



STANDING ADVISORY COMMITTEE

DRAFT MINUTES

November 3, 2015

The Standing Advisory Committee (SAC) met at Truckee Meadows Water Authority (TMWA) in the Independence Room, 1355 Capital Blvd., Reno, Nevada. Chair McGuire called the meeting to order at 3:03 p.m.

1. ROLL CALL

Members and Voting Alternates Present: Harry Culbert, Bruce Gescheider, Colin Hayes, Karl Katt, Neil McGuire, Jonnie Pullman, Fred Schmidt, Ron Turner, and Jerry Wager.

Alternates Present: Carol Litster, Ken McNeil, Mike Pidlypchak, Mike Schulewitch, and Jim Smith.

Members Absent: Rebecca Allured, Bob Chambers, Mike Heffner, Lee Leighton, Pat Martinez, and Steve Stegmeir.

Staff Present: Laine Christman, John Enloe, John Erwin, Scott Estes, Sonia Folsom, Mark Foree, Bill Hauck, Christian Kropf, Shawn Stoddard, Randy Van Hoozer, Nick White, and Legal Counsel Debbie Leonard.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

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

4. APPROVAL OF THE MINUTES OF THE OCTOBER 6, 2015 MEETING

Upon motion duly made and seconded, carried by unanimous consent of the members present, the Committee approved the minutes of the October 6, 2015 meeting.

5. PRESENTATION OF PROPOSED TMWA GOALS AND OBJECTIVES FOR FISCAL YEAR 2016

Kim Mazeres, TMWA Director of Customer Relations, related that the TMWA Board of Directors approved the goals for FY2016, but requested that additional goals related to public participation and involvement be presented for approval at the next Board meeting.

Ron Turner inquired if TMWA met the 2015 goals for the production levels and how the treatment costs were calculated. Ms. Mazeres replied yes, production levels were met even though with the extra groundwater pumping during the drought, but she would have someone from Treatment contact him.

Mr. Turner asked if there was a more recent benchmark survey. Sonia Folsom, TMWA SAC Liaison, replied no, the 2013 American Water Works Association (AWWA) survey is the most recent.

Chair McGuire mentioned the discussion regarding customer satisfaction and participation that occurred at the October 21 Board meeting. Ms. Mazeres stated TMWA has continued to receive a 92-93 percent customer satisfaction rating, which is extremely high and not expected to go higher.

Ms. Mazeres thanked Chair McGuire for attending the October 21 Board meeting and encouraged any SAC member to attend future Board meetings to provide their opinions and comments.

Discussion followed regarding the importance and value of a public participation goal stressing the fact that people will participate if they choose to do so and in any business there will always be more complaints than compliments.

6. PRESENTATION AND DISCUSSION OF THE BUREAU OF RECLAMATION DROUGHT GRANT AND REQUEST FOR PARTICIPATION ON THE DROUGHT TASK FORCE

Laine Christman, TMWA Resource Economist, reported that he has received volunteers from the SAC representing all the Customer Classes and he will submit the Drought Task Force list and potential kick-off meeting date by the end of November. Mr. Christman stated the kick-off meeting will be scheduled for the beginning of the year.

7. UPDATE ON STANDING ADVISORY COMMITTEE MEMBERSHIP

Sonia Folsom, TMWA SAC Liaison, referred to the SAC Membership list, which identified the committee members whose terms were expiring on December 31, 2015. Ms. Folsom stated that of the 21 current members, six have terms that are expiring. After informing each member, she is pleased to report all members have accepted the invitation to continue for an additional two-year term. In addition, Rebecca Allured, Primary Member of the Residential Class 3, has had to step down in the middle of her term and Mike Schulewitsch has agreed to move from Secondary Alternate of the Residential Class 3 to alternate of the Multi-Family Customer Class.

Staff's proposal regarding SAC membership that will be presented to the TMWA Board for approval consists of the following:

- Fred Schmidt, the Wholesale Customer Class representative has accepted his reappointment for an additional term representing Sun Valley General Improvement District.
- Jonnie Pullman, primary representative of the Multi-Family Class, has accepted her reappointment for an additional term; Mike Schulewitch will move from secondary alternate Residential Class 3 to alternate representative of the Multi-Family Class.
- Ron Turner, primary representative of the Residential Class 1, has agreed to continue for an additional term.
- Jerry Wager will now be the primary representative of the Residential Class 3, and Ken McNeil will move from secondary alternate of the Residential Class 2 to alternate of the Residential Class 3.
- BANN has yet to confirm the reappointment of Colin Hayes, primary representative, and Jim Smith, secondary representative.
- Reno-Sparks Chamber has yet to confirm the reappointment of Bruce Gescheider.

8. PRESENTATION AND DISCUSSION OF 2016 MEETING SCHEDULE

Ms. Folsom reported there had been a request to change the SAC meetings from monthly to either bi-monthly or quarterly.

