



STANDING ADVISORY COMMITTEE

MINUTES

April 6, 2021

The Standing Advisory Committee (SAC) met via Zoom. Chair McGuire called the meeting to order at 3:03 p.m.

1. ROLL CALL

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

Alternates Present: Fred Arndt, **Ken Becker, John Krmptotic, Dale Sanderson, and *Jim Smith.

Primary Members and Alternates Absent: Robert Chambers, Susan Hoog, Karl Katt, and Ann Silver.

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

**Member Smith arrived at 3:29 p.m.*

***Member Becker left at 4:32 p.m.*

****Member Pullman left at 4:34 p.m.*

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

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

4. APPROVAL OF THE MINUTES OF THE MARCH 2, 2021 MEETING

Upon motion duly made by Member Hayes and seconded by Member Melton, and carried by unanimous consent of the members present, the Committee approved the March 2, 2021 meeting minutes with amendment.

5. DISCUSSION, RECOMMENDATION, AND POSSIBLE ACTION REGARDING TMWA'S STANDING ADVISORY COMMITTEE MEETING SCHEDULE

Andy Gebhardt, TMWA Director of Operations & Water Quality, and Michele Sullivan, TMWA Chief Financial Officer, presented the staff report.

The Committee discussed the ability to schedule a meeting in the event of an emergency (it would be related to rate setting & design and budget); expressed the desire to not go too long without having a meeting (staff noted in the last two years the SAC met about four or five times each year); concerns that restricting the meetings to financial topics omits valuable relevant information (staff can provide information via the TMWA website and reports readily available).

Upon motion duly made by Member Hayes and seconded by Member Kowitz, and carried by unanimous consent of the members present, the Committee approved the proposed meeting schedule.

6. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Administrator, stated the region is in its second dry year; Mt. Rose is at 63% of normal, and both Truckee and Tahoe Basins are 60% of normal; runoff projections are significantly below average at 38% and 43% in the Lake Tahoe and Truckee River Basins, respectively; Cities of Reno and Sparks are both uniquely positioned in a water supply perspective due to upstream reservoir storage which effectively buffers the region in the first 2-3 years of dry or drought periods; and normal Truckee River flows are expected through peak demand season due to upstream reservoirs to meet our customers' needs.

Member Pullman noted TMWA staff should ensure the general public understands we are not asking for additional restrictions, but continues responsible use of water, due to our upstream storage. Mr. Gebhardt agreed that is staff's focus and the current Water Resource Plan was designed for that purpose.

7. PRESENTATION ON THE TMWA TENTATIVE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2022 AND DRAFT CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2022 THROUGH 2026 AND POSSIBLE RECOMMENDATION TO BOARD

Matt Bowman, TMWA Financial Controller, presented the tentative budget for FY2022, which was approved by the TMWA Board at their March meeting. It establishes a conservative approach in setting the spending threshold: Compared to the FY 2021 budget, change in net position increased by \$5.9M (17.8%) and net change in cash decreased by \$7.2M (32.3%); operating revenue (includes water, hydroelectric sales, and other operating sales) is \$114M, change of \$5.7M (5.3%) which is based on a forecast model (water rates, service connections and water usage) maintained by Shawn Stoddard, TMWA's Senior Resource Economist Ph.D.; operating expenses are \$104.7M, increased by \$4.5M (4.5%); \$800k (2.5%) increase in services and supplies includes the commodity prices in chemical costs, a full year of operations of Mt. Rose Water Treatment Plant and increase in sponsorship costs, which is offset by the new customer service system (expect savings between \$750k-\$1M each year.)

Sandra Tozi, TMWA Financial Analyst, presented on the draft FY2022-26 CIP: customer rate funded projects increased by \$33.2M (6.4%) which is attributed to rehabilitation construction projects on existing infrastructure; staff is continuously analyzing and evaluating TMWA's current infrastructure to stay ahead of maintenance and determine where the needs are within our system to mitigate any risks; new projects over the next five years is \$21.4M; increase in amounts for projects from the prior plan in the amount of \$17.0M; former South Truckee Meadows General Improvement District (STMGID) reserves have \$5.2M remaining which required two STMGID projects to be moved into customer rate funded projects; and projects that were completed from the prior CIP amounts to \$10.6M.

