



TRUCKEE MEADOWS WATER AUTHORITY
Board of Directors
AGENDA
Wednesday, October 20, 2021 at 10:00 a.m.
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/93199705901?pwd=b1BNd2hHM2pqVkVhZFlicGgzV1NkUT09>

Password: 205040

Or call:

Phone: (888) 788-0099

Webinar ID: 931 9970 5901

Board Members

Chair Vaughn Hartung
Member Neoma Jardon
Member Jenny Brekhus
Member Paul Anderson

Vice Chair Kristopher Dahir
Member Alexis Hill
Member Naomi Duerr

NOTES:

1. Pursuant to NRS 241.020(11), 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) at <http://www.tmwa.com>, and NRS 232.2175 at <https://notice.nv.gov/>.
3. Pursuant to NRS 241.020(3) 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 Board 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. Live public comment, whether on action items or general public comment, may be made during the meeting by clicking on the "Reactions" icon at the bottom of your screen and selecting the "raise hand icon and unmuting yourself to speak when your name is called. Or if you are calling in, press *9 to "raise your hand" and *6 to unmute your phone when your name is called. Public comment, may be provided 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 Board 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 Board may elect to receive public comment only during the two public comment periods rather than each action item.
7. In the event the Chairman and Vice-Chairman are absent, the remaining Board 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**).
8. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.

1. Roll call*
2. Pledge of allegiance*

¹The Board may adjourn from the public meeting at any time during the agenda to receive information and conduct labor-oriented discussions in accordance with NRS 288.220 or receive information from legal counsel regarding potential or existing litigation and to deliberate toward a decision on such matters related to litigation or potential litigation.

3. Public comment — limited to no more than three minutes per speaker*
4. Possible Board comments or acknowledgements*
5. Approval of the agenda (**For Possible Action**)
6. Approval of the minutes of the September 15, 2021 meeting of the TMWA Board of Directors (**For Possible Action**)
7. Presentation of TMWA's Fiscal Year 2021 Customer Satisfaction Study results — Andy Gebhardt*
8. Required communication from Eide Bailly in regard to TMWA's annual financial audit — Sophie Cardinal*
9. Discussion and action, and request to authorize the General Manager to execute a revised Interlocal Cooperative Agreement by and between the Nevada Department of Environmental Protection, the Washoe County District Board of Health and Truckee Meadows Water Authority for engineering design review of certain public water system infrastructure — Danny Rotter (**For Possible Action**)
10. Discussion, possible action, and possible direction to staff regarding approval of funding for Portland Loos #2 and #3 — Kara Steeland, TMWA Hydrologist, Matt Bowman, TMWA Financial Controller, and Iris Jehle-Peppard, One Truckee River Executive Director (**For Possible Action**)
11. Presentation of pilot study results, project status, discussion and potential direction to staff on potential deal points for a future Interlocal Agreement (ILA) with the City of Reno for the OneWater Nevada Advanced Purified Water Demonstration Project at American Flat — Lydia Peri, Matt Bowman, and John Enloe (**For Possible Action**)
12. Presentation and discussion, possible action and possible direction to staff regarding preliminary funding plan for Fiscal Years 2022 through 2026 — Michele Sullivan (**For Possible Action**)
13. Presentation of TMWA Goals and Objectives results for Fiscal Year 2021 — Mark Foree and Sonia Folsom*
14. Discussion and action, and possible direction to staff on the proposed TMWA Goals and Objectives for Fiscal Year 2022 — Mark Foree and Sonia Folsom (**For Possible Action**)
15. Discussion and action, and possible direction to staff regarding canceling the November Board meeting and re-scheduling the December Board meeting to December 7, 2021 or such other date approved by the Board — Mark Foree (**For Possible Action**)
16. General Manager's Report*
17. Public comment — limited to no more than three minutes per speaker*
18. Board comments and requests for future agenda items*
19. Adjournment (**For Possible Action**)

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TRUCKEE MEADOWS WATER AUTHORITY
DRAFT MINUTES OF THE SEPTEMBER 15, 2021
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday September 15, 2021, Sparks Council Chambers. Vice Chair Dahir called the meeting to order at 10:04 a.m.

1. ROLL CALL

Members Present: Kristopher Dahir, Naomi Duerr, Vaughn Hartung (via remote technology), Alexis Hill, and Neoma Jardon (via remote technology).

Members Absent: Paul Anderson and Jenny Brekhus.

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Mark Foree, TMWA 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 Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the agenda.

6. APPROVAL OF THE MINUTES OF THE AUGUST 18, 2021 MEETING

Upon motion by Member Duerr, second by Member Hill, which motion duly carried by unanimous consent of the members present, the Board approved the August 18, 2021 minutes.

7. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Supervisor, informed the Board: the last day of normal Truckee River flows for 2021 was on August 18th; Floriston Rates could no longer be met after that day because Lake

Tahoe and Boca Reservoir didn't have enough water in storage to meet the required rate of flow at the CA/NV state line; by August 22nd TMWA needed to augment supply with additional groundwater pumping and releases from Lake Tahoe and Donner Lake to keep surface water treatment plants online as customer demands were still high; approximately 2,800 acre feet (AF) of upstream storage has already been used with about 2,500 AF more expected to be released before the season is over; it is too early to speculate about the upcoming winter and expected snowpack levels; TMWA still has over 47,000 AF in storage and available for use if needed;; the water surface elevation of Lake Tahoe is projected to go below the rim by next month and the outlook for flows in the Truckee River next year will be completely dependent upon this upcoming winter; but TMWA will continue to provide its customers with a reliable supply of high quality drinking water for as long as the drought persists.

At this time members of the Board asked if any of TMWA's water supply was used to support fighting fires in the region and if the upcoming winter will be another dry season, what resources does TMWA have to supply water to its customers. Mr. Hauck replied no, none of TMWA's water supply was used for firefighting. He noted TMWA has a great portfolio to supply water to its customers, and with water stored under the Truckee River Operating Agreement, water supply will be available if there is another dry year.

8. DISCUSSION AND ACTION ON RESOLUTION NO. 297: A RESOLUTION TO APPROVE FUNDING FOR THE PROJECTS RECOMMENDED BY THE TRUCKEE RIVER FUND ADVISORY COMMITTEE AND AN AUTHORIZATION FOR THE COMMUNITY FOUNDATION TO FUND SUCH PROJECTS FROM FUND PROCEEDS

Sonia Folsom, TMWA Executive Assistant, presented an overview of the seven projects recommended for approval.

Member Hill disclosed she sits on the Washoe County Board of County Commissioners, but there is no conflict of interest as it relates to project #256, Washoe County River Stewards Project.

Upon motion by Member Hill, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 297: A Resolution to approve funding for the projects recommended by the Truckee River Fund Advisory Committee and an authorization for the Community Foundation to fund such projects from Fund proceeds.

9. PRESENTATION OF PRELIMINARY FISCAL YEAR 2021 UNAUDITED FINANCIAL PERFORMANCE

Matt Bowman, TMWA Financial Controller, presented the preliminary FY2021 unaudited financial performance: capital spending was 70% of budget; water revenue sales was higher than budget by about \$7.5M (or 7%), the last two years it was within 1% of budget; hydroelectric sales was lower than budget at \$2.8M (13%); operating expenses were within 2% (\$4.1M) of budget; non-operating expenses was \$4.3M (45%) above budget; and higher capital contributions resulting in a \$11.4M (34%) positive change in net-position for FY 2021.

Vice Chair Dahir inquired about the rate increase and keep the balance of what is needed and what is coming in; given the increases in income, are we still projected to engage in the increases. Mr. Bowman replied staff will present the 5-year funding plan next month and it will be addressed at that time.

10. DISCUSSION AND ACTION REGARDING GENERAL MANAGER PERFORMANCE REVIEW FOR CONTRACT YEAR 2020/2021 AND DISCUSSION AND ACTION ON POSSIBLE PERFORMANCE LUMP SUM AWARD AND/OR OTHER COMPENSATION ADJUSTMENT

Vice Chair Dahir noted Mark Foree, TMWA General Manager, is not asking for more than the cost of living increase under the terms of his employment contract.

Jessica Atkinson, TMWA Human Resources Manager, presented the staff report. Ms. Atkinson said that one Board Member was inadvertently missed to participate in the survey. Once that Board Member submits their responses an amended survey will be attached to the General Manager's Report in October.

Members of the Board expressed their appreciation and gratitude to Mr. Foree for his hard work and dedication over the years, and his expert staff who do amazing work; a testament to his leadership style. They continued with thanking him for always being responsive to answer questions and address issues.

Mr. Foree thanked the Board for their continued support over the years and said we couldn't do it without support of the Board including providing TMWA with competitive compensation and benefits so that we are able to recruit and retain the best-of-the-best as well as providing our staff with the necessary resources to do their jobs exceptionally well.

Upon motion by Member Duerr, second by Member Hill, which motion duly carried by unanimous consent of the members present, the Board accepted the performance review for contract year 2020/2021.

11. DISCUSSION AND ACTION ON REQUEST FOR BOARD INPUT AND ACCEPTANCE OF GENERAL MANAGER PERFORMANCE OBJECTIVES FOR CONTRACT YEAR 2021/2022

Mr. Foree presented the proposed goals, many of which are focused on projects and initiatives that will improve water resource management, and increase and diversify water supplies and drought resiliency. He noted one additional goal suggested in the GM's performance survey which is related to conservation initiatives and updating the modelling of TMWA's water supply, as it relates to climate change, more frequently.

Member Hill appreciated the addition of Goal #13 as it was her suggestion. Member Duerr agreed and appreciated that staff will be more proactive with updating the models.

Upon motion by Member Hill, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the General Manager performance objectives for contract year 2021/2022 with the addition of Goal #13: Analyze opportunities to increase water conservation for drought resiliency, use best available science to evaluate global climate change models applicable to this region, and advise the Board.

12. GENERAL MANAGER'S REPORT

Mr. Foree informed the Board of the October Strategic Planning Workshop will be held virtually due to the ongoing situation with the pandemic.

13. PUBLIC COMMENT

There was no public comment.

14. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

15. ADJOURNMENT

With no further discussion, Vice Chair Dahir adjourned the meeting at 11:04 a.m.

Approved by the TMWA Board of Directors in session on _____.

Sonia Folsom, Board Clerk.



STAFF REPORT

TO: Board of Directors
FROM: Andy Gebhardt, Director Operations and Water Quality
DATE: October 20, 2021
SUBJECT: Presentation of TMWA's Fiscal Year 2021 Customer Satisfaction Study Results

Background:

Beginning in 2002, InfoSearch International has conducted a customer satisfaction survey on behalf of TMWA in order to assess customers' overall level of satisfaction and attitudes toward water-related issues. Topics include water quality, sufficiency and security.

Discussion:

The results of TMWA's Fiscal Year Customer Satisfaction Survey were once again very favorable, again with 92% of customers either totally or mostly satisfied. This marks the 9th consecutive year that the overall customer satisfaction rating was 90% or higher. Of note this year is that the percentage of customers that were *totally* satisfied with TMWA was at the highest level ever with at 67%. Attached you will find the report.



Customer Satisfaction Study Fiscal Year 2021

Conducted by



www.infosearch.online



**TRUCKEE MEADOWS WATER AUTHORITY (TMWA)
2021 CUSTOMER SATISFACTION STUDY**

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2021 EXECUTIVE SUMMARY

KEY OBSERVATIONS (*One Page Summary*)

1. **SATISFACTION:** In 2021, 92% of respondents expressed a positive level of satisfaction with Truckee Meadows Water Authority (TMWA) by indicating that they were either totally or mostly satisfied. Residential (92%) and commercial (89%) customers expressed similar levels of positive satisfaction, with two-thirds (67%) of both residential and commercial customers reporting they were totally satisfied.
2. **PERFORMANCE:** Of the ten performance attributes measured on a 0-10 scale, maintaining an adequate water supply received the highest mean rating (9.5), while using public input received the lowest (but still high) rating (8.1). In 2021, three performance ratings rebounded down from 2020 peak levels to be similar to the 2019 ratings: (1) keeping people informed, (2) providing water that is affordable and reasonably priced, and (3) using public input. In 2021, commercial respondents provided a higher rating (9.1) than did residential respondents (8.4) for keeping people informed.
3. **CONTACT WITH TMWA:** In 2021, one out of six respondents (16%) had contacted TMWA in the prior 12 months; this percentage has steadily trended downward from 27% in 2017. Renters were more likely than were homeowners to report having contacted TMWA.
4. **WATER QUALITY:** In 2021, 88% of all respondents – including 89% of commercial and 87% of residential respondents – rated drinking water quality as either excellent or good. The percentage of respondents who rated the water as, specifically, excellent (51%) was up significantly from 43% last year, and at the highest level measured to date. Over half indicated that the drinking water was better than that of other cities (58%) and/or that they never have problems with the taste (60%). One out of three residential respondents (34%) reported having a water filter in their homes; the lower the rating for water quality, the more likely respondents were to use a filter.
5. **VALUE FOR PRICE:** In 2021, 79% reported that they receive either an excellent (32%) or good (47%) value for the price of water; this score was tied (with the 2014 score) for the highest level measured, although it was statistically similar to 77% last year. Half (56%) provided the same rating (e.g., “good”) for both water quality and value for price, while 33% provided a higher rating for quality than for value, and 11% provided a higher rating for value than for quality.
6. **CONCERNS:** Of the five issues measured on a 0-to-10 scale, respondents in 2021 were the most concerned about community growth (6.8) and were the least concerned about the security and/or the sufficiency of the water supply (a tie at 4.8). For all five areas of concern, scores increased from 2019 to 2020 and then rebounded back down in 2021.
7. **COMMUNICATION FROM TMWA:** Two out of three respondents (61%) indicated that they read the water bill insert at least occasionally and half (51%) read the message printed on the front page of their bill. Overall, 23% reported receiving most of their information about the drinking water directly from TMWA, while 34% said that they would *prefer* to receive most of this information directly from TMWA.
8. **WATERING LAWNS:** In 2021, 88% of respondents reported that they were aware of Assigned Day watering, up from 73% last year and similar to 90% in 2019. Overall, 63% reported having a lawn that they water and, of those, 74% stated correctly that they could water with sprinklers three days a week.
9. **ONLINE ACCOUNT:** Overall, 43% of respondents had accessed their TMWA account online in 2021; this was the highest level measured to date. Three out of five respondents (60%) under age 45 had accessed their TMWA account online, compared to just one out of three (34%) of those age 65 or older.

OBJECTIVES AND METHODOLOGY

2021 Objectives

The primary objectives of the 2021 Customer Satisfaction survey were to:

- Assess the current level of satisfaction of TMWA customers with performance and service issues,
- Assess customers' attitudes toward various water related issues including water sufficiency, security, and quality,
- Determine if there are significant differences between sub-groups of customers, and
- Identify significant changes in ratings over time.

2021 Methodology

This was the 20th wave of this annual survey, which has been conducted since 2002. The 2021 study consisted of 500 telephone interviews of TMWA customers; the interviews were evenly spread throughout the 12-month survey period of July 2020 to June 2021. This period represents TMWA's 2021 fiscal year and is referred to as 2021 data in this report.

The sample population was divided into two segments: residential customers (n=400) and commercial customers (n=100). To be eligible for the study, all residential respondents were asked to confirm that they were: (1) at least 18 years old, (2) responsible for their water bill, (3) not working for a market research or advertising company, and (4) not working for a water company. Additionally, real estate developers were screened out of the commercial sample.

All respondents were called at random from a customer list supplied by TMWA. In 2021, 20% of the numbers called resulted in a completed survey.

The residential interviews were generally conducted Monday through Saturday between 4:00 and 8:00 p.m. and, on average, took 9 to 11 minutes each to complete. The commercial telephone interviews generally took place Monday through Friday between 2:00 and 5:00 p.m. and, on average, took 8 to 10 minutes each to complete.

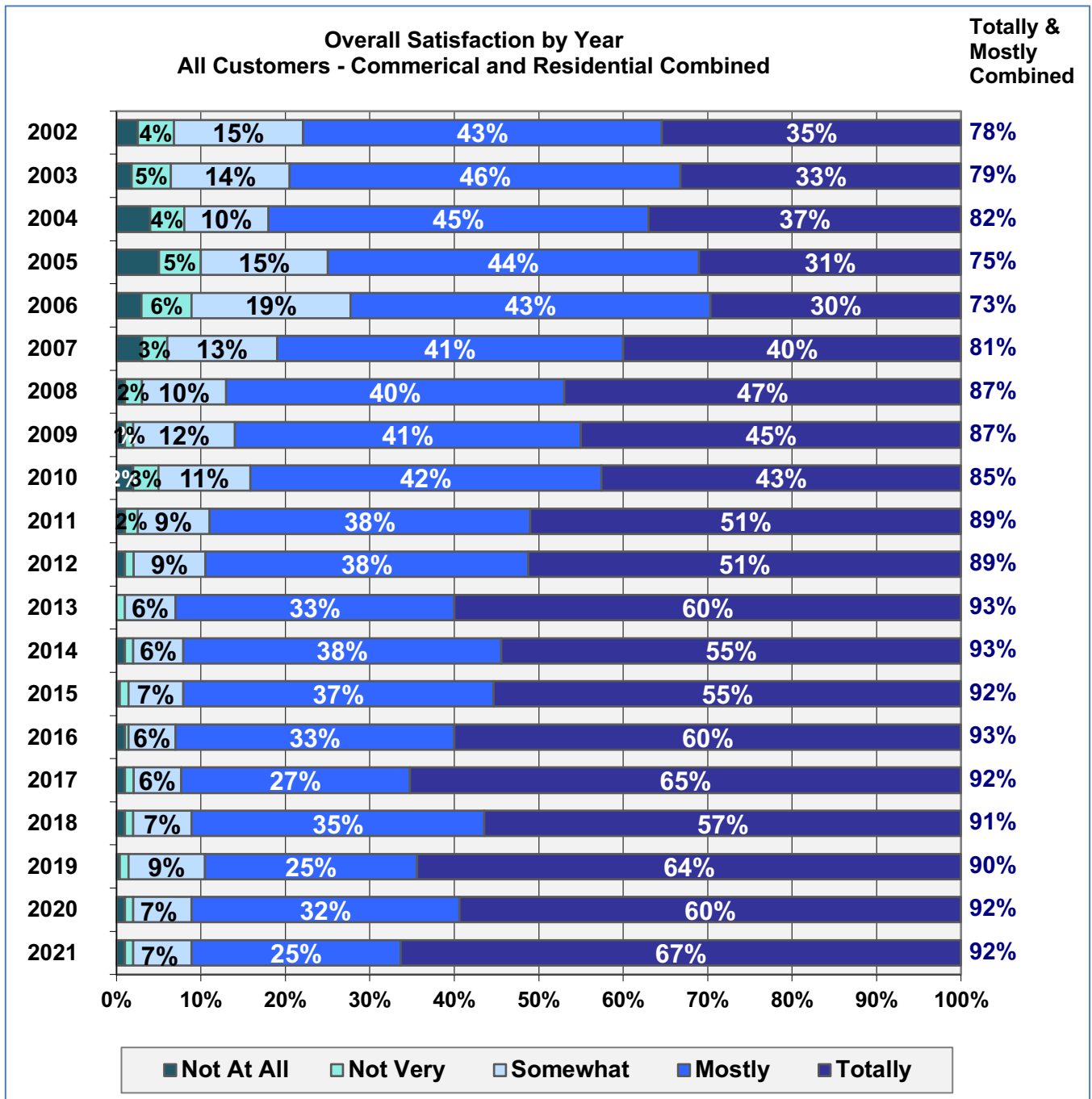
Based on a 95% confidence level, the total sample of 500 has a confidence interval of $\pm 4.4\%$. While the data from the different demographic groups is offered for comparison purposes, the sample size of subgroups does not carry the same confidence interval as the overall data. All statistically significant findings, however, take into account the sample sizes of the various subgroups.

Several scores last year in 2020 were atypical, quite possibly due to some surveys being collected during the peak of the Covid "Stay at Home" order. During that unique time, there was a heightened concern among respondents, as well as a different demographic composition of respondents (e.g., more lower-income customers, more males, more people age 45-64) in the sample. Even though the pandemic was still active in 2021, this report shows that most of the survey results that were atypical in 2020 rebounded (up or down) in 2021, to be similar to pre-Covid levels.

While some of the charts in the Executive Summary include results that date back to the beginning of this study in 2002, the text in the Detailed Findings section focuses primarily on data over the past three years for readability.

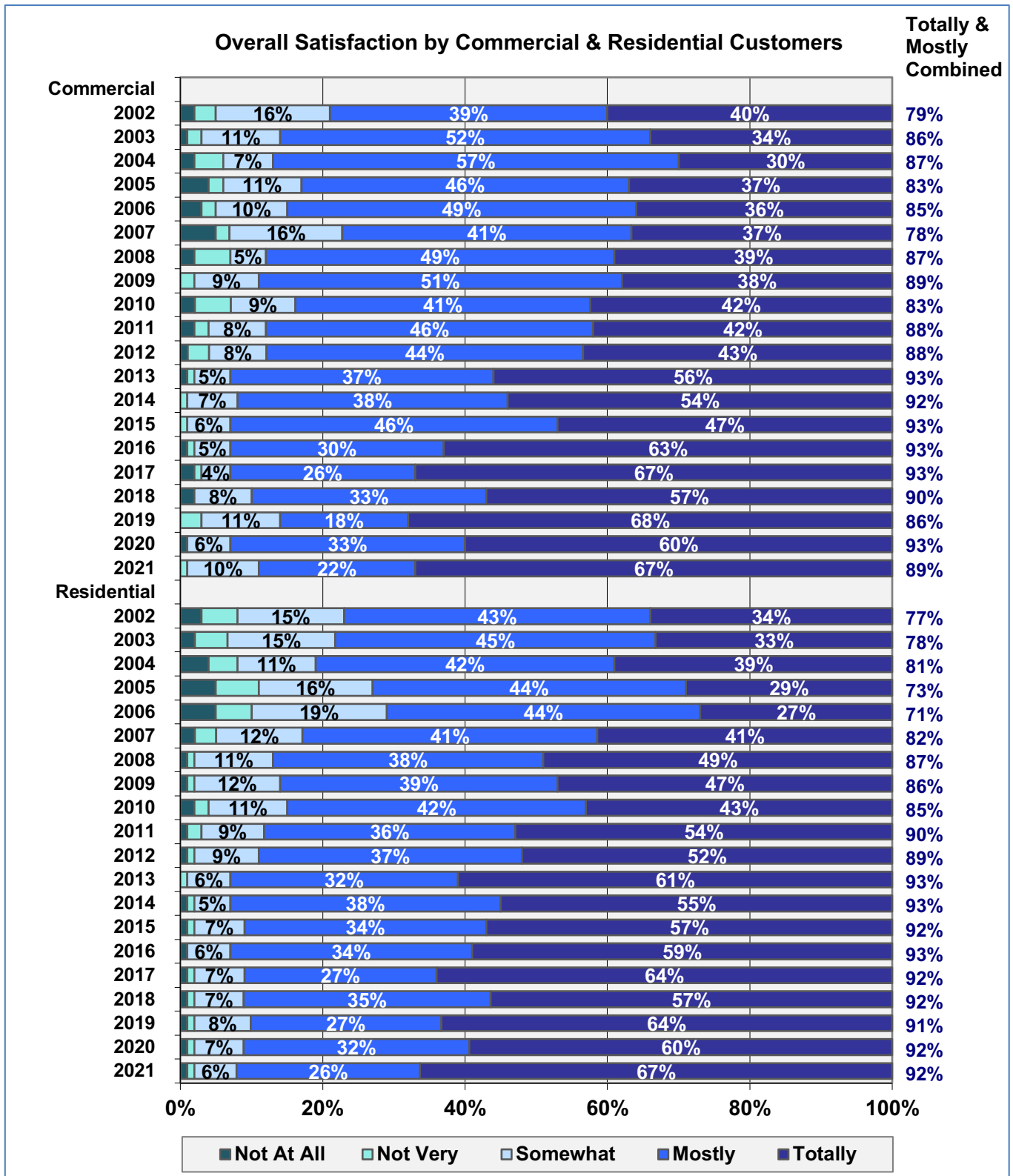
SUMMARY OF FINDINGS

Overall Satisfaction with TMWA



In 2021, 92% of respondents expressed a positive level of satisfaction with TMWA by indicating that they were either totally (67%) or mostly (25%) satisfied.

Overall, the percentage who expressed a positive level of satisfaction has been between 90% and 93% since 2013, including 92% the last two years. In 2021, the percentage who were totally satisfied (67%) was at the highest level measured to date and was significantly higher than 60% last year in 2020.

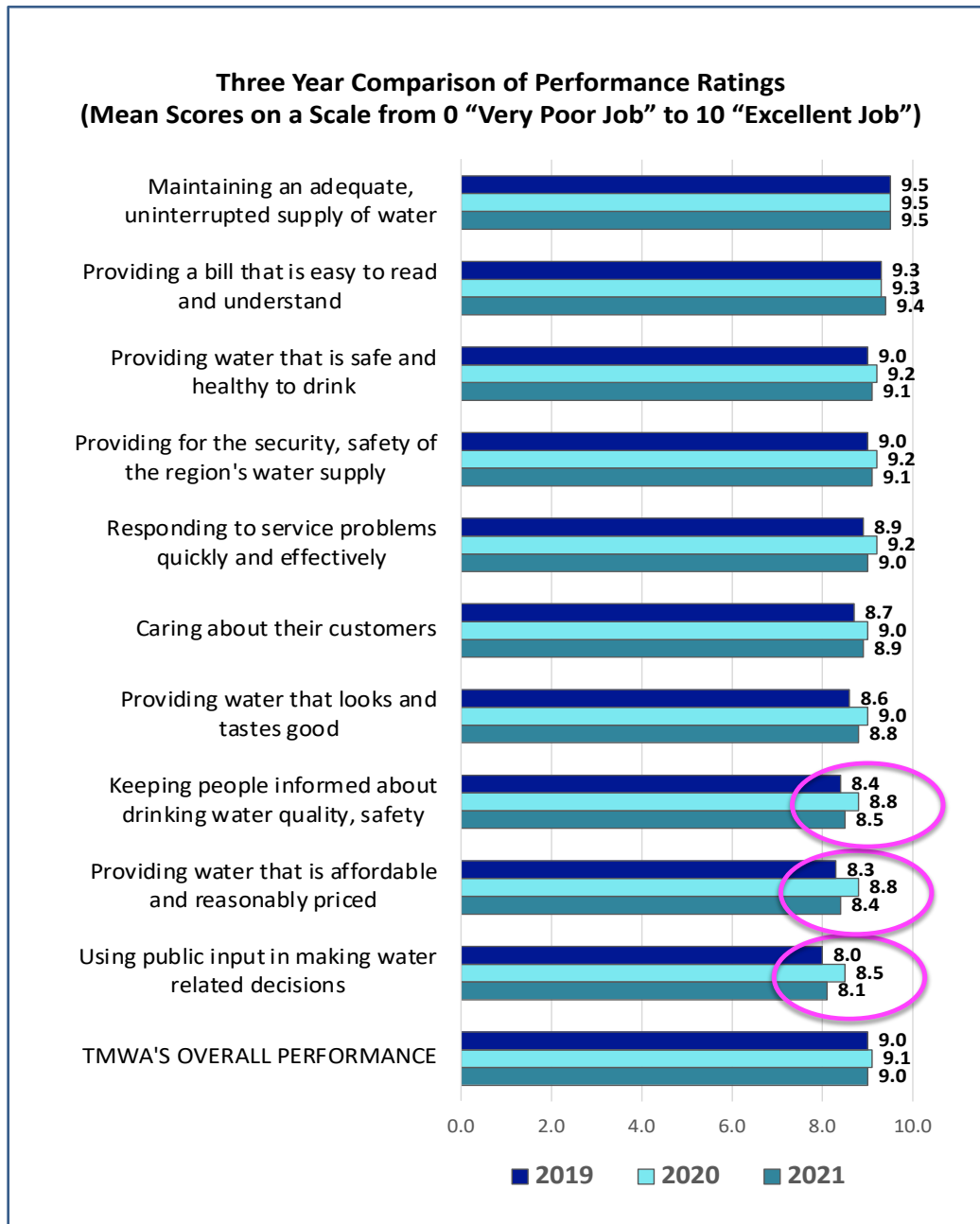


In 2021, 89% of commercial respondents and 92% of residential respondents expressed a positive level of satisfaction (totally or mostly satisfied) with TMWA. Overall, 67% of both commercial and residential respondents were totally satisfied in 2021; the results did not change significantly from the prior five years.

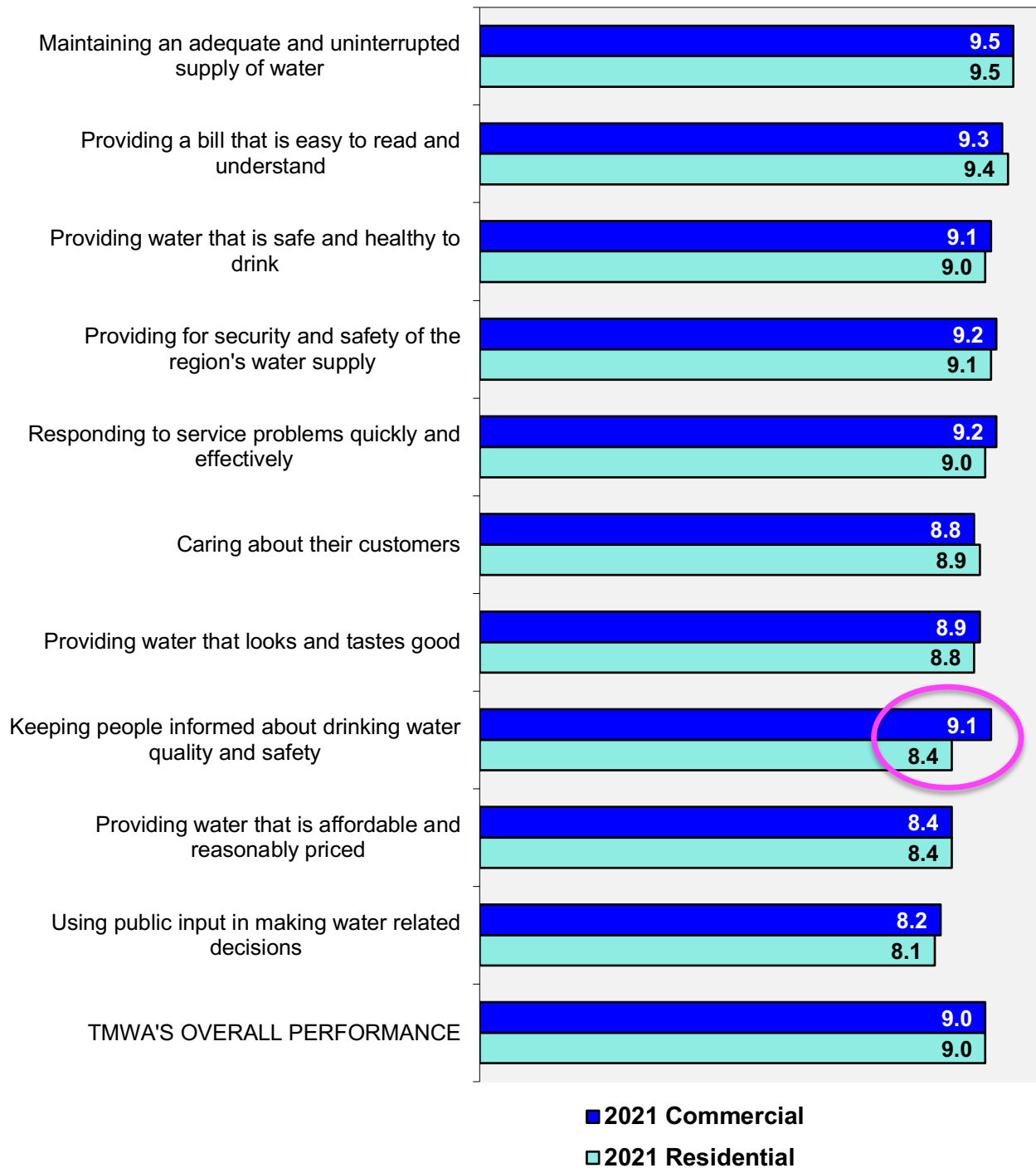
Performance Ratings

The chart on this page shows customers' ratings for ten specific performance measures plus overall performance on a scale from 0 (very poor job) to 10 (excellent job). Of the 11 items measured, all received a mean rating of 8.1 or higher in 2021, indicating that TMWA was perceived, on average, to be doing a very good or excellent job on each measure. In 2021, maintaining an adequate water supply continued to receive the highest mean rating (9.5), while using public input continued to receive the lowest (8.1).

