

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE APRIL 21, 2021
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, April 21, 2021, via Zoom Virtual Meeting, Reno, Nevada. Chair Hartung called the meeting to order at 10:07 a.m.

1. ROLL CALL

Members Present: Paul Anderson, Jenny Brekhus, Kristopher Dahir, Naomi Duerr, Neoma Jardon, Vaughn Hartung, and *Alexis Hill.

A quorum was present by telephonic appearance.

**Member Hill left the meeting at 12:59 p.m.*

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*

There were no Board comments.

5. APPROVAL OF THE AGENDA

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

6. APPROVAL OF THE MINUTES OF THE MARCH 17, 2021 MEETING

Upon motion by Member Dahir, second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board approved the March 17, 2021 minutes.

7. DISCUSSION, ACTION, AND POSSIBLE AUTHORIZATION TO THE GENERAL MANAGER AND APPROVAL OF WATER RESOURCE EXCHANGE AGREEMENT BETWEEN TMWA, TRI GENERAL IMPROVEMENT DISTRICT (TRIGID) AND TAHOE-RENO INDUSTRIAL CENTER (TRIC) IN FURTHERANCE OF THE JULY 17, 2018 TMWA, TRIGID, RENO AND SPARKS RETURN FLOW MANAGEMENT AGREEMENT AND RECLAIMED WATER SERVICE TO THE TAHOE RENO INDUSTRIAL CENTER (CONTINUED FROM THE MARCH 17, 2021 MEETING)

John Enloe, TMWA Director of Natural Resources, presented the staff report.

Member Brekhus expressed concerns regarding the water rights, whether the \$9M was a good market value for the water rights, and encouraged TMWA to maintain control of purchasing water rights without competition. Mr. Enloe confirmed the 1,100 acre feet (AF) are being dedicated without payment by TMWA, our analysis shows that \$9M is sufficient to acquire the balance of water rights needed, and the return flow management agreement approved in 2018 required cooperation among the parties on water rights' acquisitions and the agreement before the Board today is a result of that cooperation.

At this time the Board discussed concerns brought forth previously by the Pyramid Paiute Lake Tribe (PLPT) regarding permitting of water rights for instream uses. Staff indicated the use of these water rights will be subject to Federal water master and State Engineer regulation and the PLPT is involved in that process; Staff also noted TMWA cannot control or restrict other parties from purchasing water rights, but the return flow management agreement requires cooperation to minimize competition; TRIGID originally purchased approximately 3,500 AF which is sufficient to satisfy their obligations, but needs water rights to satisfy return flow and through this agreement the river will be made whole from a return flow perspective, which also addresses the concern raised by PLPT.

Vice Chair Dahir asked if TMWA is putting water back into the river and using effluent water for return flow. Mr. Enloe replied yes, this agreement with TRIGID is separate from what is used to satisfy Truckee Meadows Water Reclamation Facility (TMWRF) reclaimed water use and there is a groundwater component along with other Truckee River water rights available under that agreement.

Member Anderson agreed that it is a win-win situation for TMWA and community as a whole. Appreciated the discussion to have wording in the agreement to minimize competition, and noted the agreement itself assists in deferring costs to TMWRF.

Member Hill inquired about PLPT input into the agreement. Mr. Enloe replied they will be able to participate when this goes before the State Engineer for permitting.

Member Jardon inquired if staff needed Board approval today, what would happen next and stressed that this agreement is not taking additional water, rather it ensures there is plenty of return flow and should appease any concerns by PLPT. Mr. Enloe replied yes, and the next step would be to meeting with the State Engineer's office and the PLPT when this goes before the State Engineer for permitting.

Member Brekhus said she would like to approve the agreement because it is innovative and in the best interest of TMWRF, but has outstanding concerns about PLPT, questions about public concerns regarding

growth, drought and would like to see surrounding areas grow and to have good water supply. But, TRIC is problematic with the favoritism they received and the water rights that have should be TMWA's.

