



STANDING ADVISORY COMMITTEE

MINUTES

June 4, 2024

The Standing Advisory Committee (SAC) met at TMWA, 1355 Capital Blvd, Reno, NV. Chair Krmptic called the meeting to order at 3:03 p.m.

1. ROLL CALL

Primary Members and Voting Alternates Present: Brian Bosma, Jordan Hastings, John Krmptic, Justin McDougal, Neil McGuire, Ken McNeil, Chris Melton, Dale Sanderson, *Jonnie Pullman, Kevin Ryan, Alex Talmant, Ryan Greenhalgh, and Jerry Wager.

Primary Members and Alternates Absent: Fred Arndt, Robert Chambers, Colin Hayes, Connor Naisbitt.

Staff Present: Matt Bowman, Chris Briscoe, Sophie Cardinal, Robert Charpentier, David Diegle, Sean Feeney, Sonia Folsom, Levi Kleiber, Dan Nubel, Danny Rotter, Shawn Stoddard, Sandra Tozi, John Zimmerman, and Legal Counsel Justina Caviglia (PBL).

**Member Pullman arrived at 3:07 p.m.*

Chair Krmptic welcomed Member Greenhalgh to the Committee.

2. PUBLIC COMMENT

Chair Krmptic informed the Committee that Ken Becker, At-Large 2 Customer Class Alternate Representative passed away on May 19, 2024 peacefully after battling pancreatic cancer. A moment of silence was held out of respect.

John Zimmerman, TMWA General Manager, noted that Member Becker was an engaged member and always asked questions regarding financials, rates, etc. Staff valued his input and support of TMWA. He will be missed.

Matt Bowman, TMWA Chief Financial Officer, added that Member Becker always read the financial statements, Annual Comprehensive Financial Report cover-to-cover and even caught a few errors that he brought to their attention, but he was always very insightful and had positive feedback.

3. APPROVAL OF THE AGENDA

Upon motion duly made by Member Melton, 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 APRIL 2, 2024 MEETING

Upon motion duly made by Member Hastings, and seconded by Member Melton, and carried by unanimous consent of the members present, the Committee approved the minutes of April 2, 2024.

5. PRESENTATION OF FISCAL YEAR 2024 Q3 YEAR TO DATE FINANCIAL RESULTS

Mr. Bowman presented the third quarter financial results for FY 2024. He noted that there were no unexpected expenses, the revenue was behind the budget due to lower water sales, and the operating expenses were 6% (\$5.2m) below budget.

Member McNeil inquired about the decrease in salaries and wages, and what was meant by developer infrastructure contributions. Mr. Bowman explained that funds are allocated for positions, but staffed as needed and the developer infrastructure contributions are non-cash, but are given to TMWA as an asset on the books.

6. PRESENTATION ON THE FINAL BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2025 AND THE 2025-2029 FIVE-YEAR CAPITAL IMPROVEMENT PLAN (CIP)

Mr. Bowman presented the final FY 2025 budget and FY 2025-29 CIP.

Member Pullman complimented him and staff on a very easy to understand CIP with pictures for those who are not experts in the field.

7. INFORMATIONAL UPDATE ON TMWA'S RATE STUDY

Mr. Bowman and Shawn Stoddard, Ph.D., TMWA's Senior Resource Economist, introduced the study.

Dr. Stoddard provided a brief background regarding his work and academic experience since joining TMWA in 2001 from Sierra Pacific Power Company. He highlighted two ongoing studies: one analyzing cost of service and another aiming to simplify the company's schedules. In addition, he stated TMWA has engaged a consultant to help with the cost of service study and he has two new interns working on updating and analyzing data sets, with a focus on water agency's rate structures and potential for consolidation.

Member McNeil inquired about other water agencies having and if TMWA's structure was unique. Dr. Stoddard replied, no TMWA's is not unique and there are other agencies with similar structures.

Member Wager asked if there has been a reduction in water use due to smart meters and inquired if they will relook at where the tiers are and looking at lowering tiers to increase income. Dr. Stoddard replied yes and Mr. Bowman added the purpose of the study is not to increase income rather to have revenue collected correctly based on the cost of service.

8. PRESENTATION ON TMWA'S CYBERSECURITY PROGRAM

Mr. Zimmerman introduced Sean Feeny, the newly promoted TMWA Director of Technology.

Mr. Feeny gave an overview on TMWA's cybersecurity program explaining the organization's efforts to enhance cybersecurity and physical security, which will make it more challenging for attackers, including building defense in depth, segmenting and separating critical operational technology from the business network, and implementing the concept of zero trust. He also referenced the risks of ransomware and operational technology compromise, and highlighted that the cost of cybersecurity measures is difficult to predict due to emerging threats like AI.

9. DISCUSSION AND POSSIBLE RECOMMENDATION TO THE BOARD ON PROMOTING ALEX TALMANT FROM SENIOR CITIZEN ALTERNATE REPRESENTATIVE TO PRIMARY REPRESENTATIVE

Sonia Folsom, TWMA Executive Assistant, presented the staff report, confirming Member Talmant has agreed to being primary.

Upon motion duly made by Member Wager and seconded by Member McNeil, and carried by unanimous consent of the members present, the Committee approved the recommendation to the Board on promoting Alex Talmant from Senior Citizen alternate representative to primary representative.

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

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

Next meeting:

1. Update on the rate/cost of service study
2. Q4 FY 2024 financial update
3. FY2025 funding plan
4. Update on American Flat project
5. Water supply update
6. Election of chair and vice chair for 2025

11. STAFF ITEMS

Ms. Folsom mentioned scheduling tours of both TMWA's Verdi Hydroelectric Power Plant and Chalk Bluff Water Treatment Plant at the end of the month for Committee members to attend.

12. COMMITTEE ITEMS

There were no committee items.

13. PUBLIC COMMENT

There was no public comment.

14. ADJOURNMENT

With no further items for discussion, Chair Krmpotic adjourned the meeting at 4:22 p.m.

Approved by the Standing Advisory Committee in session on Tuesday, October 1, 2024.

Sonia Folsom, Recording Clerk

**Member Pullman was present for agenda items 5 thru 14 only.*