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STATE WATER RESOURCES CONTROL BOARD
DIVISION OF WATER RIGHTS

* * *

In the Matter of:)
Water Right Applications 31487 and 31488 filed)
by the United States Bureau of Reclamation, and)
Petitions to Change License 3723 (Application)
5169) of Washoe County Water Conservation)
District, License 4196 (Application 9247) of)
Truckee Meadows Water Authority, Permit)
11605 (Application 15673) and License 10180)
(Application 18006) of the United States Bureau)
of Reclamation)

Hearing Officers: Charles Hoppin and
Tam Doduc

**WRITTEN TESTIMONY OF GREG
EVANGELATOS ON BEHALF OF THE
CITY OF FERNLEY**

Date: July 21-23; 28-29, 2010
Time: 9:00 a.m.
Dept: 1001 I Street, Second Floor
Coastal Hearing Room
Sacramento, California

COF EX. _____

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1 **I. PURPOSE OF TESTIMONY.**

2 1. My name is Greg Evangelatos. I am currently the City Manager of the City of
3 Fernley, Nevada. Attachment "1". The purpose of my testimony is to provide historical background
4 relating to the City of Fernley, background of the City of Fernley's involvement with the Truckee
5 River Operating Agreement ("TROA"), and information pertaining to the proposed utilization of
6 TROA storage by Fernley as facilitated by the proposed Petitions and Applications.

7 **II. WITNESS BACKGROUND INFORMATION.**

8 2. I am currently the City Manager of the City of Fernley. I have been employed as the
9 City Manager of Fernley since January of 2009. Prior to my employment with the City of Fernley, I
10 was a private consultant and real estate agent from September 2007 to January 2009. As a private
11 consultant and real estate agent, I represented numerous private clients in a variety of land use cases
12 before various boards and commission. I was the Director of Forward Planning and Entitlement for
13 the Centex Corporation from January 2005 to August 2007. As Director for Centex Homes, I secured
14 approvals and entitlements for a variety of projects from in-fill to entire new towns from 900 to 2,200
15 acres.

16 3. I hold a bachelor degree in Political Science from the University of California, Los
17 Angeles and a Masters in Regional and City Planning from the University of Oklahoma. In addition,
18 I am certified as a planner by the American Institute of Certified Planners and I am a member of the
19 International City Managers Association.

20 4. Over the past 30 plus years, I have dealt with issues pertaining to water supply
21 availability and water quality.

22 5. In my current position, I am responsible for administrative and operational functions
23 of the municipality consisting of approximately 19,000 residents. I am in charge of oversight of
24 public works, community development, parks and recreation, city attorney, city clerk and finance
25 departments with 57 employees, and a budget of approximately 12 million dollars. Fernley supplies
26 water to its residents through its water department. I oversee the various utility functions of Fernley
27 including the provision of water services for Fernley's customers.

28

1 **III. THE CITY OF FERNLEY.**

2 6. The City of Fernley recently experienced growth due to its location near the Reno-
3 Sparks metropolitan area and its excellent transportation systems that provide access to west coast
4 markets. Fernley is situated on Interstate 80, approximately 32 miles east of Reno, and at the
5 intersection of U.S. Highways 40, 50A, and 95A. The growth experienced by Fernley led to
6 increased demand for services as residential development increased in response to the industrial
7 development. The City was incorporated on July 1, 2001, in response to the extensive growth
8 experienced by the City.

9 7. Currently, Fernley is a growing community of approximately 19,000 people and
10 includes surrounding agricultural areas. Fernley was established in 1904 as primarily an agricultural
11 and ranching community irrigated through the Truckee Canal. The Truckee Canal is about thirty-two
12 (32) miles in length and was constructed as part of the Newlands Project (a federal Bureau of
13 Reclamation project) in 1905. The canal was designed to carry 15,000 cubic feet per second of water
14 from the Truckee River through Fernley, and ultimately, into the Lahontan Reservoir.

15 8. The City of Fernley is a municipality which owns approximately 9,500 acre feet of
16 surface water rights under Claim 3 of the *Orr Ditch Decree* which were previously used for
17 agricultural purposes in and near Fernley. Fernley delivers municipal water to its customers. Fernley
18 serves approximately 7,000 customers. In an effort to increase the stability of its water resources to
19 serve additional customers, the City of Fernley became a signatory of TROA.

20 **IV. FERNLEY'S INCLUSION IN TROA.**

21 9. Fernley has participated in the development of TROA and was a signatory to the
22 agreement in September of 2008. Section 7.F of TROA specifically pertains to the City of Fernley.
23 As provided in Section 7.F, Fernley may establish Fernley Municipal Credit Water. Fernley may use
24 Fernley Municipal Water for a number of uses, including for its municipal water supply.

