



**TRUCKEE MEADOWS WATER AUTHORITY**  
**Board of Directors**

**AGENDA**

**NEW DAY & TIME**

**Tuesday, July 26, 2022 at 9:00 a.m.**  
**Sparks Council Chambers, 745 4<sup>th</sup> Street, Sparks, NV**

**Board Members**

Chair Vaughn Hartung	Vice Chair Kristopher Dahir
Member Neoma Jardon	Member Alexis Hill
Member Jenny Brekhus	Member Naomi Duerr
Member Paul Anderson	

**NOTES:**

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), at <http://www.tmwa.com>, and State of Nevada Public Notice Website, <https://notice.nv.gov/>.
2. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call (775) 834-8002 at least 24 hours before the meeting date.
3. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at <http://www.tmwa.com/meeting/>. 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. Public comment is limited to three minutes and is allowed during the public comment periods. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk. In addition to the public comment periods, the Chairman has the discretion to allow public comment on any agenda item, including any item on which action is to be taken.
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\*
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**)

<sup>1</sup>The 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.

6. Approval of the minutes of the June 15, 2022 meeting of the TMWA Board of Directors **(For Possible Action)**
7. Discussion and action on nomination and election of Chairman and Vice Chairman and request for Board adoption of Resolution No. 305 appointing a Chairman and Vice Chairman for Fiscal Year 2023 — Mark Foree **(For Possible Action)**
8. Discussion and action regarding terms for and possible approval of General Manager employment agreement with John Zimmerman — Jessica Atkinson and Lucas Foletta **(For Possible Action)**
9. Discussion and action, and possible authorization for the TMWA General Manager to enter into an Agreement with NV Energy obligating TMWA to provide up to 400 acre-feet of water in drought years in exchange for use of 1,400 acre-feet of water rights in non-drought years and a right of first refusal to purchase NV Energy's Truckee River water rights — Stefanie Morris and Bill Hauck **(For Possible Action)**
10. Discussion and action on Resolution No. 306: 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 and Kara Steeland **(For Possible Action)**
11. General Manager's Report\*
12. Public comment — limited to no more than three minutes per speaker\*
13. Board comments and requests for future agenda items\*
14. Adjournment **(For Possible Action)**

<sup>1</sup>The 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.

TRUCKEE MEADOWS WATER AUTHORITY  
**DRAFT** MINUTES OF THE JUNE 15, 2022  
MEETING OF THE BOARD OF DIRECTORS

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The Board of Directors met on Wednesday, June 15, 2022, at Sparks Council Chambers. Vice Chair Dahir called the meeting to order at 10:00 a.m.

1. ROLL CALL

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

A quorum was present.

*\*Director Brekhus left the meeting at 10:08 a.m.*

*\*\*Director Duerr attended virtually via Zoom and joined at 10:08 a.m.*

*\*\*\*Director Hartung attended virtually via Zoom.*

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Director Hill.

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 Director Anderson, second by Director Jardon, which motion duly carried by unanimous consent of the Directors present, the Board approved the agenda.**

6. APPROVAL OF THE MINUTES OF THE MAY 19, 2022 MEETING

**Upon motion by Director Hill, second by Director Jardon, which motion duly carried by unanimous consent of the Directors present, the Board approved the May 19, 2022 minutes.**

**7. TMWA GENERAL MANAGER INTERVIEWS. DISCUSSION AND POSSIBLE ACTION TO CONSIDER AND INTERVIEW THE FOLLOWING APPLICANTS FOR THE TMWA GENERAL MANAGER POSITION: DAMION LAMPLEY, AND JOHN ZIMMERMAN; SELECT A GENERAL MANAGER AND PROVIDE DIRECTION AS APPROPRIATE ON NEGOTIATION OF AN EMPLOYMENT AGREEMENT OR PROVIDE DIRECTION TO STAFF AS APPROPRIATE REGARDING RECRUITMENT PROCESS**

Jessica Atkinson, TMWA Human Resources Manager, provided an overview of the recruitment process, which resulted in applicants from throughout the country including applicants from the western US and local area. Ms. Atkinson provided information regarding the narrowing of the applicant pool including reasons applicants withdrew from consideration. Ms. Atkinson informed the Board that one of the two final applicants, Damion Lampley had withdrawn his application earlier in the morning and requested Board direction whether to move forward with the interview process or consider an alternative.

The Board discussed alternatives and determined to move forward interviewing John Zimmerman.

John Zimmerman, TMWA Assistant General Manager, gave an opening statement, answered questions from Board Members, and gave a closing statement.

Board Members shared their impressions of the candidate upon interview completion. The Board also provided direction on how staff should proceed with negotiating a bringing back a contract for Board approval.

*Public Comment*

Andy Gebhardt, TMWA Director of Distribution, Maintenance & Generation, stated support for Mr. Zimmerman.

Neil McGuire, Chair of TMWA's Standing Advisory Committee, stated support as a Reno citizen.

Danny Rotter, TMWA Manager of Engineering, stated support for Mr. Zimmerman.

Ryan Dixon, TMWA Manager of Facilities, Maintenance, Generation & Fleet, stated support for Mr. Zimmerman.

The Board received public comment in the form of letter(s) of support that were included in the agenda packet.

**Upon motion by Director Anderson, second by Director Jardon, which motion duly carried by unanimous consent of the Directors present, the Board approved John Zimmerman as the next General Manager and directed staff to include the Chair and Vice Chair in the negotiations of an employment agreement which will be presented to the Board for discussion and approval.**

**8. GENERAL MANAGER'S REPORT**

Mark Foree, TMWA General Manager, congratulated Mr. Zimmerman and informed the Board there is a need to hold a July Board meeting on Thursday, July 21<sup>st</sup> at 10am and it will be held at the Washoe

County Commission Chambers, there is an open house for the Mt. Rose Water Treatment Plant on Wed, Jun 29<sup>th</sup> from 5pm-7pm, and there will be an August meeting to hear an appeal from St. James Village under TMWA's Rule 8.

#### 9. PUBLIC COMMENT

There was no public comment.

#### 10. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Vice Chair Dahir commended the Board and staff on the General Manager recruitment process.

#### 11. ADJOURNMENT

With no further discussion, Vice Chair Dahir adjourned the meeting at 12:00 p.m.

Approved by the TMWA Board of Directors in session on \_\_\_\_\_.

Sonia Folsom, Board Clerk.

***\*Director Brekhus was present for agenda items 1 thru 6 only.***

***\*\*Director Duerr was present for agenda items 7 thru 11 only.***



**TO:** Board of Directors  
**FROM:** Mark Foree, TMWA General Manager  
**DATE:** July 26, 2022  
**SUBJECT:** Discussion and action on nomination and election of Chairman and Vice Chairman of TMWA Board of Directors and request for Board adoption of Resolution No. 305 appointing a Chairman and Vice Chairman for Fiscal Year 2023

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The Cooperative Agreement forming TMWA requires the Board to appoint a Chairman and Vice Chairman to serve one year terms coinciding with the fiscal year. Said appointments would take effect July 1, 2022 and continue through June 30, 2023.

**TRUCKEE MEADOWS WATER AUTHORITY**

**RESOLUTION NO. 305**

**A RESOLUTION TO APPOINT OFFICERS**

**WHEREAS**, pursuant to the Truckee Meadows Water Authority Cooperative Agreement among the City of Reno, City of Sparks, and County of Washoe, the Board of Directors is required to appoint a chairman and a vice chairman from its membership; and

**WHEREAS**, the officers appointed are to hold office for a period of one year commencing the first day of each fiscal year; and

**WHEREAS**, the last day of the current fiscal year is June 30, 2022, and the terms of the current officers will expire as of that date,

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby appoints:

\_\_\_\_\_ to serve as its chairman for the fiscal year beginning July 1, 2022.

Upon motion of \_\_\_\_\_, second by \_\_\_\_\_, the foregoing Resolution was passed and adopted July 26, 2022, by the following vote of the Board:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstain: \_\_\_\_\_

Absent: \_\_\_\_\_

and

\_\_\_\_\_ to serve as its vice-chairman for the fiscal year beginning July 1, 2022.

Upon motion of \_\_\_\_\_, second by \_\_\_\_\_, the foregoing Resolution was passed and adopted July 26, 2022, by the following vote of the Board:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstain: \_\_\_\_\_

Absent: \_\_\_\_\_

Approved July 26, 2022

\_\_\_\_\_  
Chairman  
Truckee Meadows Water Authority



## STAFF REPORT

**TO:** Board of Directors  
**THRU:** Mark Foree, General Manager  
**FROM:** Jessica Atkinson, Director of Human Resources  
Lucas Foletta, TMWA General Counsel  
**DATE:** July 26, 2022  
**SUBJECT:** Discussion and action regarding terms for and possible approval of General Manager employment agreement with John Zimmerman

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### Recommendation

Staff recommends approval of the employment agreement between Truckee Meadows Water Authority and John Zimmerman.

### Discussion

Pursuant to Board direction at the June meeting, staff met with Mr. Zimmerman and chair Hartung and vice-chair Dahir to discuss and negotiate terms and conditions for Mr. Zimmerman's employment agreement. The primary points of discussion involved salary and contract term.

If approved, Zimmerman's employment agreement would be effective beginning July 26, 2022, providing approximately 3 months over overlap prior to current General Manager Mark Foree's retirement. During the period of overlap, Mr. Foree will retain his authority through his retirement date of October 15, 2022, unless he designates Mr. Zimmerman as Acting General Manager. Coinciding with Mr. Foree's retirement date, Mr. Zimmerman's anniversary date as General Manager will be October 15<sup>th</sup> of each year.

Mr. Zimmerman's salary as Assistant General Manager is \$212,664. His compensation request for his new role is \$223,297, which equates to a 5% increase above his current salary. It is recommended that each July, Zimmerman's salary be adjusted as is consistent for other MPAT employees incrementing him each year to the market step of the general manager position grade. The agreement provides that the Board will evaluate Zimmerman's performance at least once annually and Zimmerman will have an opportunity to earn a base salary increase and or lump sum award based on his specific job performance in meeting mutually agreed upon goals. Zimmerman's initial performance goals for the 2022-2023 fiscal year will be established by December 1, 2022.



In line with other general manager contracts, it is being recommended that Mr. Zimmerman's initial employment term be two years beginning on his anniversary date (October 15, 2022) and will automatically extend for an additional two years unless either party provides written notice to the other party as described in the attached agreement. Additionally, if the term is automatically extended for an additional two years, a provision has been added which requires parties to meet and confer six months prior to the expiration of the extension term to decide if the parties wish to negotiate an amendment. Both Mr. Zimmerman and Board members believe this addition facilitates time to effectively plan for either renegotiating terms or seeking a replacement. It should be noted, the term of the employment agreement including the automatic extension is subject to termination for the following reasons:

- Expiration of the term;
- Upon the death of Zimmerman;
- Upon the disability of Zimmerman;
- For cause;
- For convenience by either party with appropriate notice

The draft agreement was based on Mr. Foree's employment agreement but amended for the terms described above. The draft agreement is attached.

## **EMPLOYMENT AGREEMENT**

### **1. PARTIES AND RECITALS**

This Employment Agreement (“Agreement”) is entered into on July\_\_, 2022 (“Effective Date”) by and between the Truckee Meadows Water Authority, by and through its duly constituted Board of Directors (“TMWA”), a political subdivision of the State of Nevada and a public entity organized pursuant to NRS 277.110, et. seq., and John Zimmerman (“Zimmerman”), collectively the “Parties”.

**1.1** TMWA was formed to exercise powers, privileges and authorities to develop and maintain supplies of water for the benefit of the Truckee Meadows community;

**1.2** TMWA desires to retain the services of Zimmerman as General Manager;

**1.3** Zimmerman desires employment as General Manager of TMWA;

**1.4** The parties desire to enter into an agreement reflecting the terms and conditions under which Zimmerman will be employed by TMWA as its General Manager; and

**1.5** TMWA desires that Zimmerman overlap with the existing General Manager for business continuity purposes and that during the overlap Mr. Mark Foree will retain his authority unless Mr. Foree designates Zimmerman as Acting General Manager through October 15, 2022.

**1.6** For purposes of this Agreement October 15<sup>th</sup> of each year will be deemed the “Anniversary Date.”

NOW, THEREFORE, in consideration of their mutual covenants contained herein, TMWA and Zimmerman agree as follows:

### **2. EMPLOYMENT**

TMWA hereby employs Zimmerman and Zimmerman agrees to serve as the General Manager of TMWA to perform the functions and duties specified in Section 3 for the term specified in Section 5.

### **3. DUTIES/ESSENTIAL JOB FUNCTIONS**

**3.1** Zimmerman agrees that during the Term of Employment (as defined in Section 5.1) he will hold the office of General Manager of TMWA reporting to TMWA’s Board of Directors (the “Board”). Zimmerman agrees to perform faithfully and to the best of his ability such duties and assignments relating to the business of TMWA as the Board of Directors of TMWA shall direct.

