

ORAL HISTORY INTERVIEW

JOHN C. HASSENPLUG



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OPEN FOR RESEARCH



Interview Conducted and Edited by:
Donald B. Seney in 1998
California State University-Sacramento
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By Andrew H. Gahan, Historian

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Statement of Donation

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INTERVIEWER: DONALD B. SENEY

Oral History of John C. Hassenplug
Newlands Project Series

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Editorial Convention

A note on editorial conventions. In the text of these interviews, information in parentheses, (), is actually on the tape. Information in brackets, [], has been added to the tape either by the editor to clarify meaning or at the request of the interviewee in order to correct, enlarge, or clarify the interview as it was originally spoken. Words have sometimes been struck out by editor or interviewee in order to clarify meaning or eliminate repetition. In the case of strikeouts, that material has been printed at 50% density to aid in reading the interviews but assuring that the struckout material is readable.

The transcriber and editor also have removed some extraneous words such as false starts and repetitions without indicating their removal. The meaning of the interview has not been changed by this editing.

While we attempt to conform to most standard academic rules of usage (see *The Chicago Manual of Style*), we do not conform to those standards in this interview for individual's titles which then would only be capitalized in the text when they are specifically used as a title connected to a name, e.g., "Secretary of the Interior Gale Norton" as opposed to "Gale Norton, the secretary of the interior;" or "Commissioner John Keys" as opposed to "the commissioner, who was John Keys at the time." The convention in the Federal government is to capitalize titles always. Likewise formal titles of acts and offices are capitalized but abbreviated usages are not, e.g., Division of Planning as opposed to "planning;" the Reclamation

Projects Authorization and Adjustment Act of 1992, as opposed to “the 1992 act.”

The convention with acronyms is that if they are pronounced as a word then they are treated as if they are a word. If they are spelled out by the speaker then they have a hyphen between each letter. An example is the Agency for International Development’s acronym: said as a word, it appears as AID but spelled out it appears as A-I-D; another example is the acronym for State Historic Preservation Officer: SHPO when said as a word, but S-H-P-O when spelled out.

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.

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For additional information about Reclamation's History Program see:
www.usbr.gov/history

**Oral History Interview
John C. Hassenplug**

Seney: My name is Donald Seney. I'm with John—
say your name for me. Hassenplug, right?

Hassenplug: Yes.

**Becoming General Manager of the North Tahoe Public
Utility District**

Seney: Right, John Hassenplug, the General
Manager. Is that the right title for you?

Hassenplug: Yes, it is.

Seney: Of the North Tahoe Public Utility District,
in his office in Tahoe Vista, California.
Today is August 25, 1998. This is our first
session and our first tape.

Why don't we begin by you telling me
how you got to be the general manager of
the district, how long you've been here.

Hassenplug: I've been with the district since 1972. I
started out as the supervising engineer, then
the chief engineer, and then when the district
manager passed away in 1975, interim

manager, and then in February of '76, I was appointed general manager of the district.

Seney: So more than twenty years you've held this position.

Hassenplug: Yes.

Seney: Where were you before '72, or is this—

Hassenplug: Pittsburgh, Pennsylvania, in the consulting business.

Seney: How did you wind up in the North Tahoe Public Utilities?

Hassenplug: I was going to graduate school at the University of Pittsburgh while I was working in the consulting business, and I saw this job advertised in *Western Cities* magazine.

Seney: Had you ever been to Tahoe before?

Hassenplug: Yes. I had lived in California, in Southern California, and worked for Cal Trans [State of California, Department of Transportation], and I had spent six months in Sacramento.

Seney: So you weren't completely unaware of what the area was like.

Hassenplug: No, I was not.

District Size and Functions

- Seney: Tell me something about the size of the district and how many people it serves and what functions it provides.
- Hassenplug: We have approximately 5,300 sewer customers and about 3,300 water customers. Within our district, there are two private water companies that make up the rest of the—
- Seney: That's why you have more sewer customers than water customers.
- Hassenplug: There are two water companies who are a product of the original subdividers.
- Seney: What's the condition of these water companies? I happen to live in South Shore, I may have said to you. When we purchased there, it was the Tahoe Paradise Water Company, which South Tahoe Public Utilities District took over. Have you got designs on these two water companies or are you looking to take them over?
- Hassenplug: We have made offers. We are not in the business of hostile takeovers.

- Seney: They're not interested at this point?
- Hassenplug: No. They're both well operated, which keeps them operating effectively for their ratepayers. As long as that happens, I think they will probably be that way. Usually it is when a water system falls into quite a bit of disrepair and does not meet current standards, that's usually when they end up being sold to a public entity that has the ability to do public financing and bring them back up to the current standards.
- Seney: I take it these were pretty well built to begin with, then.
- Hassenplug: I think they were, yes.
- Seney: It's my understanding, it's water quality problems that gets them, as well as leakage in the system. They're not having those problems?
- Hassenplug: As far as leakage, I don't know. As far as water quality, both of them are drawing water out of the lake. They also have springs and wells, and they are in the process right now of meeting the Surface Water Treatment Act and so that they will be in compliance.
- Seney: That means they'll have to build a treatment plant for that surface water, doesn't it?

Hassenplug: Yes, they will. They will have to build some kind of treatment.

District's Water Rights and Future Development

Seney: How many acre feet of water rights does the District have, your District?

Hassenplug: We have approximately, I believe, 1,800.

Seney: You're pretty much using all that?

Hassenplug: We're at about 13.

Seney: And again, we're talking 3,300 customers. Did you use that number, 3,300, for that 1,300 acre feet?

Hassenplug: Yes.

Seney: So if you've got 500 more acre feet, how many more customers could you have, do you think?

Hassenplug: Well, what drives development here in the basin is the Tahoe Regional Planning Agency Plan Area Statements and their development criteria for different lots, and it would seem to me that the water rights that

the North Tahoe P-U-D [Public Utility District] has is sufficient to meet 100 percent build-out in accordance with the Tahoe Regional Planning Agency¹ plan.

Seney: You've got a lot of steep lots here, don't you?

Hassenplug: We do.

