

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE JULY 26, 2022
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Tuesday, July 26, 2022, at Sparks Council Chambers. Chair Hartung called the meeting to order at 9:01 a.m.

1. ROLL CALL

Directors Present: **Paul Anderson, Jenny Brekhus, *Kristopher Dahir, *Naomi Duerr, *Vaughn Hartung, *Neoma Jardon, and *Alternate Bob Lucey.

Director Absent: Alexis Hill

A quorum was present.

**Indicates Directors who attended the meeting virtually.*

***Director Anderson attended virtually and arrived at 9:36 a.m.*

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Director Brekhus.

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 Dahir, 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 JUNE 15, 2022 MEETING

Upon motion by Director Jardon, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved the June 15, 2022 minutes.

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, TMWA General Manager, presented the staff report.

Director Brekhus pointed out that a Director sitting on the Board from City of Reno has never been Chair, and nominated Director Duerr as Chairperson for FY2023. The motion failed.

Director Duerr thanked Director Brekhus for the nomination.

Upon motion by Director Lucey, second by Director Dahir, which motion duly carried five to one with Director Brekhus dissenting, the Board adopted Resolution No. 305: A resolution appointing Vaughn Hartung as Chairman for Fiscal Year 2023.

Upon motion by Director Hartung, second by Director Jardon, which motion duly carried five to one with Director Brekhus dissenting, the Board adopted Resolution No. 305: A resolution appointing Kristopher Dahir as Vice Chairman for Fiscal Year 2023.

8. DISCUSSION AND ACTION REGARDING TERMS FOR AND POSSIBLE APPROVAL OF GENERAL MANAGER EMPLOYMENT AGREEMENT WITH JOHN ZIMMERMAN

Jessica Atkinson, TMWA Director of Human Resources, and Lucas Foletta, TMWA General Counsel, presented the General Manager agreement for John Zimmerman. Ms. Atkinson stated Mark Foree would retain his authority as General Manager until October 15th, 2022, ensuring approximately three months overlap for transition.

Members of the Board discussed specifics about the terms of the agreement: length (two years with an auto two-year extension), personal time off (amount and carryover), performance evaluation process, and stipulating at least four months of notice be given, should Zimmerman elect to terminate the agreement for any reason additionally, if the extension is exercised, the parties will meet and confer at least 5 months prior to the expiration of the extension.

Upon motion by Director Dahir, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved the terms for the General Manager employment agreement with John Zimmerman effective July 26, 2022.

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, TMWA Director of Legal & Regulatory Affairs, and Bill Hauck, TMWA Water Supply Supervisor, presented the staff report. Ms. Morris introduced Ryan Bellows, Vice President of Government & External Relations at NV Energy, if the Board had any questions.

Ms. Morris thanked the Board for their consideration of this agreement and explained that the agreement is not a permanent commitment to NV Energy's water rights, but allowing for TMWA a right of first refusal to purchase their Truckee River water rights is very reassuring for TMWA customers and the region. She added that she has been in communication with the Pyramid Lake Paiute Tribe (the "Tribe") prior to finalizing the agreement and posting the agenda prior to today's meeting, but there were no questions or concerns raised until yesterday, Monday July 25th, afternoon, where staff was asked to pull the agenda item.

At this time, the Board inquired if the agreement would return to the Board before the extension (no, it would not), if there was any potential of violating the Truckee River Operating Agreement (TROA) with this agreement (no, under TROA TMWA is authorized to use its privately owned stored water as it sees fit), and since the Tribe requested a delay in approving the agreement for it to be considered at a later time after discussing, and working, with the Tribe on some of their concerns.

Mr. Bellows confirmed the Tracy plant was natural gas powered and it serves customers throughout the state in particular northern Nevada, but occasionally can transport to southern Nevada, and renewable resources are likely sold to other states and California.

Mr. Bellows echoed Ms. Morris that this is a win-win, for TMWA, NV Energy and community. An agreement that will benefit the community for years to come and grateful to have TMWA as a partner and TMWA staff for their collaboration and urged the Board for their support of this agenda item.

Upon motion by Alternate Lucey, second by Director Jardon, which motion duly carried six to one with Director Brekhus dissenting, the Board authorized the 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.

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, TMWA Executive Assistant, and Kara Steeland, TMWA Hydrologist, presented the Truckee River Fund Advisory Committees recommendation for the Board to approve The Nature Conservancy's project for tree thinning and fuel reduction around the outlet channel at Independence Lake.

Upon motion by Director Jardon, second by Director Brekhus, which motion duly carried by unanimous consent of the Directors present, the Board adopted 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.

11. GENERAL MANAGER'S REPORT

Mr. Foree reminded the Board TMWA's annual picnic is on Sat, Aug 20th at Verdi Hydro Park, the Mt. Rose Water Treatment Plant Open House was a success (about 125 people attended), and the National Journal recognized TMWA and the Lady Bug project.

12. PUBLIC COMMENT

There was no public comment.

13. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Director Brekhus expressed frustration, after spending four hours reviewing the appeal brief, with regards to pulling the St. James Appeal Hearing from the July Board meeting agenda, and why it is been pushed to the September meeting and not the August meeting.

Chair Hartung reopened agenda item 11 due to extended discussions about future meetings.

11. GENERAL MANAGER'S REPORT

Mr. Foree replied that the August Board meeting is cancelled and that is the reason the St. James Appeal Hearing is scheduled for September.

Director Duerr inquired what other times would be on the September agenda. Ms. Folsom replied the general manager's evaluation and recognition of Mr. Foree's years of service.

14. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 10:10 a.m.

Approved by the TMWA Board of Directors in session on Wednesday, September 21, 2022.

Sonia Folsom, Board Clerk.

*****Director Anderson was present for agenda items 9 thru 14 only.***