



STANDING ADVISORY COMMITTEE AGENDA

Tuesday, March 2, 2021 at 3:00 p.m.
Truckee Meadows Water Authority
Virtual Meeting Only

MEMBERS OF THE PUBLIC MAY ATTEND VIA THE WEB LINK, OR
TELEPHONICALLY 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://tmwa.zoom.us/j/96339798801?pwd=b296TzBZRExSWHNGNytsNUFGREdEZz09>

Password: 890533

Or call:

Phone: (888) 788-0099

Webinar ID: 963 3979 8801

NOTES:

1. Unless and until the Governor issues a Directive or Order requiring a physical location be designated for meetings of public bodies where members of the public are permitted to attend and participate, no members of the public will be allowed in the TMWA's Corporate Office due to concerns for public safety resulting from the COVID-19 emergency and pursuant to the Governor of Nevada's Declaration of Emergency Directive 006 Section 1 which suspends the requirement in NRS 241.023(1)(b) that there be a physical location designated for meetings of public bodies where members of the public are permitted to attend and participate and subsequent directives related to social distancing. This meeting 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 Committee 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 Committee 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. the day before the scheduled meeting. 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 Committee 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 SAC 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**).

1. Roll call*
2. Public comment — limited to no more than three minutes per speaker*

3. Approval of the agenda (**For Possible Action**)
4. Approval of the minutes of December 1, 2020 meeting (**For Possible Action**)
5. Recognition of Mike Schulewitch, SAC Vice Chair — Neil McGuire*
6. Discussion and possible recommendation regarding bills in the 2021 Legislative Session that may impact TMWA — John Zimmerman and Leo Drozdoff (**For Possible Action**)
7. Water Supply Update — Bill Hauck*
8. Presentation of Fiscal Year 2021 Q2 year to date financial results — Matt Bowman*
9. Presentation on major capital improvement projects — TMWA Staff*
10. Informational report regarding TMWA involvement with the Steamboat canal project and Steamboat Canal & Irrigation Company — John Zimmerman*
11. Discussion and possible action regarding amendments to the 2021 meeting schedule — Sonia Folsom (**For Possible Action**)
12. Discussion and possible direction to staff regarding agenda items for future meetings (**For Possible Action**)
13. Staff Items* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
14. Committee Items* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
15. Public Comment — limited to no more than three minutes per speaker*
16. Adjournment (**For Possible Action**)



STANDING ADVISORY COMMITTEE

DRAFT MINUTES

December 1, 2020

The Standing Advisory Committee (SAC) met via Zoom. Vice Chair Schulewitch called the meeting to order at 3:04 p.m.

1. ROLL CALL

Primary Members and Voting Alternates Present: Kristine Brown, Robert Chambers, Harry Culbert, Jordan Hastings, Colin Hayes, Don Kowitz, Carol Litster, *Neil McGuire, Ken McNeil, Chris Melton, Mike Schulewitch, and Jerry Wager.

Alternates Present: Fred Arndt, Ken Becker, Susan Hoog, Karl Katt, John Krmpotic, Jonnie Pullman, Dale Sanderson, and Jim Smith.

Primary Members and Alternates Absent: Ann Silver.

Staff Present: Matt Bowman, Robert Charpentier, John Enloe, Scott Estes, Sonia Folsom, Mark Foree, Andy Gebhardt, Bill Hauck, Pat Nielson, Laura Rader, Danny Rotter, Michele Sullivan, Chuck Swegles, Sandra Tozi, John Zimmerman, and Legal Counsel Michael Pagni (McDonald Carano).

*Chair McGuire arrived at 3:14 p.m.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Upon motion duly made by Member Melton, and seconded by Member Hastings, and carried by unanimous consent of the members present, the Committee approved the agenda.

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

Member Kowitz noted a spelling error.

Upon motion duly made by Member Kowitz and seconded by Member Hastings, and carried by unanimous consent of the members

present, the Committee approved the October 6, 2020 meeting minutes with amendment.

5. WATER SUPPLY UPDATE

Bill Hauck, Water Supply Administrator, informed the Committee that it has been a dry season thus far and most of the region is in a moderate or severe drought, but from a water supply perspective, the outlook is different; not at the level he would like, but in decent shape at about 44% of maximum storage capacity in reservoirs; Lake Tahoe, Donner and Independence Lake are about 45%, 60% and 62% full, respectively; snowpack level is below normal; and 2021 Lake Tahoe projections remain above the natural rim at 6223 feet.

Member Wager asked about the hydrograph trending down over the last few years compared to the years leading up to the major drought of 2011. Mr. Hauck replied the graph is not a true representation of river flows only. It shows a combination of natural flows and what is released from the reservoirs; climate change studies show that natural flows are expected to increase over time.

6. PRESENTATION ON THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FISCAL YEAR ENDED JUNE 30, 2020

Matt Bowman, Finance Controller, presented the CAFR which is a regulatory document TMWA is required to prepare annually, and summarizes how TMWA performed financially during the prior fiscal year. TMWA is audited by an external audit firm who includes an audit report that attests to the accuracy of the CAFR. This in turn is used by investors, rate payers, etc. to see how TMWA is doing. We have a clean audit; the auditors did not have any findings or adjustments. Mr. Bowman noted the "Financial Section" which is used if one wanted to compare TMWA to other public water agencies. He thanked accounting staff, Sophie Cardinal, Principal Accountant, and Sandra Tozi, Financial Analyst, for all their hard work.

Chair McGuire thanked Mr. Bowman and staff for a clean audit and making the document easier to read.

Vice Chair Schulewitch asked how many former STMGID customers who do not have meters since the last time it was discussed. Mr. Bowman replied he does not know at this time, but can check.

7. PRESENTATION OF FINANCIAL PERFORMANCE FOR FIRST QUARTER FISCAL YEAR 2021

Mr. Bowman presented the first quarter financials, which was a good quarter with water sales revenue higher than budgeted due to a hot and dry summer and operating expenses low. Overall, net income was \$3.8m, or 20%, higher than budget; operating revenue was up 5% over budget due to increased water usage operating expenses were \$1.6m lower than budget (salaries and wages are down due to vacancies); non-operating expenses were \$0.6m higher than budget (due to lower investment income);

Capital contributions were \$700k, or 9%, higher than budget due to timing of big projects in the last quarter (lower volume of projects coming in); Capital spending was approximately \$5.7m and staff expects it to be about \$40-45m for the year; Cash position at the end of the quarter was \$3.2m higher than beginning of fiscal year; and July 2020 saw our first payment on 2017 revenue bonds of \$10.5m, which will be a recurring, annual debt service payment.

Chair McGuire asked if TMWA is looking for new people to fill the positions. Mr. Bowman replied there are less than five positions open. Michele Sullivan, TMWA CFO, stated they have hired a few more water treatment plant operators and the overtime is now less than half what it was a couple of years ago.

Mr. Bowman updated the Committee on customers still on STMGID rates: 2,696 residential and 121 commercial, and about 1,000 customers have converted to TMWA rates since the merger.

8. UPDATE ON STANDING ADVISORY COMMITTEE MEMBERSHIP

Sonia Folsom, SAC Liaison, informed the Committee all members whose terms are expiring December 31, 2020 have agreed to continue for another term except Vice Chair Schulewitch who will resign at the end of the year.

9. PRESENTATION AND POSSIBLE APPROVAL OF 2021 MEETING SCHEDULE

Ms. Folsom presented the proposed 2021 meeting schedule.

The Committee discussed the possibility of reducing the meetings to quarterly to coordinate with pertinent financial deadlines, and suggested it be an agenda item at the next meeting.

10. ELECTION OF CHAIR AND VICE CHAIR FOR 2021

Michael Pagni, TMWA General Counsel, presented this item.

Upon motion duly made by Member Hayes and seconded by Member Kowitz, and carried by unanimous consent of the members present, the Committee approved Neil McGuire to be Chair for calendar year 2021.

Upon motion duly made by Member McGuire and seconded by Member Schulewitch, and carried by unanimous consent of the members present, the Committee approved Jordan Hastings to be Vice Chair for calendar year 2021.

11. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING AGENDA ITEMS FOR FUTURE MEETINGS

Next meeting:

1. Legislative Session Update
2. Presentation of Financial Performance for Second Quarter Fiscal Year 2020
3. Water Supply Update
4. Discussion on meeting schedule
5. Status on major CIP projects (Verdi and Cold Springs, Mt. Rose WTP, TRI Center) expenditures

Upon motion duly made by Member Culbert and seconded by Member Chambers, and carried by unanimous consent of the members present, the Committee approved the following agenda items for future meetings.

