TRUCKEE MEADOWS WATER AUTHORITY
Board of Directors
AGENDA
Wednesday, August 19, 2020 at 10:00 a.m.
Meeting Via Teleconference Only

MEMBERS OF THE PUBLIC MAY ATTEND VIA THE WEB LINK, OR
TELPHONICALLY BY CALLING THE NUMBER, LISTED BELOW.
NO PHYSICAL LOCATION IS BEING PROVIDED FOR THIS MEETING
(be sure to keep your phones on mute, and do not place the call on hold)

Please click the link below to join the webinar:
https://zoom.us/j/94439163646?pwd=RDNsbUpxNVlNUTVYaVEvQ3hHa0pjdz09
Password: 433368
Or call:
Phone: (888) 788-0099
Webinar ID: 944 3916 3646

Board Members

Chair Vaughn Hartung
Vice Chair Kristopher Dahir
Member Neoma Jardon
Member Jeanne Herman
Member Jenny Brekhus
Member Naomi Duerr
Member Paul Anderson

NOTES:

1. This meeting is being conducted pursuant to the Governor's Declaration of Emergency Directive 006 ("Directive 006 http://gov.nv.gov/News/Emergency_Orders/2020/2020-03-22_-_COVID-19_Declaration_of_Emergency_Directive_006/.
and will be held by teleconference only.

2. The announcement of this meeting has been electronically posted in compliance with NRS 241.020(3) and Directive 006 at http://www.tmwa.com, and NRS 232.2175 at https://notice.nv.gov/.

3. Pursuant to Directive 006, the requirement contained in NRS 241.020(3)(c) that physical locations be available for the public to receive supporting material for public meetings has been suspended. Staff reports and supporting material for the meeting are available on the TMWA website at http://www.tmwa.com/meeting/ or you can contact Sonia Folsom at (775) 834-8002. Supporting material is made available to the general public in accordance with NRS 241.020(6).

4. The Board may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.

5. Asterisks (*) denote non-action items.

6. Pursuant to Directive 006, public comment, whether on action items or general public comment, may be provided without being physically present at the meeting by submitting written comments online on TMWA's Public Comment Form (tmwa.com/PublicComment) or by email sent to boardclerk@tmwa.com prior to the Board opening the public comment period during the meeting. In addition, public comments may be provided by leaving a voicemail at (775)834-0255 prior to 4:00 p.m. on July 14th. Voicemail messages received will be noted during the meeting and summarized for entry into the record. Public comment is limited to three minutes and is allowed during the public comment periods. The Board may elect to receive public comment only during the two public comment periods rather than each action item. Due to constraints of TMWA's videoconference system, public comment must be provided by voicemail, email or online comment as indicated above.

7. In the event the Chairman and Vice-Chairman are absent, the remaining Board members may elect a temporary presiding officer to preside over the meeting until the Chairman or Vice-Chairman are present (**Standing Item of Possible Action**).

8. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.

[1.] The Board may adjourn from the public meeting at any time during the agenda to receive information and conduct labor-oriented discussions in accordance with NRS 288.220 or receive information from legal counsel regarding potential or existing litigation and to deliberate toward a decision on such matters related to litigation or potential litigation.

1. Roll call*

2. Pledge of allegiance*

3. Public comment — limited to no more than three minutes per speaker*

4. Approval of the agenda **(For Possible Action)**

5. Approval of the minutes of the June 17, 2020 meeting of the TMWA Board of Directors **(For Possible Action)**

6. Presentation on TMWA's Water Main Replacement Program — Danny Rotter*

7. Discussion and possible direction from Board regarding the evaluation process for conducting General Manager's performance review — Jessica Atkinson and Mark Foree **(For Possible Action)**

8. Presentation of preliminary fiscal year 2020 unaudited financial performance — Matt Bowman*

9. Discussion and action, and possible reconsideration and modification of implementation of Phase Three, Phase Four and/or Phase Five rate adjustments in amount of 2.5% each currently scheduled to be implemented on first billing cycle in September 2020, May 2021 and May 2022 — Michele Sullivan **(For Possible Action)**

10. Discussion and action, possible direction to staff and possible approval of Memorandum of Understanding with Carson City and Storey County regarding identification and availability of surplus water resources in the Marlette Lake water system — John Enloe (**For Possible Action**)

11. General Manager's Report*

12. Public comment — limited to no more than three minutes per speaker*

13. Board comments and requests for future agenda items*

14. Adjournment **(For Possible Action)**

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TRUCKEE MEADOWS WATER AUTHORITY
DRAFT MINUTES OF THE JUNE 17, 2020
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, June 17, 2020, via Zoom Virtual Meeting, Reno, Nevada. Chair Hartung called the meeting to order at 10: 31 a.m.

1. ROLL CALL

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

A quorum was present by telephonic appearance.

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Member Brekhus.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

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

5. APPROVAL OF THE MINUTES OF THE MAY 21, 2020 MEETING

Upon motion by Member Brekhus, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved the May 21, 2020 minutes.

6. PRESENTATION ON THE PORTLAND LOO PROJECT

John Enloe, TMWA Director of Natural Resources, updated the Board on the status of the Portland Loo Project at Brodhead Park. Mr. Enloe stated that TMWA has contracted with Gerhardt & Berry

Construction, Inc., but the construction of the first installation is slightly delayed at Brodhead Park due to the civil unrest downtown.

Board Members inquired where the other two restrooms would be installed (locations have yet to be determined at this time); the role of the maintenance valet (the individual will be stationed at Brodhead park to ensure proper use of the restroom, light maintenance/cleaning and social outreach); and when the restroom would be open (about four weeks from the start of construction).

7. DISCUSSION AND POSSIBLE ACTION, AND DIRECTION TO STAFF REGARDING TMWA'S DRAFT 2020-2040 WATER RESOURCE PLAN

Kara Steeland, TMWA Hydrologist, presented the draft 2020-2040 Water Resource Plan (2040WRP), as well as the public outreach schedule, and staff plans to bring it back for final Board approval in the fall. Bill Hauck, TMWA Water Supply Administrator, presented the climate change model scenarios, which indicate that even in extreme scenarios, the first year of shortage is 50 years out; therefore, TMWA's water supply remains extremely resilient under current operations. Mr. Hauck further explained the Bureau of Reclamation (BOR) grant TMWA received in September 2019 is a multi-agency approach to reevaluate the flood control management of upstream storage (last updated in 1985) based on changing climate conditions, potentially providing a more flexible and adaptive storage plan.

The Board commended staff on a great job drafting the 2040WRP: making it more accessible to the general audience, shifting the focus from TMWA's history to be more forward looking, addressing climate change, including the BOR grant in its analysis, expanding the ASR program, and presenting a strong future water supply outlook.

Vice Chair Dahir stated it is important to invest funds to address major issues such as climate change, sewer and growth, but not necessarily building more reservoirs. Mr. Hauck agreed and said TMWA's greatest asset in combating climate change is the adaptive management of its reservoirs and convincing the Army Corps of Engineers (ACOE) through our studies and analysis to protect the community against flood and capture more upstream snowmelt will be critical. Mr. Enloe added continuing to invest in advanced purified water and reclaimed water efforts in the region, and capitalize on the local resources available, such as the Marlette Lake Water System, will also prove beneficial.

Chair Hartung inquired about the recommendation from the USGS regarding the need for additional reservoirs in our system for future sustainability. Mr. Hauck replied California would probably not permit another major reservoir. Adjusting reservoir operations will be extremely important, since runoff may occur well before April under future climate conditions, and having the ability to adaptively manage the reservoirs will increase how much runoff is captured. Mr. Hauck informed the Board the Sacramento ACOE completed a similar analysis on the American Rivers and Folsom Reservoir and they have begun operating the reservoir differently; TMWA staff will be working with the Sacramento ACOE on the BOR grant.

Member Duerr liked the public process outreach and recommended for staff to utilize the Facebook Live feature on Zoom to engage the public even more so.

Member Brekhus raised questions about the need to develop policies regarding growth and suggested integrating TMWA's projections with other agency analyses related to growth and economic status in the region to be better equipped for industries coming to the region. In addition, Member Brekhus requested more information on the Marlette Lake Water System as well as how the connection between ASR and reclaimed water work, prior to final adoption of the plan.

At this time the Board requested staff to return in the fall with any substantive concerns and/or feedback they receive during the public outreach process prior to final adoption, and to present the final 2040WRP to all three entities: Cities of Reno and Sparks and Washoe County.

No action taken.

8. PUBLIC HEARING ON RATE AMENDMENT

A. RATE AMENDMENT, SECOND HEARING AND ADOPTION: DISCUSSION AND ACTION ON RESOLUTION NO. 286: A RESOLUTION TO ADOPT TMWA NEW RATE SCHEDULE INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE (ILVNPS)

Mr. Enloe presented the proposed ILVNPS Rate Schedule, which would create a mechanism to allow for temporary uses of reclaimed water for various purposes. Since the first reading in May, TMWA has received another request from the Somersett Golf Course for TMWA to either lease or serve them Truckee River water (about 100 acre feet) through their own facilities so they could irrigate the golf course this summer (one of their irrigation wells is out of service). Mr. Enloe introduced Kevin Porter, City of Sparks Utility Manager, who is available to answer questions related to Truckee Meadows Water Reclamation Facility (TMWRF) and reclaim water use that were brought up at the last meeting.

Member Brekhus stated she did not support the first reading due to concerns about TMWRF, and inquired if these requests would be brought to the Board for approval. Mr. Enloe replied only if the request was significant since it is at TMWA's discretion depending on the current drought situation and water availability. Michael Pagni, TMWA General Counsel, added generally it would be within the general manager's authority to add a customer but if the general manager desired additional direction he would have the ability to bring to the Board for input if necessary.

Mr. Enloe further explained the original request for temporary service was brought to TMWA by both City of Sparks and the developer for the 5 Ridges development. The issue is City of Sparks does not have the water rights to satisfy the return flow obligation and diverting additional TMWRF effluent for the project; the new rate structure gives the ability to temporarily permit water rights to leave in the river to help satisfy the return flow. Mr. Porter confirmed the City of Sparks is supportive of this rate and even though City of Sparks has an inventory of water rights used for return flow management, they are not experts in managing water rights which is why TMWA's expertise is greatly valued in assisting them to sign up a temporary reuse customer.

Member Brekhus asked if there had been discussions at the Joint Coordinating Committee (JCC) on how this will affect the allocation of the joint ownership. Mr. Porter replied he does not sit on the JCC and cannot speak specifically to the allocation of joint ownership. He added in terms of joint ownership and effluent leaving TMWRF, Sparks has a variety of customers it serves as well as the City of Reno; and Washoe County has its own reclaimed water system from effluent produced at their South Truckee Meadows Water Reclamation Facility; and all three entities are looking for the opportunity to add customers.

Member Brekhus stated she would like a better explanation of what is effluent as a water resource, if the new rate would create capacity for the City of Sparks to add will-serve letters for reclaim service, and expressed concerns about the increased demand and added stress on the system. Mr. Porter replied no, the intent is not to identify new customers, rather following the best practice of utilizing the existing system to serve customers wishing to use reuse water on a short-term basis, and the new rate tariff will assist them. Mr. Enloe clarified this would not impact TMWA's existing facilities; users have to have their own facilities to divert water.

The Board discussed how beneficial this is for managing effluent, maintaining the return-flow requirements and utilizing water in the Truckee River that would otherwise not be used. They agreed they would like to be kept informed of new customers, keep the process in place that already exists under the general manager's authority, and have the general manager report new customers using this rate to the Board in his monthly water rights report.

B. PUBLIC COMMENT

There was no public comment.

Upon motion by Member Dahir, second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 286: A resolution to adopt TMWA new Rate Schedule Interruptible Large Volume Non-Potable Service (ILVNPS).

CLOSE PUBLIC HEARING

9. DISCUSSION AND ACTION ON NOMINATION AND ELECTION OF CHAIRMAN AND VICE CHAIRMAN AND REQUEST FOR BOARD ADOPTION OF RESOLUTION NO. 287 APPOINTING A CHAIRMAN AND VICE CHAIRMAN FOR FISCAL YEAR 2021

Mr. Foree presented this item.

Member Anderson moved to appoint Vaughn Hartung to Chair and Kristopher Dahir to Vice Chair.

Upon motion by Member Anderson, second by Member Jardon, which motion duly carried six to one with Member Brekhus dissenting, the Board adopted Resolution No. 287: A resolution appointing Vaughn Hartung as Chairman, and Kristopher Dahir as Vice Chair, of TMWA Board of Directors for fiscal year 2020-2021.

10. GENERAL MANAGER'S REPORT

Mr. Foree reported Lake Tahoe is about 1.2 feet below full and reservoir storage is at 75-80% total, which equates to a solid reservoir supply scenario with normal river flows for at least the next two years. TMWA's current revenue status is holding strong with the warm weather in April and May. Mr. Foree added that TMWA is now in Phase 2, following Governor Sisolak's reopening of the state, and slowly increasing employees returning to the office, but only based on need and for many it will remain status quo (which is working very well), and temperature scanning kiosks have been set up at all TMWA locations.

Michele Sullivan, TMWA Chief Financial Officer, reported revenues were behind $3m until the spring, but have since made up more than half of that in the past few months and are now only a little over $1m under budget. Ms. Sullivan noted collections have increased over the past 60 days for bills that are over $100 or more. However, there is no pressure to pay and customers will receive friendly reminders asking them to communicate with us so that we can work with them to spread out the payments over six months (or more if needed); this is approximately 3,500 customers and about $0.5m.

Member Brekhus inquired about water collections and how other water purveyors are creating policies for shut offs as well as wastewater and water resources for the most-recent annexation into TMWA's service area in the North Valleys. Ms. Sullivan replied TMWA does have a policy in place and she attended a virtual conference regarding this very issue; no utility is shutting off water at this time. Mr. Zimmerman replied that wastewater from the recently annexed project will go to the Reno-Stead Water Reclamation Facility and the project would use Fish Springs water resources for the Will-Serve Commitment.

Chair Hartung inquired about additional snowmelt, the river flow rate and how many flood gates are open. Mr. Hauck replied no, it will be more evaporation rather than snowmelt, three gates are open, and Mr. Foree added river flow is about 200 cubic feet per second leaving Tahoe and at 970 cubic feet per second at Farad (at the state line).

11. PUBLIC COMMENT

There was no public comment.

12. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Brekhus requested staff reports be hyperlinked to the agenda for ease of reading digitally.

Vice Chair Dahir inquired about the health of staff. Ms. Atkinson replied staff is doing well with no confirmed cases.

13. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 12:25 p.m.

Approved by the TMWA Board of Directors in session on _____.

Sonia Folsom, Board Clerk.

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STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: Danny Rotter, Engineering Manager
Scott Estes, Director of Engineering
DATE: July 8, 2020
SUBJECT: **Presentation on TMWA's Water Main Replacement Program**

Recommendation

No action needed.

Summary

In the early 2010's, TMWA staff embarked on an analysis to determine if the then-current level of funding water main replacements was adequate and sustainable into the future. In August of 2015, Holly Flores, Principal Planning Engineer authored a report with support from TMWA's GIS team that concluded:

> *"Results show TMWA's exceptional reliability and water main infrastructure integrity when compared nationally to public water system annual break rates, service levels and water produced but not billed. Coordination with local agencies should continue as this approach has proved to be the most cost effective and least disruptive to main replacement and rehabilitation for TMWA customers and the community."*

The primary finding of the report is that TMWA's top 10 mains to prioritize replacement offered service levels of 0.3 to 1.1 leaks per 1,000 feet per year based on 24 years of leak history (1989-2013). At 3 breaks per 1,000 feet per year, open-trench replacement can be cost effective. TMWA's system-wide main leak rate was very low at 3 leaks per 100 miles annually (or 0.006 leaks per 1,000 feet per year). According to the AWWA "Benchmarking Performance Indicators" in 2013, the median level of breaks and leaks has ranged from 26-49 per 100 miles since 2004.

Further details and some updates will be provided with the board presentation and discussion.

Prioritized Main Replacement Program

Truckee Meadows Water Authority

Danny Rotter, P.E.
8/19/20

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Prioritized Main Replacement Program

- High Level Review of 2015 Replacement Program Report findings
- Methodology / Statistics Review
- Future Efforts

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Prioritized Main Replacement Program

*Report finalized in 2015, Authored by **Holly Flores, P.E.** with support by the stellar **GIS Team***

Purpose: Inventory and analyze existing TMWA water main infrastructure condition and service level to develop prioritized short-term and long-term plans for water main renewal.

Goals:

1. Incorporate the likelihood and consequence of water main failure to reduce total system risk, associated unplanned outages and emergency repair costs.
2. Prioritize main rehabilitation and replacements based on risk and coordination with local agencies to maximize benefits and minimize costs.
3. Ensure the viability, integrity and reliability of the water system for our community.

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Prioritized Main Replacement Program

Findings:

Short-Term Plan

1. Continue to coordinate water main rehabilitation and replacement projects with the City of Reno, City of Sparks, RTC, NDOT and Washoe County.
2. TMWA's top 10 prioritized mains offer services levels of 0.3-1.1 leaks per 1,000 feet per year. At 3 breaks per 1,000 feet per year, open trench replacement is justified.
3. Where replacement/rehabilitation is considered, priority should be focused on steel, cast iron, concrete cylinder and riveted steel mains installed prior to 1960.

Long-Term Plan

1. Monitor leak/break rates as a measurement of pipe condition, performance and durability.
2. Continue to collect and maintain data necessary to build a comprehensive asset management and prioritization program.
3. Budget and plan for increasing water main rehabilitation and replacement costs as facilities age and approach the end of their expected service life. (Based on AWWA's "Buried No Longer" methodology, expenditures could grow to over $18 million annually by 2050)

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Methodology

Likelihood of Failure

- Material
- Age
- Leak History
- Soil Condition
- Proximity to Railroads
- Proximity to Fault Lines

Consequence of Failure

- Diameter
- Hydraulic Criticality
- High Volume Users

(*Future criteria could include critical customers, difficult access for maintenance, potential damage to surrounding areas, extent of customer outages, traffic interruptions)*

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Pipe and Leak Statistics

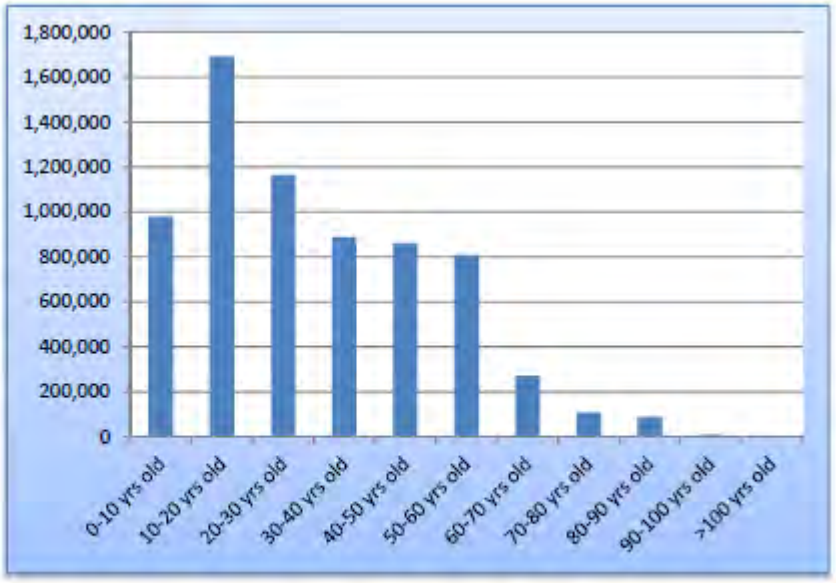

Figure 5: Age of Installed Length of Main in Feet

2020 Inventory:

Length of Main 10” or less: 1,470 miles

Length of Main 12” to 18”: 444 miles

Length of Main 20” to 36”: 123 miles

Length of Main > 36”: 8 miles

Total: 2,045 Miles

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Pipe and Leak Statistics

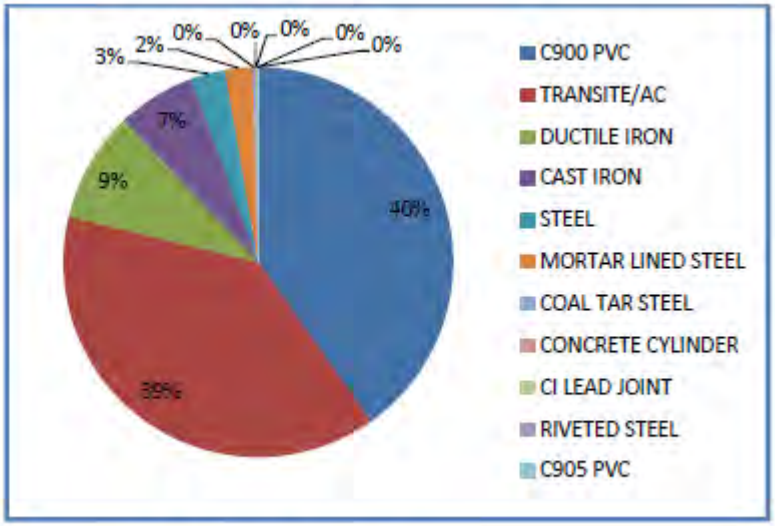

Figure 1: Percentage of Main by Material

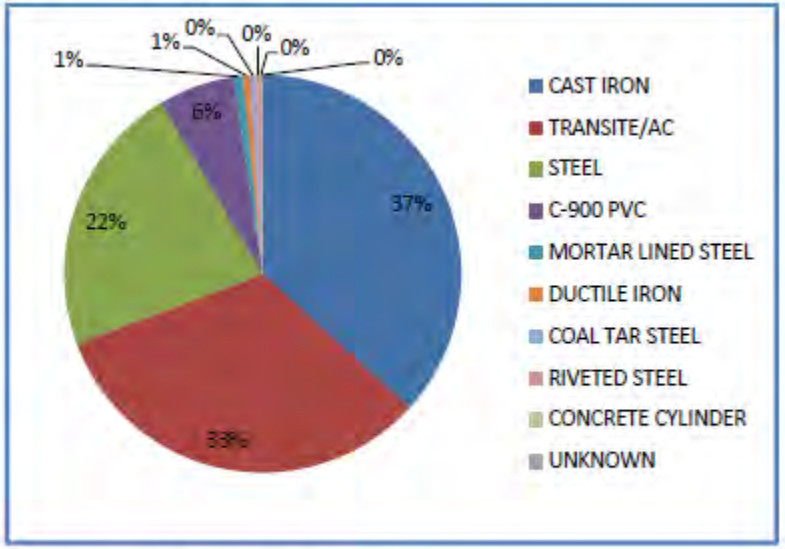

Figure 2: Percentage of Leaks by Material

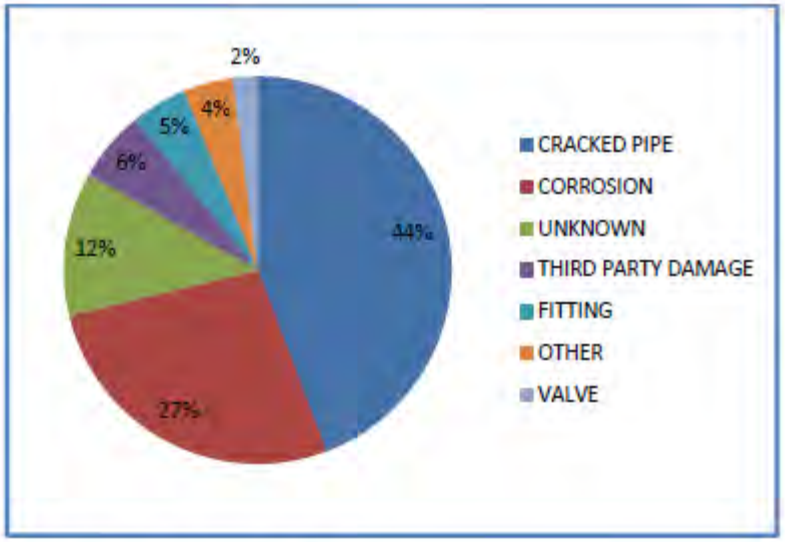

Figure 3: Percentage of Leaks by Type

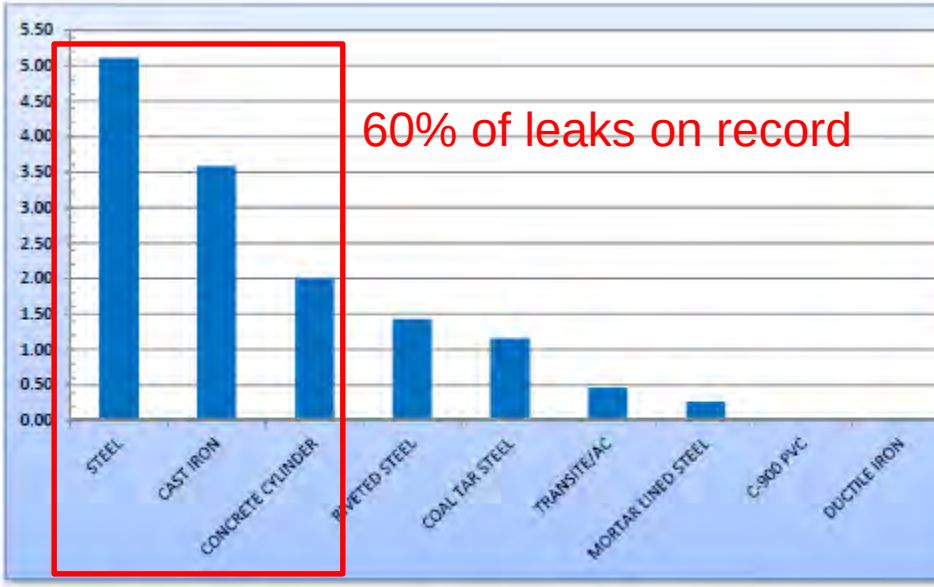

Figure 4: Number of Leaks per Mile by Material

Short- Term Plan: Breaks and Leaks - Systemwide

- ***2013*** AWWA Benchmarking Performance Indicators :
  - *Median level of break and leaks has ranged from 26-49 per 100 miles since 2004*
  - *More typically the rate is in the range of 15-20 leaks and breaks per 100 miles annually.*

- ***2019*** AWWA Benchmarking Performance Indicators :
  - *Median level of breaks and leaks*
    - *Water Utilities = 9.2 / 100 miles (count = 17 responses)*
    - *Combined Utilities – Water Operations = 21.6 / 100 miles (count = 37 responses)*

- ***2015 Report TMWA: Average 3 leaks / 100 miles annually***

- ***2016-2019 TMWA: 3.4, 2.3, 2.6, 2.4 / 100 miles respectively***

- ***Continue Street and Highways Program, it's cost effective!***

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Short- Term Plan: TMWA's Top 10 Prioritized Mains (in 2015)

Main Location	Diameter and Material	Length (ft)	Year Installed	Number of Leaks (1989-2013)	Number of Services	Leak Rate (annual leaks per 1,000 feet)	
Plumas Street	12-inch steel	3,900	1948	28	32	0.3	
Washington Street	6-inch steel	1,700	1925	36	60	0.9	Replaced 2020
Southridge Drive	6-inch steel	1,600	1947	19	20	0.5	
Stewart Street	6-inch steel	440	1920	12	23	1.1	Replaced 2018
Moran Street	4-inch cast iron	400	1926	10	17	1	Replaced 2018
Haskell Alley	4-inch cast iron	400	1926	8	15	0.8	
Haskell Street	6-inch steel	310	1947	8	1	1.1	
Humboldt Street	6-inch steel	310	1923	7	9	0.9	
Daniel Drive	6-inch steel	1,080	1947	11	25	0.4	
Bartlett Street	6-inch cast iron	820	1948	9	24	0.5	Planned 2020/21

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Long-Term Plan: Monitor / Develop

- Monitor leak/break rates as a measurement of pipe condition, performance and durability.

  -GPS units for each leak/break and enter in GIS/CMMS “Cityworks”

- Continue to collect and maintain data necessary to build a comprehensive asset management and prioritization program.