In 2021, three performance ratings (circled on the chart) rebounded down significantly from 2020 levels to be similar to 2019 scores: (1) keeping people informed about drinking water, (2) providing water that is affordable and reasonably priced, and (3) using public input in water related decisions.

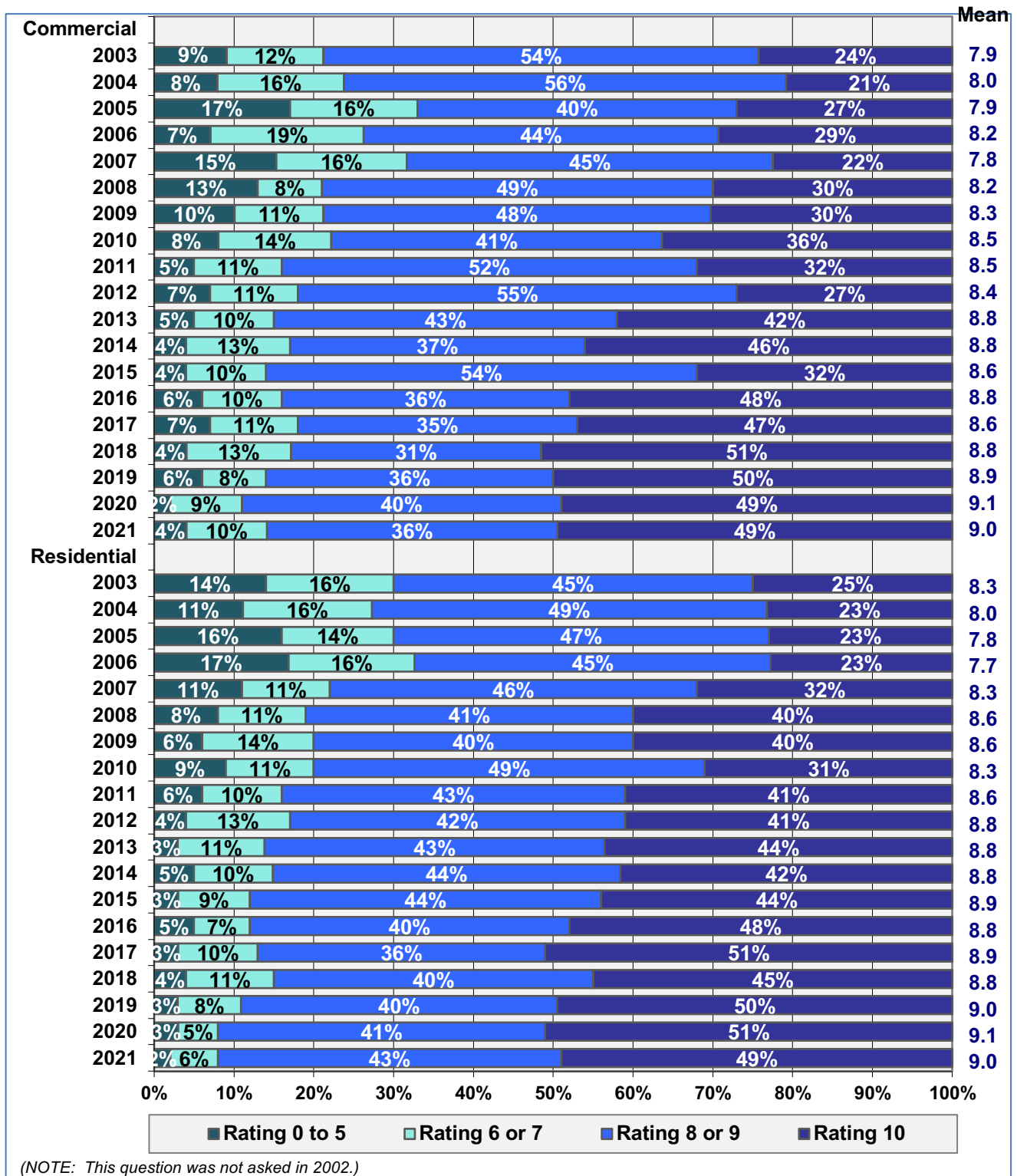


2021 Performance Ratings by Commercial & Residential Customers
(Mean Scores on a Scale from 0 "Very Poor Job" to 10 "Excellent Job")



In 2021, commercial and residential customers provided statistically similar ratings for nine of the ten specific performance measures, as well as the overall performance rating. The one exception is that, in 2021, commercial respondents provided higher mean ratings (9.1) than did residential customers (8.4) for TMWA keeping people informed about drinking water quality and safety.

Trends for TMWA's Overall Performance

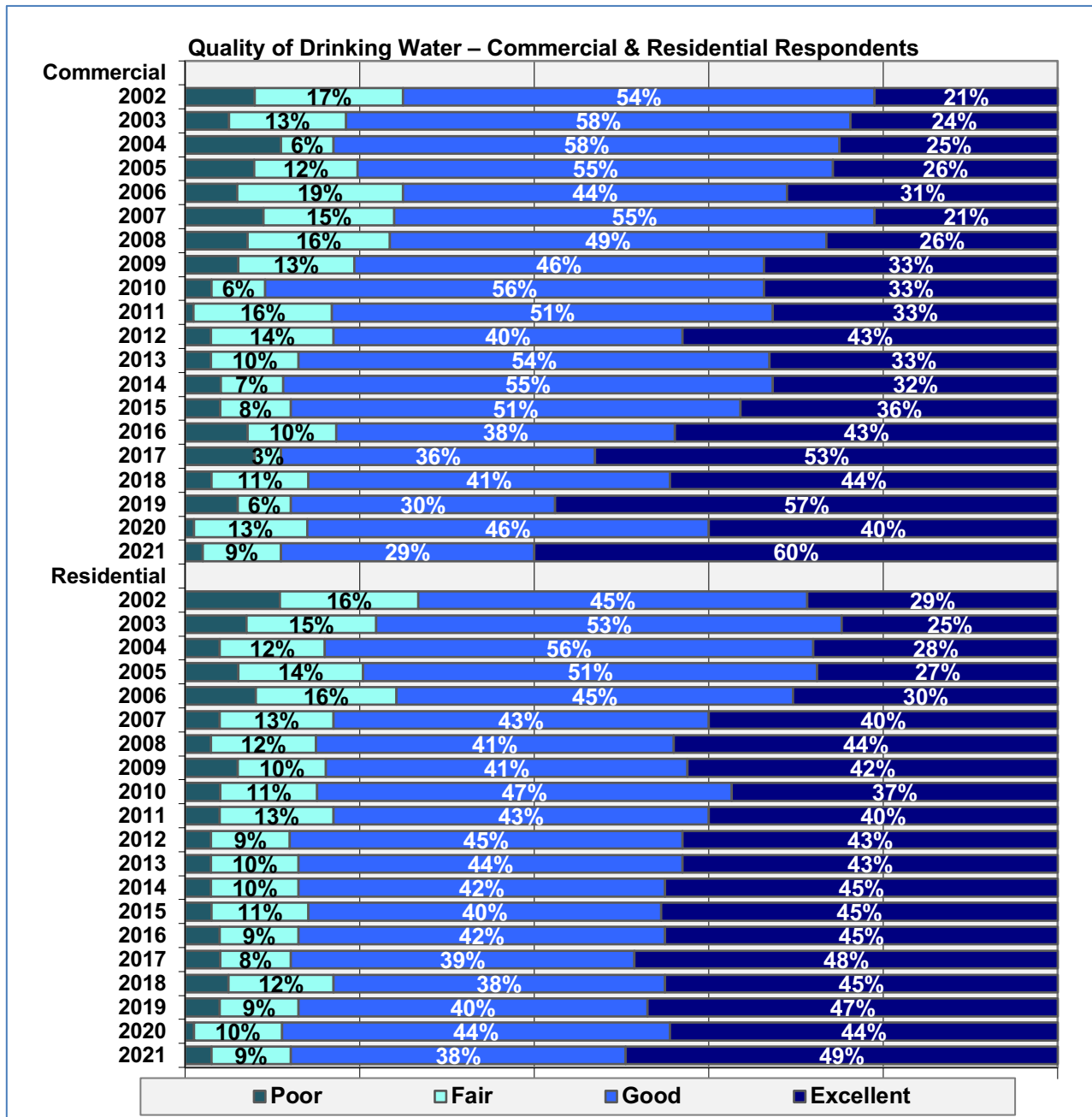


In 2021, 85% of commercial respondents and 92% of residential respondents provided an overall performance score of an 8 or higher on the 0-to-10 scale. Commercial and residential customers both had a mean rating of 9.0 in 2021, and have also had statistically similar performance scores to each other for nine years.

Customer Service

In 2021, just 3% of respondents noticed any changes in their water service in the preceding 12 months. One out of six respondents (16%) had contacted TMWA in the prior 12 months, continuing the downward trend from 17% in 2018, 20% in 2019, 26% in 2018, and 27% in 2017.

Quality of Drinking Water



In 2021, 88% of all respondents – including 89% of commercial and 87% of residential respondents – rated drinking water quality as either excellent or good. The percentage of respondents who rated the water as excellent (51%) was up significantly from 43% last year, and at the highest level measured to date for both commercial (60%) and residential (49%) respondents.

Perceptions of drinking water quality continued to be strongly related to overall satisfaction. In 2021, 78% of respondents who rated the drinking water quality as excellent were totally satisfied with TMWA, as compared to 61% of those who rated the drinking water quality as good, and just 34% of those who rated the quality as fair or poor.

Nearly all respondents (93%) noticed no difference in drinking water quality compared to one year ago; 6% reported that the quality was better, and 1% said it was worse.

Over half the respondents reported that the tap water quality was better than that of other cities (58%) and/or that they never have problems with the taste (60%).

Among residential respondents, one out of three (34%) reported using a water filter in their home for their tap water. The lower the rating for water quality, the more likely they were to have a water filter, with 46% of those who rated the quality as fair or poor having a filter compared to just 24% of those who rated it as excellent. Among those who used a filter, the three main reasons were to improve the taste, odor, or chemicals (38%), because it came with the refrigerator or house (29%), and for safety or caution (18%).

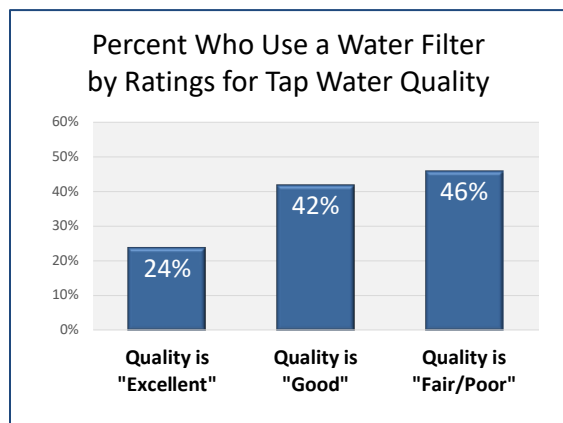
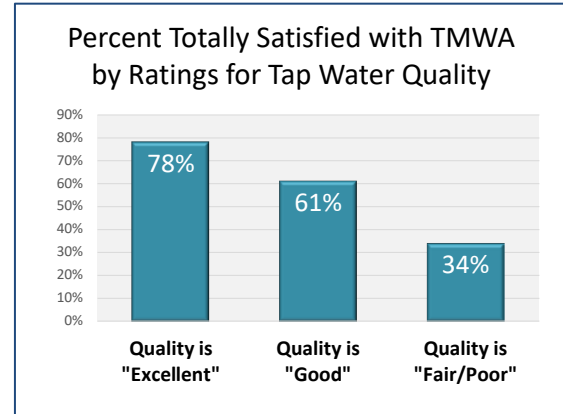
Value for Price

When asked to relate the price of their water bill to the value of the water quality and services received, 32% indicated that they received an excellent value, while 47% rated the value as good, 18% said fair, and just 3% said poor.

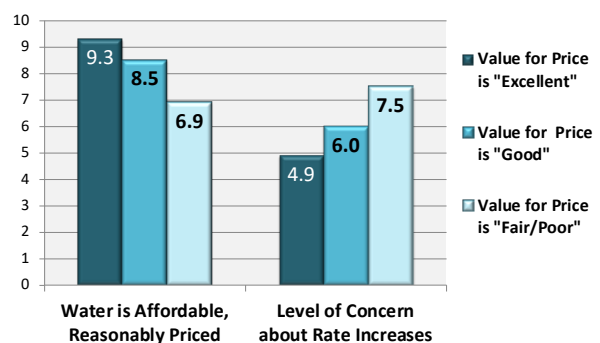
In 2021, 79% rated the value for price as either excellent or good, which was tied (with the 2014 score) for the highest level measured, although it was statistically similar to the score of 77% last year in 2020.

The higher the rating for value for price, the more likely respondents were to report that TMWA provides affordable, reasonably priced water and also the less likely they were to be concerned about rate increases.

Over half (56%) provided the same rating (e.g., "excellent") for both water quality and value for price, while 33% provided a higher rating for quality than for value, and 11% provided a higher rating for value than for quality.



2021 Relationship Between Value for Price and Mean Ratings



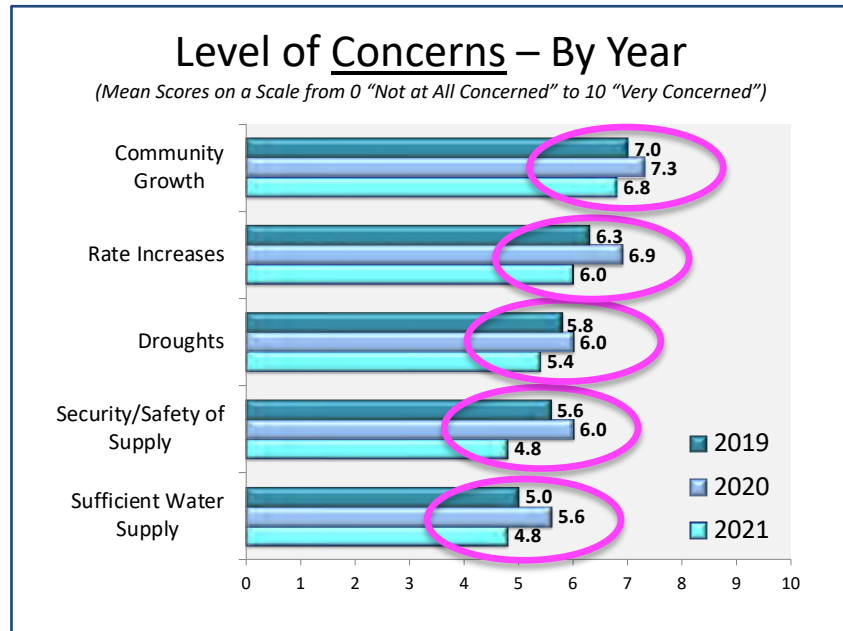
Customers' Concerns

Of the five concerns measured, respondents in 2021 were the most concerned about community growth (6.8) and the least concerned (a tie) about the security (4.8) and sufficiency (4.8) of the water supply. By contrast, respondents back in 2016 were the most concerned about droughts.

In 2021, commercial respondents were significantly more concerned than were residential respondents about community growth (7.5 vs. 6.6), droughts (6.2 vs. 5.2), and a sufficient water supply (5.6 vs. 4.5).

For all five areas of customer concerns measured, the scores had increased from 2019 to 2020, and then significantly rebounded back down in 2021 to be similar to the 2019 scores, although concerns about the security of the water supply did drop significantly from both 2020 and 2019.

In general, commercial respondents were more concerned about droughts and community growth than were residential respondents. Additionally, older customers were more concerned about the security of the water supply than were younger ones. Furthermore, homeowners were more concerned about rate increases than were renters.



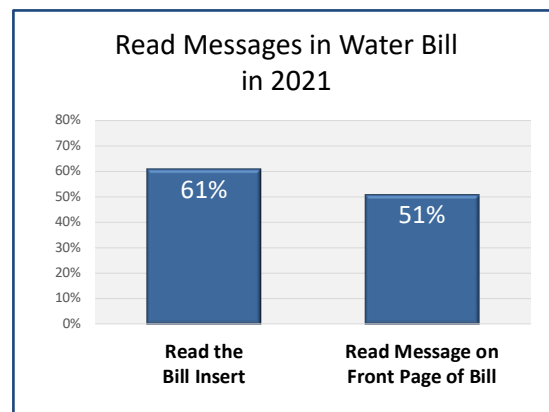
Communication from TMWA

In 2021, three out of five respondents (61%) who receive a bill by mail reported that they read the bill insert at least occasionally, while half (51%) read the message printed on the front page of their bill.

Respondents with a lot size of at least one-quarter acre were more likely than those with smaller lots to report that they always read the bill insert.

Overall, 23% reported receiving most of their information about the drinking water directly from TMWA, while 34% said that they would *prefer* to receive most of this information directly from TMWA.

Newer residents were more likely than were long-term residents to report that TMWA was their primary source of information about the water; longer-term residents were more likely to pay attention to both TMWA and the local news media equally.

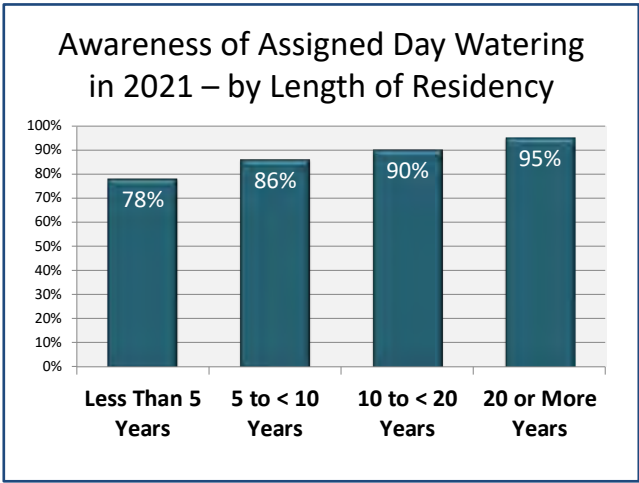


Landscaping and Watering

In 2021, 88% of respondents were aware of Assigned Day watering, up from 73% last year and similar to 90% in 2019. Overall, the longer the length of residency and/or the larger the lot size, the more likely respondents were to be aware of Assigned Day watering.

In 2021, 63% of respondents reported having a lawn that they water. Of those, 74% stated that they could water 3 days a week, up from 66% last year and similar to 72% in 2019.

Nearly half (46%) of commercial respondents reported that their business has landscaping that it maintains or pays others to maintain, similar to 51% in 2020 and 50% in 2019.



The 67% of residential respondents with a lawn estimated that, on average, 29% of their yard was lawn, which was the same percentage of lawn as last year.

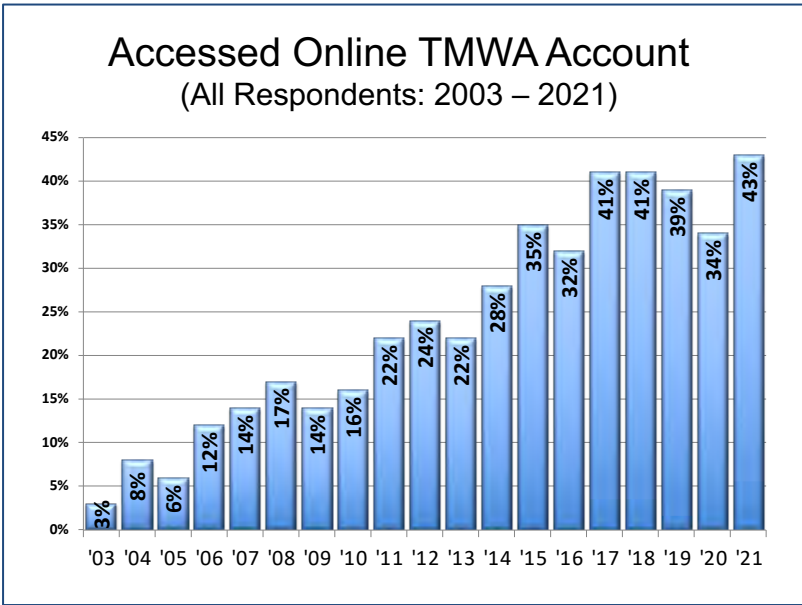
Online Account Information

In 2021, 86% of respondents were aware that they could view their TMWA account online, up from 72% last year and similar to 88% in 2019.

Among all respondents, 43% had accessed their TMWA account information online in 2021. This is the highest percentage measured to date.

Three out of five respondents (60%) under age 45 had accessed their online account in 2021, compared to just 39% of those age 45-64 and 34% of those age 65 or older.

Among online account users, the mean rating for satisfaction with the online account system was 9.0 on a scale from 0-to-10, similar to 9.1 in 2020 and 8.9 in 2019.



KEY DIFFERENCES BETWEEN GROUPS IN 2021

RESIDENTIAL VERSUS COMMERCIAL:

- **Residential** customers were more likely than were *commercial* customers to:
 - Provide a higher rating for how their issue was handled if they had contacted TMWA,
 - Say that the tap water was better than that of other cities, and
 - Have a lawn that they water.
- **Commercial** customers were more likely than were *residential* customers to:
 - Provide a higher rating for TMWA keeping people informed, and
 - Be concerned about having a sufficient water supply, droughts, and community growth.

GENDER:

- **Women** were more likely than were *men* to:
 - Give higher ratings for TMWA: (1) providing water that is safe and healthy to drink, (2) maintaining an adequate water supply, (3) caring about customers, (4) providing a water bill that is easy to read, and (5) providing for the security of the water supply, and
 - Be concerned about droughts and community growth.

LENGTH OF RESIDENCY:

- Respondents with **less than 10 years of residency** were more likely than *long-term residents* to:
 - Give higher ratings for TMWA providing water that is reasonably priced,
 - Report that TMWA was their primary source of information about water, and
 - Have accessed their TMWA account online.
- Respondents with **20 or more years of residency** were more likely than *newer residents* to:
 - Be concerned about community growth, and
 - Be aware of Assigned Day watering,

LOT SIZE:

- Respondents with lot sizes **under one-quarter acre** were more likely to:
 - Be totally satisfied with TMWA, and
 - Give higher ratings for TMWA: (1) responding to service problems quickly, (2) maintaining an adequate water supply, (3) using public input, (4) caring about customers, (5) providing reasonably priced water, (6) providing a bill that is easy to read, and (7) overall performance.
- Respondents with lot sizes of **one-quarter acre or more** were more likely to:
 - Report always reading the bill insert, and
 - Have a lawn that they water and be aware of Assigned Day watering.

HOUSEHOLD SIZE (NUMBER OF INHABITANTS):

- Respondents with **1 or 2 inhabitants** were more likely than others to:
 - Be concerned about community growth and the security of the water supply, and
 - Be aware of Assigned Day watering and that they could water 3 days a week.

- Respondents with *at least 3 inhabitants* were more likely than others to:
 - Have contacted TMWA in the prior 12 months,
 - Have a lawn that they water, and
 - Be aware they could view their account online and to have accessed that account.

AGE GROUP:

- *Respondents under age 45* were more likely than were *older* respondents to:
 - Be aware they could view their account online and to have accessed that account.
- *Respondents age 65 or older* were more likely than were *younger* ones to:
 - Be concerned about the security of the water supply, and
 - Be aware of Assigned Day watering.

INCOME GROUP:

- Respondents with *household incomes under \$50,000* were more likely to:
 - Give higher ratings for TMWA: (1) using public input, (2) caring about customers, and (3) providing a water bill that is easy to read,
 - Report always reading the bill insert, and
 - Indicate that they get information from TMWA and the local media about equally.
- Respondents with *household incomes of \$100,000 or higher* were more likely to:
 - Have a water filter in their home, and
 - Have a lawn that they water.

RACE/ETHNICITY:

- *White/Caucasian* respondents were more likely than were *minority* respondents to:
 - Be concerned about droughts, and
 - Be report being aware of Assigned Day watering.

OWN OR RENT HOME:

- *Respondents who were homeowners* were more likely than were *renters* to:
 - Be concerned about rate increases, and
 - Have a lawn that they water.
- *Respondents who were renters* were more likely than were *homeowners* to:
 - Have noticed a change in their water service and to have contacted TMWA,
 - Report that the tap water was better than that of other cities, and
 - Provide a higher rating for satisfaction with their online account.

AGE OF HOUSE:

- *Respondents with newer homes built in 2000 or later* were more likely to:
 - Be concerned about droughts and having a sufficient water supply.

SIGNIFICANT CHANGES FROM 2019 TO 2021

NOTE: Several scores last year in 2020 were atypical, quite possibly due to some surveys being collected during the peak of the Covid “Stay at Home” order. During that unique time, there was a heightened concern among respondents, as well as a different demographic composition of respondents (e.g., more lower-income customers, more males, more people age 45-64) in the sample. Even though the pandemic was still active in 2021, the findings show that most of the survey results that were atypical in 2020 rebounded (up or down) in 2021, to be similar to pre-Covid levels.

SIGNIFICANT INCREASES	2019	2020	2021
Percentages:			
Reported being “totally satisfied” with TMWA <i>(Increased from 2020 to 2021; highest percentage to date)</i>	64%	60%	67%
Reported water quality was “excellent” <i>(Increased from 2020 to 2021; highest percentage to date)</i>	49%	43%	51%
Aware of Assigned Day watering <i>(Decreased from 2019 to 2020, rebounded up in 2021)</i>	90%	73%	88%
Have a lawn that they water <i>(Decreased from 2019 to 2020, rebounded up in 2021)</i>	64%	53%	63%
Reported they could water 3 days a week <i>(Decreased from 2019 to 2020, rebounded up in 2021)</i>	72%	66%	74%
Aware they can view TMWA account online <i>(Decreased from 2019 to 2020, rebounded up in 2021)</i>	88%	72%	86%
Accessed TMWA online account (all respondents) <i>(Continued fairly steady upward trend from 32% in 2016)</i>	39%	34%	43%

SIGNIFICANT DECREASES	2019	2020	2021
Percentages:			
Contacted TMWA in prior 12 months <i>(Continued steady downward trend from 27% in 2017)</i>	20%	17%	16%
Reported water quality was “better” than one year ago <i>(Rebounded down from 2020 to 2021; 2020 was an anomaly)</i>	4%	22%	6%
Mean Ratings on 0-10 Scale:			
TMWA keeping people informed about drinking water <i>(Rebounded down from 2020; 2021 was similar to 2019)</i>	8.4	8.8	8.5
TMWA using public input in making water related decisions <i>(Rebounded down from 2020; 2021 was similar to 2019)</i>	8.0	8.5	8.1
TMWA providing water that is affordable, reasonably priced <i>(Rebounded down from 2020; 2021 was similar to 2019)</i>	8.3	8.8	8.4
Concern about sufficient water supply <i>(Rebounded down from 2020)</i>	5.0	5.6	4.8
Concern about droughts <i>(Rebounded down from 2020)</i>	5.8	6.0	5.4
Concern about community growth <i>(Rebounded down from 2020)</i>	7.0	7.3	6.8
Concern about rate increases <i>(Rebounded down from 2020)</i>	6.3	6.9	6.0
Concern about security and safety of water supply <i>(Decreased from both 2019 and 2020)</i>	5.6	6.0	4.8



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, Chief Financial Officer
Sophia Cardinal, Principal Accountant
DATE: September 30, 2021
SUBJECT: **Required Communication from Eide Bailly in regards to TMWA's Annual Financial Audit**

Summary

The attached written communication from TMWA's external auditors, Eide Bailly, sets forth expectations for conducting and completing the audit of TMWA's financial statements and related disclosures for the fiscal year ended June 30, 2021. The Eide Bailly communication also defines the roles and responsibilities of TMWA's management, Eide Bailly, and the TMWA Board of Directors.

September 29, 2021

To the Board of Directors
Truckee Meadows Water Authority
Reno, Nevada

This letter is provided in connection with our engagement to audit the financial statements of Truckee Meadows Water Authority as of and for the year ended June 30, 2021. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit.

Our Responsibilities

As stated in our engagement letter dated February 18, 2021, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and, in accordance with *Government Auditing Standards*, for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures. However, we will communicate to you at the conclusion of our audit, significant matters that are relevant to your responsibilities in overseeing the financial reporting process, including any material weaknesses, significant deficiencies, and violation of laws or regulations that come to our attention.

The basic financial statements include the financial statements of Truckee Meadows Water Authority OPEB Trust Fund and Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust, components of Truckee Meadows Water Authority, which we consider to be significant components of the basic financial statements. Consistent with the audit of the basic financial statements as a whole, our audits will include obtaining an understanding of the Truckee Meadows Water Authority OPEB Trust

Fund and Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust and their environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements of the Truckee Meadows Water Authority OPEB Trust Fund and Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust and to design the nature, timing, and extent of further audit procedures.

We expect to begin our audit in October 2021 and issue our report by November 30, 2021.

This information is intended solely for the information and use of the Board of Directors and management of Truckee Meadows Water Authority and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in cursive script that reads "Eide Sallie LLP".

Reno, Nevada



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: Danny Rotter, Engineering Manager
Scott Estes, Director of Engineering
DATE: October 12, 2021
SUBJECT: **Discussion and action, and request to authorize the General Manager to execute a revised Interlocal Cooperative Agreement by and between the Nevada Department of Environmental Protection, the Washoe County District Board of Health and Truckee Meadows Water Authority for engineering design review of certain public water system infrastructure**

RECOMMENDATION

Staff recommends the Board authorize the General Manager to execute the revised Interlocal Agreement between the Nevada Department of Environmental Protection (NDEP), the Washoe County District Board of Health (the District) and TMWA and authorize the General Manager and Legal Counsel to make non-substantive revisions as required to complete the final agreement.

BACKGROUND

With the growth in the Reno/Sparks area increasing from very minimal to almost pre-recession rates, stakeholders in the Truckee Meadows have continued to seek a more efficient regulatory process regarding water infrastructure approval for new business projects over the last 5 years. In December of 2017, TMWA received a waiver for water project submittal to the District for distribution projects less than 500' in length. In October of 2018, TMWA, NDEP and the District executed the Interlocal Agreement (ILA) regarding engineering design review of certain public water system infrastructure. The parties have successfully adapted to the process including successful audits of TMWA's design review performance. The parties would like to continue this process, revise the ILA to reflect the current contractual duties between NDEP and the District, include all TMWA systems and extend the ILA for another 5 years.

