

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE FEBRUARY 15, 2023
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, February 15, 2023 at Sparks Council Chambers. Chair Hartung called the meeting to order at 10:01 a.m.

1. ROLL CALL

Directors Present: Paul Anderson, Jenny Brekhus, *Kristopher Dahir, Naomi Duerr, Vaughn Hartung, Alexis Hill, and Devon Reese.

**Director Dahir attended virtually via Zoom.*

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Director Reese.

3. PUBLIC COMMENT

There was no public comment.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS

Vice Chair Dahir greeted the Board after being absent at last month's meeting and was happy to be able to attend. Chair Hartung wished him a speedy recovery.

5. APPROVAL OF THE AGENDA

Upon motion by Director Reese, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved the agenda.

6. APPROVAL OF THE MINUTES OF THE JANUARY 18, 2023 MEETING

Upon motion by Director Duerr, second by Director Hill, which motion duly carried by unanimous consent of the Directors present, the Board approved the January 18, 2023 minutes.

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, TMWA Lands Agent II, informed the Board staff did not receive any new parcel bids after advertising two times per week for three weeks with a deadline of February 9th.

Chair Hartung requested members of the public to submit an oral bid. There were no oral bids.

Ms. Edmunson explained that TMWA's Surplus Property Resolution stated that if the properties are not sold by the second meeting, staff can list them with a verified broker and sell them at the best price.

Upon motion by Director Reese, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved staff recommendation use a verified broker and put the properties on the market for sale.

8. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Supervisor, presented an update on the water supply in the region: snowpack level is 180% of normal in both Tahoe and Truckee basins; elevation of Lake Tahoe has increased 1.75 feet since December 1, 2022 and is projected to rise at least another two feet by July; anticipate all lakes and reservoirs to fill with the exception of Stampede Reservoir (about 90%) and Lake Tahoe (about two-thirds); normal river flows are projected for the remainder of 2023 and into 2024; and TMWA's upstream reserve reservoir storage is about 58,000-acre feet.

9. PRESENTATION OF FISCAL YEAR 2023 Q2 YEAR TO DATE FINANCIAL RESULTS

Matt Bowman, TMWA Chief Financial Officer, presented the staff report.

Chair Hartung inquired if TMWA was still delaying connection fees until meter set. Mr. Bowman said yes.

Director Brekhus inquired about the American Flat project and cause for delay. Mr. Bowman replied staff was overly optimistic when the budget was drafted for this fiscal year, but will be close to 90% design in FY 2024 and staff will be presenting the tentative FY24 and draft 2024-2028 CIP next month. John Enloe, TMWA Director of Natural Resources, added staff has a very specific schedule they are following it diligently. The reason for the delay was the CMAR process; TMWA and Reno brought on the CMAR contractor earlier in the design process than originally planned, which took additional time to interview and select the contractor. Mr. Enloe confirmed the project will be 100% design completed in April 2024 and construction will take about two years to be completed in 2026.

Chair Hartung asked if the Orr Ditch Hydro project was on budget and time. Mr. Bowman replied costs have increased, but still within budget.

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

Mr. Bowman stated the request for the budget augmentation is due to increasing costs related to electrical power and water treatment chemicals which comes to a total of \$4.9m and will be paid for with cash reserves.

Vice Chair Dahir asked about if the rate stabilization fund could be used to pay for the augmentation. Mr. Bowman replied it could be used, but its main purpose is to offset, or reduce, future rate increases.

Chair Hartung asked Lucas Foletta, TMWA General Counsel, if the Board can direct staff to use the rate stabilization fund instead of cash to pay for the budget augmentation. Mr. Foletta replied yes, if the Board chooses to consider using the fund instead of cash.

Director Reese noted TMWA's cash position is \$235m, which is substantial and does not see a need to use the rate stabilization fund at this time. Mr. Bowman agreed and added when staff returns with the tentative budget at next month's meeting and the 5-year funding plan in October.

Director Anderson thanked Mr. Bowman for the presentation and agreed with Director Reese.

Upon motion by Director Hill, second by Director Anderson, which motion duly carried by unanimous consent of the Directors present, the Board adoption Resolution No. 313: A resolution to approve the first budget augmentation and budget revisions for FY 2023.

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.

Chair Hartung requested a motion to approve the reappointments of the current members to the WRWC for the new two year terms from April 1, 2023 to March 31, 2025.

Upon motion by Director Hill, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved to appoint Jenny Brekhus to the WRWC, pursuant to Sec.25(3)(a) of the WRWC Act, to fill the vacancy ending March 31, 2023 and for a new two-year term from April 1, 2023 to March 31, 2025.

Upon motion by Director Hill, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved to appoint Paul Anderson to the WRWC, pursuant to Sec.25(3)(b) of the WRWC Act, to fill the vacancy ending March 31, 2023 and for a new two-year term from April 1, 2023 to March 31, 2025.

Upon motion by Director Hill, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved to appoint Alexis Hill to the WRWC, pursuant to Sec.25(3)(c) of the WRWC Act, to fill the vacancy ending March 31, 2023 and for a new two-year term from April 1, 2023 to March 31, 2025.

Upon motion by Director Hill, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved to appoint Mariluz Garcia to the WRWC, pursuant to Sec.25(4) of the WRWC Act, to fill the vacancy ending March 31, 2023 and for a new two-year term from April 1, 2023 to March 31, 2025.

12. DISCUSSION AND ACTION, AND POSSIBLE APPROVAL OF AN AMENDMENT TO THE TRUCKEE RIVER FUND AGREEMENT WITH THE COMMUNITY FOUNDATION OF NORTHERN NEVADA (CFNN) WITH FUNDING LEVELS TO BE DETERMINED AS PART OF THE BUDGET PROCESS EACH FISCAL YEAR

Sonia Folsom, TMWA Executive Assistant, informed the Board the agreement was extended for five years in 2009 and 2014. Ms. Folsom stated the agreement should have been presented to the Board again in 2019 for another five-year extension, but was overlooked. The proposed amended agreement has been signed by Eaton Dunkelberger, CFNN President and CEO, agreeing with extending the agreement between TMWA and CFNN into perpetuity allowing for either party to end the agreement with six months' notice.

Directors Brekhus and Duerr expressed their concern about approving a government contract into perpetuity and recommended another five-year extension.

Vice Chair Dahir responded that staff has the ability to review and cancel the contract with six months' notice and have the ability to revisit the contract; he did not see a need for concern.

Director Anderson inquired about the associated administrative costs. Ms. Folsom replied she receives quarterly financial reports and noted the costs were reasonable, a small percentage in relation to the total funding the Board approves for the Truckee River Fund.

Upon motion by Director Hill, second by Director Reese, which motion duly carried five to two with Directors Brekhus and Duerr dissenting, the Board approved the 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.

13. GENERAL MANAGER'S REPORT

Mr. Zimmerman stated the Board should have received an email regarding the 2022 Popular Annual Financial Report (PAFR) and thanked Matt Bowman, Sophie Cardinal, and members of the Finance and Communications team for their excellent work, the 2023 Legislative Session began at the beginning of the month.

14. PUBLIC COMMENT

There was no public comment.

15. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

16. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 11:02 a.m.

Approved by the TMWA Board of Directors in session on March 15, 2023.

Sonia Folsom, Board Clerk.