

# TAHOE DOUGLAS FIRE PROTECTION DISTRICT

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## APPENDIX 1

### ***Anticipated Economic Impact to the Tahoe Douglas Fire Protection District of the Douglas County Redevelopment Plan for Redevelopment Area No. 2***

#### **Introduction**

The Tahoe Douglas Fire Protection District (Fire District) is a special district located in the Tahoe Township portion of Douglas County Nevada. The Fire District covers an area of approximately 17.7 square miles on the southeast shore of Lake Tahoe. The District is "L" shaped extending from the top of Kingsbury Grade to the west to Stateline Nevada, then north to Glenbrook. Elevations range from approximately 6,230 feet to over 8,000 feet. The Fire District is a career fire department and provides all-risk services to include, fire suppression, wildland firefighting, Haz-Mat mitigation, high angle rescue, water/ice rescue, maritime operations, advanced life support, bomb squad, fire prevention and forest fire mitigation services. Currently the Fire District has 49 operational career personnel that support National Fire Protection Association (NFPA) compliance.<sup>1</sup>

Currently the Fire District provides all-risk services to the Redevelopment Area No. 2 (Project Area) and provides automatic aid to the City of South Lake Tahoe on the California side of the Tourist Core (Core Area) area and beyond. There are high-rise casinos located on the Nevada side of the state line and several multi-story resort properties on the California side of the Core

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<sup>1</sup> The National Fire Protection Association (NFPA) sets requirements for minimum staffing for fire agencies in Nevada and throughout most of the United States.. The base standard for minimum staffing is located at NFPA Code Section 1710: *Standard For The Organization And Deployment Of Fire Suppression Operations, Emergency Medical Operations, And Special Operations To The Public By Career Fire Department.*

NFPA Section 1710, 1.1 defines the scope of regulations: **Scope.** *This standard contains minimum requirements relating to the organization and deployment of fire suppression operations, emergency medical operations, and special operations to the public by substantially all career fire departments. 1.1.1 The requirements address functions and objectives of fire department emergency service delivery, response capabilities, and resources. 1.1.2 This standard also contains general requirements for managing resources and systems, such as health and safety, incident management, training, communications, and pre-incident planning. 1.1.3 This standard addresses the strategic and system issues involving the organization, operation, and deployment of a fire department and does not address tactical operations at a specific emergency incident.*

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Area. The Fire District also provides all-risk services to the nearby Heavenly Mountain Resort, Van Sickle Bi-State Park, Lake Tahoe and area beach, and U.S. Forest Service lands.

### **Budget Information**

The Fire District's funding is primarily provided by ad valorem (property tax) and consolidated sales taxes known as CTX taxes. During the recent recession, the Fire District was able to absorb the nearly \$1.5 million in budget cuts by allowing positions vacated by retirements to remain unfilled. In this way the Fire District was able to avoid any layoffs, but the department was left with 12 vacant positions. Ultimately the Fire District was forced to close an engine at Station-24 and reduce the staffing on the two other fire engines to 2-person crews. The Fire District fell out of compliance with NFPA 1710.

In 2012 the Fire District was awarded a FEMA Staffing for Adequate Fire and Emergency Response (SAFER) grant for the hiring of 12 firefighters or firefighter / paramedics so that the Fire District could come into compliance with NFPA 1710. The 2012 SAFER Grant augmented the Fire District's budget by \$1.4 Million for calendar years 2013, 2014, and 2015. In 2014 the Fire District applied for and was awarded a second SAFER Grant for calendar years 2016 and 2017. The second SAFER Grant is funding the retention of 5 firefighters through 2017 and is augmenting the Fire District's budget by \$581,190 per year. Thus these SAFER grants are enabling the Fire District to maintain compliance with NFPA 1710 and would normally be a bridge between the decreased tax revenues caused by declining property values.

