



TRUCKEE MEADOWS WATER AUTHORITY
Board of Directors

AGENDA

Wednesday, September 19, 2018 at 10:00 a.m.
Sparks Council Chambers, 745 4th Street, Sparks, NV

Board Members

Chair Vaughn Hartung	Vice Chair Ron Smith
Member Neoma Jardon	Member Bob Lucey
Member Jenny Brekhus	Member Naomi Duerr
Member Kristopher Dahir	

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**)
5. Approval of the minutes of the August 15, 2018 meeting of the TMWA Board of Directors (**For Possible Action**)

6. Discussion and action regarding General Manager performance review for contract year 2017/2018 and discussion and action on possible lump sum award and/or other compensation adjustment — Mark Foree **(For Possible Action)**
7. Discussion and action regarding terms for and possible approval of renewal or extension of General Manager employment contract — Michael Pagni **(For Possible Action)**
8. Discussion and action, and possible direction to staff on adoption of Resolution No. 265: A Resolution to approve the first budget augmentation and budget revisions for FY 2019 — Joe Petrelli **(For Possible Action)**
9. Discussion and action on Resolution No. 266: A Resolution to approve the updated enterprise Financial Management and Reserve Policy, replacing the existing Resolution No. 17 — Michele Sullivan **(For Possible Action)**
10. Discussion and action on Resolution No. 267: A Resolution approving to increase the water Rate Stabilization Fund reserve to a maximum of 3 percent of projected water sales for three years, replacing the existing Resolution No. 52 — Michele Sullivan **(For Possible Action)**
11. Discussion and action on Resolution No. 268: A Resolution to approve funding for the projects recommended by the Truckee River Fund Advisory Committee and an authorization for the Community Foundation to fund such projects from Fund proceeds — John Enloe **(For Possible Action)**
12. Discussion and action, and possible direction to staff for the approval of interlocal agreement with Washoe County, City of Reno and TMWA for a subsurface hydrogeological investigation at the American Flat Road site — John Enloe **(For Possible Action)**
13. Update regarding TMWA's possible acquisition of the West Reno Water System and status of Due Diligence activities and possible direction to staff — John Zimmerman and John Enloe **(For Possible Action)**
14. Discussion and action on request for Board input and acceptance of General Manager performance objectives for contract year 2018/2019 — Mark Foree **(For Possible Action)**
15. General Manager's Report*
16. Public comment — limited to no more than three minutes per speaker*
17. Board comments and requests for future agenda items*
18. Adjournment **(For Possible Action)**

TRUCKEE MEADOWS WATER AUTHORITY
DRAFT MINUTES OF THE AUGUST 15, 2018
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, August 15, 2018, at Sparks Council Chambers, 745 4th Street, Sparks, Nevada. Chair Hartung called the meeting to order at 10:00 a.m.

1. ROLL CALL

Members Present: *Alternate David Bobzien, Kristopher Dahir, **Naomi Duerr, Neoma Jardon, Vaughn Hartung, and Ron Smith.

Members Absent: Jenny Brekhus and Bob Lucey

A quorum was present.

* *Alternate Bobzien arrived at 10:13 a.m.*

***Member Duerr arrived at 10:44 a.m.*

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Scott Estes, TMWA Director of Engineering.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

Upon motion by Member Dahir 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 JUNE 20, 2018 MEETING

Upon motion by Member Jardon, second by Member Smith, which motion duly carried by unanimous consent of the members present, the Board approved the June 20, 2018 minutes.

6. PRESENTATION OF THE BUREAU OF RECLAMATION TRUCKEE BASIN STUDY

Laine Christman, TMWA Conservation Supervisor, introduced Arlan Nickel, United States Bureau of Reclamation (USBR). Mr. Nickel presented on the findings of the 2015 Truckee Basin Study conducted by USBR and partner agencies. The findings, which considered various climate scenarios through 2099, suggest climate change may impact how reservoirs are currently operated and that changes in operation should be implemented to improve capture. In the future, climate change may put greater stress on all water users. Basin-wide alternatives were considered to address potential water supply-demand imbalances. Recommendations for further consideration include additional storage in the Truckee Basin, additional underground storage, and consideration of alternative sources. To view the presentation, click on the link: <Insert link here>.

Discussion followed regarding the cost for increasing storage (land and permitting costs more and takes longer in California), the Truckee River Operating Agreement (TROA) provides greatly improved upstream storage even during long periods of extreme drought; data from the USBR Truckee Basin Study will be used in the 2020-2040 Water Resource Plan.

7. PRESENTATION OF PRELIMINARY FISCAL YEAR 2018 UNAUDITED FINANCIAL PERFORMANCE

Matt Bowman, TMWA Financial Controller, presented this item to the Board. Mr. Bowman reported that change in net position was \$26.4 million more than budgeted (\$38.8 million) due to developer contributed assets, lower operating expenses, higher-non-operating revenue and higher developer contributions. Operating revenues were higher-than-budgeted due to strong water revenue sales in the first half of 2018 and hydroelectric sales revenues that were \$0.8 million or 26% over budget, finishing a record year. Operating expenses were \$4.2 million, or 5%, less than budgeted due to decreases in services and supplies costs and employees' salaries and wages, and lower chemical costs due to improved water quality in the Truckee River. Capital spending was approximately \$10 million below budget due primarily to the delay in the start of construction of the Mt. Rose Water Treatment Plant due to delays in permitting and satisfying regulatory requirements.

8. DISCUSSION AND ACTION, AND POSSIBLE DESIGNATION OF AUTHORIZED REPRESENTATIVES TO REQUEST DISTRIBUTIONS FROM RETIREMENT BENEFITS INVESTMENT FUNDS (RBIF) OF THE TRUCKEE MEADOWS WATER AUTHORITY POST-RETIREMENT MEDICAL PLAN & TRUST AND THE SECTION 115 OPEB TRUSTS AND PROVIDE WIRE INSTRUCTIONS TO NV PERS

Michele Sullivan, TMWA Chief Financial Controller, presented this item to the Board.

Upon motion by Member Dahir, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board authorized representatives to request distributions from Retirement Benefits Investment Funds (RBIF) of the Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust and the Section 115 OPEB Trusts and provide wire instructions to RBIF.

9. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING THE UPDATE TO TMWA FINANCIAL MANAGEMENT AND RESERVE POLICY, AND THE RATE STABILIZATION FUND

Ms. Sullivan presented this item, which includes the most current reserve requirements required by current TMWA Senior Lien Debt. Both the Government Financial Officer's Association (GFOA) and the American Water Works Association (AWWA) recommend that a policy related to unrestricted cash should be developed to address the needs of a municipality based on local conditions. By consistently having solid unrestricted cash balances, TMWA has retained good credit ratings, and a policy related to these balances will ensure continued attention to a solid working capital position. In addition, the Rate Stabilization Fund (RSF) has been requested by board members to act as a type of financial reserve that can cushion the impacts of occasional revenue shortfalls. The current policy allows for a maximum of \$7.5 million for the fund, but a new maximum should be determined based on a risk assessment to create a target based on experienced financial impacts. After ensuring all restricted and unrestricted cash reserves are funded, excess funds could be allocated to the RSF.

Discussion followed regarding various approaches to updating Financial Management and Reserve Policy (per the new policy, total reserves would be \$129.5 million, adding approximately \$64 million to unrestricted cash due to TMWA's strong cash balance) and funding the RSF while maintaining flexibility and not tying it to the debt service coverage ratio; ensuring approximately \$5-\$10 million in the RSF, communicate with the community that TMWA has established this fund and its purpose, and the metric to fund the RSF; three years of water sales at 3% for a total of approximately \$9 million for three years of coverage was suggested as a reasonable financial metric to establish a new maximum for the RSF. Based on the Board direction received, staff will bring forth a resolution for Board approval at a future meeting.

No motion taken.

10. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO LEGAL COUNSEL REGARDING NEGOTIATION OF POSSIBLE EXTENSION OF EMPLOYMENT AGREEMENT WITH GENERAL MANAGER

Mr. Pagni presented this item, requesting to work with one or two Board members to update the terms of the General Manager's employment agreement; which will be presented to the Board for approval at a future meeting.

Upon motion by Member Duerr, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved Chair Hartung and Vice Chair Smith to consult with legal counsel regarding negotiation of possible extension of employment agreement with general manager and return the proposed employment agreement for Board approval.

11. GENERAL MANAGER'S REPORT

Mr. Foree reported that modifications to the Nevada Administrative Code (NAC) 445A regulations will go before the Legislative Subcommittee on August 30 for final approval and staff is finalizing the interlocal agreement (ILA) between TMWA, Nevada Department of Environmental Protection (NDEP) and Washoe County Health District (WCHD) which would provide TMWA with the authority to review and approve water plans for distribution projects such as subdivisions and anticipate the ILA being presented to the Board for approval at the September meeting. TMWA has entered into the due diligence period with West Reno Water Company and staff will provide an update at the September Board meeting as well.

Chair Hartung read a letter submitted by a TMWA customer thanking TMWA (see attached).

12. PUBLIC COMMENT

There was no public comment.

13. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Dahir thanked TMWA staff for all their work on fixing the water lines in Sparks and requested to revisit OPEB requirements prior to approving the next budget cycle.

14. ADJOURNMENT

With no further discussion, Vice Chair Hartung adjourned the meeting at 11:33 a.m.

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

Sonia Folsom, Recording Secretary

**Alternate Bobzien was present for agenda items #6 thru #14 only.*

***Member Duerr was present for agenda items #7 thru #14 only.*



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Jessica Atkinson, Human Resources Manager
DATE: September 12, 2018
SUBJECT: Discussion and action regarding General Manager performance review for contract year 2017/2018 and discussion and action on possible lump sum award and/or other compensation adjustment

Recommendation

The TMWA Board review the General Manager, Mark Foree's performance results for the past contract year and consider a possible compensation award. Mr. Foree's employment contract expires on October 15, 2018, and the terms of a successor contract including base wage are the subject of a subsequent agenda item. As his contract expires next month, the only available compensation award for the Board to consider for his performance in FY18 is a lump sum award.

Discussion

In October 2017, the Board adopted the specific objectives that the General Manager would be working to accomplish during the contract year and that the Board would use to evaluate the performance of the General Manager. The General Manager's evaluation report of accomplishments related to the goals set by the Board last year is shown in **Attachment 1**.

The results of the GM evaluation survey completed by 1) Board members and 2) Division/Department Heads (direct reports to GM) is shown in **Attachment 2**.

Below are the last 5 years of increase information related to TMWA's GM:

<u>Year</u>	<u>Salary Increase</u>	<u>Lump Sum Award</u>
2013	3.73%	0
2014	2%	\$5,000
2015	2.1%	0
2016	4%	0
2017	3%	0

The TMWA GM's current annual salary is \$200,303. The TMWA GM's employment agreement (**Attachment 3**) limits the annual compensation adjustment (base salary adjustment plus any lump sum award) to 10% of current annual salary.



STAFF REPORT

TO: Chairman and Board Members
FROM: Mark Foree, General Manager
DATE: September 10, 2018
SUBJECT: **General Manager's report related to performance goals adopted by the Board for Contract Year 2017/2018**

RECOMMENDATION

The TMWA Board review the General Manager's performance results for the past contract year.

DISCUSSION

In September 2017, the Board adopted the following specific objectives that the General Manager would be working to accomplish during the contract year and that the Board would use to evaluate the performance of the General Manager. The following is a brief summary of results (shown in italics).

General Objectives

- A) Direct the preparation of and propose financial plans, investment strategies, funding plans and adjustments to rates and charges that will continue to keep TMWA in long term financial stability; including preparation of budgets and Capital Improvement Plans and financial reporting that comply with Nevada Revised Statutes and the Securities and Exchange Commission (SEC).

Fiscal budgets including the Capital Improvement Plan were prepared and presented to the Board for preliminary and final approval. A 5-year financial forecast for the utility was also completed for credit rating agencies prior to issuance of TMWA's 2018 refunding bonds – the bond refunding was very successful.

- B) Develop proactive communications plans to address upcoming issues (e.g., topics affecting water supply, drought planning, regional water issues, utility water system consolidation and rate changes) and to keep all stakeholders including the Board, the employees, and the

customers informed through a variety of mediums. Respond to media inquiries and provide informational interviews.

Communications were delivered through multiple media including newsprint, a myriad of broadcast interviews, various presentations before local groups and legislative sub-committees, bill print messages, bill inserts, TMWA's e-newsletter, workshops and special events booths. Focus this year was on water supply, conservation, water quality and the continued implementation of TROA. There were also communications around TMWA's water system expansion into Verdi (including a meeting with the River Oak Homeowners Association (HOA)).

- C) Continue having and improve on a community presence for TMWA through the Water Leadership program and participation in community committees, boards, and networking organizations and by providing presentations and information to these groups; offer Truckee River, Chalk Bluff Plant and/or other informational Tours to the community.

TMWA staff participates in a multitude of organizations including Rotary, The Chamber, EDAWN, WIN and participated in multiple community events including Earth Day, farmers markets, forums, River days, etc. Presentations to organizations like Rotary, the Builders Association of Northern Nevada, and HOA's have touched on many topics including water supply, drought planning, conservation, development/growth, TROA implementation and more. Several public tours were given this year including numerous tours of the Chalk Bluff plant and the Verdi Hydroelectric power plant. TMWA held its first Smart About Water Day event, in partnership with other local organizations, which was a great success with members of the community. Also, Smart About Water year-in-review exhibits circulated throughout the region (with great success) in public areas such as libraries, Reno City Hall, Sparks City Hall and Washoe County Commission foyers.

- D) Continue to create a highly productive work environment and a highly motivated employee team by developing, training, retaining and recruiting the highest quality employees.

TMWA again achieved favorable rating of over 90% in our annual third party administered Customer Satisfaction Survey – this outstanding result is a tribute to TMWA's talented and highly motivated employees. TMWA continues to maintain high certification levels for staff and provides both internal and external training opportunities.

- E) Strive for continuous improvements in processes and operations targeting initiatives that will enhance revenues and/or reduce operating costs thus keeping customer rates as low as possible.

TMWA underspent its O & M Budget by approximately \$3.8 million or 6.8% and underspent its Capital Budget by \$10.0 million or 23.3% (several reasons for this including some projects coming in below estimates and deferral of a few other large projects including the Mt. Rose Water Treatment Plant). Recent improvements expanding the use of surface water and other energy management initiatives continue to result in outstanding energy savings. In the last 9 years TMWA's annual electric bill has gone

from \$7.2 million to \$4.7 million even with utility consolidation – a savings of \$2.5 million or 35%. Hydro generation produced a record breaking \$3.8 million in revenue – up compared to last year due to increase in available river flows due to the 2017 record breaking snowpack year and a wet spring in 2018. Chemical costs were \$0.6 million under budget due to process improvements to focus on cost reductions in chemical usage as well as improved Truckee River water quality. TMWA completed a very successful bond refinancing of TMWA’s Tax Exempt Commercial Paper replacing \$74.2 million outstanding in Commercial Paper with \$38.8 million in Series 2018 Refunding Bonds and \$30 million of Commercial Paper to fix out a portion of this debt based on low longer term interest rates.

Specific Objectives

- 1) Complete process of implementing a multi-year contract with the International Brotherhood of Electrical Workers (IBEW) Local 1245.

TMWA and IBEW Local 1245 successfully concluded contract negotiations and agreed upon a four-year agreement beginning July 1, 2017 through June 30, 2021 which was approved by the Board at the February meeting.

- 2) Develop customer conservation communications plan for the 2018 irrigation season, including water supply planning, and detailed public/customer communications/outreach plan - present to the SAC for their recommendation and Board for approval no later than the April Board Meeting.

The communication plan was completed and presented to the Board in April and was approved by the Board, and presented to the SAC in June. This plan follows the approved 2016-2035 WRP. On June 30, 2018, all of TMWA’s reservoirs were at full capacity, Lake Tahoe was 0.21 inches below its legal limit of 6229.1 feet, and Floriston Rates are expected to last through the end of 2018, and per the WRP, TMWA’s water supply would not be impacted. Therefore, we did not require additional conservation efforts from our customers. Advertising and messaging focused on continued responsible water use and staff continued with the “Smart About Water” campaign as part of the communication plan. The effort is to change the dialogue with customers by taking a more pro-active stance in educating and informing the community. The campaign has been well received by our customers.

- 3) Work with city and county staff in regard to regional water issues, regional economic development initiatives, etc. including developing and completing a water resource management agreement for delivery of effluent to the Tahoe Reno Industrial Center GID if approved by the cities, 2) infiltrating or injecting highly treated wastewater into the ground for later use, 3) constructing an effluent pipeline connection between TMWRF and STMWRF, etc.

TMWA staff has worked extensively with the cities regarding the possible delivery of effluent to the Tahoe Reno Industrial General Improvement District system for industrial

use, with a focus on developing a return flow management strategy. An agreement was reached between TMWA, City of Reno, City of Sparks, and Tahoe-Reno Industrial Center General Improvement District (TRIGID) to use TMWA's community resources for return flow resources and provide management of water resources in connection with Reno and Sparks delivery of treated effluent to Tahoe Reno Industrial Center. Also, a water rights management agreement was reached between TRIGID, Nevada Department of Transportation (NDOT) and TMWA related to management of water resources in connection with Reno and Sparks delivery of treated effluent to Tahoe Reno Industrial Center. TMWA continues to work with UNR to investigate the feasibility of infiltrating or injecting reclaimed water in Stead, Cold Springs and Bedell Flat. The effluent pipeline connection between TMWRF and STMWRF is still being considered, but nothing further at this time.

- 4) Analyze water supply options related to fringe area development where private systems exist and analyze possible acquisition of private systems and/or providing wholesale water to private systems, make recommendations to Board and follow Board direction regarding same.

As directed by the Board, staff successfully negotiated terms of an agreement with West Reno Water Company for the acquisition of the West Reno water system, the ancillary agreement with BCH Gaming Reno and agreement with BT South LLC and Reno Land Development related to West Reno water system and facilities acquisition; 120-day due diligence began June 20, 2018. Also, Stonegate Development completed the discovery process with TMWA and have decided to apply for annexation into TMWA's service territory but have not yet started the process. Staff will present to the Board, for approval, when an annexation agreement is completed between Stonegate and TMWA.

- 5) Monitor and participate in Legislative activities during the interim, prepare and deliver presentations to Legislative Interim Committees as requested, keep the Board updated and informed regarding legislative matters, and pursue Board direction regarding Legislative issues. Facilitate open communications between legislators and the TMWA Board.

TMWA made a presentation to the Public Lands Committee during the interim period which was well received by the Committee.

- 6) Continue to monitor federal legislation for opportunities to obtain funding for a variety of TMWA projects.

TMWA staff applied for and received an approval of a \$500,000 Drinking Water State Revolving Fund principle forgiveness "loan," to be received upon completion of the current Verdi Main Extension project providing water service to the Riverbelle Mobile Home Park. An application for a similar principle forgiveness loan has been submitted for consolidation of the Boomtown (West Reno) water system.

- 7) Continue to assist the Washoe County Water Conservation District (WCWCD) regarding cost reimbursement issues related to the Boca Dam Seismic Improvements proposed by the U.S. Bureau of Reclamation including working with TMWA's federal lobbyist Marcus Faust

and the Nevada delegation regarding legislation that would lower the cost for WCWCD (the District) and TMWA as TMWA is responsible for more than 50% of the district's annual operating costs.

TMWA staff worked with attorney, Michael Pagni, to come to agreement on the terms of the repayment contract with the Bureau of Reclamation regarding the seismic improvements being proposed for Boca Dam. The final estimated reimbursable cost to the District of \$3.9M (15% cost share) will be repaid over a 50 years term at an estimated \$111,000/year. The District will be able to accomplish this through a special assessment of \$4.00/acre which will be levied on water-righted lands within the District boundaries (as voted on in a special election this past spring), and through annual payments to the District for the operation of Boca Reservoir in accordance with the provisions of TROA. This effectively means that the proposed \$26 million worth of seismic improvements to Boca Dam will end up costing TMWA and its water customers next to nothing despite an obligation for 50% of the District's annual operating costs.

- 8) Manage financing and funding options to maximize benefits to TMWA customers through investment income strategies and short-term commercial paper programs. Renew or replace TMWA's liquidity facility that supports our Tax Exempt Commercial Paper (TECP) program.

Completed a very successful bond refunding of TMWA's 2018 series bonds to issue \$38.8 million in Senior Lien debt with a premium of \$5.8 million for total proceeds of \$44.6 million. The proceeds were used to pay down outstanding commercial paper by \$44.2 million and cover expenses. TMWA will have \$30 million remaining in the Tax-Exempt Commercial Paper Program (TECP). The bonds were set to mature in 2035-42, but on the day of the offering, the 10-year treasury rate increased to 3.0% (a new high), which caused volatility in the market. Staff discussed and recalculated the DSC ratios, which determined the best pricing could be obtained for TMWA by restructuring the deal to sell all the bonds in the 2035-39 timeframe; the bonds were 2.4x oversold in 2035-39. Staff also executed a new Liquidity Facility or letter of credit with Wells Fargo Bank, N.A. for TMWA's Tax-Exempt Commercial Paper Program (TECP). Regular updates regarding financial picture and investments were presented to the Board.

- 9) Update the 5-year Funding Plan and present to the SAC and the Board. Propose Board actions based on the results of the planning cycle updates. Implement Board direction with regard to funding plan outcomes.

This was done prior to rating agency presentations and TMWA's 2018 bond refunding as described above.

- 10) Analyze TMWA's financial position in regard to the implementation of the second phase of rate adjustment (scheduled to go into effect in May, 2018 – approved by the Board in April, 2017) and provide a report to the Board prior to the scheduled implementation date.

Staff presented the five-year funding plan to the Board at the October 2017 Strategic Planning Workshop and the SAC at its October 2017 meeting. The funding plan

recommended to maintain the current approved rate increase of 3% in the first billing cycle of May, 2018 that was necessary to close the funding gap and maintain critical financial goals; essential in maintaining adequate cash balances and investment grade credit ratings. Additional rate increases of 2.5% in FY2019 through FY2021 will all be brought before the SAC and Board before they are implemented, and can be thoroughly vetted at that time.

- 11) Analyze the need for any necessary water facility charge adjustments, report results of analysis to the SAC and Board of Directors and follow Board direction regarding same.

Water facility charges will be analyzed in detail following completion of the Water Facility Plan (WFP) update, which will provide recommended facilities and improvements required to meet future demand. It is anticipated that a final draft of the WFP will be presented to the Board by the end of the calendar year, which will include proposed developer fee revisions and a proposed public outreach/communication plan.

- 12) Carefully analyze opportunities to acquire water rights and resources in the market in consideration of current inventory and financial constraints. Insure adequate resources are available through TMWA's Rule 7.

There was only a small amount of activity here due to large inventory.

- 13) Provide staff support to the SAC, Truckee Meadows Community Forestry Coalition and the Truckee River Fund (TRF) Advisors and ensure communications regarding TRF projects.

This was done.

- 14) Manage and direct activities relative to legal issues, keeping the Board informed on all such matters.

This was done.

- 15) Update TMWA Administrative Instructions as required to ensure they are compliant with applicable laws and current practices. Deliver updates to the Board and employees, and implement the changes.

Staff is currently working on updating the TMWA Administrative Instructions which will be presented to the Board at a later date.

- 16) Minimize cost impacts to customers by maximizing investment and hydroelectric income, pursuing revenue enhancement and collection opportunities, pursuing process improvements and projects that drive savings in TMWA expenses, and actively pursuing grant/low-interest loan funding for projects.

TMWA generated more hydro-electric power than ever before this past fiscal year earning \$3.8 million in hydro revenue. This surpasses the previous maximum generation year by 211 megawatt hours and almost \$200,000 in revenue. Recent improvements expanding the use of surface water and other energy management initiatives continue to

result in outstanding energy savings. In the last 9 years TMWA's annual electric bill has gone from \$7.2 million to \$4.7 million even with the consolidated utility – a savings of \$2.5 million or 35%.

- 17) Continue to develop/refine strategies to optimize conjunctive use of surface water and groundwater resources; further develop/refine drought supply operational strategies; and implement plans.

Although groundwater recharge has decreased due to record precipitation and upstream storage, TMWA continues to recharge groundwater to support water quality improvement goals. TMWA now employs 27 fully permitted recharge wells in the system. TMWA is working with the Nevada Division of Water Resources and the Nevada Division of Environmental Protection for permit coverage on 27 additional wells. Through conjunctive use, groundwater pumping was reduced by over 2,200 acre-feet in the Mt. Rose, Spanish Springs, Lemmon Valley and former STMGID areas, and 545 acre-feet was recharged system-wide during FY 2018.

- 18) Continue to develop, refine and implement strategies to mitigate pre-merger groundwater conditions on the Mt. Rose fan including commencing construction of the Mt. Rose Water Treatment Plant.

With the completion of the Zolezzi Improvements which convey surface water into the Arrow Creek System (former Washoe County groundwater only supply), TMWA was able to offset groundwater pumping demands by 1,203.70 AF (392.21 MG) during the 2017 fiscal year. TMWA staff finalized the purchase of the Mt. Rose Water Treatment Plant(WTP) site, obtained water rights permit approvals from the State Engineer for the new Whites Creek diversion, and completed final design of the WTP. TMWA has also secured easements and has begun construction of pipeline and pump station improvements along Arrowcreek Parkway to supply Truckee River water to the STMGID West system.

- 19) Analyze and develop a recommendation to the Board to address the remaining multi-unit flat-rate services, including funding required to retrofit those remaining unmetered services that are determined to be financially and physically reasonable to retrofit, and to provide options for repurposing the meter retrofit fund.

In August 2017 the Board directed staff to estimate the number of unmetered services that feasibly could be retrofitted and the cost to do so. Staff presented their findings to the SAC in February 2018 and to the Board in March 2018. The SAC recommended TMWA reserve the current fund balance for future retrofits (approximately \$3.8 million over the next 10 years) and change the fee purpose. The Board directed staff to present options for repurposing the rule and a potential rule change to the SAC and then bring the item back to the Board. At the June 2018 meetings for both the SAC and Board, staff presented their recommendation to broaden the fee purpose to include drought resiliency and water resources sustainability projects. The Board directed staff to proceed with the potential rule change and approved staff's recommendation to work with the Builders Association of Northern Nevada, hold a public workshop, and present the change to the

SAC for input before bringing it back to the Board for possible adoption. Fees will continue to be collected for the meter retrofit fund program until the Board decides on the fee change.

- 20) Prepare an RFP regarding sale of the Farad property and facilities where both for-profit and non-profit entities can provide proposals for the property related to possible conservation, recreation, education, etc. uses, receive input from the Board and develop a process for selection.

At the Board Strategic Planning Workshop in October 2017, the Board directed staff to release a Statement of Interest for the Farad property. The Statement of Interest was open between January 10, 2018 through February 28, 2018 and staff received eight letters indicating interest in: building a bridge crossing the river for fire control; removing the wood from the flume and penstock for use in construction projects; conservation and recreational purposes; sell the property for public use; and to grant a permanent easement for the Tahoe-Pyramid Trail. The Board directed staff to obtain the cost of an appraisal, meet with Nevada County representatives to discuss zoning options; and explore easement options for the property. At the June 2018 meeting, staff presented their findings to the Board: the cost for an appraisal would range from \$7,500 - \$15,000, to rezone the property would require changing the master plan, which would take about six months to four years, as well as dedication to the Tahoe-Pyramid Trail. The Board decided to grant a permanent relocatable easement for the Tahoe-Pyramid Trail, directed staff to begin holding discussions with the Truckee-Donner Land Trust, obtain an appraisal for the property and investigate interest in the building structure. The process is ongoing, and findings will be presented to the Board by year end 2018.

- 21) Analyze and estimate feasibility and cost of using a portion of the Farad hydroelectric water right to A) increase the generation output at the Fleish hydro and B) to install a hydro generation facility at the Highland Canal at Chalk Bluff and provide a report and recommendation to the Board.

This is currently ongoing:

A) The possible increase in generation for the Fleish Hydro Plant does not appear to be an option. Sections of the existing flume would have to be rebuilt with taller walls and these sections are not scheduled for rebuild for at least 3-5 years. The generator would also have to be rewound and uprated for the higher output which then could generate a Federal Energy Regulatory Committee (FERC) review.

B) Kleinschmidt Engineering is in the process of completing a feasibility and engineering study to determine if a small hydro-electric facility would be a viable generation option for the Highland Canal at Chalk Bluff. This report should be completed by the end of October 2018.



Introduction

The General Manager's performance evaluation consists of an annual appraisal by the Board of Directors, as provided for in the General Manager's employment agreement.

The purpose of the evaluation process is to maintain a strong Board/Manager team by ensuring open and productive communication on an annual basis. During this formal review process, there is an opportunity to identify areas of satisfaction and areas for growth or needing change as identified by the Board.

The evaluation will be completed by each member of the Board.

The Executive Team and Department Heads reporting to the General Manager have been invited to participate in this performance review process.

The Human Resources Manager is the facilitator for this process, and will gather input from the confidential survey completed by each of the above-referenced individuals. A staff report and the summary results from the evaluation survey will be provided as supporting materials for the public meeting at which the TMWA Board reviews the annual performance of the General Manager.

Rating Criteria:

For each performance criteria, please use the following rating scale:

E – Exceeds your expectations

M – Meets your expectations

AG - Areas for growth

NA – Not applicable

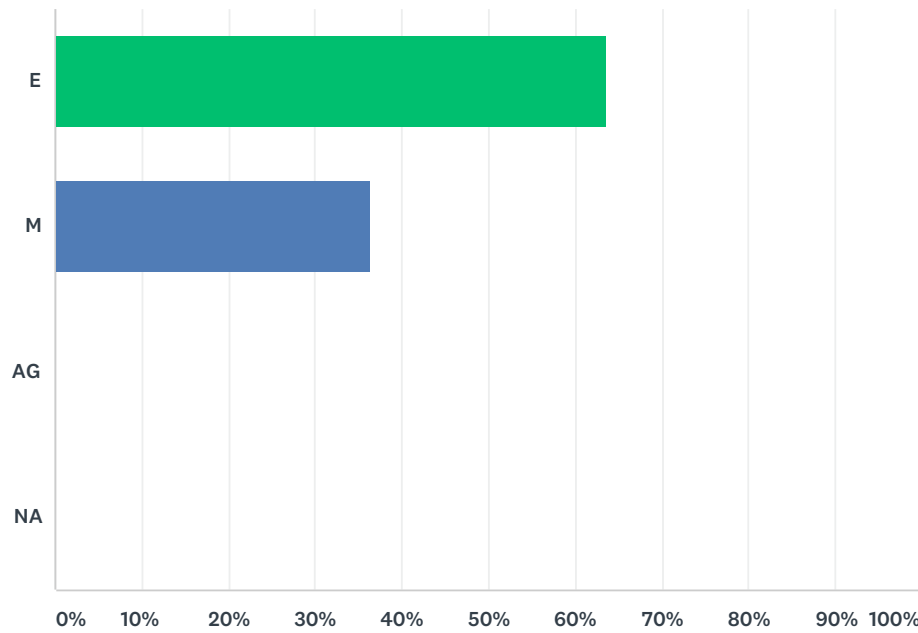
**Truckee Meadows Water Authority
General Manager Performance Evaluation
Survey Data Summary Sheet**

Rating Scale				
E-Exceeds your expectations M-Meets your expectations AG-Areas for growth NA-Not Applicable				
# of Responses				Criteria
E	M	AG	NA	
Interpersonal Skills & Relationships				
7	4			Ability to relate well to others and to make people feel at ease, even in difficult situations.
5	6			Ability to gain the trust and confidence of the public; fosters contact and cooperation among citizens, community organizations and other government agencies.
7	4			Understand and embraces the concept of inter-local cooperation when appropriate.
8	2		1	Fosters cooperative communication and working relationships with the Board.
5	6			Has the ability to utilize appropriate media for communication – Internet, social media, TV, radio, newspaper, Board meetings, group interactions, Individual meetings.
6	5			Skilled in negotiation techniques in a variety of scenarios – employee, Board, public, interagency, outside entities.
6	5			Demonstrates sensitivity and empathy towards individuals or groups as appropriate.
10	1			Is forthright and honest in all relationships.
Communication Skills				
E	M	AG	NA	
5	6			Verbal Communication Skills – Good command of oral expression; expresses ideas clearly and concisely; easily comprehends ideas expressed by others; able to explain and understand difficult and complex subjects.
7	4			Written Communication Skills – Good command of written expression; expresses ideas clearly and concisely; easily comprehends ideas expressed by others; able to explain and understand difficult and complex subjects through written media.
5	6			Presentation skills – Is able to prepare and present quality presentations using a variety of tools and media; presentations are effective and visually appealing.
Leadership				
E	M	AG	NA	
5	5		1	Coaches, mentors and manages in accordance with TMWA Values and Vision.
9	2			Uses sound judgment in decision making. Seeks out relevant and necessary data.
6	4		1	Makes decisions in a timely manner.
8	3			Directs utilization of TMWA resources effectively.
6	5			Directs the TMWA customer service goals and initiatives, both internally and externally.
8	1			Emergencies and crisis situations are handled in an effective, efficient and professional manner.
4	6		1	Stays current on management practices and techniques.
4	6		1	Actively pursues ways to increase his value to TMWA.
Innovation				
E	M	AG	NA	
8	3			Participates with Board and staff in strategic planning.
8	3			Exhibits a forward-thinking approach, both in the short and long term.
5	5		1	Utilizes effective project management techniques.
3	6		2	Sets objectives for personal performance and manages toward those objectives.
6	4		1	Completes projects agreed upon with Board within the given time frame.
Management of Staff				
E	M	AG	NA	
9	1		1	Able to delegate authority appropriately, granting proper authority at proper times.
7	3		1	Utilizes a positive approach to direct work efforts of staff.
4	6		1	Addresses employee issues promptly and effectively, utilizing progressive discipline.
6	4		1	Encourages and rewards initiative.
10	1			Promotes cohesive teamwork with the TMWA Senior Management Team.
187	117	0	13	Total number of responses by rating all categories combined
59%	37%	0%	4%	Total % rating all categories combined

What are you most pleased with in the General Manager's Performance?	
1	Mark is consistent and truly has TMWA's best interests in mind.
2	Generally pleased in all areas of relevance.
3	Level of engagement and understanding the big picture.
4	He is always available and willing to help.
5	Mark empowers and relies on TMWA experts to do their jobs, he does not micro-manage, he encourages forward thinking and initiative, and he recognizes all employees for a job well done.
6	He stays very informed on all issues and makes good, timely decisions.
7	Mr Foree's cohesive managerial style. I believe, Mark treats everyone in the organization as valued members of the TMWA team.
8	He has been available to meet and work through regional issues
9	Mark is a extremely competent leader and exemplifies TMWA's Vision. He is committed to quality and efficiency and promotes this throughout the organization. Mark can be relied upon to provide sound advice and is a wealth of knowledge and information on all aspects of TMWA operations.
What area for growth would you like to see? Please provide specific suggestions on how the General Manager may improve the areas for growth.	
1	Mark is doing a great job.
2	None
3	TMWA is becoming more involved in reclaimed water matters, including IPR. Mark should become more familiar with the industry and the technology, and encourage other staff to do so as well.
4	Currently, I have no suggestions regarding areas needed for growth. I think Mr Foree understand the Board's vision of and for organizational stability even given the ongoing issues of climate change and environmental uncertainty.
5	N/A
Goals for 2018-2019	
1	Keep on track
2	Provide value to other entities addressing water issues such as effluent, stormwater etc., as those areas are related to the TMWA water supply.
3	More and more people have high expectations of TMWA in non-traditional regional water-related matters. We need to make sure we have the capabilities and resources available to take on added responsibilities if and when they come our way. Succession planning (2-4) for Sr. Management needs to be a higher priority.
4	1. A succession plan that accounts for every member of TMWA's Management Team retiring over the next few years. 2. A regional discussion/plan that looks at, and plans for effluent management as it pertains to an additional, stable water supply for TMWA.
5	Lay out plans for the future and look for possible break throughs to incorporate.
Any Additional Comments	
1	None
2	Mark fosters a great teamwork environment where all perspectives are valued, even if not popular. Mark maintains a "business-like" efficient workplace culture, which is much appreciated by all of us in management!
3	Great job Mark, we're lucky to have you at the helm!
4	It is an honor to work for Mark and be part of his team.

Q1 Ability to relate well to others and to make people feel at ease, even in difficult situations.

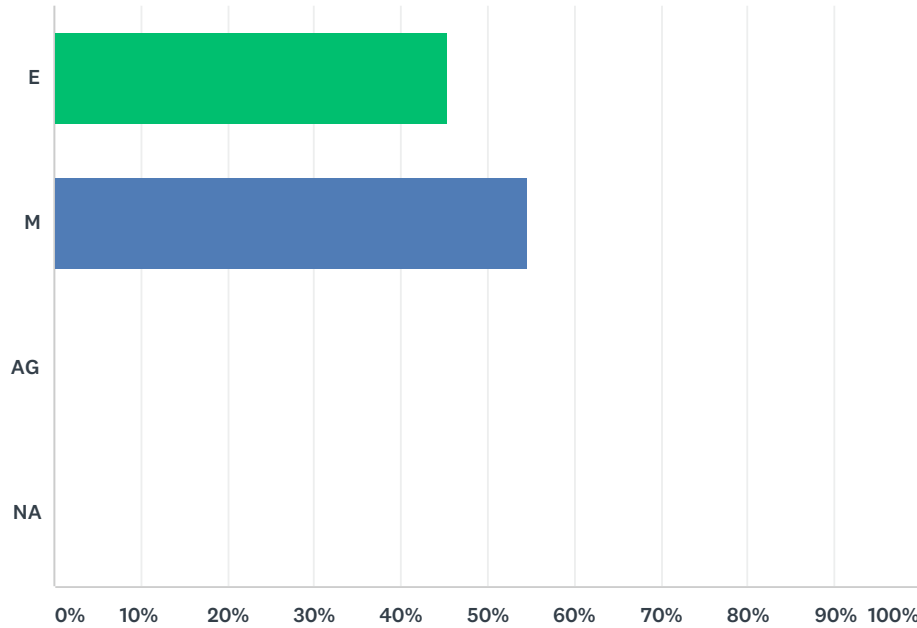
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	63.64%	7
M	36.36%	4
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q2 Ability to gain the trust and confidence of the public; fosters contact and cooperation among citizens, community organizations and other government agencies.

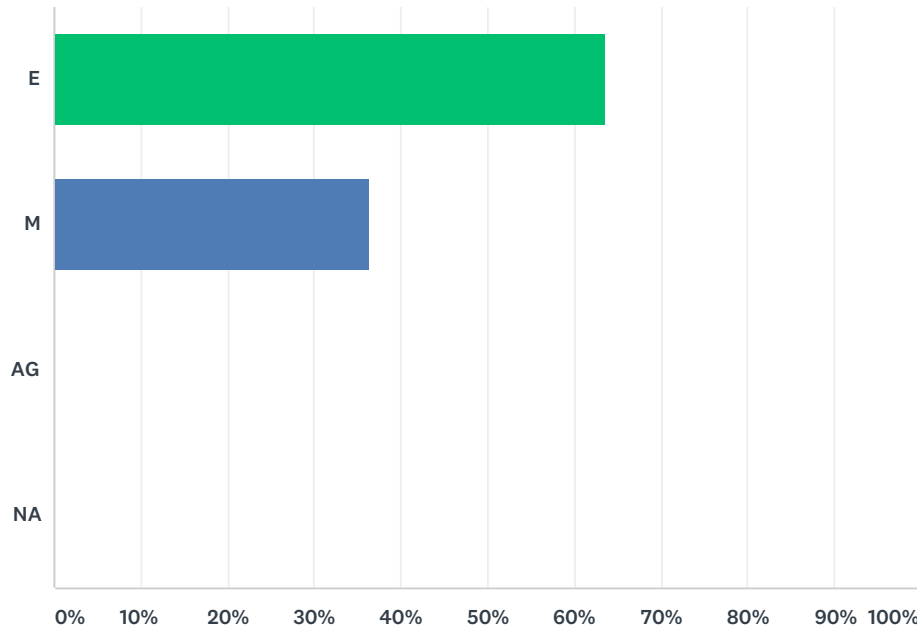
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	45.45%	5
M	54.55%	6
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q3 Understands and embraces the concept of inter-local cooperation when appropriate.

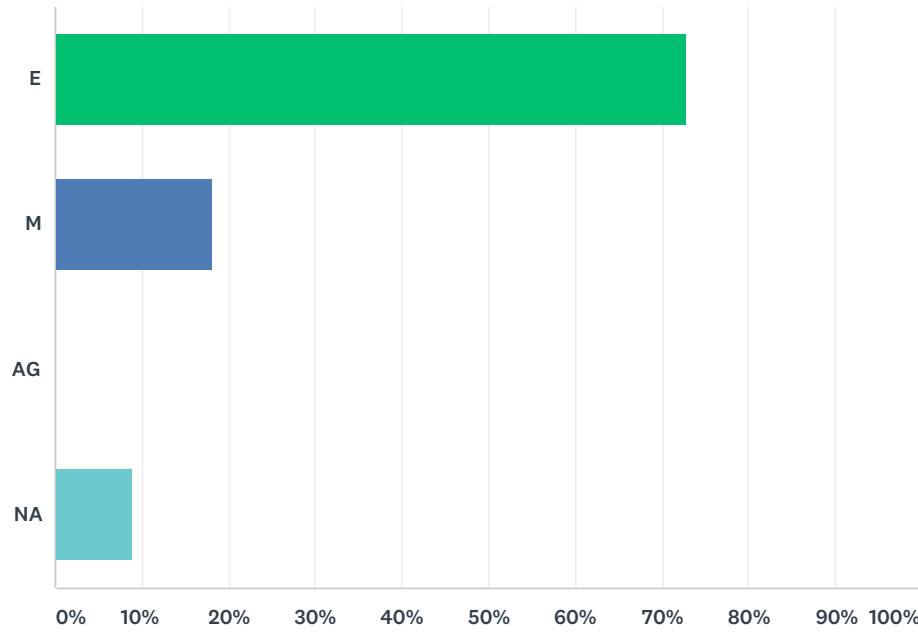
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	63.64%	7
M	36.36%	4
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q4 Fosters cooperative communication and working relationships with the Board.

