

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE FEBRUARY 20, 2019
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, February 20, 2019, at Sparks Council Chambers., 745 4th Street, Sparks, Nevada. Chair Hartung called the meeting to order at 10:01 a.m.

1. ROLL CALL

Members Present: Paul Anderson, Jenny Brekhus, Kristopher Dahir, Naomi Duerr, Vaughn Hartung, Jeanne Herman, and *Alternate Neoma Jardon.

A quorum was present.

Alternate Jardon departed at 11:37 a.m.

2. PLEDGE OF ALLEGIANCE

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

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

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

5. APPROVAL OF THE MINUTES OF THE FEBRUARY 20, 2019 MEETING

Upon motion by Member Jardon, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the January 16, 2019 minutes.

6. DISCUSSION AND ACTION ON NOMINATION AND ELECTION OF VICE CHAIRMAN OF TMWA BOARD OF DIRECTORS AND REQUEST FOR BOARD ADOPTION OF RESOLUTION NO. 273 APPOINTING A VICE CHAIR FOR THE REMAINDER OF FISCAL YEAR 2019 TO FILL POSITION VACATED BY VICE CHAIR RON SMITH

Mark Foree, TMWA General Manager, presented this agenda item.

Member Dahir said it was an honor to be appointed to fulfill the remaining term of the previous Vice Chair Ron Smith.

Upon motion by Member Herman, second by Member Anderson, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 273 appointing Kristopher Dahir as Vice Chair for the remainder of Fiscal Year 2019 to fill position vacated by Vice Chair Ron Smith.

7. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, updated the Board on the status of the TMWA's water supply. Mr. Hauck stated the snow water equivalents in the Truckee River and Tahoe Basins are at 169% and 174% of average, respectively; All reservoirs on the system will fill and spill except Boca Reservoir, which will only half fill due to the seismic retrofit construction on the dam; expect extremely high river flows through the summer, tapering off in August; Independence Lake is approximately 86% full; TMWA currently has approximately 32,000 acre feet of reservoir storage; and Lake Tahoe is approximately one foot below the natural rim, which is at elevation 6229.1.

8. (CONTINUED FROM JANUARY MEETING) DISCUSSION AND ACTION ON NOMINATION AND APPOINTMENTS OF TRUSTEE(S) TO THE WESTERN REGIONAL WATER COMMISSION (WRWC) FROM THE TMWA BOARD OF DIRECTORS FOR THE FOLLOWING POSITIONS TO FILL VACANCIES ENDING MARCH 31, 2019 AND FOR A NEW TWO YEAR TERM APRIL 1, 2019 TO MARCH 31, 2021:

A) PURSUANT TO SEC.25(3)(B) OF THE WRWC ACT FROM THE FOLLOWING LIST OF QUALIFIED PERSONS: PAUL ANDERSON.

B) PURSUANT TO SEC.25(3)(C) OF THE WRWC ACT FROM THE FOLLOWING LIST OF QUALIFIED PERSONS: JEANNE HERMAN.

C) PURSUANT TO SEC. 25(4) OF THE WRWC ACT REPRESENTING TMWA AS SUCCESSOR TO SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT FROM THE FOLLOWING LIST OF QUALIFIED PERSONS: JENNY BREKHUS, OSCAR DELGADO, BONNIE WEBBER, NEOMA JARDON, HILLARY SCHIEVE, MARSHA BERKBIGLER, BOB LUCEY, KITTY JUNG, CHARLENE BYBEE, AND ED LAWSON.

Mr. Foree presented this agenda item for consideration.

Discussion followed regarding the appointment as TMWA's successor to South Truckee Meadows General Improvement District with Member Brekhus stating it would be logical to appoint someone who already sits on the TMWA Board as the WRWC's meeting precedes it. Chair Hartung recommended to appoint Commissioner Bob Lucey as he resides in the area.

Member Brekhus requested to be updated on attendance the following year.

Upon motion by Member Duerr, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved Paul Anderson to the WRWC, pursuant to Sec.25(3)(b) of the WRWC Act, to fill the vacancy ending March 31, 2019 and for a new two year term April 1, 2019 to March 31, 2021.

Upon motion by Member Duerr, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved Jeanne Herman, pursuant to Sec.25(3)(c) of the WRWC Act, to fill the vacancy ending March 31, 2019 and for a new two year term April 1, 2019 to March 31, 2021.

Upon motion by Member Hartung, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved Bob Lucey, pursuant to Sec. 25(4) of the WRWC Act, to fill the vacancy ending March 31, 2019 and for a new two year term April 1, 2019 to March 31, 2021.

9. (CONTINUED FROM JANUARY MEETING) DISCUSSION AND ACTION ON APPOINTMENT OF TWO TMWA BOARD MEMBERS TO THE LEGISLATIVE SUBCOMMITTEE FOR PARTICIPATION IN THE 2019 LEGISLATIVE SESSION

John Zimmerman stated the Legislative Subcommittee needs two more board members to convene.

Upon motion by Member Hartung, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the appointment of Kristopher Dahir and Jenny Brekhus to the TMWA Legislative Subcommittee for participation in the 2019 Legislative Session.

