you about the EIS [Environmental Impact Statement], too—there's something here I don't understand, and all of these things mean something. Nothing's in here just for fill, you know, to take up ink, and this one is a California restriction, and this actually has to do with the Truckee River area, so you may not be familiar with this, but I thought I'd ask you anyway. It's this one, and rather than having me read it to you, it's the

one I've circled. If you understand what that means, maybe you can explain that to us.

[Pauses while Antonucci reads document].  
It doesn't make sense to you?

Antonucci: It doesn't make any sense to me.

Seney: Okay. I'll have to ask Bob Pelcygar. I'm sure Bob's got something in mind with that. The only thing that occurred to me is that that might impact people who are making snow.

Antonucci: It might, although most of the water now for snowmaking is coming from wells. They're still using ponds, or they've developed that, like Alpine Meadows has, but I think like Squaw Valley.

Seney: So they're catching water and holding it in the ponds for snowmaking in the winter.

Antonucci: Yes, and they consume it. They'll consume all the water produced in a day. They'll dry the pond right out overnight and then rely on more runoff the next day to fill the pond to make snow.

### **The Issue of Depletion on the Upper Truckee**

Seney: Okay. Well, I'm trying to figure that out, and

I don't know what it means. For the tape's information, this is the twenty-five-percent limitation on a new water permit; only 25 percent can be taken in one month. It means something. You know, everything in here means something.

Have you become involved at all? Does the depletion matter interest you over in the Upper Truckee?

Antonucci: Just from the standpoint of supporting them. I think that's one where they really got taken advantage of. The state should never have agreed to that, should never have done that. That was a 32,000 acre-foot gross diversion. It always was gross diversion. We understood at the time we agreed to that, that that would allow reclamation and reuse, and that's why it was agreed to, and for the state to allow the downstream users to come in and translate that now into a net depletion, if I was in the Truckee River Basin, I would be very disturbed by that. I would not accept that. Would not accept that.

Seney: Will the state not sign the TROA, do you think, if the Truckee—they're pretty angry about it over there, and I think consistently so. I mean, Craig Woods is certainly annoyed by it, to say the least, and highly knowledgeable

on it. I'm going to talk to Mel Toy [of the Placer County Water Agency] tomorrow, and I know he's going to have strong views on that as well.

**“I think the state's going to take the position we have to sign TROA, because the alternative is mutually assured destruction in front of the Supreme Court. . . .”**

Antonucci: It all gets down to that argument between John Kramer and myself. Are we the 800-pound gorilla, or are we just pawns in this game? I think the state's going to take the position we have to sign TROA, because the alternative is mutually assured destruction in front of the Supreme Court. And I don't know what Governor is going to be in there. I doubt it will be done in time for [Pete] Wilson to sign it, so it's either Gray Davis [was elected Governor of California in November, 1998] or Dan Lundgren, and it really depends.

I have a feeling that—I think Lundgren would be more inclined not to sign it if the locals were against it, whereas Davis might if his higher-level people are telling him to sign.

Seney: Senator Reid told me that then-Senator Wilson was very instrumental in getting President [George Herbert Walker] Bush to

sign 101-618. Were you aware of that?

Antonucci: No.

Seney: Yes, apparently he was representing California as being in agreement with this. Now, the people over in the Truckee River Basin say that when this draw-down occurred he was very angry about that, Wilson was, and wrote a very strong letter objecting. You're aware of that?

Antonucci: Yes.

Seney: Would that, do you think, make him more sympathetic to the Truckee Basin people if it came, God forbid—I can't imagine the series of miracles required to get it on his desk. [Laughter] God Himself is powerless, I think, to move this very quickly.

Antonucci: That's a good question, because he has presidential ambitions, and I think it would all be framed in how it would be portrayed in a presidential race. I would be inclined to think he'd sign it so that he could claim credit for solving the problem, and those of us who are unhappy about it, all we could do is squeak. I think on the national scene it wouldn't be very significant.

He would say, "I solved a water war between two states, and I was instrumental in getting the President to sign the enabling legislation, and I signed the implementing document and got it done and put an end to 125 years of water war between two states." So I would think he would sign it.

Seney: I can't quarrel with your analysis. I think that sounds right to me.

### **The EIS for the TROA**

What about the EIS on the TROA? You expressed some reservations. What are your particular problems with that?

Antonucci: My main problem is it never looked at snowmaking from a standpoint—

Seney: It assumes no impact.

Antonucci: Yes, the word doesn't even appear in the document. We had other comments that we submitted. It's been a while now since I wrote the letter. There was about a half dozen issues that we raised. I'd say the rest of them were not very big. Essentially the EIS is the report of a mathematical model run, assuming that the TROA conditions are put into place.

Seney: I haven't read a lot of these [EIS's], and I've only read the summary, the draft summary of it, not the whole one, but this didn't strike me as a particularly rigorous document somehow. How does it compare to others that you have read, other environmental impact statements?

Antonucci: It's not as detailed, does not go into the kind of details that I've seen in other documents, in terms of really quantifying the impacts very specifically. It doesn't go to that kind of depth. That's the biggest difference that struck me. And we see some pretty fancy environmental documents here.