Seney: And those are not buildable lots?

Hassenplug: Those are not buildable. A lot of lots up here have been bought by the California Tahoe Conservancy, some of the fragile lots have been, to Willing Seller/Willing Buyer Program. Some lot owners, realizing that their lots will be difficult to build on, if not buildable for many, many, many years, have chose to sell these lots to the Conservancy, and so this has reduced the demand.

Future Water Needs

Seney: So as you see your situation, within the 1,800 acre feet of rights you have at this point and the 500 wiggle room you have—

1. In the late 1960s, lawmakers in California and Nevada approved a bi-state compact that created the Tahoe Regional Planning Agency to oversee development at Lake Tahoe. For more information, see "About TRPA," www.trpa.org/about-trpa/. (Accessed 2/2016).

that's a fair amount of wiggle room—you're okay. You're not worried that you're going to need more water.

Hassenplug: No. There's a couple of things that puts North Tahoe P-U-D in a pretty good position. One, we've had for the last six or seven years a leak detection program, where we have used an ultrasonic type of microphone and each year we have surveyed a certain part of our District, and we have fixed a considerable amount of leaks, because with the rocky soil that we have, you could have a leak and it may never surface. Now, granted, it will run back into the lake, but it means that you have to produce and treat and pump more water than you need to. So we feel right now that our system is extremely tight.

Metering and Measuring Water

Additionally, our system is entirely metered, and with the Public Law 101-618, that preceded the Truckee River Operating Agreement, or started that process, we were instrumental in getting a provision in there that said, "If you are metered that your water use will be measured not by the amount of water diverted, but by the amount of water

delivered." In most systems, if you have a leakage factor of some 20 to 25 percent, which is not—

Seney: That's not uncommon, is it?

Hassenplug: Not uncommon. That means that you, if you're not metered, will have to produce 20 to 25 percent more water than you'll actually be able to deliver. So we're in a very enviable position of taking care of business in a businesslike manner, and so we're feeling that we're in very good shape waterwise.

Seney: So you're not metered at the connection. What am I trying to say here? When they're adding up your water, they're not looking at it at the intake point. They're adding up all the housing meters and seeing what you're delivering?

Hassenplug: Well, at this time we are reporting what we are diverting, and since we are well under what our allocation is, it's not important. But as we get to the end of the T-R-P-A build-out, that 25 percent cushion may be important. Now, we do from time to time go through the exercise of comparing what we're producing with what we're delivering, and that's one of the ways that we've been able to test—

Seney: Your leakage program.

Hassenplug: Yes.

Seney: What is your loss right now?

Hassenplug: I think we're probably 10, maybe 10 percent.

Seney: That's very good, isn't it?

Hassenplug: Which is excellent. By American Water Works Association standards, that's very good.

Seney: Especially in a system like this, it's got to be kind of uneven, I would think. I mean, I would think you'd have some older places that would not be well served.

Hassenplug: Very uneven.

Seney: How is it that all of your residences are metered? How did that come to pass?

Hassenplug: Metering became a reality when we went into the watering business in 1968 and we bought the old Brockway Water Company, because one of the things that happened up here is that many of the houses up here were not winterized. People would leave in September, turn on the water, come back in May or June, and it would run all year.

Seney: To keep the pipes from freezing.

Water Use and Sewage Treatment

Hassenplug: Well, it kept the pipes from freezing, for one; and two, it means we had to keep producing water in a much greater quantity than was necessary. And on the flip side of the coin, it increased the load to the sewer system. Since here at Lake Tahoe all of the sewage is exported from the basin and all of the sewage we collect, a little bit over a million gallons a day, has to be pumped out of the district. Any extra water, of course, caused an extra cost.

Seney: You have to pump your sewage to T-T-S-A [Tahoe Truckee Sanitation Agency], up over the hill?

Hassenplug: We have four very large pump stations, and we pump over the hill at Dollar Hill, and then we go into a joint gravity line with the Tahoe City P-U-D and then into the Tahoe-Truckee Sanitation Agency, interceptor at not too far downstream from where the Truckee River begins.

Seney: So at that point, it's running on gravity and you don't need to pump it. What is the pumping costs? What does that run you per day, per year?

Hassenplug: The pumping costs are about \$150,000 to

\$175,000 a year. Our electric bills with Sierra Pacific Power. I just happen to have a couple statements in here somebody had asked for. But that's where we are, and so certainly—

Water Metering Versus a Flat Rate

Seney: Any amount of sewage you can reduce is good for you.

Hassenplug: Any amount of sewage we can save is an excellent opportunity for us. So we work very hard on that issue, also. But the metering is a very effective way to do it. My personal opinion, although some people are not in favor of meters, it does make the system fair. It doesn't mean that your rates will be higher because your neighbor is watering much more than they have to, and it's one of the things that tends to happen up here. Most properties have natural vegetation, and a lot of water doesn't make a lot of difference. They're almost as healthy without the water as they are with the water, and it doesn't seem to increase the growth very much.

Seney: It also gets around the problem of how to charge full time and part-time residents. Do you have that?

Hassenplug: We do not.

Seney: So all I pay for, if I'm here two months or twelve months, is what goes through that meter.

Hassenplug: Not exactly. You're allowed, under the base rate—you call it a flat rate, we call it a base rate—7,500 gallons, which is essentially 250 gallons a day, which is the average use in California. So you're allowed that, and over that then there is an overage charge. So those who choose to use more pay more, which is an equitable way.

Seney: But it still gets you around the problem of almost no charge for those who are not here much, even though the system has to be maintained for them.

Hassenplug: Right, the system has to be maintained, and that's the question we probably get asked more than any other question, "Gee, I only use my place three months a year. How come I'm paying year-round?" And the answer is, "Quite frankly, part of your rates are paying for infrastructure, debt retirement, etc., and the system is always ready for you to use whenever you come.

Seney: One of the things I want to talk to you about is the effect of the Newlands Project and the

Bureau of Reclamation activity on your operation, on the lake in general and on your operation. Since you've been—again, remind me, since '72 you've been the general manager?

Hassenplug: Yes.