**3.2** During the Term of Employment Zimmerman shall, except during customary vacation periods and periods of illness, devote his business time and attention to the performance of his duties hereunder and to the business and affairs of TMWA and to promoting the best interests of TMWA. Zimmerman shall not, either during or outside of normal business hours, engage in any activity inimical to the best interests of TMWA. Notwithstanding the foregoing, Zimmerman may engage in charitable or civic pursuits provided that such service or pursuits do not interfere with Zimmerman's obligations under the Agreement.

#### **4. SALARY**

TMWA agrees to pay Zimmerman for his services an annual base salary of (\$223,297.00) ("Base Salary") beginning on the Effective Date. Zimmerman's Base Salary shall automatically adjust in incrementing steps on July 1, 2023 and each July 1 thereafter until he reaches the "Market" step of the General Manager wage band. Zimmerman will have an opportunity to earn a Base Salary increase and a lump sum award based upon Zimmerman's specific job performance in meeting the mutually agreed upon goals for the previous year. The Board and Zimmerman will meet by December 1, 2022 to set initial performance goals for the 2022-23 fiscal year. The Board shall evaluate Zimmerman's performance pursuant to Section 6 and in its sole discretion may determine a performance lump sum award or any salary adjustment in accordance with Section 6 of this Agreement. This adjustment may be made either to the Base Salary or in the form of a lump sum award or as a combination of the two at the sole discretion of TMWA. The total award (addition to Base Salary plus lump sum award) may be up to 10% of Base Salary. Any portion of a salary adjustment granted as a lump sum award shall not become part of Zimmerman's Base Salary for future years.

#### **5. TERM AND TERMINATION**

**5.1 Term.** The term of this Agreement ("Initial Term") is two (2) years beginning on the first Anniversary Date of this Agreement (October 15, 2022); subject, however, to prior termination as provided herein. The Term of Employment shall automatically be extended, with the same terms to the extent they comply with applicable Nevada law, for an additional two years from the third Anniversary Date (October 15, 2024) ("Extension Term"), unless either party provides written notice to the other party no later than May 31, 2024 of its election not to extend the Initial Term. The Initial Term and Extension Term, as applicable, are referred to as the "Term of Employment."

**5.2 Renewal of Contract.** If the Extension Term is exercised, the Parties agree to meet and confer no later than May 31, 2026, to decide if the Parties will negotiate an amendment to this contract.

**5.3 Events of Termination.** The Term of Employment, Zimmerman's Base Salary, and any and all other rights of Zimmerman under this Agreement or otherwise as an employee of TMWA shall terminate (except as otherwise provided in this Section) for the reasons and at the times set forth below:

- (a) Immediately upon the expiration of the Term of Employment;
- (b) Immediately upon the death of Zimmerman;
- (c) Upon the disability of Zimmerman (as defined in Section 5.4) immediately upon written notice from either party to the other;
- (d) For Cause (as defined in Section 5.5) immediately upon notice from TMWA to Zimmerman, or at such later time as such notice may specify;
- (e) For convenience by Zimmerman following no less than 120 days written notice, unless the parties subsequently agree to a different notice period; or
- (f) For convenience by TMWA following no less than thirty (30) days written notice; provided Zimmerman shall be entitled to severance pay as set forth in Section 5.5.

**5.4 Definition of Disability.** For purposes of Section 5.3(c), Zimmerman will be deemed to have a “disability” if, Zimmerman is unable to perform the essential functions of his duties under this Agreement, with or without a reasonable accommodation, including granting Zimmerman some finite amount of leave, due to disability caused by sickness, accident, injury, mental or physical incapacity. The disability of Zimmerman will be determined by a medical doctor selected by written agreement of TMWA and Zimmerman upon the request of either party by notice to the other. If TMWA and Zimmerman cannot agree on the selection of a medical doctor, each of them will select a medical doctor and the two medical doctors will select a third medical doctor who will determine whether Zimmerman has a disability. The determination of the medical doctor selected under this Section 5.4 will be binding on both parties. Zimmerman must submit to a reasonable number of examinations by the medical doctor making the determination of disability under this Section 5.4, and Zimmerman hereby authorizes the disclosure and release to TMWA of such determination and all supporting medical records. If Zimmerman is not legally competent, Zimmerman’s legal guardian or duly authorized attorney-in-fact will act in Zimmerman’s stead, under this Section 5.4, for the purposes of submitting Zimmerman to the examinations, and providing the authorization of disclosure, required under this Section 5.4.

For the sake of clarity, any leave granted to Zimmerman as a reasonable accommodation, during which he is unable to perform his duties under this Agreement, will be paid for up to 90 days. Any additional leave that may become necessary as a reasonable accommodation beyond the 90-day period—and during which Zimmerman is not performing any duties under this Agreement—will be unpaid. Nothing in this Agreement affects the parties’ ability to discuss and implement alternative accommodations, if needed, such as reassignment of Zimmerman to another position for which he is qualified and the duties of which he can perform.

**5.5 Definition of “For Cause”.** For purposes of Section 5.3(d), the phrase “For Cause” means: (a) Zimmerman’s material breach of this Agreement or gross negligence in the performance of his required duties as TMWA General Manager; (b) Zimmerman’s failure to adhere to any written policy of TMWA or lawful direction of the TMWA Board if Zimmerman

has been given a reasonable opportunity to comply with such policy or direction or cure his failure to comply; (c) the appropriation or attempted appropriation of a material business opportunity of TMWA, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of TMWA; (d) any act of dishonesty, fraud, embezzlement, theft, or misappropriation or attempted misappropriation of any of TMWA's funds or property; (e) the conviction of, the indictment for or its procedural equivalent, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, or any other crime with respect to which imprisonment is a possible punishment; (f) Zimmerman's material violations of TMWA employment policies; (g) Zimmerman's indictment, arrest or conviction for the use or possession of illegal drugs; (h) Zimmerman's willful or material violation of the Code of Ethical Standards set forth in NRS Chapter 281A; or (i) for any other reason constituting cause as that term may otherwise be defined under Nevada law.

**5.6 Termination Pay.** Effective upon the termination of this Agreement, TMWA will be obligated to pay Zimmerman (or, in the event of his death, his designated beneficiary as defined below) only such compensation as is provided in this Section 5.6, and in lieu of all other amounts and in settlement and complete release of all claims Zimmerman may have against TMWA. For purposes of this Section 5.6, Zimmerman's designated beneficiary will be such individual beneficiary or trust, located at such address, as Zimmerman may designate by notice to TMWA from time to time or, if Zimmerman fails to give notice to TMWA of such a beneficiary, Zimmerman's estate. Notwithstanding the preceding sentence, TMWA will have no duty, in any circumstances, to attempt to open an estate on behalf of Zimmerman, but will act reasonably in ascertaining the whereabouts of Zimmerman's beneficiaries and seeing to it that such beneficiaries are properly paid.

(a) If this Agreement is terminated by either party as a result of Zimmerman's death or disability as determined under Section 5.4, by TMWA "For Cause" pursuant to Section 5.3(d) or by Zimmerman for convenience pursuant to Section 5.3(e), TMWA shall pay Zimmerman his Base Salary accrued through the date of termination plus any accrued unused PTO as set forth in section 8 below.

(b) If TMWA terminates this Agreement for convenience pursuant to Section 5.3(f), TMWA agrees to pay Zimmerman severance pay equal to Zimmerman's six-month Base Salary and a lump sum payment equal to the six month's of the employer's share of health insurance premiums, calculated using Zimmerman's enrollment tier at the time of separation upon the effective date of such termination plus any accrued unused PTO as set forth in section 8 below. This payment shall be made 60 days after separation and will be contingent upon Zimmerman signing a release of all claims.

**5.7 Non-Renewal of Agreement.** In the event TMWA elects not to renew or extend this Agreement beyond the Initial Term by providing written notice pursuant to Section 5.1, all compensation, benefits and requirements of the Agreement shall remain in effect until the expiration of the Initial Term, unless the Agreement is terminated sooner as provided herein, and

Zimmerman will receive severance pay as set forth in Section 5.6(b) above upon the expiration of the Initial Term.

## **6. PERFORMANCE EVALUATION**

TMWA's Board of Directors will review and evaluate Zimmerman's performance at least once annually on or within four months after the end of the fiscal year. Zimmerman's annual salary review and any adjustment to compensation will coincide with the annual performance evaluation timeframes established for all TMWA employees.

## **7. RETIREMENT**

**7.1** Subject to applicable laws, TMWA will contribute an amount equal to 8% of Zimmerman's base salary to a deferred compensation plan on Zimmerman's behalf.

**7.2** TMWA agrees that Zimmerman will be a member of the Nevada Public Employees Retirement System at TMWA's expense.

## **8. PAID TIME OFF**

**8.1** Zimmerman will be granted 40 days of compensated paid time off ("PTO") each year for personal use, including vacation and illness. Accrued but unused PTO may be taken as pay in accordance with TMWA's PTO Cash Out Policy or carried over to the next calendar year as set forth in Section 8.2.

**8.2** Accrued but unused PTO will be carried over from year to year. A maximum of 320 PTO hours can be carried over each calendar year. Upon termination of Zimmerman's employment, Zimmerman will be entitled to full compensation for his accrued, unused PTO.

## **9. DUES, SUBSCRIPTIONS AND PROFESSIONAL DEVELOPMENT**

**9.1** TMWA agrees to pay the professional dues, certifications and subscriptions of Zimmerman necessary for his continuation and participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of TMWA.

**9.2** TMWA agrees to pay the travel and subsistence expenses of Zimmerman for professional and official travel and meetings adequate to continue the professional development of Zimmerman as the general manager of a water utility and to adequately pursue necessary official functions for TMWA. Such travel and subsistence expenses must be approved by TMWA's Chief Financial Officer and cannot exceed \$20,000.00 dollars annually. If the costs will exceed \$20,000.00 they must be submitted to and approved by the Chair of the TMWA

Board. TMWA will also pay for Zimmerman's attendance at conferences, seminars and short courses which are deemed to be of value to TMWA.

## **10. EXPENSES, ALLOWANCES AND OTHER BENEFITS**

**10.1** Zimmerman will be paid a fixed sum of \$750 per month for the use of his personal vehicle for TMWA business, with future increases to be determined by TMWA as a part of the budget cycle.

**10.2** TMWA agrees to pay Zimmerman a fixed sum of \$150 per month as a cell phone/personal digital assistance (PDA) allowance.

**10.3** TMWA will pay all costs of any fidelity or other bonds required of Zimmerman by virtue of his employment with TMWA.

**10.4** Zimmerman will receive all other benefits provided to management employees, and nothing in this contract affects Zimmerman's ability to receive any benefit provided to management employees. In the event there is a conflict between the benefits provided to management employees and the terms of this contract, the greater benefit will prevail.

## **11. TEAM BUILDING, GOALS AND RETREATS**

TMWA agrees that annually TMWA's Board of Directors will schedule and participate in the following:

- (a) A goals-setting session to develop objectives for TMWA; and
- (b) A session to develop specific criteria to serve as the basis for Zimmerman's pay-for-performance clause set forth in Section 6 of this agreement. This session will be held within four months after the end of each fiscal year of the Term of Employment.

## **12. MISCELLANEOUS**

**12.1** The captions in this agreement are not part of the provisions hereof, are merely for the purpose of reference and shall have no force or effect for any purpose whatsoever, including the construction of the provisions of this Agreement, and if any caption is inconsistent with any provisions of this Agreement, such provisions shall govern. The Recitals are part of this Agreement.

**12.2** This Agreement is made in and shall be governed by and construed in accordance with the internal laws of the State of Nevada.

**12.3** This Agreement contains a complete statement of all of the arrangements between the parties with respect to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written between the parties relating to the subject matter of this Agreement, which are not fully expressed in this Agreement.

**12.4** This Agreement may not be waived, changed, modified or discharged orally, but only by an agreement in writing signed by the party against whom any waiver, change, modification or discharge is sought.

**12.5** All notices given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested as such other address as TMWA and Zimmerman designate. Each such notice shall be deemed to be given on the date received at the address of the addressee.

**12.6** If litigation over this Agreement is initiated in any court, the Parties agree the proper venue is Washoe County, Nevada. Zimmerman irrevocably (i) waives and agrees not to assert in any such action, suit or other proceeding that he is not personally subject to the jurisdiction of such courts, that the action, suit or other proceeding is brought in an inconvenient forum or that the venue of the action, suit or other proceeding is improper, (ii) waives personal service of any summons, complaint or other process and (iii) agrees that the service thereof may be made by certified or registered mail directed to Zimmerman at his address for purposes of notices hereunder. Should Zimmerman fail to appear or answer within the time prescribed by law, he shall be deemed in default and judgment may be entered by TMWA against him for the amount or other relief as demanded in any summons, complaint or other process so served.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first hereinabove written.

