

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE MAY 18, 2016
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, May 18, 2016, at Sparks Council Chambers, 745 4th Street, Sparks, Nevada. Chair Martini called the meeting to order at 10:14 a.m.

1. ROLL CALL

Members Present: Jenny Brekhus, Naomi Duerr, Neoma Jardon, Jeanne Herman, Geno Martini, and Ron Smith.

Members Absent: Vaughn Hartung

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Brekhus.

3. PUBLIC COMMENT

Cathy Brandhorst provided public comment.

4. APPROVAL OF THE AGENDA

Upon motion by Member Smith, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the agenda.

5. APPROVAL OF THE MINUTES OF THE APRIL 20, 2016 MINUTES

Upon motion by Member Duerr, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the April 20, 2016 minutes.

6. PUBLIC HEARING ON ADOPTION OF BUDGET

6.A PUBLIC COMMENT

There was no public comment.

6.B DISCUSSION AND ACTION ON REQUEST FOR ADOPTION OF RESOLUTION NO. 241: A RESOLUTION TO ADOPT THE FINAL BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017 AND THE 2017-2021 FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Joe Petrelli, TMWA Principal Financial Analyst, provided a brief overview of the FY2017 final budget and the FY 2017-2021 Capital Improvement Plan (CIP). Mr. Petrelli highlighted a few changes to the budget since the tentative budget was presented at the March board meeting. Most notably a decrease in anticipated hydroelectric revenues by \$143.8K; increase in anticipated revenue from inspection fees and construction water sales by \$145.5K; reduced interest expense by \$825K for fiscal year 2017, due to a successful refunding of 2006 Revenue Bonds,; and increased CIP spending by \$3.5M for 2017-21 . Mr. Petrelli also noted that cash balances for year end 2017 were expected to decrease by \$8.3M due to paydown of commercial paper in May, 2016 and additional capital spending in fiscal year 2017. He added that the budget includes a contribution of \$20K to Nevada Land Trust to assist One Truckee River with regards to improving Truckee River water quality.

Member Brekhus inquired what the total amount of developer contributions increased by and what was projected for 2017. Tabitha Carlisle, TMWA Financial Controller, replied it is \$2.5M. Michele Sullivan, TMWA Chief Financial Officer, added that the \$2.5M was not total developer fees, but relates to operating revenue from construction water and inspection fee revenue, while the total contributions from developer will-serve, capital and facility charges are approximately \$12M and are included in non-operating revenue..

Mark Foree, TMWA General Manager, added the increase from the tentative budget of \$145.5K is due to an increase in inspection fees, and Ms. Sullivan is referring to developer fee contributions to which there are no changes. Ms. Sullivan added developer contribution projections are based on 200 additional water connections per month which is detailed in our 2016-2035 Water Resource Plan.

Member Duerr thanked staff for including funds provided to the One Truckee River in support of the public restroom pilot project.

Public Comment

Ms. Brandhorst provided public comment.

CLOSE PUBLIC HEARING

Upon motion by Member Duerr, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 241: A resolution to adopt the final budget for the Fiscal Year ending June 30, 2017 and the 2017-2021 Five-Year Capital Improvement Plan.

7. PUBLIC HEARING ON RATE AND RULE AMENDMENTS

7.A PUBLIC COMMENT

There was no public comment.

7.B RATE AMENDMENT, INTRODUCTION: INTRODUCTION AND FIRST READING OF AMENDMENTS TO TMWA RATE SCHEDULE WATER SYSTEM FACILITY CHARGES (WSF) FOR CHARGE AREA 10

Scott Estes, TMWA Director of Engineering, indicated facility charges do not impact existing customers or existing customer rates. Mr. Estes referred to the new proposed schedule with the area map included. He provided a brief overview of the proposed changes to the WSF Charges for Charge Area 10.

Member Duerr appreciated combining all the new systems, in the same area, into a common charge area. She asked if the connection fee included distribution improvements. Mr. Estes replied yes, if a distribution improvement benefited the entire area; however, developers pay for improvements required for specific projects.

Member Brekhus inquired about the \$0 Supply-Treatment charge to the Arrowcreek Area 15, funding for the Mt. Rose Water Treatment Plant, charges to the Heppner Subdivision Area, if there is infrastructure in place, if the Area 10 rate changes are based on projections on the supply for the Vidler project, at every 1,000 acre feet (AF) we will be checking for water quality standards, and what is the process if water quality standards are not met. Mr. Estes replied the \$0 Supply-Treatment charge is because the cost of the Mt. Rose Water Treatment Plant is included in the Area Charge; we are using the Washoe County (County) funds that came over through the merger to pay for the water treatment plant, but developer fees collected will reimburse the expenditure. He added the distribution infrastructure is in place in the Heppner Area, which has a number of domestic wells where the residents are slowly converting to the public water system. Lastly, with regards to Area 10, Mr. Estes replied yes, the proposed fee calculations are based on the supply from the Vidler project and water quality standards will be checked; if treatment is needed, it would require a revision in the connection fees.

Discussion followed regarding the County domestic well loan program, which began in 2009 specifically for residents in the Heppner area. Mr. Foree noted, as part of the merger, TMWA and the County entered into an Interlocal agreement (ILA) to allow TMWA customers access to the loan program if they were hooking up to the system, but customers still have to go through the County to apply for the loan.

CLOSE PUBLIC HEARING

Upon motion by Member Jardon, second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board accepted the amendments to TMWA Rate Schedule Water System Facility Charges (WSF) for Charge Area 10.

8. GENERAL MANAGER'S REPORT

Mr. Foree recognized Kim Mazeres, TMWA Director of Customer Relations, who is retiring as another one of our unsung heroes in the community. Ms. Mazeres is one of the main reasons TMWA has had over 90 percent customer satisfaction in the last three years. She is very well known and well thought of in the community, and is a huge reason why TMWA has been and is so successful overall.

9. PUBLIC COMMENT

Ms. Brandhorst provided public comment.

10. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

11. ADJOURNMENT

With no further discussion, Chair Martini adjourned the meeting at 10:48 a.m.

Approved by the TMWA Board of Directors in session on June 15, 2016.

Sonia Folsom, Recording Secretary