Seney: I'm sure you do.

Antonucci: Very detailed. Like I said, to me, my impression of it was it's just the report of the result of a mathematical model run on a lake-river system. That's what it is. It projects reservoir levels and stream flows and things like that, which doesn't really get into much detail on economy or natural environment, things like that. It seemed to be lacking there. I don't know how much time and effort you want to put into something like that. I mean, you still have to do the deal, and it's going to have to happen one way or another. I haven't really allowed myself to be too concerned by the lack of a lot of detail in it, because, again,

I feel like, for the most part, except for snowmaking, we're okay. If I was a downstream user, I'd be real concerned about that thing.

Seney: Would you? Which parts of it would bother you?

Antonucci: I think it underestimates the impacts on downstream users and overestimates the availability of water, but I didn't look at it from that perspective. I just went through it and said, "What in here concerns me?" Very little.

Seney: I take it, in terms of your responsibilities, the sewage part of it is not a big worry, you're more concerned, in the terms we're talking about here, with water availability.

Antonucci: Water. Right. Craig Woods, that's his responsibility. Again, we support them, and as TTSA [Tahoe Truckee Sanitation Agency] goes, so go we. We're a member agency of TTSA. Again, that's their issue, and we feel like we're in a support role on that. We requested more analysis on Truckee River flows to verify that TTSA would be in compliance and that it wouldn't be forced out of compliance, because it's a very sophisticated treatment plant there, and it

would be a shame to start operating the river in a way that caused it to go into violation. That would just be a travesty for that to happen.

Seney: What you're talking about, then, is not releasing enough water out of Tahoe in a timely fashion, operating the reservoirs in a way that wouldn't dilute the out flow from the plant enough. And you're satisfied it's going to achieve that, that the TROA will operate things in a way that—

Antonucci: I'm not satisfied with that.

Seney: You're not?

Antonucci: I'm not. That's why we wrote comments saying that they should show conclusively that TTSA will not be put into violation by virtue of how the river is operated.

Seney: I'm trying to think of where TTSA is in relation to the others, and it's only downstream from the Tahoe City Reservoir, isn't it? It's upstream from Prosser and Boca and Stampede?

Antonucci: Let's see. I'm trying to think where the Little Truckee comes in. It's above the confluence of the Little Truckee and the Truckee, and I

think Prosser—

Seney: It's below Prosser?

Antonucci: Yes. Prosser—I'm not sure where it is in relation to Prosser Creek, but it's above Martis Creek and it's above the confluence of the Little Truckee.

Seney: Right. The Martis is right next to it, but it flows in below where it—

Antonucci: Yes. I think it's upstream of Prosser, too. I think it is.

Seney: So it's solely dependent, then, on releases from Tahoe in terms of dilution before it reaches those lower areas.

Antonucci: Yes, and the compliance point is right there at the Polaris Bridge.

Seney: That's where the measurement is, you mean, to see if it—it's not below all of those other inflows. It's right there.

Antonucci: Yes. It's pretty close to where the—I think it's the Polaris Bridge. It's below the confluence of Martis Creek. Maybe it's Polaris. I'll have to think about that. It's been so long since—I actually wrote the permit, the waste discharge

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permit for TTSA–

Seney: Years ago.

Antonucci: –when I was at Lahontan. I established the monitoring point. So I guess maybe the old Polaris mansion was the patrol point, and then there was something else downstream below the confluence of Martis Creek was where the compliance point was, but they weren't given much dilution time. So you're right, they are pretty much limited to releases from Tahoe, Donner, and Martis for compliance.

Seney: If there were a problem, could you move the compliance point, cut your measurement point down? That would require changing the Lahontan–

Antonucci: Yes, you'd have to change the Lahontan discharge permit, and you would be admitting that you're not in compliance further upstream. The compliance point was selected as the point closest to the treatment plant where the discharge is fully mixed with the flow of the river. Everybody thought it would be evenly dispersed; it wouldn't be hugging the side or running along the bottom.

Seney: So you're out in the middle somewhere–

Antonucci: And it's fully mixed, fully diluted with the available flow, and no further down than that. So that would be the earliest point that you could measure them and verify that they are, in fact, in compliance.

Seney: I asked the question of moving the point because I'm aware that in the drought years, that the Contra Costa Water Districts in California that take water out of the Delta will raise the salinity standards when necessary, or the Water Resources Control Board will, or someone will, to make sure that water is still in compliance. Such things are not unheard of in order to be in compliance.

Antonucci: And I think, during droughts, there would be a waiver of standards.

### **TROA Negotiations Are Very Complex**

Seney: What's your overall view of the TROA process and how it's working? Well, let me make one comment first, and this goes to Mr. Kramer. I met Mr. Kramer at a TROA meeting where Bill Bettenberg was there and Lynn Collins, formerly of Interior Department, and Bob Pelcygar and Gordon DePauli and Sue Oldham, and, you know, the cast of characters. Fred Disheroon was there. What struck me, first of all, was the incredible

complexity of this. It was seven of the longest hours of my life, listening to this, because I knew very little about it and, I think, still do, frankly, even after all this time, it's very hard to grasp these things. It takes a long time for them at least to settle into my mind. But what struck me was the kind of camaraderie among these people and the long time that they had been doing all of this, and while they were certainly disagreeing with one another, there was a kind of atmosphere of an old boy-old girl network, since Sue Oldham was there, too.

