

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE AUGUST 15, 2019
MEETING OF THE BOARD OF DIRECTORS
2020-2040 WATER RESOURCE PLAN WORKSHOP

The Board of Directors met on Thursday, August 15, 2019 at Truckee Meadows Water Authority, 1355 Capital Blvd., Reno, Nevada. Chair Hartung called the meeting to order at 9:01 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.

**Member Duerr arrived at 9:02 a.m.*

***Member Dahir left at 11:34 a.m.*

****Member Brekhus left at 12:16 pm*

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Anderson.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

Upon motion by Member Duerr, second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board approved the agenda.

5. PRESENTATION ON CURRENT STATUS OF RECOMMENDED ACTIONS FROM THE 2016-2035 WATER RESOURCE PLAN

Michael Pagni, TMWA General Counsel, informed the Board that the Water Resource Plan (WRP) update occurs every five years by statute. The function is to plan for conservation and water resource planning of

the utility pursuant to Chapter 540, and also in conjunction with water resource planning obligations under the Truckee River Operating Agreement (TROA).

John Enloe, Director of Natural Resources and Planning, thanked the Board and staff for attending. Mr. Enloe informed the Board that staff is in the middle of updating the 2020-2040 Water Resource Plan (2040WRP) with the intent of getting it approved by summer 2020. During the last WRP update, staff received comments by the Board to obtain more public input and to focus on policy issues facing TMWA. The current update will have less emphasis on the background of TROA (since its 2015 adoption, staff will refer to previous WRPs) and history of TMWA, and the WRP will be more user-friendly and address concerns of growth, drought and climate change.

Kara Steeland, TMWA Hydrologist, provided a brief overview of the progress of the recommended actions in the 2016-2035 Water Resource Plan (2035WRP). Many have been completed (most notably the consolidation of TMWA, former Washoe County Department of Water Resources and South Truckee Meadows General Improvement District (STMGID), the implementation of TROA, and acquisition of the other half of the storage rights in Donner Lake), but there are many ongoing actions (notably, climate variability, groundwater/conjunctive management, and future water resources), which will be carried over to the new 2040WRP.

The Board discussed the possibility of capturing earlier runoff in reservoirs (TMWA staff and multiple partners have submitted a grant proposal to Bureau of Reclamation (BOR) to work with the Army Corp of Engineers re-write the control manuals on how reservoirs are operated); working with Nevada Department of Environmental Protection (NDEP) to prevent future contamination and maintain source water quality (for example, nitrate contamination in Spanish Springs); water resource availability and TMWA's Rule 7 setting the ceiling price for water rights; and providing information regarding growth and water demand (staff is conducting population projections and can provide a brief report to the Board when projections are completed). The Board also requests for staff to communicate the WRP to legislators and be more active with legislators so they are more aware of what TMWA is doing, how legislation affects TMWA's operations, and how TMWA is planning for the future.

6. DISCUSSION AND POSSIBLE ACTION, AND DIRECTION TO STAFF REGARDING THE PROPOSED POLICIES AND RECOMMENDED MANAGEMENT STRATEGIES SECTION OF THE 2020-2040 WATER RESOURCE PLAN

Ms. Steeland provided the outline of the goals and objectives of the 2040WRP, primarily the new section, *Recommended Policies and Management Strategies*. She reported that staff conducted a public online survey in December 2018-January 2019 (the summary of the results were presented as an infographic at the Smart About Water Day in May) and presented the 2040WRP survey results; the summary of which will be provided to the Board.

Mr. Enloe informed the Board that one of the new policies adopted since the 2035WRP is the new Rate Stabilization Fund (adopted in 2018), which creates 3 years of funding in preparation for the next drought

to defer and/or minimize a rate increase; currently it is fully funded at \$9.1 million and no more funds will be added unless it is scheduled to be used.

John Zimmerman, TMWA Water Resources Manager, informed the Board of another policy recently adopted (January 2019) to replace the meter retrofit program. The new Water Resource Sustainability Fee, which is a fee on new development using surface water, is \$1,600/acre-foot of demand and will be applied to projects, in conjunction with Developer Fees, in the Capital Improvement Plan; such as aquifer storage and recovery, and Category A+ water initiatives. Future customers will benefit from continued research and evaluation of enhanced water supply initiatives.

Discussion followed regarding the relationship of potable water and wastewater (TMWA has an interlocal agreement between TMWA, Cities of Reno and Sparks at American Flat to determine the feasibility of groundwater augmentation using Category A+ advanced purified reclaimed water); the return flow management agreement with Reno, Sparks, and Truckee River Industrial General Improvement District (TRI GID) to assist with wastewater issues in water resource management; and modifying the Rule 7 demand estimates/dedication requirements.

Mr. Enloe presented the first proposed policy, Small Water System Acquisitions, where acquisition would not proceed unless the small utility wants to be acquired, there is a regional benefit and there are no long-term adverse impacts to existing TMWA customers. In the case of the Verdi Business Park, the Park approached TMWA to take over the system and had to bring up their system to TMWA standards at a cost of about \$600k. TMWA is not actively approaching small systems; TMWA needs to be approached first.