Upon motion duly made by Member Hayes and seconded by Member Hastings, and carried by unanimous consent of the members present, the Committee approved to cancel the January 5, 2021 meeting.

12. STAFF ITEMS

Ms. Folsom asked Committee Members to provide updated contact information if there were any changes and members to coordinate with their partner if they will be absent to ensure there is a member representing their customer class.

13. COMMITTEE ITEMS

There were no committee items.

14. PUBLIC COMMENT

There was no public comment.

15. ADJOURNMENT

With no further items for discussion, Chair McGuire adjourned the meeting at 4:07 p.m.
Approved by the Standing Advisory Committee in session on _____.

Sonia Folsom, Recording Clerk

**Chair McGuire was present for agenda items 5 thru 15 only.*



STAFF REPORT

TO: TMWA Standing Advisory Committee
FROM: John Zimmerman, Manager, Water Resources
DATE: February 24, 2021
SUBJECT: Discussion and possible recommendation regarding bills in the 2021 Legislative Session that may impact TMWA

SUMMARY

The 2021 Session began on February 1 and the TMWA legislative subcommittee, general counsel Michael Pagni, lobbyist Leo Drozdoff, and staff have been reviewing bills as they are released by the Legislative Counsel Bureau (LCB). All bills have not yet been publicly released. At the SAC meeting, staff, Michael Pagni, and Leo Drozdoff will provide an update regarding the Session and a summary of all significant bills.

Key 2021 Legislative Deadlines:

February 1	Session Begins
February 8	Legislators' BDR Requests
March 15	Legislators' Bill Introductions
March 22	Committees' Bill Introductions
April 9	Committee Passage (1 st House)
April 20	First House Passage
May 14	Committee Passage (2 nd House)
May 21	Second House Passage
May 31	Session Ends

Assembly Bills

BILL	DESCRIPTION	SPONSOR(S)	STATUS	PAST MEETINGS	PAST ACTION	FUTURE MEETINGS	LEG. SUBCOMMITTEE RECOMMENDATIONS
AB1	Revises provisions relating to training for Legislators. (BDR 17-438)	Committee on Legislative Operations and Elections	Legislative Operations and Elections	Assembly Committee on Legislative Operations and Elections 2/18/2021 4:00 PM	Heard		MONITOR
AB3	Revises provisions concerning the electronic transmission of certain maps and other documents relating to the approval of divisions of land. (BDR 22-406)	Committee on Government Affairs	Government Affairs	Senate Committee on Government Affairs 2/24/2021 3:30 PM	Mentioned No Jurisdiction		SUPPORT
AB5	Makes various changes to provisions relating to judicial review of orders and decisions of the State Engineer. (BDR 48-311)	Committee on Natural Resources	Natural Resources			Assembly Committee on Natural Resources 3/1/2021 4:00 PM	MONITOR
AB6	Revises provisions governing an application for a temporary change relating to appropriated water. (BDR 48-309)	Committee on Natural Resources	Natural Resources			Assembly Committee on Natural Resources 3/1/2021 4:00 PM	SUPPORT
AB15	Revises the membership of the Colorado River Commission of Nevada. (BDR 48-341)	Committee on Natural Resources	Natural Resources				MONITOR
AB28	Imposes an inverse preference on certain bidders for state purchasing contracts. (BDR 27-238)	Committee on Government Affairs	Government Affairs	Assembly Committee on Government Affairs 2/3/2021 9:00 AM	Mentioned		MONITOR
AB37	Revises provisions relating to the enforcement of obligations for support of children. (BDR 3-301)	Committee on Judiciary	Judiciary	Assembly Committee on Judiciary 2/23/2021 8:00 AM	Mentioned not agendized	Assembly Committee on Judiciary - Work Session Item 2/26/2021 8:00 AM	MONITOR
AB39	Revises provisions relating to public records. (BDR 19-333)	Committee on Government Affairs	Government Affairs				MONITOR
AB49	Revises provisions relating to disciplinary action by the State Contractors' Board. (BDR 54-322)	Committee on Commerce and Labor	Commerce and Labor	Assembly Committee on Commerce and Labor 2/15/2021 1:30 PM	Heard		MONITOR
AB61	Revises provisions relating to trade practices. (BDR 52-424)	Committee on Commerce and Labor	Commerce and Labor	Assembly Committee on Commerce and Labor 2/24/2021 1:30 PM	Heard		MONITOR

Assembly Bills

BILL	DESCRIPTION	SPONSOR(S)	STATUS	PAST MEETINGS	PAST ACTION	FUTURE MEETINGS	LEG. SUBCOMMITTEE RECOMMENDATIONS
AB65	Revises provisions relating to ethics in government. (BDR 23-257)	Committee on Legislative Operations and Elections	Legislative Operations and Elections	Assembly Committee on Legislative Operations and Elections 2/23/2021 4:00 PM	Heard		MONITOR
AB83	Revises the date of the legal holiday for the observance of Nevada Day. (BDR 19-70)	Yeager	Government Affairs				MONITOR
AB87	Makes various changes to provisions governing the vacation or abandonment of certain easements. (BDR 22-460)	Nguyen and Roberts	Government Affairs				OPPOSE
AB90	Requires counties to pay impact fees to certain local governments for projects of intercounty significance. (BDR 22-883)	Benitez-Thompson	Government Affairs				MONITOR
AB93	Revises provisions relating to states of emergency or declarations of disaster proclaimed by the Governor. (BDR 36-41)	Wheeler, Dickman, O'Neill, Ellison, Hafen, Hansen, Hardy, Kasama, Krasner, Leavitt, Matthews, McArthur, Roberts and Titus	Government Affairs				MONITOR
AB95	Revises the membership of the Legislative Committee on Public Lands. (BDR 17-463)	Committee on Legislative Operations and Elections	Legislative Operations and Elections	Assembly Committee on Legislative Operations and Elections 2/16/2021 4:00 PM	Heard		MONITOR
AB97	Revises provisions governing toxic chemicals. (BDR 40-141)	Watts	Natural Resources				MONITOR
AB100	Revises provisions relating to wildfires. (BDR 42-109)	Committee on Government Affairs	Government Affairs	Assembly Committee on Government Affairs 2/25/2021 9:00 AM	Heard		MONITOR
AB108	Creates the Nevada Office of the Inspector General. (BDR 18-64)	Brittney Miller	Government Affairs				MONITOR
AJR2	Recognizes that forest health and water quality are inextricably linked. (BDR R-112)	Committee on Natural Resources	Natural Resources	Assembly Committee on Natural Resources 2/10/2021 4:00 PM	Mentioned		SUPPORT

Senate Bills

BILL	DESCRIPTION	SPONSOR(S)	STATUS	PAST MEETINGS	PAST ACTION	FUTURE MEETINGS	LEG. SUBCOMMITTEE RECOMMENDATIONS
SB11	Authorizes certain incorporated cities to impose a supplemental governmental services tax. (BDR 32-433)	Committee on Revenue and Economic Development	Revenue and Economic Development	Assembly Committee on Government Affairs 2/23/2021 9:00 AM	Mentioned no jurisdiction		MONITOR
SB13	Revises provisions relating to collective bargaining by local government employers. (BDR 31-370)	Committee on Government Affairs	Government Affairs	Assembly Committee on Government Affairs 2/12/2021 9:00 AM	Mentioned no jurisdiction		MONITOR
SB14	Revises provisions relating to certain emergency response plans and assessments. (BDR 36-280)	Committee on Government Affairs	Government Affairs	Senate Committee on Government Affairs 2/17/2021 3:30 PM	Amend, and do pass as amended		MONITOR
SB18	Revises provisions governing penalties for certain violations relating to public utilities. (BDR 58-277)	Committee on Growth and Infrastructure	Growth and Infrastructure	Senate Committee on Growth and Infrastructure 2/17/2021 3:30 PM	Heard, No Action		MONITOR
SB26	Revises provisions relating to the protection of personally identifiable information from release. (BDR 52-332)	Committee on Commerce and Labor	Commerce and Labor				MONITOR
SB33	Revises certain provisions relating to natural resource management. (BDR 47-312)	Committee on Natural Resources	Natural Resources	Senate Committee on Natural Resources 2/11/2021 3:30 PM	Heard, No Action	Senate Committee on Natural Resources - Work Session Item 3/2/2021 3:30 PM	MONITOR
SB40	Provides for the collection of certain data relating to health care. (BDR 40-415)	Committee on Health and Human Services	Health and Human Services	Assembly Committee on Health and Human Services 2/17/2021 1:30 PM	Mentioned no jurisdiction		MONITOR
SB67	Revises provisions relating to public works. (BDR 28-400)	Committee on Government Affairs	Government Affairs				MONITOR