There was discussion about potentially changing the meeting dates and frequency, but the decision was to keep it monthly on the same day and time, the first Tuesday of the month at 3:00 p.m., with the option to cancel or reschedule as needed.

Upon motion duly made and seconded, carried by unanimous consent of the members present, the Committee approved the Standing Advisory Committee 2016 Meeting schedule.

Chair McGuire mentioned possibly moving the SAC meetings closer to the Board meeting dates. Ms. Mazeres replied staff discussed options, but decided it would be difficult to have a SAC meeting the same week or the prior week to the Board meeting and staff prefers to stay with the same schedule.

9. ELECTION OF OFFICERS FOR CALENDAR YEAR 2016

Debbie Leonard, TMWA Legal Counsel, reported per SAC Governing Rules, members must (re)elect a Chair and/or Vice-Chair who serve for a one-year term. Both Chair McGuire and Vice Chair Turner agreed they would continue for an additional term if re-elected.

Upon motion duly made and seconded, and carried by unanimous consent of the members present, the Committee nominated Neil McGuire as Chairman of the Standing Advisory Committee for Calendar Year 2016.

Upon motion duly made and seconded, and carried by unanimous consent of the members present, the Committee nominated Ron Turner as Vice Chairman of the Standing Advisory Committee for Calendar Year 2016.

10. PRESENTATION AND DISCUSSION OF TMWA'S 2016-2035 WATER RESOURCE PLAN

John Erwin, TMWA Director of Natural Resources, continued where he left off at the previous SAC meeting and began with an overview of Chapter 4, Demand Projections. Mr. Erwin stated that staff works with the State Demographer's office, Truckee Meadows Regional Planning Agency (TMRPA) and the County for input on the Consensus forecast. He reported TMWA's projections are in-line with the other three entities. Shawn Stoddard, PhD, TMWA Senior Resource Economist, added that any demographic projections start off slowly followed by a period of rapid growth and eventually reach a steady state.

Mr. Erwin referred to the WC3 (Washoe County Ballot Question Number 3) initiative in 2007-08 that addressed the issues of having enough resources to support the population projection, which at that time was extremely high; addressed the Truckee Resource Area (TRA) and non-TRA; and spoke to TMWA's delivery of service to the different types of dwelling units TMWA serves.

Chair McGuire inquired about regulations for commercial properties that may limit the amount of turf properties allowed. Laine Christman, TMWA Resource Economist, replied yes, he has been meeting with representatives at local agencies and they are in agreement about putting limits on turf. Recommendations will be presented to the Board regarding landscape ordinances and setting turf limits, and made available to the SAC at the next meeting. Mr. Erwin stressed this has not been included in the current calculations resulting in a more conservative demand estimate.

Jerry Wager asked if we assumed the same water level use per unit, if the relationship between multi-family and single family population was constant and if the projections are similar over the last 20-30 years. Dr. Stoddard replied yes, (1) we do a trend analysis on the current trends on water use per types of water service, which is more conservative and assumes a status quo going forward; (2) the overall mix between all the service types are interrelated in the regression model and the relationship is forecasted to continue; and (3) the data used dates back to 1978, which takes into account changes to trends, and population has stabilized at 2.5 persons per dwelling unit.

Bruce Gescheider asked if projecting water usage for each unit is based on most recent historical data, including the last 2-years of conservation measures and if the average 5-year conservation measures could financially damage TMWA. Dr. Stoddard replied yes, it is based on the last 5-years and added

they took a conservative approach. With WC3, TMWA needs to plan for growth with sustainable water resources, which addresses having sufficient water resources to meet the needs of growth projections. TMWA's projections show a trend of decreasing water usage, and there is more than sufficient water resources to meet future needs of the community.

Discussion followed regarding EDAWN's model of future population projections, which encompasses more than Washoe County (the County), and possible discussions between TMWA staff and EDAWN. Mark Foree, TMWA General Manager, is a member on the EDAWN Board of Directors, and there is an open dialogue between TMWA and EDAWN.

Dr. Stoddard added the key element is that TMWA and the state demographer are modelling their projections very differently, except for the historic population data, and have very similar results.

Mr. Wager suggested it may be beneficial to point out the assumptions in the 2035WRP are conservative. Mr. Erwin concurred.

Mr. Christman provided an overview on Chapter 5, Conservation Plan, highlighting two major components: Supply-Side Management (long-term actions: capital improvement projects, infrastructure, etc.) and Demand-Side Management programs (short-term actions: promote efficient use). He pointed out the average monthly metered usage for residential customers' shows a downward trend by approximately 10 percent.

Mr. Erwin added despite an increase in population, production levels have decreased, which shows customers are being water conscious, and now flat-rate customers are billing on the metered rate as of October 1, which will impact average use calculations going forward.

Chair McGuire asked about maintenance costs and who is responsible to prevent infrastructure deterioration. Mr. Erwin replied because TMWA focuses solely on its water utility assets, we have a more heightened awareness of leaks and infrastructure repair and rehabilitation. Chapter 4 references the main replacement program, which we are very active in coordinating with the Cities of Reno and Sparks and the County. TMWA conducts an age analysis when they do street replacement and sewer replacement to determine whether or not to replace our main(s) in the street.

