



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

**AGENDA**

**Wednesday, February 15, 2023 at 10:00 a.m.**  
**Sparks Council Chambers, 745 4<sup>th</sup> Street, Sparks, NV**

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**Board Members**

Chair Vaughn Hartung  
Paul Anderson  
Naomi Duerr  
Devon Reese

Vice Chair Kristopher Dahir  
Jenny Brekhus  
Alexis Hill

**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 or email [boardclerk@tmwa.com](mailto:boardclerk@tmwa.com) 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. Public comment may be provided by submitting written comments online on TMWA's Public Comment Form ([tmwa.com/PublicComment](http://tmwa.com/PublicComment)) or by email sent to [boardclerk@tmwa.com](mailto:boardclerk@tmwa.com) prior to the Board opening the public comment period during the meeting. In addition, public comments may be provided by leaving a voicemail at (775)834-0255 prior to 4:00 p.m. the day before the scheduled meeting. Voicemail messages received will be noted during the meeting and summarized for entry into the record. Public comment is limited to three minutes and is allowed during the public comment periods. The Board may elect to receive public comment only during the two public comment periods rather than each action item.
7. In the event the Chairman and Vice-Chairman are absent, the remaining Board members may elect a temporary presiding officer to preside over the meeting until the Chairman or Vice-Chairman are present (Standing Item of Possible Action).
8. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.

1. Roll call\*
2. Pledge of allegiance\*
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**)

1.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 January 18, 2023 meeting of the TMWA Board of Directors **(For Possible Action)**
7. Public Hearing, consideration of written bids and consideration of possible oral bids for sale of surplus properties and discussion and possible action regarding approval of sale or other disposition of surplus properties consisting of approximately 4.44 acres in Washoe County, Nevada generally referred to as Assessor's Parcels 016-490-50 and 038-730-37 — Heather Edmunson **(For Possible Action)**
8. Water Supply Update — Bill Hauck\*
9. Presentation of Fiscal Year 2023 Q2 year to date financial results — Matt Bowman\*
10. Discussion and action, and possible direction to staff on adoption of Resolution No. 313: A resolution to approve the first budget augmentation and budget revisions for FY 2023 – Matt Bowman **(For Possible Action)**
11. Discussion and action on nomination and appointments of Trustee(s) to the Western Regional Water Commission (WRWC) from the TMWA Board of Directors for the following positions to fill vacancies ending March 31, 2023 and for new two year terms from April 1, 2023 to March 31, 2025:
  - A) Pursuant to Sec.25(3)(a) of the WRWC Act from the following list of qualified persons:  
Jenny Brekhus and Devon Reese.
  - B) Pursuant to Sec.25(3)(b) of the WRWC Act from the following list of qualified persons:  
Paul Anderson.
  - C) Pursuant to Sec.25(3)(c) of the WRWC Act from the following list of qualified persons:  
Alexis Hill.
  - D) Pursuant to Sec. 25(4) of the WRWC Act representing TMWA as successor to South Truckee Meadows General Improvement District from the following list of qualified persons: Jenny Brekhus, Meghan Ebert, Miguel Martinez, Devon Reese, Hillary Schieve, Kathleen Taylor, Michael Clark, Jeanne Herman, Mariluz Garcia, Charlene Bybee, Ed Lawson, and Dian VanderWell.— Sonia Folsom **(For Possible Action)**
12. Discussion and action, and possible approval of an Amendment to the Truckee River Fund Agreement with the Community Foundation of Northern Nevada with funding levels to be determined as part of the budget process each fiscal year — Sonia Folsom **(For Possible Action)**
13. General Manager's Report\*
14. Public comment — limited to no more than three minutes per speaker\*
15. Board comments and requests for future agenda items\*
16. Adjournment **(For Possible Action)**

TRUCKEE MEADOWS WATER AUTHORITY  
**DRAFT** MINUTES OF THE JANUARY 18, 2023  
MEETING OF THE BOARD OF DIRECTORS

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The Board of Directors met on Wednesday, January 18, 2023 at Sparks Council Chambers. Chair Hartung called the meeting to order at 10:00 a.m.

1. ROLL CALL

**Directors Present:** Paul Anderson, Jenny Brekhus, \*Naomi Duerr, Vaughn Hartung, Alexis Hill, Devon Reese, and Alternate Ed Lawson.

**Directors Absent:** Kristopher Dahir

*\*Director Duerr attended virtually via Zoom.*

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Alternate Lawson.

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 Hill, which motion duly carried by unanimous consent of the Directors present, the Board approved the agenda.**

6. APPROVAL OF THE MINUTES OF THE DECEMBER 8, 2022 MEETING

**Upon motion by Director Brekhus, second by Director Hill, which motion duly carried by unanimous consent of the Directors present, the Board approved the December 8, 2022 minutes.**

## 7. RECOGNITION OF TAHOE-PYRAMID TRAIL FOUNDER, JANET PHILLIPS

John Zimmerman, TMWA General Manager, commended Ms. Phillips for spearheading water resources in the Truckee Meadows and beginning negotiations for the Truckee River Operating Agreement (TROA). She was a fierce advocate for water resources in the community and wanted to recognize her.

Chair Hartung asked for a moment of silence.

Chair Hartung stated he first knew Ms. Phillips husband, Mike, but after meeting Ms. Phillips, there was no one more passionate about the river and the Tahoe-Pyramid Trail (TPT) is a true legacy. He requested staff to look into a dedication to her along the trail.

Director Hill requested staff to notify the Board if they can assist with the section in Storey County along the railroad, which is an extremely dangerous section along the river, to complete the trail.

Director Duerr commented on Ms. Phillips' incredible commitment to the community and results oriented nature going back to her Sierra Pacific Power Company tenure and how she led tours along the river to educate the public.

Stefanie Morris, TMWA Director of Legal & Regulatory Affairs, stated that she worked with Ms. Phillips on TROA and noted how fun Janet was to be around. She was also the Chair of the Truckee River Fund Advisory Committee and instrumental in selecting projects that benefited the Truckee River and the community.

Kim Mazeres, former TMWA Community Relations Director, said she worked with Ms. Phillips for almost thirty years. Ms. Mazeres described her as persistent who left a great Tahoe Pyramid Trail Board to complete the trail; she will miss her greatly.

Terri Svetich, Truckee River Fund Advisory Committee Member, spoke of Ms. Phillips being a great facilitator when she presented before the Truckee River Fund on behalf of City of Reno, and appreciated the TMWA Board for recognizing Ms. Phillips.

## 8. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Supervisor, presented an update on TMWA's water supply: the snowpack in the Tahoe and Truckee Basins is about 250% of normal as of this past Monday, which is the water equivalent compared to 2017; Lake Tahoe water levels increased about 1.8 feet since December 1, 2022; all reservoirs in the system will see a full recovery with the exception of Stampede Reservoir (about 90%); river flows will be stable through 2023 and most likely 2024; and Verdi and Fleish hydroelectric plants are currently back online.

Chair Hartung requested for Mr. Hauck to add the total capacity for reservoir and lake in TMWA's system.

## 9. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 313: A RESOLUTION TO APPROVE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR FISCAL YEAR ENDED JUNE 30, 2022

Sophie Cardinal, TMWA financial controller, presented the ACFR for fiscal year ended June 30, 2022.

Director Brekhus stated she liked the Popular Annual Financial Report (PAFR).

Chair Hartung commended staff in a great job and noted how TMWA is a model in our region and how well it is managed.

**Upon motion by Director Reese, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board adoption Resolution No. 313: A resolution to approve the Annual Comprehensive Financial Report for Fiscal Year ended June 30, 2022.**

**10. APPOINTMENT OF TRUSTEE TO THE WESTERN REGIONAL WATER COMMISSION (WRWC) PURSUANT TO SEC.25(4) OF THE WRWC ACT REPRESENTING TMWA AS SUCCESSOR TO SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT (STMGID) FROM THE FOLLOWING LIST OF QUALIFIED PERSONS TO FILL THE REMAINING TERM ENDING MARCH 31, 2023 VACATED BY MEMBER BOB LUCEY: MEGHAN EBERT, MIGUEL MARTINEZ, DEVON REESE, HILLARY SCHIEVE, KATHLEEN TAYLOR, MICHAEL CLARK, JEANNE HERMAN, MARILUZ GARCIA, CHARLENE BYBEE, ED LAWSON, AND DIAN VANDERWELL**

Sonia Folsom, TMWA Executive Assistant, presented the staff report.

Director Brekhus stated she heard from former STMGID residents about how much they liked having their own water utility and because of that she feels it would be valuable to have someone who lives in their area represent them and suggested that Michael Clark be appointed.

**Upon motion by Director Hill, second by Director Reese, which motion duly carried six to one with Director Brekhus dissenting, the Board approved to appoint Mariluz Garcia to WRWC representing TMWA as successor to STMGID to fill the remaining term ending March 31, 2023 vacated by Member Bob Lucey.**

**11. UPDATE ON 2022 INTERIM SESSION AND DISCUSSION AND ACTION ON ESTABLISHING A LEGISLATIVE SUBCOMMITTEE FOR THE 2023 LEGISLATIVE SESSION AND APPOINTMENT OF BOARD MEMBERS TO SUBCOMMITTEE**

Ms. Morris informed the Board that the interim legislative subcommittee met recently and were updated on interim committee meetings, as well as the status of Bill Draft Requests (BDR's) and Bills. As of mid-January, TMWA is tracking 299 of over 900 BDR's (60 are human resources related, 20 pertain to water issues and three are related to water quality), and 18 of 138 Bills. The two bills of note are: AB19 (Tribal member working without a license) and AB34 (State Engineer noticing requirements). The 2023 Legislative Session begins on February 6<sup>th</sup> and staff is requesting the Board appoint three Board Members

and alternates, at the Board's discretion, to the legislative subcommittee. Once the session begins, the subcommittee will provide updates to the Board on the status of tracked legislation.

**Upon motion by Director Anderson, second by Director Hill, which motion duly carried by unanimous consent of the Directors present, the Board approved the appointments of Dahir, Duerr and Hill and alternates, Anderson and Brekhus, to TMWA's Legislative Subcommittee for the 2023 Legislative Session.**

**12. PUBLIC HEARING, CONSIDERATION OF WRITTEN BIDS AND CONSIDERATION OF POSSIBLE ORAL BIDS FOR SALE OF SURPLUS PROPERTIES AND DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF SALE OR OTHER DISPOSITION OF SURPLUS PROPERTIES CONSISTING OF APPROXIMATELY 4.2917 ACRES IN WASHOE COUNTY, NEVADA GENERALLY REFERRED TO AS ASSESSOR'S PARCELS 016-490-27 AND 016-490-32; 016-490-50; AND 038-730-37**

Heather Edmunson, TMWA Lands Administrator, and Ms. Morris reported that TMWA staff did not receive any written bids. As such they advised the Board that the minimum oral bid should be the minimum written bid and not require a 5 percent increase, and the awarded bidder must provide a check to the board clerk, Sonia Folsom, made out to Stuart Title within 24 hours.

Chair Hartung stated Ms. Folsom received an oral bid card from Earlene and Fabian Gorzell for the properties included in Sale No. 1: APN: 016-490-27 and 016-490-32).

Ms. Gorzell stated they would like to offer the minimum bid of \$75,000.

Chair Hartung inquired if there was anyone in the public wishing to bid. There were none.

Ms. Morris informed the Board staff did not receive any written bids for the other two properties. Chair Hartung inquired if there were any oral bids for the properties. There were none. Staff recommended that the notice of sale be republished and this item be brought back at the February Board meeting.

**Upon motion by Director Hill, second by Director Brekhus, which motion duly carried by unanimous consent of the Directors present, the Board approved the sale of surplus properties referred to as Assessor's Parcels 016-490-27 and 016-490-32 to Earlene and Fabian Gorzell for the awarded bid of \$75,000.**

**Upon motion by Director Hill, second by Director Brekhus, which motion duly carried by unanimous consent of the Directors present, the Board approved staff recommendation to republish the sale of notice for APNs: 016-490-50; and 038-730-37 for consideration at the February Board meeting.**

**13. DISCUSSION ON BOARD MEETING LEGAL REPRESENTATION AND POSSIBLE DIRECTION TO STAFF REGARDING SAME**

Mr. Zimmerman reminded the Board that there was discussion in May 2022 regarding options for legal representation for Board, Legislative Subcommittee and Standing Advisory Committee meetings due to Michael Pagni leaving McDonald Carano law firm. Presented today are three options for Board consideration: 1. Continue with representation from McDonald Carano; 2. Use internal legal counsel; or 3. Advertise for Request for Proposals (RFP) for other legal representation. Mr. Zimmerman continued that TMWA uses other attorneys and law firms whenever there is a conflict and where specific legal expertise in a certain area of law is needed.

Director Brekhus recommended, after more than 20 years with the same law firm, staff go out for an RFP due to the conflicts of interest (McDonald Carano representing other agencies that may have adverse interests to TMWA) or bring on a junior attorney to protect TMWA and improve transparency.

