



TRUCKEE MEADOWS WATER AUTHORITY
Board of Directors

AGENDA

Wednesday, January 17, 2018 at 10:00 a.m.
Sparks Council Chambers, 745 4th Street, Sparks, NV

Board Members

Chair Geno Martini
Member Neoma Jardon
Member Jenny Brekhus
Member Ron Smith

Vice Chair Vaughn Hartung
Member Jeanne Herman
Member Naomi Duerr

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), Reno City Hall (1 E. First St., Reno), Sparks City Hall (431 Prater Way, Sparks), Sparks Justice Court (1675 E. Prater Way, Sparks), Washoe County Courthouse (75 Court St., Reno), Washoe County Central Library (301 South Center St., Reno), Washoe County Administration (1001 East Ninth St., Reno), at <http://www.tmwa.com>, and State of Nevada Public Notice Website, <https://notice.nv.gov/>.
2. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call (775) 834-8002 at least 24 hours before the meeting date.
3. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at <http://www.tmwa.com/meeting/> or you can contact Sonia Folsom at (775) 834-8002. Supporting material is made available to the general public in accordance with NRS 241.020(6).
4. The Board may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
5. Asterisks (*) denote non-action items.
6. Public comment is limited to three minutes and is allowed during the public comment periods. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk. In addition to the public comment periods, the Chairman has the discretion to allow public comment on any agenda item, including any item on which action is to be taken.
7. In the event the Chairman and Vice-Chairman are absent, the remaining Board members may elect a temporary presiding officer to preside over the meeting until the Chairman or Vice-Chairman are present (**Standing Item of Possible Action**).
8. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.

1. Roll call*
2. Pledge of allegiance*
3. Public comment — limited to no more than three minutes per speaker*
4. Approval of the agenda (**For Possible Action**)

¹The Board may adjourn from the public meeting at any time during the agenda to receive information and conduct labor-oriented discussions in accordance with NRS 288.220 or receive information from legal counsel regarding potential or existing litigation and to deliberate toward a decision on such matters related to litigation or potential litigation.

5. Approval of the minutes of the December 13, 2017 meeting of the TMWA Board of Directors **(For Possible Action)**
6. Water supply update — Bill Hauck*
7. Discussion and action, and possible direction to staff on adoption of Resolution No. 257, a resolution to approve the first budget augmentation and budget revisions for FY 2018 — Michele Sullivan **(For Possible Action)**
8. Discussion and action, and possible direction to staff on Interlocal Agreement between Truckee Meadows Water Authority (TMWA) and Western Regional Water Commission (WRWC) regarding the Bedell Flat Rapid Infiltration Basin Investigation project — John Enloe **(For Possible Action)**
9. Discussion and action, and possible direction to staff on the Agreement for Water System Acquisition between West Reno Water Company and TMWA — John Enloe, Scott Estes, Mark Foree **(For Possible Action)**
10. Discussion and action, and possible direction to staff regarding proposed adjustments to the compensation plan for Management, Professional, Technical and Administrative (MPAT) employees based on the results of the 2017 compensation study – Jessica Atkinson (HR Manager), Michele Sullivan (CFO) and Sandy Spellman, Arthur J. Gallagher & Co. **(For Possible Action)**
11. Report and discussion regarding Ombudsman activities for calendar year 2017 and request for Board direction and possible authorization for the General Manager to renew the Ombudsman Contract with Tami Fruhwirth for Calendar Year 2018 — Marci Westlake **(For Possible Action)**
12. General Manager's Report*
13. Public comment — limited to no more than three minutes per speaker*
14. Board comments and requests for future agenda items*
15. Adjournment **(For Possible Action)**

¹The Board may adjourn from the public meeting at any time during the agenda to receive information and conduct labor-oriented discussions in accordance with NRS 288.220 or receive information from legal counsel regarding potential or existing litigation and to deliberate toward a decision on such matters related to litigation or potential litigation.

TRUCKEE MEADOWS WATER AUTHORITY
DRAFT MINUTES OF THE DECEMBER 13, 2017
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, December 13, 2017, at Sparks Council Chambers, 745 4th Street, Sparks, Nevada. Vice Chair Hartung called the meeting to order at 9:30 a.m.

1. ROLL CALL

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

Members Absent: Geno Martini

A quorum was present.

Member Jardon left at 11:21 a.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Dale Ferguson.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

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

5. APPROVAL OF THE MINUTES OF THE OCTOBER 18, 2017 MEETING

Upon motion by Member Herman, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the October 18, 2017 minutes.

6. APPROVAL OF THE MINUTES OF THE NOVEMBER 6, 2017 SPECIAL MEETING OF THE TMWA BOARD OF DIRECTORS

Member Brekhus stated that even though she was not present at the meeting she will vote on approval of the minutes since she read the draft minutes of November 6, 2017.

Upon motion by Member Herman, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the November 6, 2017 minutes of the special meeting.

7. SMART ABOUT WATER DAY UPDATE

Andy Gebhardt, TMWA Operations & Water Quality Director, gave a recap of the Smart About Water Day event on October 21, 2017. More than 80 attendees were present, many stayed for a while and had very good questions. It was well received and a great success for it being the first event of its kind. Mr. Gebhardt reported that many of the displays will be set-up at each of the three local agencies in the coming months.

8. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 256, A RESOLUTION TO APPROVE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017

Michele Sullivan, TMWA Chief Financial Officer, introduced Matt Bowman, TMWA's new Financial Controller. Mr. Bowman gave a brief introduction.

Ms. Sullivan reported that there were no financial audit findings and Eide Bailly gave a clean opinion. However, there was a single audit in relation to the close out of the Truckee River Operating Agreement (TROA) grant of \$1.2 million. \$87,000 of invoices submitted to the Bureau of Reclamation (BOR) were dated before the grant award date. Staff had to resubmit new invoices dated within the grant period to the BOR. TMWA's procedures have been updated to avoid this from occurring in the future. She further reported that the debt service coverage ratio was 2.86x in FY17 v 1.58x in FY16 due to the deferral of \$12 million in bond payments. She did note that commercial paper was paid down by \$4.4 million in FY17, and she foresees paying down approximately \$9.2 million in FY18.

Upon motion by Member Duerr, second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 256 to approve the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2017.

9. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING APPOINTMENTS TO THE STANDING ADVISORY COMMITTEE TO FILL VACANCIES IN EXISTING POSITIONS WHOSE TERMS EXPIRE DECEMBER 31, 2017, SUCH APPOINTMENTS TO BE MADE FOR NEW TERMS FROM JANUARY 1, 2018 TO DECEMBER 31, 2019 FROM THE FOLLOWING LIST OF CANDIDATES: (1) FRED SCHMIDT, PRIMARY REPRESENTATIVE,

WHOLESALE CUSTOMER; (2) JONNIE PULLMAN, ALTERNATE REPRESENTATIVE, MULTI-FAMILY CUSTOMER; (3) COLIN HAYES, PRIMARY REPRESENTATIVE, BANN CUSTOMER; (4) JIM SMITH, ALTERNATE REPRESENTATIVE, BANN CUSTOMER; (5) BRUCE GESCHIEDER, PRIMARY REPRESENTATIVE, RENO-SPARKS CHAMBER CUSTOMER; (6) BILL HUGHES, ALTERNATE REPRESENTATIVE, RENO-SPARKS CHAMBER CUSTOMER

Sonia Folsom, TMWA Standing Advisory Committee Liaison, presented on the Standing Advisory Committee members whose terms were expiring on December 31, 2017 and their commitment to continue for another two-year term.

Upon motion by Member Duerr, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board reappointed: (1) Fred Schmidt, primary representative, wholesale customer; (2) Jonnie Pullman, alternate representative, multi-family customer; (3) Colin Hayes, primary representative, BANN customer; (4) Jim Smith, alternate representative, BANN customer; (5) Bruce Gescheider, primary representative, Reno-Sparks Chamber customer; (6) Bill Hughes, alternate representative, Reno-Sparks Chamber customer; whose terms otherwise would expire December 31, 2017 .

10. 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 on the progress made since the October 18 Board meeting, when the Board directed staff to begin the process of the possible acquisition of West Reno Water Company. TMWA staff have negotiated a non-binding letter of intent for the acquisition and the estimated purchase price is \$950,000, calculated as the sum of the following:

- Book value of the water system assets, estimated at \$700,000;
- Reasonable legal and engineering fees and costs incurred by West Reno Water Company to prepare the application materials necessary for Seller to obtain authorization from the Nevada PUC to become a regulated public utility, estimated at \$150,000;
- Pipe casing and easement across the Truckee River, estimated at \$100,000.

Discussion followed regarding the Public Utilities Commission (PUC) expenses incurred thus far and reimbursement of said expenses as part of the purchase price (Verdi Business Park had stayed PUC proceedings while working on the acquisition by TMWA); Reno Land will contribute \$2.54 million in connection fees; the estimated West Reno Water Company facility improvement costs of \$1.59 million; a \$500,000 grant application to the State of Nevada has been approved for the consolidation of the Riverbelle water system; other grant applications are pending; the feasibility of a special assessment

district by Reno and possibly Washoe County to fund major off-site infrastructure improvements; and request for a checklist of tasks to keep track of the process.

No action taken.

Vice Chair Hartung called for a recess at 10:25 a.m.

Vice Chair resumed the meeting at 10:33 a.m.

11. DISCUSSION, AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING REQUEST FROM THE DEVELOPER OF THE STONEGATE PLANNED UNIT DEVELOPMENT THAT TMWA BE THE RETAIL PROVIDER FOR ITS DEVELOPMENT PROJECT

Mr. Pagni excused himself and asked for conflict counsel, Dale Ferguson, Woodburn & Wedge, to step in for the hearing of this agenda item.

Mr. Enloe presented the map of the 5,000-unit StoneGate planned unit development, located near White Lake near the Peavine foothills in the Cold Springs area. The City of Reno council continued this item until mid-January, and in the meantime, has asked TMWA to provide an “Acknowledgment of Water Service” for the project; which states TMWA has the capacity to serve the development. To reach the new development, a 6-mile pipeline would need to be constructed from North Virginia Street and Lemmon Drive to the project site, as well as on-site wells and/or an intertie with Great Basin Water Company in Cold Springs, to provide a level of redundant capacity; all to be paid by the applicant.

Vice Chair Hartung stated on the record, he is a customer of Great Basin Water Company in Spanish Springs.

Public Comment

Don Pattalock, Stonegate representative, stated they are in the zoning stage and it will be about two years before the first customer moves in and has water service. Mr. Pattalock added that this area has been in the City of Reno jurisdiction for some time and his staff has worked extensively with TMWA staff on water service for the area. All infrastructure costs would be paid for by the developer.

James Eason, Great Basin Water Company, stated that Great Basin Water Company is a large utility operating in several states and is regulated by the PUC. They have five wells in Cold Springs, and want to work with TMWA and support TMWA’s efforts.

End Public Comment

Mr. Enloe added there are surface water rights on the Stonegate property, which Stonegate is working through a State Engineer process to try to be augmented and permit an on-site groundwater resource. Fish Springs groundwater rights and pipeline improvements in Stead and Lemmon Valley are complete; it will be the primary water supply for the project.

Mr. Ferguson stated the Board is authorized to submit and acknowledge the letter of water service into public record, which can then be sent to the City of Reno Council for their next meeting; to show TMWA is capable to provide water service for this development.

Mr. Foree added that the annexation of this planned development will be brought to the Board for approval at a later date.

Member Brekhus stated that the decision today is premature and is not ready to move forward based on City of Reno land use concerns.

Upon motion by Member Jardon, second by Member Duerr, which motion duly carried five to one with Member Brekhus dissenting, the Board accepted the letter, into public record, from the developer of the StoneGate planned unit development requesting that TMWA be the retail provider for its development project, and authorized TMWA to provide the City of Reno with an Acknowledgment of Water Service for the project.

12. DISCUSSION AND ACTION ON SCHEDULING REGULAR BOARD MEETING DATES AND TIMES FOR THE CALENDAR YEAR 2018

Mr. Foree presented the 2018 Board of Directors meeting schedule. He stated that the only potential conflict may be July 18, but only if TMWA holds a meeting and if so, the time can be moved up.

Upon motion by Member Smith, second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board approved the 2018 meetings dates and times as proposed by staff.

13. GENERAL MANAGER'S REPORT

Mr. Foree referenced the water project status report and reported that the waiver has been restored. Currently, he is working with Nevada Department of Environmental Protection (NDEP) on a larger waiver to what Las Vegas Valley Water District (LVVWD) has and possible revisions to the Nevada Administrative Code (NAC).

14. PUBLIC COMMENT

There was no public comment.

15. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Brekhus reported that there was a water main break on her street last Friday and commended TMWA's crew, specifically, Justin Greenland, Serviceman, who explained what was happening, and how they were going to fix the break; they worked through the night without residents' having their water turned off.

16. ADJOURNMENT

With no further discussion, Vice Chair Hartung adjourned the meeting at 11:23 a.m.

Approved by the TMWA Board of Directors in session on _____.

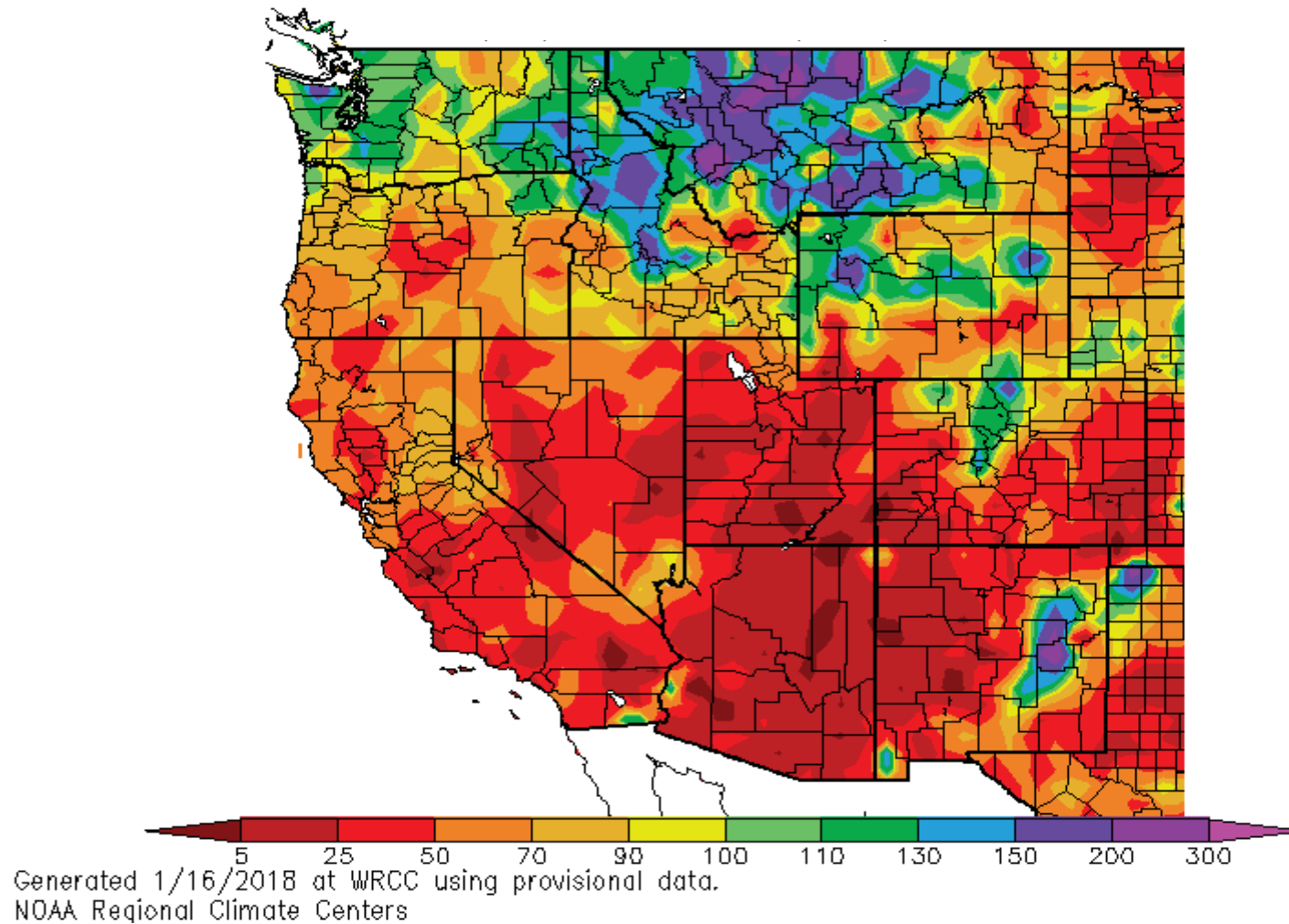
Sonia Folsom, Recording Secretary

DRAFT



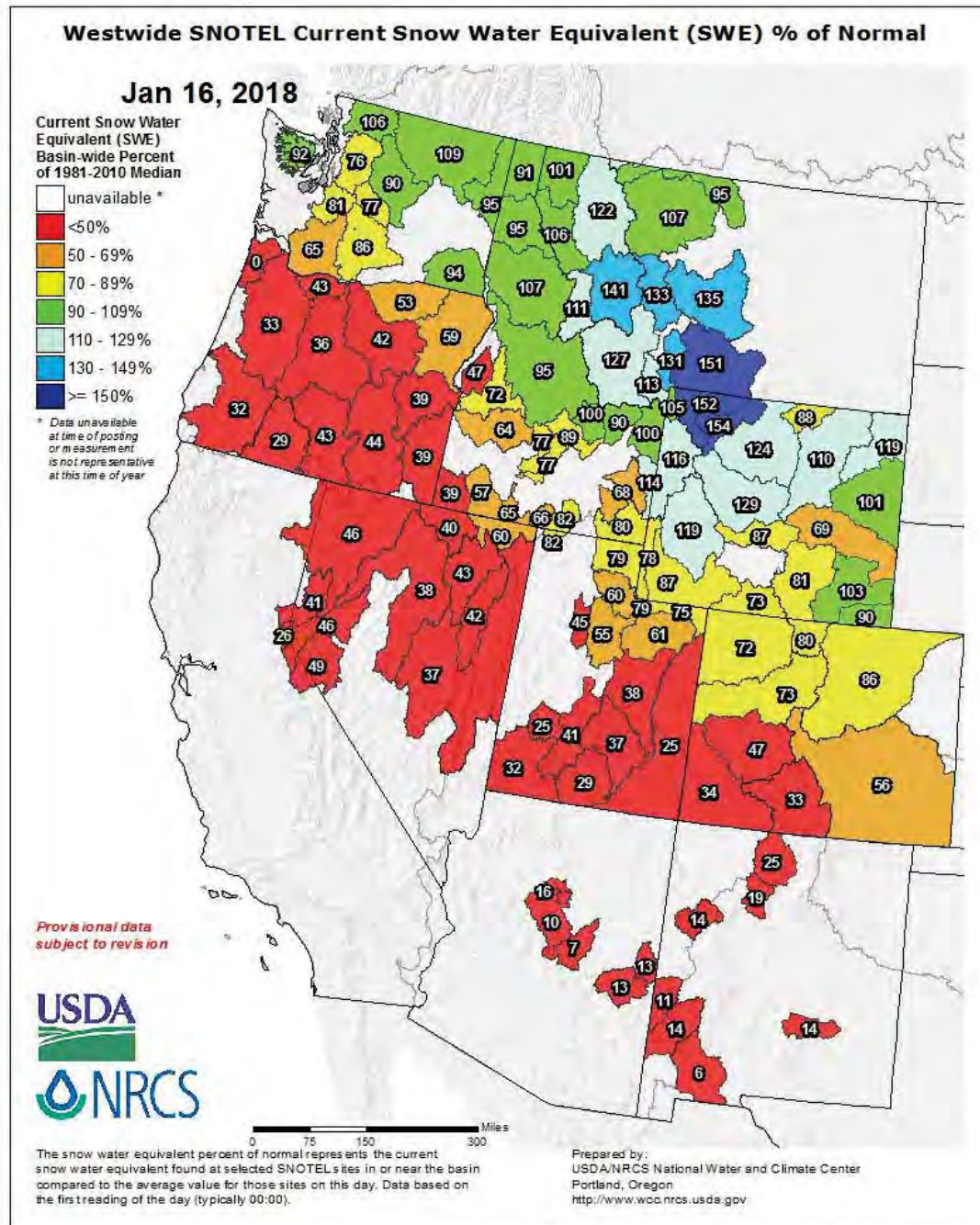


Percent of Average Precipitation (%) 10/01/2017 – 1/15/2018



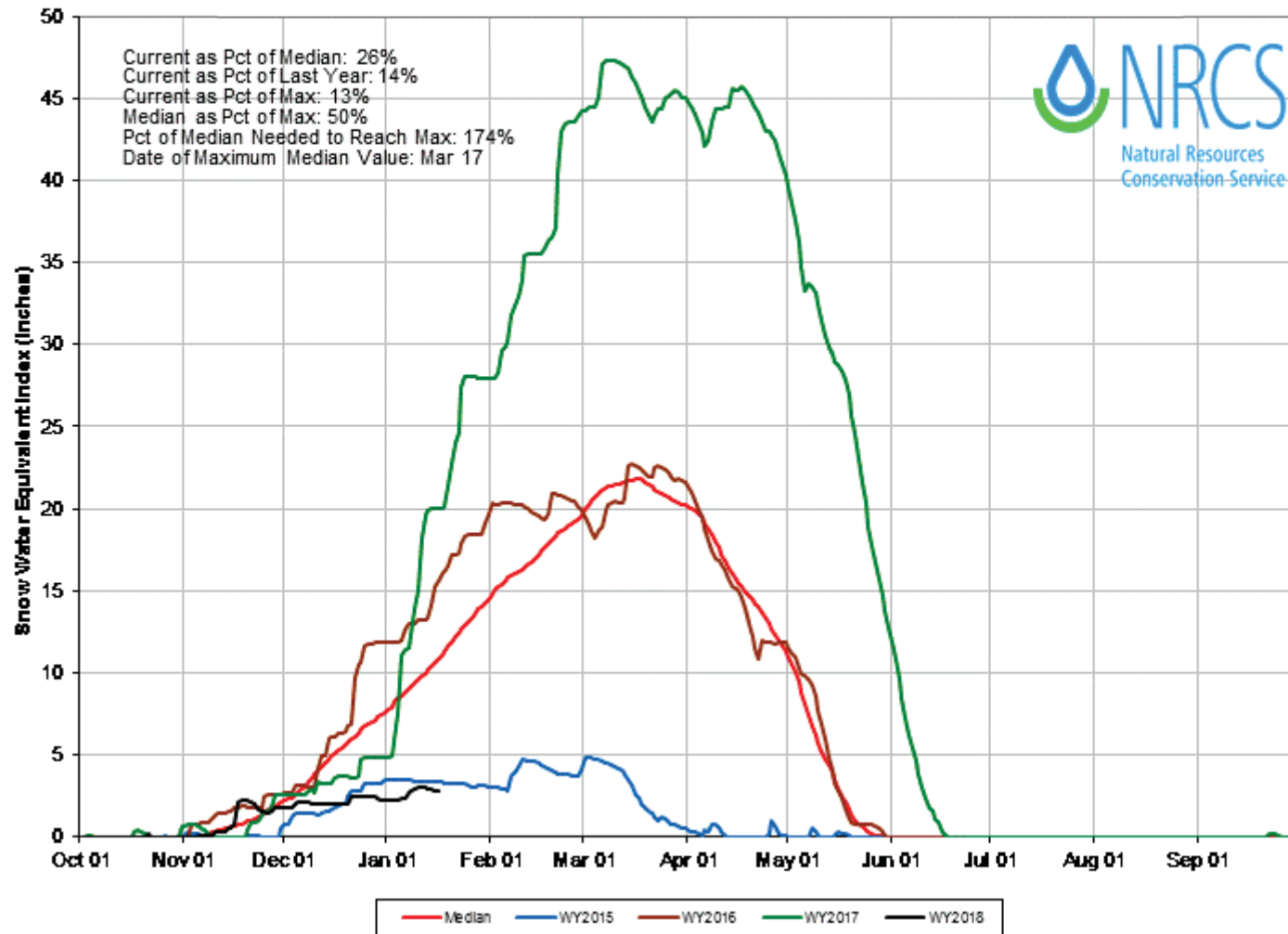
Western U.S. SNOTEL Current Snow Water Equivalent (SWE) % of Normal

- Tahoe Basin @ 26% Normal
- Truckee Basin @ 41% Normal

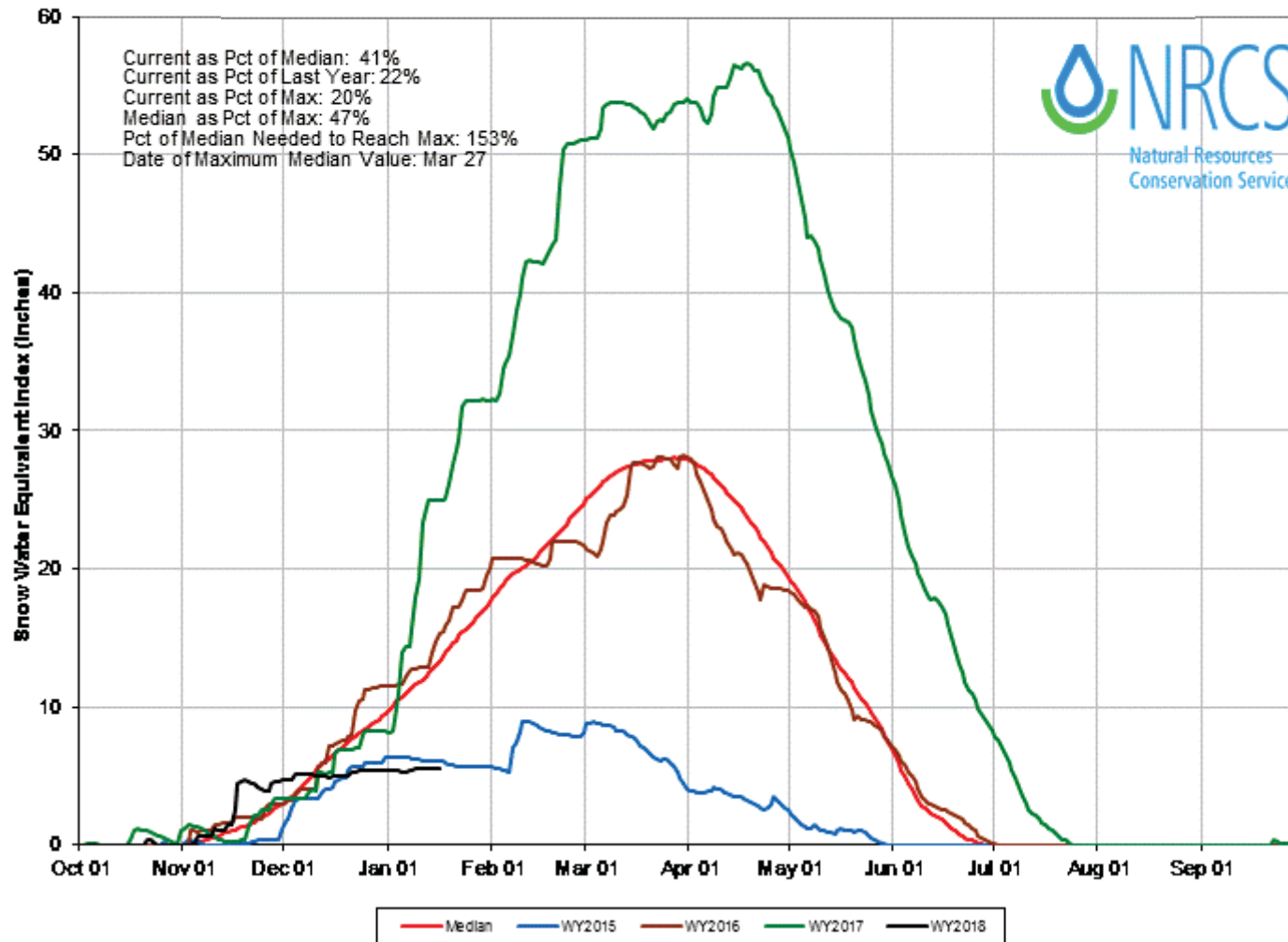


Lake Tahoe Basin Snowpack Status

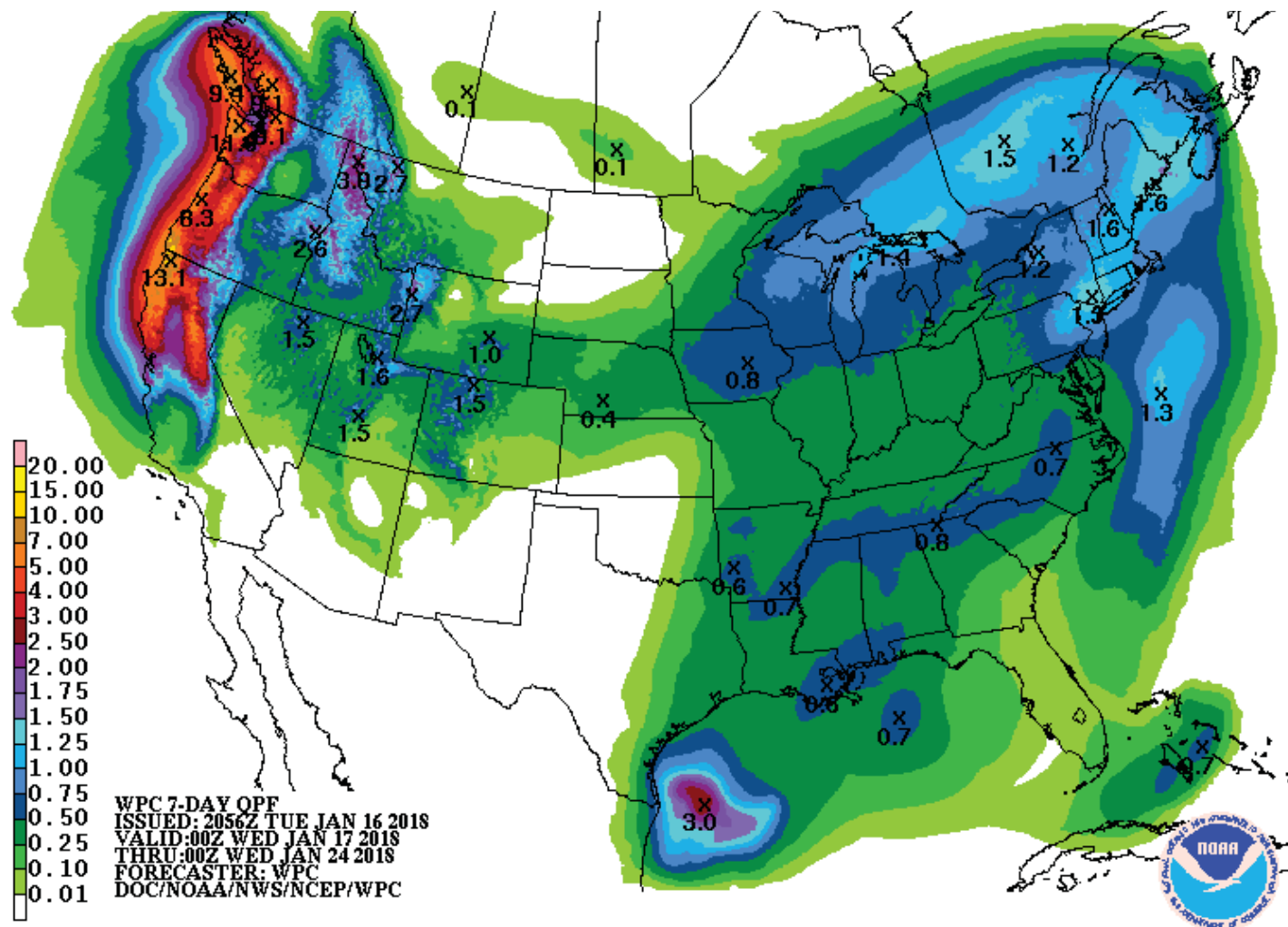
01-17-18 BOARD Agenda Item 6



Truckee River Basin Snowpack Status



NWS 7 Day Quantitative Precipitation Forecast



The Truckee & Carson River Systems



Lake Tahoe, Truckee River and TMWA's Storage Under TROA

Basinwide Summary (January 16, 2018)

	Current (KAF)	Last Year (KAF)	Capacity (KAF)	Current % Capacity
Lake Tahoe	595,800	202,900	744,600	80.0%
Boca Reservoir	32,536	19,695	40,870	79.6%
Stampede Reservoir	204,630	134,020	226,000	90.5%
Prosser Reservoir	9,885	9,953	29,800	33.2%
Donner Lake	6,005	7,348	9,500	63.2%
Independence Lake	14,311	14,580	17,500	81.8%
	863,167	388,496	1,068,270	80.8%
System Percent of Capacity	80.8%	36.4%		
TMWA TROA (SUM)	32,330	40,064		









01-17-18 BOARD Agenda Item 6

NWS
Reno, NV
January 9, 2017

The
Weather
Channel





Glendale Ave



2017 Water Year Runoff (October 01-September 30th)

	Farad Water Year Volume (1,000 acre-feet)	Tahoe Low to High Rise (ft)
Water Year 2017	1,215	9.0
Rank*	1	1
Percent of Average*	302%	315%
Percent of Median*	333%	371%
Percent of Maximum*	130%	122%

*Based on historical data for water years 1901-2017

Summary

01-17-18 BOARD Agenda Item 6

Thank you!

Questions?



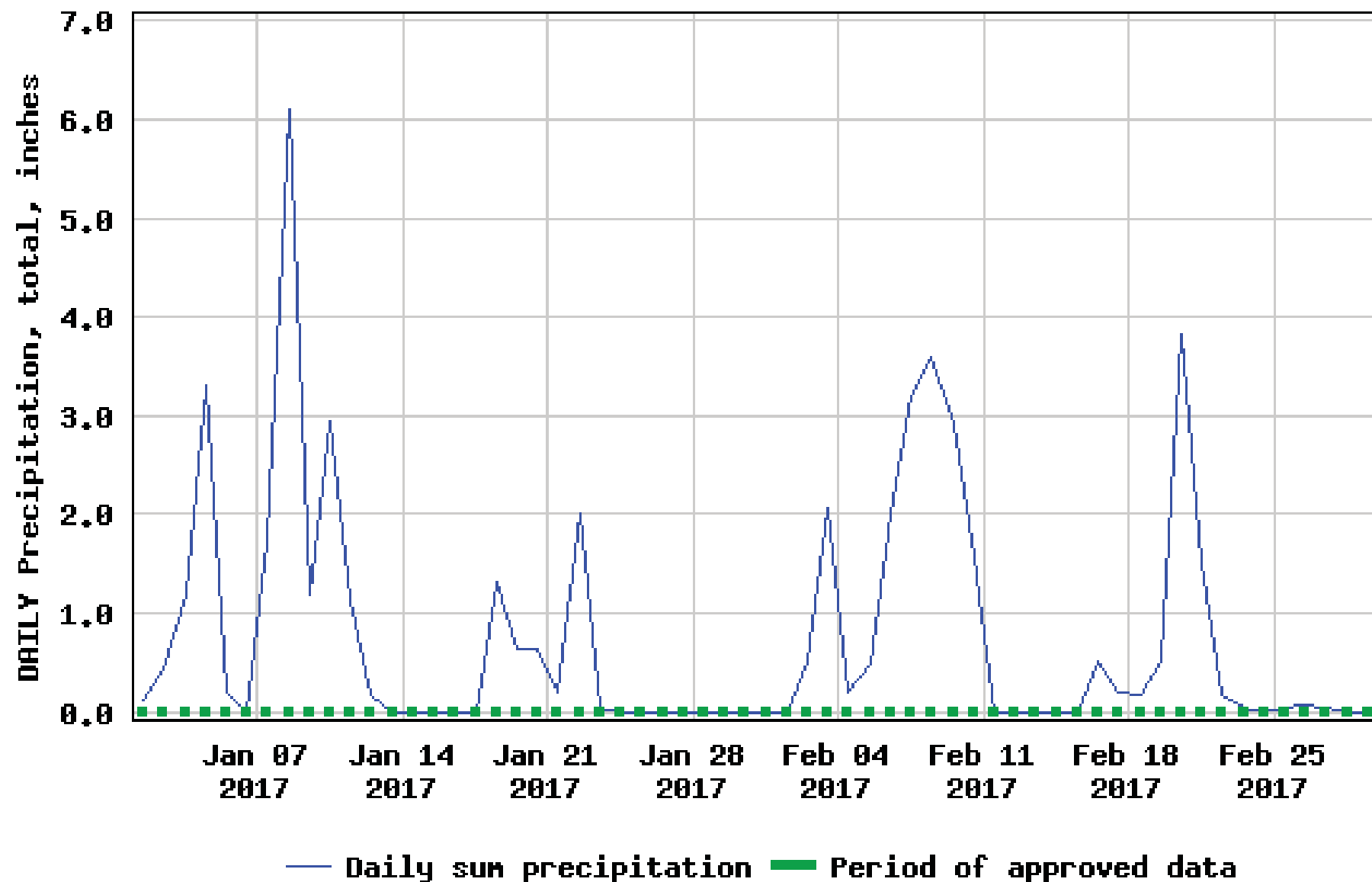
Donner Lake Outlet Channel Emergency Cleanout Project

Bill Hauck, Senior Hydrologist

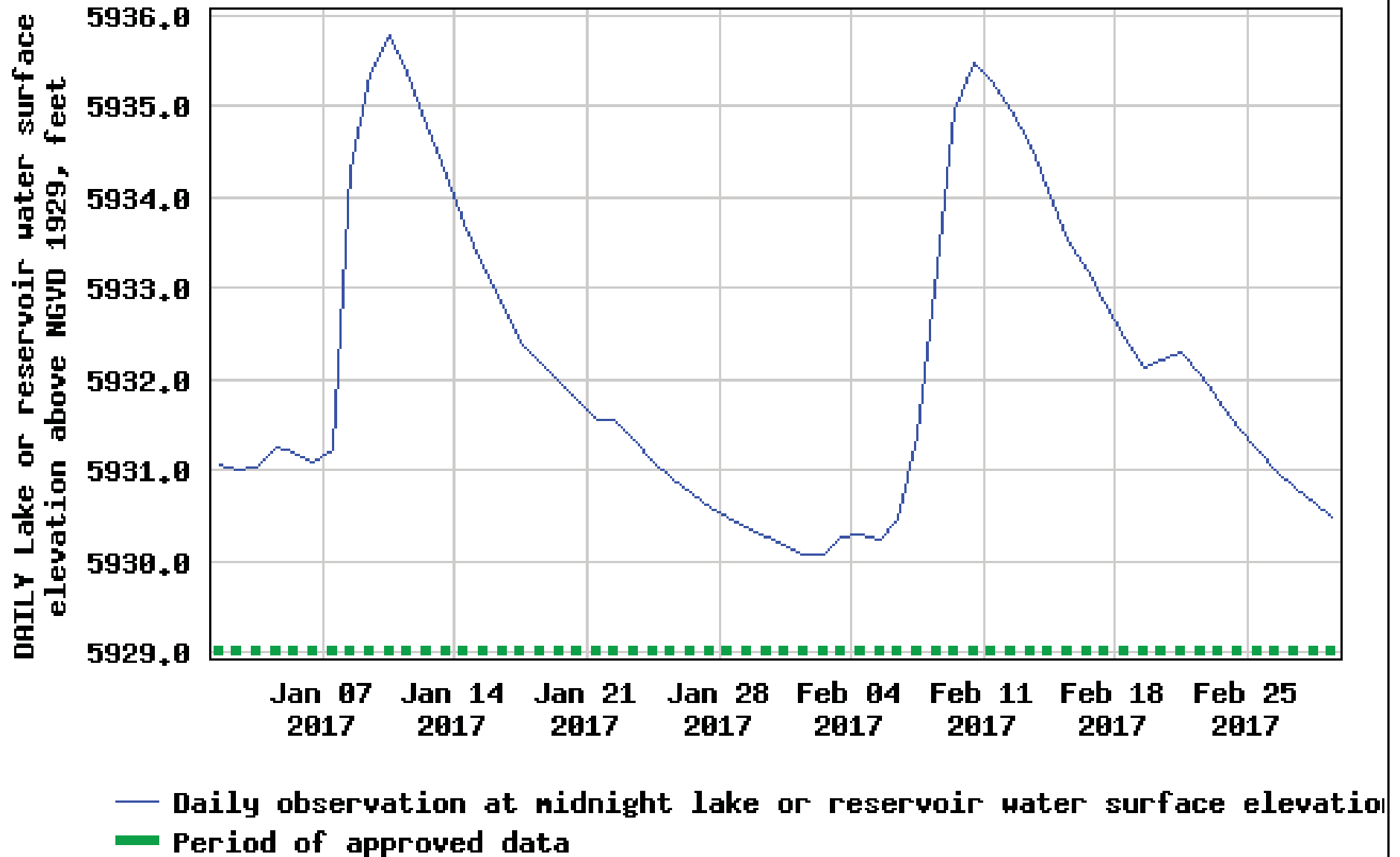
January 17, 2018



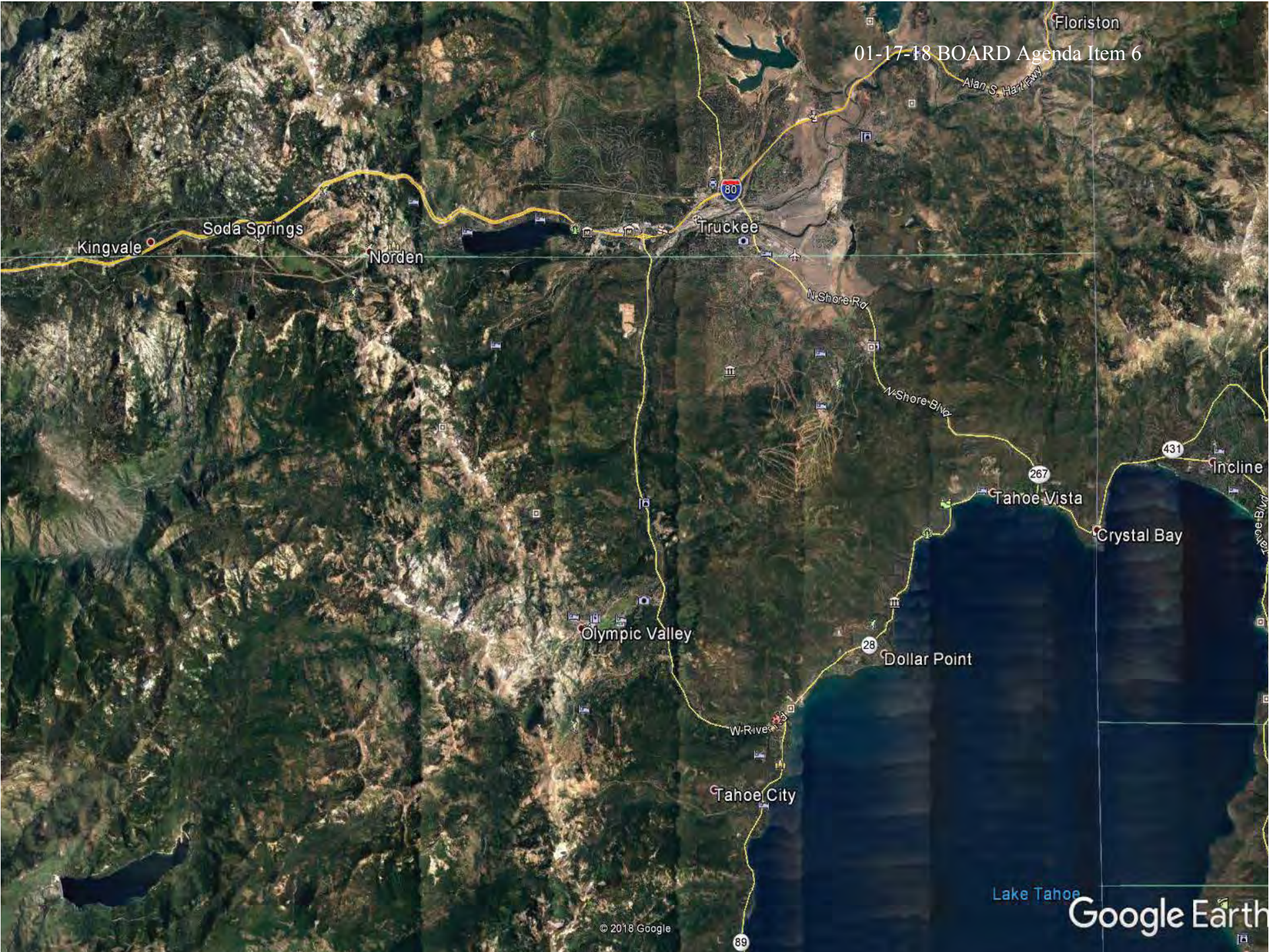
USGS 391930120165301 DONNER LK PRECIP GAGE NR TRUCKEE CA