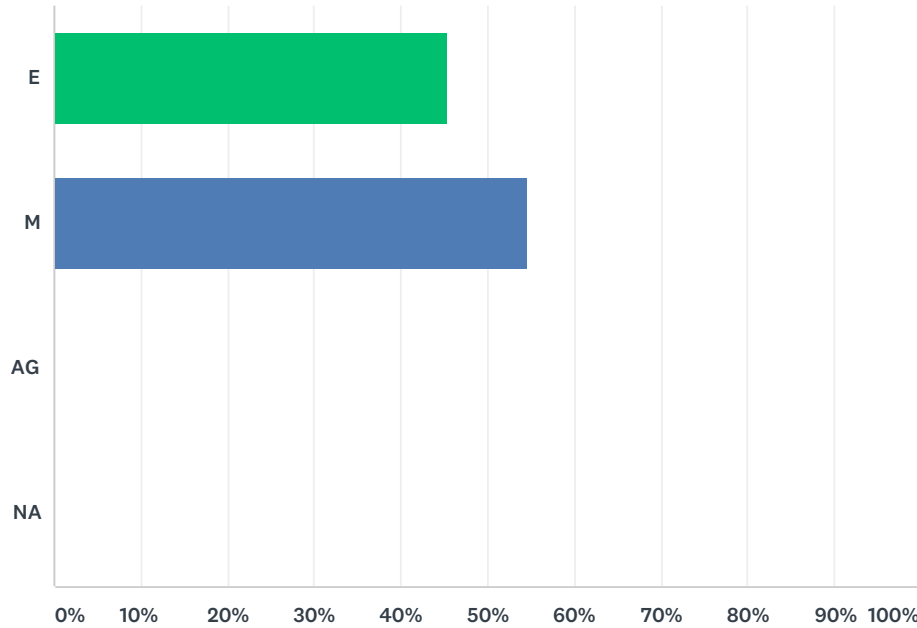
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	72.73%	8
M	18.18%	2
AG	0.00%	0
NA	9.09%	1
TOTAL		11

Q5 Has the ability to utilize appropriate media for communication - Internet, social media, TV, radio, newspaper, Board meetings, group interactions, individual meetings.

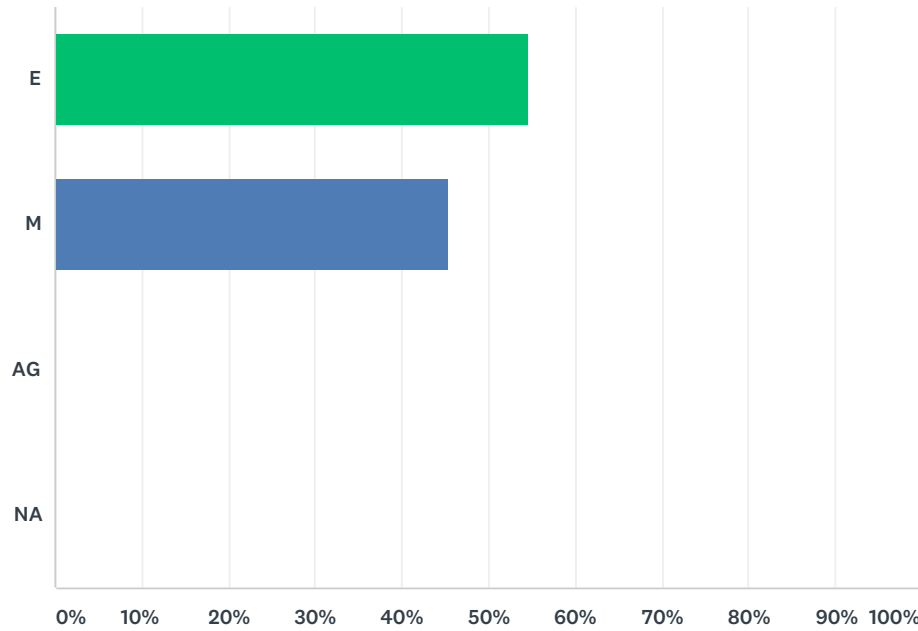
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	45.45%	5
M	54.55%	6
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q6 Skilled in negotiation techniques in a variety of scenarios - employee, Board, public, interagency, outside entities.

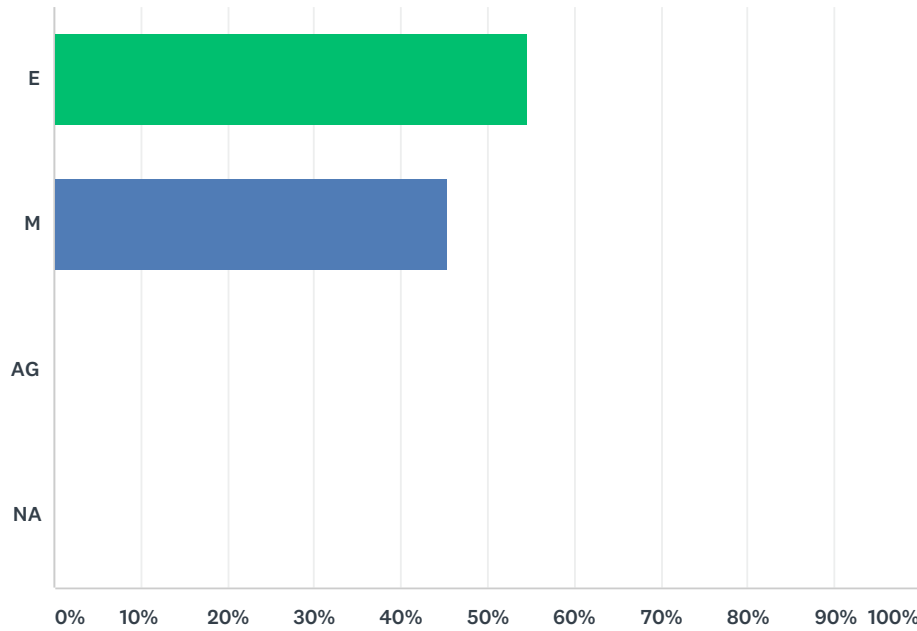
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	54.55%	6
M	45.45%	5
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q7 Demonstrates sensitivity and empathy towards individuals or groups as appropriate.

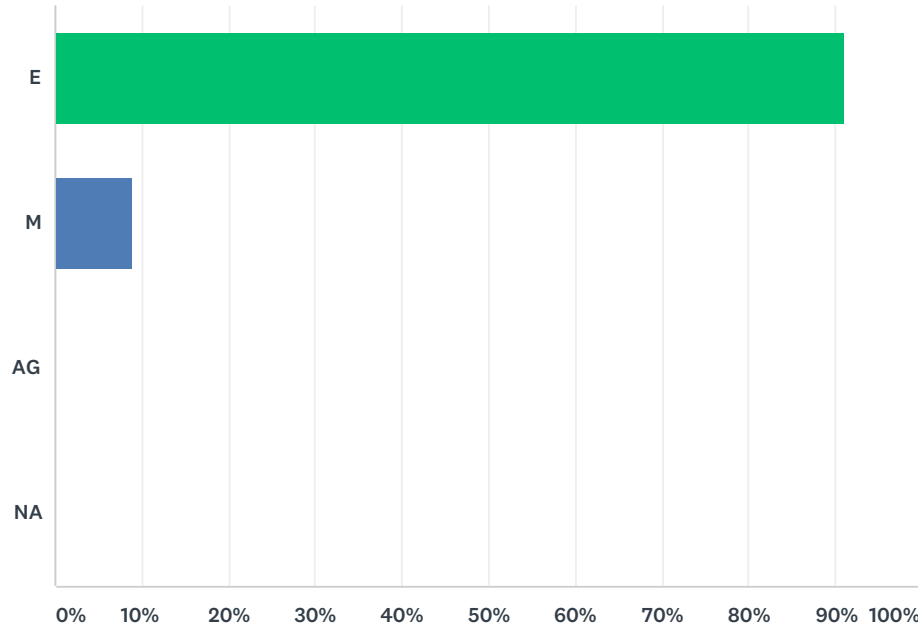
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	54.55%	6
M	45.45%	5
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q8 Is forthright and honest in all relationships.

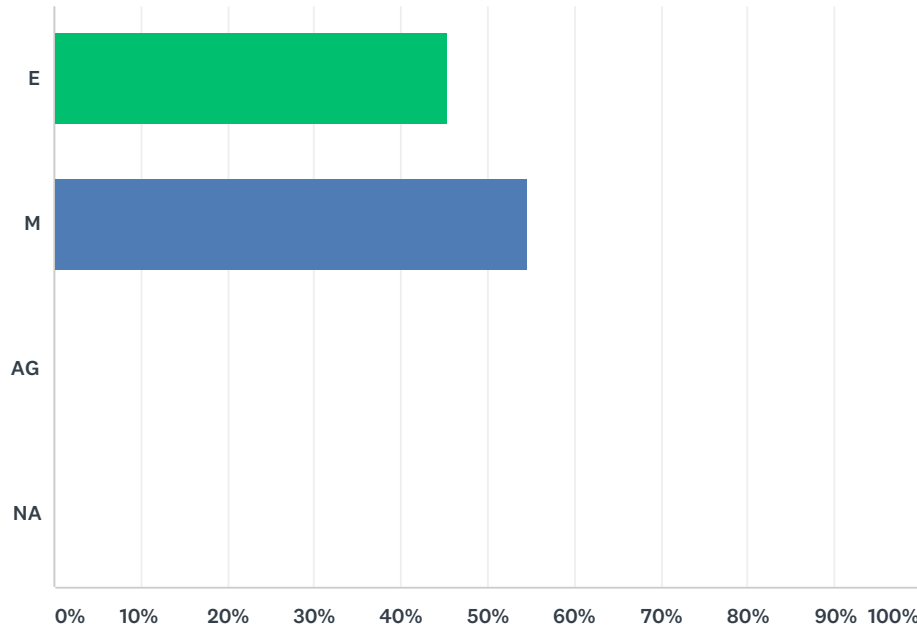
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES
E	90.91% 10
M	9.09% 1
AG	0.00% 0
NA	0.00% 0
TOTAL	11

Q9 Verbal Communication Skills - Good command of oral expression; expresses ideas clearly and concisely; easily comprehends ideas expressed by others; able to explain and understand difficult and complex subjects.

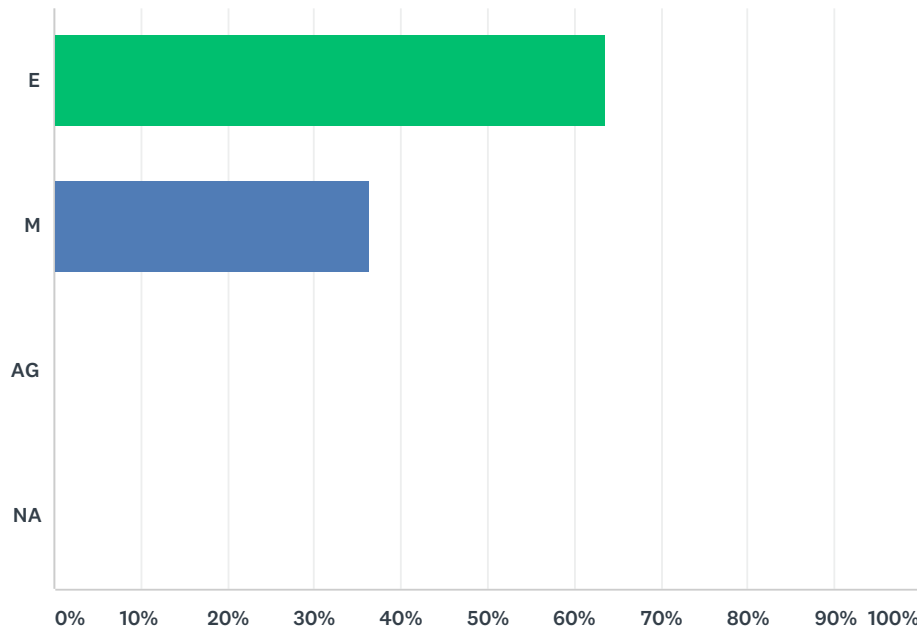
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	45.45%	5
M	54.55%	6
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q10 Written Communications Skills - Good command of written expression; expresses ideas clearly and concisely; easily comprehends ideas expressed by others; able to explain and understand difficult and complex subjects through written media.

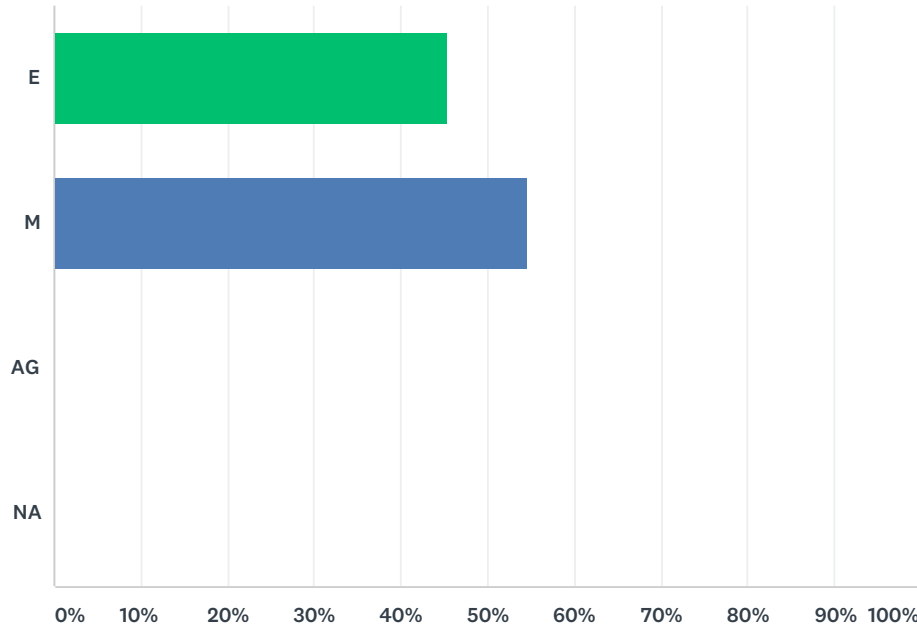
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	63.64%	7
M	36.36%	4
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q11 Presentation Skills - Is able to prepare and present quality presentations using a variety of tools and media; presentations are effective and visually appealing.

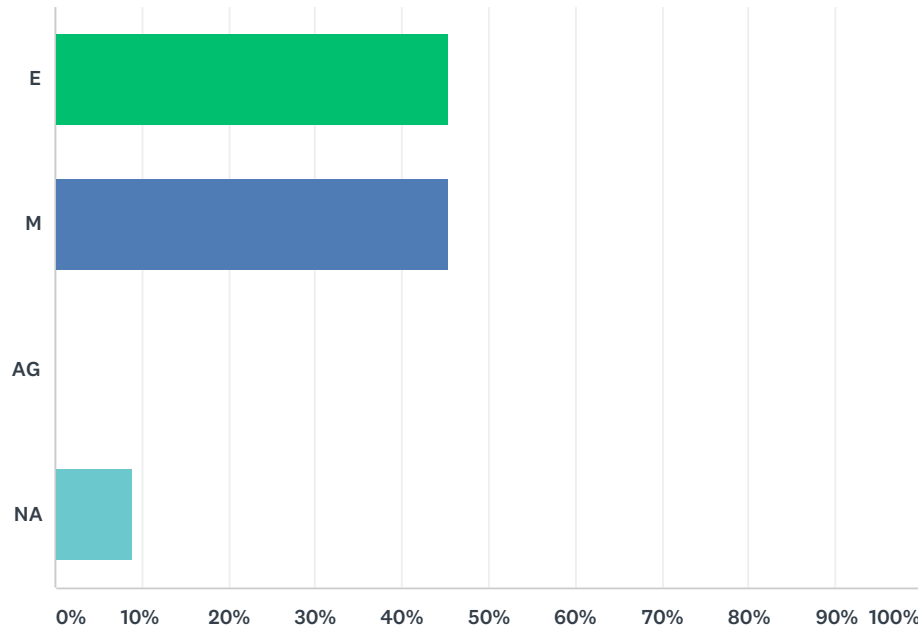
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	45.45%	5
M	54.55%	6
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q12 Coaches, mentors and manages in accordance with TMWA Values and Vision.

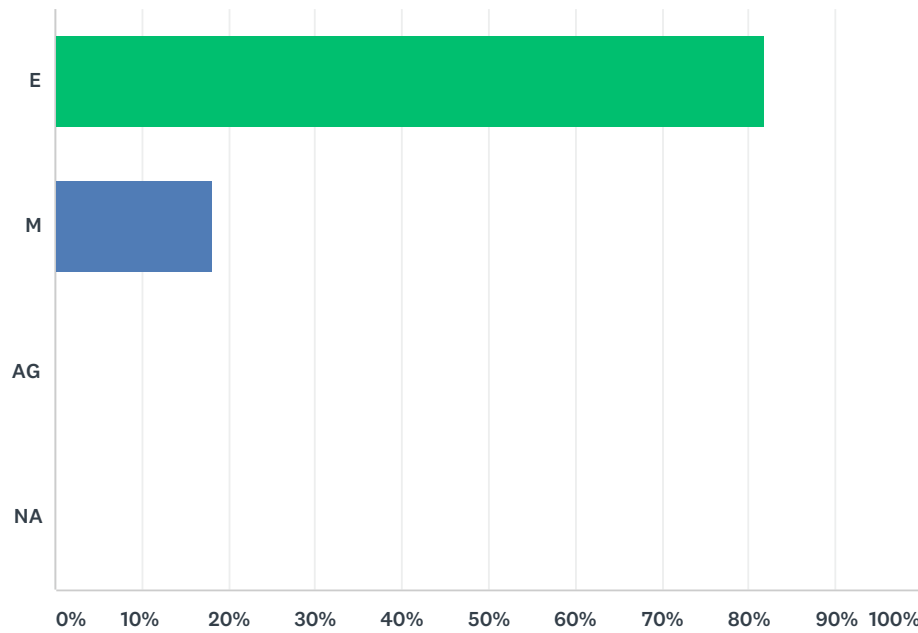
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	45.45%	5
M	45.45%	5
AG	0.00%	0
NA	9.09%	1
TOTAL		11

Q13 Uses sound judgment in decision making. Seeks out relevant and necessary data.

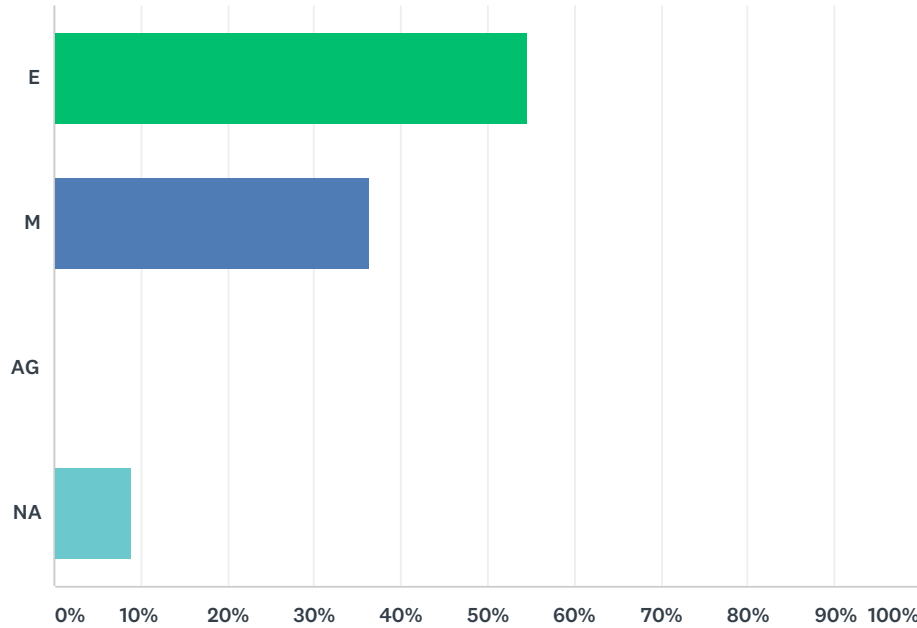
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	81.82%	9
M	18.18%	2
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q14 Makes decisions in a timely manner.

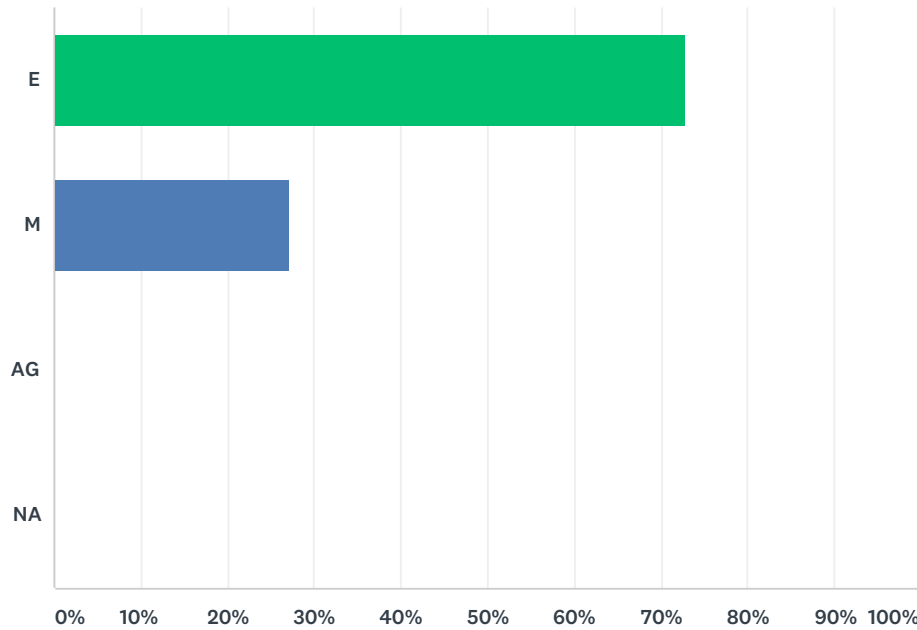
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES
E	54.55% 6
M	36.36% 4
AG	0.00% 0
NA	9.09% 1
TOTAL	11

Q15 Directs utilization of TMWA resources effectively.

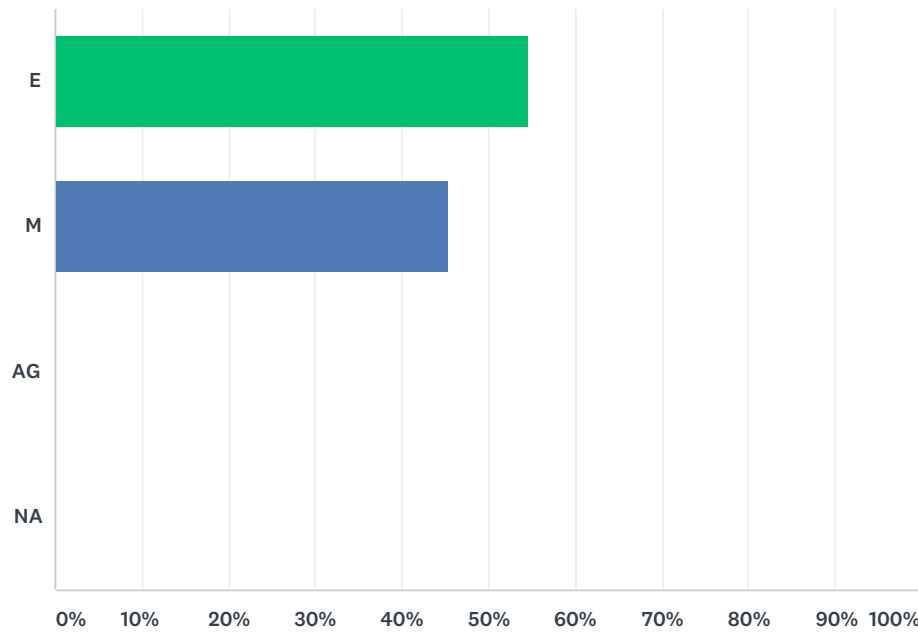
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	72.73%	8
M	27.27%	3
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q16 Directs the TMWA customer service goals and initiatives, both internally and externally.

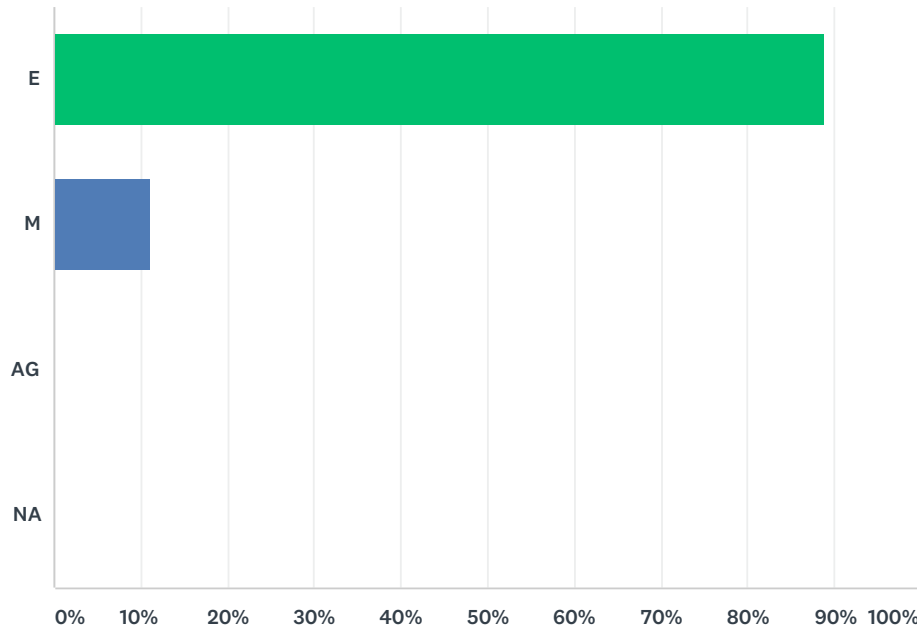
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	54.55%	6
M	45.45%	5
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q17 Emergencies and crisis situations are handled in an effective, efficient and professional manner.

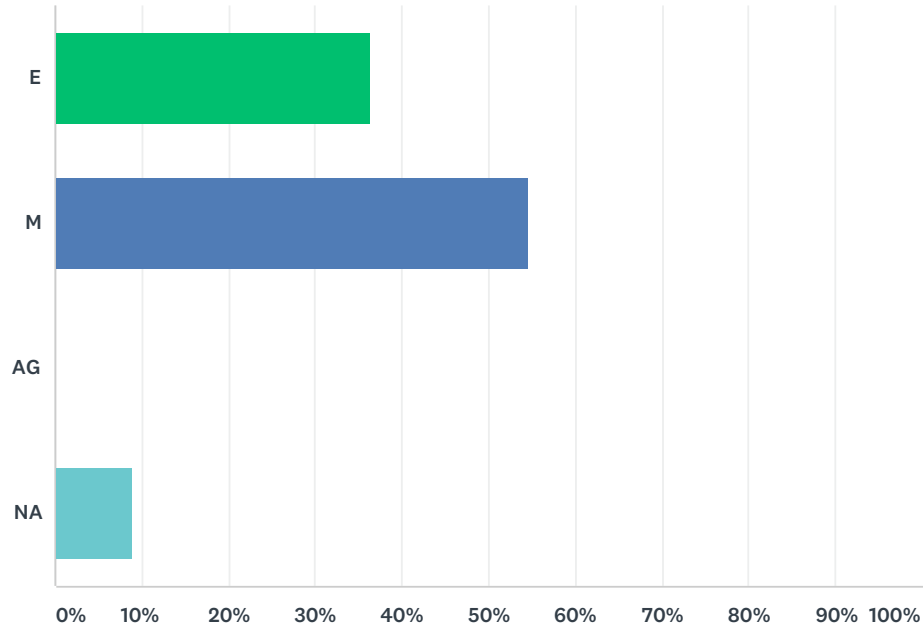
Answered: 9 Skipped: 2



ANSWER CHOICES	RESPONSES	
E	88.89%	8
M	11.11%	1
AG	0.00%	0
NA	0.00%	0
TOTAL		9

Q18 Stays current on management practices and techniques.

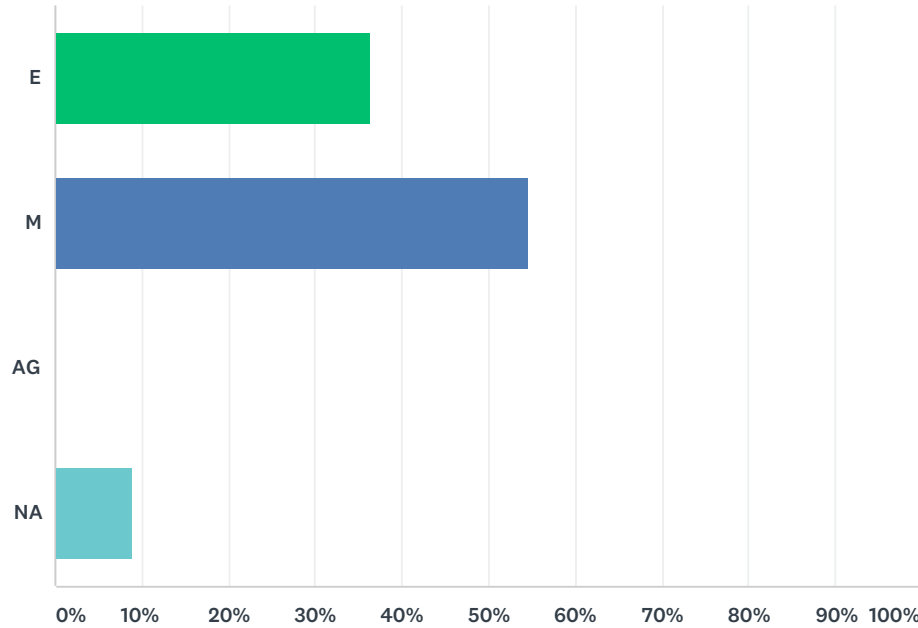
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	36.36%	4
M	54.55%	6
AG	0.00%	0
NA	9.09%	1
TOTAL		11

Q19 Actively pursues ways to increase his value to TMWA.

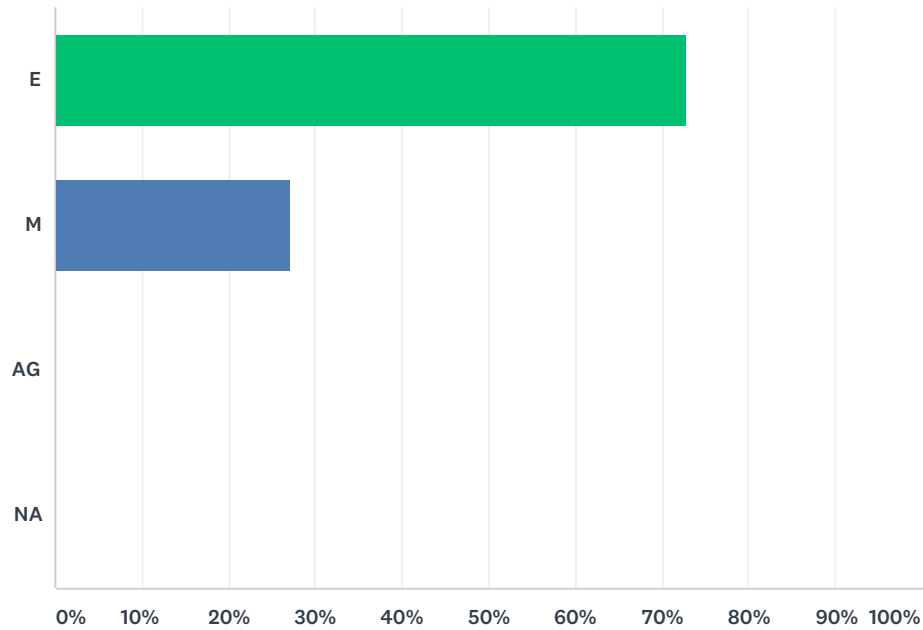
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	36.36%	4
M	54.55%	6
AG	0.00%	0
NA	9.09%	1
TOTAL		11

Q20 Participates with Board and staff in strategic planning.

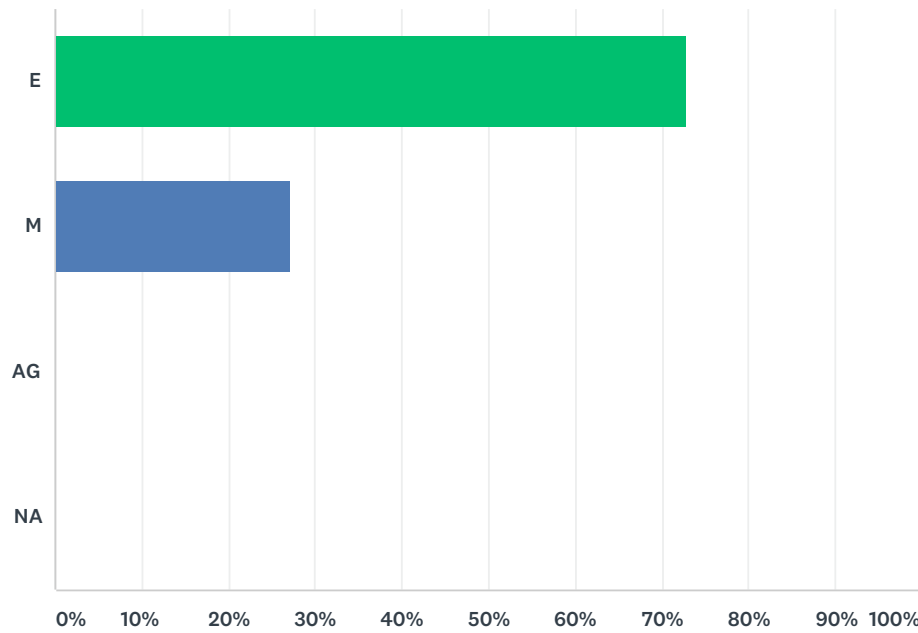
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES
E	72.73% 8
M	27.27% 3
AG	0.00% 0
NA	0.00% 0
TOTAL	11

Q21 Exhibits a forward-thinking approach, both in the short and long term.

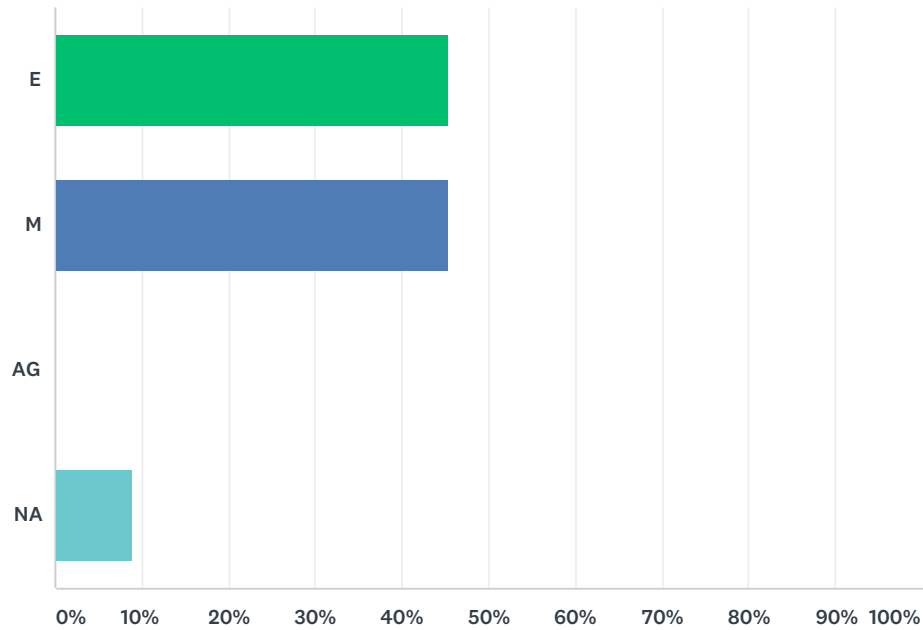
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	72.73%	8
M	27.27%	3
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q22 Utilizes effective project management techniques.

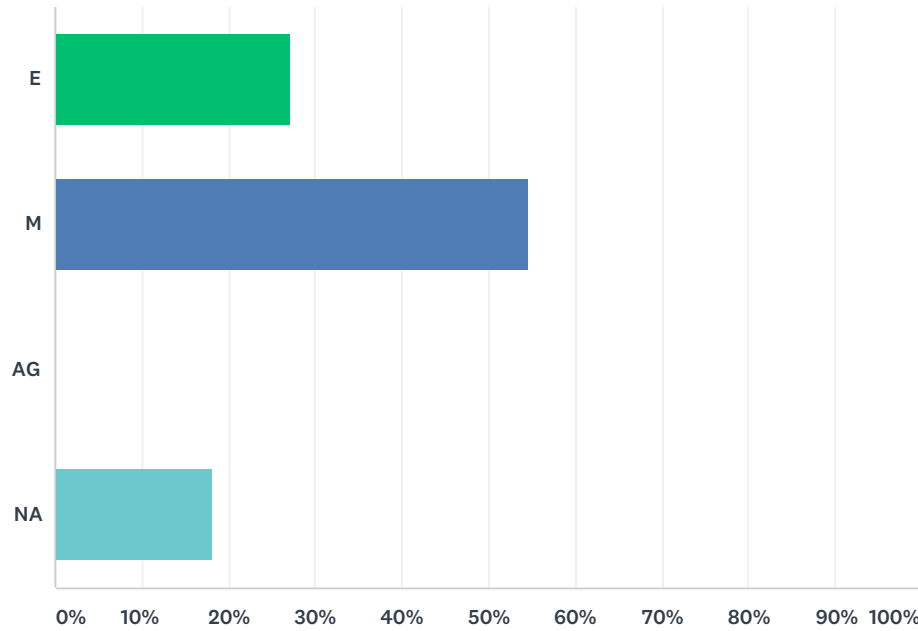
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	45.45%	5
M	45.45%	5
AG	0.00%	0
NA	9.09%	1
TOTAL		11

Q23 Sets objectives for personal performance and manages toward those objectives.

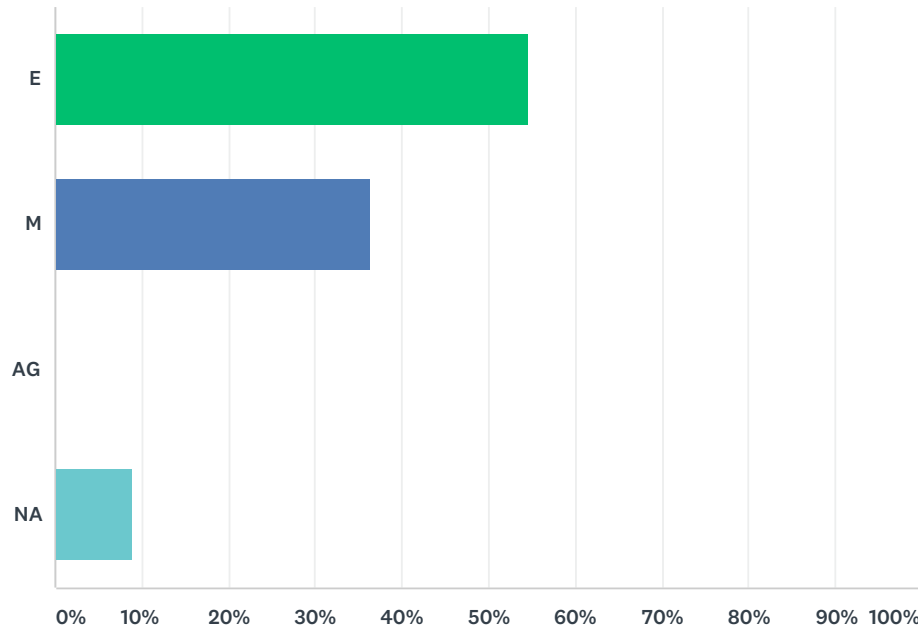
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	27.27%	3
M	54.55%	6
AG	0.00%	0
NA	18.18%	2
TOTAL		11

Q24 Completes projects agreed upon with Board within the given time frame.

