

TRUCKEE MEADOWS WATER AUTHORITY  
MINUTES OF THE AUGUST 21, 2019  
MEETING OF THE BOARD OF DIRECTORS

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The Board of Directors met on Wednesday, August 21, 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, and Neoma Jardon.

**Members Absent:** Paul Anderson

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Janet Phillips, Tahoe-Pyramid Trail.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

**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.**

5. APPROVAL OF THE MINUTES OF THE JUNE 19, 2019 MEETING OF THE TMWA BOARD OF DIRECTORS

**Upon motion by Member Brekhus, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the June 19, 2019 minutes.**

6. UPDATE AND POSSIBLE ACTION AND DIRECTION TO STAFF REGARDING THE SOLICITATION OF BIDS FOR THE POTENTIAL SALE OF THE FARAD PROPERTY AS SURPLUS PROPERTY

John Zimmerman, TMWA Water Resources Manager, and Pat Nielson, Director of Distribution, Maintenance & Generation presented this agenda item.

Mr. Zimmerman reported at its June meeting the Board directed staff to proceed with the sale of Farad as surplus property. Staff published the notice of sale in numerous newspapers, sent the notice to interested parties, created a website with additional information, and acquired two appraisals, \$265k and \$60k (the reduced value took into consideration certain demolition costs). The result was there were 13 interested parties and one sealed bid for presentation to the Board at today's meeting.

The Board discussed the zoning restrictions, the access easement granted for the Tahoe-Pyramid Trail and the value of structures on the property.

**No action taken.**

7. PUBLIC HEARING, OPENING OF SEALED BIDS AND CONSIDERATION OF POSSIBLE ORAL BIDS FOR SALE OF FARAD PROPERTY AND DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF SALE OR OTHER DISPOSITION OF FARAD PROPERTY CONSISTING OF APPROXIMATELY 111 ACRES IN NEVADA COUNTY, CALIFORNIA GENERALLY REFERRED TO AS ASSESSOR'S PARCELS 48-030-14, 48-050-01, 48-050-10, 48-060-07, 48-040-02 AND 48-130-04

Michael Pagni, TMWA General Counsel, informed the Board of the procedure to follow regarding consideration of the sealed bid submitted. Once it is opened, the bid should be reviewed to determine whether it is a conforming or non-conforming. If conforming, the Chair can inquire if there is someone in the audience who would like to submit an oral bid and the Board can conduct an auction. Any oral bid has to be at least 5% over the sealed bid amount given. The Board can decide whether they wish to accept or reject the bids.

Sonia Folsom, Board Clerk, opened the sealed bid received from Navitas Assets, LLC for \$12,321.00.

Mr. Pagni confirmed the bid is conforming to the terms and conditions without exceptions, and that the 5% increment for any oral bid is \$616. At the time the Board adopted the resolution to accept sealed bids they did not mandate a minimum price for bids as appraisals were in process.

Chair Hartung set the base at \$1,000 increments to start bidding and opened the floor for competing bids.

Thomas Hartline, President of Navitas, inquired about the process and whether oral bidders were required to submit the \$10k deposit in advance. Mr. Pagni replied oral bidders would be required to submit the deposit to escrow by August 23 and the contract executed today, if the bid was approved.

Bill Black, on behalf of himself, started the bidding at \$14k. Mr. Hartline countered with \$15k and bidding between the two parties continued. Mr. Black bid \$26,000 and Mr. Hartline conceded.

Mr. Hartline explained their initial low bid was due to the issue of the exclusion of all water rights, and in their view the land is worthless without them.

Mr. Pagni inquired if Navitas Utility would be the back-up bidder in case Mr. Black failed to pay. Mr. Hartline replied yes, at \$21k. Mr. Pagni explained the water rights excluded from the sale are used for hydro purposes and that the conditions of sale included prohibitions against diverting water from the Truckee River anywhere on the property to protect the TMWA's priority rights upstream.

Discussion followed regarding the parameters of consumptive/non-consumptive use, restrictions on diversion of surface water, change in application of water rights, the geographic area acts as a protective mechanism in prohibiting diverting water. Discussion also ensued on appraised values, and whether it was in the best interests of TMWA to proceed with bids at this level.

Mr. Pagni reiterated that the Board can take any direction they so choose, and could either to accept or reject bids and reopen agenda item #6 to readdress intent and give additional direction to staff.