**TMWA**

**GENERAL MANAGER**

Dated this \_\_\_\_ day of \_\_\_\_\_, 2022

Dated this \_\_\_\_ day of \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Vaughn Hartung, Chairman

By: \_\_\_\_\_  
John R. Zimmerman

Approved as to form:

\_\_\_\_\_  
Lucas Foletta, Esq.  
General Counsel





## STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** Mark Foree, General Manager  
**FROM:** Stefanie Morris, Director of Legal and Regulatory Affairs  
Bill Hauck, Water Supply Supervisor  
**DATE:** July 18, 2022  
**SUBJECT:** **Discussion and action, and possible authorization for the TMWA General Manager to enter into an Agreement with NV Energy obligating TMWA to provide up to 400 acre-feet of water in drought years in exchange for use of 1,400 acre-feet of water rights in non-drought years and a right of first refusal to purchase NV Energy's Truckee River water rights.**

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### SUMMARY

Last August TMWA agreed to provide NV Energy's Tracy power plant with up to 350 acre-feet of water for \$87,500 and so long as NV Energy agreed to negotiate in good faith for a longer-term contract that included TMWA's ability to use, lease, or buy the plant's Truckee River water rights. Staff and TMWA lobbyist Leo Drozdoff have been negotiating with NV Energy since October 2021 on a longer-term contract. Those negotiations have successfully concluded and staff and NV Energy have agreed to the attached contract, which is being presented for Board approval.

The contract would require TMWA to provide the Tracy power plant with up to 400 acre-feet of water when the plant's water rights are curtailed because of drought. In exchange for drought supply, NV Energy would allow TMWA to use up to 1,400 acre-feet of the plant's unused Truckee River water rights in non-drought years. This water exchange will benefit TMWA by allowing the use of NV Energy's unused water rights in certain years. The above provisions would be for 10 years and renewable for an additional 10 years by mutual agreement.

Additionally, and most importantly, as additional consideration to TMWA to provide drought supply, NV Energy would grant TMWA a right of first refusal (ROFR) to purchase the plant's Truckee River water rights if NV Energy chooses to sell them. The ROFR would be for 20 years and apply to the plant's 3,457 acre-feet of Truckee River water rights. If NV Energy receives offers from third-parties to purchase any volume of

the plant's water rights and is willing to accept any such offers, then NV Energy must allow TMWA the ability to purchase those rights for 10% more than the offered purchase price. The 10% above offer price is the same as a ROFR NV Energy entered with the Southern Nevada Water Authority and is intended to mitigate any potential dampening impact the ROFR may have on third-party offers. The ROFR would apply to any offers so it would be applicable even if only a portion of the rights are offered for sale. All water right sales by NV Energy require approval from the Nevada Public Utilities Commission (PUC), however, this contract does not require PUC approval. In general, PUC approval would be to ensure that NV Energy is obtaining fair market value for the water rights.

**RECOMMENDATION**

Staff requests the Board approve the contract and authorize the General Manager to sign it.

## **AGREEMENT**

This Agreement is entered into as of the date last executed by the Parties below by and between TRUCKEE MEADOWS WATER AUTHORITY, a Joint Powers Authority (Authority) and SIERRA PACIFIC POWER COMPANY d/b/a NV ENERGY, Nevada corporation, (NV Energy), hereinafter sometimes referred to individually as "Party" and collectively as "Parties."

## **RECITALS**

- A. Authority is a not-for-profit, community-owned municipal water utility that provides water service to areas within Reno, Sparks, and Washoe County. Authority seeks to manage Truckee River water resources in the most efficient manner possible to benefit the Truckee Meadows community.
- B. NV Energy is a water service customer of Authority and a public utility which provides, among other services, electrical power generation in Nevada, including electrical power generation relied upon by Authority to operate Authority's water system facilities.
- C. NV Energy owns certain Truckee River water rights described in Exhibit A (NV Energy Water Rights), which are authorized for diversion and use in support of its electric power plant operations at its Tracy facility. In certain low flow years on the Truckee River, the U.S. Water Master has declared a Drought Situation, as defined by the Truckee River Operating Agreement (TROA), and curtailed NV Energy Water Rights. Curtailments impact NV Energy's ability to continue normal plant operations for electrical generation. Authority holds upstream drought storage supplies that can provide NV Energy with a water supply when its rights are curtailed. NV Energy desires Authority to make drought water supply temporarily available for diversion by NV Energy under the terms of this Agreement to facilitate continued normal plant operations for electrical power generation at the Tracy facility during periods when NV Energy water rights in the Truckee River are curtailed.
- D. Authority seeks to use any NV Energy Water Rights that are not needed by NV Energy in certain years to maximize the efficient use of such resources. Accordingly, Authority agrees to provide NV Energy with drought water supplies as a customer of TMWA on the terms and conditions set forth below and NV Energy grants Authority the right to use NV Energy Water Rights that are not needed by NV Energy for its Tracy facility or for any other corporate purposes necessary to provide electric and/or gas service in any given year.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

## 1. **Drought Supply and Water Rights Exchange**

1.1. **Service to NV Energy and Authorized Use.** Authority agrees to supply a sufficient amount of untreated, non-potable water up to but not to exceed a maximum volume of 400 acre-feet (“Maximum Diversion”) to the Customer Point of Delivery for the sole and exclusive purpose of temporary drought supply during years when the Water Master curtails NV Energy’s Water Rights during the Term of this Agreement (“Drought Water Service”). The Drought Water Service must be used by NV Energy consistent with the authorized manner of use of NV Energy’s Water Rights (the “Authorized Use”). NV Energy agrees it shall not use any water supply provided under the Drought Water Service for any purpose other than the Authorized Use. Except as provided in this Agreement, the Drought Water Service shall be subject to all terms and conditions of service set forth in the Authority’s ILVNPS Rate Schedule, as such may be amended from time-to-time, the terms and conditions of which are incorporated herein by reference; provided, Authority agrees to utilize a source of supply for the Drought Water Service that is not subject to curtailment and remains available for supply to and diversion from the Customer Point of Delivery (as defined below) notwithstanding any then pending curtailment order by the US Water Master. TMWA will invoice NV Energy for the Drought Water Service as delivered but will grant credits to NV Energy against such invoices as described in section 1.6.

1.2. **Water Resources Supporting Service.** As consideration in exchange for the use of the NV Energy Water Rights as described in Section 1.6, Authority agrees that NV Energy shall not be required to dedicate water resources to Authority to support the Drought Water Service. NV Energy shall have no right, title or interest (including beneficial interest) in the Authority’s water rights used to support the Drought Water Service. Authority shall have sole discretion in identifying the Authority’s water rights used to support the Drought Water Service, and Authority may use one or more sources or substitute from time-to-time sources of supply in its sole and absolute discretion.

1.3. **Customer Point of Delivery.** Water supply under the Drought Water Service shall be delivered to and accepted by NV Energy from a point of delivery in Washoe County and TMWA’s service area directly on the Truckee River depicted in Exhibit “B” attached hereto (such point referred to as the “Customer Point of Delivery”). Authority shall have no obligation and NV Energy shall have no right to receive any Drought Water Service from or through any of Authority’s treatment facilities or distribution system or at any point of delivery outside TMWA’s service area. NV Energy shall be solely responsible, at NV Energy’s sole cost and expense, for installing, operating, and maintaining all equipment, pipes, pumps, meters, flow control devices, facilities, works of diversion and related equipment (“Customer Diversion Facilities”) necessary to divert, transport and deliver water from the Truckee River to put such water to beneficial use, and NV Energy shall be solely at risk for any potential losses or third party diversions occurring between the Customer Point of Delivery and the Customer Diversion Facilities, it being the express intention that Authority is only agreeing to and shall only have the obligation to deliver the Drought Water Service at the Customer Point of Delivery. NV Energy shall be responsible at NV Energy’s sole cost and expense for securing any permits or approvals required of any governmental authority or

easements or rights of way necessary to install and operate the Customer Diversion Facilities or divert water from the Truckee River at the Customer Diversion Facilities, and NV Energy shall at all times operate the Customer Diversion Facilities in accordance with all applicable laws, ordinances and regulations. Nothing herein is intended to nor shall be construed as obligating TMWA to provide Drought Water Service outside its geographic boundaries.

1.4. Rate of Diversion and Delivery Schedule. Authority shall make water available to NV Energy under the Drought Water Service in the amount (the “Rate of Diversion”) set forth in a monthly schedule to be agreed to by the Parties at least 30 days before the Water Master is anticipated to curtail NV Energy’s Water Rights, such schedule to be in the form of the attached Exhibit “C” (the “Delivery Schedule”). Authority shall not be required to make any water available prior to the date the Water Master curtails the delivery of the NV Energy Water Rights. NV Energy shall not divert water under this Agreement in excess of the Maximum Diversion and the total amount of water delivered or diverted under the Drought Water Service must not exceed the Maximum Diversion. NV Energy may request to modify the Delivery Schedule up to two times during a calendar year by providing written notice to Authority no later than ten calendar days in advance.

1.5. Indemnification. NV Energy will hold harmless, protect, indemnify and defend, at Authority’s option, Authority, its officers, employees and agents from and against any and all claims, liabilities, losses, damages, actions, causes of action (in law or equity), demands, liens, expenses and charges, including attorneys’ fees and expenses, of any kind or nature whatsoever, including injury to, loss of use of, or damage to any property of Authority or property abutting Authority property, relating to arising directly or indirectly from or incident to: i) the Customer Diversion Facilities, including any act or omission of NV Energy, its employees, agents, or representatives, or its contractor(s) occurring during or related to the installation, operation, maintenance or removal of the Customer Diversion Facilities; (ii) NV Energy’s ownership of or right to use any property upon which the Customer Diversion Facilities are located; (iii) any diversion of water in excess of the Rate of Diversion; (iv) any breach of this agreement by NV Energy; and (v) any error, negligence, act or omission of NV Energy. NV Energy assumes full responsibility for all acts of NV Energy and NV Energy’s contractor(s), employees, agents or representatives in connection with work performed or material furnished under, in connection with, or contemplated by this Agreement. This provision shall survive any termination of this Agreement.

Authority will hold harmless, protect, indemnify and defend, at NV Energy’s option, NV Energy, its officers, employees and agents from and against any and all claims, liabilities, losses, damages, actions, causes of action (in law or equity), demands, liens, expenses and charges, including attorneys’ fees and expenses, of any kind or nature whatsoever, including injury to, loss of use of, or damage to any property of NV Energy or property abutting NV Energy property, relating to arising directly or indirectly from or incident to: (i) Authority’s ownership of or right to use any property for storage; (ii) any release of water in excess of the Rate of Diversion; (iii) any breach of this agreement by Authority; and (iv) any error, negligence, act or omission of Authority. Authority assumes full responsibility for all acts of

Authority and Authority's contractor(s), employees, agents or representatives in connection with work performed or material furnished under, in connection with, or contemplated by this Agreement. This provision shall survive any termination of this Agreement.

1.6. TMWA use of NV Energy Water Rights. As consideration and as an exchange for the Authority providing this Drought Water Service, NV Energy grants the Authority the usufructuary right to use up to 1,400 acre-feet annually<sup>1</sup> of the NV Energy Water Rights that are not otherwise needed by NV Energy in a given year for power generation at the Tracy facility, or for other corporate purposes necessary to provide electric and/or gas. The Parties must meet and confer annually by March 1 to determine, based on hydrologic forecasts and NV Energy diversion plans for the Tracy facility, the amount of NV Energy Water Rights that are available to the Authority. Authority intends to use such rights for aquifer storage and recovery, instream flow for return flow accounting purposes, and other general temporary uses, provided, such changes of use are approved by the Nevada State Engineer through the change application process. The Authority is responsible, at its sole cost and expense, for obtaining the State Engineer's approval for any change in the point of diversion, manner of use and place of use to allow TMWA to use NV Energy's Water Rights. Prior to being filed with the Nevada State Engineer, any temporary or permanent change applications must be reviewed and approved by NV Energy, and any permanent change applications must retain the current use and points of diversion unless otherwise required by the Nevada State Engineer. Any water rights used by the Authority shall include the lowest priority water rights owned by NV Energy as set forth in Exhibit A. The highest priority waters rights owned by NV Energy will be retained to provide for NV Energy's needs. If the Authority changes the use of the excess rights and NV Energy subsequently needs more water for the Tracy facility because of an unanticipated curtailment and Authority is not otherwise able to deliver the excess NV Energy Water Rights available to the Authority, then the Authority must provide additional water in the river equal to the lesser of the amount of NV Energy's curtailed water rights or NV Energy's Water Rights granted to and made available to TMWA for use under this Section 1.7 for NV Energy's use to make up for the curtailment.

1.7. Term and Termination. The term of this Agreement for with respect to the provision of Drought Water Service as set forth in Sections 1.1 through 1.6 above is ten years and may be renewed by mutual agreement for two additional five-year terms. Any renewal term of the Drought Water Service may not extend beyond the date that the Long-Term obligations described in section 2 are completed. This Agreement may be terminated only if a Party defaults on its obligations under the Agreement and fails to cure such default within 30 days of receipt of a written notice of default describing the details of the default by the non-defaulting Party.