SUMMARY

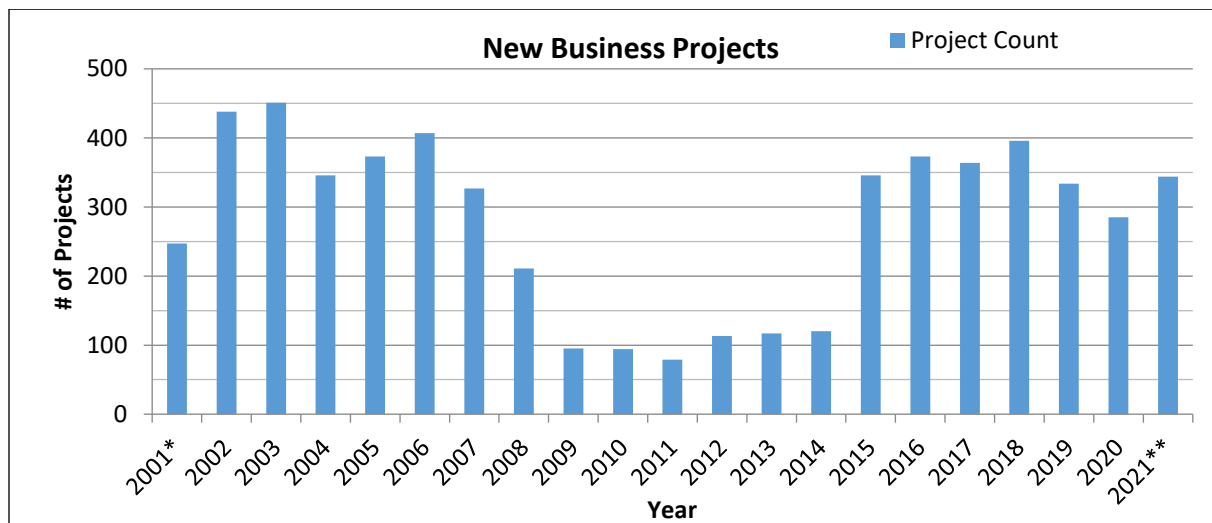
The intent of the agreement is to delegate engineering plan review to TMWA with audit and oversight functions by NDEP and/or the District. The primary regulatory framework that allows this process is NRS 445A.920 and NAC 445A.6669.

Revisions Summary

- All TMWA systems now included.
- NDEP is the 'regulatory agency' for TMWA's main system and the District is the 'regulatory agency' for TWMA's satellite systems, reflecting current contractual requirements between NDEP and the District.
- Revised ILA extended until December 31, 2026.
- Some tasks were removed that were already completed. For example, a joint review of a plan set, submittal of updated design standards, etc.

Yearly Projects

Project counts have been up since 2015 and are similar to the numbers from 2004-2007. The chart below shows TMWA New Business Projects projected through the end of 2021. These are indicative of all project types including commercial services, commercial main extensions, subdivisions, single residential services, etc.



*TMWA was formed on 6/11/2001, project counts are for the 6 months that TMWA existed.

**2021 is projected to the end of the year.

The agreement has been reviewed by TMWA's legal counsel and NDEP's legal counsel with concurrence to the most recent version. The next Washoe County District Board of Health meeting is planned to be held October 28, 2021. Staff anticipates minor legal revisions may be necessary to provide concurrence amongst the parties' counsel. Staff is requesting Board authorization for the General Manager and legal counsel to make those revisions as required prior to the District Board of Health meeting and for the General Manager to execute the completed agreement.

INTERLOCAL COOPERATIVE AGREEMENT
BY AND BETWEEN

State of Nevada, Division of Environmental Protection
and
Washoe County District Board of Health
and
Truckee Meadows Water Authority
for
Engineering Design Review of Certain Public Water System Infrastructure

WHEREAS, NRS 277.110(2) provides that any two or more public agencies may enter into agreements with one another for joint or cooperative action under the provisions of NRS 277.080 to 277.170, inclusive;

WHEREAS, the Parties hereto are public agencies as defined in NRS 277.100(1)(a);

WHEREAS, it is the policy of this State to provide for water which is safe for drinking and other domestic purposes and thereby promote the public health and welfare. (NRS 445A.800)

WHEREAS, the Nevada Division of Environmental Protection (NDEP) is responsible for implementation of Nevada Revised Statutes (NRS) 445A.800 – 445A.955, inclusive, known as the Public Water Systems Law, and the regulations adopted by the State Environmental Commission pursuant thereto;

WHEREAS, the NDEP has been granted Primary Enforcement Responsibility (a.k.a. “Primacy”) by the United States Environmental Protection Agency (US EPA) for the Federal Safe Drinking Water Act at 42 U.S.C. §§300f et.seq., and federal regulations promulgated pursuant thereto;

WHEREAS, the NDEP has an obligation under Federal Primacy to show, “the establishment and maintenance of an activity to assure that the design and construction of new or substantially modified public water system facilities will be capable of compliance with the State primary drinking water regulations” (40 CFR §142.10(b)(5));

WHEREAS, the Washoe County District Board of Health (District) is responsible for enforcing the provisions of NRS 445A.800-445A.955, inclusive, per NRS 445A.925, and regulations adopted pursuant thereto;

WHEREAS, the District role under the Public Water Systems Law is set forth in NRS 445A; consequently, the District is a partner with NDEP in ensuring compliance with Nevada's Primacy delegation from the US EPA. The District is obligated to perform certain activities for public water system compliance under a separate Interlocal Cooperative Agreement between NDEP and the District, including engineering plan review activities;

WHEREAS, the Truckee Meadows Water Authority (TMWA) is created pursuant to NRS 277 as a separate political subdivision of the State of Nevada to exercise the powers, privileges and authority of Reno, Sparks and Washoe County to own and operate a municipal water system. Among the powers conferred upon TMWA under the Cooperative Agreement is the express power to enter into Interlocal agreements.

WHEREAS, TMWA's municipal water system is also a Public Water System as defined by NRS 445A.235 and subject to compliance with the statutes and regulations applicable to Public Water Systems identified herein;

WHEREAS, the NDEP, the District and TMWA have additional responsibilities related to the Subdivision of Land in NRS 278.010 - NRS 278.4965, inclusive, and Nevada Administrative Code (NAC) 278.010 - 278.530, inclusive;

WHEREAS, TMWA has a team of engineers, managers and support staff for reviewing engineering designs submitted by others for construction and dedication of water facilities into TMWA infrastructure;

WHEREAS, TMWA has design standards for plans and specifications known as the Truckee Meadows Water Authority Design and Construction Standards (NRS 445A.920.2), approved by the NDEP, addressing additions and alterations to TMWA's public water system. Any modifications to the standards are required to be reviewed and approved by the NDEP. The standards cannot be less stringent than State law;

WHEREAS, various statutes and regulations exist in the Public Water Systems Law and the Design, Construction, Operation and Maintenance regulations that provide for waivers from engineering design review and approval by the NDEP or the District, including but not limited to NRS 445A.920 and NAC 445A.6669;

WHEREAS, the Parties agree to work together in good faith using a collaborative approach to implement engineering design review of TMWA's public water system;

WHEREAS, this Agreement provides certain financial obligations between TMWA and the District; however, it does not provide for any financial obligation between NDEP and the District or NDEP and TMWA;

WHEREAS, this Agreement supersedes the December 4, 2017 letter, from the District to TMWA, waiving the requirement for submittal of a water project which involve the installation of 500 feet or less of the distribution system.

NOW, THEREFORE, in consideration of the foregoing recitals, which are fully incorporated into this agreement by this reference, the Parties mutually agree to the following terms and conditions contained within this Interlocal Agreement (Agreement).

I. BACKGROUND AND INTENT

The intent of the Agreement is to provide a more efficient process for engineering design review and approval by defining a project review management system that protects public health through design and construction of infrastructure that meets current federal, state and local design standards, while clearly delegating certain functions to TMWA.

The intent of this new process is to move away from current processes under which NDEP or the District review every water distribution infrastructure project approved by TMWA, to a system under which NDEP and the District have an oversight and audit function. Such an oversight structure will include certain reporting requirements, periodic co-review, periodic NDEP/ District audit of the TMWA program, meetings, and establishment of program improvement plans, should they be needed.

II. PURPOSE

The purpose of this Agreement is to formally establish a commitment by each signatory Party to make a collective effort to implement the review and approval of engineering design plans and specifications consistent with the authority provided in NRS 445A.920 and NAC 445A.6669 and delegate certain responsibilities to TMWA using the cited authority in NRS and NAC to make those delegations/waivers. In identifying the actions and responsibilities of each Party, this Agreement provides the framework for the successful implementation of Nevada's Design, Construction, Operation and Maintenance regulations (NAC 445A.65505 - 445A.6731), and the Subdivision of Land statutes (NRS 278.010 - 278.4965, inclusive) and regulations (NAC 278.010 - 278.530, inclusive). This Agreement outlines goals, commitments and actions which the Parties agree to pursue in good faith. Inherent in the use of this agreement-based approach is the acknowledgement that implementation success is, in part, dependent upon the establishment of a process that cultivates trust, collaboration and cooperation among the Parties.

III. PARTIES & ROLES

- A. The *Parties* to this Agreement are the Nevada Division of Environmental Protection (NDEP), the Washoe County District Board of Health (District) and the Truckee Meadows Water Authority (TMWA). Herein, these entities in sum shall be collectively referred to as the *Parties*. Any singular entity may be referred to as a *Party*.
- B. The NDEP will maintain regulatory oversight responsibility under Nevada's federal Primary Enforcement Responsibility delegation (a.k.a. "Primacy") as the lead entity for implementation of NRS 445A.800- 445A.955, inclusive. The NDEP will communicate, coordinate, and cooperate with the Parties when regulatory interpretations are made which affect the District's and TMWA's ability to perform engineering plan review, consistent with the State.
- C. The District will continue to fulfill its role under NRS 445A.925 as a partner with NDEP in implementing and enforcing the Public Water Systems Law under NDEP's Primacy delegation from the US EPA.

- D. TMWA shall have authority for comprehensive review and approval of engineering designs created by or for TMWA and by others, and other infrastructure related activities as referenced in item IV.B of this Agreement. TMWA will exercise this authority in accordance with NAC 445A.65505 to 445A.6731, inclusive, or the Truckee Meadows Water Authority Design and Construction Standards (TMWA Standards) and Backflow Prevention and Cross Connection Control Requirements, whichever is more stringent, and as they exist on the execution date of this Agreement subject to modifications in accordance with section V.A.1 of this Agreement, and as amended from time to time. TMWA will provide all inspection and testing of the construction of water facilities in accordance with approved plans and specifications.
- E. This Agreement applies to the following public water systems:
1. Truckee Meadows Water Authority PWS ID #NV0000190.
 2. Stampmill Estates PWS ID# NV0000801
 3. Truckee Canyon PWS ID# NV0000978
 4. Lightning W PWS ID# NV0000865
 5. Old Washoe Estates PWS ID# NV0002526
 6. Sunrise Estates PWS ID# NV0002525
- F. For the purposes of this agreement, NDEP is the regulatory agency for NV0000190 and shall be referenced throughout this agreement as Main System. WCHD is the regulatory agency for NV0000801, NV0000978, NV0000865, NV0002525, and NV0002526 and shall be referenced throughout this document as Satellite Systems. NDEP and the District will continue to review engineering designs created by or for TMWA for water projects consisting of transmission system components, pumping stations, reservoirs, wells, tanks, or treatment systems.
- G. For the purposes of this agreement, transmission system components are defined as pipelines greater than 18" in diameter and greater than 2,000 feet in length. TMWA will provide all inspection and testing of the construction of water facilities in accordance with approved plans and specifications.
- H. The Parties commit to cooperate in development and adaptive management of transparent programs, guidance and protocols necessary to track, report, evaluate and demonstrate compliance with NAC 445A.66615, which currently states:

The purposes of NAC 445A.65505 to 445A.6731, [the Design, Construction, Operation and Maintenance Regulations] inclusive, are to:

1. *Provide the public with reasonable assurance that its water is satisfactory for consumption and/or ablutionary and culinary purposes;*
2. *Protect the public health and welfare by ensuring that water is developed, treated, stored and distributed in a safe manner;*
3. *Ensure a reliable supply of water;*
4. *Prevent the potential pollution or contamination of a public water system as a result of backpressure or backsiphonage;*
5. *Provide for the use of components in a public water system that are designed and constructed in accordance with accepted engineering principles, standards and practices; and*
6. *Protect the public investment in its infrastructure for the provision of water by public utilities.*

- I. The NDEP and the District retain all duties specifically assigned in the Subdivision of Land laws contained in NRS 278.010 -NRS 278.4965, inclusive, and NAC 278.010 - 278.530, inclusive, including:
1. Tentative Map review and approval responsibilities, including the requirement for the District to report quarterly to NDEP which tentative subdivisions have been certified by the District (NRS 278.335);
 2. Assessment of the Tentative Map for the availability of water which meets applicable health standards and is sufficient in quantity for the reasonably foreseeable needs of the subdivision. (NRS 278.349) Such information, such as a letter of acknowledgement of water service, may be obtained from TMWA.
 3. TMWA shall ensure that appropriate easements for public utilities that provide water are included in approved Final Maps, except as otherwise provided by law. (NRS 278.372)
 4. The NDEP or the District shall retain responsibility for certification of a Final Map indicating that it is approved concerning water quality and water supply facilities. (NRS 278.377 and NAC 278.310-278.320, inclusive)
 5. The NDEP or the District (NAC 278.290) shall retain responsibility for review of a developer's plan for improvements for the purpose of determining adequacy of the plan with respect to sewage disposal for the area to be developed.
 6. TMWA shall provide the District with access to Water Project plans so that the District can refer to them when reviewing subdivision maps. In correspondence related to the access of Water Project plans, TMWA must reference the appropriate regional permitting number, if one exists.
- J. Subdivision Plan for Improvements:
1. The plan for improvements submitted by the developer showing systems of water supply shall be reviewed and approved by TMWA in accordance with Section III.D. of this Agreement and within the timeframe dictated by NAC 278.330.
 2. If any changes are made to an approved plan for improvements, requirements of NAC 278.290 apply and shall be conducted by TMWA.
 3. TMWA shall communicate with the NDEP and the District regarding approval of a plan for improvement, in order to permit those agencies to fulfill responsibilities for approval of a Final Map within the timeframe dictated by NAC 278.330.
- K. Administrative review of action taken by TMWA (NAC 445A.66645):
- In the event that a person (excluding NDEP or the District) who has reason to believe that an action taken by TMWA (pursuant to NAC 445A.65506 to 445A.6731, inclusive, as such authorities have been provided to TMWA herein), is incorrect or based on inadequate knowledge, they can initiate an administrative review. If a person requests administrative review of an action taken by TMWA, TMWA shall work with the aggrieved person to conduct an informal discussion with the TMWA employee responsible for the action and the immediate supervisor of the employee (NAC 445A.66645.2). If the informal discussion does not resolve the problem, TMWA shall advise the aggrieved person of their right to request an informal conference to review the matter by submitting a letter, within 10 days of the TMWA meeting, to the NDEP Bureau of Safe Drinking Water requesting a conference (NAC 445A.66645.3).

IV. COMMITMENTS & ACTIONS

The Parties hereby commit to implement the following actions, and abide by the following conditions:

A. NSF/ANSI Standards Review-NAC 445A.65825

TMWA will maintain a list of approved products for use in the TMWA distribution system that comply with NAC 445A.65825. If a product is not available or is not the best choice for a particular design, and TMWA has received a request and demonstration for an alternate product that requires an engineering demonstration in accordance with State regulation, then, prior to approval by TMWA, review of the demonstration shall be coordinated with NDEP for concurrence. Upon concurrence, TMWA may approve the product.

B. Other Provisions and Authorities

1. Various provisions of approval by NDEP or the District exist within NAC 445A.65505 - 445A.6731. In order to be consistent with the intent of this Agreement, and in addition to other authority otherwise delegated in this Agreement, the following authorities of "the Division or the appropriate district board of health" are hereby delegated to TMWA.
 - a. 445A.66695 Application for approval of a water project
 - b. 445A.6671 Approval of a water project: Prerequisites; effective period; revocation
 - c. 445A.66715 Performance and inspection of work on water project; certification of substantial compliance with approved plans and specifications
 - d. 445A.6672 Existing systems: Minimum capacities; minimum pressure and velocity of water
 - e. 445A.66725 Existing systems: Determination of total capacity preparation, maintenance and dissemination of certain information, analyses, plans and reports
 - f. 445A.6674 Storage capacity
 - g. 445A.66745 Operating storage
 - h. 445A.6675 Emergency reserve
 - i. 445A.67115 Distribution system: Design; diameter of water mains, connection to fire hydrant
 - j. 445A.6712 Distribution system: Dead ends
 - k. 445A.67145 Distribution system: Construction
(excluding water mains proposed to be constructed "under structures or in or under bodies of water" which remain subject to approval by the NDEP or the District.)

C. Special Exceptions and Mitigations for Areas of Special Construction

1. TMWA shall review water projects which require the issuance and approval of a Special Exception as outlined in NAC 445A.6665 Special exceptions. Prior to approval by TMWA, Special Exceptions shall be coordinated with NDEP for concurrence, in order for NDEP to ensure statewide consistency. Upon concurrence, TMWA may issue the Special Exception.
2. NDEP will communicate approved Special Exceptions to local health districts with public water system oversight responsibility pursuant to NRS 445A.925.
3. TMWA may approve water projects that propose mitigation measures to comply with minimum requirements in NAC 445A.6715 - 445A.6718 (Separations and Crossings) based on the most current version of "Guidance for Areas Requiring Mitigation for Water and Sewer Separation" published on

the NDEP website by the BSDW and any additional clarifying interpretations provided by NDEP.

- a. Guidance location: <https://ndep.nv.gov/water/drinking-water/engineering-reviews>

D. Consolidation of Systems:

System consolidation plans and engineering designs shall be reviewed and approved by the regulatory agency that has oversight of the water systems being consolidated or annexed. Following the consolidation of any water system into the Main System or Satellite Systems, TMWA will ensure the new addition to the TMWA Public Water System is managed consistent with conditions under this Agreement. TMWA will coordinate with NDEP to ensure the consolidated system is integrated correctly into the Main System or Satellite Systems in the Safe Drinking Water Information System (SDWIS).

E. Satellite Systems

1. TMWA will provide an annual update of Satellite System's demand and system capacity to the District and NDEP to confirm compliance with section IV.B.1. and NAC. TMWA will seek concurrence with the District prior to approving any water project that would bring the system to within 10% of its capacity. Concurrence must be in written or electronic mail form and clearly outline the water project description, water demands, and final total capacity of the system upon completion.
2. The District and NDEP will perform the audit functions of section V.B. Due to the small number of projects in these systems, the District may audit up to 100% of the projects approved by TMWA in the audit period.

F. Exclusions:

1. NDEP and the District will not require TMWA to submit plans and specifications for projects of a maintenance or replacement nature. If the project modifies the pipeline replacement diameter by less than 50%, TMWA shall have the authority to make modifications in sizing. A modified pipeline diameter shall not exceed 18" without concurrence from the District or NDEP that the project can proceed as maintenance. If the project modifies the pipeline replacement diameter by more than 50%, TMWA shall request concurrence from the District or NDEP that the project can proceed as maintenance. TMWA must obtain approval from the District or NDEP prior to relining or recoating of reservoirs or storage tanks.

- G. TWMA will continue to provide the project applicant the approved TMWA water sheets, no water rights required letters and will serve letters for commercial plan review by the District.

- H. The Parties will meet twice per calendar year to discuss plan review challenges, solutions and related topics. These meetings shall be organized by NDEP with agenda items proposed by any Party. One of the meetings shall appropriately follow the Annual Program Audit after receipt of the TMWA information submitted by April 1st in section V.E. below. Unless otherwise agreed to by the Parties, the meetings shall be held in coordination with the Las Vegas Valley Water District and the Southern Nevada Health District. Additional ad hoc meetings among the Parties can be called as necessary.

V. EVALUATION & CONTINGENCY

- A. For the Main System, TMWA shall, within 30 days of the end of each quarter that this Agreement is in place, provide NDEP with a list of projects approved by TMWA, from the previous quarter. NDEP staff may randomly select not more than 15% of the applicable project(s) for audit. The quantity of

reviews shall be representative of the different types of projects having been approved. TMWA will supply NDEP with project documents for review and discussion to ensure ongoing consistency in review. NDEP may choose to reduce the frequency or quantity of reviews, but in no case will it be less than annual.

1. Upon completion of review of the Main System projects, NDEP will provide a letter with any comments from such review and that may include: concurrence with TMWA review of projects; comments on minor issues regarding TMWA review of projects for future reference; or comments on significant issues regarding TMWA review of projects that require a meeting with the District and NDEP to discuss discrepancies identified regarding such projects.
- B. For the Satellite Systems, TMWA shall provide the District and NDEP a list of all projects approved by TMWA by December 31st of each calendar year that this Agreement is in place. The District may audit all or any portion of such projects but in no case will be less than one project. NDEP may randomly select project(s) for audit, and the quantity of reviews shall be representative of the different types of projects having been approved but in no case will be less than one project.
1. Upon completion of the review of the Satellite System projects, the District and NDEP will provide a joint letter that may include: concurrence with TMWA review of projects; comments on minor issues regarding TMWA review of projects for future reference; or comments on significant issues regarding TMWA review of projects that require a meeting with the District and NDEP to discuss discrepancies identified regarding such projects.
- C. In the event that a TMWA water project review is found to have not met the minimum standards as established by applicable portions of NAC 445A or NRS/NAC 278, TMWA will provide a plan within 30 days to the District and NDEP identifying strategies for program improvement to ensure compliance with regulatory standards within an appropriate timeline.
- D. In the event that a project that has been approved by TMWA under this Agreement, is constructed, and is found to be in violation of applicable portions of NAC 445A and/or NRS/NAC 278, and the construction deficiency has the potential to adversely impact public health, TMWA shall, as soon as practicable, consult with the District and NDEP regarding a proposed remedy. In no case shall the timeframe for consultation exceed 5 working days.
- B. Annual Program Audit by NDEP and the District
1. Each year, by or before April 1st, TMWA will provide or make available to NDEP and the District for review at TMWA's office, the following information with respect to TMWA Public Water Systems.
 - a. A programmatic update identifying the professional engineers, and/or organization chart of TMWA staff, responsible for carrying out provisions in NAC 445A.65505 to NAC 445A.6731 and as required under NAC 445A.66705.
 - b. Copies of updated manuals of operations and maintenance and backflow/cross-connection control for the public water system (NAC 445A.6667 and NAC 445A.66105), as applicable, or notice that no updates were required.
 - c. A detailed summary of all water projects approved, completed or under construction for the previous calendar year, with an accounting of the quantity of new connections, as of December 31st of the previous calendar year.

- i. The annual reporting shall include detailed maps/GIS data depicting additions to the distribution systems dedicated to TMWA as infrastructure;
 - ii. Maps/GIS data of water facilities in subdivisions approved, but not yet dedicated, to TMWA;
 - iii. The Parties will work on a records system compliant with NRS 239 and 239C. TMWA will maintain a record of as-builts drawings for all water projects completed including approval of alternate construction, showing compliance with NAC 445A.6715 - 445A.6718 (Separations and Crossings), or other applicable regulations;
 - iv. A list of extensions of time to construct allowed by NAC 445A.6671;
 - v. Maps/GIS data on consolidated infrastructure into PWSID#0000190;
 - d. TMWA will make staff available to meet with the NDEP and District staff and run hydraulic models of interest to demonstrate the system's adequate flows and pressures, ensuring capacity by zone.
- C. NDEP and the District will evaluate the performance of TMWA to make sure that the commitments set forth in this Agreement are in good faith being met, or whether there exist other causes preventing their performance. Evaluation will occur, at a minimum annually, but can be conducted more frequently. Upon completion of the evaluation, NDEP and the District will meet with TMWA and discuss the findings of the evaluation, including any issues that need to be addressed going forward to meet the goals set forth in the Agreement.
- D. NDEP and the District will annually, during the 4th quarter of each calendar year, evaluate the effectiveness of this Agreement. If the Agreement is determined to be ineffective at achieving its intended purpose, NDEP and the District will consult with TMWA to determine the reasons for its ineffectiveness and develop recommendations for subsequent revisions to this Agreement. NDEP and/or the District may suspend or terminate the Agreement as provided in Section XIV.

VI. FUNDING

- A. The District will invoice TMWA, on a quarterly basis, an amount to recover the cost of staff time required to audit the TMWA processes as outlined in this agreement.
- B. This Agreement provides no financial obligation between NDEP and the District or NDEP and TMWA.

VII. DISPUTE RESOLUTION

- A. The Parties agree to work together in good faith to address and resolve any issues or dispute.
- B. The NDEP Administrator is the final decision-making authority for any dispute that is elevated to that level.

VIII. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of the Agreement, and to that end the provisions of this Agreement are declared to be severable.

IX. RESERVATION OF RIGHTS

- A. Except with respect to authority lawfully delegated to TMWA herein, nothing in this Agreement is intended to restrict the authority of any Party to act as provided by law, statute or regulation.
- B. This Agreement is not intended to, and does not create any right, benefit or trust responsibility by any party against the Parties to this Agreement, their respective agencies, officers, or any person.
- C. This Agreement is an internal agreement between the Parties and does not confer any right or benefit on any third person or party, private or public.

X. LIMITATIONS

Nothing in this Agreement shall be construed to require actions by the Parties which are inconsistent with local, State, or Federal laws and regulations or any court order.

XI. EXECUTION IN COUNTERPARTS

The Parties may execute this Agreement in counterparts, each of which is deemed an original and all of which constitute only one agreement.

XII. ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of the Agreement shall be deemed to exist or to bind the Parties hereto.

XIII. TERM & UPDATE

This Agreement shall expire on December 31, 2026. It is anticipated that the Parties will review this Agreement no less than 180 days prior to expiration, and either: (1) amend and reissue; or (2) renew without changes for an additional period. If the Parties fail to approve and execute a renewal of this

Agreement, with or without any amendments prior to the expiration date, then the Parties agree to adhere to the terms and conditions of this Agreement until a subsequent agreement is approved and executed by the Parties. If the Parties fail to approve and execute a subsequent agreement within 6 months of the expiration date, this Agreement will terminate.

XIV. MODIFICATION, SUSPENSION OR TERMINATION

At any point during this term, the Agreement may be modified with the consent in writing of all signatory Parties. Modifications to the Agreement will not result in a change to or extension of the initial term (Section XIII) of this Agreement unless specifically agreed by the Parties.

If an audit of the TMWA program reveals a material deficiency in the engineering plan review program, or if discovered by other means, NDEP and/or the District can temporarily suspend TMWA's authority to independently review water distribution infrastructure projects pursuant to this Agreement. The suspension shall require written notification by the NDEP Administrator and/or the District Health Officer. Such suspension will include specific items for TMWA to address in order to reinstate the authorities provided in this Agreement.

This Interlocal Cooperative Agreement will be effective until modified with the consent of all Parties, or until expiration (See Section XIII. Term & Update) unless terminated earlier by any party. Any Party may terminate the Agreement at any time, with or without cause by giving 30 days written notice of termination to the other Parties. Termination of this Agreement initiated by the District will require action by the District Board of Health. Termination of this Agreement initiated by TMWA will require action by the TMWA Board.

XV. INDEMNIFICATION/LIMITATION OF LIABILITY

TMWA shall indemnify, hold harmless and defend, not excluding the others' right to participate, the other parties from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity, which would otherwise exist as to any party or person, described in this paragraph.

The parties will not waive and intend to assert available NRS chapter 41 liability limitations in all cases.

XVI. SIGNATORIES

Each undersigned representative to this Agreement certifies that he or she is fully authorized by the Party whom he or she represents to enter into the terms and conditions of this Agreement and to execute and legally bind such Party to this document.

For the Nevada Division of Environmental Protection:

_____ Greg Lovato Administrator	Date	_____ Katie Armstrong Deputy Attorney General <i>Approved as to Form Only</i>	Date
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For the Washoe County District Board of Health:

_____ Oscar Delgado Chair	Date
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For the Truckee Meadows Water Authority:

_____ Mark Foree General Manager	Date
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STAFF REPORT

TO: Board of Directors
THRU: Mark Foree
FROM: John Enloe, Director, Natural Resources
Matt Bowman, Financial Controller
Kara Steeland, Hydrologist
DATE: October 5, 2021
SUBJECT: Discussion, possible action, and possible direction to staff regarding approval of funding for Portland Loos #2 and #3

Recommendation

Staff recommends that the Board approve funding to help with the design and installation costs for the second and third Portland Loos. The maximum amount of funding being requested is \$213,049 in total; however, the costs could be substantially less pending funding from other entities.

Project Overview

The One Truckee River (OTR) partnership is implementing a multi-phase project to increase the number of public restrooms along the river to improve water quality and conditions along the river. Three Portland Loo restroom facilities were purchased by TMWA using Washoe County funding in 2020. The below summary includes a brief overview of the existing installation of the first restroom and proposed future design and installation of the second and third Portland Loos.

Portland Loo at Brodhead Park – Year 1 Summary

The first Portland Loo was opened to the public at William Brodhead Memorial Park on August 17, 2020. Data has been collected since its installation to determine the successes and challenges of the project. Overall, community response for the new restroom facility has been very positive, and the metrics show that Phase I has been successful.

Community engagement and partnership has been key to Phase I success. Outreach has been completed by local non-profit organizations. Efforts have been focused on modeling, encouraging, and supporting unsheltered individuals and all river users to conduct litter cleanups and care more for the river and public facilities.

The following data metrics have been collected from July 2020-September 2021 (additional details on the metrics are provided in the attached spreadsheet):

- Human waste data in Brodhead Park was collected to determine if the new restroom would help decrease waste near the river. There have been issues with this metric due to the challenges of collecting data in the field. However, it does seem that waste has been decreasing in Brodhead Park due to the installation of the restroom. The waste count was 526 from July-September 2020 and was 140 from July-September 2021, indicating a 73% decrease in human waste at the park.
- From August 2020-September 2021, there have been 12,112 flushes at the restroom, which is an average of 30 flushes per day.
- Through September 2021, there have been 7 minor incidents that involved vandalism, including graffiti and issues with the door lock and handle. All minor damages were quickly repaired.
- There have been no major incidents in the restroom.
- As part of the effort to clean up the park surrounding the restroom, over 944 cubic yards of litter has been removed.
- Nearly 580 needles were collected and disposed. Additionally, from January to June 2021, Washoe County collected a total of 250 pounds of waste from the sharps disposal containers at the Portland Loo and in Brodhead Park (waste cannot be separated from the needles to count them due to safety concerns).
- There have been 152 referrals of unsheltered river users to human service resources.

Portland Loo #2 and #3

OTR has been working with its partners to identify locations for the two additional Portland Loo facilities purchased by TMWA. The proposed locations for these restrooms are John Champion Park and 1st St. near West St. Plaza, both in the City of Reno. The proximity of these locations to Brodhead Park will allow the staff and volunteers conducting public outreach to walk between the facilities, which is critical to success of the project. Maps of the proposed restroom locations are available in Attachment A.

In 2020, NDEP awarded OTR a grant supporting partial installation costs of the second Portland Loo. This funding will be used to install a restroom at John Champion Park, pending approval for additional funds by the TMWA Board. If funding is approved, TMWA would assist with the design work, and the restroom is anticipated to be installed in late spring 2022.

For the 1st St. at West St. Plaza location, OTR is submitting grant applications in October and November 2021 to NDEP and NV State Parks to help fund the design and installation of the third Portland Loo. Additional funding may be needed from TMWA if these grant applications are not approved. If funding is approved, TMWA would assist with the design work, and the restroom is expected to be installed in late fall 2022.

Financials/Budget

Attachment B contains detailed budget information for installation of Loo #2 and #3. TMWA has estimated total construction costs to be \$456k for both Loos. Contributions have been secured to offset construction costs for \$243k which leaves TMWA's net maximum costs at \$213k. However, OTR and TMWA staff are pursuing additional funding through a Nevada Division of Environmental Protection 319(h) grant and a Nevada State Parks Recreational Trails Program grant, which could reduce the net cost to as low as \$33k.

