

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE DECEMBER 14, 2023
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Thursday, December 14, 2023, 2023 at Washoe County Commission Chambers. Chair Dahir called the meeting to order at 10:00 a.m.

1. ROLL CALL

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

A quorum was present.

****Director Hill left the meeting at 10:47 a.m. and returned at 11:25 a.m.***

2. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Director Duerr.

3. PUBLIC COMMENT

There was no public comment.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS

There were no board comments or acknowledgements.

5. APPROVAL OF THE AGENDA

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

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

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

7. RECOGNITION OF ARLAN MELENDEZ, RENO-SPARKS INDIAN COLONY CHAIRMAN, FOR HIS YEARS OF SERVICE

Chair Dahir acknowledged Chair Melendez and his work with community members.

Members of the Board agreed and recognized the contributions of Arlan Melendez, who recently retired as chairman of the Reno-Sparks Indian Colony (Colony) after nearly three decades in that role. Board members praised Melendez for his efforts to bring economic development and employment opportunities to the Colony while also working closely with regional partners to protect the Truckee River while improving conditions along its banks.

8. REPORT REGARDING OMBUDSMAN ACTIVITIES FROM DECEMBER 2022 THROUGH NOVEMBER 2023 AND REQUEST FOR BOARD DIRECTION AND POSSIBLE AUTHORIZATION FOR THE GENERAL MANAGER TO PROCEED WITH KIM MAZERES AS OMBUDSMAN FOR CALENDAR YEAR 2024

Kim Mazeres, TWMA Ombudsman, and former TMWA customer service director, completed her first year as TMWA's ombudsman and presented her annual report to the Board. Ms. Mazeres outlined 33 customer issues that were addressed during the year; 11 were complaints and 22 were inquiries. Topics ranged from billing issues to questions about main repairs and sprinkler timers.

Director Hill inquired if there were any patterns that would lead to a change in policy. Ms. Mazeres replied no, only with claims issues, not with TMWA staff, but the insurance companies.

The Board voted unanimously to accept the staff recommendation that Kim be retained in the ombudsman position for 2024 and to increase her monthly fee.

Upon motion by Director Reese, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board authorized the general manager to proceed with Kim Mazeres as ombudsman for calendar year 2024 and increase her monthly fee.

9. PRESENTATION ON MIDDLE TRUCKEE RIVER WATERSHED FOREST PARTNERSHIP PROGRESS AND LADYBUG PROJECT UPDATE

Kara Steeland, TMWA Sr. Hydrologist and Watershed Coordinator, and Dan Alvey, National Forest Foundation (NFF) Program Manager, provided an update on the progress made in the last year by the Middle Truckee River Watershed Forest Partnership (Partnership). The Partnership is working on improving the health of the forest and reduce the risk of catastrophic wildfires. The work also includes developing a 10-year vegetation management plan which will conduct over 62,000 acres of forest restoration and will cost \$120-140 million; funding comes from various sources, including grants from the California Wildlife Conservation Board and the Tahoe Truckee Community Foundation.

John Zimmerman, TMWA General Manager, noted these efforts represent TMWA's tradition of being proactive and innovative and commended Ms. Steeland, who has spent a lot of time and effort, and has taken ownership of this initiative.

Director Hill thanked TMWA for its leadership and collaboration with regional agencies and inquired if they reached out to the Martis Camp Foundation. Ms. Steeland replied no, but they are in the preliminary funding plan stage.

Members of the Board thanked Ms. Steeland and Mr. Alvey for their work and efforts on the initiative.

10. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 321: A RESOLUTION TO APPROVE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2023

Sophia Cardinal, TMWA Financial Controller, presented TMWA's Annual Comprehensive Financial Report (ACFR). The ACFR is a set of statements comprising the report of TMWA's finances in a format that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). The purpose of this report is to ensure transparency and accountability in a government entity's financial operations. There were two significant findings Eide Bailly rendered: 1. An unqualified audit opinion which is the highest level of opinion an auditor can render; and 2. There were no deficiencies with internal controls and processes to ensure integrity.

The Board complimented Ms. Cardinal, Matt Bowman, TMWA Chief Financial Officer, and the Finance team for their efforts on the report and a clean audit.