Antonucci: Yes.

Seney: Might that, do you think, have colored Mr. Kramer's judgment on whether or not he wants to be an 800-pound gorilla among people he knows well and has worked with a long time?

### **TROA Negotiators Seem to Have a Good Working Relationship**

Antonucci: That's a good question. There certainly is what appeared to be a pretty good working relationship developed there. Without being too specific, I can say that the California people privately had some pretty well-formed negative opinions about certain individuals on

the other side. I don't think they ever exhibited that in the negotiations, but there were some pretty well-formed opinions.

**“My interpretation would be more that California was like the odd one out and that the Feds and the Nevada interests were more coalesced and more unified, with the tribe kind of on the outside . . .”**

My interpretation would be more that California was like the odd one out and that the Feds and the Nevada interests were more coalesced and more unified, with the tribe kind of on the outside, but sometimes part of that and sometimes not, but that California always was viewed as sort of a necessary but pretty much insignificant player in the whole scheme of things.

Seney: How would you view the TROA negotiations overall? It's a pretty vague question, and I'm not sure it's well put.

**“ . . . I think your description of "complex" is very accurate, much longer drawn out than I ever expected, much more far-reaching than I ever expected in terms of changing things . . . ”**

Antonucci: Well, I think your description of "complex" is very accurate, much longer drawn out than I

ever expected, much more far-reaching than I ever expected in terms of changing things like the 32,000 acre-feet gross diversion to 17,600 acre-feet net depletion.

**“I would just chalk that up to . . . my interest in only looking at what affected Lake Tahoe and being pretty satisfied that we settled the big Lake Tahoe issues in the Settlement Act and didn't have really much to do with TROA. . . .”**

It's a much more extensive document than I ever envisioned, but I guess I would just chalk that up to my own naivete and just my interest in only looking at what affected Lake Tahoe and being pretty satisfied that we settled the big Lake Tahoe issues in the Settlement Act and didn't have really much to do with TROA.

Seney: So you're not unhappy, overall, with the exceptions you've stated in terms of snowmaking?

Antonucci: Right.

Seney: I take it you feel you were kind of shafted there.

Antonucci: Right.

Seney: For some reason it doesn't make sense, you

were kind of taken advantage of.

**“Other than . . . [snowmaking], I think the TROA is pretty much a downstream-user issue, and the Truckee people came in late in the game and have asked for a lot. . . .”**

Antonucci: Right. Other than that, I think the TROA is pretty much a downstream-user issue, and the Truckee people came in late in the game and have asked for a lot. They would, I'm sure, have a different view of it, but that's only because they came in late, and a lot of decisions had already been made about what affected them and what didn't. Principally, again, I just saw it as the way for the downstream users, principally in Nevada, to work out their differences and their issues that were remaining out of the Settlement Act. So I never really got too excited about it very much.

I realize it does have an effect on us, like the administrator and how water is measured and things like that. I think those were fairly routine items. It just wasn't a big issue.

Seney: Right. That was one thing that struck me, that Garry Stone is the watermaster for both the Carson and Truckee rivers, isn't he?

Antonucci: Right.

Seney: But under this agreement, he's going to have to give up the Carson? I thought it said the administrator would administer the Orr Ditch Decree, but not the Alpine Decree.

Antonucci: That I'm not aware of.

Seney: It doesn't make sense. I don't know why—they're not really mixed. I don't know why you'd do that.

That's all the questions I have. Anything else you want to add I haven't asked? I'm sure there's lots I haven't asked.

### **Effect of the Newlands Project on Lake Tahoe**

Antonucci: Well, yes. When you originally called me, you talked about the Newlands Project, and we've pretty much focused on the interstate allocation.

**“I wanted to talk about . . . the construction of the dam here at Tahoe City, how it caused problems in the shoreline erosion of Lake Tahoe, which is an issue that we've continually pushed, that I don't think the Federal Government has faced up to the fact that they're causing severe environmental damage at Lake Tahoe . . . from the**

**standpoint of the shoreline erosion . . .”**

I wanted to talk about the fact that the construction of the dam here at Tahoe City, how it caused problems in the shoreline erosion of Lake Tahoe, which is an issue that we've continually pushed, that I don't think the Federal Government has faced up to the fact that they're causing severe environmental damage at Lake Tahoe by the way they manage the level of Lake Tahoe from the standpoint of the shoreline erosion it causes by artificially keeping the lake elevation up. It's an unstable shoreline, it continues to erode, and if people are so concerned about erosion and beautification of Lake Tahoe, why isn't the Federal Government doing something about [how] Lake Tahoe is operated? I think it's also a problem that it's not operated—

END SIDE 2, TAPE 2. AUGUST 25, 1998.

BEGIN SIDE 1, TAPE 3. AUGUST 25, 1998.

