

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE JUNE 21, 2017
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, June 21, 2017, at Sparks Council Chambers, 745 4th Street, Sparks, Nevada. Vice Chair Hartung called the meeting to order at 10:05 a.m.

1. ROLL CALL

Members Present: Jenny Brekhus, Naomi Duerr, Vaughn Hartung, Jeanne Herman, *Geno Martini, and Ron Smith.

Members Absent: Neoma Jardon

A quorum was present.

*Chair Martini was present via telephone.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Charles Albright.

3. PUBLIC COMMENT

Mr. Albright spoke about his concerns about the dams along the river and asked TMWA to consider putting in bladder dams.

*Chair Martini called-in at 10:09 a.m.

4. APPROVAL OF THE AGENDA

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

5. APPROVAL OF THE MINUTES OF THE MAY 17, 2017 MEETING

Upon motion by Member Brekhus, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the May 17, 2017 minutes.

6. REPORT ON THE RESULTS OF 2017 LEGISLATIVE ACTIVITIES AND BILLS

John Zimmerman, TMWA Water Resources Manager, reported that the 2017 Legislative Session ended June 5 and the Governor's deadline to either approve or veto bills was June 16.

Steve Walker, TMWA Lobbyist, provided a brief overview of the bills that passed out of session which TMWA monitored. Mr. Walker noted that none of the bills TMWA opposed were approved and most of the bills TMWA supported passed. He reported on SB379, which TMWA supported based on water resource, not governance, issues.

Member Duerr asked if any bills passed had significant impact. Mr. Walker replied the session was good for state-wide water issues; SB70, which changed the State conservation planning reporting requirement from gallons per capita per day for each conservation activity to acre feet saved annually.

Member Brekhus asked about SB239, common interest communities. Mr. Walker replied it dealt with gated community issues on planting drought tolerant plants in a homeowners association (HOA).

7. DISCUSSION AND POSSIBLE ACTION, AND DIRECTION TO STAFF ON THE INTERLOCAL AGREEMENT BETWEEN TRUCKEE MEADOWS WATER AUTHORITY (TMWA) AND CITY OF RENO FOR THE CITY ENERGY PROJECT (CEP) – RENO

John Enloe, TMWA Director of Natural Resources, introduced Lynne Barker, Sustainability Manager at City of Reno, who will present on the city's climate change and sustainability initiative. TMWA would like to participate in the project and the Better Buildings Challenge to promote water conservation goals in the region in existing and new commercial buildings and would propose to be a sponsor in the amount \$10,000 a year for two years.

Ms. Barker presented an overview of the City Energy Project to the Board (see attached).

Vice Chair Hartung confirmed San Francisco has greenhouse gas emissions lower than Reno. Ms. Barker replied yes, in part due to the transportation system and a denser community.

Member Duerr asked what is being requested. Mr. Enloe replied the City of Reno is looking for a financial commitment from TMWA to participate. This effort would be a part of the conservation program at TMWA, and it would allow us to learn about what other communities are doing to promote water conservation in the commercial building sector.

Vice Chair Hartung stated he would like to see single-family/residential included and address how the region can change planning policies to promote better water usage and improve energy efficiency. Ms. Barker replied this program targets the commercial sector buildings larger than 25,000 square feet which contribute greatly to greenhouse gas emissions. But, they are looking at starting a residential program.

Member Brekhus supports this program and stated our economy is evolving in the use of existing and new building inventory, but retrofitting the smaller commercial buildings is an issue.

Mark Foree, TMWA General Manager, reported that this project was included in the tentative budget and without Board comments, it was included in the final budget.

Vice Chair Hartung stated it is important to fund these projects, but would like to branch out to incentivize the planning of new industrial and commercial buildings to include passive heating and cooling systems.

Member Smith asked if existing buildings would require to be retrofitted. Ms. Barker replied yes, voluntarily, but we will be meeting with builders and developers to identify the codes and policies that would be most effective in this region. Right now, the goal is to have a benchmarking policy in place which would encourage the participants to benchmark their energy performance.

Member Duerr commented, this is to promote buildings to be proactive to improve energy efficiency which will improve the bottom-line. Ms. Barker replied, yes.

Upon motion by Member Duerr, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved the Interlocal Agreement between Truckee Meadows Water Authority (TMWA) and City of Reno for the City Energy Project (CEP) – Reno.

8. PRESENTATION ON PROPOSED CONSERVATION, COMMUNICATIONS AND OUTREACH PLAN FOR 2017, DISCUSSION AND POSSIBLE DIRECTION TO STAFF

Andy Gebhardt, TMWA Director of Operations and Water Quality, presented on the 2017 Conservation, Communications and Outreach Plan. The goal is to encourage smart water use and alter the communication style by which TMWA will clarify misconceptions. At the end of the year, staff will present a final report to inform the community what happened during the water year.

Vice Chair Hartung pointed out not only is water usage important but water storage as well, and the need to send the message of how stable the water supply is for the community. Mr. Gebhardt agreed and that is the challenge staff is taking on to change the community perception.