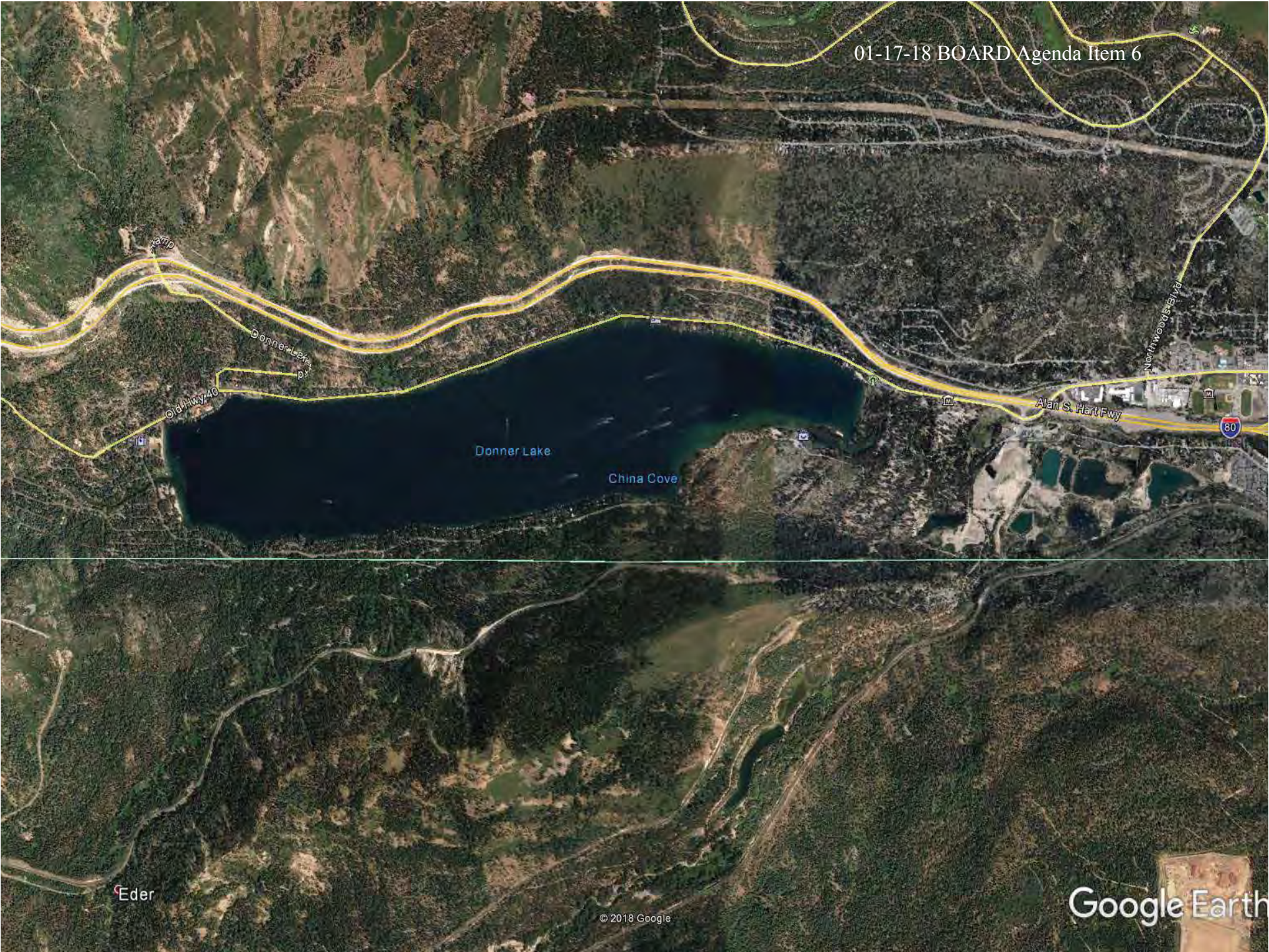


USGS 10338400 DONNER LK NR TRUCKEE CA



01-17-18 BOARD Agenda Item 6





Eder



01-17-18 BOARD Agenda Item 6



01-18 BOARD Agenda Item 6

Google Earth



SECTION	DESCRIPTION	UNIT	QTY	PRICE
2	URUGCB CLARIFICATIONS	RS	8.2	1200

WORK ORDER NO. TWA - 2016-002
 TECHNICIAN L. EDWARDS
 DRAWN L. BULLOCK
 DATE October 10, 2017
 PHONE 8. EAST
 SUBMITTED 9/21/2017
 RECOMMENDED _____
 APPROVED L. EDWARDS



**TRUCKEE MEADOWS WATER
AUTHORITY**
1325 CAPITAL BLVD. / P.O. BOX 50025
RENO, NEVADA 89502-0025
PX 702-234-5020 / FX 702-234-5025

NOT REPRODUCIBLE
PROPERTY OF
TRUCKEE MEADOWS WATER
AUTHORITY. RETURN UPON
COMPLETION OF PROJECT.
(For Functional Supply Use)

DONNER OUTLET CLEANOUT
TRUCKEE, CALIFORNIA

SITE ACCESS PLAN



C3

01-17-18 BOARD Agenda Item 6









01-17-18 BOARD Agenda Item 6





01-17-18 BOARD Agenda Item 6





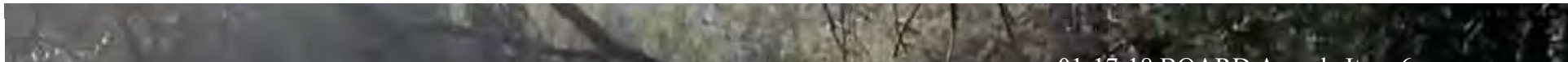
01-17-18 BOARD Agenda Item 6

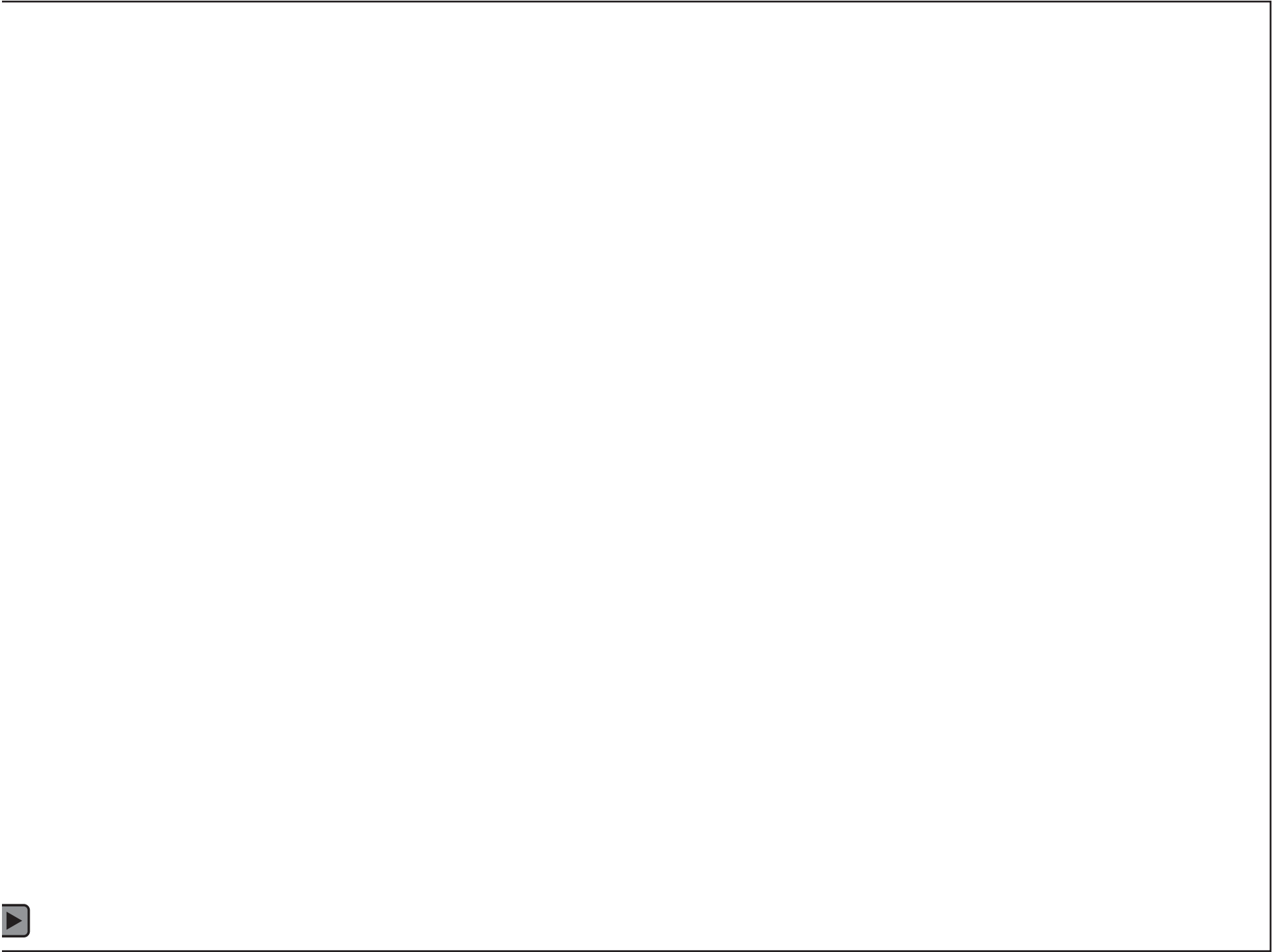












01-17-18 BOARD AGENDA

















01-17-18 BOARD Agenda Item 6



01-17-18 BOARD Agenda Item 6



01-17-18 BOARD Agenda Item 6





Thank you!

Questions?

Bill Hauck, Senior Hydrologist
Email: bhauck@tmwa.com
O: (775) 834-8111 M: (775) 250-1333



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, Chief Financial Officer
DATE: January 8, 2018
SUBJECT: Discussion and action, and possible direction to staff on adoption of Resolution No. 257, a resolution to approve the first budget augmentation and budget revisions for FY 2018

RECOMMENDATION

Staff recommends that the Board of Directors of the Truckee Meadows Water Authority (TMWA) approve the resolution adopting the proposed budget augmentation/revisions, and direct staff to forward the approved resolution and attachment to the Department of Taxation for the State of Nevada pursuant to NRS 354.615; and, record these changes in the minutes of the board meeting.

SUMMARY

The Board approved final budget was submitted to the State of Nevada in June, 2017. This is the first proposed augmentation and relates to unexpected maintenance expenses at the Donner Dam. Exceptional water flows in the winter of 2017 revealed issues with blockage from sediment and debris in the Donner Lake outlet channel. Removal and disposal of these materials is expected to cost approximately \$2.6 million. A detail listing of expenses is included in the description portion of this report. See Attachments A-1, and A-2 for a comparison between the original and proposed budget.

DESCRIPTION

This first augmentation relates to clearing or dredging of the outlet channel at the Donner Dam. These expenses were not anticipated at the time of the original budget implementation. The Donner Dam outlet channel has not been dredged for approximately 30 years. Although dredging is infrequent it is considered maintenance as it is necessary to retain the value of the dam, and does not provide additional value. Dredging does not extend the original life of the dam, and does not improve the structure of the dam. Since this project is considered maintenance it will be expensed to the Operating and Maintenance line item in the Statement of Changes in Net Position.

The following expenses have been identified for the project:

Design	\$ 193,456
Permitting	399,690
Construction	1,750,000
Environmental	250,000
Surveying	<u>15,000</u>
TOTAL	\$2,608,146

Emergency permits were obtained in December (after several months of work related to permitting) to begin the dredging, which was successfully completed in early January, 2018. There are still some uncertainties surrounding the final cost of the project. The sediment removed may need to be examined for Washoe Tribe artifacts (see Environmental expense listed). Also, there were expenses outside of the original scope of work of the original bid for construction. Those cost overruns have been included as an estimate (about \$475,000 of the Construction expense listed). If expenses are significantly higher or lower than estimated, another augmentation will be made.

**TRUCKEE MEADOWS WATER AUTHORITY
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

	Proposed Fiscal Year 2018 Total	Original Fiscal Year 2018 Total	Increase (Decrease)
OPERATING REVENUES			
Charges for water sales	\$ 94,303,278	\$ 94,303,278	\$ -
Hydroelectric sales	2,990,391	2,990,391	-
Other operating sales	3,131,500	3,131,500	-
Total Operating Revenues	100,425,169	100,425,169	-
OPERATING EXPENSES			
Salaries and wages	19,024,704	19,024,704	-
Employee benefits	9,303,274	9,303,274	-
Services and supplies	28,312,357	25,704,211	2,608,146
Total Operating Expenses before Depreciation	56,640,335	54,032,189	2,608,146
Depreciation	34,061,148	34,061,148	-
Total Operating Expenses	90,701,483	88,093,337	2,608,146
Operating Income	9,723,686	12,331,832	(2,608,146)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	1,342,692	1,342,692	-
Unrealized gain on investments	-	-	-
Gain (Loss) on disposal of assets	-	-	-
Amortization of bond/note issuance costs	(468,624)	(468,624)	-
Interest expense	(13,394,016)	(13,394,016)	-
Other non-operating revenue	-	-	-
Other non-operating expenses	-	-	-
Total Nonoperating Revenues (Expenses)	(12,519,948)	(12,519,948)	-
Income (Loss) before Capital Contributions	(2,796,262)	(188,116)	(2,608,146)
CAPITAL CONTRIBUTIONS			
Grants	200,004	200,004	-
Water meter retrofit program	781,488	781,488	-
Developer infrastructure contributions	-	-	-
Developer will-serve contributions (net of refunds)	5,034,744	5,034,744	-
Developer capital contributions-other	4,345,296	4,345,296	-
Developer facility charges (net of refunds)	4,826,436	4,826,436	-
Contributions from others	-	-	-
Contributions from other governments	-	-	-
Net Capital Contributions	15,187,968	15,187,968	-
Change in Net Position	12,391,706	14,999,852	(2,608,146)
NET POSITION , BEGINNING OF YEAR	\$ 589,950,588	\$ 589,950,588	
NET POSITION, END OF YEAR	\$ 602,342,294	\$ 604,950,440	

TRUCKEE MEADOWS WATER AUTHORITY
STATEMENTS OF CASH FLOWS
BUDGET FOR THE YEAR ENDING JUNE 30, 2018

	Proposed Fiscal Year 2018 Total	Original Fiscal Year 2018 Total	Increase (Decrease)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 100,425,169	\$ 100,425,169	\$ -
Cash paid to employees	(28,327,978)	(28,327,978)	-
Cash paid to suppliers	(28,312,357)	(25,704,211)	(2,608,146)
Net Cash Provided by Operating Activities	43,784,834	46,392,980	(2,608,146)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(43,032,000)	(43,032,000)	-
Interest paid on financing	(17,225,410)	(17,225,410)	-
Principal paid on financing	(2,637,285)	(2,637,285)	-
Proceeds from capital debt issuance	-	-	-
Redemptions of commercial paper notes	(9,200,000)	(9,200,000)	-
Proceeds from refunding bonds	-	-	-
Proceeds transferred to refunding/redemption escrow	-	-	-
Proceeds (spending) from (on) capital asset disposal	-	-	-
Contributions for water meter retrofit program	781,488	781,488	-
Contributions from developers-will-serve letters	5,034,744	5,034,744	-
Contributions from developers-other	4,345,296	4,345,296	-
Contributions from developers-facility charges	4,826,436	4,826,436	-
Contributions from (to) others	-	-	-
Contributions from (to) other governments	-	-	-
Grants	200,000	200,000	-
Bond/Note issuance costs	(468,624)	(468,624)	-
Net Cash (Used) by Capital and Related Financing Activities	(57,375,355)	(57,375,355)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,342,692	1,342,692	-
Net Increase (Decrease) in Cash and Cash Equivalents	(12,247,829)	(9,639,683)	(2,608,146)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$ 171,000,000	\$ 171,000,000	\$ -
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 158,752,171	\$ 161,360,317	\$ (2,608,146)

Attachemnt A-2

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 257

A RESOLUTION TO APPROVE THE FIRST BUDGET AUGMENTATION AND BUDGET REVISIONS TO THE FINAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2018.

WHEREAS, TMWA prepared and presented the final Budget for Fiscal Year 2018 at a public hearing in May 2017;

WHEREAS, TMWA has unexpected maintenance expenses at the Donner Dam which became evident due to exceptional water flows in winter of 2017 revealing blockage in the outlet channel from sediment and debris;

WHEREAS these changes are currently occurring or are expected to occur in fiscal year 2018;

WHEREAS the expenditures are necessary to remove and dispose of these materials and rehabilitate and/or improve the efficacy of TMWA's Donner Lake Dam outlet channel to reduce blockage from sediment and debris;

WHEREAS, the TMWA Board has determined the augmentation and revisions described in the staff report attached hereto as Exhibit 1 and incorporated herein by reference are appropriate and justified;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority: that the first budget augmentation and budget revisions to the final annual Budget for Fiscal Year ending June 30, 2018 described in the Staff Report attached as Exhibit 1 is hereby approved and staff is directed to submit such information as necessary and appropriate in connection with the augmentation and revisions to the Nevada Department of Taxation.

Upon motion of _____, seconded by _____, the foregoing Resolution was passed and adopted this 17th day of January, 2018, by the following vote of the Board:

Ayes: _____
Nays: _____
Abstain: _____ Absent: _____

Approved this ____ day of _____, 2018

Geno Martini, Chairman

Truckee Meadows Water Authority
Resolution 257 (continued)

STATE OF NEVADA,)
 : ss.
COUNTY OF WASHOE.)

On this 17th day of January, 2018, Geno Martini, Chairman of the Board of Truckee Meadows Water Authority, personally appeared before me, a Notary Public in and for said County and State, and acknowledged that he executed the above instrument freely and voluntarily and for the purposes therein mentioned.

Notary Public



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: John Enloe, Director, Natural Resources
DATE: January 10, 2018
SUBJECT: **Discussion and action, and possible direction to staff on Interlocal Agreement between Truckee Meadows Water Authority (TMWA) and Western Regional Water Commission (WRWC) regarding the Bedell Flat Rapid Infiltration Basin Investigation project**

Recommendation

Authorize the General Manager to execute the Interlocal Agreement between TMWA and WRWC regarding the Bedell Flat Rapid Infiltration Basin Investigation project.

Background

A 2010 report entitled "Regional Integrated Wastewater System Planning" funded in part by the Nevada Division of Environmental Protection's ("NDEP") 604(b) Water Quality Planning fund, identifies Bedell Flat as an area for possible aquifer storage or aquifer recharge using highly treated wastewater effluent. This concept also appears in the 2011-2030 Comprehensive Regional Water Management Plan, and more recently in TMWA's 2016-2035 Water Resource Plan, as a potential site for an integrated water resource aquifer storage and recovery ("ASR") program. The ASR program would enhance drought and/or emergency water reserves.

Water resource alternatives for an ASR program in Bedell Flat include infiltration of highly treated wastewater effluent through a proposed rapid infiltration basin ("RIB"), infiltration of highly treated wastewater effluent along a natural drainage referred to as Bird Spring Wash, injection of potable water using ASR wells, or a combination of these. Geologic/hydrogeologic feasibility investigations and environmental clearance and permitting work are underway to gain an understanding of the feasibility, scope and cost of an integrated water resource ASR program in Bedell Flat.

On May 17, 2017, the WRWC, at its budget public hearing, approved its Fiscal Year 2017-2018 Professional Services Budget for the Regional Water Management Fund ("RWMF"), which contains sufficient budget in the Bedell Flat Infiltration Grant line item to fund TMWA's

proposed Bedell Flat Rapid Infiltration Basin ("RIB") Investigation. NDEP 604(b) grant funds will cover \$40,000 of the estimated total project cost of \$78,705 for tasks that include: 1) site visit and data review; 2) field testing plan development; 3) BLM permitting; 4) field testing plan implementation; and 5) draft and final technical memoranda.

On October 4, 2017, the Northern Nevada Water Planning Commission, at its regular meeting held that date, approved the Scope of Work and funding for the Project, in an amount not to exceed \$40,000 from the RWMF, and authorized the Commission's Water Resources Program Manager to execute an Interlocal Agreement with TMWA for that purpose.

TMWA staff have completed Tasks 1 through 3, and are ready to implement the field testing plan later this spring, when weather permits.

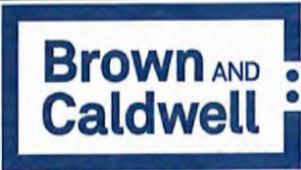
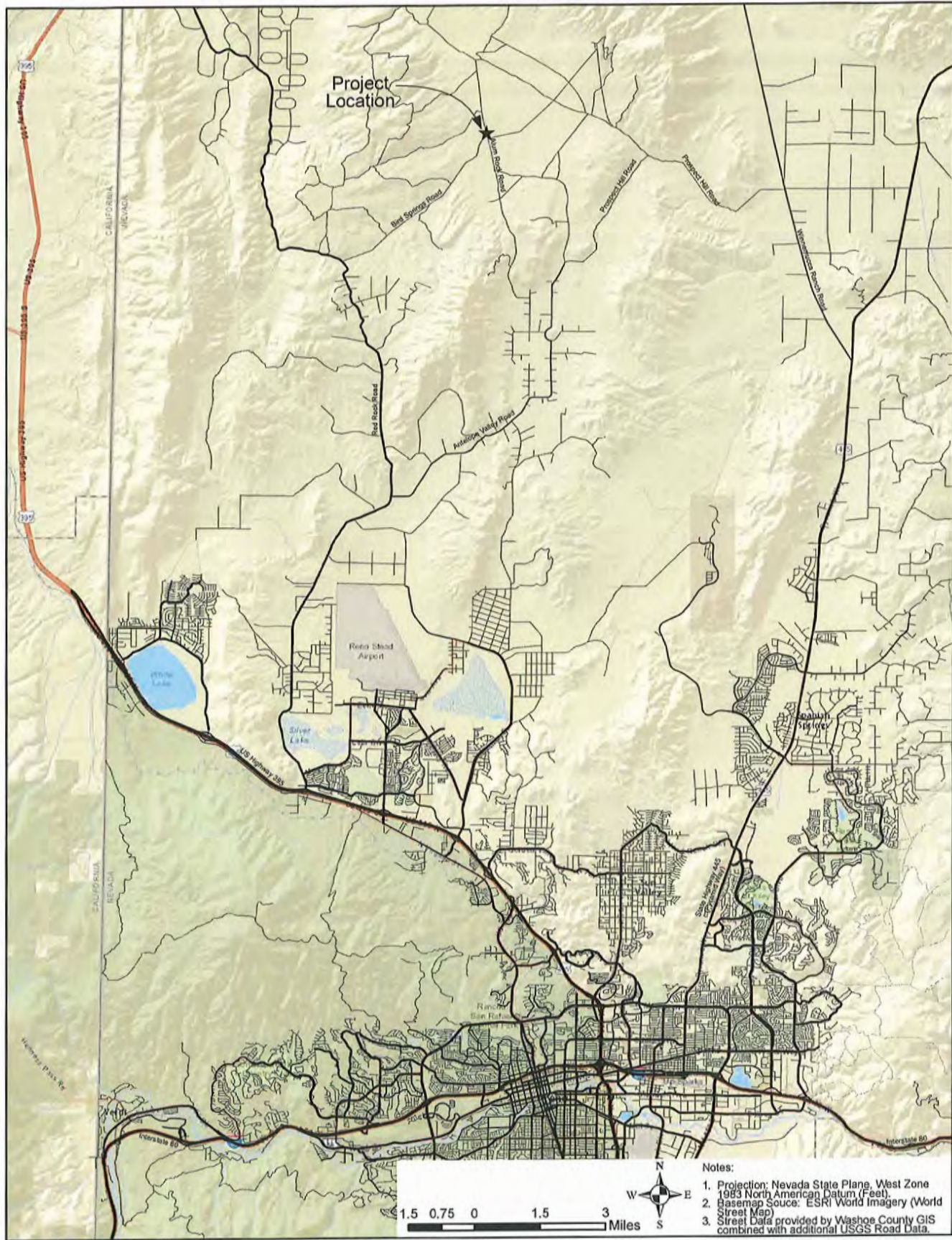
Attachments:

Interlocal Agreement between Truckee Meadows Water Authority and Western Regional Water Commission regarding the Bedell Flat Rapid Infiltration Basin Investigation project

Figure 1: Bedell Flat ASR Project Location

Figure 2: Infiltration Test Trench Areas, Bedell Flat

Apr 7, 2016
File: \\BCCARFP01\Projects\ P:\TMWA Truckee Meadows\148470 - TMWA Bedell Flat Investigation\GIS\BC_P\Projects\April2016\Figure 1 - Project Location.mxd

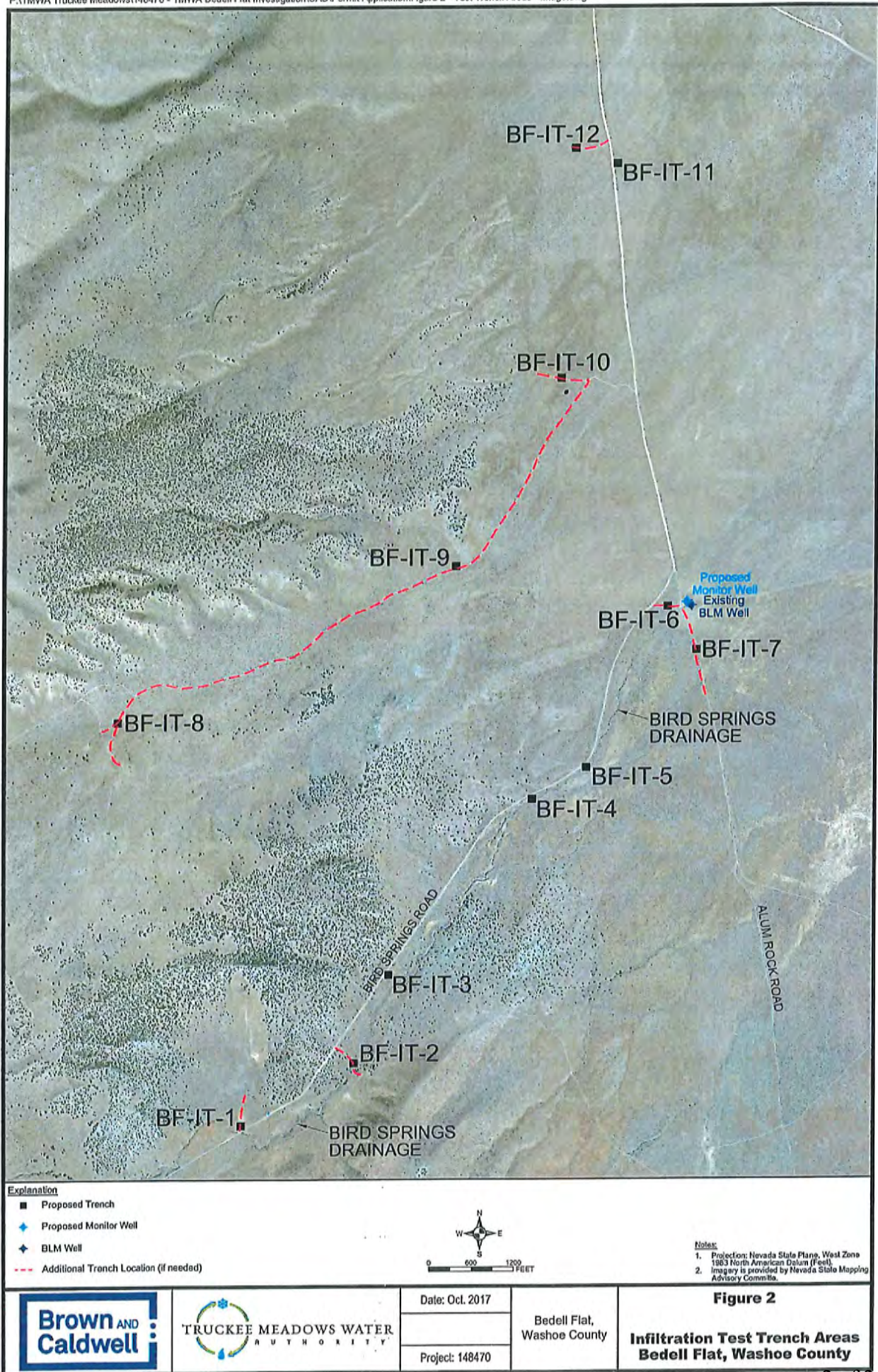


Date: Apr. 2016

Project: 148470

Figure 1

**Bedell Flat ASR
Project Location**



INTERLOCAL AGREEMENT

1) PARTIES

This Interlocal Agreement ("Agreement") is entered into between the Western Regional Water Commission, a political subdivision of the State of Nevada, (the "Commission") and the Truckee Meadows Water Authority, a Joint Powers Authority created pursuant to Chapter 277, Nevada Revised Statutes, ("TMWA") collectively, the "Parties" or, as the context requires, "Party". In consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

2) RECITALS

2.1 The Parties are public agencies as defined in NRS 277.100(1)(a).

2.2 NRS 277.180 provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any public agency, entering into the contract, is authorized to perform.

2.3 On May 17, 2017, the Commission, at its budget public hearing, approved its Fiscal Year 2017–2018 Professional Services Budget for the Regional Water Management Fund ("RWMF"), which contains sufficient budget in the Bedell Flat Infiltration Grant line item to fund TMWA's proposed Bedell Flat Rapid Infiltration Basin ("RIB") Investigation (the "Project") and support this Agreement.

2.4 On October 4, 2017, the Northern Nevada Water Planning Commission, at its regular meeting held that date, approved the Scope of Work and funding for the Project, in an amount not to exceed \$40,000 from the RWMF, and authorized the Commission's Water Resources Program Manager to execute an Interlocal Agreement with TMWA for that purpose.

2.5 The Scope of Work and Budget for the Project is attached hereto as Attachment A. Additional Terms and Conditions required by the Nevada Division of Environmental Protection ("NDEP") are attached hereto as Attachment B. Amendment # 1 to NDEP Sub-Grant DEPS 16-029, extending the expiration date to June 30, 2019, is attached hereto as Attachment C. Attachments A, B and C are incorporated herein by reference.

3) RIGHTS & DUTIES

3.1 TMWA

3.1.1 TMWA shall conduct the Project and will submit invoices to the Commission through its Contract Administrator, on a quarterly basis, for activities completed as provided in Attachment A. Work on the Project will progress and be completed by June 30, 2019. Activities completed and subject to payment from the RWMF shall include services provided to TMWA for the Project by the United States Geological Survey ("USGS") and Brown and Caldwell (Engineering consultants), even though such services may have been provided prior to the Effective Date of this Agreement as defined in subsection 5.9 below.

3.1.2 TMWA will provide or contract for all services required to complete the Project.

3.1.3 TMWA shall, through its designated representative or Contract Administrator, provide to the Commission any information requested by the Commission's Contract Administrator, relating to any invoice submitted for payment.

3.1.4 TMWA shall set up a separate account for the Project, if not already existing, so that check numbers along with copies of cancelled checks for all expenditures can be submitted, as well as an exact itemization of Project expenditures, copies of itemized invoices, and properly documented timesheets.

3.2 The Commission

3.2.1 The Commission's Water Resources Program Manager, Jim Smitherman, is hereby designated as the Commission's Contract Administrator.

3.2.2 Upon the submission of an invoice for payment, pursuant to Paragraph 3.1.1 above, the Contract Administrator shall promptly review the invoice, request any further information or documentation required, and process the invoice for payment within thirty (30) days following his approval.

3.2.3 The Commission, at its discretion, may conduct an audit of compliance with this Agreement and the funding provided for herein, relating to performance of this

Agreement, compliance with the scope of the Project, and compliance with all applicable State, Federal and local laws, policies and procedures. Such audit shall be at the Commission's expense.

3.2.4 The total amount of invoices paid pursuant to this Agreement shall not exceed the sum of \$40,000 from the RWMF.

3.3 Joint Rights and Responsibilities

3.3.1 Either Party may terminate this Agreement with thirty (30) day advance written notice to the other, and the Commission shall reimburse TMWA for all work and services completed on the Project up to the date TMWA sends or receives a notice of termination, subject to approval of invoices by the Commission's Program Manager, as set forth above in subsection 3.2.2 above.

3.3.2 Both Parties agree to coordinate and use their best efforts to complete the Project and to collaborate in a timely manner in order to maximize the efficient use of funding and other resources.

4) INDEMNIFICATION

4.1 Each Party agrees, to the extent allowed by law pursuant to Chapter 41, Nevada Revised Statutes ("NRS"), to be responsible for any liability or loss that may be incurred as a result of any claim, demand, cost, or judgment made against that Party arising from any negligent act or negligent failure to act by any of that Party's employees, agents in connection with the performance of obligations assumed pursuant to this Agreement.

4.2 Each Party further agrees, to the extent allowed by law pursuant to Chapter 41, NRS, to hold harmless, indemnify and defend the other from all losses, liabilities or expenses of any nature to the person or property of another, to which the indemnified party may be subjected as a result of any claim, demand, action or cause of action arising out of the negligent acts, errors or omissions on the part of employees or agents of the indemnifying party in relation to this Agreement.

5) MISCELLANEOUS PROVISIONS

5.1 This Agreement is binding upon and inures to the benefit of the Parties and their respective heirs, estates, personal representatives, successors and assigns.

5.2 This Agreement is made in, and shall be governed, enforced and construed under the laws of the State of Nevada.

5.3 This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof, and supersedes and replaces all prior understandings and agreements, whether verbal or in writing, with respect to the subject matter hereof.

5.4 This Agreement may not be modified or amended in any respect, except pursuant to an instrument in writing duly executed by the Parties.

5.5 In the event the Commission fails to appropriate or budget funds for the purposes as specified in this Agreement, TMWA hereby consents to the termination of this Agreement. In such event, the Commission shall notify TMWA in writing, the Agreement will terminate on the date specified in the notice, and the Commission shall reimburse TMWA for all work and services completed on the project up to the date of receipt of the notice of termination, subject to approval of invoices by the Commission's Program Manager, as set forth in subsection 3.2.2 above. The Parties understand that this funding out provision is required under NRS 244.320 and NRS 354.626.

5.6 In the event either Party brings any legal action or other proceeding with respect to the breach, interpretation, or enforcement of this Agreement, or with respect to any dispute relating to any transaction covered by this Agreement, the losing Party or Parties in such action or proceeding shall reimburse the prevailing Party or Parties therein for all reasonable costs of litigation, including reasonable attorneys' fees.

5.7 No delay or omission by either Party in exercising any right or power under this Agreement shall impair any such right or power or be construed to be a waiver thereof, unless this Agreement specifies a time limit for the exercise of such right or power or unless such waiver is set forth in a written instrument duly executed by the person granting such waiver. A waiver of any person of any of the covenants, conditions, or agreements hereof to be performed by any other Party shall not be construed as a waiver of any succeeding breach of the same or any other covenants, agreement, restrictions or conditions hereof.

5.8 All notices, demands or other communications required or permitted to be given in connection with this Agreement, shall be in writing, and shall be deemed delivered when personally delivered to a Party or, if mailed, three (3) business days after deposit in the United States mail, postage prepaid, certified or registered mail, addressed to the Parties as follows: To Commission: Jim Smitherman, Water Resources Program Manager

Western Regional Water Commission
P.O. Box 11130
Reno, Nevada 89520

To TMWA: Mark Foree, General Manager
Truckee Meadows Water Authority
P.O. Box 30013
Reno, Nevada 89520

5.9 This Agreement is effective July 1, 2017, regardless of the date each Party signs this Agreement ("Effective Date").

WESTERN REGIONAL WATER COMMISSION

TRUCKEE MEADOWS WATER AUTHORITY

Dated this ____ day of _____ 2017

Dated this ____ day of _____ 2017

By _____
Jim Smitherman
Water Resources Program Manager

By _____
Mark Foree
General Manager

APPROVED AS TO FORM:
Rhodes Law Offices, Ltd.

By _____
John B. Rhodes, Legal Counsel

Attachment A – Scope of Work

Bedell Flat RIB Investigation

Introduction

The 2007 Washoe County 208 Water Quality Management Plan contemplates a small number of long term regional alternatives for the management of treated wastewater effluent. Alternatives include new and innovative treatment technology and aquifer recharge using highly treated effluent. A 2010 report entitled “Regional Integrated Wastewater System Planning”, funded in part by the Nevada Division of Environmental Protection’s (“NDEP”) 604(b) Water Quality Planning fund, identifies Bedell Flat as an area for possible aquifer storage or aquifer recharge using highly treated wastewater effluent. This concept also appears in the 2011-2030 Comprehensive Regional Water Management Plan, and more recently in the Truckee Meadows Water Authority’s (“TMWA”) draft 2016-2035 Water Resource Plan, as a potential site for an integrated water resource aquifer storage and recovery (“ASR”) program. The program would provide for the management of treated wastewater effluent from one or more water reclamation facilities and enhance drought and/or emergency water reserves. The Western Regional Water Commission (“WRWC”) proposes to partner with the City of Reno, Washoe County and TMWA to accomplish permitting and testing tasks as part of a larger feasibility effort for such a program.

