

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

The Board of Directors met on Wednesday, March 20, 2019, at Sparks Council Chambers., 745 4th Street, Sparks, Nevada. Chair Hartung called the meeting to order at 10:08 a.m.

1. ROLL CALL

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

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Chair Dahir.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

Chair Hartung requested to move agenda item #6 to be heard after agenda item 13 or 14 to allow time for TMWA's lobbyist, Steve Walker, to arrive.

Upon motion by Member Dahir, second by Member Duerr 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 FEBRUARY 20, 2019 MEETING

Upon motion by Member Brekhus, second by Member Anderson, which motion duly carried by unanimous consent of the members present, the Board approved the February 20, 2019 minutes.

7. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, updated the Board on the status of the TMWA's water supply: the Truckee River and Tahoe Basins are at 175% and 185% 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 high river flows through the summer, peaking in May/June and 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.

Member Brekhus inquired about the impact of the precipitation on the irrigation ditches. Mr. Hauck replied each company turns on their own irrigation at different times, it is not mandated; and due to the wet year, the ditches will be turned on later, but will have a full irrigation season.

8. 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:

A) PURSUANT TO SEC.25(3)(A) OF THE WRWC ACT FROM THE FOLLOWING LIST OF QUALIFIED PERSONS: JENNY BREKHUS AND NEOMA JARDON TO FILL THE VACANCY OF DAVID BOBZIEN.

Mr. Foree presented this agenda item for consideration.

Upon motion by Member Jardon, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved Jenny Brekhus to the WRWC, pursuant to Sec.25(3)(a) of the WRWC Act, to fill the vacancy of David Bobzien for a new two year term April 1, 2019 to March 31, 2021.

9. REPORT ON STATUS OF WEST RENO WATER SYSTEM ACQUISITION AND RELATED IMPROVEMENTS AND POSSIBLE DIRECTION TO STAFF ON SYSTEM ACQUISITION

John Zimmerman, TMWA Water Resources Manager, informed the Board that the acquisition is now closed and there are 14 closing documents that need to be recorded. Mr. Zimmerman thanked staff for all their hard work in completing this complicated transition.

Member Jardon confirmed there were a total of 62 closing documents and thanked staff for their efforts.

Upon motion by Member Jardon, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved the acquisition of the West Reno Water System.

10. DISCUSSION AND POSSIBLE ACTION AND DIRECTION TO STAFF REGARDING THE IMPLEMENTATION OF A PORTLAND LOO PUBLIC RESTROOM AT BRODHEAD MEMORIAL PARK TO BE FUNDED FOR NO MORE THAN \$150,000

John Enloe, TMWA Director of Natural Resources, presented this item to the Board for consideration.

Discussion followed regarding the cost of supplies and personnel (approximately \$25k); support of placing a public restroom along the river to improve water quality; concern about it becoming a shelter, which would be difficult as it would be located on TMWA property (trespassing laws would apply and TMWA would have security cameras) and across the street from the Reno Police Station; concern about TMWA being responsible for providing public restrooms, which is the responsibility of the Cities of Reno and Sparks and Washoe County (TMWA would fund the first public restroom with the intention of the other 10 restrooms funded through other entities); and construction funding is contingent upon stakeholder funding of operations and maintenance and public outreach (potential funders were waiting for TMWA funding of the Portland Loo first).

Mr. Enloe explained the \$150,000 will be taken out of the Truckee River Fund annual contribution (the Fund) as a one time deduction to establish the first Portland Loo. He stated the desire is to garner public interest for it to be established on its own; much like the boat inspections at Lake Tahoe started at the Fund and now is its own entity. Also, an update will be provided to the Board once it has been set-up.

Vice Chair Dahir expressed concern of the public restroom being on TMWA property and not at the public park and he would not support a motion to move forward with this project.

Upon motion by Member Jardon, second by Member Duerr, which motion duly carried six to one with Vice Chairman Dahir dissenting, the implementation of a Portland Loo public restroom at Brodhead Park to be funded for no more than \$150,000 contingent on funding partner for operations, maintenance and outreach, TMWA to provide an evaluation success criterion, and locating the restroom closer to the trail.

11. DISCUSSION AND POSSIBLE ACTION ON RESOLUTION NO. 274: 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

Mr. Enloe presented the staff report and informed the Board that project #218 was pulled from the list of projects for approval and project #221, One Truckee River, funding is also contingent on acquiring a funding partner for operations, maintenance and outreach for the Portland Loo.

Vice Chair Dahir stated he does not support project #221, One Truckee River, because of where the public restroom would be located, on TMWA property.

Upon motion by Member Brekhus, second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 274: 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.

12. DISCUSSION AND ACTION ON THE TMWA TENTATIVE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2020 AND DRAFT CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2020 THROUGH 2024

Mr. Bowman informed the Board TMWA's FY 2020 operating revenue is expected to be 2% more than the FY 2019 budget, due to growth and not counting a rate increase since it was deferred; hydroelectric revenues are expected to be \$3.3M in FY 2020 (an increase of \$531k from FY 2019; operating expenses increased by \$6.4M or 7% and salaries and wages are up \$2.1M or 10%, benefits are up \$2.2M (22%) and services and supplies are up \$2.9M (10%); interest expense is expected to fall due to principal reduction in debt of \$7.8M; and TMWA will be reimbursed for two FEMA grants (Glendale diversion and repairs to the access road to Fish Springs) of \$1.9M.