Asset Inventory
Maintenance History
Asset Condition Assessment
Capital Planning / Risk Management
Maintenance Programming
Reporting

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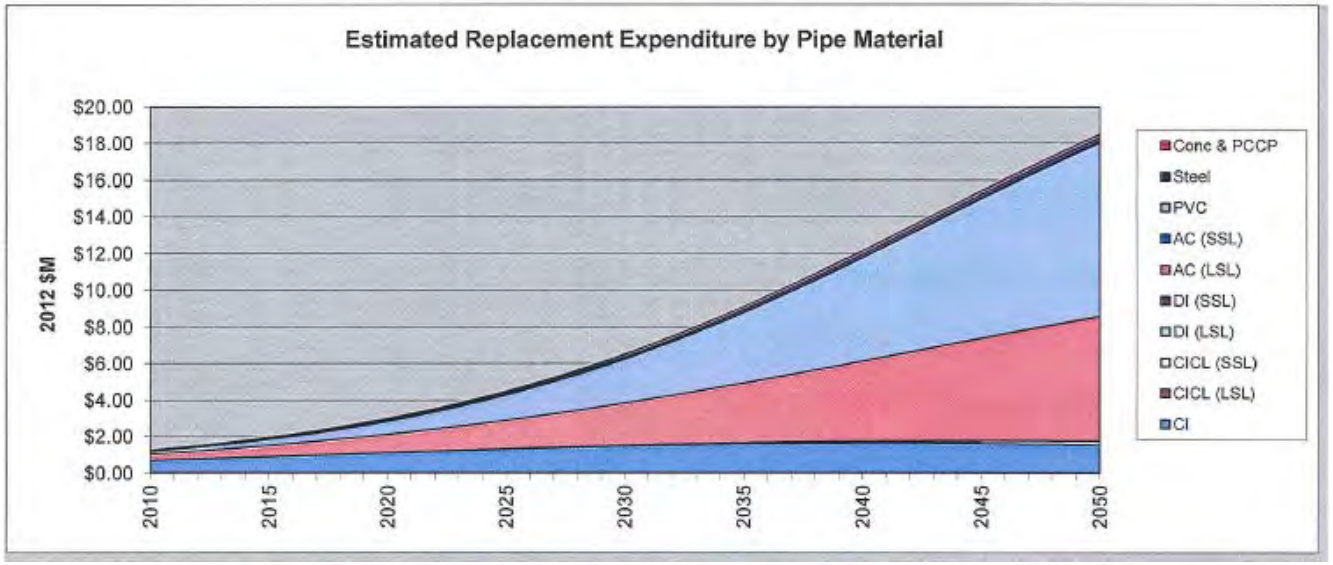
Long-Term Plan: Budget

- Budget and plan for increasing water main rehabilitation and replacement costs as facilities age and approach the end of their expected service life. (Based on AWWA's "Buried No Longer" tool methodology, expenditures could grow to over $18 million annually by 2050)



Pipe life estimates are based on pipe quality and maintenance practices between 1870 and 1970, not those of pipes purchased and installed today.

Derived Current Service Lives (Years)	CI	CICL (LSL)	CICL (SSL)	DI (LSL)	DI (SSL)	AC (LSL)	AC (SSL)	PVC	Steel	Conc & PCCP
Northeast Large	130	120	100	110	50	80	80	100	100	100
Midwest Large	125	120	85	110	50	100	85	55	80	105
South Large	110	100	100	105	55	100	80	55	70	105
West Large	115	100	75	110	60	105	75	70	95	75
Northeast Medium & Small	115	120	100	110	55	100	85	100	100	100
Midwest Medium & Small	125	120	85	110	50	70	70	55	80	105
South Medium & Small	105	100	100	105	55	100	80	55	70	105
West Medium & Small	105	100	75	110	60	105	75	70	95	75
Northeast Very Small	115	120	100	120	60	100	85	100	100	100
Midwest Very Small	135	120	85	110	60	80	75	55	80	105
South Very Small	130	110	100	105	55	100	80	55	70	105
West Very Small	130	100	75	110	60	105	65	70	95	75

LSL indicates a relatively long service life for the material resulting from some combination of benign ground conditions and

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Prioritized Main Replacement Program

Findings:

Short-Term Plan

1. Continue to coordinate water main rehabilitation and replacement projects with the City of Reno, City of Sparks, RTC, NDOT and Washoe County.
2. TMWA's top 10 prioritized mains offer services levels of 0.3-1.1 leaks per 1,000 feet per year. At 3 breaks per 1,000 feet per year, open trench replacement is justified.
3. Where replacement/rehabilitation is considered, priority should be focused on steel, cast iron, concrete cylinder and riveted steel mains installed prior to 1960.

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Thank you!

Questions?

Danny Rotter, P.E.
Engineering Manager
Email: drotter@tmwa.com
O: (775) 834-8020

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STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Jessica Atkinson, Human Resources Manager
DATE: June 25, 2020
SUBJECT: **Discussion and possible direction from Board regarding the evaluation process for conducting the General Manager's performance review**

Recommendation

The Board consider continuing with the approved GM Evaluation form (attached) and process and provide direction regarding the same.

Discussion

In August of 2016, the Board agreed upon a formal evaluation process for the General Manager's annual performance review. A questionnaire regarding the General Manager's performance (and a report for the General Manager regarding his performance related to the goals and objectives previously set by the Board) is sent to all Board members and senior leadership at TMWA via SurveyMonkey, on online survey tool. The results are provided to the Board in the September Board Meeting packet relative to the evaluation of the General Manager's performance at the September Board Meeting.

Proposed 2020 GM Performance Evaluation timelines:

- 08/24/2020 – Distribute GM Performance Evaluation Survey through SurveyMonkey.
- 09/08/2020 – Deadline to submit survey responses (16-day survey period).
- 09/16/2020 – Board presentation of survey responses and GM's report related to performance on goals adopted by the Board for the contract year 2019/2020.

Attachments

1. GM Evaluation Form FY2020

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General Manager Performance Evaluation for FY2020

Introduction

The General Manager's performance evaluation consists of an annual appraisal by the Board of Directors, as provided for in the General Manager's employment agreement.

The purpose of the evaluation process is to maintain a strong Board/Manager team by ensuring open and productive communication on an annual basis. During this formal review process, there is an opportunity to identify areas of satisfaction and areas for growth or needing change as identified by the Board.

The evaluation will be completed by each member of the Board.

The Executive Team and Department Heads reporting to the General Manager have been invited to participate in this performance review process.

The Human Resources Manager is the facilitator for this process, and will gather input from the confidential survey completed by each of the above-referenced individuals. A staff report and the summary results from the evaluation survey will be provided as supporting materials for the public meeting at which the TMWA Board reviews the annual performance of the General Manager.

Rating Criteria:

For each performance criteria, please use the following rating scale:

E – Exceeds your expectations
M – Meets your expectations
AG - Areas for growth
NA – Not applicable

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General Manager Performance Evaluation for FY2020

Interpersonal Skills/Relationships

For each performance criteria, please use the following rating scale:

E – Exceeds your expectations
M – Meets your expectations
AG – Areas for growth
NA – Not applicable

1. Ability to relate well to others and to make people feel at ease, even in difficult situations.

2. Ability to gain the trust and confidence of the public; fosters contact and cooperation among citizens, community organizations and other government agencies.

3. Understands and embraces the concept of inter-local cooperation when appropriate.

4. Fosters cooperative communication and working relationships with the Board.

5. Has the ability to utilize appropriate media for communication - Internet, social media, TV, radio, newspaper, Board meetings, group interactions, individual meetings.

6. Skilled in negotiation techniques in a variety of scenarios - employee, Board, public, interagency, outside entities.

7. Demonstrates sensitivity and empathy towards individuals or groups as appropriate.

8. Is forthright and honest in all relationships.

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General Manager Performance Evaluation for FY2020

Communication Skills

For each performance criteria, please use the following rating scale:

E – Exceeds your expectations
M – Meets your expectations
AG – Areas for growth
NA – Not applicable

9. **Verbal Communication Skills**- Good command of oral expression; expresses ideas clearly and concisely; easily comprehends ideas expressed by others; able to explain and understand difficult and complex subjects.

10. **Written Communications**- Good command of written expression; expresses ideas clearly and concisely; easily comprehends ideas expressed by others; able to explain and understand difficult and complex subjects through written media.

11. **Presentation Skills**- Is able to prepare and present quality presentations using a variety of tools and media; presentations are effective and visually appealing.

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General Manager Performance Evaluation for FY2020

Leadership

For each performance criteria, please use the following rating scale:

E – Exceeds your expectations
M – Meets your expectations
AG – Areas for growth
NA – Not applicable

12. Participates with Board and staff in strategic planning.

13. Exhibits a forward-thinking approach, both in the short and long term.

14. Utilizes effective project management techniques.

15. Set objectives for personal performance and manages toward those objectives.

16. Completes projects agreed upon with Board within the given time frame.

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General Manager Performance Evaluation for FY2020

Innovation

For each performance criteria, please use the following rating scale:

E – Exceeds your expectations
M – Meets your expectations
AG – Areas for growth
NA – Not applicable

17. Coaches, mentors and manages in accordance with TMWA Values and Vision.

18. Uses sound judgment in decision making. Seeks out relevant and necessary data.

19. Makes decisions in a timely manner.

20. Directs utilization of TMWA resources effectively.

21. Directs the TMWA customer service goals and initiatives, both internally and externally.

22. Emergencies and crisis situations are handled in an effective, efficient and professional manner.

23. Stays current on management practices and techniques.

24. Actively pursues ways to increase his value to TMWA.

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General Manager Performance Evaluation for FY2020

Management of Staff

For each performance criteria, please use the following rating scale:

E – Exceeds your expectations
M – Meets your expectations
AG – Areas for growth
NA – Not applicable

25. Able to delegate authority appropriately, granting proper authority at proper times.

26. Utilizes a positive approach to direct work efforts of staff.

27. Addresses employee issues promptly and effectively, utilizing progressive discipline.

28. Encourages and rewards initiative.

29. Promotes cohesive teamwork with the TMWA Senior Management Team.

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General Manager Performance Evaluation for FY2020

General Comments

In a brief narrative, please describe:

30. What you are most pleased with in the General Manager's performance?

31. What areas for growth would you like to see? Please provide specific suggestions on how the General Manager may improve the areas for growth?

32. Goals for 2020-2021

33. Any additional comments?

TRUCKEE MEADOWS WATER AUTHORITY

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, Chief Financial Officer
Matt Bowman, Financial Controller
DATE: August 10, 2020
SUBJECT: **Presentation of preliminary fiscal year 2020 unaudited financial performance**

Summary

Please refer to Attachments A-1 and A-2 for full Statements of Revenues, Expenses and Changes in Net Position for both actual to budget and year-over-year comparisons as discussed in the report below. Note that all numbers presented in this staff report are subject to TMWA's annual financial statement audit to be completed by Eide Bailly in November, 2020. Overall change in net position is expected to increase following adjustments for Developer Infrastructure Contributions, PERS and OBEP Liabilities. All of these adjustments are non-cash adjustments and are required under GASB accounting standards. For this reason, a comparison of total Change in Net Position to budget and prior year is not useful at this time. The final financial information will be presented to the TMWA Board of Directors following completion of the annual audit.

Revenue

Budget to Actual

	Actual YTD 2020	Budget YTD 2020	Variance $	Variance %
OPERATING REVENUES				
Charges for Water Sales	102,487,078	102,706,086	(219,008)	— %
Hydroelectric Sales	3,298,850	3,664,180	(365,330)	(10)%
Other Operating Sales	2,286,729	3,320,950	(1,034,221)	(31)%
Total Operating Revenues	108,072,657	109,691,216	(1,618,559)	(1)%

Operating revenue was $1.6m or 1% lower than budget for the fiscal year, due to lower hydroelectric and other operating sales revenues. Water sales finished the year less than 1% under budget due to a higher water consumption in the 4th quarter. Through the first three quarters, water sales were down 3% from budget due to mild summer/fall temperatures during the first half of the year, which led to lower water use. Hot and dry temperatures during the 4th quarter led to higher water usage, most notably reflected in residential water sales which were up approximately 15% during the quarter. This increase was offset slightly by a decrease in commercial water sales which were down approximately 25% during the 4th quarter due to COVID-19 related business closures. Although commercial water sales were down, these sales only account for approximately 12% of TMWA's overall water sales revenue, so the overall impact was minimal. Hydroelectric sales were lower due to lower river flows early in the year followed by the shut down of the

Washoe hydro plant due to a flume failure in April, 2020. Other operating sales were lower due to lower than budgeted business service inspection fees.

Year over Year

	Actual YTD 2020	Actual YTD 2019	Variance $	Variance %
OPERATING REVENUES				
Charges for Water Sales	102,487,078	101,496,912	990,166	1 %
Hydroelectric Sales	3,298,850	2,624,285	674,565	26 %
Other Operating Sales	2,286,729	2,968,321	(681,592)	(23)%
Total Operating Revenues	108,072,657	107,089,518	983,139	1 %

Total operating revenues were $1.0m more than the prior year. This is driven by higher water sales and hydroelectric sales revenues offset by lower other operating sales. Water sales were slightly higher than last year due to several factors. First, active retail water services grew about 2% in FY 2020. This was offset by slightly less water use. Although the Washoe hydro plant was down for more than two months during FY 2020, hydroelectric revenue was still higher than in prior year due to the Fleish plant being offline in FY 2019 for the replacement of the tailrace. Other operating sales are lower due to lower inspection fee revenue and lower late fee revenue due to TMWA not charging late fees during the pandemic.

Operating Expenses

Budget to Actual

	Actual YTD 2020	Budget YTD 2020	Variance $	Variance %
OPERATING EXPENSES				
Salaries and Wages	21,455,982	23,183,489	(1,727,507)	(7)%
Employee Benefits	10,473,904	12,324,771	(1,850,867)	(15)%
Services and Supplies	27,250,167	31,125,499	(3,875,332)	(12)%
Total Operating Expenses Before Depreciation	59,180,053	66,633,759	(7,453,706)	(11)%
Depreciation	32,966,191	33,136,228	(170,037)	(1)%
Total Operating Expenses	92,146,244	99,769,987	(7,623,743)	(8)%

Total operating expenses were $7.6m lower than budget for FY 2020 due to lower salaries and wages, employee benefits and services and supplies. Note that employee benefits expenses are subject to change as a result of final PERS and OPEB non-cash adjustments for FY 2020. Expenses are expected to increase following these adjustments.

Salaries and wages are lower due to position vacancies during the year. At year-end TMWA had 225 full-time equivalent employees compared to a budget of 231. Employee benefits expenses are lower for the same reason, in addition to the pending PERS and OBEP adjustments, which is expected to increase the expenses. Services and supplies are lower by $3.9m due to several factors, including primarily, two large project related expenses included in the budget and lower power and chemical costs. The reconstruction of the Glendale diversion was partly budgeted as expense for $1.6m, however all associated project costs were ultimately capitalized according to accounting standards. Another $1.0m was related to expected training during the implementation of a new Customer Information System. This project is ongoing and through

June 30, there have been minimal training costs. These costs are expected to be incurred in FY 2021. Power and chemical costs are lower by a combined $1.0m or 12% of budgeted costs. Power costs are lower due to less power consumption throughout the year principally from TMWA wells and pump stations. TMWA has continued to see improvement in power costs due to optimization of water distribution throughout the service territory. Chemical costs are lower due primarily to less turbidity events (thunderstorms, etc.) in the river which results in less treatment requirements to attain the desired water quality.

