

**ORAL HISTORY INTERVIEW**

**PETER SFERRAZZA**



**STATUS OF INTERVIEW:  
OPEN FOR RESEARCH**



Interview Conducted and Edited by:  
Donald B. Seney in 1998  
California State University-Sacramento  
For the Bureau of Reclamation's  
Newlands Project Oral History Series



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## Statement of Donation

### STATEMENT OF DONATION OF ORAL HISTORY INTERVIEW OF PETER B. SFERRAZZA

1. In accordance with the provisions of Chapter 21 of Title 44, United States Code, and subject to the terms, conditions, and restrictions set forth in this instrument, I, PETER B. SFERRAZZA (hereinafter referred to as "the Donor"), of RENO, NEVADA, do hereby give, donate, and convey to the National Archives and Records Administration (hereinafter referred to as "the National Archives"), acting for and on behalf of the United States of America, all of my rights and title to, and interest in the information and responses (hereinafter referred to as "the Donated Materials") provided during the interviews conducted on JULY 27, 1998 at CARSON CITY, NEVADA and prepared for deposit with the National Archives and Records Administration in the following format: tape recording and transcript. This donation includes, but is not limited to, all copyright interests I now possess in the Donated Materials.
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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 created 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;
- limited water resources in an urbanizing area;
- three Native American groups with sometimes conflicting interests;
- private entities with competitive and sometimes misunderstood water rights;
- many local governments with growing urban areas and 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.

Reclamation manages the limited water resources in a complex political climate while dealing with modern competition for some of the water supply that originally flowed to farms and ranches on its project.

Questions, comments, and suggestions may be addressed:

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For additional information about Reclamation's history program see:

[www.usbr.gov/history](http://www.usbr.gov/history)



**Oral History Interview**  
**Peter Sferrazza**

Seney: Today is July 27, 1998. My name is Donald Seney. I'm with Mr. Peter Sferrazza in his office in Carson City, Nevada. This is our first session and our first tape.

Good afternoon.

Sferrazza: Good afternoon.

Seney: As I said, what we're trying to do on this project for the Bureau—and there will be about 120 interviews altogether—to get all the perspectives on the Newlands Project and changes in recent years. You served as mayor between what years, mayor of Reno?

Sferrazza: I served from 1983, January of 1983, to June of 1995, twelve and a half years. Prior to that, I served a year and a half on the Reno City Council.

Seney: So, you were on the council really in the midst of all these things, as they were going on.

Sferrazza: Well, yes, I was there before Senator [Harry] Reid was elected as a Senator.<sup>1</sup>

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<sup>1</sup> Harry M. Reid served the state of Nevada in the U.S. Senate from 1987 to 2017. Senator Reid also participated in Reclamation's Newlands Series oral history project. 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: Were you involved at all in the interstate compact, Senator [Paul] Laxalt's attempt to get that passed in 1986?
- Sferrazza: Tangentially, but not as involved as in this particular document. We did talk to Senator Laxalt.<sup>2</sup> I did have meetings with him and was involved in the sense that I knew what was going on and was kept informed by the Senator.
- Seney: Did he ask for your support? Did you support the interstate compact, I guess is my question?
- Sferrazza: If you're talking about the interstate compact in the division of water between California and Nevada—
- Seney: Right.
- Sferrazza: Yes, I supported that.
- Seney: That interstate allocation has been maintained throughout, hasn't it, the division.
- Sferrazza: As far as I know, I think its beneficial to the state of Nevada, and that was the reason I supported it.

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Seney and further edited and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2013, [www.usbr.gov/history/oralhist.html](http://www.usbr.gov/history/oralhist.html).

<sup>2</sup> Paul Laxalt served as Governor of Nevada from 1967 to 1971, before becoming a U.S. Senator from 1974 to 1987.

Seney: On the Lake Tahoe division, its two-thirds to California, one-third to Nevada, but on the Truckee River itself, it's ninety percent to Nevada and ten percent to California.

Sferrazza: Correct.

Seney: And that part, I'm sure, as Mayor of Reno, you must have particularly supported.

Sferrazza: Absolutely, because it was beneficial to the city of Reno and to Truckee Meadows and also to the downstream users in the state of Nevada. So, it was a beneficial compact for us.

Seney: As mayor, you must have had many, many things to worry about. How big a part of your responsibilities and how much time did you put into the water issue?

Sferrazza: Water was a big issue during the time I was mayor, in part because we had one of the longest droughts in the history of our city, and a significant drought that went on over four years, and we had water allocation.

When I was first elected mayor, we did not have any requirements in terms of dedication of water rights for new development. So, one of the first things we worked on was the ordinance which required new development to dedicate sufficient water rights to service that new development. That started under Mayor Barbara Bennett when I was on the City

Council, and then was completed when I was Mayor of the city of Reno.

Basically, that required that new development would either acquire irrigation rights, excess irrigation rights or other rights, and dedicate those to the city of Reno, and ultimately ~~went~~ [leased] to Sierra Pacific. The reason for that was to have water available to back up the water rights that they did have, and that water was to be stored upstream, and we needed the capacity to do that. Stampede Reservoir was one of the areas that would be necessary for that. There was litigation with Pyramid Lake Tribe, which also I had been involved with. And in fact, I am a judge for Pyramid Lake Tribe now.

