

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE AUGUST 18, 2021
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday August 18, 2021, Sparks Council Chambers. Chair Hartung called the meeting to order at 10:00 a.m.

1. ROLL CALL

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

**Member Duerr attended the Board meeting virtually and joined at 10:02 am and left at 11:39am.*

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by John Zimmerman, Assistant General Manager.

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 Hill, 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 JUNE 16, 2021 MEETING

Upon motion by Member Dahir, second by Member Anderson, which motion duly carried by unanimous consent of the members present, the Board approved the June 16, 2021 minutes.

7. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Administrator, informed the Board that: Truckee River flows will drop off by the weekend; the Federal Water Master will start to close the outlet gates at Boca Reservoir Thursday night since there is no more Floriston Rate water in storage; there is only about one foot of storage remaining in Lake Tahoe, which will continue to drain into the Truckee River; TMWA has operated normally (no upstream storage was used) for the last four years; this year's issue was not so much the snowpack (68% of average), rather it was the springtime runoff in Lake Tahoe was the worst ever in recorded history (11% of average); in order to keep TMWA's water treatment plants online to continue to meet customer demands, about 5,400 acre feet (AF) of upstream reserves will need to be released; fortunately there is a significant amount of drought reserves, about 52,000 AF of upstream storage; and Lake Tahoe is projected to go below the rim by November 1, which means there won't be any carry over storage in either Lake Tahoe or Boca Reservoirs going into the winter.

At this time Board Members addressed the models used to determine the water needed under TMWA's highest emissions scenario, whether they need to be reevaluated more frequently (the models are based on the best climate science available and will be reevaluated for the next water resource plan); whether the models considered projected population growth including 2015 hydrology (yes, the models included growth projections and resulted in no water shortage out to 2069, and 10 years of 2015 hydrology showed no shortages as well); when would the public be notified to take extra conservation measures (if Floriston Rates would drop off before June); and the modelling does not account for additional water resources (it was a conservative approach considering the water resources available today).

8. PRESENTATION OF TMWA'S COMMUNICATION REGARDING THE DROUGHT SITUATION IN THE REGION

Andy Gebhardt, TMWA Director of Operations & Water Quality, presented the staff report and introduced Cammy Elquist LoRe, GoodStanding Outreach, to provide an overview of the Smart About Water website and collaboration between TMWA and partner agencies in the region; and the performance metrics from public visits to the site which are increasing in numbers and length of stay on the website; especially the conservation page. Robert Charpentier, TMWA Communications Specialist, informed the Board that social media this summer has been relatively quiet with regards to the messaging TMWA is releasing on conservation, water supply and drought as well as the public's message in the area.

Member Anderson thanked staff on their communication to the public to calm their concerns about the drought situation and creating the smartaboutwater.com website.

Member Hill asked whether there was any reduction in water usage and the financial impact (there was no reduction due to it being one of the hottest summers on record) and inquired how well the conservation consultant program was going (the public responds favorably since they are viewed as advocates).

Member Jardon asked if there were different messaging or conservation measures for commercial properties and homeowners associations (HOA's). Mr. Gebhardt replied no, but Chuck Swegles, TMWA Water Conservation Coordinator, works closely with the landscape companies informing them of any issues on the commercial or HOA properties they maintain.

Member Brekhus asked for staff's perspective about the article written by Mike Kazmierski, president of Economic Development Authority of Western Nevada (EDAWN). Mr. Foree replied Mr. Kazmierski reached out to him and Mr. Hauck; they reviewed, and edited, the article before it was published.

9. PRESENTATION OF TMWAS CYBERSECURITY AT ITS FACILITIES

Sean Feeney, TMWA control systems engineering manager, presented on the TMWA's cybersecurity program. Mr. Feeney stated there have been a number of security incidents in the critical infrastructure sector which has raised concerns. TMWA has: had cyber defenses in place for a number of years and have a lot of different layers of protection making it difficult for cyber attackers to penetrate through the defense layers; two separate networks in place, IT network runs all corporate day-to-day business and operational technology network, which provides water to our customers; and follow the four P's to defend against attacks: Prepare (identify and manage security risks), Prevent (implement security controls to reduce security risks), Pinpoint (detect and understand cyber security events), and Protect (respond to, and recover, from cyber security incidents).

The Board thanked Mr. Feeney for a detailed overview and inquired if TMWA has a cyber wall that filters incoming digital information (yes, TMWA utilizes such a virtual barrier to filter information received) and if TMWA conducts penetration testing (yes, every two years tests are conducted, and the most recent test resulted in zero access).

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

Jessica Atkinson, TMWA Human Resources Manager, presented the staff report and recommended to continue with TMWA's current risk management process.

Member Brekhus said she appreciated staff's research and analysis, and recommendation to continue with the established process.

No action taken.

11. PRESENTATION AND STATUS REPORT FOR GENERAL MANAGER'S FY2020-2021 SPECIFIC OBJECTIVES #10, "DEVELOP AND IMPLEMENT A STAFFING PLAN TO ADDRESS AND FILL VACANCIES CREATED BY SENIOR LEADERSHIP RETIREMENTS (GENERAL MANAGER, DIRECTOR ENGINEERING, AND DIRECTOR DISTRIBUTION) SCHEDULED TO OCCUR IN 2022"

Mr. Foree informed the Board there are three senior leadership positions, general manager, director of engineering, and director of distribution & hydro generation, that will become vacant in fall 2022 and stated TMWA has been preparing for their retirement for quite some time by restructuring the organization.

