

TRUCKEE MEADOWS WATER AUTHORITY
STANDING ADVISORY COMMITTEE
MINUTES
April 2, 2024

The Standing Advisory Committee (SAC) met at TMWA, 1355 Capital Blvd, Reno, NV. Chair Krmptotic called the meeting to order at 3:01 p.m.

1. ROLL CALL

Primary Members and Voting Alternates Present: Fred Arndt, *Ken Becker, Brian Bosma, Colin Hayes, John Krmptotic, Neil McGuire, Ken McNeil, Chris Melton, Dale Sanderson, and Alex Talmant.

Primary Members and Alternates Absent: Robert Chambers, Jordan Hastings, Justin McDougal, Connor Naisbitt, Jonnie Pullman, Kevin Ryan, and Jerry Wager.

Staff Present: Matt Bowman, David Diegle, John Enloe, Sonia Folsom, Andy Gebhardt, Bill Hauck, David Kershaw, Dan Nubel, Danny Rotter, Shawn Stoddard, Sandra Tozi, John Zimmerman, and Legal Counsel Justina Caviglia (PBL).

**Member Becker attended virtually via Zoom.*

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Upon motion duly made by Member Hayes, and seconded by Member McGuire, and carried by unanimous consent of the members present, the Committee approved the agenda.

4. APPROVAL OF THE MINUTES OF JANUARY 9, 2024 MEETING

Upon motion duly made by Member Arndt, and seconded by Member Melton, and carried by unanimous consent of the members present, the Committee approved the minutes of January 9, 2024.

5. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Supervisor, informed the Committee that despite a slow start Lake Tahoe Basin snowpack is now 115% of normal as of April 1st, and that all upstream reservoirs (including Lake Tahoe) will completely fill this year. Normal river flows are projected for at least the

next two to three years. There is no drought in the Sierra Nevada range, and the regional water supply outlook is extremely good.

6. PRESENTATION AND POSSIBLE RECOMMENDATION TO THE BOARD, OF APPLICATIONS TO FILL THE COMMERCIAL ALTERNATE REPRESENTATIVE VACANCY AND OTHER POSSIBLE VACANCIES FROM THE FOLLOWING POOL OF CANDIDATES LISTED IN ALPHABETICAL ORDER: RYAN GREENHALGH

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

Upon motion duly made by Member Hayes, and seconded by Member Melton, and carried by unanimous consent of the members present, the Committee approved recommendation to the Board to appoint Ryan Greenhalgh to fill the commercial alternate representative vacancy.

7. DISCUSSION AND POSSIBLE AMENDMENTS TO THE STANDING ADVISORY COMMITTEE GOVERNING RULES

Justina Caviglia, TMWA Legal Counsel, informed the Committee the Board was presented on its history and member orientation; the Board did not provide any recommendations to amend the governing rules.

Member McNeil inquired about the proposed changes and said he did not agree with them, and recommended making all members primary. Ms. Caviglia replied that it was based on the discussion at the October 2023 meeting and presented as such at the January 2024 meeting.

At this time, the Committee discussed the proposed changes, making all members primary could pose potential quorum issues, and confirmed the current structure is adequate and there were no disadvantages with primary members who have no alternates.

No action taken.

8. UPDATE ON PROPOSED RATE ADJUSTMENT AND CASH OPTIMIZATION

Matt Bowman, TMWA Chief Financial Officer, informed the Committee that the Board approved the proposed rate adjustments and the first one at 4.5% will go into effect in May reflecting on customers' June bill. Also, he explained the process for the cash optimization and refunding the debt (in December) and issuing new debt (early January), they continued to monitor rates and timed it as such that resulted in a net present value of \$12m (17%) in savings, which will be realized over time in reductions in interest payments and principal.

9. PRESENTATION OF FISCAL YEAR 2024 Q2 YEAR-TO-DATE FINANCIAL RESULTS

Mr. Bowman presented the fiscal year 2024 Q2 financial results.