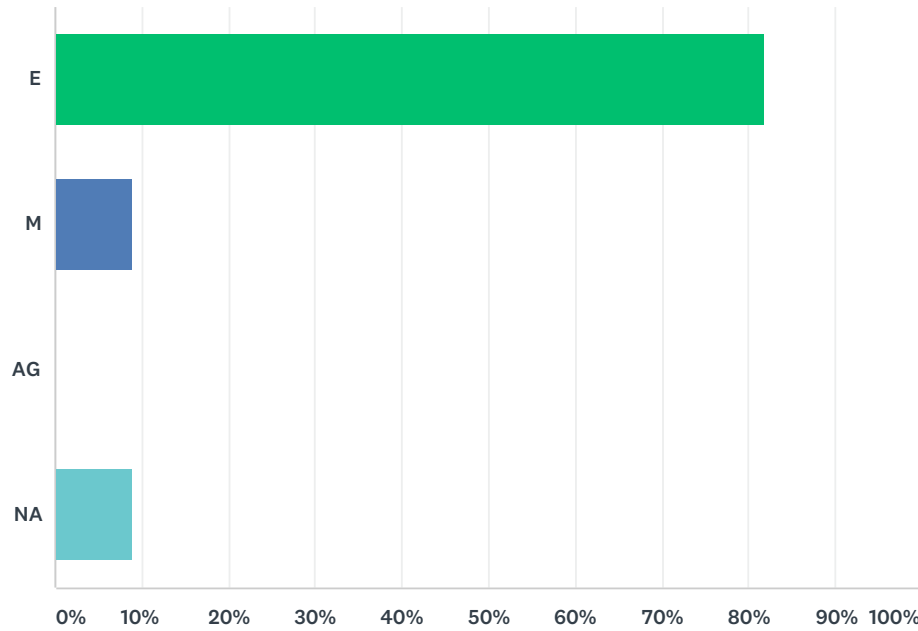
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	54.55%	6
M	36.36%	4
AG	0.00%	0
NA	9.09%	1
TOTAL		11

Q25 Able to delegate authority appropriately, granting proper authority at proper times.

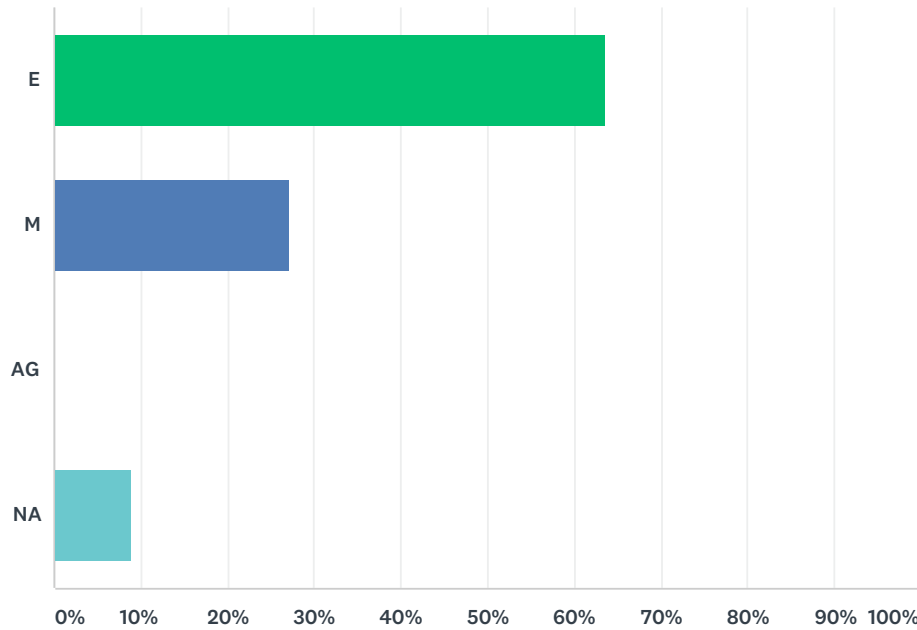
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	81.82%	9
M	9.09%	1
AG	0.00%	0
NA	9.09%	1
TOTAL		11

Q26 Utilizes a positive approach to direct work efforts of staff.

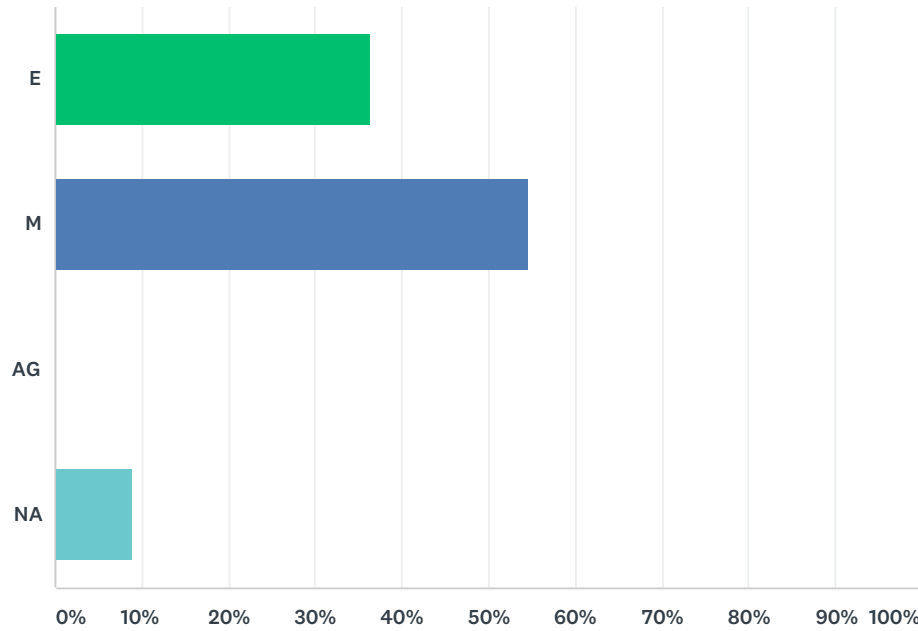
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	63.64%	7
M	27.27%	3
AG	0.00%	0
NA	9.09%	1
TOTAL		11

Q27 Addresses employee issues promptly and effectively, utilizing progressive discipline.

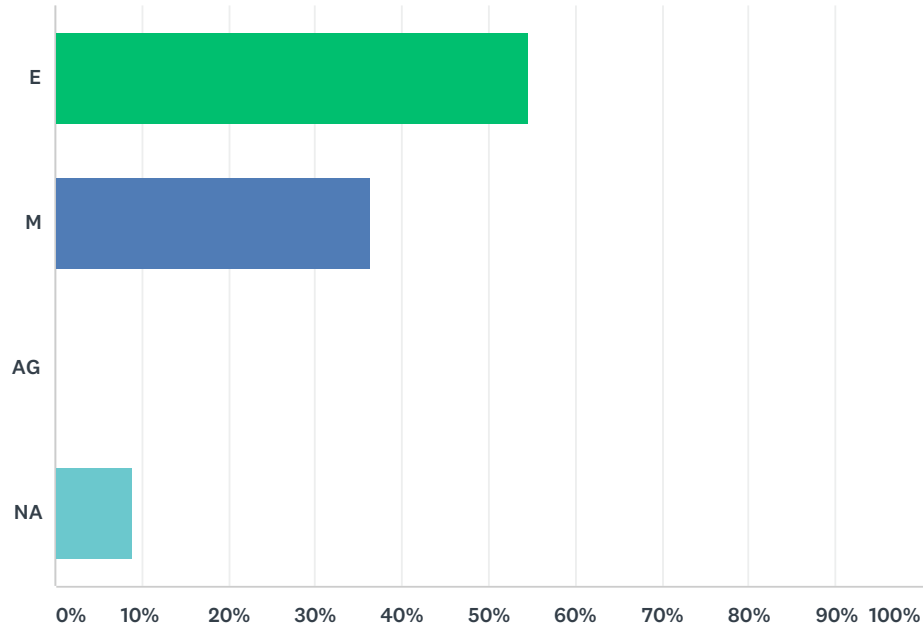
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	36.36%	4
M	54.55%	6
AG	0.00%	0
NA	9.09%	1
TOTAL		11

Q28 Encourages and rewards initiative.

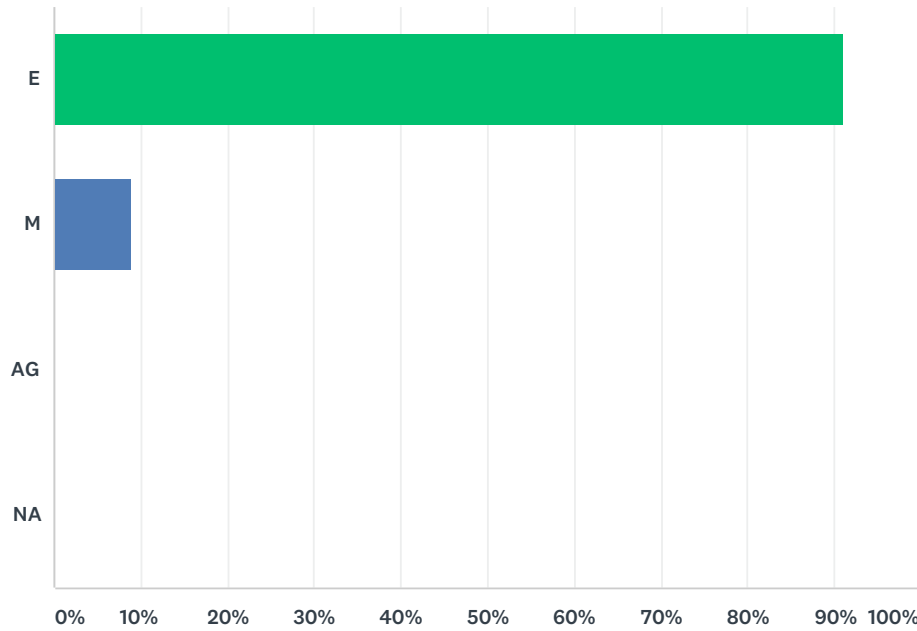
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES
E	54.55% 6
M	36.36% 4
AG	0.00% 0
NA	9.09% 1
TOTAL	11

Q29 Promotes cohesive teamwork with the TMWA Senior Management Team.

Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
E	90.91%	10
M	9.09%	1
AG	0.00%	0
NA	0.00%	0
TOTAL		11

Q30 What are you most pleased with in the General Manager's performance?

Answered: 9 Skipped: 2

#	RESPONSES	DATE
1	Mark is consistent and truly has TMWA's best interests in mind.	9/12/2018 8:42 AM
2	Generally pleased in all areas of relevance.	9/11/2018 2:40 PM
3	Level of engagement and understanding the big picture.	9/10/2018 8:01 AM
4	He is always available and willing to help	9/7/2018 7:21 AM
5	Mark empowers and relies on TMWA experts to do their jobs, he does not micro-manage, he encourages forward-thinking and initiative, and he recognizes all employees for a job well done.	9/5/2018 4:46 PM
6	He stays very informed on all issues and makes good, timely decisions.	8/31/2018 2:08 PM
7	Mr Foree's cohesive managerial style. I believe, Mark treats everyone in the organization as valued members of the TMWA team.	8/31/2018 1:00 PM
8	He has been available to meet and work through regional issues	8/30/2018 1:38 PM
9	Mark is a extremely competent leader and exemplifies TMWA's Vision. He is committed to quality and efficiency and promotes this throughout the organization. Mark can be relied upon to provide sound advice and is a wealth of knowledge and information on all aspects of TMWA operations.	8/30/2018 11:37 AM

Q31 What areas for growth would you like to see? Please provide specific suggestions on how the General Manager may improve the areas for growth.

Answered: 5 Skipped: 6

#	RESPONSES	DATE
1	Mark is doing a great job.	9/12/2018 8:42 AM
2	None	9/11/2018 2:40 PM
3	TMWA is becoming more involved in reclaimed water matters, including IPR. Mark should become more familiar with the industry and the technology, and encourage other staff to do so as well.	9/5/2018 4:46 PM
4	Currently, I have no suggestions regarding areas needed for growth. I think Mr Foree understands the Board's vision of and for organizational stability even given the ongoing issues of climate change and environmental uncertainty.	8/31/2018 1:00 PM
5	N/A	8/30/2018 11:37 AM

Q32 Goals for 2018-2019

Answered: 5 Skipped: 6

#	RESPONSES	DATE
1	Keep on track	9/12/2018 8:42 AM
2	Provide value to other entities addressing water issues such as effluent, stormwater etc., as those area are related to the TMWA water supply.	9/11/2018 2:40 PM
3	More and more people have high expectations of TMWA in non-traditional regional water-related matters. We need to make sure we have the capabilities and resources available to take on added responsibilities if and when they come our way. Succession planning (2-4 years) for Sr. Management needs to be a higher priority.	9/5/2018 4:46 PM
4	1. A succession plan that accounts for every member of TMWA's Management Team retiring over the next few years. 2. A regional discussion/plan that looks at, and plans for effluent management as it pertains to an additional, stable water supply for TMWA.	8/31/2018 1:00 PM
5	Lay out plans for the future and look for possible break throughs to incorporate	8/30/2018 1:38 PM

Q33 Any additional comments?

Answered: 4 Skipped: 7

#	RESPONSES	DATE
1	none	9/12/2018 8:42 AM
2	Mark fosters a great teamwork environment where all perspectives are valued, even if not popular. Mark maintains a "business-like" efficient workplace culture, which is much appreciated by all of us in management!	9/5/2018 4:46 PM
3	Great job Mark, we're lucky to have you at the helm!	8/31/2018 1:00 PM
4	It is an honor to work for Mark and be part of his team.	8/30/2018 11:37 AM

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

1. PARTIES AND RECITALS

This Amended and Restated Employment Agreement ("Agreement") is entered into on October 15, 2014 ("Effective Date") by and between the Truckee Meadows Water Authority, by and through its duly constituted Board of Directors ("TMWA"), a political subdivision of the State of Nevada and a public entity organized pursuant to NRS 277.110, et. seq., and Mark Foree ("Foree"), collectively the "Parties", and amends and supersedes the Employment Agreement entered between the Parties dated October 17, 2012.

- 1.1 TMWA was formed to exercise powers, privileges and authorities to develop and maintain supplies of water for the benefit of the Truckee Meadows community;
- 1.2 TMWA desires to retain the services of Foree as General Manager;
- 1.3 Foree desires employment as General Manager of TMWA; and
- 1.4 The parties desire to enter into an agreement reflecting the terms and conditions under which Foree will be employed by TMWA as its General Manager.

NOW, THEREFORE, in consideration of their mutual covenants contained herein, TMWA and Foree agree as follows:

2. EMPLOYMENT

TMWA hereby employs Foree and Foree agrees to serve as the General Manager of TMWA to perform the functions and duties specified in Section 3 for the term specified in Section 5.

3. DUTIES/ESSENTIAL JOB FUNCTIONS

3.1 Foree agrees that during the Term of Employment (as defined in Section 5.1) he will hold the office of General Manager of TMWA reporting to TMWA's Board of Directors (the "Board"). Foree agrees to perform faithfully and to the best of his ability such duties and assignments relating to the business of TMWA as the Board of Directors of TMWA shall direct.

3.2 During the Term of Employment Foree shall, except during customary vacation periods and periods of illness, devote his business time and attention to the performance of his duties hereunder and to the business and affairs of TMWA and to promoting the best interests of TMWA. Foree shall not, either during or outside of normal business hours, engage in any activity inimical to the best interests of TMWA. Foree acknowledges that he has ownership interest in a water company in Winnemucca, Nevada, for which he provides occasional services for compensation. Foree agrees to ensure that his ownership and any activities undertaken by Foree in connection with said company shall not interfere with his ability to devote his full time

and attention to the business and affairs of TMWA. Except for said services, Foree shall not serve as a consultant to other public or private utilities. Notwithstanding the foregoing, Foree may engage in charitable or civic pursuits provided that such service or pursuits do not interfere with Foree's obligations under the Agreement.

4. SALARY

TMWA agrees to pay Foree for his services an annual base salary of One Hundred Eighty Three Thousand Three Hundred Four and 12/100 Dollars (\$183,304.12) ("Base Salary"). Foree will have an opportunity to earn a Base Salary increase and a lump sum award based upon Foree's specific job performance in meeting the mutually agreed upon goals for the previous year. The Board and Foree will meet by December 1, 2014 to set initial performance goals for the 2014-15 fiscal year. The Board shall evaluate Foree's performance and in its sole discretion may determine a performance lump sum award or any salary adjustment in accordance with Section 6 of this Agreement. This adjustment may be made either to the Base Salary or in the form of a lump sum award or as a combination of the two at the sole discretion of TMWA. The total award (addition to Base Salary plus lump sum award) may be up to 10% of Base Salary. Any portion of a salary adjustment granted as a lump sum award shall not become part of Foree's Base Salary for future years.

5. TERM AND TERMINATION

5.1 Term. The term of this Agreement ("Term of Employment") is four (4) years beginning on the Effective Date of this Agreement; subject, however, to prior termination as provided herein.

5.2 Events of Termination. The Term of Employment, Foree's Base Salary, and any and all other rights of Foree under this Agreement or otherwise as an employee of TMWA may terminate (except as otherwise provided in this Section):

- (a) Upon the death of Foree;
- (b) Upon the disability of Foree (as defined in Section 5.3) immediately upon written notice from either party to the other;
- (c) For Cause (as defined in Section 5.4) immediately upon notice from TMWA to Foree, or at such later time as such notice may specify;
- (d) Upon Foree's 60 days written notice unless the parties subsequently agree to a different notice period; or
- (e) Upon termination by TMWA for any reason other than "For Cause" as defined in Section 5.4.

5.3 Definition of Disability. For purposes of Section 5.2, Foree will be deemed to have a "disability" if, for physical or mental reasons, Foree is unable to perform the essential

functions of Foree's duties under this Agreement for a period of ninety (90) days. The disability of Foree will be determined by a medical doctor selected by written agreement of TMWA and Foree upon the request of either party by notice to the other. If TMWA and Foree cannot agree on the selection of a medical doctor, each of them will select a medical doctor and the two medical doctors will select a third medical doctor who will determine whether Foree has a disability. The determination of the medical doctor selected under this Section 5.3 will be binding on both parties. Foree must submit to a reasonable number of examinations by the medical doctor making the determination of disability under this Section 5.3, and Foree hereby authorizes the disclosure and release to TMWA of such determination and all supporting medical records. If Foree is not legally competent, Foree's legal guardian or duly authorized attorney-in-fact will act in Foree's stead, under this Section 5.3, for the purposes of submitting Foree to the examinations, and providing the authorization of disclosure, required under this Section 5.3.

5.4 Definition of "For Cause". For purposes of Section 5.2, the phrase "For Cause" means: (a) Foree's breach of this Agreement; (b) Foree's failure to adhere to any written policy of TMWA if Foree has been given a reasonable opportunity to comply with such policy or cure his failure to comply; (c) the appropriation or attempted appropriation of a material business opportunity of TMWA, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of TMWA; (d) the misappropriation or attempted misappropriation of any of TMWA's funds or property; or (e) the conviction of, the indictment for or its procedural equivalent, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, or any other crime with respect to which imprisonment is a possible punishment.

5.5 Termination Pay. Effective upon the termination of this Agreement, TMWA will be obligated to pay Foree (or, in the event of his death, his designated beneficiary as defined below) only such compensation as is provided in this Section 5.5, and in lieu of all other amounts and in settlement and complete release of all claims Foree may have against TMWA. For purposes of this Section 5.5, Foree's designated beneficiary will be such individual beneficiary or trust, located at such address, as Foree may designate by notice to TMWA from time to time or, if Foree fails to give notice to TMWA of such a beneficiary, Foree's estate. Notwithstanding the preceding sentence, TMWA will have no duty, in any circumstances, to attempt to open an estate on behalf of Foree, but will act reasonably in ascertaining the whereabouts of Foree's beneficiaries and seeing to it that such beneficiaries are properly paid.

(a) If this Agreement is terminated by either party as a result of Foree's death or disability as determined under Section 5.3, TMWA shall pay Foree his Base Salary accrued through the date of termination plus any accrued unused banked vacation and PTO as set forth in section 8 below.

(b) If this Agreement is terminated by TMWA "For Cause" pursuant to Section 5.2(c) or by Foree pursuant to Section 5.2(d), TMWA shall pay Foree his Base Salary accrued through the date of termination, but not any accrued unused banked vacation and PTO.

(c) If TMWA terminates this Agreement for any reason other than “For Cause” pursuant to Section 5.2(e), TMWA agrees to pay Foree severance pay equal to Forees’ six-month Base Salary.

5.6 Renewal of Agreement. In the event TMWA elects not to renew or extend this Agreement or offer some other mutually agreeable contract, TMWA will give Foree six months written notice of its intent not to renew the Agreement. Failure to give such notice on the part of TMWA shall be treated as a termination and Foree will receive severance pay as set forth in Section 5.5(c) above.

6. PERFORMANCE EVALUATION

TMWA's Board of Directors will review and evaluate Foree’s performance at least once annually on or within four months of the end of the fiscal year. Foree’s annual salary review and any adjustment to compensation will coincide with the annual performance evaluation timeframes established for all TMWA employees.

7. RETIREMENT

7.1 Subject to applicable laws, TMWA will contribute an amount equal to 6% of Foree’s base salary to a deferred compensation plan on Foree’s behalf.

7.2 TMWA agrees that Foree will be a member of the Nevada Public Employees Retirement System at TMWA's expense.

8. PAID TIME OFF

8.1 Foree will be granted 40 days of compensated paid time off (“PTO”) each year for personal use, including vacation and illness. Unused PTO may be taken as pay, at any time, or carried over to the next calendar year as set forth in Section 8.2.

8.2 Accrued but unused PTO will be carried over from year to year. A maximum of 320 PTO hours can be carried over each calendar year. Upon termination of Foree’s employment, Foree will be entitled to full compensation for his accrued, unused PTO, up to a maximum of 320 hours.

8.3 Banked vacation which Foree accrued as of July 1, 2009 will remain in the banked vacation account until used. Such banked vacation time may also be cashed out as pay at any time and upon Foree’s employment termination, except for termination “For Cause” pursuant to Section 5.4.

9. DUES, SUBSCRIPTIONS AND PROFESSIONAL DEVELOPMENT

9.1 TMWA agrees to pay the professional dues, certifications and subscriptions of Foree necessary for his continuation and participation in national, regional, state and local

associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of TMWA.

9.2 TMWA agrees to pay the travel and subsistence expenses of Foree for professional and official travel and meetings adequate to continue the professional development of Foree as the chief executive of a water utility and to adequately pursue necessary official functions for TMWA. Such travel and subsistence expenses must be approved by TMWA's Chief Financial Officer and submitted to the Chair of the TMWA Board for review. TMWA will also pay for Foree's attendance at conferences, seminars and short courses which are deemed to be of value to TMWA.

10. EXPENSES, ALLOWANCES AND OTHER BENEFITS

10.1 Foree will be paid a fixed sum of \$750 per month for the use of his personal vehicle for TMWA business, with future increases to be determined by TMWA as a part of the budget cycle.

10.2 TMWA agrees to pay Foree a fixed sum of \$150 per month as a cell phone/personal digital assistance (PDA) allowance.

10.3 TMWA will pay all costs of any fidelity or other bonds required of Foree by virtue of his employment with TMWA.

10.4 Foree will be provided all other benefits given to management employees, such as observed paid holidays, group health coverage (medical, dental, vision), short and long term disability.

11. TEAM BUILDING, GOALS AND RETREATS

TMWA agrees that annually TMWA's Board of Directors will schedule and participate in the following:

- (a) A goals-setting session to develop objectives for TMWA; and
- (b) A session to develop specific criteria to serve as the basis for Foree's pay-for-performance clause set forth in Section 6 of this agreement. This session will be held within four months of the end of each fiscal year of the Term of Employment.

12. MISCELLANEOUS

12.1 The captions in this agreement are not part of the provisions hereof, are merely for the purpose of reference and shall have no force or effect for any purpose whatsoever, including the construction of the provisions of this Agreement, and if any caption is inconsistent with any provisions of this Agreement, such provisions shall govern. The Recitals are part of this Agreement.

12.2 This Agreement is made in, and shall be governed by and construed in accordance with the internal laws of the State of Nevada.

12.3 This Agreement contains a complete statement of all of the arrangements between the parties with respect to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written between the parties relating to the subject matter of this Agreement, which are not fully expressed in this Agreement.

12.4 This Agreement may not be waived, changed, modified or discharged orally, but only by an agreement in writing signed by the party against whom any waiver, change, modification or discharge is sought.

12.5 All notices given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested as such other address as TMWA and Foree designate. Each such notice shall be deemed to be given on the date received at the address of the addressee.

12.6 If litigation over this Agreement is initiated in any court, the Parties agree the proper venue is Washoe County, Nevada. Foree irrevocably (i) waives and agrees not to assert in any such action, suit or other proceeding that he is not personally subject to the jurisdiction of such courts, that the action, suit or other proceeding is brought in an inconvenient forum or that the venue of the action, suit or other proceeding is improper, (ii) waives personal service of any summons, complaint or other process and (iii) agrees that the service thereof may be made by certified or registered mail directed to Foree at his address for purposes of notices hereunder. Should Foree fail to appear or answer within the time prescribed by law, he shall be deemed in default and judgment may be entered by TMWA against him for the amount or other relief as demanded in any summons, complaint or other process so served.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first hereinabove written.

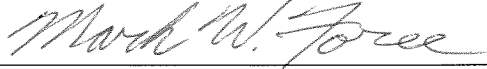
TMWA

GENERAL MANAGER

Dated this 17 day of OCT., 2014

Dated this 15th day of OCT., 2014

By: 
Mike Carrigan, Chairman

By: 
Mark W. Foree



September 7, 2018

Mr. Mark Foree
General Manager, Truckee Meadows Water Authority
PO Box 30013
Reno, NV 89520-3013

Re: Notice of meeting of the TMWA Board of Directors meeting to evaluate your performance, discuss your employment contract and consider your professional competence.

Mr. Foree,

The TMWA Board, at its meeting scheduled for Wednesday, September 19, 2018 at 10:00 AM, will conduct an annual evaluation of your performance as General Manager. In addition, the TMWA Board will also be discussing your employment contract. In the process of these discussions, the Board may consider your professional competence and may take administrative action related to your compensation.

This public meeting will take place at Sparks Council Chambers, 745 4th Street, Sparks, NV.

By signing below, you acknowledge personal receipt of this notice.

This notice is being provided to you in accordance with NRS 241.033.

Sincerely,

Vaughn Hartung, Chair
Truckee Meadows Water Authority Board of Directors

RECEIPT

Mark Foree acknowledges personal receipt of written notice of the foregoing as of September 11, 2018.

Mark Foree

Mark Foree



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Michael Pagni, TMWA General Counsel
DATE: September 11, 2018
SUBJECT: Discussion and action regarding terms for and possible approval of renewal or extension of General Manager employment contract

Recommendation

The TMWA Board review the General Manager's professional competence and consider a possible approval of renewal or extension of General Manager employment contract.

Discussion

The General Manager's contract is set to expire October 2018. Pursuant to the direction of the Board at the August meeting, Legal Counsel and Board members Hartung and Smith met with TMWA staff and Mark Foree to discuss and negotiate terms and conditions for renewing Mark Foree's employment contract. The primary points of discussion involved salary and length of contract term.

In those discussions, it was noted that Foree's current salary (\$200,303) is well below market for his position based on the compensation survey (attached) and wage bands previously approved by the Board, as well as a September 4, 2018 compensation analysis performed by Arthur J. Gallagher & Co. which concluded that Mr. Foree's current compensation is approximately 13% below expected market rate. While Mr. Foree's level of experience qualifies for the "Market Step" in TMWA's DBM rating scale (wage band), both Mr. Foree and the Board representatives were concerned with the appearance of making such a large adjustment at this time, even if otherwise justified. It is being recommended that Mr. Foree's salary be adjusted to one step below the market step (\$215,115) for the remainder of the fiscal year, as this is consistent with adjustments made for other MPAT employees earlier this year. Recognizing Mr. Foree's experience and expertise, it is being recommended that Mr. Foree's salary adjust to the market rate on July 1, 2019.

Mr. Foree's current contract was for a four (4) year term. Mr. Foree anticipates he will retire upon the conclusion of this contract term, and there was considerable discussion regarding succession planning and providing a contract term of sufficient length to enable succession planning. It is

being recommended that Mr. Foree's contract be extended for four (4) years, consisting of a two year term with a two year extension. Both Mr. Foree and the Board members believe this term length will provide stability to the organization to facilitate and implement succession planning.

Finally, Mr. Foree agreed to other contract modifications which benefit TMWA and which reflect more current "best practices" with respect to termination provisions, as requested by Board members.

A redline draft of the agreement is attached showing changes as compared to Mr. Foree's current contract.



Arthur J. Gallagher & Co.

September 4, 2018

Jessica Atkinson
Truckee Meadows Water Authority
P.O. Box 30013
Reno, NV 89520

Dear Ms. Atkinson:

As requested, we have completed a compensation analysis for the position of General Manager to determine competitive compensation levels based on TMWA's defined labor market.

This analysis utilizes the same methodology and data sources as TMWA's 2017 compensation analysis. Specifically, all salary comparisons have been adjusted to reflect the Reno, NV labor market using geographic cost of labor differentials obtained from the Economic Research Institute (ERI), and all salary comparisons have been made against the market 60th percentile. In addition, the summary salary range reflects the actual achievable salary in the labor market, and does not reflect any supplemental performance-based compensation programs.

This letter outlines our findings and considerations for the competitive market analysis. A detailed market pricing worksheet containing all market compensation data is provided as an attachment to this memo.

We appreciate having the opportunity to assist you with this analysis. Should you have any questions of need additional information, please call me at 612-501-1122.

Sincerely,

A handwritten signature in black ink, appearing to read 'Devin Grdinic', is written over a horizontal line.

Devin Grdinic, M.A., CCP

Cc: Bruce Lawson
Managing Director

FINDINGS & CONSIDERATIONS

Following is a summary of the competitive market data for the position of General Manager at the market 60th percentile:

Competitive Salary Range (60th percentile)

Minimum: \$228,270

Midpoint: \$231,925

Maximum: \$237,436

The market data indicates an expected base salary in the range of \$228k-\$237k, which includes geographic adjustments for the Reno market. Depending on prevailing market conditions, job performance, and similar incumbent-specific factors, compensation for individuals performing similar work would normally fall within approximately 5% of the figures presented above.

In reviewing TMWA's current compensation practices, we find the General Manager's current salary of \$200,303 to be lagging the expected market rate by approximately 13%. Accordingly, we would recommend TMWA consider an appropriate market adjustment commensurate with the General Manager's overall performance and experience.

It is important to note that the salary range for the General Manager role does not reflect a typical range width. This is due to many organizations using a negotiated salary rate that does not depend on a formal salary range.

Part No	Participant Name	Benchmark Title	Job Match	RAW MARKET DATA			ADJUSTED MARKET DATA			
				Minimum	Midpoint	Maximum	Geo Diff	Minimum	Midpoint	Maximum
1	Alameda County Water District	General Manager	General Manager	\$234,632	\$259,918	\$285,203	0.841	\$197,404	\$218,677	\$239,951
2	City of Anaheim	General Manager	Utilities General Manager	\$199,457	\$264,281	\$329,105	0.913	\$182,137	\$241,333	\$300,528
3	City of Chandler	General Manager	No Match	-	-	-	1.049	-	-	-
5	City of Henderson	General Manager	No Match	-	-	-	1.016	-	-	-
6	City of Mesa	General Manager	No Match	-	-	-	1.051	-	-	-
7	City of Reno	General Manager	City Manager (Flat Rate)	\$205,000	\$205,000	\$205,000	1.000	\$205,000	\$205,000	\$205,000
8	City of Sacramento Main	General Manager	Director of Utilities	\$149,567	\$186,958	\$224,349	0.947	\$141,664	\$177,080	\$212,496
9	City of Scottsdale	General Manager	No Match	-	-	-	1.051	-	-	-
10	City of Sparks	General Manager	City Manager (Flat Rate)	\$214,920	\$214,920	\$214,920	1.000	\$214,920	\$214,920	\$214,920
11	Contra Costa Water District	General Manager	General Manager (Flat Rate)	\$278,117	\$278,117	\$278,117	0.840	\$233,664	\$233,664	\$233,664
13	Helix Water District – San Diego	General Manager	General Manager (Flat Rate)	\$234,397	\$234,397	\$234,397	0.967	\$226,701	\$226,701	\$226,701
14	Las Vegas Valley Water Dist.	General Manager	General Manager (Flat Rate)	\$301,205	\$301,205	\$301,205	0.989	\$297,842	\$297,842	\$297,842
15	Marin Municipal Water District	General Manager	General Manager (Flat Rate)	\$273,072	\$273,072	\$273,072	0.797	\$217,638	\$217,638	\$217,638
16	NV Energy	General Manager	No Match	-	-	-	1.000	-	-	-
18	Regional Transportation Commission (RTC)	General Manager	Executive Director (Flat Rate)	\$229,316	\$229,316	\$229,316	1.000	\$229,316	\$229,316	\$229,316
23	Sweetwater Authority	General Manager	No Match	-	-	-	0.936	-	-	-
25	Washoe County	General Manager	County Manager (Flat Rate)	\$252,553	\$252,553	\$252,553	1.000	\$252,553	\$252,553	\$252,553
26	Eastbay Mud	General Manager	General Manager (Flat Rate)	\$291,732	\$291,732	\$291,732	0.841	\$245,444	\$245,444	\$245,444
100	TMWA	General Manager	General Manager	\$173,480	\$199,502	\$225,524	1.000	\$173,480	\$199,502	\$225,524
			AVERAGE	\$238,664	\$249,289	\$259,914		\$220,357	\$230,014	\$239,671
			50TH PERCENTILE (MEDIAN)	\$234,515	\$256,235	\$262,813		\$222,170	\$228,008	\$231,490
			60TH PERCENTILE	\$245,385	\$262,536	\$276,099		\$228,270	\$231,925	\$237,436
			75TH PERCENTILE	\$274,333	\$274,333	\$286,835		\$236,609	\$242,360	\$247,221

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

1. PARTIES AND RECITALS

This Amended and Restated Employment Agreement ("Agreement") is entered into on October 15, ~~2014~~2018 ("Effective Date") by and between the Truckee Meadows Water Authority, by and through its duly constituted Board of Directors ("TMWA"), a political subdivision of the State of Nevada and a public entity organized pursuant to NRS 277.110, et. seq., and Mark Foree ("Foree"), collectively the "Parties", and amends and supersedes the Employment Agreement entered between the Parties dated October ~~17, 2012~~15, 2014.

1.1 TMWA was formed to exercise powers, privileges and authorities to develop and maintain supplies of water for the benefit of the Truckee Meadows community;

1.2 TMWA desires to retain the services of Foree as General Manager;

1.3 Foree desires employment as General Manager of TMWA; and

1.4 The parties desire to enter into an agreement reflecting the terms and conditions under which Foree will be employed by TMWA as its General Manager.

NOW, THEREFORE, in consideration of their mutual covenants contained herein, TMWA and Foree agree as follows:

2. EMPLOYMENT

TMWA hereby employs Foree and Foree agrees to serve as the General Manager of TMWA to perform the functions and duties specified in Section 3 for the term specified in Section 5.

3. DUTIES/ESSENTIAL JOB FUNCTIONS

3.1 Foree agrees that during the Term of Employment (as defined in Section 5.1) he will hold the office of General Manager of TMWA reporting to TMWA's Board of Directors (the "Board"). Foree agrees to perform faithfully and to the best of his ability such duties and assignments relating to the business of TMWA as the Board of Directors of TMWA shall direct.

3.2 During the Term of Employment Foree shall, except during customary vacation periods and periods of illness, devote his business time and attention to the performance of his duties hereunder and to the business and affairs of TMWA and to promoting the best interests of TMWA. Foree shall not, either during or outside of normal business hours, engage in any activity inimical to the best interests of TMWA. TMWA and Foree acknowledges that he has ownership interest in a water company in Winnemucca, Nevada, for which he provides occasional services for compensation. Foree agrees to ensure that his ownership and any activities undertaken by Foree in connection with said company shall not interfere with his

ability to devote his full time and attention to the business and affairs of TMWA. Except for said services, Foree shall not serve as a consultant to other public or private utilities. Notwithstanding the foregoing, Foree may engage in charitable or civic pursuits provided that such service or pursuits do not interfere with Foree's obligations under the Agreement.

4. SALARY

TMWA agrees to pay Foree for his services an annual base salary of Two Hundred Fifteen Thousand One Hundred Eighty Three Thousand Three Hundred Four and 12/100 Fifteen Dollars (\$183,304.12215,115.00) ("Base Salary") effective October 1, 2018. Foree's Base Salary shall automatically adjust on July 1, 2019 and each July 1 thereafter to the "Market" step of the General Manager wage band. Foree will have an opportunity to earn a Base Salary increase and a lump sum award based upon Foree's specific job performance in meeting the mutually agreed upon goals for the previous year. The Board and Foree will meet by December 1, ~~2014~~2018 to set initial performance goals for the ~~2014-15~~2018-19 fiscal year. The Board shall evaluate Foree's performance pursuant to Section 6 and in its sole discretion may determine a performance lump sum award or any salary adjustment in accordance with Section 6 of this Agreement. This adjustment may be made either to the Base Salary or in the form of a lump sum award or as a combination of the two at the sole discretion of TMWA. The total award (addition to Base Salary plus lump sum award) may be up to 10% of Base Salary. Any portion of a salary adjustment granted as a lump sum award shall not become part of Foree's Base Salary for future years.

5. TERM AND TERMINATION

5.1 Term. The term of this Agreement ("Initial Term of Employment") is ~~four~~ (2) years beginning on the Effective Date of this Agreement; subject, however, to prior termination as provided herein. The Term of Employment shall automatically be extended for an additional two years from October 15, 2020 to October 15, 2022 ("Extension Term"), unless either party provides written notice to the other party no later than May 31, 2020 of its election not to extend the Term of Employment. The Initial Term and Extension Term, as applicable, are referred to as the "Term of Employment".

5.2 Events of Termination. The Term of Employment, Foree's Base Salary, and any and all other rights of Foree under this Agreement or otherwise as an employee of TMWA ~~may~~shall terminate (except as otherwise provided in this Section) for the reasons and at the times set forth below:

(a) ~~_____~~ (a) ~~Upon~~ Immediately upon the expiration of the Term of Employment;

(b) Immediately upon the death of Foree;

(~~b~~c) Upon the disability of Foree (as defined in Section 5.3) immediately upon written notice from either party to the other;

~~(ed)~~ For Cause (as defined in Section 5.4) immediately upon notice from TMWA to Foree, or at such later time as such notice may specify;

~~_____ (d) _____ Upon Foree's 60 _____~~ (e) For convenience by Foree following no less than 120 days written notice, unless the parties subsequently agree to a different notice period; or

~~_____ (e) _____ Upon termination _____~~ (f) For convenience by TMWA for any reason other than "For Cause" following no less than thirty (30) days written notice; provided Foree shall be entitled to a severance payout as defined set forth in Section 5.45.

5.3 Definition of Disability. For purposes of Section 5.2, Foree will be deemed to have a "disability" if, for physical or mental reasons, Foree is unable to perform the essential functions of Foree's duties under this Agreement for a period of ninety (90) days. The disability of Foree will be determined by a medical doctor selected by written agreement of TMWA and Foree upon the request of either party by notice to the other. If TMWA and Foree cannot agree on the selection of a medical doctor, each of them will select a medical doctor and the two medical doctors will select a third medical doctor who will determine whether Foree has a disability. The determination of the medical doctor selected under this Section 5.3 will be binding on both parties. Foree must submit to a reasonable number of examinations by the medical doctor making the determination of disability under this Section 5.3, and Foree hereby authorizes the disclosure and release to TMWA of such determination and all supporting medical records. If Foree is not legally competent, Foree's legal guardian or duly authorized attorney-in-fact will act in Foree's stead, under this Section 5.3, for the purposes of submitting Foree to the examinations, and providing the authorization of disclosure, required under this Section 5.3.

5.4 Definition of "For Cause". For purposes of Section 5.2, the phrase "For Cause" means: (a) Foree's material breach of this Agreement or gross negligence in the performance of his required duties as TMWA General Manager; (b) Foree's failure to adhere to any written policy of TMWA or lawful direction of the TMWA Board if Foree has been given a reasonable opportunity to comply with such policy or direction or cure his failure to comply; (c) the appropriation or attempted appropriation of a material business opportunity of TMWA, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of TMWA; (d) ~~the~~ any act of dishonesty, fraud, embezzlement, theft, or misappropriation or attempted misappropriation of any of TMWA's funds or property; ~~or~~ (e) the conviction of, the indictment for or its procedural equivalent, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, or any other crime with respect to which imprisonment is a possible punishment; (f) material violations of TMWA employment policies by Foree; (g) indictment, arrest or conviction of Foree for the use or possession of illegal drugs; (h) willful or material violation of the Code of Ethical Standards set forth in NRS Chapter 281A; or (i) for any other reason constituting cause as that term may otherwise be defined under Nevada law.

5.5 Termination Pay. Effective upon the termination of this Agreement, TMWA will be obligated to pay Foree (or, in the event of his death, his designated beneficiary as defined below) only such compensation as is provided in this Section 5.5, and in lieu of all other amounts

and in settlement and complete release of all claims Foree may have against TMWA. For purposes of this Section 5.5, Foree's designated beneficiary will be such individual beneficiary or trust, located at such address, as Foree may designate by notice to TMWA from time to time or, if Foree fails to give notice to TMWA of such a beneficiary, Foree's estate. Notwithstanding the preceding sentence, TMWA will have no duty, in any circumstances, to attempt to open an estate on behalf of Foree, but will act reasonably in ascertaining the whereabouts of Foree's beneficiaries and seeing to it that such beneficiaries are properly paid.

(a) If this Agreement is terminated by either party as a result of Foree's death or disability as determined under Section 5.3, TMWA shall pay Foree his Base Salary accrued through the date of termination plus any accrued unused banked vacation and PTO as set forth in section 8 below.

