

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE OCTOBER 21, 2020
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, October 21, 2020, via Zoom Virtual Meeting, Reno, Nevada. Chair Hartung called the meeting to order at 10:39 a.m.

1. ROLL CALL

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

Members Absent: Paul Anderson

A quorum was present by telephonic appearance.

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Leo Drozdoff, TMWA Lobbyist.

3. PUBLIC COMMENT

Tami Ruf, Juniper Hills resident, spoke against the closure of the access gate on the south side of Hunter Creek Reservoir, which has been welded shut in response to the public complaints of residents in the area due to the unauthorized fishing and increase in foot, and horse, traffic. Ms. Ruf requested the Board reconsider reopening the south gate.

Michele Hulbert, on behalf of Dr. O’Gara, said that he owns his property directly adjacent to Hunter Creek Reservoir where the majority of the public have blocked his property by parking in the Cul de Sac, cut through yards to the trails and pond and been awakened in the middle of the night due to the noise by late night gatherings.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS*

There were no board comments.

5. APPROVAL OF THE AGENDA

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

6. APPROVAL OF THE MINUTES OF THE SEPTEMBER 16, 2020 MEETING

Upon motion by Member Jardon, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the September 16, 2020 minutes.

7. RECOGNITION OF PYRAMID LAKE PAIUTE TRIBE MEMBER NORMAN HARRY

Mark Foree, TMWA General Manager, said that even though he didn't know Mr. Harry personally, he has heard many good things about him regarding his role in the successful negotiations of the Truckee River Operating Agreement (TROA).

Member Duerr paid tribute to Chairman Harry of the Pyramid Lake Paiute Tribe (PLPT) whom she had known for over 25 years and expressed her condolences to his family and the PLPT for their loss. In addition, Mr. Harry was part of establishing the tribal water quality standards for the Truckee River, and a huge supporter of the arts where he served on Artown's Board and opened the proceedings with a drumming song.

Member Brekhus said she got to know Mr. Harry in the last few years and was impressed with his way of thinking, and communicating, about water, and passing on the importance of it to everyone around him; she expressed her condolences to his family.

Mr. Drozdoff said he worked with Mr. Harry for about 20 years on the TROA negotiations as well as when PLPT created their own water quality standards for the Truckee River, ensuring it would work for the community as well. While he worked at Nevada Department of Environmental Protection (NDEP), they developed water quality standards that established a baseline for discharge to the river. Mr. Harry was a pleasure to work with and he will be missed.

8. INFORMATIONAL REPORT REGARDING HUNTER CREEK RESERVOIR PROPERTY PUBLIC ACCESS AND UNAUTHORIZED USES

John Zimmerman, TMWA Water Resources Manager, showed the Board the map of the Hunter Creek Reservoir facilities and the three ponds surrounding the property. TMWA, at the time Sierra Pacific, obtained a special use permit from Washoe County to maintain the landscape in perpetuity for aesthetics, but it was never intended to be used as a public park. Mr. Zimmerman informed the Board staff started to receive complaints last year about excessive traffic which increased this year. In order to continue complying with the special use permit, which requires the area be maintained as an open space landscape, and protect TMWA ratepayers (not more money or staff time than necessary to maintain the property), and to keep the public on the paved path, staff put up signs informing the public that: 1) this area is not a park; 2) fishing is not permitted; 3) access is allowed from sunrise to sunset; and 4) closed the gate the most southern pond. Additionally, the pond was on a fishing application as a designated fishing spot, which contributed to the increase in foot traffic, and has since been taken off the site.

Member Brekhus asked which year the special use permit was obtained and if it has been amended. Mr. Zimmerman replied it was obtained in 1995, the files do not indicate it has been amended, and he can provide a copy to the Board.

At this time, the Board discussed closure of the south gate limiting access to the residents to north and west side of the property (a number of homeowners have expressed the desire to reopen the south gate for ease of access) and accessibility is important; since the location was removed from the fishing app and signs have been put up, the issue may have already been resolved; staff to continue communicating with all residents to address all concerns; and TMWA cannot control parking on public streets.

Public Comment

Ms. Ruf informed the Board that her community does not have an HOA which gives them a disadvantage since there is no public body that can be contacted. She said that it is a great inconvenience that the south gate has been locked because the several residents that use it now have to walk a long distance to access the paths. She said that the number of horses along the path is much lower than what is reported, and urged staff to communicate with Juniper Hills homeowners much like they communicate with Juniper Ridge HOA so everyone is informed and can have input in how to address issues.

Ms. Hulbert, Juniper Ridge HOA Board Member, said she has personally picked up trash left behind after the late night parties, as well as horse droppings, and called the authorities when it got really bad. The signs TMWA put up have helped tremendously with minimizing these issues they've experienced the past year. She stressed that the intent was not to limit access points by closing and locking gates.

End of Public Comment

Member Jardon noted that it seems the issue has been resolved to a degree with the signs and the property being removed from the fishing app. Perhaps the gate can be unlocked and reevaluated in a few months.