Property values are increasing as the economy improves in the Lake Tahoe Basin. However, there are still downward pressures on overall tax collections by the Fire District. In 2014 to 2015, ad valorem taxes increased from \$5.46 million to \$5.65 million. This increase, along with smaller increases in CTX taxes, enabled the Fire District to absorb the expenses of the seven firefighter / paramedics who were no longer funded by the SAFER Grant described above. However, projections for the 2016 fiscal year anticipate that ad valorem taxes will be down to \$5.5 million for the year. This reduction in ad valorem taxes is primarily due to a stabilization or even reduction in home values in the Tahoe Basin, most significantly due to Harrah's Lake Tahoe and Harvey's Lake Tahoe being awarded tax incentives for compliance with Leadership and Energy and Environmental Design (LEED) criteria. The tax incentives to these properties reduced ad valorem taxes to the Fire District by \$70,000 and the incentives will be in place for an additional nine years. Therefore, if the Redevelopment Plan is approved, the ad valorem tax revenue received by the Fire District from properties in the Redevelopment Area will be capped at an extremely low level.

### **Call Volumes**

Call volumes in the Fire District have steadily been increasing. The following table shows call volumes by major type and year within the Fire District:

**Table 1 - Total Fire District Call Volumes**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>EMS Calls</b>	1187	1330	1299	1420	1321	1447
<b>Fire Calls</b>	490	482	470	562	645	620
<b>Total Calls</b>	<b>1677</b>	<b>1812</b>	<b>1769</b>	<b>1982</b>	<b>1966</b>	<b>2067</b>

Call volumes have increased primarily due to EMS calls. The following table shows how call volumes have increased by fire station within the District:

**Table 2 - Call Volumes per Fire Station**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Station 21</b>	335	349	368	349	324	318
<b>Station 23</b>	872	1108	1071	1142	1017	1140
<b>Station 24</b>	234	103 <sup>2</sup>	62	238	393	404
<b>Station 25</b>	214	227	256	230	209	178
<b>Totals<sup>3</sup></b>	<b>1655</b>	<b>1787</b>	<b>1757</b>	<b>1959</b>	<b>1943</b>	<b>2040</b>

The above table shows that call volumes have increased approximately 23 percent from 2010 volumes. Most dramatically, however, the table above clearly shows that Station 24 is increasingly responding to calls within the zone covered by Station 23. Station 23 is the “first-in” response station to the redevelopment area. EMS calls tend to be centered around particular events such as concerts, holiday weekends, summer events, or weather events. Thus, calls tend to occur in clusters around particular times of the day and on particular days. The ability of a fire station to respond to a call within its assigned zone is stated as the reliability of the station.

Currently, Station 23 is understaffed to respond to all of the calls in its zone and Station 24 is dispatching either Rescue 24 or Engine 24 to District 23. The following table shows the number of times resources are being pulled from Station 24 to cover Station 23:

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<sup>2</sup> Engine 24 at Station 24 was taken out of service during part of 2011 and 2012 due to budget cuts. The ambulance Rescue 24 remained in service at Station 24. This caused a shift of calls to Station 23 and Station 25. This shift is blurring the clear increase in calls that are being made primarily to Station 23.

<sup>3</sup> Total calls by station do not include strike team calls for wildland fire assignments nor calls for wildland firefighting by the Fire District’s fire crew.

**Table 3 - Call Volumes Station 24 Responding to Station 23 Calls**

	2010	2011	2012	2013	2014	2015
<b>Rescue 24</b>	0	44	128	165	208	280
<b>Engine 24</b>	0	N/A <sup>4</sup>	N/A	86	168	200
<b>Totals</b>	<b>0</b>	<b>44</b>	<b>128</b>	<b>251</b>	<b>376</b>	<b>480</b>

**Ability to Respond to Additional Calls with Current Resources**

Fire departments staff to be able to provide EMS and fire services as prescribed by NFPA 1710, with the recognition that events will occur that will require employees to work overtime. The Fire District is required by NFPA 1710 to provide a minimum standard for response times to all areas of the Fire District. When calls come in that require assistance beyond normal emergency coverage, the Fire District fills this demand with employees who are called back to duty and paid overtime. Common examples of necessary overtime include wildland fire response where an entire engine company may leave the Fire District for up to two weeks, or concerts where a team of firefighter / paramedics provides coverage during the period of the event. In 2015, the United States experienced the most severe fire season in its history. It is critical that, during these events, fire services from across the region amass to protect life and property from catastrophic fire. By responding to neighboring jurisdictions during large events, the Fire District ensures that the “cavalry” will respond when the next wildland fire strikes the Lake Tahoe Basin. The demand on the Fire District is increasing annually as wildfires in the region become larger and more dangerous. During the 2015 wildfire season, firefighters from Tahoe Douglas Fire Protection District filled 195 shifts on area wildland fires at overtime expense to the Fire District.