Senate Bills

BILL	DESCRIPTION	SPONSOR(S)	STATUS	PAST MEETINGS	PAST ACTION	FUTURE MEETINGS	LEG. SUBCOMMITTEE RECOMMENDATIONS
SB71	Revises provisions governing unclaimed property. (BDR 10-398)	Committee on Judiciary	Judiciary	Senate Committee on Judiciary 2/25/2021 1:00 PM	Amend, and do pass as amended		MONITOR
SB73	Allows the imposition of certain taxes or the reallocation of certain tax revenue to fund certain natural resources projects and services in the City of Reno based on the recommendations of a committee and voter approval. (BDR S-432)	Committee on Revenue and Economic Development	Revenue and Economic Development	Assembly Committee on Government Affairs 2/23/2021 9:00 AM	Mentioned no jurisdiction		MONITOR
SB88	Revises provisions relating to emergency management. (BDR 36-51)	Pickard, Settlemeyer, Hansen, Buck, Goicoechea, Hammond, Hardy and Kieckhefer	Government Affairs				MONITOR
SB106	Enacts the Uniform Easement Relocation Act. (BDR 10-833)	Harris and Ohrenschall	Judiciary				MONITOR
SB107	Makes various changes relating to the statute of limitations for certain causes of action. (BDR 2-872)	Ohrenschall	Judiciary	Senate Committee on Judiciary 2/18/2021 1:00 PM	Heard, No Action		MONITOR
SB109	Revises provisions relating to the collection of certain information by governmental agencies. (BDR 19-95)	Spearman	Government Affairs				MONITOR
SJR1	Proposes to amend the Nevada Constitution to provide that the Nevada Court of Appeals has original jurisdiction over certain cases relating to water. (BDR C-310)	Committee on Judiciary	Judiciary				MONITOR

Assembly Bills

BILL	DESCRIPTION	SPONSOR(S)	STATUS	PAST MEETINGS	PAST ACTION	FUTURE MEETINGS	STAFF RECOMMENDED POSITIONS
AB124	Revises provisions relating to employment. (BDR 53-169)	Duran, Watts, Torres, Anderson, Benitez-Thompson, Bilbray-Axelrod, Brown-May, Carlton, Considine, Gorelow, Martinez, Marzola, Brittney Miller, Monroe-Moreno, Nguyen, Peters and Thomas	Commerce and Labor				MONITOR
AB146	Revises provisions relating to water. (BDR 40-123)	Peters	Natural Resources				MONITOR
AB147	Authorizes a board of county commissioners to create the office of county counsel. (BDR 20-119)	Nguyen	Government Affairs				MONITOR
AB152	Revises provisions relating to the collection of certain debts. (BDR 54-855)	Krasner, Yeager and Marzola	Commerce and Labor				MONITOR
AB153	Revises provisions governing performance contracts. (BDR 27-708)	Assemblywoman Bilbray-Axelrod; Senator Brooks	Government Affairs			Assembly Committee on Government Affairs 3/2/2021 9:00 AM	MONITOR
AB154	Revises provisions governing certain notice provided by public utilities. (BDR 58-510)	Assemblymen Roberts, Tolles, Nguyen, Watts and Monroe-Moreno; Senator Hammond	Growth and Infrastructure			Assembly Committee on Growth and Infrastructure 3/4/2021 1:30 PM	MONITOR
AB162	Revises provisions relating to apprentices. (BDR 28-687)	Assemblymen Ellison, Dickman, Titus, Hafen, Hansen, Kasama, Leavitt, Matthews, O'Neill and Wheeler; Senator Goicoechea	Government Affairs				MONITOR
AJR3	Urges various actions relating to the protection and conservation of land and water. (BDR R-775)	Assemblymen González, Watts, Yeager, Cohen, Anderson, Brown-May, Flores, Brittney Miller, Nguyen and Torres; Senator Donate	Natural Resources				MONITOR
AJR5	Urges Congress to sell or transfer certain public lands to local governmental agencies and nonprofit organizations. (BDR R-470)	Committee on Natural Resources	Natural Resources	Assembly Committee on Natural Resources 2/22/2021 4:00 PM	Discussed as BDR		MONITOR

BILL	DESCRIPTION	SPONSOR(S)	STATUS	PAST MEETINGS	PAST ACTION	FUTURE MEETINGS	STAFF RECOMMENDED POSITIONS
SB131	Revises provisions relating to the Office of Grant Procurement, Coordination and Management in the Department of Administration. (BDR 18-100)	Pickard, Buck, Goicoechea, Hammond, Hardy, Kieckhefer, Seevers Gansert and Settlemeyer	Government Affairs				MONITOR
SB139	Requires certain health insurance to cover treatment of certain conditions relating to gender dysphoria. (BDR 57-54)	Scheible and Harris	Commerce and Labor				MONITOR
SB141	Revises provisions relating to public works. (BDR S-44)	Brooks	Commerce and Labor				MONITOR
SB149	Revises provisions relating to groundwater boards. (BDR 48-462)	Committee on Natural Resources	Printer				MONITOR