The Interstate Compact

Seney: In the mid-eighties, there was an attempt to—

Hassenplug: I've been the General Manager since '76.

Seney: '76, I'm sorry. In the mid-eighties, '86, there was an attempt to pass the Interstate Compact,² that had in it the interstate allocation that we were talking about before the tape went on, on Lake Tahoe—23,000 for California, 11,000 for Nevada. Were you involved at all in that? Did you get drawn into that?

Hassenplug: Yes, we did. All of the Lake Tahoe water purveyors were drawn into that, because at that time there was an attempt to take the

2. For more information on the California-Nevada Compact, see Donald J. Pisani, "The Strange Death of the California-Nevada Compact: A Study in Interstate Water Negotiations," *Pacific Historical Review* 47:4 (November 1978): 637-58; Leah J. Wilds, *Water Politics in Nevada: A Century of Struggle* (Reno: University of Nevada Press, 2010).

23,000 acre feet and re-allocate it in what the allocation at that time split the lake into an A, B, and a C area, and attempted to allocate it, and we got involved in it because we wanted to make sure that the allocation that was received in these areas, because the allocation would serve not only the North Tahoe P-U-D but the two private water companies in our District, we wanted to be very, very careful and very certain that the allocation mirrored the build-out in the Land Planning Program that the Tahoe Regional Planning Agency had done.

Seney: Tell me what you mean, A, B, and C.

Hassenplug: They took this District, called that area the A area. Took the Tahoe City P-U-D District. They called that the B area. And they took the South Tahoe P-U-D area and called that the C area. And so they attempted to establish an allocation for each one of those.

Seney: Do you recall what the allocation was?

Hassenplug: No, I don't at this time.

Seney: But whatever it was, you were concerned about it.

Hassenplug: Yes. The study is available. It was never

completed. It was not completed, and then the Truckee River Operating Agreement [TROA] and all these other agreements sort of superseded that. And actually, one would have to finish that agreement to make sure that the amount of water that is allocated to Lake Tahoe stays the same. Then after that is determined, then that issue of how to allocate it around the lake could be looked at again.

Seney: That will really be an issue that's going to be resolved by the Water Resources Control Board.

Hassenplug: Right.

Seney: Will then parcel out that 23,000 acre feet among you, Tahoe City P-U-D, and South Tahoe P-U-D.

Hassenplug: Right.

Seney: I know that Tahoe City P-U-D has a pending application for 6,000 acre feet with them. Do you have an application, as well? Did you file one?

Hassenplug: We have not filed an application since 1972, nor has the state taken any action on any applications since that time. It was one of

the first things I did when I got here as the engineer was file an application, and I spent about a week down at Water Rights, researching.

Seney: My understanding is that they've been reluctant to move on it until all these matters have been settled.

Hassenplug: I don't know if reluctant is the right word, but let's just say they haven't moved.

Seney: What would be the right word, do you think?

Hassenplug: I think they're probably waiting, just like, you know, to make sure that they're making an allocation on water that is actually assigned to California.

Seney: Yeah, and that will stick.

Hassenplug: Sure.

Seney: And survive legal challenges which are likely to come.

Hassenplug: Exactly, or you'll just be going through the exercise.

Seney: When the Interstate Compact was defeated in 1986, did that trouble you, the fact that the Interstate Compact had been defeated

and this interstate allocation was still up in the air?

Efficient Means of Measuring Water Meter Use

Hassenplug: Well, since we felt that we had quite a good cushion with our water rights, we've not been concerned. We focused more on taking what we had and trying to use it as efficiently as possible. As a matter of fact, in 1985-86, we did a complete meter change-out program and went to a remote reading meter, which was much more efficient to read and this is year-round.

Seney: This is why your person drives down the street and—

Hassenplug: Well, no. They have to actually interface with a reading gun with the meter, but it is certainly much more efficient than opening a meter box, looking in the ground, bailing out the water.

Seney: All those fun things.

Hassenplug: All those fun things.

Seney: Dealing with the spiders and whatever else may be in there.

Hassenplug: So that's made us efficient in our reading, and I think it has worked out well for the District.

Public Law 101-618

Seney: As you know, when the Interstate Compact failed, Senator [Paul] Laxalt left office at that time and Senator [Harry] Reid³ succeeded him as the United States Senator from Nevada. He then established a series of negotiations. Did you become involved in those at all, that preceded Public Law 101-618?⁴

3. Senator Harry Reid participated in Reclamation's oral history program. See, Harry Reid, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and further edited and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation. 2013, www.usbr.gov/history/oralhist.

4. Public Law 101-618 became law on November 16, 1990. The law contains two acts: The Fallon Paiute-Shoshone Tribal Settlement Act and the Truckee-Carson-Pyramid Lake Water Rights Settlement Act. The main topics of the legislation are:

- Fallon Paiute-Shoshone Tribal Settlement Act
- Interstate allocation of waters of the Truckee and Carson rivers.
- Negotiation of a new Truckee River Operating Agreement (TROA)
- Water rights purchase program is authorized for the Lahontan Valley wetlands, with the intent of sustaining an average of about 25,000 acres of wetlands.
- Recovery program is to be developed for the Pyramid Lake

Hassenplug: We did have some attendance at those meetings. As I said before, we were advocates of the part of that law where, if you are metered you would be charged for what you delivered, if you weren't metered you would be charged for what you diverted, because we were metered, and we felt that was the responsible way to go.

Seney: As you know, the Pyramid Lake Tribe has taken a comprehensive interest in these matters—and you're kind of smiling when I say that—and quite an effective interest, as well. I mean, they've been well represented.

Hassenplug: Yes, they have been.

Seney: And everyone agrees with that. Whether they like it or not, they will agree with that. But they have been very much advocates of

-
- cui-ui and Lahontan cutthroat trout
 - The Newlands Project is re-authorized to serve additional purposes, including recreation, fish and wildlife, and municipal water supply for Churchill and Lyon Counties. A project efficiency study is required
 - Contingencies are placed on the effective date of the legislation and various parties to the settlement are required to dismiss specified litigation.