TMWA would be responsible for funding the annual operating costs of the Loos which are estimated to be \$33k per year, per restroom. Through the Washoe County River Stewards program, \$21k has been pledged as support for one year of maintenance. Staff will continue to pursue ongoing partnerships with local organizations to assist in the operating costs of the Loos.

Attachments

Attachment A: Proposed Locations for Portland Loo #2 and #3

Attachment B: TMWA Budget for Portland Loo #2 and #3



Truckee River Restrooms Phase 2
John Champion Park

DATE: August 5, 2020
MAP BY: jpb
REQ BY:
SCALE: 1 inch = 64 feet





Truckee River Restrooms Phase 2

West St Plaza

DATE: August 5, 2020

MAP BY: jpb

REQ BY:

SCALE: 1 inch = 64 feet



Truckee Meadows Water Authority			
Truckee River Restroom (Loos 2 and 3)			
Financials/Budget			
	Restroom 2	Restroom 3	
	John Champion Park	West St. Plaza	Total
Construction Costs			
Restroom	102,333	102,333	204,665
Design/Installation*	138,075	113,660	251,735
Total	240,408	215,993	456,400
Contributions (Construction)			
Washoe County (SQ#1)	102,333	80,485	182,818
Washoe County Health District	5,267	5,267	10,534
NDEP	50,000	-	50,000
NV State Parks	-	-	-
Total	157,600	85,752	243,352
Net TMWA Cost for Construction (high end)	82,808	130,241	213,049
Potential Contributions (Construction)			
NV State Parks	-	133,816	133,816
NDEP**	49,920	-	49,920
	49,920	133,816	183,736
Net TMWA Cost for Construction (low end)	32,888	-	32,888
Operating Costs (annual)			
Annual costs	32,953	32,953	65,906
Total	32,953	32,953	65,906
Contributions (Operating costs)			
Washoe County River Stewards (TRF)***	21,000	-	21,000
Net TMWA Cost for O&M	11,953	32,953	44,906
* Does not include TMWA internal staff time which is estimated at \$25k and \$20k for Loos #2 and #3, respectively.			
** Could be used for operations if desired or appropriate (ie for grant funding match, etc.)			
*** Funded for year 1 for Loo #2, however could be allocated in the future if desired			



Truckee River Restroom Project

**Phase I and II Overview
Presentation to Truckee Meadows Water Authority
October 20, 2021**

The One Truckee River Management Plan was unanimously approved by the following municipalities in September of 2016:


City of Sparks
on September 26, 2016

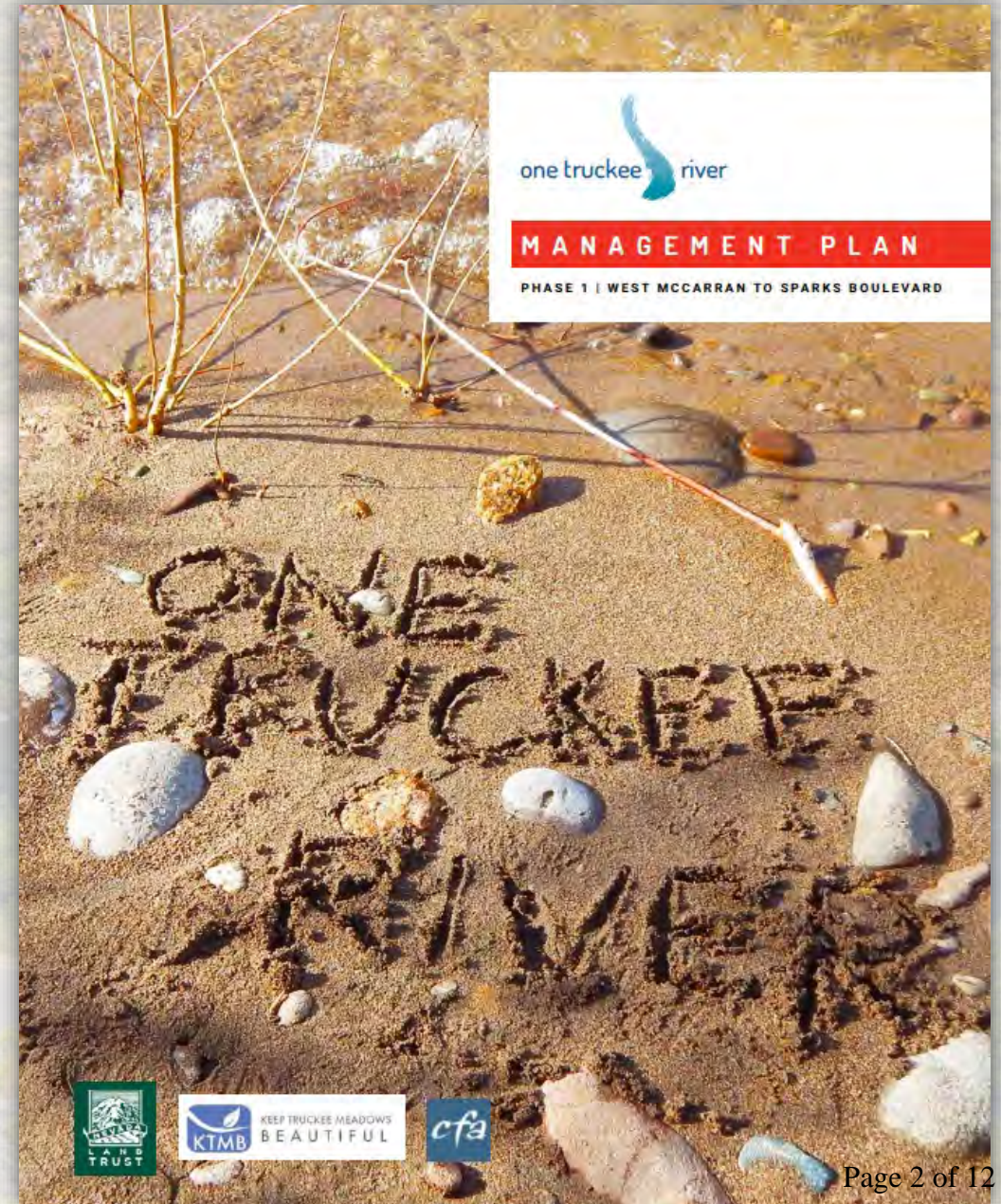

Washoe County
on September 27, 2016


City of Reno
on September 28, 2016

The One Truckee River Management Plan
received the following awards in 2016:

2016 Golden Pinecone Innovation Award

2016 American Planning Association Outstanding Environmental Plan





Phase I Overview

William Brodhead Memorial Park



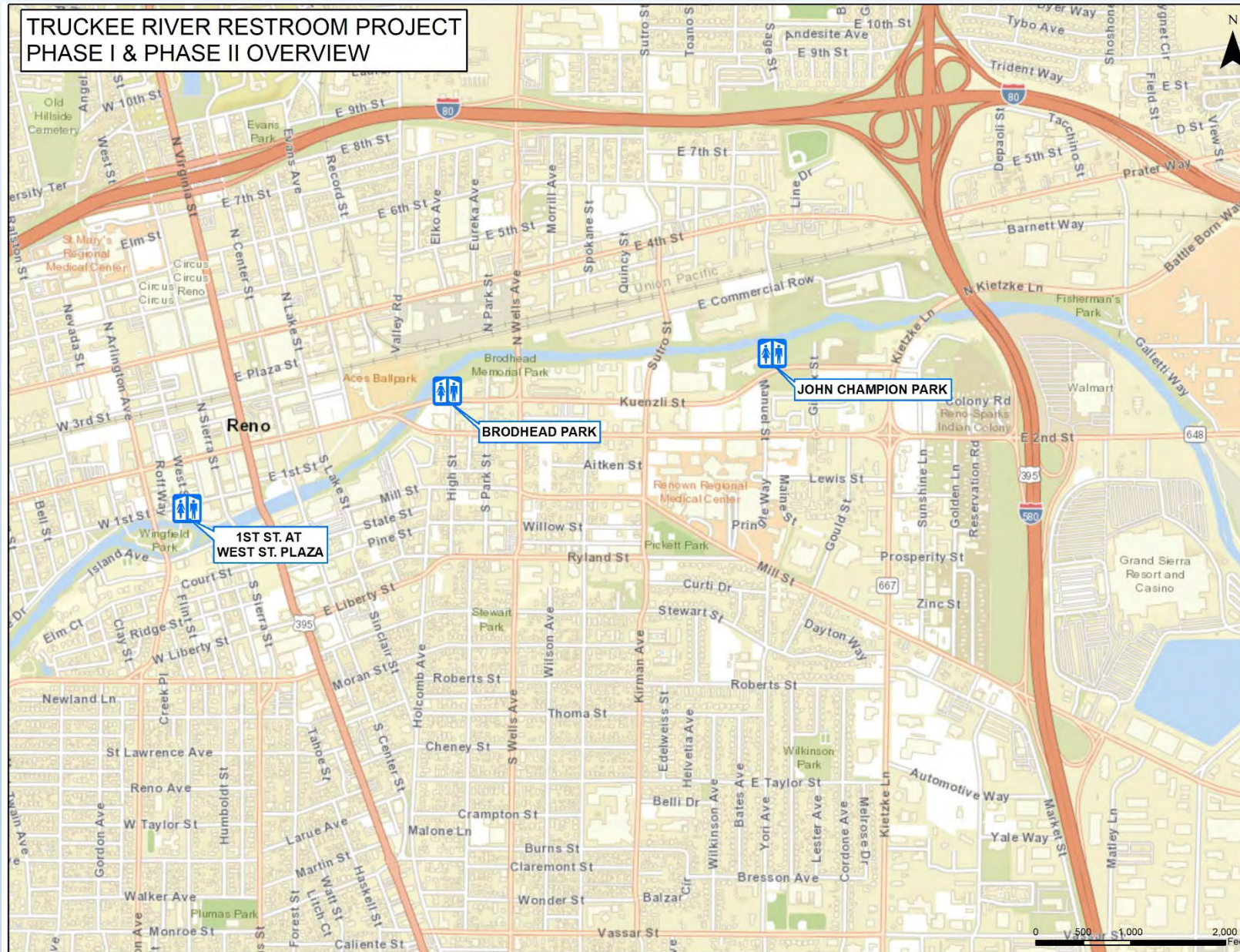


Restroom Operations	July-Sept. 2020	Oct.-Dec. 2020	Jan-March 2021	April-June 2021	July-Sept 2021
Surrounding feces - human and pet waste	526	618	116	357	140

Restroom flushes	12,112 total flushes from Aug. 17, 2020 to Sept. 2021 equaling an average of 30 flushes a day.
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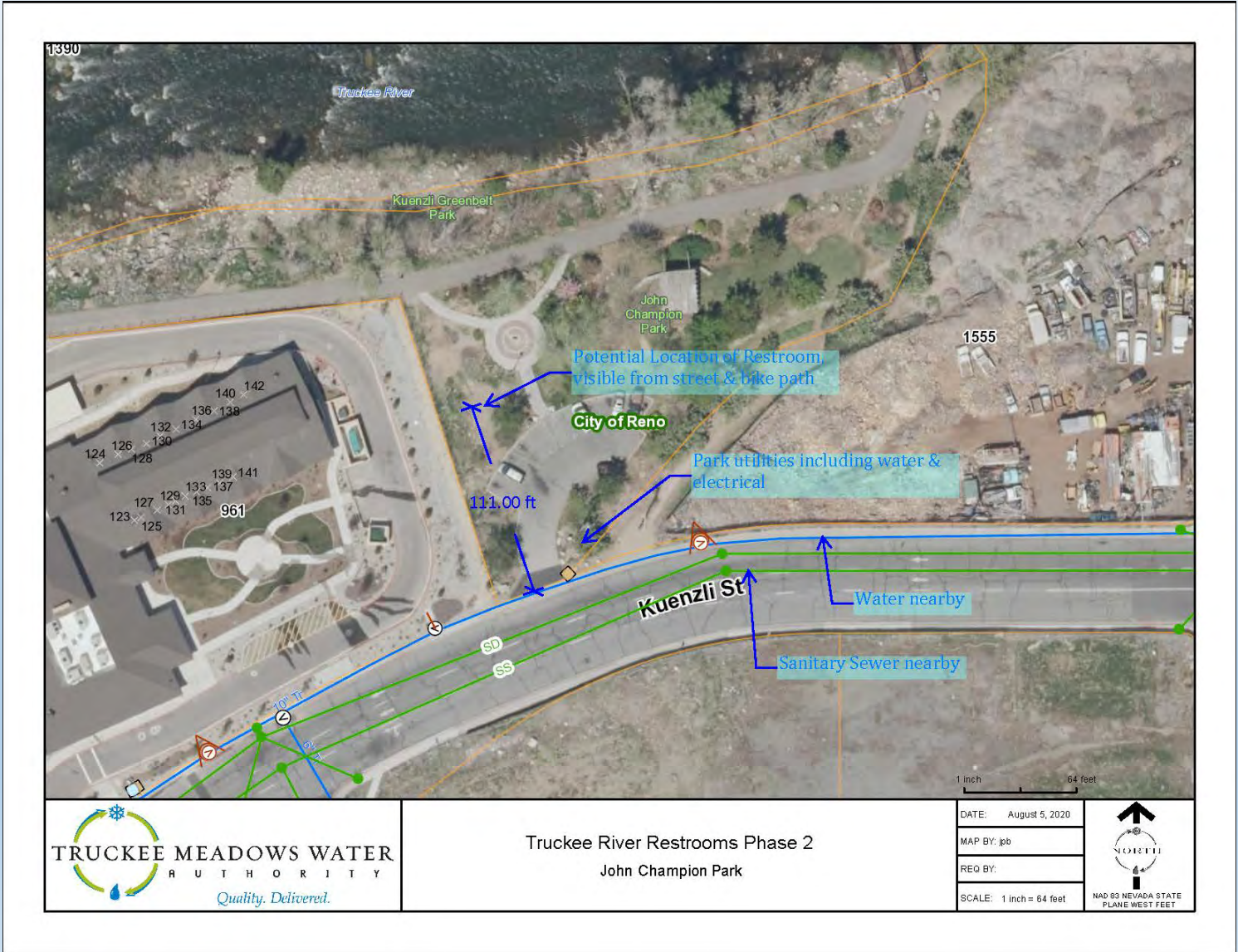
Restroom Operations	July-Sept. 2020	Oct.-Dec. 2020	Jan-March 2021	April-June 2021	July-Sept. 2021	Totals
Major restroom incidents	0	0	0	0	0	0
Minor restroom incidents	1	1	2	1	2	7

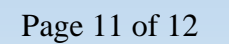
Restroom Operations	July-Sept 2020	Oct-Dec 2020	Jan-March 2021	April-June 2021	July-Sept 2021	Totals
Litter removed (cubic yards)	250	368	26	58	243	944
Needles removed	289	171	13	107	0	580
# of referrals to services to unsheltered river users	13	13	51	46	28	152



Phase II Overview

John Champion Park





Phase II Overview

1st St. at West St. Plaza Loo Rendering





STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: John Enloe, Director, Natural Resources
Matt Bowman, Financial Controller
Lydia Peri, Emerging Resources Program Administrator
DATE: October 6, 2021
SUBJECT: **Presentation of pilot study results, project status, discussion and potential direction to staff on potential deal points for a future Interlocal Agreement (ILA) with the City of Reno for the OneWater Nevada Advanced Purified Water Demonstration Project at American Flat**

Recommendation

To authorize staff to negotiate and bring back an Interlocal Agreement (ILA) between TMWA and City of Reno for design and construction of the OneWater Nevada Advanced Purified Water Demonstration Project (Project) at American Flat. TMWA and City of Reno staff support the Project as a responsible and reliable tool to provide regional resource reliability and drought resiliency in conjunction with effective effluent management.

Summary

Under previous direction from TWMA's Board of Directors and Reno's City Council, TMWA and City of Reno staff have collaborated and agreed to potential ILA deal points for the Project's design, construction and operation.

If TMWA's Board also supports the deal points outlined below, the Parties intend to present for each governing body's consideration an agreement.

The Project

OneWater Nevada is a unique effort initiated by TMWA, City of Reno, University of Nevada - Reno, City of Sparks, Washoe County, Northern Nevada Water Planning Commission, Western Regional Water Commission, and the Truckee Meadows Water Reclamation Facility to evaluate and determine if the State of Nevada's recently adopted Category A+ reclaimed water quality, or advanced purified water, offers regional long-range water resiliency and water supply benefits.

The potential benefits from this Project within the TMWA service area, include:

- Provide a local, reliable, drought-proof water supply;
- Reduce reliance on the Truckee River water supplies;
- Reduces groundwater demand;
- Enhance the region's water supply resiliency to help address future uncertainties of climate change, such as longer growing season, snowpack changes and runoff timing;
- Underground storage of APW to increase storage capacity and reduce water loss from evaporation;
- Allow for utilization of the expanded Reno-Stead Water Reclamation Facility (RSWRF) treatment capacity incrementally as the effluent management component is addressed.

Potential Deal Points

1. Construction Cost of Initial Facility and Pipeline: 30% TMWA / 70% Reno

- a. The recommended project of 1 to 2 million gallons per day, currently estimated at \$100m.

2. Construction Cost of Future Effluent Reuse Transmission Main (Red Rock Reservoir Option): 100% Reno

- a. Additional pipeline for future Class A effluent reuse transmission main, estimated at \$15m.

3. Ongoing O&M costs: 50% TMWA / 50% Reno

- a. This includes the following components: Coagulation, Flocculation, Clarification Process, Transfer Pump Station, APW Facility unit processes, Export Pump Station, APW Polishing Facility, Injection Wells, Extraction Wells and associated appurtenances, American Flat Farm, American Flat Farm irrigation holding pond and irrigation facilities, Demonstration Center (O&M only), Permit Fees, Public Outreach, and Administration. Annually estimated at \$1.7m.

4. Revenue from future sale of water rights: 40% TMWA / 60% Reno

- a. Water rights generated by the Project have an estimated value of \$40,000+/acre foot and the planned treated water volume will create approximately 2,000 acre feet for potential revenue in excess of \$80m.

5. Replacement Cost for facilities (estimated average useful life is 30+ years):

- a. TMWA responsibility
 - i. All APW Facility unit processes downstream of the Transfer Pump Station
 - ii. Export Pump Station
 - iii. APW Polishing Facility
 - iv. Injection Wells
 - v. Extraction Wells and associated appurtenances
- b. Reno responsibility:
 - i. Coagulation, Flocculation, Clarification process

- ii. Transfer Pump Station
- iii. Portions of the American Flat Farm utilized for City purposes, and not related to the APW Facilities, treatment, injection, extraction and management of A+ water
- c. Shared 50/50 responsibility between Reno and TMWA:
 - i. American Flat Farm (during prove up period)
 - ii. American Flat Farm irrigation holding pond and irrigation facilities (during prove up period)
 - iii. Any Portions of the American Flat Farm, including irrigation holding pond and irrigation facilities still required for disposal of extracted water or disposal of other flush water, backwash water or other similar, after the prove up period has ended

6. Other Considerations:

- a. TMWA to administer design and construction of project from 30% design forward, including Construction Manager at Risk (CMAR), at 70/30 cost share, City of Reno and TMWA respectively.
- b. Proceeds of grants to be apportioned according to initial construction cost share of 70/30, City of Reno and TMWA respectively.
- c. Administration costs for design, project management, grants, design review, CMAR Administration to be included in overall project costs and internal cost tracking to be described within the ILA.
- d. It is the intent of this agreement that RSWRF will continue to discharge to Swan Lake as needed for operational purposes as per the existing discharge permit with Nevada Department of Environmental Protection (NDEP).

The cost and revenue allocations were developed to result in a commensurate financial burden to each entity based on the Project's benefits to each entity. Based on the City of Reno's more urgent need for an effluent management solution, and TMWA's longer range need for water resiliency and diversifying its water portfolio, construction costs, ongoing operations and maintenance costs and associated water rights revenues were considered in the ILA's financial analysis.

Financial Impact

TMWA's share of estimated construction costs, operating costs and water rights revenue, result in a net cash outlay which will be paid for by the following items –

- Water Resource Sustainability Program
 - Initial funding - \$5m
 - Annual funding through FY 2026 (100% of proceeds; \$1.6m/year)
 - Annual funding through FY 2050 (50% of proceeds; \$0.4m/year)
- Water Service Facility fees (Supply & Treatment)
 - \$755/gallons per minute (gpm)

While there will be benefits shared across the service territory, including for existing customers, the Project is expected to have little to no financial impact on existing rate payers. TMWA has adequate cash balances to fund the project up front with reimbursement throughout construction and operation from City of Reno for their cost share portion as stated above. TMWA does not intend to issue new debt to finance the Project.

It should be noted that TMWA and City of Reno staff are aggressively pursuing funding opportunities for the Project to offset construction costs. The financial information provided above does not consider the opportunity to receive grants or other funding mechanisms. There are currently several state and federal options. Staff believes this Project meets many qualifications for federal award programs given the unique nature of the Project, multiple stakeholders, and broad regional benefits. Specifically, drought resiliency, climate change, potable reuse, and new water supply are commonly considered when awarding federal and state financial assistance.

Attachments

Basis of Design Report, OneWater Nevada Advanced Purified Water Demonstration Project at American Flat, AECOM 2021.



OneWater Nevada
Our Sustainable Water Future

10-20-21 BOARD Agenda Item 11

Advanced Purified Water Demonstration

October 20, 2021



Water Quality Objectives – Category A+ Requirements

- 💧 Federal Primary Drinking Water Regulations
- 💧 Nevada Secondary MCLs
- 💧 12/10/10 LRV Enteric Virus, Giardia and Cryptosporidium
 - 3 pathogen barriers
- 💧 Remove unregulated constituents to below health guidance levels
- 💧 Requires environmental buffer
- 💧 No regulated TOC limit – internal goal of 2 mg/L
- 💧 No blending requirement



Pilot Demonstration Treatment Train



- 💧 Pathogen removal
- 💧 Turbidity reduction
- 💧 TOC reduction



- 💧 Pathogen inactivation/removal
- 💧 Degrade organic compounds
- 💧 TOC reduction



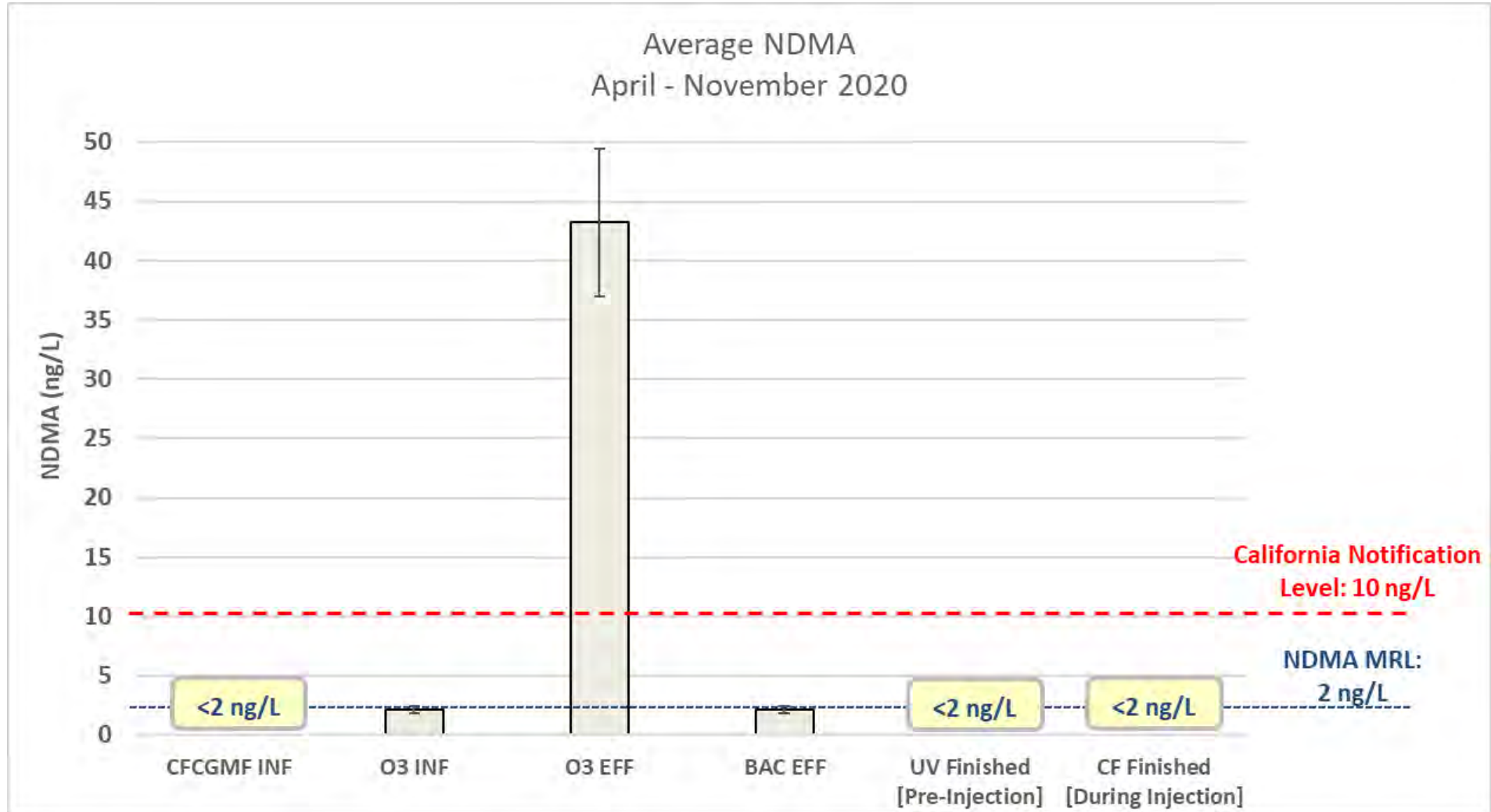
- 💧 Pathogen removal
- 💧 Turbidity reduction
- 💧 TOC reduction

National Primary MCLs

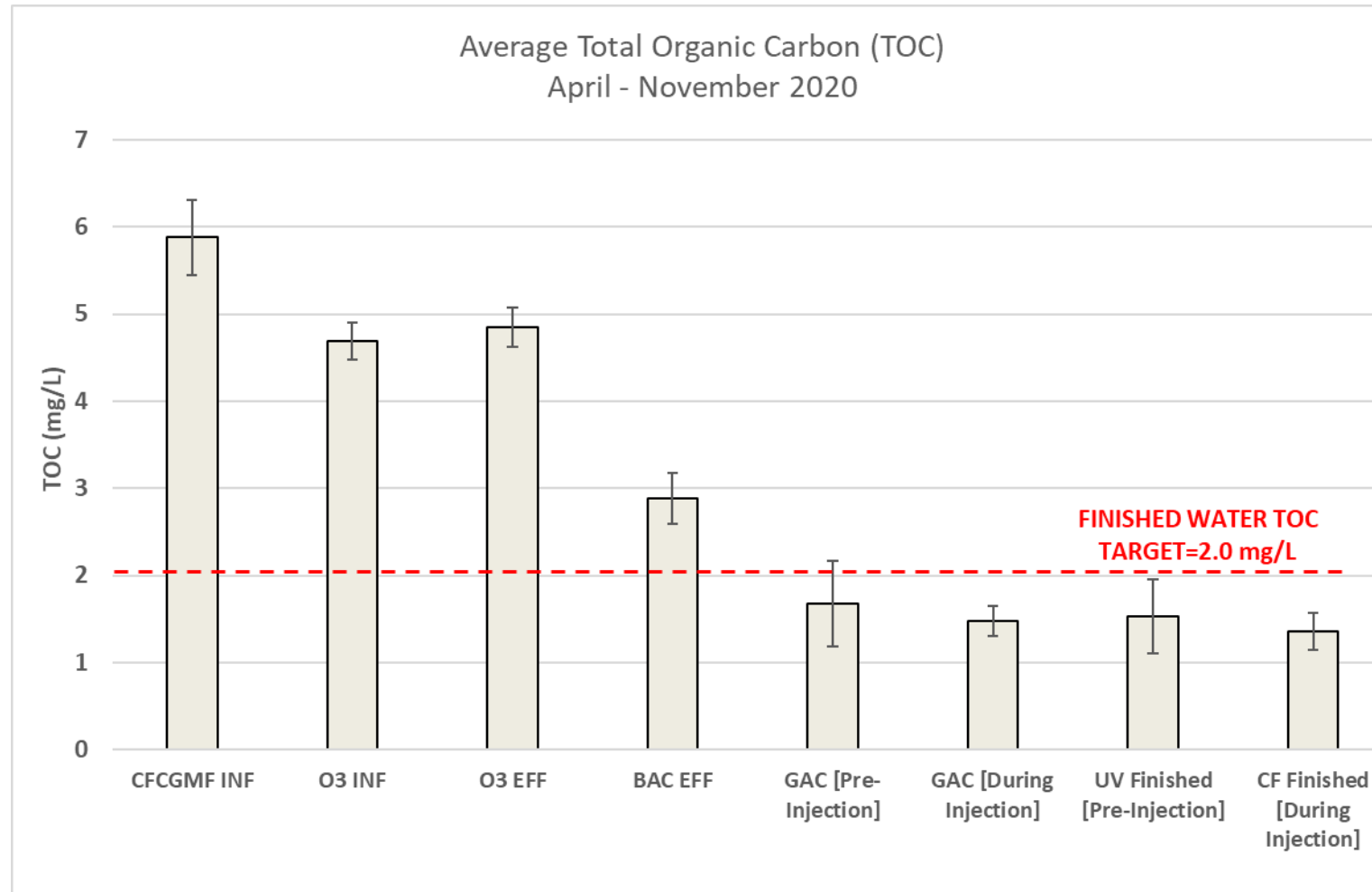
Select Contaminants	Units	CFCGMF Influent	UV-Finished Water (Pre-Injection)	CF-Finished Water (During Injection)	MCL
Arsenic	µg/L	5.65±0.82	3.77±1.34	3.82±0.23	10
Barium	µg/L	22.65±4.03	17.60±1.11	14.25±1.84	2,000
Nitrate	mg/L as N	4.49 ± 0.93	4.75 ± 1.25	5.98±0.19	10
Total Chromium	µg/L	5.50±1.09	4.97±1.24	5.04±0.07	100