Proposal

Integrated water resource management alternatives in Bedell Flat include infiltration of highly treated wastewater effluent through a proposed rapid infiltration basin (“RIB”), infiltration of highly treated wastewater effluent along a natural drainage referred to as Bird Spring Wash, injection of potable water using ASR wells and North Valleys Importation Project (“NVIP”) water or a combination of these. Geologic/hydrogeologic feasibility investigations and environmental clearance and permitting work are proposed to gain an understanding of the feasibility, scope and cost of an integrated water resources program in Bedell Flat. This proposal is for infiltration testing and environmental clearance and permitting work to determine the potential for use of RIBs. Subsequent phases may include RIB pilot testing, potential use of dry wells for infiltration (to access more permeable materials beneath less permeable surficial soils), vadose zone and groundwater characterization activities (i.e., borehole drilling to collect samples for geotechnical and geochemical tests) and groundwater monitoring (well installation) and assessing the infiltration capacity of an identified surface water reservoir site within the Bird Spring drainage (adjacent to Bedell Flat). A related objective will be to determine the acreage to be permitted with the Bureau of Land Management (“BLM”), which would be assessed by cultural and ecological resource subcontractors. The infiltration testing method recommended for the Bedell Flat area consists of a larger modified pilot infiltration test (“PIT”) procedure, documented by the State of Washington Department of Ecology (“WDOE”). This approach will reduce some of the scale errors associated with relatively small-scale double ring infiltrometer or

“stove-pipe” infiltration tests, and will better approximate infiltration rates for potential facility design. This method will use a track-hoe (or backhoe) to excavate to depths of 6 to 8 feet below ground surface, producing a flat base with an area of approximately 5-10 square feet. Although this is not a standard infiltration test, this approach is a practical field procedure that has been widely used in the western U.S.

The PIT procedure, documented by the WDOE, involves the following steps:

- Excavate the test pit to the depth of the bottom of the proposed infiltration facility. Lay back the slopes sufficiently to avoid caving and erosion during the test.
- Log the excavated soils as a function of depth using the SCS (soil classification system; ASTM D2487).
- Collect soil samples for potential grain size analyses for select or all PIT locations.
- The horizontal surface area of the bottom of the test pit should be approximately 10 square feet.
- Accurately document the size and geometry of the test pit.
- Install a vertical measuring rod (staff gauge) of sufficient length marked in half-inch increments in the center of the pit bottom.
- Use a rigid 6-inch diameter pipe with a splash plate on the bottom (or equivalent system) to convey water to the pit and reduce side-wall erosion or excessive disturbance of the pond bottom (excessive erosion and bottom disturbance will likely yield lower than actual infiltration rates).
- Add water to the pit at a rate that will maintain a water level between 3 and 4 feet above the bottom of the pit, and continuously record water levels and discharge rates during the early testing period to maintain a water level of 3 to 4 feet.
- Add water to the pit until one hour after the flow rate into the pit has stabilized (constant flow rate) while maintaining the same pond water level (this steady-state condition should be maintained for at least one hour).
- After the flow rate has stabilized, turn off the water and record the rate of infiltration in inches per hour from the measuring rod data, until the pit has drained.

After each test pit has drained, the trench will be backfilled with the excavated materials to approximate the surrounding land surface. This proposal assumes that the backfilling would satisfy BLM requirements, but some additional reclamation efforts may be required by the BLM. Reclamation efforts would be determined during the permitting process. Work will be completed by December 31, 2016.

Deliverables

Draft and Final Technical Memoranda will be submitted to the Nevada Division of Environmental Protection as available.

Estimated Project Budget

The total project costs are estimated at \$78,705 for tasks that include: 1) site visit and data review; 2) field testing plan development; 3) BLM permitting; 4) field testing plan implementation; and 5) draft and final technical memoranda. The 604(b) grant funds will cover \$40,000 of the total costs.

The cost estimate assumes 10 infiltration test locations with one location completed per day, 10 acres of BLM land subject to both cultural and ecological resource surveys and 30 laboratory grain-size analyses. The preliminary budget includes sub-consultant costs and the costs associated with a local construction company providing a track-hoe and water truck. The WRWC proposes to enter into an interlocal agreement with TMWA which will serve as the lead agency for the project. A primary consulting firm retained by TMWA will be responsible for completing the work and submitting invoices to TMWA. TMWA will then submit invoices to WRWC for reimbursement up to \$40,000. Following this, WRWC will submit an invoice and other required documentation to NDEP for reimbursement.

Table 1. Budget Summary

Item	Total Project	604(b) Contribution	Local Contribution
Contractors	\$78,705	\$40,000	\$38,705
TOTAL	\$78,705	\$40,000	\$38,705

•

**ATTACHMENT B:
ADDITIONAL AGENCY TERMS & CONDITIONS
SUB-GRANT CONTROL #DEP-S 16-029
Western Regional Water Commission**

1. The Nevada Division of Environmental Protection shall pay no more compensation than the federal Executive Service Level 4 (U.S. Code) daily rate (exclusive of fringe benefits) for individual consultants retained by the Sub-grantee or by the Sub-grantee's contractors or subcontractors. This limitation applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. The current Level 4 rate is \$75.27 per hour.

2. **NDEP shall only reimburse the Sub-grantee for actual cash disbursed.** Original invoices (facsimiles are not acceptable) must be received by NDEP no later than forty (40) calendar days after the end of a month or quarter except at the end of the fiscal year of the State of Nevada (June 30th), at the expiration date of the grant, or the effective date of the revocation of the Sub-grant, at which times original invoices must be received by NDEP no later than thirty-five (35) calendar days after this date. Failure of the Sub-grantee to submit billings according to the prescribed timeframes authorizes NDEP, in its sole discretion, to collect or withhold a penalty of ten percent (10%) of the amount being requested for each week or portion of a week that the billing is late. The Sub-grantee shall provide with each invoice a detailed fiscal summary that includes the approved Sub-grant budget, expenditures for the current period, cumulative expenditures to date, and balance remaining for each budget category. If match is required pursuant to paragraph 3 below, a similar fiscal summary of match expenditures must accompany each invoice. The Sub-grantee shall obtain prior approval to transfer funds between budget categories if the funds to be transferred are greater than ten percent (10%) cumulative of the total Sub-grant amount.

3. The Sub-grantee shall, as part of its approved scope of work and budget under this Sub-grant, provide third party match funds of not less than: \$N/A. If match funds are required, the Sub-grantee shall comply with additional record-keeping requirements as specified in 40 CFR 31.24 and Attachment N/A (Third Party Match Record-Keeping Requirements) which is attached hereto and by this reference is incorporated herein and made part of this Sub-grant.

4. Unless otherwise provided in Attachment A (Scope of Work), the Sub-grantee shall submit quarterly reports or other deliverables within ten (10) calendar days after the end of each quarter.

5. All payments under this Sub-grant are contingent upon the receipt by NDEP of sufficient funds, necessary to carry out the purposes of this Sub-grant, from either the Nevada Legislature or an agency of the United States. NDEP shall determine if it has received the specific funding necessary for this Sub-grant. If funds are not received from either source for the specific purposes of this Sub-grant, NDEP is under no obligation to supply funding for this Sub-grant. The receipt of sufficient funds as determined by NDEP is a condition precedent to NDEP's obligation to make payments under this Sub-grant. Nothing in this Sub-grant shall be construed to provide the Sub-grantee with a right of payment over any other entity. If any payments that are otherwise due to the Sub-grantee under this Sub-grant are deferred because of the unavailability of sufficient funds, such payments will promptly be made to the Sub-grantee if sufficient funds later become available.

6. Notwithstanding the terms of paragraph 5, at the sole discretion of NDEP, payments will not be made by NDEP unless all required reports or deliverables have been submitted to and approved by NDEP within the schedule stated in Attachment A.

7. Any funds obligated by NDEP under this Sub-grant that are not expended by the Sub-grantee shall automatically revert back to NDEP upon the completion, termination or cancellation of this Sub-grant. NDEP shall not have any obligation to re-award or to provide, in any manner, such unexpended funds to the Sub-grantee. The Sub-grantee shall have no claim of any sort to such unexpended funds.

8. The Sub-grantee shall ensure, to the fullest extent possible, that at least the "fair share" percentages as stated below for prime contracts for construction, services, supplies or equipment are made available to organizations owned or controlled by socially and economically disadvantaged individuals (Minority Business Enterprise (MBE) or Small Business Enterprise (SBE)), women (Women Business Enterprise (WBE)) and historically black colleges and universities.

	MBE/SBE	WBE
Construction	3%	1%
Services	1%	1%
Supplies	1%	1%
Equipment	2%	1%

The Sub-grantee agrees and is required to utilize the following seven affirmative steps:

- a. Include in its bid documents applicable "fair share" percentages as stated above and require all of its prime contractors to include in their bid documents for subcontracts the "fair share" percentages;
- b. Include qualified Small Business Enterprises (SBEs) Minority Business Enterprises (MBEs), and Women Business Enterprises (WBEs) on solicitation lists;
- c. Assure that SBEs, MBEs, and WBEs are solicited whenever they are potential sources;
- d. Divide total requirements, when economically feasible, into small tasks or quantities to e. permit maximum participation of SBEs, MBEs, and WBEs;
- e. Establish delivery schedules, where the requirements of the work permit, which will encourage participation by SBEs, MBEs, and WBEs;
- f. Use the services and assistance of the Small Business Administration and the Minority Business Development Agency, U.S. Department of commerce as appropriate; and
- g. If a subcontractor awards contracts/procurements, require the subcontractor to take the affirmative steps in subparagraphs a. through e. of this condition.

9. The Sub-grantee shall complete and submit to NDEP a Minority Business Enterprise/Woman Business Enterprise (MBE/WBE) Utilization Report (Standard Form 334) within fifteen (15) calendar days after the end of each federal fiscal year (September 30th) for each year this Sub-grant is in effect and within fifteen (15) calendar days after the termination date of this Sub-grant.

10. The books, records, documents and accounting procedures and practices of the Sub-grantee or any subcontractor relevant to this Sub-grant shall be subject to inspection, examination and audit by the State of Nevada, the Division of Environmental Protection, the Attorney General of Nevada, the Nevada State Legislative Auditor, the federal or other funding agency, the Comptroller General of the United States or any authorized representative of those entities.

11. All books, reports, studies, photographs, negatives, annual reports or other documents, data, materials or drawings prepared by or supplied to the Sub-grantee in the performance of its obligations under this Sub-grant shall be the joint property of both parties. Such items must be retained by the Sub-grantee for a minimum of three years from the date of final payment by NDEP to the Sub-grantee, and all other pending matters are closed. If requested by NDEP at any time within the retention period, any such materials shall be remitted and delivered by the Sub-grantee, at the Sub-grantee's expense, to NDEP. NDEP does not warrant or assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, report or product of any kind that the Sub-grantee may disclose or use for purposes other than the performance of the Sub-grantee's obligations under this Sub-grant. For any work outside the obligations of this Sub-grant, the Sub-grantee must include a disclaimer that the information, report or products are the views and opinions of the Sub-grantee and do not necessarily state or reflect those of NDEP nor bind NDEP.

12. Unless otherwise provided in Attachment A, when issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with funds provided under this Sub-grant, the Sub-grantee shall clearly state that funding for the project or program was provided by the Nevada Division of Environmental Protection and, if applicable, the U.S. Environmental Protection Agency. The Sub-grantee will insure that NDEP is given credit in all official publications relative to this specific project and that the content of such publications will be coordinated with NDEP prior to being published.

13. Unless otherwise provided in Attachment A, all property purchased with funds provided pursuant to this Sub-grant is the property of NDEP and shall, if NDEP elects within four (4) years after the completion, termination or cancellation of

this Sub-grant or after the conclusion of the use of the property for the purposes of this Sub-grant during its term, be returned to NDEP at the Sub-grantee's expense.

Such property includes but is not limited to vehicles, computers, software, modems, calculators, radios, and analytical and safety equipment. The Sub-grantee shall use all purchased property in accordance with local, state and federal law, and shall use the property only for Sub-grant purposes unless otherwise agreed to in writing by NDEP.

For any unauthorized use of such property by the Sub-grantee, NDEP may elect to terminate the Sub-grant and to have the property immediately returned to NDEP by the Sub-grantee at the Sub-grantee's expense. To the extent authorized by law, the Sub-grantee shall indemnify and save and hold the State of Nevada and NDEP harmless from any and all claims, causes of action or liability arising from any use or custody of the property by the Sub-grantee or the Sub-grantee's agents or employees or any subcontractor or their agents or employees.

14. The Sub-grantee shall use recycled paper for all reports that are prepared as part of this Sub-grant and delivered to NDEP. This requirement does not apply to standard forms.

15. The Sub-grantee, to the extent provided by Nevada law, shall indemnify and save and hold the State of Nevada, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this Sub-grant by the Sub-grantee or the Sub-grantee's agents or employees or any subcontractor or their agents or employees. NDEP, to the extent provided by Nevada law, shall indemnify and save and hold the Sub-grantee, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this Sub-grant by NDEP or NDEP's agents or employees.

16. The Sub-grantee and its subcontractors shall obtain any necessary permission needed, before entering private or public property, to conduct activities related to the work plan (Attachment A). The property owner will be informed of the program, the type of data to be gathered, and the reason for the requested access to the property.

17. This Sub-grant shall be construed and interpreted according to the laws of the State of Nevada and conditions established in OMB Circular A-102. Nothing in this Sub-grant shall be construed as a waiver of sovereign immunity by the State of Nevada. Any action brought to enforce this Sub-grant shall be brought in the First Judicial District Court of the State of Nevada. The Sub-grantee and any of its subcontractors shall comply with all applicable local, state and federal laws in carrying out the obligations of this Sub-grant, including all federal and state accounting procedures and requirements established in OMB Circular A-87 and A-133. The Sub-grantee and any of its subcontractors shall also comply with the following:

- a. 40 CFR Part 7 - Nondiscrimination In Programs Receiving Federal Assistance From EPA
- b. 40 CFR Part 29 - Intergovernmental Review Of EPA Programs And Activities.
- c. 40 CFR Part 31 - Uniform Administrative Requirements For Grants And Cooperative Agreements To State and Local Governments;
- d. 40 CFR Part 32 - Governmentwide Debarment And Suspension (Nonprocurement) And Governmentwide Requirements For Drug-Free Workplace (Grants);
- e. 40 CFR Part 34 - Lobbying Activities;
- f. 40 CFR Part 35, Subpart O - Cooperative Agreements And Superfund State Contracts For Superfund Response Actions (Superfund Only); and
- g. The Hotel And Motel Fire Safety Act of 1990.

18. The Sub-grantee shall neither assign, transfer nor delegate any rights, obligations or duties under this Sub-grant without the prior written consent of NDEP.

AMENDMENT # 1 TO SUB-GRANT DEPS 16-029

Between the State of Nevada
Acting By and Through Its

Nevada Department of Conservation and Natural Resources,
Division of Environmental Protection
901 S. Stewart Street, Carson City, NV 89701-5249
Phone: (775) 687-4670 Fax: (775) 687-5856

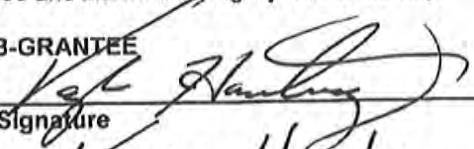
and

Western Regional Water Commission
c/o Washoe County Community Services Department
PO BOX 11130
Reno, NV 89520
Phone: (775) 954-4657

1. AMENDMENTS. For and in consideration of mutual promises and/or other valuable consideration, all provisions of the original sub-grant dated July 7, 2016, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:
 - A. The expiration date is changed from June 30, 2017 to June 30, 2019.
2. INCORPORATED DOCUMENTS. Exhibit A (Original Sub-grant) is attached hereto, incorporated by reference herein and made a part of this amended sub-grant.
3. REQUIRED APPROVAL. This amendment to the original sub-grant shall not become effective until and unless approved by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original sub-grant to be signed and intend to be legally bound thereby.

SUB-GRANTEE

By: 
Signature

Name: Vaughn Hartung

Title: Chairman Date: 5-19-17

DIVISION

By: 
Signature

Name: Greg Lovato

Title: Administrator Date: 5/31/17



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: John Enloe and Scott Estes
DATE: January 17, 2018
SUBJECT: **Discussion and action, and possible direction to staff on the Agreement for Water System Acquisition between West Reno Water Company and TMWA**

Recommendation

Provide direction to staff related to the Agreement for Water System Acquisition between West Reno Water Company, Inc. and TMWA, and Authorize the General Manager to execute the Agreement, together with the discretion to make necessary, non-substantive changes to the final Agreement.

Background

At the October 18, 2017 meeting of the TMWA Board of Directors, the Board authorized staff to enter into negotiations to develop a draft acquisition agreement for the West Reno Water System for future Board action. At the December 13, 2017 Board meeting, staff presented a non-binding Letter of Intent for the acquisition of the West Reno Water Company's water system. The Letter of Intent provided the basis for an Agreement for the TMWA to acquire the West Reno Water Company water system.

Discussion:

Staff has negotiated the attached Agreement for Water System Acquisition between West Reno Water Company and TMWA ("Agreement"). "Assets" means collectively all the assets and all other rights and assets owned, leased, or used by West Reno in the operation of the Water Business, including:

- (a) All Water Facilities;
- (b) All Real Property;
- (c) All Resource Commitments, Will Serve Commitments and beneficial interest in the Dedicated Water Resources;
- (d) All Water Resources;

- (e) All accounts receivable, prepayments, hookup fees, connection charges, water resource fees or other amounts due or to become due from developers or customers for future service, water resources, or distribution facilities, and all cash and cash equivalents;
- (f) All Customer Information;
- (g) All books and records relating to the Water Business or the Assets, whether in written form or otherwise;
- (h) GIS data with respect to the Assets, if any exist; and
- (i) All intangible assets not described above.

The approximate Purchase Price is \$870,000 (subject to supporting documentation), calculated as the sum of the following:

- Book value of the water system assets, estimated at \$700,000;
- Reasonable legal and engineering fees and costs incurred by West Reno Water Company to prepare the application materials necessary for Seller to obtain authorization from the Nevada PUC to become a regulated public utility, estimated at \$170,000 (variance may be \$10,000+/-).

TMWA shall have up to one hundred twenty (120) days after the Effective Date of the Agreement to conduct due diligence investigations as it deems necessary to determine the feasibility, economic or otherwise, of its intended use of the Assets and Water Business (the “Due Diligence Period”). If TMWA determines prior to the expiration of the Due Diligence Period that TMWA’s intended use of the Assets is not feasible for any reason whatsoever, or if TMWA elects not to purchase the Assets, TMWA will be able to terminate the Agreement.

Several additional agreements will be required prior to closing, including the following:

1. Agreement to purchase a pipe casing installed beneath the Truckee River and a state-issued easement to maintain and access the casing, estimated at \$100,000, which are held by BCH Gaming Reno, LLC.
2. Agreement with SJP Reno Property, LLC as described in section 5.16 of the West Reno Agreement.
3. Agreement with Reno Land and Development Company, LLC (“RLD”) and BT South, LLC (“RLD Agreement”). In general, the RLD Agreement shall require conveyance of certain water rights and assets; agreement that water service shall be governed by TMWA Rules and associated annexation agreements; completion of certain improvements, including construction of a second water tank; and a requirement to pay TMWA at least \$2,540,000 in connection fees with respect to certain specified development within the West Reno Service Area.

Proposed Motion:

Authorize the General Manager to execute the Agreement for Water System Acquisition between West Reno Water Company and TMWA, including the discretion to make necessary, non-substantive changes to the Agreement.

Attachments:

Agreement for Water System Acquisition between West Reno Water Company and TMWA

AGREEMENT FOR WATER SYSTEM ACQUISITION

Between

WEST RENO WATER COMPANY

And

TRUCKEE MEADOWS WATER AUTHORITY

AGREEMENT FOR WATER SYSTEM ACQUISITION

THIS AGREEMENT FOR WATER SYSTEM ACQUISITION (this “Agreement”), is dated as of the date last executed by the Parties below (the “Effective Date”), and is entered into by and among WEST RENO WATER COMPANY, INC. a Maryland corporation (“West Reno”), and TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority created pursuant to NRS Chapter 277 by the Cities of Reno and Sparks, and Washoe County (“TMWA”).

RECITALS

A. West Reno owns certain assets and operates a retail water sale and delivery system in or near Verdi, Nevada (the “Water Business”) which system currently serves less than 25 customers in the West Reno service territory consisting of approximately 880.16 acres more particularly described in Exhibit “A” attached hereto (“WR Service Area”).

B. TMWA is a public purveyor of domestic water service in the greater Reno-Sparks area.

C. West Reno desires to sell and transfer to TMWA, and TMWA desires to purchase, the Assets (as defined herein), and TMWA agrees to assume certain liabilities as specified herein, for the consideration and on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which all parties acknowledge, the parties hereto agree as follows:

1. DEFINED TERMS.

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms, when used in this Agreement, shall have the meanings set forth below:

1.1 “Additional Easements” shall have the meaning set forth in Section 5.11.2.

1.2 “Annexation Agreements” means the annexation agreements to be entered between TMWA and all Annexation Parties.

1.3 “Annexation Parties” means those owners of those certain properties located within the WR Service Area more particularly described in Schedule 1.3 attached hereto and incorporated herein by reference.

1.4 “Assets” means collectively all the assets and all other rights and assets owned, leased, or used by West Reno in the operation of the Water Business, other than the Excluded Assets, including:

- (a) All Water Facilities;
- (b) All Real Property;
- (c) All Resource Commitments, Will Serve Commitments and beneficial interest in the Dedicated Water Resources;
- (e) All Water Resources;

- (f) All accounts receivable, prepayments, hookup fees, connection charges, water resource fees or other amounts due or to become due from developers or customers for future service, water resources, or distribution facilities, and all cash and cash equivalents;
- (g) All Customer Information;
- (h) All books and records relating to the Water Business or the Assets, whether in written form or otherwise;
- (i) GIS data with respect to the Assets, if any exist; and
- (j) All intangible assets not described above.

1.5 “Assumed Liabilities” shall mean the following Liabilities, and no others:

- (a) All obligations of West Reno in the normal course of the Water Business to provide water service to those West Reno Customers receiving water service on the Closing Date, for the demand set forth in the Will Serve Commitments as set forth in Schedule 1.46 and upon dedication of sufficient water resources to other properties within West Reno’s Water Business as set forth in Schedule 1.46, all subject to the terms and conditions of TMWA Rules of service;
- (b) All Resource Commitments, subject to compliance by beneficiaries thereof with TMWA Rules of service.
- (c) Such other Liabilities as TMWA may incur in connection with the ownership of the Assets or operation of the Water Business from and after the Closing Date to the extent such Liabilities do not arise out of, do not occur, and are not incurred as a direct or indirect result of West Reno’s ownership or operation of the Water Business or Assets.

1.6 “Banked Resources” shall have the meaning set forth in Section 5.16.

1.7 “BCH Agreement” shall have the meaning set forth in Section 5.18.

1.8 “BLA or Parcel Map(s)” shall have the meaning set forth in Section 5.10.

1.9 “CC&Rs” means that certain Declaration of Covenants, Restrictions and Easements recorded on June 26, 2012 as Document No. 4125499, Official Records Washoe County, as amended by Amendment No. 1 thereto recorded on August 27, 2014 as Document No. 4386643, and as amended by Amendment No. 2 thereto recorded on December 17, 2015 as Document No. 4542990.

1.10 “Closing” means the consummation of the transactions contemplated by this Agreement.

1.11 “Closing Date” and “Outside Closing Date” shall have the meanings set forth in Section 3.2.

1.12 “Customer Information” all customer lists, customer credit information, the original or photocopies of all files, records, and accounts for customers of West Reno who receive, or have entered agreements to receive, water service from West Reno, in West Reno’s possession or control, and which shall include, without limitation, a separate schedule setting forth each individual customer name, address, telephone number (if available) and service property address.

1.13 “Deed and Bill of Sale” means a Grant, Bargain and Sale Deed and Bill of Sale from West Reno to TMWA in the form of Exhibit 1.13 attached hereto

1.14 “Dedicated Water Resources” means the acre feet of water rights described in Schedule 1.46 conveyed to West Reno by West Reno Customers or required to be conveyed to West Reno

by third parties supporting current water service and Resource Commitments by West Reno to West Reno Customers.

1.15 “Due Diligence Period” shall have the meaning set forth in Section 4.1.

1.16 “Environmental Laws” means all statutes specifically described in the definition of Hazardous Materials and any other federal, state, or local environmental health and safety statutes, ordinances, codes, rules, regulations, orders and decrees regulating, relating to or imposing liability or standards concerning or in connection with Hazardous Materials, or governing the parties’ rights with respect to any Hazardous Materials, and including, without limitation, the Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. (“CERCLA”), as amended by the Superfund Amendments and Reauthorization Act of 1986 (“SARA”); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; and the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.

1.17 “Escrow Holder” and “Title Company” shall have the meaning set forth in Section 3.1.

1.18 “Excluded Assets” shall mean: a) All cash, cash in banks, cash equivalents, bank and mutual fund accounts of West Reno; (b) except as provided in Section 5.7.1, all receivables, accounts, debts or rights to receive money arising out of the operation of the Water Business prior to the Closing Date, including receivables relating to earned but unbilled revenues, but specifically excluding hookup fees, connection charges, water resource fees or other amounts due from developers or customers for future service, water resources, or distribution facilities which shall be included in the Assets; (c) All property, casualty, workers’ compensation, liability or other insurance policies or related insurance services contracts of West Reno relating to the Assets or the Water Business existing before the Closing Date, and any rights, claims or chooses in action under such insurance policies; (d) all leases or leasehold interests in any real property or personal property; (e) all vehicles or equipment or tangible assets owned or leased by West Reno in connection with the Water Business not otherwise included in the Assets; (f) All rights or claims of West Reno with respect to any tax refund, or other credits for periods ending prior, or including the period prior, to the Closing Date, and (g) all other assets not specifically included in the Assets.

1.19 “Hazardous Materials” means any substance, material, waste, gas or particulate matter whose nature and/or quantity or existence, use, manufacture, or effect render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, and including, without limitation, any material or substance which is defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of Environmental Law.

1.20 “Hazardous Materials Activity” means the generation, production, use, storage, transport, or disposal of, or other activity related to, any Hazardous Materials.

1.21 “Laws” means any and all laws, ordinances, statutes, regulations, rules, codes, or the like, and any judgments, administrative rulings, orders, decrees, writ, injunctions, directives, or the like of any governmental agency, department, entity, or court.

1.22 “Liabilities” means any and all debts, claims, losses, liabilities, or obligations of any nature, character, or kind whatsoever, whether known or unknown, accrued, absolute, contingent, or otherwise, matured or unmatured and whether due or to become due (including, without limitation, tax liabilities,

liabilities to employees, liabilities under executory contracts, trade payables, express or implied contract or tort liability involving persons or property of any kind) and any facts or circumstances which could give rise to any such debts, claims, losses, liabilities, or obligations.

1.23 “Meridian North Connection Fee” shall have the meaning set forth in Section 5.8.3.

1.24 “Meridian North Lots” means the 273 residential lots described as Lots 101 thru 106, 110 thru 130, 133 thru 278 in Subdivision Tract Maps 5205, recorded May 15, 2017 as Document No. 4704095 and Subdivision Tract Map 5227, recorded October 17, 2017 as Document No. 4754335.

1.25 “NDOT Consents” shall have the meaning set forth in Section 5.11.4.

1.26 Other Facilities” shall mean all water system facilities owned, being constructed by or to be constructed by West Reno Customers, applicants for water service, RLD and/or SJP which are used in the Water Business or are required to be constructed under various agreements as a condition of future water service delivery by West Reno.

1.27 “Private Fire Service Facilities” means all fire suppression systems and fire service facilities (including valves, pipes, hydrants, backflow devices, fire department connections and other appurtenances of fire service facilities) downstream from the service tap to the water main used for the delivery of water for fire protection and/or fire suppression.

1.28 “Purchase Price” shall have the meaning set forth in Section 2.1.

1.29 “Real Property” means all fee title, easements, rights of way, licenses, permits or other interests in real property owned or used by West Reno in the operation of the Water Facilities, including without limitation, the Tank Site and Well Sites, any encroachment permits issued by the Nevada Department of Transportation for Water Facilities crossings under Interstate 80 or former U.S. Highway 40, right of way or other permits issued by Union Pacific Railroad for Water Facilities crossings under railroad right of way, the Water Facilities Easements, and the Water Resources.

1.30 “Resource Commitments” means those specific commitments made by West Reno prior to the Effective Date to provide, sell, transfer or convey water resources, water rights or water resource credits of West Reno in the amounts and as described in Schedule 1.46.

1.31 “Retained Liabilities” means all other debts and Liabilities of West Reno and/or the Water Business other than the Assumed Liabilities, whether now existing or hereafter arising, in connection with West Reno’s ownership of the Water Business prior to the Closing Date, including without limitation any and all tax liabilities of West Reno, whether based on net income from operations of the Water Business, arising from the operation of the Water Business prior to Closing, the purchase and sale of the Assets, or otherwise.

1.32 “RLD” means Reno Land Development Company, LLC, a Nevada limited liability company.

1.33 “RLD Agreement” shall have the meaning set forth in Section 5.17.

1.34 “RV Park Meter Improvements” shall have the meaning set forth in Section 5.8.4.

1.35 “RV Park System” means all water supply, distribution and storage assets, including all mains, markers, conduits, pipes, pump stations, valve boxes, meters, fixtures, pipes, service lines, and any

other facilities or appurtenances located on the property described as APN 038-430-52 owned by SJP, which facilities are downstream of the RV Park Meter Improvements.

1.36 “SJP” means SJP Reno Property, LLC, a Maryland limited liability company.

1.37 “SJP Agreement” shall have the meaning set forth in Section 5.16.

1.38 “System Improvement Funding” shall have the meaning set forth in Section 5.8.1.

1.39 “Tank Site” means approximately ____ acres located on APN 038-120-03 currently owned by BT South LLC, upon which water tanks have been constructed by RLD.

1.40 “Third-Party Approvals” shall have the meaning set forth in Section 8.7.

1.41 “Third-Party Improvements” shall have the meaning set forth in Section 5.9, and shall include without limitation the RLD Improvements (as defined in the CCR’s).

1.42 “TMWA Rules” shall mean the Truckee Meadows Water Authority’s rules of service and rate tariffs, as such may be adopted and amended from time to time.

1.43 “Water Business” shall have the meaning set forth in the Recitals.

1.44 “Water Facilities” means all water supply, distribution and storage assets, including all mains, markers, conduits, pipes, pump stations, valve boxes, meters, fixtures, pipes, service lines, backflow prevention equipment, tanks, wells, and any other facilities or appurtenances owned, held or used in connection with the operation of the Water Business and distribution system of West Reno, including the RV Park Meter Improvements, but excluding the RV Park System and Private Fire Service Facilities.

1.45 “Water Facilities Easement” shall have the meaning ascribed in Section 5.11.

1.46 “Water Resources” means all right, title and interest in and to the groundwater rights described in Schedule 1.46, whether owned by West Reno or third parties, and all other groundwater rights owned or utilized by West Reno in connection with the Water Business, including without limitation the Dedicated Water Resources.

1.47 “Well Sites” means collectively the five (5) production well sites, located on APN 038-870-19 (well nos. 9 and 12), 236-120-08 (well no. 10), and 038-881-08 (well nos. 7 and 8) upon which West Reno currently operates groundwater wells, each of which sites shall be a minimum of 100 ft. by 100 ft.

1.48 “West Reno Customers” shall mean those existing customers of West Reno receiving water service from the West Reno water utility on the Effective Date, more particularly identified in Schedule 1.48.

1.49 “West Reno Service Properties” shall mean those service properties currently receiving water service from West Reno on the Effective Date, more particularly identified in Schedule 1.48.

2. PURCHASE AND SALE OF ASSETS.

2.1 Sale and Purchase of Assets. Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, at the Closing West Reno shall sell, assign, transfer, convey and deliver to TMWA, and where appropriate secure appropriate conveyances from third parties to assign, transfer and convey to TMWA, and TMWA shall purchase, acquire and accept all right, title and interest in and to the Assets. TMWA and West Reno acknowledge and agree that West Reno is not transferring to TMWA, and TMWA is not acquiring, any of the Excluded Assets. The Assets shall be transferred to TMWA free and clear of all liens, pledges, security interests, encumbrances, rights, and claims, except those which arise out of Liabilities expressly assumed by TMWA under this Agreement.

2.2 Purchase Price. The Purchase Price for the Assets (“Purchase Price”) shall be the sum of the following: i) the book value of the Assets (excluding the pipe casing and easement referred to in the BCH Agreement) deemed to be \$700,000; and ii) the reasonable legal/engineering costs incurred by West Reno through December 31, 2017 to prepare the application materials necessary for West Reno to obtain authorization from the Nevada PUC to become a regulated public utility, not to exceed \$180,000. TMWA and West Reno shall agree on the final Purchase Price amount prior to expiration of the Due Diligence Period and shall provide written notice to Escrow Holder of the same on or before Close of Escrow.

3. ESCROW.

3.1 Escrow Instructions. The purchase and sale of the Assets shall be consummated through an escrow (“Escrow”) to be established at Western Title Company, Attn: Patti Hanson, with an address of 5390 Kietzke Lane Ste. 101, Reno, Nevada 89511 (“Escrow Holder” or “Title Company”). The Escrow shall be opened within three (3) business days following the Effective Date, by delivery to Escrow Holder of a fully-executed copy of this Agreement, which shall constitute Escrow Holder's instructions. West Reno and TMWA agree to execute and deliver to Escrow Holder such additional and supplemental instructions as Escrow Holder may require in order to clarify Escrow Holder's duties under this Agreement; provided, however, that in the event of any conflict or inconsistency between this Agreement and any other instructions delivered to Escrow Holder, the terms of this Agreement shall govern the duties of Escrow Holder and the rights and obligations of West Reno and TMWA.

3.2 Closing Date. Escrow shall close on or before the date (the “Closing Date”) which is the later of: i) fifteen (15) days after the expiration of the Due Diligence Period; ii) fifteen (15) days after Final Governmental Approval of the BLA/Parcel Map(s), except as otherwise provided in Section 5.10; and iii) fifteen (15) days after receipt of all necessary Lender Consents and Owner Consents, or such other date as mutually agreed by the Parties, but in no event later than December 31, 2018 (“Outside Closing Date”). For purposes of this Agreement, the term “Close of Escrow” shall mean the time when Escrow Holder shall have recorded all of the instruments to be recorded with respect to the closing on the Assets.

4. DUE DILIGENCE PERIOD.

4.1 Due Diligence Period. TMWA shall have up to 5:00 p.m. on the date which is one hundred twenty (120) days after the Effective Date (the “Due Diligence Period”) to conduct such due diligence investigations as TMWA deems necessary to determine the feasibility, economic or otherwise, of its intended use of, and otherwise related to, the Assets and Water Business, including without limitation surveying the Water Facility locations. TMWA shall pay all costs and expenses incurred to conduct the investigation and studies. West Reno agrees to make available to TMWA for inspection and delivery to TMWA within three (3) business days after the Effective Date, and upon request from TMWA, the following:

4.1.1 A current preliminary title report covering the Real Property, together with all documents which constitute the underlying exceptions to title (collectively, the "Preliminary Title Report");

4.1.2. Any conditions, handbooks, contracts, litigation, leases and easements affecting the Real Property which may or may not be included in the Preliminary Title Report;

4.1.3. Copies of all existing permits, approvals, reports, surveys, engineering studies, geotechnical reports, tentative maps, final maps, environmental surveys, improvement plans, architectural, structural and landscape plans; subcontractor and supplier directory; and other consultant's material relating to the Real Property which are presently available to West Reno or available to West Reno's agents, which West Reno has knowledge of or has in its possession; and

4.1.4. All information related to the Water Facilities and Real Property in West Reno's possession or control, including but not limited to building, grading, drainage and improvement plans, maintenance and operation logs, and any other documents which may be reasonably requested by TMWA applicable to the Assets and in West Reno's possession or control.

With respect to TMWA's right to inspect the Assets (including the records and documents referenced above), TMWA agrees that (i) West Reno shall receive not less than 12-hours prior notice of each inspection, and (ii) each inspection shall be performed during normal business hours or at such other times as West Reno and TMWA shall mutually agree. All inspections, examinations and other reviews conducted by TMWA or TMWA's agents shall be performed at the sole risk and expense of TMWA and TMWA shall be solely responsible for the acts or omissions of TMWA and any of TMWA's agents brought on, or to, the Real Property by TMWA. In addition, TMWA shall defend, indemnify and hold West Reno harmless from and against all loss, liability, damage or expense (including reasonable attorneys' fees and court costs) resulting from claims for bodily injury, wrongful death or property damage against West Reno or the Real Property arising from any act or omission by TMWA or any of TMWA's agents in connection with any inspection of the Real Property or the records and documents by TMWA or TMWA's agents.

4.2 Termination. If TMWA, in its sole discretion, determines prior to the expiration of the Due Diligence Period that TMWA's intended use of the Assets is not feasible for any reason whatsoever, or that TMWA, for any other reason or for no reason, elects not to purchase the Assets, TMWA shall so notify West Reno in writing and this Agreement shall be immediately terminated and TMWA shall immediately return all due diligence materials to West Reno. If TMWA fails to so notify West Reno within the Due Diligence Period, TMWA shall be deemed to have waived its right to so terminate and the Due Diligence Period shall have expired. If TMWA terminates this Agreement, neither Party shall have any further rights or obligations hereunder (except such obligations that survive termination of the Agreement according to its terms).

5. PURCHASE TERMS

5.1 Acquisition of Water Business. Effective upon the Closing Date, West Reno shall transfer the Assets to TMWA pursuant to the procedures set forth in this Agreement and TMWA shall from the Closing Date forward assume full responsibility for operation of the Water Business, including all Assumed Liabilities, and shall have full authority to do all things necessary to conduct such operations. Effective on the Closing Date, the Water Business will be fully merged into the TMWA system, West Reno shall cease to provide water service to any person, all West Reno Customers shall become TMWA customers, TMWA shall have the right to all revenues from the Water Business and the

West Reno Customers, and all service properties of West Reno Customers shall become annexed into TMWA's retail service area.

5.2 Assumption of Liabilities. Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, at the Closing and from and after the Closing Date, TMWA shall assume and be responsible only for the Assumed Liabilities. The parties acknowledge and agree that TMWA is not assuming any of the Retained Liabilities, nor is TMWA assuming liability for obligations to the extent West Reno is obligated to indemnify TMWA pursuant to this Agreement.

5.3 West Reno's Retained Liabilities. West Reno acknowledges and agrees that West Reno shall remain absolutely liable for the Retained Liabilities, and that TMWA does not agree to assume, and shall not be obligated to perform or otherwise be liable in respect to the Retained Liabilities.

5.4 Transfer of Assets and Assumed Liabilities. The Assets shall be sold, transferred, assigned and delivered, and the Assumed Liabilities shall be assumed, pursuant to transfer and assumption agreements or other instruments in such form as is necessary and appropriate to affect a conveyance and in such form reasonably satisfactory to TMWA and West Reno. TMWA is not acquiring the Excluded Assets.

5.5 Governmental Approvals and Consents. To the extent required by applicable law, West Reno and TMWA shall cooperate with each other and promptly prepare and file all necessary documentation, if any, and use commercially reasonable efforts to obtain all necessary permits, consents, approvals and authorizations of all Governmental Authorities necessary or advisable to consummate the transactions contemplated by this Agreement, including without limitation the Nevada Public Utilities Commission.

5.6 Risk of Loss. West Reno shall bear all risk of loss with respect to the Water Business and the Assets prior to the consummation of the Closing on the Closing Date.

5.7 Water Business Operations. Except as provided in Sections 5.7.1, 5.7.2, 5.8.2 and 5.8.3, between the Effective Date and the Closing Date, West Reno shall: (1) continue to conduct the Water Business in its usual and ordinary course as previously conducted in accordance with sound and prudent business practices; (2) maintain the Water Facilities and Assets in good physical condition and repair; (3) maintain all books and records of the West Reno completely and accurately without any change in accounting methods or practices; (4) use its best efforts to cause West Reno to maintain the goodwill of, and good business relations with, its employees, agents, contractors, suppliers, customers and others having business relationships with it, so as to keep such fully available to TMWA after the Closing Date; and (5) pay all accounts payable incurred in the ordinary course of ownership and operation of the Water Business. Between the Effective Date and the Closing Date, West Reno shall not without the prior written approval of TMWA, not to be unreasonably withheld or denied so long as such action is consistent with TMWA Rules and does not impair the intent of this Agreement: (1) sell, lease, transfer or otherwise dispose of any of the Assets or mortgage, pledge, impose or suffer to be imposed any lien or encumbrance on the Assets; (2) agree to expand or modify the Water Business, provide new water service to any person, or provide modified water service to any West Reno Customer, (3) enter any agreement with any person with respect to the Assets, the operation of the Water Business, or the provision of water service; (4) accept any water facilities or easements for dedication; or (5) modify any Water Facilities which modifications taken as a whole or which involve aggregate consideration in excess of \$25,000. Prior to the Closing Date, West Reno shall cooperate with TMWA with respect to TMWA monitoring operations of the Water Business and shall cooperate with TMWA's efforts to become familiar with the Water Business operations prior to the Closing.

5.7.1 Completion of Groundwater Monitoring Plan Work. West Reno shall, prior to the expiration of the Due Diligence Period, complete all work necessary to drill and equip the two “new” monitoring wells referenced in the Groundwater Monitoring Plan dated April 26, 2017 and plug and abandon the existing “Middaugh” well referenced in the Plan. All work shall be performed under the direction and supervision of TMWA, at West Reno’s expense.