Source is: http://www.usbr.gov/mp/lbao/public_law_101-618.html
accessed on December 7, 2011, at about 2:00 in the afternoon.

metering as a way of measuring water use.

Hassenplug: I would think they were, and I'm sure that's one of the reasons that that meter aspect got into the public law, because it was really an attempt—and we presented it as that—to encourage water purveyors to be metered. You know, there's been several attempts in California to require water meters, and as the law stands right now, you are required to put water meters on new construction, but you're not required to read them or use them as a billing tool. So it was kind of a half-hearted step in that direction, although water meters is an issue.

The Pressure to Meter Water Use

Seney: Well, my understanding is that if the state had required them to be used, then as a mandate they would have had to reimburse local governments for the cost of the meter reading.

Hassenplug: This is possible. There is that law in California, and I wouldn't want to be an expert on the application of it, but the state mandates some of those are reimbursable quite clearly.

Seney: It strikes me this is a fairly sophisticated move on the part of the state, really, to say,

"Well, you've got to put them on, but you don't have to use them." Now they don't have to reimburse, but there is a mounting pressure on those communities that have meters to use them as a conservation tool. It may seem odd, but it may make sense in the long run.

Hassenplug: Clearly, I think if you take a look at the situation, meters are clearly a conservation tool, because you, as the user, if you have no idea the amount of water you're using, you won't have a chance to conserve. I'm not saying that conservation needs to be applied in a punitive manner. [Tape interruption.]

Seney: Let me ask you about, again, the water meters and the tribe, because after 1986, people begin to realize that the Pyramid Lake Tribe is a powerful political force. Did you talk to them, to Bob Pelcygar [attorney, Pyramid Lake Tribe]⁵, Joe Ely [Tribal

5. Mr. Pelcyger participated in Reclamation's oral history Newlands Project series. See, Robert (Bob) S. Pelcyger, *Oral History Interviews*, Transcript of tape-recorded Bureau of Reclamation Oral History Interviews conducted by Professor Donald B. Seney for the Bureau of Reclamation, in 1995 and 2006, in Reno, Nevada, and Boulder, Colorado, 1995 interviews edited by Donald B. Seney and all interviews further edited by Brit Allan Storey, senior historian of the Bureau of Reclamation, 2013, www.usbr.gov/history/oralhist.html.

Chairman, Pyramid Lake Tribe],⁶ about the meter business and say, "Listen, we're doing this, and we hope you're not going to oppose us on it"? Did you work with the tribe at all on this, do you remember?

Hassenplug: I think this came out in the discussions in a general way. It wasn't so much North Tahoe P-U-D talking with Bob Pelcygar, etc., etc., but we, through our attorney, have been involved in the water rights and our attorney has helped.

We have supported the process because we have always felt that being part of the process was a much better—much better to be part of the process and have the process work out the way it ought to work out than not being a part of the process and then trying to correct it afterwards, which is much more expensive, especially if there's legal issues involved. It's tremendously expensive afterward, and it's much cheaper to do it as we go along. So with that in mind, we have been participants. But I think in presenting the meter issue, I think it made

6. Mr. Ely participated in Reclamation's oral history Newlands Project series. See, Joseph (Joe) H. Ely, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and further edited and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, www.usbr.gov/history/oralhist.html.

sense to the tribe, and I think they were very eager to embrace the idea of water meters because it clearly is a conservation measure.

Seney: Well, it's something they themselves had pressed on to Sierra Pacific Power in the Preliminary Settlement Agreement over Stampede Reservoir and storage by Sierra Pacific.⁷ So I would think they would be sympathetic to this, attuned to it, and in a position, really, to have to say yes to it, since they had been insistent in the Preliminary Settlement Agreement.

Hassenplug: I think we all have to kind of be realistic about water in the West. You remember the

7. "An agreement reached between the Pyramid Lake Paiute Tribe of Indians and Sierra Pacific Power Company (SPPCo) on May 23, 1989. The PSA provides SPPCo the ability to store its water rights in federally operated reservoirs along the Truckee River in California at times when it is not needed for municipal and industrial (M&I) water supply in the Reno-Sparks Metropolitan Area. In exchange, excess water in storage is used for fishery purposes when drought conditions are not in effect. Also, SPPCo forgoes its right to single-use hydroelectric flows in the Truckee River under the Orr Ditch Decree (Nevada and California), thereby enabling the United States and the Tribe to store water for fishery benefit at certain times of the year. The PSA is incorporated into Public Law 101-618 (the Negotiated Settlement) by reference." See Ecology Dictionary.org, "Preliminary Settlement Agreement (PSA) Nevada," [http://www.ecologydictionary.org/PRELIMINARY_SETTLEMENT_AGREEMENT_\(PSA\)_\(Nevada\)](http://www.ecologydictionary.org/PRELIMINARY_SETTLEMENT_AGREEMENT_(PSA)_(Nevada)) (Accessed 2/2016).

old movies. So-and-so builds a dam and the creek runs dry, and so-and-so's cattle don't have any water. The water wars of the early Westerns from Hollywood weren't so much fiction as they were actually a representation of what was really happening in the West, and probably it's inevitable that water in the West should be used in the most cost-effective and the most conservation manner. In conservation, you have to realize the terminology doesn't mean doing without. It just means using wisely, and we're just going to have to do that. Of course, anything that would make it easier for the upstream users to be more efficient in their distribution and supply of water would certainly benefit the tribe, because there's the tribe at the end of the line with Pyramid Lake, and so it had to work for them. As you know, Sierra Pacific does have a program now, and you've probably talked to them and so you'll have the information on how their water meter program works. They give you kind of a choice there. You can either pay a big flat rate or get a water meter. I'm sure for a lot of homeowners it's a real thoughtful process of which route to take.

Seney: And, of course, they are funding the retrofitting through fees on new construction, so they can offer you one at no

cost and even put it in and let you compare what the metered rate would be and your flat rate would be.

Hassenplug: You have to say, they've been very reasonable in their approach.

Seney: Of course, they're up against a bigger problem than you are, and that is, they will run out of water. They don't have the buildable lot problem. They all seem to be buildable down there.