NDMA

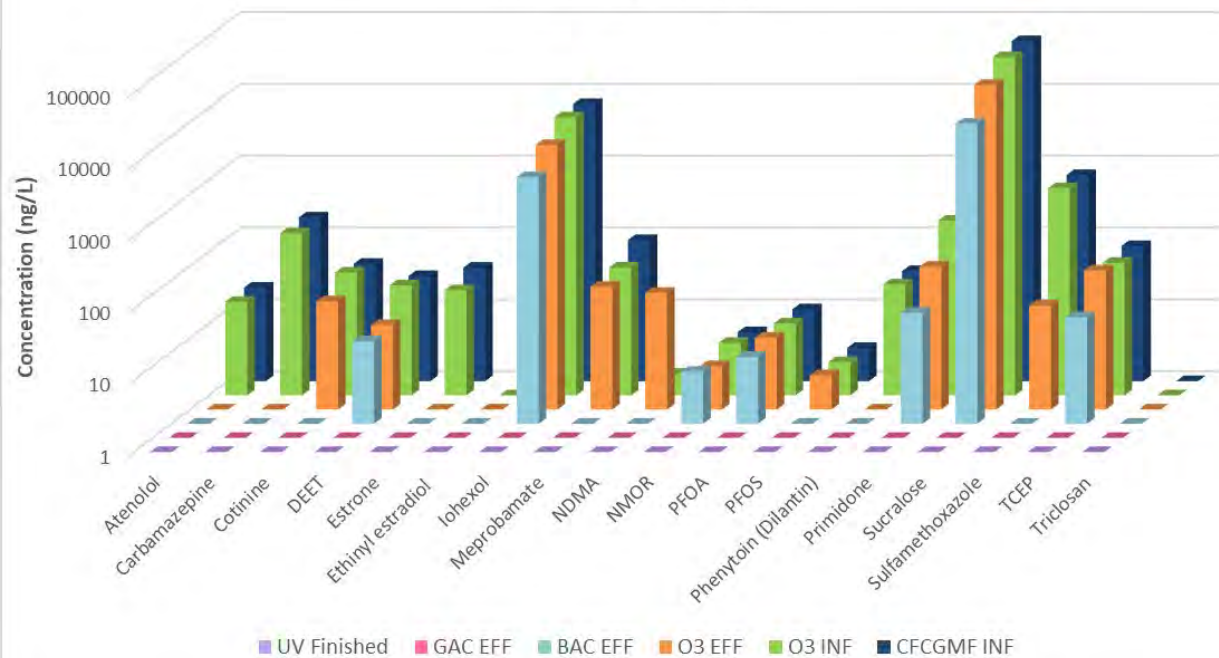


Total Organic Carbon

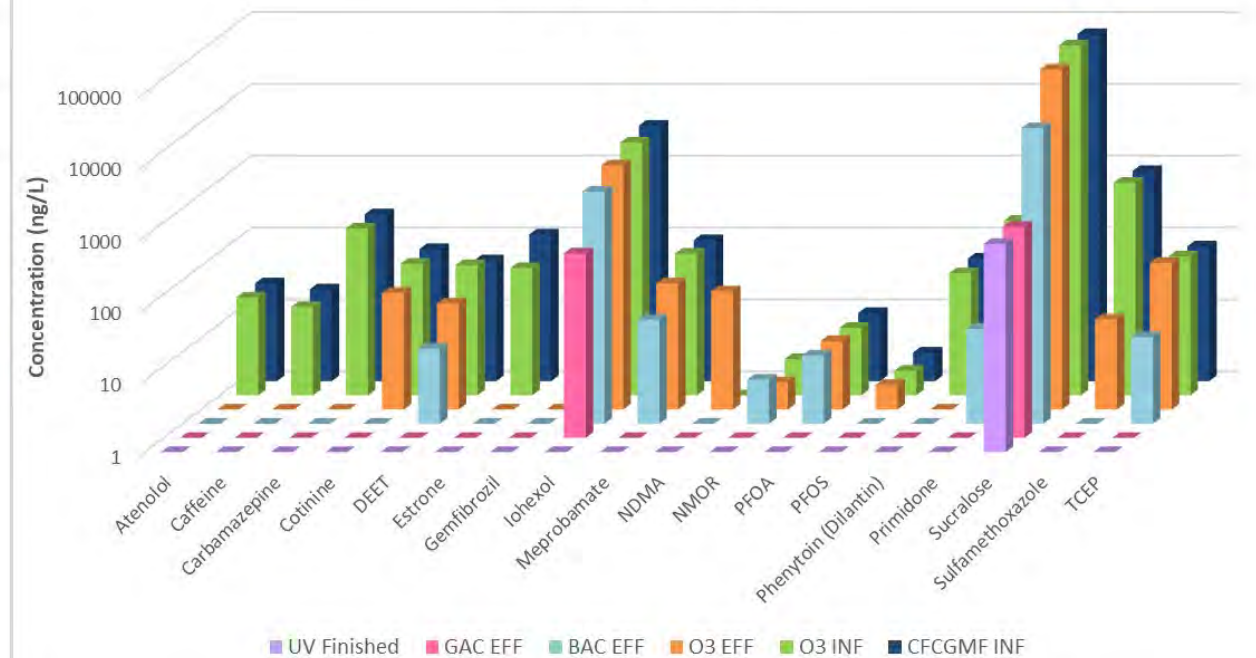


CECs: Pre-Injection

Unregulated Constituents - Sample Event 1
(4/28/20 - Pre-Injection)



Unregulated Constituents - Sample Event 3
(6/16/20 - Pre-Injection)



Non-detect values
displayed as <1 ng/L
in all plots



Summary of Results

- 💧 All water quality regulations and objectives were met
 - National Primary Drinking Water contaminants were below MCLs
 - NV Secondary contaminants were below SMCLs
 - Pathogens were non-detect or zero
 - Unregulated CECs were non-detect or below guidance levels
- 💧 Successfully injected 220,000 gallons of A+ water
- 💧 Conventional water treatment approaches show promise
- 💧 Carbon-based APW treatment train has been selected for future planning in the area





STAFF REPORT

TO: TMWA Standing Advisory Committee
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, Chief Financial Officer/Treasurer
DATE: September 22, 2021
SUBJECT: **Presentation and discussion, possible action and possible direction to staff regarding preliminary funding plan for Fiscal Years 2022 through 2026**

Recommendation

Recommendation to accept the five-year funding plan as presented. The Board of Directors approved the three remaining 2.5% increases for May, 2021, May, 2022, and May, 2023 at their April, 2020 meeting. In May, 2021 the first 2.5% rate increase was implemented. The two remaining 2.5% increases should be implemented as approved. The SAC and the Board will continue to monitor the closing of the funding gap between recurring revenues and the cost of servicing TMWA customers, based on the funding plan annually.

Summary

At the April, 2017 TMWA Board meeting, the TMWA BOD approved Resolution No. 250 which included rate increases of 3% in May, 2017 and May, 2018 and additional rate increases of 2.5% in May, 2019 through 2021 to be brought for reconsideration to the SAC and BOD before they are implemented. Principal payments on Senior Lien debt were deferred in the 2016 Bond Refunding to give TMWA time to bring rates in line with cost of service. Annual principal payments averaging \$11 million annually resumed in 2020, and should be covered by recurring revenue, which is mainly water sales. Increases of 3% in May of 2017 and 2018 were implemented, and the 2.5% rate increase scheduled for May, 2019 was deferred. The three remaining approved increases were deferred until May 2021, May 2022, and May 2023 at the August, 2020 Board meeting, due to uncertainties related to the onset of the pandemic. In May, 2021 the first of three 2.5% increases was implemented.

The 2022-2026 Draft funding plan (See *Attachment A*) shows that rate adjustments are still necessary to close the funding gap between recurring revenues and the cost of servicing the customer base. Increases in water sales revenues, hydroelectric revenues, other operating revenues, as well as investment earnings have helped to close some of the funding gap. Higher than anticipated cash balances over the past few years resulted in higher than originally anticipated investment earnings. One time cash windfalls of

\$21.4 million from an insurance settlement related to Farad, and \$9.5 million from banks for releasing them from Forward Delivery Agreements have placed TMWA in a strong cash position; However, the funding gap is projected to be \$6.3M or 4.8% in FY24, after the two remaining 2.5% rate increase are implemented. TMWA needs these increases to maintain critical financial goals which are essential to maintain adequate cash balances and investment grade credit ratings.

This high-level presentation is based upon very detailed financial projections. Assumptions used in these financial projections can be found in ***Attachment B***. The funding plan is different from the budget. When staff prepares the budget we must ensure that we have enough expenses projected to cover all reasonable scenarios. Since the funding plan is used to decide whether a rate increase is necessary, it is more conservative in projecting expenses and uses the CIP plan to predict actual spending based on prior years actual spending as a percent of CIP projections. In this report we have focused on how TMWA's original projections from 2017 compared to actual results (the last five years), and what we project in the 2022-2026 funding plan (the next five years).

Discussion

Critical financial goals for TMWA that need to be considered in these funding plans are as follows:

- Maintain recurring revenues sufficient to cover the cost to serve customers.
- Maintain a senior lien coverage (DSC) ratio that not only meets bond covenants (1.25x) but also meets the board designated goal of 1.5x.
- Maintain sufficient cash balances to facilitate the payment for rehabilitative capital projects on a pay-go basis.
- Maintain high investment grade credit ratings to effectively access credit markets.

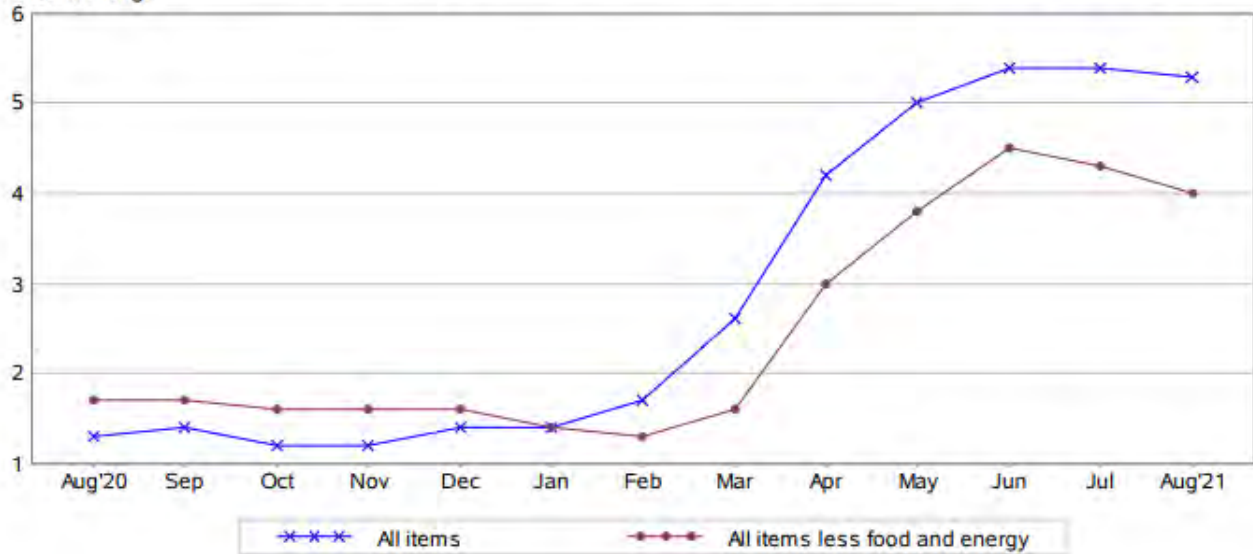
The funding plan analyzes the ability of TMWA to fund the cost to serve customers which includes operating expenses, principal and interest payments on current outstanding debt related to customers, and all capital improvements presented in the TMWA Capital Improvement Plan (CIP) that relate to maintaining service for current customers from recurring revenues. Recurring revenues are comprised of water sales, hydroelectric revenues, other miscellaneous operating revenues and investment income with water sales making up anywhere from 90 to 95% of recurring revenues. If recurring revenues are less than the cost to serve customers this is referred to as a funding gap.

Critical Risks for TMWA to consider related to this funding plan include:

- Two rate increases of 2.5% are approved by the Board before TMWA must begin the public meeting process for any future rate increases. Staying the course with the plan will result in small cost of living type increases over time, thus avoiding a large increase in the future.
- This funding plan does not predict any conservation that may occur due to possible drought conditions, and it assumes that there will be river flows to operate hydroelectric plants in 2023-2026. Drought could lower Recurring Revenues considerably or by as much as \$12M annually.

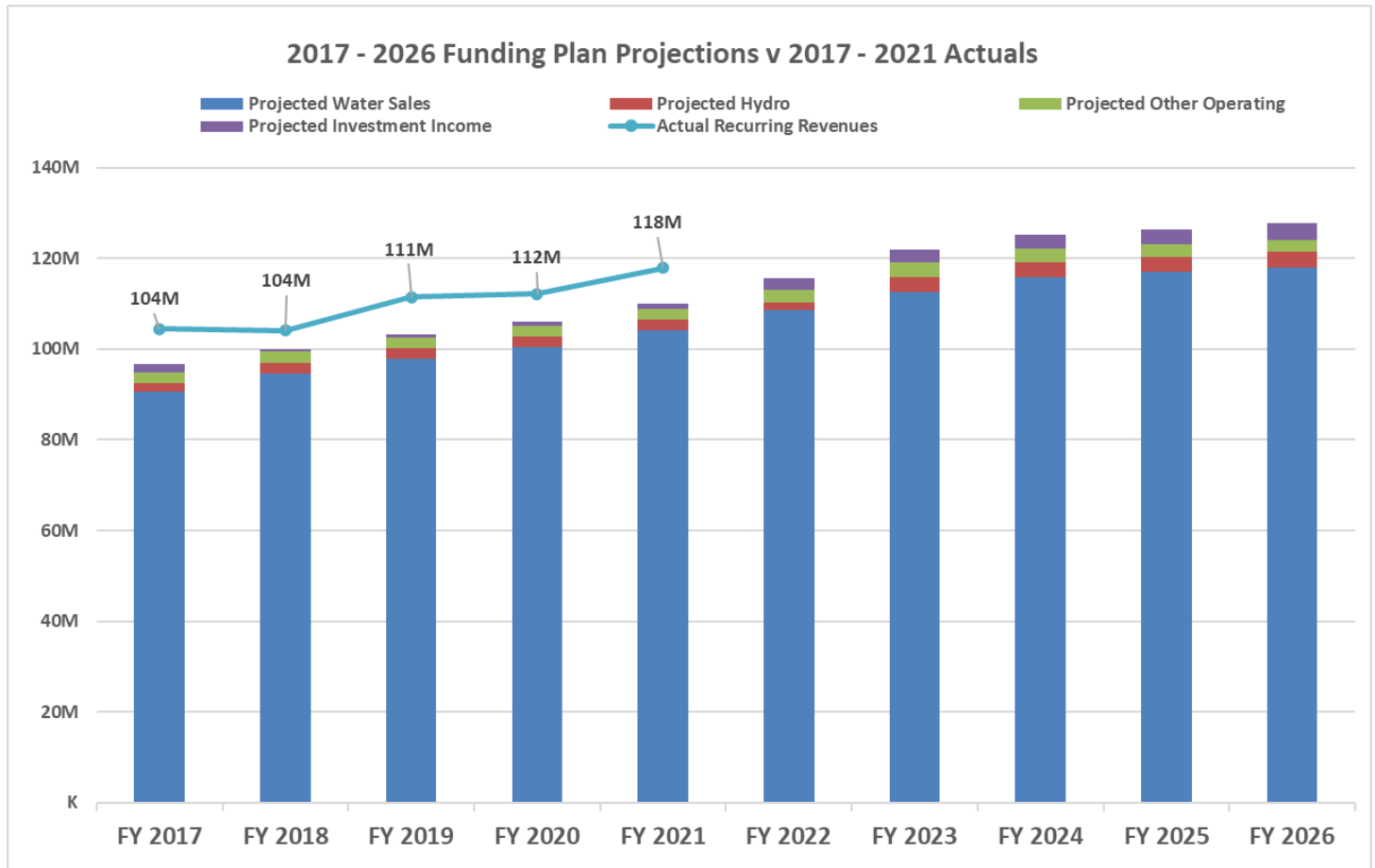
- Growth is assumed to continue tapering down from 2.22% in 2022, to 1.25% in 2026, with collections of \$73.8M in developer contributions, and \$19.4M in Will-Serve sales. While growth is not included in the calculations of the funding gap, cash balances will be affected if growth drops off.
- The 12-month CPI is currently at 5.3% for all items and 4.0% for all items less food and energy which is significantly higher than the 2.5% rate increase proposed. (Source: Bureau of Labor Statistics, US Department of Labor – see below)

Chart 2. 12-month percent change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Aug. 2020 - Aug. 2021
Percent change



RECURRING REVENUES

The following graph compares the original projections for recurring revenue presented in the funding plan in fiscal year 2017 to actual results in 2017-2021, and shows projections in the funding plan for 2022-2026.



Water Sales Revenue

Over the last five years, water sales revenues have rebounded somewhat from drought levels, and TMWA has experienced growth in service connections annually. Weather in the TMWA service area has been warmer which has been a significant contributor to increased water sales revenue. The 2022-2026 funding plan is based on average usage per connection over the last 5 years. Growth in connections over the next five years uses projections from the 2020-2040 Water Resource Plan.

Hydroelectric Revenue

Hydroelectric revenues were higher than expected over the past five years due to the end of the drought which increased river flows during the period. In the 2022-2026 funding plan hydroelectric revenues are expected to be low in 2022 with repairs being performed while river flows are lower. 2023-2026 assume sufficient Truckee River flows to operate the hydro plants, with only occasional shutdowns for maintenance. This could change depending on weather patterns.

Other Operating Revenue

The largest components of other operating revenue are inspection fees, service call charges, late fees, and construction water sales. In the last five years other operating revenue was also higher than

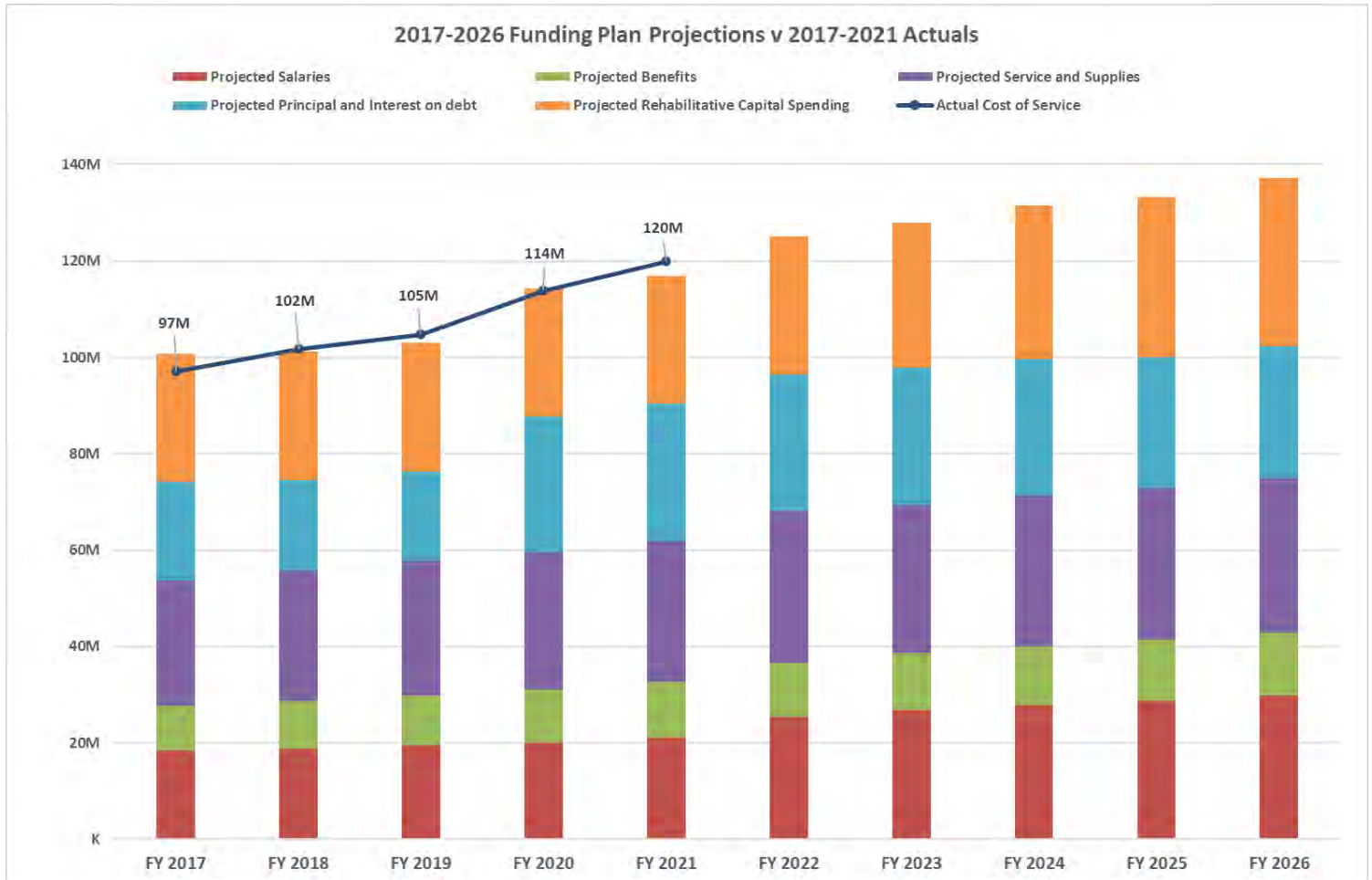
expected. This was mainly due to higher inspection fees and construction water sales due to a rebound in growth in the area. This is the only component of recurring revenue that is slightly affected by growth, as it is necessary for revenue from growth to pay for growth. All other revenue related to growth is considered non-operating. The funding plan for 2022-2026 assumes implementation of higher rates for inspections as of January, 2022 with most other charges remaining at historic levels.

Investment Income

Investment income has been significantly higher than anticipated in the original funding plan, providing an additional \$14 million dollars over the past five years. This is the greatest fluctuation in total dollars from 2017 original projections in all revenue categories. TMWA had several one-time cash infusions as mentioned earlier which totaled \$30.9 million. Higher cash balances, combined with higher interest rates over the period resulted in the significant increase in investment income. Unfortunately, in the upcoming 2022-2026 funding plan, investment income is expected to decline due to much lower interest rates.

COST OF SERVICE

The following graph compares the original projections for cost of service presented in the funding plan in fiscal year 2017 to actual results in 2017-2021 and shows projections in the funding plan for 2022-2026.



Salaries

Salaries expense was slightly higher over the last five years (less than \$1M average per year) than projected. This fluctuation is a combination of overstaffing for retirements and succession planning, hiring due to growth in the service area, and slightly higher than anticipated salary increases. Salaries in the 2022-2026 funding plan include significant turnover due to retirements, and some overstaffing for training in critical positions. There is an increase in headcount of 7.2%, or 17 over the next five years. Headcount increases include: 5 in Operations, 4 in Security, 4 in Engineering, 3 in Business Information Systems, 1 in Natural Resources. Wage increases are forecasted at 2.5% annually. The Board will be able to approve each year's annual budget to approve all actual increases in headcount and salaries.

Benefits

Benefits expense was also slightly higher over the last five years. A change in accounting principles for the Post Employment Medical plans accounts for a \$3M non-cash adjustment to increase benefits expense in fiscal year 2018. This was a noncash adjustment. Benefits are expected to increase based on increases in salaries.

Service and Supplies

This category came in slightly lower than projected by 1.5%. Staff works diligently to keep costs as low as possible. In the next five years, there are annual decreases of \$0.6 million beginning in fiscal year 2022 due to implementation of a new Customer Information System which is more economical, annual decreases in fuel costs of \$0.08 million due to the fuel station built onsite at TMWA's Capital Blvd. location, and annual decreases of \$0.2 million in power expenses when the Orr Ditch hydroelectric facility comes online in fiscal year 2023. Increases in costs include operation of the new Mt. Rose treatment plant for \$0.75 million annually beginning calendar year 2022.

Principal and Interest on Debt

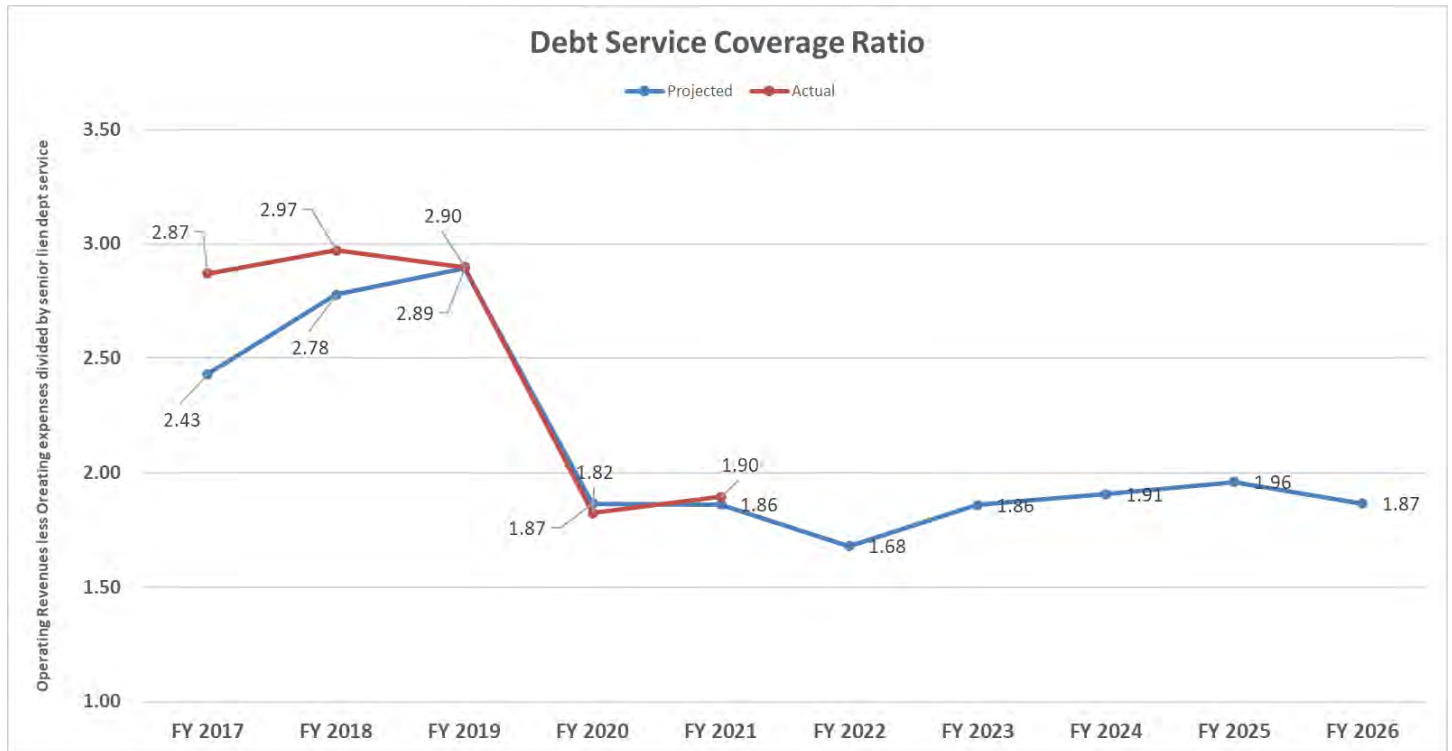
Principal and Interest payments were as expected over the last five years, with a delay of principal payments in fiscal years 2017 through 2019. Principal payments resumed in fiscal year 2020 at approximately \$11 million annually. Those debt payments will continue, barring any bond refunding, for the next 10 years and will then increase in 2032 – 2035 by another \$6 million, before they decrease.

Rehabilitative Capital Spending

Capital Spending related to maintaining the water system should be covered by customer revenue. Estimates for customer funded capital spending were approximately \$28 million a year in the 2017 funding plan. Actuals were very close in 2017 through 2019, but in fiscal year 2020, \$25 million was spent on maintaining the system, with more spending on developer funded projects. Expected spending in the next five years is \$28.6 million in 2022, increasing to \$35.0 in 2026.

DEBT SERVICE COVERAGE RATIO

The debt service coverage (DSC) ratio is an important ratio that is watched by rating agencies, banks and investors. This ratio uses the net operating income (operating revenue less operating expenses) and divides it by the senior lien debt service. TMWA's debt covenants require that we maintain a DSC ratio of 1.25x. The Board has set a goal of 1.5x. The following graph shows the projected DSC ratio from the funding plan compared to the actual DSC ratio experienced in 2017 – 2021, and what is projected 2022-2026.



The graph shows that the TMWA DSC ratio was very close to what was anticipated, and dropped dramatically when debt principal payments of \$11 million annually resumed in FY2020. In the new funding plan DSC begins at 1.68x, and stays above that in the five-year period with the implementation of the two 2.5% rate increases in 2022 and 2023.

CASH BALANCES

Maintaining sufficient cash balances is critical to maintaining the financial health of TMWA, and is a key factor in maintaining TMWA's credit ratings. TMWA's credit ratings are currently AA+, outlook stable from Standard and Poor's, Aa2, outlook stable from Moody's and AA, outlook positive from Fitch. These are very good ratings, and require careful planning to maintain. When the Board voted to increase the rate stabilization fund in September of 2018, it was part of a financial policy adopted by Resolution 266 to ensure that TMWA maintains adequate cash balances, both restricted and unrestricted. As mentioned earlier, \$30 million in unexpected cash infusions have significantly helped the strength of TMWA's cash position. Over the next five years cash is projected to decrease by \$6.6 million, with unrestricted cash increasing by \$2.2 million. The stability of the cash balances in the funding plan anticipate \$73.8M in developer contributions, and \$19.4M in Will-Serve sales over the next five years, as mentioned earlier. We are fortunate to have strong cash balances so we can weather possible drought, economic downturn and other uncertainties.

ATTACHMENT A

Truckee Meadows Water Authority
2022-2026 Funding Plan with Delayed Rate Increases

<i>TMWA's Revenue Sufficiency and Cost of Service</i>	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026
Projected Rate Increases	2.5%		2.5%		0.0%		0.0%		0.0%
Operating Expenses	\$	68,084,455	\$	69,353,098	\$	71,236,449	\$	72,965,969	\$ 74,818,061
Principal and Interest on customer related debt		28,433,304		28,431,616		28,440,408		26,974,801	27,445,707
Rehabilitative Capital Spending		28,611,000		30,200,500		31,790,000		33,379,500	34,969,000
Total Projected Cost of Service	\$	125,128,759	\$	127,985,214	\$	131,466,856	\$	133,320,270	\$ 137,232,768
Recurring Revenues	\$	115,609,640	\$	121,934,278	\$	125,192,815	\$	126,304,924	\$ 127,691,338
Surplus (Deficiency)	\$	(9,519,119)	\$	(6,050,937)	\$	(6,274,041)	\$	(7,015,346)	\$ (9,541,431)
Surplus (Deficiency) as a % of Cost of Service	-7.6%		-4.7%		-4.8%		-5.3%		-7.0%
<i>Debt Service Coverage Ratios</i>	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026
Water Sales Revenues		108,518,719		112,610,866		115,953,170		117,001,166	118,062,382
Hydroelectric Sales		1,837,239		3,177,557		3,254,959		3,287,509	3,320,384
Other Operating Sales		2,669,796		3,403,236		3,073,966		2,869,700	2,674,379
Investment Income		2,583,886		2,742,619		2,910,720		3,146,549	3,634,193
Total Revenues		115,609,640		121,934,278		125,192,815		126,304,924	127,691,338
Operating Expenses		(68,084,455)		(69,353,098)		(71,236,449)		(72,965,969)	(74,818,061)
Net Revenues		47,525,185		52,581,180		53,956,367		53,338,955	52,873,277
Senior Lien Debt Service		28,275,250		28,274,500		28,287,250		27,206,250	28,349,500
Senior Lien DSC		1.68		1.86		1.91		1.96	1.87
<i>TMWA's Cash Balances</i>	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026
Restricted Cash	\$	66,647,178	\$	62,984,314	\$	62,015,616	\$	61,448,866	\$ 64,192,555
Rate Stabilization Fund		10,112,483		10,366,956		10,530,502		10,623,246	10,712,609
Unrestricted Cash Required by Policy		95,469,429		95,892,310		96,520,092		97,096,600	97,713,964
Required Cash Balances		172,229,090		169,243,581		169,066,210		169,168,713	172,619,128
Total Cash Balance		222,151,355		225,457,682		225,052,436		220,834,348	215,599,841
Difference	\$	49,922,266	\$	56,214,102	\$	55,986,225	\$	51,665,635	\$ 42,980,713

2022-2026 Draft Funding Plan Assumptions

Operational Assumptions

- 1) Reliance on surface water will continue with groundwater supplies augmenting the surface water treatment plants.
- 2) Fish Springs Ranch (Vidler) groundwater will be made available to the North Valleys reducing reliance on groundwater in the Lemmon Valley Basin. Water flow will be maintained to optimize water quality.
- 3) The Mt. Rose/Galena Surface Water Treatment Plant will be operational in fiscal year 2022 with operating costs assumed to be \$1,000 per mg with total annual production of 750mg.
- 4) Orr ditch hydro will supply power to the Chalk Bluff treatment plant beginning in fiscal year 2023.