Ms. Morris outlined, as the Director of Legal & Regulatory Affairs, how legal conflicts are addressed, which, are different from general conflict of interest. Specifically, conflicts of interests versus legal conflicts are two different concepts. She also noted that if the standard was a conflict existed if you do business with any of the stakeholders, then there would not be any outside counsel that could represent TMWA. Ms. Morris continued that she has worked for 18 years for public agencies as both in house general counsel and as general counsel by contract, in both California and Nevada, and legal conflicts are strenuous. Staff is careful in evaluating legal conflicts; it is not based on engaging with a specific stakeholder, it is a matter-by-matter issue, considering what confidential information is being shared with the attorney, and if there is a conflict between the two entities. If there was the potential for confidential information of TMWA that would conflict with another entity, then they have not engaged with any firm who represents the other entity.

Chair Hartung noted that he is lived in the area for over 40 years and Reno is a small city where it is difficult to not encounter people you have done business with and does not know if they can find another qualified person to legally represent TMWA.

Director Reese appreciated Ms. Morris' explanation. He noted Director Brekhus was correct about needing to routinely go out for bids, every three to five years, to analyze any of the services taken in by TMWA, which is important both from a public process standpoint and organization to ensure the best value for the services obtained. He added that it is important to consider the individual conducting the work and rate structure; the 2016 letter included in the staff report is outdated. He continued that the Board could discuss conflicts without saying that anyone has committed an ethics violation. Lawyers are required to abide by the American Barr Association of Ethics and the State of Nevada Code of Ethics when forming relationships with clients and other entities. Yes, Nevada is a small place, and requires specialized knowledge in relation to complexities of water law and administrative processes, it is possible to find good lawyers. When conflict issues arise, to seek waivers or acknowledgements, and if needed, go to the State Bar or Ethics Commission to seek opinion or guidance.

Director Duerr agreed, and the best practice is to periodically to review all types of outside services and ask for a rebid to look for qualified submissions. Also, that it may be important to strengthen the internal legal team. Ms. Morris is remarkably busy, and the issues are complex to have services in house only.

Director Hill stated there is an opportunity to review this issue in detail and likes having this agenda to review policies and would like to have more information on the current contract to better understand the need to hire another lawyer full-time.

Mr. Zimmerman noted his appreciation of the discussion and points made. Regarding the rates for Board representation, it goes back to Mr. Pagni's 2016 letter of \$275/hour. Internally, he and Ms. Morris have considered the best route when a legal matter comes before them and when to reach out to an outside firm, many times it is not McDonald Carano. Adding, that as part of the succession planning process, they are looking to add another lawyer in-house in the near future.

Lucas Foletta, TMWA General Counsel, stated his personal client roster does not include any builders or developers, the lobbying disclosure Director Brekhus showed is applied to all lawyers at McDonald Carano. He is a member of Northern Nevada Disciplinary Panel for the State Bar; they deal with questions that arise and members of the public submit their complaints to that panel where they resolve them and propose discipline according to those rules.

Discussion continued that it is time to go out to bid and there was a need to define the scope of legal services for Board General Counsel to ensure open meeting law compliance, but General Counsel also advises the Board on important issues, and in-house counsel being tasked with outside work is not easy, especially if they are potentially a witness, but also to differentiate between representing staff interests and Board interests, which may not align at times.

Director Duerr confirmed she was not advocating changing the process of using outside counsel with the current issue under consideration.

Chair Hartung state he was not supportive of making a change right now with general counsel, but supportive of a policy change that discusses how often they go out for RFP unless there is an extenuating circumstance to look for new general counsel.

**Upon motion by Director Brekhus, second by Director Reese, which motion duly carried four to three with Chair Hartung and Directors Anderson and Lawson dissenting, the Board directed the General Manager to return with a sample scope request for proposal, similar to the process used by the Western Regional Water Commission to rebid outside general counsel, organization chart for internal legal, other active legal contracts, and legal expenses.**

#### 14. REQUEST FOR BOARD ADOPTION OF UPDATED ADMINISTRATIVE POLICIES AND ACKNOWLEDGE CHANGES TO THE ADMINISTRATIVE DIRECTIVES

Jessica Atkinson, TMWA Director of Human Resources, presented the updated Administrative Instructions (AI's), employee handbook. Over the last two years, human resources worked with department leaders and the IBEW Local #1245, as well as internal and external legal experts to update the policies and procedures. The updated AI's make a distinction between administrative policies (Board-adopted policies) and administrative directives (rules and procedures authorized by the General Manager); the Board will receive notification of future changes to the administrative directives.

Director Brekhus congratulated Ms. Atkinson on completing such a huge task. Suggested think about adding "these do not apply to the governing board unless otherwise stated," A-41 "at-will" is not a defined term and would like to see a definition, and regarding the nepotism policy, she would like to see an obligation or directive to see a nepotism report annually. Ms. Atkinson explained there is a nepotism policy in place.



Director Reese asked about outside expertise and continue to focus looking at Diversity, Inclusion and Equity issues in policy making to ensure TMWA is leading efforts in that regard. Ms. Atkinson said they partnered with the Nevada Associations of Employers regularly and reach out to them when have questions. Staff worked with Holland & Hart, Dora Lane, and of course Ms. Morris and Mr. Zimmerman.

Director Duerr stated that she was glad to see this come before the board and appreciates that the general manager revises the policies and provide updates to the Board. She also asked if Ms. Atkinson had an opportunity to look at what other agencies have done with regards to their harassment policy. Ms. Atkinson replied no, they did not look at other agencies, but with regards to the harassment policy there are prescribed best practices to be followed and noted that most agencies would align and last year staff created a legal channel if staff did not feel comfortable going to internal designated individual.

Director Brekhus asked if there was a remote work policy. Ms. Atkinson replied they do not have a policy or directive, but have language that addresses it and have a separate SOP that provides guidelines for up to two days remote; when the performance and position makes sense.

**Upon motion by Director Duerr, second by Director Reese, which motion duly carried by unanimous consent of the Directors present, the Board adopted the updated Administrative Policies and acknowledge changes to the Administrative Directives.**

#### 15. GENERAL MANAGER'S REPORT

Mr. Zimmerman thanked Mayor Lawson for filling in for Director Dahir, who is recovering well from surgery; we all wish him a speedy recovery.

#### 16. PUBLIC COMMENT

There was no public comment.

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

There were no Board comments.

#### 18. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 12:04 p.m.

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

Sonia Folsom, Board Clerk.



## STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Stefanie Morris, Director of Legal and Regulatory Affairs and Heather Edmunson, Lands Administrator  
**DATE:** February 15, 2023  
**SUBJECT:** **Public Hearing, consideration of written bids and consideration of possible oral bids for sale of surplus properties and discussion and possible action regarding approval of sale or other disposition of surplus properties consisting of approximately 4.44 acres in Washoe County, Nevada generally referred to as Assessor's Parcels 016-490-50 and 038-730-37**

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### SUMMARY

On January 18, 2023, the TMWA Board held a public hearing to consider written and oral bids for the sale of the surplus properties located at 14785 Pine Knolls Drive (016-490-50) and 0 Cliff View Drive (APN: 038-730-37). The maps are attached as Exhibits 2 & 3 for reference. There were no written or oral bids presented at the public hearing. The Board directed staff to continue to advertise and offer the properties for sale for an additional month and return to the next Board meeting to hold a second public hearing to consider written and oral bids. TMWA staff promptly advertised the sale twice a week for 3 weeks in the Reno Gazette Journal.

### DISCUSSION

In accordance with TMWA's Policy Regarding Disposal of Surplus TMWA Property, the following apply:

- Sealed bids must be opened, examined, and declared by the Board at the meeting;
- Prior to accepting any written bid, the Board must call for oral bids;
- Any responsible person may submit an oral bid on the same terms and conditions as the resolution, provided it exceeds the highest written bid by five percent (5%);
- The bid which is the highest and conforms to the terms and conditions in the resolution shall be accepted, unless a higher bid is received orally at the meeting or the Board rejects all bids; and
- Upon acceptance the bidder must provide a \$10,000 cashier's check made out to Stewart Title Company.

Staff recommends the Board individually identify each property to be sold, open the sealed bids for that property, and inquire if there are any oral bids. The Board can then proceed to name and award the highest bidder for each property and ask for the \$10,000 deposit check to be

delivered to the Clerk of the Board. The Clerk will provide the check to the Lands Administrator who will deposit the funds into an escrow account, provide the contracts for execution, and facilitate the sale.

The minimum bids and possible minimum oral bid for each property are shown below.

Sale No. 1	Parcel Acreage	Minimum Written Bid	*Possible Minimum Oral Bid
14785 Pine Knolls Lane (APN: 016-490-50)	1.786 Acres	\$175,000.00	\$183,750.00
Sale No. 2	Parcel Acreage	Minimum Written Bid	*Possible Minimum Oral Bid
0 Cliff View Drive (APN: 038-730-37)	2.651 Acres	\$435,000.00	\$456,750.00

**\*Please note that the “Possible Minimum Oral Bid” is based on the Minimum Written Bid shown above and is provided as an example to show that under TMWA’s policy it must be at least 5% higher than the highest written bid. If written bids are higher than shown above, then the minimum oral bids must be increased accordingly.**

**RECOMMENDATION AND POSSIBLE MOTION**

If any of the properties are not sold at this second meeting, according to TMWA’s Policy Regarding Disposal of Surplus Property, the Board may elect to list the properties with a licensed real estate broker. If any properties are not sold at this second meeting, Staff recommends that the Board authorize staff to list such properties with a licensed real estate broker and sell them at the best price offered.

Attachments:

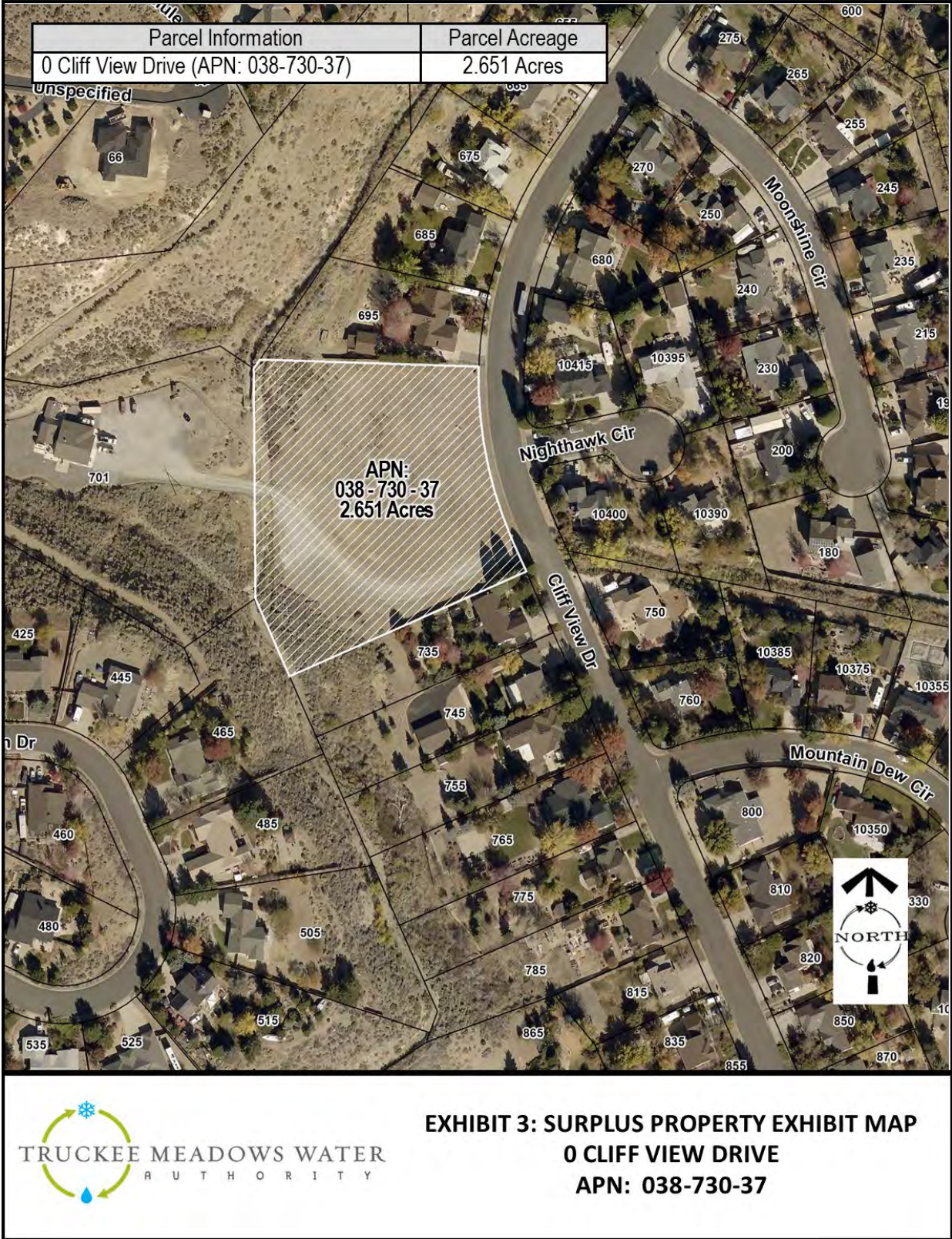
Exhibit Maps 2 & 3

Exhibit 2: Pine Knolls – Formerly used for the STMGID tank overflow and drainage  
APN: 016-490-50 (1.786± Acres)





Exhibit 3: Cliff View – Mogul Expansion Site-determined not necessary.  
APN: 038-730-37 (2.651± Acres)