Seney: I'm Donald Seney. I'm with David Antonucci, the General Manager of the Tahoe City PUD, in his office in Tahoe City, California. Today is August 25, 1998. This is our first session and our third tape.

Go ahead. It got pretty much everything you were saying.

Antonucci: As far as not operating the Lake Tahoe as a flood control–

Seney: What's the difference? You understand, of course, what that means, and I may understand a little of it, but what, for people who don't know–

Antonucci: What it means is operating with a flood reserve going into winter with an ability to contain a flood of a predetermined size within the reservoir without being forced to open up all the gates and make maximum release out of Lake Tahoe when all the uncontrolled tributaries to the Truckee River and the Truckee River itself is at flood stage.

**“ . . . Lake Tahoe is operated to maintain as much water in the reservoir as they can within the [existing] constraints . . . ”**

See, Lake Tahoe is operated to maintain as much water in the reservoir as they can within the constraints of the Truckee River Agreement and the Orr Ditch Decree all these other decrees and whatever, that control the operation of Lake Tahoe, but those only considered Lake Tahoe as a source of water supply, not as a flood control reservoir.

**Lake Tahoe Was Not Originally Managed as a**

### **Flood Control Reservoir**

It never considered the impact on the environment as part of it. And we need to go back and revisit that.

When the Newlands Project was done, it was done during an era in which those were not concerns. Those simply were not issues that people cared anything about in this area, and it was an approach that "We're going to finish the construction of the dam at Lake Tahoe, we're going to store a lot of water there, we're going to bring arid land into production, and people are going to settle on the land and live and prosper, and that's a good thing." And I agree with that. I agree with that philosophy, but now here we find ourselves in the 1990s. A lot has changed since the early part of this century, and there's been a rise in environmental awareness and the impact that an artificially high lake level has had on the shoreline in terms of erosion and destruction of the shoreline and the impacts of not drawing the lake down enough in the winter to contain a flood to protect the Truckee River and protect Reno. I mean, when you consider what happened in Reno January 1, '97. The Lake Tahoe gates were wide open.

Seney: If they had operated that as a flood control dam, there would have been plenty of room in it for the flows in from here.

Antonucci: Yes. It could have closed down for one day, and you can argue what impact it would have had. I mean, it may have just been a few inches or less than a foot in Reno, but a few inches or a foot can be a lot of damage in a wide flood plain.

Seney: That's right, in a flat area like that.

Antonucci: I don't think people have sat down and calculated what the difference is of just a foot of elevation through Reno and Sparks when that happened. It just didn't make any sense to me.

Seney: That artificial height with the Tahoe City Dam is, if I remember right, 6,229.1 feet.

Antonucci: Correct.

Seney: And that's seven feet more, roughly, than the natural rim.

Antonucci: 6.1 feet.

Seney: It would go down to—

Antonucci: 6,223 is what they call the natural rim.

Seney: Right, and I've seen that, because in recent years it's been down to the natural rim.

Antonucci: It's been down there. In '92 it was there.

Seney: I saw that. What you see when it's down to the natural rim is that there the shoreline is kind of sandy and rocky. It's a shoreline that has accumulated over a long period of time. So I take it what you mean is that when we get a lot of wind here--it's a little windy today, as a matter of fact--that makes little waves that lap against those sand and rocks and really not do any damage in particular.

Antonucci: Right.

Seney: Now when you put that six feet on there, what you have the waves lapping against is dirt, tree roots, and that's what you're talking about.

Antonucci: That's what I'm talking about being eroded out, yes, unstable areas that over the years have not built up a natural protection that you would with a natural shoreline.

Seney: And changing that, even that six feet, back and forth, up and down, prohibits, does it, in a sense, the development of that natural

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shoreline? Or in an eon will we have a natural shoreline?

Antonucci: Well, in an eon you would have a natural shoreline reestablished, I would think, but at great cost.

Seney: What does that erosion mean for you here in Tahoe City? Describe what the specific negative effects of that are.

**“[Erosion]. . . damages private property. In this regard we're acting as advocates for property owners and taxpayers in our district. . . .It puts sediment into Lake Tahoe . . . We have sewer lines that were installed on dry ground that are now out in the lake . . .”**

Antonucci: Well, it damages private property. In this regard we're acting as advocates for property owners and taxpayers in our district. It erodes back their real estate. They lose that. It puts sediment into Lake Tahoe, which is harmful. We have facilities on the shoreline that are damaged by that. We have sewer lines that were installed on dry ground that are now out in the lake because of—

Seney: As you go by, you can see the pipes.

Antonucci: Yes, the whole point. You see them out in the

lake, and agents say, "Why did you do that?" and we say, "Well, when we built it, it wasn't out in the lake. It was on dry ground, and the lake continued to erode back and surround it. It does damage to piers and other shoreline amenities. We operate piers, boat ramps, things like that. Then we've got property owners along the Truckee River that have to withstand the high releases out of the Truckee River. We have a bike trail that goes under water when there's high releases, and that curtails recreation.

Seney: It erodes the fishery, doesn't it?