10. PRESENTATION ON PROPOSED BILLS FOR THE 2019 LEGISLATIVE SESSION AND DISCUSSION AND POSSIBLE ACTION ON TMWA LEGISLATIVE POSITION RECOMMENDATIONS

Mr. Zimmerman and Steve Walker, TMWA's Legislative Lobbyist, presented the staff report of proposed bills with staff recommendations for Board approval.

After discussion regarding the proposed bills, Board Members agreed with staff's recommendations, but directed staff to research further on AB127, AB136, and AB138 and potentially change position to Oppose, Watch and Oppose, respectively, and report back to the subcommittee at its next meeting for further consideration.

No action taken.

Chair Hartung moved up agenda item 14 due to Alternate Jardon needing to leave.

14. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING THE STATUS OF ACQUISITION OF THE WEST RENO WATER SYSTEM AND FINAL CLOSING DOCUMENTS, THE POSSIBLE APPROVAL OR MODIFICATION OF THE FOURTH AMENDMENT TO ACQUISITION AGREEMENT, AND THE AUTHORIZATION TO THE GENERAL MANAGER TO EXECUTE THE FOURTH AMENDMENT AND FINAL CLOSING DOCUMENTS AND PROCEED WITH CLOSING

Mr. Zimmerman presented the staff report for the Board to approve the Fourth Amendment to Acquisition Agreement and closing documents, authorize the General Manager to execute the Fourth Amendment and proceed with closing. Mr. Zimmerman stated the closing was targeted to occur on or before March 22 and the Fourth Amendment would extend closing to that date.

Discussion followed regarding the upcoming connection to the Riverbelle Mobile Home Park (TMWA assisted with temporary water service a few years ago) and the River Oak Homeowners Association (TMWA has secured easements through River Oak and Riverbelle that will allow for future connection to West Reno water system); and TMWA applied for a State Revolving Fund Loan Forgiveness to offset some of the costs for the main extension.

Upon motion by Member Duerr, second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board approved the Fourth Amendment to Acquisition Agreement and Closing Documents and authorized the General Manager to execute the Fourth Amendment and proceed with closing.

11. DISCUSSION AND POSSIBLE ACTION, AND DIRECTION TO STAFF REGARDING SELECTION OF EIDE BAILLY AS TMWA'S EXTERNAL AUDITOR FOR FISCAL YEARS 2019, 2020, AND 2021

Matt Bowman, TMWA Financial Controller, presented on this agenda item.

Upon motion by Member Dahir, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the selection of Eide Bailly as TMWA's external auditor for fiscal years 2019, 2020, and 2021.

12. PRESENTATION OF FINANCIAL PERFORMANCE FOR THE FISCAL YEAR FIRST HALF ENDED DECEMBER 31, 2018

Mr. Bowman informed the Board the change in net position was \$9.0m more than budget and due to capital contributions; cash position was \$207.7m or \$14.3m higher than at the beginning of the fiscal year; operating revenue was \$1.6m higher than budget, and water sales was 8% higher over the prior year (3% due to rate increase and 5% due to services added and increased water use); total operating expenses are \$2.1m under budget, but \$3.8m more than prior year due to increases in salaries and wages and as well as increasing employee headcount by approximately 10%; non-operating expense are \$1.1m lower than budget in the current fiscal year, and lower than prior year by \$0.9m; capital contributions were \$4.2m more than budget and \$3.2m more than first half FY19, which are growth related; and total capital spend is estimated to be between \$35m and \$40m for the full fiscal year.

Discussion followed regarding hydro sales being down due to rehabilitation (two sections of the Fleish flume were 10 years past when a rehabilitation would normally be performed); the best time to rehabilitate flumes is during a drought; and staff is waiting for the annual PERS adjustment report at the end of the fiscal year.

Chair Hartung recommended a tour of the hydro facilities be scheduled for new, and current, members.

13. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING APPROVAL OF FUNDING TMWA'S SHARE OF THE REGIONAL CATEGORY A+ RECLAIMED WATER FEASIBILITY STUDY PROGRAM COORDINATION EFFORTS WITH NEVADA WATER INNOVATION INSTITUTE (NWII) TO OBTAIN PROFESSIONAL SERVICES FROM A QUALIFIED CONSULTANT, INCLUDING PROJECT MANAGEMENT, IN AN AMOUNT NOT TO EXCEED \$120,000 OVER FOUR FISCAL YEARS, FY 2019 THROUGH FY 2022

John Enloe, TMWA Director of Natural Resources & Planning, presented this agenda item.

Upon motion by Member Duerr, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved funding TMWA's share of the Regional Category A+ Reclaimed Water Feasibility Study Program Coordination efforts with Nevada Water Innovation Institute (NWII) to obtain professional services from a qualified consultant, including project management, in an amount not to exceed \$120,000 over four fiscal years, FY 2019 through FY 2022.

15. GENERAL MANAGER'S REPORT

Mr. Foree restated that the snowpack is exceptional which is great news for our water supply.

16. PUBLIC COMMENT

There was no public comment.

17. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Duerr noted that Earth Day was cancelled, and the City of Reno has now taken charge to work with local non-profits to continue with it.

Vice Chair Dahir welcomed TMWA's new Board Members, Members Anderson and Herman.

18. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 12:11 p.m.

Approved by the TMWA Board of Directors in session on March 20, 2019.

Sonia Folsom, Recording Secretary

Alternate Jardon left at 11:37 a.m. and was present for agenda items 1 thru 10 and 14 only.