

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE JUNE 19, 2019
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, June 19, 2019, at Sparks Council Chambers., 745 4th Street, Sparks, Nevada. Chair Hartung called the meeting to order at 10:14 a.m.

1. ROLL CALL

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

Members Absent: Neoma Jardon

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Shane Coors, Precision Water Resources Engineering.

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 MAY 23, 2019 MEETING OF THE TMWA BOARD OF DIRECTORS

Upon motion by Member Herman, second by Member Anderson, which motion duly carried by unanimous consent of the members present, the Board approved the May 23, 2019 minutes.

6. PRESENTATION OF RESULTS OF 2019 LEGISLATIVE ACTIVITIES AND BILLS

John Zimmerman, TMWA Water Resources Manager, provided a summary of legislative bills on which TMWA took a position of oppose or support as well as the status of water bills, including water bills that died in session. The Board will be updated on bills that are going to the interim session at such time.

Steve Walker, TMWA Lobbyist, reported to the Board that it was a busy session working with legislators to amend bills that negatively impacted TMWA and provided a brief overview of the bills TMWA monitored that passed out of session: AB62 (extend time to complete construction of projects to divert water) passed with amendments; AB84 (issuance of state general obligation bonds to protect, preserve natural and cultural resources) \$217 million of bonds available to be reissued, \$57 million of which is available for grants in natural resources; AB136 (prevailing wage decreased from \$250k to \$100k); AB163 (revises minimum standards according to American Water Works Association for plumbing fixtures to reduce leaks); AB220 (issuance of bonds for environmental improvement projects in the Lake Tahoe Basin); SB207 (requiring apprentices for vertical construction); SB236 (allows for replacing a well within 300 feet and across parcels without changing a point of diversion); SB245 (as amended, increases the award cap in tort actions from \$100k to \$150k in 2020 and \$200k in 2022); SB250 (dedication of water rights), amended as passed; SB358 (revision to definition of what qualifies as a renewable energy system), amendments were passed and TMWA's hydro facilities are no longer excluded from the bill.

Vice Chair Dahir thanked staff for doing a great job in communicating and working with the legislators to protect TMWA's interests.

Mr. Walker also noted that the interim session will be quite busy, including a committee on oversight of Marlette Lake, AB30 (3M bill), fire management, and how to implement SB250.

No action taken.

7. PRESENTATION BY PRECISION WATER RESOURCES ENGINEERING ON THEIR CLIMATE CHANGE SCENARIO RESULTS TO BE INCLUDED IN THE 2020-2040 WATER RESOURCE PLAN

Bill Hauck, TMWA Senior Hydrologist, reported that as part of the update to the Water Resource Plan, TMWA will be including the results of cutting-edge climate change modeling for the Truckee River system (including Lake Tahoe) and their potential impacts to the region's water supply. TMWA has contracted with Mr. Shane Coors, Principal of Precision Water Resources Engineering (PWRE) to perform this climate change analysis.

Mr. Coors informed the Board that the future for our climate is still highly uncertain. Modeling results show that significant variability is not only likely but is expected. There is consensus that the future will be warmer in the Sierra. Some modeling results are showing that the future will be a little drier, but even more results are predicting the future to be wetter in our region. There is agreement that our region will also experience increased volatility throughout the system due to greater carbon emissions as well. Though the results of this modeling suggest on average there will be more water in the Truckee River system overall under climate change, this increased precipitation will occur at times of the year when it is unable

to be stored upstream or used directly to meet customer demand when it is needed most. The results of PWRE's modeling shows that despite this fact and more frequent and more severe droughts, TMWA's water supply remains robust and reliable under continued climate change. [Click here](#) to see the complete report.

8. DISCUSSION AND POSSIBLE AUTHORIZATION TO GENERAL MANAGER TO ENTER INTO AGREEMENT WITH THE STATE OF NEVADA, WASHOE COUNTY, AND THE CITIES OF RENO, SPARKS, AND FERNLEY TO FUND NEVADA'S SHARE OF THE FEDERAL WATER MASTER'S ANNUAL TRUCKEE RIVER OPERATING AGREEMENT EXPENSES FOR 2020, 2021, AND 2022

Mr. Hauck explained the cost to administer the Truckee River Operating Agreement (TROA) is approximately \$1.5 million annually. Federal funding is in place only through September 30, 2019 to cover these administrative costs. Funding is needed for the next three fiscal years (FY 2020-2022) and is required to be paid for by the TROA parties. The Nevada share of TROA administration is 40% of the total or a projected \$600,000 annually. Staff is recommending TMWA pay 60% of Nevada's share of the expenses (\$360,000) per year, with each of the remaining four Nevada TROA Parties (Washoe County, Reno, Sparks and Fernley) paying 10% or \$60,000 per year.

Upon motion by Member Dahir, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board authorized the General Manager to enter into Agreement with the State of Nevada, Washoe County, and the Cities of Reno, Sparks, and Fernley to fund Nevada's share of the Federal Water Master's annual Truckee River Operating Agreement expenses for 2020, 2021, and 2022.

9. DISCUSSION AND POSSIBLE ACTION, AND DIRECTION TO STAFF REGARDING THE ADOPTION OF TMWA'S 2035 WATER FACILITY PLAN

Scott Estes, TMWA Director of Engineering, informed the Board staff completed the update to the Water Facility Plan which: establishes maximum day demands for growth projections, determines where the growth will occur, included former Washoe County water systems for the first time, analyzes actual metered use data to develop demand factors for each rate class (establish peak day demands), examines service levels and compliance with NAC regulations and prioritized fire flow requirements.

Upon motion by Member Dahir, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board adopted TMWA's 2035 Water Facility Plan.