Hassenplug: They seem to be. And every time you go to Reno, it seems to be something else is being built.

Putting Language Regarding Water Meter in Public Law 101-618

Seney: It's really booming. How did you go about making sure that this language got into Public Law 101-618 on the water meters?

Hassenplug: Well, primarily through our attorney, Neil Eskin, who has been representing the District in this water rights thing since 1986. Just through the discussions, and I think since it was a good idea, I think just the mere suggestion of it was readily accepted by the tribe, because they realized that that would be to their best advantage to have

people using upstream water as efficiently as possible.

Seney: I know that the Tahoe City Public Utility District people went back to D.C. and met with some of the Senate staff, the Subcommittee on Water and Power staff. Did you do that?

Hassenplug: No, we did not. We didn't feel that that was necessary.

Seney: Correspond with them, do you think?

Hassenplug: Our work was primarily with the meetings that occurred through the Bureau in Reno, some of them held up here, and working with the Department of Water Resources in the state of California.

Seney: Were these the ones that Wayne Mehl [Legislative Aide to Senator Harry Reid] chaired?⁸

Hassenplug: I believe he did chair some of those.

8. Mr. Mehl participated in Reclamation's oral history Newlands Project Series. See, Wayne E. Mehl, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation oral history interview conducted by Donald B. Seney, edited by Donald B. Seney and further edited and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2013, www.usbr.gov/history/oralhist.html.

Seney: Those were Senator Reid's meetings.

Hassenplug: Right. Senator Reid did, right, his associate.

Seney: So once you got it past Wayne Mehl, you felt confident that it was going to be in there and stay in there and all that.

Hassenplug: Yes. And it showed up in the draft, so we were pleased.

Seney: Right. I'm sure you looked out for your interests. And you handled these political chores, as well as your attorney?

Hassenplug: I went to some of the meetings; he went to all of the meetings.

Seney: And you say you worked also with the Department of Water Resources, with David Kennedy, to make sure that he understood.

Hassenplug: David Kennedy and John Kramer, Jim Markle [phonetic].

Seney: I know that Mr. Kennedy played a leading role in the negotiations on 101-618, representing the state of California, so that was one of your conduits, to make sure what you wanted went in there.

Hassenplug: Yes. I think he did a good job, and I hope he'll be one of your interviewees. He was very involved in a very effective way, and so I think you would need to include him in your research.

The TROA Negotiations

Seney: Once the law was passed, now the next phase is the TROA [Truckee River Operating Agreement]⁹ negotiations, and the language needs to be mirrored in the TROA negotiations. I mean, there is language in there having to do with meters and where things are metered. How active have you—you're slanting your eyes at me. I'm talking

9. "More than 27 years in the making, the Truckee River Operating Agreement (TROA) now guides use of the river that winds nearly 120 miles from the mountains of Lake Tahoe to Pyramid Lake and is the primary water source for Reno and Sparks. The long-pursued plan brings the Truckee River's management into modern times, protects the area from protracted droughts and offers a promising future for the region as a whole....

"The agreement brings an end to historic uncertainty between Nevada and California over distribution of the river's water, allocating 90 percent to Nevada. Beyond enhanced drought storage for the Truckee Meadows community, it modifies the operation of federal and selected non-federal reservoirs in the river system to protect and improve water quality and enhances conditions for the endangered Pyramid Lake cui-ui and the threatened Lahontan cutthroat trout. By retaining more water in upstream reservoirs, TROA also expands the range of recreational opportunities, including boating and fishing." See Truckee Meadows Water Authority, "Truckee River Operating Agreement," https://tmwa.com/water_system/settlement/.

about the metering being at the point of diversion. That language is in the TROA.

Hassenplug: Right. I was just thinking, I've got all those documents behind there, and I was thinking, "Can I get my hands on it instantaneously?" and I probably could.

Seney: I have the draft.

Hassenplug: But our attorney has worked on that and is actually on the drafting committee.

Seney: So he's made sure that your language has gotten in there, and I'm sure it is. I must say, reading these documents is a challenge.

Hassenplug: It is a challenge. It's a large document. It's a complicated issue. There are lots of bodies of water. I would just marvel that anybody would try to take a stab at the [San Francisco/San Joaquin] Delta. It's probably a hundred times as complex as the Truckee River system, and the Truckee River system is tremendously complex.

Seney: You know, I must say, as an aside, this is not what I've been told by the Department of Justice people and [Department of the] Interior people, that the really complicated water issue is salmon on the Columbia

River. The Truckee-Carson comes second to that, and the Bay/Delta¹⁰ is not as complex as this issue is.

Hassenplug: Okay.

Seney: It doesn't seem that way to me, either.

Hassenplug: It doesn't seem that way from what I read.

Seney: Is that right? I'm just passing on what I hear. I don't know if it's the fact there are more decrees and so forth on this river system and constraints in terms of decrees and legal restraints.

Hassenplug: It may well be the fact that there is more demand than there is water.

Seney: Yes.

Hassenplug: And that will add a degree of complexity almost instantaneously.

Seney: That's right. And repeat your attorney's name again?

10. Referring to the delta of the San Joaquin and Sacramento rivers—often referred to as the Bay-Delta. This is located on the northeast quadrant of San Francisco Bay (San Pablo Bay). The water from the Delta exits to San Pablo Bay through the Carquinez Straits.

Hassenplug: Neil Eskin.

Seney: He has been taking care of this for you, being on the drafting committee and all of that.

Hassenplug: And he could possibly be a very good source for you.

The Upper Truckee River Interests

Seney: Have you taken any stand on any of the Upper Truckee River basin issues, the depletion issue, which they're very concerned about?

Hassenplug: "They're" being?

Seney: They're being the city of—

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

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

Seney: They're being the Tahoe Truckee Sanitation Agency. I'm going to talk to Mal Toy tomorrow, whom I'm sure you know, from Placer County Water Agency. This is the question of depletion of the 32,000 acre foot allocation in the Truckee River basin from Lake Tahoe to the California border. Are you familiar with the depletion issue?

Hassenplug: Yes.

Seney: Have you taken any part in that at all?