10. PRESENTATION ON THE TMWA TENTATIVE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2025 AND DRAFT CAPITAL IMPROVEMENT PLAN (CIP) FOR FISCAL YEARS 2025 THROUGH 2029 AND POSSIBLE RECOMMENDATION TO THE BOARD

Mr. Bowman and David Diegle, TMWA Engineering Manager, presented the tentative budget for FY 2025 and draft FY 2025-2029 CIP.

Members of Committee inquired about the significant drop-in customer rate funded projects in FY2029, reimbursement projects, and the potential of a policy change regarding infrastructure. Mr. Bowman replied that projections drop off in the outer years and Mr. Diegle added high priority projects are scheduled in the early years, but priorities shift; such as pressure regulation stations are being rehabilitated now and not being replaced. Danny Rotter, TMWA Director of Engineering, added staff wants to get everything done, hence the first few years of the CIP are large, reimbursements happen upfront, developers pay TMWA before construction begins, and a potential rule change, in about six months, could include oversizing of tanks.

Upon motion duly made by Member McGuire, and seconded by Member Arndt, and carried by unanimous consent of the members present, the Committee approved recommendation to the Board TMWA's Tentative Budget for the Fiscal Year ending June 30, 2025 and Draft Capital Improvement Plan for Fiscal Years 2025 through 2029.

11. PRESENTATION OF PROPOSED REVISIONS TO THE WATER SYSTEM FACILITY (WSF) CHARGES RATE SCHEDULE, AND POSSIBLE RECOMMENDATION TO THE BOARD

David Kershaw, TMWA Engineering Manager, presented the proposed revisions to the WSF charges.

Members of the Committee asked what is used to estimate the cost of facilities (recent bid items are used), cost of linear foot for a new or existing road (use the average number), the difference between the area fees (more centralized locations have capacity, projects further out in the system, need to be built and cost increases).

Upon motion duly made by Member McGuire, and seconded by Member Arndt, which motion duly carried eight to one with Member McNeil abstaining, the Committee approved recommendation to the Board the proposed revisions to the Water System Facility (WSF) Charges Rate Schedule.

12. OVERVIEW OF TMWA'S 2024 COMMUNICATION PLAN

Andy Gebhardt, TMWA Director of Distribution, Maintenance, and Generation, presented the 2024 Communication Plan which includes four pillars: Water Quality, Water Conservation, Water Leadership, and Customer Experience. Staff is embarking on a new partnership with Desert Research Institute and Washoe County School District to develop curriculum for teachers.

13. DISCUSSION AND POSSIBLE REQUESTS FOR AGENDA ITEMS FOR FUTURE MEETINGS

Upon motion duly made by Member Melton and seconded by Member Hayes, and carried by unanimous consent of the members present, the Committee approved the request for future agenda items.

Next meeting:

1. Q3 Financial Update
2. Presentation of final FY25 Budget and FY25-29 Capital Improvement Plan
3. Primary appointment of Alex Talmant
4. Presentation on TMWA's cybersecurity program
5. Update on rate study

14. STAFF ITEMS

Mr. Gebhardt informed the Committee that they partnered with the Service Line Warranties of American to provide customers the option to sign up for service line protection. They are endorsed by the National League of Cities and are legitimate and only work with utilities; TMWA does not get any money when a customer signs up and staff recommends reaching out to your homeowners' insurance first to see if you already have the protection or can add it even at a lower cost. Also, TMWA's Smart About Water Day is on Saturday, May 4th from 10am – 2pm at the McKinley Arts and Culture center and the picnic is on Saturday, July 13th from 11am – 3pm.

15. COMMITTEE ITEMS

There were no committee items.

16. PUBLIC COMMENT

There was no public comment.

17. ADJOURNMENT

With no further items for discussion, Chair Krmptotic adjourned the meeting at 4:50 p.m.

Approved by the Standing Advisory Committee in session on Tuesday, June 4, 2024.

Sonia Folsom, Recording Clerk