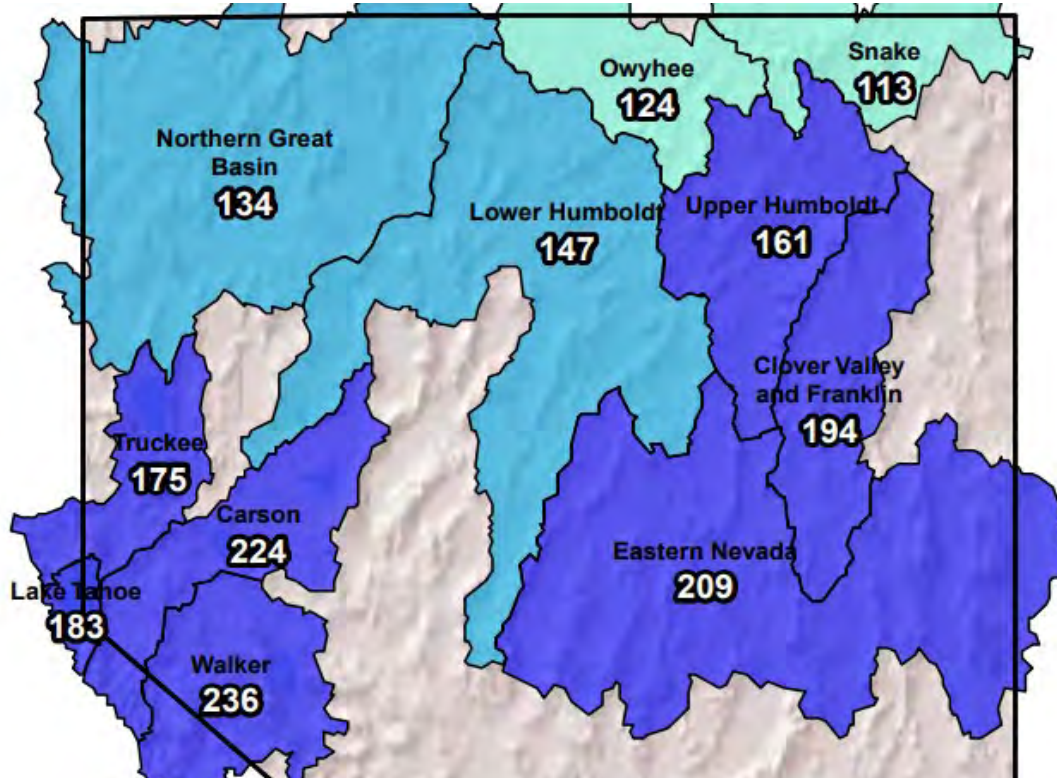
# Water Supply Update

Board of Directors Meeting

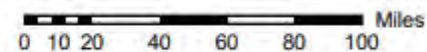
February 15, 2023



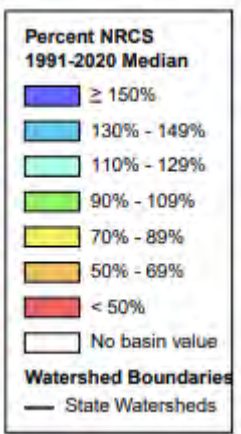




USDA Natural Resources Conservation Service United States Department of Agriculture



Created 2-14-2023



Snow Water Equivalent	<b>NEVADA &amp; EASTERN SIERRA</b>	February 14, 2023, first of day
Percent NRCS 1991-2020 Median		





# Lake Tahoe Basin Snowpack Comparison

## SNOW WATER EQUIVALENT IN LAKE TAHOE

Reset Range

[Link to data: CSV / JSON](#)

[Station List](#)

Current as of 02/14/2023:  
 % of Median - 183%  
 % Median Peak - 132%  
 Days Until Median Peak - 43  
 Percentile - 93



# February 01, 2023 NRCS Final Streamflow Forecast

- Lake Tahoe Gates Closed Rise (GCR)

3.2' (276% Avg.) 05% COE (Apr-High)

**2.1' (181% Avg.) 50% COE (Apr-High)**

1.0' (86% Avg.) 95% COE (Apr-High)

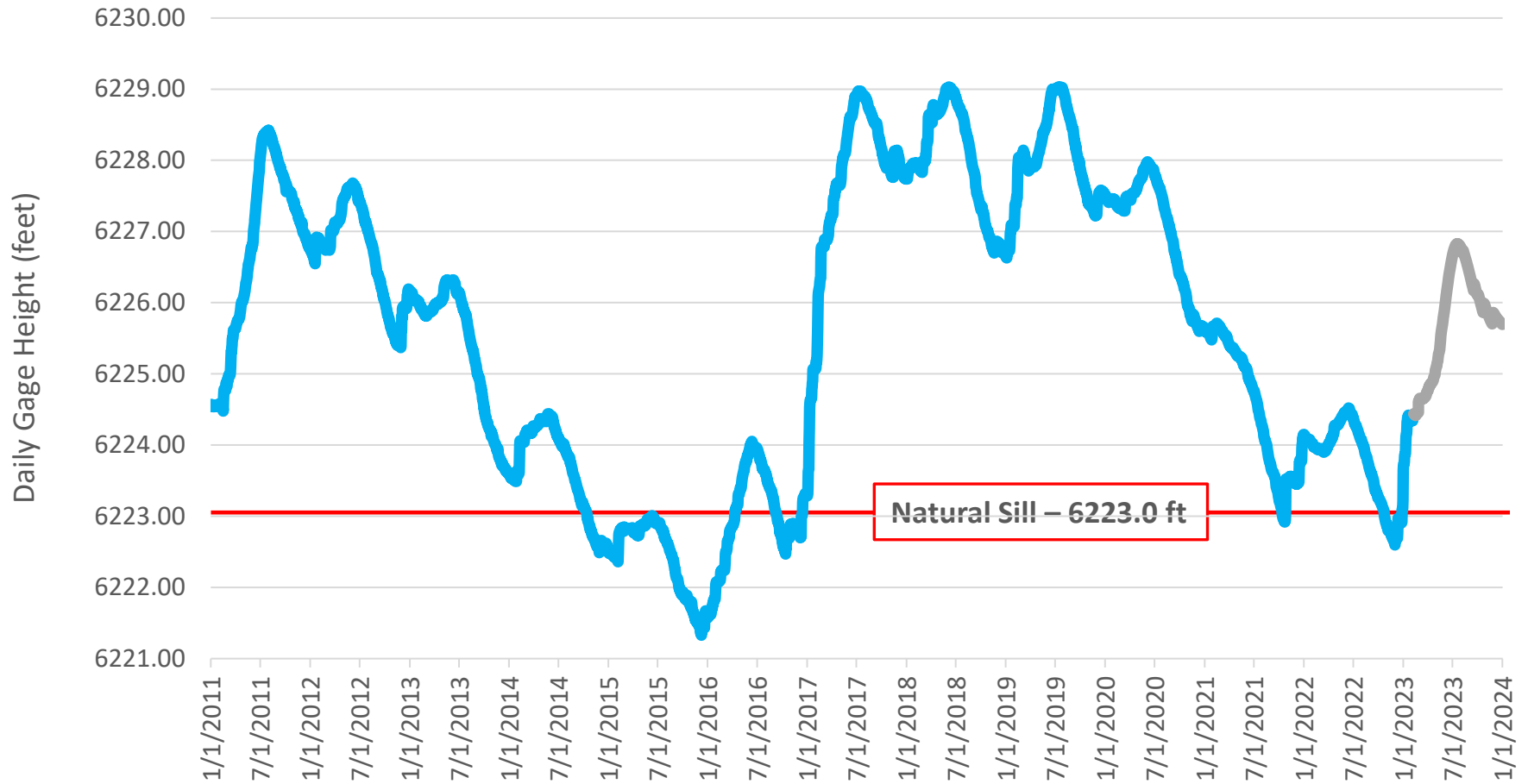
- Truckee River at Farad, CA (A-J)

565 KAF (251% Avg.) 05% COE (Apr-Jul)

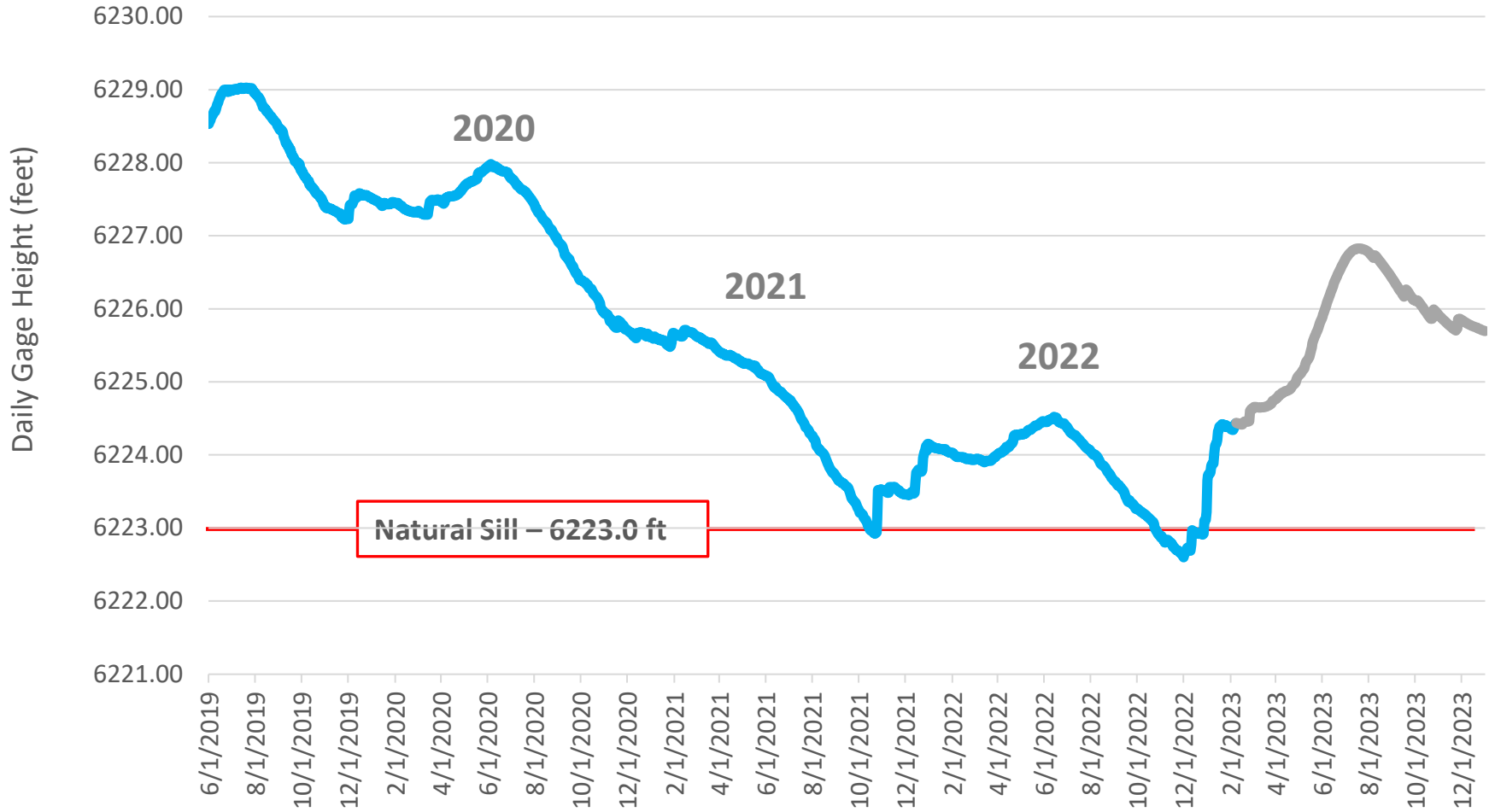
**400 KAF (178% Avg.) 50% COE (Apr-Jul)**

