

TRUCKEE MEADOWS WATER AUTHORITY  
MINUTES OF THE JANUARY 17, 2018  
MEETING OF THE BOARD OF DIRECTORS

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The Board of Directors met on Wednesday, January 17, 2018, at Sparks Council Chambers, 745 4<sup>th</sup> Street, Sparks, Nevada. Chair Martini called the meeting to order at 10:13 a.m.

1. ROLL CALL

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

**Members Absent:** Neoma Jardon

A quorum was present.

*\*Member Brekhus left at 12:30 p.m.*

*\*\*Member Smith left at 12:03 p.m.*

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Duerr.

3. PUBLIC COMMENT

Paul Robb, TMWA Mechanic Specialist, provided public comment. Please see attachment.

4. APPROVAL OF THE AGENDA

**Upon motion by Member Hartung, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the agenda.**

5. APPROVAL OF THE MINUTES OF THE DECEMBER 13, 2017 MEETING

**Upon motion by Member Herman, second by Member Hartung, which motion duly carried by unanimous consent of the members present, with Chair Martini abstaining, the Board approved the December 13, 2017 minutes.**

## 6. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, presented on the status of water supply (precipitation year-to-date is 70-85% of normal and snow water content is 30-60% of normal. It has been a slow start to winter. The water supply outlook for the region is still excellent however. Upstream storage from last year's record-breaking winter was carried over into 2018 and as a result all reservoirs on the Truckee River system are still at maximum flood control capacity. So even with a mild winter, normal Truckee River flows expected for at least another two years. Mr. Hauck also provided an update on the clearing of debris and dredging of the Donner Lake outlet channel. The flooding that occurred in January 2017 after the multi-year drought contributed to the debris, silt and sand clogging the outlet channel. He stated staff is planning on working with the Army Corps of Engineers to hopefully come up with a permanent bank stabilization solution which will help keep sediment buildup from occurring and help to minimize the necessity to dredge the channel in the future.

## 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, TMWA Chief Financial Officer, presented the first budget augmentation and budget revisions for FY 2018. Ms. Sullivan explained the request is related to the unexpected maintenance expenses at Donner Dam described in Mr. Hauck's previous presentation. Ms. Sullivan reported the cost is approximately \$2.6 million, which is considered maintenance in order to retain the value of the dam, to remove sediment and debris and would be a one-time cost. Ms. Sullivan added a more permanent solution to finish the canal would be included as a new capital project in the FY 2019-2023 capital improvement plan.

**Upon motion by Member Duerr, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 257 to approve the first budget augmentation and budget revisions for FY 2018.**

## 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, TMWA Natural Resources Director, presented the staff report for the Board to authorize the General Manager to execute the Interlocal Agreement between TMWA and WRWC regarding the Bedell Flat Rapid Infiltration Basin Investigation project. The project was granted \$40,000 in funding from Nevada Department of Environmental Protection (NDEP). TMWA will conduct the investigation to determine the feasibility of aquifer storage through a proposed rapid infiltration basin (RIB).

Discussion followed regarding potentially recharging water from Fish Springs before it is committed for a will-serve, to see if there are any problems and review potential water quality issues, and possible infiltration of both exceptional quality reclaimed water and Fish Springs water.

**Upon motion by Member Hartung, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the Interlocal Agreement between Truckee Meadows Water Authority (TMWA) and Western Regional Water Commission (WRWC) regarding the Bedell Flat Rapid Infiltration Basin Investigation project.**

**9. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF ON THE AGREEMENT FOR WATER SYSTEM ACQUISITION BETWEEN WEST RENO WATER COMPANY AND TMWA**

Mr. Enloe presented the agreement for water system acquisition between West Reno Water Company, Inc. and TMWA. He stated that there would be three additional agreements presented to the Board prior to closing.

Discussion arose regarding the formation of a special assessment district in the area (it is not in TMWA's purview, rather it needs to be addressed at the City of Reno and/or Washoe County, but TMWA could provide support) and to work with experts in the field of establishing special assessment districts; \$2.5 million in connection fees is related to the homes in Meridian 120 North and a number of proposed homes in Meridian 120 South; the purchase price, \$870,000, includes all assets, water facilities and water resources, including approximately 800 acre feet of groundwater rights in the area, which would be put in TMWA's name to establish will-serve commitments for existing uses and banked water rights for the benefit of future development; staff to provide a map of what is, and is not, incorporated, and what is, and is not, in the sphere of influence; this agreement is not in the budget and another budget augmentation will have to be presented to the Board; and this will also be a capital project, but with other projects not spending their allotted amount, this will most likely not add to the capital budget.

