

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE DECEMBER 16, 2020
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, December 16, 2020, via Zoom Virtual Meeting, Reno, Nevada. Chair Hartung called the meeting to order at 10:04 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 Jardon.

3. PUBLIC COMMENT

There was no public comment.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS*

Chair Hartung congratulated Mr. Chris Wessel for being approved as the next program manager to the Western Regional Water Commission (WRWC).

5. APPROVAL OF THE AGENDA

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

6. APPROVAL OF THE MINUTES OF THE OCTOBER 21, 2020 MEETING

Upon motion by Member Jardon, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved the October 21, 2020 minutes.

7. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Administrator, informed the Board that the series of storms recently increased snowpack by about 20 percent and at least a foot of new snow; the snowpack is about 75 percent of normal in the Truckee Basin, which is close to normal for this time of year; the remaining winter months could add more snowpack; and TMWA has about 35,000 acre feet in upstream storage, which positively positions TMWA in the event of a dry winter, and for at least two years.

Chair Hartung requested a presentation by the National Weather Service similar to what was presented to the Truckee Meadows Fire and Rescue Board of Directors.

8. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 289: A RESOLUTION APPROVING TRANSFER OF OWNERSHIP OF 0.16 ACRES OF SURPLUS LAND NEAR TMWA DOUBLE DIAMOND WELL NO. 2 TO NEIGHBORING PROPERTY OWNER FOR NO CONSIDERATION

Heather Edmunson, TMWA Land Agent, informed the Board TMWA was gifted a piece of property adjacent to the Double Diamond Well No. 2 site, which will be subdivided where TMWA will retain the northerly portion of the parcel to grant access and easement to increase the lot size for future expansion and maintenance. The General Manager has certified that the southern portion is not necessary for efficient operation of the water system and may be transferred to the adjacent property owner as surplus property upon resolution by the Board that it is too small to establish an economically viable use.

Upon motion by Member Brekhus second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 289: A resolution approving transfer of ownership of 0.16 acres of surplus land near TMWA Double Diamond Well No. 2 to neighboring property owner for no consideration.

9. DISCUSSION AND ACTION CONFIRMING GENERAL MANAGER'S APPOINTMENT OF FOUR TRUSTEES TO THE §115 POST-RETIREMENT MEDICAL PLAN & TRUST FOR A TWO-YEAR TERM FROM JANUARY 1, 2021 THROUGH DECEMBER 31, 2022

Upon motion by Member Duerr second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board approved General Manager's appointment of four trustees (Michele Sullivan, Sandra Tozi, Charles Atkinson and Randy Van Hoozer) to the §115 Post-Retirement Medical Plan & Trust for a two-year term from January 1, 2021 through December 31, 2022.

10. DISCUSSION AND ACTION CONFIRMING GENERAL MANAGER'S APPOINTMENT OF FOUR TRUSTEES TO THE §501-C-9 POST-RETIREMENT MEDICAL PLAN & TRUST FOR A TWO-YEAR TERM FROM JANUARY 1, 2021 THROUGH DECEMBER 31, 2022

Upon motion by Member Duerr second by Member Brekhus, which motion duly carried by six to zero of the members voting, the Board approved the General Manager's appointment of four Trustees (Michele Sullivan, Juan Esparza, James Weingart and Steve Enos) to the §501-c-9 Post-Retirement Medical Plan & Trust for a two-year term from January 1, 2021 through December 31, 2022. (Member Anderson, who participated telephonically, did not indicate a vote on the item)

11. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 290: A RESOLUTION TO APPROVE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FISCAL YEAR ENDED JUNE 30, 2020

Matt Bowman, TMWA Financial Controller, acknowledged Sophie Cardinal, TMWA Principal Accountant, who facilitated the majority of the audit with Eide Bailly. Mr. Bowman presented the updated, online user-friendly, CAFR, with included various audit reports from Eide Bailly with no audit findings.

Upon motion by Member Brekhus second by Member Jardon, which motion duly carried by six to zero of the members voting, the Board adopted Resolution No. 290: A resolution to approve the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2020. (Member Herman, who participated telephonically, did not indicate a vote on the item)

12 PRESENTATION OF FINANCIAL PERFORMANCE FOR FIRST QUARTER FISCAL YEAR 2021

Mr. Bowman stated TMWA saw higher water usage, about 6% over budget in water sales, in the first quarter; operating expenses were \$1.6m lower than budget; non-operating expenses were higher than budget due primarily to lower investment income (\$2.8m compared to \$2.1m in the budget); capital contributions were slightly higher than budgeted by \$0.7m; and cash position is \$3.2m higher than at the beginning of the fiscal year at \$209.0m, and TMWA made its first principal payment of \$10.5m (principal payments were deferred in TMWA's 2016 Refunding Bonds) on its senior lien debt.

13. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING APPOINTMENTS TO THE STANDING ADVISORY COMMITTEE TO FILL VACANCIES IN EXISTING POSITIONS WHOSE TERMS EXPIRE DECEMBER 31, 2020, SUCH APPOINTMENTS TO BE MADE FOR NEW TERMS FROM JANUARY 1, 2021 TO DECEMBER 31, 2022 FROM THE FOLLOWING LIST OF CANDIDATES: (1) NEIL MCGUIRE, PRIMARY REPRESENTATIVE, IRRIGATION CUSTOMER; (2) KARL KATT, ALTERNATE REPRESENTATIVE, IRRIGATION CUSTOMER; (3) DONALD KOWITZ, PRIMARY REPRESENTATIVE, COMMERCIAL CUSTOMER; (4) ROBERT CHAMBERS, PRIMARY REPRESENTATIVE, SENIOR CUSTOMER; (5) KEN MCNEIL, PRIMARY REPRESENTATIVE, AT-LARGE 1 CUSTOMER; (6) KEN BECKER, ALTERNATE REPRESENTATIVE, AT-LARGE 1 CUSTOMER; (7) JORDAN HASTINGS, PRIMARY REPRESENTATIVE, AT-LARGE 2 CUSTOMERS; (8) CAROL LITSTER, PRIMARY REPRESENTATIVE, REPRESENTATIVE 1 CUSTOMER; (9) DALE SANDERSON, ALTERNATE REPRESENTATIVE, REPRESENTATIVE 2 CUSTOMERS; (10) HARRY CULBERT, PRIMARY REPRESENTATIVE, REPRESENTATIVE 2 CUSTOMER; (11) FRED ARNDT, ALTERNATE REPRESENTATIVE, REPRESENTATIVE 2 CUSTOMERS; AND (12) JERRY WAGER, PRIMARY REPRESENTATIVE, REPRESENTATIVE 3 CUSTOMER

Sonia Folsom, TMWA Standing Advisory Committee Liaison, presented the staff report.

The Board discussed bringing back an item to discuss the composition of the Committee at a future meeting to address the increase in multi-family units in the region, many of which are in the Cities of Sparks and Reno, as well as expanding the parameters in the recruitment (to include tenants) to fill the Multi-Family Primary Customer Representative position.

Upon motion by Member Duerr, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved appointments to the Standing Advisory Committee to fill vacancies in existing positions whose terms expire December 31, 2020, such appointments to be made for new terms from January 1, 2021 to December 31, 2022 from the following list of candidates: (1) Neil McGuire, primary representative, irrigation customer; (2) Karl Katt, alternate representative, irrigation customer; (3) Donald Kowitz, primary representative, commercial customer; (4) Robert Chambers, primary representative, senior customer; (5) Ken McNeil, primary representative, at-large 1 customer; (6) Ken Becker, alternate representative, at-large 1 customer; (7) Jordan Hastings, primary representative, at-large 2 customers; (8) Carol Litster, primary representative, representative 1 customer; (9) Dale Sanderson, alternate representative, representative 2 customers; (10) Harry Culbert, primary representative, representative 2 customer; (11) Fred Arndt, alternate

representative, representative 2 customers; and (12) Jerry Wager, primary representative, representative 3 customer.

Upon motion by Member Duerr, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved to advertise for the Multi-Family Primary Customer Representative position, and to bring back candidates and discussion of composition and possible modification of multi-family position at future board meeting.

14. PRESENTATION OF TRUCKEE RIVER FUND ACTIVITIES FOR CALENDAR YEAR 2020

Ms. Folsom informed the Board of the projects the Truckee River Fund (the Fund) approved in calendar year 2020. Since 2005, the Fund has approved 181 projects, awarded \$14.1m, with a total match of \$23.2m in cash and in-kind services.

15. DISCUSSION AND ACTION ON SCHEDULING REGULAR BOARD MEETING DATES AND TIMES FOR THE CALENDAR YEAR 2021

Ms. Folsom presented the proposed Board meeting schedule for calendar year 2021.

The Board discussed moving the meeting dates that conflicted with City of Reno Council meetings to the third Thursday in July and November.

Upon motion by Member Duerr, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved the proposed dates and times for the Calendar Year 2021 and amended dates for July and November.

16. GENERAL MANAGER'S REPORT

Mr. Foree reported to the Board the south gate at Hunter Creek Reservoir has been opened granting access to the public on a trial basis and if there are no issues, it will remain open. He thanked the Board and staff for another great year, especially considering the difficult times due to the pandemic; staff continues to exceed expectations.

17. PUBLIC COMMENT

There was no public comment.

18. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Brekhus requested an agenda item to discuss landlord surcharges on water billing (charged in monthly rent) to multi-family residents.

Vice Chair Dahir requested an update on the digital plan review process.

Member Duerr requested an item be added at a future meeting to discuss composition of the Standing Advisory Committee.

Member Duerr requested an item be added at a future meeting to discuss authorizing TMWA to turn off water service where water waste occurs in private lateral.

19. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 11:56 a.m.

Approved by the TMWA Board of Directors in session on Wednesday, January 20, 2021.

Sonia Folsom, Board Clerk.