270 KAF (120% Avg.) 95% COE (Apr-Jul)

# Actual and Projected Lake Tahoe Elevation through 2023



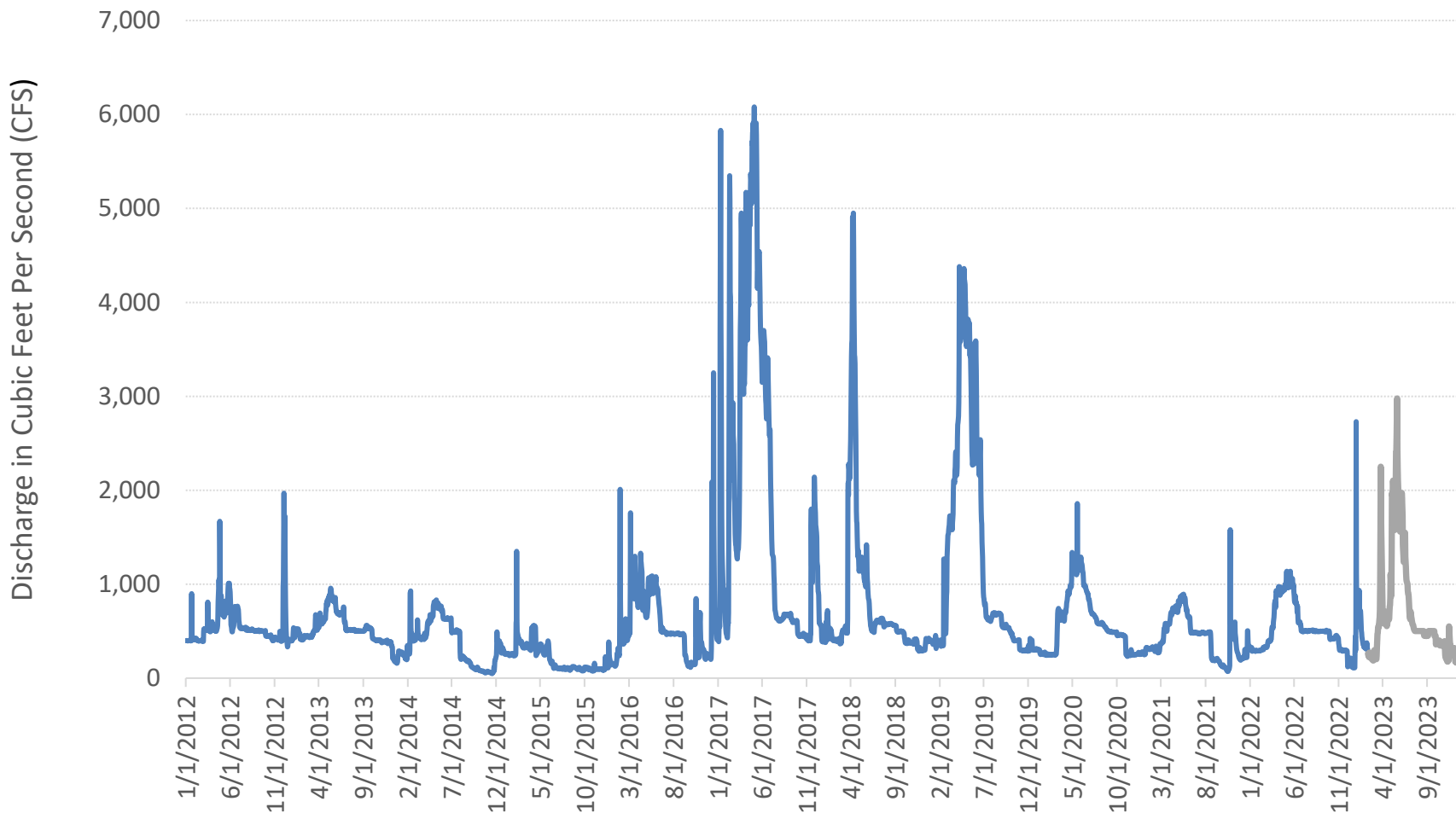
# Actual and Projected Lake Tahoe Elevation through 2023



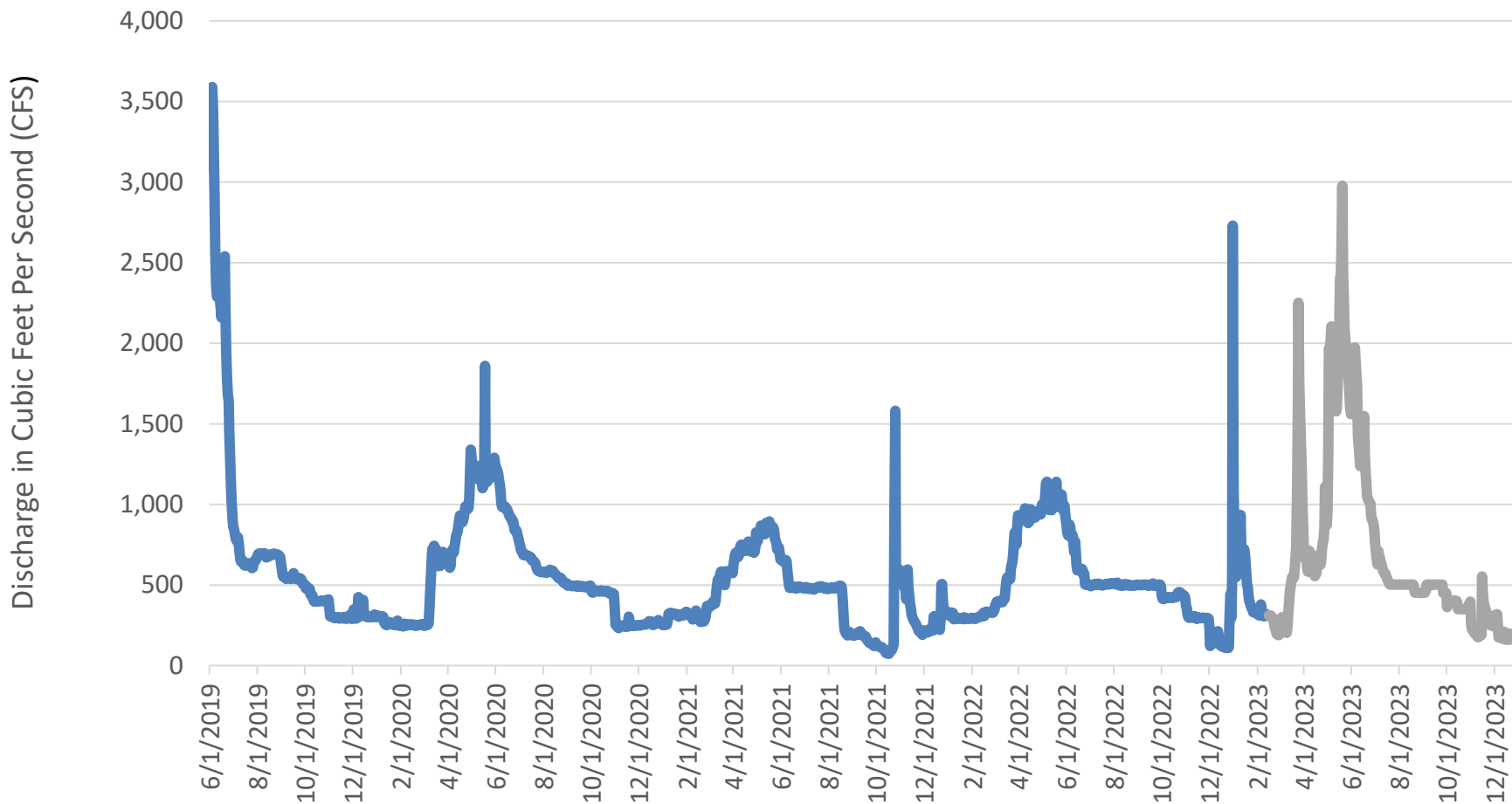
# Truckee River System



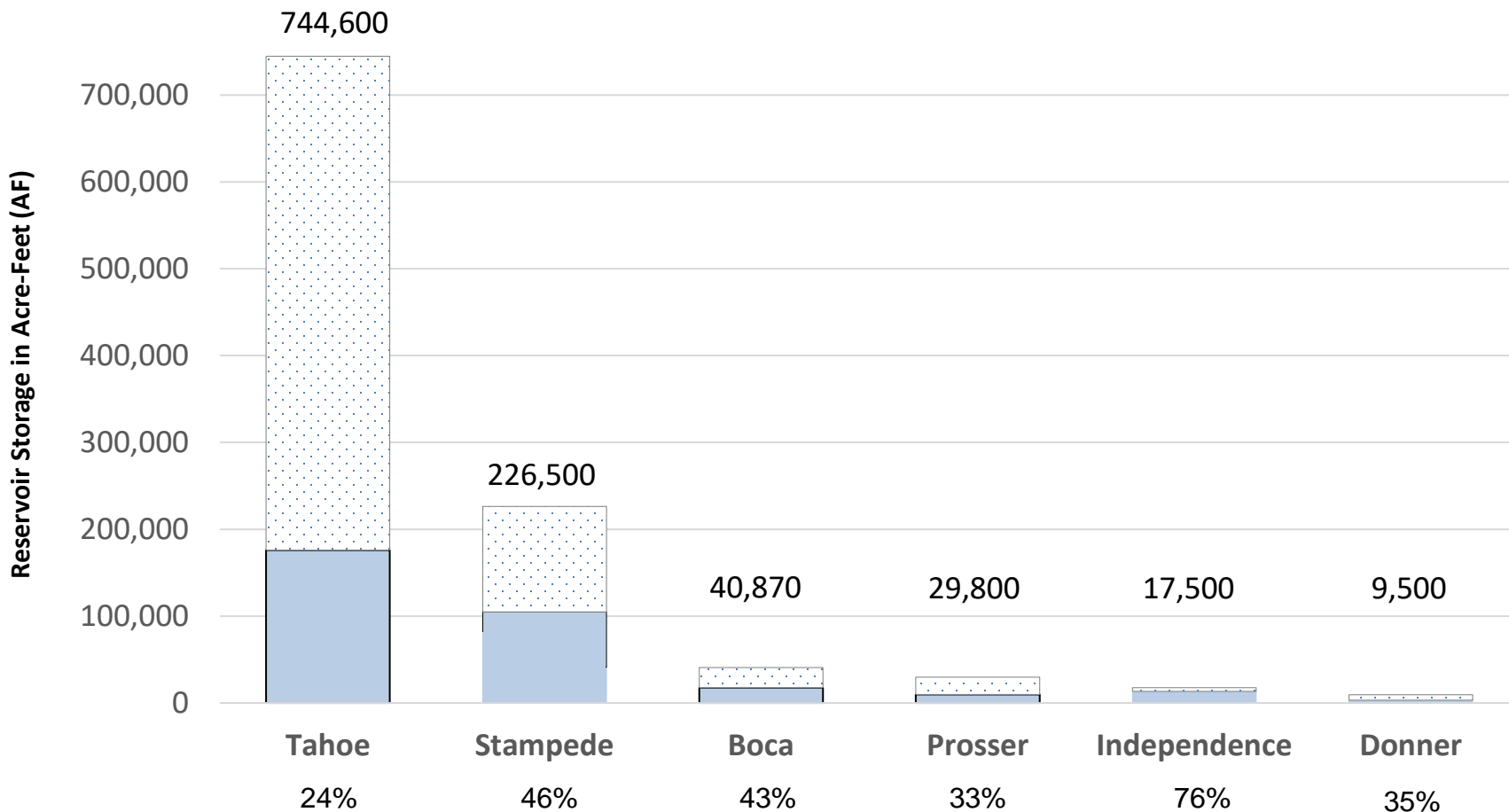
# Actual and Projected Flow through 2023 @ CA/NV State Line



# Actual and Projected Flow through 2023 @ CA/NV State Line

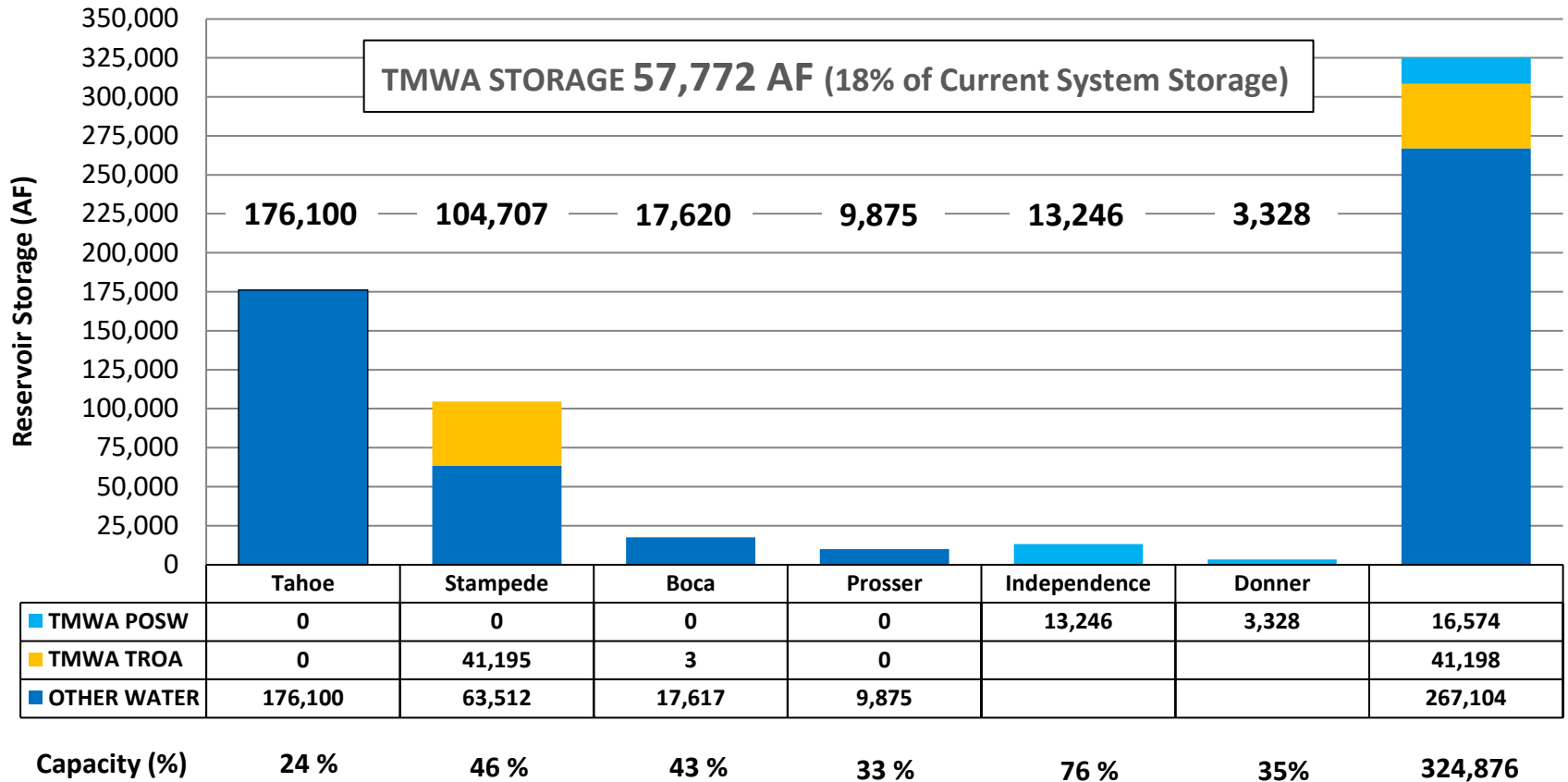


# Truckee River System Storage (14Feb2023)





# TMWA System Storage (14Feb2023)



MAX SYSTEM CAPACITY 1,068,270 AF

CURRENT STORAGE 324,876 (30% Capacity)

14.Feb.2023 09:50:21



## Key Points

- Chances are very good for finishing with an above average snowpack year
- Snowpack ~180% of normal in both Tahoe and Truckee basins
- Looking like a very good streamflow runoff year as well (~180% normal)
- Elevation of Tahoe has already increased ~1.75 feet since 12/1/22 low
- Projected to rise another 2 feet plus by July
- All upstream reservoirs expected to make a significant if not full recovery
- Normal river flows projected for remainder of 2023 and into 2024
- TMWA's upstream reserve reservoir storage is still in excellent shape (~58KAF)
- It is looking like this winter is going to end up being just what we needed to overcome the effect of three straight drought years, and the deficit that's had on upstream reservoir storage

# Thank you!

Questions?