## **2. Right of First Refusal Regarding Disposition of the NV Energy Water Rights.**

2.1. Right of First Refusal. Right of First Refusal on any sale of NV Energy Water Rights. NV Energy shall grant the Authority a right of first refusal (ROFR) to purchase any

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<sup>1</sup> NV Energy water rights are approximately 3,400 acre feet annually and historically NV Energy has used a maximum of 1,400 acre feet annually.

NV Energy Water Rights, whether partial or all the NV Energy Water Rights, that NV Energy in its sole discretion may offer for sale by any method it chooses. If NV Energy receives a bona fide offer to purchase all or a portion of the NV Energy Water Rights and is willing to accept the offer, then NV Energy shall offer to sell the same NV Energy Water Rights to the Authority for 10% above the purchase price of the offer NV Energy is willing to accept and on the same terms as that offer. Additionally, if NV Energy chooses to sell all or a portion of the NV Energy Water Rights, without a bona fide offer, NV Energy shall offer the Authority the right to purchase the water rights prior to marketing or placing the water rights for sale for 10% above the highest appraised value of independent third-party appraisal(s) prepared on behalf of NV Energy and presented at the time of the offer.

2.2. Notice of Offer. NV Energy shall promptly give Authority a written notice of any offer or intent to sell the water rights, including the terms, a statement that the NV Energy is willing to accept the offer or market the water rights, and the identity of the offeror, if applicable (“Notice of Offer”). The Notice of Offer shall specify the quantity of water rights included in the offer or intended sale, appraisal information, if available, and all other material terms and conditions which will apply to a water right sale, including any terms and conditions the Public Utilities Commission of Nevada has placed on the marketing or sale of the water rights.

2.3. Timeline for Acceptance of Offer. Authority shall have 45 days after NV Energy delivers the Notice of Offer to the Authority to accept the offer by delivering written notice of acceptance of the offer to NV Energy. If the consideration is to be other than cash, the Authority may pay NV Energy cash with a value equal to the consideration specified in the Notice of Offer. NV Energy shall not complete the transaction described in any Notice of Offer unless the above-described 45-day deadline has expired unexercised. If NV Energy does not close a transaction described in any Notice of Offer within 6 months after expiration of the 45-day deadline, then the ROFR shall apply to the NV Energy Water Rights described in any Notice of Offer. If the Notice of Offer is based on the right to purchase prior to marketing or placing the water rights for sale, and the offer is not accepted by the Authority, the Authority shall forego the ROFR after subsequent marketing, sale, or bona fide offer is accepted by NV Energy. Additionally, the Authority’s failure to accept an offer on certain NV Energy Water Rights subject to a Notice of Offer shall not take away the Authority’s ROFR on any other NV Energy Water Rights for the term described in section 2.2. A memorandum of the ROFR (Exhibit “D”) must be recorded with the Washoe County and Storey County Records’ records and filed with the Nevada State Engineer.

2.4. Public Utilities Commission of Nevada. If Authority exercises the ROFR and a mutually acceptable purchase agreement is reached between the parties, any sale is subject to Nevada Public Utilities Commission approval. Upon approval of such sale, Authority will transfer consideration under the ROFR and NV Energy will transfer the water rights to Authority consistent with the terms of the purchase and sale agreement.

2.5. Survival. The terms and conditions of this Section 2 shall remain in force and effect for 20 years after the effective date.

**3. Representations and Warranties.**

**3.1. By Authority.**

3.1.1. Status, Power, and Authority. Authority is a joint powers authority duly organized, validly existing under the laws of the state of Nevada, with all requisite power and authority to enter into and carry out its obligations under this Agreement.

3.1.2. Due Authorization, Execution, and Delivery. The execution, delivery, and performance of this Agreement by the persons executing the same on behalf of Authority have been duly and validly authorized.

3.1.3. Legal, Valid, Binding, and Enforceable. This Agreement and the other agreements and instruments contemplated hereby constitute legal, valid and binding obligations of Authority.

3.1.4. No Misstatement. No representation, statement or warranty by Authority contained in this Agreement or in any exhibit contains or will contain any untrue statements or omits, or will omit, any material fact necessary to make the statement of fact recited not misleading.

3.1.5. No Agreements. Neither the execution and delivery of this Agreement by Authority nor the consummation of the transactions contemplated hereby will result in any breach or violation of or default under any judgment, decree, order, mortgage, lease, agreement, indenture or other instrument to which Authority is a party, or to which it is bound.

3.1.6. No Brokers or Finders. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Authority.

**3.2. By NV Energy.**

3.2.1. Ownership Interest. NV Energy has all right, title, and interest in and to the NV Energy Water Rights.

3.2.2. Due Authority. NV Energy has all requisite power and authority necessary, has taken all requisite action is duly authorized to enter this Agreement and consummate the transactions contemplated in this Agreement, and this Agreement when executed by the undersigned will constitute a legal, valid and binding obligation of the NV Energy enforceable against it in accordance with its terms and no other authorizations are necessary for NV Energy to sign this Agreement and carry out its terms other than Public Utilities Commission of Nevada approval.



3.2.3. Property, Title, and Related Matters. NV Energy holds all right, title, and interest in and to the NV Energy Water Rights, and shall convey to the Authority good and marketable title to the NV Energy Water Rights as sold to the Authority by mutual agreement. and when required under Section 2. NV Energy

3.2.4. Transferability. NV Energy has no knowledge of any condition or fact related to the NV Energy Water Rights that would prevent or impede the transfer and sale of them to the Authority except as otherwise stated herein.

3.2.5. Litigation. There is no litigation, proceeding, claim or investigation, including, without limitation, any condemnation proceeding, pending or, to NV Energy's actual knowledge, threatened, which adversely affects the NV Energy Water Rights or any portion thereof, in any court or before any federal, state, county, or municipal department, commission, board, bureau or agency or other governmental instrumentality.

3.2.6. No Misstatement. No representation, statement or warranty by NV Energy contained in this Agreement or in any exhibit contains or will contain any untrue statements or omits, or will omit, any material fact necessary to make the statement of fact recited not misleading.

3.2.7. No Agreements. Neither the execution and delivery of this Agreement by NV Energy nor the consummation of the transactions contemplated hereby will result in any breach or violation of or default under any judgment, decree, order, mortgage, lease, agreement, indenture or other instrument to which NV Energy is a party, or to which it is bound.

3.2.8. No Brokers or Finders. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the NV Energy.

#### **4. Miscellaneous.**

4.1. Notices. All notices and communications, except those specified in the paragraph below, shall be in writing and sent prepaid mail to the addresses stated below, or at such other addresses as may hereafter be designated in writing:

Authority: Truckee Meadows Water Authority  
P.O. Box 30013  
Reno, Nevada 89520  
Attn: Director, Natural Resources

With a copy by email to: Stefanie Morris at smorris@tmwa.com

NV Energy: Sierra Pacific Power Company  
 Nevada Power Company, d/b/a NV Energy  
 Attn: President,  
 6226 W. Sahara Avenue, M/S 01  
 Las Vegas, NV 89146


With a copy to:  
 Nevada Power Company, d/b/a NV Energy  
 Attn: General Counsel  
 6226 W. Sahara Avenue, M/S 03  
 Las Vegas, NV 89146

Notices with respect to curtailment or restoration of water service, or with respect to force majeure, shall be sufficient if given by Authority in writing, or by facsimile or orally in person or by telephone to the person or persons designated from time to time by NV Energy as authorized to receive such notices.

4.2. Successors and Assigns. This Agreement may not be assigned without the express prior written consent, in its sole discretion, of the Authority.

4.3. Amendment. This Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought. No oral statements or representations made before or after the execution of this Agreement regarding the subject matter of this Agreement are binding on a party, nor may any such oral statements or representations be relied on by a party.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized officials on the date indicated below Authority's signature.

<p><u>Authority:</u></p> <p>TRUCKEE MEADOWS WATER AUTHORITY</p> <p>By _____</p> <p>Its _____</p> <p>Date: _____ ("Effective Date")</p>	<p><u>NV Energy:</u></p> <p>SIERRA PACIFIC POWER COMPANY d/b/a NV ENERGY</p> <p>By:  _____</p> <p>Mathew Johns Its: VP, Env Srv &amp; Land Mgmt</p> <p>Date: <u>June 29, 2022</u></p>
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**Exhibit A – NVE Water Rights**

<b>Order of Use By Authority</b>	<b>Truckee River Decree Claim No.</b>	<b>Permit No.</b>	<b>Acre-Feet Annually</b>
1	14	28192	948
2	643	19883	130
3	639	29213	301
4	640	29214	186
5	629	19881	295.84
6	641	19884	699.3
7	645	29216	322
8	642	29215	575.6
		<b>Total</b>	<b>3,457.74</b>

**Exhibit B - Customer Point of Delivery**





**Exhibit C – Example Delivery Schedule**

<u>Date</u>	<u>Flow Rate GPM</u>	<u>Flow Rate CFS</u>	<u>Duration HRS</u>	<u>Total AF</u>
8/1/2021	0	0	24	0.00
8/2/2021	0	0	24	0.00
8/3/2021	0	0	24	0.00
8/4/2021	0	0	24	0.00
8/5/2021	0	0	24	0.00
8/6/2021	0	0	24	0.00
8/7/2021	0	0	24	0.00
8/8/2021	1450	3.2	24	6.41
8/9/2021	1450	3.2	24	6.41
8/10/2021	1450	3.2	24	6.41
8/11/2021	1450	3.2	24	6.41
8/12/2021	1450	3.2	24	6.41
8/13/2021	1450	3.2	24	6.41
8/14/2021	1450	3.2	24	6.41
8/15/2021	1450	3.2	24	6.41
8/16/2021	1450	3.2	24	6.41
8/17/2021	1450	3.2	24	6.41
8/18/2021	1450	3.2	24	6.41
8/19/2021	1450	3.2	24	6.41
8/20/2021	1450	3.2	24	6.41
8/21/2021	1450	3.2	24	6.41
8/22/2021	1450	3.2	24	6.41
8/23/2021	1450	3.2	24	6.41
8/24/2021	1450	3.2	24	6.41
8/25/2021	1450	3.2	24	6.41
8/26/2021	1450	3.2	24	6.41
8/27/2021	1450	3.2	24	6.41
8/28/2021	1450	3.2	24	6.41
8/29/2021	1450	3.2	24	6.41
8/30/2021	1450	3.2	24	6.41
8/31/2021	1450	3.2	24	6.41
			<b>Total</b>	<b>153.79</b>

<u>Date</u>	<u>Flow Rate GPM</u>	<u>Flow Rate CFS</u>	<u>Duration HRS</u>	<u>Total AF</u>
9/2/2021	1450	3.2	24	6.41
9/3/2021	1450	3.2	24	6.41
9/4/2021	1450	3.2	24	6.41
9/5/2021	1450	3.2	24	6.41
9/6/2021	1450	3.2	24	6.41
9/7/2021	1450	3.2	24	6.41
9/8/2021	1450	3.2	24	6.41
9/9/2021	1450	3.2	24	6.41
9/10/2021	1450	3.2	24	6.41
9/11/2021	1450	3.2	24	6.41
9/12/2021	1450	3.2	24	6.41
9/13/2021	1450	3.2	24	6.41
9/14/2021	1450	3.2	24	6.41
9/15/2021	1450	3.2	24	6.41
9/16/2021	1450	3.2	24	6.41
9/17/2021	1450	3.2	24	6.41
9/18/2021	1450	3.2	24	6.41
9/19/2021	1450	3.2	24	6.41
9/20/2021	1450	3.2	24	6.41
9/21/2021	1450	3.2	24	6.41
9/22/2021	1450	3.2	24	6.41
9/23/2021	1450	3.2	24	6.41
9/24/2021	1450	3.2	24	6.41
9/25/2021	1450	3.2	24	6.41
9/26/2021	1450	3.2	24	6.41
9/27/2021	1450	3.2	24	6.41
9/28/2021	1450	3.2	24	6.41
9/29/2021	1450	3.2	24	6.41
9/30/2021	1450	3.2	24	6.41
			<b>Total</b>	<b>192.24</b>
			<b>Season Total</b>	<b>346.02</b>



**Exhibit D – MEMORANDUM OF RIGHT OF FIRST REFUSAL**

Recording Requested By  
And When Recorded Return to

Sierra Pacific Power Company  
Nevada Power Company, d/b/a NV Energy  
Attn: General Counsel  
6226 W. Sahara Avenue, M/S 03  
Las Vegas, NV 89146

**MEMORANDUM OF RIGHT OF FIRST REFUSAL**

This Memorandum of Right of First Refusal is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between SIERRA PACIFIC POWER COMPANY d/b/a NV ENERGY, Nevada corporation, (Grantor) and TRUCKEE MEADOWS WATER AUTHORITY, a Joint Powers Authority (Grantee) with reference to the following:

A. Grantor and Grantee have entered into an Agreement dated \_\_\_\_\_ (the “Agreement”), pursuant to which, among other things, Grantor granted Grantee a right of first refusal covering certain surface water rights located in the Truckee River, as described in Exhibit A (the “Water Rights”); and

B. Grantor and Grantee desire to execute this Memorandum for the purpose of evidencing the right of first refusal granted in the Agreement of record.