Hassenplug: No, we have not. We have left that to the Truckee River Users Group, as they call themselves.

Seney: Do you offer them political support?

Hassenplug: We've offered them what they've asked for. They've been pretty self-sufficient group. It took the group a while to catch on to what the issues were, but as soon as they realized that the recreation pool in the three key reservoirs that drive a lot of tourism in that area can change quite rapidly without their input, they became involved. And it's an important issue for them.

Seney: Yes, absolutely.

Hassenplug: They should be involved.

Seney: But this is not something that impacts you, particularly?

Hassenplug: No.

Seney: The tourism over there is not likely to have an impact on you?

Hassenplug: I think we're dealing with different groups.

Seney: So your board and you have not seen this as an issue that you need to become involved in.

Hassenplug: I don't believe so.

Water Use for Snow Making

Seney: Another issue that has been a thorny one, and I think outsiders have a hard time realizing how people can quarrel so heatedly about small amounts of water, what look to be small amounts, is the snow making business and how many acre feet are going to be allowed for snow making and what will be the assumptions about return flow. Have you been involved in that?

Hassenplug: We were in the '86-87 era, and then, of course, you realize that they finally came to an agreement at 15 or 16 percent.

Seney: Sixteen, I think, through the flip of a coin.

Hassenplug: There was a percentage left over there and they couldn't decide what to do, and they flipped a coin. I'm not sure which side got the percentage.

Seney: I'm not, either.

Hassenplug: The depletion side or the other side. But the issue was settled, and it would seem to me it's almost maybe like the 23,000 acre feet. Once decided, probably that's it.

Seney: I'm told that the three public utility districts—yourself, South Tahoe, and Tahoe City Public Utility District—formed a kind of confederation here, a shared information, because you share interests in these matters. But when it came to the—I'm not sure what term to use—the depletion numbers on the snow-making return, there you kind of parted ways. Tahoe City thought that only about 7 percent would be lost. Apparently, your attorney came in with a higher number, about 22 percent.

Hassenplug: Oh, I don't believe he came in with any higher numbers. I think that was a number that possibly the Indians, the tribe came in. I don't believe we've ever proffered any number. There had been some studies that had been done in Colorado where they had actually tried to do some, on some plots tried to do some runoff tests, and I don't have those studies right now, but it seemed to me those studies came out in the 12 to 14 to 15 percent. There were some questions about the method at which the studies were

done, and it seemed that the 15 percent level was probably–

Seney: Fair enough.

Hassenplug: Again, it's sometimes tough to separate the science from the politics of the situation. If the science had said 8 percent, could you have ever gotten it if the other side was coming in with 22? Probably not. I think just the fact that the two sides were willing to flip a coin tells you that the science was not exact. I mean, that should be an indication, because if the science was exact, there would have been no opportunity or impetus on either side to seek a random solution to the problem. So that tells you that no matter what science was out there, it wasn't so rock-solid that you could come to a conclusion. So I think it would be difficult to prove it's much different than that.

Relations Between North Tahoe PUD and Tahoe City PUD

Seney: Is it your recollection that there was a kind of split between the North Tahoe Public Utility District and the Tahoe City Public Utility District on this question of loss?

Hassenplug: It's always been our opinion that once the

issue was decided, it was decided and it should be left alone and that there were other substantive issues that were more important that should be worked on. In reaching any kind of a negotiated settlement, you have to pick off these issues one by one, and once you put them away—I mean, it's just like our labor negotiations. Usually when we come to agreement on an issue, both sides will say, "We agree on that issue. Let's put it aside. Let's move on to the next issue." Because if you don't do that, you will never reach closure. You will get yourself into a circular pattern. You just have to put issues to bed as they come up. Otherwise, you'll never get it there.

The Role of the State of California

Seney: When you say the two sides flipped a coin, one side is Sierra Pacific Power. The other side is the state of California, which is representing the California interests in the TROA negotiations. I have heard criticism from the people on the California side of the border, some in the Truckee River basin, of California's representation of California interests. What is your take on that, your feeling about how well the state of California has done by California interests in the TROA negotiations.

Hassenplug: It would seem to me that certainly the state of California has put forth, in my opinion, a very sincere and a very ample effort, have had a number of local meetings. As far as I'm concerned, have never been unavailable for comments, be it at a forum that they're having. If I would want to call John Kramer right now, if I had a question on something, or Jim Markle, I would feel comfortable in doing so, and I would feel certain that they would take my call, and if I were to write them a letter, that they would answer it, either with a phone call or promptly. So I have felt that they've represented people's issues very fairly.

I think, again, the fact that there's not enough water for all the folks who want it, there is no way to ever satisfy everybody, just by the nature of the problem, and therefore I doubt that you'll ever get consensus one way or other.

Seney: What do you think you're thinking of when you say that?

Hassenplug: What I was thinking of, I wonder when you go down into Nevada, if you're in the Newlands Project and you're talking to some farmer out there and you're saying, "Well, how do you think that Nevada Department

of whatever is representing—

Seney: Department of Conservation and Natural Resources.

Hassenplug: And Sierra Pacific Power. "How do you think they've done representing you on the TROA?" And see what they say, and I'll bet you you won't get consensus down there, either. I think you'll get some people that will say, "Gee, I think they've done an excellent job." I think you will find some people that say, "I think they gave away the farm." So I think that's what you're going to find on either side.

Seney: Let me ask you to respond to one comment I've heard about the Department of Water Resources, and that is, a couple of things have happened. One is that David Kennedy, who is deeply and personally involved—and effectively involved. When I interviewed Senator Reid, he was effusive in his praise of Mr. Kennedy, as others have been, and I'm looking forward to talking to him. He was involved intimately in the negotiations preceding 101-618, but he has not been involved directly in the TROA matters, that he has been understandably diverted by the Bay/Delta questions.

Hassenplug: Understandably, yes.

Seney: And that also, as far as John Kramer is concerned, while he worked extensively on these matters, again, preceding [Public Law] 101-618, he's been doing other things for the department, apparently Colorado River issues. So his time focuses not 100 percent on what's going on here. Is it any merit to that, do you think, that characterization?