Member Hill requested the PLPT be consulted when staff presents updates to the Board on these matters.

Member Duerr said this is the final step on the commitments set out in the initial agreement to ensure water rights are used for potable use and addressing the management of wastewater issues.

Upon motion by Member Jardon, second by Member Duerr, which motion duly carried six to one with Member Brekhus dissenting, the Board authorized the general manager, and approved, the Water Resource Exchange Agreement between TMWA, TRI General Improvement District and Tahoe-Reno Industrial Center in furtherance of the July 17, 2018 TMWA, TRIGID, Reno and Sparks Return Flow Management Agreement and reclaimed water service to the Tahoe Reno Industrial Center.

8. PRESENTATION AND INFORMATIONAL REPORT ON A PROPOSED ONEWATER NEVADA FEASIBILITY STUDY TO EVALUATE FEASIBILITY OF USING RECYCLED WATER FOR IRRIGATION IN WARM SPRINGS VALLEY (PALOMINO FARMS AND LW LAND COMPANY) AND TO PROVIDE WATER SUSTAINABILITY BENEFITS

Mr. Enloe presented the staff report and answered questions from the Board.

The Board addressed the potential issue of contamination at the Rocketdyne area spreading out into the area (staff considered the issue, but it is outside of the influence area); how it connects to TMWRF (use existing effluent distribution system out in Spanish Springs Valley which has capacity, Palomino Farms is about 10-11 miles beyond existing infrastructure; why this aquifer (the area has been farmed for over 40 years and agriculture irrigation has drawn down the aquifer almost 100 feet); would it be mixed potable and treated effluent water (no, they would irrigate the land with about 3k AF recycled water and recharge through wells with about 2k AF of potable water); the potential to use federal funds for this type of infrastructure and can be used as an emergency water source during drought (this is a water banking type project that could store a lot of water which can be used intermittently during certain years); how is the recharge piped back into the system and does this relate to the feasibility study (it is a good water producing area since it has been farmed for over 40 years and has space to recharge water, unlike Bedell Flat)

Member Duerr stated she has been a strong advocate of underground storage, especially in Nevada, since it would be difficult to permit a reservoir today and would like to ensure this land is not developed in the future. Mr. Enloe replied there is potential to add or switch to A+ water in the future once the concept is proved up and yes, the property owners will agree to farm this land in perpetuity.

John Flansberg, City of Reno Director of Public Works, confirmed that all parties will pay \$400k evenly and City of Reno will use sewer funds. Mr. Zimmerman added the legal vehicle would be to have a permanent easement granting TMWA, Cities of Reno and Sparks & Washoe County the ability to deliver recycled water.

Member Brekhus stated her concern with having a private party in dialogue and negotiations, and, before moving forward, to understand key elements of land ownership and entitlements before committing \$27M.

Michael Benjamin, Palomino Farms LLC, stated he, and interested parties, have had many discussions to put either a farming or conservation easement in perpetuity as they feel it is their responsibility and obligation to the Valley (and people who live there) to ensure it is not developed; after seeing how the expansion in the region has affected the community. Their goal is to preserve the rural nature of Palomino Valley, help facilitate northern Nevada water issues, and to capitalize on their investment. It has been a pleasure to work with all the professionals at TMWA, Cities of Reno and Sparks, and Washoe County.

Chair Hartung said he was not completely convinced with this project, but will support it because we need look at these different solutions and studying these concepts is the first step.

Member Duerr complimented staff on presenting this information first and not requiring them to decide today. As well as for engaging the public and suggested holding a town hall before they vote.

9. DISCUSSION AND POSSIBLE APPROVAL OF AN INTERLOCAL AGREEMENT (ILA) BETWEEN TMWA AND THE CITY OF RENO FOR TMWA TO PROVIDE SUPPLEMENTAL IRRIGATION WATER TO RENO'S AMERICAN FLAT ROAD PROJECT

Mr. Zimmerman presented the proposed interlocal agreement (ILA) for Board consideration.