Northern Nevada Water Supply Outlook

TMWA Standing Advisory Committee Meeting

Bill Hauck, Water Supply Administrator

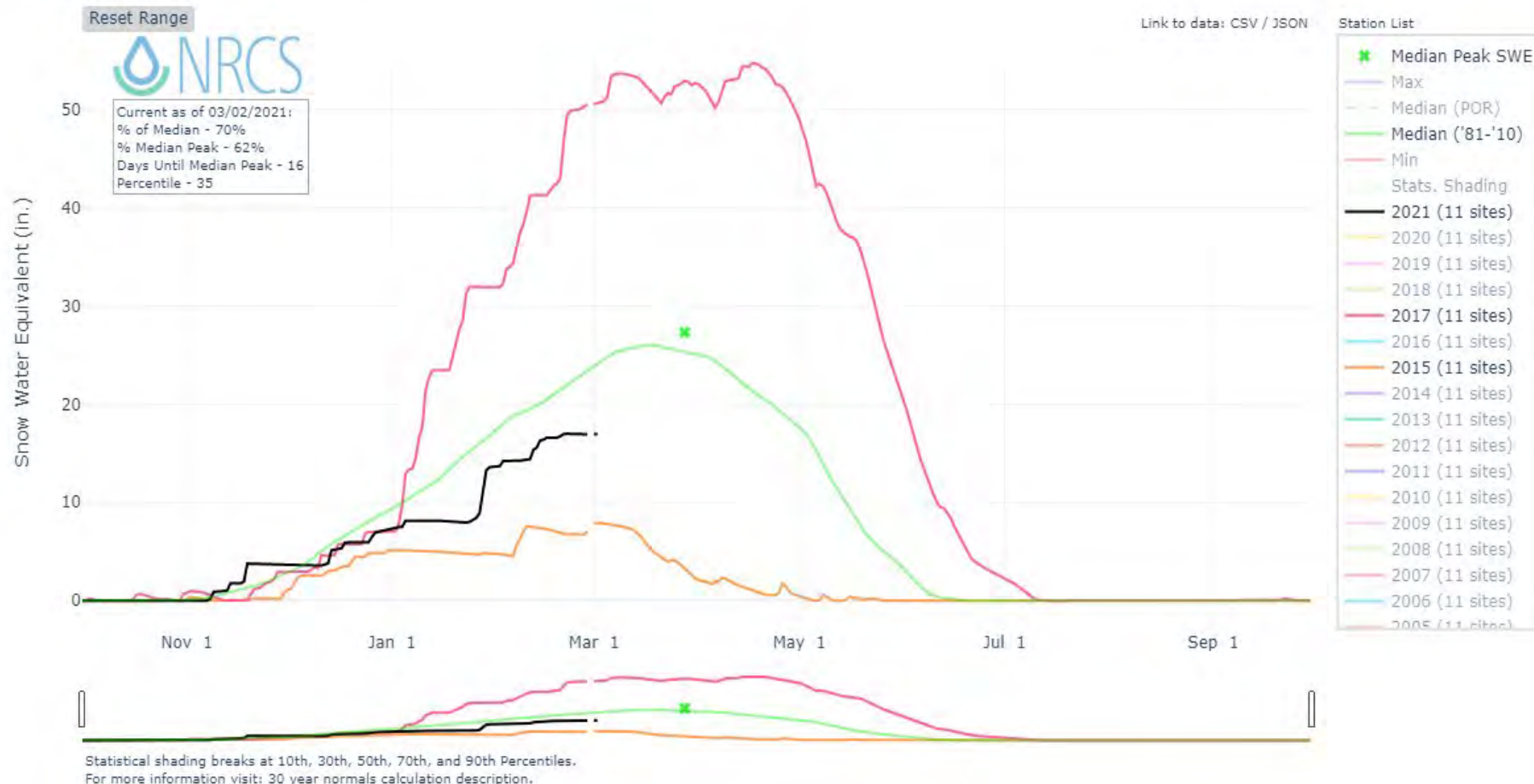
March 02, 2021

W WEST NW
B I-80 AT KINGVALE

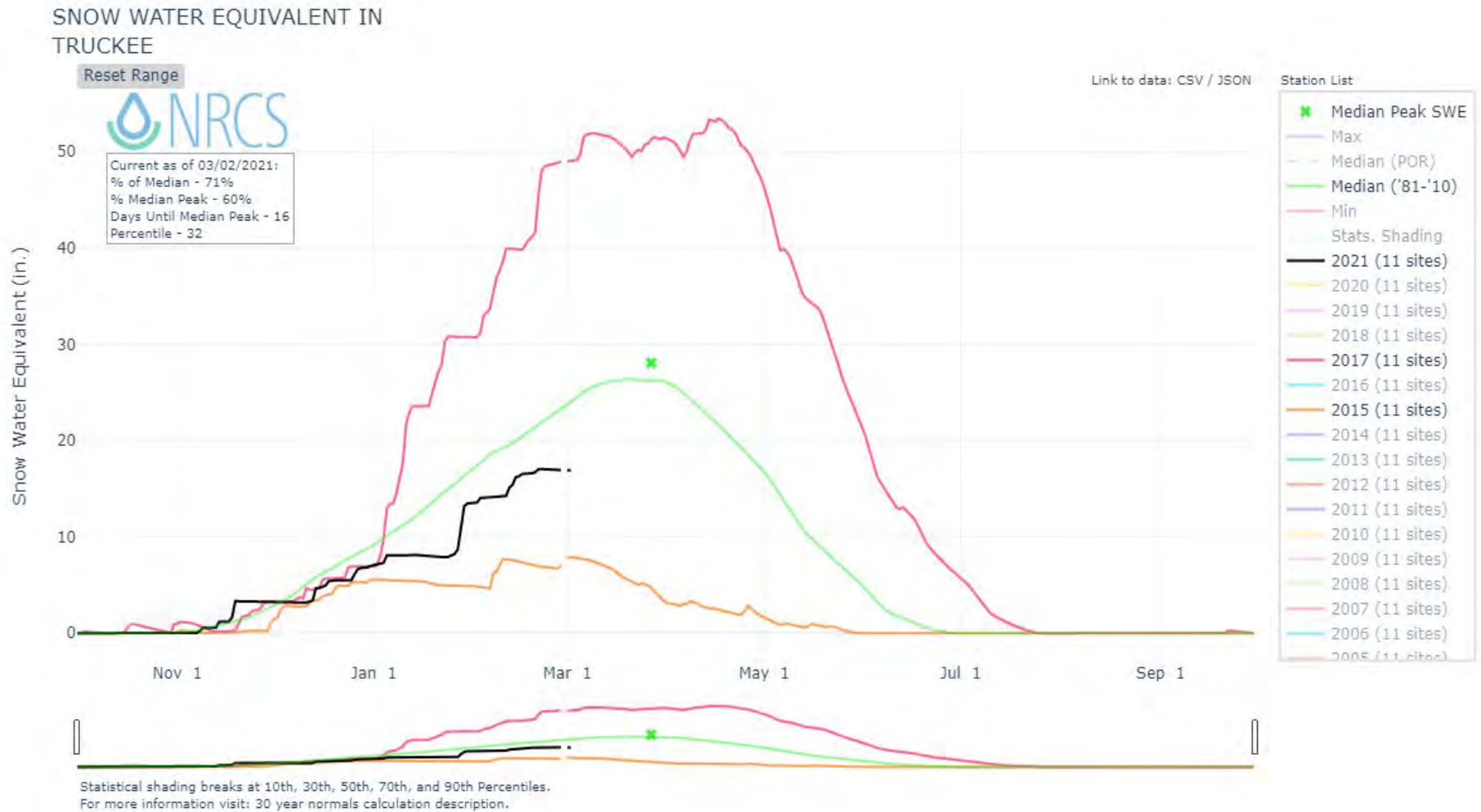


Lake Tahoe Basin Snowpack (03/02/2021)

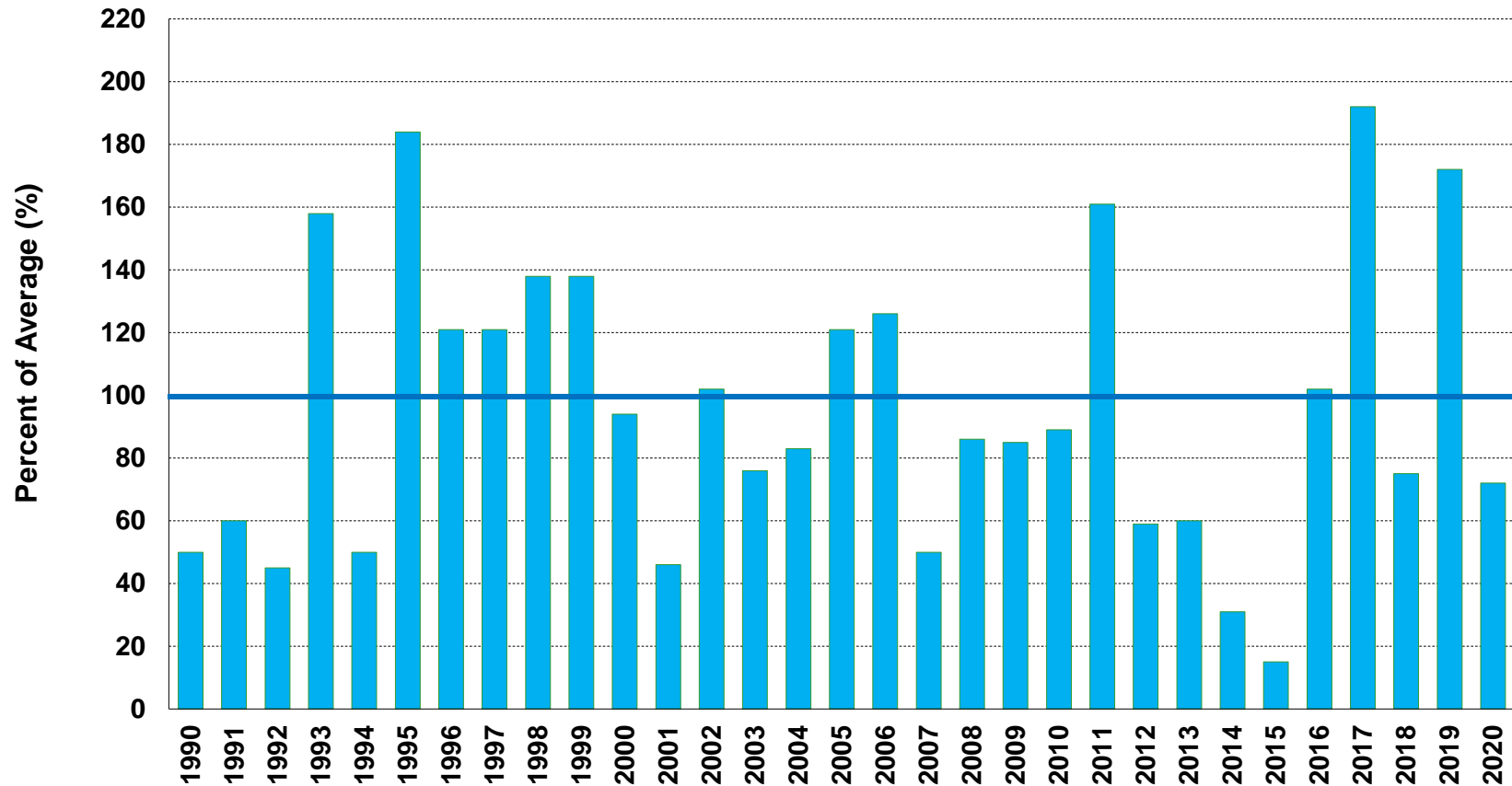
SNOW WATER EQUIVALENT IN LAKE TAHOE



Truckee Basin Snowpack (03/02/2021)