Bill Hauck, Water Supply Supervisor  
Email: [bhauck@tmwa.com](mailto:bhauck@tmwa.com)  
O: (775) 834-8111 M: (775) 250-1333



**TO:** Board of Directors  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Matt Bowman, Chief Financial Officer  
**DATE:** February 6, 2023  
**SUBJECT:** Presentation of Fiscal Year 2023 Q2 Year-to-Date Financial Results

### Summary

Please refer to Attachments A-1 and A-2 for full Statements of Revenues, Expenses and Changes in Net Position for both actual to budget and year-over-year comparisons as discussed in the report below.

### Budget to Actual

	Actual YTD 2023	Budget YTD 2023	Variance \$	Variance %
<b>CHANGE IN NET POSITION</b>	<b>\$ 34,648,498</b>	<b>\$ 50,899,774</b>	<b>\$ (16,251,276)</b>	<b>(32)%</b>

Change in net position was \$16.3m or 32% lower than budget through the first half of fiscal year 2023. This was driven by lower operating revenues, higher operating expenses, a nonoperating loss due to the decrease in the fair value of investments and lower than budgeted contributions related to the construction of the Advanced Purified Water (APW) facility at American Flat.

### Year over Year

	Actual YTD 2023	Actual YTD 2022	Variance \$	Variance %
<b>CHANGE IN NET POSITION</b>	<b>\$ 34,648,498</b>	<b>\$ 34,348,618</b>	<b>\$ 299,880</b>	<b>1 %</b>

Change in net position was \$0.3m or 0.9% higher than the prior year. This was due to higher operating revenues and capital contributions offset by higher operating expenses and a higher loss due to the decrease in fair value of investments.

RevenueBudget to Actual

	Actual YTD 2023	Budget YTD 2023	Variance \$	Variance %
<b>OPERATING REVENUES</b>				
Charges for Water Sales	66,864,446	68,523,259	(1,658,813)	(2)%
Hydroelectric Sales	1,363,273	898,731	464,542	52 %
Other Operating Sales	1,782,890	1,930,532	(147,642)	(8)%
Total Operating Revenues	70,010,609	71,352,522	(1,341,913)	(2)%

Operating revenue was \$1.3m or 2% lower than budget for the first half 2023. This was mostly driven by lower water sales. Water consumption was lower than expected primarily due to high precipitation mid-summer. Water consumption during the second quarter was slightly higher than budget, helping to offset the variance from Q1.

Year over Year

	Actual YTD 2023	Actual YTD 2022	Variance \$	Variance %
<b>OPERATING REVENUES</b>				
Charges for Water Sales	66,864,446	65,048,525	1,815,921	3 %
Hydroelectric Sales	1,363,273	714,974	648,299	91 %
Other Operating Sales	1,782,890	1,988,759	(205,869)	(10)%
Total Operating Revenues	70,010,609	67,752,258	2,258,351	3 %

Total operating revenues were higher than prior year by \$2.3m or 3%. Water sales were higher than prior year due to slightly higher consumption and the June 2022 rate increase of 2.5%. Hydroelectric sales were higher due to sustained river flows and plants online for more time than in the prior year.



Operating ExpensesBudget to Actual

	Actual YTD 2023	Budget YTD 2023	Variance \$	Variance %
<b>OPERATING EXPENSES</b>				
Salaries and Wages	14,547,872	14,735,205	(187,333)	(1)%
Employee Benefits	6,121,404	6,381,201	(259,797)	(4)%
Services and Supplies	19,340,280	17,454,275	1,886,005	11 %
Total Operating Expenses Before Depreciation	40,009,556	38,570,681	1,438,875	4 %
Depreciation	17,210,268	17,314,174	(103,906)	(1)%
Total Operating Expenses	57,219,824	55,884,855	1,334,969	2 %

Total operating expenses were \$1.3m higher (2%) than budget for the first half 2023. Salaries and wages and employee benefits are both lower due primarily to position vacancies. Services and supplies were \$1.9m (11%) higher than budget due mostly to price increases for materials and supplies. Electric power and water treatment plant chemical costs are approximately \$2.0m higher than budget through the first half. Other minimal variances are offsetting these two items.

Year over Year

	Actual YTD 2023	Actual YTD 2022	Variance \$	Variance %
<b>OPERATING EXPENSES</b>				
Salaries and Wages	14,547,872	12,720,624	1,827,248	14 %
Employee Benefits	6,121,404	5,481,744	639,660	12 %
Services and Supplies	19,340,280	16,222,849	3,117,431	19 %
Total Operating Expenses Before Depreciation	40,009,556	34,425,217	5,584,339	16 %
Depreciation	17,210,268	16,717,405	492,863	3 %
Total Operating Expenses	57,219,824	51,142,622	6,077,202	12 %

Year over year operating expenses were \$6.1m higher than the first half of the prior year. Cost of living increases, step increases, and additions to staff during FY 2022 and in the first two quarters of FY 2023 led to the increase in salaries and wages and employee benefits. Services and supplies expenses are higher due to the reasons discussed above, primarily price increases to electric power and chemical costs.

Non-Operating ExpensesBudget to Actual

	Actual YTD 2023	Budget YTD 2023	Variance \$	Variance %
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings	1,488,405	1,532,012	(43,607)	(3)%
Net Increase (Decrease) in FV of Investments	(2,973,676)	—	(2,973,676)	— %
Gain (Loss) on Disposal of Assets	3,802	(850,000)	853,802	(100)%
Amortization of Bond/note Issuance Costs	—	—	—	— %
Interest Expense	(5,760,507)	(5,749,849)	(10,658)	— %
Total Nonoperating Revenues (Expenses)	(7,241,976)	(5,067,837)	(2,174,139)	43 %

Nonoperating expenses were \$2.2m higher than budgeted through the first half of 2023. The primary driver was a loss on fair value of investments, which is caused when the value of investments held (based on the coupon rate) is lower than current market value of the same investment. Due to the unprecedented rise in interest rates over the last nine months, the fair value decrease has been significant.

Year over Year

	Actual YTD 2023	Actual YTD 2022	Variance \$	Variance %
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings	1,488,405	986,911	501,494	51 %
Net Increase (Decrease) in FV of Investments	(2,973,676)	(2,117,643)	(856,033)	40 %
Gain (Loss) on Disposal of Assets	3,802	83,284	(79,482)	(95)%
Amortization of Bond/note Issuance Costs	—	801	(801)	(100)%
Interest Expense	(5,760,507)	(5,985,161)	224,654	(4)%
Total Nonoperating Revenues (Expenses)	(7,241,976)	(7,031,808)	(210,168)	3 %

Nonoperating expenses were higher than prior year during through the first half by \$0.2m, primarily due to the decrease in fair value of investments as discussed above. The rise in interest rates has been accelerated compared to the first half of the prior year which led to a larger decrease in fair value. Interest expense is lower due to lower principal amount of outstanding debt as TMWA makes scheduled principal debt payments.



Capital ContributionsBudget to Actual

	Actual YTD 2023	Budget YTD 2023	Variance \$	Variance %
<b>CAPITAL CONTRIBUTIONS</b>				
Grants	—	1,792,818	(1,792,818)	(100)%
Water Resource Sustainability Program	631,684	1,420,000	(788,316)	(56)%
Developer Infrastructure Contributions	14,477,548	10,951,584	3,525,964	32 %
Developer Will-serve Contributions (Net of Refunds)	2,911,172	3,622,850	(711,678)	(20)%
Developer Capital Contributions - Other	6,431,179	5,522,100	909,079	16 %
Developer Facility Charges (Net of Refunds)	4,543,022	6,593,130	(2,050,108)	(31)%
Contributions from Others	—	47,462	(47,462)	(100)%
Contributions from Other Governments	105,084	10,550,000	(10,444,916)	(99)%
Net Capital Contributions	29,099,689	40,499,944	(11,400,255)	(28)%

Capital contributions were \$11.4m lower than budget. The primary driver is lower contributions from other governments related to the American Flat APW project. This is timing related and is based on the actual spend on the project which is in the design phase. These contributions are expected in FY 2024. Also contributing the variance is lower developer facility charges, which is a component of the overall customer connection fee, and is due to more projects in areas not subject to these charges. This is offset by an increase in developer infrastructure contributions and area fees (developer capital contributions - other). Developer infrastructure contributions included a significant amount of assets completing inspection and dedicated to TMWA during the first half. This amount does not necessarily reflect the current volume of projects or activity, but rather the completion of projects, or segments of projects.

Year over Year

	Actual YTD 2023	Actual YTD 2022	Variance \$	Variance %
<b>CAPITAL CONTRIBUTIONS</b>				
Grants	—	1,767,144	(1,767,144)	(100)%
Water Resource Sustainability Program	631,684	758,595	(126,911)	(17)%
Developer Infrastructure Contributions	14,477,548	9,937,799	4,539,749	46 %
Developer Will-serve Contributions (Net of Refunds)	2,911,172	2,470,410	440,762	18 %
Developer Capital Contributions - Other	6,431,179	4,298,459	2,132,720	50 %
Developer Facility Charges (Net of Refunds)	4,543,022	5,461,891	(918,869)	(17)%
Contributions from Others	—	76,492	(76,492)	(100)%
Contributions from Other Governments	105,084	—	105,084	— %
Net Capital Contributions	29,099,689	24,770,790	4,328,899	17 %

Year over year, capital contributions are \$4.3m higher than the prior year due mostly to higher developer infrastructure contributions and area fees as discussed above. Offsetting this variance is grant revenue and facility charges which were both lower than prior year.

**Capital Spending**

Cash spent on capital outlays and construction projects during the first half was approximately \$15.3m. Total budgeted capital spend for fiscal year 2023 is \$83.9m, which includes \$20m and \$15m for the American Flat APW facility and Orr Ditch pump station and hydro facility, respectively. Spending on the top three projects is listed below:

Pressure regulator rehab/replacement	\$2.3m
Arrowcreek booster pump station	\$1.9m
AMI - meter installations	\$1.5m

**Cash Position**

At December 31, 2022 total cash and investments was \$235.3m or \$6.7m higher than at the beginning of the fiscal year. Of the total cash and investments, \$173.2m was unrestricted to be used to meet upcoming and future operating & maintenance expenses, principal & interest payments and construction project payments. The remaining \$62.1m was restricted to pay for scheduled bond principal and interest payments as well as maintaining required reserves as stipulated in our bond covenants.

# Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the first half ended December 31, 2022

	Actual YTD 2023	Budget YTD 2023	Variance \$	Variance %
<b>OPERATING REVENUES</b>				
Charges for Water Sales	\$ 66,864,446	\$ 68,523,259	\$ (1,658,813)	(2)%
Hydroelectric Sales	1,363,273	898,731	464,542	52 %
Other Operating Sales	1,782,890	1,930,532	(147,642)	(8)%
Total Operating Revenues	70,010,609	71,352,522	(1,341,913)	(2)%
<b>OPERATING EXPENSES</b>				
Salaries and Wages	14,547,872	14,735,205	(187,333)	(1)%
Employee Benefits	6,121,404	6,381,201	(259,797)	(4)%
Services and Supplies	19,340,280	17,454,275	1,886,005	11 %
Total Operating Expenses Before Depreciation	40,009,556	38,570,681	1,438,875	4 %
Depreciation	17,210,268	17,314,174	(103,906)	(1)%
Total Operating Expenses	57,219,824	55,884,855	1,334,969	2 %
<b>OPERATING INCOME</b>	<b>12,790,785</b>	<b>15,467,667</b>	<b>(2,676,882)</b>	<b>(17)%</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings	1,488,405	1,532,012	(43,607)	(3)%
Net Increase (Decrease) in FV of Investments	(2,973,676)	—	(2,973,676)	— %
Gain (Loss) on Disposal of Assets	3,802	(850,000)	853,802	(100)%
Amortization of Bond/note Issuance Costs	—	—	—	— %
Interest Expense	(5,760,507)	(5,749,849)	(10,658)	— %
Total Nonoperating Revenues (Expenses)	(7,241,976)	(5,067,837)	(2,174,139)	43 %
Gain (Loss) Before Capital Contributions	5,548,809	10,399,830	(4,851,021)	(47)%
<b>CAPITAL CONTRIBUTIONS</b>				
Grants	—	1,792,818	(1,792,818)	(100)%
Water Resource Sustainability Program	631,684	1,420,000	(788,316)	(56)%
Developer Infrastructure Contributions	14,477,548	10,951,584	3,525,964	32 %
Developer Will-serve Contributions (Net of Refunds)	2,911,172	3,622,850	(711,678)	(20)%
Developer Capital Contributions - Other	6,431,179	5,522,100	909,079	16 %
Developer Facility Charges (Net of Refunds)	4,543,022	6,593,130	(2,050,108)	(31)%
Contributions from Others	—	47,462	(47,462)	(100)%
Contributions from Other Governments	105,084	10,550,000	(10,444,916)	(99)%
Net Capital Contributions	29,099,689	40,499,944	(11,400,255)	(28)%
<b>CHANGE IN NET POSITION</b>	<b>\$ 34,648,498</b>	<b>\$ 50,899,774</b>	<b>\$ (16,251,276)</b>	<b>(32)%</b>

# Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the first half ended December 31, 2022

	Actual YTD 2023	Actual YTD 2022	Variance \$	Variance %
<b>OPERATING REVENUES</b>				
Charges for Water Sales	\$ 66,864,446	\$ 65,048,525	\$ 1,815,921	3 %
Hydroelectric Sales	1,363,273	714,974	648,299	91 %
Other Operating Sales	1,782,890	1,988,759	(205,869)	(10)%
Total Operating Revenues	70,010,609	67,752,258	2,258,351	3 %
<b>OPERATING EXPENSES</b>				
Salaries and Wages	14,547,872	12,720,624	1,827,248	14 %
Employee Benefits	6,121,404	5,481,744	639,660	12 %
Services and Supplies	19,340,280	16,222,849	3,117,431	19 %
Total Operating Expenses Before Depreciation	40,009,556	34,425,217	5,584,339	16 %
Depreciation	17,210,268	16,717,405	492,863	3 %
Total Operating Expenses	57,219,824	51,142,622	6,077,202	12 %
<b>OPERATING INCOME</b>	<b>12,790,785</b>	<b>16,609,636</b>	<b>(3,818,851)</b>	<b>(23)%</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings	1,488,405	986,911	501,494	51 %
Net Increase (Decrease) in FV of Investments	(2,973,676)	(2,117,643)	(856,033)	40 %
Gain (Loss) on Disposal of Assets	3,802	83,284	(79,482)	(95)%
Amortization of Bond/note Issuance Costs	—	801	(801)	(100)%
Interest Expense	(5,760,507)	(5,985,161)	224,654	(4)%
Total Nonoperating Revenues (Expenses)	(7,241,976)	(7,031,808)	(210,168)	3 %
Gain (Loss) Before Capital Contributions	5,548,809	9,577,828	(4,029,019)	(42)%
<b>CAPITAL CONTRIBUTIONS</b>				
Grants	—	1,767,144	(1,767,144)	(100)%
Water Resource Sustainability Program	631,684	758,595	(126,911)	(17)%
Developer Infrastructure Contributions	14,477,548	9,937,799	4,539,749	46 %
Developer Will-serve Contributions (Net of Refunds)	2,911,172	2,470,410	440,762	18 %
Developer Capital Contributions - Other	6,431,179	4,298,459	2,132,720	50 %
Developer Facility Charges (Net of Refunds)	4,543,022	5,461,891	(918,869)	(17)%
Contributions from Others	—	76,492	(76,492)	(100)%
Contributions from Other Governments	105,084	—	105,084	— %
Net Capital Contributions	29,099,689	24,770,790	4,328,899	17 %
<b>CHANGE IN NET POSITION</b>	<b>\$ 34,648,498</b>	<b>\$ 34,348,618</b>	<b>\$ 299,880</b>	<b>1 %</b>



## STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Matt Bowman, Chief Financial Officer  
**DATE:** February 6, 2023  
**SUBJECT:** **Discussion and action, and possible direction to staff on adoption of Resolution No. 313: A resolution to approve the first budget augmentation and budget revisions for FY 2023**

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### RECOMMENDATION

Staff recommends that the Board of Directors of the Truckee Meadows Water Authority (TMWA) approve the resolution adopting the proposed budget augmentation/revisions, and direct staff to forward the approved resolution and attachment to the Department of Taxation for the State of Nevada pursuant to NRS 354.598005; and record these changes in the minutes of the board meeting.

### SUMMARY

The Board approved final budget was submitted to the State of Nevada in June 2022. NRS 354.626 outlines the requirement that local governments cannot overspend their adopted budget. Therefore, staff is bringing forward this proposed augmentation.

This is the first augmentation and relates to unexpected increases in the price of electric power and water treatment chemicals. Electric power and water treatment chemicals are the two largest elements of TMWA's services and supplies budget and account for about 7% of the total operating expense budget. Staff is proposing a \$4.9m increase to these items for FY 2023. There are no other adjustments proposed to the FY 2023 budget. See Attachment A-1 for a comparison between the original and proposed budget.

### DESCRIPTION

The proposed increases to the budget are primarily the result of price increases to both electric power and water treatment chemicals.

*Electric power* – Since the preparation of the FY 2023 budget, NV Energy has instituted several rate increases, including quarterly Base Tariff Energy Rate (BTER), Deferred Energy Accounting Adjustment (DEAA) increases and a general rate increase.

- The BTER and DEAA increases occur each quarter and reflect changes in fuel and purchased power costs incurred by NV Energy. Quarterly increases have totaled approximately 35% since April 1, 2022, with the largest coming on January 1, 2023 of 15%. An additional 8% increase is expected on April 1, 2023.

- The general rate increase is broader and reflects general business operation and infrastructure needs. This increase was effective January 1, 2023 and was approximately 14% for TMWA.

The increases prior to January 1, 2023 have led to a budget variance of approximately \$0.9m (27%) through the first half of the fiscal year. Considering the increases effective January 1, 2023, staff expects total power costs to be approximately \$2.6m higher than budget by the end of the year.

*Water treatment chemicals* – Generally caused by inflation, TMWA has seen significant increases in chemical costs during the last quarter of FY 2022 and through the first half of FY 2023. Price increases of approximately 75% in the last year combined with increased consumption due to turbidity events, have led to a budget variance in the first half of the fiscal year of approximately \$1.1m. Based on expected consumption and pricing in the second half of the fiscal year, staff estimates an adjustment is needed of \$2.3m to the FY 2023 budget.

This augmentation will not affect the approved rate increase of 2.5% planned for June 2023.

### **RECOMMENDED MOTION**

Approve Resolution No. 313.

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

**RESOLUTION NO. 313**

**A RESOLUTION TO APPROVE THE FIRST BUDGET AUGMENTATION AND BUDGET REVISIONS TO THE FINAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2023.**

**WHEREAS**, TMWA prepared and presented the final Budget for Fiscal Year 2023 at a public hearing in May 2022;

**WHEREAS**, TMWA has incurred additional electric power and chemical costs due to price increases since the preparation of the budget;

**WHEREAS** these changes are currently occurring or are expected to occur in fiscal year 2023;

**WHEREAS** these expenditures are necessary for the continued operations of the water system;

**WHEREAS**, the TMWA Board has determined the augmentation and revisions described in the staff report attached hereto as Exhibit 1 and incorporated herein by reference are appropriate and justified;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Truckee Meadows Water Authority: that the first budget augmentation and budget revisions to the final annual Budget for Fiscal Year ending June 30, 2023 described in the Staff Report attached as Exhibit 1 is hereby approved and staff is directed to submit such information as necessary and appropriate in connection with the augmentation and revisions to the Nevada Department of Taxation.

Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was passed and adopted this 15<sup>th</sup> day of February, 2023, by the following vote of the Board:

Ayes: \_\_\_\_\_  
Nays: \_\_\_\_\_  
Abstain: \_\_\_\_\_ Absent: \_\_\_\_\_

Approved this \_\_\_\_ day of \_\_\_\_\_, 2023

\_\_\_\_\_  
Vaughn Hartung, Chairman

**Truckee Meadows Water Authority**  
 FY 2023 Budget Augmentation  
 Electric Power and Chemicals

	Original Budget FY 2023	Proposed Augmented Budget FY 2023	Change \$	Change %
<b>OPERATING REVENUES</b>				
Charges for Water Sales	\$ 113,142,185	\$ 113,142,185	\$ -	0%
Hydroelectric Sales	2,407,214	2,407,214	-	0%
Other Operating Sales	3,861,065	3,861,065	-	0%
<b>Total Operating Revenues</b>	<b>119,410,464</b>	<b>119,410,464</b>	<b>-</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>				
Salaries and Wages	29,656,188	29,656,188	-	0%
Employee Benefits	12,842,853	12,842,853	-	0%
Services and Supplies	33,719,064	38,572,515	4,853,451	14%
Total Operating Expenses Before Depreciation	76,218,105	81,071,556	4,853,451	6%
Depreciation	34,628,346	34,628,346	-	0%
Total Operating Expenses	110,846,451	115,699,902	4,853,451	4%
<b>OPERATING INCOME</b>	<b>8,564,013</b>	<b>3,710,562</b>	<b>(4,853,451)</b>	<b>-57%</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings	3,064,024	3,064,024	-	0%
Loss on Disposal of Assets	(1,700,000)	(1,700,000)	-	0%
Interest Expense	(11,499,699)	(11,499,699)	-	0%
Total Nonoperating Revenues (Expenses)	(10,135,675)	(10,135,675)	-	0%
Gain (Loss) Before Capital Contributions	(1,571,662)	(6,425,113)	(4,853,451)	309%
<b>CAPITAL CONTRIBUTIONS</b>				
Grants	3,585,635	3,585,635	-	0%
Water Resource Sustainability Program	2,840,000	2,840,000	-	0%
Developer Infrastructure Contributions	21,903,168	21,903,168	-	0%
Developer Will-serve Contributions (Net of Refunds)	7,245,700	7,245,700	-	0%
Developer Capital Contributions - Other	11,044,199	11,044,199	-	0%
Developer Facility Charges (Net of Refunds)	13,186,258	13,186,258	-	0%
Contributions from Others	94,924	94,924	-	0%
Contributions from Other Governments	21,100,000	21,100,000	-	0%
Net Capital Contributions	80,999,884	80,999,884	-	0%
<b>CHANGE IN NET POSITION</b>	<b>\$ 79,428,222</b>	<b>\$ 74,574,771</b>	<b>\$ (4,853,451)</b>	<b>-6%</b>

	Original Budget	Proposed Augmented Budget	Change \$	Change %
Chemicals	2,621,999	4,911,988	2,289,989	87%
Electric Power	5,508,542	8,072,004	2,563,462	47%
	8,130,541	12,983,992	4,853,451	60%

**Chemical augmentation** - chemical costs are nearly double what was expected in the first half of the fiscal year due to increased consumption and price increases. Price increases account for approximately 75% of the increase with increased consumption approximately 25%.

**Electric power augmentation** - electric power costs are up 27% from budget in the first half of the fiscal year. However, based on rate increases in January, and an additional increases expected in April, we estimate power costs to be 47% higher than budget for the year. The total increase in pricing (rates) we've contemplated since the budget was prepared is ~41%.





## STAFF REPORT

**TO:** Board of Directors  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Sonia Folsom, Executive Assistant  
**DATE:** February 6, 2023  
**SUBJECT:** **Discussion and action on nomination and appointments of Trustee(s) to the Western Regional Water Commission (WRWC) from the TMWA Board of Directors for the following positions to fill vacancies ending March 31, 2023 and for new two year terms from April 1, 2023 to March 31, 2025:**

- A. Pursuant to Sec.25(3)(a) of the WRWC Act from the following list of qualified persons: Jenny Brekhus and Devon Reese.**
- B. Pursuant to Sec.25(3)(b) of the WRWC Act from the following list of qualified persons: Paul Anderson.**
- C. Pursuant to Sec.25(3)(c) of the WRWC Act from the following list of qualified persons: Alexis Hill.**
- D. Pursuant to Sec. 25(4) of the WRWC Act representing TMWA as successor to South Truckee Meadows General Improvement District from the following list of qualified persons: Jenny Brekhus, Meghan Ebert, Miguel Martinez, Devon Reese, Hillary Schieve, Kathleen Taylor, Michael Clark, Jeanne Herman, Mariluz Garcia, Charlene Bybee, Ed Lawson, and Dian VanderWell.**

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## RECOMMENDATION

It is recommended that the TMWA Board appoint four members to the Western Regional Water Commission to serve a two-year term commencing April 1, 2023 to include:

1. One TMWA Board member who is a member of the Reno City Council
2. One TMWA Board member who is a member of the Sparks City Council
3. One TMWA Board member who is a member of the Washoe County Board of County Commissioners
4. One member designated by the TMWA Board as South Truckee Meadows General Improvement District (STMGID) successor

## DISCUSSION

During the 2007 legislative session, SB487 was enacted to create the Western Regional Water Commission (effective date April 1, 2008), a governing board to oversee water resources planning

and management in Washoe County. The Western Regional Water Commission Act, Chapter 531, Statutes of Nevada, Section 25, provides for appointments to the Board of Trustees as follows:

**Sec. 25.** 1. The Regional Water Commission must be directed and governed by a Board of Trustees composed of the following nine members appointed pursuant to this section:

- (a) Two members of the City Council of the City of Reno;
- (b) Two members of the City Council of the City of Sparks;
- (c) Two members of the Board of County Commissioners of Washoe County;
- (d) One member representing the Truckee Meadows Water Reclamation Facility or its successor;
- (e) One member designated by the Board of Trustees of the South Truckee Meadows General Improvement District or its successor; and
- (f) One member of the Board of Trustees of the Sun Valley General Improvement District or its successor.