(b) If this Agreement is terminated by TMWA "For Cause" pursuant to Section 5.2(c) or by Foree pursuant to Section 5.2(~~de~~), TMWA shall pay Foree his Base Salary accrued through the date of termination, but not any accrued unused banked vacation and PTO remaining as of the date of termination.

(c) If TMWA terminates this Agreement for ~~any reason other than “For Cause”~~convenience pursuant to Section 5.2~~(e);f)~~ or TMWA elects not to extend the Initial Term as set forth in Section 5.6, TMWA agrees to pay Foree severance pay equal to Foree’s six-month Base Salary upon the effective date of such termination.

5.6 Non-Renewal of Agreement. In the event TMWA elects not to renew or extend this Agreement ~~or offer some other mutually agreeable contract, TMWA will give Foree six months beyond the Initial Term by providing~~ written notice ~~of its intent not to renew the pursuant to Section 5.1, all compensation, benefits and requirements of the Agreement. Failure to give such notice on the part of TMWA shall be treated as a termination remain in effect until the expiration of the Initial Term, unless the Agreement is terminated sooner as provided herein, and~~ Foree will receive severance pay as set forth in Section 5.5(c) above: upon the expiration of the Initial Term.

6. PERFORMANCE EVALUATION

TMWA's Board of Directors will review and evaluate Foree’s performance at least once annually on or within four months of the end of the fiscal year. Foree’s annual salary review and any adjustment to compensation will coincide with the annual performance evaluation timeframes established for all TMWA employees.

7. RETIREMENT

7.1 Subject to applicable laws, TMWA will contribute an amount equal to 6% of Foree’s base salary to a deferred compensation plan on Foree’s behalf.

~~7.2~~ TMWA agrees that Foree will be a member of the Nevada Public Employees Retirement System at TMWA's expense.

8. PAID TIME OFF

8.1 Foree will be granted 40 days of compensated paid time off (“PTO”) each year for personal use, including vacation and illness. Unused PTO may be taken as pay, at any time, or carried over to the next calendar year as set forth in Section 8.2.

8.2 Accrued but unused PTO will be carried over from year to year. A maximum of 320 PTO hours can be carried over each calendar year. Upon termination of Foree’s employment, Foree will be entitled to full compensation for his accrued, unused PTO, up to a maximum of 320 hours.

8.3 Banked vacation which Foree accrued as of July 1, 2009 will remain in the banked vacation account until used. Such banked vacation time may also be cashed out as pay at any time and upon Foree’s employment termination, except for termination “For Cause” pursuant to Section 5.4.

9. DUES, SUBSCRIPTIONS AND PROFESSIONAL DEVELOPMENT

9.1 TMWA agrees to pay the professional dues, certifications and subscriptions of Foree necessary for his continuation and participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of TMWA.

9.2 TMWA agrees to pay the travel and subsistence expenses of Foree for professional and official travel and meetings adequate to continue the professional development of Foree as the chief executive of a water utility and to adequately pursue necessary official functions for TMWA. Such travel and subsistence expenses must be approved by TMWA's Chief Financial Officer and submitted to the Chair of the TMWA Board for review. TMWA will also pay for Foree's attendance at conferences, seminars and short courses which are deemed to be of value to TMWA.

10. EXPENSES, ALLOWANCES AND OTHER BENEFITS

10.1 Foree will be paid a fixed sum of \$750 per month for the use of his personal vehicle for TMWA business, with future increases to be determined by TMWA as a part of the budget cycle.

10.2 TMWA agrees to pay Foree a fixed sum of \$150 per month as a cell phone/personal digital assistance (PDA) allowance.

10.3 TMWA will pay all costs of any fidelity or other bonds required of Foree by virtue of his employment with TMWA.

10.4 Foree will be provided all other benefits given to management employees, such as observed paid holidays, group health coverage (medical, dental, vision), short and long term disability.

11. TEAM BUILDING, GOALS AND RETREATS

TMWA agrees that annually TMWA's Board of Directors will schedule and participate in the following:

- (a) A goals-setting session to develop objectives for TMWA; and
- (b) A session to develop specific criteria to serve as the basis for Foree's pay-for-performance clause set forth in Section 6 of this agreement. This session will be held within four months of the end of each fiscal year of the Term of Employment.

12. MISCELLANEOUS

12.1 The captions in this agreement are not part of the provisions hereof, are merely for the purpose of reference and shall have no force or effect for any purpose whatsoever, including the construction of the provisions of this Agreement, and if any caption is inconsistent with any provisions of this Agreement, such provisions shall govern. The Recitals are part of this Agreement.

12.2 This Agreement is made in, and shall be governed by and construed in accordance with the internal laws of the State of Nevada.

12.3 This Agreement contains a complete statement of all of the arrangements between the parties with respect to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written between the parties relating to the subject matter of this Agreement, which are not fully expressed in this Agreement.

12.4 This Agreement may not be waived, changed, modified or discharged orally, but only by an agreement in writing signed by the party against whom any waiver, change, modification or discharge is sought.

12.5 All notices given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested as such other address as TMWA and Foree designate. Each such notice shall be deemed to be given on the date received at the address of the addressee.

12.6 If litigation over this Agreement is initiated in any court, the Parties agree the proper venue is Washoe County, Nevada. Foree irrevocably (i) waives and agrees not to assert in any such action, suit or other proceeding that he is not personally subject to the jurisdiction of such courts, that the action, suit or other proceeding is brought in an inconvenient forum or that the venue of the action , suit or other proceeding is improper, (ii) waives personal service of any summons, complaint or other process and (iii) agrees that the service thereof may be made by certified or registered mail directed to Foree at his address for purposes of notices hereunder. Should Foree fail to appear or answer within the time prescribed by law, he shall be deemed in default and judgment may be entered by TMWA against him for the amount or other relief as demanded in any summons, complaint or other process so served.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first hereinabove written.

TMWA

GENERAL MANAGER

Dated this ____ day of _____, ~~2014~~2018
_____, ~~2014~~2018

Dated this ____ day of _____

By: _____
~~Mike Carrigan~~ Vaughn Hartung, Chairman

By: _____
Mark W. Foree



September 7, 2018

Mr. Mark Foree
General Manager, Truckee Meadows Water Authority
PO Box 30013
Reno, NV 89520-3013

Re: Notice of meeting of the TMWA Board of Directors meeting to evaluate your performance, discuss your employment contract and consider your professional competence.

Mr. Foree,

The TMWA Board, at its meeting scheduled for Wednesday, September 19, 2018 at 10:00 AM, will conduct an annual evaluation of your performance as General Manager. In addition, the TMWA Board will also be discussing your employment contract. In the process of these discussions, the Board may consider your professional competence and may take administrative action related to your compensation.

This public meeting will take place at Sparks Council Chambers, 745 4th Street, Sparks, NV.

By signing below, you acknowledge personal receipt of this notice.

This notice is being provided to you in accordance with NRS 241.033.

Sincerely,

Vaughn Hartung, Chair
Truckee Meadows Water Authority Board of Directors

RECEIPT

Mark Foree acknowledges personal receipt of written notice of the foregoing as of September 11, 2018.

Mark Foree

Mark Foree



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, Chief Financial Officer
John Enloe, Director, Natural Resources
Scott Estes, Director, Engineering
DATE: September 13, 2018
SUBJECT: **Discussion and action, and possible direction to staff on adoption of Resolution No. 265: A Resolution to approve the first budget augmentation and budget revisions for FY 2019**

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, 2018. This is the first proposed augmentation and relates to unanticipated cost increases of the Mt. Rose Water Treatment Plant (WTP). A detail listing of expenses is included in the description portion of this report. The 2019 CIP spend increases by \$3.9 million due to higher costs for the WTP. See attachments A-1 and A-2 for a comparison between the original and proposed budget. Changes have also been made to the five year CIP plan, and a detail listing of those changes is included in attachment A-3. No additional adjustments to customer rates (beyond those previously planned) are required to sustain the revised Capital Improvement Plan as projects funded by customer rates are not affected in total.

Description

Due to a combination of existing and future municipal well pumping, and pumping by domestic wells, TMWA has determined that additional infrastructure and facilities are necessary to provide for the long-term viability and sustainability of groundwater supplies in this region. To provide reliability of supply, reduce reliance on the Truckee River, avoid or reduce pumping costs and avoid major on-peak capacity improvements within the lower TMWA gravity system, a 4 million gallon per day (MGD) water treatment plant is required. Located off the Mt. Rose Highway and

Callahan Road, the Mt. Rose WTP has received all necessary design and permitting approvals to treat TMWA’s Whites Creek water resources.

Washoe County and STMGID’s 2002 South Truckee Meadows Facility Plan recognized the upper treatment plant is an integral component of the recommended water supply plan. Presently, four major approved residential developments totaling 2,020 SFR units with an estimated maximum day demand of over 1,800 gallons per minute are planned for the area. In addition, there are about 500 existing domestic wells that may convert to TMWA service in the future. The Mt. Rose WTP will provide maximum day supply for approved developments in Area 15. The Mt. Rose WTP will also contribute to overall system reliability by providing an off-river supply source. Most importantly, the Mt. Rose WTP will provide a local source of water to implement conjunctive use in the area, providing recharge water and/or offsetting winter groundwater pumping throughout the upper Mt Rose fan area.

Funding Allocation

The following total project costs have been identified for the project:

Land	\$295,000
Planning / Permitting / Design	1,800,000
Construction / Contingency	21,500,000
Construction Management / Admin	2,400,000
Permitting Environmental	800,000
SCADA Controls / Testing	<u>500,000</u>
Total	\$27,295,000

Costs incurred to date FY16-FY19:

Land	\$295,000
Planning / Permitting / Design	1,760,000
Construction / Contingency	40,000
Construction Management / Admin	-
Permitting Environmental	600,000
SCADA Controls / Testing	<u>-</u>
Total	\$2,695,000

Historically, when a capacity project such as a treatment plant improvement or new well improves system reliability, the costs have been allocated to both existing customers and to growth. The capacity provided by the facility should also result in an allocation to growth to the area of benefit (WSF Area 15). Therefore, based on the benefits provided to existing customers, overall system reliability and growth, it is recommended that the Mt. Rose WTP costs be allocated as follows:

<u>Allocation Category</u>	<u>Allocation</u>	<u>Allocation Means</u>	<u>Amount</u>
Existing Customers-Reliability	1/3	Cash Reserves from WC	\$9.1 million
Growth-Reliability	1/3	Supply-Treatment Fee	\$9.1 million
Area 15-MDD	1/3	Area 15 Fee	\$9.1 million

Reserves from the Washoe County merger will be adequate to support \$9.1 million of the anticipated funding allocated to existing customers. Of the \$43.4 million in cash and investments acquired from Washoe County, 16.4 million has been spent to date with 16.1 million anticipated over the next 5 years, which leaves \$10.9 million in Washoe County cash contributions to use on the treatment plant project.

The current robust economic activity of Washoe County, permitting delays and the current federal government tariff policies have all contributed to significant increases in materials costs of this project. Local contractors are nearing full workload capacity; this coupled with the reduced availability of labor has also contributed to a significantly higher bidding environment for capital construction projects.

The current funding for the Mt. Rose Water Treatment Plant has been revised to reflect a $\frac{2}{3}$ developer fee contribution based on growth and areas fees and a $\frac{1}{3}$ contribution from customer rates which will be funded with cash acquired from the Washoe County merger. The Five Year Capital Improvement Plan (CIP) has been revised to reflect these changes overall, with several projects deferred or included with more accurate estimates. See attachment A-3 for details related to revisions of the (CIP). No additional adjustments to customer rates are required (beyond those previously planned) to sustain the revised Capital Improvement Plan as projects funded by customer rates are not affected in total.

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 265

A RESOLUTION TO APPROVE THE FIRST BUDGET AUGMENTATION AND BUDGET REVISIONS TO THE FINAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2019.

WHEREAS, TMWA prepared and presented the final Budget for Fiscal Year 2019 at a public hearing in May 2018;

WHEREAS, TMWA has unexpected construction costs for the Mt. Rose Water Treatment Plant which became evident due to economic conditions;

WHEREAS these changes are currently occurring or are expected to occur in fiscal year 2019;

WHEREAS the expenditures are necessary to finalize design and permitting and begin construction;

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, 2019 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 19th day of September, 2018, by the following vote of the Board:

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

Approved this ____ day of _____, 2018

Vaughn Hartung, Chairman

Truckee Meadows Water Authority
Resolution 265 (continued)

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

On this 19th day of September, 2018, Vaughn Hartung, 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

TRUCKEE MEADOWS WATER AUTHORITY
SCHEDULE OF REVENUES EXPENSES,
AND CHANGES IN NET POSITION
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2019

	Proposed Fiscal Year 2019 Total	Original Fiscal Year 2019 Total	Increase (Decrease)
OPERATING REVENUES			
Charges for Water Sales	\$ 100,626,513	\$ 100,626,513	\$ -
Hydro Electric Sales	2,812,568	2,812,568	-
Other Operating Sales	3,404,500	3,404,500	-
			-
Total Operating Revenues	106,843,581	106,843,581	-
OPERATING EXPENSES			
Wages and Salaries	21,078,271	21,078,271	-
Employee Benefits	10,125,919	10,125,919	-
Services and Supplies	28,268,124	28,268,124	-
Total Operating Expenses before Depreciation	59,472,314	59,472,314	-
Depreciation	33,862,476	33,862,476	-
Total Operating Expenses	93,334,790	93,334,790	-
Operating Income	13,508,791	13,508,791	-
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	2,833,548	2,833,548	-
Other nonoperating revenue	-	-	-
Gain (Loss) on Disposal of assets	-	-	-
Amortization of bond/note issuance costs	(215,748)	(215,748)	-
Interest Expense	(13,436,520)	(13,436,520)	-
Net (decrease) in fair value of investments	-	-	-
Other nonoperating revenue	-	-	-
Other nonoperating expense	-	-	-
Total Nonoperating Revenues (Expenses)	(10,818,720)	(10,818,720)	-
Income(Loss) before Capital Contributions	2,690,071	2,690,071	-
CAPITAL CONTRIBUTIONS			
Grants	1,700,000	1,700,000	-
Water Meter Retrofit Program	676,020	676,020	-
Developer infrastructure contributions	-	-	-
Developer will-serve contributions (net of refunds)	3,470,232	3,470,232	-
Developer capital contributions - other	5,922,000	5,922,000	-
Developer facility charges (net of refunds)	4,950,708	4,950,708	-
Contributions from others	-	-	-
Contributions from other governments	-	-	-
Net Capital Contributions	16,718,960	16,718,960	-
Change in Net Position	19,409,031	19,409,031	-
NET POSITION, BEGINNING OF YEAR	\$ 602,342,294	\$ 602,342,294	
NET POSITION, END OF YEAR	\$ 621,751,325	\$ 621,751,325	

Attachment A-1

TRUCKEE MEADOWS WATER AUTHORITY
SCHEDULE OF REVENUES EXPENSES,
AND CHANGES IN NET POSITION
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2019

	Proposed Fiscal Year 2019 Total	Original Fiscal Year 2019 Total	Increase (Decrease)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from Customers	106,843,581	106,843,581	\$ -
Cash paid to employees	(31,204,190)	(31,204,190)	-
Cash paid to suppliers	(28,268,124)	(28,268,124)	-
Net cash provided by Operating Activities	47,371,267	47,371,267	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(52,341,000)	(48,441,000)	(3,900,000)
Interest paid on financing	(17,103,819)	(17,103,819)	-
Principal paid on financing	(2,738,723)	(2,738,723)	-
Proceeds from capital debt issuance	-	-	-
Proceeds from Refunding Bonds	-	-	-
Redemptions of commercial paper notes	(5,000,000)	(5,000,000)	-
Proceeds (spending) from (on) capital asset disposal	-	-	-
Payments to refunded bond escrow agent	-	-	-
Contributions for water meter retrofit program	676,020	676,020	-
Contributions from developers will-serve letters	3,470,232	3,470,232	-
Contributions from developers-other	5,922,000	5,922,000	-
Contributions from developers-facilities charges	4,950,708	4,950,708	-
Contributions from others	-	-	-
Grants	1,700,000	1,700,000	-
Bond/Note Issuance costs	(215,748)	(215,748)	-
Net cash (used) by Capital and Related Financing Activities	(60,680,330)	(56,780,330)	(3,900,000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	2,833,548	2,833,548	-
Net Increase (Decrease) in Cash and Cash Equivalents	(10,475,515)	(6,575,515)	(3,900,000)
CASH AND CASH EQUIVALENTS BEGINNING OF THE YEAR	\$ 180,000,000	\$ 180,000,000	\$ -
CASH AND CASH EQUIVALENTS END OF THE YEAR	\$ 169,524,485	\$ 173,424,485	(3,900,000)

Attachment A-2

09-19-18 BOARD Agenda Item 8
Attachments

TMWA Capital Improvement Plan Summary of Changes	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Revised Five Year CIP Total	Additions Five Year CIP Total	Deletions Five Year CIP Total
Mount Rose Surface Water Treatment Plant FY 2019 - FY 2021	14,500	8,500	2,000	-	-	25,000	9,000	
Donner Lake Outlet Improvements Phase 2 FY 2019 - FY 2021	200	200	200			600		-4,000
Lemmon Valley Well #8 Replacement FY 2023	-	-	-			-		-1,000
Callamont Well North Equipping FY 2022 - FY 2023						-		-1,200
Sparks Ground Water Treatment Plant FY 2023						-		-1,750
Truckee River Highlands Pump Station # 2 FY 2022	-	-	-			-		-1,000
CIS System Replacement FY 2019 - FY 2020	100	2,700				2,800		-500
Total Changes of Additions and Deletions							9,000	-9,450

Attachment A-3



STAFF REPORT

TO: TMWA Board of Directors
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, Chief Financial Officer
DATE: September 5, 2018
SUBJECT: **Discussion and action on Resolution No. 266: A Resolution to approve the updated enterprise Financial Management and Reserve Policy, replacing the existing Resolution No. 17**

Recommendation

The Board approve by resolution the updated Financial Management and Reserves Policy (FMRP) designating TMWA management’s financial responsibilities, and outlining a funding priority for restricted, designated and unrestricted reserve balances that complies with TMWA senior lien debt requirements.

Summary

TMWA’s FMRP has not been updated for several years and a draft is included that updates the policy to the most current reserve requirements required by current TMWA Senior Lien Debt. Bond Counsel has reviewed the FMRP for compliance with debt provisions. A new unrestricted cash and investment reserve policy was added to the policy which helps to establish minimum cash and investment balances. The Government Financial Officer’s Association (GFOA) and the American Water Works Association (AWWA) both recommend that a policy related to unrestricted cash should be developed to address the needs of a municipality based on local conditions. TMWA’s strong unrestricted cash balances have helped to retain good credit ratings, and a policy related to these balances will ensure continued attention to a solid working capital position.

Discussion

The FMRP has three main purposes as detailed on page 1 of the document. First, to establish TMWA management’s financial responsibilities. There have been no changes made to this first part of the policy. Second, to detail a funding priority for restricted and designated funds as required by TMWA Senior Lien Debt. This section has been updated and reviewed by financial advisor’s Hobbs, Ong & Associates, Inc. as well as bond counsel Sherman & Howard for accuracy. A third policy purpose was added to fulfill a recommendation from the GFOA and the

AWWA that unrestricted cash and investment reserves have minimum balance guidelines established through policy. With the new policy, cash balances would be reserved as follows:

**Truckee Meadows Water Authority
Cash Reserves**

Restricted Cash		
Senior Lien Bond Debt Service	\$ 9,357,746	
Subordinate Debt Service	3,286,363	
O & M Reserve	9,440,056	
Renewal and Replacement	10,000,000	
Rate Stabilization	500,000	
STMGID	9,180,630	
Water Meter Retrofit	4,717,726	
Total Restricted Cash		46,482,521
Designated Reserves		
Rate Stabilization	9,157,915	
Total Designated Reserves		9,157,915
Unrestricted Reserves		
O & M Reserve	18,880,112	
Maximum Annual Debt Service	32,629,232	
Capital Related Reserve	22,520,200	
Unforeseen Events Reserve	7,649,358	
Total Unrestricted Reserves		81,678,902
Total Reserves per New Policy		137,319,338
Actual Cash Balance		193,372,435
Additional Unrestricted Cash and Investments	<u>\$ 56,053,097</u>	

With this new policy, TMWA will have a way to analyze total cash reserves balances based on financial metrics.

Currently, TMWA has additional unrestricted cash and investments mainly due to the deferral of bond principal payments, lower than anticipated capital spending, and several one-time cash infusions from Farad insurance settlement received (\$21.5M) and payments from banks for release of forward delivery agreements (\$9.5M).

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 266

A RESOLUTION TO APPROVE ENTERPRISE FUND MANAGEMENT POLICY

WHEREAS, Truckee Meadows Water Authority is responsible for providing water services for various areas of the Truckee Meadows and whereas to account for the revenues and expenditures an Enterprise fund was established; and

WHEREAS, NRS 354.612, requires a fund policy to be established by resolution that conforms to certain guidelines;

WHEREAS, the Board desires to amend and replace Resolution No. 17 which previously established the policy governing TMWA’s enterprise funds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority that the Fund Policy attached hereto as Exhibit A is hereby adopted and approved and shall be the policy governing the management of the Enterprise funds of the Truckee Meadows Water Authority.

Upon motion of _____, seconded by _____, the foregoing Resolution was passed and adopted on September 19, 2018 by the following vote of the Board:

Ayes: _____

Nays: _____

Abstain: _____ Absent: _____

Approved: _____

Vaughn Hartung, Chairman

Truckee Meadows Water Authority
Resolution 266 (continued)

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

On this 19th day of September, 2018, Vaughn Hartung, 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

FINANCIAL POLICIES

Effective Date: September 19, 2018

**TRUCKEE MEADOWS WATER AUTHORITY
FINANCIAL MANAGEMENT AND RESERVE POLICY**

TRUCKEE MEADOWS WATER AUTHORITY ENTERPRISE FUND:

The Truckee Meadows Water Authority (“TMWA” or “Authority”) Enterprise Fund was established to account for the operations and maintenance functions and the costs of capital projects associated with the facilities. An enterprise fund is, by definition, established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including capital costs, depreciation and debt service) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, without producing any significant amount of profit in the long run.

POLICY:

To determine the funding level in each of TMWA's reserve accounts and financial accounts. Capital funding needs, financial stress, and critical areas of funding flexibility will all have a bearing on the appropriate balance in each reserve fund and similar accounts.

Resources for the Truckee Meadows Water Operations Fund include user charges and surcharges which are used for the operation and maintenance of the water system necessary to support system users. Resources for the Water Capital Projects Fund include the proceeds of bond issues and charges which are used for expansion and rehabilitation of the water system to support new users of the system or to fund major system improvements. (Initial funding was provided by an allocation of bond proceeds).

PURPOSE:

- A. To establish the financial mechanisms required to support the operation and administration of TMWA.
- B. To provide a financial framework for identifying reserves required by debt provisions and other designated unrestricted reserves related to the operation of TMWA.
- C. Establish a policy related to unrestricted cash and investments to maintain adequate and prudent cash reserves to mitigate the risks of significant and unexpected decreases in sources of funds and/or increases in uses of funds of TMWA.

DEFINITIONS:

- A. The **Truckee Meadows Water Authority Board** is comprised of seven members representing the Cities of Reno and Sparks and Washoe County. The Board establishes policies regarding the operations, maintenance, and capital improvements to the Truckee Meadows Water Authority Facilities as well as the contemplation of future debt requirements.
- B. The **Truckee Meadows Water Authority Facilities** consist of water distribution infrastructure, storage reservoirs, wells, and water treatment facilities which serve the residents of Reno, Sparks, and portions of unincorporated Washoe County. A General Manager hired by the TMWA Board serves as the Chief Administrative Officer of TMWA and generally is responsible for operation of the water system.

TMWA MANAGEMENT FINANCIAL RESPONSIBILITIES:

- A. Oversee the operation and maintenance of the TMWA water system.
- B. Prepare the annual tentative and final budget as required by State law.
- C. Review the costs for operating and maintaining the water system at least annually and adjust rates, fees and other charges, when necessary, to maintain proportionate distribution of costs by user and user class and to meet reserve requirements as established by this policy.
- D. Insure that the revenues collected from rates, fees and other charges are used for purposes including, but not limited to, debt service requirements, and the operation, maintenance, and repair of the water system.
- E. Insure that all funds of TMWA are being reported in accordance with generally accepted accounting principles.
- F. Insure that all necessary revenue accounts are established and shall insure that all receipts are tracked in the appropriate category.
- G. Insure that all necessary expense accounts are established and shall insure that all expenditures are tracked in the appropriate category.

RESTRICTED AND DESIGNATED FUND BALANCE RESERVE POLICY:

- A. So long as any of the Authority's Bonds are outstanding the flow of funds from the Enterprise Fund must be applied in the following order of priority:

1. Operations and Maintenance Expenses Account – Adequate reserves in an amount to fund one month of operation and maintenance expenses. The reserves should be set aside by the last day of each month that is at least one month prior to such expenses being paid.
2. Bond Fund Account – Adequate reserves in amount to fund substantially equal monthly installments - sufficient to pay the next accruing installment of the principal and interest on outstanding senior lien debt. The monies in the bond fund shall be used solely for the purpose of paying the bond requirements of the senior lien bonds and any additional outstanding senior lien securities. This account, held by the bond trustee for the senior lien debt, includes the interest account and the principal account.
3. Bond Reserve Account – Adequate reserves in an amount established by the bond resolution or other instrument in connection with any senior lien securities.
4. Rebate Account – Adequate reserves in an amount that is required by Section 148(f) of the Internal Revenue Code, before the transfer of any net revenues to the payment of subordinate securities, such amounts required to meet the Authority's obligations in accordance with Section 148 (f) of the tax code with respect to the Authority's bonds shall be deposited into the Rebate Account. Amounts in the Rebate Account shall be used for the purpose of making payments to the United States required by such covenant and Section 148(f) of the tax code. Any amounts in the Rebate Account in excess of those required to be on deposit may be withdrawn and used for any lawful purpose.
5. Subordinate Securities Bond Fund/Reserve Account - Adequate reserve in an amount to be used for the payment of bond requirements of subordinate debt, including any reasonable reserves or related rebate requirements.
6. Operation & Maintenance Reserve Account - Adequate reserve in an amount equal to 1/6th of the fiscal year's operation and maintenance budget. If the operation and maintenance budget for a fiscal year is greater than the prior fiscal year (as is likely), additional monthly deposits are required to be made into this reserve to bring it up to the required level in 12 months.
7. Renewal and Replacement Reserve Account - Adequate reserves in the sum of \$166,000 per month, up to a maximum of \$10,000,000. The maximum reserve can be adjusted by the

TMWA Board based upon recommendation by the General Manager based on an analysis by the TMWA engineering staff, but at no event at an amount less than \$2,000,000.

8. Rate Stabilization Account - Adequate reserves in the amount of not less than \$500,000. The TMWA Board has designated that 3% of water sales revenues for 3 years be held as unrestricted reserves in this fund if all other unrestricted cash requirements are met as listed in this policy. This fund will be funded by unrestricted cash and investments in excess of all other restricted and unrestricted reserves set forth in this policy. It will be used at the discretion of the TMWA Board to manage rate increases to customers.
9. General Purpose Account - This account will be funded in the event that revenues remain at the end of each fiscal year. This reserve is to be used for capital costs, major maintenance costs, lawful refunds, bond requirements, lawsuit obligations or any lawful purpose.

UNRESTRICTED CASH AND INVESTMENTS RESERVES POLICY:

- A. After all required restricted and designated reserve balances are funded, remaining cash and investments should be held in unrestricted accounts to fund the following reserves listed by in the following order of priority:
 1. Base Operating Reserve - Adequate reserves to fund 2/6th of operating and maintenance expenses. With the required reserve of 1/6 above, this will bring total reserves to half a year of operating expenses, insulating TMWA and its customers from volatility in operating revenues and expenses, as well as from other factors that could interrupt cash flow or impose unforeseen costs.
 2. Debt Service Reserve – Adequate reserves to fund one year of the maximum annual debt service. For both credit rating considerations and prudent financial practices, TMWA should strive to achieve this level of reserves to maintain or improve credit ratings.
 3. Capital Related Reserve – Adequate reserves to fund a one-year average of mandatory future capital requirements. As a method to determine future capital needs, the capital improvements plan may be used. This will enable TMWA to better react to capital needs as they may arise and to properly address the timing of infrastructure improvements relative to system needs. This reserve will also enable TMWA to continue with uninterrupted

critical capital improvements during times of difficulty.

4. Unforeseen Events Reserve - Adequate reserves to fund one percent of assets subject to depreciation. This is to mitigate one-time, unforeseen infrastructure or major capital equipment failures and other significant non-recurring impacts to operating revenues and expenses.
- B. Should this enterprise fund experience deficiencies in the balance of restricted designated or unrestricted cash and investment reserves or retained earnings, the deficiency will be corrected by increasing rates, fees and other charges.
 - C. This fund is governed by Nevada Revised Statutes (NRS) Chapters 350, 351, 354, and 355; and Nevada Administrative Code (NAC) Chapters 350 and 354.

FINANCIAL POLICIES

Effective Date: September 19, 2018

**TRUCKEE MEADOWS WATER AUTHORITY
FINANCIAL MANAGEMENT AND RESERVE POLICY**

TRUCKEE MEADOWS WATER AUTHORITY ENTERPRISE FUND:

The Truckee Meadows Water Authority (“TMWA” or “Authority”) Enterprise Fund was established to account for the operations and maintenance functions and the costs of capital projects associated with the facilities. An enterprise fund is, by definition, established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including capital costs, depreciation and debt service) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, without producing any significant amount of profit in the long run.

POLICY:

To determine the funding level in each of TMWA's reserve accounts and financial accounts. Capital funding needs, financial stress, and critical areas of funding flexibility will all have a bearing on the appropriate balance in each reserve fund and similar accounts.

Resources for the Truckee Meadows Water Operations Fund include user charges and surcharges which are used for the operation and maintenance of the water system necessary to support system users. Resources for the Water Capital Projects Fund include the proceeds of bond issues and charges which are used for expansion and rehabilitation of the water system to support new users of the system or to fund major system improvements. (Initial funding was provided by an allocation of bond proceeds).

PURPOSE:

- A. To establish the financial mechanisms required to support the operation and administration of TMWA.
- B. To provide a financial framework for identifying reserves required by debt provisions and other designated unrestricted reserves related to the operation of TMWA.
- C. Establish a policy related to unrestricted cash and investments to maintain adequate and prudent cash reserves to mitigate the risks of significant and unexpected decreases in sources of funds and/or increases in uses of funds of TMWA.

DEFINITIONS:

- A. The **Truckee Meadows Water Authority Board** is comprised of seven members representing the Cities of Reno and Sparks and Washoe County. The Board establishes policies regarding the operations, maintenance, and capital improvements to the Truckee Meadows Water Authority Facilities as well as the contemplation of future debt requirements.
- B. The **Truckee Meadows Water Authority Facilities** consist of water distribution infrastructure, storage reservoirs, wells, and water treatment facilities which serve the residents of Reno, Sparks, and portions of unincorporated Washoe County. A General Manager hired by the TMWA Board serves as the Chief Administrative Officer of TMWA and generally is responsible for operation of the water system.

TMWA MANAGEMENT FINANCIAL RESPONSIBILITIES:

- A. Oversee the operation and maintenance of the TMWA water system.
- B. Prepare the annual tentative and final budget as required by State law.
- C. Review the costs for operating and maintaining the water system at least annually and adjust rates, fees and other charges, when necessary, to maintain proportionate distribution of costs by user and user class and to meet reserve requirements as established by this policy.
- D. Insure that the revenues collected from rates, fees and other charges are used for purposes including, but not limited to, debt service requirements, and the operation, maintenance, and repair of the water system.
- E. Insure that all funds of TMWA are being reported in accordance with generally accepted accounting principles.
- F. Insure that all necessary revenue accounts are established and shall insure that all receipts are tracked in the appropriate category.
- G. Insure that all necessary expense accounts are established and shall insure that all expenditures are tracked in the appropriate category.

RESTRICTED AND DESIGNATED FUND BALANCE RESERVE POLICY:

- A. So long as any of the Authority's Bonds are outstanding the flow of funds from the Enterprise Fund must be applied in the following order of priority:

1. Operations and Maintenance Expenses Account – Adequate reserves in an amount to fund one month of operation and maintenance expenses. The reserves should be set aside by the last day of each month that is at least one month prior to such expenses being paid.
2. Bond Fund Account – Adequate reserves in amount to fund substantially equal monthly installments - sufficient to pay the next accruing installment of the principal and interest on outstanding senior lien debt. The monies in the bond fund shall be used solely for the purpose of paying the bond requirements of the senior lien bonds and any additional outstanding senior lien securities. This account, held by the bond trustee for the senior lien debt, includes the interest account and the principal account.
3. Bond Reserve Account – Adequate reserves in an amount established by the bond resolution or other instrument in connection with any senior lien securities.
4. Rebate Account – Adequate reserves in an amount that is required by Section 148(f) of the Internal Revenue Code, before the transfer of any net revenues to the payment of subordinate securities, such amounts required to meet the Authority's obligations in accordance with Section 148 (f) of the tax code with respect to the Authority's bonds shall be deposited into the Rebate Account. Amounts in the Rebate Account shall be used for the purpose of making payments to the United States required by such covenant and Section 148(f) of the tax code. Any amounts in the Rebate Account in excess of those required to be on deposit may be withdrawn and used for any lawful purpose.
5. Subordinate Securities Bond Fund/Reserve Account - Adequate reserve in an amount to be used for the payment of bond requirements of subordinate debt, including any reasonable reserves or related rebate requirements.
6. Operation & Maintenance Reserve Account - Adequate reserve in an amount equal to 1/6th of the fiscal year's operation and maintenance budget. If the operation and maintenance budget for a fiscal year is greater than the prior fiscal year (as is likely), additional monthly deposits are required to be made into this reserve to bring it up to the required level in 12 months.
7. Renewal and Replacement Reserve Account - Adequate reserves in the sum of \$166,000 per month, up to a maximum of \$10,000,000. The maximum reserve can be adjusted by the

TMWA Board based upon recommendation by the General Manager based on an analysis by the TMWA engineering staff, but at no event at an amount less than \$2,000,000.

8. Rate Stabilization Account - Adequate reserves in the amount of not less than \$500,000. The TMWA Board has designated ~~an additional \$1,300,000 in unrestricted reserves to the Rate Stabilization account and has approved a maximum of \$7,500,000.~~ that 3% of water sales revenues for 3 years be held as unrestricted reserves in this fund if all other unrestricted cash requirements are met as listed in this policy. This fund will be funded by unrestricted cash and investments in excess of all other restricted and unrestricted reserves set forth in this policy. It will be used at the discretion of the TMWA Board to manage rate increases to customers.
9. General Purpose Account - This account will be funded in the event that revenues remain at the end of each fiscal year. This reserve is to be used for capital costs, major maintenance costs, lawful refunds, bond requirements, lawsuit obligations or any lawful purpose.

UNRESTRICTED CASH AND INVESTMENTS RESERVES POLICY:

- A. After all required restricted and designated reserve balances are funded, remaining cash and investments should be held in unrestricted accounts to fund the following reserves listed by in the following order of priority:
 1. Base Operating Reserve - Adequate reserves to fund 2/6th of operating and maintenance expenses. With the required reserve of 1/6 above, this will bring total reserves to half a year of operating expenses, insulating TMWA and its customers from volatility in operating revenues and expenses, as well as from other factors that could interrupt cash flow or impose unforeseen costs.
 2. Debt Service Reserve – Adequate reserves to fund one year of the maximum annual debt service. For both credit rating considerations and prudent financial practices, TMWA should strive to achieve this level of reserves to maintain or improve credit ratings.
 3. Capital Related Reserve – Adequate reserves to fund a one-year average of mandatory future capital requirements. As a method to determine future capital needs, the capital improvements plan may be used. This will enable TMWA to better react to capital needs as they may arise and to properly address the timing of

infrastructure improvements relative to system needs. This reserve will also enable TMWA to continue with uninterrupted critical capital improvements during times of difficulty.

4. Unforeseen Events Reserve - Adequate reserves to fund one percent of assets subject to depreciation. This is to mitigate one-time, unforeseen infrastructure or major capital equipment failures and other significant non-recurring impacts to operating revenues and expenses.
- B. Should this enterprise fund experience deficiencies in the balance of restricted designated or unrestricted cash and investment reserves or retained earnings, the deficiency will be corrected by increasing rates, fees and other charges.
 - C. This fund is governed by Nevada Revised Statutes (NRS) Chapters 350, 351, 354, and 355; and Nevada Administrative Code (NAC) Chapters 350 and 354.



STAFF REPORT

TO: TMWA Board of Directors
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, Chief Financial Officer
DATE: September 5, 2018
SUBJECT: Discussion and action on Resolution No. 267: A Resolution approving to increase the water Rate Stabilization Fund reserve to a maximum of 3 percent of projected water sales for three years, replacing the existing Resolution No. 52

Recommendation

That the Board approve by resolution that the water Rate Stabilization Fund (RSF) shall have a maximum amount designated of 3% of annual water sales forecast for the next three years. The RSF will be funded from cash and investments after all restricted and unrestricted cash balances are funded based on the TMWA Financial Management and Reserve Policy (FMRP). Funding the RSF will be at the Board’s direction. Currently, cash and investment balances are available to fund the RSF. The RSF will be used at the discretion of the Board to help fund operating costs, capital improvements and other necessary expenses related to serving the current customer base (in years where there is a shortfall in water sales revenue due to drought, weather variations, etc.), as needed to avoid, decrease or defer rate increases to customers. This proposal was endorsed by the Standing Advisory Committee at their September 4, 2018 meeting.

Discussion

Discussion of appropriate balances for the RSF and methods for funding and usage of the RSF were discussed at the August 15, 2018 Board meeting. The Board members suggested that 3% of annual projected water sales for a three-year period would be a sensible financial metric to use in calculating the RSF maximum amount going forward. This would result in a current maximum balance in the RSF of \$9,157,915 as calculated below:

Budget	Funding Plan		Total	RSF
2019	2020	2021	2019-2021	3%
100,626,513	101,564,124	103,073,189	305,263,826	9,157,915

All restricted and unrestricted cash reserves are currently fully funded based on parameters set in the FMRP, so funds can be allocated to the RSF at this time. If it is determined that cash is needed to supplement cash flow for a year due to shortfalls in water sales revenue or higher than anticipated costs, that cash can be used to fund operations or construction and would move out of the RSF at the Board’s discretion.

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 267

A RESOLUTION APPROVING INCREASING THE WATER RATE STABILIZATION ACCOUNT RESERVE TO A MAXIMUM AMOUNT OF 3 PERCENT OF PROJECTED WATER SALES FOR THREE YEARS

WHEREAS, the Board has previously adopted the bond resolution that established various reserve accounts with funding targets; and

WHEREAS, as of the date of this Resolution, the Water Rate Stabilization Reserve Account has been funded to a level of \$0.5 million in restricted reserves, and \$1.3 million in designated reserves; and

WHEREAS, Board desires to amend and replace Resolution No. 52 and increase the funding level of the Water Rate Stabilization Account to be funded from unrestricted cash and investments in excess of minimum required unrestricted cash and investments pursuant to the Financial Management and Reserve Policy adopted by the Board, as such may be amended from time to time; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority that the Water Rate Stabilization Fund be funded, to the extent available cash exists, to a level such that the amount in the Water Rate Stabilization Fund from time to time is equal to 3 percent of the projected water sales revenues for the ensuing three years. The Water Rate Stabilization Fund shall be funded from unrestricted cash and investments in excess of minimum required unrestricted cash and investments per the Financial Management and Reserve Policy.

Upon motion of _____, seconded by _____, the foregoing Resolution was passed and adopted on September 19, 2018 by the following vote of the Board:

Ayes: _____

Nays: _____

Abstain: _____ Absent: _____

Approved: _____

Vaughn Hartung, Chairman

Truckee Meadows Water Authority
Resolution 267 (continued)

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

On this 19th day of September, 2018, Vaughn Hartung, 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 of Natural Resources
Janet Phillips, Chairman, Truckee River Fund Advisory Committee
DATE: September 10, 2018
SUBJECT: **Discussion and possible action on adoption of Resolution No. 268: A resolution to approve funding for the projects recommended by the Truckee River Fund Advisory Committee and an authorization for the Community Foundation to fund such projects from Fund proceeds**

Recommendation

The Truckee River Fund (TRF) Advisors recommend that the TMWA Board authorize by resolution the funding of the following projects from the TRF. This recommendation stems from a Fund advisors' meeting held on August 17, 2018 where multiple grant proposals from the spring request for proposal process were reviewed and discussed. Corresponding to the TRF Grant Priorities (see attachment), seven projects are recommended for funding totaling \$304,545.09 out of ten project funding requests for \$1,098,243.35. Each of the project details are summarized below.

PROJECTS RECOMMENDED FOR FUNDING

Project #204: 2018 Spring Invasive Weed Pull

Organization: Keep Truckee Meadows Beautiful (KTMB)

Amount Requested: \$70,760

Amount Recommended: \$31,640

Organizational Match: \$14,500 (Cash) \$83,272 (In-Kind)

Project Description:

The Great Community and Truckee River Cleanup activities will include:

- Volunteers removing invasive weeds at several hot spots along the Truckee River and its tributaries, as identified by weed experts at Nevada Land Trust and members of the WSCWMA.
- Producing key messaging about responsible river recreation and keeping the river clean; and

- Presenting to City and County NABS/CABS, churches, recreation/outdoor groups, city council and county commission meetings, service organizations, KTMB Beautiful Businesses, as well as K-12 children through our Weed, Water, and Waste Warriors programs, and on-site educational opportunities along the river and in Idlewild Park's Sensory Garden.