In addition to providing crews and paying overtime for the above fires, the Fire District also requires employees to cover special events, in 2015 examples of events that required overtime 24 hour shifts included:

- All major holidays – 1 ambulance with 2 FF / Paramedics – 6 shifts;
- Harvey’s Summer Concert Series – 1 Ambulance with 2 FF / Paramedics – 11 shifts;
- American Century Celebrity Golf – 1 Ambulance with 2 FF / Paramedics – 5 shifts;
- High skier visit demand at Heavenly Mountain resort – 1 FF / Paramedic – 20 shifts;
- Bike Big Blue – 2 FF / Paramedic – 1 Shift;
- Amgen Tour of California – 2 FF/ Paramedics – 1 shift; and
- Other – The Fire District also provides coverage to special events such as Mixed Martial Arts events, indoor concerts known to have large crowds or events in the City of South

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<sup>4</sup> During 2011 Engine 24 was blacked out due to budget cuts associated with declining property values within the Fire District.

Lake Tahoe that may attract large crowds to the Stateline region – 1 Ambulance with 2 FF / Paramedics – 5 shifts.

In addition to covering special events, the Fire District also provides mutual and automatic aid to neighboring fire districts and departments. Automatic and mutual aid are force multipliers so that no one fire district has to staff for the largest or most complex events that may occur. Rather, NFPA 1710 requires that fire services provide a base standard of coverage and then mutual and automatic aid can provide additional coverage when needed. The following table shows the mutual or automatic aid calls responded to by the Fire District:

**Table 4 - Total Mutual Aid and Automatic Aid Calls**

	2010	2011	2012	2013	2014	2015
Mutual / Automatic Aid	23	61	73	145	193	192

Mutual and automatic aid calls are primarily being driven by economic diversification in the South Lake Tahoe Region where a single event causes a influx of tourists throughout the region. The increase in mutual aid and automatic aid calls can be traced back to the buildout of tourist infrastructure and parks or events including, but not limited to:

- Increased skier visits to Heavenly Mountain Resort;
- Growth of the Harvey’s Summer Concert Series;
- Increased use of Van Sickle Bi-State Park;
- Growth of the SnowGlobe Music Festival;
- Continued success of the Celebrity Golf Tournament at Edgewood Golf;
- Development of mountain biking shuttles for the Flume Trail at Marlette Lake;
- Development of the Tahoe Rim Trail and associated feeder trails; and
- Continued development of the Tourist Core area in the City of South Lake Tahoe.

Thus mutual and automatic aid calls to the Tourist Core area are already beginning to stretch Fire District resources beyond sustainable levels. Each of the mutual and automatic aid calls above causes a shift in resources from Station 24 to Station 23, which in turn is drawing down resources and potentially increasing response times in the Zephyr Cove Park region; which is also planning expansion.

**NFPA 1710 Compliance**

Compliance with NFPA 1710 for fire incidents and for engine availability is directly measured and quantified by the Insurance Services Office (ISO), which then rates the fire protection adequacy in a fire departments jurisdiction and then promulgates the regions ISO rating. The ISO rating is used by the insurance industry to set premiums for fire, auto, and other types of insurance. The ISO rating is based on a weighted scale with 50 percent of the rating being

determined by a fire department’s response to an emergency, 40 percent based on water supply, and 10 percent based upon communications. ISO ratings have a scale of 1-10 with 1 being the highest and 10 being the lowest.

