

TRUCKEE MEADOWS WATER AUTHORITY  
MINUTES OF THE APRIL 17, 2019  
MEETING OF THE BOARD OF DIRECTORS

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The Board of Directors met on Wednesday, April 17, 2019, at Sparks Council Chambers., 745 4<sup>th</sup> Street, Sparks, Nevada. Chair Hartung called the meeting to order at 10:00 a.m.

1. ROLL CALL

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

**Members Absent:** Paul Anderson

A quorum was present.

*\*Member Jardon arrived at 10:01 a.m.*

*\*\*Member Lawson left at 11:03 a.m.*

*\*\*\*Member Dahir left at 11:28 a.m.*

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Lawson.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

Member Lawson requested to move agenda item #11 up and Chair Hartung suggested it be heard after item #6.

**Upon motion by Member Duerr, second by Member Dahir 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 MARCH 20, 2019 MEETING

**Upon motion by Member Herman, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the March 20, 2019 minutes.**

6. INTRODUCTION OF TMWA'S NEW INTERNATIONAL BROTHERHOOD ELECTRICAL WORKERS 1245 REPRESENTATIVE, MIKE VENTURINO

Jessica Atkinson, TMWA Human Resources Manager, introduced Mike Venturino as TMWA's new International Brotherhood Electrical Workers 1245 representative.

Mr. Venturino thanked the Board and expressed his pleasure to work with TMWA and continue a positive relationship.

11. DISCUSSION, POSSIBLE ACTION, AND DIRECTION TO STAFF AND AUTHORIZATION TO GENERAL MANAGER REGARDING NEGOTIATION AND EXECUTION OF POSSIBLE OPTION AGREEMENT WITH STATE OF NEVADA FOR PURCHASE OF WATER FROM MARLETTE LAKE WATER SYSTEM, INCLUDING THE RIGHT TO USE 3,090 ACRE FEET FOR OPTION FEE OF \$250,000

John Enloe, TMWA Director of Natural Resources, informed the Board the Nevada Department of Administration approached staff in late 2018, to determine TMWA's interest in purchasing wholesale water supplies from the Marlette Lake Water System, which would include the right to use 3,090 acre feet for option fee of \$250,000. A long-term contract could prove beneficial for TMWA customers for possible uses of the water including return flow augmentation for Truckee Meadows Water Reclamation Facility (TMWRF) and drought storage augmentation without impacting customers in Virginia City or Carson City that also receive water from that system. The proposed option agreement includes a 2-year Standstill period to allow time for TMWA to work with the Nevada Department of Administration, Carson City, Virginia City, the State Engineer, the Federal Watermaster and other parties on how the water could be used.

Ward Patrick, State of Nevada Public Works, informed the Board the state is in support of this item. Mr. Patrick also informed the Board that it has been difficult to come to an agreement with Carson City over the years and the state needs to look at other options to sell water in order to close a budget deficiency.

Discussion followed regarding the \$250,000 option payment (a one-time payment to cover the state's current O&M budget shortfall); financial responsibility for future infrastructure improvements; the amount of water potentially directed for return flow for TMWRF's reclaimed water operations has not been determined. Staff will bring the decision on whether to exercise the option back to the Board prior to the end of the 3-year option period, and many Board members agreed this was a great opportunity to secure future water resources at a reasonable cost.

Member Brekhus requested the Board be given more time to review the material, go back to their respective entities to speak with their public works directors, and not vote today.

Member Duerr supported Member Brekhus' request for additional information, however did not see a need to delay voting on this item but looked to staff to do further due diligence during the option period and report back to the Board.

**Upon motion by Member Dahir, second by Member Herman, which motion duly carried six to one with Member Brekhus dissenting, the Board approved to give authorization to the general manager regarding negotiation and execution of possible option agreement with State of Nevada for purchase of water from Marlette Lake Water System, including the right to use 3,090 acre feet for an option fee of \$250,000.**

7. 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 April 12 and approved staff recommendation for all new bills introduced and provided updates on existing bills: AB30 (3M planning, bill was rewritten, now Watch); AB62 (extend time to complete construction of projects to divert water, oppose); SB250 (water rights tied to parcel map or permit, amendment accepted by the state engineer and bill sponsor, going to a vote on the Senate floor today); SB287 (creates a penalty regarding public records requests, watch); and SB358 (revision to definition of what qualifies as a renewable energy system, oppose unless amended).

Michael Pagni, TMWA General Counsel, informed the Board with the change in definition on SB358, TMWA no longer opposes the bill. Senator Brooks had no intention of excluding TMWA's hydroelectric facilities, which would negate the power purchase agreement and have a \$3.7 million fiscal impact on TMWA and its customers.

Vice Chair Dahir thanked staff and recommended not convening the legislative subcommittee again unless there is new development.

