

TRUCKEE MEADOWS WATER AUTHORITY  
MINUTES OF THE AUGUST 21, 2013  
MEETING OF THE BOARD OF DIRECTORS

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The Board of Directors met on Wednesday August 21, 2013, at Sparks Council Chambers, 745 Fourth Street, Sparks, Nevada. Chairman Carrigan called the meeting to order at 10:01 a.m.

1. ROLL CALL

Members Present: Mike Carrigan, Mike Cate, Vaughn Hartung, Neoma Jardon\*, Kitty Jung, Geno Martini and, Sharon Zadra. A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Martini.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

**Upon motion by Member Zadra, second by Vice Chairman Cate, which motion duly carried by unanimous consent of the members present, the Board approved the agenda.**

5. APPROVAL OF THE JUNE 19, 2013 MINUTES

**Upon motion by Vice Chairman Cate, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved the June 19, 2013 minutes.**

6. REQUIRED COMMUNICATION FROM KAFOURY ARMSTRONG & CO IN REGARDS TO TMWA'S ANNUAL FINANCIAL AUDIT

Member Jardon arrived at 10:02 a.m.

Jeff Tissier, TMWA Chief Financial Officer, presented the written report from TMWA's external auditors, Kafoury Armstrong & Company to the Board. This report outlines the roles and responsibilities between the staff and the auditors.

7. ANNOUNCEMENT OF TMWA'S AWARD OF RECOGNITION FROM THE PARTNERSHIP FOR SAFE WATER

Mark Foree, TMWA General Manager, proudly announced to the Board that the Partnership for Safe Water has recognized TMWA for outstanding water quality produced by TMWA's Chalk Bluff Water Treatment Plant. The Partnership awarded TMWA its prestigious Phase Three Directors Award—a distinction that only two percent of the surface water treatment plants in the United States have earned. Mr. Foree extended recognition to the entire water quality and operations team, including manager Paul Miller, for the outstanding work done in achieving this award. He stated that the TMWA Board, employees, and customers could all be very proud that our community-owned water system has received such a significant award for water quality. He then introduced the four Water Treatment/Distribution Working Foremen to the Board, adding that these gentlemen not only operate the water plants but are also oversee the operation of the distribution system. This dual responsibility is noteworthy, as it is very rare in the industry. Mr. Foree went on to point out that each of the foremen has over twenty years' experience; and that their crews are also very knowledgeable, with even the least experienced operator having over 10 years in the industry. The foremen introduced to the board were: Brian Luczkow, Tim Flanagan, Ted Saxe and Pat Kuykendall; and, also recognized was maintenance supervisor, Bryce Twichell.

Mr. Foree informed the Board that a press release announcing the Directors Award would go out that afternoon. He then gave the floor to Paul Miller for an expanded description of events leading up to the Partnership recognition.

Mr. Miller began by saying the Directors Award represents a higher level of commitment than what is required to simply meet regulatory standards. Being the recipient of this award, in TMWA's case, demonstrates an organizational commitment to producing water of excellent quality despite challenging weather and environmental conditions. To be able to maintain those high standards 100 percent of the time means that the entire team consistently performs at an extremely high level. It shows that each member of the staff thoroughly understands their role and is deeply committed to mastery of what they are doing. Mr. Miller said the result of this work and high-level of commitment is something he personally is extremely proud of, and that the community can be proud of as well. Mr. Miller closed by expressing his commitment to continuing TMWA's work with the Partnership and making the Directors Award recognition only the start of more achievements. He stated that he believes, "success is all about continuing to do a great job, not just focusing on today but making a commitment to getting better all the time."

Board members then took a picture with the water treatment and distribution operations team.

Mr. Hartung personally thanked the TMWA water treatment team for their excellence and hard work.

