



## STANDING ADVISORY COMMITTEE

### MINUTES

December 5, 2017

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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 3:02 p.m.

#### 1. ROLL CALL

**Primary Members and Voting Alternates Present:** Bob Chambers, Harry Culbert, Bruce Gescheider, Colin Hayes, Don Kowitz, Carol Litster, Neil McGuire, Ken McNeil, Mike Pidlypchak, Jonnie Pullman, and Jerry Wager.

**Alternates Present:** Fred Arndt, Ken Becker, Jordan Hastings, Bill Hughes, Karl Katt, Scot Munns, Dale Sanderson, Mike Schulewitch, and Jim Smith.

**Primary Members and Alternates Absent:** Kevin Haddock, and Fred Schmidt.

**Staff Present:** Matt Bowman, Robert Charpentier, John Enloe, Scott Estes, Andy Gebhardt, Mark Foree, Sonia Folsom, Joe Petrelli, Pat Nielson, Shawn Stoddard, Michele Sullivan, John Zimmerman, and Legal Counsel Debbie Leonard.

#### 2. PUBLIC COMMENT

Michele Sullivan, TMWA Chief Financial Officer, introduced TMWA's new Financial Controller, Matt Bowman.

#### 3. APPROVAL OF THE AGENDA

**Upon motion duly made by Member Pullman and seconded by Member Gescheider, and carried by unanimous consent of the members present, the Committee approved the agenda.**

#### 4. APPROVAL OF THE MINUTES OF THE OCTOBER 3, 2017 MEETING

**Upon motion duly made by Member Hayes and seconded by Member Wager, and carried by unanimous consent of the members present, the Committee approved the October 3, 2017 meeting minutes.**

#### 5. SMART ABOUT WATER DAY UPDATE

Andy Gebhardt, TMWA Operations & Water Quality Director, gave a recap on the success of the Smart About Water Day event that was held on October 21, 2017. Mr. Gebhardt said that about eighty customers attended, many of whom stayed for an extended period, and had good feedback.

Member McNeil, who attended the event, stated that it was well put together and encouraged other SAC members to attend the next Smart About Water Day event.

#### 6. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, reported that all the reservoirs are at the highest legal capacity, Lake Tahoe is one foot below its natural rim and the snowpack in the Truckee System is currently 120 percent of average.

Discussion followed regarding what Pyramid Lake level was at (it rose 10 feet); concerns about the water level at Washoe Lake (what can be released is being released); and confirmed the ditches are being used for storm drainage in addition to being used for irrigation purposes.

Mr. Hauck updated the committee on improvements to the Donner Lake dam, which experienced issues during the flooding in January 2017. Currently staff is working on the permitting process in California related to removal of thousands of yards of sediment in the outlet channel to approve the project as an emergency so that the outlet channel does not get obstructed as it did in January.

#### 7. PRESENTATION ON COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FISCAL YEAR 2017

Ms. Sullivan informed the committee that there were very minimal changes to the fiscal year ended June 30, 2017 financial statements, which were presented at the September meeting, and TMWA received a clean financial audit. A small finding in the single audit related to the Truckee River Operating Agreement (TROA) grant of \$1.2 million TMWA received. This single audit discovered invoices were submitted to the Bureau of Reclamation (BOR) prior to the award date. These invoices were replaced at the BOR with other qualified invoices that fell within the grant period.

#### 8. UPDATE REGARDING POSSIBLE ACQUISITION OF WEST RENO WATER COMPANY SYSTEM AND FUTURE WATER SERVICE TO THE VERDI AREA, DISCUSSION AND POSSIBLE DIRECTION TO STAFF ON VERDI AREA WATER SERVICE

John Enloe, TMWA Natural Resources Director, reported that the TMWA Board of Directors directed staff to enter negotiations to acquire West Reno Water Company. Staff is in the process of drafting an agreement, which they would like to present at the January 17, 2018 Board meeting. Currently, staff is negotiating with the developer, Reno Land, which has agreed to contribute \$2.54 million towards the acquisition and improvement to the Boomtown system through water connection fees. Mr. Enloe explained the rationale behind purchasing the Boomtown water system is because it has several production wells and the Board has expressed that they would like to see TMWA as the regional water manager, and the domestic well owners in the area also want TMWA's presence in the area because it

would stabilize the groundwater table with conjunctive use of surface water and groundwater resources. The total anticipated cost will be approximately \$16 million, which includes, but is not limited to, the acquisition and improvement of the facilities, and the significant improvements required to connect TMWA's existing system to the Boomtown system and to supply sufficient capacity to serve the entire Verdi area (approximately 3,000 residences). A separate new business project to extend the pipeline to Riverbelle is being built right now. Discussion regarding the special assessment district boundaries followed, whereby Mr. Enloe explained that it is too early to elaborate on the parameters of the possible special assessment district. Mark Foree, TMWA General Manager, added that TMWA has applied for, and received, a \$500k grant from the State of Nevada to move forward with the consolidation/service to Riverbelle and has also applied for a similar grant for the acquisition of the Boomtown system. It was also stressed that the current TMWA rate payers are not affected by this acquisition, and it was explained that the carrying costs for development will be included in the TMWA's Area Fee for new development Fees.

