



STANDING ADVISORY COMMITTEE

MINUTES

April 4, 2017

The Standing Advisory Committee (SAC) met at Truckee Meadows Water Authority (TMWA) in the Independence Room, 1355 Capital Blvd., Reno, Nevada. Chair McGuire called the meeting to order at 3:06 p.m.

1. ROLL CALL

Primary Members and Voting Alternates Present: Ken Becker, Harry Culbert, Bruce Gescheider, Colin Hayes, Don Kowitz, Carol Litster, Neil McGuire, Mike Pidlypchak, Fred Schmidt, Mike Schulewitch, and Jerry Wager.

Alternates Present: Fred Arndt, Kevin Haddock, Jordan Hastings, Scot Munns, and Dale Sanderson.

Primary Members and Alternates Absent: Bob Chambers, Bill Hughes, Karl Katt, Ken McNeil, Jim Smith and Jonnie Pullman.

Staff Present: Jack Byrom, Tabitha Carlisle, Robert Charpentier, John Enloe, Scott Estes, Andy Gebhardt, Sonia Folsom, Bill Hauck, Michele Sullivan, Sandra Tozi, Steve Walker, Marci Westlake, John Zimmerman, and Legal Counsel Debbie Leonard.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Upon motion by Member Gescheider and second by Member Hayes, and carried by unanimous consent of the members present, the Committee approved the agenda.

4. APPROVAL OF THE MINUTES OF THE MARCH 7, 2017 MEETING

Member Hastings noted a few minor edits to the March 7 draft minutes: agenda item 3 had the “#” symbol instead of a “3”; on page 2, under agenda item 5, ‘water year’ should be added to reference the amount of precipitation to date; and agenda item 7 the ‘s’ should be deleted in “Discussion followed on proposed bills AB193.”

Upon motion by Member Wager and second by Member Pidlypchak, carried by unanimous consent of the members present, the Committee approved the minutes of the March 7, 2017 meeting with the corrections mentioned above.

5. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, reported that both precipitation and snowpack are about 200% of normal; Lake Tahoe has risen 4.6 feet since October and 3.95 feet since January. It could potentially overflow, but precautionary releases are taking place; Pyramid Lake is expected to rise about eight feet.

Member Wager inquired about the timing of the Steamboat Ditch. Mr. Hauck replied that the ditches open later in a wet year and maintenance is currently being done.

Member Schmidt confirmed Lake Tahoe is 70% full. Mr. Hauck replied it is 70% of capacity.

6. UPDATE ON THE 2017 LEGISLATIVE SESSION

John Zimmerman, TMWA Water Resources Manager, and Steve Walker, TMWA Lobbyist, presented on the status of the 2017 Legislative bills introduced as of March 22, which were presented to, and reviewed by, the TMWA legislative subcommittee on Friday, March 24.

Mr. Walker informed the committee that AB193, requiring Washoe County to fluoridate its water system, has not been heard since March 7, it has not been declared exempt and therefore is still subject to the April 14 deadline of Committee Passage out of the Assembly.

Vice Chair Schmidt inquired about the survey sent out to TMWA customers about AB193. Mark Foree, TMWA General Manager, replied the TMWA Board had requested the customer survey, and InfoSearch International conducted the survey and the results will be presented at the April 19 Board meeting. Andy Gebhardt, TMWA Director of Operations and Water Quality, added there were two parts to the survey: 1. A phone survey of 400 random residential customers; and 2. Email survey of three questions to all TMWA customers who have provided TMWA with email addresses.

Member Hastings inquired about the response rate for the email survey. Mr. Gebhardt replied 10%.

Discussion followed regarding various bills. This included AB298, provisions relating to water, which relates to a 3M (monitoring, management and mitigation) plans and the legal definition of “perennial yield.” TMWA has met with Southern Nevada Water Authority to discuss the legal definition of “perennial yield”; the environmental effect of the definition; and criteria of inter basin transfer.

Mr. Walker and Mr. Zimmerman also reported that the legislative subcommittee recommended that the board take a position of support for SB253, which provides protection to employees who are affected by

any condition relating to pregnancy, childbirth or a related medical condition (the Board asked to support a similar bill); SB289, which requires health insurance to cover services provided by an out-of-network physician; SB384, which requires confidentiality of certain information in the records and files of public employers and public employee retirement system (prevents unwanted disclosure); and SB494, which revises provisions relating to grants for water conservation and capital improvements to certain water systems (related to funding cloud seeding programs which TMWA could possibly apply for grants).

John Enloe, TMWA Director of Natural Resources, mentioned funding is still allocated to the cloud seeding program because the Desert Research Institute (DRI) continues their research around the Tahoe Basin using drones to increase efficiencies and improve technology. DRI will report on how money was not spent in FY 2017 to offset future funding.

7. PRESENTATION ON 2017 BOND REFUNDING RESULTS

Michele Sullivan, TMWA Chief Financial Officer, reported the Series 2017 Refunding Bonds was very successful and reaffirmed TMWA's credit rating of "AA2 stable outlook" from Moody's, and an upgrade in credit rating from "AA stable outlook" to "AA+ stable outlook" from Standard and Poors. A successful 2017 refunding was a key component in the forecast used for the proposed rate adjustments over the next five-years.

8. PRESENTATION OF THE TENTATIVE FY 2018 BUDGET AND FUNDING SOURCES FOR CAPITAL IMPROVEMENT PROJECTS IN THE DRAFT CAPITAL IMPROVEMENT PLAN (CIP) FOR FISCAL YEARS 2018 THROUGH 2022

Ms. Sullivan reported the tentative budget was presented at last month's meeting for both the SAC and Board of Directors. The Board had questions about funding allocated for the Truckee River Fund, cloud seeding and the fire hydrant maintenance program. There were no changes to the revenues and expenses.

Vice Chair Schmidt inquired about the number of employees included in the budget. Ms. Sullivan replied 206 employees.

Discussion followed regarding the number of employees affected by the salary increases (206 employees); the average basis in step increases (MPATS and apprentices have step increases if they meet expectations); the large dollar amount allocated for the CIP (the Board is not questioning the amount); specific CIP projects such as the Mt. Rose Water Treatment Plant (necessary to improve water supply in the area); Spanish Springs Nitrate Treatment (applied research of biological treatment process to reduce nitrate levels in the area); and how TMWA has budgeted for tanks (there is a schedule for tanks to be inspected and improved.)

No action taken.

9. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING AGENDA ITEMS FOR FUTURE MEETINGS

Member Haddock inquired about the accuracy of the residential and commercial water meters. Chair McGuire suggested he can speak with Mr. Gebhardt.

Member Gescheider suggested that the May 2 meeting be cancelled.

June meeting:

1. Update on the 2017 Legislative Session
2. Presentation of third quarter financials
3. Presentation on the final FY 2018 budget

Upon motion by Member Culbert and second by Member Litster, carried by unanimous consent of the members present, the Committee approved the agenda items for future meetings and to cancel the May 2 meeting.

10. STAFF ITEMS

Mr. Foree informed the committee that TMWA will have to renew its letter of credit in the following year and banks will be looking to do business with TMWA and they will be looking at our financials.

11. COMMITTEE ITEMS

There were no committee items.

12. PUBLIC COMMENT

There was no public comment.

13. ADJOURNMENT

With no further items for discussion, Chair McGuire adjourned the meeting at 4:15 p.m.

Approved by the Standing Advisory Committee in session on September 5, 2017.

Sonia Folsom, Recording Secretary