

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE FEBRUARY 21, 2018
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, February 21, 2018, at Sparks Council Chambers, 745 4th Street, Sparks, Nevada. Vice Chair Hartung called the meeting to order at 10:00 a.m.

1. ROLL CALL

Members Present: Jenny Brekhus, Alternate Kristopher Dahir, Naomi Duerr, Vaughn Hartung, Neoma Jardon, and Ron Smith.

Members Absent: Bob Lucey and Geno Martini

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Chip Bowlby.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

Member Brekhus recommended to hear agenda items #8, #9 and #12 first with the closed-door session held prior to agenda item #12.

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

5. APPROVAL OF THE MINUTES OF THE JANUARY 17, 2018 MEETING

Upon motion by Member Smith, second by Member Duerr, which motion duly carried by unanimous consent of the members present, with Alternate Member Dahir abstaining, the Board approved the January 17, 2018 minutes.

8. PRESENTATION OF FINANCIAL PERFORMANCE FOR FIRST HALF FISCAL YEAR 2018

Matt Bowman, TMWA Financial Controller, presented the financial performance for first half fiscal year 2018: Total revenues were higher than budget by \$2.3 million or 4%; operating expenses were \$2.2 million or 5% lower than budget, resulting in Operating Income of \$19.6 million (\$4.5 million over budget); Year over year, total revenue was higher than FY2017 by \$2.5 million; services and supplies expenses were lower than budget by \$1.3 million due to the 6-week closure of the Chalk Bluff Water Treatment plant; employee salaries and wages were less than budget by \$600,000 due to bargaining unit wage freezes and delays in MPAT wage increases, but was partially offset by overtime wages of \$300,000 higher than budget; capital contributions were approximately \$1.8 million higher than budget; and total cash on hand is \$189.1 million, with \$144.2 million of this is unrestricted.

Discussion followed regarding the creation of “non-rainy day” fund which the Board could consider doing. Mark Foree, TMWA General Manager, reminded the Board that there is a rate stabilization fund which currently has \$1.8 million and they could decide to add to that fund. This item will be addressed during the March Board meeting with the presentation of the tentative budget.

9. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 258: A RESOLUTION TO APPROVE A PRINCIPLE FORGIVENESS LOAN IN THE AMOUNT OF \$500,000 FROM THE STATE OF NEVADA DRINKING WATER STATE REVOLVING FUND (DWSRF) FOR COMPLETION OF THE VERDI MAIN EXTENSION AND ANNEXATION OF THE RIVERBELLE MOBILE HOME PARK INTO THE TMWA WATER SYSTEM; AND APPROVAL FOR AUTHORITY TO ABSORB ANY INDEBTEDNESS AS A RESULT OF RIVERBELLE COMPLETING ON-SITE WATER SYSTEM IMPROVEMENTS FUNDED THROUGH A DWSRF LOAN

Scott Estes, TMWA Engineering Director, informed the Board of the Verdi Main Extension project which would extend water service to the west side of the Truckee River and allow for water service to Riverbelle Mobile Home Park. Upon completion of the project, TMWA would receive the \$500,000 principle forgiveness payment from the state DWSRF. Also, Riverbelle was approved for a loan of \$343,563 from DWSRF to fund construction of upgrades to their system.

Discussion followed regarding concern about seeing a rental spike for the residents at the mobile home park after all the improvements have been made to bring water service to them (TMWA does not have the authority to impose any restrictions on property owners); and Riverbelle would repay TMWA through a surcharge added to their monthly water bill.

Upon motion by Member Dahir, second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 258: A resolution to approve a principle forgiveness loan in the amount of \$500,000 from the State of Nevada Drinking Water State Revolving Fund (DWSRF) for completion of the

Verdi Main Extension and annexation of the Riverbelle Mobile Home Park into the TMWA water system; and approval for Authority to absorb any indebtedness as a result of Riverbelle completing on-site water system improvements funded through a DWSRF loan.

Vice Chair Hartung called for a closed-door session at 10:23 a.m.

Vice Chair Hartung resumed the meeting at 10:44 a.m.

Vice Chair Hartung suggested hearing agenda item #10 after item #12. The Board of Directors agreed.

12. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF FOR THE RATIFICATION OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN TMWA AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW) LOCAL 1245 FOR THE PERIOD JULY 1, 2017 THROUGH JUNE 30, 2021

Andy Gebhardt, TMWA Operations & Water Quality Director, and Jessica Atkinson, Human Resources Manager, presented to the Board the full tentative agreement on all issues discussed during negotiations with IBEW. The proposed Collective Bargaining Agreement (CBA) between TMWA and IBEW is a four-year contract, and Mr. Gebhardt stated both sides worked very hard to reach a fair and equitable agreement.

Vice Chair Hartung stated his appreciation to all IBEW members and TMWA staff, stating TMWA has very high caliber employees and TMWA would not have a 93% customer approval rating without them. Other board members also stated their appreciation to all for completing a successful contract negotiation.