Ms. Atkinson presented the succession plan and steps taken thus far in preparation for the three positions becoming vacant in fall FY2023. Mr. Foree added we've been planning for this for a long time and have built a great succession plan, and have experienced and capable employees currently working at TMWA that can fill all of these positions.

Members of the Board thanked staff for ensuring a succession plan is established and appreciate taking steps to recruit and retain talented employees, promoting TMWA's culture. Discussion followed regarding having a probationary period for the new leadership (all positions with the exception of the General Manager are "at will" employees. The employment terms for the general manager are defined by the contract and any probationary period could be stipulated in the employment contract) and to meet any timelines necessary to consider the various recruitment strategies for filling the General Manager position would mean the Board should consider options during the December/January Board meeting.

12. DISCUSSION AND POSSIBLE DIRECTION FROM BOARD REGARDING THE EVALUATION PROCESS FOR CONDUCTING THE GENERAL MANAGER'S PERFORMANCE REVIEW

Ms. Atkinson presented the staff report and noted the survey has been updated to streamline the process.

Member Hill stated the Truckee Meadows Regional Planning Agency (TMRPA) reviewed the executive director's performance at their last meeting and thought one of the questions asked could be added to the general manager's evaluation; "review past and/or future performance objectives" question at the end for the Board to add their comments.

Member Jardon said that the comment fields are very important and encouraged the Board to add their input, which she considers very helpful.

Upon motion by Member Hill, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board approved the evaluation process for conducting the General Manager's performance review with the addition of a "past and/or future performance objectives" question.

13. DISCUSSION AND POSSIBLE ACTION ON REQUEST FOR BOARD APPROVAL OF SETTLEMENT, THROUGH MEDIATION, WITH 3D DATA COM DBA 3D TECHNOLOGY SERVICES REGARDING WORK PERFORMED TO UPGRADE TMWA'S ELECTRONIC PHYSICAL ACCESS CONTROL SYSTEM AND AUTHORIZATION TO GENERAL MANAGER TO NEGOTIATE AND EXECUTE TERMS OF SETTLEMENT AGREEMENT

Laura Rader, TMWA Purchasing & Contracts Supervisor, presented the staff report.

Upon motion by Member Hill, second by Member Anderson, which motion duly carried by unanimous consent of the members present, the Board approved the settlement with 3D Data Com dba 3D Technology Services regarding work performed to upgrade TMWA's electronic physical access control system and

authorized the General Manager to negotiate and execute terms of settlement agreement.

14. GENERAL MANAGER'S REPORT

Mr. Foree invited John Zimmerman, TMWA Assistant General Manager, to present regarding a few customers who have purchased interruptible large volume non-potable service (ILVNPS).

Mr. Zimmerman updated the Board on TMWA allocating 100 acre feet (AF) of ILVNPS to Somerset Golf Course for irrigation and 350 AF to NV Energy to supplement its water needs at their Tracy power plant for \$87,500 (\$250/AF). NV Energy has agreed to have discussions to consider allowing TMWA to purchase, lease or otherwise use a portion of their Truckee River water rights in future years and/or to provide future drought supply.

Member Brekhus asked if the water supplied to NV Energy was an out of basin water transfer, would like assurances that these agreements with NV Energy are not in conflict with the TMRPA Regional Plan, and to consider having more discussion about our efforts, and impact, in assisting them. Mr. Zimmerman replied no, these are existing Truckee River decreed water rights (and point of delivery is within TMWA's service area) and part of the agreement (which would return to the Board for consideration and approval) is to look at long-term drought supply.

Vice Chair Dahir asked staff to consider an alternate option for customers who are consistent with paying their bills and not to shut off their water service for a missed payment and if the messaging in the letter can be adjusted. Michele Sullivan, TMWA chief financial officer, replied we have experienced a lot of issues with their new customer information service system since its launch and have raised the dollar threshold for cutouts, so customers won't be shut off at a lower outstanding unpaid balance. However, the system is designed to send a letter at a certain point, notifying customers of late payment and 48-hour shutoff, that will require reprogramming to change it. Also, the primary reason for billing issues is that some of the auto-pay transfers became invalid when the new system went live, and we are working on fixing it this week, and no one in this circumstance will be shut off if they contact TMWA. Mr. Foree added payment arrangement can be made, if necessary, but customers need to inform us if they are experiencing any hardship as we are very understanding.

Member Jardon asked if the technology allows for changing the notification letter, especially for good longstanding customers; a gentle reminder to pay their bill. Ms. Sullivan agreed, and we can pull the notice that is on the bill and send it separately.

Mr. Foree introduced TMWA's new Water Resources Manager, Stefanie Morris. Ms. Morris provided an overview of her experience and work history prior to joining TMWA in July.

15. PUBLIC COMMENT

There was no public comment.

16. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Vice Chair Dahir announced there is a service for former City of Sparks Mayor Ron Smith scheduled for September 10th at 2:00 pm at the Sparks Marina.

Member Brekhus requested an update on the progress of the American Flat project at the October Board meeting.

17. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 12:06 p.m.

Approved by the TMWA Board of Directors in session on Wednesday, September 15, 2021.

Sonia Folsom, Board Clerk.

**Member Duerr was present for agenda items 5 thru 12 only.*