



STANDING ADVISORY COMMITTEE
MINUTES
February 1,2022

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

1. ROLL CALL

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

Alternates Present: Fred Arndt, Ken Becker, Susan Hoog, Kevin Ryan, Dale Sanderson, and Jim Smith.

Primary Members and Alternates Absent: Robert Chambers, Jon Combs, Karl Katt, John Krmptic, Neil McGuire, and Ann Silver.

**Member Kowitz joined at 3:14 p.m.*

***Member McNeil joined at 3:20 p.m.*

****Member Talmant joined at 3:22 p.m.*

*****Member Pullman joined at 3:30 p.m.*

Staff Present: Matt Bowman, Sophie Cardinal, Robert Charpentier, Scott Estes, Sonia Folsom, Mark Foree, Andy Gebhardt, Bill Hauck, Stef Morris, Danny Rotter, Kara Steeland, Michele Sullivan, Marci Westlake, John Zimmerman, and Legal Counsel Michael Pagni (McDonald Carano).

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

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

4. APPROVAL OF THE MINUTES OF THE OCTOBER 5, 2021 MEETING

Upon motion duly made by Member Melton and seconded by Member Hayes, and carried by unanimous consent of the members present, the Committee approved the October 5, 2021 meeting minutes.

5. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Administrator, updated the Committee on the current water supply status: Last year was the second dry year in a row which required releases of upstream reserves to supply water to customers until first of week of October; the region experienced huge precipitation atmospheric events in late October, which improved the outlook and was followed by one of the wettest December's on record; where over 200" of snowfall was measured at Donner Summit, which ended 2021 with snow levels over 200% of normal in some of the basins; since December 30th there has not been any measurable precipitation; the Truckee Basin is about 112% of normal; most of the reservoirs in the system are expected to make a full recovery; Lake Tahoe is projected to raise about two feet when the snow melts; which probably means normal Truckee River flows for the rest of the year; upstream reservoir storage expect to have 30% more storage by June compared to last summer; and currently there is 47,000 acre feet (AF) and should have 65,000 AF or more in the summer months.

6. PRESENTATION ON THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2021

Matt Bowman, TMWA Financial Controller, presented the Annual Comprehensive Financial Report (ACFR) which is required per Nevada Statute, which resulted with no audit findings by Eide Bailly.

Member Becker thanked Mr. Bowman, and staff, for a well written document and the easy to read Popular Annual Financial Report (PAFR).

7. PRESENTATION OF TMWA'S 2021 POPULAR ANNUAL FINANCIAL REPORT (PAFR)

Mr. Bowman presented the PAFR, which is a user-friendly version of the ACFR for the general public, was submitted to the Government Finance Officers Association (GFOA) last December and was presented to the Board last month. The PAFR was also emailed via E-Newsletter and posted on social media as well as shared with other stakeholders.

Member Arndt inquired if Mr. Bowman compared other communities of TMWA's service area of similar size and thanked staff for a very well written report and showing an interesting way to capture the data and information. Mr. Bowman replied no, not for this one.

Member Ryan stated it is a good document to show sound fiscal management, in light of the next phase of rate increase. Vice Chair Hastings agreed it is a publicly accessible report.

Andy Gebhardt, TMWA Director of Operations, added that they have received positive feedback from the public and Robert Charpentier, TMWA Communications Specialist, reported that the E-Newsletter had an open rate of 47%, which is the highest they've seen.

8. PRESENTATION OF FISCAL YEAR 2022 Q1 YEAR TO DATE FINANCIAL RESULTS

Mr. Bowman presented the financial performance for first quarter fiscal year 2022: change in net position was \$4.0m (18%) higher than budget; operating revenue was \$0.8m (2%) higher than budget which was driven primarily by higher water sales and other operating sales, but offset by lower hydroelectric sales; water sales were higher by \$0.5m (1%); total operating expenses were \$1.0m (4%) lower than budget; non-operating expenses were \$0.4m higher than budgeted; capital contributions were \$2.5m higher than budget, driven primarily by higher developer infrastructure contributions and higher developer facility charges; and total cash on hand was \$230.4m or \$0.8m higher than at the beginning of the fiscal year.

Member Arndt inquired about inflation and if employee costs would remain stable since the majority of employees are under the collective bargaining agreement (CBA). Mr. Bowman replied about half of TMWA's employees are not under a CBA and TMWA conducts an annual labor market analysis in regard to market wage movement.

Vice Chair Hastings asked if TMWA has experienced any supply chain issues for some products or chemicals used. Mr. Bowman replied the most important issue at TMWA right now is meters and with the chip shortage, it has delayed the meter replacement project; currently there are about 25,000 remote read meters servicing customers, but we need approximately 100,000, and with regards to treatment chemicals, we have only seen a small increase in cost.

9. INFORMATIONAL REPORT ON WATERSHED PROTECTION PLANNING ACTIVITIES AND PROJECTS

Stef Morris, TMWA Water Resources Manager, provided an overview of the projects, in collaboration with community and regional stakeholders, that address fire prevention in the Sierras and the importance to protect water quality as roughly 80% of TMWA's water resources originate in California, which is heavily forested and TMWA doesn't own the land and therefore doesn't have jurisdiction over what happens with the land in terms of fuel reduction. This makes necessary to work with state and federal agencies to collaborate on watershed management and fuels reduction.

Member Wager inquired why capital improvement funds are not used for fuels reduction and suggested a way to address this issue is to involve Congressional delegates from both Nevada and California. Ms. Morris replied technically the river is not a piece of infrastructure, but staff is focused on obtaining other funding sources to fill the gaps and to address the planning that exists between agency projects and programs, and agreed with his recommendation, but they need to finish the gap analysis first before involving individuals at that level.

Vice Chair Hastings asked when the gap analysis would be completed and if this could be put in the PAFR as an infographic next year. Ms. Morris replied that the analysis is just beginning, and it will take some time to identify the priority projects and that staff would look at whether it is appropriate to address it in the next PAFR.

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

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

Next meeting:

1. Water Supply Update
2. Presentation of second quarter FY2022 financial performance
3. Presentation of the tentative budget for FY2023 and five year CIP for FY2023-27
4. Update on Mt. Rose Water Treatment Plant status
5. Presentation of TMWA's reclamation and water reuse projects

11. STAFF ITEMS

There were no staff items.

12. COMMITTEE ITEMS

There were no committee items.

13. PUBLIC COMMENT

There was no public comment

14. ADJOURNMENT

With no further items for discussion, Vice Chair Hastings adjourned the meeting at 4:07 p.m.

Approved by the Standing Advisory Committee in session on April 5, 2022.

Sonia Folsom, Recording Clerk

**Members Kowitz and McNeil were present for agenda items 6 thru 14 only.*

***Members Pullman and Talmant were present for agenda items 7 thru 14 only.*