Director Brekhus congratulated staff on a clean audit and inquired about note #6 regarding leases and if it was a new GASB requirement as well as if there is an expiration on the authorization to issue tax exempt long-term debt. Ms. Cardinal replied yes, it relates to GASB #87 new last year fiscal year 22 and it is the second year TMWA presented it. Director Brekhus requested who the third party was and confirmed the general manager has authority from the Board. Mr. Zimmerman replied yes, the general manager has the authority to lease property and the third party are cell phone companies. Mr. Bowman added that TMWA no longer has commercial paper outstanding and the remaining \$13m was refunded in 2021 with a direct loan at 1.9%, but would look into the authority to issue additional tax exempt debt.

Upon motion by Director Reese, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board adopted Resolution No. 321: A resolution to approve the Annual Comprehensive Financial Report for Fiscal Year ended June 30, 2023.

11. PRESENTATION OF FINANCIAL PERFORMANCE FOR FIRST QUARTER FISCAL YEAR 2024

Mr. Bowman presented the staff report.

Director Brekhus inquired about the budget for the Advanced Purified Water at American Flat and its impact on City of Reno budget. Mr. Bowman replied TMWA expends the funds and then receives reimbursement from City of Reno via the interlocal agreement.

12. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 322: A RESOLUTION TO APPROVE CHANGES TO EMPLOYEES' LEAVE POLICIES

Mr. Bowman presented the proposed transition from short-term disability for TMWA's management, professional, administrative and technical employees ("MPAT") employees, to a sick-leave plan with an option for all employees to voluntarily purchase short-term disability plan. This change was recommended by staff to both address risks associated with administering the existing plan and provide employees with more flexibility. The change will take place sometime during the first quarter of 2024 and will allow MPAT employees with greater than one year of service to still have access to the existing short-term disability benefit for up to four years from date of implementation.

At this time, the Board expressed surprise that TMWA did not have a sick leave policy for MPAT's and confirmed that this new policy closely matches other local agencies and keeping with best practice. Jessica Atkinson, TMWA Human Resources Director, confirmed that it does closely match other local agencies policy and she monitors other agencies and associations, TMWA falls in the middle with this policy, and long-term disability is not affected by this change. Ms. Atkinson stated the administrative policy will be brought back to the Board for approval.

Chair Dahir stated this is a positive move, but inquired if TMWA employees also thought so. Mr. Zimmerman replied the changes were communicated to employees and adjusted the changes based on feedback, which most supported.

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. 322: A resolution to approve changes to employees' leave policies.

13. DISCUSSION AND ACTION, AND POSSIBLE AUTHORIZATION FOR GENERAL MANAGER TO AMEND SUN VALLEY GENERAL IMPROVEMENT DISTRICT WHOLESALERE AGREEMENT TO INCREASE TIER 1 USAGE

Mr. Bowman presented the changes to the wholesale agreement with Sun Valley General Improvement District (SVGID) to increase the commodity rate for Tier 1 from 34,000,000 gallons to 38,000,000 gallons effective January 1, 2024. This change was needed to meet increased demand in the SVGID service territory and keep the tier in line with average indoor water use in SVGID.

Director Brekhus inquired about SVGID's authority, adding new connections or increasing its territory. Mr. Zimmerman replied that SVGID is its own entity and TMWA's wholesale customer.

Chris Melton, SVGID General Manager, added that SVGID has been its own service territory since 1967 and within its territory, has a development plan; the latest was a new school built.

Upon motion by Director Duerr, second by Director Andriola, which motion duly carried by unanimous consent of the Directors present, the Board authorized the general manager to amend Sun Valley General Improvement District wholesale agreement to increase Tier 1 usage.

14. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING REQUEST FOR APPROVAL OF REVISIONS TO OTHER POST EMPLOYMENT BENEFITS TRUST (OPEB) PLAN

Mr. Bowman presented the change to OPEB plan that will now include dental coverage, which has no financial impact on TMWA and was approved by the trustees.

Upon motion by Director Reese, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved revisions to Other Post Employment Benefits Trust (OPEB) Plan.

15. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING APPOINTMENTS TO THE STANDING ADVISORY COMMITTEE TO FILL VACANCIES IN EXISTING POSITIONS WHOSE TERMS EXPIRE DECEMBER 31, 2023, SUCH APPOINTMENTS TO BE MADE FOR NEW TERMS FROM JANUARY 1, 2024 TO DECEMBER 31, 2025 FROM THE FOLLOWING LIST OF CANDIDATES: (1) BRIAN BOSMA, PRIMARY REPRESENTATIVE, RENO-SPARKS CHAMBER OF COMMERCE APPOINTMENT; (2) COLIN HAYS, PRIMARY REPRESENTATIVE, BANN APPOINTMENT; (3) JOHN KRMPOTIC, PRIMARY REPRESENTATIVE, COMMERCIAL CUSTOMER; (4) JUSTIN MCDOUGAL, ALTERNATE REPRESENTATIVE, BANN APPOINTMENT; (5) CHRIS MELTON, PRIMARY REPRESENTATIVE, WHOLESALE CUSTOMER; (6) CONNER NAISBITT, ALTERNATE REPRESENTATIVE, RENO-SPARKS CHAMBER OF COMMERCE APPOINTMENT; (7) JONNIE PULLMAN, ALTERNATE REPRESENTATIVE, MULTI-FAMILY RESIDENTIAL CUSTOMER; (8) KEVIN RYAN, ALTERNATE REPRESENTATIVE, RESIDENTIAL 3 CUSTOMER; AND (9) ALEX TALMANT, ALTERNATE REPRESENTATIVE, SENIOR CITIZEN CUSTOMER

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

Director Brekhus expressed concern that committee members represent organizations, which have their own agenda, sit on government boards and would like to revisit the guidelines.

Director Reese requested a better understanding of what the Standing Advisory Committee does and if a tenant representative could be included.

Upon motion by Director Anderson, second by Director Reese, which motion duly carried by unanimous consent of the Directors present, the Board approved the appointments to the Standing Advisory Committee to fill vacancies in existing positions whose terms expire December 31, 2023, such

appointments to be made for new terms from January 1, 2024 to December 31, 2025 from the following list of candidates: (1) Brian Bosma, primary representative, Reno-Sparks Chamber of Commerce appointment; (2) Colin Hays, primary representative, BANN appointment; (3) John Krmpotic, primary representative, commercial customer; (4) Justin McDougal, alternate representative, BANN appointment; (5) Chris Melton, primary representative, wholesale customer; (6) Conner Naisbitt, alternate representative, Reno-Sparks Chamber of Commerce appointment; (7) Jonnie Pullman, alternate representative, multi-family residential customer; (8) Kevin Ryan, alternate representative, residential 3 customer; and (9) Alex Talmant, alternate representative, senior citizen customer.

16. DISCUSSION AND ACTION ON SCHEDULING REGULAR BOARD MEETING DATES AND TIMES FOR THE CALENDAR YEAR 2024

Ms. Folsom presented the staff report.

Upon motion by Director Reese, second by Director Andriola, which motion duly carried by unanimous consent of the Directors present, the Board approved the Board meeting dates and times for calendar year 2024.

17. GENERAL MANAGER'S REPORT

Mr. Zimmerman noted that the water supply update will be brought back in January, and he is working on organizing employee and Board-member tours of Chalk Bluff and Glendale water treatment plants for 2024. He also congratulated Ryan Dixon, TMWA Hydro Manager and hydro team for breaking the generation record for July through November production period which resulted in a record \$1.7m in revenues. Finally, he thanked the Board for their advice and guidance during his first full year as General Manager and acknowledged TMWA's leadership team as well.

Director Brekhus inquired if developers adjacent to Chalk Bluff water treatment plant have access. Danny Rotter, TMWA Director of Engineering, replied they have had discussions, but have yet to grant access.

18. PUBLIC COMMENT

There was no public comment.

19. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Chair Dahir requested to add an item on a future agenda to discuss the Standing Advisory Committee.

20. ADJOURNMENT

With no further discussion, Chair Dahir adjourned the meeting at 11:36 a.m.
Approved by the TMWA Board of Directors in session on January 18, 2024.
Sonia Folsom, Board Clerk.

****Director Hill was present for agenda items 1 thru 11 and 15 thru 20 only.***