In 2014 the Fire District was rated by the ISO and received a 3/3Y rating. This rating indicates that the Fire District is a high-reliability fire district. However, increasing response times will threaten this ISO rating. Any increase in a local areas ISO rating directly leads to increases in insurance for homeowners and businesses within the region. Thus it is important to the local community that any redevelopment plan quantifies the effects on response times and the impacts on ISO ratings. The costs associated with maintaining current standards of cover with increased call volume, and the potential increased cost of insurance in the redevelopment area and region from a reduction in ISO rating, should be considered in any economic analysis on the feasibility of the Redevelopment Plan.

**Estimated Costs of Redevelopment to the Fire District**

The current redevelopment plan includes a freeze on ad valorem taxes available to the Fire District for providing all-risk public safety services in the redevelopment area. There is no inflation adjustment included on the base ad valorem taxes. Thus the purchasing power of those dollars will decline over the 30-year period of redevelopment, which affects a whole host of services provided by the Fire District. One example of the anticipated increase in costs to the Fire District is the cost to continue to provide emergency medical services (EMS) at the level at which those services currently are provided. The following table shows the reduction in purchasing power of the parcels in the redevelopment area compared to the cost of providing EMS services to the project area. This analysis shows the property tax collections from the parcels within the redevelopment area for the current year and the cost of employing six fulltime firefighter / paramedics that will be necessary to comply with NFPA 1710 in the redevelopment area Table 5 shows the results of a present value analysis comparing firefighter / paramedic wages funded in the Fire District’s current SAFER Grant. The present value analysis shows the purchasing power of the tax revenues from the parcels in the redevelopment area compared to the cost of hiring six full time firefighter / paramedics that are anticipated to be necessary to maintain minimum standards of cover in the redevelopment area. The analysis shows the declining purchasing power of the tax revenues and the estimated budget gap that is being created without an inflation adjustment to the current tax base.

**Table 5 - Present Value of Property Taxes Compared to Paramedic Staffing - Six Full time Paramedics**

	<b>2015</b>	<b>2025</b>	<b>2035</b>	<b>2045</b>
<b>Tax Revenue</b>	\$727,705	\$441,834	\$268,265	\$162,880
<b>Cost of full time paramedics for area</b>	\$680,418	\$680,418	\$680,418	\$680,418
<b>Surplus / (Deficit)</b>	<b>\$47,287</b>	<b>\$(238,584)</b>	<b>\$(412,153)</b>	<b>\$(517,538)</b>

This present value calculation shows the declining purchasing power of the ad valorem taxes from the parcels in the redevelopment area of the 30-year period allowed. This analysis uses the 5 percent cost of capital used in the economic feasibility section of the Redevelopment Plan.

Table 6, below, is a future value calculation that shows how firefighter / paramedic wages are expected to grow at 3 percent inflation as compared to the constant dollar tax base from the parcels in the redevelopment area. This table again shows the expected budget gap created because of the lack of an inflation adjustment in the current redevelopment plan.

**Table 6 - Future Value of Salaries Compared to Taxes Held Constant - Six Full time Paramedics**

	<b>2015</b>	<b>2025</b>	<b>2035</b>	<b>2045</b>
<b>Tax Revenue</b>	\$727,705	\$727,705	\$727,705	\$727,705
<b>Cost of full time paramedics for area</b>	\$680,418	\$918,124	\$1,238,875	\$1,671,680
<b>Surplus / (Deficit)</b>	<b>\$47,287</b>	<b>\$(190,419)</b>	<b>\$(511,170)</b>	<b>\$(943,975)</b>

This future value calculation shows how expenses only for wages are expected to grow utilizing a 3 percent inflation adjustment. The future value of the ad valorem taxes from the parcels in the redevelopment area equal today's ad valorem taxes due to the cap on tax increases for properties in that area.

Although EMS is one example of the anticipated increase in costs to the Fire District as a result of redevelopment that can be measured with more certainty, the Fire District expects that it may incur increased costs for other services it provides.