Revenue/Capital Contribution Assumptions

- 1) The Draft Funding Plan anticipates an additional 10,032 service connections over the five-year period. Growth percentage goes from 2.22% in 2022, decreasing to 1.25% in 2026. Usage is based on patterns over the last five years.
- 2) Hydroelectric sales projections are based on sufficient river flows in 2023 through 2026. Downtime for construction and maintenance of hydro plants is considered, especially in 2022 when repairs will be made while river flows are lower.
- 3) Weighted average yield on investable cash is estimated to be 0.45% in fiscal year 2022 rising to 3.13% in fiscal year 2026.
- 4) Will-serve sales are expected to be approximately \$19.4 million over the ensuing period.
- 5) Other developer contributions are projected to be \$73.8 million over the ensuing period. This does not include any significant funding to build an advanced purified water treatment plant.

Operating Expense Assumptions

- 1) Wages and salaries increase for IBEW workers are based on the latest contract with the union or 2.5% in 2022. Thereafter, IBEW increases are budget at 2.5%. MPAT employees increase by 2.40% in 2022, and 2.5% thereafter.
- 2) Headcount was increased by eight in fiscal year 2023 and is projected to increase by three total thereafter. As retirements occur, they are offset with other hires.
- 3) Public Employee Retirement System contribution rates are assumed to remain at 29.75% through 2026.
- 4) Health care premiums and life insurance premiums are assumed to increase 2% annually, with change to employer/employee allocation of costs.
- 5) Funding for the Truckee River Fund is \$700k in 2022, and \$850k in 2023-2026.

6) TMWA's anticipated share of TROA administration expenses is approximately \$325k annually.

7) General annual inflation of 1.0% is assumed on most service and supplies.

Debt Management Assumptions

1) No new debt is assumed to be issued during the 2022-2026 period.

2) Debt service on developer related funding is assumed to be funded by developer fees.

Treasury Assumptions

1) Total cash and investments at the beginning of fiscal year 2022 are \$229.6 million. Of this total \$163.0 million is unrestricted.

2) Restricted reserves that were transferred from the South Truckee Meadows General Improvement District (STMGID) will be depleted by the end of fiscal year 2023.

3) Customer funded capital spending from the five-year CIP plan is spread over the five-year period to avoid fluctuations in the funding gap. It is assumed that 85% of this spending will be completed.

TMWA

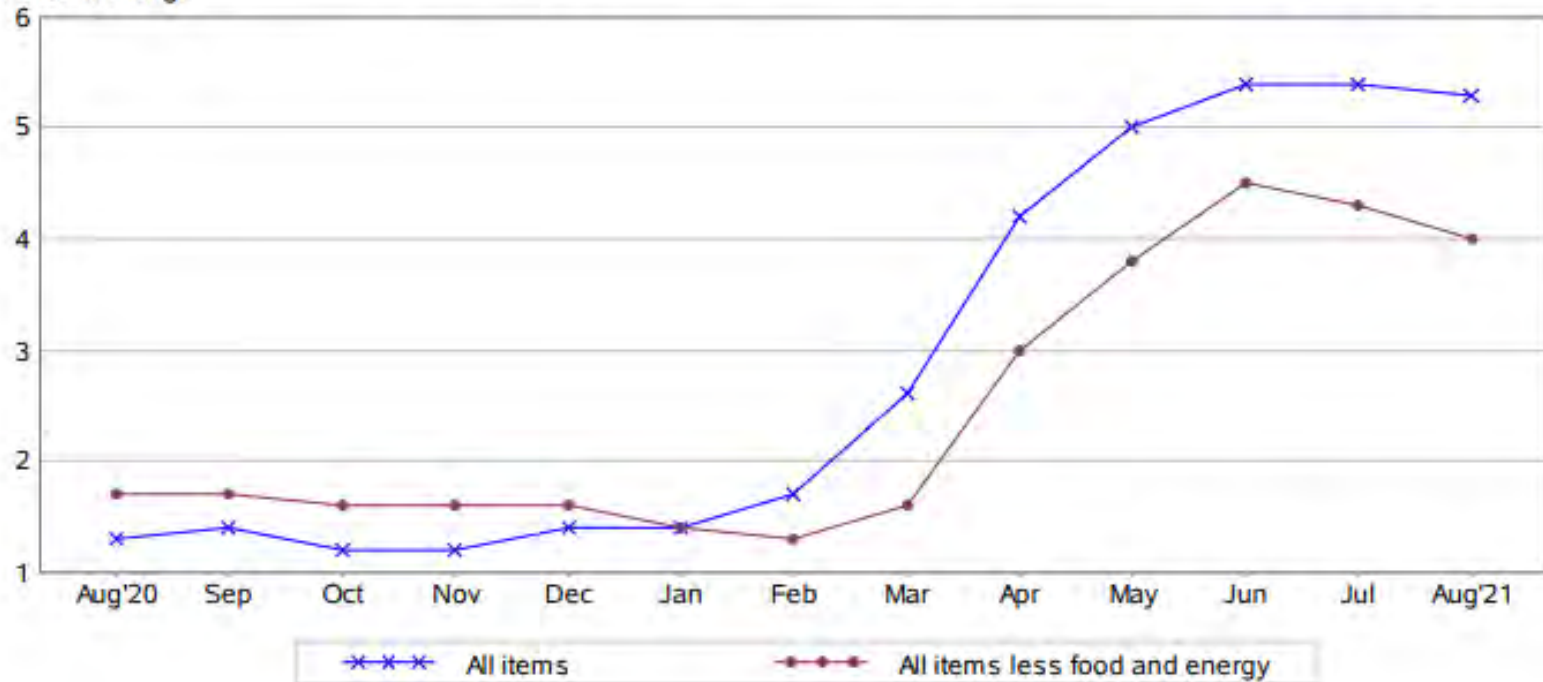
Draft Funding Plan 2022-2026



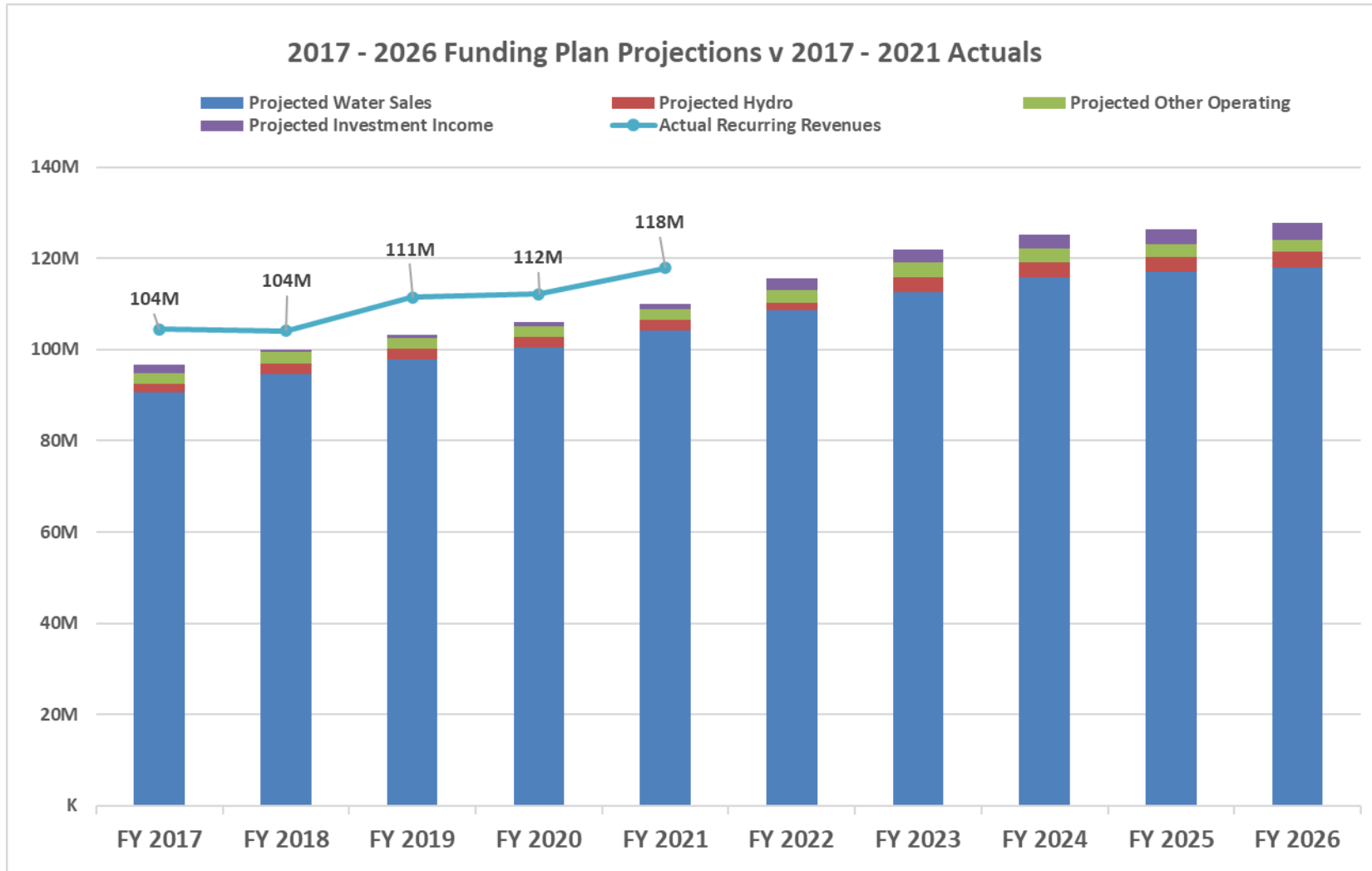
Truckee Meadows Water Authority

Chart 2. 12-month percent change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Aug. 2020 - Aug. 2021

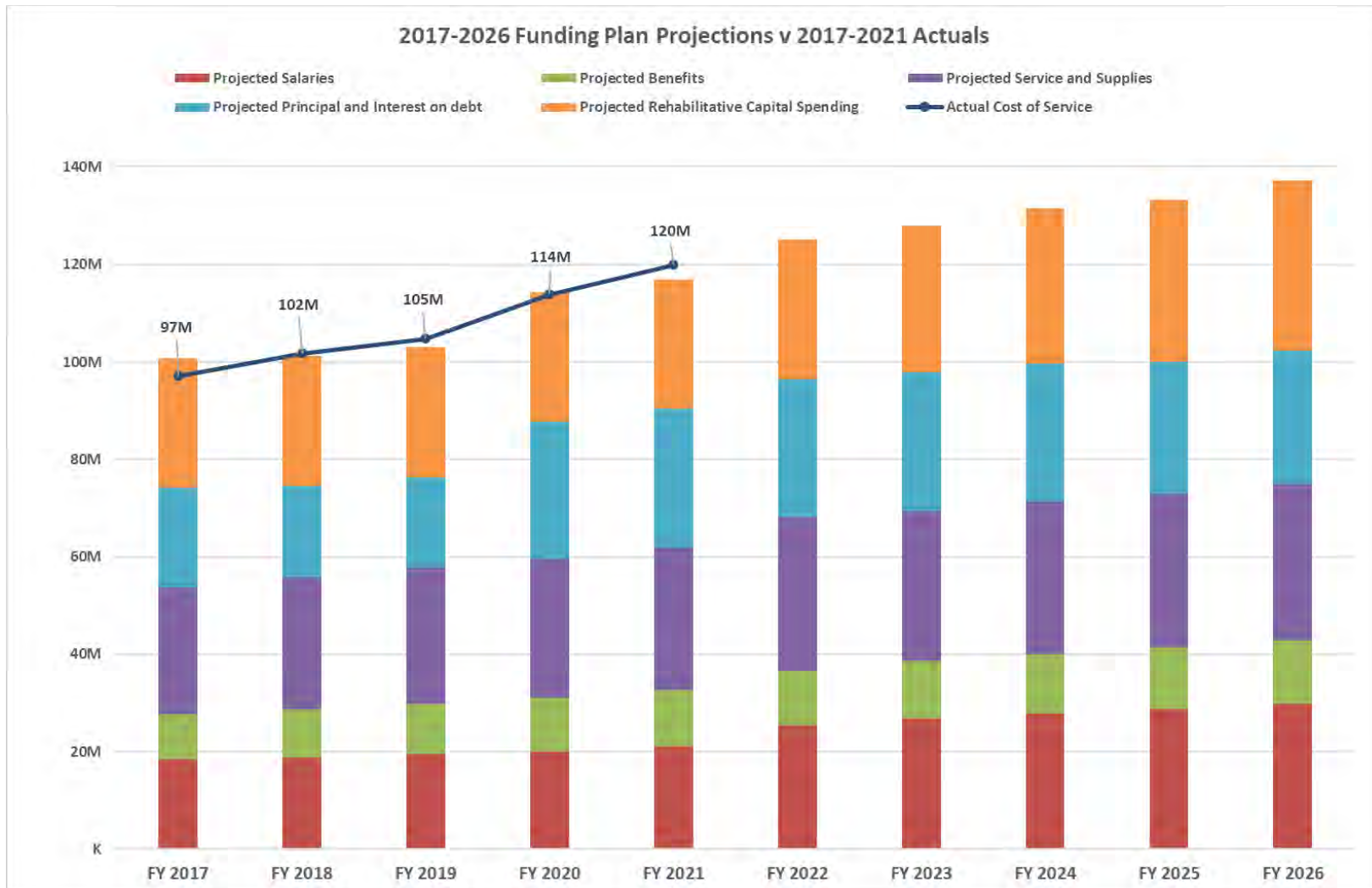
Percent change



Truckee Meadows Water Authority



Truckee Meadows Water Authority



Truckee Meadows Water Authority

Debt Service Coverage Ratio



Thank you!

Questions?

Michele Sullivan, CFO
Email: msullivan@tmwa.com



STAFF REPORT

TO: Chairman and Board Members
FROM: Mark Foree, General Manager
DATE: October 11, 2021
SUBJECT: Presentation of TMWA Goals and Objectives results for Fiscal Year 2021

Discussion of Results

Please find attached an at-a-glance summary as well as the detailed measurement results for TMWA's corporate and departmental goals for the 2021 fiscal year. Where appropriate, TMWA uses the American Water Works Association (AWWA) Benchmarking Survey Results or the American Metropolitan Water Association (AMWA) for some of the goals to measure against. Below is a summary highlighting the results for specific organizational and departmental goals that required more detail.

ORGANIZATION OBJECTIVES	
Efficiency	
1	We are above the top percentile of at least 585 customer accounts per employee (AWWA benchmark) with a result of 598 customer accounts per employee.
2	We met the top quartile of MGD delivered per employee with a result of 0.27 compared to the AWWA benchmark of 0.34.
Safety	
1	"Safety Incident Rate", had a result of 2.76 average incident rate, which was significantly lower than the benchmark measure of 5.3 for Water Supply & Irrigation Systems.
2	The preventable vehicle accidents had a result of 4.82 accidents per 1,000,000 miles driven, which is above the industry average of 4.64; we had 7 minor accidents with very little damage and all vehicles were back in service very soon. 360° walk-around continues to be a useful tool.
Financial	
3	We reaffirmed TMWA's Moody's rating of Aa2 stable, S&P rating of AA+ stable, and Fitch rating of AA+.
4	The goal to maintain a low debt ratio result was 37% putting us between the median and top percentile. We improved the result by 1% compared to last fiscal year.

ORGANIZATION OBJECTIVES

Natural Resources

1	As of June 30, 2021, upstream reservoir storage was about only 30% of capacity after our second consecutive significantly below average snowpack year. The elevation of Lake Tahoe on June 30 was just 1.77' above the rim, runoff into the lake was only 11% of normal this year, establishing the fact that this region is in a drought. Donner Lake did not quite fill, and Lake Tahoe is projected to go below the rim by the end of October (2021). Drought reserves have never been in better shape however, with about 52,000 acre-feet in storage as of June 30, 2021. Approximately 5,000-6,000 AF of this drought storage will be used to meet customer demand beginning the end of August as river flows begin to drop off and Floriston Rates can no longer be maintained. The region will go into this upcoming winter with plenty of water in storage but otherwise completely dependent on the outcome of this winter for Truckee River flows in 2022.
2	TMWA is focusing its efforts on passive recharge while we work through added permitting and water quality requirements associated with active recharge. TMWA continues to recharge groundwater to support water quality improvement goals. TMWA is working with the Nevada Division of Water Resources and the Nevada Division of Environmental Protection for permit coverage on 27 additional wells. Through conjunctive use, groundwater pumping was reduced by almost 2,300 acre-feet between the Mt. Rose, Spanish Springs, Lemmon Valley and former STMGID areas, and 342 acre-feet was recharged system-wide during FY 2020.
3	TMWA Board of Directors approved the return flow will-serve agreement for Truckee-Reno Industrial General Improvement District (TRIGID).

DEPARTMENT GOALS	
Treatment	
1	Despite the dry winter and extreme heat this summer, staff was able to meet the target of treatment cost per million gallons (MG) of 29,000 MG at a cost of \$536/MG.
2	Treatment staff continue to challenge itself in meeting the effluent turbidity goal of 0.10 NTU's 95% of the time, and exceeded it by meeting the measure 100% of the time, which is an "outstanding" rating.
Distribution	
5	Hydro generation was maintained at 99%, exceeding the target of 95% availability, and TMWA produced \$2.7 million in revenue during the fiscal year.
Operations	
3	Operations staff worked diligently to achieve its goal of converting 90 (50%) of 172 field sites and stations with modern SCADA control, but only achieved 27, or 30.0%. The shortfall was due to the COVID-19 pandemic restrictions in FY21.
Business Information Systems	
3	There are three components to this goal and staff successfully completed the first phase while launching the new Customer Information Services (CIS) system.
4	Staff completed replacement of employee badge readers at all five locations.
5	The new CIS system successfully launched on March 9, 2021, including all interfaces.
Customer Service	
1	Prior to go-live of TMWA's new CIS system, the call center met the target of average call handle time of 4m, 30s with 4m, 14s. However, as is to be expected with a new system and issues, the call handle time increased to 5m 48s from March-June 2021.
2	Due to the pandemic and complete overhaul of our CIS, TMWA suspended disconnects due to non-payment for five months. As such, the average rate for disconnects fell well below our target at 0.30% at 0.04%.
Natural Resources	
2	Staff monitored legislative activities and worked closely with TMWA legal counsel and lobbyists. Staff provided reports to TMWA's Legislative Subcommittee and the Board and received input from same and testified accordingly on various bills. Also, TMWA staff and lobbyist met with legislators to amend bills that negatively impacted TMWA. Most notable of the bills were: AB3, AB6, AB97, AB146, AB356, SB67 and SCR11. TMWA staff continues to monitor legislative issues carried forward from the 2021 Regular Session into the interim session and regulatory issues and will update the Interim TMWA Legislative Subcommittee as appropriate.
5	TMWA staff continues to collaborate with UNR's Nevada Water Innovation Institute projects. Most notably, analyzing the feasibility of advanced purified water for groundwater augmentation and/or indirect potable reuse.

DEPARTMENT GOALS	
Human Resources	
2	Staff training hours fell below the median of 17.0 at 16.2 per employee in FY21 due to the number of training events and conferences cancelled due to the pandemic.
3	Over the next 5-years, TMWA will see approximately 54 employees retire, hence the result of 23.2%, which is below the median of 22.9%. Staff is working diligently on establishing an efficient succession plan to mitigate any gaps in experience and institutional knowledge with future retirements.
Financial	
4	Staff continues to work toward the industry benchmark of \$500-\$500 for TMWA's debt per capita. Despite our result of \$812, it is a decrease from \$849, and an improvement of 4%, from last fiscal year.
5	The goal of 25% capital spend to total costs was not met in FY21 at 21%. This was due to the commencement of \$10m annual principal payments on TMWA's 2017 Series bonds. TMWA expects this ratio to increase slightly going forward due to increased capital spend, but stable operating costs and debt service.
Engineering & New Business	
2	FY21 resulted in a few capital projects that did not meet in-service dates as well as overspent their budgets at a total of \$14.8m versus the target of \$11.9m: Boomtown to TMWA connection was delayed until FY2021, shifting costs from FY20 to FY21; Mt. Rose Water Treatment Plant work is ongoing to fix filter tank coating issues; and Washoe Flume Reconstruction required major geotechnical work to stabilize the hillside where the failure occurred, and it was decided to replace both sections to avoid future outages.
3	For new business turnaround time goals, TMWA's results remain above the 75% target at an average of 88% for meeting the 30-day turnaround goal. We were on average 100% versus the 100% target for meeting the 60-day turnaround goal.
4	TMWA completed formalizing the digital plan submission and review/approval for New Business projects, including new digital signature regulations from the Nevada State Board of Engineers.

GOALS & OBJECTIVES: IN DETAIL

ORGANIZATION

CUSTOMER SATISFACTION

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Residential Customers Totally or Mostly Satisfied.	71%-81% = Good 82%-86% = Excellent 86% + = Outstanding	% of residential customer's satisfaction	At least 86% residential customer satisfaction	92%
2	Commercial Customers Totally or Mostly Satisfied.	77%-87% = Good 88%-90% = Excellent 90% + = Outstanding	% of commercial customer satisfaction	At least 90% commercial customer satisfaction	90%
3	Meet the Faneuil contract requirement of 80% of calls answered within 35 seconds.		% of calls answered within 35 seconds	80%	100% Jul-'20 – Feb '21 0% Mar – Jun '21
4	NEW: Track all efforts and assistance with local agencies related to the homeless issue and water quality		# of projects/programs	n/a	4

Goal #3 Notes: Average calls answered remained under 35 seconds until the new customer information system went live in March.

Goal #4 Notes:

1. Portland Loo at Brodhead Park – One Truckee River
2. Temporary Homeless Shelter on TMWA's 4th Street Well property – City of Reno
3. Donation of property near 4th Street Well to enhance the effectiveness of the CARES Campus – Cities of Reno and Sparks and Washoe County
4. Two new Portland Loos along the Truckee River corridor – One Truckee River

EFFICIENCY

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track customer accounts per employee and compare to national benchmark.	75 th Percentile = 585 Median = 424 25 th Percentile = 321	# of accounts per employee	Top quartile	598
2	Track average MGD delivered per employee and compare to national benchmark.	75 th Percentile = 0.27 Median = 0.20 25 th Percentile = 0.16	Average MGD delivered per employee	Top quartile	0.34

Calculations:

Objective 1: $\frac{133,390 \text{ (\# of Customer Accounts)}}{223 \text{ (\# of Employees)}}$

Objective 2: $\frac{75.8 \text{ (Average MGD)}}{223 \text{ (\# of Employees)}}$

SAFETY

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Maintain a safety incident rate below the Industry Standard Bureau of Labor Statistics, 2018.	5.3 Average Incident Rate for Water Supply & Irrigation Systems – Local Government	Incident rate	≤ 5.3	2.76
2	Track Collisions Per Million Miles (CPMM) and compare against Network of Employers for Traffic Safety Fleet Safety Benchmark Report (Reporting for North America Only, All Vehicles), 2019.	4.64 per 1,000,000 miles driven.	# of collisions per 1,000,000 miles driven	≤ 4.64	4.82

Calculations:

Objective 1: $\frac{6 \text{ (# of accidents)} \times 200,000 \text{ manhours}}{434,224.05 \text{ (Total manhours)}}$

Objective 2: $\frac{7 \text{ (# of collisions)} \times 1,000,000 \text{ miles}}{1,450,870.0 \text{ (Total mileage)}}$

FINANCIAL

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Meet all bond covenants.		# of bond covenants met	100%	100%
2	Update the 5-year funding plan.		Update completed	100%	100%
3	Preserve or improve TMWA's excellent credit ratings by the three major credit rating bureaus S&P (AA+ stable), Moody's (Aa2 stable) and Fitch (AA+).		Maintain or improve credit ratings	AA+ /Aa2 - stable or better	S&P AA+ stable Moody's = Aa2 stable Fitch = AA+
4	Maintain a low debt ratio.	75 th Percentile = 26% Median = 39% 25 th Percentile = 55%	Debt ratio	Median	37%
5	Sustain a minimum of 490 days of cash reserve.	75 th Percentile = 490 Median = 348 25 th Percentile = 251	# of days of cash reserve	Top quartile	966 days
6	Maintain a debt-service coverage ratio of 1.5.	75 th Percentile = 3.13 Median = 2.49 25 th Percentile = 1.99	Debt-service coverage ratio	1.5 or better	1.90
7	Maintain high level of utility's financial effectiveness	75 th Percentile: 3.2% Median: 2.5% 25 th Percentile: 1.7%	% return on assets	Median	3.5%

Financial Objectives Calculations:

Objective 4:
$$\frac{(\$469\text{m}) \text{ Total liabilities}}{(\$1,277\text{m}) \text{ Total assets}}$$

Objective 5:
$$\frac{(\$172\text{m}) \text{ Undesignated cash reserves}}{(\$65\text{m}) \text{ Total annual operations \& maintenance costs} / 365 \text{ days}}$$

Objective 6:
$$\frac{(\$53\text{m}) \text{ Total operating revenue} - \text{Total O\&M costs}}{(\$28\text{m}) \text{ Total debt service}}$$

Objective 7:
$$\frac{(\$44\text{m}) \text{ Net income}}{(\$1,277\text{m}) \text{ Total assets}}$$

NATURAL RESOURCES

OBJECTIVES		MEASURE	TARGET	RESULTS
1	Maximize benefit of TROA implementation.	Maximize upstream storage under TROA within hydrological and operational constraints. Continue to cooperate with TROA stakeholders to develop opportunities to improve reservoir operations and efficient use of water resources.	100%	100% (Ongoing)
2	Manage aquifer storage and recovery (ASR) and passive recharge capabilities and operations.	Analyze effectiveness of ASR and passive recharge on a well-by-well basis within each basin. Complete semi-annual report describing ASR and passive recharge goals and results.	100%	100% (Ongoing)
3	Work with stakeholders to implement return flow management agreement.	Update Board on progress of implementation	100%	100%
4	NEW: Collaborate with City of Reno on the A+ Advanced Purified Water Demonstration Project at American Flat.	Bring forth local agreement(s) between TMWA and City of Reno.	100%	100%

Notes:

Goal 3: Board approved return flow will-serve agreement for TRIGID.

Goal 4: Staff to provide update at the October Board meeting regarding the American Flat A+ pilot study and next steps regarding pursuing A+ implementation.

DEPARTMENT

TREATMENT

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD		MEASURE	TARGET	RESULTS
1	Meet the treatment costs set according to anticipated production.	If production is at or near: • 26,000 MG • 27,000 MG • 28,000 MG	TMWA cost: • \$625.28/MG • \$602.12/MG • \$580.62/MG	Achieve \$/MG in the respective production category	26kMG=\$625.28/MG 27kMG=\$602.12/MG 28kMG=\$580.62/MG	29kMG = \$536/MG
2	Meet the benchmark of 0 (Zero) MCL violations.	0 (Zero) MCL violations		# of MCL violations	0	0 violations
3	Maintain effluent turbidity 95% of the time.	At less than: • 0.30 NTU = EPA Standard • 0.20 NTU = Good; • 0.15 NTU = Excellent; • 0.10 NTU is Outstanding		NTU's	≤ 0.10 NTU	≤ 0.10 NTU Outstanding

Calculation:

Goal 1: 29,000 of MG produced at a cost of \$536/MG

DISTRIBUTION

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. < 4 hours	75 th Percentile = 0.18 Median = 0.42 25 th Percentile = 1.67	# of unplanned outages/1,000 customers	Median or better	0.34
2	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. 4 – 12 hours	75 th Percentile = 0.07 Median = 0.15 25 th Percentile = 0.50	# of unplanned outages/1,000 customers	Median or better	0.08
3	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. < 4 hours	75 th Percentile = 0.21 Median = 0.40 25 th Percentile = 1.54	# of planned outages/1,000 customers	Median or better	0.42
4	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. 4 – 12 hours	75 th Percentile = 0.07 Median = 0.25 25 th Percentile = 0.50	# of planned outages/1,000 customers	Median or better	0.25
5	Maintain 95% Hydro Plant Generation availability when river flow is available for generation (excluding planned maintenance and rehab, weather limitations and catastrophic failures).		% hydro generation availability	95%	99%

Distribution Calculations:

Pre-calculation: 133,390 (# of customers) / 1,000 = 133.4

Goal 1: 45/133.4 = 0.34

Goal 2: 11/133.4 = 0.08

Goal 3: 56/133.4 = 0.42

Goal 4: 34/133.4 = 0.25

OPERATIONS

	GOALS	MEASURE	TARGET	RESULTS
1	Achieve 100% backflow testing compliance for all new construction and TMWA-owned devices, as well as 100% continued notification for backflow testing compliance for all existing customers.	% of backflow testing for new construction, TMWA-owned devices & existing customers	100%	100%
2	Perform 175 backflow retrofits.	# of backflow retrofits	175 or more	172
3	Convert 90 of the remaining-field sites and stations that contain SCADA control used in a Legacy H.M.I. (Human Machine Interface) platform to operate within a supported and modern OMI (Operations Machine Interface) platform.	# of sites & stations converted to OMI	90	27
4	Maintain a 96% level uptime of the OMI (Operations Machine Interface) platform and underlying infrastructure within TMWA's direct purview within a 24 hour, 7 day a week, 365 day operational period.	Cumulative system uptime is not to fall below target percentage within the operational period	96%	99%

Goal 3 Notes: Project stalled due to COVID restrictions.