Mr. Flansberg informed the Board the water level Swan Lake is about 25%, due to the dry weather forecast, anticipate it will run out of water before the irrigation season ends, and existing infrastructure will be used to supply water to the farm. It is important to continue supplying water as part of the American Flat project and proving the water source long-term.

Member Brekhus said she supported the farming expedition at the time, but stated she does not understand the continued obligation especially with having to pull groundwater to fulfill the obligation, and she would like to see the data to ensure there won't be any adverse conditions when the wells go online. Mr. Flansberg replied staff did not anticipate the level at Swan Lake would be dry at the end of the year. Also, Nevada Department of Environmental Protection (NDEP) will require us to begin drawing water for testing before it can meet potable water use standards and having the farm where it can be used will allow time to prove up A+ water before it is turned into potable water use, and staff wanted to bring this to the Board first to ensure they were on board with rates before bringing it to the Reno City Council.

Upon motion by Member Anderson, second by Member Duerr, which motion duly carried six to one with Member Brekhus dissenting, the Board approved Interlocal Agreement between TMWA and the City of Reno for TMWA to provide supplemental irrigation water to Reno's American Flat Road Project.

10. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF FOR THE RATIFICATION OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN TMWA AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW) LOCAL 1245 FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2023

Andy Gebhardt, TMWA Director of Operations & Water Quality, and Jessica Atkinson, TMWA Human Resources Manager, presented the agreement for Board consideration.

The Board thanked staff and IBEW for working together and coming to a reasonable agreement presented today, and thanked TMWA staff for their incredible work during this past year.

Mike Ventrino, IBEW 1245 Business Representative, thanked Chair Hartung and the Board for their consideration and approval; they all worked well together in finalizing the agreement and thanked TMWA.

Upon motion by Member Brekhus, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved the ratification of the Collective Bargaining Agreement between TMWA and the International Brotherhood of Electrical Workers (IBEW) Local 1245 for the period of July 1, 2021 through June 30, 2023.

11. DISCUSSION AND POSSIBLE ACTION, AND DIRECTION TO STAFF REGARDING 2021 LEGISLATIVE ACTIVITIES, CURRENT BILLS, AND TMWA RECOMMENDED POSITIONS ON LEGISLATIVE PROPOSALS

John Zimmerman, TMWA Water Resources Manager, Leo Drozdoff, TMWA Lobbyist, and Michael Pagni, TMWA General Counsel, updated the Board on the status of significant bills approved for recommendation by the legislative subcommittee. Mr. Zimmerman stated there have been about 935 bills introduced to date, and about 280 bills did not pass the April 9 deadline. Of those that did not pass the deadline were AB354 (State Engineer's water banking bill) and SB155 (change the qualifications of eligibility to become State Engineer).

Staff reported on new bills: SCR9 and SB368 (both of which deal with environmental improvement projects at Lake Tahoe) and the Legislative Subcommittee recommend support.

Staff reported on existing bills: AB3 (allows parcel maps and documents be sent electronically) technical amendments included allowing for electronic stamps and passed through the Assembly, support; AB86 (made clear the State Engineer has discretion to publish temporary change applications), support; AB87 (proposes to streamline the process by which certain easements of cities and counties can be vacated and abandoned without a hearing), TMWA's amendment language was not included, and staff is working with the Senate committee to ensure it is added, remain opposed; AB90 (requires counties to pay impact fees to certain local governments) carried from last session and now it is an interim study to look at areas of the state that received economic incentives and review the outcome of those benefits, and make recommendations; AB97 (revises provisions governing toxic chemicals), the bill sponsor agreed to TMWA's proposed amendment language, change position from monitor to support; AB325 (allows

submission of certified copies of electronic documents) passed as amended through the Assembly, support; AB333 (proposed by the Stonegate Development recommending that stormwater flows held in retention or detention basins do not require a water right), monitor; AB356 (State Engineer's water conservation bill) was significantly amended and now states Colorado River water cannot be used to irrigate non-functional turf in the Las Vegas Valley after 2026, monitor; and SB67 (increases the threshold by which an agency can self-perform capital projects from \$100k to \$250k), TMWA's proposed language was not included. Staff will continue monitoring it in the interim session and perhaps submit bill language before the next legislative session if needed, monitor.