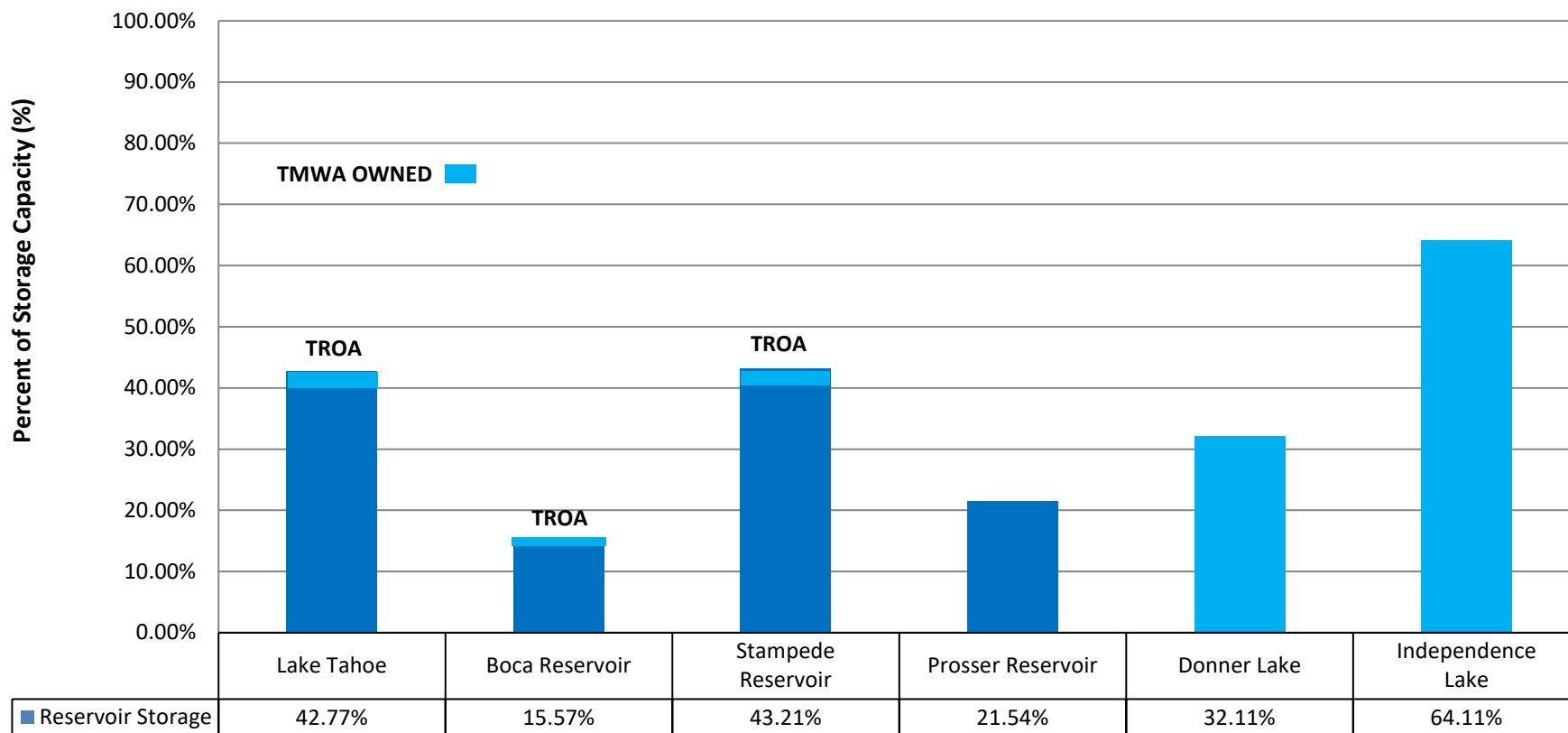
April 1 Truckee River Basin Snowpack (last 30 years)



Truckee River System

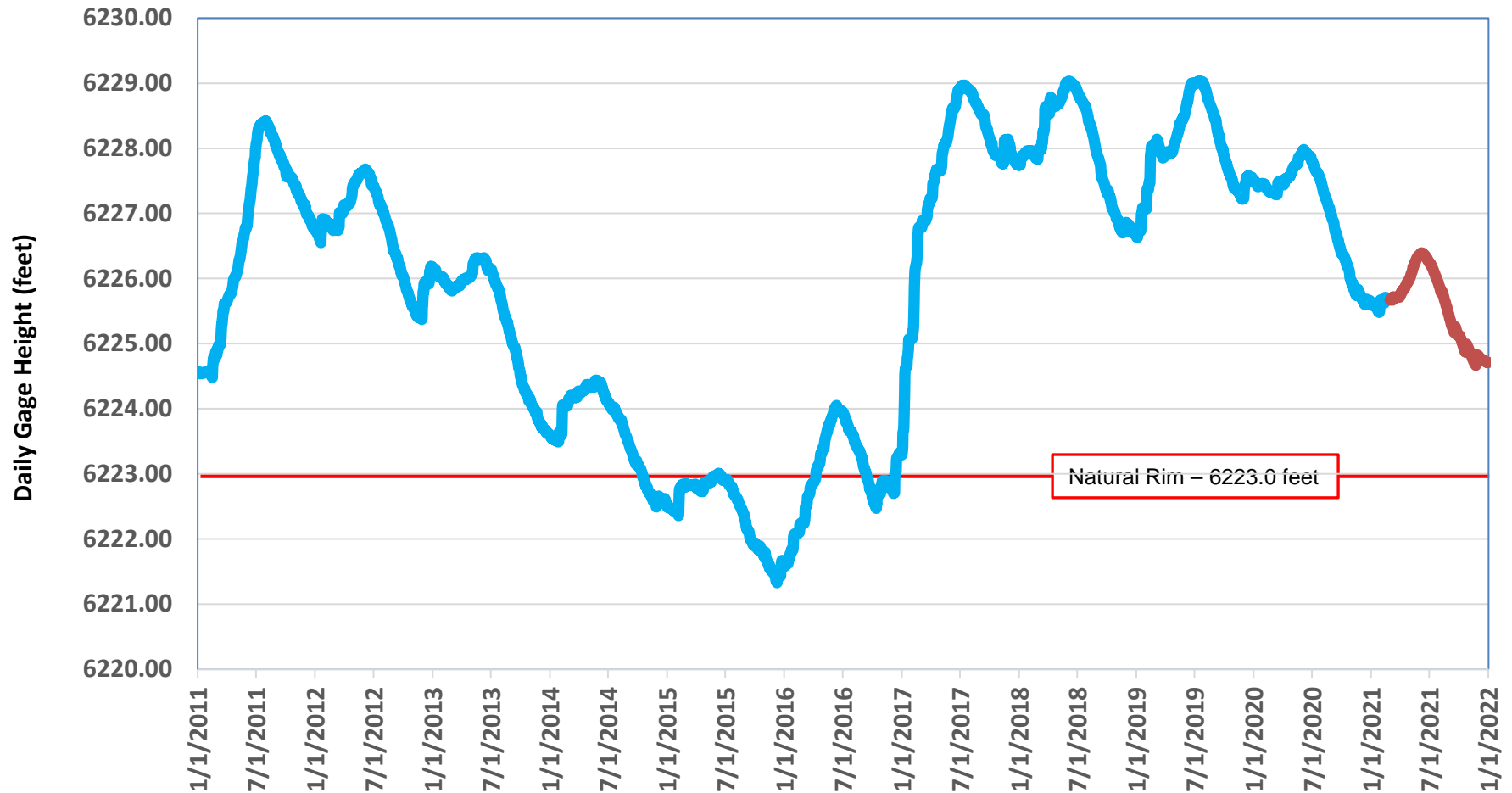


Truckee River System Storage (03/02/2021)