Member Wager asked if the hydro revenue projections will be affected due to drought and specifics about the Independence Lake project. Mr. Bowman replied they have not changed any of their projected because they are still expecting normal river flows. Mr. Hauck replied under the Truckee River Operating Agreement (TROA), TMWA is required to maintain fish passage in Independence Lake and they can better map it once the water level is below the threshold.

No action taken.

8. INFORMATIONAL PRESENTATION ON LOCAL GOVERNMENT SPECIAL ASSESSMENT DISTRICTS (SADS)

Scott Estes, TMWA Engineering Director, presented the staff report.

Member McNeil inquired about the potential impact on TMWA, and its customers, if the developers do not agree on the SADS. Mr. Estes replied that TMWA does not participate in creating SADS, that falls under the City of Reno Council, and TMWA does not provide service until the infrastructure is completed. There would be no risk to TMWA customers.

Member Pullman clarified that TMWA's Board is comprised of all three local entities: Cities of Reno and Sparks and Washoe County, who make up the TMWA Board, and Reno City Council sets up the SADS that fall under specific Nevada law and administrative code.

9. PRESENTATION AND POSSIBLE RECOMMENDATION TO THE BOARD, OF APPLICATIONS TO FILL THE MULTI-FAMILY RESIDENTIAL PRIMARY CUSTOMER CLASS VACANCY, SENIOR CITIZEN ALTERNATE CUSTOMER CLASS VACANCY, AND RESIDENTIAL REPRESENTATIVE 3 CUSTOMER CLASS ALTERNATE VACANCY AND OTHER POSSIBLE VACANCIES FROM THE FOLLOWING POOL OF CANDIDATES LISTED IN ALPHABETICAL ORDER: AL BLACK, RUSS FOREMAN, JORDAN GRAHAM, TOM KURTZ, KEVIN RYAN AND ALEX TALMANT

Sonia Folsom, TMWA SAC Liaison, presented the staff report and introduced the applicants that were present to answer any questions from Committee Members.

Member Becker recommended Alex Talmant, whom he has worked with in volunteer positions and has known him for a number of years, and Kevin Ryan, who has a knowledge of hydrology that would be an asset to the Committee.

Chair McGuire noted that it is important to consider geographical representation for customer classes, in addition to their expertise and background.

Upon motion duly made by Member Wager and seconded by Member Hayes, and carried by unanimous consent of the members present, the Committee recommended to the Board Kevin Ryan to fill the Residential Representative 3 Customer Class Alternate vacancy.

Upon motion duly made by Member Hayes and seconded by Member Kowitz, and carried by unanimous consent of the members present, the Committee recommended to the Board Alex Talmant to fill the Senior Citizen Alternate Customer Class vacancy.

Upon motion duly made by Member Hayes and seconded by Member Melton, and carried by unanimous consent of the members present, the Committee recommended to the Board the Multi-Family Primary Customer Class remain vacant until a qualified applicant submits a letter of interest.

10. DISCUSSION AND POSSIBLE REQUESTS FOR AGENDA ITEMS FOR FUTURE MEETINGS

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

Next meeting:

1. Water Supply Update
2. Presentation of 3rd quarter financials
3. Presentation of FY2022 budget and FY2022-26 CIP
4. Legislative Session Update

11. STAFF ITEMS

There were no staff items.

12. COMMITTEE ITEMS

There were no committee items.

13. PUBLIC COMMENT

Member Kowitz thanked staff for a comprehensible financial presentation.

14. ADJOURNMENT

With no further items for discussion, Chair McGuire adjourned the meeting at 4:41 p.m.
Approved by the Standing Advisory Committee in session on June 1, 2021.

Sonia Folsom, Recording Clerk

**Member Smith was present for agenda items 6 thru 14 only.*

***Member Becker was present for agenda items 1 thru 9 only.*

****Member Pullman was present for agenda items 1 thru 9 only.*