NOW THEREFORE, in consideration of the foregoing and other fair and valuable considerations, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows

1. Right of First Refusal. Grantor has granted to grantee and Grantee has acquired from Grantor, a Right of First Refusal covering the Water Rights upon the terms and subject to the conditions set forth in the Agreement.

2. Term. The Term of the Right of First Refusal shall be for a period of 20 years following the date hereof.

3. This memorandum is executed and record in accordance with the terms of the agreement solely for the purpose of giving notice of the existence there of and shall not supersede or in any way modify the terms or conditions of the Agreement.



4. This memorandum shall be binding upon and injure to the benefit of the parties and their respective successors and assigns.

GRANTOR  
SIERRA PACIFIC POWER COMPANY,  
a Nevada Corporation

Name:  
Title:

STATE OF NEVADA       )  
                                      ) ss.  
COUNTY OF CLARK     )

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public



## STAFF REPORT

**TO:** Board of Directors  
**THRU:** Mark Foree, General Manager  
**FROM:** John Enloe, Director of Natural Resources & Planning  
 Janet Phillips, Chairman, Truckee River Fund Advisory Committee  
**DATE:** July 18, 2022  
**SUBJECT:** Discussion and possible action on adoption of Resolution No. 306: A resolution to approve funding for one or more of the projects recommended by the Truckee River Fund Advisory Committee and an authorization for the Community Foundation to fund such projects from Fund proceeds

### Recommendation

The Truckee River Fund (the “Fund”) Advisors recommend that the TMWA Board authorize by resolution the funding of the following project from the Fund. This recommendation stems from a Fund Advisors’ special meeting held on July 8, 2022 where one grant proposal from the summer request for proposal (RFP) process was reviewed and discussed. Please refer to the table below to review the amount of funding available, description of the RFP submitted, and recommended, for funding.

Description	Funding Requested	Funding Approved	TRF Budget
Available Funds			\$860,000.00
1 Requested Project	\$100,450.00		
1 Project for Approval		\$100,450.00	
<b>Funds Remaining</b>			<b>\$759,550.00</b>

**RFP Submitted for Consideration**

<b>Project #</b>	<b>Grantee</b>	<b>Description</b>	<b>Proposal Amount</b>	<b>Amount Recommended</b>	<b>Monetary Match</b>	<b>In-Kind Match</b>	<b>Match Total</b>
<b>263</b>	The Nature Conservancy	Developing Forest Resilience to Fire – Independence Lake	\$100,450.00	\$100,450.00	\$54,666.00	—	\$54,666.00
<b>Amount Totals:</b>			<b>\$100,450.00</b>	<b>\$100,450.00</b>			<b>\$54,666.00</b>

## **PROJECT RECOMMENDED FOR FUNDING**

**Project #263:** Developing Forest Resilience to Fire – Independence Lake

**Organization:** The Nature Conservancy (TNC)

**Project Description:**

TNC received a \$2 million grant from Cal Fire, \$400,000 of which is for forest thinning this year at the Independence Lake Preserve. A grant from TRF will provide funding to assist with implementation of forest thinning, both along the outlet channel from the dam and along the north road along the lake. The Cal Fire funding will cover thinning of up to 205 acres in other units on the Preserve.

Along both sides of the outflow channel of Independence Lake is an area of approximately 20 acres encompassing very dense stands of lodgepole pine. The trees along the channel are growing on spoils from the construction of the channel in the late 1930s. The density of lodgepole pines is concerning because if wildfire burns in these stands, the trees are likely to topple into the channels and create a severe debris blockage. Adjacent to this acreage, dead and dying pines and white fir may result in increased wildfire danger to the trees along the outflow channel. We will contract with a licensed timber operator to mechanically thin and/or hand-thin dead, diseased, and otherwise stressed pines. The harvested trees will be disposed of in earthen pits on the property within already established log landings. During winter when there is snow cover, we will either burn the woody material in the pits or fully bury the material. This method of disposal is being selected because local wood mills and biomass plants are at capacity for harvested materials from many sources.

**TMWA Benefit:**

The proposed project advances the Fund's Grant Priority II Watershed Improvements: One objective of the project is to reduce soil erosion along the north shore road by installing erosion control measures at existing sites along the road where culverts have failed or road washout has occurred. This work is necessary in preparation for lake shore tree thinning and hauling with mechanized equipment; and Grant Priority IV Re-Forestation and Re-Vegetation Projects: The project will improve resiliency of the forest to wildfire and reduce the risk of woody debris blockage to TMWA's outflow channel below the Independence Lake dam, and reduce the risk of fire and sediment deposition along the north and south shores of the lake.



## Grant Priorities

Based upon the aforementioned discussion, TMWA recommends that the Advisors give preference to well-prepared and thought out grant requests for projects and programs that mitigate substantial threats to water quality and the watershed, particularly those threats upstream or nearby treatment and hydroelectric plant intakes:

- I. **Aquatic Invasive Species (AIS):** Projects/Programs that support the prevention or control of aquatic invasive species in the main stream Truckee River, Lake Tahoe, other tributaries and water bodies in the Truckee River system.
- II. **Watershed Improvements:** Projects that reduce erosion or sediment, suspended solids, or TDS discharges to the River. Projects or programs that are located within 303d (impaired waters) sections of the River should be considered, both in California and Nevada. Innovative techniques should be encouraged.
- III. **Local Stormwater Improvements:** Projects that are well designed which mitigate storm water run-off due to urbanization of the local watershed. Priority should be given to those improvement projects in close proximity to TMWA's water supply intakes and canals and which will improve the reliability and protect the quality of the community's municipal water supply.
- IV. **Re-Forestation and Re-Vegetation Projects:** Projects to restore forest and upland areas damaged by fire and historical logging operations, and to improve resiliency in drought situations. Projects/programs in this category should be given a high priority due to urbanization of the watershed and increased susceptibility of the urban and suburban watershed to wildfire.
- V. **Support to Rehabilitation of Local Tributary Creeks and Drainage Courses:** Practical projects to support water quality improvement in Gray Creek, Bronco Creek, Mogul Creek, Chalk Creek, Steamboat Creek and the North Truckee Drain.
- VI. **Stewardship and Environmental Awareness:** Support to Clean-Up programs and the development and implementation of educational programs relative to water, water quality and watershed protection.
- VII. **Meet Multiple Objectives:** Projects/Programs should identify opportunities to meet multiple water quality and watershed objectives as outlined above with preference given to those achieving multiple benefits.
- VIII. **Leverage Stakeholder Assets and Participation:** Projects/Program selection should include an assessment of various stakeholder interests in all aspects of river water quality, watershed protection, source water protection and species enhancement thereby leveraging available funds and other assets.



**Cover Sheet**

**Date: June 27, 2022**

<b>Organization Name:</b>	<b>The Nature Conservancy (TNC)</b>																														
<b>Type:</b>	<b>501(c)(3) EIN# 53-0242652</b>	<b>Governmental entity? N</b>																													
<b>Address:</b>	<b>One East First Street, Suite 1007, Reno, NV 89501</b>																														
<b>Project Name:</b>	<b>Developing Forest Resilience to Fire – Independence Lake</b>																														
<b>Amount requested: \$100,450</b>	<b>Website: <a href="http://www.nature.org/nevada">www.nature.org/nevada</a></b>																														
<b>This funding will be used to (complete this sentence with a max of 2 sentences):</b>	<b>Mechanically thin very dense stands of lodgepole pine along both sides of the outflow channel from Independence Lake (part of the water supply for Reno/Sparks) and install needed erosion control improvements on the road along the North side of Independence Lake to reduce sedimentation to the lake.</b>																														
<b>Key People:</b>	<b>Director:</b>	<b>Mauricia Baca, Nevada State Director</b>																													
	<b>Board Chair:</b>	<b>Joel Laub</b>																													
	<b>Project Contact:</b>	<b>Name:</b>	<b>Chris Fichtel</b>																												
		<b>Position:</b>	<b>Independence Lake Project Director</b>																												
		<b>Phone:</b>	<b>775-313-8646</b>																												
		<b>Fax:</b>	<b>N/A</b>																												
		<b>Email:</b>	<b>cfichtel@tnc.org</b>																												
<b>Organization Mission:</b>	<b>The mission of The Nature Conservancy is to conserve the lands and waters on which all life depends.</b>																														
<b>Has your organization received other grants from the Truckee River Fund?</b> <b>Yes X No</b> (use additional page if necessary)	<b>If yes,</b> <table border="1"> <tr> <td>Date awarded:</td><td>October 1, 2019</td></tr> <tr> <td>Project title:</td><td>Truckee River Watershed Forest Restoration and Community Outreach - Phase 2</td></tr> <tr> <td>Amount of Award:</td><td>\$264,600.00</td></tr> <tr> <td>Date awarded:</td><td>October 4, 2018</td></tr> <tr> <td>Project title:</td><td>Truckee River Watershed Forest Restoration</td></tr> <tr> <td>Amount of Award:</td><td>\$57,826.09</td></tr> <tr> <td>Date awarded:</td><td>March 16, 2017</td></tr> <tr> <td>Project title:</td><td>Landscape Conservation Forecasting for the Truckee River Watershed</td></tr> <tr> <td>Amount of Award:</td><td>\$60,000.00</td></tr> <tr> <td>Date awarded:</td><td>September 5, 2014</td></tr> <tr> <td>Project title:</td><td>Optimizing Restoration Investments in the Truckee River Watershed</td></tr> <tr> <td>Amount of Award:</td><td>\$50,000.00</td></tr> <tr> <td>Date awarded:</td><td>March 21, 2013</td></tr> <tr> <td>Project title:</td><td>Truckee River Watershed Restoration – Forest Thinning at Independence Lake</td></tr> </table>			Date awarded:	October 1, 2019	Project title:	Truckee River Watershed Forest Restoration and Community Outreach - Phase 2	Amount of Award:	\$264,600.00	Date awarded:	October 4, 2018	Project title:	Truckee River Watershed Forest Restoration	Amount of Award:	\$57,826.09	Date awarded:	March 16, 2017	Project title:	Landscape Conservation Forecasting for the Truckee River Watershed	Amount of Award:	\$60,000.00	Date awarded:	September 5, 2014	Project title:	Optimizing Restoration Investments in the Truckee River Watershed	Amount of Award:	\$50,000.00	Date awarded:	March 21, 2013	Project title:	Truckee River Watershed Restoration – Forest Thinning at Independence Lake
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	Amount of Award:	\$41,300
	Date awarded:	September 19, 2012
	Project title:	Independence Lake Woody Fuels Reduction for Fire Resilience – Year 3 Supplemental Funding
	Amount of Award:	\$30,000
	Date awarded:	October 20, 2011
	Project title:	Preventing Aquatic Invasive Species at Independence Lake
	Amount of Award:	\$28,290
	Date awarded:	October 25, 2010
	Project title:	Independence Lake Woody Fuels Reduction for Fire Resilience – Year 3
	Amount of Award:	\$60,000
	Date awarded:	July 27, 2010
	Project title:	Independence Lake Woody Fuels Reduction for Fire Resilience
	Amount of Award:	\$50,000
	Date awarded:	December 29, 2008
	Project title:	Independence Lake – Forest and Wildfire Management
	Amount of Award:	\$237,110

#### DESCRIPTION OF PROJECT UNDER CONSIDERATION

Indicate the description that best fits the project you are proposing. Mark no more than three categories:

- ☒ A. Projects that improve bank or channel stabilization and decrease erosion.
- ☐ B. Structural controls or Low Impact Development (LID) projects on tributaries and drainages to the Truckee River where data supports evidence of pollution and/or sediments entering the Truckee River.
- ☐ C. Projects that remove pollution from the Truckee River.
- ☐ D. Projects that remove or control invasive aquatic species or terrestrial invasive plant species that are adverse to water supply.<sup>1</sup>
- ☒ E. Other projects that meet the evaluation criteria.

#### NARRATIVE REQUIREMENTS

Provide answers for all 11 sections below; use the numbers and topics (in **bold**) to label each section in your response. Your application is limited to 5 narrative pages, including the cover sheet. Your budget is page 6. **All projects are required to have measurable outcomes:**

##### 1. **Specific project goals and measurable outcomes and how you will measure and report them.**

The project goals and measurable outcomes for developing forest resilience to wildfire and reducing erosion potential due to wildfire and forest management around Independence Lake include the following:

- 1) Reduce the likelihood of wildfire-induced debris blockage of the lake's outflow channel below the dam by reducing the density of standing trees near and along the edge of the channel, especially those trees that are diseased, dead or drought-stressed. Measurable outcome will be significantly reduced tree density.
- 2) Improve resiliency of the forest adjacent to Independence Lake to wildfire and sediment transport by mechanically thinning to reduce fuel loads in these forests. Measurable outcome will be significantly reduced tree density.
- 3) Reduce the risk of soil erosion to the lake by installing soil erosion

<sup>1</sup> For proposals related to weed control/eradication, contact Lauren Renda at the Community Foundation of Western Nevada for additional criteria. [lrenda@nevadafund.org](mailto:lrenda@nevadafund.org); 775-333-5499.



improvements on the north road along the lake shore. Measurable outcome will be correction of points of soil erosion impact.