Antonucci: Right. It damages the habitat. You've got these high flows coming through and then nothing, and then high flows, particularly when you have high flows during flood.

Seney: Given the decrees and the restraints on the operation, is there anything you can do about this, do you think? Is there any wiggle room here?

Antonucci: The attorneys say no. Barring some act of Congress to reform the operation of the system, there isn't much that can be done other than through voluntary means.

Seney: When I spoke to Joanne Robique yesterday,

her interest, of course, is Stampede and Prosser and Boca and the recreation facilities that the [U.S.] Forest Service operates there. When she came here in the early eighties—in the mid-eighties, got a hold of the former watermaster, Claude Dukes, his view was no, no, there's nothing we can do about operating those reservoirs in a way to maintain them for recreation.

Antonucci: Right.

Seney: And, lo and behold, when political pressure gets mounted, it turns out, gee, there is room to change the operation so that you take more out of Stampede, which is deeper, and less out of Prosser and Boca, which are shallower, and things can be done. Do you think maybe if there were sufficient political pressure here, that you might do things differently?

Antonucci: The problem is a lower lake level means less water available for downstream users, except for the Pyramid Tribe, who would be the beneficiary of a lower lake level.

Seney: Their lake would go up.

Antonucci: Their lake would go up and water would be released during periods in which it can't be used.

Seney: The real people here who would suffer would be the Newlands Project, wouldn't they?

Antonucci: Right. We have to work out a way that they don't suffer.

Seney: Have you talked with the tribe about their decoupling the two rivers and stopping the diversions to the Truckee Canal? Is that something that you would see that would serve your interest and theirs?

Antonucci: It would serve our interests, because then Lake Tahoe could be operated—

Seney: Very differently.

Antonucci: —very differently.

Seney: Have you looked into that political alliance?

Antonucci: I haven't ever considered that because I don't see it as politically possible.

Seney: Why not? You're kind of smiling when you say that.

Antonucci: I don't see that you could just cut off all the agriculture in the Newlands Project from the Truckee River. I mean, people have made lifetime investments there, invested their lives,

their families. They make a living, have a life there. You couldn't cut the water off to them just like that and leave them high and dry, so to speak.

Seney: Well, I'm not talking, maybe, about tomorrow going out and blowing up Derby Dam, which Mr. Pelcygar has been accused many times of advocating. He claims he's never said that, but it's in the mythology of the discussions. But there are ways to buy up and retire agricultural land in the Newlands Project, seek funding sources. They might even be California funding sources, for that matter, since the impact is on the lake here. Have you considered that kind of strategy?

Antonucci: Yes, compensation.

Seney: Yes. Right. I'm not talking about just taking their water away. Clearly, they've got to be compensated. Even the Pyramid Lake Tribe does not want to just take the water away from them. They deserve compensation.

Antonucci: Well, I think some reforms could be implemented without compensating them, but to go further than that, there needs to be some compensation. I don't think they have a right to grow certain types of crops there. They have an expectation to be able to grow some

kind of crop there, but it may not be the most economically beneficial crop.

Seney: Are you badmouthing alfalfa now? Is that what I'm hearing? [Laughter]

Antonucci: [Laughter] Could be.

Seney: Yes, there are many people who don't think that's an essential crop.

Antonucci: I look at what Congress did with the Central Valley Improvement, CVPIA, Act, in which they squeezed 800,000 acre-feet out for fish and wildlife and said it's all going to come out of the users and they're all going to contribute to that to restore fish and wildlife values, and there was no compensation there. And people had their water cut back, but they still had an ability to generate an income off of agriculture. So I see something similar happening, maybe, at the Newlands. If it's to be completely dried up, though, you're going to have to compensate them. If you turn them back to dry-land farming, then they'd have to be compensated.

### **Some Possible Ways to Lessen the Impact of the Newlands Project on Lake Tahoe**

Seney: There are some fairly interesting schemes, and

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that's sort of a negative word—don't mean it that way—say down in Southern California where the San Diego Water Authority has paid for lining canals. You're shaking your head.

Antonucci: Imperial Irrigation District.

Seney: And then they get the water that's—I know they're hassling with the—

Antonucci: Yes, if they can figure out how to wheel it through the Colorado River Aqueduct.

Seney: Yes, if L.A. [Los Angeles] will let them. Who knows what will happen there.

Antonucci: Metropolitan Water District.

Seney: Right. The almighty Metropolitan Water District, the envy of every water district, I'm sure. Right?

Antonucci: Yes, the biggest water district in the world.

Seney: There's nothing like them, a power unto themselves.

Is there any thought of that, say, funding the lining of the canals on the Newlands Project and then taking some of that water

back and keeping it here or not having to keep it here, actually, because they would be more efficient?

Antonucci: I think that could be done. I think it's cost-prohibitive for the farmers to do it themselves, but—

Seney: I'm thinking of you all up here maybe getting involved in that.

Antonucci: Well, my interpretation is that there's no more water for us, 23,000 acre-feet is just—

Seney: I'm not talking so much about getting water as getting rid of it. If they're more efficient, if they need less Truckee River water—in fact, maybe none if it becomes more efficient and you have some buy-outs, then you don't have to store it for them, and you can let the lake go down.