5.8 System Improvements and Funding.

5.8.1 System Improvements and Funding. West Reno acknowledges and agrees that substantial improvements to TMWA’s water system will be required to provide expanded water service to the WR Service Area. To fund these backbone water facility improvements, which are currently estimated to cost \$14 million, TMWA intends to establish a funding mechanism through a new special assessment district, new connection fees and/or a new capital surcharge fee to be included within the retail water rate all of which except as provided in this Section 5.8.1 is anticipated to apply to current West Reno Customers and future service within the WR Service Area, and possibly other future service in the Verdi area (“System Improvement Funding”). West Reno shall agree to cooperate with TMWA in the establishment of the System Improvement Funding. TMWA agrees that i) the West Reno Customers and the West Reno Service Properties will not be subject to System Improvement Funding, provided, any or Modified Service (as defined in TMWA Rules) on the West Reno Service Properties will be subject to Water System Facility Charges under TMWA Rules; ii) the property described as APN 038-870-20 and 038-870-19 currently owned by SJP, will not be subject to the System Improvement Funding in connection with the first 65 GPM of MDD to such properties as set forth in the Annexation Agreement with SJP. To the extent TMWA deems it prudent to impose any System Improvement Funding requirements, such shall be adopted by the TMWA Board through the normal public procedures for approving modifications to rate tariffs.

5.8.2 Adoption of TMWA Customer Rates. Prior to the Closing, West Reno shall take all action necessary to adopt TMWA’s Rules and Rate Tariffs in their entirety so such apply to all West Reno customers as if they were TMWA retail customers, which amendments shall be effective at the earlier of: (1) the date established by the West Reno Board at the time of adoption; (2) TMWA’s assumption of the Water Business operations pursuant to Section 5.8.1, or (3) the Closing. Following the Closing, West Reno Customers shall be subject to TMWA’s Rules and Rate Tariffs, including the requirement to pay any System Improvement Funding.

5.8.3 Meridian North Connection Fees. Prior to the Closing, West Reno shall impose and collect a connection fee on any development of the Meridian North Lots equal to One Thousand Eight Hundred Dollars (\$1,800.00) per residential unit (“Meridian North Connection Fee”). The Meridian North Connection Fee shall be collected no later than ten (10) days prior to the date a meter is to be installed for water service to the applicable Meridian North Lot, and must be collected prior to commencing any water service to the applicable Meridian North Lot. Pursuant to the RLD Agreement, RLD has agreed to pay all Meridian North Connection Fees to West Reno prior to the Closing, which fees shall be deposited and held in Escrow and released to TMWA at the Closing. In the event the Closing does not occur, all Meridian North Connection Fees shall be returned to RLD or such other person that paid them into Escrow.

5.8.4 RV Park Meter Improvements. It is acknowledged and agreed that the RV Park System is excluded from the Assets. Prior to the Closing, West Reno shall install, at no cost to TMWA, a master meter and backflow prevention assembly (collectively, “RV Park Meter Improvements”) on the Water Facilities on APN 038-430-52 in such location determined by TMWA. The RV Park Meter Improvements shall be installed in accordance with TMWA facility construction standards. On or before

the Closing, West Reno shall convey the RV Park System to the owner of APN 038-430-52 (currently SJP).

5.8.5 Private Fire Service Laterals. It is acknowledged and agreed that all Private Fire Service Facilities are excluded from the Assets. Prior to the Closing, West Reno shall, at no cost to TMWA, make such modifications, if any, necessary to convert all Private Fire Service Facilities into Private Fire Protection Service facilities as defined in and in conformance with TMWA's Rules. On or before the Closing, West Reno shall convey all Private Fire Service Facilities to the owner of the service property on which they are located.

5.9 Completion and Dedication of Third-Party Improvements. To the extent not previously completed, West Reno shall require i) RLD to complete the RLD Improvements (as defined in the CC&Rs) at RLD's cost prior to the Closing and dedicate the RLD Improvements to TMWA at the Closing; ii) all other third parties with obligations to construct and dedicate Water Facilities or Real Property to West Reno to complete and dedicate, at no cost to TMWA, such Water Facilities and Real Property to TMWA at the Closing; or ii) such third parties to enter an agreement or agreements reasonably acceptable to TMWA to complete and dedicate the third-party improvements at the third-party's cost after the Closing. All water supply, distribution and storage facility assets constructed or to be constructed by third parties which have yet to be dedicated and transferred to West Reno referenced in this Section 5.9 are referred to herein as "Third-Party Improvements." TMWA shall have no obligation or responsibility for any costs of completing or dedicating the Third-Party Improvements referenced in this Section 5.9. The Parties shall work cooperatively to identify and shall mutually agree upon the specific type and location of all Third-Party Improvements prior to the expiration of the Due Diligence Period.

5.10 Tank Site and Well Sites. West Reno shall convey and/or use its best efforts to obtain and secure all appropriate deeds and other approvals required from all necessary third parties (including, without limitation, SJP, BT South LLC, Santerra LLC and Cabelas Retail Inc.) to separately parcel and convey the Tank Site and Well Sites to TMWA in fee and access easements to the Tank Site to TMWA at the Closing. TMWA and West Reno acknowledge that a Parcel Map(s) or maps, merger and resubdivision map or boundary line adjustments that create the Tank Site and Well Sites as legal parcels (individually or collectively, the "BLA or Parcel Map(s)") must be created and approved by appropriate governmental entities and any third party owners prior to and as a condition of Closing. TMWA shall prepare the BLA or Parcel Map(s) and such surveys and governmental applications necessary to create a separate parcel or parcels for the Tank Site and Well Sites. As soon as practicable after the Effective Date, TMWA shall submit the BLA or Parcel Map(s) to the owner of the affected property for review and approval. TMWA shall thereafter immediately seek and secure all required Final Governmental Approvals prior to the Closing to subdivide and create a separate parcel comprised of the Tank Site and Well Sites and to permit the recordations of the BLA or Parcel Map(s) and conveyance of the Tank Site and Well Sites to TMWA. West Reno shall cooperate with TMWA as necessary with respect to the preparation of the BLA or Parcel Map(s) and securing Final Governmental Approvals thereof. All costs for preparing, submitting and securing Final Governmental Approvals of the BLA or Parcel Map(s) shall be split equally between TMWA and West Reno. As used in this Agreement, the term "Final Government Approvals" shall mean the final act by any governmental agency or entity with jurisdiction over such matters, not subject to appeal, granting approval of the BLA or Parcel Map(s) as applicable, under applicable Laws for TMWA's intended use. If the net acreage, size, location or configuration of the Tank Site or Well Sites changes in any material respect from the final BLA or Parcel Map(s), as approved by TMWA, or mapping conditions impose material costs, delays or otherwise materially and negatively impact the property, TMWA's obligation to consummate the Close of Escrow shall be conditioned upon TMWA's approval of such changes, which approval shall not be unreasonably withheld. Notwithstanding any provision herein to the contrary, TMWA may elect, in its sole discretion,

to proceed with Closing prior to the Final Governmental Approvals of the BLA or Parcel Map(s), in which event i) the obligations of West Reno under this Section 5.10 shall survive the Closing and West Reno; ii) a portion of the Purchase Price equal to Two Hundred Thousand Dollars (\$200,000.00) shall be heldback in escrow until the Final Governmental Approvals are secured and the Tank Site and Well Sites are conveyed to TMWA; and iii) West Reno shall grant or secure from third parties easements or license agreements in form and substance agreeable to TMWA permitting TMWA to operate the Water Facilities located on the Tank Site and Well Sites.

5.11 Easements and Rights of Way

5.11.1 Water Facilities Easements. The Parties agree that TMWA will require water facility and access easements for all Water Facilities as a condition of Closing. At the Closing, West Reno shall convey and/or shall secure from all necessary third parties appropriate easements for access and operation of the Water Facilities, including without limitation, easements for access and utilities for the Water Facilities and an access easement from BT South and Santerra LLC to the Tank Site, which easements shall be substantially in the form attached hereto as Exhibit 5.11 and as otherwise reasonably agreed by TMWA (“Water Facilities Easements”), and which easements shall be sufficient to provide rights of access and operation for all Water Facilities being conveyed to TMWA as well as any Third-Party Improvements. TMWA shall identify the specific location of all Water Facilities Easements prior to the expiration of the Due Diligence Period which shall be set forth in Schedule 5.11, and West Reno shall cooperate with TMWA as necessary to identify the location of all Water Facilities. TMWA and West Reno shall split equally the costs of all surveying, mapping and document preparation for the Water Facilities Easements.

5.11.2 Acquisition of Additional Easements. West Reno shall use its best efforts to obtain, at its sole cost and expense, such access, construction and operation easements or rights of way as reasonably necessary in TMWA’s reasonable discretion: i) to operate the Water Facilities, including tank drain line easements and pump to waste easements for the Wells; ii) to connect the Water Facilities to TMWA’s existing facilities on U.S. 40; iii) for access to the Washoe Canal and other TMWA property located north of the WR Service Area; (iv) to monitor the six monitoring wells referenced in the above-described Groundwater Monitoring Plan; and (v) if TMWA determines during the Due Diligence Period that any of the Water Facilities to be transferred hereunder are located on property other than the Real Property owned by West Reno, or in which West Reno has a valid easement or right of way, or in which a Water Facilities Easement is being secured, West Reno shall use its best efforts to obtain, at no cost to TMWA, such easements or rights of way on terms acceptable to TMWA from the owners of the property on which the Water Facilities are located for conveyance to TMWA at Closing. All easements referenced in this Section 5.11.2 shall be referred to as “Additional Easements” and TMWA shall identify the specific location of all Additional Easements prior to the expiration of the Due Diligence Period. TMWA and West Reno shall split equally the costs of all surveying, mapping and document preparation for the Additional Easements.

5.11.3 NDOT Consents. West Reno shall obtain, at its sole cost and expense, all approvals and consents required from the Nevada Department of Transportation to permit the assignment of permits or rights of way issued by NDOT in connection with the Water Business (collectively, “NDOT Consents”).

5.12 Third Party Water Resources. West Reno shall secure all appropriate deeds and other approvals required from all necessary third parties to convey title to all Water Resources to TMWA at the Closing.

5.13 Lender Consents. All Real Property, including all Water Resources, required to be conveyed to TMWA, whether by West Reno or other third parties, shall be conveyed free and clear of any monetary liens or encumbrances or West Reno shall secure, at its sole cost and expense, agreements in such form reasonably agreeable to TMWA releasing (in the case of fee title or Water Resource transfers) or subordinating (in the case of easements) any such liens and encumbrances to the rights being granted to TMWA (collectively, the “Lender Consents”).

5.14 CC&RS. To the extent required by the CC&Rs, West Reno shall secure and deliver to Escrow Holder at Closing the written consent of all Owners (as defined in the CC&Rs) to the purchase and sale transaction and TMWA’s acquisition and assumption of Water Business contemplated in this Agreement (“Owner Consent”). West Reno shall also secure and deliver to Escrow Holder at Closing an amendment of the CC&Rs terminating all water covenants or other terms and conditions related to or affecting the Assets and Water Business duly executed by all Owners (as defined in the CC&Rs). It is expressly agreed TMWA shall have no obligation or liability with respect to, nor shall any of the Assets be encumbered by, any provisions contained in the CC&Rs, it being agreed that TMWA shall provide water service subject only to TMWA’s rules and regulations and applicable provisions of law.

5.15 Annexation Agreements. West Reno shall secure and deliver to Escrow Holder at the Closing annexation agreements substantially in the form attached hereto as Exhibit 5.15 and as otherwise reasonably agreed by TMWA (“Annexation Agreements”) duly executed with notary acknowledgement by all Annexation Parties with respect to the parcels described in Schedule 1.3 attached hereto. Except as otherwise provided in Section 5.8.1, the Annexation Agreements shall include, without limitation, provisions for the payment of Water System Facility Charges and System Improvement Funding to TMWA, terminating any rights the Annexation Parties may have under agreements with West Reno or its predecessor with respect to water service, and providing that all future water service shall be governed by TMWA rules of service. waiving payment of connection fees. All other properties located within the WR Service Area that are not annexed into TMWA’s retail service area pursuant to Section 5.1 or this Section 5.15 shall be eligible for and required to annex into TMWA’s retail service area in accordance with TMWA’s rules of service prior to receiving water service.

5.16 SJP Agreement. West Reno shall cooperate with TMWA in securing an agreement between SJP and TMWA (“SJP Agreement”) in such form to be agreed upon by TMWA in its sole discretion prior to the expiration of the Due Diligence Period, pursuant to which: i) SJP shall convey to TMWA at the Closing all right, title and interest SJP may have in any Water Resources and/or Assets, including without limitation any Well Sites; ii) SJP agrees all water service to property owned by SJP shall be governed solely by TMWA Rules, unless otherwise agreed in writing by TMWA; iii) SJP agrees to amend the CC&R’s as set forth in Section 5.14; iv) SJP agrees to enter the Annexation Agreements; v) TMWA agrees to enter a separate banking agreement with SJP, in such form to be agreed upon by TMWA, in its sole discretion prior to the expiration of the Due Diligence Period, (“SJP Banking Agreement”) for that portion of the SJP Water Resources (“Banked Resources”) which exceeds the amount necessary to support all current demands of West Reno Service Properties and will serve commitments for service from the Water Business, the amount of which shall be mutually agreed by the Parties prior to the expiration of the Due Diligence Period, and which SJP Banking Agreement shall provide that Banked Resources shall be held by TMWA for the benefit of SJP or its assignees for future water service and may be dedicated to TMWA pursuant to TMWA Rule 7 to obtain a will-serve commitment for new or expanded water service in the WR Service Area; and vi) such other terms and conditions reasonably necessary in TMWA’s discretion to effectuate the transaction contemplated by this Agreement.

5.17 RLD Agreement. West Reno shall cooperate with TMWA in securing an agreement between TMWA, RLD and BT South, LLC (“RLD Agreement”), in such form to be agreed upon by

TMWA in its sole discretion prior to the expiration of the Due Diligence Period, pursuant to which: i) RLD and BT South, LLC shall be obligated to convey to TMWA at the Closing all right, title and interest each may have in any Water Resources and/or Assets; ii) RLD and BT South LLC agree all water service to property owned by either of them shall be governed solely by TMWA Rules, unless otherwise agreed in writing by TMWA; iii) RLD and BT South LLC, if applicable, agree to amend the CC&R's as set forth in Section 5.14; iv) BT South LLC agrees to enter the Annexation Agreements; v) RLD and/or BT South agree to complete the RLD Improvements, including construction of the water tank on the Tank Site; vi) RLD and/or BT South shall be required to pay TMWA at least \$2,540,000 in connection fees with respect to certain specified development within the WR Service Area; and v) such other terms and conditions reasonably necessary in TMWA's discretion to effectuate the transaction contemplated by this Agreement.

5.18 BCH Agreement. West Reno shall cooperate with TMWA in securing an agreement between TMWA and BCH Gaming Reno, LLC ("BCH Agreement"), in such form to be agreed upon by TMWA in its sole discretion prior to the expiration of the Due Diligence Period, pursuant to which: i) BCH shall be obligated to convey to TMWA at the Closing all right, title and interest it may have in that certain Non-Exclusive Easement issued by the State of Nevada, Division of State Lands recorded August 20, 2004 as Document No. 3086231 and the thirty inch (30") pipe casing installed under the Truckee River pursuant to such easement.; and ii) such other terms and conditions reasonably necessary in TMWA's discretion to effectuate the transaction contemplated by this Agreement.

6. REPRESENTATIONS AND WARRANTIES OF WEST RENO.

As a material inducement for TMWA to enter into this Agreement, West Reno represents and warrants to TMWA, as of the Effective Date and through the Closing Date, knowing and intending that TMWA is relying hereon in entering into the transactions contemplated hereby, that:

6.1 Good Standing. West Reno is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Maryland and is duly qualified to do business in the State of Nevada. West Reno has all organizational power necessary to carry on the Water Business as now being conducted and has taken all necessary corporate and other action to authorize and approve the execution, delivery, and performance of this Agreement and the transactions contemplated hereby.

6.2 No Violations; Proper Authority; No Required Consents. The execution, delivery and performance by West Reno of this Agreement is not inconsistent with and will not violate or contravene any Law applicable to West Reno; is not inconsistent with and will not violate or contravene West Reno's Articles of Incorporation or By-laws; does not and will not contravene any provision of, or constitute a default under any contract to which West Reno is a party or by which it or any of the Assets are bound; and will not result in the imposition of a lien upon the Assets pursuant to the terms of any agreement or instrument to which West Reno is a party or by which it is bound. West Reno has taken or will obtain prior to Closing all necessary approvals required of its Board and members under all applicable Laws to consummate the transactions contemplated hereunder. Except with respect to (i) the Nevada PUC and (ii) any public health or similar regulatory bodies of the state or county, there are no consents necessary from any person, association, entity, or governmental authority necessary to render the transactions contemplated hereby lawful, effective in accordance with the terms of this Agreement, and in compliance with any requirements by which West Reno or the Assets are bound. West Reno has the power, authority, and legal right to execute, deliver, and perform this Agreement. When executed and delivered, this Agreement and all other documents and instruments hereunder shall constitute legal, valid, and binding obligations of West Reno enforceable against West Reno in accordance with their respective terms.

6.3 Freedom from Restrictions. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms hereof by West Reno do not violate or conflict with, and will not result in a breach or default, or in any occurrence that, with a lapse of time or action by a third party or both, could result in a breach or default with respect to any contract to which West Reno is a party.

6.4 Real Property. West Reno holds good and marketable title to the Real Property (other than the Tank Site and Water Resources) free and clear of all liens, mortgages, pledges, security interests, rights of third parties, encumbrances or other charges of any kind, except as expressly disclosed in this Agreement or in writing to TMWA and as approved in writing by TMWA. West Reno has a valid and enforceable right to assign and transfer the Real Property (other than the Tank Site) to TMWA without obtaining the consent or approval of any third party, including any governmental authority. The Real Property represents all interests in real property necessary to operate the Water Business as it is currently being operated other than the Tank Site. West Reno has not disposed of, nor taken any steps to dispose of, the Real Property and is not under any commitment to dispose of it in whole or in part.

6.5 Ownership of Assets; Good Title. At the Closing, West Reno shall convey to TMWA good and marketable title to all of the Assets, subject to no liens, mortgages, pledges, security interests, rights of third parties, encumbrances or other charges of any kind, except as expressly disclosed in this Agreement or in writing to TMWA and as approved in writing by TMWA.

6.6 Condition and Location of Assets. No person other than West Reno owns any of the Assets or any other assets necessary to the operation of the Water Business other than the Tank Site and RLD Improvements, which to the best of West Reno's knowledge are owned by RLD and/or BT South, LLC. All Real Property and Water Facilities, equipment and other tangible personal property owned, leased or used by Seller to be acquired hereunder are suitable for the purpose or purposes for which they are being used (including full compliance with all applicable Laws and TMWA rules and regulations for the construction of water facilities relating to such use) and are in good condition and repair.

6.7 Water Resources. The Water Resources represent all material interests in water owned by West Reno with respect to the Water Business, including water rights leased, licensed, or otherwise available to West Reno with respect to the Water Business.

6.8 West Reno's Resource Commitments Liabilities Schedule. The Resource Commitments and Schedule 1.46 fairly and accurately reflect, in reasonable detail, all Will Serve Commitments, agreements, or obligations of West Reno to provide, sell, transfer, convey or make available water rights, water resources, or water resource allocation held with TMWA, to any person arising out of, occurring, or incurred as a direct or indirect result of West Reno's ownership or operation of the Water Business or Assets. There are no Will Serve Commitments, obligations, or other agreements by West Reno with respect to the commitment, transfer or sale of water resources except as disclosed on Schedule 1.46.

6.9 Assumed Liabilities. There are no accounts payable due or payable by West Reno or other Liabilities with respect to the Water Business or any of the Assets except for amounts owed to TMWA to be assumed by TMWA, and recurring expenses due in the ordinary course of Water Business and not yet delinquent. Except as otherwise assumed by TMWA under this Agreement, there are no Liabilities against, relating to, or affecting the Water Business or any of the Assets arising out of, occurring, or incurred as a direct or indirect result of West Reno's ownership or operation of the Water Business or Assets regardless of when such Liabilities arise, occur, or are incurred.

6.10 Other Company Documents. All of the schedules attached to this Agreement and/or delivered to TMWA pursuant to this Agreement are true, complete and correct in all respects and accurately reflect the information set forth therein, as of the Closing Date.

6.11 Material Contracts. West Reno is not a party to, or bound by, any contract, understanding, commitment or agreement related to the Assets or which would be applicable to or binding upon TMWA in connection with TMWA's operation of the Water Business after the Closing Date.

6.12 Employees. West Reno has no employees, and is neither a party to nor bound by any oral or written employee collective bargaining agreement, employment agreement, consulting agreement, independent contractor agreement, deferred compensation agreement, covenant not to compete, or similar agreement or employees, pension, profit sharing, stock option, bonus, incentive, stock purchase, welfare, life insurance, or any other employee benefit agreement or plan or any compensation agreements or employee benefit plans within the meaning of Section 3(3) of the Employment Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder ("ERISA").

6.13 Taxes. West Reno has filed all federal, state, county and local tax returns or extensions for such returns which are required to be filed up to and including the Closing Date (including, without limitation, all sales tax and employee payroll tax returns, statements and remittances) and has paid all taxes which have become due pursuant to such returns, extensions or otherwise, or pursuant to any assessment which has become payable, and none of the Assets is subject to any tax liens or the demands of any governmental taxing agency or authority. All such returns filed or to be filed by West Reno with respect to any period ending on or before the Closing Date are or will be true and correct, and all returns hereafter required to be filed will be timely filed or appropriately extended. All tax, license, franchise and other similar payments including, without limitation, for withholding taxes, unemployment insurance, property tax and other amounts required to be paid to any governmental authority in respect of West Reno's employment or other Water Business obligations have been made when due.

6.14 Compliance With Laws; Suits and Proceedings. West Reno is not now (nor has it been within the past twelve (12) months) in violation of any Laws related to the Assets or the ownership or operation of the Water Business. There are no actions, suits, proceedings, investigations or claims pending or, to the knowledge of West Reno, threatened against West Reno with respect to the Assets and/or the Water Business, at law or in equity, before or by any federal, state, municipal or any other governmental court, department, commission, agency or instrumentality, domestic or foreign; nor to the knowledge of West Reno is there any basis for any such claim, suit, proceeding or investigation.

6.15 Environmental Matters. West Reno has not conducted or engaged in any Hazardous Materials Activity on or about the Real Property, West Reno has not received any written or verbal notice from any governmental agency or entity that West Reno, the Water Business, the Real Property or any of the Assets are in violation of any Environmental Laws, and, there are no Hazardous Materials on or about the Real Property.

6.16 Absence of Undisclosed Liabilities. Except for the Liabilities expressly disclosed by West Reno in any Exhibit or Schedule attached to this Agreement, West Reno has no unknown or undisclosed Liabilities that do or could affect or have a detrimental impact on the Assets or TMWA's conduct and operation of the Water Business after the Closing Date or which would or could create any financial obligation or liability of TMWA at any time.

6.17 Completeness of Disclosure. No representation or warranty by West Reno in this Agreement nor any information or documents furnished or to be furnished by West Reno to TMWA is

false or misleading, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated herein or therein or necessary to make any statement herein or therein not misleading. There is no fact not disclosed to TMWA (nor any fact known to West Reno) on the date hereof which adversely affects or in the future is likely to adversely affect the Assets, the Real Property or the Water Business in any material respect.

6.18 Intellectual Property. To the knowledge of West Reno, the conduct of the Water Business does not infringe, misappropriate, or otherwise violate the Intellectual Property of any third party, and no claim has been asserted that the conduct of the Water Business as currently conducted infringes, misappropriates or otherwise violates the Intellectual Property of any third party.

7. REPRESENTATION AND WARRANTIES OF TMWA.

As a material inducement for West Reno to enter into this Agreement, TMWA hereby represents and warrants to West Reno, as of the date hereof and again as of the Closing Date, knowing and intending that West Reno is relying hereon in entering into the transactions contemplated hereby, that:

7.1 Good Standing. TMWA is a joint powers authority and political subdivision of the State of Nevada, duly organized, validly existing, and in good standing under the Laws of the State of Nevada. TMWA has all organizational power necessary, and has taken all necessary action, to authorize and approve the execution, delivery, and performance of this Agreement and the transactions contemplated hereby.

7.2 No Violations; Proper Authority; No Required Consents. The execution, delivery and performance by TMWA of this Agreement is not inconsistent with and will not violate or contravene any Law applicable to TMWA; is not inconsistent with and will not violate or contravene TMWA's Cooperative Agreement; does not and will not contravene any provision of, or constitute a default under any contract to which TMWA is a party or by which it is bound. Except with respect to (i) the Nevada PUC, and (ii) any public health or similar regulatory bodies of the state or county, there are no consents necessary from any person, association, entity, or governmental authority necessary to render the transaction contemplated hereby lawful, effective in accordance with the terms of this Agreement, and in compliance with any requirements by which TMWA is bound. TMWA has the organizational power, authority, and legal right to execute, deliver, and perform this Agreement. When executed and delivered, this Agreement and all other documents and instruments hereunder to which TMWA is a party shall constitute legal, valid, and binding obligations on TMWA enforceable against TMWA in accordance with their respective terms.

8. CONDITIONS PRECEDENT. The following shall be conditions precedent to the Closing for the benefit of TMWA, all of which must be satisfied, or waived in writing by TMWA, as the case may be, prior to Closing:

8.1 No Breach or Default. As of the Closing Date and at all times prior thereto, there shall be no material breach or default by West Reno of any of its covenants, obligations or responsibilities under this Agreement.

8.2 Status of Representations and Warranties. As of the Closing Date, all of West Reno's representations and warranties set forth in this Agreement shall be true and correct.

8.3 PUC Approval. To the extent required by applicable law, the Nevada PUC has approved the consummation of the purchase on the terms set forth in this Agreement or such other terms acceptable to TMWA in its sole and absolute discretion.

8.4 County Health Approval. The Washoe County Health District has approved the consummation of the purchase on the terms set forth in this Agreement or such other terms acceptable to TMWA in its sole and absolute discretion or West Reno's legal counsel has issued an opinion that no approval of the Washoe County Health District is required.

8.5 Title Policy. Title Company is prepared to issue an ALTA standard policy of title insurance to TMWA for the Tank Site and Well Sites.

8.6 BLA or Parcel Map(s). The City of Reno has approved the BLA or Parcel Map(s) with conditions reasonably agreeable to West Reno and TMWA and all appeal periods have expired.

8.7 Third-Party Approvals. West Reno shall have secured from all necessary third parties the Owner Consents, Annexation Agreements, Water Facilities Easements, Additional Easements, Lender Consents, NDOT and UPRR Consents, and System Improvement Funding to the extent necessary, fully executed by all necessary third parties (collectively, the "Third-Party Approvals").

8.8 Rates. West Reno shall have adopted TMWA Rate tariffs pursuant to Section 5.7.2.

8.9 RLD Agreement. TMWA shall have approved the terms and conditions of the RLD Agreement and all ancillary agreements related thereto, and RLD shall have delivered a duly executed copy of the RLD Agreement and any other funds and deliverables required thereunder to Escrow Holder.

8.10 SJP Agreement. TMWA shall have approved the terms and conditions of the SJP Agreement and all ancillary agreements related thereto, and SJP shall have delivered a duly executed copy of the SJP Agreement and any other funds and deliverables required thereunder to Escrow Holder.

8.11 BCH Agreement. BCH Gaming Reno, LLC and TMWA shall have entered into the BCH Agreement and all terms and conditions necessary to consummate such agreement have been satisfied or waived and such agreement is in a position to close on the Closing Date.

8.12 West Reno Connection Fees. West Reno has timely collected and deposited into Escrow all West Reno Connection Fees due from and after the Effective Date.

8.13 West Reno Deliverables. West Reno shall have executed, acknowledged and delivered to Escrow Holder the deliverables set forth in Section 9.1 below.

9. CLOSING.

9.1 West Reno's Deliveries. At the Closing, West Reno shall deliver all of the following to Escrow Holder:

(a) A Grant, Bargain and Sale Deed and Bill of Sale, fully executed with notary acknowledgement, in the form of Exhibit 1.12 attached hereto.

(b) One or more Grant, Bargain and Sale Deeds, fully executed by the appropriate grantor with notary acknowledgment, conveying fee title to the Tank Site and all Well Sites.

(c) One or more easement deeds, fully executed by the appropriate grantor with notary acknowledgement, conveying the Water Facilities Easements.

(d) Two (2) original counterparts of an Assignment of Assumed Contracts, fully executed by West Reno, in the form of Exhibit 9.1(d) attached hereto (the “Contracts Assignment”).

(e) The Third-Party Approvals, fully executed by all necessary third parties with notary acknowledgement, where applicable.

(f) The Additional Easements, if any, fully executed by the grantor(s) with notary acknowledgment.

(g) The SJP Banking Agreement, duly executed by West Reno with notary acknowledgment.

(h) The Customer Information.

(i) Bill(s) of Sale conveying the Third-Party Improvement to TMWA or such other agreements acceptable to TMWA with respect to the construction and dedication of the Third-Party Improvements, fully executed by the grantor(s) thereto.

(j) All West Reno Connection Fees collected after the Effective Date.

(k) Such other funds, documents, and instruments required under this Agreement or reasonably requested by TMWA to consummate the purchase and sale of the Assets contemplated under this Agreement.

9.2 TMWA’s Deliveries. At the Closing, TMWA shall deliver all of the following to Escrow Holder:

(a) The Purchase Price.

(b) Two (2) original counterparts of the Contracts Assignment, fully executed by TMWA.

(c) The Water Facilities Easements, duly executed by TMWA with notary acknowledgment.

(d) The Annexation Agreements and SJP Banking Agreement, duly executed by TMWA with notary acknowledgment.

(e) Such other funds, documents, and instruments required under this Agreement or reasonably requested by West Reno to consummate the purchase and sale of the Assets contemplated under this Agreement.

9.3 Prorations and Costs. The following amounts shall be prorated among TMWA and West Reno as of the Closing Date, based upon the actual number of days in the month and/or year in which the Closing Date occurs: (i) any personal property tax payable with respect to any of the Assets taxed by any governmental authority as personal property or on any other ad valorem basis; and (ii) any real property

tax or transfer tax payable with respect to the Real Property. All Escrow Holder fees and costs shall be divided equally between West Reno and TMWA. West Reno shall be responsible for the costs of any standard ALTA title policy of insurance for the Real Property. TMWA and West Reno shall share equally all recording fees, escrow fees, closing costs and expenses.

9.4 Closing Duties of Escrow Holder. Upon receipt of all of the documents, instruments and funds required to be delivered to Escrow Holder pursuant to this Agreement, Escrow Holder shall proceed as soon thereafter as reasonably possible to consummate the purchase and sale transaction contemplated under this Agreement by recording the Deeds, Water Facilities Easements, Additional Easements, Annexation Agreements and Lender Consents in the Official Records, Washoe County, and delivering the following amounts, documents and instruments to the following parties:

(a) Deliver one (1) fully executed original of the Contracts Assignment to West Reno and TMWA; and

(b) Deliver the fully executed original of the Deed and Bill of Sale, Third-Party Approvals, Additional Easements and SJP Banking Agreement to TMWA' and

(c) Deliver the Purchase Price less any adjustments for closing costs to West Reno.

9.5 Surrender of Possession. On the Closing Date, West Reno shall (i) surrender possession of the Water Facilities and Real Property and deliver in place the Assets to TMWA, and (ii) deliver to TMWA all keys to all locks to the Water Facilities.

9.6 Tax Clearance Letters. On the Closing Date, West Reno shall provide to TMWA a tax clearance letter ("Tax Clearance Letter") from the Nevada Department of Taxation with respect to any sales, use, business or other state tax or fee administered by the Nevada Department of Taxation and payable by West Reno, and a tax clearance letter from the Nevada Department of Employment with respect to any employment contributions and forfeits unpaid pursuant to NRS 612.695 or any other unemployment tax payable by West Reno, arising out of, occurring, or incurred as a direct or indirect result of West Reno's ownership or operation of the Water Business or Assets.

10. Post-Closing Obligations.

10.1 Discharge of Obligations. From and after the Closing Date, West Reno shall pay and discharge on a timely basis all Liabilities including, without limitation, the Retained Liabilities, arising out of, occurring, or incurred as a direct or indirect result of West Reno's ownership or operation of the Water Business, Assets, or Real Property, regardless of when such Liabilities arise, occur, or are incurred.

10.2 Further Assurances. Each party to this Agreement agrees that it shall, at any time and from time to time after the Closing Date, upon the request of any other party, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably requested by the other party to effectuate the intent and purpose of this Agreement and the purchase and sale of the Assets, or which, in TMWA's opinion, may be reasonably necessary or advisable to confirm TMWA's title to or interest in or to enable it to deal with and dispose of, any of the Assets.

10.3 Payments Received. From and after the Closing Date, West Reno shall hold and promptly transfer and deliver to TMWA, from time to time as and when received by them, any cash, checks with appropriate endorsements, or other property that they may receive on or after the Closing

Date in connection with the Water Business which properly belongs to TMWA pursuant to this Agreement.

10.4 Access to Water Business Records. From and after the Closing Date, TMWA shall have the right to retain copies of any documents delivered by West Reno, whether or not the same are included in the Assets. For a period one (1) year from the Closing Date, (i) TMWA shall have the right to inspect, review and copy all other documents that it did not receive or retain a copy of prior to the Closing Date

10.5 Indemnification.

(a) Except to the extent caused by TMWA, or any of its officers, directors, employees, agents, or contractors (collectively, the “TMWA Parties”), West Reno shall indemnify, defend and hold the TMWA Parties harmless from and against any and all loss, cost, damage, liability, claim, action, cause of action, or expense (including, without limitation, reasonable attorneys fees and costs) incurred by any of the TMWA Parties arising out of or in connection with (i) the breach or default by West Reno of its obligations under this Agreement or any other agreement entered into by TMWA and West Reno pursuant to this Agreement; (ii) any misrepresentation or breach of warranty in connection with any representations or warranties of West Reno set forth in this Agreement; (iii) the ownership and/or operation of the Water Business and/or the Assets by West Reno and the assertion by any person or entity of any claim or liability against TMWA in respect of West Reno ownership or operation of the Water Business, the Assets, and/or the Real Property, regardless of when such claim or liability arises, occurs, or is incurred (whether or not West Reno had any knowledge or basis for knowledge of such Liability) and unless otherwise excluded by this Agreement; and/or (iv) the Retained Liabilities.

(b) Subject to and without waiving the liability limitations set forth in NRS Chapter 41, and except to the extent caused by West Reno, or any of West Reno’s officers, directors, members, employees, agents, or contractors, TMWA shall indemnify, defend and hold West Reno harmless from and against any and all loss, cost, damage, liability, claim, action, cause of action, or expense (including, without limitation, reasonable attorneys fees and costs) incurred by West Reno and arising out of or in connection with (i) the breach or default by TMWA of any of its obligations under this Agreement or any other agreement entered into by TMWA and West Reno pursuant to this Agreement; (ii) any misrepresentation or breach of warranty in connection with any representations or warranties of TMWA set forth in this Agreement or any other agreement entered into by TMWA and West Reno pursuant to this Agreement; and (iii) the ownership of the Assets after the Closing Date (except to the extent such claim or liability arises out of, occurs, or is incurred as a direct or indirect result of West Reno’s ownership or operation of the Water Business, Assets, or Real Property, regardless of when such claim or liability arises, occurs, or is incurred).

10.6 Survival of Representations, Warranties, and Indemnities. The representations and warranties of the parties set forth in this Agreement shall survive the Closing Date for a period of three (3) years. The indemnities of the parties set forth in this Agreement shall survive the Closing Date for a period of three (3) years.

10.7 Limitation of Indemnities. In no case shall any party be responsible or liable to the other party under any indemnity set forth in this Agreement for consequential or punitive damages, including, without limitation, lost Water Business profits, and each party’s right to recover from the other thereunder shall be limited to such recovering party’s direct, reasonably foreseeable damages.

11. Notices.

All notices or demands required or desired to be given under this Agreement shall be in writing and shall be validly given or made only if (i) personally delivered, (ii) mailed by United States mail, certified or registered, postage prepaid, return receipt requested, (iii) delivered by reputable overnight delivery service, such as FedEx, or (iv) sent by facsimile if the sender's facsimile machine prints confirmation records showing the date sent, the recipient's facsimile number, and the completed status of the transmission, and shall be addressed as follows:

To WEST RENO: West Reno Water Company
 P.O. Box 1070
 Verdi, Nevada 89439
 Attn: Rob Medeiros

With a copy to: Allison MacKenzie, Ltd.
 P.O. Box 646
 Carson City, Nevada 89702
 Attn: James R. Cavilia, Esq.

To TMWA: Truckee Meadows Water Authority
 1355 Capital Blvd.
 Reno, Nevada 89502
 Attn: Mark Foree

With a copy to: McDonald Carano Wilson LLP
 P.O. Box 2670
 Reno, Nevada 89505
 Attn: Michael A.T. Pagni, Esq.

Delivery of any such notice or demand shall be conclusively deemed made upon receipt if personally delivered or delivered by overnight delivery service, upon the date of delivery or attempted delivery shown on the return reply card if delivered by United States Mail, or upon the date of transmission shown on the sender's fax confirmation page.

12. Miscellaneous Provisions.

12.1 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, oral or written, express or implied, and all undertakings, negotiations or discussions of the parties, whether oral or written, all of which are integrated herein to the extent agreed upon by the parties. This Agreement may not be amended, changed, waived, terminated or modified unless the same shall be in writing and signed by or on behalf of the party to be charged. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the party against whom it is sought to be enforced.

12.2 Attorneys Fees; Governing Law and Venue. In the event of any action for breach of, to enforce the provisions of, or otherwise involving this Agreement, the court in such action shall award a reasonable sum as attorneys' fees to the party who, in the light of the issues litigated and the court's decision on those issues was more successful in the action. This Agreement shall be governed by the Laws of the State of Nevada.

12.3 Construction; Headings. In the event of any dispute regarding any provision of this Agreement, the terms of this Agreement shall be construed neutrally and shall not be construed against or

in favor of either party, notwithstanding the fact that one party may have been responsible for drafting the initial form of this Agreement. The parties acknowledge that they have each participated equally in the negotiation and drafting of this Agreement prior to execution and each have been represented by legal counsel of their choice in connection therewith. The headings of the sections and paragraphs of this Agreement are for convenience only and in no way define, limit or affect the scope of substance of any section or paragraph of this Agreement.

12.4 Severability. If any provisions or part of a provision in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, the same shall not affect any other provision or part of a provision, but, to the fullest extent possible without defeating the parties' intentions hereunder, this Agreement shall be reformed and construed as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein.

12.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12.6 Relationship of Parties. Nothing contained in this Agreement is intended to nor shall be deemed to create any partnership, joint venture, agency, fiduciary duty or other relationship between West Reno and TMWA other than with respect to their contractual obligations contained herein.

12.7 Third-Party Beneficiaries. There are no express or implied third-party beneficiaries to this Agreement, or any obligation, claim, or right arising under this Agreement, and no other person or entity who is not a signatory to this Agreement shall have any obligation, claim, right, or remedy hereunder.

12.8 Days. If the date for performance of any provision of the Agreement is a Saturday, Sunday, or legal holiday (in the State of Nevada), the date for performance shall be extended until the next day that is not a Saturday, Sunday or banking holiday. The phrase "Business days" in this Agreement means consecutive days excluding Saturday, Sunday and any such legal holiday.

12.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.10 Recitals, Exhibits and Schedules. The recitals at the beginning of this Agreement and the following Exhibits and Schedules attached to this Agreement are incorporated herein by this reference and made a part hereof as if set forth in full herein.

////

////

IN WITNESS WHEREOF, WEST RENO and TMWA have executed this Agreement effective the latest date written below.

“TMWA”

TRUCKEE MEADOWS WATER AUTHORITY

By: _____

Its: _____

Dated: _____

“WEST RENO”

WEST RENO WATER COMPANY, INC., a Maryland corporation

By: _____

Its: _____

Dated: _____

Exhibits and Schedules

Exhibit A: WR Service Area

Schedule 1.3: Annexation Parties and Properties

Exhibit 1.13: Form of Deed

Schedule 1.46: Water Resources

Schedule 1.48: West Reno Customers and West Reno Service Properties

Exhibit 5.11: Form of Water Facilities Easements

Schedule 5.11: Location of Water Facilities Easements

Exhibit 5.15: Form of Annexation Agreement

Exhibit 9.1(d): Assignment of Assumed Contracts

Exhibit “A”
WR Service Area

Schedule 1.3
Annexation Parties

OWNER	PARCEL
SJP Reno Property LLC	APN 038-870-19, 038-870-20, 038-870-25, 038-430-53 and 038-430-54
Bates Stringer-Reno LLC	All lands identified in Subdivision Tract Map 5205 and 5227, commonly referred to as Meridian 120 North Village

Exhibit 1.13

APN:

Recording Requested By:

McDonald Carano Wilson
PO Box 2670
Reno, NV 89501

The undersigned hereby affirms that this document submitted for recording does not contain the personal information of any person or persons per N.R.S. 239B.030.
_____ Signature of Declarant or Agent

**GRANT, BARGAIN AND SALE DEED
AND BILL OF SALE**

THIS GRANT, BARGAIN AND SALE DEED AND BILL OF SALE is made effective the 25th day of _____, 2018 ("Effective Date") by and between WEST RENO WATER COMPANY, INC., a Maryland corporation ("Grantor") and TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority ("Grantee").