2. The City Council of the City of Reno, the City Council of the City of Sparks and the Board of County Commissioners of Washoe County shall each appoint one trustee from their membership for an initial term of 2 years.

3. The Board of Directors of the Truckee Meadows Water Authority or its successor shall appoint from its membership, for initial terms of 3 years:

- (a) One trustee who is a member of the City Council of the City of Reno;
- (b) One trustee who is a member of the City Council of the City of Sparks; and
- (c) One trustee who is a member of the Board of County Commissioners of Washoe County.

↳ The trustees appointed pursuant to this subsection must be different persons than those appointed pursuant to subsection 2.

4. The Board of Trustees of the Sun Valley General Improvement District or its successor and the Board of Trustees of the South Truckee Meadows General Improvement District or its successor shall each appoint one trustee for an initial term of 3 years.

5. The owners of the Truckee Meadows Water Reclamation Facility or its successor shall jointly appoint one trustee for an initial term of 2 years.

6. After the initial terms, each trustee who is appointed to the Board serves for a term of 2 years. A trustee may be reappointed.

7. All trustees must be elected officials. No trustee may serve beyond his term of office.

8. The position of a trustee must be considered vacated upon his loss of any of the qualifications required for his appointment, and in such event, the appointing authority shall appoint a successor to fill the remainder of the unexpired term.

The current appointees to the Western Regional Water Commission Board are as follows:

<b>Appointing Body</b>	<b>Trustee</b>
City of Reno	Councilmember Naomi Duerr
City of Sparks	Councilmember Kristopher Dahir
Washoe County	Commissioner Vaughn Hartung
TMWA (Section 3 - from TMWA Board):	Councilmember Paul Anderson (Sparks)
	Councilmember Jenny Brekhus (Reno)
	Commissioner Alexis Hill (Washoe County)
Truckee Meadows Water Reclamation Facility	Councilmember Donald Abbott (Sparks)
Sun Valley General Improvement District	SVGID Trustee Susan Severt
TMWA (Section 4 – as successor to STMGID)	Commissioner Mariluz Garcia (Washoe County)



## STAFF REPORT

**TO:** Board of Directors  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Sonia Folsom, Executive Assistant  
**DATE:** February 6, 2023  
**SUBJECT:** **Discussion and action, and possible approval of an Amendment to the Truckee River Fund Agreement with the Community Foundation of Northern Nevada with funding levels to be determined as part of the budget process each fiscal year**

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### SUMMARY

TMWA and the Community Foundation of Northern Nevada entered into an Agreement on August 11, 2004, which created the Truckee River Fund (the Fund). The Fund allows TMWA to partner with non-profit entities for projects and programs that provide water quality benefits to the Truckee River and the Truckee River Watershed. The Fund is administered by an Advisory Committee comprised of nine members consisting of three members selected by each of Reno, Sparks, and Washoe County. The Agreement describes how the Fund is to be administered within the Foundation, including the investment and reporting requirements of the parties, compliance requirements for IRS purposes, and general requirements for the use and distribution of the funds.

The Agreement was for a fixed term and to expire in August 2009. TMWA and the Foundation extended the Agreement for an additional five years in 2009 and 2014. The parties have extended the Agreement annually through the annual budget process and continuation of the Fund and the projects funded by it. To avoid having to extend the Agreement continually, TMWA staff and the Foundation recommend changing the term of the Agreement to make it perpetual unless terminated by either party with six months advance notice. Staff and the Community Foundation also recommend adding a new section with certain standard legal provisions. The Community Foundation has approved the attached Amendment, which reflects the above-described changes.

### POSSIBLE MOTION:

Motion to approve the Amendment and authorize the General Manager to sign it.

## FIRST AMENDMENT TO AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT (“Amendment”) is dated for identification purposes as of February 15, 2023 (the “Effective Date”), and is entered into by and among the TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority under the laws of the State of Nevada (“TMWA”) and the COMMUNITY FOUNDATION OF NORTHERN NEVADA (“Community Foundation”) a Nevada non-profit corporation, collectively the “Parties” or, as the context requires, each a “Party”.

WHEREAS, the Parties previously entered into that certain Truckee Meadows Water Authority Truckee River Fund Agreement dated August 11, 2004 (the “Agreement”);

WHEREAS, the Parties have continued to perform their respective obligations under the Agreement since its execution;

WHEREAS, the Parties seek to formalize the continued performance of their obligations under the Agreement;

NOW, THEREFORE, for good and valuable consideration, the parties hereby amend the Agreement as follows:

**1. Funding Out**

**The following new paragraph C is added to Section II (Fund Assets):**

**Funding Out.** The Community Foundation acknowledges that TMWA is subject to the requirements of NRS 354.626 and therefore nothing herein shall obligate TMWA to make contributions to the Fund in excess of funds appropriated for that purpose.

**2. Term**

**Section VI A. of the Agreement is amended to read as follows:**

Except as provided in Paragraph B. below, the Fund is to continue unless and until either Party terminates this agreement by written notice no less than six (6) months prior to the stated date of termination.

**3. Binding Effect.** This Amendment shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns.

**4. Authorization.** The undersigned, by their signatures, represent and warrant that they are authorized agents of their respective entities and are authorized to execute this Amendment.

**IN WITNESS WHEREOF**, the Parties have executed this Amendment as of the date written above.

TRUCKEE MEADOWS WATER AUTHORITY

COMMUNITY FOUNDATION OF  
NORTHERN NEVADA

Dated this \_\_\_\_ day of \_\_\_\_\_, 2023

Dated this \_\_\_\_ day of \_\_\_\_\_, 2023

By \_\_\_\_\_  
John Zimmerman

By \_\_\_\_\_

Its: General Manager

Its: \_\_\_\_\_

**TRUCKEE MEADOWS WATER AUTHORITY  
TRUCKEE RIVER FUND AGREEMENT**

This Truckee Meadows Water Authority Truckee River Fund Agreement (the "Agreement") is entered into between Truckee Meadows Water Authority, a joint powers authority under the laws of the State of Nevada (the "TMWA"), and the Community Foundation of Northern Nevada (the "Community Foundation"), a Nevada non-profit corporation.

**I**

**CREATION OF FUND**

The Donor and the Community Foundation hereby create The Truckee River Fund (the "Fund"). The Fund is established as a component part of the Community Foundation under Section 1.170A-9(e)(11) of the Treasury Regulations. TMWA and the Community Foundation agree that nothing in this Agreement is to affect the status of the Community Foundation as an organization (a) that is described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and (b) that is not a private foundation within the meaning of Section 509(a) of the Code. This Agreement is to be interpreted in a manner consistent with the preceding provisions and in conformance with the requirements of the Code and Treasury Regulations for "component parts" or "component funds" of a "community trust," as those terms are defined or used in Sections 1.170A-9(e)(10) and 1.170A-9(e)(11) of the Treasury Regulations.

**II**

**FUND ASSETS**

A. Description of Fund Assets. TMWA has transferred or will transfer to the Fund an initial contribution of Three Hundred Forty Thousand Dollars (\$340,000.00) in cash. In addition to the property initially transferred to the Fund, the Community Foundation may accept additional property transferred to the Fund by TMWA or by way of gift, grant, contribution, bequest, or devise from any person or entity. However, the Community Foundation may not receive or accept any property that is required to be administered in a manner that the Board of Directors of the Community Foundation (the "Foundation Board") determines, in the Foundation Board's discretion, will (1) jeopardize the federal tax exempt status of the Community Foundation under Section 501(c)(3) of the Code, or (2) result in the Community Foundation being classified as a "private foundation" under Section 509(a) of the Code. All of the assets of the Fund are to be held, managed, invested, and reinvested, and all of the income and principal of the Fund are to be collected and disbursed, exclusively for the charitable uses and purposes described herein in compliance with the Community Foundation's Articles of Incorporation and Bylaws, which are incorporated herein by reference and conclusively assented to and adopted as part of the governing instruments of the Fund.

B. Contingency for Transfers. All transfers to the Fund by TMWA or any other donor are contingent upon the Community Foundation being classified on the date of the transfer as an organization (1) that is described in Section 501(c)(3) of the Code and (2) that is not a "private foundation" as defined in Section 509(a) of the Code. Unless the contingency is waived by TMWA or other donor, the Community Foundation must return the property transferred to it within thirty (30) days after the transfer.

C. Funding Out: The Community Foundation acknowledges that TMWA is subject to the requirements of NRS 354.626 and therefore nothing herein shall obligate TMWA to make contributions to the Fund in excess of funds appropriated for that purpose.

### III

#### PURPOSES OF FUND

The Fund is created and must be operated exclusively for one or more of the exempt purposes specified in Section 501(c)(3) of the Code and the cases and regulations thereunder. The primary purpose of the Fund is to distribute the net income and principal of the Fund for such exempt purposes as recommended by the Advisory Committee (as defined below), consented to by the Board of Directors of TMWA (the "TMWA Board"), and approved by the Foundation Board subject to Article IV, to the organizations and governmental entities described in paragraphs A and B below that are undertaking lawful projects consistent with the purposes and uses of the Fund. Specifically, the Fund shall be used exclusively for projects that protect and enhance water quality or water resources of the Truckee River, or its watershed. For purposes of this Agreement, the organizations and governmental entities described in paragraphs A and B below are referred to collectively as the "Charitable Beneficiaries" and individually as the "Charitable Beneficiary."

A. Public Charities. The Charitable Beneficiaries include organizations that are (1) exempt from federal income taxation under Section 501(c)(3) of the Code, and (2) classified as organizations described in Section 509(a)(1), Section 509(a)(2), or Section 509(a)(3) of the Code.

B. Governmental Entities. The Charitable Beneficiaries also include states of the United States of America, any of their political subdivisions, the United States of America, and the District of Columbia, but only if distributions to such governmental entities are made exclusively for public purposes.

C. Variance Power. The Fund is protected from obsolescence in accordance with the provisions specified in the Articles of Incorporation and Bylaws of the Community Foundation. Should the primary purposes for which the Fund is created become obsolete or incapable of fulfillment, then the Foundation Board shall consult with the TMWA Board concerning distribution of the remaining assets of the Fund to



Charitable Beneficiaries for uses and purposes that are as similar as possible to the primary purposes set forth in this Agreement.

#### IV

#### ADMINISTRATION

A. General Powers and Duties of Administration. The Fund is to be administered as a component part of the Community Foundation and is subject to all of its governing instruments, including, but not necessarily limited to, the Articles of Incorporation and Bylaws, and the policies and procedures established by the Foundation Board from time to time. The Community Foundation is to be responsible for the preparation and filing of all income tax returns and other legal and financial reports for the Fund that are required by the Internal Revenue Service, the State of Nevada, and any other governmental agencies.

B. Advisory Committee. The Fund is to be administered by an advisory committee ("Advisory Committee") comprised of a total of nine (9) members, consisting of three (3) members selected by each of the City of Reno, the City of Sparks and Washoe County. None of the members of the Advisory Committee may be elected officials. The members of the Advisory Committee shall serve at the pleasure of their respective local governments. The Advisory Committee shall have the authority to expend up to \$25,000 from the Fund, cumulative each fiscal year, for administrative purposes. For all other expenditures, the Advisory Committee shall be required to adhere to the Project Funding Protocols set forth in subpart C of this Article IV. The Advisory Committee shall make recommendations to the TMWA Board and the Foundation Board regarding (1) distributions of income and principal from the Fund to potential Charitable Beneficiaries, (2) the investments of the Fund, and (3) any other aspects of the administration of the Fund and the Community Foundation considered appropriate by the Advisory Committee. All distributions of income and principal from the Fund must be exclusively for the exempt purposes described in Article III above, and the Fund must be organized and operated exclusively for the exempt purposes described therein. The recommendations of the Advisory Committee to the TMWA Board, and the Foundation Board, are solely recommendations, and the recommendations may be accepted or rejected, in whole or in part, by the TMWA Board and the Foundation Board in their sole and absolute discretion.

C. Project Funding Protocols. The Advisory Committee shall adhere to the following procedures and requirements in making its recommendations for project funding to the TMWA Board and the Foundation Board:

1. The Advisory Committee shall accept proposals for projects from prospective Charitable Beneficiaries of the Fund.
2. The Advisory Committee shall identify and select potential projects for funding.

3. The Advisory Committee shall be responsible for ensuring that the recommendations submitted to the TMWA Board and the Foundation Board are in compliance with the exclusive purposes of the Fund and the Community Foundation's policies.