The Board discussed not accepting any bids today since they were too low and holding onto the property to reopen the process at a subsequent time. Mr. Nielson expressed concern with holding onto the property opining that for many reasons it may expose TMWA to liability and it would be better to sell it sooner rather than later.

The Board discussed the Farad property, the condition it is in, liability and current real estate market. The Board further discussed bringing a sale back in the future for economic development purposes or setting a minimum price to accept future bids.

Mr. Black voluntarily increased his final bid to \$63,000, which he noted was \$3k over the lowest appraisal. He explained he is a good steward of the land and access to his property is paramount in minimizing the dangers of wildfires.

Member Herman stated she has been a realtor for many years and believes this appears to be a good deal in all directions.

The Board further discussed general concerns about the low value of the bid, the disparity between appraised values, and whether it was in TMWA's best interests to accept bids at this level.

*Public Comment*

There was no public comment.

*Closed Public Comment*

**Upon motion by Member Brekhus, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board rejected the auction bids**

Chair Hartung reopened agenda item 6.

6. UPDATE AND POSSIBLE ACTION AND DIRECTION TO STAFF REGARDING THE SOLICITATION OF BIDS FOR THE POTENTIAL SALE OF THE FARAD PROPERTY AS SURPLUS PROPERTY

The Board discussed broader parameters for the next round of notice of sale, to include, but not limited to: setting a minimum bid price, explore the possibility of an economic development sale, possibly contract with a broker to assist staff in reaching a broader public audience, provide clarity on the use of water rights and TMWAs permits, etc.

**Upon motion by Member Brekhus, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved staff to return with updated parameters to reopen the bidding process for the sale of Farad property as surplus property and to include a minimum bid price.**

8. PUBLIC HEARING ON RATE AMENDMENT

A. RATE AMENDMENT, SECOND HEARING AND ADOPTION: DISCUSSION AND ACTION ON RESOLUTION NO. 278: A RESOLUTION TO ADOPT 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

Scott Estes, Director of Engineering, provided a brief overview of the staff report.

The Board thanked Mr. Estes and staff in reaching out the public, developers, etc. to ensure everyone had the opportunity to provide comments and feedback. Member Brekhus stated the method of establishing rate structures geographically is best practice to ensure growing in conformity with the regional plan.

Mr. Estes stated for the record that these rates do not impact existing customers, only new development, and do not affect water rates.

B. PUBLIC COMMENT

No public comment.

**Upon motion by Member Dahir, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 278: A resolution to adopt 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 effective October 1, 2019.**

CLOSE PUBLIC HEARING

9. DISCUSSION AND POSSIBLE ACTION, AND DIRECTION TO STAFF REGARDING LEASE OF PROPERTY LOCATED AT 1905 E. 4<sup>TH</sup> STREET, RENO, NEVADA DESCRIBED AS APN 008-382-01 TO THE CITY OF RENO FOR THE PURPOSE OF TEMPORARY NUTRITION SITE FOR INDIVIDUALS AND FAMILIES THAT ARE FOOD INSECURE

Heather Edmunson, TMWA Land Agent II, presented this agenda item. Ms. Edmunson reported that the agreement is for a twelve-month term with the option for two additional twelve-month terms to follow without it having to return to the Board or City of Reno Council unless there were amendments to the agreement that needed to be addressed.

Discussion followed regarding the security of the property as it is neighboring a TMWA well-site (there is no issue, the City of Reno will pay \$5k for additional security improvements); terms of the lease (either party can give 30 days notice to terminate the lease); TMWA's liability (TMWA would be released of obligations and City of Reno return the property as is); if there were any services or utilities on the property (there are no services); and to ensure the City of Reno is responsible for zoning code and improvements (Section 2.2 in the agreement requires City of Reno to comply).

Member Brekhus expressed her concern whether it was appropriate for TMWA to enter into an inter-agency cooperation in this regard when questions remain about the core service the City of Reno wants to provide and that it needs to be brought back to the Reno City Council.

John Enloe, Director of Natural Resources and Planning, stated when the City of Reno approached TMWA to use the property, TMWA staff reached out the City of Reno Manager and Assistant Manager to agree to cooperate with TMWA regarding relocating the planned Portland Loo from TMWA's property to the City of Reno's property at Broadhead Park, in exchange for the 1905 E. 4<sup>th</sup> Street property to house the Nutrition Site, as TMWA's property site was not feasible for numerous reasons.