**Summary**

The Fire District's objective is to ensure that its residents and visitors receive adequate and necessary public safety services. The Fire District currently is able to fund these services to meet minimum national standards required by the NFPA. However, the Fire District anticipates that the Redevelopment Plan may cause the Fire District to be unable to meet those standards during the course of redevelopment because ad valorem tax revenue from the redevelopment area would be capped for up to 30 years at the current amount, and there would be increased demand for public safety services (including fire inspection and protective services for new construction). The Fire District seeks the support of Douglas County and the Douglas County Redevelopment Agency in addressing this situation and ensuring that the Fire District receives adequate funding to provide necessary public safety services.

*Combinations of Approaches*

Douglas County Utility District Concept Paper

**Introduction:**

Given the continual turmoil in delivering basic services traditionally considered "County Services", this paper is an exploratory concept discussion on an organization designed for County wide application. It is not intended to answer every question and solve every problem. It is intended to begin the discussion and provide a frame-work for the discussion of what a County Utility should look like in 25 years. So it begins with a vision 25 years from now.

With the goal of a County wide District, it would be good to keep in mind two major constraints; geography and dissimilar operations. A long range goal should be able to link all the systems so as to provide redundancy in case of equipment failures and or leaks, for ease of operations and maintenance, and provide for replacements as needed. The major problem is always money and there is one element of new revenue in this vision that is really an old concept. Obviously this plan is not one that can be accomplished quickly, but the plan should reach the goal for the end state of the system.

Likewise with the dissimilar operations, water, sewer, high speed internet, trash pick-up, roads, storm water and flood control, gas distribution systems, and electrical generation, as well as system size, administration and debt, proceeding forward would have to a planned goal for end state operations. If the goals are agreed to, then a back planning system over a time frame of years could assist us in determining immediate, intermediate, and long term plans to achieve the goal. That is why we start with end state Goals, 15-25 years from now. If the reader is only interested in the immediate goals of 1-5 years your attention is directed to page 3.

**Goal Term, 15-25 years**

The County wide goal would be accomplished in the year 2041. By that year, all the water and sewer systems would be linked and one County wide Utility system would be in operation. We would have a County wide electrical utility geothermal generating power plant that is in operation providing power to the residents, and selling 35 megawatts of power to California. The County will not have been built out according to current Master Plan. County wide population will still be less than 60,000, with essentially 10,000 residents living at the Lake. Because of limits imposed by TRPA, growth at the lake will have essentially stopped by 2027. The balance of the population will be living in the Valley. The most significant growth area will be in TRE, and perhaps in the Pinenuts. If the Pinenuts were to be opened to development by the completion of a County bypass, the whole equation would be changed. In fact a by-pass could be built from the intersection of the China Spring turn off on 395, East on BLM land between the mountains south of Ruhnstroh and the BIA land, and continuation directly East and South of Fish Springs, turning North well beyond Fish Springs, still on BLM land and then essentially remain well east of inhabited land until reaching Prison Hill still on BLM land and hooking up with I-580 at the NDOT created off ramp called Prison/South Carson. This by-pass would be a two lane County road. The

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current estimates are about 25 million to the border of Carson/Douglas, an 18-20 mile route depending BLM archeological survey.

As it turns out the Camp at China Spring is an essential element geographically for the County. Half of its one hundred acres would support a geothermal power plant and providing revenue to the County and supporting the Camp.

Moreover the NV Energy Power lines are in close proximity to the Camp and facility providing power to be sold to California under a power purchase agreement (PPA). Residents of the County will be afforded the opportunity to invest in the power station as well, thereby offsetting their power costs. In addition to the power lines, the Camp turn off is now a major intersection in as much as the intersection goes West through Forest Service and Bently land and connects to State Road 88.

The location of the power plant is also essential in proving power to TRE and Lake Topaz residents, as NV Energy has had issues providing stable power to TRE from their sub-station in Yerington.

Between the funds developed from the gas indexing tax and the revenue from the power generating plant funding, infrastructure including water, sewer, high speed internet access, roads, trash pick-up, storm water and flood control, natural gas distribution, and stable electricity are available at reasonable cost all County residents. These improvements in infrastructure are especially important to improving the growth potential and quality of life for Topaz and Topaz Ranch Estates residents. Internal, non-tax funding sources have provided low cost infrastructure to all County residents for years to come.