Year over Year

	Actual YTD 2020	Actual YTD 2019	Variance $	Variance %
OPERATING EXPENSES				
Salaries and Wages	21,455,982	20,973,151	482,831	2 %
Employee Benefits	10,473,904	10,184,189	289,715	3 %
Services and Supplies	27,250,167	28,475,960	(1,225,793)	(4)%
Total Operating Expenses Before Depreciation	59,180,053	59,633,300	(453,247)	(1)%
Depreciation	32,966,191	32,833,604	132,587	— %
Total Operating Expenses	92,146,244	92,466,904	(320,660)	— %

Total operating expenses were less than 1% lower than prior year or $0.3m lower. Salaries and wages were slightly higher (2%) due to budgeted step and cost of living increases occurring at the start of the fiscal year. Employee benefits saw the same trend, as expected. Offsetting those increases was a decrease in services and supplies costs resulting primarily from costs incurred in FY 2019 for dredging the outlet channel at Donner Lake and lower chemical and power costs. During FY 2019, TMWA contracted to have the outlet channel at Donner Lake dredged to remove sediment and improve operations of the dam. Costs in FY 2019 of approximately $1.0m were incurred for this project. Chemical and power costs were lower by a combined amount of $0.7m from prior year. Lower chemical costs of $0.4m due to better water quality as discussed above. Lower power costs of $0.3m (6%) are the result of efficiency gains in water delivery throughout the service territory, as discussed above. Offsetting these decreases were other various increases including an increase in insurance costs of $0.2m year over year resulting from renewed policies and increasing insurance rates.

Non-Operating Expenses

Budget to Actual

	Actual YTD 2020	Budget YTD 2020	Variance $	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	4,119,737	3,409,815	709,922	21 %
Net Increase (Decrease) in FV of Investments	3,410,242	—	3,410,242	— %
Gain (Loss) on Disposal of Assets	(487,493)	—	(487,493)	— %
Amortization of Bond/note Issuance Costs	(216,981)	(190,800)	(26,181)	14 %
Interest Expense	(12,698,973)	(13,052,442)	353,469	(3)%
Other Nonoperating Revenue	—	—	—	— %
Other Nonoperating Expense	—	—	—	— %
Total Nonoperating Revenues (Expenses)	(5,873,468)	(9,833,427)	3,959,959	(40)%

Nonoperating expenses were $4.0m lower than budgeted for the year. This is primarily due to higher investment income of $4.1m. Investment earnings which reflects interest and amortization of investment premiums and discounts is due to higher cash balances invested during the period and slightly higher invested rates. Net increase in FV (fair value) of investments is due to investments in securities at higher rates than current market rates. Market rates have dropped drastically in the second half of the fiscal year with the 10-year Treasury yield starting at 1.88% in January then ending June 30 at 0.66%.

Year over Year

	Actual YTD 2020	Actual YTD 2019	Variance $	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	4,119,737	4,409,486	(289,749)	(7)%
Net Increase (Decrease) in FV of Investments	3,410,242	2,843,154	567,088	20 %
Gain (Loss) on Disposal of Assets	(487,493)	(225,687)	(261,806)	116 %
Amortization of Bond/note Issuance Costs	(216,981)	(218,132)	1,151	(1)%
Interest Expense	(12,698,973)	(13,268,153)	569,180	(4)%
Other Nonoperating Revenue	—	—	—	— %
Other Nonoperating Expense	—	(233,494)	233,494	(100)%
Total Nonoperating Revenues (Expenses)	(5,873,468)	(6,692,826)	819,358	(12)%

Nonoperating expenses were lower than prior year by $0.8m. This is mostly due to higher unrealized investment income of $0.6m. As discussed above, investment rates have dropped leading to unrealized gains in investments held at higher rates. Interest expense is also lower as expected due to lower variable interest on outstanding commercial paper and also lower principal balances on fixed rate debt due to scheduled principal payments.

Capital Contributions

Budget to Actual

	Actual YTD 2020	Budget YTD 2020	Variance $	Variance %
CAPITAL CONTRIBUTIONS				
Grants	(20)	1,937,500	(1,937,520)	(100)%
Water Meter Retrofit Program	—	—	—	— %
Water Resource Sustainability Program	1,484,443	926,425	558,018	60 %
Developer Infrastructure Contributions	84,627	15,768,318	(15,683,691)	(99)%
Developer Will-serve Contributions (Net of Refunds)	4,082,279	5,067,536	(985,257)	(19)%
Developer Capital Contributions - Other	8,043,758	6,697,000	1,346,758	20 %
Developer Facility Charges (Net of Refunds)	9,657,274	8,517,248	1,140,026	13 %
Contributions from Others	684,644	—	684,644	— %
Net Capital Contributions	24,037,005	38,914,027	(14,877,022)	(38)%

Normalized for the pending adjustment for Developer Infrastructure Contributions for FY 2020, net capital contributions were approximately $0.8m higher than budget. This is driven by higher area fee revenue, direct developer contributions (Kinglet booster pump station and standby generator at STMGID well #6), higher supply and treatment revenue, and other contributions including funding for the Portland Loo from Washoe County and an insurance settlement. Offsetting these increases is lower grant revenue due to two in-process FEMA grants pending approval and lower will-serve contributions.

Year over Year

	Actual YTD 2020	Actual YTD 2019	Variance $	Variance %
CAPITAL CONTRIBUTIONS				
Grants	(20)	831,116	(831,136)	(100)%
Water Meter Retrofit Program	—	994,706	(994,706)	(100)%
Water Resource Sustainability Program	1,484,443	689,060	795,383	115 %
Developer Infrastructure Contributions	84,627	19,112,590	(19,027,963)	(100)%
Developer Will-serve Contributions (Net of Refunds)	4,082,279	4,663,826	(581,547)	(12)%
Developer Capital Contributions - Other	8,043,758	6,636,417	1,407,341	21 %
Developer Facility Charges (Net of Refunds)	9,657,274	9,154,403	502,871	5 %
Contributions from Others	684,644	100,000	584,644	585 %
Net Capital Contributions	24,037,005	42,182,118	(18,145,113)	(43)%

Normalized for the pending adjustment for Developer Infrastructure Contributions for FY 2020, net capital contributions were approximately $0.9m higher than the prior year. Increases over prior year are the result of the items discussed above, with minimal exception.

Capital Spending

Spending on capital outlays and construction projects during the fiscal year was approximately $41.2m as compared to the FY 2020 budget of $58.5m. This is approximately 70% of budgeted spend which is typical. Top project spend through three quarters of the year is below -

- Mount Rose Water Treatment Plant $12.5m
- Customer Information System Replacement $3.0m
- Glendale Diversion Repair $2.7m

Cash Position

At June 30, 2020 total cash on hand was $205.8m or $8.0m higher than at the beginning of the fiscal year. Of the total cash on hand, $148.2m was unrestricted to be used to meet upcoming and future operating & maintenance expenses, principal & interest payments and construction project payments. The remaining $57.6m was restricted to pay for scheduled bond principal and interest payments as well as maintaining required reserves as stipulated in our bond covenants.

Attachment A-1

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the fiscal year ended June 30, 2020

	Actual YTD 2020	Budget YTD 2020	Variance $	Variance %
OPERATING REVENUES				
Charges for Water Sales	$ 102,487,078	$ 102,706,086	$ (219,008)	— %
Hydroelectric Sales	3,298,850	3,664,180	(365,330)	(10)%
Other Operating Sales	2,286,729	3,320,950	(1,034,221)	(31)%
Total Operating Revenues	108,072,657	109,691,216	(1,618,559)	(1)%
OPERATING EXPENSES				
Salaries and Wages	21,455,982	23,183,489	(1,727,507)	(7)%
Employee Benefits	10,473,904	12,324,771	(1,850,867)	(15)%
Services and Supplies	27,250,167	31,125,499	(3,875,332)	(12)%
Total Operating Expenses Before Depreciation	59,180,053	66,633,759	(7,453,706)	(11)%
Depreciation	32,966,191	33,136,228	(170,037)	(1)%
Total Operating Expenses	92,146,244	99,769,987	(7,623,743)	(8)%
OPERATING INCOME	**15,926,413**	**9,921,229**	**6,005,184**	**61 %**
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	4,119,737	3,409,815	709,922	21 %
Net Increase (Decrease) in FV of Investments	3,410,242	—	3,410,242	— %
Gain (Loss) on Disposal of Assets	(487,493)	—	(487,493)	— %
Amortization of Bond/note Issuance Costs	(216,981)	(190,800)	(26,181)	14 %
Interest Expense	(12,698,973)	(13,052,442)	353,469	(3)%
Other Nonoperating Revenue	—	—	—	— %
Other Nonoperating Expense	—	—	—	— %
Total Nonoperating Revenues (Expenses)	(5,873,468)	(9,833,427)	3,959,959	(40)%
Gain (Loss) Before Capital Contributions	10,052,945	87,802	9,965,143	11,350 %
CAPITAL CONTRIBUTIONS				
Grants	(20)	1,937,500	(1,937,520)	(100)%
Water Meter Retrofit Program	—	—	—	— %
Water Resource Sustainability Program	1,484,443	926,425	558,018	60 %
Developer Infrastructure Contributions	84,627	15,768,318	(15,683,691)	(99)%
Developer Will-serve Contributions (Net of Refunds)	4,082,279	5,067,536	(985,257)	(19)%
Developer Capital Contributions - Other	8,043,758	6,697,000	1,346,758	20 %
Developer Facility Charges (Net of Refunds)	9,657,274	8,517,248	1,140,026	13 %
Contributions from Others	684,644	—	684,644	— %
Net Capital Contributions	24,037,005	38,914,027	(14,877,022)	(38)%
CHANGE IN NET POSITION	**$ 34,089,950**	**$ 39,001,829**	**$ (4,911,879)**	**(13)%**

Attachment A-2

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the fiscal year ended June 30, 2020

	Actual YTD 2020	Actual YTD 2019	Variance $	Variance %
OPERATING REVENUES				
Charges for Water Sales	$ 102,487,078	$ 101,496,912	$ 990,166	1 %
Hydroelectric Sales	3,298,850	2,624,285	674,565	26 %
Other Operating Sales	2,286,729	2,968,321	(681,592)	(23)%
Total Operating Revenues	108,072,657	107,089,518	983,139	1 %
OPERATING EXPENSES				
Salaries and Wages	21,455,982	20,973,151	482,831	2 %
Employee Benefits	10,473,904	10,184,189	289,715	3 %
Services and Supplies	27,250,167	28,475,960	(1,225,793)	(4)%
Total Operating Expenses Before Depreciation	59,180,053	59,633,300	(453,247)	(1)%
Depreciation	32,966,191	32,833,604	132,587	— %
Total Operating Expenses	92,146,244	92,466,904	(320,660)	— %
OPERATING INCOME	**15,926,413**	**14,622,614**	**1,303,799**	**9 %**
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	4,119,737	4,409,486	(289,749)	(7)%
Net Increase (Decrease) in FV of Investments	3,410,242	2,843,154	567,088	20 %
Gain (Loss) on Disposal of Assets	(487,493)	(225,687)	(261,806)	116 %
Amortization of Bond/note Issuance Costs	(216,981)	(218,132)	1,151	(1)%
Interest Expense	(12,698,973)	(13,268,153)	569,180	(4)%
Other Nonoperating Revenue	—	—	—	— %
Other Nonoperating Expense	—	(233,494)	233,494	(100)%
Total Nonoperating Revenues (Expenses)	(5,873,468)	(6,692,826)	819,358	(12)%
Gain (Loss) Before Capital Contributions	10,052,945	7,929,788	2,123,157	27 %
CAPITAL CONTRIBUTIONS				
Grants	(20)	831,116	(831,136)	(100)%
Water Meter Retrofit Program	—	994,706	(994,706)	(100)%
Water Resource Sustainability Program	1,484,443	689,060	795,383	115 %
Developer Infrastructure Contributions	84,627	19,112,590	(19,027,963)	(100)%
Developer Will-serve Contributions (Net of Refunds)	4,082,279	4,663,826	(581,547)	(12)%
Developer Capital Contributions - Other	8,043,758	6,636,417	1,407,341	21 %
Developer Facility Charges (Net of Refunds)	9,657,274	9,154,403	502,871	5 %
Contributions from Others	684,644	100,000	584,644	585 %
Net Capital Contributions	24,037,005	42,182,118	(18,145,113)	(43)%
CHANGE IN NET POSITION	**$ 34,089,950**	**$ 50,111,906**	**$ (16,021,956)**	**(32)%**

TRUCKEE MEADOWS WATER AUTHORITY

STAFF REPORT

TO: TMWA Board of Directors
FROM: Michele Sullivan, Chief Financial Officer
THRU: Mark Foree, General Manager
DATE: August 6, 2020
Subject: **Discussion and action, and possible reconsideration and modification of implementation of Phase Three, Phase Four and/or Phase Five rate adjustments in amount of 2.5% each currently scheduled to be implemented on first billing cycle in September 2020, May 2021 and May 2022**

RECOMMENDATION

In January 2020, the TMWA Board reviewed TMWA's financial position in accordance with Resolution 269 and elected to take no action to delay the implementation of the Phase Three 2.5% increase scheduled for May, 2020. Subsequent to the January, 2020 Board meeting, a state of emergency was declared both nationally and in the state of Nevada in March, 2020 related to the COVID-19 Pandemic. The Board then voted in April, 2020 to delay the Phase Three 2.5% rate increase planned to September, 2020 but to re-evaluate TMWA's financial position and the state of the COVID-19 pandemic in August, 2020 prior to the September implementation. Given the Pandemic related restrictions on TMWA's customer base which have created a large increase in unemployment, coupled with the current state of the economy, as well as better than expected financial results in the last quarter of fiscal year 2020, staff recommends deferring the implementation of the Phase Three 2.5% rate increase to the first billing cycle in May, 2021and deferring the implementation of the Phase Four and Phase Five 2.5% rate increases to the first billing cycle in May 2022 and May 2023, respectively.

SUMMARY

Deferral of the Phase 3 2.5% rate increase will obviously increase the funding gap (the difference between operating revenue and cost of service). The total monetary effect of deferring the increase is about $2.5 million per year. Fortunately, since we last visited the funding plan, we ended the last quarter of FY2020 ahead of expectations. Cash balances were $14.6 million higher than anticipated due to higher water sales of $3.2 million, lower operating expenses of $3.6 million as well as lower spending on CIP. After updating the funding plan, cash balances required remain much more stable. (***See Attachment E***) We will still use quite a bit of TMWA's cash reserves, but we also have the rate stabilization fund to draw from if needed. The debt service coverage ratio is estimated to come in at 1.55X in FY2021 which is tight given the board's 1.5X target, but debt covenants only require 1.25X.

