



STANDING ADVISORY COMMITTEE

MINUTES

April 2, 2019

The Standing Advisory Committee (SAC) met at Truckee Meadows Water Authority (TMWA) in the Independence Room, 1355 Capital Blvd., Reno, Nevada. Vice Chair Schmidt called the meeting to order at 3:00 p.m.

1. ROLL CALL

Primary Members and Voting Alternates Present: Harry Culbert, Jordan Hastings, Bill Hughes, Don Kowitz, Carol Litster, Ken McNeil, Mike Schulewitch, Fred Schmidt, *Jim Smith and Jerry Wager.

Alternates Present: Fred Arndt, Karl Katt, Scot Munns, and Dale Sanderson.

Primary Members and Alternates Absent: Ken Becker, Bob Chambers, Bruce Gescheider, Colin Hayes, Neil McGuire, Jonnie Pullman and Ann Silver.

Staff Present: Matt Bowman, Robert Charpentier, John Enloe, Scott Estes, Sonia Folsom, Mark Foree, Bill Hauck, Joe Petrelli, Michele Sullivan, Shawn Stoddard, Danny Rotter, Legal Counsel Debbie Leonard, and Steve Walker, Walker & Associates.

**Member Smith arrived at 3:05 p.m.*

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

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

4. APPROVAL OF THE MINUTES OF THE MARCH 5, 2019 MEETING

Member Hastings pointed out a few minor corrections to be made in the draft March 5 minutes.

Upon motion duly made by Member McNeil and seconded by Member Schulewitch, and carried by unanimous consent of the members present, the Committee approved the March 5, 2019 meeting minutes with the corrections.

Vice Chair Schmidt stated Steve Walker, TMWA Lobbyist, was delayed and moved agenda item 5 until Mr. Walker arrived.

6. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, reported the snowpack is over 200% and 174% 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 has been releasing water at Lake Tahoe early in preparation for snowmelt runoff, which is expected to be 175% of normal; and Pyramid Lake is expected to rise approximately 4-feet.

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

Matt Bowman, TMWA Financial Controller, reported that: TMWA's FY 2020 operating revenue is expected to be 2% more than the FY 2019 budget due to growth and not including 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.

Discussion followed, including regarding increases in the cost of chemicals for the water treatment process; that the two line items regarding the new Customer Information System (CIS) include both capital and maintenance costs; capital contributions increased approximately 5%, which is reflective of growth and development; and the current new water connection rate is approximately 200 per month.

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.

Discussion arose regarding the amount of funds left in the former South Truckee Meadows General Improvement District (STMGID) post-merger (approximately \$7.7 million); the STMGID project to replace Tank #1, which will increase the tank size from a 0.75 million gallon to a 3.35 million gallon tank (which will not involve STMGID reserved funds); the timing of the projects reflect different amounts in the tentative budget and CIP; and approximately 68% of the projects in the CIP are funded by customer rates.

Upon motion duly made by Member Kowitz and seconded by Member Wager, and carried by unanimous consent of the members present, the Committee recommended the Board approve the Tentative Budget for the Fiscal Year ending June 30, 2020 and Draft Capital Improvement Plan for Fiscal Years 2020 through 2024.

8. REPORT ON STATUS OF WEST RENO WATER SYSTEM ACQUISITION

John Enloe, TMWA Director of Natural Resources, informed the Committee that the acquisition of the West Reno Water System closed on March 20.

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

Steve Walker, TMWA Lobbyist, presented on the status of the bills being monitored by the TMWA Board and Legislative Subcommittee.

No action taken.

9. REPORT ON STATUS OF STONEGATE DEVELOPMENT

Scott Estes, TMWA Director of Engineering, provided an update on the Stonegate Development. Mr. Estes informed the Committee that the development is zoned for mixed use on approximately 1,700 acres; TMWA is designing the booster pump station, which will be located on a parcel previously purchased by the developers; the projected date the pump station will be online is fall 2021; and groundwater from the Fish Springs system will be purchased to supply the project.

10. UPDATE ON THE MT. ROSE WATER TREATMENT PLANT

Danny Rotter, TMWA Engineering Manager, informed the Committee that construction for the Mt. Rose Water Treatment Plant (WTP) is underway and will cost approximately \$19.9 million; the WTP will be operational in spring 2020 and will have the ability to be operated remotely from Glendale using SCADA; and will be utilizing ultraviolet technology. He offered a tour to SAC members once construction is further along and safe for visitors.

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

June meeting:

1. Presentation on legislative bills in the 2019 legislative session
2. Presentation on the final FY 2020 budget and FY 2020-24 Capital Improvement Plan (CIP)
3. Presentation on developer fees and proposed amendments
4. Presentation on 2019 Communication Plan and Smart About Water Day event

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

12. STAFF ITEMS

Andy Gebhardt, TMWA Director of Operations & Water Quality, informed the Committee of, and invited Committee members to, TMWA's Smart About Water Day event on Sat, May 4th from 10am-2pm at the California Building in Idlewild Park.

13. COMMITTEE ITEMS

There were no committee items.

14. PUBLIC COMMENT

There was no public comment.

15. ADJOURNMENT

With no further items for discussion, Vice Chair Schmidt adjourned the meeting at 4:26 p.m.

Approved by the Standing Advisory Committee in session on June 4, 2019.

Sonia Folsom, Recording Secretary