25 **V. THE BENEFITS OF TROA TO FERNLEY.**

26 10. TROA will allow Fernley to better utilize its water right resources to support its
27 customers' demands without requiring Fernley to construct additional water storage reservoirs.
28 Further, TROA will allow Fernley to increase the number of customers served based upon the same

1 amount of water rights. When Fernley stores water in upstream reservoirs in accordance with the
2 terms of TROA, Fernley may rely on the delivery of more water on average per year. For example, if
3 the lowest percentage of water that is projected to be received in a given year is 60% due to
4 precipitation and Fernley owns 10,000 acre feet of surface water rights, without TROA Fernley
5 would only obligate 6,000 acre feet towards customers. However, with TROA and the application of
6 upstream storage, in a 100% year, Fernley could use 90% of its water and store 10% of its water
7 (1,000 afa) for use in a drought year. The stored water could then be used in the projected worst year
8 (i.e. 60%) to increase that years' yield in water rights from 6,000 acre feet to 7,000 acre feet. In this
9 simple hypothetical, Fernley could increase water delivery from 60% to 70% and increase the number
10 of customers that could be served based on the same 10,000 acre feet of water ownership.

11 **VI. FERNLEY'S APPLICATIONS TO STORE WATER IN TRUCKEE RIVER**
12 **RESERVOIRS.**

13 11. TROA allows Fernley to store water in Truckee River Reservoirs. To effectively store
14 water, Fernley has filed change applications with the Nevada State Engineer to move the existing
15 water rights to storage in Truckee River Reservoirs.

16 12. Fernley has filed a total of twenty (20) Nevada applications to store water in Truckee
17 River Reservoirs. Attachment "2". The first application, Application No. 78034 was protested by
18 Churchill County and Pyramid Lake Paiute Indian Tribe and was subsequently withdrawn on
19 September 18, 2009. Application Nos. 78338 – 78357 are currently pending and seek the storage of
20 approximately 4,718 acre feet. Further, Application Nos. 78338 – 78357 are currently not protested
21 by any parties.

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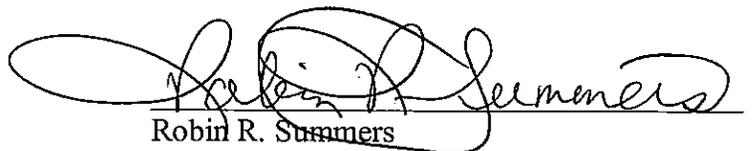
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STATEMENT OF SERVICE

The following Parties have been electronically served with the Written Testimony and Exhibits on the 29th day of June, 2010.

Truckee Carson Irrigation District Michael J. Van Zandt Hanson Bridgett, LLP 425 Market Street, 26 th Floor San Francisco, California 94015 <u>mvanzandt@hansonbridgett.com</u>	U.S. Bureau of Reclamation Stephen R. Palmer Office of the Solicitor, Dept. of Interior 2800 Cottage Way, Room E-1712 Sacramento, California 95825 <u>stephen.palmer@sol.doi.gov</u>
California Department of Water Resources Erick D. Soderlund 1416 Ninth Street, Room 1118 Sacramento, California 95814 <u>esoderlu@water.ca.gov</u>	Pyramid Lake Paiute Tribe Don Springmeyer Christopher W. Mixson Wolf, Rifkin, Shapiro, Schulman & Rabkin, LLP 3556 East Russell Road, 2 nd Floor Las Vegas, Nevada 89120 <u>dspringmeyer@wrslawyers.com</u> <u>cmixson@wrslawyers.com</u>
Churchill County Rusty D. Jardine Churchill County District Attorney's Office 155 North Taylor Street, Suite 156B Fallon, Nevada 89406 <u>rjardine@churchillda.org</u>	Truckee Meadows Water Authority Gordon H. DePaoli Woodburn and Wedge 6100 Neil Road, #500 Reno, Nevada 89511 <u>gdepaoli@woodburnandwedge.com</u> <u>dferguson@woodburnandwedge.com</u> <u>jill.willis@bbklaw.com</u> <u>stefanie.hedlund@bbklaw.com</u>
Washoe County Water Conservation District Michael A.T. Pagni P.O. Box 2670 Reno, Nevada 89505 <u>mpagni@mcdonaldcarano.com</u>	City of Fallon Michael F. Mackedon P.O. Box 1203 Fallon, Nevada 89407 <u>falonlaw@phonewave.net</u>

Dated this 28th day of June, 2010.



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