4. The Advisory Committee shall have the responsibility of securing preliminary approval from the TMWA Board, which may disapprove projects for any reason, or may approve projects by resolution, subject to Foundation Board approval. Thereafter, the Advisory Committee shall have the responsibility of seeing final approval from the Foundation Board, which may disapprove a project or prospective Charitable Beneficiary if, in the Foundation Board's opinion, such project or prospective Charitable Beneficiary may jeopardize the status of the Community Foundation as a tax exempt entity, or which may result in its classification as a "private foundation."

D. Administrative Fees. The Fund is to pay quarterly administrative fees to the Community Foundation for the administration, distribution, and investment management of the Fund. The quarterly administrative fee for the Fund is to be established by the Foundation with the consent of the TMWA Board. The administrative fee for each calendar quarter is to be paid in the first month of the next calendar quarter by automatic deduction from the assets of the Fund. The Foundation Board may in its discretion periodically review and revise the amount of administrative fees to be charged to the Fund to ensure that the administrative fees are at all times reasonable and proper. However, the administrative fees charged to the Fund must not be greater than the amount of fees charged to other component funds of the Community Foundation that are of comparable size. The Community Foundation must notify TMWA and the Advisory Committee of any changes to the administrative fees that are approved by the Foundation Board.

E. Accountings. The Community Foundation must render accountings for the Fund to TMWA and the members of the Advisory Committee at least annually. Unless any person to whom an accounting is required to be rendered delivers a written objection to the Foundation Board within sixty (60) days after receipt of the accounting, the accounting is to be final and conclusive with respect to all transactions disclosed in the accounting. After settlement of the accounting by the agreement of the parties objecting to it, or by expiration of the sixty (60) day period, the Community Foundation will no longer be liable with respect to all transactions disclosed in the accounting, except for any intentional wrongdoing or fraud committed by any of the employees, agents, representatives, or board members of the Community Foundation.

## V

**DISTRIBUTIONS OF INCOME AND PRINCIPAL**

A. Minimum Annual Distributions. During each taxable year of the Community Foundation, and subject to the provisions of article III above, the Community Foundation, subject to the procedures set forth herein, must distribute from the Fund to or for the benefit of one (1) or more Charitable Beneficiaries as determined above the minimum amount required by the governing instruments of the Community Foundation and by the Code and Treasury Regulations to maintain the Community Foundation as an organization (1) that is described in Section 501(c)(3) of the Code and (2) that is not a "private foundation" within the meaning of Section 509(a) of the Code. The minimum distributions required to be made during each taxable year pursuant to this paragraph A are hereafter referred to as the "Minimum Annual Distributions."

B. Discretionary Annual Distributions. During each taxable year of the Fund, the Community Foundation, subject to the procedures set forth herein, may also make distributions from net income and principal of the Fund in excess of the Minimum Annual Distributions to or for the benefit of one (1) or more Charitable Beneficiaries as determined in accordance with Article IV above. However, the aggregate amount of distributions made by the Community Foundation pursuant to paragraphs A and B of this article V during any taxable year of the Community Foundation may not exceed the greater of (a) the Minimum Annual Distributions or (b) the sum of the amounts described in subparagraphs 8.1, B.2, and 8.3 below.

1. Ten percent (10%) of the aggregate fair market value of the Fund, determined as of the first day of the taxable year;
2. The aggregate fair market value of contributions made to the Fund during the taxable year; plus
3. The net income generated by the Fund for the taxable year.

For purposes of determining the fair market value of the principal and contributions to the Fund pursuant to this paragraph B, the Foundation Board may utilize any commonly accepted valuation method, so long as such method is consistently applied. Any net income not distributed pursuant to paragraphs A and B of this Article V is to be accumulated and added to principal.

C. Fund Distribution Requirements. To maintain eligibility to receive distributions from the Fund, each Charitable Beneficiary must comply at all times with the following requirements:

1. Charitable Beneficiaries must be exempt from federal income taxation under Section 501(c)(3) of the Code;

2. Charitable Beneficiaries shall use all Fund distributions toward projects that are appropriate and legal public expenditures;

3. Charitable Beneficiaries must provide financial details and/or reports of their organizations upon request;

4. Charitable Beneficiaries must not use any Fund distributions for political contributions or political advocacy;

5. Charitable Beneficiaries must either implement the projects, activities, and/or programs for which they received Fund distributions within 45 days of the end of the fiscal year in which such distributions are received, or must return all such distributions to the Community Foundation forthwith;

6. Charitable Beneficiaries must provide Community Foundation a report detailing the completion of their projects, activities, and/or programs; and

7. Charitable Beneficiaries must sign an agreement regarding their compliance with the qualifications hereof.

D. Disposition of Fund upon Termination. Upon the termination of the Fund pursuant to paragraph A or B of Article VI below, the Fund as then constituted (including both principal and any accrued and undistributed income) must be distributed in accordance with Paragraph C of Article IV.

## VI

### TERM

A. Except as provided in Paragraph B. below, the Fund is to continue unless and until either Party terminates this agreement by written notice no less than six (6) months prior to the stated date of termination. ~~Fixed Term. Except as provided in paragraph B. below, the Fund is to continue until 2009.~~

B. Early Termination of Fund. If at any time during the term of the Fund, the Fund contains assets with an aggregate fair market value of less than Ten Thousand Dollars (\$ 10,000.00), and the TMWA Board determines that continued administration of the Fund would be impracticable or that the costs of administration would outweigh the anticipated benefits of continued administration, then the TMWA Board may terminate the Fund and distribute the Community Foundation the remaining assets of the Fund in accordance with Article IV above.

VII

MISCELLANEOUS

A. Compliance with Code and Treasury Regulations. The Fund must comply with and is to be restricted by the provisions of the Code and Treasury Regulations that are applicable to it. The Agreement may be amended from time to time to comply with the applicable provisions of the Code and Treasury Regulations.

B. Amendments. This Agreement may be amended by an instrument in writing executed by a majority of all persons then serving on the Advisory Committee and by a majority of the TMWA Board, and by an authorized representative of the Community Foundation. However, the Agreement may not be amended to authorize the affairs of the Fund to be conducted in any manner or for any purposes contrary to the provisions of Section 501(c)(3) of the Code and the Treasury Regulations thereunder.

C. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns. ~~This Agreement is to be binding upon and is to inure to the benefit and detriment of the parties hereto and their respective heirs, personal representatives, successors, and assigns.~~

D. Gender and Number. As used in this Agreement, the masculine, feminine, or neuter gender, and the singular or plural number, are to each be considered to include the others whenever the context so indicates.

E. Choice of Law. The validity of this Agreement and the construction of its provisions are to be governed by and construed in accordance with the laws of the State of Nevada as in effect from time to time, and the Fund is to be administered in and under the laws of the State of Nevada.

F. Authorization. The undersigned, by their signatures, represent and warrant that they are authorized agents of their respective entities and are authorized to execute this Amendment.

**IN WITNESS WHEREOF**, the Parties have executed this Amendment as of the date written above.

TRUCKEE MEADOWS WATER AUTHORITY

COMMUNITY FOUNDATION OF  
NORTHERN NEVADA

Dated this \_\_\_\_ day of \_\_\_\_\_, 2023

Dated this \_\_\_\_ day of \_\_\_\_\_, 2023

By \_\_\_\_\_  
John Zimmerman

By \_\_\_\_\_

Its: General Manager

Its: \_\_\_\_\_



## STAFF REPORT

**TO:** Board of Directors  
**FROM:** John R. Zimmerman, General Manager  
**DATE:** February 6, 2023  
**SUBJECT:** **General Manager's Report**

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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 January 12, 2023 through, February 8, 2023.





## STAFF REPORT

**TO:** Board of Directors  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** John Enloe, Director Natural Resources  
**BY:** Bill Hauck, Water Supply Supervisor  
**DATE:** February 8, 2023  
**SUBJECT:** February 2023 Water Operations Report

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### SUMMARY

- Lake Tahoe storage is at 24% of capacity and 1.45 feet above the rim
- Total, combined Truckee River reservoir storage is ~30% of capacity
- TMWA's upstream reserve storage is in great shape between Donner and Independence reservoirs, and water stored under the terms of TROA (~58,044 AF)
- Snowpack in both basins is currently about 180% of normal for this time of the year
- Customer demand averaged 39 MGD over the first full week of February
- Estimated hydroelectric generation for January was 2,044 MWh, with a projected revenue of \$155,253

#### (A) Water Supply

- **River Flows** - Truckee River discharge at the CA/NV state line was about 310 cubic feet per second (CFS) this morning. This is below normal for this time of the year, as the 114-year median flow for this day at Farad is 401 CFS.
- **Reservoir Storage** - Overall Truckee River reservoir storage is ~30% of capacity. The elevation of Lake Tahoe is 6224.45 feet (1.45' above the rim). Storage values for each reservoir as of February 8<sup>th</sup> are as follows:

<b>Reservoir</b>	<b>Current Storage (Acre-Feet)</b>	<b>% Capacity (Percent)</b>
Tahoe	176,100	24%
Boca	17,187	42%
Stampede	104,324	46%
Prosser	9,885	33%
Donner	3,382	36%
Independence	13,299	76%

In addition to the 16,681 acre-feet of storage between Donner and Independence reservoirs, TMWA also has 41,363 acre-feet of water stored in Stampede reservoir under the terms of TROA. TMWA’s total combined upstream reservoir storage as of this writing is 58,044 acre-feet.

- **Snowpack** - Sierra Nevada Range snowpack is holding significantly above average through the first week of February. With more snow on the way in the coming days, this is shaping up to be a fantastic water year. Snow water content is currently 185% of normal in the Lake Tahoe Basin, and 177% of normal in the Truckee River Basin, respectfully.
- **Outlook** - As we start out the month of February, it is becoming clear that this is going to be a particularly good water year for the region. With basin snowpack well-above normal, and additional storms projected over the next 10 days, water supply conditions will only continue to improve by the middle of the month. Upstream reservoir storage has improved over the winter, most notably at Lake Tahoe, and most reservoirs on the system are projected to make a significant if not full recovery this year because of the above-average snowmelt runoff projections. While not projected to be a system-wide full recovery, after three straight drought years 2023 will go a long way towards strengthening the supply position for all Northern Nevada.

**(B) Water Production**

- **Demand** - TMWA’s customer demand averaged about thirty-nine (39) million gallons per day (MGD) over the first full week of February. Surface water made up 87% of the supply and groundwater the other 13%. Recharge averaged ~ 3 MGD.

**(C) Hydro Production**

**Generation** - The average flow in the Truckee River at Farad (CA/NV state line) for the month of January was approximately 534 CFS. The Fleish hydroelectric plant was able to come back on-line January 7<sup>th</sup>, and at the Verdi hydroelectric plant on January 17<sup>th</sup>. The Washoe hydroelectric plant (taken off-line on November 3<sup>rd</sup>) remained idle during the month of January while an evaluation of the turbine casings continued.

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	25	81%	1,398	\$106,486	\$4,259
Verdi	15	48%	646	\$ 48,767	\$3,251
Washoe	0	N/A	0	\$ 0	N/A
<b>Totals</b>	<b>40</b>	<b>-</b>	<b>2,044</b>	<b>\$155,253</b>	<b>-</b>



## STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Stefanie Morris, Director, Legal and Regulatory Affairs  
**DATE:** February 1, 2023  
**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		2,916.95 AF
Purchases of water rights	35.0 AF	
Refunds	0.00 AF	
Sales	-8.34 AF	
Adjustments	0.00 AF	
Ending Balance		2,943.61 AF

Price per acre foot at report date: \$7,800

### 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		7,506.87 AF
Committed water rights	- 0.0 AF	
Ending Balance		7,506.87 AF

Price per acre foot at report date: \$45,753.75 (SFR and MFR); \$39,690 (for 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 properties annexed into TMWA's service area.

**INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE**

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



## STAFF REPORT

**TO:** Board of Directors  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Marci Westlake, Manager Customer Service  
**DATE:** February 15, 2023  
**SUBJECT:** **January Customer Service Report**

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The following is a summary of Customer Service activity for January 2023

### **Ombudsman**

- Follow up call from a prior call regarding a claim.
- Customer called had two questions and someone had already returned his phone call and they had been answered.

### **Communications- Public Outreach**

- John Enloe, Danny Rotter, Stefanie Morris and Robert Charpentier met at NDEP to discuss American Flat A+ Water Permitting and 45 people attended.

### **Conservation (2023 Calendar year)**

- 99 Water Usage Reviews
- 13 Water Watcher Contacts

### **Customer Calls – January**

- 6,098 phone calls handled
- Average handling time 4 minutes 36 seconds per call.
- Average speed of answer: 19 seconds per call.

### **Billing – January**

- 135,888 bills issued.
- 45,530 customers (33%) have signed up for paperless billing to date.

**Remittance – January**

- 16,541 Mailed-in payments
- 22,320 Electronic payments
- 48,478 Payments via AutoPay (EFT)
- 15,922 One-time bank account payments
- 123 Store payments
- 593 Pay by Text
- 4,282 IVR Payments
- 614 Reno office Payments
- 35 Kiosk Payments

**Collections – January**

- 15,087 accounts received a late charge
- 2,802 Mailed delinquent notices, 0.02% of accounts
- 528 accounts eligible for disconnect
- 348 accounts were disconnected (including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.15 % write-off to revenue

**Meter Statistics – Fiscal Year to Date**

- 4,348 Meter exchanges completed
- 1,085 New business meter sets completed