BUSINESS INFORMATION SYSTEMS

	GOALS	MEASURE	TARGET	RESULTS
1	Complete the mapping of New Business 'as-built' drawings within 7 days or less.	# of days mapping of 'as-built' drawings of 'redline' drawing submittal.	7 days or less	Average 2 days
2	Close helpdesk tickets within 48 hours or less.	Average # of hours between the creation and closing of Helpdesk tickets.	48 hours or less	45-hour average closing time
3	NEW: Develop processes and tools necessary to further leverage GIS as TMWA's primary asset database.	% Implementation of processes and tools necessary to track and update "intradoc" assets	100%	100%
4	NEW: Replace and upgrade TMWA's physical access control system (employee badge readers) at 5 locations prior to June 30, 2021.	% Replacement of physical access control system at 5 locations	100%	100%
5	NEW: Implement and configure new Customer Information System (CIS) and interfaces (15) necessary to go-live prior to June 30, 2021.	% Implementation of new Customer Information System (CIS)	100%	100%

Notes:

Goal 2: Total of 2,789 helpdesk tickets

Goal 4: 5 replacements and 1 new installation completed June 25, 2021

Goal 5: Go-live was March 9th, 2021, including all interfaces

CUSTOMER SERVICE

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Customer Call Center will have an average call handle time of 4 minutes, 30 seconds or less per call.		Average handle time per call	4 min, 30 seconds or less	4m 14 s (Jul '20-Feb '21) 5m 48 s (Mar '21-Jun '21)
2	The fiscal year average for disconnect for non-payment service orders to active accounts will be 0.30% or less.		% average of disconnects for non-payment	≤ 0.30%	0.04% (No shut offs, for 5 months in FY21.)
3	The write off to revenue will be 0.25% or less at fiscal year-end.		% of write off to revenue	≤ 0.25%	0.11%
4	Hold a minimum of 30 public workshops, tours and/or presentations with a primary focus on responsible water use and education, including Water Leadership workshops and open houses		# of public workshops and/or tours	30 or more	25
5	Maintain a high level of billing accuracy.	75 th Percentile = 1.8 Median = 9.8 25 th Percentile = 17.7	Billing accuracy rate	Median	3.26
6	Track percentage of total delinquent accounts.	75 th Percentile: 2.9% Median: 8.0% 25 th Percentile: 14.05	% of delinquent accounts	Median	4.90%
7	Maintain high level of stakeholder outreach activities.	75 th Percentile: 92% Median: 83% 25 th Percentile: 50%	Stakeholder outreach engagement	Top Percentile	92%
8	NEW: Track the number of customer service complaints (complaints/population served).	75 th Percentile: 0.2 Median: 0.5 25 th Percentile: 1.1	# of customer complaints	Top Percentile	0.25
9	NEW: Track the percentage of bills issued that were estimated for both residential and commercial customers.	Residential: 75 th Percentile: 0.1% Median: 0.5% 25 th Percentile: 1.0% Commercial: 75 th Percentile: 0.0% Median: 0.2% 25 th Percentile: 0.6%	% of estimated bills issued	Residential: 0.1% Commercial: 0.0%	0.008% (combined)

Calculations:

Goal 5: $\frac{349 \text{ (\# of error-driven billing adjustments)} \times 10,000}{1,068,942 \text{ (\# of bills generated)}}$

Goal 8: $\frac{111 \text{ (\# of complaints)} \times 1,000}{436k \text{ (Population served)}}$

NATURAL RESOURCES

GOALS		MEASURE	TARGET	RESULTS
1	Increase community awareness and understanding of TROA and its benefit to our area's municipal water supply.	Continue giving presentations to customer/industry groups on TMWA's overall water resource management strategies, including the benefits of TROA, ASR, conservation, and A+ Reclaimed Water feasibility to the area's municipal water supply.	≥5 presentations	11
2	Review, monitor, and advise the Board regarding issues and activities of the 2021 legislative session that may affect TMWA. Continue monitoring and stay updated on statewide water law issues.	As necessary, advise the Board regarding issues or activities that may affect TMWA.	100%	100%
3	Continue an active role in maintaining sufficient water rights inventory, analyze purchase opportunities.	Maintain sufficient water rights inventory.	Monthly Board report	100%
4	Turn around new business application water rights work within 5 business days.	# of days turnaround new business application	≤5 days	≤ 1 day
5	Remain actively involved with UNR's Nevada Water Innovation Institute projects	Report activities to the Board	100%	100%
6	Respond to customer water usage audit requests within 2 business days and provide monthly conservation report to the Board	# of days between receiving request and completing a water audit	≤2 days	Average 2 days
7	NEW: Draft and present a white paper on aquifer storage and recovery (ASR) program and effluent reuse.	% complete	100%	50%

Notes:

Goal 7: Staff presented on the American Flat project at the September 2020 Board meeting and will provide an update at the October Board meeting regarding the American Flat A+ pilot study and next steps regarding pursuing A+ implementation.

HUMAN RESOURCES

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track continuous training for full-time equivalents (FTEs) employees.	75 th Percentile: 25.2 Median: 17.0 25 th Percentile: 10.5	# of continuous training hours per employee	Median or better	16.2
2	Track the number of annual employee FTEs departures per year.	75 th Percentile: 5.3% Median: 8.6% 25 th Percentile: 11.3%	# of FTEs departed per year	Median or better	4.7%
3	Track the number of FTEs eligible for retirement.	75 th Percentile: 15.2% Median: 22.9% 25 th Percentile: 34.8%	#of FTEs eligible for retirement	Median or better	23.2%
4	NEW: Consider adding a risk manager position and feasibility.		% complete	100%	100%

Calculations:**Goal 1:** $\frac{3618 \text{ (training hours)}}{233 \text{ (\# of employees)}}$ **Goal 2:** $\frac{11 \text{ (\# of employees departed)}}{233 \text{ (\# of employees)}}$ **Goal 3:** $\frac{54 \text{ (\# of FTEs eligible for retirement)}}{233 \text{ (\# of employees)}}$

FINANCE

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Meet or underspend Capital Commitments as approved by the Board		\$ spent	Met or underspent	\$16.4m (30%) Underspent
2	Meet or underspend O&M Budget Commitments		\$ spent	Met or underspent	\$1.7m (3%) Underspent
3	Maintain a lean operating ratio	75 th Percentile: 46% Median: 56% 25 th Percentile: 66%	% operating ratio	Median	56.28%
4	Reduce TMWA's debt per capita based on industry standards.	Benchmark: \$500-\$550	TMWA's debt per capita	Work toward industry standards	\$812
5	Maintain ratio of capital cost to total budgeted costs based on industry standards.	Benchmark: 25% - 50%	% of capital cost to total budgeted costs	25%	21%
6	NEW: Track the number of TMWA customers who utilized the use of CARES Act funds via City of Reno to assist in paying their bills.		# of customers	n/a	15

Calculations:

Goal 3: \$65m (Total O&M costs)

 \$115m (Total operating revenue)

Goal 4: $\frac{\$354\text{m (Total debt)}}{436\text{k (Population served)}}$

Goal 5: \$27m (CIP)

 \$125m (Cost of service)

Goal 6 Notes: The program available to TMW A customers was through Reno Housing Authority (RHA) which only applied to renters and not homeowners. The call center was instructed to direct customers to RHA to apply for assistance.

ENGINEERING & NEW BUSINESS

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Continue cooperative coordination with Agencies and complete projects on schedule. Survey agency satisfaction with utility coordination effort.	1 = Unacceptable 2 = Needs Improvement 3 = Good 4 = Commendable 5 = Outstanding	Average response rate	4 or higher	4.7
2	Deliver required in-service dates for major capital projects on/under budget.	<ul style="list-style-type: none"> Roberts/Wilson/Moran Main Replacements - \$2,340,000. Apr 2021 Boomtown to TMWA Connection - \$1,900,000. Mar 2021 Spanish Springs Main Replacements - \$2,300,000. Nov 2020 Mt. Rose WTP - \$4,000,000. Dec 2020 Washoe Flume Reconstruction - \$1,400,000. April 2021 	\$11,900,000	Met or underspent	\$14,759,408 (see table on p. 11)
3	Continue to measure and report new business turnaround times. <u>Project Category</u> A) Commercial with Main B) Commercial Service C) Subdivision	Number of Projects and turnaround times:	% turnaround in ≤ 30 days	75%	A) 84% B) 98% C) 82%
		75% ≤ 30 days	% turnaround in ≤ 60 days	100%	A) 100% B) 100% C) 100%
		100% ≤ 60 days			
4	Formalize and improve digital plan submission and review/approval for New Business Projects including new digital signature regulations from the Nevada State Board of Engineers.	The Nevada Board of Professional Engineers and Land Surveyors published an electronic submittal digital signature guide in October of 2020. TMWA formalized its digital plan submission process and followed the NVBPELS guidance in December of 2020.	% complete	100%	100%

Notes:

Goal 1: Survey the satisfaction of the appropriate coordinators at the City of Reno, City of Sparks, Regional Transportation Commission, NV Energy, NDOT and Washoe County with TMWA's Street & Highway Program.

*6 survey responses received for FY2021 – average score 4.70 out of a possible 5.00

Goal 2: Project Highlights

PROJECT	SCHEDULE	BUDGET	EXPENDED
Roberts/Wilson/Moran Main Replacements	Target April 2021, Actual In Service February 2021. Actual engineer's estimate just prior to bid was \$970K – original scope and budget was not modified to reflect final design	\$2,340,000	\$955,257
Boomtown to TMWA Connection	Target March 2021, Actual In Service April 2021. Slight delay to receive replacement pump; \$500K of construction costs were to occur in FY2020, contractor chose to delay the start date to FY2021	\$1,900,000	\$2,624,236
Spanish Springs Main Replacements	Target Nov 2020, Actual In Service November 2020.	\$2,300,000	\$1,672,265
Mt. Rose WTP	Target December 2020, Substantial Completion with some exceptions June 2021. Work ongoing to fix filter tank coating issues prior to final completion estimated October 2021.	\$4,000,000	\$4,382,780
Washoe Flume Reconstruction	Target April 2021, Actual In Service May 2021. The original budget was based on replacing a section of the upper flume along the main road. Prior to bidding, an inaccessible lower section of the flume collapsed. Major geotechnical work was required to stabilize the hillside where the failure occurred and to provide access. Because both flume sections needed replacement and the outage duration was significant, it was decided to replace both sections in the current project to avoid future outages.	\$1,400,000	\$5,124,870
TOTAL:		\$11,900,000	\$14,759,408

Goal 3: # of calendar days from application to first red-line review completed.

Project Category		# Projects	Avg. Days	<=30 days	<=60 days
A	Comm w/Main	19	21.4	84%	100%
B	Comm Services	99	12.0	98%	100%
C	Subdivision	38	22.5	82%	100%



STAFF REPORT

TO: Chairman and Board Members
FROM: Mark Foree, General Manager
THRU: Sonia Folsom, Executive Assistant
DATE: October 11, 2021
SUBJECT: **Discussion and action, and possible direction to staff on the proposed TMWA Goals and Objectives for Fiscal Year 2022**

RECOMMENDATION

Staff recommends that the Board adopt the Goals and Objectives for Fiscal Year 2022 as recommended and presented in this report. Where appropriate, TMWA uses the American Water Works Association (AWWA) Benchmarking Survey Results, 2020 Edition, and other published industry standards, if available.

DISCUSSION OF PROPOSED GOALS

For discussion, attached are TMWA's proposed organization and departmental goals and objectives for this fiscal year. Updated goals are noted in yellow, new goals are noted in red, and benchmarks are updated when a new edition of the AWWA Benchmarking Survey Results, as well as industry standards, are available.

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GOALS & OBJECTIVES

ORGANIZATION

OBJECTIVES		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
CUSTOMER SATISFACTION				
1	Residential Customers Totally or Mostly Satisfied.	71%-81% = Good 82%-86% = Excellent 86% + = Outstanding	% of residential customer's satisfaction	86%
2	Commercial Customers Totally or Mostly Satisfied.	77%-87% = Good 88%-90% = Excellent 90% + = Outstanding	% of commercial customer satisfaction	90%
3	Meet the Faneuil contract requirement of calls answered within average of 35 seconds.		average call answered within 35 seconds	35 seconds
EFFICIENCY				
1	Track customer accounts per employee and compare to national benchmark.	75 th Percentile = 581 Median = 462 25 th Percentile = 381	# of accounts per employee	Top quartile
2	Track average MGD delivered per employee and compare to national benchmark.	75 th Percentile = 0.25 Median = 0.19 25 th Percentile = 0.14	Average MGD delivered per employee	Top quartile
SAFETY				
1	Maintain a safety incident rate below the Industry Standard Bureau of Labor Statistics, 2019.	5.0 Average Incident Rate for Water Supply & Irrigation Systems – Local Government	Incident rate	≤ 5.0
2	Track Collisions Per Million Miles (CPMM) and compare against Network of Employers for Traffic Safety Fleet Safety Benchmark Report (Reporting for North America Only, All Vehicles), 2020.	5.09 per 1,000,000 miles driven.	# of collisions per 1,000,000 miles driven	≤ 5.09
FINANCE				
1	Meet all bond covenants.		# of bond covenants met	100%
2	Update the 5-year funding plan.		Update completed	100%
3	Preserve or improve TMWA's excellent credit ratings by the three major credit rating bureaus S&P (AA+ stable), Moody's (Aa2 stable) and Fitch (AA+)		Maintain or improve credit ratings of High Grade	AA+ /Aa2 - stable or better

OBJECTIVES		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
FINANCE (CONTINUED)				
4	Maintain a low debt ratio.	75 th Percentile = 25% Median = 37% 25 th Percentile = 51%	Debt ratio	Median
5	Sustain a minimum of 484 days of cash reserve.	75 th Percentile = 484 Median = 338 25 th Percentile = 196	# of days of cash reserve	Top quartile
6	Maintain a debt-service coverage ratio of 1.5.	75 th Percentile = 3.49 Median = 2.52 25 th Percentile = 1.70	Debt-service coverage ratio	1.5 or better
7	Maintain high level of utility's financial effectiveness	75 th Percentile: 3.5% Median: 2.4% 25 th Percentile: 1.6%	% return on assets	Median
NATURAL RESOURCES				
1	Maximize benefit of TROA implementation.	Maximize upstream storage under TROA within hydrological and operational constraints. Continue to cooperate with TROA stakeholders to develop opportunities to improve reservoir operations and efficient use of water resources.		100%
2	Manage aquifer storage and recovery (ASR) and passive recharge capabilities and operations.	Analyze effectiveness of ASR and passive recharge on a well-by-well basis within each basin. Complete semi-annual report describing ASR and passive recharge goals and results		100%
3	Work with stakeholders to implement return flow management agreement.	Update Board on progress of implementation		100%
4	Collaborate with City of Reno on the A+ Advanced Purified Water Demonstration Project at American Flat.	Bring forth local agreement(s) between TMWA and City of Reno.		100%
5	NEW: Palomino Valley Feasibility Study: Complete hydrogeologic feasibility investigation, investigate right of way and state engineer permitting issues. Prepare draft option agreement for Board consideration including ILA with City of Reno, City of Sparks and Washoe County.	% complete		100%

DEPARTMENT

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD		MEASURE	TARGET
TREATMENT					
1	Meet the treatment costs set according to anticipated production.	If production is at or near: <ul style="list-style-type: none">• 28,000 MG• 29,000 MG• 30,000 MG	TMWA cost: <ul style="list-style-type: none">• \$605.72/MG• \$584.84/MG• \$565.34/MG	Achieve \$/MG in the respective production category	28kMG=\$605.72/MG 29kMG=\$584.84/MG 30kMG=\$565.34/MG
2	Meet the benchmark of 0 (Zero) MCL violations.	0 (Zero) MCL violations		# of MCL violations	0
3	Maintain Chalk Bluff and Glendale finished water turbidity 95% of the time.	At less than: <ul style="list-style-type: none">• 0.30 NTU = EPA Standard• 0.20 NTU = Good;• 0.15 NTU = Excellent;• 0.10 NTU is Outstanding		NTU’s	≤ 0.10 NTU
DISTRIBUTION					
1	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. < 4 hours	75 th Percentile = 0.12 Median = 0.54 25 th Percentile = 1.77		# of planned outages/1,000 customers	Median or better
2	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. 4 – 12 hours	75 th Percentile = 0.10 Median = 0.26 25 th Percentile = 0.52		# of planned outages/1,000 customers	Median or better
3	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. < 4 hours	75 th Percentile = 0.30 Median = 0.95 25 th Percentile = 1.99		# of unplanned outages/1,000 customers	Median or better
4	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. 4 – 12 hours	75 th Percentile = 0.04 Median = 0.12 25 th Percentile = 0.53		# of unplanned outages/1,000 customers	Median or better
5	Maintain 95% Hydro Plant Generation availability when river flow is available for generation (excluding planned maintenance and rehab, weather limitations and catastrophic failures).			% hydro generation availability	95%

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
OPERATIONS				
1	Achieve 100% backflow testing compliance for all new construction and TMWA-owned devices, as well as 100% continued notification for backflow testing compliance for all existing customers.		% of backflow testing for new construction, TMWA-owned devices & existing customers	100%
2	Perform 175 backflow retrofits.		# of backflow retrofits	≥ 175
3	Convert 45 of the remaining-field sites and stations that contain SCADA control used in a Legacy H.M.I. (Human Machine Interface) platform to operate within a supported and modern OMI (Operations Machine Interface) platform.		# of sites & stations converted to OMI	45
4	Maintain a 96% level uptime of the OMI (Operations Machine Interface) platform and underlying infrastructure within TMWA's direct purview within a 24 hour, 7 day a week, 365 day operational period.		Cumulative system uptime is not to fall below target percentage within the operational period	96%
CUSTOMER SERVICE				
1	Customer Call Center will have an average call handle time of 5 minutes, or less per call.		Average handle time per call	≤ 5 min
2	The fiscal year average for disconnect for non-payment service orders to active accounts will be 0.30% or less.		% average of disconnects for non-payment	≤ 0.30%
3	The write off to revenue will be 0.25% or less at fiscal year-end.		% of write off to revenue	≤ 0.25%
4	Hold a minimum of 30 public workshops, tours and/or presentations with a primary focus on responsible water use and education, including Water Leadership workshops and open houses.		# of public workshops and/or tours	≥ 30
5	Maintain a high level of billing accuracy.	75 th Percentile = 3.5 Median = 9.4 25 th Percentile = 24.0	Billing accuracy rate	Median
6	Track percentage of total accounts delinquent in FY 2019	75 th Percentile: 3.2% Median: 9.0% 25 th Percentile: 14.6%	% of delinquent accounts	Median
7	Maintain high level of stakeholder outreach activities.	75 th Percentile: 90% Median: 75% 25 th Percentile: 50%	Stakeholder outreach engagement	90%
8	Track the number of customer service complaints (complaints/population served).	75 th Percentile: 0.1 Median: 0.3 25 th Percentile: 0.9	# of customer complaints	Median or better
9	Track the percentage of bills issued that were estimated for both residential and commercial customers.	Residential: 75 th Percentile: 0.1% Median: 0.5% 25 th Percentile: 2.0% Commercial: 75 th Percentile: 0.0% Median: 0.2% 25 th Percentile: 0.9%	% of estimated bills issued	0.1% (Combined total)

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
BUSINESS INFORMATION SYSTEMS				
1	Complete the mapping of New Business 'as-built' drawings within 7 days or less.		# of days mapping of 'as-built' drawings of 'redline' drawing submittal	≤ 7 days
2	Close helpdesk tickets within 48 hours or less.		Average # of hours between the creation and closing of Helpdesk tickets	≤ 48 hours
3	Develop processes and tools necessary to further leverage GIS as TMWA's primary asset database.		% implementation of processes and tools necessary to track and update "intradoc" assets	100%
4	NEW: Formalize Customer Information System and Meter-to-Cash operations by process flow mapping each process and task.		Begin mapping processes by 6/30/2022	100%
5	NEW: Work with Field & Meter Services to successfully begin the Meter Replacement Project		Begin project by 6/30/2022	100%
HUMAN RESOURCES				
1	Track continuous training for full-time equivalents (FTEs) employees.	75 th Percentile: 30.7 Median: 20.6 25 th Percentile: 12.7	# of continuous training hours per employee	Median or better
2	Track the number of annual employee FTEs departures per year.	75 th Percentile: 5.7% Median: 9.6% 25 th Percentile: 13.3%	# of FTEs departed per year	Median or better
3	Track the number of FTEs eligible for retirement.	75 th Percentile: 12.7% Median: 25.4% 25 th Percentile: 33.2%	#of FTEs eligible for retirement	Median or better
FINANCIAL				
1	Meet or underspend Capital Commitments as approved by the Board.		\$ spent	Met or underspent
2	Meet or underspend O&M Budget Commitments.		\$ spent	Met or underspent
3	Maintain a lean operating ratio.	75 th Percentile: 46% Median: 56% 25 th Percentile: 69%	% operating ratio	Median
4	Reduce TMWA's debt per capita based on industry standards.	Benchmark: \$500-\$550	TMWA's debt per capita	Work toward industry standards
5	Maintain ratio of capital cost to total budgeted costs based on industry standards.	Benchmark: 25% - 50%	% of capital cost to total budgeted costs	25%

GOALS		MEASURE	TARGET
NATURAL RESOURCES			
1	Increase community awareness and understanding of TROA and its benefit to our area's municipal water supply.	Continue giving presentations to customer/industry groups on TMWA's overall water resource management strategies, including the benefits of TROA, ASR, conservation, and A+ Reclaimed Water feasibility to the area's municipal water supply.	≥ 5 presentations
2	Review, monitor, and advise the Board regarding issues and activities of the interim 2021 legislative session that may affect TMWA. Continue monitoring and stay updated on statewide water law issues.	As necessary, advise the Board regarding issues or activities that may affect TMWA.	100%
3	Continue an active role in maintaining sufficient water rights inventory, analyze purchase opportunities.	Maintain sufficient water rights inventory.	Monthly Board reports
4	Turn around new business application water rights work within 5 business days.	# of days turnaround new business application	≤ 5 days
5	Remain actively involved with UNR's Nevada Water Innovation Institute projects.	Report activities to the Board	100%
6	Respond to customer water usage audit requests within 3-5 business days and provide monthly conservation report to the Board.	# of days between receiving request and completing a water audit	≤ 5 days
7	NEW: Analyze opportunities to increase water conservation for drought resiliency, use best available science to evaluate global climate change models applicable to this region, and advise the Board.	Complete the analyses and update the Board	100%
ENGINEERING & NEW BUSINESS			
1	Continue cooperative coordination with Agencies and complete projects on schedule. Survey agency satisfaction with utility coordination effort.	1 = Unacceptable 2 = Needs Improvement 3 = Good 4 = Commendable 5 = Outstanding	Average response rate ≥ 4 rating
2	Deliver required in-service dates for major capital projects on/under budget.	<ul style="list-style-type: none"> Prater Tank Rehab May 2022 \$1,400,000 Orr Ditch Hydro May 2023 FY22 (\$2.5M)/BPS (\$4.4M) \$6,900,000 Disc Drive BPS April 2022 \$3,800,000 South Virginia 24" Main Kumle to Peckham April 2022 \$700,000 	\$12,800,000 Met or underspent
3	Continue to measure and report new business turnaround times. Project Category A) Commercial with Main B) Commercial Service C) Subdivision	Number of Projects and turnaround times: 75% ≤ 30 days	% turnaround in ≤ 30 days 75%
		100% ≤ 60 days	% turnaround in ≤ 60 days 100%
4	NEW: Participate in regional permitting discussions and look for opportunities to integrate or streamline the permitting process.	% complete	100%



STAFF REPORT

TO: Board of Directors
FROM: Mark Foree, General Manager
DATE: October 6, 2021
SUBJECT: General Manager's Report

Attached please find the written reports from the Management team including the Operations Report (*Attachment A*), the Water Resource and the Annexation Activity Report (*Attachment B*), and the Customer Services Report (*Attachment C*).

Included in your agenda packet are press clippings from September 10, 2021 through October 13, 2021.

General Manager FY2021 Evaluation Survey:

During the September 15, 2021 Board meeting, staff presented a report of the FY2021 General Manager's Performance Evaluation results. During the meeting it was noted that the report was not complete and was missing a response from one Board member who was inadvertently missed when the evaluation survey was distributed via email. This error was not discovered until after the agenda packet was posted and distributed. As soon as this error was identified, TMWA's HR Manager Jessica Atkinson contacted the Board Member to discuss the situation and reopened the evaluation survey for the member. Since the September Board meeting, the missed Board member has completed and submitted their responses to the FY2021 General Manager's Performance Evaluation. The attached report is a corrected report, which now includes survey responses for all 7 board members and Mark's 6 senior leadership direct reports. Additionally, it should be noted that the summary pages have been updated to reflect correct numbers and a count was added to show responses for the General Manager's overall rating (*Attachment D*).



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Scott Estes, Director of Engineering
BY: Bill Hauck, Water Supply Administrator
DATE: October 12, 2021
SUBJECT: September 2021 Operations Report

Summary

- Lake Tahoe storage is now 0% of capacity and is at the natural rim
- Combined total upstream reservoir storage is about 12% of maximum capacity
- The last day of full Floriston Rates was August 18th
- Customer demand is falling off quickly with the onset of cooler weather and averaged 86 MGD last week
- TMWA used approximately 5,900 acre-feet of drought reserves to meet demand this year
- Hydroelectric revenue for September 2021 was just \$555, the result of one partial day of generation at Fleish Hydro before river flows fell too short to run the plant

(A) Water Supply

- **River Flows** - Truckee River flow at the CA/NV state line was approximately 95 cubic feet per second (CFS) this morning. The last day of full river flows on the Truckee River was August 18th. The 112-year average flow for this day at Farad is 384 CFS.
- **Reservoir Storage** - Overall Truckee River reservoir storage is ~12% of capacity. The elevation of Lake Tahoe is 6223.00 feet (at the natural rim). Storage values for each reservoir as of October 12th are as follows:

Reservoir	Current Storage (Acre-Feet)	% of Capacity (Percent)
Tahoe	0	0%
Boca	21,088	52%
Stampede	79,476	35%
Prosser	9,831	33%
Donner	2,988	31%
Independence	12,576	72%

In addition to approximately 15,564 acre-feet of storage in Donner and Independence reservoirs, TMWA has about 28,711 acre-feet of water stored between Lake Tahoe, Boca, Stampede and Prosser reservoirs under the terms of TROA. TMWA's total combined upstream reservoir storage is approximately 44,275 acre-feet (as of October 12th).

- **Outlook** - August 18th was the last day of normal river flows in the Truckee River because there was no more Floriston Rate water left in Boca Reservoir. TMWA began making supplemental releases from our upstream reserves on August 21st in order to keep our surface water treatment plants on-line and continue to meet customer demand. Supplemental releases from Lake Tahoe, Donner Lake, and Prosser Reservoir were required into early October. As of this morning, drought reserves are no longer required to meet customer demand. Approximately 5,900 acre-feet of drought reserves were used this year. As of this morning Lake Tahoe is at its natural rim and no water is capable of being released from the dam into the Truckee River. With the stark prospect of having no carry-over water in storage in Lake Tahoe to start the new year, Truckee River flows in 2022 will be entirely dependent upon the outcome of this next winter.

(B) Water Production

- **Demand** - TMWA's customer demand averaged 86 million gallons per day (MGD) last week. Overall, surface water comprised ~69% of our supply and groundwater the other 31%.

(C) Hydro Production

Generation - Truckee River flows at Farad (CA/NV state line) for the month of September 2021 averaged 170 CFS. With the required rate of flow at the CA/NV state line no longer able to be met as of 8/19, the Washoe power plant had to be taken off-line on 8/20, and the Verdi power plant on 8/23. The Fleish power plant which is capable of generating at lower river flows was able to stay on-line through the entire month of August, finally coming off-line on September 1st. Statistics for the month of September are as follows:

Hydro Plant	Days On-Line	Generation (Megawatt hours)	Revenue (Dollars)	Revenue (Dollars/Day)
Fleish	1	7	\$ 555	\$ 555
Verdi	0	0	\$ 0	\$ 0
Washoe	0	0	\$ 0	\$ 0
Totals	1	7	\$ 555	\$ 555



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: Stefanie Morris, Manager, Water Resources
DATE: October 11, 2021
SUBJECT: Report Water Resources and Annexation Activity

RULE 7

Rule 7 water resource purchases and will-serve commitment sales against purchased water resources through this reporting period:

Beginning Balance		3,468.88 AF
Purchases of water rights	0.00 AF	
Refunds	0.00 AF	
Sales	– 84.75 AF	
Adjustments	0.00 AF	
Ending Balance		3,384.13 AF

Price per acre foot at report date: \$7,700

FISH SPRINGS RANCH, LLC GROUNDWATER RESOURCES

Through the merger of Washoe County's water utility, TMWA assumed a Water Banking and Trust Agreement with Fish Springs Ranch, LLC, a subsidiary of Vidler. Under the Agreement, TMWA holds record title to the groundwater rights for the benefit of Fish Springs. Fish Springs may sell and assign its interest in these groundwater rights to third parties for dedication to TMWA for a will-serve commitment in Areas where TMWA can deliver groundwater from the Fish Springs groundwater basin. Currently, TMWA can deliver Fish Springs groundwater to Area 10 only (Stead-Silver Lake-Lemmon Valley). The following is a summary of Fish Springs' resources.

Beginning Balance		7,653.42 AF
Committed water rights	– 0.00 AF	
Ending Balance		7,653.42 AF

Price per acre foot at report date: \$43,575 (for SFR and MFR); \$37,800 (for all other services)¹

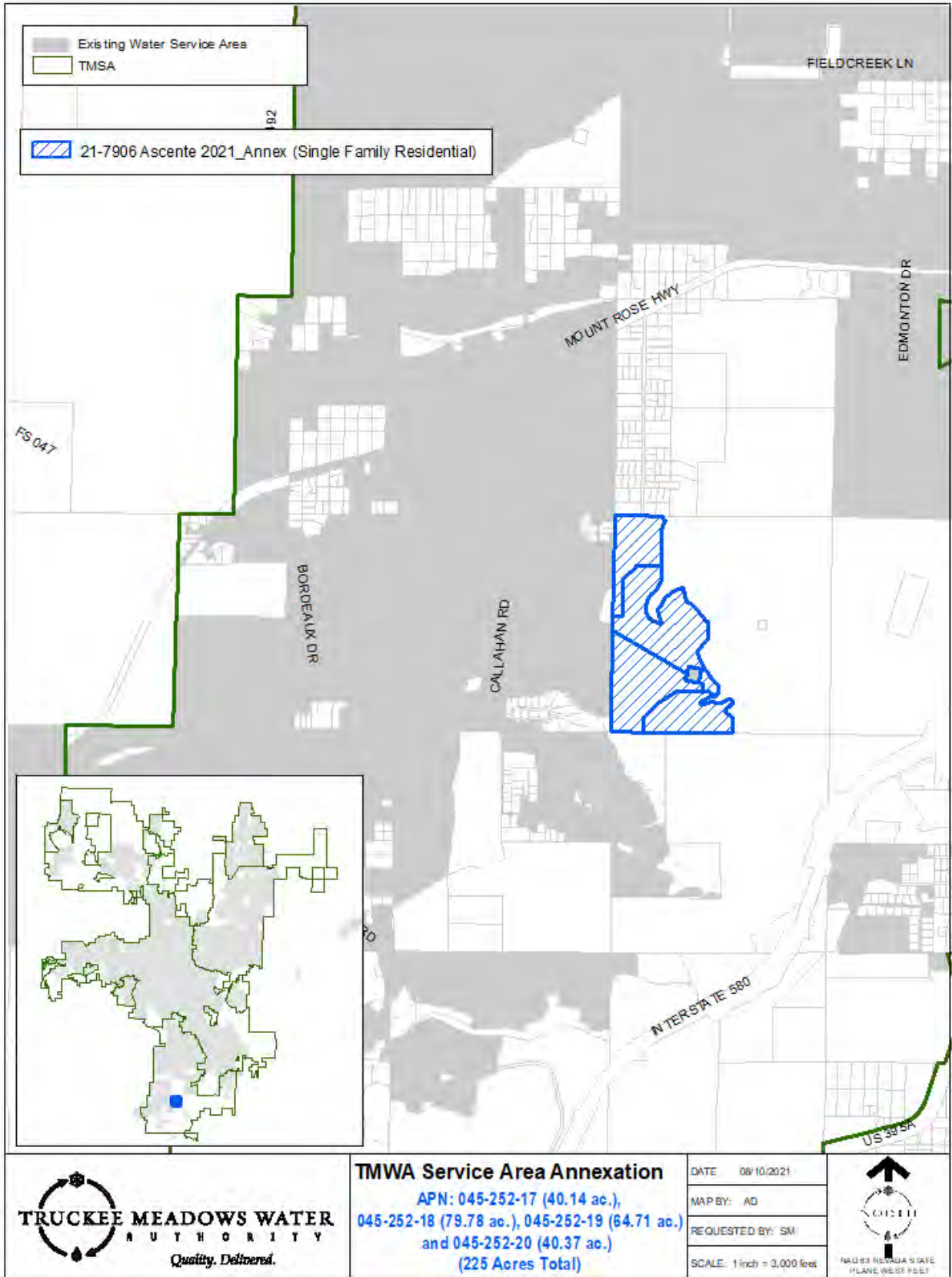
¹ Price reflects avoided cost of Truckee River water right related fees and TMWA Supply & Treatment WSF charge.

WATER SERVICE AREA ANNEXATIONS

Since the date of the last report, 225 acres have been annexed into TMWA's service area. (See attachment.)

INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE

No new ILVNPS customers have been added during this reporting period.





STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Marci Westlake, Manager Customer Service
DATE: October 20, 2021
SUBJECT: **September Customer Service Report**

The following is a summary of Customer Service activity for September 2021.