**Upon motion by Member Jardon, second by Member Herman, which motion duly carried five to one with Member Brekhus dissenting, the Board approved the lease of property located at 1905 E. 4<sup>th</sup> Street, Reno, Nevada described as APN 008-382-01 to the City of Reno for the purpose of temporary nutrition site for individuals and families that are food insecure.**

10. DISCUSSION AND POSSIBLE ACTION, AND DIRECTION TO STAFF REGARDING THE PORTLAND LOO PUBLIC RESTROOM PROJECT ALONG TRUCKEE RIVER CORRIDOR

Mr. Enloe thanked the City of Reno for their cooperation in this endeavor. To secure additional funding staff has been working with Washoe County, to secure available funds, \$265k, from State Question #1 (SQ1) that needs to be spent by June 30, 2020. The State has agreed to allow Washoe County to use this funding towards buying two Portland Loos. The biggest challenge is securing funding for operations and maintenance (O&M); Renown has partnered with One Truckee River and has donated \$13k for next fiscal

year. In addition, Nevada Land Trust and Keep Truckee Meadows Beautiful have redirected \$17k towards O&M for this project. The State is very supportive of the restroom effort, from water quality perspective to improve water quality upstream from the Glendale Water Treatment Plant.

Mr. Enloe asked for the Board to concur moving in this direction and will bring back to the Board: 1. Agreement with Washoe County to use SQ1 funding to purchase two Portland Loos; 2. Direct staff to work with City of Reno on easement to install the first Portland Loo at Broadhead Park and establish metrics for success; and 3. Give Mr. Enloe the authority to have flexibility with \$150k TMWA Board approved in funding for the installation and put the remaining TMWA Board approved funds into a reserve account for O&M to draw upon as they get this started.

**No action taken.**

Chair Hartung recessed at 11:50am

Chair Hartung reconvened at 11:56 am

#### 11. PRESENTATION AND POSSIBLE DIRECTION TO STAFF ON TMWA'S SUCCESSION PLANNING PROCESS

Jessica Atkinson, TMWA Human Resources Manager, and Andy Gebhardt, Director of Operations and Water Quality presented this agenda item.

Ms. Atkinson presented the process by which staff conducted exercises in support of a succession plan to help to ensure business continuity, capture and transfer knowledge, encourage employee growth, development and engagement, and hire, retain and develop talent for the future. Employees were given the opportunity to provide feedback about their career aspirations, goals and desires and to learn more about the organization.

The Board expressed their approval of the extreme effort, due diligence, and forward-thinking approach in realizing the need to establish a succession plan in anticipation of a large number of employees retiring within the next several years.

**No action taken.**

#### 12. DISCUSSION AND POSSIBLE DIRECTION FROM BOARD REGARDING THE EVALUATION PROCESS FOR CONDUCTING GENERAL MANAGER'S PERFORMANCE REVIEW

Mark Foree, TMWA General Manager, informed the Board that the General Managers evaluation is set for September, but Ms. Atkinson will go over the process in preparation for the meeting.

Ms. Atkinson informed the Board to confirm the process staff has utilized to garner feedback on the General Manager's performance from Board members and senior management staff, using Survey Monkey. The survey will include a report from the General Manager summarizing performance on the

goals and objectives that were set and approved by the Board last year. Once all evaluations have been submitted, a report will be provided to the Board for its September meeting. She stated the survey will be open from August 26<sup>th</sup> through September 9<sup>th</sup>.

**No action taken.**

### 13. GENERAL MANAGER'S REPORT

Mr. Foree reported that all reservoirs are still near full, Lake Tahoe is only 5 inches below its maximum elevation, and we expect normal river flows in the next 2-3 years no matter what happens during that period of time.

Member Brekhus commended TMWA staff who worked on the California Avenue and Booth Street project. They were there after hours working diligently on connections, traffic control, etc., and they were very pleasant.

### 14. PUBLIC COMMENT

There was no public comment.

### 15. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Brekhus inquired about a possible bill adopted in the 2019 legislative session which provides for discounted rates for subsidized housing and asked staff to review and advise whether it poses any policy implications on TMWA rates.

### 16. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 12:36 p.m.

Approved by the TMWA Board of Directors in session on September 18, 2019.

Sonia Folsom, Recording Secretary