Antonucci: Yes, I understand what you're saying there. That would interest us, and it would be innovative for the state of California to pay money to improve canals in Nevada.

Seney: Wouldn't it? Yes.

Antonucci: But to benefit California, the California environment, but I think that's something we

could definitely support. Something needs to be done.

Seney: While you see this erosion—and many do. You're not alone in this. The environmental community, the property owners around the edge, the recreation people who are annoyed in the summer when the lake is brim full and the beaches are obscured—I mean, there are a lot of people who see it. Has it reached the kind of crisis that would lead to some of these sort of expensive and artful solutions? I guess I'm characterizing my own suggestions as artful, and there's no one to challenge me, so I'll leave it at that. But it really does require a crisis, doesn't it, to precipitate some kind of action like that?

Antonucci: Yes, it definitely requires a crisis, and that's what we had January 1, '97, was a crisis.

### **The Clarity of Lake Tahoe**

Seney: I see just this weekend the measurement of the clarity of the lake. Over the last year it's lost not one foot, as it usually does, but twelve feet. Now, a lot of people find it hard to get upset about that, outside of the scientific community that are measuring that and water-quality people, but is that having to do with the lake level, do you think?

Antonucci: I think part of that is the shoreline erosion contributed to that. The major bulk of it is the runoff, the polluted runoff that goes back into Lake Tahoe. This was a high runoff year, this last year, the floods and then the heavy snow that followed. We've had two back-to-back wet years, and when there's a lot of runoff, Lake Tahoe does show a significant decrease in clarity during those years. I've seen that.

Seney: Apparently they've said that this may ameliorate itself some and may not be a permanent degradation, for the reasons that you mentioned.

Anything else you want to say about the shoreline or other issues?

### **Level at Which the Lake Should Be Maintained**

Antonucci: I think you touched on it, and the point I should have made is about the beaches.

**“ . . . we'd like to have more beach out there. . . . ”**

We're in the beach business, too, and we'd like to have more beach out there. But obviously, though, when the lake is down real low, it's too far away from the shoreline amenities to be usable. So there is a midpoint there and a range in which the lake should be maintained,

keeping in mind protection of the environment, flood control, and recreation.

### **High Water Damages Marina Facilities**

But I was surprised. I thought the marina owners would just go ballistic over a proposal to lower the lake even a foot, and their legal counsel came to one of our meetings that we'd been having on this issue. He represented several marinas. He said, "We don't like low water, obviously, because that hurts our business," he said, "but you'd better believe we have more damage from high water than we ever have from low water," because it's at low water so rarely but it's at high water much more often. For them to deal with and contend with high water problems is much more significant to them. So they are supportive of lowering the lake, operating at a lower level, which I wouldn't have thought.

Seney: Yes, until you hear what they have to say. Then it makes sense. I should think those marinas would be hard to repair, and then going through the permit procedure to repair them, I would think, would be a headache, too, dealing with numerous agencies, certainly.

Antonucci: The damage and all that. That was a surprise

to me, because I thought marina owners would be pretty skeptical of this, and pier owners, too, because you're talking about the lake being one foot lower all the way down, and getting to low water sooner, one foot sooner, so to speak, and how that would affect people. But the lake hasn't been at its extreme low as often as it's been at its extreme high, so people are more aware of that than the low. So I think that's where the support comes from.

### **Impact of the Lake on the North Shore Communities**

The other thing's the dam itself here in Tahoe City, the fact that this is the release point, and this is arguably the oldest community on the lake. There's probably some affinity of the community to the dam itself, that this is the only outlet and Fanny Bridge and all that. But I think most people that live here now are pretty oblivious to it, and you have to really talk to them about it, "Oh, yes, right, the dam's here. That's how they control the lake and how they release water." But I think there's more of a sense of closeness to the lake by people who live in this area because of the dam and the physical proximity of the lake compared to—I lived over five years at South Lake Tahoe. You live down there, you can go a week without seeing

Lake Tahoe.

Seney: Absolutely.

### **Sixty Four Acre Tract at Tahoe City**

Antonucci: And you can't go a day here without seeing Lake Tahoe. You're always reminded of it. So it builds a much closer affinity. As far as this community and the dam and the outlet works, we're probably most affected, though, by the piece of property called the sixty-four acres, which the Bureau [of Reclamation] had acquired early part of this century, I'm told, for the purpose of constructing a second outlet from Lake Tahoe. So they had acquired this sixty-four acre tract, which this building sits on part of. You can see it. Do you know what I'm talking about, the property?

Seney: I do, yes.

Antonucci: And it was held for many years in the hands of the Truckee-Carson Irrigation District, and they had allowed people to occupy properties on it. Then it got transferred from the Bureau to the Forest Service, who then cleared it off. It's one good, level piece of property right next to the town that has generally been unavailable for meeting the needs of the town for recreation and other types of development

that are needed to make a community.

Seney: How did you get a corner of it?