So, we had an interest in ensuring that there was sufficient water for the municipality of Reno, but also for the downstream users. And we did have some identity of interest with Pyramid Lake, in sharing a resolution to the upstream problem for storage of those irrigation rights so they would be available for drought times.

And also during that same time, we imposed limits on watering and other limits in terms of the use of the water to ensure that during drought times there would be sufficient water to serve the needs of the people who lived in the Truckee Meadows.

### Storage Rights in Stampede Reservoir

Seney: Stampede Reservoir<sup>3</sup> really goes to Pyramid Lake and the endangered species in a 1986 United States Circuit Court ruling.

Sferrazza: But I was mayor before that decision.

Seney: Right. You were mayor when that decision was made. And it was really Sierra Pacific who filed the suit that resulted in an outcome they didn't necessarily anticipate nor like. That must have been, for you, too, I would think, as mayor, a kind of shock, that storage rights in Stampede going to Sierra Pacific, as had been the intention all along with the Washoe Project, that element of the Washoe Project.<sup>4</sup> But it now goes to the tribe.

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<sup>3</sup> Complete by the Bureau of Reclamation in 1970, Stampede Dam is a rolled earth and rock-filled structure is 239 feet high and 1,511 feet long. The water storage capacity of the reservoir is 226,500 acre feet which is reserved by court decree for fishery enhancement, primarily for the spawning of the endangered cui-ui, along the Truckee River downstream from Derby Dam and facilities operation of the Pyramid Lake Fishway.

<sup>4</sup> The Washoe Project comprises the drainage basins of the Truckee and lower Carson Rivers. The project covers an area in west central Nevada that includes the cities of Reno, Sparks and Fallon, and the Town of Fernley. The project also covers a small portion of east central California in the vicinity of Lake Tahoe, including the cities of Truckee, Tahoe City and South Lake Tahoe. Reclamation designed the project to improve the regulation of runoff from the Truckee and lower Carson river systems. It also provides fishery uses, flood protection, fish and wildlife benefits, and recreation development. Major features of the project include Prosser Creek, Stampede and Marble Bluff dams, and Pyramid Lake Fishway. For more information see, Carolyn Hartl,

Sferrazza: Well, see, for me I've always been identified with Native Americans and have represented Indian tribes over the years. So, it wasn't a personal bad thing, but in terms of the municipality of Reno, certainly it eliminated the ability to store water upstream, which was a necessary part of the drought-protection program for the city.

Ultimately, through the negotiated settlement, we were able to resolve that problem, and I think that's one of the major impetuses for that negotiated settlement. But I think the negotiated settlement not only benefitted the municipality of Reno, it also benefitted Pyramid Lake. And so, it was a mutually beneficial agreement, although Fallon and Churchill County had some problems with it. But I think, overall, it was beneficial to the users along the stream, Truckee River, and probably ultimately was of benefit to the Newlands Project<sup>5</sup> downstream as well, in the Fallon area.

Seney: One of the things that happened after that—I don't mean to belabor the appeals court decision, because I just want to get at what

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"Washoe Project," Denver: Bureau of Reclamation History Program, 2001, [www.usbr.gov/projects/pdf.php?id=208](http://www.usbr.gov/projects/pdf.php?id=208).

<sup>5</sup> Authorized by the Secretary of the Interior March 14, 1903, the Newlands Project was one of the first Reclamation projects. It provides irrigation water from the Truckee and Carson Rivers for about 57,000 acres of cropland in the Lahontan Valley near Fallon and bench lands near Fernley in western Nevada. For more information see, Wm. Joe Simonds, "The Newlands Project," Denver: Bureau of Reclamation History Program, 1996, [www.usbr.gov/projects/pdf.php?id=142](http://www.usbr.gov/projects/pdf.php?id=142).



you did as mayor during that period. I know your views may be different about Native Americans, but if I were mayor, I think I would have said, "Yikes. What's happened to our upstream storage rights?"

### **Requiring Developers to Secure Water Rights**

Sferrazza: Well, I had another— [Laughter] We had at that time also, a period of time I was elected on a slow-growth ticket, so there was some benefit to cutting off additional water for new development.

Seney: I see.

Sferrazza: We were never fighting to—Sierra Pacific had a different interest in this, and their interest was to provide for expansion of the service area to enable them to service more customers. And with the elimination of Stampede Reservoir as a backup for irrigation rights, they could not use those irrigation rights to expand development in the Truckee Meadows. So, we did not perceive it as a defeat in terms of the people who were concerned about growth being out of hand, but as an additional weapon in our fight to try and cut back on that growth and require additional dedication of water rights from that new development.

So, I think it gave us a tool, in a sense, to accomplish what we needed to do, which was to require that new development, dedicate water rights to serve that

development. And then over a period of time, as we negotiated, we were able to utilize that water as it became necessary. Donner Lake was a major storage reservoir for Sierra Pacific and for the downstream users.

Now we have a problem, at least I've heard there's a problem, with some of the people who live on the lake or have houses on the lake, because they object to the drawdown of that water to back up those irrigation rights. But, in fact, that water does belong to the municipality of Reno in the long term. It belongs to the Sierra Pacific.

Seney: And T-C-I-D [Truckee Carson Irrigation District]. They share the ownership of that water.

Sferrazza: Yes.

Seney: So, I guess you're requiring developers dedicating water rights would be part of your slow-growth policies, then. It's a reasonable thing to do.