2. **Project location.** Independence Lake Preserve is in Sierra and Nevada Counties in CA at the headwaters of Independence Creek, a tributary to the Little Truckee River and a part of the water supply for Reno/Sparks.

Project description. Include site map and aerial photos if applicable/possible. Maps and photos must fit on 8-1/2" x 11" paper. Cite any studies that support your project. **See Figures, 1, 2 and 3.**

TNC received a \$2 million grant from Cal Fire, \$400,000 of which is for forest thinning this year at the Independence Lake Preserve. A grant from TRF will provide funding to assist with implementation of forest thinning, both along the outlet channel from the dam and along the north road along the lake. The Cal Fire funding will cover thinning of up to 205 acres in other units on the Preserve.

Along both sides of the outflow channel of Independence Lake is an area of approximately 20 acres encompassing very dense stands of lodgepole pine. The trees along the channel are growing on spoils from the construction of the channel in the late 1930s. The density of lodgepole pines is concerning because if wildfire burns in these stands, the trees are likely to topple into the channels and create a severe debris blockage. Adjacent to this acreage, dead and dying pines and white fir may result in increased wildfire danger to the trees along the outflow channel. We will contract with a licensed timber operator to mechanically thin and/or hand-thin dead, diseased, and otherwise stressed pines. The harvested trees will be disposed of in earthen pits on the property within already established log landings. During winter when there is snow cover, we will either burn the woody material in the pits or fully bury the material. This method of disposal is being selected because local wood mills and biomass plants are at capacity for harvested materials from many sources. All of this forest work is authorized under a Timber Harvest Plan approved by Cal Fire in 2021 (Figure 2).

Under an approved Timber Harvest Plan, TNC will also contract with a Licensed Timber Operator to mechanically thin 225 acres of dense mixed conifer forest on the Independence Lake Preserve in 2022. Likelihood of wildfire is moderate to high in the forests surrounding Independence Lake as depicted on the attached map of burn probability (Figure 1). The burn probability analysis was conducted by Edward Smith, TNC Senior Forest Ecologist and Charlotte Stanley, TNC Spatial Data Analyst. TNC has contracted with a Registered Professional Forester used by TNC in the past to implement similar thinning projects on the Preserve, some with past funding from TRF. Since 2009, we have mechanically thinned a total of 532 acres. Funding for the majority of the thinning work will be provided by a grant from the California Department of Forestry and Fire Protection (Cal Fire) providing leverage for the thinning that may be supported by the Truckee River Fund.

The units to be thinned include portions of T-2, T-2a, T-2b, T-3, T-4 and A. Refer to Figures 1 and 2 for locations of these units.

In order to proceed with lake shore thinning along the lake's north shore road, Cal Fire has required TNC to make improvements along the road to prevent soil erosion which could impact the lake. Culvert pipes will be cleaned out, rolling dips created along the road, and a mix of gravel and rock will be used to cover the pipes and dips and stabilize soil in and along the road. Unit A includes the north road along the lake. The eastern half of that unit is where most of the erosion improvements are needed.

3. **Grant priorities.** Explain how the proposed project advances the TRF's grant priorities (page 2 of the cover sheet); refer to the priorities by number in your narrative.

**Grant Priority II.** One objective of the project is to reduce soil erosion along the north shore road by installing erosion control measures at existing sites along the road where culverts have failed or road washout has occurred. This work is necessary in preparation for lake shore tree thinning and hauling with mechanized equipment.





**Grant Priority IV. The project will improve resiliency of the forest to wildfire and reduce the risk of woody debris blockage to TMWA's outflow channel below the Independence Lake dam, and reduce the risk of fire and sediment deposition along the north and south shores of the lake.**

4. **Permitting.** Provide a permitting schedule for your project along with your plan for getting the required permits. Be sure to include the cost of permitting as a line item in your budget.

**The thinning along the outflow channel will require a Dying & Diseased Exemption from Cal Fire – no cost. Controlled burning adjacent to the thinning already has a Notice of Exemption from Cal Fire, issued in 2019. The remainder of the thinning operation is permitted under a Timber Harvest Plan approved by Cal Fire in 2021.**

5. **Future land use.** List any known or foreseeable zoning, land use, or development plans that may affect your proposed project. **None**
6. **If future phases of the project will be needed,** identify anticipated sources of funding. **Cal Fire, Sierra Nevada Conservancy**
7. **Principals involved** in leading or coordinating the project or activity. **Principals for TNC include Chris Fichtel, Independence Lake Project Director, Edward Smith, Senior Forest Ecologist, and Kevin Whitlock, a Registered Professional Forester (RPF) under contract to TNC. TNC support staff involved in the project include a Grants & Contract Specialist and Senior Attorney.**
8. **Number of staff positions involved in project:** Fulltime                      Part-time **2** ("Fulltime" means 100% of their staff position will be dedicated to this project; "part-time" means only a portion of their staff position will be dedicated to this project)
9. **Number of volunteers involved** in project and an estimated number of volunteer hours. **0**
10. **Time Line of Project.** List key dates and include project milestones. *Note:* Be realistic in your estimate of dates and milestones. List any factors that may cause a delay in implementing and/or completing the project. **Timing for this project is limited. The work cannot begin until September 1, 2022 and must be completed no later than November 15, 2022, weather permitting.**
11. **Success.** Tell the committee how we will know you succeeded in what you proposed to do. **You will know of our success if the following have occurred: 1) TNC thins at least 20 acres along the TMWA outlet, 2) TNC thins up to a total of 225 acres on the Independence Lake Preserve (not part of this funding request), and 3) TNC installs erosion control structures on several sites where Cal Fire has required such improvements to be made.**
12. **Collaboration.** List partnerships or collaborations with other entities in relation to your proposal, if any. **TMWA controls the dam and water levels on Independence Lake as it is part of the drinking water supply for Reno. Cal Fire is the partner that will oversee the thinning operation.**
13. **Grant match.** All applicants must provide a match of at least 25 percent for dollars requested. The match may be with funding and/or in-kind services. For larger grant requests, priority will be given to projects that significantly leverage the grant with funding from other sources. Complete the Grant Match section. **50% match will be provided through a grant from the California Department of Forestry and Fire Protection (Cal Fire).**
14. **Project budget** (see Sample Budget Template on page 5 of this RFP). Provide detail on line-item expenditures and show which costs are to be paid for by the Truckee River Fund grant, which expenses will be paid for by other sources, and which will be paid for with in-kind services. Other sources of funding should be provided.



**COMMUNITY  
FOUNDATION**  
*of Western Nevada*

**TRUCKEE RIVER FUND**  
Enhancing and protecting our water resources

07-26-22 BOARD Agenda Item 10  
RFP #263  
**TRUCKEE MEADOWS WATER  
AUTHORITY**  
*Quality. Delivered.*

- *Note 1:* Project budget must be a stand-alone, one-page attachment.
- *Note 2:* Indirect/overhead expenses cannot exceed 25 percent.

Grants from the Truckee River Fund are paid on a reimbursable basis for actual expenditures only. Craft your budget in such a way that requests for reimbursement correspond to the original budget.



#### Grant Match

<b>Match amount to be provided:</b>		<b>\$54,666</b>
<b>Match details:</b>	Please provide the form of your matching funds. If match is made up of both cash and in-kind, fill in both sections.	
	Match is:	
	Cash	<b>\$54,666</b>
	In-kind	<b>\$0</b>
	Note: Volunteer and in-kind hours may be calculated at a maximum rate of \$20/hour per individual. Indirect cost may not be counted as match.	
	For the cash portion of your match, is the funding already being held by the applicant for this project? Yes ___ No X	
<b>Description of matching funds/in-kind donations:</b>	<b>Matching funds are from a grant approved by the California Department of Forestry and Fire Protection (Cal Fire). That grant ends in 2023.</b>	

#### ATTACHMENTS

You may be asked to submit the following attachments via email. If you are asked to submit the attachments, clearly label each file with your organization's name. If you do not have the ability to email them, place each of the items listed below on a separate page and submit just one copy.

##### Nonprofits submit:

- ☐ Last audited financial statements if your organization has been audited
- ☐ List of Board of Directors
- ☐ Copy of agency's IRS 501(c)(3) Tax Determination Letter
- ☐ Copy of the agency's most recent IRS Form 990

##### Governmental entities submit:

- ☐ Departmental budget in lieu of audited financial statements



**COMMUNITY  
FOUNDATION**  
*of Western Nevada*

**TRUCKEE RIVER FUND**  
Enhancing and protecting our water resources

07-26-22 BOARD Agenda Item 10  
RFP #263  
**TRUCKEE MEADOWS WATER  
AUTHORITY**  
*Quality. Delivered.*

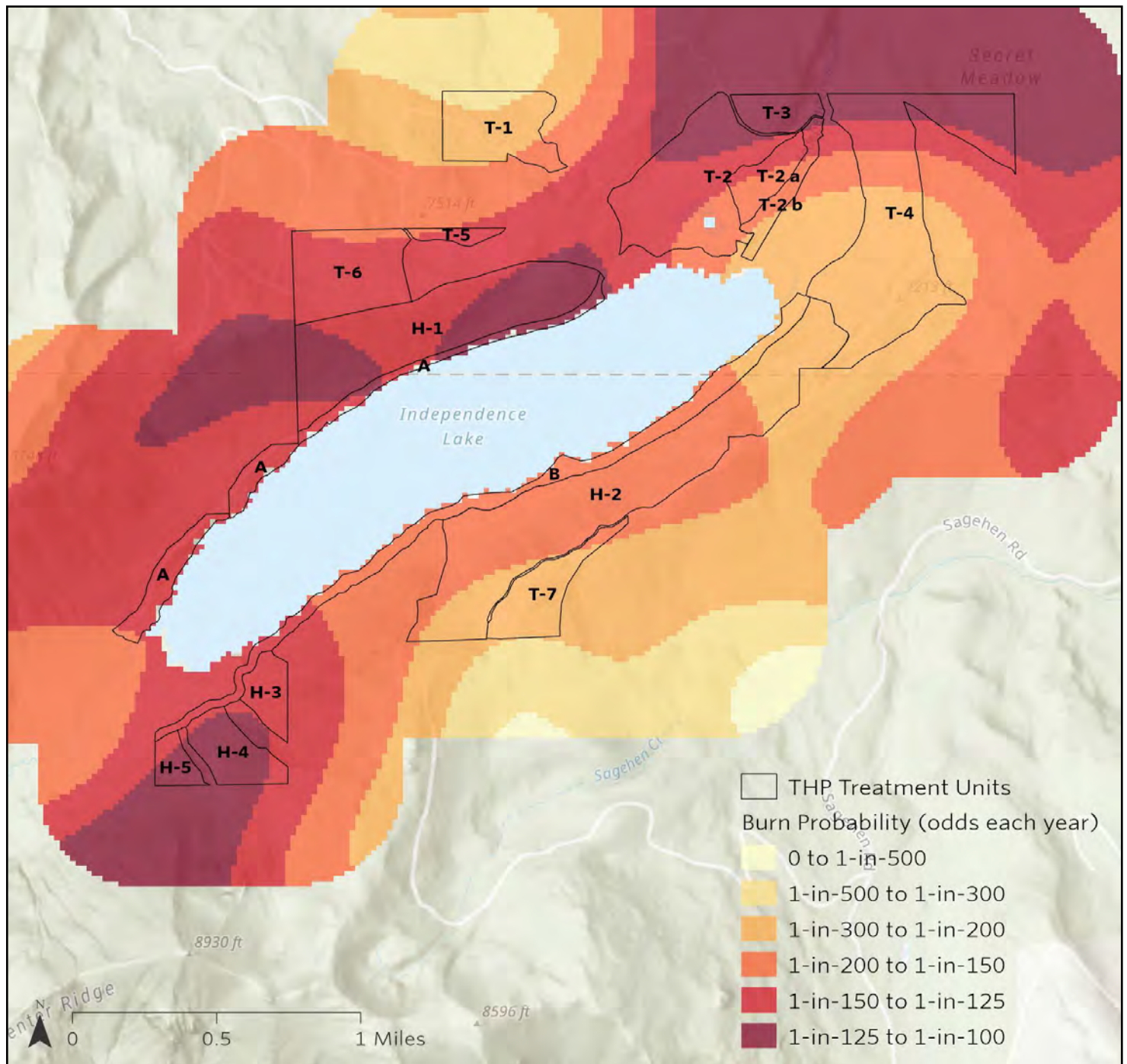
## SAMPLE BUDGET TEMPLATE

### ORIGINAL PROJECT BUDGET

Budget Item Description*	TRF \$	Other Funding Name**	Match \$	Total
Contracting- thinning	\$52,000	\$400,000	-	\$52,000
Contracting - thinning		California Department of Forestry and Fire Protection (Cal Fire)	\$54,666	\$54,666
North road improvement	\$30,000			\$30,000
Overhead (22.5%)	\$18,450			\$27,333
TOTAL	\$100,450			\$163,999