Antonucci: We traded to the Forest Service. The Forest Service announced that when they got control of the sixty-four acres, they planned to dispose of the parcel they referred to as the "chimney parcel" because the parcel kind of looks like a house with a chimney sticking up, and it's oriented with the chimney coming this way. So we're on the chimney parcel, and we traded some land that we had that the Forest Service wanted, to the Forest Service, and that's how we came into ownership of the chimney section. It was about 7.6 acres of the sixty-four acres.

**“We'd always, for a long time, had designs on the sixty-four acres as a site for a regional park facility . . .”**

We'd always, for a long time, had designs on the sixty-four acres as a site for a regional park facility where you could have more local-type park facilities like ball fields and things like that. The Forest Service vision is not ball fields, not local-serving recreation. It's the much larger national user, and they wanted to put an interpretive center on there. There's going to eventually be a transit center.

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They've allowed us to put bike trails there, because they see it serving the larger national interest.

**“ . . . that property has always been in the hands of others who have had a much different agenda than the community would have preferred to see happen to that property, whether it's the Bureau, the Truckee-Carson Irrigation District, or now the U.S. Forest Service. . . . ”**

But that property has always been in the hands of others who have had a much different agenda than the community would have preferred to see happen to that property, whether it's the Bureau, the Truckee-Carson Irrigation District, or now the U.S. Forest Service. It's always been in the hands of others since it passed from—I guess, probably from—the Bliss family probably owned it originally and then sold it to the Bureau. I guess part of the railroad was on there. It was part of their holdings.

**“So that . . . is how the Newlands Project has really affected the town of Tahoe City. . . . it stopped the town at the river. Otherwise the town would have . . . been a much more extensive town of Tahoe City on the sixty-four acres . . . ”**

So that, sort of in a perverse way, is how

the Newlands Project has really affected the town of Tahoe City. I mean, it stopped the town at the river. Otherwise the town would have continued to grow onto the sixty-four acres, and there would have been a much more extensive town of Tahoe City on the sixty-four acres if it had remained in private ownership under Bliss, the Bliss family. Other things would have happened. Whether it would have been park, who is to say?

Seney: But it's a big chunk for you not to be able to control.

Antonucci: Right. Yes, to have sixty-four acres right, literally, in the middle or next to the town.

Seney: Yes, and at an important intersection, essentially.

Antonucci: Right. So I think that was something that needed to be said and brought out.

Seney: Yes. You're right. Although I'm aware of the land and the transfer from the General Electric Company and all that and buying the easement, and I knew that TCID had had some kind of shabby uses here, didn't they? I mean, it wasn't done well.

Antonucci: Right. Equipment yards, a nursery, and then a

trailer park that was pretty run down.

Seney: Yes. I'm aware that there was local unhappiness with whatever they were doing, because they've told me that. They had quite a different take on it, however, of course, regarding you all as kind of snobbish in a way up here, "rich weekenders who didn't like what we were doing with our property" kind of thing.

Antonucci: Yes, I agree with that.

Seney: Yes, they had another view of it, as one would expect.

Antonucci: Yes, I think so. It was a source of irritation for some of them. For us it's more rooted in not being able to exercise some control over what happened on the property and having it operate independently. Plus the way it was handled. There were all these different tiers of leases on the property. It was really a mess.

Seney: Someone leased it to someone else.

Antonucci: And someone else, and someone else. Gosh, it was—

Seney: That must have taken a while to straighten up

and clean up.

**“ . . . the Forest Service. . . . had the political wherewithal to clear off the encroachments that were on there. . . .”**

Antonucci: Oh, it did. I have to hand it to the Forest Service. They had the political wherewithal to clear off the encroachments that were on there.

#### **Differences Between the Forest Service and Local Wishes for the Sixty-four Acres**

They forced the nursery out. I mean, they forced the business out, and they forced 300 people out of the trailer park, which was the low-income housing for our area. They forced another business out. They all relocated one way or another, found other sites to conduct their business. I think secretly, though, people were happy that the trailer park went.

Seney: I'm sure.

Antonucci: I remember the sheriff told me that crime dropped significantly in Tahoe City once the trailer park was removed.

Seney: I'm sure that freed those officers up a good deal from domestic disputes and all kinds of

calls, right?

Antonucci: Right. And at the time there was quite a bit of effort to try to reestablish low-income properties, but nothing ever came of it.

Seney: That's hard to do in an area like this.

Antonucci: Yes. And then the Forest Service entered into a joint planning process with the local community. I participated in that, but there were some pretty definite boundaries that were put on it as to what we could help them plan for, and we ended up getting permission to put a transit center on there. The Forest Service, of course, wanted the interpretive center, that was their main thing, and then bike trails and other public outdoor recreation amenities would be allowed there, public restrooms, picnic tables, that kind of thing, parking lot, trailer access, raft launching ramp and things like that were all agreed to as part of it. We had tried to get it as a site for a recreation center or ball fields, and they said no, no way.

Seney: They appreciated what that would mean, that that would be for local use.