TMWA Benefit:

This project supports the TRF Grant Priorities V, VI, VII, and VIII - *Support to Rehabilitation of Local Tributary Creeks and Drainage Courses, Stewardship and Environmental Awareness, Meet Multiple Objectives, and Leverage Stakeholder Assets and Participation*. KTMB educates and informs residents and visitors about the importance of maintaining a healthy river; how noxious weeds negatively affect native plant communities, habitats, and watershed; how litter and pollution are harmful to human health, wildlife, the local environment and economy; and collaborates to create a cleaner community while saving taxpayer dollars that would otherwise be spent on cleanup.

Project #205: Watershed Education Initiative (WEI)

Organization: Sierra Nevada Journeys (SNJ)

Amount Requested: \$36,207

Amount Recommended: \$36,207

Organizational Match: \$2,917 (Cash)

\$12,238 (In-Kind)

Project Description:

The WEI delivers high-quality, experiential watershed education programs based on local issues associated with the Truckee River watershed, the water cycle, point and non-point source pollution, invasive species, sources and impacts of erosion, water conservation and stewardship.

Through this funding, SNJ will serve 875 students in 32 classrooms throughout northern Nevada. Conducted over a four-week period, WEI includes three in-class lessons, one field-study experience, pre- and post-assessments, classroom extension lessons for teachers, and family and community engagement. Curriculum developed and delivered by SNJ's team of credentialed teachers aligns to state and national standards and the North American Association for Environmental Education's Guidelines for Excellence.

TMWA Benefit:

WEI is an education program that addresses water, water quality and watershed protection for K-8th grade students, directly aligning with grant priority VI: *Stewardship and Environmental Awareness*. Students gain first-hand experience with the Truckee River, explore human impacts on their water source, and obtain skills and knowledge to help protect the watershed. The overall long-term program impacts include:

- Students understand important science concepts related to the Truckee River watershed and can articulate how their actions affect the Truckee River watershed and local ecosystems.
- Students understand important science concepts related to the Truckee River watershed and can articulate how their actions affect the Truckee River watershed and local ecosystems.
- Teachers use extension lessons and implement more hands-on exploration of the watershed. Parents and community members engage in watershed education directly through WEI volunteer
- The health of the Truckee River watershed and local ecosystems improves as students and their families adopt environmental stewardship practices that help reduce water pollution and human impacts.

Project #206: Truckee Meadows Nature Study Area Project: Planning Phase

Organization: Truckee Meadows Parks Foundation

Amount Requested: \$54,770

Amount Recommended: \$38,400

Organizational Match: \$74,968 (Cash)

Project Description:

To create a community-supported master plan to repurpose the former Rosewood Lakes Golf Course into the Truckee Meadows Nature Study Area: A high-quality wetland habitat that will serve as an outdoor learning laboratory and public recreational park.

The property formerly known as the Rosewood Lakes Golf Course is one of the last vestiges of wetland habitat in the Truckee Meadows. The proposed Truckee Meadows Nature Study Area (TMNSA) has been invaded by many non-native plant species listed on the Nevada Noxious Weed List and the Washoe Storey Cooperative Weed Management Area (WSCWMA) high-priority list including, but not limited to, tall whitetop (*Lepidium latifolium*), poison hemlock (*Conium maculatum*), and puncture vine (*Tribulus terrestris*).

TMWA Benefit:

The Truckee Meadows Nature Study Area (TMNSA) project advances priorities II, V, VI, VII, and VIII through the implementation of the planning phase and associated future phases. Priority II refers to watershed improvements such as reducing erosion or sediment discharges to the River. This project will reduce erosion through wetland rehabilitation (Birch et al. 2004) along Steamboat Creek, designated impaired waters. Additionally, this rehabilitated wetland system is expected to reduce total nitrogen loading in the Truckee River, which would then reduce algae as a suspended solid (Chavan et al. 2008). As such, the TMNSA project advances priority V because it supports water quality improvement in Steamboat Creek. The TMNSA project advances priority VI in that the Parks Foundation will use TMNSA as an outdoor classroom where economically disadvantaged students who attend our Student Stewards Program will learn about water, water quality, and watershed protection. The TMNSA project will involve multiple stakeholders, including the City of Reno, Nevada Department of Wildlife, Nevada

Land Trust (One Truckee River), and Lahontan Audubon Society to encourage collaborative efforts in all aspects of river water quality, watershed protection, source water protection and species enhancement, and to promote the missions of all involved agencies, thereby advancing priority VIII.

Project #207: Second Truckee River Cleanup Crew

Organization: City of Reno

Amount Requested: \$23,472

Amount Recommended: \$23,472

Organizational Match: \$9,405 (Cash) \$500 (In-Kind)

Project Description:

Funding will provide a second dedicated crew to remove trash, debris, noxious weeds and overgrowth from the banks of Truckee River and direct tributaries within City of Reno. This will expand current efforts from 4 days to 7 days per week.

Goals:

- i. Remove trash and debris from the banks of the Truckee River within Reno's city limits, focusing on public property along the Truckee River Path, including City, County and State property.
- ii. Improve these areas so that our community members feel safe and comfortable when using the river areas.

Outcomes:

- i. Results will be measured by number of bags of trash and debris, shopping carts, posts, appliances, furniture and other materials removed from the project area.

TMWA Benefit:

This request supports Priority VI – *Stewardship* by funding a crew dedicated to remove trash, litter, illegal campsites and other refuse along the banks of the Truckee River and direct tributaries within Reno City limits, primarily upstream of the Glendale Treatment Plant.

Project #208: Truckee River Watershed Forest Restoration

Organization: The Nature Conservancy (TNC)

Amount Requested: \$57,826.09

Amount Recommended: \$57,826.09

Organizational Match: \$57,152.28 (Cash)

Project Description:

The requested funding will support TNC staff time spent working with the Forest Service to expend a portion of a \$1.3 million federal grant to implement forest restoration projects in the Truckee River watershed. It will also support part of a contract with a marketing consultant to aid in developing messaging and outreach strategies regarding TNC’s watershed science and regional risks associated with wildfires, which will serve as fundraising tools. Therefore, the requested TRF funding will support TNC staff time to work with the U.S. Forest Service (USFS) to evaluate projects, draft agreements and contracts, oversee contractors, etc. as necessary to expend the Desert Terminal Lakes (DTL) funds to implement at forest restoration projects that will benefit the Truckee River watershed.

TMWA Benefit:

This proposal meets multiple grant priorities for the Truckee River Fund. The Truckee River headwaters forest is overstocked with trees from a century of fire suppression, and many trees are dead or dying from drought stress, making the forest more susceptible to unnaturally large and intense wildfires. The projects that would be developed and implemented under this proposed grant would help reduce the risk of wildfires and associated risks to the water supply, meeting grant priority IV: *Re-Forestation and Re-Vegetation Projects*. While the proposed projects do not necessarily involve reforestation of fire damaged areas through re-vegetation, they do address damages from historical logging and other land management practices (fire suppression) that created the current fire-prone conditions, reducing the risk of wildfires and post-fire impacts, including those to water quality, and improving watershed resiliency in drought situations.

The activities included in this grant proposal also meet grant priority VIII: *Leverage Stakeholder Assets and Participation* in multiple ways. First, the requested TRF funding to support TNC staff time in developing and implementing forest restoration projects with the USFS will be greatly leveraged in helping ensure the utilization of \$1.3 million of DTL funds on projects that will benefit river water quality, watershed protection, source water protection and habitat enhancement. Second, the requested TRF funding to help TNC develop messaging and outreach strategies is intended to benefit efforts to raise funds that will support more of the same types of projects, further into the future.

Project #209: Restoration Projects: Donner Creek & Dry Creek Meadow

Organization: Truckee River Watershed Council

Amount Requested: \$100,000

Amount Recommended: \$92,000

Organizational Match: \$192,000 (Cash)

Project Description:

The funding request is to close critical funding gaps on two projects: one in the design phase,

the Donner Creek Restoration Project and the other in implementation, Dry Creek Meadow Restoration. With the support of the Truckee River Fund (grant #178), we have advanced the Donner Creek Restoration Project designs to 60% for three restoration sites. These projects will improve water quality and habitat along Donner Creek, and decrease sedimentation reaching the Truckee River. This reach of Donner Creek is one of the top three sediment dischargers within the Town of Truckee to the Truckee River (TRWC 2014) and the three sites were identified as priorities by the Donner Basin Assessment (2016). This proposal is to complete the 100% restoration designs. TRWC has worked closely with our project partners to develop the 60% designs including Caltrans, the Town of Truckee, and the Tahoe Truckee Unified School District. The partners strongly support the project, which has presented a unique construction funding opportunity. If TRWC can complete the 100% restoration designs by December 2018, Caltrans is able to fund project implementation completely (estimated at \$900,000) through their 2019 Community Partner funding program.

TMWA Benefit:

- **Watershed Improvements.** The two projects will decrease excess sedimentation to the Truckee River and support attainment of the 303 (d) listed TMDL pollutant.
- **Local Stormwater Improvements.** The Donner Creek Restoration Projects will mitigate stormwater run-off from urbanized areas of the watershed. The Dry Creek Meadow Restoration Project will remove road segments triggering stormwater runoff and erosion.
- **Meet Multiple Objectives.** The projects meet the watershed and water quality objectives listed above. It also benefits wetlands and instream habitats, native fish and wildlife species, flood attenuation, and carbon sequestration.
- **Leverage Stakeholder Assets and Participation.** The projects have leveraged significant stakeholder participation from Caltrans, Tahoe Truckee Unified School District, and the USFS. Moreover, the completion of final designs for the Donner Creek Restoration project may leverage \$900,000 in construction funding from Caltrans.

Project #210: Truckee River Water Quality Monitoring Program

Organization: Truckee River Watershed Council

Amount Requested: \$50,000

Amount Recommended: \$25,000

Organizational Match: \$32,675 (In-Kind)

Project Description:

This project will monitor physical, chemical and biological parameters to determine health of the Middle Truckee River and its tributaries. This project supports the Truckee River TMDL and the Truckee River Operating Agreement (TROA) by identifying areas with degraded water quality and areas where water quality improvements should be implemented.

TMWA Benefit:

Watershed Improvements: This project helps to assess the overall health of the waterways located in the Middle Truckee River watershed and provides data on whether or not we are meeting the water quality standards and objectives established by the Lahontan Regional Water Quality Control Board.

Support Rehabilitation of Local Tributary Creeks and Drainage Courses: The project helps identify areas where water quality has deteriorated and where detrimental impacts to the mainstem of the Truckee River and associated tributaries are occurring. Based on information collected, areas that have been deteriorated may be targeted for water quality improvements by TRWC and/or partnering agencies.

Stewardship and Environmental Awareness: This project engages local community members in “citizen science” by providing an opportunity to participate in collecting physical, chemical and biological data related to various water quality parameters. Through participation in this program, environmental awareness and stewardship is elevated amongst community members.

Meet Multiple Objectives: The project meets the three objectives listed above. The project also supports agreements and actions implemented under TROA and supports attainment of the Truckee River TMDL.

Leverage Stakeholder Assets and Participation: The water quality-monitoring program coordinated and implemented by TRWC complements the efforts being conducted by Placer County and the Town of Truckee to develop a comprehensive monitoring plan that examines water quality trends on a long-term temporal scale. As noted above, this project also helps to provide important data and to inform the status of the Truckee River TMDL (LRWQCB, 2008) and the actions of TROA.

TRUCKEE RIVER FUND
Enhancing and protecting our water resources

Grant Priorities

Based upon the aforementioned discussion, TMWA recommends that the Advisors give preference to well-prepared and thought out grant requests for projects and programs that mitigate substantial threats to water quality and the watershed, particularly those threats upstream or nearby treatment and hydroelectric plant intakes:

- I. **Aquatic Invasive Species (AIS):** Projects/Programs that support the prevention or control of aquatic invasive species in the main stream Truckee River, Lake Tahoe, other tributaries and water bodies in the Truckee River system.
- II. **Watershed Improvements:** Projects that reduce erosion or sediment, suspended solids, or TDS discharges to the River. Projects or programs that are located within 303d (impaired waters) sections of the River should be considered, both in California and Nevada. Innovative techniques should be encouraged.
- III. **Local Stormwater Improvements:** Projects that are well designed which mitigate storm water run-off due to urbanization of the local watershed. Priority should be given to those improvement projects in close proximity to TMWA's water supply intakes and canals and which will improve the reliability and protect the quality of the community's municipal water supply.
- IV. **Re-Forestation and Re-Vegetation Projects:** Projects to restore forest and upland areas damaged by fire and historical logging operations, and to improve resiliency in drought situations. Projects/programs in this category should be given a high priority due to urbanization of the watershed and increased susceptibility of the urban and suburban watershed to wildfire.
- V. **Support to Rehabilitation of Local Tributary Creeks and Drainage Courses:** Practical projects to support water quality improvement in Gray Creek, Bronco Creek, Mogul Creek, Chalk Creek, Steamboat Creek and the North Truckee Drain.
- VI. **Stewardship and Environmental Awareness:** Support to Clean-Up programs and the development and implementation of educational programs relative to water, water quality and watershed protection.
- VII. **Meet Multiple Objectives:** Projects/Programs should identify opportunities to meet multiple water quality and watershed objectives as outlined above with preference given to those achieving multiple benefits.
- VIII. **Leverage Stakeholder Assets and Participation:** Projects/Program selection should include an assessment of various stakeholder interests in all aspects of river water quality, watershed protection, source water protection and species enhancement thereby leveraging available funds and other assets.

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 268

**A RESOLUTION APPROVING PROJECTS
FOR FUNDING UNDER THE TRUCKEE RIVER FUND**

WHEREAS, the Truckee Meadows Water Authority and the Community Foundation of Western Nevada (the "Community Foundation"), a Nevada non-profit corporation, have entered into an agreement creating The Truckee River Fund (the "Fund") to foster projects that protect and enhance water quality or water resources of the Truckee River, or its watershed;

WHEREAS, pursuant to the Fund Agreement, an Advisory Committee has solicited proposals from prospective beneficiaries of the Fund;

WHEREAS, the Advisory Committee has recommended projects for funding, as listed on Exhibit A, attached hereto;

WHEREAS, the Advisory Committee has the responsibility of securing preliminary approval for projects from the TMWA Board, which may disapprove projects for any reason, or may approve projects by resolution, subject to Community Foundation Board approval;

WHEREAS, the Community Foundation has advised the Advisory Committee that the projects' applicants are eligible beneficiaries of the Fund;

WHEREAS, the Board has reviewed the recommendation of the Advisory Committee and has found that the projects as listed on Exhibit A are consistent with the purposes of the Fund and merit funding;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority:

The projects set forth on **Exhibit A** are approved for funding under the Truckee River Fund in the amount set forth in such Exhibit, subject to final authorization by the Community Foundation Board, and subject to the provisions of the Fund Agreement, including without limitation the requirements set forth in Article VC.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority,

Upon motion of _____, seconded by _____, the foregoing Resolution was passed and adopted on September 19, 2018 by the following vote of the Board:

Ayes: _____

Nays: _____

Abstain: _____ Absent: _____

Approved March 21, 2018

Vaughn Hartung, Chairman

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

On this 19th of September, 2018, Vaughn Hartung, 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

EXHIBIT A

Project #204: 2018 Spring Invasive Weed Pull

Organization: Keep Truckee Meadows Beautiful (KTMB)

Amount Requested: \$70,760 **Amount Recommended:** \$31,640

Organizational Match: \$14,500 (Cash) \$83,272 (In-Kind)

Project Description:

The Great Community and Truckee River Cleanup activities will include:

- Volunteers removing invasive weeds at several hot spots along the Truckee River and its tributaries, as identified by weed experts at Nevada Land Trust and members of the WSCWMA.
- Producing key messaging about responsible river recreation and keeping the river clean; and
- Presenting to City and County NABS/CABS, churches, recreation/outdoor groups, city council and county commission meetings, service organizations, KTMB Beautiful Businesses, as well as K-12 children through our Weed, Water, and Waste Warriors programs, and on-site educational opportunities along the river and in Idlewild Park's Sensory Garden.

TMWA Benefit:

This project supports the TRF Grant Priorities V, VI, VII, and VIII - *Support to Rehabilitation of Local Tributary Creeks and Drainage Courses, Stewardship and Environmental Awareness, Meet Multiple Objectives, and Leverage Stakeholder Assets and Participation*. KTMB educates and informs residents and visitors about the importance of maintaining a healthy river; how noxious weeds negatively affect native plant communities, habitats, and watershed; how litter and pollution are harmful to human health, wildlife, the local environment and economy; and collaborates to create a cleaner community while saving taxpayer dollars that would otherwise be spent on cleanup.

Project #205: Watershed Education Initiative (WEI)

Organization: Sierra Nevada Journeys (SNJ)

Amount Requested: \$36,207 **Amount Recommended:** \$36,207

Organizational Match: \$2,917 (Cash) \$12,238 (In-Kind)

Project Description:

The WEI delivers high-quality, experiential watershed education programs based on local issues

associated with the Truckee River watershed, the water cycle, point and non-point source pollution, invasive species, sources and impacts of erosion, water conservation and stewardship.

Through this funding, SNJ will serve 875 students in 32 classrooms throughout northern Nevada. Conducted over a four-week period, WEI includes three in-class lessons, one field-study experience, pre- and post-assessments, classroom extension lessons for teachers, and family and community engagement. Curriculum developed and delivered by SNJ's team of credentialed teachers aligns to state and national standards and the North American Association for Environmental Education's Guidelines for Excellence.

TMWA Benefit:

WEI is an education program that addresses water, water quality and watershed protection for K-8th grade students, directly aligning with grant priority VI: *Stewardship and Environmental Awareness*. Students gain first-hand experience with the Truckee River, explore human impacts on their water source, and obtain skills and knowledge to help protect the watershed. The overall long-term program impacts include:

- Students understand important science concepts related to the Truckee River watershed and can articulate how their actions affect the Truckee River watershed and local ecosystems.
- Students understand important science concepts related to the Truckee River watershed and can articulate how their actions affect the Truckee River watershed and local ecosystems.
- Teachers use extension lessons and implement more hands-on exploration of the watershed. Parents and community members engage in watershed education directly through WEI volunteer
- The health of the Truckee River watershed and local ecosystems improves as students and their families adopt environmental stewardship practices that help reduce water pollution and human impacts.

Project #206: Truckee Meadows Nature Study Area Project: Planning Phase

Organization: Truckee Meadows Parks Foundation

Amount Requested: \$54,770

Amount Recommended: \$38,400

Organizational Match: \$74,968 (Cash)

Project Description:

To create a community-supported master plan to repurpose the former Rosewood Lakes Golf Course into the Truckee Meadows Nature Study Area: A high-quality wetland habitat that will serve as an outdoor learning laboratory and public recreational park.

The property formerly known as the Rosewood Lakes Golf Course is one of the last vestiges of wetland habitat in the Truckee Meadows. The proposed Truckee Meadows Nature Study Area (TMNSA) has been invaded by many non-native plant species listed on the Nevada Noxious

Weed List and the Washoe Storey Cooperative Weed Management Area (WSCWMA) high-priority list including, but not limited to, tall whitetop (*Lepidium latifolium*), poison hemlock (*Conium maculatum*), and puncture vine (*Tribulus terrestris*).

TMWA Benefit:

The Truckee Meadows Nature Study Area (TMNSA) project advances priorities II, V, VI, VII, and VIII through the implementation of the planning phase and associated future phases. Priority II refers to watershed improvements such as reducing erosion or sediment discharges to the River. This project will reduce erosion through wetland rehabilitation (Birch et al. 2004) along Steamboat Creek, designated impaired waters. Additionally, this rehabilitated wetland system is expected to reduce total nitrogen loading in the Truckee River, which would then reduce algae as a suspended solid (Chavan et al. 2008). As such, the TMNSA project advances priority V because it supports water quality improvement in Steamboat Creek. The TMNSA project advances priority VI in that the Parks Foundation will use TMNSA as an outdoor classroom where economically disadvantaged students who attend our Student Stewards Program will learn about water, water quality, and watershed protection. The TMNSA project will involve multiple stakeholders, including the City of Reno, Nevada Department of Wildlife, Nevada Land Trust (One Truckee River), and Lahontan Audubon Society to encourage collaborative efforts in all aspects of river water quality, watershed protection, source water protection and species enhancement, and to promote the missions of all involved agencies, thereby advancing priority VIII.

Project #207: Second Truckee River Cleanup Crew

Organization: City of Reno

Amount Requested: \$23,472

Amount Recommended: \$23,472

Organizational Match: \$9,405 (Cash)

\$500 (In-Kind)

Project Description:

Funding will provide a second dedicated crew to remove trash, debris, noxious weeds and overgrowth from the banks of Truckee River and direct tributaries within City of Reno. This will expand current efforts from 4 days to 7 days per week.

Goals:

- i. Remove trash and debris from the banks of the Truckee River within Reno's city limits, focusing on public property along the Truckee River Path, including City, County and State property.
- ii. Improve these areas so that our community members feel safe and comfortable when using the river areas.

Outcomes:

- i. Results will be measured by number of bags of trash and debris, shopping carts, posts, appliances, furniture and other materials removed from the project area.

TMWA Benefit:

This request supports Priority VI – *Stewardship* by funding a crew dedicated to remove trash, litter, illegal campsites and other refuse along the banks of the Truckee River and direct tributaries within Reno City limits, primarily upstream of the Glendale Treatment Plant.

Project #208: Truckee River Watershed Forest Restoration

Organization: The Nature Conservancy (TNC)

Amount Requested: \$57,826.09

Amount Recommended: \$57,826.09

Organizational Match: \$57,152.28 (Cash)

Project Description:

The requested funding will support TNC staff time spent working with the Forest Service to expend a portion of a \$1.3 million federal grant to implement forest restoration projects in the Truckee River watershed. It will also support part of a contract with a marketing consultant to aid in developing messaging and outreach strategies regarding TNC's watershed science and regional risks associated with wildfires, which will serve as fundraising tools. Therefore, the requested TRF funding will support TNC staff time to work with the U.S. Forest Service (USFS) to evaluate projects, draft agreements and contracts, oversee contractors, etc. as necessary to expend the Desert Terminal Lakes (DTL) funds to implement at forest restoration projects that will benefit the Truckee River watershed.

TMWA Benefit:

This proposal meets multiple grant priorities for the Truckee River Fund. The Truckee River headwaters forest is overstocked with trees from a century of fire suppression, and many trees are dead or dying from drought stress, making the forest more susceptible to unnaturally large and intense wildfires. The projects that would be developed and implemented under this proposed grant would help reduce the risk of wildfires and associated risks to the water supply, meeting grant priority IV: *Re-Forestation and Re-Vegetation Projects*. While the proposed projects do not necessarily involve reforestation of fire damaged areas through re-vegetation, they do address damages from historical logging and other land management practices (fire suppression) that created the current fire-prone conditions, reducing the risk of wildfires and post-fire impacts, including those to water quality, and improving watershed resiliency in drought situations.

The activities included in this grant proposal also meet grant priority VIII: *Leverage Stakeholder Assets and Participation* in multiple ways. First, the requested TRF funding to support TNC staff time in developing and implementing forest restoration projects with the USFS will be greatly leveraged in helping ensure the utilization of \$1.3 million of DTL funds on projects that will benefit river water quality, watershed protection, source water protection and habitat enhancement. Second, the requested TRF funding to help TNC develop messaging and outreach

strategies is intended to benefit efforts to raise funds that will support more of the same types of projects, further into the future.

Project #209: Restoration Projects: Donner Creek & Dry Creek Meadow

Organization: Truckee River Watershed Council

Amount Requested: \$100,000

Amount Recommended: \$92,000

Organizational Match: \$192,000 (Cash)

Project Description:

The funding request is to close critical funding gaps on two projects: one in the design phase, the Donner Creek Restoration Project and the other in implementation, Dry Creek Meadow Restoration. With the support of the Truckee River Fund (grant #178), we have advanced the Donner Creek Restoration Project designs to 60% for three restoration sites. These projects will improve water quality and habitat along Donner Creek, and decrease sedimentation reaching the Truckee River. This reach of Donner Creek is one of the top three sediment dischargers within the Town of Truckee to the Truckee River (TRWC 2014) and the three sites were identified as priorities by the Donner Basin Assessment (2016). This proposal is to complete the 100% restoration designs. TRWC has worked closely with our project partners to develop the 60% designs including Caltrans, the Town of Truckee, and the Tahoe Truckee Unified School District. The partners strongly support the project, which has presented a unique construction funding opportunity. If TRWC can complete the 100% restoration designs by December 2018, Caltrans is able to fund project implementation completely (estimated at \$900,000) through their 2019 Community Partner funding program.

TMWA Benefit:

- **Watershed Improvements.** The two projects will decrease excess sedimentation to the Truckee River and support attainment of the 303 (d) listed TMDL pollutant.
- **Local Stormwater Improvements.** The Donner Creek Restoration Projects will mitigate stormwater run-off from urbanized areas of the watershed. The Dry Creek Meadow Restoration Project will remove road segments triggering stormwater runoff and erosion.
- **Meet Multiple Objectives.** The projects meet the watershed and water quality objectives listed above. It also benefits wetlands and instream habitats, native fish and wildlife species, flood attenuation, and carbon sequestration.
- **Leverage Stakeholder Assets and Participation.** The projects have leveraged significant stakeholder participation from Caltrans, Tahoe Truckee Unified School District, and the USFS. Moreover, the completion of final designs for the Donner Creek Restoration project may leverage \$900,000 in construction funding from Caltrans.

Project #210: Truckee River Water Quality Monitoring Program

Organization: Truckee River Watershed Council

Amount Requested: \$50,000

Amount Recommended: \$25,000

Organizational Match: \$32,675 (In-Kind)

Project Description:

This project will monitor physical, chemical and biological parameters to determine health of the Middle Truckee River and its tributaries. This project supports the Truckee River TMDL and the Truckee River Operating Agreement (TROA) by identifying areas with degraded water quality and areas where water quality improvements should be implemented.

TMWA Benefit:

Watershed Improvements: This project helps to assess the overall health of the waterways located in the Middle Truckee River watershed and provides data on whether or not we are meeting the water quality standards and objectives established by the Lahontan Regional Water Quality Control Board.

Support Rehabilitation of Local Tributary Creeks and Drainage Courses: The project helps identify areas where water quality has deteriorated and where detrimental impacts to the mainstem of the Truckee River and associated tributaries are occurring. Based on information collected, areas that have been deteriorated may be targeted for water quality improvements by TRWC and/or partnering agencies.

Stewardship and Environmental Awareness: This project engages local community members in “citizen science” by providing an opportunity to participate in collecting physical, chemical and biological data related to various water quality parameters. Through participation in this program, environmental awareness and stewardship is elevated amongst community members.

Meet Multiple Objectives: The project meets the three objectives listed above. The project also supports agreements and actions implemented under TROA and supports attainment of the Truckee River TMDL.

Leverage Stakeholder Assets and Participation: The water quality-monitoring program coordinated and implemented by TRWC complements the efforts being conducted by Placer County and the Town of Truckee to develop a comprehensive monitoring plan that examines water quality trends on a long-term temporal scale. As noted above, this project also helps to provide important data and to inform the status of the Truckee River TMDL (LRWQCB, 2008) and the actions of TROA.



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: John Enloe, Director of Natural Resources
DATE: September 12, 2018
SUBJECT: Discussion and action, and possible direction to staff for the approval of interlocal agreement with Washoe County, City of Reno and TMWA for a subsurface hydrogeological investigation at the American Flat Road site

Recommendation:

Staff recommends the Board approve the Interlocal Agreement with the City of Reno (the City) and Washoe County for a subsurface hydrogeological investigation at the American Flat Road Site and authorize the General Manager to sign the Agreement.

Background:

TMWA, the City of Reno and Washoe County are participating entities in OneWater Nevada, a regional feasibility study to evaluate whether the State of Nevada's newly adopted "A+" reclaimed water category offers significant water resource management benefits to the regional water supply portfolio. Category A+ reclaimed water meets all Federal and State of Nevada drinking water standards. A+ quality will be achieved from a combination of advanced water treatment processes and can be used for groundwater augmentation.

The vision of the OneWater Nevada team is to demonstrate to Nevada Department of Environment Protection (NDEP) staff and to the public the viability of the pilot projects before possibly considering future infrastructure for a field scale demonstration project for a Class A+ reclaimed water groundwater augmentation project.

One of the initial phases of this regional effort is to perform hydrogeologic investigations of the aquifer at a location known as the American Flat Road Site in north Reno. If the site is found to be suitable, a field-scale demonstration project of an advanced water treatment system for groundwater augmentation may be considered at a future date.

In 2006, ECO:LOGIC performed a Phase 1 subsurface investigation at the American Flat Road site, located just north of the Stead Airport. Preliminary findings showed that the site appears to have adequate aquifer storage capacity to be used for groundwater augmentation. In consultation with

TMWA's hydrogeologists, a Phase 2 investigation is being proposed with this agreement. Phase 2 will include a geophysical investigation, followed by drilling one injection well and two monitoring wells on this Washoe County site. Then, potable water from a TMWA well will be piped via temporary piping to the injection well and injected at the rate of approximately 300 gallons per minute for up to 4 months. The findings of this investigation, along with adjacent well data, will be used to quantify the storage capacity of the aquifer and to assess connectivity, if any, with the east Lemmon Valley groundwater basin.

Discussion:

The agreement under consideration is for a hydrogeologic study of the American Flat Road Site. This work will occur on Washoe County property (APN #'s 079-332-36 and 079-332-37). Installation of the temporary piping of potable water to the site will be managed by TMWA. The final locations of the injection and monitoring wells will be selected based on the results of the geophysical investigation. This data, along with recharge rates, well monitoring and adjacent well data, will be used to complete the hydrogeologic investigation.

TMWA will manage the third-party subsurface investigation, the well drilling, injection of potable water, groundwater monitoring, pre and post water quality testing, and provide the City a hydrogeological report and final recommendations concerning sufficiency of the American Flat Road site as part of the Feasibility Study and a future demonstration project. TMWA will also oversee the installation of 15,000 (+/-) linear feet of temporary water line. TMWA will submit invoices to the City for all work reimbursable to TMWA for the not to exceed amount of \$655,000.

Attachment: Agreement with Truckee Meadows Water Authority, the County of Washoe and the City of Reno - Aquifer Storage and Recovery, American Flat Road Site

**AGREEMENT WITH TRUCKEE MEADOWS WATER AUTHORITY
THE COUNTY OF WASHOE
AND THE CITY OF RENO
AQUIFER STORAGE AND RECOVERY
AMERICAN FLAT ROAD SITE**

This Interlocal Agreement (“Agreement”) is made and entered into this _____ day of _____, 2018, by and between the Truckee Meadows Water Authority, a joint powers authority under the laws of the State of Nevada (“TMWA”), Washoe County (“County”), a political subdivision of the State of Nevada, and the City of Reno, a municipal corporation (“City”).

W I T N E S S E T H:

WHEREAS, 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.

WHEREAS, the City, County and TMWA are working jointly on the Regional Reclaimed Water Feasibility Study (hereafter referred to as “Feasibility Study”); and

WHEREAS, additional investigation is required to determine certain characteristics of the subsurface groundwater, the aquifer, and the subsurface hydrogeology for the Feasibility Study; and

WHEREAS, County owns two parcels, APN 079-332-36 and APN 079-332-37, (the “Site”), that are situated in the area and are available for the purposes of the Feasibility Study; and

WHEREAS, the City and TMWA desire to utilize the Site owned by County as part of a future demonstration project to investigate the feasibility of groundwater injection of reclaimed water in reuse category A+, and

WHEREAS, the Site may be determined suitable for aquifer storage and recovery utilizing reclaimed water in reuse category A+, and suitable for attainment of the goals of the feasibility study; and

WHEREAS, City desires that TMWA perform hydrogeological investigations, including the injection of potable water via the proposed 8 inch diameter well at the site, and other matters pertaining to the feasibility study; and

WHEREAS, County grants access and the use of the Site for the Feasibility Study, which includes, but is not limited to, drilling of wells, installation of a temporary water line(s), and operation of the wells.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TMWA, County and City agree as follows:

1. CITY RIGHTS AND OBLIGATIONS.

1.1. City will pay for all costs as itemized in Exhibit “B,” to include construction of 8-inch diameter injection well and two 4-inch diameter monitoring wells and appurtenances, drinking water tests and trace organic tests, geophysical investigation, flow meter, backflow preventer and appurtenances, laboratory fees, and any required permit fees.

1.2. City will obtain any required permits, easements or rights of entry, except permits associated with the wells.

1.3. City will maintain and repair the wells.

1.4. City will properly abandon the wells in the future, as may be required.

2. TMWA RIGHTS AND OBLIGATIONS.

2.1. TMWA or its agent will install a 15,000 (+/-) linear feet of temporary water line, roughly along the alignment shown in Exhibit “A”.

2.2. TMWA will design/install the temporary water line, injection well facilities and monitoring well facilities and all appurtenances. Temporary water line may consist of one 8-inch diameter line or one 6-inch diameter line or two 4-inch diameter lines.

2.3. TMWA will construct one 8-inch diameter injection well and two 4-inch (+/-) diameter monitoring wells.

2.4. TMWA will manage the third-party subsurface investigation, the well drilling, injection of potable water, groundwater monitoring, pre and post water quality testing, and provide to the City a hydrogeological report and final recommendations concerning sufficiency of the American Flat Road site as part of the Feasibility Study and a future demonstration project.

2.5. TMWA will obtain the required permits for the injection well facilities.

2.6. TMWA will provide potable water to be injected as part of the hydrogeology study at no cost to the City.

2.7. TMWA will connect the temporary water line to the Silver Knolls well or the Army Air Guard well, which is located on or surrounded by Reno-Stead Airport property, and make the necessary connections to the injection well.

2.8. TMWA will have access to use the injection and monitoring wells and related facilities owned by City.

2.9. TMWA will submit invoices to the City for all work reimbursable to TMWA as itemized in Exhibit "B," for the not to exceed amount of \$655,000.

3. COUNTY RIGHTS AND OBLIGATIONS

3.1. County will grant access and the use of the Site for the Feasibility Study, which includes, but is not limited to, drilling of wells, installation of the temporary water line, and operation of the wells, removal of temporary water line, and ongoing monitoring.

3.2. County will assist City and TMWA with any permitting required for drilling and placement of the temporary water line to the Site.

4. MISCELLANEOUS

4.1. Each party will cooperate with the other parties to this agreement and their agents in carrying out their respective responsibilities under this agreement.

4.2. Each party will assist the other parties in communicating with the public regarding the provisions of this agreement.

4.3. That all communications/notices required pursuant to the Agreement shall be given in person or by registered or certified mail, postage prepaid, to the other parties, as follows:

CITY: For personal delivery:
 John Flansberg, Director of Public Works
 City of Reno
 1East First Street, 7th Floor
 Reno, NV 89501
 For mailing:
 PO Box 1900
 Reno, NV 89505

TMWA: Mark Foree

General Manager
Truckee Meadows Water Authority
PO Box 30013
Reno, NV 89520-3013

COUNTY: David Solaro, Director of Community Services
1001 E. 9th Street
Reno, NV 89512

The designated representative may be changed by written notice as provided herein. Notice by mail shall be deemed to have been received three (3) days after mailing.

4.4 Subject to the limitation of chapter 41 of Nevada Revised Statutes, each party agrees to indemnify, defend and to hold the other parties harmless from and against any liability, including but not limited to, property damage, personal injury or death, proximately caused by the negligent acts or omissions of its officers, agents and employees arising out of the performance of this Agreement.

4.5. The laws of the State of Nevada shall be applied in interpreting and construing this Agreement.

4.6. The invalidity of any provision or portion of this Agreement shall not affect the validity of the remainder of the Agreement.

4.7. This Agreement constitutes the entire contract between the parties and shall not be modified unless in writing and signed by the parties.

4.8. This Agreement shall not be construed to provide any person or entity not a party to this Agreement with any benefits or cause of action arising from the performance of this Agreement.

-REMAINDER OF PAGE INTENTIONALLY LEFT BLANK-

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers the day and year first above written.

CITY OF RENO

ATTEST:

By: _____
Hillary L. Schieve, Mayor

Ashley D. Turney, Reno City Clerk

APPROVED AS TO FORM:

Susan Ball Rothe, Deputy City Attorney

COUNTY OF WASHOE

ATTEST:

By: _____
Marsha Berkbigler
Chairman of the Board of
County Commissioners

Nancy Parent, County Clerk

APPROVED AS TO FORM:

Paul Lipparelli, Assistant District Attorney

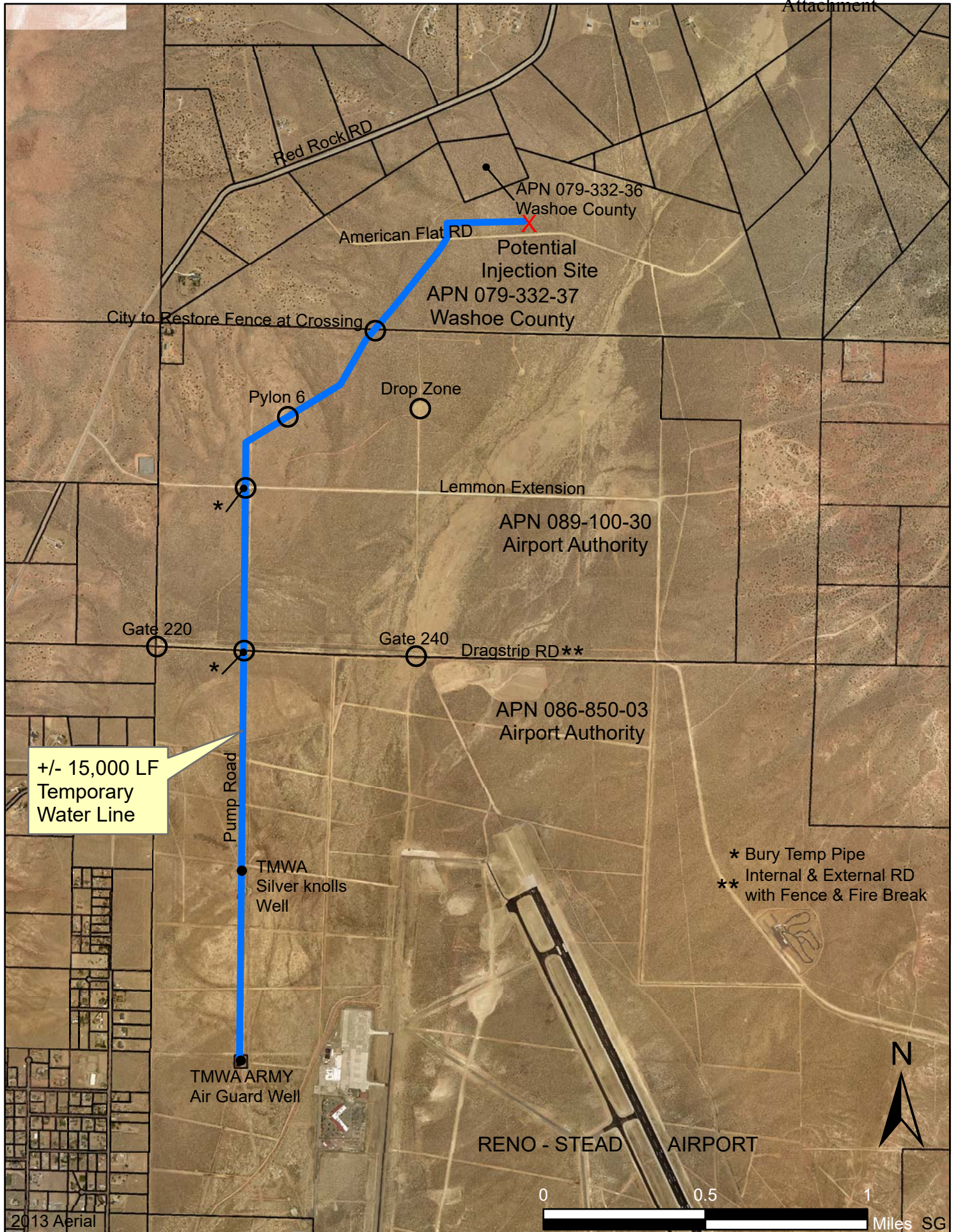
TRUCKEE MEADOWS WATER AUTHORITY

Mark Foree, General Manager

STATE OF NEVADA)
)
COUNTY OF WASHOE)

This instrument was acknowledged before me this ____ day of _____, 2018, by Mark Foree, General Manager of the TRUCKEE MEADOWS WATER AUTHORITY, on behalf of said Joint Powers Authority therein named.