Ms. Pullman asked what percentage of water is lost due to leaks. Mr. Christman replied TMWA is at 6 percent and the national average is 16 percent. But that system loss also accounts for non-revenue water (such as fire hydrant use) so the actual water loss is less than 6 percent.

Ms. Pullman suggested staff include this data when talking with the public to show how well we are managed especially compared to national averages.

Mr. Turner asked if the 6 percent of leaks took place pre- or post-merger. Mr. Erwin replied both.

Mr. Erwin added TROA implementation defines the terms of a Drought Situation and a non-Drought Situation, which links TROA and TMWA conservation plan. TROA is a long-term solution for water supply and storage due to the timing of conservation efforts, which is critical to the ability for TMWA to

store water in upstream drought reserves. He also addressed the addition of enhanced demand management (eDMP) and standard demand management (DMP) and EMC (Enhanced Message Campaign) programs and reiterated TMWA is successful at meeting its target and preserving drought reserves for the next year with the least disruption to the community.

Mr. Erwin mentioned staff is in the process of addressing what to do in 2016, what TMWA will continue to message, change or add. A survey to the customers will be sent out soon and the report could be available around January.

Mr. Turner pointed out staff did a very good job describing the Demand-Side Management programs and activities. He requested these as well as TROA be discussed at the workshops. He believes the Board does not feel staff is communicating enough with customers.

Discussion followed and suggestions were made regarding measuring the public participation goal in terms of conservation efforts and what would be the most effective way to do so. It was determined calling for a continuous 10 percent conservation can create issues and the more effective way is to continue to operate under a steady state of conservation, utilize water watchers, promote public education and the water audit program, etc.

Mr. Erwin reported that the Truckee River Operating Agreement (TROA) can support up to 119,000 acre feet (AF) of demand in the TRA in addition to the approximately 24,000 AF of water rights acquired through the merger, which is more than enough to provide for the population projected by 2035. Right now, the future is very positive; TROA solved a major issue for this community regarding drought supply.

Mr. McNeil asked about water resources, if staff has looked at water treatment plants and if treated effluent water was a possible source. John Enloe replied Chapter 6 addresses integrated water management and potable reuse, purifying wastewater, which is being utilized around the country and world. As a community, they are evaluating its feasibility in more applicable areas like the North Valleys where their wastewater does not return to the Truckee River. Since his June presentation on potable reuse, a new national research project in Reno will begin in 2016 considering an advanced treatment technology for potable reuse that does not require RO (reverse osmosis) treatment, which generates a waste stream. A pilot will begin in the spring at the County's South Truckee Meadows Water Reclamation Facility.

Mr. McNeil asked about non-potable water. Mr. Enloe replied that is already being used for irrigation and will continue to expand.

Mr. Turner inquired about the water treatment plant project along Whites/Thomas Creeks which was part of the County program approved in 2002, but money has not been spent since and now TMWA has to fund the project. Mr. Enloe replied there were two water treatment plants proposed in Washoe County's 2002 South Truckee Meadows Facility Plan – an upper treatment plant and lower treatment plant. The County decided to pursue the lower treatment plant and put it out to bid, but it was not

awarded. The upper treatment plant was proposed for the area which relies solely on groundwater pumping. Due to the drought, municipal well pumping and domestic well pumping, that area has seen a substantial lowering of the water table and this new water treatment plant will be used for conjunctive use and aquifer storage and recovery (ASR). There is approximately 3,000 AF of water that can be diverted efficiently when water is available in the creeks to augment the groundwater resources.

Mr. Erwin stated we will see the winter results before finalizing the plan, and mentioned the public open house schedule. He said no action was required on this agenda item, but SAC members can provide comments, and suggestions.

At this point, discussion occurred regarding the misconception that mature trees do not require watering, which has resulted in many trees dying. Suggestions were made to provide guidance to customers in bill inserts.

****Jonnie Pullman was present for items 1 thru 10 only.***

11. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING AGENDA ITEMS FOR FUTURE MEETINGS

It was decided, amongst the members present, to cancel the SAC meeting in December. The next meeting will be Tuesday, January 5, 2016 at 3:00 p.m.

Next Meeting:

1. Audited Financial Performance Report
2. TROA update
3. Water Supply Update
4. 2035WRP Update

Future Meeting:

5. Water Use by individual systems
6. TRIC Waste Water pipeline

12. STAFF ITEMS

There were no staff items.

13. COMMITTEE ITEMS

There were no committee items.

14. PUBLIC COMMENT

There was no public comment.

15. ADJOURNMENT

With no further items for discussion, Chairman McGuire adjourned the meeting at 4:42 p.m.

Approved by the Standing Advisory Committee in session on _____.

Respectfully submitted,

Sonia Folsom, Recording Secretary

****Jonnie Pullman was present for items 1 thru 10 only.***

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