Upon motion by Member Hartung, second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board approved recommended positions on legislative proposals.

12. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Administrator, reported that the snowpack level on April 1 was 67% and 64% of normal for the Lake Tahoe and Truckee River Basins, respectively; entering into a second dry year in a row; after the March Board meeting the forecast still showed normal river flows for the rest of the year, but that has changed significantly and are not projected to be met past September 13, 2021; the Federal Water Master has declared a drought situation, but normal river flows are projected past Labor Day and carrying through peak demand season; according to TMWA's 2020-40 Water Resource Plan (pages 52-55) TMWA will operate under a Drought Level 1 situation and the carry over storage in Lake Tahoe will be used; and TMWA has over 47,000 AF of upstream storage under the Truckee River Operating Agreement (TROA) and expect to have about 52k AF at the onset of summer.

Members Brekhus and Duerr requested Mr. Hauck rerun the analysis, since it has been a few years, of the 2015 drought year repeated over 20 years under TROA to see if it yields similar results.

13. PRESENTATION ON PROPOSED CONSERVATION, COMMUNICATIONS AND OUTREACH PLAN FOR 2021, DISCUSSION AND POSSIBLE DIRECTION TO STAFF

Mr. Gebhardt introduced Cammy Elquist LoRe, GoodStanding, who presented the 2021 Communications and Outreach Plan (the Plan). Ms. Elquist LoRe explained the Plan is very fluid and adaptive to any and all situations that may arise throughout the year, not only in the summer; the new customer information service (CIS) system allows them to target messaging through bills to TMWA customers; communicate to customers and the community on water quality, conservation, infrastructure, and water management; updated TMWA's Smart About Water website focused on water resource management topics, including website links to partnership agencies; addressed TMWA's 20th Anniversary and new logos for the occasion; conservation messaging will focus on assigned day watering and schedule from Memorial Day to Labor Day, for now we are in Standard Drought Situation (no additional conservation measures required

at this time); and with digital advertising and new CIS system, staff can quickly change messaging to the community if the situation changes.

No action taken.

14. PRESENTATION AND DISCUSSION REGARDING CONSIDERATION OF ADDING A RISK MANAGER POSITION, AND POSSIBLE DIRECTION TO STAFF

This agenda item was continued to the May 20, 2021 TMWA Board meeting.

15. DISCUSSION AND ACTION ON APPOINTMENTS TO THE STANDING ADVISORY COMMITTEE (SAC) TO FILL THE MULTI-FAMILY CUSTOMER PRIMARY REPRESENTATIVE, AND SENIOR CITIZEN AND RESIDENTIAL 3 CUSTOMER ALTERNATE REPRESENTATIVES, AND OTHER POSSIBLE VACANCIES FOR TERMS BEGINNING MAY 1, 2021 TO DECEMBER 31, 2023 FROM THE FOLLOWING POOL OF CANDIDATES LISTED IN ALPHABETICAL ORDER: AL BLACK, RUSS FOREMAN, JORDAN GRAHAM, TOM KURTZ, KEVIN RYAN AND ALEX TALMANT

This agenda item was continued to the May 20, 2021 TMWA Board meeting.

16. GENERAL MANAGER'S REPORT

Mr. Foree had no other comments.

17. PUBLIC COMMENT

There was no public comment.

18. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

19. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 1:04 p.m.

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

Sonia Folsom, Board Clerk.

****Member Hill was present for agenda items 1 thru 13 only.***