10. PUBLIC HEARING ON RATE AMENDMENT (CONTINUED FROM MAY MEETING)

A. INTRODUCTION AND FIRST READING OF AMENDMENTS TO TMWA RATE SCHEDULE BSF - BUSINESS SERVICES FEES AND RATE SCHEDULE WSF - WATER SYSTEM FACILITY CHARGES REVISING AREA FEE, SUPPLY AND TREATMENT, AND STORAGE UNIT COSTS

Mr. Estes presented the amendments to TMWA's Business Services Fees and Water System Facility Charges. As was stated at last month's Board meeting, amendments to TMWA's WSF and BSF rate schedules apply only to developers applying for new or expanded water service, and do not affect customer rates.

Mark Foree, TMWA General Manager, informed the Board staff also reviewed phasing in the fee increases, but that approach would be too difficult as there are two parts to the equation in the fees. Mr. Foree and Mr. Estes met with the Builders Council to go over the fee increases and explain the methodology that has been used since 2006. The meeting went well and there were no comments related to the methodology, cost data or calculations. Mr. Foree added TMWA has been proactive to be prepared for growth in the community and has supported the necessary improvements so that capacity is available when the growth occurs.

Discussion followed regarding the date of implementation and whether or not to delay it beyond staff recommendation of September 3, 2019, which can be decided at the Second Hearing on August 21.

B. PUBLIC COMMENT

There was no public comment

Upon motion by Member Duerr, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved to refer amendments to TMWA Rate Schedule BSF - Business Services Fees and Rate Schedule WSF - Water System Facility Charges revising area fee, supply and treatment, and storage unit costs to a second reading with a potential effective date of October 1, 2019, to be determined at the second reading.

CLOSE PUBLIC HEARING

11. UPDATE REGARDING STATUS OF FARAD PROPERTY AND DISCUSSION AND POSSIBLE DIRECTION TO STAFF

Mr. Zimmerman provided a brief history of the Farad property, the statements of interest submitted in 2018, Board direction to work with Truckee Donner Land Trust (TDLT) to donate the property to them for conservation and recreational purposes (TDLT notified staff they could not take on the acquisition until the fall of 2019 and had concerns regarding potential liabilities of acquiring the property). Staff

recommendation is for the Board to solicit bids from any interested party to purchase the entire property as is with no minimum purchase price.

Member Brekhus inquired whether it would be possible to sell the property for economic development purposes. Michael Pagni, TMWA General Counsel, stated that TMWA is not directly governed by the same statutes cities must abide by, but TMWA has adopted a surplus property disposal policy, which generally follows NRS Chapter 244 and there are exceptions for getting appraisals for non-profits, but there is no specific reference to economic development. Mr. Pagni stated he could investigate it to see how TMWA could proceed with that in mind.

No action taken.

**12. DISCUSSION AND POSSIBLE ADOPTION OF RESOLUTION NO. 275,
DETERMINING THAT IT IS IN THE BEST INTEREST OF TMWA TO SELL THE
FARAD PROPERTY AS SURPLUS PROPERTY AND AUTHORIZING STAFF TO
INITIATE THE SALE PROCESS AND SOLICIT BIDS FOR THE PURCHASE OF
THE FARAD PROPERTY FOR FUTURE BOARD CONSIDERATION**

Mr. Zimmerman stated that staff will go forward to obtain two appraisals and solicit bids which will be brought back to the Board at the August 21 meeting for review. The condition of the bids would be: to purchase all parcels, cash only, the ability to build a restroom on the property (granting an easement), and TMWA would retain the water rights for the benefit to TMWA.

Discussion followed regarding the liability of having a restroom on TMWA property (TMWA would grant an easement to a third party who would maintain it) and reaching out to larger publications such as the Wall Street Journal or the San Francisco Chronicle to garner interest. Mr. Zimmerman replied the Board can give the General Manager direction to reach out elsewhere.

Upon motion by Member Brekhus, second by Member Anderson, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 275 determining it in the best interest of TMWA to sell the Farad property as surplus property, authorizing staff to initiate the sale process and solicit bids for the purchase of the Farad property for future Board consideration, and directing the General Manager to advertise as widely as he deems necessary.

**13. DISCUSSION AND ACTION ON NOMINATION AND ELECTION OF CHAIRMAN
AND VICE CHAIRMAN AND REQUEST FOR BOARD ADOPTION OF
RESOLUTION NO. 276 APPOINTING A CHAIRMAN AND VICE CHAIRMAN FOR
FISCAL YEAR 2020**

Member Brekhus stated her opposition to nominating a non-Reno member to Chair and Vice Chair and her concern that in TMWA's existence that no City of Reno Board Member has held the Chair position.

Member Anderson noted as Board Members, they need to choose the best person to lead the Board.

Upon motion by Member Dahir, second by Member Anderson, which motion duly carried five to one with Member Brekhus dissenting, the Board the Board approved the nomination of Vaughn Hartung as Chairman of TMWA Board of Directors for fiscal year 2019-2020.

Upon motion by Member Hartung, second by Member Anderson, which motion duly carried five to one with Member Brekhus dissenting, the Board the Board approved the nomination of Kristopher Dahir as Vice Chairman of TMWA Board of Directors for fiscal year 2019-2020.

14. GENERAL MANAGER'S REPORT

Mr. Foree reminded the Board of TMWA's Employee Summer BBQ and recommended to cancel the July meeting.

15. PUBLIC COMMENT

There was no public comment.

16. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Vice Chair Dahir requested to revisit the Portland Loo project at Brodhead Park and discuss the logistics of it being on TMWA property.

17. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 1:05 p.m.

Approved by the TMWA Board of Directors in session on August 21, 2019.

Sonia Folsom, Recording Secretary