**Upon motion by Member Duerr, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the Agreement for Water System Acquisition between West Reno Water Company 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.**

*Chair Martini called for a recess at 11:13 a.m.*

*Chair Martini resumed the meeting at 12:03 p.m.*

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, TMWA Human Resources Manager, and Ms. Sullivan presented the staff report and background information. Ms. Atkinson introduced Sandy Spellman and Bruce Lawson, Arthur J. Gallagher & Co.(AJG). Ms. Spellman provided an overview to the Board on the methodology and process (analyzed compensation data and provided comparisons to TMWA's formal salary structures), and results (salaries for TMWA MPAT employees lag the competitive market by 6.0%-9.1%) on the 2017 compensation study they conducted for TMWA. AJG considered geographical differentials, other similar organizations generally in close proximity to TMWA, 45 MPAT benchmark positions, and to maintain a balance between the pay system and benefits that are aligned with TMWA's policy.

Questions arose regarding the consideration of increasing time off (not at this time, but will review other benefits individually at a later date); the proposed compensation adjustments have no effect on the current year budget; and the average MPAT employee's compensation would increase by 2.2% (ranging from 0% to 3.78%).

**Upon motion by Member Duerr, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved staff recommendation on the proposed adjustments to the compensation plan for Management, Professional, Technical and Administrative (MPAT) employees based on the results of the 2017 compensation study.**

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, TMWA Customer Service Manager, presented the ombudsman report for CY 2017 and staff recommendation to extend Tami Fruhwirth's contract for 2018.

Questions arose about whether staff should be looking for another ombudsman and if there is an out clause. Staff can improve the communication with the Ombudsman and provide greater accessibility to TMWA customers about how to contact the ombudsman; yes, either party can end the contract at any time; and staff can review the situation at the end of this year about whether to send out a request for proposals for a new ombudsman or continue with Ms. Fruhwirth.

**Upon motion by Member Hartung, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board accepted the Ombudsman report for calendar year 2017 and authorized the general manager to renew the Ombudsman Contract with Tami Fruhwirth for Calendar Year 2018.**

**12. GENERAL MANAGER'S REPORT**

Mr. Foree stated that NDEP has held two stakeholder meetings regarding changes to the Nevada Administrative Code (NAC) Water System Design and Construction Regulations, making great progress. TMWA has a tax-exempt commercial paper program (TECP) where the short-term rates are going up and the yield curve is becoming flat. To continue using TECP, staff would need to renew the liquidity facility by May. Staff is also considering other options including fixing out the debt of \$74 million by issuing long-term bonds.

**13. PUBLIC COMMENT**

There was no public comment.

**14. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS**

There were no Board comments.

**15. ADJOURNMENT**

With no further discussion, Chair Martini adjourned the meeting at 12:45 p.m.

Approved by the TMWA Board of Directors in session on February 21, 2018.

Sonia Folsom, Recording Secretary

\*Member Brekhus was present for agenda items 1 thru 10 only.

\*\*Member Smith was present for agenda items 1 thru 9 only and the closed-door session.

*I have ~~been~~ prepared a statement that I would like to read ~~into~~ into the record*

I started day one of TMWA's existence a proud employee. I can no longer say I am proud. The company started out strong because it was one big family. Everybody worked hard and we were respected and valued. Today we work hard. That family has all but fallen apart. I am on the Union side of the family. At the last TMWA Christmas party it was said that 2 Union employees attended. 2 out of 110 some union employees. Not exactly a functioning family. TMWA has always been on the lean side for workforce. It was explained to all of us, that the company stayed lean so that when the economy crashes, nobody would have to be let go. So we thought it was strange, that when the economy did crash we were told, "that unless the union agreed to a 0% wage increase union new hires were going to be let go." We took some zeros on the Union Side, while Management wages still kept climbing. Management made handshake deals, that when the economy came around we would be taken care of. It hasn't happened. A lot of Union employees, myself included, thought we were still in it together through these times. Transparent Nevada told a completely different story. Then the Washoe County water merger with TMWA. Seems like the merger went pretty smooth. Both sides worked hard once again. Management wages increase, and manpower increases with this merger. An already lean union staff got even leaner. Our service territory and job responsibilities have grown tremendously. Our pay doesn't. We have plenty of coworkers we call friends on the Management side. We are happy for them. In the Union we would like to see some respectful raises, and more manpower to run this water system. Moral is at an all time low. Workers that have given their heart and soul for this company are saying "no more, its just a job now." Along with "they have taken the care right out of me." Respectful raises for the Union along with more manpower, would help restore some pride and sense of caring. As TMWA Board of Directors I hope you will take the time to oversee both sides of the family. Management and union. TMWA can afford it, because they can't afford to have the moral get any worse. Wanted to tell you this because we aren't sure the whole picture is being shown to the Board. Thanks for your time.