Sferrazza: Well, it was two things. The dedication of water rights does in some ways provide for growth. And Stampede Reservoir, coupled with the dedication of water right, was necessary to allow for that growth, because without the Stampede Reservoir to store those rights, those dedicated rights, they're worthless. They could not be used during

that drought year. I mean, it had value during any year except a drought year because anytime you had water in the Truckee River and there was sufficient water to satisfy all the rights, then those rights had value.

But in a drought year, unless you had storage upstream for those rights, then there was no ability to service those customers. So, it was a combination of those two factors that allowed for growth. But the existing customers, as well, needed that storage, because even if there was no growth at all, if you had a drought of sufficient period of time without conserving water, you would utilize all of the upstream storage. And there was not enough water during some of those drought years to service the existing customers, even without growth.

So, it was of benefit to the existing consumers, water consumers, to negotiate the settlement agreement. It benefitted the existing people who lived in the municipality of Reno and Washoe County and the Truckee Meadows to have that storage upstream. Because even without one additional house or without any additional demand, you needed upstream storage to survive those droughts. And now we're in a year of plenty, I guess, so people don't look back on how important it was. But I would say the single most important thing when I was mayor probably was the

development of a secure water base for the community, especially in times of drought. And I think that the policies that were adopted, as well as the negotiated settlement, enabled that to happen.

### **Reno is Required to Adopt Water Conservation Measures**

Seney: One of the elements of the negotiated settlement—I mean the preliminary settlement agreement between the Pyramid Lake Tribe and Sierra Pacific Power, which is incorporated into Public Law 101-618,<sup>6</sup> which is—

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<sup>6</sup> 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 Tribal Settlement Act
- Interstate Allocation of water of the Truckee and Carson rivers.
- Negotiations 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 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: [http://www.usbr.gov/mp/lboa/public law 101-618.html](http://www.usbr.gov/mp/lboa/public%20law%20101-618.html) (Accessed December 2011).

- Sferrazza: I don't believe we were signatories to that agreement.
- Seney: No, the federal government and the tribes were. But one of the important elements in that, that the tribe insisted upon, was conservation measures. Of course, when we say "Sierra Pacific Power," we mean, for water purposes at that point, WestPac Utilities, which serves Reno and Sparks. My question, what I'm trying to get at here, is what role did you play in the conservation measures? I know there's a lot of resistance. Maybe you could talk about meters, especially.
- Sferrazza: Okay. I served on the Water Authority for Washoe County. There were a couple of different water authorities, and I don't know which iteration it was, but we had several different water authorities. But the original one was made up of governmental officials. And we also had the Washoe County Council of Governments and then, later, the Washoe County Regional Governing Board, which is essentially the same thing except the Washoe County Council of Governments was everyone who was on those governments served on it. The Regional Governing Board has a limited number of members from each of the governing boards. So, it's not a complete makeup of everyone who was a member.
- Seney: The purpose being to coordinate water policy?

Sferrazza: Well, the Regional Governing Board was to coordinate everything: growth, planning, budgets, projects of major regional impact, major significance. Water obviously was one of those things. But then there was a separate Water Board which was set up, and I did serve on that board as well. What that board did was to review alternative sources of water to develop a plan for providing for water for the Truckee Meadows. I'm not remembering your original question now.

Seney: My original question was about water meters and conservation, what part you played in all that.

Sferrazza: That board had a major role in that, and my position was that the existing customers should not be required to bear the burden of new growth in terms of conservation. I do support conservation where that conservation is used to benefit the existing customers. So, what I always argued for strenuously, in terms of our conservation efforts, was that any water saved by conservation would not be used to provide for new growth; that would be used to provide additional water for storage upstream for drought years for the existing customers.

So, the existing customer base was using X amount of water, and I don't remember how many acre feet that was at the time.

- Seney: Sixty-some thousand, 63,000, maybe. I can't remember exactly either.
- Sferrazza: It was in that neighborhood. But actually, what happened, the amount of water we used went down during the time I was there because of the conservation efforts we did put into effect. And most of those were voluntary, and eventually we had to make them mandatory.
- Seney: Lawn-watering things and—
- Sferrazza: The primary shortage of water occurs during the summer months. There's usually a surplus of water during the winter months. So, I can't remember any time when we had a shortage of water in terms of the water for inside use of the homes. It was the irrigation water, the water for lawn watering, that kind of thing. So, during the summer months, the peak months, running through October and, I think, starting probably in June, someplace in that time frame, were the months in which the demand increased, which was the period of time that we needed to release water to service that demand. And if we didn't have water upstream, then there was no water to release.

So, we had to provide mechanisms to reduce usage during that time. I don't think there was ever a danger that there wouldn't be sufficient water to meet purposes for bathing, toilet, that kind of thing. The danger was that there wouldn't be enough

water to maintain the vegetation in [outside] the homes.

So, we did adopt a number of things on new development: requiring water restrictors in showers, low-flush toilets, as well as irrigation systems that demanded less use of water, sprinkler systems, and low-demand vegetation in terms of drought-tolerant vegetation, desert landscaping, etc. And there were rewards given for development to utilize that type of use, because then they could develop with less water, essentially is what it came down to, which I didn't necessarily favor, because, again, you're not accomplishing very much if you conserve water and then just allow more development to eat up that water.