Public Comment

To provide an example of the type of small water system that TMWA may, in future, look into acquiring, Scott Schoenfeld, on behalf of Rosemount Water Company, provided a brief history of his water company, which operates in the Mt. Rose area. The company has three developed springs that produce about 30 million gallons per year. Mr. Schoenfeld has about 80 acres of developable land and 90 acre-feet of water rights. Water levels have never changed, but his system has uranium issues. He is only eligible to receive private money or a State Revolving Fund (SRF) loan. If TMWA determined that it was interested in acquiring the system, then the state grant system (State Revolving Fund loan forgiveness program and/or AB198, which assists small water systems to get into compliance) may be available.

End of Public Comment

Discussion followed regarding the StoneGate development (they will develop groundwater and/or an emergency connection with Great Basin Water Company); TMWA's requirement that there be a connection with Great Basin or back-up Cold Springs wells for improved reliability; whether acquired spring sources need to be filtered; whether there should be a more coordinated approach in consolidating the smaller water systems and having the local jurisdictions bring forward their recommendations; how AB198 is limited to public, not private, water systems with less than 10,000 customers; and whether TMWA should expand AB198 legislation in its policy.

Chair Hartung called for a recess at 10:55 am.

Chair Hartung reconvened at 11:09am

Mr. Zimmerman presented the proposed policy for water rights acquisition, which is to maintain an inventory for future growth and focus more on strategic water right acquisitions, which include large blocks of water rights needed for specific projects (for example, Whites Creek water rights for Mt. Rose Water Treatment Plant), and rights with unique benefits to TMWA (for example, senior priority rights such as Pioneer Ditch and Marlette water system). Mr. Zimmerman provided a brief presentation on the major water rights holders and the current status of the water rights classes. He noted that there are about 40,000 AF of water rights remaining to be acquired. The Board recommended the WRP reflect that staff continue to be active, and have foresight, in acquiring resources now for the future.

With respect to the proposed policy, the Board discussed a significant concern of water rights leaving the basin as happened in the case of Rancharra selling Lake Ditch (Truckee River) water rights to TRI GRID, which was a private water sale, noting TMWA should be more involved, creative and proactive to keep water rights in the basin. The Board also discussed the status of Marlette Lake (the State has a draft purchase water agreement with Carson City); recognition that the TMWA General Manager has the authority to purchase water rights, but, if an acquisition involved another agency (for example, Marlette Lake or an agreement with UNR for Pioneer Ditch water rights), the acquisition could be brought to the Board; maintenance of a base number of water rights in inventory (about 1,500-2,500 AF); and recognition that Fish Springs owns its infrastructure and about 8,000 AF of groundwater rights.

Mr. Enloe discussed the third proposed policy, the feasibility of using Category A+ advanced purified reclaimed water to enhance TMWA's water resource sustainability, drought resiliency and efficient use of water resources in the region. TMWA is engaged in a leadership role for OneWater Nevada, conducting feasibility testing and establishing a pilot study to prove that TMWA staff can operate A+ water reclamation and storage reliably and produce high level quality water. It is a collaborative process where all parties involved are contributing time, expertise, and money to move this effort forward. At the Reno Stead Water Reclamation Facility, staff is injecting treated municipal drinking water from TMWA's distribution system into one well and taking it out from another well, and directing it back to the wastewater plant to observe water quality. Category A+ water will be recharged later this year as part of a pilot study to assess the feasibility of the treatment processes to meet water quality goals. At Bedell Flat, another study is underway which will take about four years and approximately \$5m to prove up the feasibility of creating an underground water storage reservoir.

Discussion took place regarding the proposed policy to confirm that the pilot studies are currently using drinking water from TMWA's distribution system; regarding the fact that staff have worked with representatives at the Pyramid Lake Paiute Tribe (PLPT) and the Reno Sparks Indian Colony regarding the Bedell Flat recharge project; regarding the fact staff has established that American Flat is a feasible site to recharge up to 2 million gallons per day and to store 2,000 AF for 5-years; regarding the fact OneWater Nevada is collaborating with NDEP to consider the possibility of issuing will-serve commitments with A+ reclaimed water that is recharged as a future water rights strategy.

Upon motion by Member Duerr, second by Member Anderson, which motion duly carried by unanimous consent of the members present, the Board approved staff to move forward with the proposed recommendations and to update the Board of the status of the draft 2020-

2040 Water Resource Plan in future meetings. Members Brekhus and Dahir were not present for this vote.

7. PUBLIC COMMENT

There was no public comment.

8. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There was no board comment.

9. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 12:18 p.m.

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

Sonia Folsom, Recording Clerk

Vice Chair Dahir was present for agenda items 1 thru 5 and a portion of agenda item 6 only.

Member Brekhus was present for agenda items 1 thru 5 and a portion of agenda item 6 only.