Ombudsman

- No calls for September

Communications

- Lydia Peri did a OneWater Nevada Ozone BAC Perspectives speech to CA WaterReuse and 60 people attended.
- Lydia Peri did a OneWater Nevada Successful Collaboration speech to CA WaterReuse and 40 people attended.
- Kara Steeland held a virtual presentation for Water Supply and Treatment for DRI/UNR and 8 people attended.
- Kayla Day, Maya Hauk-Gliebe, and Jennie Fong Buchanan had a presentation at UNR for Women in Stem and 30 people attended.

Conservation (2021 Calendar year)

- 6870 Water Watcher Contacts
- 1,188 Water Usage Reviews

Customer Calls –September

- 7,927 phone calls handled
- Average handling time -5 minutes, 05 seconds per call
- Average speed of answer –2 minutes 12 seconds per call

Billing –September

- 133,027 bills issued.
- N/A (0.00%) corrected bills.
- 11,521 customers (8%) have signed up for paperless billing to date.

Remittance –September

- 18,601 Mailed-in payments
- 26,585 Electronic payments
- 44,054 Payments via AutoPay (EFT)
- 19,018 One-time bank account payments
- 123 Store payments
- 123 Pay by Text
- 4,810 IVR Payments
- 826 Reno office Payments

Collections –September

- 15,209 accounts received a late charge
- 3,812 Mailed delinquent notices, 0.03% of accounts
- 918 accounts eligible for disconnect
- 253 accounts were disconnected (including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- .11 % write-off to revenue

Meter Statistics – Fiscal Year to Date

- 0 Meter retrofits completed
- 2,820 Meter exchanges completed
- 561 New business meter sets completed
- 133,907 Meters currently installed



General Manager Performance Evaluation for FY2021

Introduction

The General Manager's performance evaluation consists of an annual appraisal by the Board of Directors, as provided for in the General Manager's employment agreement.

The purpose of the evaluation process is to maintain a strong Board/Manager team by ensuring open and productive communication on an annual basis. During this formal review process, there is an opportunity to identify areas of satisfaction and areas for growth or needing change as identified by the Board.

The evaluation will be completed by each member of the Board.

The Executive Team and Department Heads reporting to the General Manager have been invited to participate in this performance review process.

The Human Resources Manager is the facilitator for this process, and will gather input from the confidential survey completed by each of the above-referenced individuals. A staff report and the summary results from the evaluation survey will be provided as supporting materials for the public meeting at which the TMWA Board reviews the annual performance of the General Manager.

Rating Criteria:

For each performance criteria, please use the following rating scale:

E – Exceeds your expectations

M – Meets your expectations

AG - Areas for growth

NA – Not applicable

Truckee Meadows Water Authority - General Manager FY2021 Performance Evaluation Survey Data Summary Sheet

Rating Scale

E-Exceeds your expectations

AG-Areas for growth

M-Meets your expectations

NA-Not Applicable

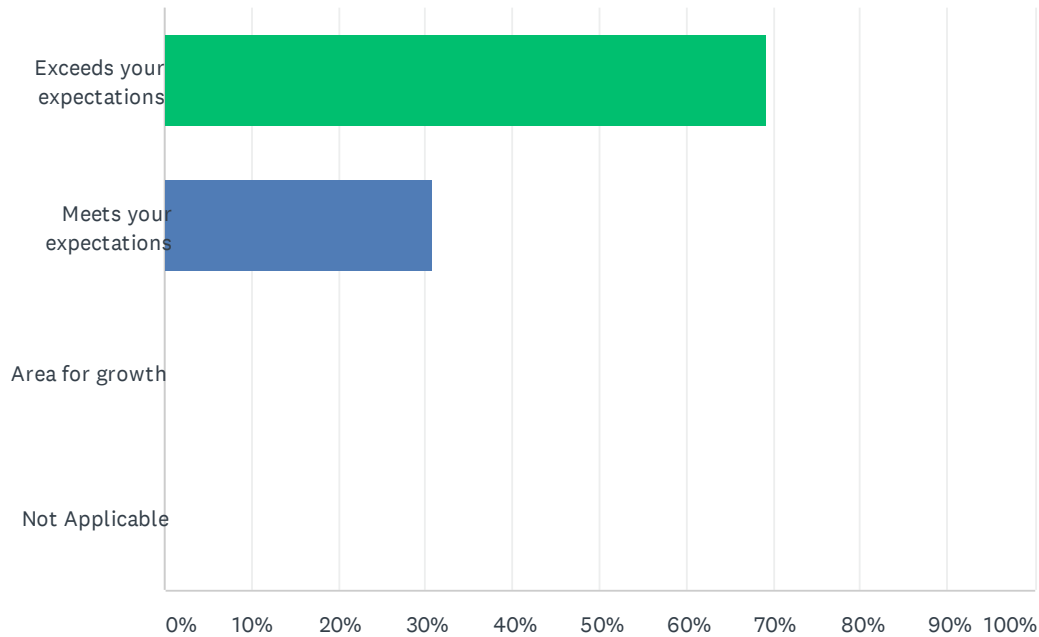
# of Responses				Criteria
E	M	AG	NA	Organizational Leadership
9	4	0	0	<ul style="list-style-type: none"> •Anticipates and clearly communicates risks and changes in market conditions and other factors affecting TMWA's fulfillment of its Vision and Business objectives; •Participates with Board and Staff in strategic planning; •Clearly articulates and advances the strategic priorities to be addressed over the next 3-5 years; •Sets and communicates clear operational priorities for the organization; •Implements new programs and services growing out of the strategic planning process; •Creates and maintains a high performing culture in the organization including strong employee morale, accountability, and cohesiveness; •Performs as the leading role model, setting high professional work standards and pursues goals with honesty, respect, determination, and initiative; •Handles emergencies and crisis situations in an effective, efficient, and professional manner; •Directs the utilization of TMWA resources effectively.
Organizational Leadership – Additional Comments 1.Mark does well in clearly articulating the strategic priorities of TMWA. He also serves as a role model, setting the culture of the organization. 2.He has always been available and willing to help as we communicate policy and procedures to our citizens. 3.Mark's ability to lead the organization is instinctual. His knowledge and experience is vast and the organization as well as the community is lucky to have had the benefit of his leadership for so long. 4.Mark clearly displays a strong work ethic and sets and excellent example for the organization. 5.Mark has a good feel for the community and he communicates risks and changes affecting TMWA. His experience allows him to handle emergencies and crisis situations in an effective, efficient, and professional manner; and he is adept at directing TMWA resources effectively.				
E	M	AG	NA	Relations with Board/Governance
6	6	0	1	<ul style="list-style-type: none"> •Communicates necessary information openly and honestly in a timely and organized fashion; •Establishes and maintains positive and effective working relationships with each member of the Board; •Has been consistently available to individual Board members whenever necessary; •Conforms to Board policies and directives; •Demonstrates a respectful understanding of the Board's governance role and has supported the Board in its oversight of the organization; •Contributes significant information and important agenda topics for discussion at Board level; •Synthesizes information and frames issues and questions in a manner for the Board to make appropriate decisions; •Makes periodic reports to the Board regarding important aspects of TMWA's functions and operations, highlighting both achievements and areas of concern.
Relations with Board/Governance – Additional Comments 1.Mark makes himself available to board members, quickly responding to questions and concerns. 2.I appreciate his leadership and professionalism. 3.Mark communicates necessary information openly and honestly, and frames issues and questions for the Board to make appropriate decisions.				
E	M	AG	NA	Communication Skills
6	7	0	0	<ul style="list-style-type: none"> •Negotiates effectively and is able to handle difficult situations; •Is concise and persuasive orally and in writing; •Listens to what is said and is sensitive to the impact on others; •Demonstrates empathy regarding others and exhibits concern for everyone as individuals; •Exercises good judgement in dealing with sensitive issues between individuals or between groups; •Effectively delivers presentations and engages with the media; •Communicates effectively with Board leadership and Board members.
Communications – Additional Comments 1.Mark has demonstrated very good communications on all levels of his position. 2.He listens well and is ready to help where he can. 3.Mark listens and is sensitive to the impact on others, especially during the Covid pandemic, and is concerned for everyone. His experience provides good judgement in dealing with sensitive issues.				

E	M	AG	NA	Relations with Community and Stakeholders
10	3	0	0	<ul style="list-style-type: none"> •Ability to relate well to others and to make people feel at ease, even in difficult situations; •Ability to gain the trust and confidence of the public; •Fosters contact and cooperation among citizens, community organizations and other government agencies; •Understand and embraces the concept of inter-local cooperation when appropriate; •Fosters cooperative communications and working relationships within the community to ensure that TMWA remains a significant partner within the community; •Maintains affiliation with professional associations relevant and beneficial to the successful operation of TMWA.
Relations with Community and State Holders – Additional Comments 1.Mark has embraced regional inter-local cooperation, communications and working relationships within the community to ensure that TMWA remains a significant regional partner. The American Flat project and the Palomino Farms feasibility study are two current examples.				
E	M	AG	NA	Management of Staff
9	4	0	0	<ul style="list-style-type: none"> •Establishes and maintains positive and effective working relationships with staff; •Models behaviors and attitudes which promote individual responsibility, programmatic and professional excellence and creative initiative; •Facilitates teamwork and collaboration; •Encourages innovative thinking and solutions and effectively incorporates the ideas and contributions of others; •Shares knowledge with others; •Appropriately delegates authority, granting proper authority at proper times; •Addresses employee issues promptly and effectively; •Encourages and rewards initiative; •Promotes cohesive teamwork with the TMWA Senior Management Team.
Management of Staff – Additional Comments 1.His succession planning is a practice example of his ability to lead and strategic approach. 2.Mark promotes an inclusive workplace that not only enables but encourages a comfortable, collaborative environment in all levels of the organization. This is demonstrated by TMWA's extremely low level of staff turnover. 3.TMWA's culture and performance speaks directly to Mark's leadership.				
E	M	AG	NA	Personal Effectiveness
8	5	0	0	<ul style="list-style-type: none"> •Maintains a professional image that reflects positively on the organization and builds trust and support from all stakeholders; •Demonstrates empathy regarding others and exhibits concern for everyone as individuals; •Skillfully analyzes and addresses problems, challenges and conflicts while comfortably navigating ambiguity and complexity; •Adapts quickly and is flexible to new demands and changes; •Performs at a very high standard of ethics and integrity; •Ensures that the organization, its staff and its programs operate in compliance with all applicable local, state, and federal law and regulations; •Pursues profession development resulting in increased capabilities and potential.
Personal Effectiveness – Additional Comments 1.Mark continually demonstrates professionalism in his performance as a general manager. He has a high standard of ethics and integrity. 2. TMWA is a strong partner in our community because of the work he does and the leaders he brings around him. 3.Again, a reflection of TMWA's culture, the organization, staff and its programs operate in compliance with all applicable local, state, and federal laws and regulations.				
E	M	AG	NA	Overall, and keeping unanticipated challenges and timeframes in mind, the General manager has achieved the goals and business objectives outlined for this appraisal period.
7	6	0	0	
55	35	0	1	Total number of responses by rating all categories combined
61%	39%	0%		Total % rating all categories combined
Overall Comments				
1	I am pleased and thankful for his years of service.			
2	Organized, thoughtful, strategic and thorough. TMWA is under fantastic management.			
3	Mark has done and continues to do an exceptional job leading the organization! I appreciate his leadership and support!			
4	I couldn't be more pleased with Mr. Foree's performance!			
5	Mark will be missed when he retires, but he is leaving the organization in good hands through a well thought out and active succession plan.			

Please identify future performance objective you may have for the general manager	
1	I believe that we are at a tipping point in the future of TMWA due to large growth in Washoe County and climate change. I'd like to see the leadership at TMWA tackle conservation and incentives to saving water more aggressively. I think that there are a lot of ways to do this and not lose revenues - for example creating partnerships with our tribal neighbors to the north. There are many creative things being done by water agencies throughout the west and world that it would be great to see our leadership look at these best practices to update our per capita use of water, water efficiency codes, landscape retrofit funds, and managing water loss. I'd also like to see continual reevaluation of water models due to extreme climate change and the possibility of a Washoe County Lands Bill.
2	Keep up the good work. Continue developing your team and looking toward the future of TMWA and our community.
3	Enjoy your retirement when it comes. Continue to lead strong and hand off the baton with grace.
4	Don't retire 😊
5	Continue advancing the ASR program with an emphasis on highly treated effluent, and how that potential water supply may be used to stabilize our region's groundwater resources.
6	Spend more time in Jackson Hole!

Q1 Organizational Leadership - Evaluation Rating:

Answered: 13 Skipped: 0

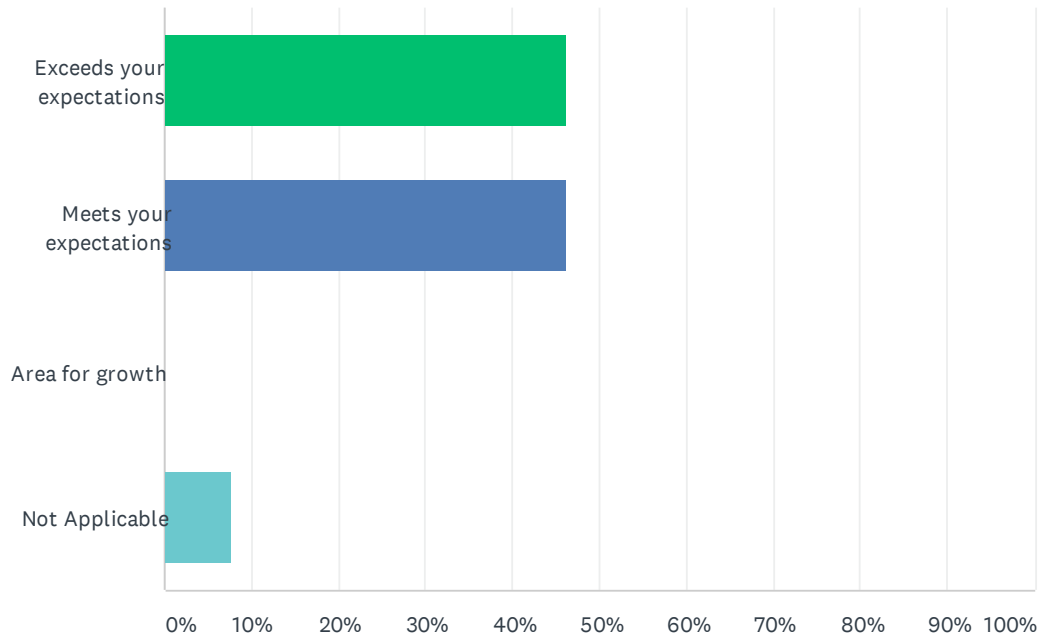


ANSWER CHOICES	RESPONSES	
Exceeds your expectations	69.23%	9
Meets your expectations	30.77%	4
Area for growth	0.00%	0
Not Applicable	0.00%	0
TOTAL		13

#	USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.	DATE
1	Mark does well in clearly articulating the strategic priorities of TMWA. He also serves as a role model, setting the culture of the organization.	9/6/2021 4:20 PM
2	He has always been available and willing to help as we communicate policy and procedures to our citizens.	9/6/2021 3:02 PM
3	Mark's ability to lead the organization is instinctual. His knowledge and experience is vast and the organization as well as the community is lucky to have had the benefit of his leadership for so long.	9/2/2021 12:23 PM
4	Mark clearly displays a strong work ethic and sets an excellent example for the organization.	9/1/2021 9:19 AM
5	Mark has a good feel for the community and he communicates risks and changes affecting TMWA. His experience allows him to handle emergencies and crisis situations in an effective, efficient, and professional manner; and he is adept at directing TMWA resources effectively.	8/26/2021 3:08 PM

Q2 Relations with Board/Governance- Evaluation Rating:

Answered: 13 Skipped: 0

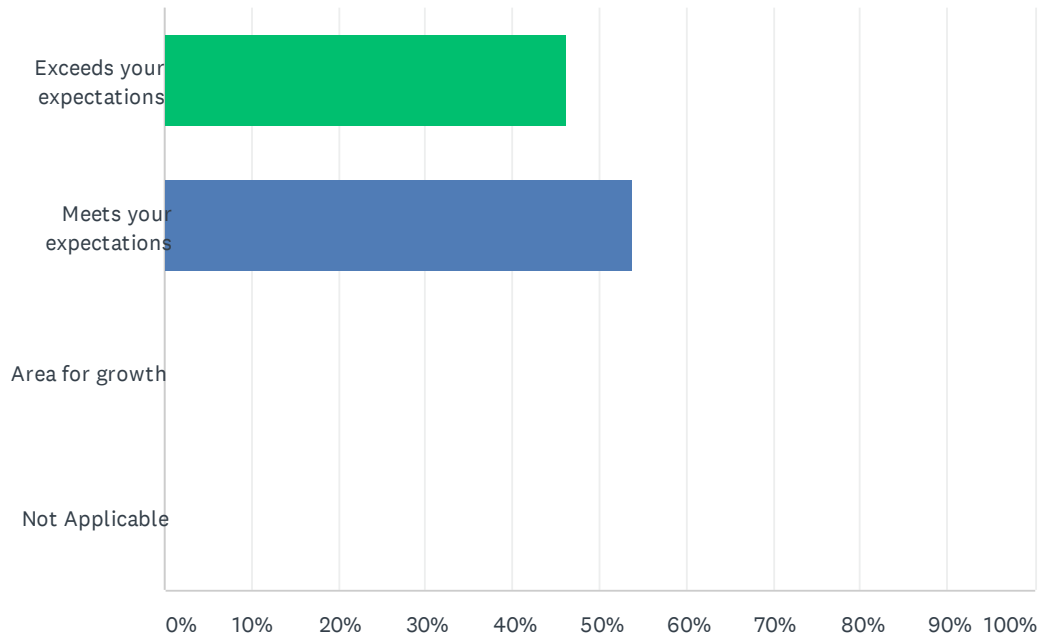


ANSWER CHOICES	RESPONSES	
Exceeds your expectations	46.15%	6
Meets your expectations	46.15%	6
Area for growth	0.00%	0
Not Applicable	7.69%	1
TOTAL		13

#	USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.	DATE
1	Mark makes himself available to board members, quickly responding to questions and concerns.	9/6/2021 4:26 PM
2	I appreciate his leadership and professionalism.	9/6/2021 3:02 PM
3	Mark communicates necessary information openly and honestly, and frames issues and questions for the Board to make appropriate decisions.	8/26/2021 3:11 PM

Q3 Communication Skills- Evaluation Rating:

Answered: 13 Skipped: 0

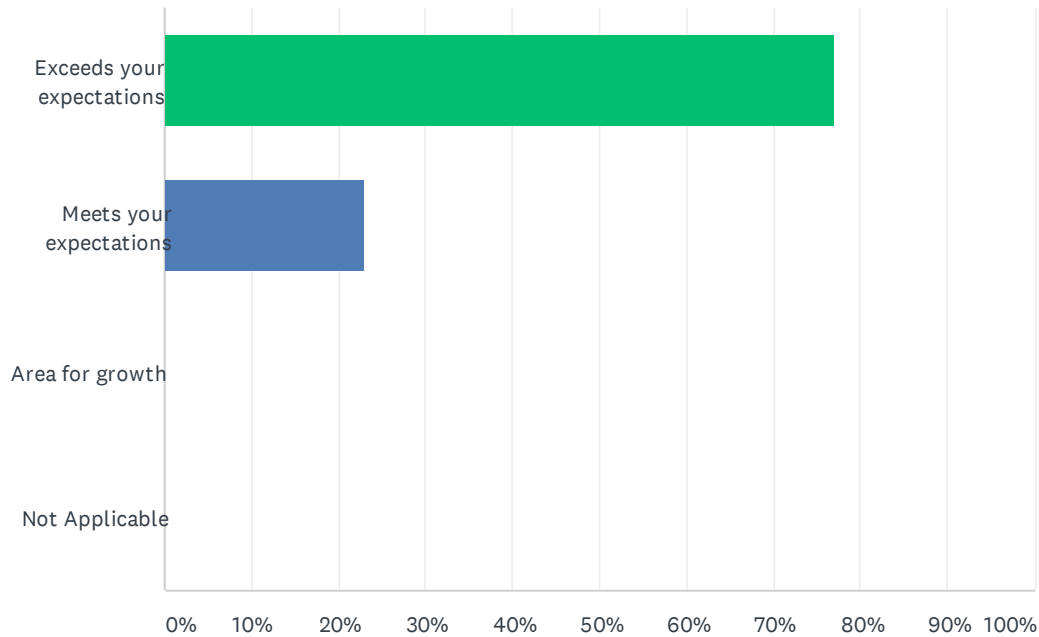


ANSWER CHOICES	RESPONSES	
Exceeds your expectations	46.15%	6
Meets your expectations	53.85%	7
Area for growth	0.00%	0
Not Applicable	0.00%	0
TOTAL		13

#	USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.	DATE
1	Mark has demonstrated very good communications skills on all levels of his position.	9/6/2021 4:26 PM
2	He listens well and is ready to help where he can.	9/6/2021 3:03 PM
3	Mark listens and is sensitive to the impact on others, especially during the Covid pandemic, and is concerned for everyone. His experience provides good judgement in dealing with sensitive issues.	8/26/2021 3:16 PM

Q4 Relations with Community/Stakeholders- Evaluation Rating:

Answered: 13 Skipped: 0

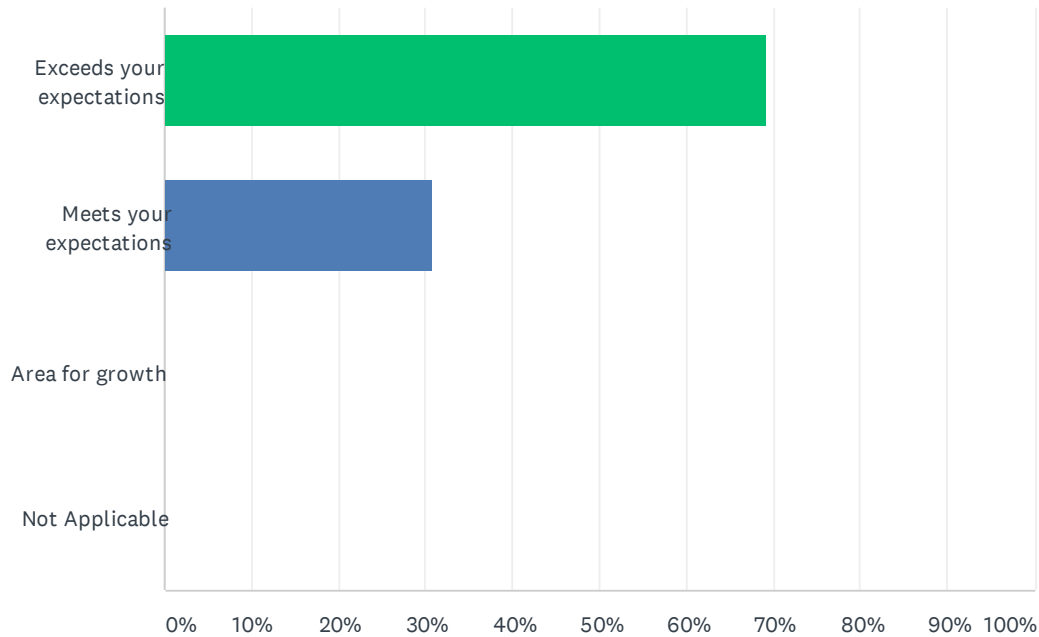


ANSWER CHOICES	RESPONSES	
Exceeds your expectations	76.92%	10
Meets your expectations	23.08%	3
Area for growth	0.00%	0
Not Applicable	0.00%	0
TOTAL		13

#	USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.	DATE
1	Mark has embraced regional inter-local cooperation, communications and working relationships within the community to ensure that TMWA remains a significant regional partner. The American Flat project and the Palomino Farms feasibility study are two current examples.	8/26/2021 3:19 PM

Q5 Management of Staff- Evaluation Rating:

Answered: 13 Skipped: 0

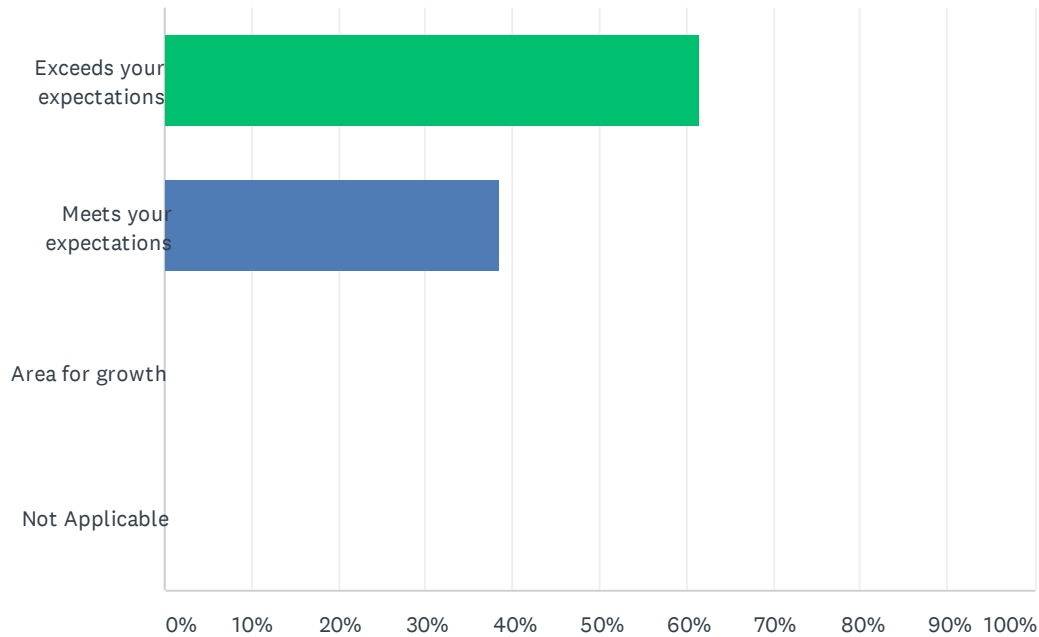


ANSWER CHOICES	RESPONSES	
Exceeds your expectations	69.23%	9
Meets your expectations	30.77%	4
Area for growth	0.00%	0
Not Applicable	0.00%	0
TOTAL		13

#	USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.	DATE
1	His succession planning is a practical example of his ability to lead and strategic approach.	9/6/2021 3:04 PM
2	Mark promotes an inclusive workplace that not only enables but encourages a comfortable, collaborative environment in all levels of the organization. This is demonstrated by TMWA's extremely low level of staff turnover.	9/1/2021 9:21 AM
3	TMWA's culture and performance speaks directly to Mark's leadership.	8/26/2021 3:22 PM

Q6 Personal Effectiveness - Evaluation Rating:

Answered: 13 Skipped: 0

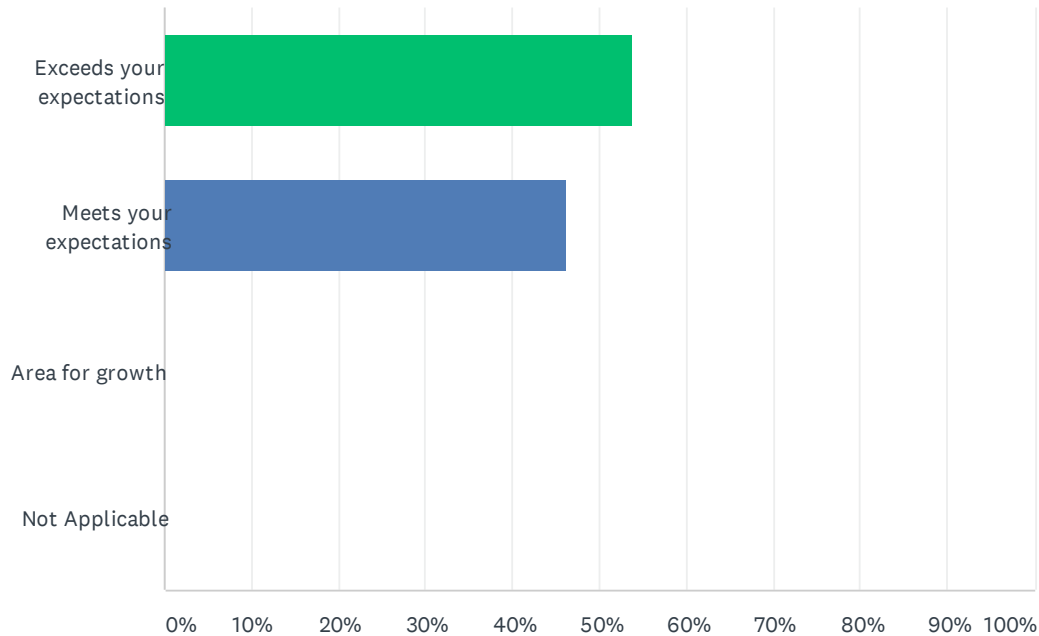


ANSWER CHOICES	RESPONSES	
Exceeds your expectations	61.54%	8
Meets your expectations	38.46%	5
Area for growth	0.00%	0
Not Applicable	0.00%	0
TOTAL		13

#	USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.	DATE
1	Mark continually demonstrates professionalism in his performance as a general manager. He has a high standard of ethics and integrity.	9/6/2021 4:31 PM
2	TMWA is a strong partner in our community because of the work he does and the leaders he brings around him.	9/6/2021 3:04 PM
3	Again, a reflection of TMWA's culture, the organization, staff and its programs operate in compliance will all applicable local, state, and federal laws and regulations.	8/26/2021 3:23 PM

Q7 Overall, and keeping unanticipated challenges and timeframes in mind, the General Manager has achieved the goals and business objectives outlined for this appraisal period.

Answered: 13 Skipped: 0



ANSWER CHOICES	RESPONSES
Exceeds your expectations	53.85% 7
Meets your expectations	46.15% 6
Area for growth	0.00% 0
Not Applicable	0.00% 0
TOTAL	13

#	ANY ADDITIONAL COMMENTS?	DATE
1	I am pleased and thankful for his years of service.	9/6/2021 3:05 PM
2	Organized, thoughtful, strategic and thorough. TMWA is under fantastic management.	9/4/2021 5:54 AM
3	Mark has done and continues to do an exceptional job leading the organization! I appreciate his leadership and support!	9/2/2021 12:26 PM
4	I couldn't be more pleased with Mr. Foree's performance!	9/1/2021 9:32 AM
5	Mark will be missed when he retires, but he is leaving the organization in good hands through a well thought out and active succession plan.	8/26/2021 3:27 PM

Q8 Please identify any future performance objectives you may have for the General Manager.

Answered: 6 Skipped: 7

#	RESPONSES	DATE
1	I believe that we are at a tipping point in the future of TMWA due to large growth in Washoe County and climate change. I'd like to see the leadership at TMWA tackle conservation and incentives to saving water more aggressively. I think that there are a lot of ways to do this and not lose revenues - for example creating partnerships with our tribal neighbors to the north. There are many creative things being done by water agencies throughout the west and world that it would be great to see our leadership look at these best practices to update our per capita use of water, water efficiency codes, landscape retrofit funds, and managing water loss. I'd also like to see continual reevaluation of water models due to extreme climate change and the possibility of a Washoe County Lands Bill.	9/6/2021 9:04 PM
2	Keep up the good work. Continue developing your team and looking toward the future of TMWA and our community.	9/6/2021 4:37 PM
3	Enjoy your retirement when it comes. Continue to lead strong and hand off the baton with grace.	9/6/2021 3:05 PM
4	Don't retire😊	9/4/2021 5:54 AM
5	Continue advancing the ASR program with an emphasis on highly treated effluent, and how that potential water supply may be used to stabilize our region's groundwater resources.	9/1/2021 9:32 AM
6	Spend more time in Jackson Hole!	8/26/2021 3:27 PM