So, my preference was always whatever water is conserved, you then allow for additional storage upstream. And I think that was the philosophical argument that was ongoing for a substantial period of time. And that was a difference between myself, for example, and Sierra Pacific. Sierra Pacific's ultimate goal, although they were concerned about their existing customer. But their primary goal in pushing this was to enable them to provide for additional growth through the existing water supply, which was the cheapest way to go.

Rather than import water from Hungry Valley or Honey Lake or other areas, it is much cheaper and less expensive



to utilize your existing water and spread it over a greater number of people. So, we did have some difference in that respect, but the bottom line in terms of conservation, we agreed that conservation was generally a good thing, in part for existing customers and in part, for new growth.

### **The Problem of Water Meters**

The other thing was water meters. There I did differ from Sierra Pacific. I mean, Sierra Pacific would have liked to have put water meters on every house immediately. And we had a commitment to existing customers, which was contrary also to the tribe's position, I think, that people who lived here would have the right to not have a meter. Basically, what I supported was voluntary meters for existing customers, mandatory meters for new customers.

Basically, what ended up happening, that was the compromise that was adopted by the legislature, and the state of Nevada legislature provided for mandatory water meters for new development. I think it was after—actually I don't remember what year it was.

Seney: 1988.

Sferrazza: 1988. And that was the compromise position, that the new development would be required to put in water meters. Then what we also did, and I agreed with Sierra Pacific,

was to encourage switching to meters, was to point out the benefit of a meter to a low user. Because the way the rates are established for the flat-rate customers is that you take the total amount of water, because they do have meters, but they're meters to subdivisions, and you divide that by your flat-rate customers, and that's how you're able to establish what the usage was.

So, we came up with another compromise, was that on resales, meters would be installed in those homes as well. So, over a period of time, as every home got sold, that would occur. Then they said, "Well, that doesn't work very efficiently because we don't want to go helter-skelter throughout the city and put in a meter at one location and move to another location. It's not very efficient. It costs too much."

So, what I proposed—and I don't know what the current law is, to be honest with you—but what I had proposed was that every new sale or resale would be required to pay for the cost of the meter box. And then that would create a pot of money, and that money would be utilized to meter different areas of the city. Whether people wanted to be on a meter or not, they would meter blocks of the city in the most cost-efficient manner. And then they would provide bills to the people, and on the bills they would give the flat rate and the metered rate. And the people could choose to go with the metered or the flat rate. And the

people who chose to go with the metered rate then would be stuck with the metered rate. They couldn't switch back.

But I believe, in that regard also, I argued that they should pick small lots which had low water demand to meter first. Plus, they're cheaper to meter because you've got greater density. So, your higher-density areas would be metered, and then what would happen over a period of time, the higher-density areas would drop out of the flat-rate pool and the flat-rate rate would go up. Because as people drop out, you have a smaller population base [of flat rate users] to divide up that water, and eventually the largest water waster would be the last person left in the pool. Because it would always be cheaper for someone to drop out of that pool every year, so long as you demonstrate to them what the actual cost was, till you got down to the last two people, to, your ultimate water-waster.

Actually, what had happened, I think we agreed that at ninety percent everyone would be forced to go in anyhow. So effectively it was a series of compromises that ultimately everyone will be metered, but it was done in a way that it was voluntary to the largest extent possible.

Seney: This is a politically tricky piece of business, is it not, for a mayor like yourself? People have very strong feelings about water meters, especially making them mandatory.

So, didn't you also have to tread kind of carefully just in terms of public attitudes here?

Sferrazza: Well, we did not make them mandatory. As I said, what we did was allow for voluntary hook-ups for existing customers. We did make them mandatory, for new development, and the resales would be required to meter or to pay into this pot. And I do not know, to be honest with you, what they ended up doing on that.

Seney: Well, there is a development fee now. Developers apparently kick into a pot, the kind you're talking about, that can be used then to install water meters on people's houses.

Sferrazza: Okay. Well, they were supposed to collect it from the resales and point of sale, but I know the realtors have opposed that, so I don't know. In fact, I just had a meeting with the realtors, in which they asked me about that. But that was the method envisioned for paying for the cost of this, because someone has to pay for the cost.

What we generally agreed that existing customers would not subsidize the cost in any way. So, an existing customer would not be required, either in pro rata portion of their bill or otherwise, to pay for the cost. So, it was to be a voluntary system. But some people may consider that involuntary that your rates have gone up, but

your rate goes up based upon your pro rata usage on a flat-rate system. I figured that was a fair system, an equitable system, and was keeping in the spirit of not requiring mandatory water meters for existing customers.

That's the only commitment that I ever made in terms of my political race, is that I would not support mandatory water meters for existing customers. And that's essentially, as I understand what happened and is, in fact, what's happened. Because I own a house, one house actually on the flat rate and one that's not, and the flat rate I've not been forced to change at any time.

Seney: I guess I'm trying to get you—and I'll try one more time before I quit—to talk about the politics of it. Even if in your heart you had agreed with Sierra Pacific Power that everybody should be mandatorily metered—

Sferrazza: I didn't.

Seney: But even if you did, the politics of it wouldn't have permitted it, would it? I mean, there would have been a great outcry. Did you get a lot of phone calls about it when the water-metering business was being discussed?

Sferrazza: Oh, yes.

Seney: A lot of pressure?