Given the fact that TMWA is moving its Customer Information Service program to a new platform, the only other opportunity to implement a rate increase before the new system is in place is the first billing cycle in October. This would add about $1.0 million to revenue in FY2021, and $2.5 million in subsequent years.

The current budget is conservative. Revenues so far have not been impacted by the pandemic. Actually, water sales revenues have been coming in higher than budget. While we do see a drop in commercial sales, residential sales have increased enough to more than make up for the lower commercial revenue. Commercial water sales only account for 12% of TMWA water sales, while residential water sales account for 70%. Since we have a conservative budget, and the cash reserves available, staff recommends deferring the implementation of the Phase Three rate increase to May, 2021, with corresponding deferrals of the Phase Four and Phase Five rate increases one year to May 2022 and May 2023. No further deferrals are recommended, as the rate increases would need to be implemented at those dates to proceed with closing the funding gap.

Truckee Meadows Water Authority
2020-2024 Funding Plan - Delay rate increase to May, 2021

TMWA's Revenue Sufficiency and Cost of Service	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Projected Rate Increases	**0.0%**	**2.5%**	**2.5%**	**2.5%**	**0.0%**
Operating Expenses	$ 59,130,123	$ 64,744,412	$ 65,633,489	$ 66,789,307	$ 68,518,656
Principal and Interest on customer related debt	29,102,896	28,221,433	28,602,175	28,531,333	28,465,258
Rehabilitative Capital Spending	30,811,200	30,811,200	30,811,200	30,811,200	30,811,200
Total Projected Cost of Service	**$ 119,044,219**	**$ 123,777,045**	**$ 125,046,864**	**$ 126,131,840**	**$ 127,795,114**
Recurring Revenues	**$ 112,192,394**	**$ 109,710,083**	**$ 117,697,192**	**$ 121,303,616**	**$ 125,256,888**
Surplus (Deficiency)	**$ (6,851,825)**	**$ (14,066,962)**	**$ (7,349,672)**	**$ (4,828,224)**	**$ (2,538,226)**
Surplus (Deficiency) as a % of Cost of Service	**-5.8%**	**-11.4%**	**-5.9%**	**-3.8%**	**-2.0%**

Debt Service Coverage Ratios	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Water Sales Revenues	102,487,078	100,861,840	108,456,053	112,158,186	115,325,042
Hydroelectric Sales	3,298,850	3,193,880	2,800,000	2,500,000	3,000,000
Other Operating Sales	2,286,729	2,800,120	2,331,513	2,269,902	2,263,820
Investment Income	4,119,737	2,854,243	4,109,626	4,375,528	4,668,026
Total Revenues	112,192,394	109,710,083	117,697,192	121,303,616	125,256,888
Operating Expenses	(59,130,123)	(66,644,412)	(65,633,489)	(66,789,307)	(68,518,656)
Net Revenues	53,062,271	43,065,671	52,063,703	54,514,309	56,738,232
Senior Lien Debt Service	28,185,550	27,829,750	28,275,250	28,274,500	28,287,250
Senior Lien DSC	**1.88**	**1.55**	**1.84**	**1.93**	**2.01**
Total Sr. Lien and SRF Debt Service	30,606,271	30,250,471	30,695,971	30,695,221	30,707,971
Total Sr. Lien and SRF DSC	**1.73**	**1.42**	**1.70**	**1.78**	**1.85**
Total Annual Debt Service incl. TECP Interest	31,358,959	30,479,829	30,864,842	30,794,938	30,732,821
Total Subordinate DSC	**1.69**	**1.41**	**1.69**	**1.77**	**1.85**

TMWA's Cash Balances	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Restricted Cash	**$ 53,409,093**	**$ 50,398,778**	**$ 50,965,363**	**$ 51,790,650**	**$ 52,637,426**
Rate Stabilization Fund	**9,171,715**	**9,644,282**	**10,078,178**	**9,955,685**	**9,660,631**
Unrestricted Cash Required by Policy	**91,741,260**	**94,246,022**	**93,909,048**	**94,294,320**	**94,870,770**
Required Cash Balances	**154,322,068**	**154,289,082**	**154,952,589**	**156,040,655**	**157,168,826**
Total Cash Balance	**205,759,049**	**192,313,755**	**179,000,697**	**168,269,000**	**163,391,832**
Difference	**$ 51,436,981**	**$ 38,024,673**	**$ 24,048,108**	**$ 12,228,345**	**$ 6,223,006**

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STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: John Enloe, Director Natural Resources
DATE: July 8, 2020
SUBJECT: **Discussion and action, possible direction to staff and possible approval of Memorandum of Understanding with Carson City and Storey County regarding identification and availability of surplus water resources in the Marlette Lake water system**

Recommendation

Staff recommends the Board authorize the General Manager to execute a Memorandum of Understanding (MOU) with Carson City and Storey County regarding identification and availability of surplus water resources from the state of Nevada's Marlette Lake Water System. Staff, Storey County and Carson City seek to work jointly and cooperatively, and the MOU serves as a preliminary expression of general intentions and provides the basis for negotiations of a definitive agreement with the state with respect to future water deliveries from the Water System.

Summary

In late 2018, the Nevada Department of Administration was in urgent need of additional water sales revenue and approached staff to determine TMWA's interest in purchasing wholesale water supplies from the Water System. The System includes Marlette Lake, which flows naturally to Lake Tahoe, Hobart Reservoir, and the so-called "East Slope" facilities. The state currently provides water from the System's Hobart Reservoir and East Slope Facilities to Carson City and Storey County. The Water System includes water rights totaling approximately 11,476 acre-feet, only a portion of which are currently used by the state to supply Carson City and Storey County (1,894 AF in 2012/13). Based on TMWA's due diligence, staff concluded that purchasing available wholesale water from Marlette Lake under a long-term contract with the state could prove beneficial for TMWA customers and the greater Reno/Sparks/Washoe County community. For instance, possible uses of the water include drought storage augmentation and return flow augmentation for TMWRF. The TMWA Board expeditiously approved a proposed option agreement with the state for the right to use 3,090 acre-feet of water from Marlette Lake, however, the state was able to address its immediate Water System funding shortfall through the 2019 legislative session and the urgent need for funding went away.

Realizing the potential benefits, however, TMWA staff continued discussions with staff from the Department of Administration, State Engineer, Federal Water Master, Carson City, and Storey County. These parties recognize that by working together, more efficient and economic alternatives are likely to be developed to address the state's inevitable future funding constraints in operating and maintaining the Water System while at the same time maximizing the beneficial use of the System's water resources.

TMWA, Storey County and Carson City desire to enter this MOU as a preliminary expression of general intentions and to provide the basis for negotiations of a definitive agreement with the state with respect to deliveries of water from the System. If properly planned and managed, the Water System will remain an important water source for and meet the needs of Storey County and Carson City while also delivering surplus water to TMWA. It is anticipated that the terms of a definitive agreement with the parties—TMWA, Carson City, Storey County (representing Virginia City, Virginia City Highlands, Highlands Ranches and Mark Twain) and the state—can be reached within two years from the date of execution of this MOU.

Two years should provide adequate time to conduct thorough analyses and receive necessary authorizations for the parties to work cooperatively to identify surplus water resources in the Water System that can be made available to TMWA in a manner that does not adversely impact or diminish water deliveries to Storey County and Carson City.

The two-year time period will also provide time for the Department of Administration to complete its Water Master Plan, which will be critical to avoid repeating the history of perennial funding shortfalls. This information will support the development of a long-term water service agreement, which among other matters, would address capital improvements, water rates and future rate setting procedures, water rights permitting requirements, and memorialize Nevada Department of Wildlife's operating restrictions on Marlette Lake for the benefit of fisheries.

In conclusion, staff is seeking direction, and if approved, authorization for the General Manager to execute a MOU with Carson City and Storey County, in substantially the same form as the attached draft. In the future, staff intends to bring back a long-term water service agreement, which addresses the allocation of Marlette Lake Water System water resources between the parties, including the amount, rate and sources of water to which TMWA will be entitled to purchase.

Attachment: Memorandum of Understanding, Marlette Lake Water System

MEMORANDUM OF UNDERSTANDING
MARLETTE LAKE WATER SYSTEM

This Memorandum of Understanding ("MOU") is entered into by and between the Truckee Meadows Water Authority ("TMWA"), Storey County ("Storey") and Carson City ("Carson"). TMWA and Carson and Storey are individually referred to as "Party" and collectively as "Parties".

RECITALS

WHEREAS, Carson, Storey and TMWA are each responsible for providing municipal water service to customers within their respective jurisdictions.

WHEREAS, the State of Nevada ("State") owns and may sell water from the Marlette Lake Water System (MLWS) for beneficial use in Carson City, Storey County, and Washoe County. MLWS includes water rights totaling approximately 11,476 acre-feet; however, the State is not maximizing the beneficial use of MLWS water resources and only a portion are currently used by Carson and Storey. Additionally, State operations of MLWS are challenged by funding constraints, aging infrastructure and the need for additional data to inventory and quantify system flows and capacities.

WHEREAS, the Parties desire to enter this MOU as a preliminary expression of general intentions and to provide the basis for negotiations of a definitive agreement with the State with respect to deliveries of MLWS water. The Parties anticipate that the terms of a definitive agreement can be reached within two years from the date of execution of this MOU.

WHEREAS, if properly planned and managed, the MLWS will remain an important water source for and meet the needs of Storey and Carson while also delivering surplus water to TMWA, and by working together the Parties can facilitate more efficient and economic alternatives to address the State's funding constraints in operating and maintaining the MLWS.

WHEREAS, the MLWS is the sole source of municipal supply to Storey. The Parties recognize Storey's reliance on and historic priority to MLWS water usage and desire to protect and facilitate MLWS deliveries to Storey for its existing and future demands.

WHEREAS, Carson relies on the MLWS to meet a portion of its existing municipal supply. Based on past master planning and current forecasted conditions subject to change, Carson estimates it will require approximately 3,000 acre feet per year of MLWS water to meet existing demands and future build out demands for 80,000 residents.

WHEREAS, TMWA is the regional water manager for the Truckee Meadows. Through the Truckee River Operating Agreement, TMWA can utilize surplus MLWS resources, water beyond the needs of Carson and Storey, to enhance the resiliency and operational efficiency of TMWA's water resource supplies, especially in years of normal or better than normal precipitation where surplus MLWS resources are available.

WHEREAS, the Parties desire to work cooperatively to identify surplus water resources in the MLWS that can be made available and delivered to TMWA in a manner that does not adversely impact or diminish MLWS deliveries to Storey and Carson. The Parties recognize Storey's and

Carson's reliance on and historic priority to MLWS water usage and desire to protect and facilitate MLWS deliveries for existing and future demands as described herein.

WHEREAS, TMWA, Storey and Carson are political subdivisions of the State of Nevada and are public agencies as defined by NRS 277.100, and under NRS 277.180 are authorized to contract regarding any activity, service or undertaking which they are authorized by law to perform.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the Parties agree as follows:

A. PURPOSE AND OBJECTIVE

The purpose of this MOU is to set forth common objectives of the Parties in working with the State. TMWA, Storey and Carson desire to assist the State in maximizing the beneficial uses of MLWS water resources, and work with the State to explore mutually beneficial opportunities to enhance revenues for funding operations and maintenance of MLWS, improve operating procedures, allocate water resources to Carson and Storey for municipal demands including critical water storage supplies in Marlette Lake, and identify surplus resources for delivery to TMWA. TMWA, Storey and Carson desire to offer their collective utility operational expertise to assist the State to further such objectives and improve water management and operational aspects of MLWS.

B. GOALS

The common objectives include the following terms and/or elements:

1. Maximize Use of MLWS Resources. The Parties desire to assist the State in maximizing the beneficial use of the State's available water resources from the MLWS by TMWA, Carson and Storey, while preserving the historic priorities for MLWS water usage described in the recitals above.

2. Identification of Existing and Future Municipal Demands. Carson and Storey will provide to all parties their existing and potential future municipal water demands from MLWS, including existing Marlette Lake storage requirements ("Carson and Storey Existing Demands"). The Parties recognize Carson's desire, based on current forecasted conditions subject to change, for 3,000 acre feet per year of MLWS supplies for its existing and future build out demands, and will work cooperatively to identify Storey's and Carson's future build out demands for municipal water from the MLWS ("Carson and Storey Future Demands"). The Parties will take into account existing infrastructure, paid for by Carson and Storey, that serves existing demands of Carson and Storey, which should not be restricted by surplus water beneficially used by TMWA, and improvements to the East Slope collection system and increase in capacity of infrastructure necessary to transport water in connection with the Carson and Storey Future Demands.

3 Identification of Surplus MLWS Water. The Parties will work cooperatively to identify surplus water resources owned by the State that can be made available for delivery to TMWA ("Surplus MLWS Water") and to develop information necessary to assist the State with developing the master plan and operating agreement described in Section 4. It is the Parties' intention that deliveries to TMWA will not adversely impact or diminish Carson and Storey Existing Demands or Carson and Storey Future Demands.

4. Assistance with State Master Plan. The Parties will work cooperatively with the State on the following:

i) Identifying and defining the amount, timing and source of water resources available to TMWA, Carson and Storey, allocations, priority and availability of water supplies, including in times of drought or varying hydrologic conditions;

ii) Establishing a long-term operating agreement that:

a) maximizes the beneficial use of the State's available water resources;

b) preserves the priority of Carson and Storey Existing Demands;

c) protects and facilitates MLWS deliveries for Carson and Storey Future Demands;

d) addresses an agreed upon delivery schedule;

e) addresses special conditions of service; and

f) addresses pre-determined adjustments to the quantity of water available for sale under variable hydrologic conditions which may occur in any given year;

iii) Identifying necessary long-term infrastructure replacements, improvements, costs and potential funding mechanisms;

iv) Installing and/or improving monitoring and gauging devices in the Marlette Lake Water System to accurately account for the available water resources;

v) Cost of service study and methodology for rate setting procedures which establish an equitable allocation of capital and operating costs between the Parties;

vi) Memorializing with the Nevada Department of Wildlife ("NDOW") the specific operating restrictions, if any, on discharges of water impounded in Marlette Lake in connection with fisheries operations on Marlette Lake; and

vi) Establishing operating guidelines for storage in Marlette Lake for the Parties.