WITNESSETH:

For and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid by the Grantee, the receipt and sufficiency of which is hereby acknowledged, and pursuant to that certain Agreement for Water System Acquisition ("Agreement"), dated _____, Grantor does hereby grant, bargain, sell, and convey unto Grantee, its successors and assigns forever:

1. All of Grantor's beneficial right, title and interest in and to all that certain water and water rights held by Washoe County on behalf of and for the benefit of Grantor, **consisting of** _____ **acre feet, more or less**, more particularly described as:

a) All of the water and water rights described in Water Right Permit No. _____, issued by the Nevada State Engineer, being _____ acre feet annually.

2. All of Grantor's right, title and interest which Grantor may have in and to: (a) the easements and/or rights of way identified and more particularly described on Exhibit A attached hereto and by this reference made a part hereof (collectively, the "Water System Easements"), and (b) the personal property, facilities and fixtures owned by Grantor which are located within or are used in connection with the Water System Easements and Water Business, together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or otherwise appertaining.

2. All of Grantor's right, title and interest which Grantor may have to install, relocate, remove, repair, maintain, operate and replace any of the personal property, facilities and fixtures related to and used by Grantor in the operation of a potable water sale, delivery and storage system in Washoe County, Nevada, defined as the "Water Business" in the Agreement.

3. All rights of access to the Water System Easements held by Grantor related to, but not specifically contained in, the Water System Easements.

4. All prescriptive rights of Grantor in and to any easement and the personal property, facilities and fixtures located therein, whether or not identified on Exhibit A hereto, which easement as of the Effective Date was used and occupied by Grantor in connection with the Water Business; it being the intent of the parties that the conveyances contained herein include the after acquired title of Grantor, and that Grantee shall be entitled to tack onto the period of ownership or occupation by Grantor for purposes of establishing prescriptive rights.

5. All of Grantor's right, title, and interest which Grantor may have in and to all of the Assets, as defined the Agreement, to have and to hold the same unto Grantee, its successors and assigns, forever, and Grantee hereby accepts the sale, transfer, conveyance, and delivery of the Assets, subject to the terms and provisions of the Asset Agreement. The Assets are being transferred to Grantee free and clear of all liens, pledges, security interests, encumbrances, rights, and claims, except those which arise out of liabilities expressly assumed by Grantee under the Agreement. Grantor hereby constitutes and appoints Grantee the true and lawful attorney of Grantor, with full power of substitution, in the name of Grantor or Grantee, but on behalf of and for the benefit of Grantee: (i) to demand and receive from time to time any and all of the Assets and to make endorsements and give receipts and releases for and in respect of the same and any part thereof; (ii) to institute, prosecute, compromise and settle any and all actions or proceedings that Grantee may deem proper in order to collect, assert or enforce any claim, right or title of any kind in or to the Assets; (iii) to defend or compromise any or all actions or proceedings in respect of any of the Assets; and (iv) to do all such acts and things in relation to the matters set forth in the preceding clauses (i) through (iii) as Grantee shall deem desirable. Grantor hereby acknowledges that the appointment hereby made and the powers hereby granted are coupled with an interest and are not and shall not be revocable by it in any manner or for any reason.

TO HAVE AND TO HOLD unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, Grantor has executed this deed the day and year first written above.

"GRANTOR" WEST RENO WATER COMPANY, INC., a Maryland corporation	Agreed and accepted by: TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority
By: _____	By: _____
Its: _____	Its: _____

STATE OF NEVADA)

: ss.

COUNTY OF WASHOE)

On the ____, day of ____, 2017, before me, a notary public in and for said State, personally appeared ____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as ____ of the above named entity.

WITNESS my hand and official seal.

NOTARY PUBLIC

STATE OF NEVADA)

: ss.

COUNTY OF WASHOE)

On the ____, day of ____, 2017, before me, a notary public in and for said State, personally appeared ____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as ____ of the above named entity.

WITNESS my hand and official seal.

NOTARY PUBLIC

Schedule 1.46
Water Resources
(to be agreed upon during Due Diligence)

Owner	Permit/Certificate No.	Acre Feet	Dedicated/Committed

Schedule 1.48
West Reno Customers and West Reno Service Properties

Customer	Property Owner	Service Property
Reno KOA at Boomtown Journey	SJP Reno Property LLC	038-430-52
[Chevron Verdi]	SJP Reno Property LLC	038-430-51
[warehouse]	SJP Reno Property LLC	038-870-13
[Boomtown Casino Hotel]	SJP Reno Property LLC	038-430-02, 03, 04 and 24
[DP Clark Garson Road LLC]	DP Clark Garson Road LLC	038-870-27
[Cabelas]	Cabelas Retail Inc	038-881-08
[Cabelas]	Cabelas Wholesale Inc.	038-870-12

Exhibit 5.11
Form of Water Facilities Easement

A.P.N.:

After Recordation Return To:

Truckee Meadows Water Authority
P.O. Box 30013
Reno, Nevada 89520-3013
Attn: Heather Edmunson, SR/WA, Land Agent

The undersigned hereby affirms that this document submitted for recording does not contain the personal information of any person or persons per N.R.S. 239B.030.

**GRANT OF EASEMENT FOR
WATER FACILITIES**

THIS INDENTURE, made and entered into this ____ day of _____, 201____, by and between <**GRANTOR**>, (hereinafter referred to as "Grantor"), and **TRUCKEE MEADOWS WATER AUTHORITY**, a Joint Powers Authority entity created pursuant to a cooperative agreement among the cities of Reno, Nevada, Sparks, Nevada and Washoe County, Nevada, pursuant to N.R.S. Chapter 277 (hereinafter referred to as "Grantee").

RECITALS

- A. Grantor owns the real property located in the County of Washoe, State of Nevada, more particularly described as APN: _____ (the "Grantor Property");
- B. Grantee operates a municipal water system in Washoe County;
- C. Grantor desires to grant an easement to Grantee over a portion of the Grantor Property, for the purposes of and on the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

GRANT OF EASEMENT

1. Grant of Easement. Grantor hereby grants to Grantee, its successors, assigns, agents, and licensees a permanent and non-exclusive easement and right of way to construct, alter, maintain, inspect, repair, reconstruct, and operate water system facilities, together with the appropriate mains, markers, conduits, pipes, generators, pump stations, valve boxes, meters, fixtures, and any other facilities or appurtenances deemed necessary or convenient by Grantee to

provide water service (hereinafter called "Water Facilities"), over, across, upon, under, and through that portion of the Grantor Property more fully described on **Exhibit "A"** and shown on **Exhibit "A-1"** attached hereto and made a part hereof (the "Easement Area"). Additionally, Grantor grants to Grantee a permanent and non-exclusive easement to (i)conduct routine inspection and maintenance services on all exterior fire hydrants owned by Grantor and located on Grantor Property that are not protected by approved backflow assemblies and (ii) the right to access the Grantor Property to the extent required to conduct such routine inspection and maintenance services. Nothing herein shall obligate Grantee to conduct such inspection and maintenance, such provisions to be set forth, if at all, in a separate agreement between the parties. All of the above-described fire hydrants located on Grantor Property shall remain private property and Grantor shall retain ownership of, and shall be solely responsible for, all other testing, inspections, repairs, replacement, costs, permitting and liability with respect to such fire hydrants. Grantor shall indemnify, defend, and hold Grantee harmless from any liability, action, damages, losses, or expenses arising from or related to the above-described fire hydrants, excluding claims to the extent caused by the negligence of Grantee in performing the routine maintenance and inspection, such claims against Grantee at all times limited by immunity available under NRS Chapter 41.

2. Access. Grantee shall have at all times ingress and egress to the Easement Area, including over the Grantor Property to the extent necessary, for the purposes set forth above.

3. Hold Harmless. Subject to the limitation of NRS Chapter 41 and Paragraph 4 below, Grantee shall be responsible for any loss, damage or injury suffered or sustained by Grantor for any damage to the personal property or improvements located on the Grantor Property, to the extent directly caused by any negligent act or omission of Grantee in constructing, maintaining, and operating the Water Facilities in the Easement Area.

4. No Interference. Grantor shall not, without Grantee's prior written consent (which consent shall not be unreasonably withheld), plant, erect or construct, nor permit to be planted, erected or constructed, within the Easement Area, any shrubs, trees, buildings, fences, structures, or any other improvement or obstruction which in the reasonable judgment of Grantee interferes with Grantee's access to and use of the Easement Area for the intended purposes, nor shall Grantor engage in or permit any activity to occur within the Easement Area which in the reasonable judgment of Grantee is inconsistent with Grantee's use of the Easement Area.

Notwithstanding the foregoing, Grantor may install or construct asphalt paving or standard concrete for purposes of providing parking within the Easement Area with Grantee's consent, which shall not be unreasonably withheld. Except as to landscaping, pavement or concrete otherwise permitted by Grantee pursuant to this Section, Grantee shall have the right, without payment, liability or notice to Grantor, to remove or clear any and all buildings, fences, structures, paving, combustible materials, trees, brush, debris, or any other obstruction from the Easement Area, which in the reasonable judgment of Grantee may interfere with or endanger Grantee's access to or use of the Easement Property or the constructing, altering, maintaining, inspecting, repairing, reconstructing and operating of the Water Facilities.

5. Reimbursement for Grantor Breach. Grantor shall reimburse Grantee for the

reasonable costs incurred by Grantee as a result of Grantor's breach of any covenant of Grantor set forth herein.

6. Relocation of Easement Area and Water Facilities. Grantor may, at any time, request the relocation of the Easement Area and Water Facilities to a new location on the Grantor Property, and Grantee agrees to perform such relocation provided (i) such new location is suitable to Grantee for Grantee's intended purposes; (ii) Grantor convey to Grantee an equivalent easement in the new location; and (iii) Grantor pay for all reasonable out-of-pocket costs and expenses incurred by Grantee arising from or related to the relocation of the Water Facilities, whether on or off the Grantor Property, including design costs and retirement of existing facilities.

7. Grantor Warranties. Grantor warrants and represents to Grantee as follows:

a. Title to Grantor's Property. Grantor owns fee title to Grantor's Property and the Easement Area and there are no prior encumbrances, liens, restrictions, covenants or conditions applicable to the Easement Area which will frustrate or make impossible the purposes of the easements granted herein.

b. Authority. The person(s) signing this Easement on behalf of Grantor is duly authorized to so sign and has the full power and authority to bind Grantor, to sell and convey the Easement Area to Grantee, and to enter into and perform the obligations hereunder.

c. Defects. Grantor has no knowledge of any defects or conditions of the Easement Area or Grantor's Property which would impair Grantee's ability to enjoy the use and purpose of this Easement.

d. Legal Access. Legal and sufficient access to this Grant of Easement exists through either the access easement granted hereunder, another easement transferred to Grantee or from a public road.

e. Contracts or Leases. There are no leases, licenses, permits or other contracts with third parties which affect any portion of the Easement Area.

f. Pending Litigation. Grantor is not aware of any pending or threatened litigation or regulatory actions regarding the Easement Area and the Easement Area is not subject to any foreclosure or deed in lieu of foreclosure.

THIS GRANT OF EASEMENT and the terms contained herein are granted in gross for the benefit of Grantee and shall run with the land and shall be binding upon and shall inure to the benefit of Grantor and Grantee and the successors, agents and assigns of Grantor and Grantee, and all rights herein granted may be assigned.

TO HAVE AND TO HOLD all and singular the said premises, granted together with the appurtenances, unto said Grantee, its successors, agents and assigns forever.

IN WITNESS WHEREOF, Grantor has caused these presents duly to be executed the day and year first above written.

GRANTOR:

By: _____

Name: _____

Title: _____

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me this _____ day of _____, 201____,
by _____ as _____ for _____, on
behalf of said _____ as herein named.

Notary Public

Exhibit A to Water Facilities Easement
Legal Description of Exhibit

Exhibit A-1 to Water Facilities Easement
Exhibit Map of Easement

Exhibit 5.15
Form of Annexation Agreement
[To be Determined During Due Diligence]

Exhibit 9.1(d)
ASSIGNMENT OF ASSUMED CONTRACTS

THIS ASSIGNMENT OF ASSUMED CONTRACTS (this "Assignment") is dated _____, 2018 (the "Closing Date"), by and between **WEST RENO WATER COMPANY, INC.**, a Maryland corporation ("WEST RENO") and **TRUCKEE MEADOWS WATER AUTHORITY**, a joint powers authority created pursuant to NRS Chapter 277 ("TMWA").

Reference is made to that certain Water System Acquisition Agreement, dated _____, by and between West Reno and TMWA (the "Agreement"), the terms of which are incorporated herein by this reference. All capitalized terms used in this Assignment and not otherwise defined herein have the same meaning as set forth in the Agreement. In the event of a conflict between the terms and provisions of this Assignment and the Agreement, the Agreement shall govern and control.

Effective as of the Closing Date, West Reno hereby sells, conveys, transfers, and assigns to TMWA all of West Reno's right, title and interest in and to the contracts to provide water service to West Reno customers existing on the Closing Date, and TMWA hereby accepts the foregoing assignment and agrees from and after the Closing Date to assume the Liabilities of West Reno under the Assumed Contracts to the extent such Liabilities first arise out of the ownership and/or operation of the Water Business and Assets after the Closing Date; provided such Liabilities do not arise out of, do not incur, and are not incurred as a direct or indirect result of West Reno's ownership or operation of the Water Business, Assets, or Real Property. Except as expressly set forth in this Assignment, TMWA assumes absolutely no Liabilities with respect to the Assumed Contracts, including, without limitation, the Retained Liabilities. West Reno shall remain obligated and solely liable for any and all such Liabilities (including the Retained Liabilities), together with any claim of a third party to any Assumed Contract arising out of or in connection with the failure to obtain the consent of such third party to this Assignment, if such consent is required thereunder. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Assignment has been duly executed and delivered by WEST RENO and TMWA as of the Closing Date.

WEST RENO:
WEST RENO WATER COMPANY, INC., a
Maryland corporation

By: _____

Its: _____

TMWA:
TRUCKEE MEADOWS WATER AUTHORITY,
a joint powers authority

By: _____

Its: _____



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Jessica Atkinson, HR Manager & Michele Sullivan, CFO
DATE: December 28, 2017
SUBJECT: Discussion and action, and possible direction to staff regarding proposed adjustments to the compensation plan for Management, Professional, Administrative, and Technical (MPAT) employees based on the results of the 2017 compensation study.

Recommendation

Staff recommends that the Board approve adjustments to the compensation plan for MPAT employees and direct the General Manager to proceed with implementation as described herein.

The Board action would include:

- Acceptance of the final report from Arthur J. Gallagher & Co. (AJG) regarding the MPAT compensation study.
- Approval of the AJG proposed wage bands for MPAT employees with the top end of the bands representing the 60th percentile of the market (bands will continue to be adjusted annually by a structure movement trend factor to remain competitive with the market).
- Authorization for the new compensation plan to become effective January 22, 2018 and to be managed within the current year budget and phased in over three fiscal years (no additional dollars will be allocated for the adjustments to the current FY 2018 budget).

NOTE: This action does not address wages and benefits for bargaining unit employees since wages and benefits for represented employees are subject to collective bargaining. The collective bargaining agreement between TMWA and IBEW is currently being negotiated.

Summary

- TMWA's pay practice is targeted to compensate MPAT employees at or incremented toward the 60th percentile of the relative labor market (Resolution No. 96).
- Approximately every five years, TMWA contracts with a third-party compensation consultant to perform a salary survey to determine whether TMWA's salary structure is aligned with the labor market.
- Results of the 2016/17 salary survey revealed in aggregate, TMWA salary ranges for the MPAT structure lag the competitive market by 6.0%-9.1%.
- Staff recommends a phased in approach over three fiscal years to address the lag while being sensitive to fiscal impacts.

Background

As a general rule, organizations should examine their overall salary structure at least every three to five years to determine whether the structure is still aligned with the organization's needs and the labor market. This time frame allows an organization to ride out any anomalies yet catch issues before they become large enough to affect employee engagement and the ability to attract and retain talent.

In 2005, the TMWA Board formed a Salary Survey Subcommittee for the purpose of developing and sending out requests for proposals for a salary and benefits survey and for selecting a consultant to perform the survey. The subcommittee selected Fox Lawson & Associates (FLA) (now Arthur J. Gallagher & Co. (AJG)) to perform the survey, which was presented and approved by the Board at the January 12, 2006 Board meeting. During this meeting, the Board adopted Resolution No. 96, which in part set wage bands for MPAT employees at the 60th percentile of the market and authorized wage bands to be adjusted annually by a structure movement trend factor to remain competitive with the market.

In 2010, TMWA requested FLA conduct another salary survey to determine how TMWA's compensation plan compared to the relative labor market five years post implementation of Resolution No. 96. FLA's conclusion of the 2010 survey results was, "TMWA has done well in defining its labor market. TMWA has also done well in maintaining competitiveness with its defined labor market for the MPAT jobs..."

In 2016, TMWA again requested AJG perform a comprehensive market analysis to determine the competitiveness of the pay structure and related pay practices. The results of this survey were completed and made available in 2017 and are the basis for this agenda item.

Discussion

Compensation plans should provide an organization the ability to recruit and retain highly talented, professional employees; maintain employee productivity and morale; reduce turnover and associated disruptions in productivity; avoid retraining and employee development costs; and allow for succession planning. These goals are accomplished through a competitive, market based compensation plan. By targeting the 60th percentile of the market, TMWA ensures its pay structure remains in competitive alignment with the labor market and has the flexibility to promote appropriate internal equity. The purpose of the 2016/17 study was to determine the competitiveness of TMWA's pay structure in consideration of these goals.

Objectives of the 2016/17 study were to:

- Conduct a custom salary survey for 45 MPAT benchmark positions
- Analyze all compensation data and provide comparisons to TMWA's formal salary structures
- Recommend possible modifications to the current TMWA salaries and salary ranges using the existing Board approved methodology
- Prepare a summary report of findings, comparisons, and recommendations

Key findings from 2016/17 survey:

- In aggregate, salary ranges for the MPAT structure lag the competitive market by 6.0%-9.1%
- Salary range width, while narrow in the context of typical compensation design, is generally consistent with the defined labor market.

As a result of the 2016/17 survey findings, AJG provided an updated salary structure recommendation using the same methodology that was used to create the original structure. The proposed structure is included as attachment 3 and was aged to an effective date of July 1st, 2017 on TMWA's estimated 2017 Labor Market Index (LMI). As a result, the structure will not require additional updating until July 1st, 2018.

The fiscal impact of immediately implementing the recommended salary structure would be approximately \$454,874 which represents a 5.41% increase to annual salaries. Staff does not recommend an immediate and full implementation due to the significant fiscal impact. Instead, staff recommends a phased in approach that would provide for the implementation of the recommended salary structure while at the same time managing the fiscal impact.

Every TMWA MPAT position is assigned a wage band and each wage band has been separated into steps. At TMWA, the top step of the wage band represents the 60th percentile of the defined labor market. Placement into a step and movement within the wage band is based on an employee's performance and competency level in the role. TMWA's merit step structure has been designed to progress developing employees to a fully experienced level and to pay at or increment (via merit steps) to the top step with effective performers paid commensurate with the 60th percentile of the defined labor market after they have attained five or more years' experience in their profession and or position.

Staff recognizes the need to address the findings of the salary study to maintain a meaningful degree of competitiveness with the relevant external labor market. In addition, we must be sensitive to the fiscal impacts of addressing this problem. With that in mind, staff recommends the following phased in approach:

- Approve the AJG proposed wage bands for MPAT employees.
- Effective 1/22/2018, slot MPAT employees into the new wage bands at the step closest to their current step without reducing pay. This results in 55 of the 85 MPAT employees moving back a step and 82% would be paid at less than the 60th percentile.
 - The fiscal impact of this change would be \$199,002, which represents a 2.43% increase to annual salaries.
- Effective FY2019 and upon budget approval, MPAT employees would be eligible to receive an increase equal to the Labor Market Index (LMI), which is anticipated to be between 2.2% & 2.5%.
 - Merit step increases would be frozen for FY2019.
- Effective FY2020 and upon budget approval, MPAT employees would again be eligible for merit step increases.

Attachments

1. AJG Presentation - Job Evaluation & Compensation Study Process
2. TMWA – 2016/17 Compensation Study MPAT
3. TMWA Proposed Salary Structure



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

TMWA Job Evaluation & Compensation Study Process

SANDY SPELLMAN/BRUCE LAWSON
JANUARY 2018

Agenda

- Job Evaluation
- Decision Band Method®
- Market Pricing & Salary Structure

Job Evaluation

What is it?

- A methodology used to determine the relative value of jobs within an organization
- A tool for blending internal equity with market parity
- The foundation of a salary structure

Decision Band Method® (DBM)

Three-step process ensures fair and equitable salaries

- The value of a job should reflect the importance of the job to the organization
- The importance of a job is directly related to the decision-making requirements of the job
- Decision-making is common to all jobs
- Decision-making is measurable

Decision Band Method® (DBM)

Step 1 - BAND	Step 2 - GRADE	Step 3 - SUBGRADE
F - Policy	11 - Coordinating	2(5)
		1(4)
	10 - Non-coordinating	3
		2
		1
E - Programming	9 - Coordinating	2(5)
		1(4)
	8 - Non-coordinating	3
		2
		1
D - Interpretive	7 - Coordinating	2(5)
		1(4)
	6 - Non-coordinating	3
		2
		1
C - Process	5 - Coordinating	2(5)
		1(4)
	4 - Non-coordinating	3
		2
		1
B - Operational	3 - Coordinating	2(5)
		1(4)
	2 - Non-coordinating	3
		2
		1
A - Defined	1 - Non-coordinating	3
		2
		1
	0 - Non-coordinating	3
		2
		1

TMWA's History with Decision Band Method® (DBM)

- Based on RFP Process, TMWA Board selected FLA as Comp Consultant
- 2005 compensation and benefits survey completed
- 2006 recommendation & adoption of wage bands & band ranges
- Annual calculation of labor market index (LMI)
- 2009 FLA acquired by Arthur J. Gallagher & Co.
- 2010 compensation survey completed
- 2016/17 compensation and benefits survey completed

Market Pricing

General Purpose

Market pricing allows an organization to understand how it's salary practices compare to a defined labor market:

- The competitiveness of salaries can be determined by comparing to similar organizations
- Data can be collected from a variety of sources (some directly, some indirectly)
- Establishes a baseline for comparison

Limitations Exist

As with any process, there are limitations and precautions that must be taken:

- Understand that no job match is perfect
- Similarly, no two organizations are identical
- Results need to be interpreted carefully

Data Sources

Conducting Custom Salary Surveys

1. Comparator organizations

- What organizations does TMWA compete with
- Geographic relevance

2. Benchmark positions

- 30% or more of unique job classifications (when using a job evaluation method)
- Representative of all major functions and levels
- “Matchability”
- Clear and concise benchmark summaries (2-3 core responsibilities & minimum qualifications)

Legal/Technical Consideration

Data Aging

Because most salary data (particular those from published salary surveys) have different effective dates, it is necessary to age all data to a single effective date. To determine the percentage a survey needs to be aged, the effective date of the survey is obtained, subtracted from the effective date chosen, then multiplied by the forecasted salary increase for the current year(s). Forecasted increase percentages are easily obtained from nationally published salary budget surveys.

- ✓ Data aging should not be used on surveys that are more than two years old

Sample Size

Although professional compensation practices advise organizations to have a minimum of five data points on a benchmark position before preparing summary statistics, we have generally found sample sizes of ten (10) or more to be most valid and reliable.

- ✓ Larger sample sizes increase the overall validity of the measurement
- ✓ Skewing effects from outliers are significantly reduced

Legal/Technical Consideration

Geographic Cost of Labor Adjustments

Geographic differentials are applied to salary data in order to equate it to the local labor market. The Economic Research Institute's Geographic Assessor Report is an excellent tool for collecting geographic differential figures for each labor market locations. When using ERI differentials, Reno is considered the base location, and all other areas are compared to the base. For example, if it is found that the National data has a geographic differential of 98.53 compared to Reno, this means that the National data is 1.43% below the geographic market for Reno. Thus, the National data should be increased by 1.43% before conducting an analysis.

Note: Cost of labor differentials are applied to compensation data as a matter of professional practice, as this ensures the data are reflective of any systemic differences in the cost of labor for a specific geographic area. In contrast, cost of living differentials, which reflect the overall differences in the cost of living for a geographic area, are generally not included in compensation analyses. The reason being that employers do not have any control over the standard of living in an area, or the opposable cost of goods and/or services



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

TMWA – 2016/17 Compensation Study MPAT

PUBLISHED MARCH 2017

Contents

- Background and Methodology (Page 3-7)
- Compensation Comparisons (Page 8-10)
- Salary Structure Analysis (Page 11-14)
- Benefits Summary (Page 15-18)
- Appendix (Page 19)
 - Data Collection Form
 - Market Pricing Worksheets

BACKGROUND AND METHODOLOGY

Compensation Study Background

Purpose of the 2016 Compensation Study

TMWA contracted with AJG in 2016 to perform a comprehensive market analysis to determine the competitiveness of the Authority's pay structure and related pay practices. The specific objectives of the study were to:

- ✓ Conduct a custom salary survey for 45 MPAT benchmark positions
- ✓ Analyze all compensation data and provide comparisons to TMWA's formal salary structures
- ✓ Recommend possible modifications to current the TMWA salaries and salary ranges using the existing DBM methodology
- ✓ Prepare the following summary report of our findings, comparisons, and recommendations

AJG and TMWA collectively designed and distributed a custom Data Collection Form (DCF) to a variety of comparable comparator organizations for the purpose of collecting total compensation data. Brief descriptions were prepared for each benchmark job and incorporated into the survey questionnaire to assist participants in matching their jobs to TMWA's benchmark jobs. The data collected from this process was provided to TMWA for review and comment. Based on TMWA's comments, adjustments were made and the data collection was finalized.

AJG has prepared market analysis summaries to represent the market 60th percentile of the defined labor markets for all benchmark positions. In addition, we have prepared an updated salary structure recommendation for TMWA's consideration. Detailed market pricing worksheets for all benchmark positions have been provided as an appendix to this report.

Methodology

Market Pricing

Market pricing is a method of collecting relevant market salary data on a specific position (i.e. benchmark) in order to determine the competitiveness of an organization's compensation system. AJG follows the guidelines established by *WorldatWork* (the professional compensation association) for job matching, which states that a job should be matched if 70% of the job duties/responsibilities are similar. This means that the job matches utilized for this study were made on the basis of job content - not job title.

Geographic Adjustments

Because geographic markets have different labor and economic conditions that affect labor rates, we have applied geographic cost of labor differentials to all market salary data. This process normalizes the data to the Reno geographic labor market. Geographic differential figures are obtained by referencing the *Economic Research Institute's Geographic Differential Labor Report*. This is a standard reference used by compensation professionals.

Compensation Study Background

Selected Comparator Organizations

AJG collected compensation data from the following organizations for a total of 45 benchmark positions:

1. Alameda County Water District
2. City of Anaheim
3. City of Chandler
4. City of Henderson*
5. City of Mesa
6. City of Reno
7. City of Sacramento Main
8. City of Scottsdale
9. City of Sparks*
10. Contra Costa Water District
11. Helix Water District – San Diego*
12. Las Vegas Valley Water Dist.
13. Marin Municipal Water District
14. NV Energy
15. Regional Transportation Commission (RTC)* ^
16. Sweetwater Authority
17. Washoe County
18. Eastbay Mud

*The noted organizations had salary structure increases that occurred after the data collection phase of this study. As a result, all salary data collected from these organizations has been increased to reflect the most current effective date (3% for Henderson, 2% for all others)

^Data for the General Manager was matched to the Regional Transportation Commission of Washoe County; RTC data for all other positions were matched to the Regional Transportation Commission of Southern Nevada) – Note added Jan 4, 2018

Analysis

In all comparisons, the percentage difference has been calculated between TMWA's salary figure and the market salary figure, in terms of TMWA's salary. For example, a positive percentage figure indicates that TMWA pays *above* the market, and a negative figure indicates that TMWA pays *below* the market. This percentage difference is shown for each benchmark job and as an overall figure at the bottom of the chart.

Interpretation of Data

The following guidelines are used when determining the competitive nature of current pay practices for individual positions:

+/-5% (Highly Competitive)

+/-10% (Competitive)

+/-10-15% (Possible misalignment with market)

>15% (Significant misalignment with market)

General Notes Regarding Compensation Comparisons

The reason some positions are below the market may be due to hire date, seniority, or performance of both TMWA employees and the employees in jobs represented in the market. These positions should be closely examined for internal equity of the position, along with the knowledge, skills, abilities, and experience required of the job. Along with these factors, issues such as, performance and longevity impact the salaries of employees and may account for some of the large differences.

COMPENSATION COMPARISONS

Benchmark Detail – Custom Labor Market

Bench No	Benchmark Title	RANGE MINIMUMS			RANGE MIDPOINTS			RANGE MAXIMUMS		
		TMWA Minimum	Market 50th Minimum	% Diff	TMWA Midpoint	Market 50th Midpoint	% Diff	TMWA Maximum	Market 50th Maximum	% Diff
17	Backflow Administrator	\$79,084	\$61,994	27.6%	\$80,732	\$69,463	16.2%	\$82,379	\$77,890	5.8%
18	Chemist	\$70,656	\$69,824	1.2%	\$79,487	\$78,991	0.6%	\$88,319	\$87,897	0.5%
19	Communications Specialist	\$70,656	\$61,897	14.2%	\$79,487	\$74,389	6.9%	\$88,319	\$87,838	0.5%
20	Control Systems Engineering Supervisor	\$99,947	\$113,540	-12.0%	\$114,939	\$125,579	-8.5%	\$129,931	\$138,002	-5.8%
21	Controller	\$105,668	\$111,476	-5.2%	\$121,518	\$126,957	-4.3%	\$137,368	\$140,347	-2.1%
22	Customer Services Supervisor	\$75,407	\$74,187	1.6%	\$84,832	\$88,400	-4.0%	\$94,258	\$101,617	-7.2%
23	Director of Customer Relations**	\$122,820	n/a	-	\$141,242	n/a	-	\$159,665	n/a	-
24	Director of Engineering	\$122,820	\$136,603	-10.1%	\$141,242	\$159,117	-11.2%	\$159,665	\$180,681	-11.6%
25	Director of Natural Resources	\$122,820	\$140,417	-12.5%	\$141,242	\$165,784	-14.8%	\$159,665	\$183,267	-12.9%
26	Distribution Maintenance & Generation Manager	\$105,668	\$128,320	-17.7%	\$121,518	\$144,953	-16.2%	\$137,368	\$162,031	-15.2%
27	Distribution Administrative Services Coordinator	\$53,897	\$56,707	-5.0%	\$59,960	\$65,189	-8.0%	\$66,023	\$70,027	-5.7%
28	Distribution Supervisor	\$79,762	\$82,570	-3.4%	\$90,729	\$96,065	-5.6%	\$101,696	\$109,236	-6.9%
29	Engineer	\$70,656	\$80,667	-12.4%	\$79,487	\$93,247	-14.8%	\$88,319	\$107,943	-18.2%
30	Executive Assistant	\$70,656	\$67,211	5.1%	\$79,487	\$78,800	0.9%	\$88,319	\$91,671	-3.7%
31	Facilities Coordinator*	\$65,904	\$63,866	3.2%	\$74,141	\$72,058	2.9%	\$82,379	\$87,430	-5.8%
32	GIS Analyst	\$70,656	\$72,479	-2.5%	\$79,487	\$81,916	-3.0%	\$88,319	\$94,092	-6.1%
33	Human Resources Manager	\$86,757	\$107,201	-19.1%	\$98,685	\$122,248	-19.3%	\$110,614	\$136,571	-19.0%
34	Information Technology Manager	-	\$99,947	-	-	\$114,939	-	-	\$129,931	-
35	IS Technician	\$53,897	\$54,370	-0.9%	\$59,960	\$66,020	-9.2%	\$66,023	\$75,739	-12.8%
36	Land Agent	\$70,656	\$67,626	4.5%	\$79,487	\$77,588	2.4%	\$88,319	\$90,853	-2.8%
37	Lands, Mapping & Records Manager	\$86,757	n/a	-	\$98,685	n/a	-	\$110,614	n/a	-
38	Maintenance Supervisor	\$86,757	\$87,283	-0.6%	\$98,685	\$99,001	-0.3%	\$110,614	\$114,710	-3.6%
39	Microbiologist	\$70,656	\$68,719	2.8%	\$79,487	\$78,104	1.8%	\$88,319	\$87,897	0.5%
40	MIS Analyst	\$70,656	\$77,013	-8.3%	\$79,487	\$88,975	-10.7%	\$88,319	\$102,748	-14.0%
41	New Business Project Coordinator	\$61,177	\$56,351	8.6%	\$68,059	\$62,725	8.5%	\$74,942	\$70,190	6.8%
42	Operations & Water Quality Manager	\$105,668	\$123,663	-14.6%	\$121,518	\$139,093	-12.6%	\$137,368	\$152,503	-9.9%
43	Payroll Specialist	\$53,897	\$49,648	8.6%	\$59,960	\$57,391	4.5%	\$66,023	\$65,135	1.4%
44	Principal Engineer	\$86,757	\$100,108	-13.3%	\$98,685	\$116,073	-15.0%	\$110,614	\$133,055	-16.9%

Benchmark Detail – Custom Labor Market

Bench No	Benchmark Title	RANGE MINIMUMS			RANGE MIDPOINTS			RANGE MAXIMUMS		
		TMWVA Minimum	Market 50th Minimum	% Diff	TMWVA Midpoint	Market 50th Midpoint	% Diff	TMWVA Maximum	Market 50th Maximum	% Diff
45	Principal Network Architect	\$86,757	\$88,364	-1.8%	\$98,685	\$100,133	-1.4%	\$110,614	\$113,657	-2.7%
46	Principal SCADA Architect	\$86,757	\$100,485	-13.7%	\$98,685	\$111,632	-11.6%	\$110,614	\$125,937	-12.2%
47	Principal Technology Architect	\$86,757	\$90,213	-3.8%	\$98,685	\$105,458	-6.4%	\$110,614	\$123,933	-10.7%
48	Purchasing & Contracts Administrator	\$65,904	\$64,115	2.8%	\$74,141	\$77,182	-3.9%	\$82,379	\$86,126	-4.4%
49	Records Program Administrator	\$65,904	\$62,667	5.2%	\$74,141	\$77,919	-4.8%	\$82,379	\$89,717	-8.2%
50	Resource Economist**	\$70,656	n/a	-	\$79,487	n/a	-	\$88,319	n/a	-
51	Senior Hydrogeologist	\$75,407	\$88,759	-15.0%	\$84,832	\$96,585	-12.2%	\$94,258	\$100,520	-6.2%
52	Senior Hydrologist*	\$75,407	\$88,759	-15.0%	\$84,832	\$98,957	-14.3%	\$94,258	\$108,663	-13.3%
53	Senior Water Conservation Coordinator	\$48,821	\$58,768	-16.9%	\$53,704	\$72,908	-26.3%	\$58,586	\$71,212	-17.7%
54	Senior Water Quality Specialist	\$53,897	\$51,943	3.8%	\$59,960	\$62,208	-3.6%	\$66,023	\$68,945	-4.2%
55	Sr. Programmer/DBA	\$86,757	\$83,700	3.7%	\$98,685	\$97,876	0.8%	\$110,614	\$111,460	-0.8%
56	System Control Analyst	\$70,656	\$76,556	-7.7%	\$79,487	\$86,056	-7.6%	\$88,319	\$99,881	-11.6%
57	Transportation & Materials Management Coordinator	\$53,897	\$59,293	-9.1%	\$59,960	\$64,701	-7.3%	\$66,023	\$72,124	-8.5%
58	Water Operations Supervisor	\$79,762	\$91,034	-12.4%	\$90,729	\$104,726	-13.4%	\$101,696	\$119,799	-15.1%
59	Water Quality and Environmental Permitting Supervision	\$79,762	\$83,560	-4.5%	\$90,729	\$101,023	-10.2%	\$101,696	\$116,725	-12.9%
60	Chief Financial Officer	\$122,820	\$134,588	-8.7%	\$141,243	\$161,950	-12.8%	\$159,665	\$186,783	-14.5%
61	General Manager	\$146,830	\$196,610	-25.3%	\$168,855	\$217,366	-22.3%	\$190,879	\$224,923	-15.1%
*3-4 matches - informational purposes only		OVERALL DIFFERENCE								
**<3 matches - no data provided										

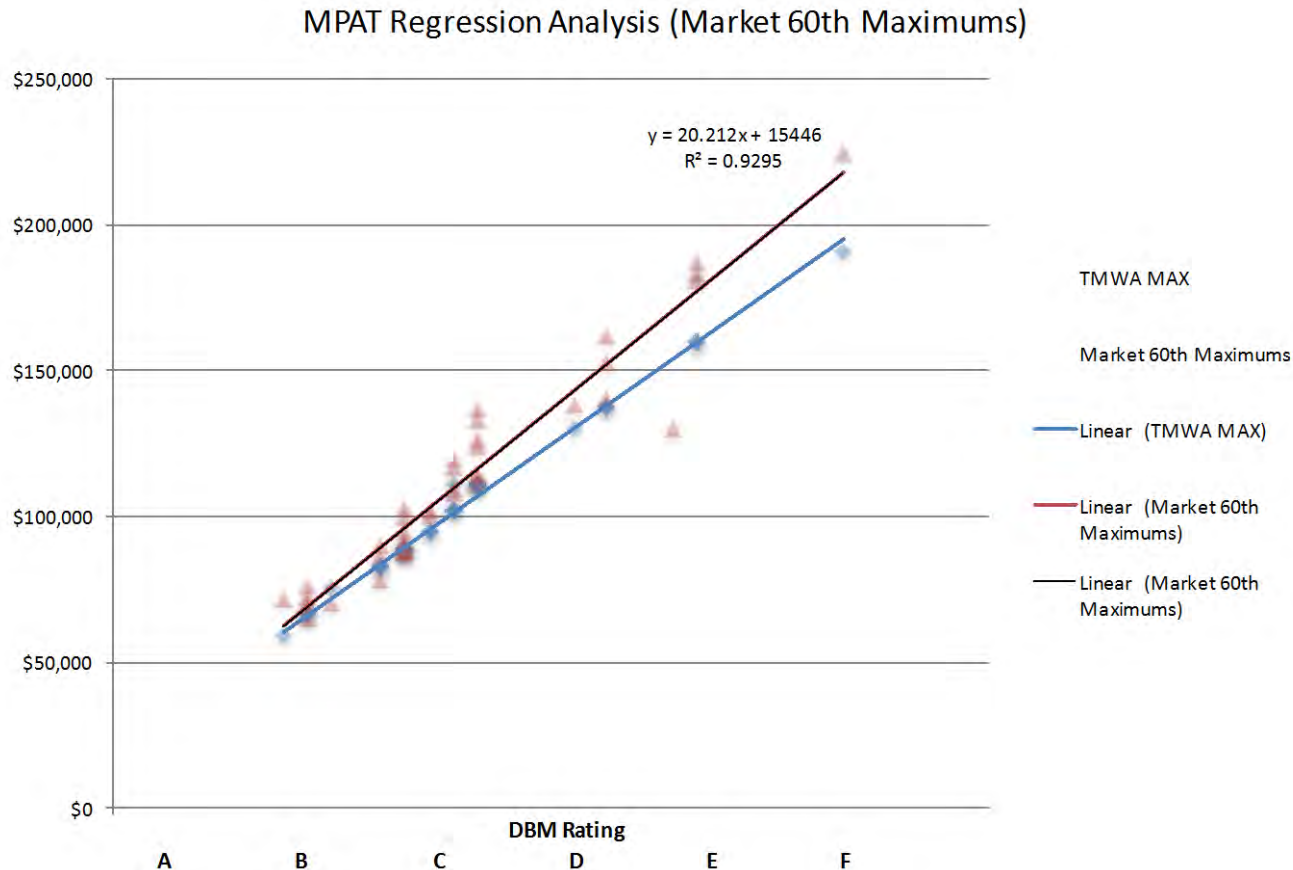
Key Findings

- ✓ In aggregate, salary ranges for the MPAT structure lag the competitive market by 6.0%-9.1%
- ✓ Salary range width, while narrow in the context of typical compensation design, is generally consistent with the defined labor market

SALARY STRUCTURE ANALYSIS

Salary Structure Analysis

The following graphical representation utilizes a statistical procedure known as regression analysis to illustrate the relationship between the market salary data and TMWA. Internal equity is established using the Decision Band™ Method (DBM) of job evaluation. In the summary, **BLUE** represents the TMWA while **RED** represents the market 60th percentile. The results of this analysis are then used to provide the salary structure recommendations on the following pages.



Salary Structure Analysis

Developing Salary Ranges

The next step is to take the data from the benchmark comparisons and regression analyses to develop a new salary structure for TMWA. In general, there are two components to developing a competitive salary structure. These components are internal equity and market parity:

- **Internal equity** is the relative importance, or value, a job has to the organization. This was determined through the Job Evaluation phase using the Decision Band™ Method. Internal equity establishes a job worth hierarchy that recognizes the value one job has to the organization verses another job. Thus, the higher value a job has to the organization the more it should be compensated. The criteria used to develop the job worth hierarchy were the job evaluation results using the Decision Band™ Method. This job worth hierarchy was used in conjunction with the market data that was collected to develop a new salary structure
- **Market parity** is an organization's existing level of compensation when compared to the market's level of compensation. Market parity is based upon the collection of market data; the collection of data establishes the going rate for a particular job. If an organization's existing pay levels are comparable to the market's existing pay levels, the organization has achieved market parity. Conversely, if an organization's existing pay levels are not comparable to existing market pay levels, the organization has not achieved market parity.