Sferrazza: I think there was a—I mean, there was an unspoken commitment. In fact, it was the law that existing customers would not be required to have meters. So, yes, politically it would not be a positive thing. I don't think, for most people, although there were people who advocated that position and were elected during that time advocating that position that everyone should have meters. And they made the equity argument that its unfair that some people are on meters and some are not, and people should pay for their water based on how they use it.

Seney: My understanding is that Senator [Bill] Raggio carried that bill in the legislature, the 1986 bill that allowed for voluntary water metering, the basis for all of this.

Sferrazza: Raggio was probably instrumental in getting it passed, but he didn't do it by himself, no.

Seney: No, by “carrying” I mean introduced it and did those kinds of things. Did you work with him at all on that matter?

Sferrazza: Yes, yes. We testified before the legislature, too.

Seney: My understanding is, his position is pretty much what your position is, that voluntary with some kind of sweetening to get people to go along is about as far as he would go as well.

Sferrazza: I think his position was—I can't say that—its my belief that I originated that position, to be honest with you.

Seney: Okay.

Sferrazza: That's something which I proposed in the Water Committee, and its what people agreed to. And we went to the legislature and proposed that. That's how it happened. I mean, that was not something that was there before I was mayor.

Seney: Right. I'm aware of that.

Sferrazza: I think that was my idea, and it was something I advocated and was accepted, because we did have people on the other side advocating what I would call a more extreme position, which was meters for everyone. And I came up with what I thought was somewhat of a compromise, but which did not break my commitment to the people, that I would not force mandatory water meters on existing customers.

### **Sierra Pacific Power**

Seney: In my interviewing on this, and I've interviewed Joe Gremban [former President of Sierra Pacific Power],<sup>7</sup> who I know you know.

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<sup>7</sup> Joe L. Gremban participated in Reclamation's Newlands Series oral history project. See, Joe L. Gremban, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History

Sferrazza: Yes.

Seney: Who you must have worked with on this matter, as well.

Sferrazza: Yes, he was at Sierra Pacific.

Seney: I don't know if you knew Neal Plath [former President of Sierra Pacific Power]<sup>8</sup> that well, because he—

Sferrazza: I know him, yes.

Seney: But he was probably no longer president when you became mayor. I'm trying to think of the years, and I think Joe Gremban maybe had taken over by then.

Sferrazza: Gremban was there for most of that time. Sierra Pacific initially did not support my candidacy, I know that. Later, as things evolved, they did at one point, and then later again they did not.

END SIDE A, TAPE 1.

BEGINNING SIDE B, TAPE 1.

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Interview conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Andrew H. Gahan, historian, Bureau of Reclamation, 2015, [www.usbr.gov/history/oralhist.html](http://www.usbr.gov/history/oralhist.html).

<sup>8</sup> Neil W. Plath participated in Reclamation's Newlands Series oral history project. See, Neil W. Plath, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted Donald B. Seney, Bureau of Reclamation, August 14, 1994 at Reno, Nevada, edited by Donald B. Seney, [www.usbr.gov/history/oralhist.html](http://www.usbr.gov/history/oralhist.html).



- Sferrazza: We had some unity of interest and some areas where we were opposed, and I think I explained that earlier.
- Seney: Yes. Right.
- Sferrazza: Sierra Pacific had a market incentive to utilize, to conserve water to support growth.
- Seney: Ultimately, they want to sell power, don't they?
- Sferrazza: Correct.
- Seney: And water is the key to the power growth.
- Sferrazza: And they do need—and I will say this, they do need to satisfy existing customers, because if the water supply is so questionable that in every drought the people end up having their toilets go brown or whatever, then they would be run out of town. So, I mean, basically they did have to satisfy existing customers. But I think their primary incentive was to be able to provide economical water for new growth, and to them, conservation is a much cheaper way to do it.

### **The Impact of Water Use on the Sewer System**

That's the same with the sewer utility. At the same time, we controlled the sewer utility, and in order to provide additional sewer capacity, the cheapest way to do that is to conserve water and use less

water. And by using less water and doing storm-drain separation and other ways, if you would separate irrigation water from the other water that's utilized inside, then you cut your costs of sewer treatment. You cut your demand on the utility, and you're able to provide cheaper sewage treatment than if you have large flows of water going through the sewer treatment plant because of irrigation.

So, we did, at the same time over those years, develop storm-drain separation to try and separate as much of the irrigation water and have it go directly in the river from the water that was treated in the plant. But there were also some problems with that because of fertilizers and other uses that require some treatment.

Seney: Yet you had people, on the other hand, who wanted you to treat that storm-drain water and wanted you to treat the irrigation water, didn't you?

Sferrazza: Yes.

Seney: [U.S] Fish and Wildlife Service, maybe at the federal level, environmental interests.

Sferrazza: Well, dependent on the levels of phosphates and nitrogen in the sewer effluent and what was causing the river pollution, the reduction of nitrates and then, of course, we had nitrification, too, of the sewage effluent. Denitrification and nitrification. It ended up

being a pretty tricky balance. But we have a tertiary treatment plant, which is supposedly state of the art, the most expensive type of treatment that there is for sewage-effluent treatment.