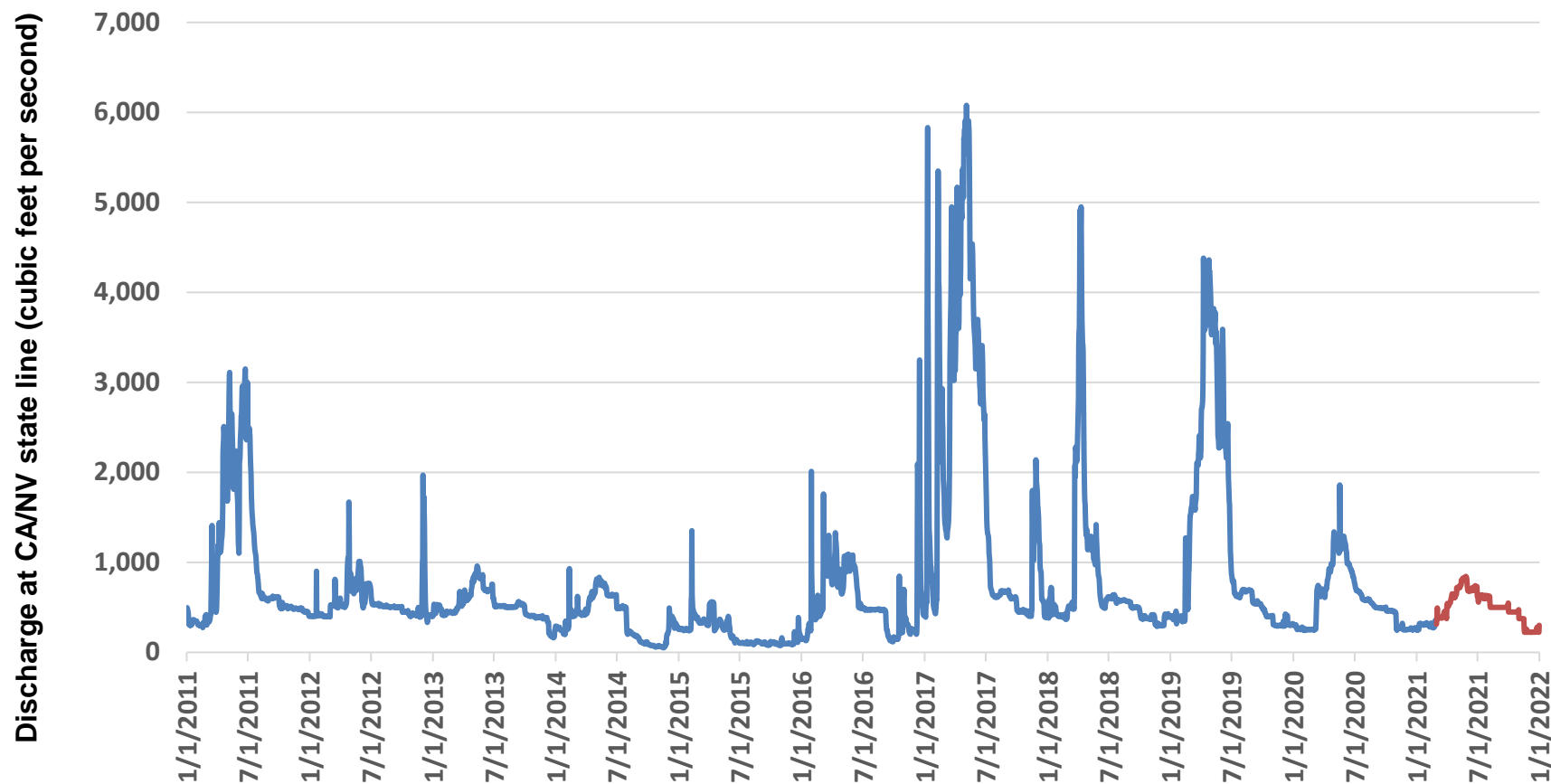


Current Storage (AF)	318,500 KAF	6,365 KAF	97,879 KAF	6,419 KAF	3,050 KAF	11,220 KAF
MAX SYSTEM CAPACITY	1,068,270 AF					
	CURRENT CAPACITY 443,433AF (41% Capacity)					

Actual and Projected Lake Tahoe Elevation through 2021



Actual and Projected Truckee River Flow through 2021







Thank you!
Questions?

Bill Hauck, Water Supply Administrator
Email: bhauck@tmwa.com
O: (775) 834-8111 M: (775) 250-1333



TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, Chief Financial Officer
 Matt Bowman, Financial Controller
DATE: February 8, 2021
SUBJECT: Presentation of Fiscal Year 2021 Q2 year to date financial results

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.

Budget to Actual

	Actual YTD 2021	Budget YTD 2021	Variance \$	Variance %
CHANGE IN NET POSITION	\$ 35,141,951	\$ 26,145,303	\$ 8,996,648	34 %

Change in net position was \$9.0m or 34% higher than budget through two quarters of fiscal year 2021. This is due primarily to higher than budgeted water sales, lower operating expenses and higher capital contributions.

Year over Year

	Actual YTD 2021	Actual YTD 2020	Variance \$	Variance %
CHANGE IN NET POSITION	\$ 35,141,951	\$ 35,455,418	\$ (313,467)	(1)%

Change in net position was \$0.3m or 1% lower than prior year for the first half fiscal year 2021. This was due to higher operating income of \$3.5m, offset by lower capital contributions of \$2.6m and higher nonoperating expenses of \$1.2m.

RevenueBudget to Actual

	Actual YTD 2021	Budget YTD 2021	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	65,541,871	62,129,358	3,412,513	5 %
Hydroelectric Sales	1,275,646	1,325,504	(49,858)	(4)%
Other Operating Sales	1,201,089	1,400,058	(198,969)	(14)%
Total Operating Revenues	68,018,606	64,854,920	3,163,686	5 %

Operating revenue was \$3.2m or 5% higher than budget through the first two quarters of the fiscal year due to higher water sales offset slightly by lower hydroelectric and other operating sales. Water sales were up \$3.4m or 5% due to higher water usage in residential and irrigation categories. Active water services are in line with projections, showing about a 2% increase year over year. However, hot and dry weather during the summer months led to higher water use than average and projected. It's unknown whether this variance will continue through the end of the year as late spring water sales are heavily dependent on precipitation and temperature which is difficult to predict.

Year over Year

	Actual YTD 2021	Actual YTD 2020	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	65,541,871	60,574,187	4,967,684	8 %
Hydroelectric Sales	1,275,646	1,816,370	(540,724)	(30)%
Other Operating Sales	1,201,089	1,398,403	(197,314)	(14)%
Total Operating Revenues	68,018,606	63,788,960	4,229,646	7 %

Total operating revenues were \$4.2m higher than prior year due to higher water sales offset by lower hydroelectric and other operating sales revenue. Water sales revenue was higher by \$5.0m or 8% due to more consumption and added service connections as discussed above. While the first half of FY 2021 has been above average for water use, the first half of FY 2020 was below average, so change year over year is substantial. Hydroelectric revenue was lower due to the Washoe plant being out of service for the first two quarters for the rebuilding of the damaged flume. Other operating sales were lower than prior year due to lower late fee and service call revenue, primarily due to the pandemic.

Operating Expenses

Budget to Actual

	Actual YTD 2021	Budget YTD 2021	Variance \$	Variance %
OPERATING EXPENSES				
Salaries and Wages	11,539,328	12,399,227	(859,899)	(7)%
Employee Benefits	5,052,278	5,353,955	(301,677)	(6)%
Services and Supplies	15,021,030	16,921,704	(1,900,674)	(11)%
Total Operating Expenses Before Depreciation	31,612,636	34,674,886	(3,062,250)	(9)%
Depreciation	16,573,967	16,759,426	(185,459)	(1)%
Total Operating Expenses	48,186,603	51,434,312	(3,247,709)	(6)%

Total operating expenses were \$3.2m lower (6%) than budget. Salaries and wages and employee benefits are lower due to position vacancies and increased labor charged to capital projects. Services and supplies expenses are lower for various reasons but primarily due to timing of certain expenses (temporary), lower power costs and lower training/travel costs. These were offset by higher treatment plant chemical costs and software costs. Services and supplies expenses are expected to end the year under budget, but because of timing of spend, will likely be closer to budget than through the first half of the year.

Year over Year

	Actual YTD 2021	Actual YTD 2020	Variance \$	Variance %
OPERATING EXPENSES				
Salaries and Wages	11,539,328	11,246,886	292,442	3 %
Employee Benefits	5,052,278	4,928,192	124,086	3 %
Services and Supplies	15,021,030	14,648,376	372,654	3 %
Total Operating Expenses Before Depreciation	31,612,636	30,823,454	789,182	3 %
Depreciation	16,573,967	16,626,868	(52,901)	— %
Total Operating Expenses	48,186,603	47,450,322	736,281	2 %

Year over year for the first two quarters, operating expenses were \$0.7m higher than the prior year. This is due to slight increases in each salaries and wages, employee benefits and services and supplies. With minimal exceptions, operations remain consistent year over year so it's expected that operating expenses will remain consistent year over year. There are no significant changes expected in the second half of the year so it's expected to finish the year with similar variances.