Hassenplug: That would be difficult for me to—you know, and it's an interesting process, because you might not even be able to make that assessment until maybe the process is all done. It could be the results, some people will be pleased with the results, some will not be pleased. Those who are not pleased will obviously say the negotiators on whatever side didn't apply themselves as well as they could have. Those who are pleased will say they did a fine job.

I certainly measure the California effort by the attention that I think they've given to it, by the quality of the staff that they've assigned to it, by their ability to effectively answer questions that we have asked of them. In other words, we get responses to all the questions that we ask. That's how I would grade it. How it may turn out, it's just like professional football.

You could play a heck of a game and still lose by that field goal in the last thirteen seconds. You know, it could happen. But it is a tough issue, and I'll say it just one more time. There is more demand than there is water, and therefore it will never be a process.

Seney: If there were more water than demand, there'd be a party instead of a negotiation, right, to divide it up, one assumes.

Hassenplug: I think a barbecue at the state line would probably—

Seney: Solve the matter.

Hassenplug: Solve the whole thing in a couple of weekends, and we'd be home.

Seney: So again, overall you're pleased with not only 101-618, but the way TROA has been. It's been good from your point of view.

The Operation of Lake Tahoe

Hassenplug: I think it'll be fine. The key issue that we have, of course, is how Lake Tahoe will be operated, because we are also a recreation provider and not insensitive to that. We operate a number of beaches, a couple of boat ramps, which are definitely adversely affected, especially by low water.

- Seney: Well, I understand they're affected by high water, as well, because of the damage that's done when the lake is at or near the, what is it, 6229.1, the maximum levels.
- Hassenplug: There are those who feel, and I happen to be one of them, that if it was maybe a foot lower than that, maybe 28, maybe 27, in that range might be—but those are questions you could ask the Lahontan Regional Water Quality Control Board at South Shore. That's one of their primary interests, and they could probably give you some good input on that.
- Seney: Have you done anything at all, you and your board, to try to get the lake to be managed differently through Garry Stone [The Federal Water Master] or through input in the TROA negotiations to take into consideration these questions of lake level and erosion?
- Hassenplug: We have, and we have instructed Neil that that is an issue, although, I mean, we didn't have to give him much instruction. We've all been in this ball game for almost twelve, thirteen years now, ever since '85, '86, when we first started getting into this, and we all realize the issues. And everybody up here is concerned about that, because we realize

what the inference of—you know, when the lake was down approximately ten feet, it was, it was—you know.

Seney: It was grim.

Hassenplug: It was grim. And I'm not sure environmentally it was the best. I mean, once you establish a certain pool in any body of water, I think that body of water seems to stay a little healthier if you could keep one or two feet within that range. Of course, one or two feet in Lake Tahoe is a lot of water.

Seney: What are we talking about, a couple hundred thousand acre feet, almost.

Hassenplug: You're talking about a lot of water.

Seney: Right, 150,000, maybe, right. Well, what is it, six feet makes, what, 700,000 acre feet, 790,000 acre feet, I think, is what its store or the dam's store.

Hassenplug: I'd be hard-pressed to make any comments on tape unless I had some things in front of me. The whole 23,000 acre feet, we're only talking about a couple of inches. See what I mean? So when you look at it in context of the history of the lake, a couple of inches, it's hard to notice. That much can evaporate

in a month.

Seney: What is it, about 400,000 acre feet evaporates per year, roughly, from this lake, isn't it, somewhere in that figure?

Hassenplug: Again, if I don't have my references there, I'm not going to comment.

Seney: In the final draft, maybe we can fill in the accurate figures here, when you review it.

Hassenplug: You'll interview someone who will be able to get that.

Seney: My recollection is probably fairly decent, in the ballpark, and I'm willing to take ballpark figures, but engineers are not, I know that.

Hassenplug: We have a tough time with that.

Sources of the 23,000 Acre Feet Allocation

Seney: When it comes to the allocation of the 23,000 acre-feet, now that's from whatever source—surface water, subsurface water, whether you pump it out of a well, or take it out of the lake itself. That's how much California gets is 23,000 right?

Hassenplug: Well, now currently wells are not regulated in California. That's one of the issues that

will have to be decided is, are the wells going to be considered part of the gross diversion in the 23,000?

Seney: That has not been resolved at this point?

The Placement of Wells

Hassenplug: Not to my knowledge. The issue has been a substantive issue along the Truckee River. If you've interviewed any of the folks over there, you know there is discussion of how far away a well needs to be from the river until it becomes influential to the flow in the river and are you actually taking the water out of the river. Should it be included in the 32,000 or is it an independent source that doesn't affect the river? Of course, that's the big environmental issue is, if you drill wells around the lake, will you interrupt the flow of ground water to the lake, and what kind of effect will that have?

It's such a complex geologic issue because we have these fractured volcanic soils up here. It's really, really surprising. Tahoe City and ourselves did a joint well development near our border, our western border at Dollar Hill. They drilled a test well and it came up very nicely, and so they decided to abandon the test well and drill a production well ten to twelve feet away. It

didn't work. And so what they ended up doing was—

Seney: You mean, there was no water there?

Hassenplug: There wasn't enough. There wasn't near the water that was in the first well they drilled only ten to twelve feet away. It's real mysterious. You're trying to predict what's happening underground there. And, of course, folks are always concerned, if you drill wells, is that going to dry up some of the water in some of the tributary streams, also? So it's a complex hydrologic area, and when mysterious things like that happen, you realize how complex it is and how difficult it is to predict the effects of what we're doing on the overall picture.

That's why along the Truckee River, obviously they're trying not to have people drill wells and call it a well and not call it a river source, and then all of a sudden all these wells are along the river. The flow of the river goes way down, the water quality goes way down, and nobody's accounting for it because it's a well.

Seney: And they've got, what, U-S-G-S [U.S. Geological Survey] zone maps they've developed, I guess, to say where you can

and can't develop. At least as I read the TROA, there are going to be Geological Survey maps of the zones in which they assume the wells will have an impact.

Hassenplug: Will have an impact on the surface water, right.