5. Permitting and Regulatory Approvals. Storey and Carson shall cooperate with TMWA and the State regarding any necessary permitting, authorizations, or approvals required by the State Engineer, Federal Water Master, Bureau of Reclamation, or any other agency or entity to use the surplus MLWS for TMWA's intended purposes consistent with this MOU.

C. TERM

This MOU may be extended or terminated by mutual consent of the parties or unilaterally by any party without cause upon thirty (30) days written notice.

D. GENERAL PROVISIONS.

1. Notice. All notices or other communications required or permitted to be given under this Agreement must be in writing and will be deemed given if delivered: personally by hand; by facsimile with simultaneous regular mail; or mailed certified mail, return receipt requested, and addressed to another Party at the following address:

TMWA

Director, Natural Resources
Truckee Meadows Water Authority
1355 Capital Blvd.
Reno, NV 89502
Tel: (775) 834-8250

Carson

Public Works Director
Carson City Public Works
3505 Butti Way
Carson City, NV 89701
Tel: (775) 887-2355
Fax: (775) 887-2112

Storey

County Manager
P.O. Box 176
Virginia City, NV 89440

Any Party may, by notice in writing sent to the Parties as described above, designate a different mailing address to which or a different person to whose attention all such notices or demands must thereafter be addressed.

2. Required Approval. This Agreement shall not become effective until and unless approved by appropriate authorized representative of or official action of the governing body of each Party.

3. Limited Liability. The Parties do not waive and intend to assert available liability limitations, including NRS Chapter 41, in all cases. Contract liability of the Parties shall not be subject to punitive or liquidated damages.

4. Independent Public Agencies. The Parties are associated with each other only for the purposes and to the extent set forth in this Agreement. Each Party is a public agency separate and distinct from any other Party. Nothing contained in this Agreement may be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, to convey ownership of any asset, or to otherwise create any liability for one

Party whatsoever with respect to the indebtedness, liabilities, and obligations of another Party. This Agreement does not contemplate any transfer of property or ownership interest between the Parties and each Party will each maintain ownership of their own facilities.

5. Severability. If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement will be construed as if such provision did not exist and the non-enforceability of the provision will not render any other provision or provisions of this Agreement unenforceable.

6. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

7. Governing Law; Jurisdiction. This Agreement and the rights and obligations of the Parties shall be governed by and construed according to the laws of the State of Nevada. The Parties consent to the jurisdiction of, and agree that disputes will be resolved by, the courts of the First Judicial District Court of the State of Nevada.

8. Entire Agreement and Modification. This Agreement constitutes the full and final agreement between the Parties. This Agreement may not be amended or assigned except by an agreement in writing signed by all Parties and it will be binding upon and inure to the benefit of the Parties' respective successors and assigns.

9. Force Majeure. No Party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the Party asserting such an excuse, and the excused Party is obligated to promptly perform in accordance with the terms of the Agreement after the intervening cause ceases.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the last date written below.

TMWA: TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority and political subdivision of the State of Nevada By: _____ MARK FOREE, General Manager Dated: _____ APPROVED AS TO FORM: By: _____ MICHAEL PAGNI TMWA Legal Counsel	**CARSON**: CARSON CITY, a political subdivision of the State of Nevada By: _____ Dated: _____ APPROVED AS TO FORM: By: _____ Deputy District Attorney **STOREY**: STOREY COUNTY, a political subdivision of the State of Nevada By: _____ Dated: _____ APPROVED AS TO FORM: By: _____ Deputy District Attorney

TRUCKEE MEADOWS WATER AUTHORITY
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STAFF REPORT

TO: Board of Directors
FROM: Mark Foree, General Manager
DATE: August 12, 2020
SUBJECT: **General Manager's Report**

Attached please find the written reports from the Management team including the Operations Report ***(Attachment A)***, the Water Resource and the Annexation Activity Report ***(Attachment B)***, the Customer Services Report ***(Attachment C)***, and the Monthly Conservation Report for June & July ***(Attachment D).***

Also, a *Tell the Board Submission* was received from a customer regarding their concern about TMWA installing smart meters and the possible transmission of microwave signals. Pat Nielson, Director, Distribution Maintenance & Generation, responded that the new smart meters would operate in the same range as the public radio spectrum (i.e. cordless telephone) and data would be transmitted every four hours ***(Attachment E).***

TRUCKEE MEADOWS WATER AUTHORITY
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STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Scott Estes, Director of Engineering
BY: Bill Hauck, Water Supply Administrator
DATE: Aug 11, 2020
SUBJECT: **Aug 2020 Operations Report**

Summary

- The regional water supply outlook is very good
- Lake Tahoe reservoir storage is in good shape @ 70% of maximum capacity
- Combined upstream reservoir storage is also in good shape @ 66% of maximum capacity
- The demand for water is still high as we begin winding down our peak demand season
- Hydroelectric revenue for July 2020 was approximately $262,943

(A) Water Supply

- **River Flows** - Truckee River flows at the CA/NV state line are just about typical for this time of year. Discharge was approximately 590 cubic feet per second (CFS) this morning.

- **Reservoir Storage** - Truckee River reservoir storage is still in decent shape overall at 66% of capacity. The elevation of Lake Tahoe is 6227.28 feet (1.82' below legal maximum storage elevation). Storage values for each reservoir as of 8/11 are as follows:

Reservoir	Current Storage (Acre-Feet)	% of Capacity (Percent)
Tahoe	521,100	70%
Boca	18,196	45%
Donner	8,295	87%
Independence	13,180	75%
Prosser	20,018	67%
Stampede	129,144	57%

In addition to approximately 21,500 acre-feet of storage in Donner and Independence reservoirs, TMWA has about 14,600 acre-feet of water stored between Lake Tahoe, Boca and Stampede reservoirs under the terms of TROA. TMWA's total combined upstream reservoir storage is approximately 36,100 acre-feet as of 8/11.

- **Outlook** - The water supply outlook for this region is good for the foreseeable future as Lake Tahoe is still mostly full (70% of capacity), and total upstream reservoir storage on the Truckee River system is at 66% of capacity. It is a good position to be in this late in the summer. The adequate upstream reservoir storage levels will help to ensure that the Truckee River flows normally for at least the next couple of years or so.

(B) Water Production

- **Demand** - TMWA's customer demand is averaging about 130 million gallons per day right now. Overall, surface water is providing about 83% of our supply and groundwater the other 17%.

(C) Hydro Production

Generation - Average Truckee River flow at Farad (CA/NV state line) for the month of July 2020 averaged 657 CFS. The Fleish and Verdi power plants were on-line the entire month and 100% available. The Washoe Power plant was taken out of service on April 23rd due to a catastrophic flume failure and is still off line. The plant will remain off-line through the fall and into the winter months as the flume is rebuilt. Monthly statistics are as follows:

Hydro Plant	Days On-Line	Generation (Megawatt hours)	Est. Revenue (Dollars)	Est. Revenue (Dollars/Day)
Fleish	31	1,861	$ 137,586	$ 4,438
Verdi	31	1,711	$ 125,357	$ 4,044
Washoe	0	0	$ 0	$ 0
Totals	**62**	**3,572**	**$ 262,943**	**$ 8,482**

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STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: John Zimmerman, Manager, Water Resources
DATE: August 12, 2020
SUBJECT: **Report Water Resources and Annexation Activity**

RULE 7

Rule 7 water resource purchases and will-serve commitment sales against purchased water resources through this reporting period:

Beginning Balance		4,065.50 AF
Purchases of water rights	0.00 AF	
Refunds	0.00 AF	
Sales	− 7.15 AF	
Adjustments	52.69 AF	
Ending Balance		4,111.04 AF

Price per acre foot at report date: $7,700

FISH SPRINGS RANCH, LLC GROUNDWATER RESOURCES

Through the merger of Washoe County's water utility, TMWA assumed a Water Banking and Trust Agreement with Fish Springs Ranch, LLC, a subsidiary of Vidler. Under the Agreement, TMWA holds record title to the groundwater rights for the benefit of Fish Springs. Fish Springs may sell and assign its interest in these groundwater rights to third parties for dedication to TMWA for a will-serve commitment in Areas where TMWA can deliver groundwater from the Fish Springs groundwater basin. Currently, TMWA can deliver Fish Springs groundwater to Area 10 only (Stead-Silver Lake-Lemmon Valley). The following is a summary of Fish Springs' resources.

Beginning Balance		7,755.94 AF
Committed water rights	− 0.11 AF	
Ending Balance		7,755.83 AF

Price per acre foot at report date: $41,500 (for SFR and MFR); $36,000 (for all other services)[1]

[1] Price reflects avoided cost of Truckee River water right related fees and TMWA Supply & Treatment WSF charge.

WATER SERVICE AREA ANNEXATIONS

There have been no annexations since the date of the last Board meeting.

INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE

Somersett Golf and Country Club: 100 acre-feet (July – October)

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STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Marci Westlake, Manager Customer Service
DATE: August 19, 2020
SUBJECT: **June & July Customer Service Report**

The following is a summary of Customer Service activity for June & July 2020.

Ombudsman

- Nothing for June or July

Communications

Customer outreach in June & July included:

- Kara Steeland, John Enloe, John Zimmerman, Laine Christman and Mark Foree had a 2020-40 Draft Water Resource Plan Zoom meeting and 1 attended.
- Kara Steeland, John Enloe, John Zimmerman, Laine Christman and Mark Foree had a 2020-40 Draft Water Resource Plan Zoom meeting and 1 attended.
- Kara Steeland, John Enloe, John Zimmerman, Laine Christman and Mark Foree had a 2020-40 Draft Water Resource Plan Zoom and Facebook Live meeting and 28 attended.
- Kara Steeland, John Enloe and Bill Hauck had a 2020-40 Draft Water Resource Plan Zoom meeting and 30 attended.
- Kara Steeland, John Enloe and Bill Hauck had a 2020-40 Draft Water Resource Plan Zoom meeting and 50 attended.

Conservation (2020 Calendar year to date)

- 822 Water Watcher Contacts
- 866 Water Usage Reviews

Customer Calls – June & July

- 16,959 phone calls handled
- Average handling time – 4 minutes, 24 seconds per call
- Average speed of answer – 18 seconds per call

Billing –June & July

- 264,071 bills issued.
- 18 (*0.00%)* corrected bills.
- 23,199 customers (18%) have signed up for paperless billing to date.

Service Orders –June & July (% is rounded)

- 15,884 service orders taken
- 8,623 *(*54%) move-ins / move-outs
- 347 (2%) cut-out-for-non-payment and cut-in after receiving payments, including deposits and checks for tamper only
- 1,514 (10%) zero consumption meter checks
- 1,547 (10%) re-read meters
- 1,644 (10%) new meter sets and meter/register/ERT exchanges and equipment checks
- 1,034 (7%) problems / emergencies, including cut-out for customer repairs, dirty water, no water, leaks, pressure complaints, safety issues, installing water meter blankets, etc.
- 366 (2%) high-bill complaints / audit and water usage review requests
- 809 (5%) various other service orders

Remittance – June & July

- 57,749 mailed-in payments
- 53,693 electronic payments
- 76,241 payments via RapidPay (EFT)
- 37,036 one-time bank account payments
- 13,712 credit card payments
- 518 store payments
- 2,292 payments via drop box or at front desk

- **Collections –June & July**

- 0 accounts received a late charge
- Mailed 0 10-day delinquent notices, 0% of accounts
- Mailed 0 48-hour delinquent notices, 0% of accounts
- 0 accounts eligible for disconnect
- 0 accounts were disconnected (including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.07% write-off to revenue

Meter Statistics – Fiscal Year to Date

- 0 Meter retrofits completed
- 459 Meter exchanges completed
- 284 New business meter sets completed
- 129,553 Meters currently installed

Attachment D

TRUCKEE MEADOWS WATER AUTHORITY
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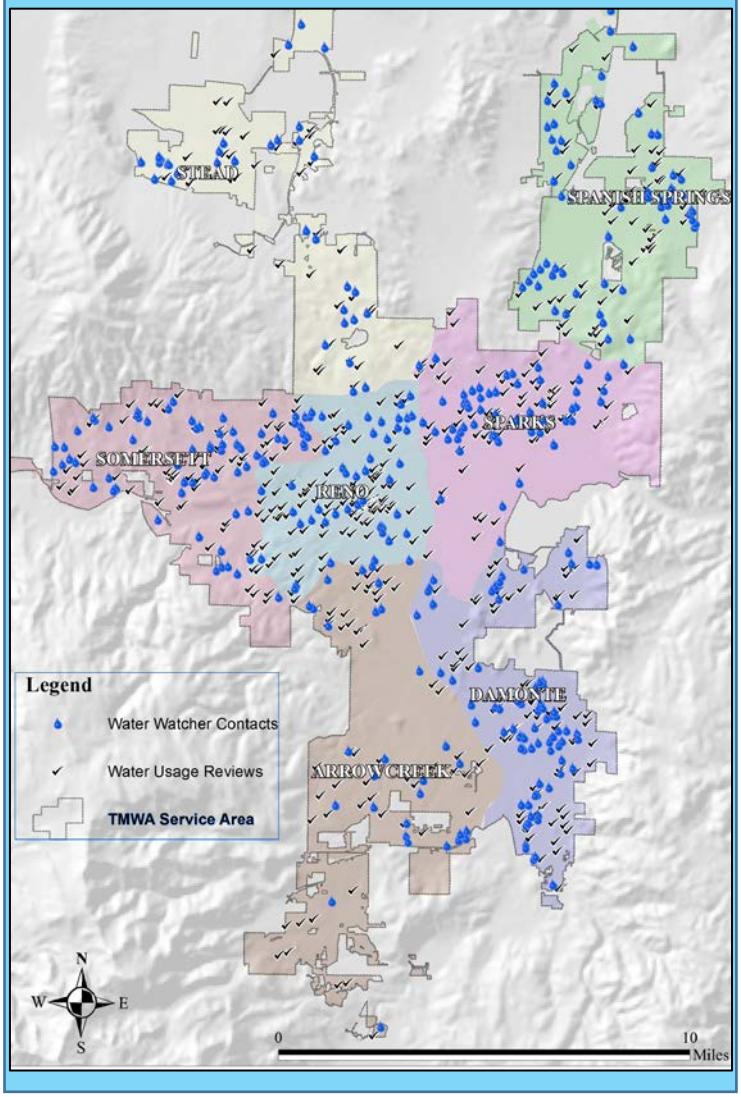
MONTHLY CONSERVATION REPORT – June 2020