Non-Operating ExpensesBudget to Actual

	Actual YTD 2021	Budget YTD 2021	Variance \$	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	1,421,152	1,932,553	(511,401)	(26)%
Net Increase (Decrease) in FV of Investments	(719,792)	—	(719,792)	— %
Gain (Loss) on Disposal of Assets	—	—	—	— %
Amortization of Bond/note Issuance Costs	(83,808)	(95,400)	11,592	(12)%
Interest Expense	(6,131,484)	(6,054,917)	(76,567)	1 %
Other Nonoperating Revenue	—	—	—	— %
Other Nonoperating Expense	—	—	—	— %
Total Nonoperating Revenues (Expenses)	(5,513,932)	(4,217,764)	(1,296,168)	31 %

Nonoperating expenses were \$1.3m higher than budgeted. This is due mostly to lower investment income and a net decrease in the fair value of investments due to continued low interest rates on invested cash balances. The ten-year US Treasury Yield was at 0.69% at September 30, 2020 and 0.93% at December 31, 2020 down from 1.88% on January 2, 2020.

Year over Year

	Actual YTD 2021	Actual YTD 2020	Variance \$	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	1,421,152	2,200,665	(779,513)	(35)%
Net Increase (Decrease) in FV of Investments	(719,792)	269,650	(989,442)	(367)%
Gain (Loss) on Disposal of Assets	—	(258,147)	258,147	(100)%
Amortization of Bond/note Issuance Costs	(83,808)	(123,653)	39,845	(32)%
Interest Expense	(6,131,484)	(6,389,988)	258,504	(4)%
Other Nonoperating Revenue	—	—	—	— %
Other Nonoperating Expense	—	—	—	— %
Total Nonoperating Revenues (Expenses)	(5,513,932)	(4,301,473)	(1,212,459)	28 %

Nonoperating expenses were higher than prior year in the first half by \$1.2m or 28%. Similar to the reasons above, this variance is primarily due to lower investment earnings and a decrease in the fair value of investments. Offsetting decreases in those categories were lower gain/loss on disposal of assets (timing related) and lower interest expense (lower rates on commercial paper).

Capital Contributions

Budget to Actual

	Actual YTD 2021	Budget YTD 2021	Variance \$	Variance %
CAPITAL CONTRIBUTIONS				
Grants	—	475,000	(475,000)	(100)%
Water Resource Sustainability Program	576,476	434,850	141,626	33 %
Developer Infrastructure Contributions	7,548,233	5,613,273	1,934,960	34 %
Developer Will-serve Contributions (Net of Refunds)	1,678,671	2,092,704	(414,033)	(20)%
Developer Capital Contributions - Other	4,656,879	5,121,078	(464,199)	(9)%
Developer Facility Charges (Net of Refunds)	6,156,220	2,999,304	3,156,916	105 %
Contributions from Others	174,601	68,750	105,851	154 %
Contributions from Other Governments	32,800	137,500	(104,700)	(76)%
Net Capital Contributions	20,823,880	16,942,459	3,881,421	23 %

Capital contributions were \$3.9m higher than budget for the first half of the year. This was driven primarily by increases from budget for developer infrastructure contributions and facility charges offset by other, smaller decreases from budget. Developer infrastructure contributions are non-cash transactions where water infrastructure is installed by developers, then after inspection, dedicated to TMWA. This is expected to remain higher for the remainder of the year. Facility charges are supply/treatment, area and storage charges and can fluctuate throughout the year due to large projects. During the first half, ten projects made up approximately 40% of the total charges collected out of over 200 projects. This budget overage may come back in line during the second half. Grant revenue is lower due to timing of receiving grant awards for two outstanding FEMA grants which are still expected to be received during the year.

Year over Year

	Actual YTD 2021	Actual YTD 2020	Variance \$	Variance %
CAPITAL CONTRIBUTIONS				
Grants	—	—	—	— %
Water Resource Sustainability Program	576,476	669,889	(93,413)	(14)%
Developer Infrastructure Contributions	7,548,233	10,072,821	(2,524,588)	(25)%
Developer Will-serve Contributions (Net of Refunds)	1,678,671	2,370,908	(692,237)	(29)%
Developer Capital Contributions - Other	4,656,879	4,719,221	(62,342)	(1)%
Developer Facility Charges (Net of Refunds)	6,156,220	5,557,914	598,306	11 %
Contributions from Others	174,601	27,500	147,101	535 %
Contributions from Other Governments	32,800	—	32,800	— %
Net Capital Contributions	20,823,880	23,418,253	(2,594,373)	(11)%

Year over year, capital contributions are \$2.6m or 11% lower in the first half. The main driver of this is developer infrastructure contributions which is \$2.5m lower. Will-serve contributions are lower, however this is timing related and contributions are expected to catch up in the second half of the year.

Capital Spending

Cash spent on capital outlays and construction projects during the first half was approximately \$19.3m. Total budgeted capital spend for fiscal year 2021 is \$54.7m. Projected capital spending for the year is \$40m - \$45m. Top project spend through the first quarter is below -

- | | |
|---|--------|
| • Mount Rose Water Treatment Plant | \$2.8m |
| • Washoe Flume Reconstruction | \$2.3m |
| • Boomtown to TMWA Connection | \$1.9m |
| • Customer Information System Replacement | \$1.6m |

Cash Position

At December 31, 2020 total cash on hand was \$218.3m or \$12.5m higher than at the beginning of the fiscal year. Of the total cash on hand, \$161.0m was unrestricted to be used to meet upcoming and future operating & maintenance expenses, principal & interest payments and construction project payments. The remaining \$58.1m was restricted to pay for scheduled bond principal and interest payments as well as maintaining required reserves as stipulated in our bond covenants.

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the six months ended December 31, 2020

	Actual YTD 2021	Budget YTD 2021	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	\$ 65,541,871	\$ 62,129,358	\$ 3,412,513	5 %
Hydroelectric Sales	1,275,646	1,325,504	(49,858)	(4)%
Other Operating Sales	1,201,089	1,400,058	(198,969)	(14)%
Total Operating Revenues	68,018,606	64,854,920	3,163,686	5 %
OPERATING EXPENSES				
Salaries and Wages	11,539,328	12,399,227	(859,899)	(7)%
Employee Benefits	5,052,278	5,353,955	(301,677)	(6)%
Services and Supplies	15,021,030	16,921,704	(1,900,674)	(11)%
Total Operating Expenses Before Depreciation	31,612,636	34,674,886	(3,062,250)	(9)%
Depreciation	16,573,967	16,759,426	(185,459)	(1)%
Total Operating Expenses	48,186,603	51,434,312	(3,247,709)	(6)%
OPERATING INCOME	19,832,003	13,420,608	6,411,395	48 %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	1,421,152	1,932,553	(511,401)	(26)%
Net Increase (Decrease) in FV of Investments	(719,792)	—	(719,792)	— %
Gain (Loss) on Disposal of Assets	—	—	—	— %
Amortization of Bond/note Issuance Costs	(83,808)	(95,400)	11,592	(12)%
Interest Expense	(6,131,484)	(6,054,917)	(76,567)	1 %
Other Nonoperating Revenue	—	—	—	— %
Other Nonoperating Expense	—	—	—	— %
Total Nonoperating Revenues (Expenses)	(5,513,932)	(4,217,764)	(1,296,168)	31 %
Gain (Loss) Before Capital Contributions	14,318,071	9,202,844	5,115,227	56 %
CAPITAL CONTRIBUTIONS				
Grants	—	475,000	(475,000)	(100)%
Water Resource Sustainability Program	576,476	434,850	141,626	33 %
Developer Infrastructure Contributions	7,548,233	5,613,273	1,934,960	34 %
Developer Will-serve Contributions (Net of Refunds)	1,678,671	2,092,704	(414,033)	(20)%
Developer Capital Contributions - Other	4,656,879	5,121,078	(464,199)	(9)%
Developer Facility Charges (Net of Refunds)	6,156,220	2,999,304	3,156,916	105 %
Contributions from Others	174,601	68,750	105,851	154 %
Net Capital Contributions	20,823,880	16,942,459	3,881,421	23 %
CHANGE IN NET POSITION	\$ 35,141,951	\$ 26,145,303	\$ 8,996,648	34 %