8. PRESENTATION ON TMWA'S SITE ASSESSMENT REPORT AND DUE DILIGENCE OF STMGID SYSTEM AND REPORT ON STATUS OF THE PROPOSED MERGER OF THE SOUTH TRUCKEE MEADOWS GENERAL

## IMPROVEMENT DISTRICT (STMGID) INTO TMWA

Mr. Foree reported that the work on the potential merger of STMGID into TMWA is progressing. At the last Board meeting on June 19, 2013 it was announced that the due diligence had been completed regarding STMGID's merger proposal. The conclusion reached is that TMWA will be able to meet the terms presented by STMGID in their merger proposal. A site assessment report was produced and copies were made available to the TMWA Board at its last meeting. TMWA staff made a presentation of the same site assessment report to the STMGID Board on August 1, 2013. The next step is a workshop that STMGID has scheduled for August 29<sup>th</sup> to further review the site assessment report with STMGID customers. TMWA staff has been invited to the workshop to answer questions and has committed to be there to do so. A copy of the presentation which was given at the August 1<sup>st</sup> meeting was attached to the Board packet, in addition to an FAQ sheet developed to help clarify questions about the process. It is also expected that STMGID will assign individuals to work with TMWA on a more definitive agreement. If all goes well, the agreement could be completed and ready to submit to both Boards in the October or November time frame.

Member Hartung asked if the STMGID Board would still exist once the merger was complete. Mr. Foree said that it was his understanding that the Board would dissolve upon the completion of the merger. Mike Pagni, legal counsel, affirmed this and stated that under Chapter 318 the Nevada Revised Statutes, which covers GIDs, all the assets have to be transferred and the GID would dissolve on the date of the merger.

Mr. Steve Cohen, Chairman of the STMGID Board, stated that he was present to answer any questions the TMWA Board might have. He clarified that this is actually a three-way merger between TMWA, STMGID and Washoe County Department of Water Resources, which means that it cannot occur without all three entities being in agreement. He also stated that they are working towards an agreement, with hopes that the merger will occur soon. Chairman Carrigan asked if there was anyone on the STMGID Board who was opposed to the merger, as he would not want to cause any political problems. Mr. Cohen replied that the STMGID Board, as a whole, voted to continue with the County Commission's direction to support a merger. And that is where they are heading. He said that there is always dissention and things that people don't like, but it is his belief that the majority of the customers that he has heard from feel it is the correct thing to do for everyone's benefit. He further stated that there are still some fine details to be worked out and the chance that other issues might arise, and he acknowledged that there are a group of customers who are not completely happy with the merger. The main purpose of the workshop is to allow everybody to voice their concerns, to get all the information out there, take away the misleading information, and clear up any questions.

### 9. PRESENTATION OF "TMWA AT WORK" VIDEO(S)

Robert Charpentier, TMWA Communications Specialist, presented the TMWA at Work video entitled "Haskell Main Break" which details the process of fixing a main under pressure, using a

full circle repair clamp. It was also noted that utilizing this type of repair resulted in no customers losing water service while the fix was made.

#### 10. GENERAL MANAGER'S REPORT

Mr. Foree shared the great news that the TMWA Hydroelectric Power Generation team has again broken the all-time record for both power generation and revenue in a fiscal year. The generation total was 52,056,000 kWh, breaking last year's record by just 72,000 kWh. The revenue total was \$3,558,000, which broke last year's record by \$38,000.

Member Hartung extended his congratulations to the team and also commented that he recently completed a tour of the Hydro plants and is very impressed by the incredible accomplishment.

#### 12. PUBLIC COMMENT

Cathy Brandhorst, a member of the community, addressed the Board on various topics.

#### 13. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Martini asked if he could get an update about the status of the merger with Washoe County, either at the next meeting or via email.

#### 14. ADJOURNMENT

With no further discussion, Chairman Carrigan adjourned the meeting at 10:25 a.m.

Approved by the TMWA Board of Directors in session on October 16, 2013.

Respectfully submitted,

Cara Rives, Recording Secretary

\*Member Jardon was present for items 6 through 14 only