SUMMARY – With the temperature gradually climbing in June, we saw an increase in the number of reports of water waste and wrong day/time watering by the community. As well, with the transition into Phase II of the recovery, the Conservation staff began limited patrolling the service area in search of "teachable moments". Moreover, TMWA's Tree Care consultation program resumed last month - much to the delight of many customers. All in all, it was a successful month given the circumstances. – **Conservation Dept.**

CONSERVATION EDUCATIONAL OUTREACH MAP



Water Watcher Contact Initiation Type	
Drive-bys	143
Deliveries	3
Hotline Reports	96
Email Reports	189
Total	**431**

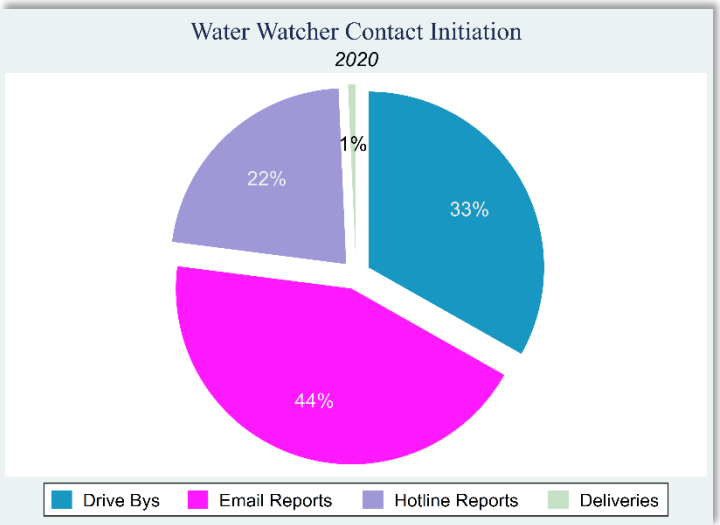
Watering Violations Observed	
Waste	61
Wrong Day	92
Wrong Time	14
Total	**167**

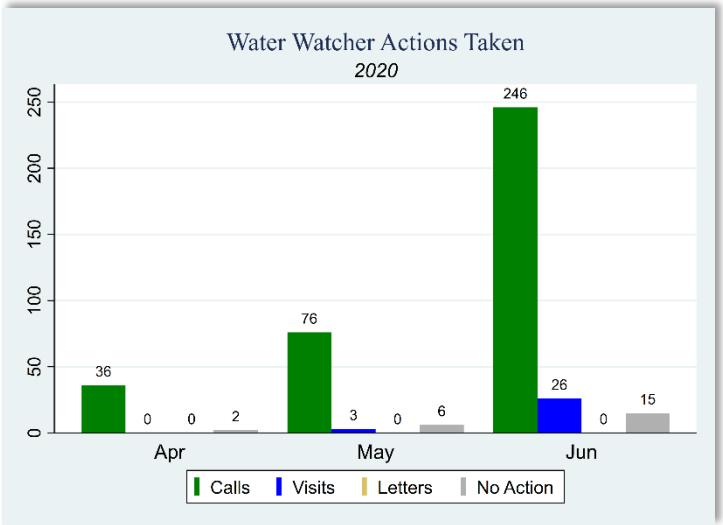
Water Watcher Actions Taken	
Educational Visits	30
A.M. Letters	0
Courtesy Calls	374
No Actions	25
Total	**429**

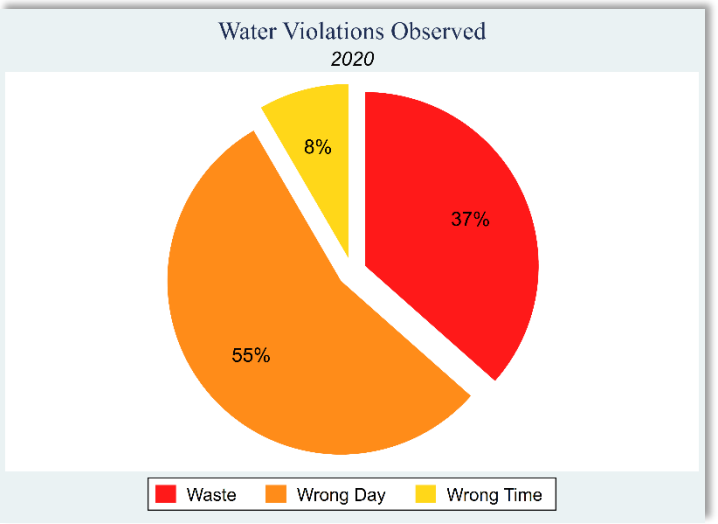
Efficiency Devices Supplied	
Faucet Aerators	0
Hose Timers	8
Nozzles	5
Low-flow Shower heads	0
Tree Root Feeder	0
Total	**13**

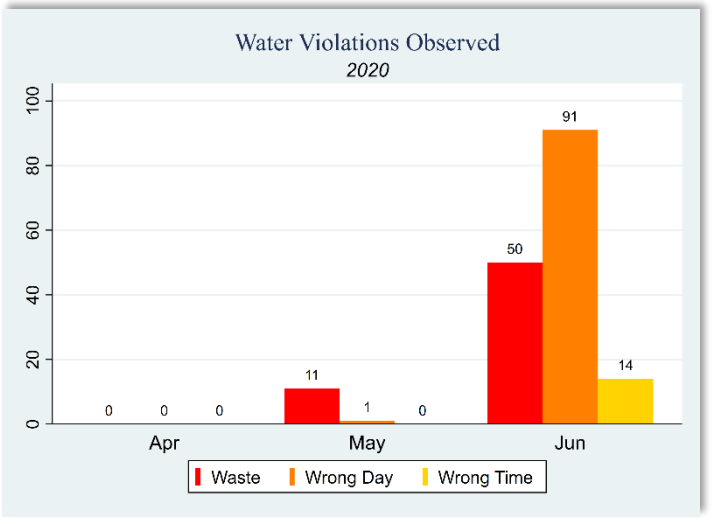
Other Conservation Actions	
Water Usage Reviews	654
Tree Care Visits	45
Total	**699**

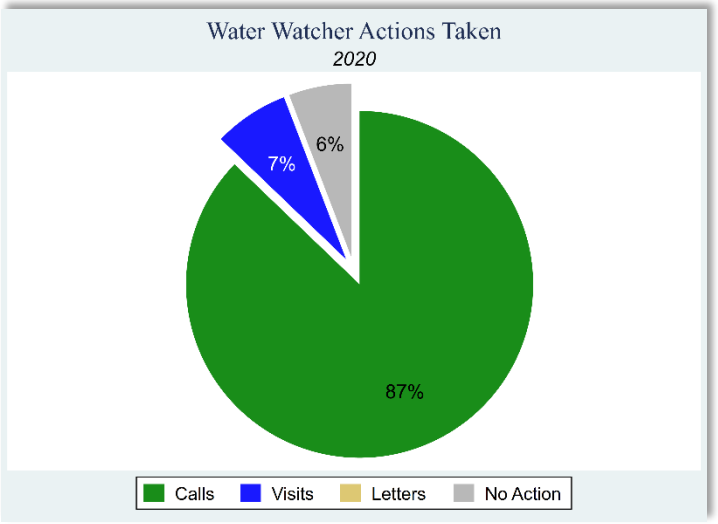
Attendees at Workshops /Tours	
Irrigation System Start-up Workshop #1	CANCELED
Irrigation System Start-up Workshop #2	CANCELED
Landscape Planning & Design Workshop	CANCELED
Tree Care Workshop	CANCELED
Drip System Maintenance Workshop	CANCELED
Walking Tour - Valley Wood Park #1	13
Sprinkler System Maintenance Workshop	CANCELED
Walking Tour - River School Farm	
Walking Tour, Part 2 - Valley Wood Park #2	
Winterize Your Irrigation System Workshop #1	
Winterize Your Irrigation System Workshop #2	
Winterize Your Irrigation System Workshop #3	
Winterize Your Irrigation System Workshop #4	
Total	**13**

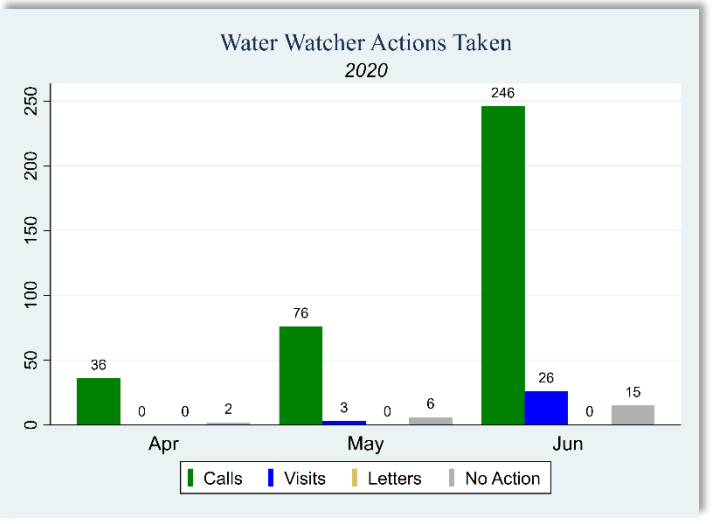

Water Watcher Contact Initiation
2020
33%
44%
22%
1%
Drive Bys
Email Reports
Hotline Reports
Deliveries


Water Watcher Actions Taken
2020
0
50
100
150
200
250
36
0
0
2
76
3
0
6
246
26
0
15
Apr
May
Jun
Calls
Visits
Letters
No Action


Water Violations Observed
2020
37%
55%
8%
Waste
Wrong Day
Wrong Time


Water Violations Observed
2020
0
20
40
60
80
100
0
0
0
11
1
0
50
91
14
Apr
May
Jun
Waste
Wrong Day
Wrong Time


Water Watcher Actions Taken
2020
87%
7%
6%
Calls
Visits
Letters
No Action


Water Watcher Actions Taken
2020
0
50
100
150
200
250
36
0
0
2
76
3
0
6
246
26
0
15
Apr
May
Jun
Calls
Visits
Letters
No Action

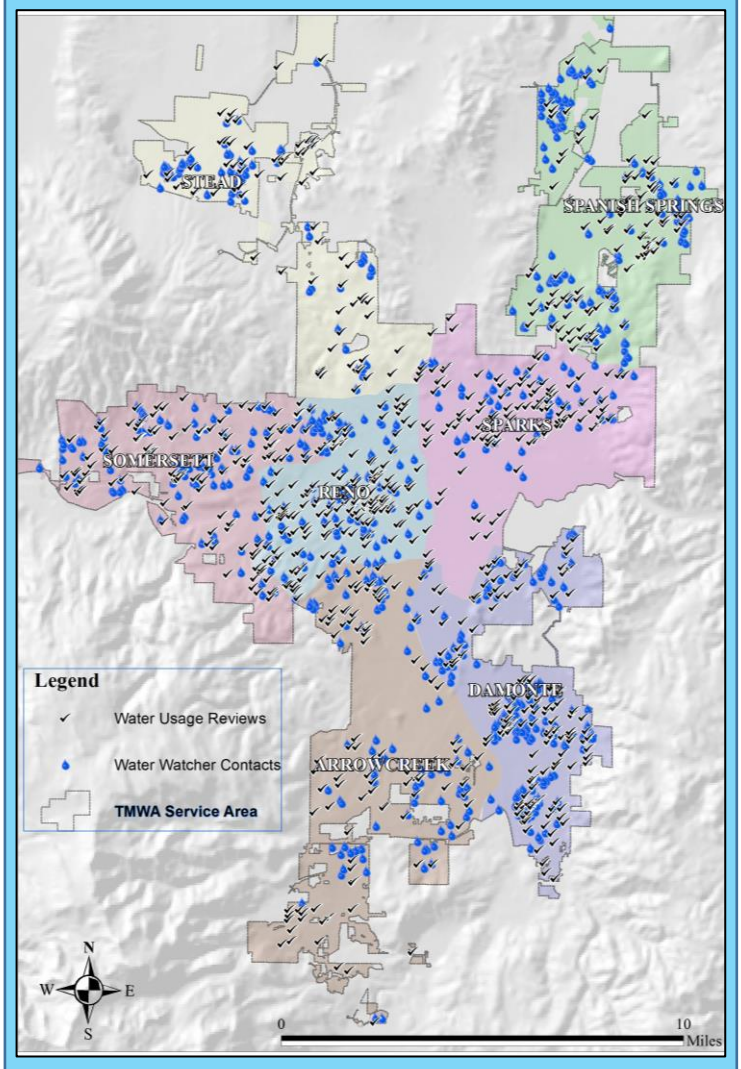
Attachment D

TRUCKEE MEADOWS WATER AUTHORITY
Quality. Delivered.