Seney: Yes, right. What about your own wells? Do you have--

Hassenplug: We have two wells.

Seney: You have two?

Hassenplug: We have one up in our regional park and we have one in the Kernian Woods area.

Seney: Are you intercepting water that would find its way to the lake, do you know?

Hassenplug: You know, I don't think so. We would have no way to know, but I don't--

Seney: You're far enough away, you think?

Hassenplug: I think we're far enough away. The well in the regional park is probably a mile away from the lake. The one in Kernian Woods is probably half a mile away. So we're probably not affecting it, although I'm not sure that there'd be any way to ever tell,

because the well in Kernian Woods is essentially at the same elevation as the lake, but the well's down 700 feet. So we're down quite a way. It's a very difficult thing to tell.

Seney: Do you get a good flow out of that year in and year out? You've used for a long time?

Hassenplug: Oh, yes. It's—

Seney: A great producer?

Hassenplug: Yeah. I think the water's there, but the well itself we've had to—

Seney: Is it an old one?

Hassenplug: It's an old one. It goes back to '74, and we've had to clean it out several times.

Seney: Re-case it?

Hassenplug: We've had to blow out the casing, we've had to re-case, so our capacity has gone down a bit. But the development in that area, per the T-R-P-A plan, has been very restricted, so the restricted well is fine, because there were to be a lot more units in that area, so we have a lot of storage. If your production is low, you can usually overcome it with storage so that you can take care of your peak periods.

Seney: Down in South Shore, they found uranium in some of the wells.

Hassenplug: Absolutely.

Seney: You haven't had that problem here.

Hassenplug: No, we have not. We have not.

Seney: And I know there, one well will have uranium, and 300 feet away one won't.

Hassenplug: That's the way the volcanic soils are. We have not found any M-T-B-E in our wells. Of course, our wells are back from the lake. They tend to be in more isolated areas. The South Tahoe experience is a more urban area, hundreds of gasoline stations. Existing and some closed and abandoned and who knows.

Seney: And they can follow the plumes directly from those. Apparently, that's pretty easy to chart, isn't it?

Hassenplug: Yes, it is.

Seney: Drilling test wells, and you can see the direction of that.

Hassenplug: You can be fairly accurate.

More on the 23,000 Acre feet Allocation

Seney: When it comes to the 23,000 allocation, are you guys—meaning you and Tahoe City P-U-D and South Tahoe—are you trying to negotiate amongst yourselves to figure out who's going to get how much?

Hassenplug: When we started in 1986 in the original study that we did, when the Department of Water Resources State of California proposed some allocations, the allocations were kind of interesting in the way that they proposed them. The allocations that they proposed—be that thirteen years ago—allocated the majority of the water to South Tahoe P-U-D area. That area didn't have very much sewer capacity, so they got all the water, but they couldn't use it. That's the way the first draft came out.

And then we all got together, and we worked it out. We looked at our T-R-P-A build-out, etc., etc., and I think came up with, although it was never finalized, because then the public law came in and the TROA and all that, and, of course, there wasn't any need to finish those negotiations. But we did work out a formula whereby we felt that we had allocated a reasonable amount to each of the A, B, and C areas,

based on the predictable build-out, the vacant lots available. Now, certainly that's something that would need to be looked at again, and probably when the TROA is complete and everybody is satisfied that the 23,000 is the number, then we probably should look at that again.

Attempt to Consolidate North Tahoe PUD and Tahoe City PUD

Seney: I understand, what, four years ago there was a vote on whether or not the two districts should join hands, should consolidate?

Hassenplug: I'm not sure it was four years ago. It might have been a little sooner than that.

Seney: Yeah, some three, four years.

Hassenplug: Right.

Seney: And that your District voted very strongly against it, and the Tahoe City District against it, too, but by not such large numbers. Once the voters have said what they've said, you've got to wait a while. But do you think this will come up again?

Hassenplug: Yes.

Seney: Is it something you want? Would you like to see this?

Hassenplug: Well, I think, if you look on the face of it, why would two utility districts be existing side by side, providing exactly the same services? I mean, it just doesn't make any sense. Let's say that's the physical scientific reality of things, and that's true.

The political reality of it is, the two areas see themselves quite differently, and therefore the vote went the way it went. Now, that's the political reality. Now, we know very well that politics change in time, quite clearly they do, and what that would be next time around, I don't know. I'll predict, for whoever enjoys this tape, that probably around the year 2000 the issue will surface again.

Usually what drives issues like that are economics. This district was thought by a lot of people to be very economically depressed. In reality, this district is in terrific financial shape. We have approximately \$4 million in reserves in our water, sewer, and recreation funds, and we're enjoying good success and rates are reasonable. We get very, very few folks at our board meetings.

Seney: Always a good sign.

Hassenplug: Always a good sign. Someone could say they're not interested, but I can tell you, when there is an issue when they are interested, they will show up, and they have shown up. And so you know that whether they, you think they're out, they're not interested because you didn't see them—

Seney: And your number's in the phone book.

Hassenplug: Yeah. It has been for a long time, and we've been right here. If you introduce the right issue, they will come. And this issue may come up again, and again, it will probably be economics that drive the issue. There were a couple things that defeated it in the Tahoe City area. That was the spectre of meters.

Seney: Looking over here and seeing meters, thinking they were coming their way.

Hassenplug: Yeah, they would be coming, because one of the things that was talked about, obviously, in the impacts of a merger, you would want to treat the customers throughout the merged district the same way you were treating customers in the separate districts.

Seney: And to do that, you'd need meters. You're

gesturing yes. The tape won't see that.

Hassenplug: If you're talking about meters, absolutely. And it was a big issue. It was a very big issue. But I think it'll come up again, and I think appropriately so. And I think it's an issue that should be looked at.

There's a lot of talk in California, and proposed legislation, of mandating special districts get together. There was some legislation proposed down in Orange County that would essentially merge all of the special districts down there. Unfortunately, one of the things that keeps up in this respect, and is very interesting, is that these special districts.

[Editors note: due to failure of the microphone connection the last 2 minutes of the interview were lost.]

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