Notary Public



rev: 7/26/18

EXHIBIT "B"

Cost Estimate

American Flat Road Feasibility Study (1215 American Flat Rd)					
			Price	Costs	
Amount	Unit	Description	Each	Reimbursable to TMWA	Comments
Wells and Related					
1	ea	Two 4-inch monitoring wells	see tab	\$156,078.00	See Exhibit "B-2" for breakdown
1	ea	8-inch injection well	see tab	\$178,828.45	See Exhibit "B-1" for breakdown
1	ea	valves, flowmeters, backflow preventer and vault		\$10,000.00	
1	ea	Increase Cost for Prevailing Wages		\$100,471.94	
			subtotal	\$445,378.39	
WQ Testing					
3	ea	Drinking Water Tests	\$4,167	\$12,500.00	
3	ea	Trace Organincs Tests	\$4,167	\$12,500.00	
			subtotal	\$25,000.00	
Geophysical Investigation					
1	ea	Onsite work, report, recommendations by SubTerraSeis (per quote)	\$98,500	\$98,500.00	
			subtotal	\$98,500.00	
Costs Reimbursable to TMWA Total without Contingency				\$568,878.39	
Contingency (15%)				\$85,331.76	
Grand Total				\$654,210.14	
Costs Reimbursable to TMWA Use Grand Total:				\$655,000.00	

rev: 7/26/18

EXHIBIT "B-1"

Cost breakdown Estimate 8-inch Injection Well

American Flat Road Feasibility Study (1215 American Flat Rd)					
Amount	Unit	Description	Price Each	Costs	
				Reimbursable to TMWA	Comments
1	ea	Mobilization of drill rig and crews	\$3,000.00	\$3,000.00	
50	ft	Drill and install 16" x 50' conductor	\$190.00	\$9,500.00	
470	ft	Drill 14.75" borehole with mud rotary	\$109.00	\$51,230.00	
1	ea	Borehole geophysical logs	\$3,000.00	\$3,000.00	
242	ft	Furnish and install 242' of 8" x .250 blank mild steel casing	\$65.00	\$15,730.00	stainless steel screen
260	ft	Furnish and install 260' S.S. wire wrap screen	\$91.00	\$23,660.00	
10	ft	Furnish and install 10' of 8" x .250 S.S. blank casing	\$139.00	\$1,390.00	
1	ea	Furnish and install 8" dissimilar adapter between wellscreen and blank casing	\$4,600.00	\$4,600.00	
10	yds ³	Furnish and install gravel pack between	\$51.00	\$510.00	
7	yds ³	Furnish and install cement surface seal between 14.75" borehole and 8" blank casing	\$54.00	\$378.00	
26	hrs	Air develop well	\$400.00	\$10,400.00	1 hr each 10'
1	ea	Locking well lid	\$1,500.00	\$1,500.00	
1	ea	Bit charge	\$6,800.00	\$6,800.00	
1	ea	Site clean up	\$1,500.00	\$1,500.00	
360	ft	Install and remove 500 gpm test pump	\$20.00	\$7,200.00	
31	hrs	Test pump well	\$250.00	\$7,750.00	
1	ea	Install bollards for wellhead protection	\$3,200.00	\$3,200.00	
1	ea	Permit - WCHD	\$1,505.00	\$1,505.00	
1	ea	Permit - NDEP	\$2,500.00	\$2,500.00	
1	ea	Permit - NDWR	\$150.00	\$150.00	
		***Cutting to stay on site but smoothed out and dressed up.		-	
	ea	***Price does not reflect prevailing wages		-	
			subtotal	\$155,503.00	
		Contingency - 15%		\$23,325.45	
			Total	\$178,828.45	

rev: 7/26/18

EXHIBIT "B-2"

Cost breakdown Estimate Two 4-inch Monitoring Wells

American Flat Road Feasibility Study				
Amount	Unit	Description	Price Each	Costs
				Reimbursable to TMWA
2	ea	Mobilization of drill rig and crews	\$3,000.00	\$6,000.00
40	ft	Drill and install two 12" x 20' conductors (0'-20' each)	\$60.00	\$2,400.00
1000	ft	Drill two 10" boreholes with mud rotary (20'-520' each)	\$55.00	\$55,000.00
504	ft	Furnish and install 252' of 4" x .250 mild steel blank casing in each monitoring well (+2-240, 500'-510')	\$44.00	\$22,176.00
520	ft	Furnish and install 260' of 4" x 0.250" mild steel factory slot screen in each monitoring well (240'-500')	\$45.00	\$23,400.00
12	yds ³	Furnish and install gravel pack between the 4" screen and 10" borehole in each monitoring well (200'-510'). Add 5' bentonite plug above the gravel pack (195'-200').	\$51.00	\$612.00
8	yds ³	Furnish and install cement surface seal between the 4" blank casing and 10" boreholes in each well (0'-195').	\$54.00	\$432.00
20	hrs	Air develop each well (10 hrs per monitoring well)	\$400.00	\$8,000.00
2	ea	Locking well lid	\$1,500.00	\$3,000.00
2	ea	Install bollards for wellhead protection	\$3,200.00	\$6,400.00
1	ea	Bit charge	\$6,800.00	\$6,800.00
1	ea	Site clean up	\$1,500.00	\$1,500.00
	ea	***Cuttings to stay on site but smoothed out and dressed up.		-
	ea	***Price does not reflect prevailing wages		-
			subtotal	\$135,720.00
		Contingency - 15%		\$20,358.00
			Total	\$156,078.00



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: John Enloe, Natural Resources Director,
John Zimmerman, Water Resources Manager
DATE: September 13, 2018
SUBJECT: Update regarding TMWA's possible acquisition of the West Reno Water System and status of Due Diligence activities and possible direction to staff

SUMMARY

TMWA staff has been conducting formal due diligence regarding the potential acquisition of West Reno Water Company's Boomtown water system since June. Under the Acquisition Agreement between TMWA and West Reno, TMWA has until October 17th to conduct due diligence. The Standing Advisory Committee and TMWA Board has repeatedly stated that the cost of acquiring the water system must not be borne by existing customers. Accordingly, staff has endeavored to find all reasonably identifiable costs associated with acquiring and operating the system. This process has not yet concluded, but staff has identified most of the significant costs of acquiring and operating the system and reasonable improvements to the existing water facilities that should be completed prior to or immediately after closing. Staff is presenting this update now instead of at the end of due diligence so that the Board is fully-informed and can ask questions before staff's investigations are completed. Additionally, staff requests the Board provide direction on the allocation of costs of acquiring and operating the system and authorize the General Manager to negotiate an extension of the due diligence period and outside closing date or other amendment to the Acquisition Agreement, if deemed necessary, to address costs and responsibilities for system improvements required to close the acquisition.

BRIEF BACKGROUND

THE PARTIES

West Reno Water Company, Inc. and related companies

West Reno was formed in February 2017 and that is when it assumed ownership and operation of the Boomtown water system from SJP Reno Property, LLC. SJP owns the real property and is the landlord for the Boomtown hotel, casino, maintenance yard, gas station, minimart, carwash, and RV park. West Reno and SJP are owned by St. John Properties, Inc., a

privately held Maryland-based commercial real estate developer with over \$2.6 billion in real estate investments according to its website. The president of West Reno and chairman of St. John Properties own BCH Gaming Reno, LLC. BCH sold the pipe casing under the Truckee River to TMWA in July. BCH operates the Boomtown businesses.

Reno Land Development Company, LLC, BT South, LLC, Bates Stringer-Reno, LLC

Reno Land and BT South are under common ownership and are developing the property south of I-80 across from Boomtown known as Meridian 120 South. Bates Stringer-Reno, LLC owns the Meridian 120 North Village 1 (98 lots), Village 2 (78 lots), and proposed (but unrecorded) Village 3 (97 lots) residential subdivisions.

WATER SYSTEM AT A GLANCE

The water system includes five production wells, two water storage tanks, six monitoring wells, and various other water facilities. The system provides water to the Boomtown hotel, casino, maintenance yard, gas station, minimart, carwash, RV park, Cabela's, warehouses owned by DP Clark Garson Road LLC (i.e. Dermody Properties), a vacant house south of I-80 owned by BT South, and four model homes within Bates subdivision.

The West Reno service area is encumbered by CC&Rs, which essentially govern West Reno's relationship as a water purveyor with the landowners. The CC&Rs grant West Reno easements for the use of, and access to, the above-described water facilities. West Reno does not own any land and has just a few separate access easements (water facilities on Cabela's land and a tank access road on BT South's land). Under the Acquisition Agreement, TMWA will require the CC&Rs to be terminated because they contain certain obligations TMWA does not want to assume and lack certain rights TMWA needs to effectively operate the system.

TMWA FUTURE SURFACE WATER CONNECTION

TMWA has extended its surface water connection to the West Meadows subdivision and is working to secure the necessary landowner approvals to extend the connection to the Verdi area and Boomtown. To get surface water to the West Reno water system, TMWA needs authorization from the River Oaks Homeowners Association, Riverbelle Properties, LLC, Union Pacific Railroad Company, Reno Land, and DP Clark. River Oaks has authorized its board to negotiate and grant an easement to TMWA. Similarly, Riverbelle and DP Clark have indicated a willingness to grant any necessary easements or land to bring surface water into the system, but staff have not yet negotiated formal agreements with them. TMWA has not yet contacted the Railroad, however, in staff's experience a right-of-way could take a year or more to obtain.

TIMELINE

August 2014	SJP acquires water system, land, and water rights from Pinnacle Entertainment, Inc.
March 2016	SJP consultants meet with TMWA to discuss options for TMWA providing water to the Boomtown water system and groundwater capacity, quality, and sustainability.
February 2017	West Reno Water Company formed and assumed ownership of the water system.
August 2017	Draft wholesale water service agreement for TMWA to provide surface water to West Reno presented to the Board for discussion purposes. Board continued matter and requested staff provide alternatives to wholesale water service.
September 2017	Standing Advisory Committee votes unanimously to support TMWA acquisition of water system provided it does not increase rates for existing customers.
October 2017	TMWA Board authorizes staff to negotiate agreement to acquire water system.
November 2017	TMWA and West Reno sign non-binding Letter of Intent (LOI) to acquire water system.
December 2017	TMWA staff updates Board on LOI and main deal points.
January 2018	Board approves draft acquisition agreement.
March 2018	Board approves: Reno Land agreement (funding for interim improvements necessary to provide limited water service) and BCH agreement (sale of river casing)
June 2018	West Reno signs acquisition agreement and due diligence period begins.
October 2018	Due diligence expires unless extended.
December 2018	Closing must occur by the 31st or Acquisition Agreement terminates.

TMWA-WEST RENO AGREEMENT SUMMARY

The purchase price must be agreed to prior to the expiration of due diligence. The book value of West Reno's assets is \$700,000. Under the Agreement, TMWA agreed to reimburse West Reno for up to an additional \$180,000 for reasonable legal and engineering fees incurred prior to 2018 to secure Nevada Public Utilities Commission (PUC) approval to operate as a regulated public utility. West Reno has not yet provided TMWA with its PUC fees and costs. Before the due diligence period expires, TMWA may terminate the Agreement for any reason in its sole discretion if it determines that acquiring the system is not feasible. After the deadline expires, the Agreement will terminate only if the closing has not occurred by the end of 2018 due to the failure to satisfy all necessary closing conditions.

The deal may close within 15 days after the due diligence period expires if certain conditions are met. TMWA staff believe the closing may be delayed beyond the 15-day period due to the sheer number of land and title issues to address with multiple landowners and documents to secure such as lender consents, reconveyances, and subordinations and landowner easements, parceling, water rights, and fee title conveyances. All of these issues must be resolved and closing occur by December 31, 2018 or the Agreement terminates automatically. Staff is fairly confident it will be able to address all issues and obtain the necessary documents

by this date, however, it requests the Board authorize the General Manager to extend the due diligence period and outside closing date if necessary.

ANCILLARY AGREEMENTS WITH OTHER PARTIES

1. TMWA – Reno Land/BT South

This agreement has not yet been signed, but would require Reno Land/BT South (and Bates through separate agreement with those parties) to pay a modified connection fee for Meridian North and a portion of Meridian South to reimburse TMWA for the cost of acquiring the system. This agreement also requires Reno Land/BT South to complete certain improvements related to the new water storage tank that it agreed to make under the CC&Rs with West Reno. A preliminary draft was approved by Reno Land/BT South, but the final terms will require adjustment to address due diligence items.

2. TMWA – SJP

This agreement is still being negotiated. Under the Acquisition Agreement, West Reno must help TMWA obtain an agreement with SJP regarding annexation of SJP-owned land into TMWA's service area, dedication of water rights for existing water demands, and termination of the CC&Rs. Staff sent SJP an initial draft on July 24th and received comments back on August 29th. Staff sent a revised draft to SJP on September 12th.

3. TMWA – Bates Stringer-Reno, LLC

TMWA does not have an agreement with Bates at this time, but will require Bates to agree to grant easements and a parcel for well 10 and allow certain improvements to be completed on its property pre-closing. Two of the most significant items that staff recommends West Reno, Reno Land/BT South, or Bates complete are (1) lining the stormwater detention basin next to well 10 to minimize the potential for groundwater degradation and (2) conveying TMWA an adequate parcel of land for that well and grading it to a level grade. Staff has spoken with Reno Land representatives who verbally indicated it would pay to have the improvements completed per TMWA's standards pre-closing, however, definitive terms for this work have not yet been negotiated.

DUE DILIGENCE FINDINGS

The following is a list of due diligence topics staff has been reviewing and working on. Staff will provide a brief update on each of these items at the Board meeting.

1. Wells, groundwater sustainability, water quality, and potential conjunctive use
2. Land and title
3. Permitting and agency approvals
4. Distribution
5. Operations

CURRENT PRE-CLOSING REQUIREMENTS

The following is a list of the more significant items and deficiencies TMWA staff has identified to date, which should be cured or completed prior to closing. TMWA continues to conduct due diligence, however, and the list of identified deficiencies and conditions required for closing remains fluid and may change prior to the due diligence deadline.

1. The tank improvements should be completed for safety, security, and access reasons.
2. The land for the tanks must be parceled and conveyed to TMWA along with an access easement.
3. TMWA must obtain written confirmation from the Washoe County Health District (WCHD) and Nevada Division of Environmental Protection (NDEP) that they will not require TMWA to extend the sanitary seal of a few of the wells from 50 ft. to 100 ft.
4. WCHD and NDEP must confirm that West Reno is in full compliance with all of their requirements and any violations have been cured.
5. West Reno must be in compliance with all water quality sampling and reporting requirements without any pending or issued violations.
6. The stormwater detention basin next to well 10 must be lined to minimize the risk of groundwater quality degradation in the future.
7. The land TMWA requires around well 10 must be parceled and leveled to allow reasonable access for operation, maintenance, and repair purposes.
8. DP Clark must agree to convey land to TMWA for a booster pump station.
9. West Reno must obtain all necessary approvals from Steamboat Ditch Company for all facilities (two waterlines, two tank drain lines, and a tank access road bridge crossing).
10. SJP, BCH, or West Reno must agree to complete pre-closing, or reimburse TMWA for the cost of completing post-closing, certain improvements related to existing water facilities within the Boomtown development.

UPDATED COST ESTIMATE

Before due diligence, staff estimated it would cost \$1.59 million to complete certain critical improvements to the water system as soon as possible after acquisition. This amount, along with the purchase price, totaled \$2.54 million. As stated above, Reno Land/BT South and Bates agreed to pay this amount through modified connection fees for their developments. Through due diligence, staff has identified additional deficiencies that increase the improvement costs by \$1.074 million. Staff has had discussions with Reno Land representatives and their initial indication is they would agree to pay for the improvements to the tanks and tank access road and bridge (\$754,000), which were included in the initial estimate, thereby reducing the overage to \$320,000. Of this remaining amount, \$200,000 is for water facility improvements related to Boomtown facilities. Staff recommends the Board require SJP, BCH, or West Reno pay for the cost of these site-specific improvements. This leaves \$120,000 in additional costs to be recovered. Staff is currently evaluating different options for recovering this additional cost. Staff anticipates an amendment to the acquisition agreement will need to be negotiated with West Reno prior to expiration of due diligence to address responsibility and timing for completion of these deficiencies.

RECOMMENDATIONS

Staff requests the Board authorize the General Manager to extend the due diligence period and outside closing date under the West Reno Agreement, if necessary, and negotiate an amendment to address cost responsibility and timing for curing the additional deficiencies identified in due diligence. Staff will continue to conduct due diligence and will update the Board at the next meeting regarding any changes to the due diligence findings, Reno Land, Bates, and SJP agreements, and the estimated closing timeline.



STAFF REPORT

TO: Chairman and Board Members
FROM: Mark Foree, General Manager
DATE: September 10, 2018
SUBJECT: Discussion and action on request for Board input and acceptance of General Manager performance objectives for contract year 2018/2019

RECOMMENDATION

The TMWA Board review the objectives proposed herein, provide input to the proposed objectives and approve the objectives as amended by the Board discussion.

DISCUSSION

As in the past the Board has requested an opportunity to discuss and approve specific objectives and criteria that the General Manager would be working to accomplish during the current fiscal year. These objectives and criteria would be used to evaluate the performance of the General Manager at the end of the contract year. Below are suggestions for the Board's discussion and input:

General Objectives

- A) Direct the preparation of and propose financial plans, investment strategies, funding plans and adjustments to rates and charges that will continue to keep TMWA in long term financial stability; including preparation of budgets and Capital Improvement Plans and financial reporting that comply with Nevada Revised Statutes and the Securities and Exchange Commission (SEC).
- B) Develop proactive communications plans to address upcoming issues (e.g., topics affecting water supply, drought planning, regional water issues, utility water system consolidation and rate changes) and to keep all stakeholders including the Board, the employees, and the customers informed through a variety of mediums. Respond to media inquiries and provide informational interviews.
- C) Continue having and improve on a community presence for TMWA through the Water Leadership program and participation in community committees, boards, and networking

organizations and by providing presentations and information to these groups; offer Truckee River, Chalk Bluff Plant and/or other informational Tours to the community.

- D) Continue to create a highly productive work environment and a highly motivated employee team by developing, training, retaining and recruiting the highest quality employees.
- E) Strive for continuous improvements in processes and operations targeting initiatives that will enhance revenues and/or reduce operating costs thus keeping customer rates as low as possible.

Specific Objectives

- 1) Develop customer conservation communications plan for the 2019 irrigation season, including water supply planning, and detailed public/customer communications/outreach plan - present to the SAC for their recommendation and Board for approval no later than the April Board Meeting.
- 2) Continue working with city and county staff regarding regional water issues, regional economic development initiatives, etc. including pilot testing and analysis related to infiltrating or injecting highly treated wastewater into the ground for later use, and analysis related to possible construction of an effluent pipeline connection between TMWRF and STMWRF, etc.
- 3) Conclude due diligence related to the possible acquisition of the West Reno (Boomtown) water system and if appropriate and as directed by the Board, complete the acquisition. Continue analyzing water supply options related to fringe area development where private systems exist, make recommendations to Board and follow Board direction regarding same.
- 4) Monitor and participate in Legislative activities during the 2019 legislative session, prepare and deliver presentations to Legislative Committees as requested, keep the Board updated and informed regarding legislative matters, and pursue Board direction regarding Legislative issues. Facilitate open communications between legislators and the TMWA Board.
- 5) Continue to monitor federal legislation for opportunities to obtain funding for a variety of TMWA projects.
- 6) I'm assuming this is complete, but possibly "Continue monitoring the Boca Dam Seismic Improvements proposed by the U.S. Bureau of Reclamation..."
- 7) Update the 5-year Funding Plan and present to the SAC and the Board. Propose Board actions based on the results of the planning cycle updates. Implement Board direction with regard to funding plan outcomes.

- 8) Analyze TMWA's financial position in regard to the implementation of the third phase of rate adjustment (scheduled to go into effect in May, 2019 – approved by the Board in April, 2017) and provide a report to the Board prior to the scheduled implementation date.
- 9) Analyze the need for any necessary water facility charge adjustments, report results of analysis to the SAC and Board of Directors and follow Board direction regarding same.
- 10) Carefully analyze opportunities to acquire water rights and resources in the market in consideration of current inventory and financial constraints. Insure adequate resources are available through TMWA's Rule 7.
- 11) Provide staff support to the SAC, Truckee Meadows Community Forestry Coalition and the Truckee River Fund (TRF) Advisors and ensure communications regarding TRF projects.
- 12) Manage and direct activities relative to legal issues, keeping the Board informed on all such matters.
- 13) Update TMWA Administrative Instructions as required to ensure they are compliant with applicable laws and current practices. Deliver updates to the Board and employees, and implement the changes.
- 14) Minimize cost impacts to customers by maximizing investment and hydroelectric income, pursuing revenue enhancement and collection opportunities, pursuing process improvements and projects that drive savings in TMWA expenses, and actively pursuing grant/low-interest loan funding for projects.
- 15) Continue to develop/refine strategies to optimize conjunctive use of surface water and groundwater resources; further develop/refine drought supply operational strategies; and implement plans.
- 16) Continue to develop, refine and implement strategies to mitigate pre-merger groundwater conditions on the Mt. Rose fan including commencing construction of the Mt. Rose Water Treatment Plant.
- 17) Conduct the public process regarding the proposal to broaden the meter retrofit fee purpose for drought resiliency and water resources sustainability and present to the SAC and the Board the final recommendation.
- 18) Obtain an appraisal for the Farad property and facilities and continue discussions with the Truckee Donner Land Trust and possibly other parties regarding the property related to possible conservation, recreation, education, etc. uses, and return a recommendation to the Board.

- 19) Continue to analyze and estimate feasibility and cost of using existing TMWA water rights to A) increase the generation output at the Fleish hydro and B) to install a hydro generation facility at the Highland Canal at Chalk Bluff and provide a report and recommendation to the Board.
- 20) Develop succession plan related to retirements that are expected to occur within the next five years and begin implementation of the plan.



STAFF REPORT

TO: Board of Directors
FROM: Mark Foree, General Manager
DATE: September 10, 2018
SUBJECT: General Manager's Report

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

Also, included in your agenda packet are press clippings from August 9, 2018 through September 13, 2018.

Water Project Review Update: Modifications to NAC 445A regulations governing water system design and construction were approved by the Legislative Committee on August 30 and are now in effect. These modifications provide clarification and more flexibility in design and construction of water system improvements.

TMWA, NDEP and WCHD staff have finalized a draft of the interlocal agreement (ILA) between the three entities which has been forwarded for legal review (TMWA's legal review has been completed). We now anticipate the ILA to be presented to the Board for approval at its October meeting. The ILA will provide TMWA with the authority to review and approve water plans for distribution projects such as subdivisions, without submittal to WCHD. NDEP and WCHD will periodically audit TMWA's review program to insure compliance with NAC 445A.



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Scott Estes, Director of Engineering
BY: Bill Hauck, Senior Hydrologist
DATE: September 10, 2018
SUBJECT: **September 2018 Operations Report**

Summary

- TMWA's peak customer demand season is beginning to wind down as fall approaches
- Lake Tahoe is 79% of maximum storage capacity
- Combined upstream reservoir storage is in great shape at 80% overall
- Truckee River flows are normal for this time of the year
- Hydro revenue for August 2018 was an estimated \$328,547

(A) Water Supply

- **River Flows** - Truckee River flows at the CA/NV state line are normal for this time of year and were approximately 500 cubic feet per second (CFS) this morning. The median flow for September 10th based on 109 years of record is 503 CFS.
- **Reservoir Storage** - The elevation of Lake Tahoe is currently 6227.80 feet. This is 1.3 feet below its legal maximum storage elevation of 6229.10 feet. Overall, Truckee River reservoir system storage is 80% of capacity. Storage values for each reservoir as of 9/7 are as follows:

Reservoir	Current Storage (Acre-Feet)	% of Capacity (Percent)
Tahoe	588,500	79%
Boca	26,851	66%
Donner	7,757	82%
Independence	16,307	93%
Prosser	16,543	56%
Stampede	205,411	91%

Besides the 24,000 plus acre-feet of storage in Donner and Independence reservoirs, TMWA has almost 12,600 acre-feet of water stored between Boca and Stampede reservoirs under the terms of TROA. TMWA's combined upstream reservoir storage is approximately 36,600 acre-feet.

(B) Water Production

Demand - Customer demands are still high but are beginning to taper off a little each week with the approach of fall. Demand averaged 123 MGD last week. Surface water between the Chalk Bluff and Glendale treatment plants made up approximately 80% of TMWA's raw water supply, and groundwater the other 20% 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 August averaged 573 cubic feet per second (CFS). All three of TMWA's plants were on-line and available every day last month. Statistics as follows:

Hydro Plant	Days On-Line	Generation (Megawatt hours)	Revenue (Dollars)	Revenue (Dollars/Day)
Fleish	31	1,661	\$ 120,360	\$ 3,882
Verdi	31	1,736	\$ 124,679	\$ 4,022
Washoe	31	1,150	\$ 83,508	\$ 2,694
Totals	93	4,547	\$ 328,547	\$ 10,598



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: John Zimmerman, Manager, Water Resources
DATE: 11 September 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	4,974.66 AF
Purchases of water rights	0.00 AF
Refunds	0.00 AF
Sales	- 106.85 AF
Adjustments	0.00 AF
Ending Balance	4,867.81 AF

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

WATER SERVICE AREA ANNEXATIONS

There have been no annexations since the date of the last report.



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Marci Westlake, Manager Customer Service
DATE: September 10, 2018
SUBJECT: **August Customer Service Report**

The following is a summary of Customer Service activity for August 2018.

Ombudsman

- Customer called and wanted a leak adjustment for tenant's water account, we gave leak adjustment.
- Customer called wanting information regarding our offered tours, gave phone number to book the tour.
- Customer called and was unhappy that they were accessed a deposit, Senior citizen so we adjusted the deposit down by half.

Communications

Customer outreach in August included:

- Bill Hauck presented to a delegation of land rights officials, visiting Reno through the US Department of State's International Visitor Leadership program, to understand the Truckee River Operating Agreement (TROA) on August 16th, 7 people attended.
- John Zimmerman presented to the Sertoma group and provided information about TMWA's water supply/resources, population growth and development on August 16th, 12 people attended.
- Chuck Swegles helped with the River School Farm & Gardens Tour on August 18th, 24 people attended.
- Brent Eisert, Cameron Schultz, Gage Kabisch, and Lee Good provided the tour of the Verdi Hydroelectric Power Plant on August 29th, 18 people attended.

Conservation (January 1 – August 31)

- 5390 Water Watcher Contacts
- 1409 Water Usage Reviews

Customer Calls – August

- 9,823 phone calls handled
- Average handling time – 4 minutes, 40 seconds per call
- Average speed of answer – 18 seconds per call

Billing – August

- 128,997 bills issued
- 4 (<.1%) corrected bills
- 17,594 customers (14.0%) have signed up for paperless billing to date.

Service Orders –August (% is rounded)

- 8,610 service orders taken
- 4,345 (50%) move-ins / move-outs
- 743 (9%) cut-out-for-non-payment and cut-in after receiving payments, including deposits and checks for tamper
- 468 (6%) zero consumption meter checks
- 512 (6%) re-read meters
- 1,067 (12%) new meter sets and meter/register/ERT exchanges and equipment checks
- 703 (8%) problems / emergencies, including cut-out for customer repairs, dirty water, no water, leaks, pressure complaints, safety issues, installing water meter blankets, etc.
- 396 (5%) high-bill complaints / audit and water usage review requests
- 376 (4%) various other service orders

Remittance – August

- 29,512 mailed-in payments
- 29,034 electronic payments
- 34,356 payments via RapidPay (EFT)
- 19,028 one-time bank account payments
- 7,222 credit card payments
- 1,519 store payments
- 2,296 payments via drop box or at front desk

Collections –August

- 15,275 accounts received a late charge
- Mailed 9,987 10-day delinquent notices, 7.8% of accounts
- Mailed 1,892 48-hour delinquent notices, 1.4% of accounts
- 352 accounts eligible for disconnect
- 272 accounts actually disconnected (including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.09% write-off to revenue

Meter Statistics – Fiscal Year to August 31, 2018

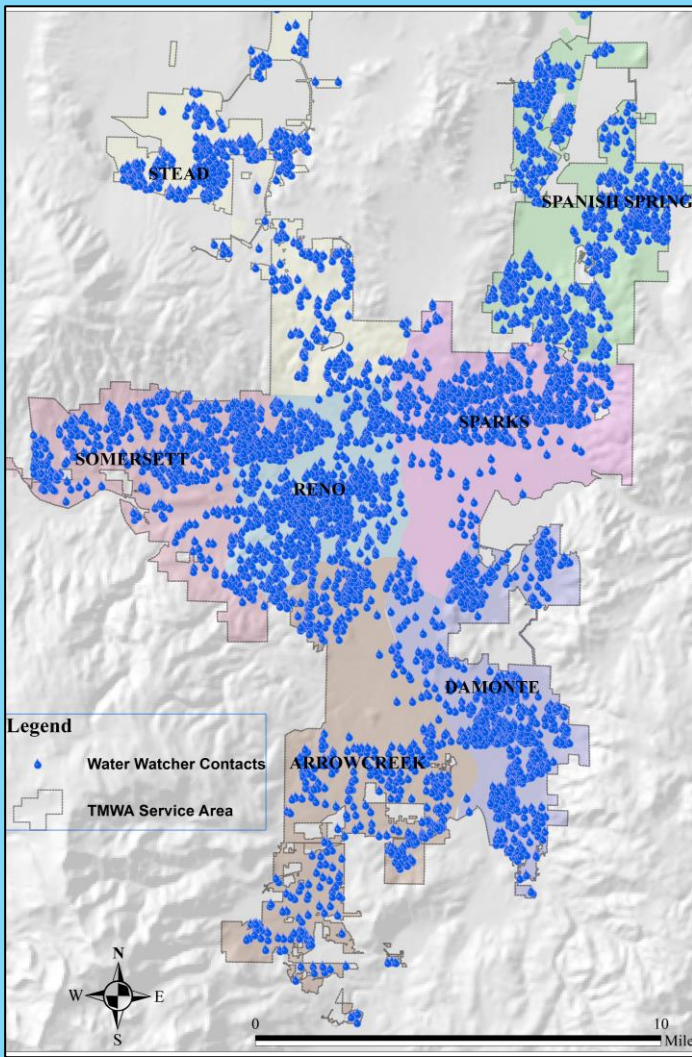
- 0 Meter retrofits completed
- 100 Meter exchanges completed
- 248 New business meter sets completed
- 125,223 Meters currently installed



MONTHLY CONSERVATION REPORT – AUGUST 2018

SUMMARY – While August saw a dip in overall waste reports and drive-by observations (which is typical for this time of year), observed violations are up 21% from August of last year. Similarly, water usage reviews are also up 20% compared to this time last year. It is anticipated with the shorter days and cooling temps, things should settle down in September as people begin to dial back their watering. - Conservation Dept.

CONSERVATION CONTACT LOCATION MAP



Water Watcher Contact Initiation Type	
Drive-bys	4768
Deliveries	49
Hotline Reports	294
Email Reports	280
Total	5391

Watering Violations Observed	
Waste	1481
Wrong Day	3467
Wrong Time	450
Total	5398

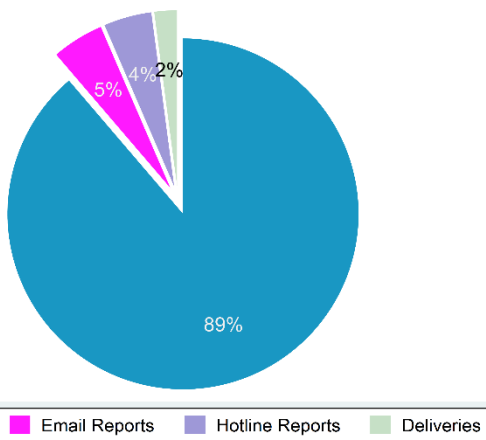
Water Watcher Actions Taken	
Educational Visits	2470
A.M. Letters	2588
Courtesy Calls	241
No Actions	90
Total	5389

Efficiency Devices Supplied	
Faucet Aerators	0
Hose Timers	23
Nozzles	95
Low-flow Shower heads	2
Tree Root Feeder	0
Total	120

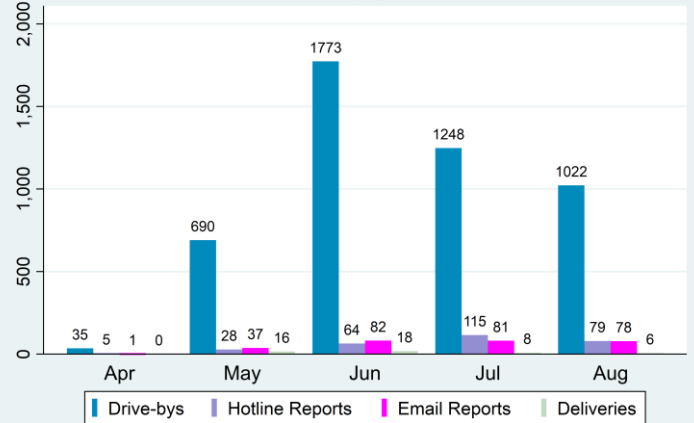
Other Conservation Actions	
Water Usage Reviews	1503
Tree Care Visits	115
Total	1618

Attendees at Workshops /Tours	
Irrigation System Start-up Workshop #1	8
Irrigation System Start-up Workshop #2	5
Landscape Planning & Design Workshop	30
Tree Care Workshop	18
Drip System Maintenance Workshop	18
Sprinkler System Maintenance Workshop	7
Walking Tour - Valley Wood Park #1	9
Walking Tour - River School Farm	27
Walking Tour, Part 2 - Valley Wood Park #2	N/A
Winterize Your Irrigation System Workshop #1	N/A
Winterize Your Irrigation System Workshop #2	N/A
Winterize Your Irrigation System Workshop #3	N/A
Winterize Your Irrigation System Workshop #4	N/A
Total	122

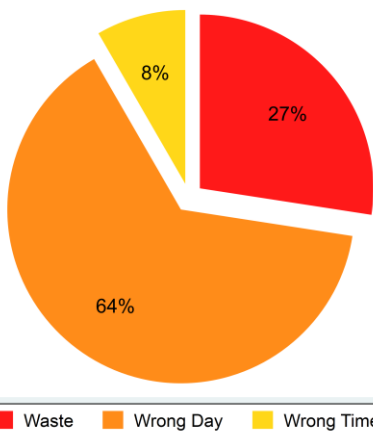
Water Watcher Contact Initiation
2018



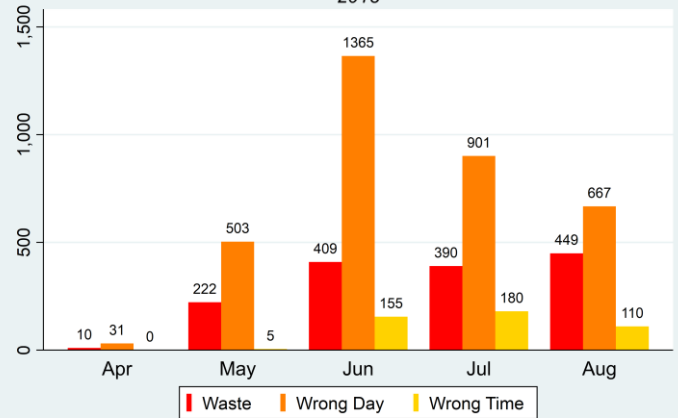
Water Watcher Contact Initiation
2018



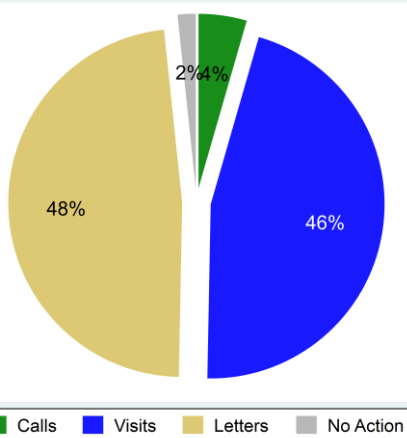
Water Violations Observed
2018



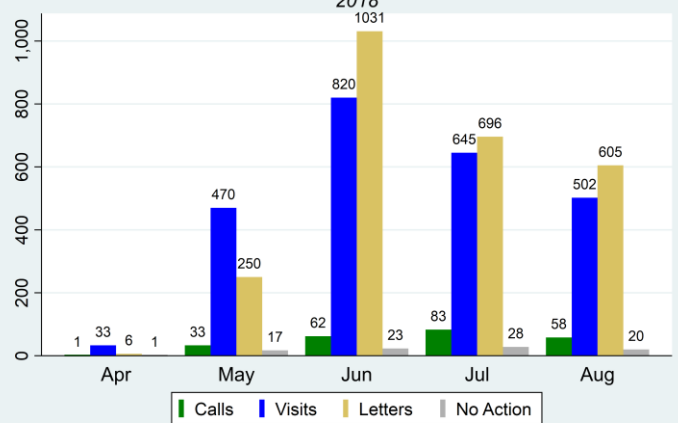
Water Violations Observed
2018



Water Watcher Actions Taken
2018



Water Watcher Actions Taken
2018





TMWA Board Meeting
Wednesday, September 19, 2018

Press Clippings

August 9, 2018 – September 13, 2018



Truckee River, Downtown Reno

Storey County Taxpayer's Investment in TRIC Tops \$100 Million Dollars With Latest Pipeline Deal

Editor August 6, 2017 News 8 Comments 57 Views

Effluent Pipeline Deal Could Cost Storey County Taxpayers up to \$60 Million

The August 1st Commissioners Meeting agenda included a proposal for Storey County Taxpayers to borrow \$35 Million Dollars to purchase 19 miles of pipeline for the TRIC General Improvement District to transfer effluent purchased from Washoe County. TRIC will upgrade their existing plant on their own dime and Storey County and Nevada State Taxpayers will build the pipeline from Sparks to the TRIC. TRIC will then sell the liquid gold to water hungry clients like Google and Switch to cool server farms that they currently run (Switch) or will build (Google).

This pipeline "deal" once again confirms to anyone paying attention that Commissioner Lance Gilman does not serve at the pleasure of Storey County Residents Voters. Rather, we and our pocketbooks serve at the pleasure and plunder of Lance Gilman, Don Norman and the band of merry TRICsters.

This pipeline "deal" proposes the use of taxes that would otherwise be spent to benefit all of Storey County instead of being diverted to directly benefit Commissioner Gilman's enterprise.

Nicole Barde has been the Lone Ranger in her reporting of County Commissioner Meetings since she started in 2015. In her breakdown of the August 1st meeting (**which I encourage you to read here**), she delivers a lengthy in-depth and dead on point dissection of the latest effort of Brothel Owner, TRIC Executive and self serving crony County Commissioner Lance Gilman to once again have Storey County Taxpayers forfeit \$35 Million Dollars of future tax revenue from a "special tax area" so he and Don Norman can make even more money.

In the real world projects like this pipeline "deal" would normally be borne by the developer as part of the improvement of their development. But here in the surreal world we call Storey County, **the chumps** err... Storey County Taxpayers gleefully divert tax revenue directly into the band of merry TRICsters pockets.

Ms. Barde accurately called this Corporate Welfare, I call it reverse graft. In the alternate reality call that exists in the Courthouse, it's a "public-private partnership-investment-thingy".

If nothing else, you have to admire the ginormity of the brass balls these hucksters clang around in broad daylight.

I read Ms. Barde's piece and was almost finished with my assessment of the deal when I read TRIC employee, and Lance Gilman bunkmate Kris Thompson* defend the proposed swindle and personally attack Ms. Barde's piece labeling her as "progressive, anti-business and liberal". I will break down his post in a separate piece **but you can read it for yourself here**. In his defense of TRIC, he uses his Houdini like attention deflection skills to cleverly avoid the facts that Ms. Barde revealed. All while attacking her by painting her as a bleeding heart, knee-jerk, commie pinko, sjw libtard.

While I can't speak for Ms. Barde, I want to make one thing perfectly clear before I deliver my assessment of this hustle.

I am not a Progressive Liberal. Not. Even. Close.

I like to tell folks I am a Reformed Liberal, but technically I am Classical Liberal. A Libertarian.

I read works by F. A. Hayek, Bastiat, von Mises, Albert Nock, Lysander Spooner, Hans Hoppe, Jeffrey Tucker and Tom Woods.

I listen to daily podcasts from Tom Woods, Jason Stapleton and the Liberty.Me Network.

I encourage you put a shotgun to your TV and Radio and join me in the real world of ideas.

One of the most rewarding things I have done in the last 30 years is being able to represent the Libertarian Party at High Schools in Placer County including the school where three of my children graduated; Del Oro High School. Placer County's Office of Education registers seniors to vote with their Rock the Vote program where they invite all registered political parties to introduce their party to freshly minted voters.

In my 5 minute Libertarian Party Platform overview, I include the following passage:

"When I moved here in 1983, I got a job at an Apple Dealership. This was before the Apple Store that you are all used to. A local businessman opened a dealership and sold Apple Computers to hobbyists. I met Steve Jobs and Steve Wozniak four days before the Macintosh Computer was released in 1984. I bought my Macintosh 128k Computer from Jobs and brought it back to Rocklin and proceeded to sell the pants of it.

In 1986 I quit selling computers and founded The Electric Page in downtown Sacramento. Within 5 years I had 50+ employees, owned an 8,000 square foot building and had a 5 million a year run rate.

And I did it without any help from the government."

Small Government Free Market Capitalist Entrepreneur. Not. A. Liberal.

Back to the Pipeline Hustle

When this deal is approved by Marshall McBride and Jack McGuffey, TRIC will have accomplished another spectacular job of bamboozling Storey County officials. It will mean that Storey County and Nevada Taxpayers have **dumped \$100 million dollars of what can only be described as "reverse graft" directly into the pockets of the band of merry TRICsters.**

The details of this deal legally encumber 2.1 million dollars of "future tax revenue" to pay for the pipeline that is the legal property of the TRIC GID.