Discussion followed regarding the out of town provisions (TMWA employees being called out to assist public utilities in other areas); job shadowing period shortened to allow for the position to be back-filled; and any pertinent labor management updates be included in the General Manager's report to the Board.

Upon motion by Member Smith, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the ratification of the Collective Bargaining Agreement between TMWA and the International Brotherhood of Electrical Workers (IBEW) Local 1245 for the period July 1, 2017 through June 30, 2021.

10. DISCUSSION AND ACTION ON REQUEST FOR ADOPTION OF RESOLUTION NO. 259: A RESOLUTION APPROVING THE SALE OF UP TO 196.47 ACRE-FEET OF SURPLUS WATER RIGHTS TO THE PYRAMID LAKE PAIUTE TRIBE TO AUGMENT INSTREAM FLOWS AND TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE DOCUMENTS TO COMPLETE THE TRANSACTION

John Zimmerman, TMWA Water Resources Manager, presented the staff report for the Board to approve General Manager's authorization for the sale of 196.47 acre feet of surplus water rights to Pyramid Lake Paiute Tribe (PLPT) as instream flow water rights.

Discussion followed regarding TMWA having some surplus water rights that cannot be used for service commitments but can be sold. These water rights were obtained by Sierra Pacific decades ago, before Sierra Rule 17 (and TMWA Rule 7) was implemented, and they cannot be used for service commitments; and staff could consider other uses for the remaining water rights balance that would benefit both parties.

Upon motion by Member Dahir, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 259: A Resolution approving the sale of up to 196.47 acre-feet of surplus water rights to the Pyramid Lake Paiute Tribe to augment instream flows and to authorize the General Manager to execute documents to complete the transaction.

6. PRESENTATION OF TRUCKEE RIVER FUND ACTIVITIES FOR CALENDAR YEAR 2017

John Enloe, TMWA Natural Resources Director, presented the Truckee River Fund (the Fund) activities for calendar year 2017 including notable projects such as the Truckee River Watershed Council project to improve water quality by restoring actively eroding road networks, and the Nature Conservancy of Nevada project which conducted a landscape conservation forecasting study in the forested portion of the Truckee river watershed.

Discussion followed regarding the One Truckee River (OTR) efforts since they were given \$356,220; the money has been used for both educational efforts and many of the goals identified in their top 100 priorities such as river mile markers which has improved recovery efforts along the river. Also, the homeless issue and the lack of restrooms along the river were discussed; but the homeless issue is outside the Fund's guidelines. There was a small pilot project implemented for setting up a portable restroom along the river, which is ongoing.

7. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING THE ADOPTION OF THE DROUGHT CONTINGENCY RESPONSE PLAN

Laine Christman, TMWA Resource Economist & Conservation Administrator, presented the 2-year Drought Contingency Planning project sponsored through a Bureau of Reclamation (BOR) grant. The study, a collaborative effort between TMWA, the University of Nevada, Reno ("UNR"), Desert Research Institute ("DRI"), the U.S. Geological Survey ("USGS"), as well as, other relevant stakeholder groups, evaluated the drought scenario within a Decision Support System model which balances monthly water supplies against customer demands and assessed TWMA's resiliency in regard to simulated extreme droughts that could potentially result from a changing climate. The results indicate no shortages would occur over the course of the drought period (even without enhanced customer conservation) which

includes increasing customer demands projected in TMWA's 2035 Water Resource Plan. Staff will continue to promote conservation and responsible water use every day and continue the water audit program. This plan will be incorporated into the next Water Resources Plan.

Upon motion by Member Brekhus, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board adopted the Drought Contingency Response Plan.

11. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING STAFF RECOMMENDATION ON POTENTIAL ESTIMATE AND TIMELINE TO RETROFIT ALL UNMETERED SERVICES AND ALTERNATIVE OPTIONS FOR THE METER RETROFIT FUND PROGRAM

This item was continued.

13. GENERAL MANAGER'S REPORT

Mr. Foree informed the Board of the Smart About Water travelling displays set up in the lobbies at their respective jurisdictions; staff is continuing to work with Reno Land regarding agreements related to the West Reno Water System (Verdi) acquisition; and NDEP and WCHD staffs and stakeholders continue to make progress on the proposed Nevada Administrative Code (NAC) revisions designed to provide more clarity and flexibility in water system design to help streamline water project approvals and TMWA staff is also working with NDEP and WCDH staff to expand TMWA's role in ensuring compliance with NAC regulations in relation to water distribution projects including subdivisions and commercial and industrial services.

14. PUBLIC COMMENT

There was no public comment.

15. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Vice Chair Hartung requested an update on aquifer storage and recovery (ASR).

16. ADJOURNMENT

With no further discussion, Vice Chair Hartung adjourned the meeting at 12:01 p.m.

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

Sonia Folsom, Recording Secretary