### **Intermediate Goals 5-15 years**

The major intermediate goals are seeing the creation of the one district and smoothly amalgamating the estimated 21 districts into a cohesive organization.

This effort would require new ways of looking at employees as many will have new responsibilities not in the current Personnel Management Plan. Employees will need training for new responsibilities. Personnel Programs would have to account for change of job descriptions, attrition, new hires, and the ever changing landscape of benefits costs and availability. Perhaps a even a new pension plan more closely akin to industry plans with employee involvement and contributions.

Also new franchise agreements will have to have been negotiated. At the same time pleadings before both the Nevada and California Public Utilities Commissions will have been concluded.

Federal agencies such as the Forest Service and BLM would have had to provide agreements for land use and Federal Environmental laws for surveys and assessments will have to have been funded and completed. Rights of way will have to have to be acquired; archeological surveys and changes to planned routes will have to be accommodated.

It should be doable that by 10 years into our planning cycle we should have attained County wide high speed internet access for all residents, that is affordable and reliable.

During these intermediate steps, the issue of geothermal power should have been thoroughly researched and test wells drill to verify a communicating resource that exceeds critical temperatures to produce steam. Given that this has been successfully discovered, we are now at the stage to discover the optimum organization for pursuit of a generation facility.

### **Immediate Goals 1-5 years**

Immediate goals are set for action over the next five years. At the top of the list has to dissolving DCSID and creating a Douglas County Utility District (DCUD). What would this look like? Here is one view.

DCUD could just be establish by the Commission as a district, one that is established over all of Douglas County, where in funding would be from utility fees (sewer in this case), utilizing the enterprise fund model where the revenue and expenses of the district must balance. The Board could be an independent Board but for the immediate future it would seem best to use the current Commission as the Board. Keeping the board also insure representation for all district. The DCUD would then expand to include water and other sewer districts, amalgamate approximately 13 districts at the lake and perhaps 8 in the Valley from North Valley to TRE. By moving to have one district for all essential county infrastructures the principle of Economies of Scale should reduce expenses and at the very least keep rates and funding at a current levels. Additionally, there is the possibility of shifting immediate funding by reviewing lower priority programs and moving their funding into infrastructure.

One source of funding that should be moved into the district is monies allocated for lobbying, as a suggestion. Certainly, residents need to see action to believe the County is serious about funding for infrastructure over funding lobbying efforts at the State and Federal level.

The DCUD would be responsible for all roads, water, sewer, high speed internet digital micro-cable, storm-water flood, trash disposal, gas and electrical operations, in short all infrastructure aspects of Douglas County, all of Douglas County. Given that we have a mix of districts now how do we get to a consolidated position?

Recently the Director of Public Works tried to outline a starting position. However well intended, the presentation lacked an over-view of how to achieve a transformation of the current system into a County-wide organization. This paper will attempt to present a more cohesive plan.

First let's identify some of the real issues, and potential solutions. Perhaps the most contentious issue is reserve funds, followed closely by debt pay off. The issues of reserve funding and to a large extent the fact that each district that is involved in infrastructure have varying amounts of debt, require separate accounts for each district. That would keep accounts in the name of the district and separate for the immediate future, perhaps 1-3 years. That would translate into no change for most areas until a common date wherein debt is zero or close to zero for all districts.

There are a number of ways to accelerate debt pay-off not the least of which is utilizing system re-investment (reserves for each account). This does not mean taking one district's reserves to pay off debt for another district. Those reserves would be utilized with the district that generated the reserves.

Another means is short term loans from one account within the system to another as was done by the Carson Valley Utility to the Sierra County Estates water fund. That loan had to be repaid within a year and it was repaid. A third measure that has been utilized is in the form of grants from the State Revolving Fund, low interest loans that do not have to be paid back but those requirements are very strict and may eliminate the use where no new capital expenses are created.