### **The Need to Provide Water to Existing Customers**

But those things kind of combine together. I understand what Sierra Pacific's position was, but our position—I should say my position and the majority of the people who supported me, which during most of that time, I think I had a majority vote on the council and was able to get a majority vote at the Regional Governing Board level, was to provide for existing customers. That was our first commitment, to make sure existing customers receive the benefit of their conservation. And that's always been the position that existing customers, even if they don't get 100 percent benefit in terms of their conservation, that they get a benefit, and a substantial benefit, in terms of the water they save.

And I think that's how the system ultimately came out, that a large portion of the conserved water is dedicated to existing customers. And then what happens through the dedication of additional irrigation rights, that that water goes into the system so that benefits existing customers, as well as the new customers. The way we set it up, the dedication requirement was that they'd

dedicate actually more than they use, and by doing that they more than offset their additional demand on the system.

That was the premise. I don't know what the demand requirements are right now and what the dedication requirements are. I know there's been some tricky games played with that, and what the water rights they've accepted have been, but assuming—sometimes they said their tail rights are low priority rights, and then that becomes more questionable. Some people call them paper rights.

Seney: Not wet water rights.

Sferrazza: What we required was real water rights that are available during an average year and can be utilized to store water during those years. And then during the drought years, that water is available for all customers, including existing customers. And then the conservation enables us to store additional water.

So, overall, I believe the negotiated settlement, coupled with the conservation ~~methods~~ [measures] taken by Reno and Washoe County and Sparks have provided a much more secure water base for the people who live here.

**Senator Reid and Public Law 101-618**

Seney: When I spoke to you on the phone and today before we started to talk, I said that I'd interviewed Senator Harry Reid, who spoke very highly of you and especially with your help with the negotiated settlement. He indicated to me that—he said, “He took a lot of heat over this and we really appreciated that. He never wavered. He always stood fast.” And I want you to tell me what you think he meant by that. What sort of heat did you take over your support of the negotiated settlement?

Sferrazza: Well, I think there were—well, a couple of ways. Number one, we did have some people in the Truckee Meadows who believed that Pyramid Lake should be cut out, period.

Seney: Who would that have been?

Sferrazza: Well, developers. I'd say there's a substantial minority of I call them minority. Might have at one time been a majority. I remember at one time people were pretty anti-Indian. I remember when I first started, there was some anti-Native American, anti-Pyramid Lake feeling that they don't need that water and Pyramid Lake's just a desert lake and it shouldn't exist anyhow. There was a lot of talk like that.

Seney: I'm aware of that.

Sferrazza: They were old-time Renoites, and some people who moved here who didn't want to

recognize that right at all. Obviously, the negotiated settlement does recognize it. Then on the other side, we had the Newlands Project, and I did run for Congress, so I took some heat from Churchill County and Fallon with respect to the negotiated settlement, because they felt they were getting the short end of the stick in terms of losing water.

So, yes, I would say there was some significant opposition and vocal, and it tended to be people with money and power, too. So, it wasn't your common everyday citizens. So in terms of heat, there was greater opposition from the people who had—opinion-makers in the community, people who had money to support candidacies, and people who wanted—they just wanted the source of water and they didn't want to have to pay for it, and they didn't want to give very much to the tribe. Let's put it that way.

Seney: Got some phone calls, did you?

Sferrazza: Yes. Sure.

Seney: Was that how that pressure manifested itself, over the telephone and letters?

Sferrazza: Well, it manifests itself also from having opponents against you who are well financed.

Seney: And that happened to you?

Sferrazza: Oh, absolutely. My last race for mayor, in fact, kind of an offshoot from this, but it is mentioned in this, but it was after that race, Honey Lake became a major issue. And my opponent who I ran against, Bill Bertelson, I think he raised like \$220,000. I raised about \$75,000. And his money came from development community and, in particular, people who were interested in the water importation program. Well, they had an interest in not seeing the negotiated settlement go through, because without the negotiated settlement, there was no storage capacity and the whole system would unravel. And then water importation would become critical, because there would be no way to satisfy the demand of new growth, and water importation was the only way to do that.

### **The Issue of Water from Honey Lake and Its Impacts on the City of Reno**

Seney: And you opposed Honey Lake?

Sferrazza: Yes. I opposed it for a number of reasons. One, because I don't believe in water importation. As a general premise, I think people should live where the water is and not move water. I think the L-A [Los Angeles] system is a bad thing environmentally for the areas outside of L-A. I also ~~on another premise, and that's that~~ [opposed Honey Lake because it would have fueled a huge growth in the north valleys of Washoe County, Lemmon Valley in

particular. One of the major promoters of that project is George Peek. He has a lot of land that doesn't have water. And so, what he wanted to do was import that water, and then he would be able to subdivide his property and create urban-style growth.

As Mayor of the city of Reno, I think it was also in the interest of people who live out there, too. They did not want that. But also, the city of Reno would not have wanted that, because with that urban growth, what was happening in terms of their tax system. The people who live in Reno pay county taxes as well as city of Reno taxes, and county residences really only pay county taxes.

So, to the extent that they develop urban-type development and place demands on the roads and everything else, then Washoe County pays for that, and over fifty percent of the revenues for Washoe County come from the city of Reno. Almost all the employment is in the city of Reno. So, what we would have been doing is creating this huge bedroom community which did not contribute to the tax base of Reno, and these people would commute into Reno to work. They would clog up the roads, pollute the air, and everything else, and not pay the cost of that.