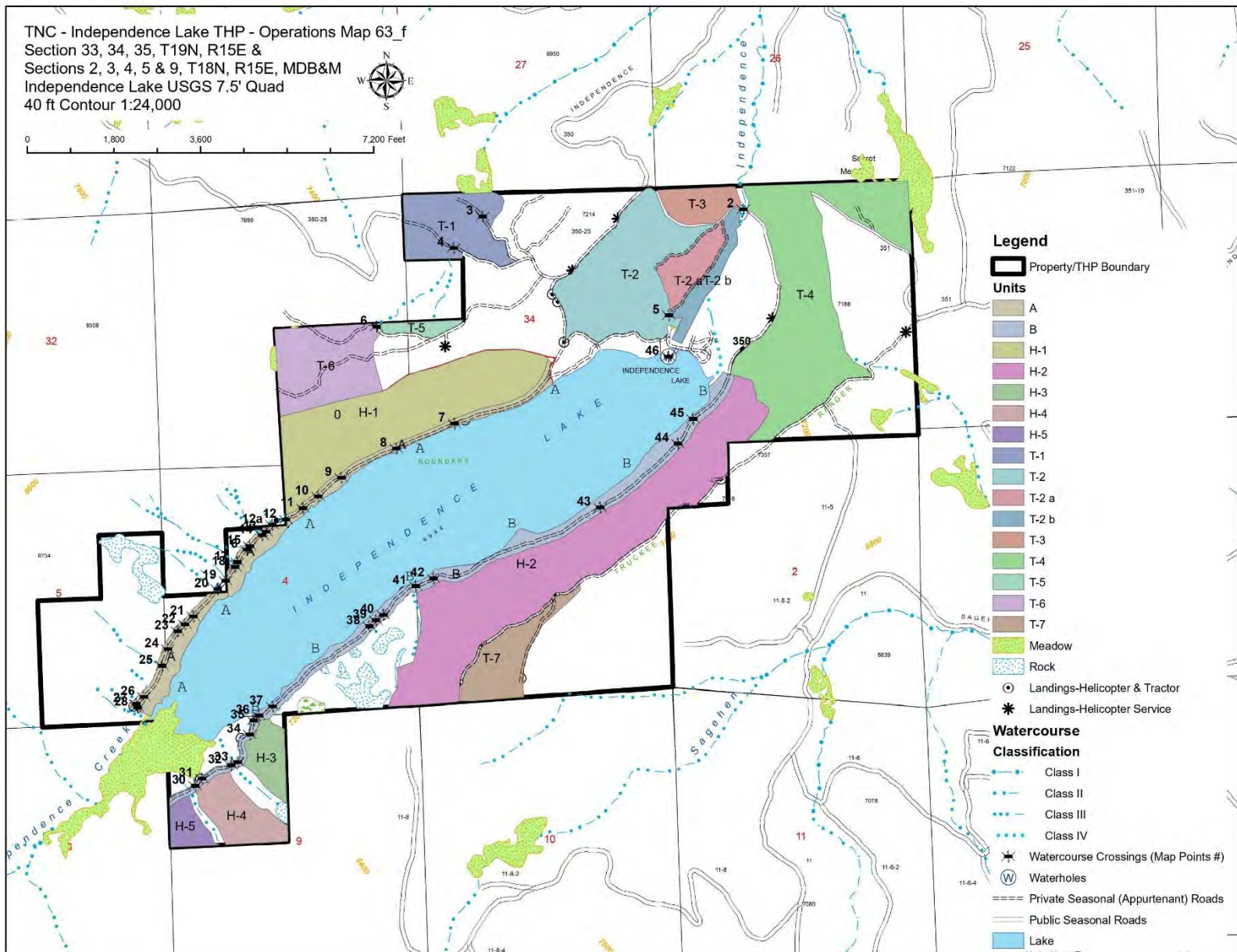
Figure 1. Burn Probability for Lands around Independence Lake.







**Figure 2. Approved Timber Harvest Plan 2021 for Independence Lake Preserve.**







**Figure 3. Dense Lodgepole Pine Stands along Outlet Channel at Independence Lake.**



**TRUCKEE MEADOWS WATER AUTHORITY**  
**(TMWA)**

**RESOLUTION NO. 306**

**A RESOLUTION APPROVING PROJECTS  
FOR FUNDING UNDER THE TRUCKEE RIVER FUND**

**WHEREAS**, the Truckee Meadows Water Authority and the Community Foundation of Western Nevada (the "Community Foundation"), a Nevada non-profit corporation, have entered into an agreement creating The Truckee River Fund (the "Fund") to foster projects that protect and enhance water quality or water resources of the Truckee River, or its watershed;

**WHEREAS**, pursuant to the Fund Agreement, an Advisory Committee has solicited proposals from prospective beneficiaries of the Fund;

**WHEREAS**, the Advisory Committee has recommended projects for funding, as listed on Exhibit A, attached hereto;

**WHEREAS**, the Advisory Committee has the responsibility of securing preliminary approval for projects from the TMWA Board, which may disapprove projects for any reason, or may approve projects by resolution, subject to Community Foundation Board approval;

**WHEREAS**, the Community Foundation has advised the Advisory Committee that the projects' applicants are eligible beneficiaries of the Fund;

**WHEREAS**, the Board has reviewed the recommendation of the Advisory Committee and has found that the projects as listed on Exhibit A are consistent with the purposes of the Fund and merit funding; and

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Truckee Meadows Water Authority:

The projects set forth on **Exhibit A** are approved for funding under the Truckee River Fund in the amount set forth in such Exhibit, subject to final authorization by the Community Foundation Board, and subject to the provisions of the Fund Agreement, including without limitation the requirements set forth in Article VC.



Truckee Meadows Water Authority  
Resolution No. 306 (continued)

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Truckee Meadows Water Authority,

Upon motion of \_\_\_\_\_ seconded by \_\_\_\_\_, the foregoing Resolution was passed and adopted on July 26, 2022 by the following vote of the Board:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstain: \_\_\_\_\_ Absent: \_\_\_\_\_

Approved July 26, 2022

\_\_\_\_\_  
Chairman

Truckee Meadows Water Authority  
Resolution No. 306 (continued)

## EXHIBIT A

### PROJECTS RECOMMENDED FOR FUNDING

Project #	Grantee	Description	Proposal Amount	Amount Recommended	Monetary Match	In-Kind Match	Match Total
263	The Nature Conservancy	Developing Forest Resilience to Fire – Independence Lake	\$100,450.00	\$100,450.00	\$54,666.00	—	\$54,666.00
<b>Amount Totals:</b>			<b>\$100,450.00</b>	<b>\$100,450.00</b>			<b>\$54,666.00</b>

Truckee Meadows Water Authority  
Resolution No. 306 (continued)

**Project #263:** Developing Forest Resilience to Fire – Independence Lake

**Organization:** The Nature Conservancy (TNC)

**Project Description:**

TNC received a \$2 million grant from Cal Fire, \$400,000 of which is for forest thinning this year at the Independence Lake Preserve. A grant from TRF will provide funding to assist with implementation of forest thinning, both along the outlet channel from the dam and along the north road along the lake. The Cal Fire funding will cover thinning of up to 205 acres in other units on the Preserve.

Along both sides of the outflow channel of Independence Lake is an area of approximately 20 acres encompassing very dense stands of lodgepole pine. The trees along the channel are growing on spoils from the construction of the channel in the late 1930s. The density of lodgepole pines is concerning because if wildfire burns in these stands, the trees are likely to topple into the channels and create a severe debris blockage. Adjacent to this acreage, dead and dying pines and white fir may result in increased wildfire danger to the trees along the outflow channel. We will contract with a licensed timber operator to mechanically thin and/or hand-thin dead, diseased, and otherwise stressed pines. The harvested trees will be disposed of in earthen pits on the property within already established log landings. During winter when there is snow cover, we will either burn the woody material in the pits or fully bury the material. This method of disposal is being selected because local wood mills and biomass plants are at capacity for harvested materials from many sources.

**TMWA Benefit:**

The proposed project advances TRF's *Grant Priority II Watershed Improvements*: One objective of the project is to reduce soil erosion along the north shore road by installing erosion control measures at existing sites along the road where culverts have failed or road washout has occurred. This work is necessary in preparation for lake shore tree thinning and hauling with mechanized equipment; and *Grant Priority IV Re-Forestation and Re-Vegetation Projects*: The project will improve resiliency of the forest to wildfire and reduce the risk of woody debris blockage to TMWA's outflow channel below the Independence Lake dam, and reduce the risk of fire and sediment deposition along the north and south shores of the lake.



## STAFF REPORT

**TO:** Board of Directors  
**FROM:** Mark Foree, General Manager  
**DATE:** July 18, 2022  
**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 June 8, 2022 through July 21, 2022.

Also, TMWA held an open house to the public on Wednesday, June 30<sup>th</sup> at the new Mt. Rose Water Treatment Plant where approximately 125 people attended.



## STAFF REPORT

**TO:** Board of Directors  
**THRU:** Mark Foree, General Manager  
**FROM:** Scott Estes, Director of Engineering  
**BY:** Bill Hauck, Water Supply Supervisor  
**DATE:** July 18, 2022  
**SUBJECT:** July 2022 Operations Report

---

### SUMMARY

- Lake Tahoe storage is at 20% of capacity, and is projected to be at or below its natural rim by early October
- Despite that fact, the water supply outlook for the region is still good enough to ensure normal river flows through the third week of October
- This is beyond TMWA's peak water demand season, and no drought reserves will be required this year like they were last year
- TMWA's upstream storage is in great shape, with more water in reserve than ever before between Donner and Independence reservoirs, and water stored under the terms of TROA (~69,000 AF)
- Combined, total upstream Truckee River reservoir storage is 33% of capacity
- Customer demand averaged 124 MGD over the first full week of July
- Hydroelectric generation in June was 4,751 MWh with revenue of \$357,336

#### **(A) Water Supply**

- **River Flows** - Truckee River discharge at the CA/NV state line was approximately 500 cubic feet per second (CFS) this morning. This is slightly below normal, as the 113-year median flow for this day at Farad is 530 CFS.
- **Outlook** - Despite overall upstream reservoir storage being below 50% of normal, and Lake Tahoe projected to go below the rim in early October, the outlook for river flows through the summer months and into the fall is still good. Normal river flows are projected to occur through the third week of October. This is beyond our peak customer demand season, so drought reserves will not be required to meet customer demand this year. Like last year however, there won't be much (if any) carry over storage in the Truckee River system (besides TMWA's reserve storage) as we head into the winter

months. This will leave the region once again completely dependent upon next winter for the following year's water supplies.

- **Reservoir Storage** - Overall Truckee River reservoir storage is ~33% of capacity. The elevation of Lake Tahoe is 6224.20 feet. Storage values for each reservoir as of July 18<sup>th</sup> are as follows:

<b>Reservoir</b>	<b>Current Storage (Acre-Feet)</b>	<b>% Capacity (Percent)</b>
Tahoe	145,700	20%
Boca	40,566	99%
Stampede	119,783	53%
Prosser	22,086	74%
Donner	9,290	98%
Independence	17,284	99%

Donner and Independence reservoirs are basically full. In addition to approximately 26,575 acre-feet of storage between them, TMWA also has about 42,240 acre-feet of water stored between Boca and Stampede reservoirs under the terms of TROA. TMWA's total combined upstream reservoir storage is approximately 68,815 acre-feet.

#### **(B) Water Production**

- **Demand** - TMWA's customer demand averaged 124 million gallons per day (MGD) over the first week of July. Overall, surface water made up ~85% of our supply and groundwater the other ~15%.

#### **(C) Hydro Production**

**Generation** - Truckee River flows at Farad (CA/NV state line) for the month of June averaged 664 CFS. All plants were on-line for 30 days and 100% available.

Statistics for the month are as follows:

<b>Plant</b>	<b>Generation Days</b>	<b>% Availability</b>	<b>Generation (Megawatt Hours)</b>	<b>Revenue (Dollars)</b>	<b>Revenue (Dollars/Day)</b>
Fleish	30	100%	1,813	\$136,706	\$ 4,557
Verdi	30	100%	1,652	\$123,505	\$ 4,117
Washoe	30	100%	1,286	\$ 97,125	\$ 3,238
<b>Totals</b>	<b>90</b>	<b>-</b>	<b>4,751</b>	<b>\$357,336</b>	<b>\$11,912</b>



## STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** Mark Foree, General Manager  
**FROM:** Stefanie Morris, Director of Legal and Regulatory Affairs  
**DATE:** July 11, 2022  
**SUBJECT:** Report Water Resources and Annexation Activity

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### RULE 7

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

Beginning Balance		3,061.54 AF
Purchases of water rights	0.02 AF	
Refunds	8.71 AF	
Sales	– 8.71 AF	
Adjustments	0.00 AF	
Ending Balance		3,061.56 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		7,569.51 AF
Committed water rights	– 0.00 AF	
Ending Balance		7,569.51 AF

Price per acre foot at report date: \$45,753.75 (SFR and MFR); \$39,690 (all other services)<sup>1</sup>

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<sup>1</sup> 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, there have been no annexations into TMWA's service area.