When I was at the podium expressing my "activist"*** opinions on this matter, Storey County Manager Pat Whitten told me that they are trying to use tax revenue provided by SB1, Tesla-like business stimulation [legislation passed by the Nevada Legislature](#) designed to lure now defunct Tesla wannabe Faraday Futures. Mr. Whitten suggested the State of Nevada would pay half of the \$ 2.1 Million dollars with money in the Faraday Futures pool leaving the balance coming from "future tax revenues from new business". Mr. Whitten said on record this revenue would not be available if they didn't try to capture the money.

Being the eternal skeptic, I am in the process of confirming this claim by contacting the State of Nevada. So far I have had no luck getting confirmation, but I am only two rounds of voicemail into the process. I will report my findings in a followup article.

Jeremy Aguero of Las Vegas consulting firm Applied Analysis said in his presentation that his projections beyond three years are conjecture. I suggest they lie somewhere between Wild Speculation pure Fantasy.

Take a Look:

2 Summarizes the Current Status of the Application and Preliminary Submittal Provided

Projected Public Revenues



2 Summarizes the Current Status of the Application and Preliminary Submittal Provided

Bond Repayment Schedule

	Year Ending June 30	Initial Balance	Principal	Interest	Total Payment	Ending Balance	TIA Revenue	Coverage Ratio
Reality	Year 2018	\$28,555,000	\$0	\$0	\$0	\$28,555,000	\$3,274,916	NA
	Year 2019	\$28,555,000	\$0	\$1,362,063	\$1,362,063	\$28,555,000	\$4,118,480	3.02x
	Year 2020	\$28,555,000	\$0	\$1,362,063	\$1,362,063	\$28,555,000	\$4,979,939	3.66x
	Year 2021	\$28,555,000	\$740,000	\$1,362,063	\$2,102,063	\$27,815,000	\$6,751,089	3.21x
Fantasy	Year 2022	\$27,815,000	\$765,000	\$1,339,863	\$2,104,863	\$27,050,000	\$17,026,751	8.09x
	Year 2023	\$27,050,000	\$790,000	\$1,315,000	\$2,105,000	\$26,260,000	\$19,682,493	9.35x
	Year 2024	\$26,260,000	\$815,000	\$1,287,350	\$2,102,350	\$25,445,000	\$21,513,246	10.23x
	Year 2025	\$25,445,000	\$850,000	\$1,254,750	\$2,104,750	\$24,595,000	\$38,112,055	18.11x
	Year 2026	\$24,595,000	\$880,000	\$1,220,750	\$2,100,750	\$23,715,000	\$39,822,766	18.96x
	Year 2027	\$23,715,000	\$920,000	\$1,181,150	\$2,101,150	\$22,795,000	\$41,527,015	19.76x
	Year 2028	\$22,795,000	\$965,000	\$1,139,750	\$2,104,750	\$21,830,000	\$43,220,037	20.53x
	Year 2029	\$21,830,000	\$1,010,000	\$1,091,500	\$2,101,500	\$20,820,000	\$44,935,768	21.38x
	Year 2030	\$20,820,000	\$1,060,000	\$1,041,000	\$2,101,000	\$19,760,000	\$46,647,488	22.20x
	Year 2031	\$19,760,000	\$1,115,000	\$988,000	\$2,103,000	\$18,645,000	\$48,361,950	23.00x
	Year 2032	\$18,645,000	\$1,170,000	\$932,250	\$2,102,250	\$17,475,000	\$50,079,311	23.81x
	Year 2033	\$17,475,000	\$1,230,000	\$873,750	\$2,103,750	\$16,245,000	\$51,800,261	24.53x
	Year 2034	\$16,245,000	\$1,290,000	\$812,250	\$2,102,250	\$14,955,000	\$53,527,954	25.16x
Year 2035	\$14,955,000	\$1,355,000	\$747,750	\$2,102,750	\$13,600,000	\$55,261,267	25.71x	
Year 2036	\$13,600,000	\$1,425,000	\$680,000	\$2,105,000	\$12,175,000	\$57,000,204	26.19x	
Year 2037	\$12,175,000	\$1,495,000	\$608,750	\$2,103,750	\$10,680,000	\$58,743,946	26.63x	
Year 2038	\$10,680,000	\$1,570,000	\$534,000	\$2,104,000	\$9,110,000	\$60,494,979	27.00x	
Year 2039	\$9,110,000	\$1,650,000	\$455,500	\$2,105,500	\$7,460,000	\$62,254,367	27.29x	
Year 2040	\$7,460,000	\$1,730,000	\$373,000	\$2,103,000	\$5,730,000	\$64,024,801	27.50x	
Year 2041	\$5,730,000	\$1,815,000	\$286,500	\$2,101,500	\$3,915,000	\$65,794,969	27.63x	
Year 2042	\$3,915,000	\$1,910,000	\$195,750	\$2,105,750	\$2,005,000	\$67,565,475	27.69x	
Year 2043	\$2,005,000	\$2,005,000	\$100,250	\$2,105,250	\$0	\$69,337,933	27.71x	

I call these projections speculative fantasy mindful that we are one Orange Tweet or North Korean Missile into Seoul away from a major deviation from the ice cream and lollypops shown in the charts above. The debt, however dwells firmly in the real world. If the tax revenues fall short, the taxpayers of Storey County are obligated to pay the loan. That is why they need Storey County Commission Approval.

The last point I want to make on this is to remind sober-minded residents of Storey County that encumbering us with this debt takes the cream off the top of the annual flood of mythical revenue from the Oceans of Cash floating in the Sea of TRIC. The first Million Dollars goes to buy the TRICsters a pipeline to transport the liquid gold they will make a killing on.

- Shaun Griffin of the Community Chest could use a million dollars to pay for the Community Center instead of begging for nickles near freeway onramps.
- Stacey Gilbert could use a million dollars to build a new Senior Center. Storey County is 55% 55 and older. We need that.
- With a million dollars we could build a new pool.
- A million dollars to use to benefit the Storey County Residents anywhere.

But no.

Commissioner Lance Gilman wants our money to pay for infrastructure to benefit him and his band of merry TRICsters.

Final thoughts on Reverse Graft, Creative Math, and the pipeline “deal.”

In her piece, Ms. Barde places the debt we already owe for the TRIC boondoggle at \$67 Million once this pipeline “deal” is rubber stamped and rammed up our checkbook. Yet my headline puts the number at breaking the \$ 100 Million Dollar mark. How do I get \$100 million out of \$67 Million?

I include the \$42 Million dollars the TRICsters pocketed when they sold USA Parkway to the State of Nevada. Yes, Pat Whitten and the County Commissioners gave Lance and the TRICsters our little stretch of USA Parkway (the one we paid for). We got a maxed out \$45 Million “Interest-Free” credit card (for all those developer expenses us taxpayers were bamboozled into paying for), and the band of merry TRICsters sold the road to NDOT for \$42 million. We gave away our part of the road for free, they sold it for millions.

Mad Props on world-class negotiating skills, “**Team Storey**”!

An elected official is supposed to selflessly serve the interests of their constituents to the best of their ability, not the other way around.

This pipeline “deal” is the latest effort to benefit TRIC at the expense of every person in Storey County and should make everyone stand up and voice outrage.

If our current County Leadership fail to recognize this for what it is and approve it, it’s time to demand a change of those leaders.

Marshall McBride is our only hope to shoot this hustle down. If you think Lance should finance his own projects, call or email Marshall and let him know.

Marshall McBride – County Commissioner

- mmcbride@storeycounty.org

- 775-847-0968

Please call him and tell him the Teller sent you

* According to public records, Commissioner Gilman and Planning Department Board Member Kris Thompson are bunkmates in a double wide trailer near the swimming pool at the brothel Commissioner Gilman owns. Riiiiiiight.

** Kris Thompson called Sam Toll and Nicole Barde anti-business activists during public comment on August 1st, 2017.

This article took about five hours to write, edit and proof. Consider a small donation if you have the means.

When Is A 35 million dollar Pipeline Not A 35 million dollar Pipeline

Answer: When you have to borrow money to pay for it.

On August 7th, Storey County Commissioners approved moving forward on a plan to borrow money for an effluent pipeline. The pipeline would divert future County Tax Revenue to supply TRIC developers with 1.3 million gallons of effluent a day. You can read about the details of the pipeline’s deal structure [here](#). One of the slides in the presentation presented a sample repayment schedule shown below. You can scroll to the bottom of this article to read the entire presentation.

Sample Cash Flow

Year	Incoming Assessment Payments			Outgoing Bond Payments			Net Cash Flow
	Principal	Interest	Total	Principal	Interest	Total	
1	951,460	2,100,000	3,051,460	1,060,000	1,750,000	2,810,000	241,460
2	1,008,547	2,042,912	3,051,459	1,110,000	1,697,000	2,807,000	244,459
3	1,069,060	1,982,400	3,051,460	1,165,000	1,641,500	2,806,500	244,960
4	1,133,204	1,918,256	3,051,460	1,225,000	1,583,250	2,808,250	243,210
5	1,201,196	1,850,264	3,051,460	1,285,000	1,522,000	2,807,000	244,460
6	1,273,267	1,778,192	3,051,459	1,350,000	1,457,750	2,807,750	243,709
7	1,349,663	1,701,796	3,051,459	1,420,000	1,390,250	2,810,250	241,209
8	1,430,643	1,620,816	3,051,459	1,490,000	1,319,250	2,809,250	242,209
9	1,516,482	1,534,978	3,051,460	1,565,000	1,244,750	2,809,750	241,710
10	1,607,471	1,443,989	3,051,460	1,645,000	1,166,500	2,811,500	239,960
11	1,703,919	1,347,540	3,051,459	1,725,000	1,084,250	2,809,250	242,209
12	1,806,154	1,245,305	3,051,459	1,810,000	998,000	2,808,000	243,459
13	1,914,523	1,136,936	3,051,459	1,900,000	907,500	2,807,500	243,959
14	2,029,395	1,022,065	3,051,460	1,995,000	812,500	2,807,500	243,960
15	2,151,159	900,301	3,051,460	2,095,000	712,750	2,807,750	243,710
16	2,280,228	771,231	3,051,459	2,200,000	608,000	2,808,000	243,459
17	2,417,042	634,418	3,051,460	2,310,000	498,000	2,808,000	243,460
18	2,562,064	489,395	3,051,459	2,425,000	382,500	2,807,500	243,959
19	2,715,788	335,671	3,051,459	2,550,000	261,250	2,811,250	240,209
20	2,878,735	172,724	3,051,459	2,675,000	133,750	2,808,750	242,709
	35,000,000	26,029,189	61,029,189	35,000,000	21,170,750	56,170,750	4,858,439

Anyone who has a home mortgage knows (or should know) how the whole interest vs. principal thing works. There are free simple interest calculators you can download ([like this one](#)) to show you how much faster you can retire your mortgage if you pay a little bit more each month. The proposed pipeline deal is no different. From the cash flow statement above, you can see how the cash flows over the 20 year lifetime. As the numbers show, the \$35 million dollar pipeline will actually cost taxpayers \$56 million dollars in future tax revenue.

But Wait, There’s More

Anyone paying attention knows government funded construction projects never end up costing what the project proponents propose initially thanks to the magic of cost overruns. In 2008, California taxpayers foolishly approved a \$10 billion dollar bond to build a High Speed Rail System to connect the San Francisco Bay Area to Los Angeles. Ten years after the taxpayers approved the boondoggle, the project has quintupled in cost. **“The Bullet Train To Nowhere”** is now estimated to cost taxpayers between **\$77 billion and \$97 billion dollars**. And it won’t be completed until the mid 2030’s. And you can take Southwest Air from SFO to LAX for around a hundred bucks. And get there in like an hour.

Let's be charitable and say that the pipeline will only increase 10% over the initial construction estimate. This brings the project cost to \$38.5 million. If you downloaded the compound interest calculator, you would see that a 10% cost overrun will move the total price from \$56 million to \$66 million. Jeez.

But Wait, There's Even More

I read the presentation carefully, and a bullet point that talks about the terms of the bond caught my eye:

➤ **Maximum term is 30 years
(guidelines state 20 years but
developer has requested 25 years)**

Using the handy dandy interest calculator, we see that if the terms of the bond move to where the "developer" requests, the total cost of the pipeline goes to \$67.5 million (\$ 74 million with a 10% overrun). Taxpayers will be on the hook for \$75 million (\$84 million with a 10% overrun) if they invoke the maximum 30 year term.

So there you have it. The \$35 million dollar pipeline could end up costing us up to \$84 million dollars in future tax revenue. And that is if they don't change the scope of the project after we approve the deal.
The

How you like them onions, gentle voter?

Since Commissioner Gilman can't vote on this proposal, wouldn't it be great if we could postpone the final vote until a new commissioner was seated? The current schedule has the final vote

In part three of the our coverage of the "\$35 million dollar pipeline deal", we will look at exactly who these developers are. Prepare to get all dandered up.

Stay Tuned.

Water pipe break repaired in west Sparks

By Staff |

Posted: Mon 5:22 AM, Aug 13, 2018 |

Updated: Mon 2:29 PM, Aug 13, 2018



SPARKS, Nev. (KOLO) - The Truckee Meadows Water Authority has repaired a water service pipe break on F street at Rock Boulevard in Sparks.



The repairs were finished and the intersection opened around 1 p.m. on Monday, Aug. 13, 2018.

TMWA says the pipe likely broke because it is old.

The break happened around 4:30 a.m. Monday, August 13, 2018. The cause of the break is unclear. Truckee Meadows Water Authority said these breaks usually happen due to a variety of factors.

[Link to video](#)

Reno Fire recovers body from the Truckee River that had 'been there for a period of time'

Press Clips

[Sam Gross](#), [Reno Gazette Journal](#) Published 12:32 p.m. PT Aug. 12, 2018 | Updated 12:45 p.m. PT Aug. 12, 2018

Carson City's Sage Donnelly is one the top female kayakers in the world. She will compete in the Reno River Festival this weekend Jim Krajewski, jkrajewski@rgj.com



Buy Photo

(Photo: Jason Bean/RGJ)

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A Reno Fire Department wet team recovered a body from the Truckee River Sunday near the South McCarran Boulevard bridge close to East Greg Street.

Firefighters responded to the area and located a submerged body after getting the call at roughly 10:51 a.m. Sunday, according to Battalion Chief Mike Bohach.

"The body had very little clothing left on it and had been in the water for a period of time," Bohach said.

More: [Gov. Sandoval, McCarthy marry at Lake Tahoe](#)

Firefighters were able to recover the body and have turned it over to the Reno Police Department for further investigation.

Bohach said it is unclear at this time how the body got into the river.

Bohach added that the Reno Fire Department has responded to some type of water rescue almost every day for the past two weeks.

Many of those calls have been coming from the popular Wingfield Park and Truckee River Whitewater Park area in downtown Reno.

More: Live map: Here are all the wildfires burning in the United States right now

"People get tired after a long day of hot sun and festive imbibing," he said. "It's been a daily occurrence as of late."

And the increase in rescues is despite the river's current relatively tame flow, about 350 cubic feet per second.

Many of the rescues are people that have just gotten tired, he said. Swimmers that are fatigued and stranded on rocks, for example.

Bohach cautioned the public about recreating in the river over the remaining summer months. Even though the flow may look low, dangerous undercurrents, rocks and other unseen obstacles still pose a threat.

DRI to examine Swan Lake water and sources

By [Terri Russell](#) |

Posted: Mon 6:13 PM, Jul 16, 2018 |

Updated: Tue 8:08 AM, Jul 17, 2018



RENO, Nev. (KOLO) - By now the pictures of Swan Lake have become all too familiar, especially for the residents who live there.

While water levels have gone down considerably since the flood of 2017, the water is still here, as are the Hesco Walls to protect Lemmon Drive and several homes--all of which have been damaged.

"We'd like to get a complete understanding of all the water that is coming into the lake," says Denise Ross, a Lemmon Valley resident.

[Click here for earlier stories about Lemmon Valley's Swan Lake.](#)

A new research project may get to the truth as to what are the contributing hydrogeology factors that have led to the creation of Swan Lake, as well as how long it will take for evaporation to turn the body of water back into a dry lake bed.

"That's a very slow process," says Dr. Greg Pohll with the Desert Research Institute.

Pohll and his team are working with the Army Corps of Engineers Engineering and Research Development Center to take a look at Swan Lake.

For the next year or more, DRI will be examining the sources of water for Swan Lake and what they mean to the total makeup of the water here.

"Not only do you have spring runoff but you can have precipitation events that cause run off. And secondly you can have infiltration into the ground, then that ground water can move and discharge into Swan Lake," says Dr. Pohll

Dr. Pohl says the research will also focus on the evaporation of the lake and how quickly that impacts the lake levels.

All this information will be handed over to local emergency managers so they can predict the next flood event at Swan Lake.

Researchers say they will begin their projects in mid-July, and they hope to have a modeling tool for emergency managers by September 2019.

Scuba divers to install barriers in South Lake Tahoe to improve water clarity

by Karsen Buschjost
Wednesday, August 15th 2018

Scuba divers to install barriers in South Lake Tahoe to improve water clarity (Photo courtesy: Tahoe Fund)

[Link to video](#)

SOUTH LAKE TAHOE, Calif. (News 4 & Fox 11) — The clarity of Lake Tahoe in 2017 is the [lowest on record](#), according to data released by the Tahoe Environmental Research Center at the University of California, Davis.

In an effort to improve the water clarity -- scuba divers will be installing "bottom barriers" in South Lake Tahoe on Wednesday, August 15.

The barriers are essentially giant mats that cover invasive plant species like pondweed and Eurasian Watermilfoil, and kill them due to lack of sunlight.

Tahoe Conservation District is hosting the dive as hundreds of feet will be installed.

Last year, Tahoe Fund and TWSA raised over \$52,000 to help purchase 1.6 acres of barriers to complete the maximum installation of five acres per permit.

A future method that could be used to remove more Tahoe invasive plants is a system called the "[UV Light Pilot Control Project](#)."

The UV light could be effective in killing weeds more efficiently. The project is expected to be completed by December of 2018.

Feds to TMWA: Examine Ways to Improve Future Water Storage

August 16, 2018 Carla O'Day



The equivalent of four additional Stampede Reservoirs would be needed to achieve future baseline level water shortages, and any new water storage projects should be considered, according to a report presented Wednesday to the Truckee Meadows Water Authority (TMWA).

Additionally, the report said Lake Tahoe is sensitive to increases in evaporation at more than 3 feet annually and irrigation demands will increase as temperatures rise.

Results of a recent federal Bureau of Reclamation Truckee Basin Study were brought to the TMWA board. TMWA, Tahoe Regional Planning Agency, Truckee River Flood Management Authority, and Placer County Water Agency were partners in the study with the bureau, an arm of the Interior Department.

“We wanted to look at what’s happening to the snowpack, what’s happening to the runoff, and how reservoirs are filled,” said Arlan Nickel, Reclamation Bureau senior project manager and landscape architect. “What’s happening to groundwater charge, recharge, and discharge? Also, we wanted to look at what’s happening to water supplies under increasing temperatures.”

Historically, basin reservoirs have refilled in April and have begun drawdown in late summer. But peak runoff could eventually begin as early as February by the year 2100, Nickel said. If the snowpack is lighter and not available to refill reservoirs, declines gradually occur in reservoirs from one year to the next if average precipitation isn’t constant.

“Does that mean we’re going to potentially have to rethink how and where we store water? In other words, instead of storing it on the surface and trying to push it down into the aquifers?” TMWA Chairman Vaughn Hartung asked Nickel.



Lahontan Reservoir. Image: Bob Conrad, Nevada State Parks.

RELATED:

Water Authority Hosts Free Irrigation and Tree Workshops

“Yes,” Nikel said. “All forms of storage are needed to be considered moving forward under future conditions.”

Among suggestions offered by the Reclamation Bureau study:

- Allow Truckee-Carson Irrigation District carryover storage in the Truckee River reservoirs and remove storage limits
- Change balance of credit storage available to users at Truckee River reservoirs
- Modify flood control curves to adapt to climate and modify operating and criteria procedures at Lahontan Dam to improve success of refill
- Consolidate agricultural water rights, convert to low water-use crops
- Revise flow targets to correspond with peak flows under climate change
- Augment the Truckee Canal capacity
- Capture spills from Donner, Prosser Creek, Martis Creek, and Boca reservoirs
- Expand Truckee River Operating Agreement water supply operations model into California

TMWA executive director Mark Foree said it’s been a long time since the utility has looked for additional storage sites but it plans to begin searching for them as it looks to the future. Obstacles to some suggestions include land and permitting costs, he said.

TMWA is also in the process of updating its water resource plan.



About Carla O'Day [391 Articles](#)

Carla has an undergraduate degree in journalism and more than 10 years experience as a daily newspaper reporter. She grew up in Jacksonville, Fla., moved to the Reno area in 2002 and wrote for the Reno Gazette-Journal for 8 years, covering a variety of topics. Prior to that, she covered local government in Fort Pierce, Fla.

VCH "Town Hall" Learns About TRIC Pipeline Proposal

Editor August 11, 2017 News 4 Comments 101 Views



Jay Carmona Leads the Meeting

Virginia City Highlands resident Jay Carmona organized a meeting at the Firehouse to learn more about the TRIC Pipeline Proposal that will use county tax revenue to repay over 29 years. The Governors Office of Economic Development is working with Storey County Commissioners, TRIC landowners and TRIC itself to take advantage of funds originally set aside for a now defunct Southern Nevada Business Development Center put in place by SB1 during a special Legislative Session in 2015.



Austin was not wearing any hats during the presentation.

County Planning Director Austin "I wear lots of hats" Osborne presented information to a full house of concerned Storey County Residents. His presentation described the process, the players and the repayment plan. His presentation included analogies with Coffee Cups, maps and a well delivered description of the process and the funding. Like any infrastructure deal, there are a myriad of details. This deal is particularly intricate as it involves two counties, 5 agencies and 70 separate entities not to mention scads of easements over the 13 miles of pipeline.

Jack McGuffey, Storey County Commissioner representing the Highlands, was seated in the front row and heard first hand the concerns of his constituents. After a 30 minute presentation by Mr. Osborne, the community asked a full hours worth of questions.

Included in any infrastructure deal is the detail of how to pay for it. Based on the tone of the questions asked, this was why the folks showed up. Questions for Mr. Osborne were all over the map and they focused on who would own the pipeline once completed (not us) and how the pipeline proposal would be paid for (by us).

The biggest takeaway from this meeting should be:

- The pipeline will directly benefit TRIC and Center occupants with industrial water they will use to build and grow their businesses with.
- The pipeline will be paid for with Storey County Taxes dollars, not with money from TRIC or businesses who are claimed to be "on the hook" for these payments by Commissioner Gilman's Spokesman Kris Thompson.
- TRIC and the General Improvement District they operate will sell the water, presumably for a profit.
- If the businesses and TRIC paid for the pipeline themselves, Storey would enjoy 100% of the tax revenue.

The most significant thing we learned was the fact that, according to Mr. Osborne's estimate, the county receives \$3.5 Million Dollars from TRIC. This pipeline will cost the county 1.05 Million provided there are no cost overruns. Therefore, once completed, our net take from TRIC will go from \$3.5 Million Dollars to \$2.45 Million Dollars.

- Current Tax Revenue: \$3.5 Million
- Payment for pipeline: \$1.05 Million
- Our new Net Net: \$2.45 Million

While our tax revenue may go up next year, they may also go down. Either way we lose on this deal no matter how hard it is spun, packaged or bowtied.

The questions asked by the residents of Storey County left no question as to the sentiment of those in attendance felt. A petition sheet was passed around and not one signature of support was collected. Yet with everyone in attendance opposed, I will not be surprised when the two Commissioners vote to approve this swindle next Tuesday.

The Audio of the Meeting is over an hour long. If you are remotely interested in what the county is proposing and would like to hear how your neighbors feel about it, you really should listen.

Audio Player

<http://thestoreyteller.online/wp-content/uploads/2017/08/AUG-10-2017-SB1-VCH.mp3>

00:00

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01:18:50

Use Up/Down Arrow keys to increase or decrease volume.

However you feel about this deal, let your commissioners know. If you can show up to the next meeting on August 15th, meet us there. If you can't, call the people listed below and tell them how you feel. Fill up their voicemail box.

Don't Be Invisible!

Pat Whitten – County Manager

- pwhitten@storeycounty.org
- 775-847-0968

Austin Osborne – Assistant County Manager, Human Resources Manager, Planning Director and whatever else Pat has him doing. Austin has the most hats of any working person in Storey County.

- aosborne@storeycounty.org
- 775-847-0968

Marshall McBride – County Commissioner

- mmcbride@storeycounty.org
- 775-847-0968

Lance Gilman – Brothel Owner, TRIC executive and County Commissioner

- lgilman@storeycounty.org
- 775-847-0968

Jack McGuffey

- jmcguffey@storeycounty.org
- 775-847-0968

Storey County Commissioners Approve Moving Forward On TRIC Pipeline Proposal

Editor 2 weeks ago News 16 Comments 526 Views

- Storey County Commissioners Approve The TRIC Pipeline Proposal to Move Forward
- Fulcrum Bio-Energies financing bonds also approved providing an interesting contrast to the TRIC pipeline proposal
- Details Of The TRIC Proposal are nearly identical to the old deal that was nixed by the State of Nevada; only semantics seem to separate the two proposals
- Storey County Taxpayers will again be forced to pay for the TRIC pipeline should it pass in its current configuration
- Long Sales Pitch, Short On Substance
- TRIC-GID – What’s the deal?
- Deafening silence from one significant member of the audience

Storey County Commissioners Approve Moving Forward On TRIC Pipeline Proposal

At the August 7th County Commissioner Meeting, The County Commissioners voted to take the first step in approving the Effluent Pipeline, The Teller has written extensively about the pipeline project here and here and here and here.

The new proposal breaks down like this:

- The proposed pipeline will be part of an expansion of the TRIC-GID which includes:
 - The effluent pipeline
 - A new treatment center
 - A delivery system that will distribute the treated water to TRIC-GID clients
- Bonds will be issued to Storey County and then transferred/sold to the State of Nevada to finance the pipeline
- A Special Assessment District (SAD) will be created to collect money from the Developers to make the bond payments to the State of Nevada.
- **A Tax Increment Area (TIA) will be created to reimburse the Developers for the money they spent to make the bond payments from future tax revenues.**
- **All infrastructure will be given to the TRIC-GID once operational for them to operate and maintain.**

For those of you who haven't read the articles connected to the above links, this project will build a pipeline transporting 1.3 million gallons of effluent from TMWRF's Sparks facility to a processing facility at TRIC. This water will be used by businesses as they expand their facilities within the SAD and TIA.

But First A Word From The Other Bond Deal Passed At The Meeting

Before I get into the granular and (mostly) boring details of the pipeline proposal it is important to look at the other bond deal passed at the meeting. Before the discussion on the pipeline deal got underway Pat Whitten scolded the public for being tempted to use the term **Corporate Welfare** and asked us to refer to the proposal instead as a **Public-Private Partnership**.

He then asked all the players in the pipeline proposal to stand up. People from Switch, Tesla, Reno Properties, Blockchains, and other companies recognized as titans of Storey County Industry. In doing so he seemed to somehow bestow upon them mythical and magical status from the top of Sun Mountain. Wonderful people. Really, just wonderful, great people representing wonderful companies. Great, great companies. Just Great.

Remaining seated was the representative from **Fulcrum Bio-Energies**. When the agenda moved to Fulcrum she was not asked to rise. But she should have been.

Fulcrum's \$ 40 million bond deal was on the agenda because Storey County is required to sign off on the deal itself. By doing so, the County indicates that the bonds and the company seeking them are legit and not a group of Nigerian Princes trying to scam the bond issuers. With a perfunctory gesture, the deal was done; the commissioners approved the matter and the meeting recessed for a break to let the crowd who "may be timid and not want to approach the podium" to talk to the great and wonderful people representing the great and wonderful companies.

Fulcrum Bio-Energies is a small, privately held company. While I can only imagine they will be getting some taxpayer love because of the "greenness" of their business model, they aren't asking Storey County Taxpayers to pay for their infrastructure improvements directly.

During public comment I made a brief statement about the contrast of the two deals; Fulcrum Bio-Energies was raising the money and expecting to pay it back without the benefit of **Corporate Welfare**, I mean, a **Public Private Partnership**.



Back To The Pipeline Proposal

Under the current plan, Telsa, Switch, Google and others (The Developers), will pay for the treatment center and the delivery system directly out of their own pockets without asking for taxpayer involvement. They are asking Storey County Officials to borrow money by issuing bonds that will later be sold/transferred to the State of Nevada. Storey County will then create the SAD from an area at TRIC that currently contains barren unimproved land owned by the Developers. The Developers within this SAD will be expected to make the payments on the bonds from this Special Assesment. The bond terms will be somewhere between 20 and 30 years and will require roughly \$3 million dollars a year in debt service.

Once the bonds are acquired and the pipeline is built, the pipeline along with the processing facility and the delivery system will become the property of the TRIC-GID.

Next, the county will create a TIA. First, the County will analyze the current taxes generated by the land within the TIA. This baseline should be very small as the land is unimproved and zoned agricultural thus generating very little in tax revenue. Once this baseline is established, it will be the measure to calculate the reimbursement of the developers for the money they spent on the bond debt service.

As the properties are improved; building built and filled with servers or manufacturing or whatever, the TIA will siphon all funds above the established baseline to repay the Developers for the money they paid on the bonds inside the SAD.

I asked on the record that if these funds were not otherwise diverted, they would be used just like all other tax revenue. Reluctantly, everyone agreed that the diverted funds would have been used by the State and County as they saw fit.

They agreed that, just like the old deal, tax dollars that would otherwise be used to provide services to the taxpayers of Nevada and Storey County will instead be given to some of the Country's wealthiest companies.

Long on Flash, Short on Substance

The presentation was much like the last one with well-paid pitchmen leading the charge. Jeremy Aguero of **Applied Analysis** (the guys spending \$ **750 million dollars of public money** to finance the Raiders Stadium) was back in full pitch mode. However, there was very little actual substance. How much per year are the payments> I had to make a phone call after the meeting to get you the information in the article because it was not to be found in the presentation. Other information missing or obscured include how they came up with the figure of \$ 35 million and what protection we have against is becoming \$50 or \$75 million, what the exact terms of the bonds are (20, 25 and 30 years were all listed) and so on. I guess it's like Nancy Pelosi said, "We have to pass it to know what's in it". Luckily the Commissioners did just that.

What's The Dang Deal With The TRIC-GID?

During my public comment, what began as a well-planned set of questions about the proposal went sideways when I started talking about the TRIC-GID. I was trying to clarify the troubling picture of the TRIC-GID my research has uncovered. Sadly, I didn't succeed.

In fact, I went so far into the topic that Commissioner McBride reminded me that the agenda item was not about the TRIC-GID and suggested I was grandstanding by not making my point quickly and clearly. For that, I apologize to Commissioner McBride and the audience.

I'll save my findings with the TRIC-GID for another article.

The Heard and The Unheard; Public Comment

A parade of glad-handers from the "**private partners**" thanked the County for committing taxpayer dollars to fund their pipeline project.

Nicole Barde read a brief yet powerful statement into the record about the fact that (as usual) the residents whose tax dollars are being used to reimburse the wealthy companies were not in the conversation. Like the TRIC-GID, I will address her comments in a forthcoming article.

Carson City Resident, Comstock Mining Executive, and Storey County Taxpayer Scott Jolcover came to the podium and declared his support for the proposal, calling it "good business".

Jay Carmona attended the meeting but chose not to share his thoughts on the pipeline proposal with the Commissioners or the audience. I reached out to Mr. Carmona via email after the meeting requesting his perspective and he replied with "**no comment**".

Listen to the audio of it all here:

Audio Player

<http://thestoreyteller.online/wp-content/uploads/2018/08/Pipeline-Audio.m4a>

00:00

01:12:21

Use Up/Down Arrow keys to increase or decrease volume.

The Packet material can be found here:

Page 1 / 9

Zoom 100%

State rejects pumping rural water to Vegas

Benjamin Spillman

Reno Gazette Journal USA TODAY NETWORK

The Nevada Division of Water Resources on Friday denied water rights applications that the Southern Nevada Water Authority needs to support a pipeline that would move rural groundwater to Las Vegas.

The ruling denies previously approved applications from the Southern Nevada Water Authority to pump groundwater from four rural valleys in the eastern part of the state. The water, enough to supply about 150,000 homes for decades, would supplement Southern Nevada's existing supply which comes almost exclusively from the Colorado River, which in recent years has failed to deliver enough water to adequately replenish Lake Mead. Opponents of the pipeline plan call it a waste of ratepayer resources and a threat to the environment and economy of rural Nevada.

The pumping, they say, would harm plants and wildlife and imperil ranchers and others who depend on groundwater to wet meadows, sustain trees and springs and slake the thirst of cattle. Opponents include environmental groups, ranchers and even the Mormon Church, which operates a ranch in one of the targeted areas.

"With the denial of these applications by the State Engineer, this ill-conceived multi-billion-dollar boondoggle is now dead in the water," said Abigail Johnson of the Great Basin Water Network in a written statement. "After a string of court victories, we have a decision showing that the water is not available for this project without hurting the area's existing water rights and environment."

Although opponents of the pipeline plan celebrated, the effort to ship water from rural valleys to thirsty Las Vegas will likely continue.

The ruling is just one step in a complicated legal process that involves state courts, local, state and tribal governments and Nevada's evolving water law.

The department had previously approved the applications in 2007, 2009 and 2012. In 2013, Nevada's Seventh District Judicial Court issued a remand order that directed the department to address issues with the previous approvals.

"Today's ruling by the Office of the Nevada State Engineer demonstrates the difficulty it faced applying State Water Law while also complying with the court's contradictory remand order," SNWA spokesman Bronson Mack said. "The ruling serves as a prerequisite for the State Engineer to challenge aspects of the remand order and we look forward to these issues being resolved as the legal process moves forward in the District Court and the Nevada Supreme Court."

Mack added that the ruling states there is water available but that the state engineer is prevented from appropriating it because of the remand order.

The key findings of the order issued Friday include: SNWA applications for water in Spring, Cave, Dry Lake and Delamar valleys are denied, including some in Spring Valley because they would threaten Swamp Cedar areas of critical environmental concern.

The State Engineer determined that SNWA's plans to monitor, manage and mitigate water withdrawals were adequate, a finding Great Basin Water Network disputes. The state engineer determined SNWA satisfied the court order to include Utah's Millard and Juab counties in the process.

"As the driest state in the nation, protecting Nevada's limited water resources for the benefit of all Nevadans is the foremost responsibility of our State Engineer and the Nevada Division of Water Resources," said Bradley Crowell, director of the Nevada Department of Conservation and Natural Resources.

State Engineer Jason King also commented in writing on the decision. "In an effort to protect the integrity of Nevada's water laws, the NDWR intends to appeal sections of the mandated instructions that threaten to upend the historical application of Nevada water law and water rights," King wrote.



Stephen Wolgast, candidate for district 2.

One fact that came out of the recent Truckee Meadows Regional Planning Authority board meeting was that there is capacity to build 90,000 du that are compliant with the various master plans. Why should we ever accept development plans that require special exceptions?

Having such an excess of approved development makes no sense unless you believe the casual conversations that raise the possibility of 680,000, one million, or even two million population levels in the Truckee Meadows. If you live here, you probably didn't want to live in Vegas, or Phoenix, or Anaheim with subdivisions and strip malls to the horizon. The excess development makes sense if this is our intended destiny. It's scary.

Steve Wolgast is a candidate for the Washoe County Commission, District 2.

Red algae bloom in Swan Lake has residents concerned

By [Terri Russell](#) |

Posted: Tue 5:55 PM, Aug 21, 2018 |

Updated: Wed 9:19 AM, Aug 22, 2018



LEMMON VALLEY, Nev. (KOLO) - Pictures taken by Lemmon Valley residents show why they are concerned about the color of the water at Swan Lake.



[Link to video](#)

It's called red algae and happens when a common algae starts to bloom. It turns red or orange.

The bloom occurs when there is an overabundance of nutrients like agricultural run-off or even the fecal material from water fowl.

"It is a dry lake. They have made it into a wet lake. And they didn't even bother to create it so that it is safe," says Tammy Holt-Still, a Lemmon Valley resident.

After the flood of 2017, Swan Lake is an active body of water with plenty of water fowl and fish.

The record number of days in the triple digits has helped the algae prosper. It strangles the lake of oxygen, taking fish with it. Red algae can also be toxic to people and their pets who come in contact with the water. But it must be tested to see what the risk is.

Some of the bloom is located near the treatment plant. Human waste contains plenty of nitrogen and phosphorus which is why Holt-Still is anxious to hear what the actual cause is.

The county will begin testing Wednesday and results will be returned to the county in about two weeks.

A red algae bloom occurred last year at Swan Lake but it was not to this level.

Posted On : August 22, 2018 Published By : ann.castro



The global “**Smart Water Management market**” report is a meticulous study of the global Smart Water Management market portraying the state-of-the-art details in the market. It also predicts its growth in the next few years. The Smart Water Management report evaluates various aspects that determine the growth as well as the volume of the global Smart Water Management market. Additionally, it presents a determined business outlook of the market along with the summary of some of the leading market players. In this report, the global Smart Water Management is valued at USD XX million in 2017 and is expected to reach USD XX million by the end of 2023, growing at a CAGR of XX% between 2018 and 2023. The prominent players in the global Smart Water Management market are Sensus, Itron, Elster, Diehl Stiftung & Co. KG, Landis+Gyr, Roper Industries, Siemens, Kamstrup, Jiangxi Sanchuan, Suntront Tech Co., Ltd, Badger Meter Inc, Iskraemeco, Arad Group, Huizhong Instrumentation Co., Ltd, Zenner, Ningbo Water Meter.

Get Access to the FREE sample report:: www.99strategy.biz/request-for-sample.html?repid=25832

The global Smart Water Management report covers the product contributions, revenue segmentation, and business overview of the leading players in the Smart Water Management market. It utilizes the latest developments in the global Smart Water Management market to assess the market share of the prominent market players in the upcoming period. The report highlights the limitations and strong points of the well-known players through SWOT analysis. It also assesses their growth in the market. Additionally, the global Smart Water Management market report covers the major product categories and segments AMR Meters, AMI Meters along with their sub-segments Residential Use, Commercial Use, Industrial Use in detail.

The assessment is estimated with the help of in-depth market research. It also highlights the impact of Porter’ s Five Forces on the market expansion. The Smart Water Management market study analyzes the global Smart Water Management market in terms of size [k MT] and revenue [USD Million]. Further, the report analyzes the global Smart Water Management market based on the product type and customer segments. It also calculates the growth of each segment in the Smart Water Management market over the predicted time.

Read Detailed Index of full Research Study at:: www.99strategy.biz/global-smart-water-management-market-report-2018-2025.html

The global Smart Water Management research report presents data collected from various regulatory organizations to assess the growth of every segment. In addition, the study also assesses the global Smart Water Management market on the basis of the geography. It analyzes the macro- and microeconomic factors influencing the market growth in each region. The global Smart Water Management market is further bifurcated on the basis of the regions Latin America, Asia Pacific, North America, Europe, and Middle East & Africa too.

There are 15 Chapters to display the Global Smart Water Management market

Chapter 1, Definition, Specifications and Classification of Smart Water Management , Applications of Smart Water Management , Market Segment by Regions;

Chapter 2, Manufacturing Cost Structure, Raw Material and Suppliers, Manufacturing Process, Industry Chain Structure;

Chapter 3, Technical Data and Manufacturing Plants Analysis of Smart Water Management , Capacity and Commercial Production Date, Manufacturing Plants Distribution, R&D Status and Technology Source, Raw Materials Sources Analysis;

Chapter 4, Overall Market Analysis, Capacity Analysis (Company Segment), Sales Analysis (Company Segment), Sales Price Analysis (Company Segment);

Chapter 5 and 6, Regional Market Analysis that includes United States, China, Europe, Japan, Korea & Taiwan, Smart Water Management Segment Market Analysis (by Type);

Chapter 7 and 8, The Smart Water Management Segment Market Analysis (by Application) Major Manufacturers Analysis of Smart Water Management ;

Chapter 9, Market Trend Analysis, Regional Market Trend, Market Trend by Product Type AMR Meters, AMI Meters, Market Trend by Application Residential Use, Commercial Use, Industrial Use;

Chapter 10, Regional Marketing Type Analysis, International Trade Type Analysis, Supply Chain Analysis;

Chapter 11, The Consumers Analysis of Global Smart Water Management ;

Chapter 12, Smart Water Management Research Findings and Conclusion, Appendix, methodology and data source;

Chapter 13, 14 and 15, Smart Water Management sales channel, distributors, traders, dealers, Research Findings and Conclusion, appendix and data source.

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Reasons for Buying Smart Water Management market

This report provides pin-point analysis for changing competitive dynamics. It provides a forward looking perspective on different factors driving or restraining market growth. It provides a six-year forecast assessed on the basis of how the market is predicted to grow. It helps in understanding the key product segments and their future. It provides pin point analysis of changing competition dynamics and keeps you ahead of competitors. It helps in making informed business decisions by having complete insights of market and by making in-depth analysis of market segments

More reservoirs won't solve the fight against wildfires



Your Turn
Michael Collins
Guest columnist

I read with great interest Sam Kumar's column on the recent California wildfires ("California wildfire prevention needs rational solutions," Aug. 19). I agree on two points: The wildfires this season are substantially worse than normal, and the drought is to blame.