Antonucci: Yes. They just said that that ceased to serve the national user. It's national forestland, and

we had a hard time with that because we'd look at it and say, "You're calling that national forestland? Come on. You mean national forestland up in the hills with trees and forests, not a prime piece of property in an urbanized area, and manage that as national forestland the way you manage a tract of land at the top of the Sierra." But that's, in fact, what they were telling us, is they were going to manage it the way they manage any other piece of national forestland, and that didn't really sit well, but we realized, again, all we could do is squeak.

Seney: There's not much you can do, yes.

Antonucci: There isn't much you can do. We had hoped to maybe trade it to them, you know, to trade with them, trade some other land that we held, we'd trade out, but they had their own designs.

Seney: And you didn't have anything they were that interested in, obviously.

Antonucci: No. They had their own designs on the property. They wanted an interpretive center there. They really wanted that.

Seney: Well, I can understand that from their point of view. That's a nice spot for one. You know, they're trying to sell themselves. They want a

nice facility that people, "Oh, the Forest Service," leave with a warm feeling.

**“[It] . . . became obvious, that they would not consider an exchange because they had their own plans for the property. . . .”**

Antonucci: Right. Yes. That became obvious, that they would not consider an exchange because they had their own plans for the property. So I think things have pretty well settled down now on that point. The interpretive center is moving ahead. The transit center's been funded and will be happening. We've since constructed bike trails and public access to the river and to the bike trail system. So that chapter is over with now, pretty much.

### **There Is a Lot of Animosity Toward the Federal Watermaster**

Let me think if there's anything else. I think there's a lot of ill will towards the watermaster here. It's seen as a bureaucratic rule from afar and insensitive. I have a lot of respect for Garry [Stone]. I understand the problem he faces. He's got to operate the plumbing system within a certain boundary and rule book and all that, but he ends up being the whipping boy, so to speak, for all the unhappiness about what the flow is in the

river or the elevation of the lake or the lake's too low or it's too high or there's too much or not enough water in the river.

Seney: He's visible.

Antonucci: He's visible. He's the target. The common perception here is that he is the problem, he, personally, is the problem. I think more enlightened individuals see it as a much larger situation here, circumstances which the watermaster finds himself in. You take Garry Stone out of there and put someone else in, it's not going to be a lot different.

Seney: As long as you've got the Orr Ditch Decree and the Truckee River Agreement and the other decrees.

Antonucci: Well, most people are unaware that this water here is destined for Fallon, Nevada. They go, "What?" You tell them the story, and they go, "How can that be? That's crazy. That can't possibly be," and how the dam came to be and how the whole system works. I'd say that's one unfortunate thing that has come out of it, just a lot of resentment and animosity towards the watermaster.

### **Attempts to Pump Water out of Lake Tahoe**

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The subject of pumping is another hot topic. It came up during the drought era.

Seney: Pumping below the natural rim.

Antonucci: Yes, pumping out. And, of course, Lake Tahoe has been pumped in the past, but not in the recent past. People were very opposed to that. As an engineer, I tried to explain it to them. I said, "Gee. You let them set these pumps up. I mean, they could pump a lot of water, and it just would be a fraction of an inch." Because I looked at it from [the point of view of]–

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**“ . . . the popular view here is that pumping Lake Tahoe is living beyond your means, that you should just accept the fact that the lake will drop below its natural rim and there will be no flow for a while . . . ”**

Antonucci: –farmers down in Fallon that are dependent upon the water, and they need it to grow their crops. But the popular view here is that pumping Lake Tahoe is living beyond your means, that you should just accept the fact that the lake will drop below its natural rim and there will be no flow for a while, and you

should arrange your life and your occupation, whatever it is you do, around that fact, and that by allowing them, Reno-Sparks, to pump Lake Tahoe, they would just build more houses and develop more and then would have to pump the lake more often.

I think more people here perceive that water in Lake Tahoe is used in Reno-Sparks than in Fallon, Nevada. They have no sense of that, and they're just quizzical about all the growth in Reno-Sparks and how could that happen. We hear all this about not enough water.

Seney: They drive down to shop, and they can see what's going on.

**“They don't understand, and I explain to them that they're buying up water rights[, and] an acre of houses uses less water than an acre of alfalfa or irrigated pasture. . . .”**

Antonucci: Right. They don't understand, and I explain to them that they're buying up water rights[, and] an acre of houses uses less water than an acre of alfalfa or irrigated pasture. They have a hard time understanding that. It gets back to the watermaster and the ire that is directed at him, poor guy.

- Seney: Yes, really. Well, he does have a hot job. There's no question about it.
- Antonucci: That's right. He can't make anybody happy.
- Seney: He's quite diplomatic. I think he does about as well as you could do.
- Antonucci: I think so, too. I think so, too.
- Seney: I interviewed him at the beginning of the project.
- Antonucci: I'll bet you interviewed him at length.
- Seney: Yes. He was very interesting in terms of explaining how it works and what he works up against and all that kind of thing.
- Antonucci: Well, I think I've said everything I can think of.
- Seney: Okay. Well, that was great. That was excellent. As I said, everybody has a piece of the puzzle, and this is an important one. Thank you, on behalf of the Bureau.
- Antonucci: I'm glad I could do it. It's pretty interesting.
- Seney: Thanks again.

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END OF INTERVIEW