Utilizing these techniques in combination, the County Public Works has successfully melded three smaller water systems into the Carson Valley Water Utility. Successful is defined as not taking reserves from one account to pay-off debt in another account, but achieving the desired result within a relatively short time (five years or less) and stabilizing rates with the goal of reducing rates by increasing the number of users. Water and sewer utilities can be consolidated and should be consolidated as a goal. The immediate goal should be to have the systems all under a common management system (DCUD), with two major divisions, one for the Valley systems and one for the Lake systems. Economies of scale should help reduce expenses for all concerned, with less over-head cost and greater numbers of payers. This is formula that has stood the test of time, and needs to be applied to Douglas County Water, Sewer utilities as well as high speed internet cable access, now. Lastly, by combining water, sewer, and high speed internet access we should be able to reduce road interruptions--dig once for all three utility accesses.

Within the District there should also be Storm Water, Flood and Road utilities that either do not exist now or are not funded currently. These are also infrastructure elements that need to have a home and should also be funded. Funding for Storm Water/Flood issues can be accomplished by re-assigning current tax increment to the higher priority of Storm Water/Flood control. The priority for this type of infrastructure is higher than the need to continue funding other priorities in the budget. One that seems obvious is the 13 cents of tax increment currently funding the Swimming Pool District. That would be using existing tax increment. That would mean no new taxes. But it would also mean providing some fundamental service to the Swimming Pool District. Also we can reduce the pressure on the general fund by enlarging the town boundary's. The boundary's would increase the towns revenue, allowing them to either pay for county services or hire out those services, while at the same time eliminating the contentious cost allocation issues. Expansion also allows the County to provide services to districts such as the Swimming Pool District with some of the services they need. The struggle will be with reserves and debt, and again that can be immediately handled through consolidation in name, with separate enterprise funds until reserves and debt are equalized. The savings in over-head are obvious. The issue is agreement among the parties.

One concern for all of the agencies involved is jobs of the current employees. There is no need for draconian cuts, as the equalization of reserves and debt will take some time, so attrition will account for personnel losses. The biggest impact will be on senior management personnel. That must be recognized, and thoughtfully, respectively dealt with in any plan. Usually those issues can be resolved by buyouts, early retirements, or re-training. Regardless, those issues need to be confronted at the onset as part of the plan. Entry level and mid-range employees are usually absorbed into the new organizations as their institutional memories and skills are still needed.

The last three infrastructure items, trash disposal, gas and electric generation utilities under the DCUD are issues of monopolies. Trash pick-up is an exclusive franchise for the unincorporated areas of the County. The operation of the transfer point has been under contract with the provider exclusively. Yet when the provider achieves a reduction in expenses such as transferring garbage to Carson City, it only helps the provider, not the citizens. Natural gas is not provided county wide and there is no incentive to gain additional customers for gas, so residents are left with more volatile and high cost bottled LP gas. If we want to provide natural gas County wide, as we should if for no other reason that it is safer, we need a concentrated effort to entice Southwest Gas to invest in the County. Currently, the County has two long term contracts, one for Gas and the other for Trash Disposal. Neither contract calls for reaching out and providing service to areas in the County. Both franchisee's provide monies to the County general fund. The model of the DCUD would keep those monies in the utility to incentivize the franchisee's to provide more expanded services, which will in the long run raise the franchise fees.

As for the electrical provider, when electricity was first introduced it was a revenue producer for the County where it was produced. That model was absorbed by the various states in 1940's. Recently the State of Nevada re-opened the ability of the County to have an electrical utility. Given our proximity to and the demand for electrical service to California, we should revisit how we could create an electrical utility that would provide service to the entire County and sell excess to California. In the past these were coop's operated by the County for shareholders. Many shareholders were able to reduce/eliminate electrical costs, by investing in shares of the electrical coop. Right now the most viable form of electrical generation for this concept is geothermal power. That should be more fully investigate in the short term.

In sum, this paper provides a vision, one that hopefully people can appreciate and support. It is a large vision; it is a vision for all residents. If we can achieve an acceptance of the vision, the mechanisms can be worked out as most residents can see the goal and benefits. Of course, this vision needs help and is not the end all, be all. This vision is not in stone but is a living document that can absorb changes and needs to be flexible in methods to achieve it, but focused on the DCUD goal.