Vice Chair Hartung inquired about the status of the reinjection of wells. Mr. Enloe replied staff is pursuing the expanded recharge program in South Truckee Meadows General Improvement District (STMGID), Mt. Rose-Galena Fan area, and Spanish Springs area and working with the State, but there have been some challenges with the permitting process. He pointed out the greater benefit is conjunctive use; to be able to supply surface water to those areas and turn off the wells to rest them when needed.

Member Brekhus appreciated the low-key subtle approach to deliver a complex topic to inform the community. Mr. Gebhardt agreed and it is changing the dialogue in a positive way.

Member Duerr agreed it is a more proactive approach to educate the community. Mr. Gebhardt replied yes, that is why the messaging is being changed to “Smart About Water.”

Member Smith said this is a good avenue and pointed out when the City of Sparks rebranded itself, it changed the messaging at the Sparks Marina for a more positive messaging to the community.

No action taken.

9. INFORMATIONAL REPORT ON TMWA RULE 7 AND BANKED WATER RIGHTS INVENTORIES, AND WATER RIGHTS ACQUISITION CONSIDERATIONS AND PROCESSES, INCLUDING CURRENT MARKET PROCESSES FOR FRACTIONATED WATER RIGHTS ACQUISITIONS

Mr. Zimmerman presented TMWA's current practice of purchasing water rights on the open market and fractionated water rights issue. TMWA's practice is not to purchase water rights on the open market unless they are significantly below current Rule 7 rates.

Vice Chair Hartung inquired who are the third parties that have banked water rights. Mr. Zimmerman replied mainly developers; water has been banked since Sierra Pacific to serve future projects.

Vice Chair Hartung asked how is the price established under Rule 7. Mr. Zimmerman replied that under Rule 7 the value of TMWA's Inventory of water rights is calculated daily and include the price of water rights purchased, TMWA administration costs and a carrying charge.

Discussion followed around the various perceptions, circumstances and issues that affect the rate and value of water rights; such as water supply, the Truckee River Operating Agreement (TROA) and developers purchasing water rights in bulk. Mr. Zimmerman further explained the significant groundwater resources sold in 2016 had no return flow or drought factor added to them, and therefore, more sales were from Rule 7. Now there are more third-party dedications and use of water resources banked with TMWA.

Member Brekhus appreciated the report and asked if there is a precedent for state intervention to sweep up all the water rights, since it would be a takings issue. Mr. Zimmerman replied no, that is correct. TMWA maintains its water rights in good standing with the State Engineer's office, and pay Federal Water Master and Washoe County Water Conservation District fees for maintaining its Truckee River decree water rights.

10. DISCUSSION AND ACTION ON NOMINATION AND ELECTION OF CHAIRMAN AND VICE CHAIRMAN AND REQUEST FOR BOARD ADOPTION OF RESOLUTION NO. 253 APPOINTING A CHAIRMAN AND VICE CHAIRMAN FOR FISCAL YEAR 2018

Member Smith reported that Chair Martini would like to continue as Chairman. Member Smith nominated both Chair Martini and Vice Chair Hartung to continue as Chair and Vice Chair, respectively, for fiscal year 2018.

Upon motion by Member Smith, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the nomination and election of Geno Martini as Chairman for fiscal year 2018.

Upon motion by Member Smith, second by Members Herman and Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the nomination and election of Vaughn Hartung as Vice Chairman for fiscal year 2018.

11. GENERAL MANAGER'S REPORT

Mr. Foree informed the Board that TMWA's annual summer picnic was on July 15th and they were more than welcome to join; Christian Kropf, TMWA Senior Hydrogeologist, wrote an article on how TMWA manages its water resources through conjunctive use, which was included in the Press Clips; reminded the Board of an attorney-client privilege meeting upon adjournment; and there is a new monthly conservation report for their review included in the report prepared by Laine Christman, TMWA Resource Economist and Conservation Coordinator.

Vice Chair Hartung inquired about the percent of late charges at 13% for bill payment high. Mr. Gebhardt replied it has always been between 10 – 14%.

Mr. Walker corrected his response to SB239; it allows access to water connections of unoccupied units in HOA in case of mold or leak problem. Staff watched this bill since TMWA is on the other side of the meter.

12. PUBLIC COMMENT

There was no public comment.

13. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Brekhus requested a report on the meter retrofit program; maybe a source to the stabilization fund; different elements of the budget in terms of rate increases in outer years; and to have a report on the dam inventory and safety measures.

Vice Chair Hartung agreed and to see if there is a better way to build the dams. Mr. Foree replied staff can bring back a report on dam inventory, rebuilding of the dams and safety measures.

Vice Chair Hartung requested for staff to schedule a presentation by Rick Warner on reclaimed water.

Mr. Foree noted there are no pressing items and recommended there be no meeting in July.

14. ADJOURNMENT

With no further discussion, Vice Chair Hartung adjourned the meeting at 11:21 a.m.

Approved by the TMWA Board of Directors in session on August 16, 2017.

Sonia Folsom, Recording Secretary