Chair Hartung agreed and encouraged staff to work with the HOA and homeowners in Juniper Ridge.

Mr. Zimmerman thanked the Board, and the public for their input, and he will continue working with both Juniper Ridge HOA and Juniper Hills homeowners to solve the remaining issues.

9. REQUIRED COMMUNICATION FROM EIDE BAILLY IN REGARDS TO TMWA'S ANNUAL FINANCIAL AUDIT

Sophie Cardinal, TMWA Principal Accountant, presented the required communication to the Board regarding the FY2020 Comprehensive Annual Financial Report (CAFR) and informed the Board the final CAFR will be presented at their December meeting.

Upon motion by Member Brekhus second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board accepted and acknowledged receipt of the communication from Eide Bailly in regards to TMWA's annual financial audit.

10. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO AUTHORIZE GENERAL MANAGER TO FINALIZE AND EXECUTE AN INTERLOCAL AGREEMENT WITH CITY OF RENO FOR COST SHARING OF THE BASIS OF DESIGN REPORT FOR RENO STEAD WATER RECLAMATION FACILITY (RSWRF) AMERICAN FLAT AQUIFER STORAGE AND RECOVERY PROJECT

John Enloe, TMWA Director of Natural Resources, stated the Board authorized TMWA and City of Reno (“Reno”) to work together towards advancing the American Flat aquifer storage and recovery project at their respective September meetings. Mr. Enloe informed the Board that both TMWA and Reno staff have been working together on this project for the last four months and they are now at a critical point to move forward with the next phase of the project. Staff is requesting the Board authorize the General Manager to finalize and execute the Interlocal Agreement (ILA) with the City of Reno (which is subject to Reno City Council approval) regarding cost sharing of the Basis of Design Report for the American Flat Aquifer Storage and Recovery Project. The work is necessary to clearly define the responsibilities and cost sharing arrangements to ensure equitability between Reno and TMWA customers.

Member Brekhus asked if there was a request for proposals (RFP) and shared her concerns regarding sole sourced agreements and the feasibility and cost of the project overall. Mr. Enloe replied they hired AECOM directly because the project manager, Vijay Sundaram, who has been involved in the A+ project for the past 10 years, switched companies. He addressed Member Brekhus’ concerns indicating that this planning study is being done to identify what the facility would cost and where it will be located. This is work we have been waiting to do, and the scope of work outline before you today will provide the information of how much it will cost to both build and operate, and how much the costs will be allocated between the different participants.

At this time, Board Members expressed the need to take a regional approach and consider the best options to continue moving forward, and the need to understand what is achievable and affordable. When the study is complete, the concept can be evaluated, including the location of the facility, capacity to treat water to A+ level, and the cost to build and operate (to be shared between TMWA and Reno). Mr. Enloe added staff has had success at American Flat where they have been able to recharge about 500 gallons per minute over four months.

Member Jardon said she’s looking forward to the study results to understand critical next steps. Chair Hartung agreed.

Member Brekhus appreciated Mr. Enloe’s clarification and could support staff recommendation had it been brought to Reno first. She’ll bring her concerns to the Reno Council meeting.

Member Duerr appreciated Member Brekhus’ comments, but noted it is difficult to understand which entity should making decisions ahead of others, but TMWA has been leading this project and suggested a joint meeting or workshop to have further discussions.

Vice Chair Dahir remarked the process is not personal and everyone’s comments are being heard and considered, but this is time sensitive and they need to make sure they come together as a region to address current, and potential, issues.

Upon motion by Member Dahir, second by Member Hartung, which motion duly carried five to one with Member Brekhus dissenting, the Board approved authorize General Manager to finalize and execute an Interlocal Agreement with City of Reno for cost sharing of the Basis of Design Report for Reno Stead Water Reclamation Facility (RSWRF) American Flat Aquifer Storage and Recovery Project.

11. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING APPROVAL OF THE TMWA 2020-2040 WATER RESOURCE PLAN

Kara Steeland, TMWA Hydrologist, presented the updated draft 2020-2040 Water Resource Plan with edits added per the discussion at the September Board meeting. Ms. Steeland stated the Communications team is working on a strategy to inform the public of the completion of the plan, including an infographic to be included in the November bill insert. Finally, portions of the Water Resource Plan will be included in the Western Regional Water Commission's (WRWC) Comprehensive Regional Water Management Plan.

At this time the Board announced satisfaction with the final product, which is very user friendly, and congratulated Ms. Steeland on the great work accomplished over the last two years in drafting the plan; as well as proactively analyzing possible impacts of future climate change.