The following page provides an updated salary structure recommendation using the same methodology that was used to create the original structure. The proposed salary structure has been further aged to an effective date of July 1st, 2017 based on TMWA's estimated 2017 Labor Market Index (LMI). As a result, the structure will not require additional updating until July 1st, 2018.

Salary Structure Analysis

Proposed Salary Ranges

60th Percentile Structure (Aged to July 1, 2017)			
DBM	Minimum	Maximum*	Spread
A11	\$24,890	\$29,246	17.50%
A12	\$30,682	\$36,050	17.50%
A13	\$36,472	\$42,855	17.50%
B21	\$41,400	\$49,680	20.00%
B22	\$47,070	\$56,485	20.00%
B23	\$52,741	\$63,289	20.00%
B24/B31	\$57,236	\$70,114	22.50%
B25/B32	\$62,791	\$76,919	22.50%
C41	\$72,439	\$90,549	25.00%
C42	\$77,883	\$97,353	25.00%
C43	\$83,326	\$104,158	25.00%
C44/C51	\$87,046	\$110,983	27.50%
C45/C52	\$92,383	\$117,788	27.50%
D61	\$101,090	\$131,417	30.00%
D62	\$106,325	\$138,222	30.00%
D63	\$111,559	\$145,027	30.00%
D64/D71	\$118,114	\$153,548	30.00%
D65/D72	\$125,973	\$163,765	30.00%
E81	\$132,528	\$172,286	30.00%
E82	\$137,762	\$179,091	30.00%
E83	\$142,996	\$185,895	30.00%
F101	\$169,199	\$219,959	30.00%

**Maximum represents the 60th percentile of the defined labor market*

Market Premiums

In some cases, the market data for a given benchmark position may exceed the proposed DBM salary range. In these cases, TMWA may consider applying a standard 'Market Premium' practice in which the salary range for that position(s) is manually adjusted to ensure it is within a pre-defined competitive standard of the market. Based on our understanding of TMWA's compensation philosophy and relative benefit value, we recommended a minimum standard of 10% be used when establishing market premiums. If applied, these premiums should be considered as temporary as the available market data change may change in future studies.

BENEFITS SUMMARY

Benefits

Paid Time Off

The following tables provides a summary of market time-off practices for both TMWA and the defined labor market. Many organizations utilize a Paid Time Off (PTO) program that combines vacation and sick leaves into a single balance. This is a common model in the private sector and is slowly being adopted by Public organizations. In most cases, the total number of days offered in a PTO plan is less than organizations that maintain separate vacation and sick leave banks. Following are our observations of TMWA's PTO benefits:

Time Off	<2 Yrs	2-5 Yrs	5-10 Yrs	10-15 Yrs	15-20 Yrs	20-25 Yrs	25+ Yrs
TMWA	17.2	18.9	21.8	24.7	27.6	30.5	31.1
Market	22.1	24.4	27.2	30.2	33.4	34.2	35.8
Overall Comparison (Better, Worse, or Same)	Worse	Worse	Worse	Worse	Worse	Worse	Worse

Benefits

Health Benefits Cost Sharing

The following tables provide a summary of market average cost sharing for standard employee health benefits in public sector organizations vs. TMWA. Following are our observations of TMWA's health benefits:

1. EMPLOYEE ONLY COVERAGE

Health	Employee Cost Share %	Employer Cost Share %	Employee Cost (Monthly)	Employer Cost (Monthly)
Public Sector Market	4.9%	95.1%	\$35.00	\$681.00
TMWA	0.0%	100.0%	\$0.00	\$712.00
Overall Comparison (Better, Worse, or Same)	Better	n/a	Better	n/a

2. FAMILY COVERAGE

Health	Employee Cost Share %	Employer Cost Share %	Employee Cost (Monthly)	Employer Cost (Monthly)
Public Sector Market	23.5%	76.5%	\$354.81	\$1,153.95
TMWA	24.3%	75.7%	\$378.00	\$1,174.00
Overall Comparison (Better, Worse, or Same)	Same	n/a	Same	n/a

Benefits

Retirement Contributions

The following tables provide a summary of market average cost sharing for employee retirement benefits in public sector organizations vs. TMWA. TMWA currently leads the defined labor market by approximately 5.9-6.6% of base salary cost when you account for the relative cost-sharing between employer and employee. Following are our observations of TMWA's retirement benefits:

1. EMPLOYEE ONLY COVERAGE

Health	Employer Rate (Paid by Org)	Employer Rate (Paid by EE)	Employee Rate (Paid by Org)	Employee Rate (Paid by EE)	Total Employee Rate
Public Sector Market	17.94%	0.7%	1.325%	5.975%	6.675%
TMWA	28.0%	0.0%	0.0%	0.0%	0.0%
Overall Comparison (Better, Worse, or Same)	Better	Same	Better	Better	Better

Wage Band Rates (Hourly) as of January 22, 2018							Wage Band Rates (Salary) as of January 22, 2018						
DBM Rating	1	2	3	4	5	6	DBM Rating	1	2	3	4	5	6
A11	\$11.9663	\$12.3852	\$12.8040	\$13.2229	\$13.6417	\$14.0606	A11	\$24,890	\$25,761	\$26,632	\$27,504	\$28,375	\$29,246
A12	\$14.7510	\$15.2671	\$15.7833	\$16.2994	\$16.8156	\$17.3317	A12	\$30,682	\$31,756	\$32,829	\$33,903	\$34,976	\$36,050
A13	\$17.5346	\$18.1484	\$18.7621	\$19.3759	\$19.9896	\$20.6034	A13	\$36,472	\$37,749	\$39,025	\$40,302	\$41,578	\$42,855
B21	\$19.9038	\$20.7000	\$21.4962	\$22.2923	\$23.0885	\$23.8846	B21	\$41,400	\$43,056	\$44,712	\$46,368	\$48,024	\$49,680
B22	\$22.6298	\$23.5351	\$24.4404	\$25.3457	\$26.2510	\$27.1563	B22	\$47,070	\$48,953	\$50,836	\$52,719	\$54,602	\$56,485
B23	\$25.3563	\$26.3705	\$27.3847	\$28.3989	\$29.4132	\$30.4274	B23	\$52,741	\$54,851	\$56,960	\$59,070	\$61,179	\$63,289
B24	\$27.5173	\$28.7556	\$29.9938	\$31.2321	\$32.4704	\$33.7087	B24	\$57,236	\$59,812	\$62,387	\$64,963	\$67,538	\$70,114
B25	\$30.1880	\$31.5464	\$32.9049	\$34.2634	\$35.6218	\$36.9803	B25	\$62,791	\$65,617	\$68,442	\$71,268	\$74,093	\$76,919
B31	\$27.5173	\$28.7556	\$29.9938	\$31.2321	\$32.4704	\$33.7087	B31	\$57,236	\$59,812	\$62,387	\$64,963	\$67,538	\$70,114
B32	\$30.1880	\$31.5464	\$32.9049	\$34.2634	\$35.6218	\$36.9803	B32	\$62,791	\$65,617	\$68,442	\$71,268	\$74,093	\$76,919
C41	\$34.8264	\$36.5678	\$38.3091	\$40.0505	\$41.7918	\$43.5332	C41	\$72,439	\$76,061	\$79,683	\$83,305	\$86,927	\$90,549
C42	\$37.4438	\$39.3159	\$41.1880	\$43.0601	\$44.9322	\$46.8043	C42	\$77,883	\$81,777	\$85,671	\$89,565	\$93,459	\$97,353
C43	\$40.0606	\$42.0637	\$44.0667	\$46.0698	\$48.0729	\$50.0760	C43	\$83,326	\$87,492	\$91,659	\$95,825	\$99,992	\$104,158
C44	\$41.8490	\$44.1507	\$46.4523	\$48.7539	\$51.0556	\$53.3572	C44	\$87,046	\$91,833	\$96,621	\$101,408	\$106,196	\$110,983
C45	\$44.4149	\$46.8577	\$49.3005	\$51.7433	\$54.1861	\$56.6288	C45	\$92,383	\$97,464	\$102,545	\$107,626	\$112,707	\$117,788
C51	\$41.8490	\$44.1507	\$46.4523	\$48.7539	\$51.0556	\$53.3572	C51	\$87,046	\$91,833	\$96,621	\$101,408	\$106,196	\$110,983
C52	\$44.4149	\$46.8577	\$49.3005	\$51.7433	\$54.1861	\$56.6288	C52	\$92,383	\$97,464	\$102,545	\$107,626	\$112,707	\$117,788
D61	\$48.6010	\$51.5170	\$54.4331	\$57.3491	\$60.2652	\$63.1813	D61	\$101,090	\$107,155	\$113,221	\$119,286	\$125,352	\$131,417
D62	\$51.1178	\$54.1848	\$57.2518	\$60.3188	\$63.3859	\$66.4529	D62	\$106,325	\$112,704	\$119,084	\$125,463	\$131,843	\$138,222
D63	\$53.6341	\$56.8522	\$60.0703	\$63.2884	\$66.5064	\$69.7245	D63	\$111,559	\$118,253	\$124,946	\$131,640	\$138,333	\$145,027
D64	\$56.7856	\$60.1927	\$63.5998	\$67.0069	\$70.4140	\$73.8212	D64	\$118,114	\$125,201	\$132,288	\$139,374	\$146,461	\$153,548
D65	\$60.5639	\$64.1978	\$67.8316	\$71.4655	\$75.0993	\$78.7332	D65	\$125,973	\$133,531	\$141,090	\$148,648	\$156,207	\$163,765
D71	\$56.7856	\$60.1927	\$63.5998	\$67.0069	\$70.4140	\$73.8212	D71	\$118,114	\$125,201	\$132,288	\$139,374	\$146,461	\$153,548
D72	\$60.5639	\$64.1978	\$67.8316	\$71.4655	\$75.0993	\$78.7332	D72	\$125,973	\$133,531	\$141,090	\$148,648	\$156,207	\$163,765
E81	\$63.7154	\$67.5383	\$71.3612	\$75.1840	\$79.0069	\$82.8298	E81	\$132,528	\$140,480	\$148,431	\$156,383	\$164,334	\$172,286
E82	\$66.2317	\$70.2057	\$74.1796	\$78.1536	\$82.1275	\$86.1014	E82	\$137,762	\$146,028	\$154,294	\$162,559	\$170,825	\$179,091
E83	\$68.7481	\$72.8730	\$76.9979	\$81.1228	\$85.2477	\$89.3726	E83	\$142,996	\$151,576	\$160,156	\$168,735	\$177,315	\$185,895
F101	\$81.3457	\$86.2264	\$91.1072	\$95.9880	\$100.8688	\$105.7495	F101	\$169,199	\$179,351	\$189,503	\$199,655	\$209,807	\$219,959



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: Marci Westlake, Manager Customer Services
DATE: January 17, 2018
SUBJECT: **Report and discussion regarding Ombudsman activities for calendar year 2017 and request for Board direction and possible authorization for the General Manager to renew the Ombudsman Contract with Tami Fruhwirth for calendar year 2018**

Summary

The Board of Directors has asked Staff to bring the Ombudsman contract back to them for review annually. Ms. Fruhwirth started her role as TMWA's Ombudsman in January of 2017. Staff asks the Board for their direction concerning the continuation of her contract with TMWA to provide Ombudsman services.

Background

On November 1, 2005, pursuant to Board direction, Truckee Meadows Water Authority entered into a Professional Services Agreement with Don Rhoden to provide Ombudsman services for TMWA customers. This contract was renewed annually, until Mr. Rhoden's resignation in late 2008. In December of 2008, TMWA entered into a contract with Joanne Stralla, following Ms. Stralla's appointment to the Ombudsman position by the Board in November, 2008. With Ms. Stralla's passing in November of 2016, staff recommended Tami Fruhwirth as a possible candidate for the Ombudsman position. In February of 2017, the Board approved the appointment of Tami Fruhwirth as TMWA's Ombudsman. A copy of her contract is ***Attachment #1*** to this report.

Over the past 12 months TMWA has paid Ms. Fruhwirth \$2,475 for services rendered. This is a minimal expenditure for the advantage to our customers of having an independent Ombudsman to assist them.

AGREEMENT FOR SERVICES
(NRS 332 Service Providers)

THIS AGREEMENT FOR SERVICES ("**Agreement**") is made this 16 day of February, 2017, by and between **Tried and True Projects, NV** (hereinafter referred to as "**Contractor**") and Truckee Meadows Water Authority (hereinafter referred to as "**TMWA**").

RECITALS

WHEREAS, TMWA is authorized to engage the services of persons as independent contractor pursuant to NRS Chapter 332; and

WHEREAS, Contractor has represented it is duly qualified and licensed in the State of Nevada and Washoe County for the purposes of performing the Scope of Work herein;

WHEREAS, TMWA wishes to retain Contractor to perform certain services for TMWA and Contractor is willing to perform these services in accordance with the terms and provisions of this Agreement

1. **DEFINITIONS.** "TMWA" means the Truckee Meadows Water Authority, its directors, officers, employees and immune contractors (other than Contractor) as defined in NRS 41.0307.

2. **SCOPE OF WORK**

2.1. **Description of Work.** Contractor shall provide and perform the services set forth in the Scope of Work attached hereto as Exhibit A and incorporated herein by reference for and on behalf of TMWA (collectively the "Services") during the term of the Agreement.

2.2. **Competence to Perform Services.** Contractor represents that it and/or the persons it may employ possess all skills and training necessary to perform the Services described herein and required hereunder. Contractor shall perform the Services faithfully, diligently, in a timely and professional manner, and to the best of its ability, and in such a manner as is customarily performed by a person who is in the business of providing such services in similar circumstances. Contractor represents that neither the execution and delivery of this Agreement, nor the rendering of services by the Contractor hereunder, will violate the provisions of, or constitute a default under, any other contract or agreement to which the Contractor is a party or by which the Contractor is bound, or which would preclude the Contractor from performing the services required of the Contractor hereunder, or which would impose any liability or obligation upon TMWA for accepting such services. Contractor shall be responsible for the professional quality and technical accuracy of all Services furnished by Contractor to TMWA.

2.3 Time of Completion. This contract continues until either party gives notice as provided for in Section 6 of this Agreement.

2.4 Permits and Regulations. Before commencing with the performance of any work under this Agreement, the Contractor shall obtain all necessary permits and licenses as may be necessary. Before and during the progress of work under this Agreement, the Contractor shall give all notice and comply with all the laws, ordinances, rules and regulations of every kind and nature now or hereafter in effect promulgated by any Federal, State, County, or other Governmental Authority, relating to the performance of work under this Agreement. If the Contractor performs any work that is contrary to any such law, ordinance, rule or regulation, he shall bear all the costs arising therefrom. Contractor agrees to obtain all appropriate business licenses and provide a copy to TMWA prior to commencing work.

3. TMWA RESPONSIBILITIES. TMWA shall:

- a. Make available to the Contractor all technical data that is in TMWA's possession, reasonably required by the Contractor relating to the Contractor's Services.
- b. Provide access to and make all provisions for the Contractor to enter upon public and private lands, to the fullest extent permitted by law, as reasonably required for the Contractor to perform the Services under this Agreement.
- c. Examine all reports, correspondence, and other documents presented by the Contractor upon request of TMWA, and render, in writing, decisions pertaining thereto within a reasonable time so as not to delay the work of the Contractor.

4. TERM. This Agreement shall commence on the date first written above and shall terminate upon the completion of the Services, unless sooner terminated by either party as specified in Section 6.

5. COMPENSATION.

5.1 Amount. As compensation for all of Contractor's Services hereunder, TMWA agrees to pay Contractor compensation based upon time and materials and the attached fee schedule or compensation based upon a lump sum amount as provided for in the attached Scope of Work(s) hereinafter called the "**Contract Sum**". The Contract Sum represents full and adequate compensation for the completed work, and includes the furnishing of all materials, and all labor, equipment, tools, and appliances, and all expenses, direct or indirect, connected with the proper execution of the work

5.2 Payment. Payment by TMWA for services rendered by Contractor shall be due within thirty days upon receipt of invoices. If payment is not made in a timely manner, Contractor may, in the event TMWA fails to cure the deficiency after seven days

written notice from Contractor, suspend the services under this Agreement until Contractor has been paid in full. TMWA does not agree to and will not reimburse Contractor for expenses unless specifically provided otherwise in this Agreement.

5.3 Funding Out Clause. TMWA reasonably believes that funds can be obtained sufficiently to make all payments during the term of this agreement. If the TMWA does not allocate funds to continue the function performed by the Contractor obtained under this Agreement, this Agreement shall be terminated when appropriated funds expire.

6. TERMINATION.

6.1. Termination Without Cause. This Agreement may be terminated by TMWA without cause upon ten (10) days written notice to Contractor. If this Agreement is so terminated, Contractor shall be paid for all services satisfactorily rendered and expenses incurred to the date of receipt of notice of termination.

6.2 Cause Termination for Default or Breach. A default or breach may be declared with or without termination. This Agreement may be terminated immediately by either party upon written notice of default or breach to the other party as follows:

- (i). If Contractor fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Agreement within the time requirements specified in this Agreement or within any granted extension of those time requirements; or
- (ii). If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Agreement is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or
- (iii). If Contractor becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or
- (iv). If TMWA materially breaches any material duty under this Agreement and any such breach impairs Contractor's ability to perform; or
- (v). If it is found by TMWA that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the State of Nevada with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract.

6.3. Opportunity to Cure. Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in Section 6.2, and the subsequent failure of the defaulting party within 15 calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

6.4 Winding Up Affairs Upon Termination. In the event of termination of this Agreement for any reason, the parties agree that the provisions of this paragraph survive termination:

- (i). The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Agreement. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;
- (ii). Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by TMWA;
- (iii). Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this Agreement if so requested by TMWA;
- (iv). Contractor shall promptly deliver to TMWA possession all proprietary information in accordance with Section 16.

7. INSPECTION & AUDIT.

7.1 Books and Records. Contractor agrees to keep and maintain under general accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to TMWA, the State of Nevada or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.

7.2. Inspection & Audit. Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), papers, including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by TMWA Auditor, or its contracted examiners, representatives of Washoe County, or any of their authorized representatives. Such records shall include, but not be limited to, those records necessary to evaluate and verify direct and indirect costs (including overhead allocations) as they may apply to costs associated with this

Agreement. Contractor shall require all subcontractors, insurance agents, and material suppliers to comply with the provisions of this Section. Contractor will cooperate fully and will cause all of Contractor's subcontractors to cooperate fully in furnishing or in making available to TMWA from time to time all such information, materials and data whenever requested. All subcontracts shall reflect requirements of this paragraph.

7.2.1 Recovery of Costs. If an audit inspection or examination in accordance with this section, discloses overcharges of any nature by the Contractor to TMWA in excess of one-half of one percent (0.5%) of the total contract billings, the reasonable actual cost of TMWA's audit shall be reimbursed to TMWA by the Contractor. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Contractor's invoices and/or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of TMWA's findings to Contractor.

7.3 Period of Retention. All books, records, reports, and statements relevant to this Agreement must be retained a minimum three years. The retention period runs from the date of payment for the relevant goods or services by TMWA, or from the date of termination of the Agreement, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

8. INDEPENDENT CONTRACTOR. Contractor is associated with TMWA only for the purposes and to the extent specified in this Agreement, and in respect to performance of the contracted services pursuant to this Agreement, Contractor is and shall be an independent contractor and, subject only to the terms of this Agreement, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for TMWA whatsoever with respect to the indebtedness, liabilities, and obligations of Contractor or any other party. Contractor shall be solely responsible for, and TMWA shall have no obligation with respect to: (1) withholding of income taxes, FICA or any other taxes or fees; (2) industrial insurance coverage; (3) participation in any group insurance plans available to employees of TMWA; (4) participation or contributions by either Contractor or TMWA to the Public Employees Retirement System; (5) accumulation of vacation leave or sick leave; (6) unemployment compensation coverage provided by TMWA. Contractor shall indemnify and hold TMWA harmless from, and defend TMWA against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses arising or incurred because of, incident to, or otherwise with respect to any such taxes or fees. Neither Contractor nor its employees, agents, or representatives shall be considered employees, agents, or representatives of TMWA. TMWA and Contractor shall evaluate the nature of services and term negotiated in order to determine "independent contractor" status and shall monitor the work relationship throughout the term of the Agreement to ensure that the independent contractor relationship remains as such.

9. **INDEMNIFICATION BY CONTRACTOR.** To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend, not excluding TMWA's right to participate, TMWA from and against any and all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising in whole or in part out of any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents, excepting therefrom any liability arising out of the sole negligence of TMWA.

10. **LIMITED LIABILITY.** TMWA will not waive and intends to assert available NRS chapter 41 liability limitations and other liability limitations available at law in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in this Agreement or any incorporated attachments. Damages for any TMWA breach shall never exceed the amount of funds appropriated for payment under this Agreement, but not yet paid to Contractor, for the fiscal year budget in existence at the time of the breach. Contract damages for any Contractor breach shall not exceed 150% of the contract maximum "not to exceed" value. Contractor's tort liability shall not be limited. Neither party shall be responsible for the negligent acts of the other party in the performance of this Agreement.

11. **INSURANCE.**

11.1 **By Contractor.** Unless expressly waived in writing by TMWA, Contractor, as an independent contractor and not an employee of TMWA, must obtain and maintain policies of insurance in amounts specified in this Section 11 and pay all taxes and fees incident hereunto. TMWA shall have no liability except as specified in this Agreement. Contractor shall, at Contractor's sole expense, procure, maintain and keep in force the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by TMWA, the required insurance shall be in effect prior to the commencement of work by Contractor.

11.2 **Form of Coverage.** Any insurance or self-insurance available to TMWA shall be excess of and non-contributing with any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by TMWA, Contractor shall provide TMWA with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the Agreement, an insurer or surety shall fail to comply with the requirements of this Agreement, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify TMWA and immediately replace such insurance or bond with an insurer meeting the requirements.

11.2.1. **Additional Insured:** By endorsement to all liability policies, except Worker's Compensation and Professional Liability, evidenced by Contractor, TMWA, its officers, employees and immune Contractors as defined in NRS 41.0307, if any, shall be named as additional insureds for all liability arising from the Agreement.

11.2.2. Waiver of Subrogation: Each liability insurance policy shall provide that the insurance company waives all right of recovery by way of subrogation against TMWA, its officers, employees and immune contractors in connection with damage covered by any policy.

11.2.3. Deductibles and Self-Insured Retentions: Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by TMWA. Such approval shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$5,000 per occurrence, unless otherwise approved by TMWA.

11.2.4. Approved Insurer: Each insurance policy shall be (i) issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to TMWA and having agents in Nevada upon whom service of process may be made, and (ii) currently rated by A.M. Best as "A-VII" or better.

11.3 Policies Required.

11.3.1 Workers' Compensation and Employer's Liability Insurance. Contractor shall provide proof of worker's compensation insurance as required by NRS 616B.627 or proof that compliance with the provisions of Nevada Revised Statutes, Chapters 616A-D and all other related chapters is not required.

11.3.2 Commercial General Liability Insurance. Contractor shall procure and maintain, during the term of this Agreement, occurrence comprehensive general liability insurance for limits of not less than One Million Dollars (\$1,000,000) for bodily injury and property damages, per occurrence, Two Million Dollars (\$2,000,000) products and completed operations aggregate, and Two Million Dollars (\$2,000,000) general aggregate. Coverage shall be on an occurrence basis and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

11.3.4 Professional Liability/Errors & Omissions Insurance. Not Required for Contractor Construction Contracts. Contractor shall procure and maintain, during the term of this Agreement, professional liability/errors and omissions insurance in the amount of not less than One Million Dollars (\$1,000,000) per claim. The policy shall have a retroactive date prior to commencement of the performance of this Agreement and a discovery period at least three (3) years after the later of termination or the date of substantial completion of the project.

11.3.5 Business Automobile Liability Insurance. Contractor shall procure and maintain, during the term of this Agreement, business automobile liability insurance in the amount of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage. Coverage shall be for "any auto", including owned, non-owned and hired vehicles.

11.4 Evidence of Insurance. Prior to the start of any Work, Contractor must provide the following documents to TMWA, Attention: Purchasing & Contracts, P.O. Box 30013, Reno, NV 89520-3013:

11.4.1 Certificate of Insurance. Contractor must provide a Certificate of Insurance form to TMWA to evidence the insurance policies and coverage required of Contractor.

11.4.2 Additional Insured Endorsements. An original Additional Insured Endorsement, signed by an authorized insurance company representative, must be submitted to TMWA, by attachment to the Certificate of Insurance, to evidence the endorsement of TMWA as additional insured.

11.4.3 Policy Cancellation Endorsement. Except for ten days notice for non-payment of premium, each insurance policy shall be endorsed to specify that without thirty (30) days prior written notice to TMWA, the policy shall not be cancelled, non-renewal or coverage and/or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mailed to the address specified above. A copy of this signed endorsement must be attached to the Certificate of Insurance.

Compliance with the insurance requirements of this Agreement shall not limit the liability of Contractor or its sub-contractors, employees or agents to TMWA or others, and shall be in addition to and not in lieu of any other remedy available to TMWA under this Agreement or otherwise. TMWA reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

12. GOVERNMENT OBLIGATIONS. Contractor shall be responsible for all applicable federal, state, and local government obligations. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Real property and personal property taxes are the responsibility of Contractor in accordance with NRS Chapter 361. Contractor warrants that it has a valid business license. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Agreement. TMWA may set-off against consideration due any delinquent government obligation.

13. ACCEPTANCE BY TMWA. It is expressly understood and agreed that all work done by the Contractor shall be subject to inspection and acceptance by TMWA and approval of work shall not forfeit the right of TMWA to require correction, and nothing contained herein shall relieve the Contractor of the responsibility of the work required

under the terms of this Contract until all work has been completed and accepted by TMWA

14. NOTICE. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party as indicated on Page 12 of this agreement.

15. TMWA OWNERSHIP OF PROPRIETARY INFORMATION. Any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under the Agreement), or any other documents or drawings, prepared or in the course of preparation by Contractor (or its subcontractors) in performance of its obligations under this Agreement shall be the exclusive property of TMWA and all such materials shall be delivered into TMWA possession by Contractor upon completion, termination, or cancellation of this Agreement. Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of Contractor's obligations under this Agreement without the prior written consent of TMWA. Notwithstanding the foregoing, TMWA shall have no proprietary interest in any materials licensed for use by TMWA that are subject to patent, trademark or copyright protection.

16. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. TMWA will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. Contractor may clearly label individual documents as a "trade secret" or "confidential" provided that Contractor thereby agrees to indemnify and defend TMWA for honoring such a designation. The failure to so label any document that is released by TMWA shall constitute a complete waiver of any and all claims for damages caused by any release of the records. If a public records request for a labeled document is received by TMWA, TMWA will notify Contractor of the request and delay access to the material until seven working days after notification to Contractor. Within that time delay, it will be the duty of Contractor to act in protection of its labeled record. Failure to so act shall constitute a complete waiver.

17. CONFIDENTIALITY. Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this Agreement.

18. MISCELLANEOUS.

18.1 Force Majeure. Neither party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the

fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Agreement after the intervening cause ceases.

18.2 Remedies. Except as otherwise provided for by law or this Agreement, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs.

18.3 Waiver of Breach. Failure to declare a breach or the actual waiver of any particular breach of the Agreement or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

18.4 Severability. If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.

18.5 Assignment. Contractor shall neither assign, transfer nor delegate any rights, obligations or duties under this Agreement without the prior written consent of TMWA.

18.6 Proper Authority. Each party represents that all required authorizations have been obtained to execute this grant and for the compliance with each and every term hereof. Each person signing this Agreement warrants and represents to the other party that he or she has actual authority to execute this Agreement on behalf of the party for whom he or she is signing.

18.8 Arbitration. Any controversy of claim arising out of or relating to this Agreement, or the breach thereof, provided both parties agree, may be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award rendered by the Arbitrators(s) may be entered in any court having jurisdiction thereof.

18.9 Jurisdiction. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. Contractor consents to the jurisdiction of the Nevada district courts for enforcement of this Agreement. In the event the arbitration award is challenged, or the controversy proceeds to litigation instead of arbitration, any action or proceedings seeking to do so must be brought in the courts of the State of Nevada, County of Washoe, or if a party can acquire subject-matter jurisdiction, in the United States District Court for the District of Nevada. Each of the parties consents to the personal jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein.

18.10 No Unfair Employment Practices. In connection with the performance of work under this Agreement, Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation or age. Such Agreement shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor further agrees to insert this provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials. Any violation of these provisions by Contractor shall constitute a material breach of contract. As used in this Article, sexual orientation means having or being perceived as having an orientation for heterosexuality, homosexuality or bi-sexuality.

18.11 Entire Contract and Modification. This Agreement and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Agreement specifically displays a mutual intent to amend a particular part of this Agreement, general conflicts in language between any such attachment and this Agreement shall be construed consistent with the terms of this Agreement. Unless otherwise expressly authorized by the terms of this Agreement, no modification or amendment to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

The signature page follows this page.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and intend to be legally bound thereby. All required insurance must be provided before this agreement is fully executed. This agreement becomes effective once all parties have signed.

CONTRACTOR

Company Name: Tried and True Projects
Address: 5401 Longley Ln #40, Reno NV
89511
Cont: Tami Fruhwirth
Phone: 775-420-5300
FAX
E-mail:
Tami.triedandtrueprojects@gmail.com

By: 

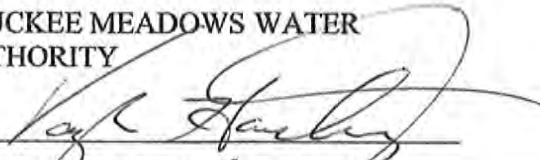
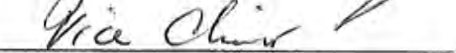
Printed Name: Tami Fruhwirth
Title: Consultant/President
Dated: February 16, 2017
Business License #: 040248-B1602156
Expires: 5-31-2017

This agreement was requested:

By: _____

TMWA

TRUCKEE MEADOWS WATER
AUTHORITY

By: 
Its: 

Dated: 2-15-17

Correspondence Address:

TMWA
P.O. Box 30013
Reno, NV 89520-30013
Attention: Maria Dufur
Purchasing & Contracts Administrator
Ph: 775-834-8056
Fax: 775-834-8153

Exhibit A
Services – Scope of Work

The Ombudsman is to act as an additional avenue of escalation for customer concerns and complaints, and as an independent advocate for TMWA customers. The Ombudsman will respond in a timely manner to any customer concerns, and will work with TMWA staff and within TMWA rules and guidelines in attempting to resolve any customer issues. The Ombudsman will provide a yearly summary of any customer contacts and their resulting resolutions.

TWWA Ombudsman CY 2017

Date	Time	Name of Person	Phone Number	Question	Solution	Date	1st Follow-Up	Date	2nd Follow-Up	Date	3rd Follow-up	Date	4th Follow-Up	Date	5th Follow-up
1/27/17	12:22pm			Question about Water Leak	Emailed to Marci		TMWA called and talked to . He has had a several leak adjustments over the past 4 years totaling \$2317. He got a \$991 leak adjustment last month. Placed a 2 week hold on his account to post payment. Will try his best to catch up on payments								
2/6/17	6:22pm			Called but left no message	Emailed to Marci	2/7/2017	Customer likes to carry a credit on his account. Only has a credit of \$31.53. Tami to call back and tell him his credit is low.	2/7/2017	called back again and had a question about the website	2/7/2017	Marci called back				
2/7/17	10:51am			Wants a water estimate of a house she is moving in to	Emailed to Marci		TMWA call center called her and get that info to her								
2/12/17	5:31pm	unknown		Called but left no message	Emailed to Marci										
2/17/17	11:44am			Called and requested a call back. Account	emailed to Marci	2/17/2017	Customer had called her earlier. Calling about meter readers.	2/17/2017	Replaced meter						
3/3/17	10:15am	unknown		Called but left no message	emailed to Marci										
3/14/17	10:20am	unknown		Called but left no message	emailed to Marci										
3/16/17	1:12pm	unknown		Called but left no message	emailed to Marci										
3/29/17		unknown		Customer just called to tell the Board good job.	emailed to Marci										
4/10/17	10:17am	unknown		called but left no message	emailed to Marci										
4/10/17	4:38pm			Looking for a phone number	emailed to Marci	4/10/2017	TMWA called back because she was looking for the lake ditch phone number and gave her the number								
4/11/17	2:02pm			Left a message wanting to know if TMWA donates to anything throughout the year	emailed to Marci	4/11/2017	Tami called him back and let him know that TMWA is a not for profit utility and does not donate. (If we have agencies that ask for donations we respectfully decline.)	11-Apr	Tami called back and told him he was fine with that answer.						
4/14/17	4:11pm			Called with a question about her bill	emailed to Marci	4/14/2017	TMWA was going to call her back on Monday.	17-Apr	Marci called and left a message for . However, she also noted thar called the call center as well and received a leak adjustment for a leak that was repaired						
5/7/17	11:30am	unknown		Called but left no message	emailed to Marci										
5/18/17	9:49am			Called and just left his name and number	emailed to Marci	5/18/2017	There were 4 in the system and asked Tami to return the call to gather more information.	18-May	Tami followed up and he has questions about one of his properties where we owes money for when the water was shut off. He doesn t feel he owes for the time it was shut off	5/18/2017	Marci called and left a message for letting him know she removed the charges as no water was used during that time				

TWWA Ombudsman CY 2017

Date	Time	Name of Person	Phone Number	Question	Solution	Date	1st Follow-Up	Date	2nd Follow-Up	Date	3rd Follow-up	Date	4th Follow-Up	Date	5th Follow-up
6/12/17	10:35am	██████	██████	██████ called and wants information on senior citizen programs	emailed to Marci	6/12/2017	Marci said she would call him but TMWA does not offer any senior citizens programs								
6/15/17	2:02pm	unknown	██████	Called but left no message	emailed to Marci										
6/15/17	4:41 PM	unknown	██████	Called but left no message	emailed to Marci										
6/22/17	6:12pm	unknown	██████	Called but left no message	emailed to Marci										
7/18/17	8:27 AM	██████	██████	Called and talked to Tami about a credit he received for the last 2 months and that his ussage has increased dramatically since this month last year. 7 years ago he had to get a new meter.	emailed to Marci	7/18/2017	TMWA said that they will send out a tech for leak detection.	18-Jul	Follwed up with Marci that she will tell ██████ that there is most likely a leak	7/18/2017	Marci confirmed that they will not give him a new meter because it will operate the same as the old one. They will put in a new meter and show him and then remove it. Marci will set up an appt with tech	7/18/2017	Tami called and let ██████ know that a tech will call him to set up an appt.	7/21/2017	Marci confirmed that ██████ had a leak. ██████ knew he had a leak but didn t think it would amount to that much water. He understands why his bill was so high now
7/27/17	3:16 PM	██████	██████	██████ had questions on his bill	emailed to Marci										
8/8/17	11:46 AM	██████	██████	Question regarding water usage	emailed to Marci	8/8/2017	Marci called and left a message								
8/8/17	11:50 AM	██████	██████	Regarding Account	emailed to Marci	8/8/2017	Marci said account has already been taken care of								
8/17/17	2:53 PM	unknown	██████	Called but left no message	emailed to Marci										
8/23/17	1:37 PM	██████	██████	██████ left a message saying she had a billing compalint	emailed to Marci	8/23/2017	Marci called and talked to her about billing and a possible leak								
9/6/17	2:45 PM	Unknown	██████	Called but left no message	emailed to Marci										
10/11/17	9:31 AM	██████	██████	Called and said that he called TMWA and asked where his water line came in and was told they could not help him.	emailed to Marci	10/12/2017	Marci called him back and walked him through where she thought it would be								
10/16/17	9:32 AM	██████	██████	Customer service problem with meter. Account ██████	emailed to Marci and Andy	10/17/2017	Andy asked Tami to call back and find out what the issue	17-Oct	Tami called and left messages on both of ██████ phones.						
11/7/17	6:13 AM	██████	██████	Called and left a message but didn t say what his question was	Emailed to Marci	11/7/2017	Marci called and left a message								
11/29/17	5:05 PM	██████	██████	██████ called from the State of Nevada representing ██████. She said his ██████ has been turned off and there is a person on the property with a medical condition and would like to talk to someone to see if anything can be done.	Emailed to Marci	11/29/2017	Marci called and talked to ██████ regarding the customer								



STAFF REPORT

TO: Board of Directors
FROM: Mark Foree, General Manager
DATE: January 8, 2018
SUBJECT: **General Manager's Report**

Attached please find the written reports from the Management team including the Operations Report (***Attachment A***), the Customer Services Report (***Attachment B***), and the Water Resource and the Annexation Activity Report (***Attachment C***).

Included in your agenda packet are press clippings from December 7, 2017 through January 10, 2018. Also included is a *Tell the Board submission* from a customer regarding charges related to water service being shut off for non-payment. The issue has been resolved to the customers' satisfaction.

Water Project Review Update: NDEP has now had two stakeholder meetings regarding changes to the NAC Water System Design and Construction Regulations that are intended to provide more clarity and more design flexibility that will help streamline approvals.



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Scott Estes, Director of Engineering
BY: Bill Hauck, Senior Hydrologist
DATE: January 08, 2018
SUBJECT: January 2018 Operations Report

Summary

- The region is positioned extremely well from a water supply perspective
- Truckee River flows are average for this time of the year
- Lake Tahoe is as high as practical and is 79% of maximum capacity
- All other federal reservoirs are at maximum flood control capacity
- Normal Truckee River flows are anticipated over the course of the next 2 years
- Hydro revenue for December 2017 was an estimated \$306,735

(A) Water Supply

- **River Flows** - Truckee River flows at the CA/NV state line were approximately 395 cubic feet per second (CFS) this morning. This is consistent with the long-term median flow of 397 CFS for this date.
- **Reservoir Storage** - The elevation of Lake Tahoe is currently 6227.83 feet. This is 1.27 feet below its legal maximum elevation of 6229.10 feet. All federally owned and operated reservoirs are at their respective wintertime operating elevations in addition to Donner and Independence lakes. Reservoir storage values as of today are as follows:

Reservoir	Current Storage (Acre-Feet)	% of Capacity (Percent)
Tahoe	588,500	79%
Boca	32,892	80%
Donner	4,946	52%
Independence	13,970	80%
Prosser	10,431	35%
Stampede	205,151	91%

In addition to the storage in Donner and Independence lakes, TMWA has approximately 15,300 acre-feet of water stored between Boca and Stampede Reservoirs under the terms of TROA. TMWA's combined back-up reservoir storage between Donner and Independence lakes and TROA is approximately 32,880 acre-feet as of this morning.

- **Snowpack** - While there is still plenty of time remaining in the snowpack-building season, the numbers as of this morning aren't too impressive due to an exceptionally dry and warm month of December. Truckee River Basin snowpack averaged only 47% of normal, and the average Lake Tahoe Basin snowpack was just 31% of normal as of this morning. Despite the slow start, it remains to be seen what kind of snowpack year we will end up with.
- **Outlook** - Despite the slow start to the snowpack building season this region is still positioned extremely well from a water supply perspective as we begin 2018. Lake Tahoe is still as high as is practical for this time of the year, and all other federally-operated reservoirs have as much water in storage as is legally permissible. With full reservoir storage upstream, normal Truckee River flows are projected at the CA/NV state line for the next couple of years regardless of the how much snow we end up with this winter.

(B) Water Production

Demand - Customer demands are at wintertime lows. Consumption averaged 36 MGD last week. Surface water made up 98% of TMWA's raw water supply and groundwater the other 2% from production wells located throughout TMWA's service territory.

(C) Hydro Production

Generation - Average Truckee River flow at Farad (CA/NV state line) for the month of December was approximately 795 cubic feet per second (CFS). All three Hydropower plants were on-line for most the month. Statistics as follows:

Hydro Plant	Days On-Line	Generation (Megawatt hours)	Revenue (Dollars)	Revenue (Dollars/Day)
Fleish	28	1,474	\$105,774	\$ 3,778
Verdi	31	1,591	\$113,136	\$ 3,650
Washoe	30	1,222	\$87,825	\$ 2,928
Totals	89	4,287	\$306,735	\$10,356



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Marci Westlake, Manager Customer Service
DATE: January 17, 2018
SUBJECT: **December Customer Service Report**

The following is a summary of Customer Service activity for December 2017

Ombudsman

No calls for December.

Communications

Customer outreach in December included:

- John Enloe was at a City of Reno meeting for Verdi water issues and 50 people attended.
- Brent Eisert had the Discovery Explorer School come down from Truckee to tour the Verdi Hydro Plant. There were 10 Students, 1 Teacher and one Parent.

Conservation (January 1 – December 31)

- 5,845 Water Watcher Contacts
- 1,920 Water Usage Reviews

Customer Calls – December

- 8,754 phone calls handled
- Average handling time – 4 minutes, 13 seconds per call
- Average speed of answer – 42 seconds per call

Billing – December

- 126,667 bills issued
- 10 (<.1%) corrected bills
- 15,902 customers (12.0%) have signed up for paperless billing to date.