The Board discussed the reason for the increase in employees (due to growth in service territory and overstaffing to prepare for retirements in the next 3 years) and directed staff to provide more details on the reason for the increase in employees when the final budget is presented; the Board also discussed benefits (due to noncash amortization of deferred outflows of PERS benefits); Automated Meter Infrastructure (AMI) system shown in the budget at \$0.5M and in the capital improvement plan as \$1.8M (the difference is operating budget and implementation); and \$0.5M related to Fish Springs power costs are greater than water right commitments using Fish Springs groundwater resources it is a little more expensive to operate, but Fish Springs is the source of supply for the area, and it is beneficial to keep it running continuously to maintain good working order and avoid additional start-up costs.

Joe Petrelli, TMWA Financial Analyst, reported on the FY 2020-2024 Capital Improvement Plan (FY20 CIP). TMWA plans to spend \$213.4M over the next five years of which \$56.2M is expected to be spent in FY20 and \$45.9M in FY21.

Member Brekhus requested to know what year the projects are introduced and evaluation of prior year to better understand which projects were completed or pushed out; requested an explanation of priority for projects (such as Bedell Flat); and requested more information on the Stonegate project. Mr. Bowman explained priority ranking is contingent on whether the project is needed to maintain existing water service. Scott Estes, TMWA Director of Engineering, added that TMWA is not spending any money on the Stonegate development; TMWA will design and construct the pump station using funds advanced by Stonegate and the developers will ultimately pay for all water facilities required to serve their development. In addition, Stonegate will pay Area 10 fees reflecting the use of existing facilities to move Fish Springs water through the system.

Upon motion by Member Brekhus, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the tentative budget for the Fiscal Year ending June 30, 2020 and Draft Capital Improvement Plan for Fiscal Years 2020 through 2024.

6. DISCUSSION AND POSSIBLE ACTION AND DIRECTION TO STAFF REGARDING 2019 LEGISLATIVE ACTIVITIES, CURRENT BILLS, AND TMWA RECOMMENDED POSITIONS ON LEGISLATIVE PROPOSALS

Steve Walker, TMWA Lobbyist, informed the Board the TMWA Legislative Subcommittee met on March 18 and approved staff recommendation for most of the bills except for the following, which staff has recommended to oppose: AB136 (revises how prevailing wage is determined), AB138 (relating to workers; compensation), SB 231 (this is the same as AB136), and SB245 (increases the award in tort actions from \$100k to \$250k and adds a new class for gross negligence with a liability maximum of \$1M).

Upon motion by Member Dahir, second by Member Anderson, which motion duly carried five to two with Members Brekhus and Duerr dissenting, the Board approved staff recommendation to oppose AB 136.

Upon motion by Member Dahir, second by Member Herman, which motion duly carried five to two with Members Brekhus and Duerr dissenting, the Board approved staff recommendation to oppose AB 138.

Upon motion by Member Dahir, second by Member Jardon, which motion duly carried five to two with Members Brekhus and Duerr dissenting, the Board approved staff recommendation to oppose SB 231.

Upon motion by Member Dahir, second by Member Herman, which motion duly carried six to one with Member Brekhus dissenting, the Board approved staff recommendation to oppose SB 245.

Mr. Zimmerman presented a new bill for Board consideration, SB287, and stated that staff's recommendation is to oppose. Michael Pagni, TMWA General Counsel, informed the Board SB287 creates a liability penalty regarding public records requests.

Upon motion by Member Dahir, second by Member Herman, which motion duly carried six to one with Member Brekhus dissenting, the Board approved staff recommendation to oppose as written SB 287.

Mr. Walker updated the Board on: AB265 (DRI study for alternative water sources), TMWA amendment would expand the area of study, and SB250 (water rights tied to parcel map or permit) proposed amendment will possibly be approved.

13. DISCUSSION AND ACTION ON APPOINTMENTS TO THE STANDING ADVISORY COMMITTEE (SAC) TO FILL THE IRRIGATION CUSTOMER REPRESENTATIVE ALTERNATE POSITION, FOR TERM ENDING DECEMBER 31, 2020. AND THE AT-LARGE 2 CUSTOMER REPRESENTATIVE ALTERNATE POSITION FOR TERM BEGINNING APRIL 1, 2019 TO DECEMBER 31, 2021 FROM THE FOLLOWING POOL OF CANDIDATES LISTED IN ALPHABETICAL ORDER: SUSAN HOOG AND KAR KATT

Upon motion by Member Duerr, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved to continue this item to the next meeting.

14. GENERAL MANAGER'S REPORT

There were no updates.

15. PUBLIC COMMENT

There was no public comment.

16. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Brekhus inquired about the Farad property. Mr. Zimmerman stated there is no update at this time. Vice Chair Dahir requested more information regarding the staffing levels presented today. Mr. Bowman replied that staff can include a more detailed strategic overview during the succession planning item to be brought to the Board at a future meeting.

17. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 12:03 p.m.

Approved by the TMWA Board of Directors in session on April 17, 2019.

Sonia Folsom, Recording Secretary