So, I opposed Honey Lake for that reason as well, which, to me, was a more direct impact on our immediate city, as well



as the impacts on the area where the water is taken from. So that was another reason that the negotiated settlement was important, was to put to rest these water importation schemes and plans.

Seney: I'm told there's a kind of flip side of that, and that is that people like yourself, who are in favor of the negotiated settlement, were opposed to Honey Lake because the importation of that water would have taken off some of the pressure to complete the negotiated settlement.

Sferrazza: Exactly. I mean, I said, to me, the importation plan would have been detrimental to the negotiated settlement.

Seney: And what's what you meant by that, it would have taken away the pressure for a settlement.

Sferrazza: Yes.

Seney: And we're only talking about what, 6,000 acre feet out of Honey Lake. It's not a great deal of water.

Sferrazza: I think it may have been more [13,000 acre feet], but it would not have done what they claimed it would do. What it would have done is allow for a different development to take place in terms of the county. But the water from Honey Lake could not be used in the river. At least everything I ever saw about it, the water quality of Honey Lake

water could not have met the standards of Truckee River, and would not have been able to be used for the purpose that the Stampede, Prosser, Boca, and the whole network that we use, which is to guarantee upstream storage for the Truckee Meadows.

So, I do not believe that Honey Lake would have replaced or significantly reduced the pressure for the negotiated settlement. ~~And if Senator Reid had not gotten it through, then~~ I would say, in terms of—two things I like about what he [Senator Reid] did, one was the wilderness area, preserving Mt. Rose and the whole wilderness that he did preserve, and the negotiated settlement. Those two things alone were tremendous for northern Nevada, in terms of people who live here and the future generations who will live here.

Honey Lake, I think, was bad financially and it was bad environmentally, and it was bad in just about every way. I mean, it would have benefitted some developers at the expense of the rest of the community, significant expense.

### **Supporting Senator Reid and Public Law 101-618**

Seney: Did Senator Reid call on you for assistance in the passage of Public Law 101-618?

Sferrazza: Yes, he did call on me to be present, and I believe I testified more than this one time here. This was in Reno. I think we also

went back to Washington, D.C. But maybe that was on the wilderness bill, because I don't honestly remember.

Seney: There was a February 1990 hearing on what was then Senate Bill 1554, that became Public Law 101-618. And when I looked in it, I don't think I saw any testimony from you. Mr. Plummer testified, former president of the Chamber of Commerce. Tina Nappe of the—

Sferrazza: What year was that?

Seney: February 1990.

Sferrazza: I honestly cannot remember. I don't think I would have gone back there then, but I did testify in Congress when Senator Reid was a Congressman. It would have been in the eighties.

Seney: Before '86, when he was elected to the Senate.

Sferrazza: And I did testify then. I think it had probably to do with the wilderness areas, but I don't remember for certain.

Seney: This was the only testimony of yours that I ran across in looking through the congressional document.

Sferrazza: I'm sure that you have it accurate. But we did have many, many meetings of the regional boards. I mean, there are recorded

minutes and tapes of those, too, at which these items were discussed.

Seney: I'm thinking more of Senator Reid reaching out to you as a political leader in Reno and saying, "Mr. Mayor, we need your support on this to make sure this goes through. You understand the value of the negotiated settlement and you support it." Then I'm wondering what you do on his behalf. He was very adamant that you were a stand-up guy on this and that you were a big help.

Sferrazza: Well, anytime he called on me, I did support him, yes, a press conference or whatever it was at that time. To be honest with you, I don't remember all the things that happened. But this went on many, many years, and there were times when it was going to fall apart, and there were times where I think I helped him probably the most was at the Regional Governing Board level, on the Water Board level, where, you know, different people got elected over the years. And there were some people who got elected who were against the negotiated settlement. It wasn't always everyone was for it. So, I would say that's probably the area that I was most instrumental, because I was there the longest, I think longer than anyone, actually, on the local government boards. And when those issues came up, I did speak in favor of it.

The negotiated settlement evolved over a period of time and there were a

couple of times when we brought the tribe in. I was able to do that because I did have a relationship with the tribe. When people were starting to take a different tack, that maybe we should forget about the tribe and join with the Churchill County and the Newlands Project, to oppose the tribe's position, there was some discussion about forming an alternative movement that way.

Seney: And you were able to kind of derail that?

Sferrazza: Well, not by myself, but certainly I was able to bring the tribe in, and we met with them and members of the Washoe County delegation—not the Washoe County legislative delegation, but the Washoe County local elected officials. That happened a couple of times. There were always changes.

People would come in who had no idea the work had been done, too. I mean, people would get elected to the council and it's easy to simplify things, and some people would get elected and say, "There's plenty of water. What are you telling us to conserve water for? We're sick and tired of saving our water and seeing new casinos get built. We're sick and tired of saving water and seeing new development get built." So those types of discussions were always taking place.

It was a re-educating process. When someone new got elected to the council or

the County Commission or [to the city council in] Sparks, there had to be some discussion, some education, to tell people about the system. I mean, it's not that simple a system. It's something which I learned about over the years and something which I still don't completely understand. But it's a complicated system, and I think it needs to be complicated to accomplish all the uses we need for the Truckee River.