### **INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE**

TMWA allocated 100 acre-feet to Somerset for supplemental irrigation water this summer from the Truckee River. Somerset is using its existing intake structure to divert the water from the river. TMWA provided supplemental irrigation water to Somerset in 2020 and 2021 due to unplanned facility repairs and supply chain issues. Somerset did not anticipate the need for supplemental water this year, however, its well pump motor failed unexpectedly and it needs additional water until the motor can be replaced.





## **STAFF REPORT**

**TO:** Board of Directors  
**THRU:** Mark Foree, General Manager  
**FROM:** Marci Westlake, Manager Customer Service  
**DATE:** July 26, 2022  
**SUBJECT:** **June Customer Service Report**

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The following is a summary of Customer Service activity for June 2022.

### **Ombudsman**

- No calls for June.

### **Communications**

- Chuck Swegles & Ignacio Galvez had a Sprinkler Maintenance Made Easy Workshop and 10 people attended.
- Chuck Swegles & Lauren Kunin were at Rancho San Rafael Park and had a Conservation Booth for the 40th Anniversary and 15 people stopped by.
- Will Raymond had a workshop for Operations and Workforce Development Questions and 6 people attended.
- TMWA had an open house for the Mt. Rose Water Treatment Plant and 125 people attended.

### **Conservation (2022 Calendar year)**

- 722 Water Usage Reviews
- 2,615 Water Watcher Contacts

### **Customer Calls –June**

- 7,848 phone calls handled
- Average handling time 4 minutes, 44 seconds per call.
- Average speed of answer – :31 seconds per call.

**Billing – June**

- 134,593 bills issued.
- N/A (0.00%) corrected bills.
- 32,415 customers (24%) have signed up for paperless billing to date.

**Remittance – June**

- 18,859 Mailed-in payments
- 25,056 Electronic payments
- 46,336 Payments via AutoPay (EFT)
- 18,109 One-time bank account payments
- 138 Store payments
- 414 Pay by Text
- 4,745 IVR Payments
- 917 Reno office Payments
- 40 Kiosk Payments

**Collections – June**

- 14,387 accounts received a late charge
- 2,845 Mailed delinquent notices, 0.02% of accounts
- 914 accounts eligible for disconnect
- 681 accounts were disconnected (including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- .13 % write-off to revenue

**Meter Statistics – Fiscal Year to Date**

- 0 Meter retrofits completed
- 8,270 Meter exchanges completed
- 2,163 New business meter sets completed
- 134,234 Meters currently installed

# California burning: How wildfires are threatening the West's water

Drought is already imperiling water supply in the West. More wildfires could spoil the water that's still around.



**Brian Dabbs**[@BRIANDABBS](https://twitter.com/BRIANDABBS)

July 20, 2022, 6:22 p.m.

TAHOE NATIONAL FOREST, Calif.—In 1960, the Donner Ridge Fire ripped through roughly 44,000 acres in the Tahoe National Forest.

Sparked inadvertently by a crew building the 80 interstate, the fire scorched the earth north of Truckee, California and all the way to the Nevada border just months after the Winter Olympics at nearby Squaw Valley.

Then the Forest Service—using a program that leverages philanthropic funds—embarked on a major reforestation project to plant millions of lost trees.

More than 70 years later, large swathes of the area are perilously overstocked with highly flammable, densely packed Jeffrey pines and sagebrush. Local experts say the reforested area has grown out of control, creating an environment where wildfires could sweep through the region and threaten lives, homes, and businesses.

And a local water utility is also sounding the alarm, arguing that a wildfire there, below the towering Sierra peaks that store water in snowpack, poses real risks for water supply and quality. The Truckee Meadows Water Authority is helping to foot the bill for a forest-thinning project called Ladybug in the reforested area just east of Stampede Reservoir, where the utility stores water.

**“This is an example of a forest that’s overgrown. There’s a lot of underbrush and a lot of dead material that’s low that would create fuel for fire,”** Stefanie Morris, the water-resources manager at TMWA, said on a hot, dry day in late June from the edge of the Ladybug project site.

**Forestry crews and machines haven’t arrived to cut down the trees to sell it to timber companies or [biomass power plants](#) or otherwise dispose of it. The project isn’t expected to be complete until 2025.**

**“If there were to be a large fire on this downslope that runs into the reservoir and all this underbrush was burned, there would be a lot more sediment and organic material running into the reservoir”** after rain returns in the fall and winter, Morris said.

California is battling an epic, decades-long drought, helping to create prime conditions for wildfire. This year is so far the driest in record books that date back to the 19th century, [according](#) to the federal National Integrated Drought Information System. Four of the 20 [largest fires](#) in California history took place last year.

Now, water utilities in the state—and across the Western U.S.—are increasingly offering up money to help implement forest-management projects that aim to mitigate the risk of catastrophic fire.

The fall and winter rains send deluges of sediment and debris through burned forests, which can no longer absorb the material, and into reservoirs like Stampede. That prompts water utilities to foot big filtration, treatment, and debris-removal costs that can be passed on to consumers. And the turbid water, even with extensive treatment, poses potential health risks.

**“The chemistry of the water changes, not in a positive way, and they have to deal with that. That does have costs, operational costs, that require more chemicals to be able to use things to filtrate out the [sediment] and end up with a clean product,”** said Association of California Water Agencies Executive Director Dave Eggerton. **“The reality is that’s going to be largely cost that would be borne by their ratepayers.”**



**A forest near Stampede Reservoir is less susceptible to fire after forestry crews recently stripped out dead wood and underbrush. BRIAN DABBS**

The Truckee Meadows Water Authority, which services the Reno-Sparks area downstream on the Truckee River in neighboring Nevada, is contributing \$500,000 for the Ladybug project over the next two years. The National Forest Foundation, a national nonprofit partner to the Forest Service [chartered by Congress](#) in 1990, is implementing the project with the help of the Forest Service and other groups.



**“It’s going to be much cheaper to be proactive about it than to clean it up,” Morris said.**

Some water experts say the health impacts of consuming heavily treated water are still unclear. In 2014, the [King fire](#) torched 50,000 acres in one day and nearly 100,000 acres total in and around Eldorado National Forest southwest of Lake Tahoe. Andy Fecko, general manager of the Placer County Water Agency, said the utility ponied up \$5 million in dredging on the Rubicon River system after the fire.

Still, the utility faced water-quality challenges. Fecko said the water **had a foul odor and a “smokey,” “earthy” taste to it.**

**“We don’t think this water is detrimental to your health. But there isn’t a lot of science on it, either,” he said. “As far as we know, we’re delivering clean water to people’s homes. But there’s a lot of uncertainty to that.”**

Fecko said the post-King fire dredging will have to continue on a long-term cycle.

For those fine materials that infiltrate water supply, treatment strategy involves disinfection with chlorine, chloramine, or other chemicals that can, through complex chemical reactions, create byproducts potentially hazardous to human health.

Since the late 1990s, the Environmental Protection Agency [has regulated disinfection byproducts](#), including trihalomethanes and haloacetic acids. Both byproducts have been proven to cause cancer in **laboratory tests on animals, meaning they’re likely carcinogenic for humans.**

A small group of academics have been diving into the wildfire connection to disinfection byproducts over recent months. David Hanigan, a professor at the University of Nevada, Reno, says some evidence shows the amount of disinfection byproducts increased following the 2021 [Caldor fire](#). And they appear to be sticking around longer than normal, he said.

**“As long as the treatment facility stays below the EPA regulated guidelines, then they can still distribute that water. But my concern would be that they actually can’t somewhere in the future,” Hanigan said.**

Hanigan is hoping the National Science Foundation sponsors more grant research on the connection.

**“Everybody realizes now that, with wildfires over a million acres that are happening pretty much every year now, that we’re going to have to learn more,” he said. “There’s not all that much information on the effects of drinking-water quality yet.”**

The EPA, according to spokesperson Tim Carroll, **“is currently** conducting analyses to further evaluate” the regulations on disinfection byproducts, including potential new rules for unregulated byproducts like chlorate and nitrosamines.

Throughout the West, water utilities are growing more and more active in wildfire prevention and response. The New Mexico state government [warned residents](#) to not drink local water in the wake of **the Hermits Peak/Calf Canyon Fire that’s burned nearly [350,000 acres](#)** since April. The fire is still active northwest of Albuquerque. And fires are vexing utilities in Colorado, which has endured a [huge uptick](#) in acres burned in recent years.

The National Water Resources Association is spearheading a campaign to get more federal wildfire resources to utilities from Washington state to Texas. Christine Arbogast, the former president of the NWRA who still chairs the federal-affairs committee, said the wildfire threat to water supply and quality is growing.

***“It’s going to be much cheaper to be proactive about it than to clean it up.”***

**STEFANIE MORRIS, WATER RESOURCES MANAGER AT THE TRUCKEE MEADOWS WATER AUTHORITY**

“As we’ve seen fires become so commonplace and be any time of the calendar year, not just wildfire season, the constant threat to the water **supply has risen in the priorities for the western water community**,” said Arbogast, speaking on the phone from Durango, Colorado, where she, as a water lobbyist representing the Ute Mountain and Southern Ute tribes, met with EPA Regional Administrator Kathleen Becker.

A federal appropriations [bill](#) signed into law in September last year gave the Forest Service \$700 million to recover from recent fires in national forests across the West.

In February, the Forest Service delivered \$79 million to the Routt, White River, Arapaho, and Roosevelt national forests in Colorado after that region was hit by major fires in 2020. And just weeks ago, the Forest Service shut down roads in the Arapaho forest to [aerially drop mulch](#) on 8,000 burned acres to prevent runoff. The utility Northern Water participated in that operation.

Still, Arbogast said the federal government needs to put up much more money for post-fire recovery, along with fire-prevention projects like Ladybug in California.

**“The [post-fire] mitigation piece needs work. It’s crying out for work,”** she said. Arbogast also represents the city of Greeley, Colorado, which [collaborated](#) with other stakeholders to sanitize the water supply after the 2020 fires.

Meanwhile, the Forest Service included a long stretch of the Colorado front range, from south of Colorado Springs to the Wyoming border, in its [first tranche](#) of more than \$3 billion in wildfire funding from the bipartisan infrastructure law passed last year. The forest-management projects there target 36,100 acres to the tune of \$170 million.

On Wednesday, President Biden announced \$2.3 billion for the Federal **Emergency Management Agency to fund infrastructure that’s** resilient to extreme weather like drought and fire, along with pledges to expedite wind-energy projects that don’t emit climate-change-causing greenhouse gasses.

**“[Climate change] is literally, not** figuratively, a clear and present **danger,” Biden said at a former coal-plant site in Massachusetts**, before referencing the [\\$145 billion price tag](#) for weather-related damages in the U.S. last year.

**“This is an emergency. And I will look at it that way,” Biden said.** The administration has so far resisted calls from lawmakers and activists to formally declare a climate emergency, a move that could deploy **more federal resources to increase clean energy**.

**Biden’s remarks came** in the wake of the [collapse](#) last week of climate negotiations in a budget-reconciliation bill.



A view of Donner Lake from the Rainbow Bridge west of Truckee, Calif. BRIAN DABBS

Back in California, the Yuba Water Agency, which controls the water in the New Bullards Bar Reservoir on the edge of the Tahoe National Forest, is helping to pay for forest-management projects as part of the North Yuba Forest Partnership. The [North Yuba River landscape](#) in the Tahoe is also among the first recipients of the wildfire infrastructure funding.

The Yuba Water Agency, which provides agricultural water to the region around Sacramento, is contributing \$8 million to the forestry work in the Yuba watershed. Willie Whittlesey, the general manager, hopes that money will help create healthier forests that retain water and prevent catastrophic fires so the utility continues to serve water to farmers and ranchers for decades.

**“Our irrigators should be interested in the sustainable amount of water we will have in our watershed long-term,”** Whittlesey said. **“If they’re thinking of planting an orchard for, you know, \$30,000 an acre ... that lasts 40 or 50 years, are they going to have water supply in year 20?”**

**“It’s a really, really crude example. But they should be interested in our long-term viability,”** he said, sitting on a dead log on a beach at the New Bullards Reservoir just 20 miles away from where he grew up in Grass Valley. His two black Labradors swam in the reservoir with boats anchored in the distance.

After seeing the fallout from the King Fire in Placer County, Whittlesey said the decision to get involved in fire prevention was clear.

**“We just looked to them and said, ‘Oh my god, we don’t want that.’ So let’s try and fix the problem before it happens,”** he said.

*This is the third story in National Journal’s four-part series, “California Burning,” which explores the federal strategy to tackle wildfires ravaging the Western U.S.*