MONTHLY CONSERVATION REPORT – July 2020

SUMMARY – In July we saw nearly a doubling of educational opportunities by our Water Watching staff. I am very proud of this statistic, given we only have two Conservation Consultants in the field, full-time. The entire seasonal conservation staff has also been working over-time to ensure we can handle issues over the weekend. Despite all the hoops staff has to jump through, they are still getting the job done. As one of my auditor's loves to say "Quality, delivered"! – **Conservation Dept.**

CONSERVATION EDUCATIONAL OUTREACH MAP



Water Watcher Contact Initiation Type	
Drive-bys	410
Deliveries	5
Hotline Reports	123
Email Reports	284
Total	**822**

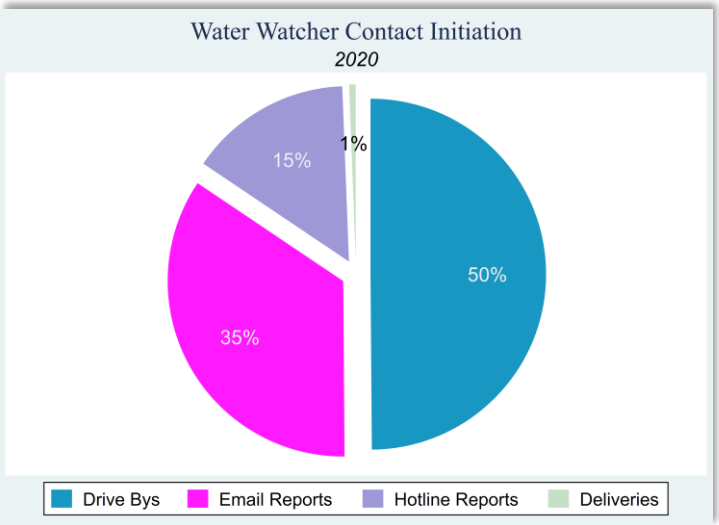
Watering Violations Observed	
Waste	149
Wrong Day	273
Wrong Time	36
Total	**458**

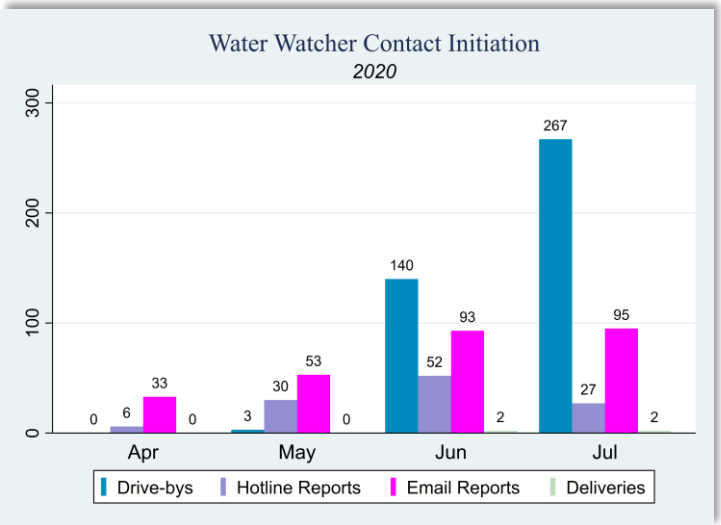
Water Watcher Actions Taken	
Educational Visits	93
A.M. Letters	0
Courtesy Calls	693
No Actions	33
Total	**819**

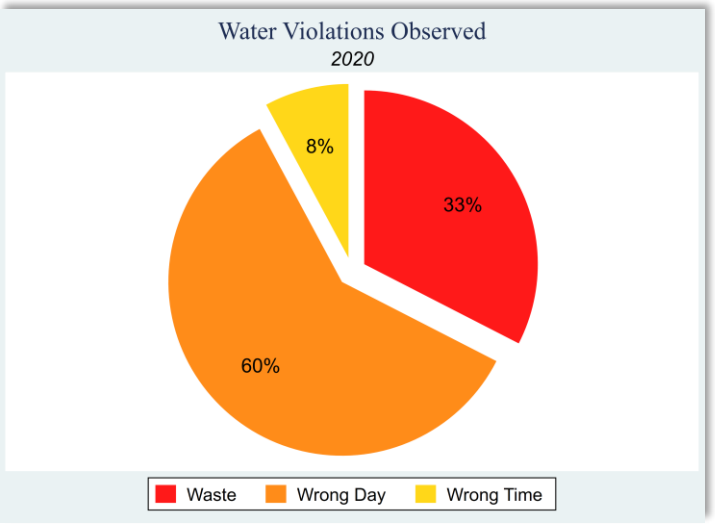
Efficiency Devices Supplied	
Faucet Aerators	0
Hose Timers	11
Nozzles	9
Low-flow Shower heads	0
Tree Root Feeder	0
Total	**20**

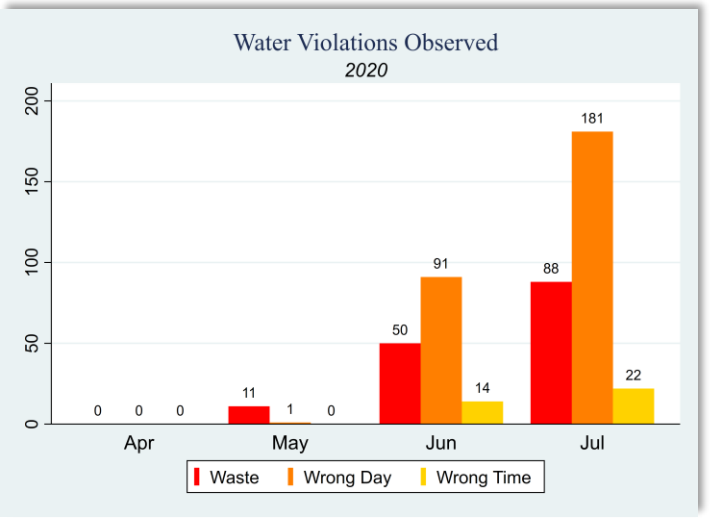
Other Conservation Actions	
Water Usage Reviews	866
Tree Care Visits	72
Total	**938**

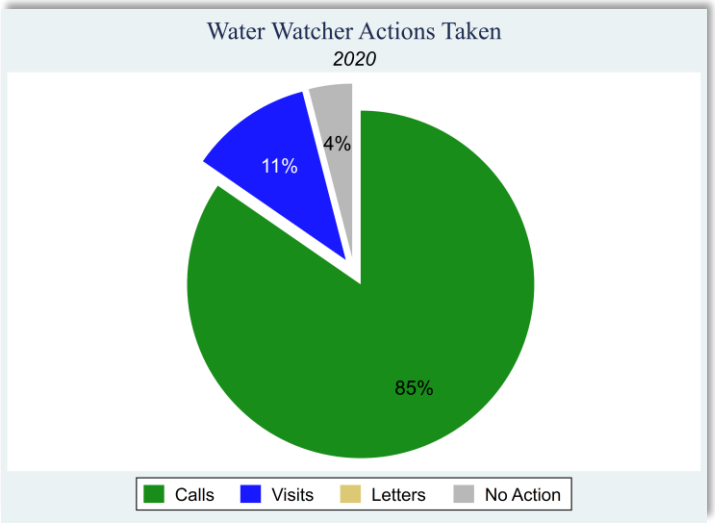
Attendees at Workshops /Tours	
Irrigation System Start-up Workshop #1	CANCELED
Irrigation System Start-up Workshop #2	CANCELED
Landscape Planning & Design Workshop	CANCELED
Tree Care Workshop	CANCELED
Drip System Maintenance Workshop	CANCELED
Walking Tour - Valley Wood Park #1	13
Sprinkler System Maintenance Workshop	CANCELED
Walking Tour - River School Farm	
Walking Tour, Part 2 - Valley Wood Park #2	
Winterize Your Irrigation System Workshop #1	
Winterize Your Irrigation System Workshop #2	
Winterize Your Irrigation System Workshop #3	
Winterize Your Irrigation System Workshop #4	
Total	**13**

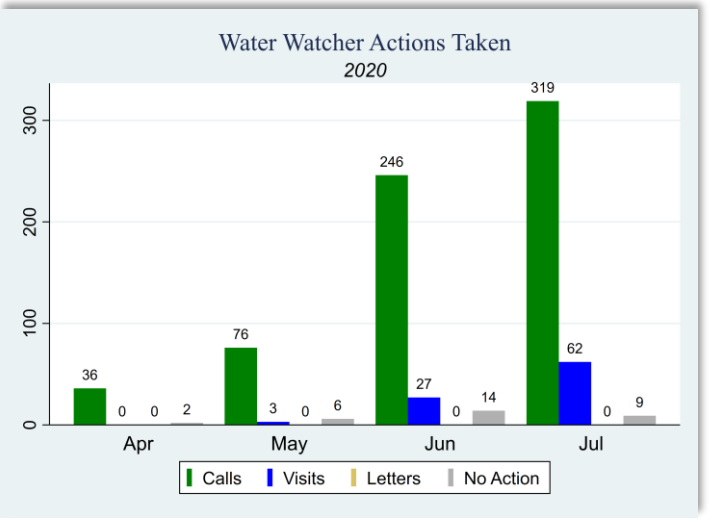

Water Watcher Contact Initiation
2020
50%
35%
15%
1%
Drive Bys
Email Reports
Hotline Reports
Deliveries


Water Watcher Contact Initiation
2020
0
100
200
300
0
6
33
0
3
30
53
0
140
52
93
2
267
27
95
2
Apr
May
Jun
Jul
Drive-bys
Hotline Reports
Email Reports
Deliveries


Water Violations Observed
2020
33%
60%
8%
Waste
Wrong Day
Wrong Time


Water Violations Observed
2020
0
50
100
150
200
0
0
0
11
1
0
50
91
14
88
181
22
Apr
May
Jun
Jul
Waste
Wrong Day
Wrong Time


Water Watcher Actions Taken
2020
85%
11%
4%
Calls
Visits
Letters
No Action


Water Watcher Actions Taken
2020
0
100
200
300
36
0
0
2
76
3
0
6
246
27
0
14
319
62
0
9
Apr
May
Jun
Jul
Calls
Visits
Letters
No Action

Response to Tell the Board:

I was forwarded a "Contact Us submission" from our CSR group from a customer that was requesting information on TMWA smart meters and their installations, this was on August 6, 2020 at 1:03 pm. I contacted the customer by telephone at 1:45 pm the same day.

He was concerned about the microwave signals generated by the smart meters transferring data to the data collector sites.

We had a conversation about the existing meters that are currently transferring data to a mobile data collector mounted in a vehicle once a month. He was under the impression the newer meters transferred data continuously and that these had to be transmitting at a much higher power setting than the older meters.

I provided him the following facts:

- The Sensus iPERL meters with a Flex endpoint operate at 2 watts of power. (A typical cell phone operates between 0.6 watts(data) and 2 watts(voice) (he was talking on a cell phone).
- The meter transmits data once every four hours for 57 milliseconds. (1,000 milliseconds comprise 1 second).
- These meters operate in the 900Mghz range which is the public radio spectrum. Devises such as walkie talkies cordless phones operate here.
- He wanted to compare our meters to the electric meters on his house which are smart meters, I explained that they are vastly different in how they operate, the electric meters are transmitting much more actively as they are powered by an electric source.
- Our meters have a battery and the battery needs to last 20 years which is the life of the meter. That is the reason for once every 4 hours for 57 milliseconds. In addition, the meter is located away from the house so exposer to any resident in the home is almost nonexistent.
- This meter when transmitting likely would not even be picked up inside the home because of the current background EMFs generated by WIFI systems, cell phones and any device that has blue tooth capabilities inside the walls of the home.

He acknowledged this and admitted that the background EMFs in the atmosphere are probably worse, but this just adds to it.

He let me know that he would submit his concern to the TMWA Board because he wants it on the record.

Thank you

Pat Nielson
Truckee Meadows Water Authority
Director, Distribution Maintenance & Generation
Office 775-834-8034
Cell 775-771-5530

From: WEBSITE: Comments to the Board <info@waterforms.net>
Sent: Thursday, August 6, 2020 4:23 PM
To: Folsom, Sonia <sfolsom@tmwa.com>
Subject: New submission from Comments to the Board

Name

Justin [redacted]

Email

[redacted]

Account Number

[redacted]

Comments

To the TMWA Board of Directors:

I recently learned that the house at which I reside will have a "smart" water meter installed that will be a part of a neighborhood smart meter network. The main problem with smart meters is the use of microwave radiofrequency signals for wireless communication between each other and/or the data collecting nodes. Microwave RFs are technically defined as electromagnetic radiation from 300 megahertz up to 300 gigahertz (or 0.3 gHz to 300 gHz), and are used in cell phones, WiFi, smart meters, and various other technological products.

A common response might be, "The FCC says it's okay. So it must be okay." It's true that the FCC has a permissive attitude toward microwave radiation, but that has been achieved by their ignoring many concerned biological scientists, medical doctors, and numerous peer-reviewed academic journal articles. The FCC has been appropriately described as a "captured agency" meaning that there have been wireless industry people in and out of that agency through an agency-corrupting revolving door. In other words, they are controlled by the multi-billion dollar industry they are supposed to be regulating.

Microwave frequency EMFs have pathophysiological effects, and according to Dr. Martin Pall (PhD of biochemistry at WSU), "There is a massive literature, providing a high level of scientific certainty" for each of the following eight effects--
"Microwave frequency EMFs:
1. Attack our nervous systems including our brains leading to widespread neurological/neuropsychiatric effects and possibly many other effects. This nervous system attack is of great concern.
2. Attack our endocrine (that is hormonal) systems. In this context, the main things that make us functionally different from single celled creatures are our nervous system and our endocrine systems -- even a simple planaria worm needs both of these. Thus the consequences of the disruption of these two regulatory systems is immense, such that it is a travesty to ignore these findings.
3. Produce oxidative stress and free radical damage, which have central roles in essentially all chronic diseases.
4. Attack the DNA of our cells, producing single strand and double strand breaks in cellular DNA and oxidized bases in our cellular DNA. These in turn produce cancer and also mutations in germ line cells which produce mutations in future generations.
5. Produce elevated levels of apoptosis (programmed cell death), events especially important in causing both neurodegenerative diseases and infertility.
6. Lower male and female fertility, lower sex hormones, lower libido and increased levels of spontaneous abortion and, as already stated, attack the DNA in sperm cells.
7. Produce excessive intracellular calcium [Ca2+]i and excessive calcium signaling.
8. Attack the cells of our bodies to cause cancer. Such attacks are thought to act via 15 different mechanisms during cancer causation."
Quoted from Martin Pall's recent book available online titled, "5G: Great risk for EU, U.S. and International Health! Compelling Evidence for Eight Distinct Types of Great Harm Caused by Electromagnetic Field (EMF) Exposures and the Mechanism that Causes Them"

Electromagnetic fields and radiofrequencies have been proven, with ample evidence, to be harmful for humans and the environment, and now that you have received this email, I know that you have been properly informed of the health threat and actual health harms that your organization is imposing upon our neighborhoods.

About the FCC being a captured agency, there is a link below to an article about that from ethics.harvard.edu. As for electromagnetic radiation and health, there is and has been plenty of easily accessible, valuable information online and in books like "The Invisible Rainbow" by Arthur Firstenberg. Along with the article about the FCC, I'm providing links to various sources of information about health and environmental problems caused by (or associated with) wireless commincations radiation.

https://ethics.harvard.edu/files/center-for-ethics/files/capturedagency_alster.pdf

https://www.cellphonetaskforce.org/the-invisible-rainbow-review-by-jennifer-wood/

http://www.sbwire.com/press-releases/cancer-researcher-states-that-25m-nih-study-confirms-that-cell-phone-radiation-can-cause-cancer-927339.htm

https://www.5gappeal.eu/about/

https://bioinitiative.org/participants/do-we-know-enough-to-take-action/

https://bioinitiative.org/updated-research-summaries/

https://www.radiationhealthrisks.com/scientific-studies/

https://www.youtube.com/watch?v=vqNhYNO4uYI

https://www.mdpi.com/1660-4601/12/11/14519

https://mdsafetech.org/blood-brain-barrier/

https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2853785/

https://www.saferemr.com/2019/06/

https://mdsafetech.org/environmental-and-wildlife-effects/

https://www.sciencedirect.com/science/article/abs/pii/S0006899316304589