We need to do better than this explanation, because the drought is getting worse. Why did the National Oceanic and Atmospheric Administration find nine of 20 years in the western U.S. from 1996 to 2016 to be in severe or extreme drought? The same index showed just four severe or extreme drought years in the prior 100 years. Nevada is not experiencing a couple years of drought, but

instead two decades of almost continuous drought at some level.

The best explanations for these drought conditions are high air temperatures and a frequent Pacific Ocean pattern: the "ridiculously resilient ridge" of high pressure off of the West Coast. A study published in 2016 by climate scientists links local air temperature and the ridge to the recent drought conditions, and both factors are becoming more common over time.

In 2014 and 2015, a very large and unusual "blob" of warm water near the Canadian and Alaskan coasts was identified, and NASA indicates that it could be the cause of the most recent and most extreme years of high pressure and drought experienced throughout the West. Climate change works by many complex mechanisms, but rising ocean and air temperatures underlie much of

the "weird weather" that is now degrading forest health and increasing fire risk.

We have a lot more to learn about how natural systems function. Regardless, the observed patterns of the last 120 years show that warming environments are correlated (and sometimes through a known cause) with drought conditions. There isn't much mystery about the source of this drought.

What is the largest reservoir in California? Wikipedia tells me that Shasta Lake gets the credit, but this is only half true. The best place to store water is in the Sierra Nevada snowpack, which is estimated to hold about 40 percent of all stored water in the state when combining built reservoirs and snowpack sources. Snowmelt water allows cities and farms to use the water slowly over the course of the summer without overloading built reservoirs.

If man-made global warming continues, we will receive less snow and more rain — if we receive rain. California and Nevada would lose the greatest single source of water storage we ever had, one that never asked for a dime of our tax money. Many agricultural communities in eastern Nevada have suffered when reduced snowpack caused economic and social conflict. Nevada has more mountain ranges than any other state, so the risks for Nevadans extend across the state, well beyond the eastern Sierra watersheds. You don't know what you have until it's gone.

Global warming patterns provide the simplest explanation for increasing droughts and extreme wildfires. If you can't take the heat, help us create the political will for a livable world.

Collins is the Nevada state coordinator for Citizens Climate Lobby.

Take Part in Truckee River Day

By

TRAC Syracuse University

-

August 28, 2018, 08:25:52 AM



At Truckee River Day 2017, volunteers helped protect aspen trees from beaver damage.

Photo b Todd Rawlinson.

Truckee, Calif. August 28, 2018 – Calling on all nature-lovers to join us for Truckee River Day and River Fair on Sunday, October 14th! Put on some sturdy boots, dig out your work gloves, and grab some friends. Together we will work to restore the Truckee River, along with its creeks and meadows.

For over 20 years, hundreds of Truckee River Day volunteers have been transforming the health and resiliency of some 200 sites. Places like the Middle Martis Wetland, Perazzo Meadows, and Coldstream Canyon are now vibrant with native birds, wildflowers, and clean water. Year by year, project by project, the Truckee River Watershed Council spearheads these efforts to restore, protect and enhance precious parts of our watershed that sustain the Truckee River.

From the earliest days of western expansion, our area has been affected by poorly constructed roads, historic logging, grazing and mining, and other legacy impacts. Now 150 years later, severe erosion is polluting our waterways with excess sediment, native species are struggling, and habitat is degraded.

But here's the good news – people like you are working to restore years of damage.

Once complete, this year's Truckee River Day will:

- Restore meadow and riparian wetland
- Re-introduce native vegetation
- Provide habitat for native wildlife
- Reduce erosion to improve water quality
- Improve trails for hikers and bicyclists

To participate in this year's restoration projects, please visit www.truckeeriverwc.org.

The deadline for registration is Wednesday, October 10th.



Volunteers planted native vegetation along the Little Truckee River at Truckee River Day 2011.

Photo by Cath Howard.

Volunteers have their choice of half or full day restoration projects with different levels of difficulty. Projects will include restoration along the Alder Creek portion of the Emigrant Trail, willow planting at Truckee Meadows, and tree planting near Sagehen Field Station. Projects start at 9am or 11 am and finish by 2:30pm.

The River Fair will be from 1 pm to 4pm at Granite Flat Campground, with a native Lahontan Cutthroat Trout release at 3pm. The fair features fun environmental educational activities for kids and adults. This community event is presented in partnership with Sierra Watershed Education Partnerships. Food will be provided free of charge by Northstar California. Everyone is invited to the fair – even if you’re not involved in the restoration projects.

The Watershed Council leads this important effort in partnership with the US Forest Service, Truckee Donner Land Trust, Truckee Trails Foundation, Sugar Pine Foundation, Truckee Tahoe Airport District, and others.

Thank you to this year’s funders, including donors to the Truckee River Watershed Council, Northstar California, Tahoe Truckee Community Foundation, Town of Truckee, Truckee Chamber of Commerce, Truckee Tahoe Airport District, and Vail EpicPromise.

To take part be sure to register at www.truckeeriverwc.org. Or contact Michele Prestowitz at mprestowitz@truckeeriverwc.org to find out more.

Either way, you’ll feel empowered knowing you took part!

Smart Water: Shaping Sustainable Cities Of The Future

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SMART WATER

AUGUST 28, 2018

[RENATO DE CASTRO](#)

[SUSHIL PANDEY](#)



More people live in the cities today than at any point in human history. Urbanization of the global population appears set to continue, with two-thirds of the world population expected to live in these cities by 2050. As a result, cities will face many challenges in meeting the needs of their growing urban population demand. However, these challenges bring along a significant opportunity to improve the lives of billions of people. To mitigate these challenges, smart metering solutions will play a crucial role in ensuring that energy, water and heating don't enter into a state of perennial utility shortage.

The global smart meters market will grow from USD 12.79 Billion in 2017 to USD 19.98 Billion in 2022 and expected to grow at a CAGR of 9.34 percent. The global market is witnessing significant growth, which is driven by government policies, energy conservation, increasing smart grid deployment and utilities urging to enhance distribution efficiency. This market is extending its reach as projects in emerging markets begin to gain traction. Meanwhile, developed markets remain active.

- Estimates indicate that the global installed base of smart meters will increase to 930 million by 2020, with 400 million units expected to be installed in the Asia region alone. The smart metering systems market from smart electric meters is anticipated to witness significant gain as well due to its high penetration and low price. Water is scarce in most parts of the world, leading to an increase in its prices, compelling consumers to conserve water and cut unnecessary usage.
- The smart metering market share from smart gas meters is predicted to witness growth over 10 percent by 2024 owing to low penetration subject to high prices of products with longer technology.
- Residential and commercial sectors are dominant in this area and share 86 percent and 9 percent respectively which would be contributing together \$19 Billion by 2020.

The future technology adaptation areas in utilities will be around the use of social media and mobile solutions, including mobile payments, big data analytics, digital marketing, internet of things and smart meter Implementation (SMI). Smart metering has become the core of the utility business and meter data is the source for all measurements and analytics. These developments are the enablers of digital transformation for utilities. Massive IoT installations in the cities powered by 5G will drive data to new capabilities in near future.

IoT solutions enable real-time analysis of data and peer-to-peer communication among IoT devices at the edge of the network. Short-range wireless communications Zigbee, Bluetooth, BLE and LoRa are used to send data from sensor node to controller whereas long-range communication standards such as sigfox, GPRS, 3G, 4G, NB-IoT, LTE-M, and Wi-Fi are used to exchange data between the controller and centralized data storage. For example, water harvesting and groundwater monitoring applications will rely on the support from Fog/Cloud computing infrastructure, such as wireless sensors, smart meters, GPS devices, Fog gateways, Cloud platforms, IPv6 technology and cellular communications.

Edge computing delivers tangible value in both consumer and industrial IoT use cases. It can help reduce connectivity costs by sending only the information that brings value instead of raw streams of sensor data, which is particularly beneficial for optimizing the usage of available bandwidth of devices that connect via cellular networks, such as smart meters or asset trackers.

Case study: “Made in India”

NRS Chariot Tech Pvt Ltd (Chariot): helps utility companies to manage their non-revenue water and daily consumption pattern through analytics (AI &ML) platform

Cities are increasingly facing acute water crises in terms of the imbalance between supply and demand. The demand for urban water supply and allied services is increasing rapidly.

There are possible solutions to curb the leakage using new IoT technologies. Sensors can be placed into the pipeline which will efficiently detect the leakage faster and save the manual cost and NRW (Non-revenue water), which is the biggest chunk of loss (40 percent) in the cities.

New startup players are emerging to offer creative solutions to curb water waste, provide real-time analytics using innovative IoT technologies and aim to save 70 percent of non-revenue water that a city loses every month.

Chariot, a Delhi based Indian startup, helps utility companies manage their non-revenue water and daily consumption pattern through analytics platform. It also helps the end user manage the daily consumption of water along with leakage detection and bill payments.

Their product “Varune,” a smart water management solution, comes with a metering device based on a new data communication technology, LoRaWAN.

Varune helps utility companies to manage their non-revenue water and real-time daily consumption pattern through an analytics platform while allowing the end users to manage their daily consumption along with leakage detection, bill payments and self-monitoring. Meters were deployed on Chariot's IoT platform at IoT India Congress and became the very first ultrasonic LoRa based meters to send data over SenRa network.

India’s Smart City plan is part of a larger agenda of creating Industrial Corridors between India’s big metropolitan cities. It is hoped that many industrial and commercial centres will be recreated as “Smart Cities” along with these corridors. About 25–30 people migrate every minute to major Indian cities from rural areas in search of better livelihood and better lifestyles. With this momentum, about 843 million people are expected to live in urban areas by 2030. To accommodate this massive urbanization, India needs to find smarter ways to manage complexities, reduce expenses, increase efficiency and improve the quality of life.

Not only in India, but around the developing world, the water sector is chronically under-funded and inefficient. In this context, Public-private partnerships (PPPs) can be a mechanism (among others) to help governments fund much-needed investment and bring technology and efficiency that can improve performance and financial sustainability. Transferring traditional utilities to the private companies can potentially bring benefits in tackling challenges of increased demand of electricity, water, gas and heating in future sustainable cities. Specially, governments in developing countries turn to PPPs to introduce new technology and innovation where traditional sources are being scarce, such as in electricity, desalination and water reuse.

Sushil has 13 years of experience in the mobile industry. He is the founder of Advamya technologies Solutions Munich Germany. He is a technologist, entrepreneur who loves to translate customer's pain point into the value proposition. He is passionate about bringing new emerging technologies such as 5G, ML/DL, AI in different smart city segments to change citizen's quality of life.

Renato de Castro is the ambassador of Smart Cities at the TM Forum from London, a member of the board of directors at the NGO Leading Cities from Boston, and Volunteer Senior Adviser at International Telecommunications Union (ITU), the United Nations information and telecommunications agency. He has accumulated over two decades of experience as a global executive within Asia, the Americas and Europe.



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Cutting Out Early: Water Department Staff Caught Working Only Half-Days

Workers for the Division responsible for water meter box repairs worked 3.6-hours but were paid for a full eight hour day.

By [Tom Jones](#), [Dorian Hargrove](#) and [Bob Hansen](#)

Published at 11:05 AM PDT on Aug 30, 2018 | Updated at 11:31 PM PDT on Aug 30, 2018

Maintenance workers for San Diego's Public Utilities Department worked less than a half day of work but were paid for a full eight hours. The problem may have occurred for more than a year.

That discovery was made by San Diego's City Auditor and will be detailed in a report, set to be released Friday.

Staff for the Water Meter Box Repair and Replace Division worked an average of 3.6-hours a day during a full eight-hour shift, according to city's Deputy Chief Operating Officer Johnnie Perkins.

"I'm appalled," Perkins said during a Thursday news conference.

The announcement comes a day after NBC 7 Responds reported a backlog of 21,605 water meter boxes in San Diego that are in need of replacement or repair.

"We knew our recently initiated review of the water division's operations would uncover more issues of concern and we're committed to addressing them," said Katie Keach, the city's Director of Communications.

"We need to change the culture of the Public Utilities Department," said Perkins. "There seems to be a culture that not working a full day or not putting in the assignments, is acceptable."

Since January, NBC 7 Responds has found customers charged inaccurate water bills, problems with the way the city tested water meters and potential problems with the city's more than \$60-million AMI smart meter program.

To see a timeline of NBC 7 Responds' investigation into the Public Utilities Department, look below or [click here](#).

All of these reasons could be behind a sea change within the water department, including changes with upper management.

Effective Thursday, Public Utilities Department Director Vic Bianes [said](#) he was retiring from his post. Matt Vespi, the city's Department of Finance Assistant Director, will take over as interim director while the city conducts a nationwide search for Bianes' replacement.

Bianes' retirement comes months after another department head, Deputy Director Michael Vogl [announced](#) his retirement.



Public Utilities Department Director Vic Bianes announced he will retire, effective Thursday.

During most of Bianes' time as director, which began in November 2017, the Public Utilities Department has faced sharp criticism.

Shortly after taking over the department, emails show Bianes worked to limit oversight. NBC 7 Responds uncovered internal emails where Bianes told his staff to be "vague" about deadlines surrounding the department's more than \$60-million dollar effort to transition to smart water meters.

"No need to allow [the Independent Rates and Oversight Committee] to focus on giving us direction on how to improve," Bianes said.

To read those internal emails, [click here](#).

When water customers started to [raise concerns](#) of unusually high water bills last July, the department said the bills were accurate and blamed the charges on a list of reasons from water leaks to a newly implemented rate increase.

By February, [hundreds of water customers](#) came forward with inaccurate bills leading city councilmembers to call for multiple audits into the department.

By July, [a city audit found](#) more than 11,000 customer bills were corrected in 2017, 2,750 of those were corrected after customers had already received the bills. The Auditor found meter reader employees had learned ways to hide mistakes made out in the field.

In addition to employee work hour discrepancies, Perkins also noted the Water Meter Box Repair and Replace Division had inefficient routing and scheduling.

"We're not taking this lightly," added Perkins. "We're very frustrated."

Study: Truckee River Basin may need more water storage because of rising temperatures

(Daniel Rothberg/The Nevada Independent)

The situation on the Truckee River is similar to the one facing many water managers across the West. In recent years, warming temperatures and changes to precipitation have started to affect [the way snowpack falls](#), when it melts and how it runs off into a river system like the Truckee, the lifeblood for farmers and cities in an area that is arid and is expected to become more so. What climate change means for the Truckee River is a [subject of continuing research](#), but it's something that federal water managers have been trying to model for years. And it came back into the news in August when the Bureau of Reclamation, which built and controls many of the dams across the West, presented an update of its [Truckee Basin Study](#) to the board of the Truckee Meadows Water Authority (TMWA), the municipal water provider for the Reno area.

“Change in supplies is likely to happen because we are getting less snow and earlier runoff,” Arlan Nickel, basin study manager for the bureau’s Mid-Pacific region told the TMWA board. “Also we’re seeing changes in demand...with an earlier growing season... [And there are] potential changes in the ecosystem if we are managing endangered species in the Truckee River.”

None of this is new.

The study of the Truckee River, about 3,060 square miles of river starting at the northeast end of Lake Tahoe, was completed in 2015. Although much of the information in the study was old news, there was one number in the bureau’s August presentation that stuck out to board members.

In its presentation, the Bureau said that to adapt to the driest climates by the end of the century, there could be a need for as much as 800,000 acre-feet of new storage, an amount the bureau said was “equivalent to four Stampede Reservoirs.” One acre-foot is equivalent to the amount of water that can fill one acre of land (slightly more than a football field) with one foot of water. On a river system, stored water, often kept in a reservoir, can be used to supplement natural river flows for cities and agriculture during years of drought or higher demand for water.

Simply put, 800,000 acre-feet is an enormous amount of water for the relatively small Truckee River, yet the comparison to Stampede, a reservoir impounded outside of Truckee, California, had some asking about creating new large-scale reservoirs along the Truckee River with dams.

Building a new Stampede-scale reservoir would be a massive and controversial undertaking. Available land is a huge barrier; there are few unimpeded sites left for a dam to impound a reservoir that stored water for cities and farms. It would also be costly and likely have large environmental impacts.

Will four new Stampede Reservoirs be built? For now, the answer appears to be dam no!

Even the Bureau of Reclamation, criticized by some Westerners for its [reliance on existing dams](#) and its openness to new ones, brushed aside the idea of new large-scale Truckee projects.

“That’s probably not a very good alternative under future conditions,” Nickel said in an interview.

The Truckee reservoir system is already inefficient due to evaporation, he said. Of the roughly 600,000 acre-feet available for storage in Lake Tahoe each year, 400,000 acre-feet evaporates.

The fact is staggering and when Nickel repeated it to the board, the board’s chair spoke up.

“I want to be clear,” Vaughn Hartung, also a Washoe county commissioner, began, asking in apparent disbelief for Nickel to clarify the statistic. When he did, Hartung responded: “Wow.”

Nickel said water users should look at storage that is insulated from the effects of evaporation.

New dams might be out, but that doesn’t mean water users won’t develop more storage. The bureau’s climate numbers through the end of the century, under the driest conditions, call for a lot of it. As Reclamation [noted in its board update, presented on Aug. 15](#), there could be a need for storing up to 800,000 acre-feet, or about 10 times what TMWA’s customers use in a year.

It's important to note that the 800,000-acre feet forecast is for all users of the Truckee, not just TMWA. The water the bureau had identified in its basin study would be stored for municipal *and* agricultural users. But the conclusion remains the same: The bureau believes there is a need for more storage, from changing the way the dams operate to pumping water into the ground for future use.

In a series of sobering forecasts, Reclamation suggested that the storage would be necessary because of the way that human-caused climate change is affecting snowpack and streamflow. As temperatures continue to rise, scientists predict there could be less snow. Yet in many ways, [it's changes to how the snow falls and melts](#) that will pose the most significant challenges. Water managers tend to view snow as a natural storage bank. Water accumulates throughout the winter and is "stored" on the mountain top and then melts into rivers for the irrigation season in the spring. Under climate change, that dynamic is predicted to shift, as more precipitation falls as rain — where once it would have fallen as snow — and runoff occurs earlier in the season. If more snow melts in January, less water can be stored in the Truckee's reservoirs for when it's needed later in the year. Reservoirs must release water when they reach certain elevations to prevent flooding. That's one reason that Reclamation is calling for more storage on the river.

Another reason is how climate change might affect the end user. Changes in demand could place more strain on the river system, Reclamation suggested. Cities are expected to grow and need more water. With earlier runoff, there could be a longer growing season. A drier climate might also require more releases of stored water to bolster populations of endangered species.

One idea for creating new storage, Nickel said, is to update dams or change the requirements for when water is released from reservoirs to prevent flooding. The Army Corps of Engineers already uses formulas to determine the releases, and Nickel argued they could be updated.

“The Army Corps has been doing some of that but it’s very difficult to do,” Nickel told TMWA, noting that the public engineering branch errs on the side of the safest, conservative estimates.

There’s another possible storage project: putting water into aquifers.

Throughout the Southwest — in Southern Nevada and across the Colorado River Basin — this type of storage has been a popular choice for water users. The idea would be to capture excess water and store it as groundwater. In droughts, water users could build wells to pump it for use.

TMWA has done some small-scale groundwater storage projects but is exploring the option on a larger scale. As far as TMWA is concerned, officials with the municipal water provider argue that they are in good shape to meet the demands that would come with a prolonged drought.

John Enloe, the water authority’s director of natural resources planning and management, said the utility now has more flexibility to store water than it has had in the past. The [Truckee River Operating Agreement](#), which took 27 years to negotiate and ended nearly a century of litigation, allows TMWA to store more water in upstream reservoirs. In its [Water Resource Plan](#), TMWA says it has enough reserves to meet water demand in back-to-back, two-decade drought.

“We are really optimizing the use of the existing facilities — the reservoirs on the river system up there — within the constraints of satisfying all the water rights on the river,” Enloe said.

Still, the agency is exploring more storage options. One place it’s looking is Bedell Flat, about 15 miles as the crow flies from Lemmon Valley. Enloe said the agency could end up storing about 50,000 acre-feet of groundwater in places like Bedell Flat as an emergency supply. TMWA’s customers use about 80,000 acre-feet in a year, a small percentage of total Truckee River flows.

“We’re looking at the feasibility of storing water in areas like that,” Enloe said.

“If something happened where the river flows weren’t there for a period of time, we’d have another source of water that we could provide in the future.”

Be water smart, figure out how long and how often to irrigate your lawn

- Sep 2, 2018 Updated 12 hrs ago



We like green lawns in Utah and as the weather starts to warm up we need to start thinking about irrigating. Two frequent questions to consider are how often and how long do we run our irrigation systems to keep our grass green without wasting water? Here are some general guidelines to help you figure that out: How long?

As a rule of thumb, put down half an inch of water each time you irrigate. For the average soil that is enough to wet the root zone (the top foot or so of soil where most of the roots are) without wasting (soak depth will depend on your soil type).

How long do I have to run my sprinklers to get half an inch? That depends on the type of sprinkler heads you have. Rotor heads are ones that have one stream of water that moves back and forth. These types of heads put out water at a slower rate than spray heads. Spray heads are those that pop up and the water is sprayed in a fixed pattern of quarter, half or full circle shapes.

So how do I know how much my heads are putting out? On average it takes 10-15 minutes for spray heads to put out half an inch of water (average application rate is 1.5 gallons per minute per head) and 20-40 minutes for rotors (average application rate is .7-.8 gallons per minute per head). To find out exactly how much your individual system puts out do a catch cup test.

Follow this link to learn how to do this yourself from the Center for Water Efficient Landscaping: <http://www.cwel.usu.edu/watercheck>

Weber Basin offers a service where they will send a team of individuals to your home to do an audit on your system and help you figure out an individualized irrigation schedule for your yard. Call 801-771-1677 to schedule an appointment.

How often?

This question is almost as complicated as how long, it depends on your soil and what the weather is like.

How does soil factor into how often I water? It all depends on the surface area of your soils. That sounds complicated? Let us break it down. One particle of sand is about five hundred times larger than one particle of clay. This means that one cup of clay has much more surface area than once cup of sand. The more surface area a soil has the more water clings to it and it decreases drainage and increase water holding ability.

What does this mean for your watering schedule? If you have a clay soil you will need to water much less often than those that have sandy soils. Those that have soils somewhere in between will water somewhere in between.

The weather also plays a huge factor in how often we water. There is NO NEED water every day. Doing so encourages grass roots to remain shallow and encourages thatch. Both of which complicate irrigation and make lawn dry up when it's too hot. Try this instead:

Days Between Watering

Soil Type	May	June	July	August	September	October
Clay	6	4	3	3	6	10
Between	5	3	2	3	6	8
Sandy	4	2	2	2	5	7

Have a hard time getting out to the garage to adjust your timer every time it rains or the temperature changes? Consider purchasing a smart controller that will connect to local weather stations and adjust for changes in the weather for you.

Visit <http://weberbasin.com/index.php/rebates/rebates> for more information.

Keep an eye on your grass. These are simply guidelines that have been generalized. Your soil, irrigation system, and landscape are unique to you. If you follow these guidelines and your lawn has a hard time staying green, feel free to adjust your schedule. That being said, if you have been watering every day your roots are going to be shallow, it will take some time to train your lawn to grow deeper roots, a little bit of stress on your lawn will encourage deep roots. Try tapering off slowly. After a little while of watering as infrequently as possible your roots will be deep and your grass drought tolerant.

It's also a good idea to check your irrigation system regularly for breaks or turned heads. Sometimes the yellowing in our grass is because of inefficiencies in our system, not because we need to water more. If you do have one or two spots that don't seem to want to green up with the rest of the lawn consider watering these spots individually one or two more times a week with a hose rather than running your whole zone longer or more frequently.

Nevada will help Tesla and other tech firms finance pipeline

Benjamin Spillman, Reno Gazette Journal Published 6:09 p.m. PT Sept. 5, 2018

Take a tour of the evolving Tahoe Reno Industrial Center east of Reno. Jason Bean, RGJ

(Photo: Jason Bean/RGJ file)

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Nevada taxpayers will help technology giants such as Tesla and Google pay for a 13-mile pipeline that will carry water to an industrial park in Storey County.

The Legislature's 21-member Interim Finance Committee voted unanimously in favor of authorizing \$35 million in bonds to finance the project. Storey County would issue the bonds which would then be purchased by the state. Companies benefiting from the pipeline would repay the cost through a special assessment district.

In a second action with six dissenting votes, the committee authorized the creation of a special tax increment area that would redirect new tax money generated by developments in the area to reimburse businesses in the area for assessments they paid to fund the pipeline project.

"I am really struggling and continuing to struggle in asking the state to pay for it, so I will be opposing the motion," said Sen. Pete Goicoechea, R-Eureka, who voted against the reimbursement.

The proposal now goes to the Storey County Commission which would need to approve another ordinance to move the project along, said Paul Anderson, director of the Nevada Governor's Office of Economic Development.

Backers of the pipeline and reimbursement plan said the benefits of the project would far outweigh any costs.

More: [Industrial park that houses Tesla Gigafactory nearly sold out after Blockchains deal](#)

They said the pipeline will help the region stretch water resources further and boost economic development.

The pipeline would stretch 13 miles from Sparks to the Tahoe Regional Industrial Center, home to major developments from companies such as Tesla, Google and Switch, among others.

It would carry municipal wastewater from a treatment plant to the industrial park where private companies would, at their own cost, treat it further for use in industrial applications.

In addition to the \$35 million in bond funding through the state, the project will require an additional \$100 million or more in private funding to move, store, treat and distribute the water after it moves from the pipeline into the industrial park, according to a presentation from pipeline backers.

Effluent diverted to TRIC

Vaughn Hartung, a Washoe County commissioner and chairman of the Truckee Meadows Water Authority board of directors, said diverting wastewater to users instead of returning it to the Truckee River, the region's primary water source, is good for the river and the economy.

"The effluent management in the region is growing, we are moving it from a liability to an asset," Hartung said. "This is an absolute asset to our region."

The pipeline plan, if fully enacted, would divert as much as 1.3 billion gallons, or 4,000 acre-feet, of partially treated effluent away from the river and toward industrial users.

The diversion will reduce the levels of nitrates in the river which could benefit native fish near the Pyramid Lake Paiute Tribe's reservation and help the region stay within Clean Water Act limits on nitrates.

"This is a good investment for the state to participate in," said Sen. Ben Kieckhefer, R-Reno.

In order to maintain legally mandated flow rates in the Truckee River, the agreements behind the pipeline deal include provisions to use undeveloped water rights to replace the diverted effluent.

Those include an estimated 1,500 to 2,200 acre-feet of rights owned by the Nevada Department of Transportation and privately held rights to about 1,500 acre-feet of water the developers of the industrial park say they will leave in the river.

“They could divert that water out of the Truckee River, instead they are providing it out of the return flow,” said John Enloe, director of natural resources planning and management for TMWA. “So, they leave that water in the river and use the effluent instead.”

If the water rights described on paper don’t materialize as actual water flowing into the river, the quantity of effluent water diverted to the industrial park would be reduced.

“The Truckee River has been one of the most adjudicated rivers in the Western United States,” said former Southern Nevada Water Authority and Las Vegas Valley Water District General Manager Patricia Mulroy, a consultant on the pipeline project. “There will be a one-for-one replacement of actual freshwater in order to keep that river whole.”

Financing for the project will come from state-issued bonds that would be repaid through tax assessments imposed on the property owned by companies benefiting from the pipeline.

The assessments are structured to generate enough money to cover repayment plus financing charges and build a reserve fund.

If a company can’t or won’t pay the assessment, it would have its property foreclosed upon and sold to cover the amount owed. The buyer would then be responsible for payments.

More: [Conservation district acquires land on Upper Truckee River](#)

If foreclosure and reserve funds were unavailable to cover bond costs, taxpayers in Storey County could be on the hook. If the county’s general fund fell short, liability would shift to state taxpayers.

“Every one of those property owners is electing to say we are essentially willing to pay our portion of the pipeline project,” consultant Jeremy Aguero of Applied Analysis told the committee. “They each are individually responsible for their share of that project.”

Although the deal is structured to ensure assessments on the businesses cover front-end costs, taxpayers will be asked to carry some of the burden on the back end.

That’s because the committee’s second vote approved the special taxing area that repays the companies for their pipeline costs.

According to projections presented at the meeting, development in the special tax area will generate as much as \$1.3 billion in new tax revenue over its first 25 years. About \$61.4 million from the newly generated taxes could go toward reimbursing the companies.

Water rights deal criticized

The use of tax revenue to reimburse companies drew criticism.

“The taxpayers of Storey County are not excited or in agreement with using future tax revenue to reimburse billion-dollar global companies for an infrastructure that will do nothing but support their businesses,” said Sam Toll of Gold Hill during the public comment portion of the meeting.

Assemblywoman Teresa Benitez-Thompson, D-Reno, who voted against the reimbursement motion, also characterized the use of NDOT water rights to offset the loss of treated effluent from the river as a giveaway by the state.

“In a state where water is everything ... I have never heard of water just being given away,” Benitez-Thompson said. “We are essentially giving this water, we will not be getting any compensation for this water.”

Who's to blame for Swan Lake?



Your Turn
Jeanne Herman
Guest columnist

No self respecting swan wants to live on Swan Lake anymore, so they have flown away!

The residents of Lemmon Valley are not so fortunate, however, as hundreds of folks who have been affected by flooding do not have that option. Many of them have lived in their homes for their entire lives and everything they possess is on that property. There is no alternative for them, and we as the government are responsible for the state of Lemmon Valley due to a complete lack of and disregard of any trace of planning.

Government has the responsibility of protecting and serving the public. That is its purpose. That is what government employees and public servants are paid more than adequately to do. Recharging the ground with effluent perhaps was not a wise decision. Quite possibly it is not such a great idea to pump millions and millions of gallons of effluent from two sewer plants (which are at maximum capacity) into Swan

Lake, a closed basin with no outlet; there is no downstream from a closed basin except the yards and homes of the citizens of Lemmon Valley, which is still flooded almost two years after the storms and ensuing flood.

Yes, government is responsible. Runaway development is responsible. Every government entity had its share in the responsibility of this dismal failure to plan. The warning signs were evident, like flashing neon lights, but the government entities who were responsible (there's that word again) ignored the signs and pretended and professed the king was not naked and there was no problem. Assembly Bill 39, introduced in the 2017 Nevada Legislature, was a good example, which was a slap in the face to the voters in District 5.

As a commissioner, from the public podium, I called for a moratorium on building until a permanent solution was created for Lemmon Valley, until government did the responsible thing for the people. What has been happening in Washoe County, to the people of Lemmon Valley, is unconstitutional and in my opinion, criminal. We need to be responsible!

Jeanne Herman represents District 5 on the Washoe County Commission.

Abilene city manager says smart water meters won't raise water rates

[Brian Bethel](#), Abilene Reporter-News Published 4:19 p.m. CT Sept. 10, 2018 | Updated 5:56 p.m. CT Sept. 10, 2018



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(Photo: ReporterNews.com file photo)
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The city of Abilene will move one step closer to installing smart meters throughout the city's water system should the City Council vote Thursday to allow prior notice for a bond issue for the project.

The bonds would purchase and install Automated Meter Reading and Advanced Metering Infrastructure, aka "smart meters."

State law requires that the city publish a notice of intent to issue bonds at least 30 days prior to approval. Final approval of the bonds is scheduled for the Oct. 25 council meeting.

The council meets at 8:30 a.m. Thursday at City Hall, 555 Walnut St.

In December, the Texas Water Development Board approved \$18.37 million from the Clean Water State Revolving Fund for planning, design and construction of the water meter replacement project.

That should be sufficient to fund the project, without raising water rates, City Manager Robert Hanna said Monday morning.

The TWDB reported the city could save \$2.7 million over the life of the loan by using the fund.

"We're confident that we can get the water meters done for under that \$18 million number," Hanna said.

The city is currently in final negotiations with vendors, he said, estimating it will take 14 to 18 month timeline to get all of the water meters installed.

"There are over 40,000 water meters installed in Abilene, and you have concrete vaults that have to be replaced," Hanna said. "... It's a very labor-intensive project."

"There are some logistics that would have to be dealt with on the front end, but I imagine you would start seeing installation of these (meters) in the first part of the year," he said.

A major part of the project will involve software conversion, Hanna said.

"One of the logistics of it is: Do we get that rolled out first and allow people to log in as they move forward, or do you wait and get them all at once?" he said. "That's one thing the utility department is still discussing."

The city will replace around 43,500 water meters with automated readers that include leak detection capabilities.

The new meters will allow customers to access their water account information and allow the city to better track water resources.

In 2016, for example, the city's water utility office was flooded with calls from customers worried that they were being charged inaccurately.

In response, the city issued a news release explaining that higher usage because of relaxed yard watering restrictions and higher rates because of a January 2016 increase resulted in higher bills.

In December 2017, after the agreement with the TWDB was announced, the city said it anticipated saving around 65 million gallons of water per year from the new meter installation.

In other business, the council will approve its proposed 2019 budget, with a \$98.6 million general fund, its proposed tax rate, and its revised schedule of fees.

The budget is slightly more than initially requested, Hanna said, changed by about \$300,000 by items including a grant that would allow for the hiring of 15 additional firefighters.

"We'll have a class of hopefully 25 firefighters that will be hired this next session," Hanna said.

The council will also approve the proposed 2019 tax rate of 77.22 cents per \$100 of property value.

The rate is down slightly from the previous year, but it actually reflects a 2.8 percent increase because the appraised values of taxable property have risen, Hanna said.

Public hearings will be offered for all three items.

The council will also approve a resolution for the city's part in a safety improvement project on Buffalo Gap Road, from the Winters Freeway to Bettes Lane. Among plans are widening the road and adding new signals.

The city and the Texas Department of Transportation are working together on the project.

By law, the city is required to provide 10 percent of the costs for acquiring needed right-of-way and to relocate and adjust utilities.

The total cost of \$470,000 would be paid over four years. The council will authorize the first payment of \$155,100 Thursday.

County Commission Overrides Planning Commission, More Housing Approved for Lemmon Valley

September 12, 2018 Bob Conrad Website Facebook Twitter LinkedIn



Prado Ranch North location. Google Earth image.

The Washoe Board of County Commissioners yesterday approved a new development in Lemmon Valley. The vote by commissioners Bob Lucey, Vaughn Hartung, and Marsha Berkgigler overrides the Prado Ranch North's denial by the Washoe County Planning Commission.

The Planning Commission originally denied the application because it didn't meet five out of 10 standards that would make it a viable project. Following this denial, just enough commissioners disagreed, allowing the project to proceed. They voted to override the Planning Commission's denial but with modifications.

The 155-acre project is slated to put four units per acre off of Lemmon Drive, an area still blocked with barriers between Swan Lake and nearby homes from flooding that started two years ago. Of the 155 acres, 19 will be kept as open space. Unlike nearby neighborhoods, the new development will not allow livestock or horses.



HESCO barriers still line Lemmon Drive from last winter's storms. Image: Bob Conrad.

"The applicant has volunteered certain items that are above minimum code requirements, and subsequently, in those cases, we added written conditions ... that are memorialized for the tentative map action," said county engineer Dwayne Smith. "There is a portion of the project that is located in the FEMA flood plain. A tentative map is conditioned to meet FEMA, Washoe County drainage requirements, (and) that includes things like volumetric mitigation."

Smith testified that the applicant addressed project concerns, agreed to improve public infrastructure, and met code requirements. This includes addressing sewer capacity at the Reno-Stead Wastewater Treatment Plant facility. Water service will have to be annexed by the Truckee Meadows Water Authority in order to provide water to the development.

The applicant will have to undergo additional processes to mitigate development impacts, including flooding. Portions of Lemmon Drive are proposed to be raised, Smith said, "for the benefit of the community ... if there are water level rises in the future.

"We can effectively provide barrier protections that we see today with HESCO in the form of a roadway, (but) there are still details to be worked out," he added.



Washoe County Commissioner Bob Lucey.

The City of Reno owns Lemmon Drive, which will need to be widened to meet traffic requirements. Hartung said he wanted a bike path, parts of which are still flooded, moved and maintained as part of the project.

Smith said that the development could resolve flooding and traffic issues.

"It will help address a significant portion of Lemmon Drive," he said. "There's probably not a funding strategy that would allow that to occur if it wasn't for these projects that are coming in now. That doesn't solve the entire problem, but it would lessen the burden either on the state or on the agencies ... if we found ourselves in the same situation in the future."

Lucey agreed.

"A developer has come in here discussing a possible way forward but it doesn't seem like there's much reception for that," he said. "So I'm at a loss. What do we do to make a change?"

Residents Opposed



Washoe County Commissioner Jeanne Herman.

North Valleys residents vehemently spoke against the project during the lengthy, contentious hearing. They cited traffic concerns, Swan Lake's water quality, ongoing flood impacts, and impacts to local schools.

"While the North Valley's CAB and the Planning Commission seek sensible plans considering the issues raised by residents, it appears that the county commissioners are making arbitrary and capricious judgments overturning the unanimous decisions of the subordinate bodies in order to favor developers," wrote Steve Wolgast on the Washoe Residents for Appropriate Planning website. (Wolgast is running against Lucey for his south Reno commission seat.)

RELATED:

OPINION: County Commissioners Neglect Needs of Lemmon Valley Residents

Resident Hector Campos said his house would have to be raised if the project is approved.

"That whole corner was under water," he said. "They're going to put me in an even deeper problem. (I'm) completely against the Prado development."

Resident Tammy Holt-Still chastised the commission.

"Do you want to be in a legal fight again because your staff and this developer wants to do what they want to do when they want to do it?" she said.

Commissioner Jeanne Herman, who represents Lemmon Valley, voted against the project; Commissioner Kitty Jung had left the meeting at the time of the vote.

"This plan doesn't compute at all," Herman said. "It's wrong in every way. I agree with the Planning Commission on this item. I think we ought to have a moratorium on building in the North Valleys."

The earliest homes would be built is two years from now, the developer said.

In the wind Project UPWELL

By [Jeff DeLong](#)

This article was published on [09.13.18](#).

Strong spring winds and Lake Tahoe's deeper, colder waters are again under scrutiny by scientists.

When combined, researchers wonder, do those things help make for the slippery, algae-covered rocks many say are increasingly being encountered along Tahoe's shore?

That's the fundamental question being asked by scientists at UC Davis' Tahoe Environmental Research Center. Project UPWELL, is one of the latest attempts to examine the complex dynamics of Tahoe's ecology and noticeable changes taking place at this national treasure.

For decades, much attention has been focused on the middle part of Lake Tahoe and why the lake's famous clarity has steadily declined.

The problem—primarily associated with the introduction of fine, suspended sediments washing into the lake from Tahoe's roads and urban centers—was meticulously documented. The good news, experts have said, is that the steady decline in mid-lake clarity appears to have stabilized, largely due to projects designed to halt the flushing of sediments into Tahoe's waters.

Now, attention is shifting to what's happening closest to Tahoe's shorelines. Using submerged monitoring stations installed near Tahoe's shore in recent years, researchers monitored regular events during which high winds common in late May and early June were apparently associated with the "upwelling" of waters from as deep as 1,000 feet to the lake's surface.

"One of the distinct patterns seen are these upwelling events," said Derek Roberts, a graduate student and lead researcher for Project UPWELL. "We've seen this pattern occur over several years." These deep waters drawn to the surface are cold and rich in nitrates, which could help nourish algae growing on Tahoe's shoreline rocks.

"We decided we want to address the question of 'Do these upwelling events really matter?'" Roberts said. "Our goal is to understand on a really basic level if this upwelling really plays a significant role in that algae growth."

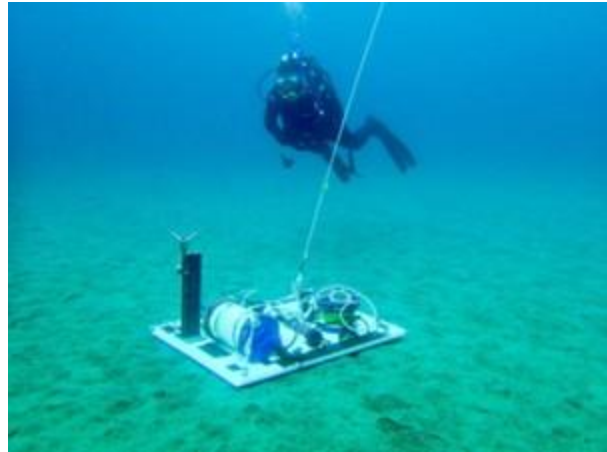
To learn more, Roberts—joined by researchers from the Bodega Bay Marine Laboratory, Stanford University and the University of British Columbia—installed a 1.5-mile-wide "measurement curtain," stretching from the shore on Tahoe's west side toward the middle of the lake.

Nearly 100 instruments were installed at seven moorings along the curtain—the shallowest at seven feet and the deepest at nearly 900 feet below the surface. Current velocity, temperature and dissolved oxygen levels were recorded every 30 seconds, and water samples were taken before, during and after upwelling events. An autonomous underwater glider was deployed to examine variable upwelling events along the west shore.

Data collected over two months in the spring of 2018 is still being analyzed. So far, the experiment documented two major and two minor upwelling events. During the big ones—May 31 and June 9—water from as deep as 500 feet rose to the surface in just a few hours. Water temperatures at the west shore dropped to a frigid 40 degrees while temperatures on the east shore remained at 57 degrees.

After winds died, cold waters rapidly sank into the depths of the west shore and warm water from the east shore rushed westward across Tahoe's surface at speeds in excess of two feet per second.

Further research should shed more light on what's happening close to Tahoe's shore, Roberts said.



TERC research diver Katie Senft deploys a platform of temperature, pressure and current instruments as part of the UPWELL project. COURTESY/BRANT ALLEN

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