#### 9. UPDATE ON STONEGATE RETAIL SERVICE REQUEST

Mr. Enloe reported on this staff report and explained its similarities to the situation in Verdi described above. The proposed project in question is StoneGate, located in Cold Springs, and has yet to be approved by the Reno City Council, but they have submitted a formal request for "full retail supply and service from TMWA for the project." The estimated amount of water rights required for dedication is approximately 2,500 acre feet, and TMWA holds sufficient water rights to serve this area from the Fish Springs groundwater resource. It would require a 6+ mile long pipeline extension, and either new municipal wells or an intertie with Great Basin Water Company in Cold Springs for on-site source of water supply, or both, for the purpose of water supply redundancy.

#### 10. UPDATE ON STANDING ADVISORY COMMITTEE MEMBERSHIP

Sonia Folsom, TMWA SAC Liaison, referred to the SAC Membership list, which identified the committee members whose terms were expiring on December 31, 2017. Ms. Folsom stated that of the 22 current members, six have terms that are expiring. She was pleased to report all members have accepted the invitation to continue for, or been reappointed by either the Reno-Sparks Chamber and the Builders Association of Norther Nevada, an additional two-year term. In addition, Jonnie Pullman, Primary Member of the Multi-Family Customer Class, has decided to move into the Alternate Member position, and Mike Schulewitch will move into the Primary Member position.

Staff's proposal regarding SAC membership that will be presented to the TMWA Board for approval consists of the following:

- The Wholesale customer representative, Fred Schmidt of Sun Valley General Improvement District (SVGID) will be re-appointed by the SVGID to the SAC for another term at its December 14<sup>th</sup> Board meeting.
- Jonnie Pullman has agreed to continue, but as the alternate representative of the Multi-Family Residential Class, and Mike Schulewitch has agreed to be the primary representative.

- BANN decided at its November meeting to reappoint Colin Hayes, primary representative, and Jim Smith, alternate, for another term.
- Reno-Sparks Chamber has reappointed Bruce Gescheider as their primary representative, and Bill Hughes, alternate, for another term.

#### 11. PRESENTATION OF 2018 MEETING SCHEDULE

Ms. Folsom presented the SAC meeting schedule for 2018.

**Upon motion duly made by Member Pullman and seconded by Member Gescheider, carried by unanimous consent of the members present, the Committee approved the Standing Advisory Committee 2018 Meeting schedule.**

#### 12. ELECTION OF CHAIR AND VICE CHAIR FOR 2018

Debbie Leonard, SAC Legal Counsel, noted both Chair Neil McGuire and Vice Chair Fred Schmidt were up for re-election of the Committee. Ms. Leonard recommended electing the individuals for each position separately.

**Upon motion by Member Pullman and seconded by Member Gescheider, carried by unanimous consent of the members present, the Committee approved Neil McGuire as Chair.**

**Upon motion by Member Hayes and seconded by Member Chamber, carried by unanimous consent of the members present, the Committee approved Mike Pidlypchak as Vice Chair.**

#### 13. UPDATE ON INQUIRY REGARDING THE FORMATION OF A FINANCE SUBCOMMITTEE

Ms. Leonard reported that at the last Committee meeting, a question was put forth to form a subcommittee that focuses on finances. As it stands, the Committee exists at the pleasure of the TMWA Board of Directors, and the scope of its responsibilities are finances and budget. As such, the Committee is not authorized to form a subcommittee and the request would have to be presented to the Board for approval. Since the Committee's sole purpose is already reviewing and providing recommendations regarding financials and budget, Ms. Leonard questioned whether the Board would approve a subcommittee with the same responsibilities as the Committee.

Member Becker asked if it was possible for a small number of members to meet to discuss the financials without violating the Open Meeting Law. Ms. Leonard replied no, the number of members is secondary, any discussion can be considered deliberation regarding a matter that might come before the Committee. Mr. Foree added that any member who had questions for Ms. Sullivan, or any other staff member, can schedule a meeting. Ms. Leonard agreed so long as it was less than a quorum.

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

**Next meeting:**

1. Water Supply update
2. West Reno Water Company update
3. Presentation of FY 2018 mid-year financials
4. StoneGate update
5. Meter Retro-Fit Fund Program update

**Upon motion duly made by Member Litster and seconded by Member Wager, and carried by unanimous consent of the members present, the Committee approved the agenda items for future meetings and to cancel the January 2, 2018 meeting.**

15. STAFF ITEMS

There were no staff items.

16. COMMITTEE ITEMS

There were no committee items.

17. PUBLIC COMMENT

There was no public comment.

18. ADJOURNMENT

With no further items for discussion, Chair McGuire adjourned the meeting at 4:08 p.m.

Approved by the Standing Advisory Committee in session on February 6, 2018.

Sonia Folsom, Recording Secretary