I think the negotiated settlement is not a perfect model or the only model that you can run the river on. There are a lot of alternative models that were suggested, but this one works and at least the parties, the upstream users (upstream of Pyramid Lake) are in agreement with. Now, the Derby Dam<sup>9</sup> and the people below that, they have some problems with it, even to this day. So, it didn't satisfy everyone 100 percent, but in terms of what we had to work with and in terms of the results, I think it was a significant accomplishment. And I congratulate Senator Reid on it, because without him it could not have happened.

### **Running for Office Again and Recent Contact on Water Issues**

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<sup>9</sup> Authorization for construction in 1903, Derby Dam is a diversion dam on the Truckee River, located between Reno and Fernley in Storey and Washoe counties in Nevada completed in 1905. It diverts water that would otherwise feed Pyramid Lake into the Carson River watershed for irrigation use. The dam was listed on the National Register of Historic Places in 1978 as the "Derby Diversion Dam."

- Seney: Some people say it's beginning to bog down now, that the TROA negotiations are dragging out. Do you have any fix on what's going on at this point?
- Sferrazza: No, because I am not involved in any way in what's happened over the last four years. I've been pretty much out of it. I am running for County Commission now.
- Seney: I saw your signs when I was in Reno on Friday.
- Sferrazza: I will probably, if I'm successful, become involved in this again, but I can honestly say for the last four years that my knowledge of the system and what's happened, I have not kept up on that, other than as a general member of the public. I read the paper and I follow what's happening.

I did get involved tangentially because I'm a judge for Pyramid Lake and the Fallon Tribe, and I did have Mr. [Lyman] McConnell<sup>10</sup> and some other people from the Newlands Project come in and testify in some cases involving the Fallon Reservation. They do tie in ultimately to the same water system.

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<sup>10</sup> Lyman McConnell participated in Reclamation's Newlands Series oral history project. See, Lyman McConnell, *Oral History Interviews*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Andrew H. Gahan, historian, Bureau of Reclamation, 2017, [www.usbr.gov/history/oralhist.html](http://www.usbr.gov/history/oralhist.html).

Seney: Were these water matters that they were—

Sferrazza: Yes. We did ask for the help of the Watermaster to help resolve those issues.

Seney: I know this may be delicate because of your position as a judge. Can you tell us anything about what they were, or have they been—

Sferrazza: Well, it wasn't anything which affects Reno in any way, but what it really was, was a fight between some of the downstream users who are on the ditches, and one of the upstream users within the reservation was refusing to allow for a ditch to be built through his property, which would benefit people below him. But it was totally internal to the reservation. We utilized the services of the Watermaster to try and resolve that issue.

Seney: Did it get resolved?

Sferrazza: I do not know, because what happened in the meantime, the Tribal Council had a change in membership, and I was taken off that case for a while. Now I'm back with the tribe, but I have not revisited that case at all. It's my understanding from talking to the attorney, Treva Hearn, who represents the tribe, that they did have fruitful negotiations.

We had to get McConnell and the representatives from the B-I-A [Bureau of Indian Affairs], from the B-L-M [Bureau of



Land Management] and also the Watermaster to get involved in that, to resolve it, and I think that it will be, because really it can be resolved. Money, is the bottom line.

Seney: In your race for County Commissioner, which I take is one of the members, the Governing Board of Washoe County, is five commissioners?

Sferrazza: There are five commissioners, yes.

Seney: And you're running for one of those.

Sferrazza: Correct.

Seney: Is that a district or an at-large—

Sferrazza: District.

Seney: Are you stressing water expertise or water matters in your campaign?

Sferrazza: It will be an issue in a limited sense. I mean, I certainly will indicate I've had experience with water, and I will indicate that I was involved in the negotiated settlement and the requirements that new development dedicate water rights. Because I think those are positive things that enabled the people who live here to have protection from drought, although it's not a major issue this year because we have no shortage of water.

- Seney: It would help your campaign if this were a drought year, I suppose. [Laughter]
- Sferrazza: Probably. [Laughter] But, the Honey Lake Project did raise its head again, and this County Commission did vote to join in a lawsuit to try and preserve their right to go forward with that project. The incumbent, when he was elected, had opposed Honey Lake and had taken a position that that money could have been used for better uses. And now he voted for a lawsuit which would, in effect, although their justification was they were forced to do so because they had a contract to develop that project.
- Seney: Is some of the developer money coming in against you? I assume this man is running for re-election and you're trying to unseat him.
- Sferrazza: Well, that's always been the case for me. I mean, yes, he's raised substantial money from developers and I have raised none. So, I would say that would be the case. But it's always been the case. In every race I've ever been involved in, developers would prefer to have a candidate who's—
- Seney: Pro-development.
- Sferrazza: Well, I'm not anti-development.
- Seney: I know what you mean, yes.

Sferrazza: But I believe in some restraints, and they prefer no restraints. So, from their perspective, they're probably better off with Mike Mouliot, who is the incumbent, because he will give them what they want. On the other hand, I don't think that's the majority position of the people in the community. But the majority of the people don't contribute to campaigns. I guess they just hope that good government will somehow emerge from the conflict. But it doesn't happen that way, unfortunately.

Seney: I know you're under a time constraint, and I appreciate your time. I don't have any other questions for you at this point.

Sferrazza: That's great.

Seney: I really appreciate your taking the time and sharing your views with us.

Sferrazza: I appreciate it, too.

Seney: Thank you.

END OF INTERVIEW