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the six months ended December 31, 2020

	Actual YTD 2021	Actual YTD 2020	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	\$ 65,541,871	\$ 60,574,187	\$ 4,967,684	8 %
Hydroelectric Sales	1,275,646	1,816,370	(540,724)	(30)%
Other Operating Sales	1,201,089	1,398,403	(197,314)	(14)%
Total Operating Revenues	68,018,606	63,788,960	4,229,646	7 %
OPERATING EXPENSES				
Salaries and Wages	11,539,328	11,246,886	292,442	3 %
Employee Benefits	5,052,278	4,928,192	124,086	3 %
Services and Supplies	15,021,030	14,648,376	372,654	3 %
Total Operating Expenses Before Depreciation	31,612,636	30,823,454	789,182	3 %
Depreciation	16,573,967	16,626,868	(52,901)	— %
Total Operating Expenses	48,186,603	47,450,322	736,281	2 %
OPERATING INCOME	19,832,003	16,338,638	3,493,365	21 %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	1,421,152	2,200,665	(779,513)	(35)%
Net Increase (Decrease) in FV of Investments	(719,792)	269,650	(989,442)	(367)%
Gain (Loss) on Disposal of Assets	—	(258,147)	258,147	(100)%
Amortization of Bond/note Issuance Costs	(83,808)	(123,653)	39,845	(32)%
Interest Expense	(6,131,484)	(6,389,988)	258,504	(4)%
Other Nonoperating Revenue	—	—	—	— %
Other Nonoperating Expense	—	—	—	— %
Total Nonoperating Revenues (Expenses)	(5,513,932)	(4,301,473)	(1,212,459)	28 %
Gain (Loss) Before Capital Contributions	14,318,071	12,037,165	2,280,906	19 %
CAPITAL CONTRIBUTIONS				
Grants	—	—	—	— %
Water Resource Sustainability Program	576,476	669,889	(93,413)	(14)%
Developer Infrastructure Contributions	7,548,233	10,072,821	(2,524,588)	(25)%
Developer Will-serve Contributions (Net of Refunds)	1,678,671	2,370,908	(692,237)	(29)%
Developer Capital Contributions - Other	4,656,879	4,719,221	(62,342)	(1)%
Developer Facility Charges (Net of Refunds)	6,156,220	5,557,914	598,306	11 %
Contributions from Others	174,601	27,500	147,101	535 %
Net Capital Contributions	20,823,880	23,418,253	(2,594,373)	(11)%
CHANGE IN NET POSITION	\$ 35,141,951	\$ 35,455,418	\$ (313,467)	(1)%



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: John Zimmerman, Water Resources Manager
DATE: February 9, 2021
SUBJECT: **Informational report regarding TMWA involvement with the Steamboat canal project and Steamboat Canal & Irrigation Company**

STEAMBOAT CANAL/NRCS PROJECT

The Steamboat canal project was proposed by the Natural Resources Conservation Service (NRCS) to use Federal funds (\$25M) to identify improvements that would provide flood protection and improve agricultural water management within the Steamboat ditch irrigation system. NRCS requested TMWA be a “cooperating agency” on the proposed project, which in essence gives an agency greater involvement in the planning and environmental review process. TMWA staff accepted the request pending Board approval and provided initial comments (attached), but before the request could be brought to Board for consideration, NRCS put the project on hold indefinitely (see attached). Staff will monitor and update the Board as necessary.

TMWA STEAMBOAT CANAL & IRRIGATION COMPANY INVOLVEMENT

TMWA acquired 228 shares in the Company as part of the purchase of Sierra Pacific Power Company’s water utility assets in June 2001 and pays annual assessments based on this interest and water deliveries to ponds at the Hunter Creek reservoir. TMWA’s shares represent a little over 13% of active shares in the Company. TMWA acquired this obligation in the purchase from Sierra, which had a long-standing policy of paying its portion of annual assessments to the Company. This policy was a goodwill gesture and mandated by the Company because, as Sierra acquired and converted decreed Steamboat Ditch water rights to municipal use, there were less active irrigators to contribute to the annual operation of the ditch. TMWA has no interest to use the ditch for municipal water purposes. TMWA maintains a good relationship with the Company because a portion of the ditch is located adjacent to TMWA’s Fleish hydropower canal and must coordinate repairs because of the close proximity between the canal and ditch. The ditch also supplies water to TMWA’s Hunter Creek reservoir property to maintain the ponds on that property. Since TMWA’s inception in 2001, the shareholders of the Company have elected a TMWA representative to the Company’s Board of Directors and Mark Foree has held that seat since 2008. Mr. Foree was also President for a brief time period after the passing of long time President Gene Curti (in July of 2020) to help facilitate the transition until a successor to Mr. Curti was hired. Mr. Foree no longer serves as President.



January 14, 2021

Elizabeth Spaulding
The Langdon Group
2760 W. Excursion Lane
Suite 400
Meridian, ID 83642
email: TruckeeRiver@NVWatershed.com

Re: Truckee River Watershed Plan Environmental Assessment

Dear Ms. Spaulding:

The Truckee Meadows Water Authority (TMWA) is a cooperating agency related to the Truckee River Watershed Plan Environmental Assessment. TMWA is the regional municipal water purveyor for the Reno/Sparks community, and as such, offers the following input for your consideration.

Secondary recharge from irrigation within the Truckee Meadows is an important source of groundwater recharge. Unlined irrigation ditches are a component of this secondary recharge. TMWA operates numerous municipal wells within the proposed project vicinity. In addition, hundreds of domestic wells may also rely on secondary recharge as a component of the local groundwater resource.

TMWA recognizes that Nevada water rights law does not necessarily entitle groundwater users to the potential benefits of recharge from ditch leakage. That said, certain improvements to the Steamboat Canal may have the potential to indirectly impact groundwater resources of municipal and domestic wells. We ask that your environmental review consider these potential impacts, and that the project proponents investigate targeted solutions through canal lining and/or piping in areas where these risks are limited. Targeted solutions may mitigate these risks while still allowing for much needed improvements to the Steamboat Canal water delivery system.

Sincerely,

John Enloe, P.E.
Director, Natural Resources
jenloe@tmwa.com
Office: (775) 834-8250,
Mobile: (775) 722-7134

Truckee River Watershed Project Public Statement

The U.S. Department of Agriculture Natural Resources Conservation Service (NRCS), in cooperation with sponsor Washoe County Water Conservancy District (WCWCD), and partner Steamboat Canal & Irrigation Company (SCIC), began the Truckee River Watershed Project planning process, also known as the Steamboat Canal Project, in Washoe County, Nevada in late 2020. The proposed project intended to use federal funds from the NRCS Watershed Protection and Prevention Program (PL 83-566) to identify improvements within the Truckee River Watershed that would provide flood protection and improve agricultural water management within SCIC's system. The proposed project was sponsored by WCWCD on behalf of SCIC. J-U-B Engineers, Inc. was hired to conduct an Environmental Assessment and had begun the scoping process with a scoping meeting and accepting public comments.

In consideration of public comments received to date, and an intent to re-evaluate the feasibility, scope and extent of the project, as well as the effectiveness of the proposed project to meet conservation criteria; and identify the level of technical services that would be required to complete the project, the planning process has been halted at this time.

Comments received will be documented to inform NRCS of the interests and concerns associated with potential improvements to the SCIC system.

More information will be forthcoming through a press release and on the NRCS Nevada website as to the next steps in the planning process.

For additional information, please contact Jose Rosado at 775-834-0911 or jose.rosado@usda.gov



STAFF REPORT

TO: Standing Advisory Committee
FROM: Sonia Folsom, SAC Liaison
DATE: February 24, 2021
SUBJECT: **Discussion and possible action regarding amendments to the 2021 meeting schedule**

At the December SAC meeting, Committee Members discussed the possibility of amending the meeting calendar. The TMWA Standing Advisory Committee meets the first Tuesday of each month at 3:00 p.m. The schedule of meeting dates for 2021 is:

- Tuesday, January 5 – Cancelled
- Tuesday, February 2 – Cancelled
- Tuesday, March 2
- Tuesday, April 6
- Tuesday, May 4
- Tuesday, June 1
- Tuesday, July 6
- Tuesday, August 3
- Tuesday, September 7
- Tuesday, October 5
- Tuesday, November 2
- Tuesday, December 7

Meetings that appear on this schedule may be cancelled or changed due to lack of agenda items or other considerations.