Upon motion by Member Brekhus, second by Member Duerr, which motion duly carried by five to zero of the members voting, the Board approved the TMWA 2020-2040 Water Resource Plan. (Member Herman, who participated telephonically, did not indicate a vote on the item)

12 PRESENTATION OF TMWA'S FISCAL YEAR 2020 CUSTOMER SATISFACTION STUDY CONDUCTED BY INFOSEARCH INTERNATIONAL

Andy Gebhardt, TMWA Director of Operations & Water Quality, presented the results of the FY2020 Customer Satisfaction Study. Mr. Gebhardt noted that data from Q4 2020 happened during the pandemic and there were variations in the results, but overall, it was a phenomenal year ending at 92% customer satisfaction with record highs in nine of ten performance measures.

The Board expressed appreciation to staff for their responsiveness and dedication to customers, and their hard work. As well as maintaining high levels of communication especially during these times.

13. PRESENTATION OF AND DISCUSSION, AND POSSIBLE DIRECTION TO STAFF REGARDING PRELIMINARY FUNDING PLAN FOR FISCAL YEARS 2021 THROUGH 2025

Michele Sullivan, TMWA Chief Financial Officer, presented the 5-year funding plan, which is not a budget because it is more conservative, and is used to ensure our operating revenues cover the costs to serve our customers and decide if a rate increase(s) is necessary. In 2016, the 5-year funding plan was approved, and approved rate increases over a five year period to close the funding gap between recurring revenues and cost of servicing the customers. The first two increase of 3% were implemented in May 2017 and 2018; the remaining three increases of 2.5% were to be presented to the SAC and Board for reconsideration prior to implementation. The final three rate increases were deferred to 2020 through 2022. In January, the Board approved the May 2020 implementation of the first 2.5% rate increase. This was revisited in April due to the COVID-19 pandemic to postpone for reconsideration in August. At its August meeting, the Board approved deferring the three remaining increases until May 2021, May 2022 and May 2023; two years after it was supposed to go into effect. Finally, annual principal payments of \$11 million annually resumed in 2020, and should be covered by recurring revenue, which is mainly water sales.

Member Brekhus inquired about the bond covenant and if it is better to be above or lower as debt increases or decreases. Ms. Sullivan replied TMWA's financial policy is 1.5x and it cannot fall below the bond covenant of 1.25x. Senior lien debt service will be consistent for the next 20 years and the plan confirms that going forward we can meet this goal.

Chair Hartung thanked Ms. Sullivan and staff on keeping us on track during this past year which has not been an easy year.

Vice Chair Dahir stated it is not easy to do these types of projections and Ms. Sullivan has done a great job in creating the funding plan, which has been used to make great decisions; a result, we had to push out the rate increase which was not something we expected. Finally, we are in this together as a community and we continue to be very conscious of trying to make the best decisions for everyone.

Upon motion by Member Dahir, second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board approved funding plan for Fiscal Years 2021 through 2025.

14. PRESENTATION OF TMWA GOALS AND OBJECTIVES RESULTS FOR FISCAL YEAR 2020

Sonia Folsom, TMWA Executive Assistant, presented the staff report. TMWA Directors and Managers reported on the FY 2020 Objectives and Results, the majority of which met or exceeded their targets.

15. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF ON THE PROPOSED TMWA GOALS AND OBJECTIVES FOR FISCAL YEAR 2021

Sonia Folsom and TMWA Directors and Managers presented the proposed goals and objectives for FY 2021.

Member Brekhus requested staff consider four goals: adding a risk manager, a plan for water service expansion serve the town of Verdi, TMWA's use of CARES Act funds for customers having difficulty paying their water bills, and an aquifer and storage recovery (ASR) and effluent reuse white paper.

Member Duerr suggested staff consider, now that climate change has been included in the WRP, to track metrics on climate issues locally against the baseline in the region, in terms of water management, and have it available when preparing for the next WRP.

Vice Chair Dahir requested a goal in reference to all the work TMWA is doing, even though it is not our charge, along the river corridor with regards to the homeless issue and water quality.

Upon motion by Member Duerr, second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board approved the proposed TMWA Goals and Objectives for Fiscal Year 2021 with proposed amendments.

16. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING CANCELING THE NOVEMBER BOARD MEETING AND RE-SCHEDULING THE DECEMBER BOARD MEETING TO DECEMBER 10, 2020 OR SUCH OTHER DATE APPROVED BY THE BOARD

The Board approved cancelling the November meeting, but Member Duerr announced that the Reno Police Department is holding their graduation ceremony on December 10th at 9am, claiming that might be a problem if it will be held in person. The Board directed staff to confirm the December meeting date.

Upon motion by Member Dahir, second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board approved canceling the November Board meeting and re-scheduling the December Board meeting to December 10, 2020 or keeping the original meeting date of December 16, 2020.

17. GENERAL MANAGER'S REPORT

Mr. Foree reported to the Board of an accident on Tahoe-Pyramid Trail on TMWA property resulting in the unfortunate death of a Reno resident, and expressed his sincerest condolences to the family.

18. PUBLIC COMMENT

There was no public comment.

19. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

20. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 2:16 p.m.

Approved by the TMWA Board of Directors in session on December 16, 2020.

Sonia Folsom, Board Clerk.