Service Orders –December (% is rounded)

- 7,152 service orders taken
- 3,608 (50%) move-ins / move-outs
- 836 (12%) cut-out-for-non-payment and cut-in after receiving payments, including deposits and checks for tamper
- 619 (9%) zero consumption meter checks
- 317 (4%) re-read meters
- 605 (9%) new meter sets and meter/register/ERT exchanges and equipment checks
- 385 (6%) problems / emergencies, including cut-out for customer repairs, dirty water, no water, leaks, pressure complaints, safety issues, installing water meter blankets, etc.
- 104 (1%) high-bill complaints / audit and water usage review requests
- 678 (9%) various other service orders

Remittance – December

- 28,484 mailed-in payments
- 25,043 electronic payments
- 26,102 payments via RapidPay (EFT)
- 16,284 one-time bank account payments
- 5,958 credit card payments
- 5,958 store payments
- 1,258 payments via drop box or at front desk

Collections –December

- 16,957 accounts received a late charge
- Mailed 7,517 10-day delinquent notices, 6.0% of accounts
- Mailed 1,600 48-hour delinquent notices, 1.2% of accounts
- 286 accounts eligible for disconnect
- 225 accounts actually disconnected (including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.14% write-off to revenue

Meter Statistics – Fiscal Year to December 31

- 0 meter retrofits completed
- 718 meter exchanges completed
- 1,069 new business meter sets completed
- 123,898 meters currently installed



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: John Zimmerman, Manager, Water Resources
DATE: 9 January 2018
SUBJECT: **Report Water Resources and Annexation Activity**

RULE 7

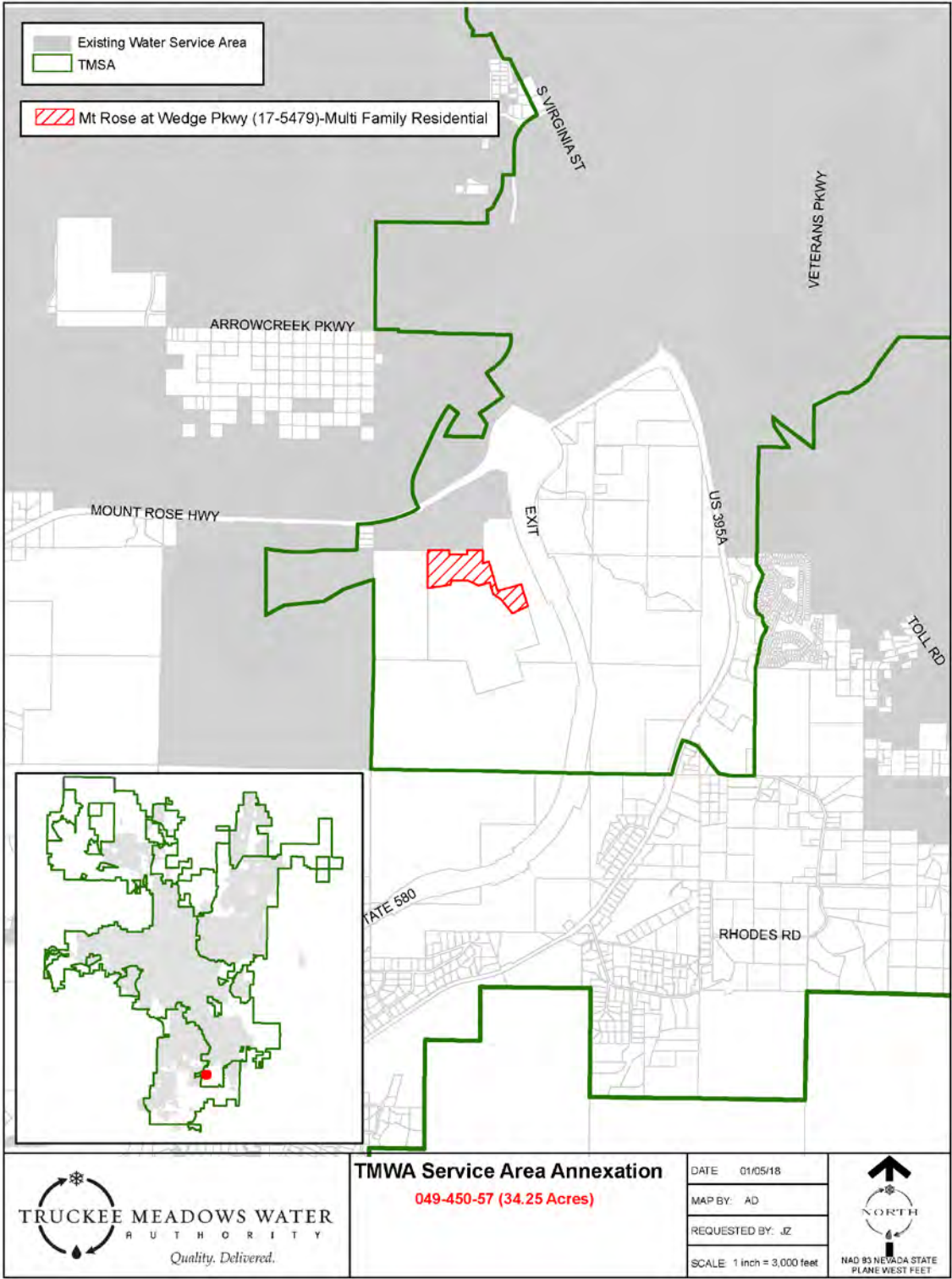
Rule 7 water resource purchases and will-serve commitment sales against purchased water resources through this reporting period:

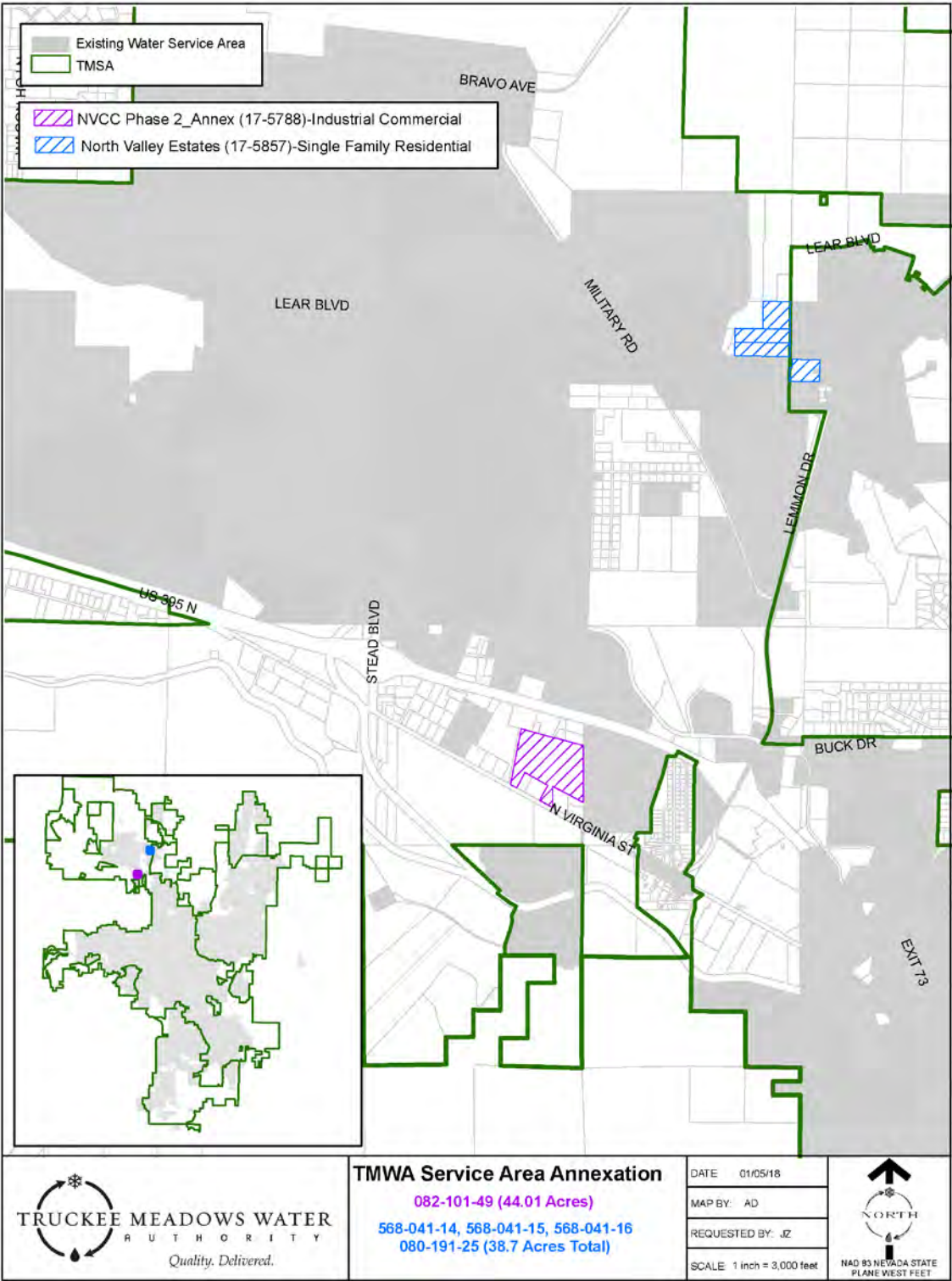
Beginning Balance	5,525.76 AF
Purchases of water rights	5.16 AF
Refunds	0.00 AF
Sales	— 23.21 AF
Adjustments	0.00 AF
Ending Balance	5,507.71 AF

Price per acre foot at report date: \$7,600

WATER SERVICE AREA ANNEXATIONS

Since the date of the last Board report, TMWA has annexed three developments into its Service Area. (See attached maps).







TMWA Board Meeting

Wednesday, January 17, 2018

Press Clippings

December 7, 2017 – January 10, 2018



UNR and Six Partners Inaugurate the Nevada Water Innovation Campus

The Truckee Meadows region of Northern Nevada is experiencing significant economic growth and transitioning to knowledge-based/technology-centric economy. Such growth and developments require additional water resources, resilient water infrastructure, and reliability of water supply for the future. Hence, sustainable water strategies, thoughtfully planned water infrastructure, and water sector leadership are vital for the region. Innovation in the water sector is key to "future-proof" the growing economy from significant perturbations in quantity and quality of water available and reducing the water footprint of the existing and future developments. Achieving innovation in the water sector while addressing the regional water needs and management will put the region in leadership position in the nation and the state. This will directly contribute to the job creation in water related businesses offering products, services, and human resources. Adequate and safe quality water and its judicious uses for people, the environment, and the economy will lead to healthy and resilient communities in the region. Innovation by the region is achieved when research and creativity are applied to address regional water challenges and opportunities.

In this regard, a university-utility partnership between the University of Nevada, Reno (UNR) and the regional utilities/cities/agencies was developed recently. After nearly a year of planning and strategy, UNR and six partners, namely, City of Reno, City of Sparks, Nevada Department of Transportation, Truckee Meadows Water Authority, Washoe County, and Western Regional Water Commission have inaugurated the Nevada Water Innovation Campus (NWIC) on August 24, 2017. The ceremony held at UNR was attended by civic leaders, water sector leaders, UNR leadership, and community stakeholders including students, alumni, water professionals, and faculty. The collaboration between UNR and the partners through NWIC will be a powerful economic engine to attract knowledge-centric water professionals and businesses to the region. In addition, additional utilities within the state of Nevada, private industry, engineering companies, and not-for-profit entities can further extend this collaboration in the future and to be stronger together.

The NWIC will enable discovery and knowledge development needed to solve regional problems and leads to innovation and entrepreneurship in the water sector. The strong water sector leadership by the regional utilities/cities/agencies and water focused community in the Truckee



Meadows region creates opportunities for UNR to demonstrate national and international leadership in water science and technology through the collaborative partnerships possible through the NWIC.

The mission of the NWIC is to develop innovative strategies and methods to address the water needs, challenges, opportunities of the region and the state of Nevada. The NWIC aims to collaborate and demonstrate national leadership in the water sector by developing products, methods, and human resources to compete in the water innovation market. The NWIC will help the region to practice sustainable water management for economic growth and enriching the natural water environment. Water innovation, partnering for impact, and utility-university partnerships are central foci of the Water Environment Federation (WEF), and a significant part of Rick Warner's leadership efforts on the WEF Board and as its President during 2016-17. More information about the NWIC and its activities can be found by contacting Dr. Krishna Pagilla (pagilla@unr.edu) or Rick Warner (rwarn@washoecounty.us) or by visiting www.unr.edu/water-innovation.

FARR WEST

ENGINEERING

Character | Stewardship | Excellence

NOW HIRING!

<http://www.farrwestengineering.com/careers/>

A local leader in municipal and utility engineering.

Superior client service, sustainable engineering, and a dedicated team of local professionals is what you can expect from Farr West.

Utility Engineering • Water Resources • Water Rights • Mining • Electrical/SCADA • Transportation • CM/Inspection • Survey • GIS/Asset Management "

"We invest in our employees to provide the best services to our clients!"

~ Brent Farr, P.E.

Reno Office: 5510 Longley Lane • Reno, Nevada 89511 • (775) 851-4788
Elko Office: 421 Court Street • Elko, Nevada 89801 • (775) 738-2121



Rock in pipe blamed for water main break

Posted: Thu 8:05 PM, Jan 04, 2018 |

Updated: Fri 8:44 AM, Jan 05, 2018



SPARKS, Nev. (KOLO) - A rock in a pipe caused a water main break in the 400 block of K Street in Sparks, according to an official with the Truckee Meadows Water Authority.



The scene of a water main break on K Street in Sparks. Photo by Rebecca Kitchen/KOLO.

Water coming up out of the street forced the closure of K Street between 4th and Pyramid Way Thursday. The roads reopened at 3 a.m. January 5, 2018 and repairs have been completed.

About 16 homes were impacted by the water main break.

More bars, more houses, and other Reno trends to watch for in 2018

[Mike Higdon](#), mhigdon@rgj.com Published 8:08 a.m. PT Jan. 3, 2018 | Updated 5:17 p.m. PT Jan. 4, 2018

Some things you should know before you move to Reno. We love it here, we hope you do too. Mike Higdon/RGJ



Buy Photo

(Photo: Mike Higdon/RGJ)

CONNECTTWEET 29 LINKEDINCOMMENTEMAILMORE

Next year, Frey Ranch Estate Distillery in Fallon will release its four-year aged bourbon. Other things will probably happen too, but none will stand out as such an important occasion.

Oh right, except increasing population growth, income inequality, ongoing redevelopment, fears of gentrification and a new Reno flag.

Here are the important Reno life trends and events to look out for in 2018.



Growth is hitting the Reno area hard, but turmoil plagues the region's top planning board that has the final say-so over major projects. (Photo: Getty Images/iStockphoto)

Significant population growth

All of the predictions by the Economic Development Authority of Western Nevada have stayed on track so far. Meaning Northern Nevada's population and job growth will continue to force housing construction and business growth in the region.

More: ['EDAWN, stop ... we have all the jobs we need!': Kazmierski](#)

The physical size of the Reno-Sparks valley will cause more construction to push into the North Valleys and south toward Washoe Valley, according to conversations the RGJ has had with Washoe County officials about upcoming projects. More than 100 developments planning 59,000 housing units throughout the Reno-Sparks-Cold Springs-Verdi region are in the works. One of the largest is the 5,600-unit Evans Ranch near Cold Springs and a 4,000-unit Kiley Ranch in Spanish Springs.

[Tentative Maps and Planned Unit Developments in the Truckee Meadows](#) by [Reno Gazette Journal](#) on Scribd

As the population grows, demand on housing of all types will increase. Many housing developers seem to be favoring luxury apartments and luxury houses, like the Toll Brothers houses in south Reno and the Midtown Lofts houses in Midtown, creating a large rental market and larger high-price house market.

More: [312-unit 'luxury apartment' broke ground in northwest Reno](#)

But some developers, such as HabeRae properties and Reno Land Inc., are looking for alternatives in smaller projects. HabeRae wants to redevelop motels and Reno Land Inc. plans mixed-use housing projects. The Truckee Meadows Regional Planning Agency also recommended more infill development and density to planners and developers. They said this would lower infrastructure costs and provide more middle-income housing choices.

HabeRae: [Are weekly motels the next hot redevelopment opportunity in Reno?](#)

Developers say the prices for sewer hook-ups make density more difficult and less cost effective than building a large house and selling it for more. We'll see if the city can find ways to make density more cost effective in 2018.

Be wary of 'Californiacation'

Reno has flown under the radar while also staying on the national mind for almost 150 years. Its underdog status has kept it smaller while Las Vegas and coastal California took on big-city growth and culture.

But that underdog status is threatened by major businesses shining the light on Reno while local public relations teams talk up the values of medium-city living.

More: [Reno's looking like Silicon Valley? You helped pay for that headline](#)

Newcomers and old timers have already started arguing over gentrification, traffic and lifestyle changes. Social media comments rage over slow-paced, gritty-city living versus the so-called "Californiacation" of Reno. Usually, people mean this in a disparaging way since California has more progressive laws, state income tax, high housing prices and [terrible traffic and drivers](#).

With big-city culture, comes more creative food, dining, shopping and recreation options, but also more expenses. Reno's cost of living is already high while house and rental prices outpace wages.

Housing: [Priced out: Less than 100 houses below \\$300K in Reno housing market](#)

Next year more tensions between the shifting culture will cause people to fight to keep the old ways. The increased cost of living will also cause people to move out of Reno-Sparks and into surrounding towns, said Brian Bonnenfant, project manager at the Center for Regional Studies at the University of Nevada, Reno.

"Some of those looking to move to the region, on the other hand, will absolutely decide against it because of housing costs, and I'm sure it's already occurred," he told the RGJ.

Migration to Washoe County is down 5 percent between 2010 and 2016, he said. Bonnenfant said they've also heard companies decide not to come to Reno because of relocation costs.

Economic Development Authority of Western Nevada CEO Mike Kazmierski also said they've started discouraging companies from coming to Reno if they can't afford relocation and higher wages.

"Make no bones about it, as we grow at a rapid pace, we will experience growing pains that will affect our quality of life," Bonnenfant said. "And not everybody is going to sit tight and suffer through that pain."

3D renderings of the Park Lane project have been released showing the expected final architecture July 2017. Provided by Reno Land Inc.

Redevelopment galore

Park Lane, Jacobs Entertainment in west downtown, The Loop and a student housing boom could change the city's physical landscape if any of the projects start completing phases of construction during 2018.

Park Lane developer Chip Bowlby said he wants phase one of the 47-acre mixed-use retail, housing and shopping district to finish in late 2018. He expects to start leasing spaces as soon as possible and hopes the project can help bring a new life to the center of town.

The Loop, a major recreation project in south Reno, promises an ongoing series of construction phases to introduce restaurants and indoor recreation into the neighborhood.

Jacobs Entertainment is changing the physical and demographic landscape of west downtown. As the company demolishes motels and liquor stores, it simultaneously appears to be promising new life to the region.

Jacobs Entertainment is buying and demolishing motels in west downtown quickly. Stardust Lodge was another one destroyed Nov. 15, 2017. Mike Higdon/RGJ

Consequences of redevelopment

The homeless population has been increasing over the last few years and the homeless shelter and overflow shelter are both at capacity. Because of this, Reno Police cannot send people to shelters when they find them camping illegally in public parks or on the Truckee River.

City Councilwoman Neoma Jardon has been leading the charge on a tiny house village similar to one she visited in Seattle. But the city of Reno has no ordinances that designate building codes for dwellings under 450 square feet, so they've been researching and drafting ordinances to govern a large village of small 150-square-foot houses. They also need to figure out how to heat the units and build central bathrooms and showers, so the project is taking a while to start.

As developers find ways to repurpose motels while local and state funding dries up for affordable housing, the homeless population continues to increase. Affordable housing subsidies are also in low supply, making it difficult for private developers to build set-aside housing.

More: [GOP House tax bill cuts funding for first-time homebuyers and affordable housing](#)

In 2018, it'll be important to watch for funding sources and opportunities for the city government to develop better ways to support affordable housing for the poorest in the city.



Buy Photo

Head brewer Melissa Test and brewery-distillery co-owner Will Whipple pose in the Mill Street Still with towering fermenters behind them. The Mill Street Still and Brew opened over the summer and makes beer and vacuum distilled vodka. (Photo: Mike Higdon/RGJ)

The state of bourbon and beer

Frey Ranch Estate Distillery is a liquor brand of Churchill Vineyards in Fallon. Four years ago Ashley and Colby Frey built the largest distillery in Nevada and started producing vodka, gin, absinthe and whiskey. But they put the whiskey into barrels and locked it away for the last four years to make it into proper bourbon.

Nevada's dry climate enhances whiskey flavors by opening the pores of oak barrels during the hot days and closing them during the cold nights. This gives the whiskey significantly more complexity than similarly aged whiskeys in the inferior state of Kentucky where the humidity and temperate climate make the aging take longer.

The Freys said it should get bottled and released in October.

Overall, new brewery and distillery growth has slowed since 2014-2015. Almost a dozen new breweries and distilleries have come online since then but only a few have trickled out in the last two years.

Instead, existing breweries are expanding, such as Under the Rose Brewing Co.'s expansion to Midtown, or offering new treats. Booze-making laws are the most liberal since Nevada allowed craft alcohol in the mid-'90s, but no one has announced plans to take advantage of those laws just yet. Instead of new breweries, we'll see even more bars open in Midtown with Rum Sugar Lime and Curse of Cane.

Food and dining: [New restaurants ahead in Reno](#)

Mike Higdon is the city life reporter at the RGJ and can be found on Instagram @MillennialMike, on Facebook at Mike Higdon, Reno Life and on Twitter @MikeHigdon.

These cold, dense blobs of air can block precipitation from reaching land, leading to unseasonable dry spells in places like California. **Emily Zentner, Dale Kasler & Ryan Sabalow** The Sacramento Bee

[WATER & DROUGHT](#)

A dense blob has kept California weather dry. Here's how it works

BY DALE KASLER AND RYAN SABALOW
dkasler@sacbee.com



JANUARY 06, 2018 03:55 AM

UPDATED JANUARY 06, 2018 04:01 PM

Think of it as a dense blob of air. When it parks itself over the Pacific Ocean, it can act like a wall – and prevent rain and snow from reaching Northern California.

When meteorologists say a “high pressure system” or a “ridiculously resilient ridge” is keeping the West unseasonably dry, this is what they mean.

A series of persistent high pressure systems over the Pacific factored heavily in the five-year drought that ended last spring. The latest high pressure system produced one of California's driest Decembers on record, left the Sierra Nevada [snowpack woefully thin](#) and raised fears of a drier-than-average winter. Although the system appears to be fizzling out, allowing some precipitation to hit California this week and next, the outlook for the rest of winter remains uncertain.

Climatologists say California is essentially at the mercy of high pressure systems. Ideally, this time of year they pass through the state every few days, allowing rain and snow to roll in. But sometimes a complicated pattern of air movements in the upper atmosphere can cause the high pressure system to stall out near California's coast, preventing rain and snow from getting through.

A high pressure system is, at its simplest, a bloc of compressed air. As schoolchildren learn, hot air rises and cold air falls. In a high pressure system,

cold air is pushing down and becoming dense. Humans don't feel it, but the effect on weather can be profound.

"Picture a big bubble in the atmosphere that has air that's dense enough that other air flows around it, that other air being (wet) weather systems," said Tim Brown of the Western Regional Climate Center, a Reno think tank. "That's why we can have these very extended periods of clear sky."

At its worst, a stubborn high pressure system in California can turn deadly.

Instead of moist winds blowing in from the ocean, the state receives dry winds pushing in from the Nevada and Utah. In 2017, that phenomenon produced the Diablo winds that fueled the devastating [wine country fires](#) in October and the Santa Ana winds that fed Southern California's December firestorm.

"What really caused the fires was the duration of the Santa Anas and the Diablos and the persistence of such dry weather over not just days, but weeks," said Bill Patzert, a climatologist at NASA's Jet Propulsion Laboratory in Pasadena. "The high pressure system didn't normally move through California from West to East, it just sat there. It was long-lasting. It was dry."

So how do high pressure systems form?

Northern hemisphere weather patterns are a function of multiple factors, including the earth's rotation and the tendency of warm air to move north from the equator and cold air to push south from the Arctic. Variations in the jet stream, the meandering river of high winds in the upper atmosphere that drive storm patterns, also play a role, said UCLA climatologist Daniel Swain.

These swirling air masses interact with each other, causing cold air to collide with warm air and wet air to collide with dry. The resulting pressure patterns are those wavy lines that TV meteorologists present on their weather maps, said private consultant Jan Null of Golden Gate Weather Services.

Ordinarily, for Northern California, those pressure patterns move from west to east, and the weather changes every few days. But sometimes an air mass in one part of the world stalls out.

When that happens, "instead of the weather changing every few days, it can stay stationary for weeks," Patzert said. That's what happened in December as a high pressure ridge stalled over the northern Pacific Ocean.

Scientists acknowledge they don't completely understand what causes the ridges to form. Swain, who coined the phrase "ridiculously resilient ridge" to describe the weather patterns during the drought, said storms in the tropical Pacific as far

away as Indonesia can contribute to the formation of the ridges. He also said climate change might play a role, as recent studies suggest that melting Arctic Sea ice can be a factor in ridge formation.

RELATED STORIES FROM SACRAMENTO BEE

Snow measures just 3 percent of average in first California mountain survey

The origins of these ridges are “definitely something we continue to research,” the UCLA scientist said.

Making the ridge hang around even longer this time was a blast of intense cold air moving out of Canada into the eastern United States. The cold air in the East and warmer air in the West formed a feedback loop resulting in warm, dry conditions cycling nonstop over California – and the frigid cold snap that’s gripped much of the rest of the United States, said Michael Anderson, the state’s climatologist with the Department of Water Resources.

The dry pattern that gripped the West during the drought may have become known as the “ridiculously resilient ridge,” but Null said that was something of a misnomer. There wasn’t a single high pressure system over the Pacific, he said. Rather, there was an unusual series of long-lasting ridges, periodically interrupted by rain and snow.

The good news is that it appears that the high pressure system off the coast has relaxed its grip – at least for the time being. Although the storm that rolled through Northern California last week wasn’t major, it delivered more rain in Sacramento (about 0.4 inches) than the city received in all of December (0.13 inches). The National Weather Service expects rain and showers through at least the first half of next week.

Null said that’s what eventually happens with high pressure systems – sooner or later, they fade away and stormy weather moves in.

“It’s like a clog in a drain,” Null said. “Eventually ... things will start moving again.”

Dismal results from snow survey of January 2018

The first Sierra snow survey confirms slow a start to winter 2017-2018. When the measurements were done, the Department of Water Resources reported the dismal numbers: just 1.3 inches of snow on average, and a “snow water content” of 0.4 inches. That was 3 percent of average for early January.

dkasler@sacbee.com

Dale Kasler: [916-321-1066](tel:916-321-1066), [@dakasler](https://twitter.com/dakasler)

Water may affect growth from Dayton to Silver Springs

Steve Ranson
LVN Editor Emeritus
December 13, 2017

[Share \(2\)](#) [Tweet](#) [Comments \(0\)](#)



Steve Ranson / LVN File photo |

The Carson River flooded south of Silver Springs and inundated campgrounds.

Both boards of the Truckee Carson Irrigation District and Churchill County Commission received an update on the 2017 water year from the general manager of the Carson Water Subconservancy District and a glimpse of what the future holds for water and growth along the Carson River corridor from Dayton to Silver Springs.

Ed James said, without a doubt, the 2017 water year broke records that were set more than 30 years ago.

"We were breaking all kinds of records," James said, adding the Reno airport broke its precipitation record in February.

Even with a record year, James said growth from Dayton to Silver Springs may be based on water availability. He said the state engineer met with area residents recently regarding their water availability. James said what's predicted on paper may not be what's in the ground.

“A lot of developers want to come out to Silver Springs, but they may have to bring water from other sources.”

— Ed James

"People need to be cautious, aware and how much water is physically available," James said, adding there's a big use for domestic wells in the Silver Springs area.

Because of the USA Parkway extension, which opened in late August and extends from Interstate 80 to U.S. Highway 50 near the Silver Springs Airport, James said more growth from housing and businesses will put a strain on water resources. He said it's a question for Lyon County and Silver Springs on how to handle water and growth. He said the developer of one industrial project that straddles USA Parkway, for example, recently bought rights to 24,000 acre-feet of surface water.

"A lot of developers want to come out to Silver Springs, but they may have to bring water from other sources," James added.

James said the CWSD and local governments are facing general water issues if a worst-case scenario of population growth occurs. He said the high-end of growth by 2050 could see upward to 400,000 people living within the boundary of the Carson River Watershed, which begins in Alpine County, Calif., and extends eastward past the Carson Sink. Future issues will focus on infrastructure needs, water use, potential water law changes, limited water supply east of Dayton, need for more induction wells, water quality concerns and need for upstream storage.

What people don't realize, said James, is the Alpine Compact stipulates 95 percent of the Carson River water is allocated for agriculture.

James, however, said the 2016-17 was an exceptional water year. The total water year precipitation for the northern Sierra Mountain range began to show upward trends in December 2016 based on an eight-station index and continued to stay ahead of the 1982-83 water year by averaging 94.7 inches of precipitation. He said records were set at 8,000 feet and higher. During the 1982-83 water year, the average came in at 88.5 inches followed by the wet winter of 1997-98 at 82.4 inches. To contrast the highest average, the second lowest record in modern recorded history came in 1976-77 with an average of 19 inches.

According to a snow-water content trend line from 1950-2015 for 13 northern Sierra snow courses, James said the area has been experiencing lesser snowfall totals; however, he said more water in the form of the runoff is occurring in the spring. James said because

Northern Nevada had been in a drought so long, 2016-17 wasn't as huge as 1997, but it had a bigger impact.

"The river functioned like it's supposed to," James said. "We had some flooding in Lyon County and had a lot of runoff."

Local runoff was measured at Carson City, Fort Churchill and below the Lahontan Dam. During the 1983 water year, the water flow at the Carson City gage registered at 826,225 acre-feet of water compared to 2017's 928,120 acre-feet. The comparison at Fort Churchill was 926,885 acre-feet of water in 2017 compared to 84,105 acre-feet 34 years earlier. More water, though, flowed below the dam in 1983 compared to this year, 771,414 acre-feet of water to 692,974.

The difference, James said, centers on Lahontan Reservoir. When flooding occurred in 1983, Lahontan Reservoir was almost full, but the reservoir was almost dry at the beginning of December 2016 when storms began to pound the Sierra. By tracking forecasts and trends, TCID, the Bureau of Reclamation, the National Weather Service and other agencies began to map out a plan to increase the flow out of Lahontan Reservoir beginning in February so that more water could be stored there and in other smaller reservoirs around Churchill County during mid-to-late spring. Hydrologists and meteorologists estimated the snowpack in the Sierra would equal the precipitation equivalence of three Lahontan reservoirs or almost 900,000 acre-feet of water.

TCID and Churchill County spearheaded construction of an emergency weir and spillway from the V-Line Canal, the main artery that delivers water in the Lahontan Valley. Thousands of acre feet of water began flowing in late March into the Nevada desert south of the canal and under culverts to Carson Lake and eventually to Stillwater Refuge and the Carson Sink.

"You did an amazing job," James said. "The work you did to move water in March, April and May was huge."

Because of the flooding in the 1980s, the Nevada Legislature mandated the Carson Water Subconservancy District would be responsible for the management and development of water resources in the upper Carson River. The new responsibility charges the CWSD alleviate reductions and loss of water supply, promote conservation and protect the health, safety and welfare of the people who live in the upper Carson River basin.

CWSD functions with 14 members representing six counties in two states and is funded by property tax and grants. The watershed encompasses an area of 3,966 square miles with the 184-mile long Carson River snaking through a five-county region.

To plan for the future, James said the 2018 Water Summit is slated for the morning of Jan. 30 in the Nevada Room at the Governor's Mansion.

Why You Should Live in Reno

Traditional ski towns are no longer affordable options for most skiers—satellite ski communities like Reno are the new dream

December 06, 2017 By [Katie Baker](#)

Population: 245,255

Median Home Price: \$326,000

Miles from a chairlift: 25

Jen Callahan was part of the fifth generation of her family to grow up in northern Nevada, which is why she used to be so eager to leave. Her hometown enabled her to grow up skiing the nearby Sierra that loom over Lake Tahoe—but it also gave her a little too much proximity to what was, at the time, a place best known for not exactly being Las Vegas. "I guess growing up, Reno always felt, like, rundown, and hot, and tired," says Callahan, who now skis in big mountain competitions. "Never would I have imagined going to college there. I was never gonna wind up in Reno."

In the years since, Callahan has lived in Alaska, and in the Bay Area, and in Jackson Hole—and in an old school-bus-turned-tiny-home in Reno, where she and her boyfriend Andrew Hennigh met while working at Mount Rose, she as a liftie and he on ski patrol. Drawn back to the University of Nevada in Reno for its strong

Natural Resources and Environmental Science department, Callahan saw the city with a fresh perspective—and loved what she saw. "My friend describes Reno as 'brackish,'" she says. "It's salty. It's like a Quentin Tarantino town: It's cool in its destruction."

These Are the Next American Ski Towns

Lately, though, the story of Reno has been even cooler in its construction. With a population of 245,255; a thriving artsy-foodsy district called Midtown just a few blocks away from the banks of the Truckee River; a rising job market benefitting from Silicon Valley spillover; newly legal recreational dispensaries; and a location allowing outdoor lovers to ski, paddle, hike, and bike without spending all day battling traffic; Reno is breaking out of its old trappings without losing its distinct, oddball culture.



The Biggest Little City has Mount Rose, tech jobs, and all-you-can-eat sushi. Don't worry, it still has slot machines, too. PHOTO: Ryan Salm

Mount Rose is just 25 miles from downtown Reno. Even inbounds, this low-key, old-timey ski area has plenty of thrilling terrain to be found, like the Chutes, which offer some of the longest steep vertical in North America. The base elevation of 8,260 feet can mean powder days when other mountains get rain, while 360-degree views pan from the blues and greens of Lake Tahoe and its surrounding national forest to the brown desert expanse of Nevada.

There are benign options as well: The city of Reno owns a quirky, small mountain called Sky Tavern that runs like a co-op, where parents volunteer to teach lessons and serve food and Olympic ski halfpipe gold medalist David Wise began learning his trade at age 3. (Last year, the owners of Sky Tavern offered a parking spot to Callahan's school bus.) Getting to more well-known resorts isn't difficult, either: Squaw Valley is less than an hour away, and driving from Reno down to backcountry stashes in South Lake doesn't take any longer than it would from Truckee.

As Reno continues to redefine itself, the more traditional "ski towns" that dot the Lake Tahoe region—Truckee, Tahoe City, Incline Village, Meyers, Kings Beach—are in the midst of a housing crisis.

Median home prices in the Reno area are more reasonable (though growing quickly), and opportunities for employment extend beyond the usual ski-town fare. Apple, Amazon, and Google are among the companies investing heavily in data and logistics facilities in the vast Reno-Tahoe Industrial Center. The Tesla Gigafactory began mass-producing batteries there earlier this year. And Patagonia, which has based its national fulfillment center in Reno for

decades, recently opened up an additional 17,000-square-foot outlet downtown—across from a West Elm that in 2016 was the first major retailer to open its doors in the neighborhood in some 30 years.



Skier: Eric Bryant. PHOTO: Ryan Salm

Bruce Old, the vice president for global wholesale at Patagonia, didn't expect to stay in Reno for long when he first arrived. Sixteen years later, he can't imagine leaving. He points to the city's size, its lack of state income tax, its constant slate of events like the Reno Rodeo or the annual hot air balloon races, and its easy proximity to both the east and west shores of Tahoe—as well as destinations farther south like Kirkwood and Yosemite—as what keep him and his family around.

It all makes attracting and retaining knowledgeable employees easier, too.

"When someone calls with a really technical question about their waders," Old says, "we want to make sure we've got someone in the building that fishes. We want to make sure we've got someone that maybe works here part time and does ski patrol part time. We've got a lot of outdoor expertise in this building, being in a place where people have really good access to pursue those passions."

Despite all the new restaurants and home renovations and galleries that have replaced what Moment Skis founder and Reno local Luke Jacobson says "used to be all liquor stores and sex shops," there's still plenty about Reno that retains its rough edge. You can play slots at the airport right at your gate. Jacobson points fondly to one dive bar, Tiger Tom's, that features a stripper cage and an old seen-it-all bartender who introduces herself as "Marina—like where you park boats."

Which is what Callahan loves, too. "That salty side," she says. "Reno is the only town that is close to the mountains that has that."

This story originally appeared in the November 2017 (46.3) issue of POWDER. To have award winning stories delivered right to your door, in print, [subscribe here](#).

[#46.3](#) [#Affordable](#) [#affordable housing](#) [#features](#) [#katie baker](#) [#Nevada](#) [#reno](#) [#tahoe](#)

Public salaries: Who's the top paid government CEO in Washoe County?

[Anjeanette Damon](#), adamon@rgj.com Published 2:06 p.m. PT Dec. 7, 2017

The average compensation for those in charge of local government agencies in Washoe County is \$295,160. Find out who makes the most. Wochit



[Buy Photo](#)

(Photo: JASON BEAN/RGJ, RENO GAZETTE-JOURNAL-USA TODAY NETWORK)
[CONNECT](#) [TWEET](#) [LINKEDIN](#) [COMMENT](#) [EMAIL](#) [MORE](#)

As the year comes to a close, several top local government executives are receiving job performance reviews that could come with hefty bonuses or salary raises.

The Washoe County School District superintendent is heading into contract negotiations in coming months.

And the city of Reno hired a new city manager this year.

So, the Reno Gazette-Journal decided to take a look at the compensation packages for the top executives at 10 local government agencies.

The analysis looks at base salary, allowances, deferred compensation, retirement contributions and performance bonuses. It does not take into account the cost of typical employee benefits such as group health insurance or life insurance.

The data here also may not reflect actual take home pay for the calendar year. For instance, Washoe County School District Superintendent Traci Davis took a \$15,743 vacation pay out this year rather than taking time off, which will boost her take home pay above her base salary amount.

Here are the rankings based on total compensation:

1. Traci Davis, Washoe County School District Superintendent: \$411,955

Davis is by far the most well-compensated local government head. Her total compensation is 13 percent higher than the next highest paid head of government.

Not only is her base salary the highest in the county, the district pays nearly \$125,000 a year to the Public Employee Retirement System. The money not only pays for Davis's normal retirement contribution, it also helps her buy extra months of service, which means she will be able to retire early.

Salary: \$262,395

Deferred compensation: \$15,000

PERS contribution: \$124,960

Allowances: \$9,600

Performance Bonus: \$0

2. Marily Mora, CEO of the Reno-Tahoe Airport Authority: \$363,765.

Mora's base salary is the second highest in Washoe County, but it was her bonus last year that pushed her solidly into second place. Of note, the airport authority does not receive sales or property taxes. The quasi-municipal agency is funded by such things as parking fees, concession fees and airline landing fees-- everything that is built into how much you pay to travel.

Salary: \$252,252

Deferred compensation: \$0

PERS contribution: \$65,875

Allowances: \$7,200

Performance Bonus: \$38,438

3. John Slaughter, Washoe County Manager:\$338,915

Salary: \$245,757

Deferred compensation: \$0

PERS contribution: \$65,855

Allowances: \$7,200

Performance Bonus: \$20,103

4. Lee Gibson, Regional Transportation Commission Executive Director: \$309,225

Salary: \$223,723

Deferred Compensation: \$15,660

PERS Contribution: \$62,642

Allowances: \$7,200

Performance Bonus: \$0

5. Phil Delone, CEO of the Reno-Sparks Convention and Visitors Authority: \$308,169

Salary: \$250,000

Deferred Compensation: \$0

PERS Contribution: \$49,169

Allowances: \$9,000

Performance Bonus: \$0

6. Steve Driscoll, Sparks City Manager: \$288,065

Salary: \$216,067

Deferred Compensation: \$11,500

PERS Contribution: \$60,498

Allowances: \$0

Performance Bonus: \$0

7. Mark Foree, Truckee Meadows Water Authority Executive Director: \$279,205

Salary: \$200,303

Deferred Compensation: \$12,018

PERS Contribution: \$56,084

Allowances: \$10,800

Performance Bonus: \$0

8. Sabra Newby, Reno City Manager: \$272,000

Salary: \$200,000

Deferred Compensation: \$9,000

PERS Contribution: \$57,000

Allowances: \$6,000

Performance Bonus: \$0

9. Jay Aldean, Truckee River Flood Management Authority: \$216,268

Salary: \$168,022

Deferred Compensation: \$0

PERS Contribution: \$47,046

Allowances: \$1,200

Performance Bonus: \$0

10. Kim Robinson, Truckee Meadows Regional Planning Agency Executive Director: \$164,037

Salary: \$123,857

Deferred Compensation: \$0

PERS Contribution: \$35,380

Allowances: \$4,800

Performance Bonus: \$0

Seismologists track series of small earthquakes in north Reno

by Diane Thao
Monday, December 11th 2017

RENO, Nev. (NEWS 4 & FOX 11) — There have been at least 32 small earthquakes in north Reno since November 28, according to the [Nevada Seismological Laboratory](#).

The largest earthquake reported from the cluster was a magnitude 1.9, felt December 9 around the Northtowne Marketplace shopping center.

The lab reports that there is a slight increase in the probability of a larger event during an ongoing sequence of earthquakes. Clusters of small earthquakes are typical in the western Nevada region.

The lab says it will continue to closely monitor this activity.