**No action taken.**

8. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, updated the Board on the status of the TMWA's water supply: Squaw Valley received approximately six feet of snow in February; the Truckee River and Tahoe Basins are at 175% and 250% of average, respectively; expect two-three feet of water to flow into Tahoe and therefore started pre-cautionary releases in the third week in February; Lake Tahoe is 1.2 feet from the rim; Pyramid Lake is expected to rise about five feet; Lahontan Reservoir is also conducting pre-cautionary releases; expect river flows to taper off in July to mid-August;

Member Duerr requested for Mr. Hauck to provide historical data. Mr. Hauck replied he can provide up to 100 years of historical data for the Mt. Rose snow measuring site which he can send to the Board.

Member Herman inquired about Fish Springs. Mr. Hauck replied it is starting to be used as a resource, running two of the five production wells (approximately 2 million gallons per day each), which is providing water to our customers in the North Valleys.

9. DISCUSSION AND POSSIBLE ACTION, AND DIRECTION TO STAFF ON ADOPTION OF A NEW CONFLICT OF INTEREST POLICY RELATED TO PROCUREMENT

Michele Sullivan, TMWA Chief Financial Officer, informed the Board that because TMWA receives federal grants they have to be in compliance with the uniform grant guidance from the federal government, and they have changed some of the requirements. TMWA has a conflict of interest policy for all employees, but things specifically related to any employee or board member involved with the selection of a vendor for a TMWA contract would require more specific conflict of interest disclosure, which includes conflicts related to family members, specifics around gifts and gratuities; everyone who is involved in the procurement process has to sign this every year to affirm they have no conflict of interest.

Mr. Pagni stated the intention is to the extent the Board is awarding a contract at the Board level, then they would need it on that specific contract, but these generally do not come before the Board.

Discussion followed to ensure the process is streamlined and efficient for the Board, so they are compliant at all times. Mr. Pagni confirmed this form is limited to those involved in the procurement process and if such a contract would go before the Board for approval, they would need to sign the form for that project at that time. Otherwise, the Board has delegated that authority to the general manager, and as such the staff involved in the award of such procurement contracts would be filling out the form.

Ms. Sullivan added the policy can be edited to say the Board would only sign this form if they were involved in an award of a contract related to procurement.

**Upon motion by Member Dahir, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the adoption of a new conflict of interest policy related to procurement with the clarification the Board obligation to sign the conflict of interest only at the time the Board awards a contract.**

10. PRESENTATION ON PROPOSED CONSERVATION, COMMUNICATIONS AND OUTREACH PLAN FOR 2019, DISCUSSION AND POSSIBLE DIRECTION TO STAFF

Andy Gebhardt, TMWA Director of Operations and Water Quality, presented the agenda item. Mr. Gebhardt informed the Board of TMWA's second Smart About Water Day on May 4<sup>th</sup>.

Member Jardon inquired if there was information about Board decisions benefiting the community, such as establishing the rate stabilization fund, and there was no rate increase in 2019. Mr. Gebhardt replied no, except for delaying the rate increase, but would include all these items for next year's event.

**Upon motion by Member Brekhus, second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board approved the Conservation, Communications and Outreach Plan for 2019.**

12. 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 MAY 1, 2019 TO DECEMBER 31, 2021 FROM THE FOLLOWING POOL OF CANDIDATES LISTED IN ALPHABETICAL ORDER: SUSAN HOOG AND KARL KATT

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

**Upon motion by Member Brekhus, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the appointments to the Standing Advisory Committee (SAC) of Karl Katt to fill the irrigation customer representative alternate position, for term ending December 31, 2020, and Susan Hoog to fill the at-large 2 customer representative alternate position for term beginning May 1, 2019 to December 31, 2021.**

13. GENERAL MANAGER'S REPORT

Mark Foree, TMWA General Manager, informed the Board TMWA has not received any comments from the Truckee Donner Land Trust regarding TMWA's draft of a Statement of Interest related to the Farad property, but would have an update either in May or June. Also, attached is the summary of the Walker Lake case for which TMWA is filing an amicus brief.

Member Brekhus inquired if the Farad Hydro building will remain a historic building and would like to know the case schedule for the Walker Lake case. Staff indicated that we will discuss the building with the Truckee Donner Land Trust and report back to the Board and also keep the Board informed of the case schedule.

14. PUBLIC COMMENT

There was no public comment.

15. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There was no board comment.

16. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 11:40 a.m.

Approved by the TMWA Board of Directors in session on May 23, 2019.

Sonia Folsom, Recording Secretary

*Member Jardon was present for agenda items 3 thru 16 only.*

*Member Lawson was present for agenda item 1 thru 7 and 11 only.*

*Vice Chair Dahir was present for agenda items 1 thru 9 and 11 only.*