

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE SEPTEMBER 20, 2023
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, September 20, 2023 at Sparks Council Chambers. Chair Dahir called the meeting to order at 10:01 a.m.

1. ROLL CALL

Directors Present: Paul Anderson, Clara Andriola, Kristopher Dahir, Naomi Duerr, **Alexis Hill, and Alternates *Megan Ebert and Kathleen Taylor.

Directors Absent: Jenny Brekhus and Devon Reese.

A quorum was present.

**Alternate Ebert arrived at 10:13 a.m.*

***Director Hill arrived at 10:38 a.m. and left the meeting at 12:12 p.m.*

Chair Dahir held a moment of silence for Pat Quigley, TMWA Heavy Foreman, who suddenly passed away the previous evening.

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Alternate Taylor.

3. PUBLIC COMMENT

Ken McNeil, Reno resident, provided public comment in regards to item #10, proposed rate adjustments, and noted that the rates currently favor commercial customers, and the rate study should take that into consideration as part of the rate adjustments. Mr. McNeil is also a member of TMWA's Standing Advisory Committee, but his comments are not a reflection of his membership.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS

There were no board comments or acknowledgements.

5. APPROVAL OF THE AGENDA

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

6. APPROVAL OF THE MINUTES OF THE AUGUST 16, 2023 MEETING

Upon motion by Director Anderson, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved the August 16, 2023 minutes.

7. PRESENTATION OF FISCAL YEAR 2023 UNAUDITED FINANCIAL PERFORMANCE

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

Members of the Board inquired about TMWA reserves and whether developer connection fees are impacted by the American Flat project. Regarding reserves, Mr. Bowman replied TMWA has reserves in place of unrestricted cash that can be used during the rate adjustment, and regarding American Flat, the American Flat project is separate from developer connection fees.

Chair Dahir requested staff to look at the cost of maintenance to be better prepared.

8. DISCUSSION AND ACTION ON RESOLUTION NO. 318: A RESOLUTION AUTHORIZING THE DEPOSIT OF LEGALLY AVAILABLE MONEYS INTO AN ESCROW ACCOUNT IN AN AMOUNT NOT TO EXCEED \$75,000,000.00 FOR THE DEFEASANCE AND CALL FOR PRIOR REDEMPTION OF CERTAIN OF THE AUTHORITY'S OUTSTANDING BONDS; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF

Mr. Bowman introduced Thomas Toepfer, PFM Financial Advisors Managing Director, and Ryan Henry, Sherman & Howard Bond Counsel, who have worked with Mr. Bowman on the cash optimization strategy which would issue new debt at a lower rate which will yield savings between 5% - 7%.

Upon motion by Director Duerr, second by Director Andriola, which motion duly carried by unanimous consent of the Directors present, the Board adopted Resolution No. 318: A resolution authorizing the deposit of legally available moneys into an escrow account in an amount not to exceed \$75,000,000.00 for the defeasance and call for prior redemption of certain of the authority's outstanding bonds; authorizing the execution of an escrow agreement in connection therewith; and providing the effective date hereof.

9. DISCUSSION AND ACTION ON RESOLUTION NO. 319: A RESOLUTION DESIGNATED BY THE SHORT TITLE "2023 BOND RESOLUTION" AUTHORIZING THE ISSUANCE BY THE TRUCKEE MEADOWS WATER AUTHORITY OF ITS "TRUCKEE MEADOWS WATER AUTHORITY, WATER REVENUE BONDS, SERIES 2023," IN THE MAXIMUM AGGREGATE PRINCIPAL

AMOUNT OF \$76,000,000.00 FOR THE PURPOSE OF DEFRAYING WHOLLY OR IN PART THE COST OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING WATER FACILITIES; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, AND THE SECURITY THEREFOR; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES DERIVED FROM THE OPERATION OF THE AUTHORITY'S WATER SYSTEM; PLEDGING SUCH REVENUES TO THE PAYMENT OF THE BONDS; AND PROVIDING OTHER COVENANTS, AGREEMENTS AND DETAILS RELATING THERETO

Mr. Bowman explained this resolution was the second part of the cash optimization transaction.

Mr. Toepfer explained the monetary difference between the two resolutions is to allow for more flexibility and may get an investor, market bonds, which would be more advantageous to TMWA.

John Zimmerman, TMWA General Manager, noted that this approval requires a two-thirds majority vote.

Upon motion by Director Andriola, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board adopted Resolution No. 319: A resolution designated by the short title "2023 bond resolution" authorizing the issuance by the Truckee Meadows Water Authority of its "Truckee Meadows Water Authority, water revenue bonds, series 2023," in the maximum aggregate principal amount of \$76,000,000.00 for the purpose of defraying wholly or in part the cost of acquiring, constructing, improving and equipping water facilities; providing the form, terms and conditions of the bonds, and the security therefor; providing for the collection and disposition of revenues derived from the operation of the authority's water system; pledging such revenues to the payment of the bonds; and providing other covenants, agreements and details relating thereto.

10. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING FUNDING PLAN AND PROPOSED RATE ADJUSTMENTS

Mr. Bowman presented the staff report with two additional scenarios, one requested by Director Reese, which shows a higher percentage increase and the second which shows a delayed implementation; staff is still recommending Scenario B. He also referenced the low-income program for customers. This topic has been brought up over the years, most recently in 2015, and he included that staff report today which was upheld, per Board policy, that there can be no cross-subsidization. There is currently a state program available to customers with information on TMWA's website to notify customers and the call center is aware of the program and relays information for any customers who call that are in financial distress.

Alternate Taylor inquired about the public comment regarding the different tiers for commercial and residential customers. Mr. Bowman replied that both he and Shawn Stoddard, TMWA Senior Resource Economist, have met with Mr. McNeil to explain the rate structure study; the rate structure (which has not been changed since TMWA's inception) and cost of service is a complicated matter, but, ultimately, the intent of the studies is to ensure the rates are as fair and equitable as possible.

Members of the Board thanked staff for all their work and due diligence.

Upon motion by Director Andriola, second by Director Anderson, which motion duly carried by unanimous consent of the Directors present, the Board approved staff recommendation to move forward with Scenario B, 4.5%, 4.0% and 3.5% increase in FYs 2024, 2025, and 2026.

11. PRESENTATION ON RESULTS OF EMPLOYEE DEVELOPMENT AND ENGAGEMENT EFFORTS

Mr. Zimmerman informed the Board of the employee career map survey that was conducted which provided the foundation for the presentation.

Jessica Atkinson, TMWA Human Resources Director, and Cammy Elquist LoRé, GoodStanding, presented the employee development and engagement efforts.

Mr. Zimmerman outlined the next steps which will continue with lunch and learns, mentorship program, increased level of certifications with incentives for all employees, and increased communication across TMWA departments.

Members of the Board expressed their appreciation on the in-depth analysis, and positive feedback from employees via the survey, which speaks to the culture of the organization and being valued.

12. PRESENTATION OF GENERAL MANAGER GOAL RESULTS FOR CONTRACT YEAR 2022-2023

Mr. Zimmerman presented his 2022 – 2023 goal results.

Vice Chair Duerr noted receiving his evaluation prior to the Board’s review process is helpful.

13. DISCUSSION AND ACTION ON REQUEST FOR BOARD INPUT AND ACCEPTANCE OF GENERAL MANAGER PERFORMANCE OBJECTIVES FOR CONTRACT YEAR 2023-2024

Mr. Zimmerman presented the proposed goals for contract year 2023-2024 noting that were no changes, but will negotiate with NV Energy regarding the Purchase Power Agreement (PPA) before it expires.

Vice Chair Duerr recommended adding some language to call out customer service protocol and processes.

Upon motion by Director Anderson, second by Director Andriola, which motion duly carried by unanimous consent of the Directors present, the Board approved the General Manager performance objectives for contract year 2023 – 2024 with the addition of customer services processes.

14. DISCUSSION AND POSSIBLE DIRECTION FROM BOARD REGARDING THE EVALUATION PROCESS FOR CONDUCTING THE GENERAL MANAGER'S PERFORMANCE EVALUATION

Ms. Atkinson presented the proposed survey, which is the same as the one they submitted in 2021, except for changes to the 'Management of Staff' section which incorporates Mr. Zimmerman's goals and Board comments during the hiring process.

Upon motion by Director Andriola, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved the evaluation process for conducting the General Manager's performance evaluation.

15. DISCUSSION AND ACTION ON RESOLUTION NO. 320: A RESOLUTION TO APPROVE FUNDING FOR THE PROJECTS RECOMMENDED BY THE TRUCKEE RIVER FUND ADVISORY COMMITTEE AND AN AUTHORIZATION FOR THE COMMUNITY FOUNDATION TO FUND SUCH PROJECTS FROM FUND PROCEEDS (RESOLUTION MAY REFLECT ACTION TAKEN IN ONE OR MORE VOTES ON RECOMMENDED PROJECTS)

Sonia Folsom, TMWA Executive Assistant, and Kara Steeland, TMWA Senior Hydrologist and Watershed Coordinator, presented the staff report.

Upon motion by Director Andriola, second by Director Anderson, which motion duly carried by unanimous consent of the Directors present, the Board adopted Resolution No. 320: A resolution to approve funding for the projects recommended by the Truckee River Fund Advisory Committee and an authorization for the Community Foundation to fund such projects from Fund proceeds.

16. GENERAL MANAGER'S REPORT

Mr. Zimmerman informed the Board that TMWA's hydro facilities generated a monthly revenue record of \$382k last month, Dr. Lydia Teel gave an interview on NPR's Science Friday, and Dave Williams, HVAC Specialist, provided lifesaving CPR to an individual who had passed out on his driveway. Mr. Zimmerman also noted that staff participated in the Dragonboat races, where everyone had a great time and TMWA came in first in their category. He also thanked Chair Dahir for the moment of silence for Pat Quigley, who worked for TMWA for over 20 years, who was a great mentor and employee, and will be missed by many.

17. PUBLIC COMMENT

There was no public comment.

18. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

19. ADJOURNMENT

With no further discussion, Chair Dahir adjourned the meeting at 12:33 p.m.

Approved by the TMWA Board of Directors in session on Wednesday, October 18, 2023.

Sonia Folsom, Board Clerk.

****Alternate Ebert was present for agenda items 7 thru 19 only.***

*****Director Hill was present for agenda items 10 thru 13 only, but left before the vote on #13.***