“When we feel these smaller earthquakes it’s nature’s way of telling us that Nevada, and Washoe County, is earthquake country,” Aaron Kenneston, Washoe County Emergency Manager, said. “If you live in the North Reno area, today would be an ideal day to walk through your house, or place of work, and do a hazard hunt. Secure bookshelves, water heaters, and items that can easily fall and hurt you. During an earthquake take immediate action to drop, take cover, and hold on. And after an earthquake check on your neighbor, know how to turn off your gas and water.”

The Nevada Division of Emergency Management/Homeland Security recommends preparing for such an event can start with four important steps:

1. Be informed about emergencies that could happen in your community, and identify sources of information in your community that will be helpful before, during and after an emergency
2. Make a plan for what to do in an emergency
3. Build an emergency supply kit

Liquid Assets

3 ways the course of water sustainability changed in 2017

[Will Sarni](#)

Tuesday, December 12, 2017 - 1:45am

[Shutterstock](#) [Filipe Frazao](#)

Aerial view of a rainforest in Brazil.

It is always difficult to reflect back on a year and identify the most notable annual events on any given issue. Water is no different and perhaps more challenging. Progress in the water sector, for the most part, seems at times to move at a glacial pace with a few exceptions.

As I look back on 2017, these three issues are worth highlighting.

1. The rise of the machines

The word of the year in the world of water is digital.

Digital technologies are gaining ground in the water sector and addressing a range of issues. Adoption of digital technologies is accompanied by an increased recognition that access to water data and analytics is essential to better inform public policies and business decisions.

First, efforts to improve access to water data and actionable information is gaining support. The ["Internet of Water"](#) report by the Aspen Institute and Duke University's Nicholas Institute makes this case. An example of how this trend is unfolding into changes in public policy is the 2017 California AB 1755 [Open and Transparent Water Data Act](#). The act would require the State Water Resources Control Board "in consultation with the California Water Quality Monitoring Council, the state board and the Department of Fish and Wildlife, in accordance with a specified schedule, to create, operate and maintain a statewide integrated water data platform that, among other things, would integrate existing water and ecological data information from multiple databases and provide data on completed water transfers and exchanges."

This is a big move: basing public policy decisions on the better use of current data sets to address water scarcity, climate change and short-term droughts. Another

example of this trend is [WetDATA](#), a water data hub that I launched last year with the mission to democratize access to data and information about water.

Layered on this is the development of digital technologies for a range of applications: the remote collection of water data via satellites and drones; on-the-ground sensors; "smart" devices (internet of things); real-time water quality monitoring; predictive analytics; and artificial intelligence. Suddenly, we have more data and actionable information to make better decisions to manage resources (surface and groundwater), to address asset management (water and wastewater treatment) and to better allocate the scarce gallon or liter of water.

Suddenly, we have more data and actionable information.

There are several examples of digital applications in the water sector. This ranges from pure digital plays to companies adding a digital function to a current product. An example of the latter is the [Microsoft Ecolab Partnership](#). Ecolab data "are collected from thousands of facilities around the world feed into local monitoring equipment, before being transferred to a secure cloud storage platform built on Microsoft Azure and Azure IoT Suite, in real-time." This is coupling Ecolab's global footprint in delivering technical solutions to address water quality with Microsoft's capabilities in data management and analytics.

A few categories of digital applications are suggested below:

- **Remote and ground sensing:** Rapid data acquisition and analytics (such as Utilis and Arable)
- **Water quality:** Next-generation sensors to track water quality in real time (such as FRED Sense)
- **Water usage:** Consumer usage data communicated to motivate conservation (such as WaterSmart and DropCountr)
- **Asset management:** Network sensors to improve leak detection, energy management and stormwater overflows (such as AYYEKA and Flowless)
- **Water utility economics:** Identify and manage non-revenue water and strategies to improve utility profitability (such as Valor Water Analytics)
- **Predictive analytics:** Improve response to system repairs thus reducing disruption and financial impacts of downtime (such as TaKaDu and Kando)

I believe this is the early stage of a long-term trend: digital technologies radically improving how we manage water. More on this in my next article on predictions for 2018.

2. Circular economy models take hold

One of the more important issues over the past 12 months has been the heightened focus on water reuse and recycling. A circular economy water strategy is really quite simple: reduce; reuse; and recycle. In a world where water is over-allocated and

climate change has altered our ability to predict water supplies, we no longer can use water once and essentially throw it away.

Several initiatives are accelerating the move from a linear strategy for water to a circular strategy. Of note is the Ellen MacArthur Foundation work on [Applying the Circular Economy Lens to Water](#) and the US Water Alliance [One Water Hub](#). The topic was also [the theme](#) of this year's Stockholm World Water.

We can see the tangible adoption of a circular water strategy in the passing of [California AB-574 Water Reuse Bill](#), which promotes water reuse. In regions where water is scarce from over-allocation, coupled with the impacts of climate change, water reuse and recycling are no longer optional. As a result, expect to see public policy adapt to this new reality by supporting innovative water reuse and recycling technologies.

3. The stagnant state of water stewardship: Is this it?

I expect a lot of comments on this one. The first two points above are well on their way to increased adoption in 2018, yet this will require a shift in thinking.

Water stewardship, once the focus of much attention, has stalled. My primary reason for this statement to support this conclusion is that water stewardship has become a corporate social responsibility (CSR) strategy, in many cases a "check the box" exercise. Water as a CSR issue can create only so much value for a company. Likely not enough to merit much attention and funding.

One just needs to look at the numbers. While the number of companies reporting on water risks and opportunities has increased over time, the actual investment in water projects, as documented in the [2017 CDP Global Water Report](#), is not inspiring. The report stated that "companies are committing \$23.4 billion across more than 1,000 water projects." This is not much when considering the scale of these companies and the severity of the challenges with water.

We need to move to water strategies that support business strategies.

My point of view does not ignore the positive developments in water stewardship such as [Alliance for Water Stewardship](#), WWF, TNC, WRI and Ceres [Investor Water Toolkit](#). These efforts along with many others are having a positive impact in addressing water risks. We still need these programs, but I don't believe they are enough on their own.

We need to move to water strategies that support business strategies: Inspiring companies to view water challenges as business opportunities and to focus on how solving water issues actually [can drive business growth](#). Viewing water as a CSR issue can create only so much impact and value. Considering a water strategy more holistically can add value to a business, its stakeholders and society.

A water strategy aligned with business growth goes beyond current water stewardship frameworks of managing water across a company's value chain and within watersheds. It provides greater opportunities for companies to contribute to solving "wicked water challenges" through innovation in technologies, funding/financing, business models and partnerships. A water strategy that truly embraces business opportunities and not just addressing risks can [create greater value and impact](#) for a business and stakeholders.

Let me frame this another way. Imagine if the 1,000-plus companies that responded to CDP Water in 2017 quantified how their products and services actually solved water issues? What if companies focused on their success in bringing to market innovative products and services, active participation in financing and funding of water projects and contributing to new business models and partnerships?

For example, look at how the information, communication technology sector quantified its [positive impact](#) on energy efficiency and reducing greenhouse gas emissions. We can do the same for water. We have an opportunity to move from value chain water footprint projects to creating business opportunities that have a greater value and impact.

TMWA Closer to Acquiring Private Utility, Providing Water to West Reno and Verdi

December 13, 2017 Carla O'Day



TMWA Workers Install a Water Main Pipeline. Photo:

TMWA

The Truckee Meadows Water Authority board on Wednesday was updated on negotiations to purchase West Reno Water Company, which will mean system upgrades to provide service to the Verdi area in the next few months.

Under the agreement, TMWA will pay West Reno Water \$950,000. Water system assets are \$700,000, legal and engineering cost is \$150,000, and pipe casting and easement across the Truckee River is about \$100,000. An agreement is scheduled to come back to the board in January.

Assets include all groundwater rights at Boomtown, its RV park, the convenience store, Cabela's sporting goods store, and Dermody Properties. The Meridian 120 North, owned by Reno Land Inc., and proposed developments on the south side of Interstate 80 would be served as well.

Facility improvements will cost TMWA between \$14 million and \$16 million. A special assessment district is expected to be formed by Washoe County and the City of Reno to fund necessary improvements, said John Enloe, TMWA director of natural resources, planning and management. The district would collect connection fees and surcharges.

Enloe said TMWA reached out to West Reno Water over concern that the private utility provided ground water only. In turn, he said West Reno Water was willing to sell.

"There was concern over long term sustainability of the groundwater resource," Enloe said. "TMWA will buy the system and that will allow us to provide river water out there to support the groundwater."

Board members acknowledged the complexities of a special assessment district, such as how it'll work for those who get into the district earlier than others, and questioned what might happen if the subdivisions don't come to fruition or if they end up smaller than planned.



Washoe County Commissioner Vaughn Hartung.

"What if the development fails and we only have a small amount of customers? Maybe we should make Reno Land bond," County Commissioner Vaughn Hartung said. "My biggest concern is putting the average rate payer on the hook."

Reno Councilwoman Jenny Brekhus said expansion west is long overdue.

"I'm super excited about this," Brekhus said. "We should've been ahead of this."

Several land owners in the Verdi area attended October's board meeting and said they favored getting service from TMWA.

Verdi residents have been vocal about not wanting to deal with Reno in the past, Reno Councilwoman Neoma Jardon said.

"Now that growth is going on, things are changing," Jardon said.

More flood walls coming near Swan Lake in Lemmon Valley

Associated Press Published 9:29 a.m. PT Dec. 19, 2017

CLOSE 

Nevada Governor Brian Sandoval hosts a 2017 Spring Flood Briefing to discuss the potentially devastating flooding when this winter's record snowpack melts into already full lakes and reservoirs. Jason Bean/RGJ

(Photo: Mike Higdon/RGJ file)
CONNECTTWEETLINKEDINCOMMENTEMAILMORE

RENO — Washoe County officials say they plan to install more temporary flood walls near Swan Lake to protect homes from water levels that are expected to rise.

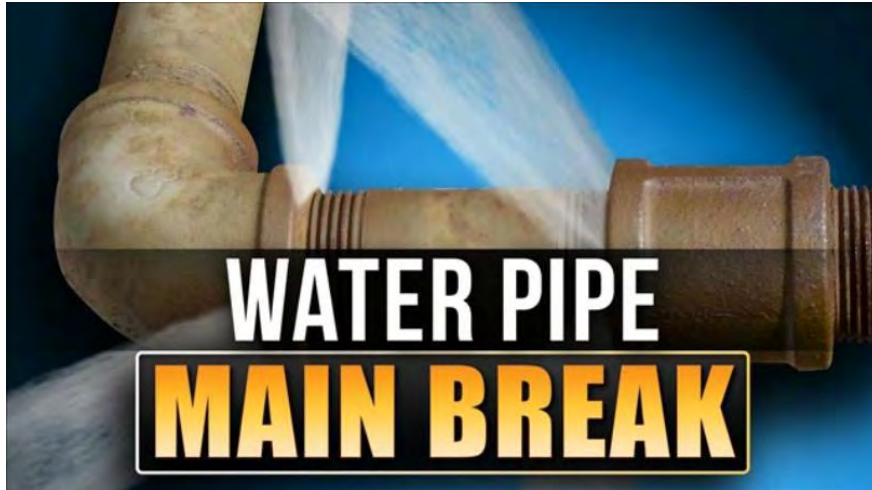
[KOLO-TV reports](#) the county has purchase \$300,000 worth of flood walls to install as needed near the Lemmon Valley site.

Storms during last winter caused the lake to rise, flooding some homes.

County officials say if precipitation levels stay normal, the lake is expected to be higher than where it was last year.

County officials say they're exploring other options going forward like dredging the lake to build a berm.

Reno street open to residents after water main break



By Staff |

Posted: Tue 11:49 PM, Dec 19, 2017 |

Updated: Wed 12:22 PM, Dec 20, 2017



[View Map](#)

RENO, Nev. (KOLO) -- The 2200 block of Almond Creek Drive is back open to residents, but still closed to through traffic, following a water main break.

The call to report the break was made Tuesday, December 19 at 9:45 p.m.

Truckee Meadows Water Authority responded to the break to make the needed repairs. A TMWA spokesperson says water service has been restored, and repairs have been made to a gas line that also broke. The only thing left is an asphalt patch, which is planned for Wednesday afternoon.

TMWA says about 16 residents were affected by the water main break

City of Reno: Newby fills three key leadership positions

[Anjeanette Damon](#), adamon@rgj.com Published 1:00 p.m. PT Dec. 21, 2017 | Updated 1:50 p.m. PT Dec. 21, 2017

CLOSE 

With three months on the job, City Manager Sabra Newby sat down with the Reno Gazette-Journal to discuss the top issues facing the city. Anjeanette Damon/RGJ



Buy Photo

New Reno City Manager Sabra Smith Newby speaks to the crowd during Artown's Opening Night in Reno on Saturday, July 1, 2017. (Photo: Tom R. Smedes/Special to RGJ, Tom R. Smedes/Special to RGJ) Buy Photo

CONNECT [TWEET](#) [1](#) [LINKEDIN](#) COMMENT EMAIL MORE

Reno City Manager Sabra Newby has filled three key positions, rounding out her leadership team six months after taking the helm of the city.

In an announcement Thursday, Newby said she has hired a new finance director, human resources director and chief of staff.

Deborah Lauchner, currently the chief financial officer for the city of Santa Rosa, was tapped to replace Robert Chisel as finance director. Lauchner has more than 20 years in municipal finance experience, mostly in Northern California. Prior to Santa Rosa, Lauchner worked for the city of Vallejo, helping the city recover from a bankruptcy it declared before hiring her.

Lauchner will be paid \$147,000 a year and begins work on Jan. 29.

More: [Public salaries: Who's the top paid government CEO in Washoe County?](#)

Mandee Bowler, who has been serving as acting human resources director since Kelly Leerman left the city, has been promoted to fill the position permanently. Bowler was hired in 2015 as the city's labor relations manager.

Bowler will make \$126,541 in the new position.

Newby also opted to change the city's leadership structure, deciding not to fill the assistant city manager position left open by Kate Thomas's departure. Instead, Newby hired a chief of staff, Jennifer Lances.

Lances is currently the deputy administrative services director for the city of Las Vegas. She has also held several positions at Clark County, where Newby worked before taking the Reno City Manager position in May.

Lances will make \$145,000 and begins work on Jan. 16.

Editor's note: This story has been edited to correct the spelling of Lauchner's name.

How the RGJ helped you hold local government accountable in 2017

[Anjeanette Damon](#), adamon@rgj.com Published 5:00 a.m. PT Dec. 27, 2017

CLOSE X

An RGJ investigation found a 600 percent increase in deaths since 2015. Editor's note: This video includes a 1998 RGJ file photo of police academy cadets undergoing listening skills training. They are not affiliated with the sheriff's office. Anjeanette Damon/RGJ



(Photo: Treat Cafferata/RGJ file)
CONNECTTWEETLINKEDINCOMMENTEMAILMORE

A spike in deaths at the Washoe County Jail grows under the radar.

A homeless man who lost his feet to frostbite was one of 30,000 Nevadans with state-paid insurance who never received care.

The city hires a private investigator to spy on strip clubs but refuses to release the report until the Reno Gazette Journal demands the documents.

These are among the top watchdog stories by the Reno Gazette Journal in 2017. Here's a look at how the RGJ helped you hold local government accountable this year.

1. Death Behind Bars: The chronicling of a silent spike in in-custody deaths at the Washoe County Jail

In April 2016, an anonymous caller reached out to the Reno Gazette Journal concerned about three back-to-back suicides at the Washoe County Jail. The call prompted the RGJ to file a records request that sparked a year-long effort to understand why people were dying at the jail in unprecedented numbers.

The news organization discovered a 600 percent increase in deaths at the jail since Sheriff Chuck Allen took the helm in 2015. Ten inmates died in custody between 2007 and 2014, mostly from natural causes. But in the first two years of Allen's tenure, 13 inmates died.

Some strangled themselves with bedsheets. One drank himself to death with water. One woman died in the infirmary while detoxing from drugs. Three people succumbed under a dog-pile of deputies trying to restrain them.

The sheriff began reacting to the RGJ's reporting even before the series ran, implementing new training, disclosing deaths to the public and asking for two audits of the jail's health care services.

2. The 'next Silicon Valley': How the Reno mayor's campaign consultant pieced together government contracts to promote the region

Over the last two years, some in the national press have latched on to the idea that Reno is "actually pretty cool." The most common meme out there? Reno is the next Silicon Valley.

The story line wasn't organic. Instead, it came about in part because of the efforts of Abbi Whitaker and her public relations agency, which has worked tirelessly to improve the region's image.

Taxpayers paid Whitaker, who is Reno Mayor Hillary Schieve's campaign consultant, for the work. Whitaker pieced together \$10,000 contracts from multiple government agencies overseen by Schieve for a total of \$110,000 over two years. The individual contracts were small enough that they didn't need approval in a public meeting.

Spinning off her success with Reno, Whitaker most recently won a [\\$2 million contract](#) to do similar work for Henderson, Nev.

3. Secret strip club investigation: How the city hired a private investigator to spy on strip clubs during an effort to push them out of downtown

The Reno City Council is considering a new ordinance that would move strip clubs out of downtown and off of East Fourth Street. See maps of where they would be allowed to go. Anjeanette Damon, RGJ

The city of Reno was in the middle of a year-long effort to rewrite regulations governing strip clubs when a [council woman made a startling revelation](#): Reno City Attorney Karl Hall had hired a private investigator to spy on the strip clubs.

Not only had Hall quietly hired the PI, he also refused to release the investigator's findings, claiming the report was protected by attorney-client privilege. Hall said he hired the investigator to help the city prepare for expected lawsuits from the strip clubs.

But the investigator's findings also helped the city build an argument that existing clubs should be forced to close their doors downtown and re-open in properly zoned industrial areas of town.

After Hall refused to release the report in response to a public records request by the Reno Gazette Journal, Reno City Manager Sabra Newby reversed that decision and released the report herself.

4. Covered but not cared for: How a homeless man nearly died from frostbite despite having state-paid health insurance

Bill George was homeless and trying to keep warm under a downtown Reno bridge this winter when community-based case manager Lisa Lee found him near death, his feet nearly rotted off from his legs. Anjeanette Damon and Andy Barron

In March, a Reno social worker told lawmakers the harrowing story of a homeless man, near death under a freezing bridge, who suffered such terrible frostbite that his feet nearly fell off in her clinic.

The Reno Gazette Journal followed up on the man's story and discovered that Bill George was covered by Nevada Medicaid, a federal health insurance program for low

income people. But even though the state paid a private insurance company a monthly fee to cover George, he had never been seen by a doctor or a mental health professional until he was near death.

The news organization's investigation discovered Nevada is paying private insurance companies for 30,000 people who never take advantage of their benefits. Despite spending billions of dollars on the program, the federal government and other states don't track such non-utilization rates.

That will change in Nevada, which will start using the statistic to hold insurance companies accountable.

5. Flooding ditches: How the city's reliance on a 150-year-old irrigation ditch system to convey storm water doesn't work



Buy Photo

Water from the Steamboat Ditch floods Sagittarius Drive in Reno. (Photo: Anjeanette Damon/RGJ)

In January, a series of wet storms quickly brought the Truckee River to flood stage. But the river didn't end up spilling its banks and damaging property.

The same can't be said for the irrigation ditches that Reno and Washoe County rely on to convey storm water.

The ditches, built in the 1860s to move water from the Truckee River to farmland south of town, burst and overtopped throughout the city, flooding homes and property. It was the second time in 12 years that the same homes had been flooded by the inadequate ditches.

The flooding brought into question whether the city should continue to rely on the system for its flood waters and discussions are ongoing at the city about how to either improve them or find another solution.

Tahoe snowpack third-lightest since 1981

[Benjamin Spillman](#), bspillman@rgj.com Published 9:58 a.m. PT Dec. 28, 2017 | Updated 2:58 p.m. PT Dec. 28, 2017

See a comparison between this year's and last year's snowpack. Jason Bean



Buy Photo

(Photo: Jason Bean/RGJ)

CONNECTTWEET 1 LINKEDIN 1 COMMENTEMAILMORE

What a difference a year makes.

The winter of 2017-18 is off to a slow start in the Sierra Nevada, a stark contrast from the record-busting snow totals last year.

The contrast from last year is particularly evident in the Lake Tahoe Basin where winter is off to its third-driest start since 1980-81.

Snow survey results posted Thursday show the basin is at 30 percent of normal for the date, compared to 67 percent on the same date last year.

The Mt. Rose Snotel site on Slide Mountain reported 36 inches of snow with 11 inches of water content, which is 84 percent of normal. On the same date last year, the site had 58 inches of snow and was at 119 percent of normal.

"We are behind where we were last year at this time," said Jeff Anderson, a hydrologist from the Nevada Natural Resources Conservation Service, a federal agency that tracks snow in the west.

In the short-term, the dry December isn't expected to have much effect on the water supply for the Reno-Tahoe region. That's because the heavy precipitation last year filled reservoirs, including Lake Tahoe, to the brim.

"Even if we have a fairly dry year we can still maintain the targeted flows," said Chad Blanchard, federal water master in Reno.

The slow start to winter is, however, a reminder that drought remains a concern for the region.

"While it's too early to know for sure if this will be a drought year, we had better start acting as though drought was going to be a normal, not abnormal, part of western water's future," said Peter Gleick, co-founder of the Pacific Institute, an Oakland-based global water think tank.

Snowpack in the Truckee River Basin is at 59 percent of normal. It's at 50 and 64 percent of normal in the Carson and Walker river basins.

Great Basin ranges are also drier than normal. Eastern Nevada is at 31 percent of normal for the year, Clover Valley and the Upper Humboldt basins near Elko are at 42 and 44 percent. The Lower Humboldt basin is at 38 percent.

It's an even drier story in California.

According to the California Department of Water Resources, the northern Sierra is at 24 percent of normal, the central Sierra is at 33 percent and the southern Sierra is at 23 percent.

"We have a really poor snowpack now, but if we get in a storm track that can change rapidly," Anderson said.

The dryness is particularly noticeable below 8,000 feet, where the snowpack is just 25 percent of normal for the date.

The Snotel at Ward Creek near Tahoe City is at the lowest it has ever been recorded on this date in 39 years of data. A Snotel at 7,600 feet at Rubicon reported its second-lowest level ever and another station at 7,880 feet at Marlette Lake showed the fourth-lowest level on record for the date.

Sparse snow below 8,000 feet is particularly important because it's an indication that human-induced climate change is already altering the Sierra Nevada, Gleick said.

It happened last year, too, albeit with more overall snow. At this time last year snow levels above 8,000 feet were near or above normal. Below 8,000 feet they were as much as 40 percent below normal.

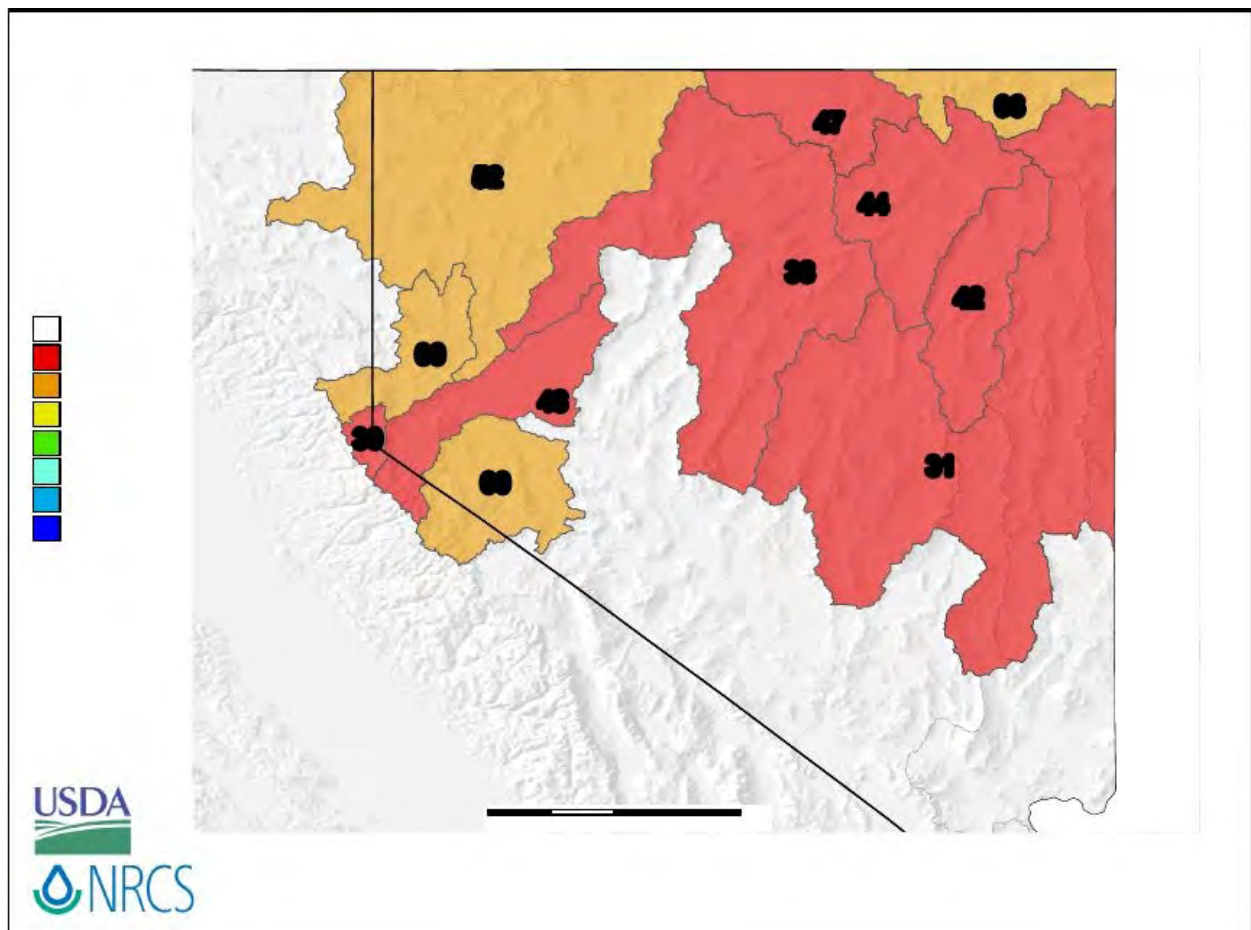
“That is exactly what we expect from climate change,” Gleick said. “The snowline will move up because it is warmer.”

Gleick said the changing climate means winters that were once considered typical for the Sierra Nevada are increasingly rare. And conditions once considered extreme are increasingly likely.

That means communities should shift their behavior to conserve more water when available and learn to capture more water that arrives as rain. Currently much of the water capture and storage systems in California and the west are built to capture gradual snowmelt.

“All of those decisions about reservoir management are based on old 20th century statistics,” Gleick said. “If there is anything we have learned from climate change it is that those statistics aren’t valid anymore.”

[Here's the link to the map.](#) as it is not copying well.



RGJ Citizen of the Year: Sparks mayor has 'left a mark on the city he loves'

[Marcella Corona](#), mcorona@rgj.com Published 5:00 a.m. PT Dec. 31, 2017 | Updated 10:17 a.m. PT Dec. 31, 2017



[Buy Photo](#)

Sparks mayor Geno Martini delivers his State of the City address at the Sparks City Council Chambers on Monday March 7, 2015. (Photo: Andy Barron/RGJ)[Buy Photo](#)

[CONNECT](#)[TWEET 1](#) [LINKEDIN](#) 4 [COMMENT](#)[EMAIL](#)[MORE](#)

Geno Martini has lived in Sparks his whole life.

He grew up on a farm that sat just below the hillside near the “S” in east Sparks. He played Little League baseball on a field where Sparks City Hall now stands. He traveled along a dirt road — now known as Prater Way — to get to school every day, and graduated from Sparks High.

He served on the Sparks City Council for four years and eventually was elected mayor.

He’s also the Reno Gazette Journal 2017 Citizen of the Year, an honor he earned through his service in Sparks and throughout the region.



Sparks Mayor Geno Martini, right, and his mother Erma prepare Bagna Calda, a type of Italian fondue, at his home in Sparks. At that time, Martini was serving as council member for Ward 3. (Photo: RGJ file)

“I was born here in 1946, and I’ve been here ever since,” Martini, now 71, said Thursday night.

He sat in a wheelchair next to a neatly made bed, where he placed a half-empty box of chocolate truffles. He was still recovering from a recent knee surgery at ManorCare Health Services-Wingfield Hills in east Sparks.

"I was born in St. Mary’s (Regional Medical Center), and that was the only hospital they had at that time,” he said. “I had to be born in Reno.

“I lived there for three days, moved out and never been back since.”

More: [2016 RGJ Citizen of the Year: Honor Flight Nevada's Jon Yuspa](#)

More: [2015 RGJ Citizen of the Year: Jeff Bryant of Urban Roots](#)

More: [2014 RGJ Citizen of the Year: Randy Cunningham](#)

More: [2013 RGJ Citizen of the Year: Michael Landsberry](#)



A file photo of a young Geno Martini wearing a graduation cap and gown. (Photo: RGJ file)

And he had a vision for Sparks.

Martini said he started out in 1999 with an idea of what he wanted Sparks to become.

“And I think for the most part, we’ve gotten there,” Martini said. “We’ve been trying for a long, long time to get somebody to develop downtown Sparks. Over the last years from 1999 until now, we couldn’t get anybody to even build an outhouse down there.”

“And now we got some infrastructure being built, some apartments, restaurants, [a movie theater, which is going to be a great piece that will reopen](#),” he said. “That’s what I set out to get done. By the time I leave, we’ll be close to having that done.”

Former Reno Mayor Bob Cashell said Martini helped design the city of Sparks to what it is today. Cashell has known Martini for more than 20 years. He’s worked with him to build the homeless shelter in Reno.

“He created a vision of what he thought the city should look like,” Cashell said.

Martini was described by his colleagues as a vital leader during the economic recession in 2008. He pushed for growth and redevelopment. And he maintained the small-town feel many residents in Sparks cherish.

Reno Mayor Bob Cashell and Sparks Mayor Geno Martini talk together at a private party Tuesday inside the Silver Legacy. (Photo: RGJ file)



Cashell described Martini as an outstanding leader who “helps make things happen.” He said Martini was instrumental in getting representatives in Sparks, Reno and Washoe County to work together to address the region’s homeless problem.

“I don’t know anybody who’s been more of a leader than he has,” Cashell said.

“I can’t think of a nicer person to be honored as Citizen of the Year than Geno Martini,” he said.

Councilwoman Charlene Bybee said Martini helped keep everybody connected.

“He has no ego,” Bybee said. “He has no self-important attitude even though he’s been mayor and in a leadership position for so long.

“He’s very humble. He does everything because he loves this city. I just find that so rare. How often can we find that in life, let alone in politics?”

Bybee said residents have that “Sparks proud” feeling.

“It’s not just a hashtag,” she said. “It really feels like you know people and you can talk to people. Geno sets that tone for the city, and it’s carried through the years down to all of us who are newer to the leadership position.

“That’s probably his greatest legacy.”

Councilman Donald Abbot said Martini’s leadership was key in the city’s downtown redevelopment.

“People are going to be living down there and playing,” Abbott said. “We have some bars and some places to get dinner, but it’s exciting to see that there will be another reason to go down there.

“Like any city, if the city doesn’t grow, it turns into a ghost town,” he said.

A file photo showing Sparks Mayor Geno Martini wincing after having a pie smashed into his face during a fundraiser. (Photo: RGJ file)



Sparks City Manager Steve Driscoll said residents often invite Martini to attend special events. He said Martini is involved in Hot August Nights and the Rotary Club of Sparks, among other organizations.

"He's always been honest," Driscoll said. "He's always been a person that if he told you he was going to do something, he got it done ... If it took extra effort on his part, he would do that. He wouldn't just blow something off because it was too hard or it was more complicated than he thought.

"So, the citizens have benefited from that."

Driscoll said Martini never took things for granted.

"He recognizes as a leader, a lot gets accomplished that he's not physically doing himself," Driscoll said. "But people do it on his behalf. He's always the first one to say 'thank you.' He's always the first one to remember people."

Driscoll described Martini as an ambassador who makes sure promises are kept.



Sparks Mayor Geno Martini, left, Gov. Brian Sandoval, Reno Mayor Bob Cashell, Dermody Properties Chairman and CEO Michael Dermody and Melanie Gangel, vice president of PCCP, pose for a photo during the groundbreaking ceremony for LogistiCenter 395. (Photo: RGJ file)

"It's not like he's searching out a legacy, but that certainly is his legacy," Driscoll said. "The city is approaching 100,000 in population, and we're building new schools again. We're building houses again. We're building apartment complexes that are more affordable than maybe they would be under other circumstances."

Martini was also instrumental in making Sparks Marina Park what it is today — the culmination of decades of effort to turn the former Helms Pit into a recreational area.

"He made sure Sparks grew in the right way," said former Sparks City Manager Shaun Carey.

"I don't think we'll ever have another opportunity to build another 30-acre lake in the heart of the city again," he said. "We live in the desert."

Martini also was involved in securing The Outlets at Legends and the Golden Eagle Regional Sports Complex.

"And it provides something that Geno always believed in and that's to make sure we take care of the children," said Carey. "They have a place to play soccer, to play little league, to play all of the sports ... It's a world-class facility."



Reno Mayor Bob Cashell, Sparks Mayor Geno Martini, and CCSNN Board Member Tom Dolan help distribute turkeys at St. Vincent's Food Pantry in 2008. (Photo: RGJ file)

Carey said Martini demonstrates a lot of the qualities needed in government "to assure that not only we serve the people, but we find the future."

"If you're not looking for the future you're only going to have the past," Carey said.

"His heart is two sizes too big," he said. "He's done this job for a long time, but he's done it for the right reasons.

"I believe that Geno Martini will long be remembered as the man who made a difference," he said. "I don't think there is a lot more to say other than to say he left a mark on the city he loved."



Buy Photo

Sparks Mayor Geno Martini participates in a Guinness World Record-setting checkers event as part of the People Helping People Convention on February 8, 2014 at the Peppermill Resort and Casino Tuscan Ballroom in Reno, Nevada. (Photo: Tom R. Smedes/ special to the RGJ)

Martini said he won't run for reelection next year. He plans to serve out the rest of his term, something he said won't be easy.

"Physically, I'm not doing that great," Martini said, adding that he was diagnosed with Parkinson's disease and suffered two heart attacks in recent weeks. "I'm OK, but it's going to be a difficult go for the next 11 months to finish up my term.

"But I'm going to try as hard as I can," he said. "Hopefully, I'll be able to do it because I've gone too far and done and helped with too many things to let it go right now."

Martini said he loves his town, the people and his job.

"It's the best job I've ever had," Martini said. "I'm not getting rich by any means, but I can't think of anything I would rather be doing right now than being the mayor of Sparks.

"It just pays me back all the time. I absolutely love it."

Tahoe Reno Industrial Park developer lauds Trump's quest to chop crimson tape

December 31, 2017 Kaplan Contributor

Tahoe Reno Industrial Center developer Lance Gilman, pictured in 2014, recently said that President Donald Trump's efforts to cut federal regulations will spur economic development in Northern Nevada.

By Ray Hagar, Nevada Newsmakers

Friday, Nov. 24, 2017 | 2 a.m.

Lance Gilman, partner-broker of the Tahoe Reno Industrial Center, recently returned from Washington, D.C., excited about President Donald Trump's ability to cut federal regulations instead of writing them.

He said Trump's focus on deregulating was the emphasis as Gilman met with high-ranking members of the administration along with other state, county and municipal leaders from across the nation.

Gilman, also a Storey County commissioner, was impressed that the administration would seek the opinions of "grass-roots" elected officials. He said on "Nevada Newsmakers" that he is confident that deregulation will spur economic development in Northern Nevada.

"They are looking at simplifying, deregulating and (seeking) less paperwork," Gilman said.

Trump has withdrawn more than 800 proposed regulations from the Obama administration, according to multiple news reports.

Gilman called Trump's deregulation agenda "the untold story of the administration," suggesting that Trump's deregulation plan is a bigger victory than Trump placing a new justice on the U.S. Supreme Court.

"I'm sure this is what is driving our stock market," Gilman said. "Folks are aware. It is happening at all levels — financial, development — it's just amazing."

Gilman is optimistic about future federal funding for projects in Northern Nevada. He also sees Trump cutting the length of time to get permits for developments and building projects under of the National Environmental Policy Act (NEPA).

We're going to see some major changes in the amount of paperwork necessary and the timelines they are now committing," Gilman said.

Highway construction was also discussed with federal officials, Gilman said.

“One of the issues we are looking at locally is federal infrastructure — Interstate 80, maybe new highways or infrastructure development,” Gilman said.

“The Nevada Department of Transportation gets a lot of compliments from the federal level,” he said. “But NDOT’s hands are tied when it comes to NEPA permits. That is your national environmental permit. (They must be approved) before you can touch anything of a federal nature, and those permits average nine years to get one.”

While I-80 would be a priority for Gilman’s Tahoe Reno Industrial Complex (TRI), he also sees many more areas where federal highway dollars could be spent in Northern Nevada.

“(U.S.) 395 is running north and south with heavy traffic, so the information that I received from NDOT is that they would like to see about \$3 billion worth (of projects) over the next 10 years or so implemented here in Northern Nevada. All of that, of course, needs NEPA permits.’

In addition to more east-west connector roads, other infrastructure improvements are needed, Gilman said.

Gilman said he is less confident that Congress will approve funding. “I don’t understand what is happening on Congress, candidly,” Gilman said. “I’m very disappointed in that side of our government.”

Trump is not getting the credit for what he is trying to accomplish, Gilman said. “I am going to tell you that Trump is like that duck and he is paddling real fast under water,” he said.

Ray Hagar is a retired political journalist from the Reno Gazette-Journal and current reporter/columnist for the Nevada Newsmakers podcast and website, nevadanewsmakers.

LETTERS TO THE EDITOR

Public CEOs don't need performance bonuses, secondary retirement plans

After reading the article on Washoe County public CEO salaries, I wanted to point out three things that are, in my opinion, wrong with how these compensation packages are structured. First, with respect to Traci Davis, the school district never should have agreed to purchase time under PERS as part of her employment contract. That practice has been used as an incentive for employees to retire, not to stay employed. Second, there are two CEOs who receive a performance bonus. A public-sector CEOs base pay is compensation for doing their job. They shouldn't also receive a bonus. Lastly, five of the CEOs receive an employer contribution toward deferred compensation. A deferred compensation plan is a retirement plan. These Washoe County CEOs have a very generous retirement plan under PERS, the contribution to which is 100 percent paid by the employer. Paying an additional contribution with taxpayers' money to a deferred compensation plan is outrageous.

Howard Reynolds, Reno

Raw water: Is the new Silicon Valley craze healthy?

POSTED: JAN 03 2018 07:12PM PST

VIDEO POSTED: JAN 03 2018 06:56PM PST

UPDATED: JAN 04 2018 07:10AM PST

SAN FRANCISCO (Tara Moriarty/KTVU) - It's the latest health craze to hit Silicon Valley... raw water. We're talking about unfiltered, untreated, unsterilized water.

After a New York Times article highlighted the trend, the product has been flying off store shelves in San Francisco.

"Live Water", the company that produces raw water, says its product is derived from a mountain spring in Oregon.

And techies in San Francisco are guzzling it by the gallon-full.



"[Those techies are] unique I guess, and more power to 'em if they want to drink raw water- yeah," said a laughing Bradlee Kimbrell of Dallas, who was visiting San Francisco this week.

After news of the latest health trend hit the media, jugs of Live Water flew off store shelves at the Rainbow Grocery in San Francisco, where signs indicate a future price surge.

"It is expensive," said Betsy Lauppe Rhodes with the SF Public Utilities Commission. "So it's approximately seven dollars a gallon whereas tap water is literally pennies per gallon."

Water and health officials say their larger concern is over raw water's safety.

"Tap water is treated for a reason because there are harmful things in that water that you don't want to drink you could have bacteria, you could have e coli you could have choliform and that's just to name a few," said Rhodes.

Furthermore, 85 percent of San Francisco's water comes from the virtually untouched Hetch Hetchy reservoir.

"I could never go back to drinking dead water again," says Live Water's Founder and CEO Mukhande, in his company's video, which is posted on YouTube. He spoke to KTVU's Tara Moriarty via Facetime from his home in Maui today.

Mukhande stands by his product..

"It's not tainted by any of the surface water on the earth, that has a lot of the Industrial Age contamination in it. Each batch is tested for harmful bacteria."

Mukhande touted his water's health benefits, saying it contains healthy probiotics and minerals.

But health officials remain skeptical, saying his water is still not subject to state or federal testing standards.

The raw water also turns green with an algae bloom after one month, because after all, it is living. So would you try it?

"Probably not," admitted Lakysa Cummings of Oakland. " Especially if it turns green1"

Time will tell if raw water sales surge for good or if they're just a drop in the bucket.

From: WEBSITE: Comments to the Board
To: [Folsom, Sonia](#)
Subject: New submission from Comments to the Board
Date: Thursday, January 04, 2018 9:14:03 AM

Name

Staci Carter

Email

[REDACTED]

Account Number

[REDACTED]

Comments

Hi. My name is Staci. I have had service with tmwa for the past 6 years. Recently I was in a very bad fire at work and during my healing time, I did not get my bill paid. The total owed was 3 months bill of \$160. Prior to the accident I had never missed a payment or had my water shut off for non payment. I requested help with the new charges of \$25 for turning my water off \$25 for turning it back on and requiring a \$125 deposit, or you will shut me off again. My total bill is now \$207 and I cannot afford that. Please help me understand why a small error in the 6 years I have been with you, cannot be helped. Thank you