



## STANDING ADVISORY COMMITTEE

### MINUTES

March 5, 2019

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The Standing Advisory Committee (SAC) met at Truckee Meadows Water Authority (TMWA) in the Independence Room, 1355 Capital Blvd., Reno, Nevada. Chair McGuire called the meeting to order at 3:01 p.m.

#### 1. ROLL CALL

**Primary Members and Voting Alternates Present:** Bob Chambers, Harry Culbert, Jordan Hastings, Colin Hayes, Don Kowitz, Carol Litster, Neil McGuire, Ken McNeil, Mike Schulewitch, Fred Schmidt, \*Ann Silver and Jerry Wager.

**Alternates Present:** Fred Arndt, Ken Becker, Bruce Gescheider, Karl Katt, and Dale Sanderson.

**Primary Members and Alternates Absent:** Bill Hughes, Scot Munns, Jonnie Pullman and Jim Smith.

**Staff Present:** Matt Bowman, Robert Charpentier, John Enloe, Scott Estes, Sonia Folsom, Mark Foree, Bill Hauck, Shawn Stoddard, John Zimmerman, Legal Counsel Debbie Leonard, and Steve Walker, Walker & Associates.

*\*Member Silver arrived at 3:10 p.m.*

#### 2. PUBLIC COMMENT

There was no public comment.

#### 3. APPROVAL OF THE AGENDA

**Upon motion duly made by Member Hayes, and seconded by Member Kowitz, and carried by unanimous consent of the members present, the Committee approved the agenda.**

#### 4. APPROVAL OF THE MINUTES OF THE NOVEMBER 6, 2018 MEETING

**Upon motion duly made by Member Schulewitch and seconded by Member Wager, and carried by unanimous consent of the members present, the Committee approved the November 6, 2018 meeting minutes.**

5. DISCUSSION AND POSSIBLE RECOMMENDATION REGARDING BILLS IN THE 2019 LEGISLATIVE SESSION THAT MAY AFFECT TMWA

John Zimmerman, TMWA Water Resources Manager, and Steve Walker, TMWA Lobbyist, presented on the status of the bills being monitored by the TMWA Board and Legislative Subcommittee.

**No action taken.**

6. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, reported the snowpack is at 173% and 169% of median peak for the Truckee River Basin and Lake Tahoe Basin, respectively; Lake Tahoe is approximately one foot below the natural rim; the Federal Water Master will be releasing water at Lake Tahoe early in preparation for snowmelt runoff; the Truckee River will be above 1,000 cubic feet per second (CFS) flows until mid July; and even with the high levels of snowpack, it is not at the level of 2017 as there is still space in the reservoirs to fill.

7. PRESENTATION ON THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2018

Matt Bowman, TMWA Financial Controller, presented the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2018. The audit was completed by Eide Bailly, dealt with a few new GASB 75 (OPEB) and 82 (pension), and new disclosures; audit went well with no findings or adjustments.

Mr. Bowman also informed the Committee that the TMWA Board approved extending the contract with Eide Bailly for the next three fiscal years, 2019, 2020, and 2021.

8. PRESENTATION OF FINANCIAL PERFORMANCE FOR FIRST HALF FISCAL YEAR 2019

Mr. Bowman informed the Committee 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. The hydro sales were down due to the rehabilitation of the Fleish flume.

9. PRESENTATION ON NEW DEVELOPMENT AT TRI CENTER

John Enloe, TMWA Director of Natural Resources and Planning, informed the Committee that the Cities of Reno and Sparks are providing the TRI Center with 4,000 acre feet (AF) of reclaimed water to be used for industrial purposes; all parties involved are working with consultants to design a 24 inch pipeline from the Truckee Meadows Water Reclamation Facility (TMWRF) to TRI Center; and Switch and Google are hiring outside consultants to design and build an advanced water treatment plant for up to 10 million gallons per day (MGD) as well as a 2,000 AF storage reservoir.

Discussion followed regarding the total cost for providing reclaimed water to TRI Center (still being determined); TRI Center has around 5,700 AF of groundwater rights and six or more wells, providing approximately 10,000 AF of resources combined; the reclaimed water pipeline is a benefit to the cities as it won't cost as much to improve TMWRF since less water will be treated to a high standard for river discharge (benefit to the customers); and the Pyramid Lake Paiute Tribe generally supports the effort.

10. PRESENTATION OF APPLICATIONS TO FILL TWO VACANCIES ON THE STANDING ADVISORY COMMITTEE, AND POSSIBLE RECOMMENDATION TO THE BOARD

Sonia Folsom, TMWA Standing Advisory Committee Liaison, presented on this agenda item.

**Upon motion duly made by Member Schmidt and seconded by Member Hayes, and carried by unanimous consent of the members present, the Committee approved Karl Katt to switch to the Senior Citizen Customer Class Alternate and Susan Hoog as the At-Large 2 Alternate representatives, pending Board approval.**

11. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING AGENDA ITEMS FOR FUTURE MEETINGS

**April meeting:**

1. Water supply update
2. Presentation on the legislative subcommittee
3. Presentation on the tentative FY 2020 budget and draft FY 2020-24 Capital Improvement Plan (CIP)
4. Update on West Reno Water Company water system acquisition
5. Update on the Stonegate development
6. Update on the Mt. Rose Water Treatment Plant

**Upon motion duly made by Member Schmidt and seconded by Member Wager, and carried by unanimous consent of the members present, the Committee approved the agenda items for future meetings.**

12. STAFF ITEMS

Mr. Bowman updated the Committee on the Board's decision at its December meeting to close the Other Post-Retirement Employee Benefit (OPEP) program to future employees and they also deferred phases 3-5 of the 2.5% rate increase to FY2020, 2021 and 2022.

Mr. Zimmerman informed the Committee that the Board approved changing the meter retrofit fee to become a water sustainability fee at its January meeting and decreased the fee amount from \$1,830/acre-foot of demand to \$1,600/acre-foot of demand.

13. COMMITTEE ITEMS

Chair McGuire welcomed the Committee new member appointed by the Reno-Sparks Chamber, Ann Silver.

14. PUBLIC COMMENT

There was no public comment.

15. ADJOURNMENT

With no further items for discussion, Chair McGuire adjourned the meeting at 4:14 p.m.

Approved by the Standing Advisory Committee in session on April 2, 2019.

Sonia Folsom, Recording Secretary

*\*Member Silver was present for agenda items 5 thru 15 only.*