

TRUCKEE MEADOWS WATER AUTHORITY
DRAFT MINUTES OF THE JANUARY 19, 2011
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, January 19, 2011, at Sparks Council Chambers, Legislative Building, 745 Fourth Street, Sparks, Nevada. Chairman Carrigan called the meeting to order at 10:03 a.m.

1. ROLL CALL

Members Present: Dave Aiazzi*, John Breternitz, Mike Carrigan, Bob Cashell, Mike Cate, Bob Larkin and Geno Martini. A quorum was present.

2. PLEDGE OF ALLEGIANCE

Led by Member Larkin.

3. APPROVAL OF THE AGENDA

**Upon motion by Member Martini, second by Member Cashell,
which motion duly carried by unanimous consent of the
members present, the Board approved the agenda.**

4. PUBLIC COMMENT

Janet Phillips, President of Tahoe-Pyramid Bikeway, thanked the Board for entering into an agreement in 2010 with the Tahoe-Pyramid Bikeway and stated they were very close to receiving a grant to perform the bridge repair. She presented each Board member with a Tahoe-Pyramid Bikeway T-shirt as a token of appreciation.

Member Aiazzi arrived at 10:07 a.m.

5. APPROVAL OF THE DECEMBER 15, 2010 MINUTES

**Upon motion by Member Cashell, second by Member Martini,
which motion duly carried by unanimous consent, the Board
approved the December 15, 2010 minutes.**

6. COMMENDATION FOR VERTEX EMPLOYEE PAULA ONSTOTT FOR
CUSTOMER SERVICE

Kim Mazeres introduced Vertex employees Tom Morgan, National Account Manager, Becky Thurman, Call Center Manager, and Paula Onstott, Collections Representative. TMWA contracts with Vertex to manage its call center, billing, collections, remittance and dispatch functions. Ms. Mazeres related the story of how Ms. Onstott was able, from Nebraska and on her own time, to help a TMWA customer stay in his home and receive appropriate medical care. She read the *Vertex Out Perform Award* nomination which concludes with “We truly believe that had not Paula taken it upon herself to find an agency in Reno that would assist our customer, he

would be homeless and not receiving the care and attention his medical condition needs. Paula went above and beyond for this customer and potentially changed his life and gave him hope for a better future.” Chairman Carrigan presented Ms. Onstott with TMWA’s *Above and Beyond award*, a gift certificate and the Board’s congratulations.

7. PUBLIC HEARING: SECOND READING AND REQUEST FOR BOARD ADOPTION OF RESOLUTION NO. 169 AMENDING TMWA’S RULE 5 TO CLARIFY APPLICABILITY OF SCHEDULE WATER SYSTEM FACILITIES CHARGES (WSF) REFUNDS AND CHARGES

John Erwin presented the second reading of the revisions to Rule 5 which clarifies the applicability of Schedule Water System Facility Charges refunds and charges. He said staff is recommending the board adopt Resolution 169 to revise Rule 5 pursuant to the revisions presented in the attached guidelines. Mr. Erwin said that at this time, staff has not received any public comment, written or otherwise. Chairman Carrigan asked anyone in the public for any public comment or any questions on this issue. There were no comments. He closed the public hearing and called for Board comment.

Upon motion by Member Cashell, second by Member Martini, which motion duly carried by unanimous consent, the Board adopted Resolution 169 approving the amendment to TMWA’s Rule 5 to clarify applicability of Schedule Water System Facilities Charges (WSF) refunds and charges.

8. REQUEST FOR BOARD APPROVAL OF RESOLUTION NO. 170 AMENDING AND SUPPLEMENTING THE 2006 COMMERCIAL PAPER RESOLUTION RELATING TO TMWA’S WATER REVENUE COMMERCIAL PAPER NOTES, SERIES 2006A AND SERIES 2006B TO ALLOW SUCH NOTES TO BE ISSUED FOR REFUNDING PURPOSES

Jeff Tissier presented this item to the Board, stating staff recommends the Board adopt an amended resolution authorizing the issuance of TMWA’s Water Revenue Commercial Paper Notes Series 2006A and Series 2006B to allow such notes to be issued for refunding (refinancing) purposes. The purpose of the amendment is to allow for the refunding of the 2012 maturity of the 2001-A acquisition bonds and potentially save approximately \$400,000 during fiscal year 2012 on interest expenses and to also permit these types of activities in the future. Chairman Carrigan called for questions. There were no questions.

Upon motion by Member Larkin, second by Member Martini, which motion carried by unanimous consent, the Board adopted Resolution No. 170 amending and supplementing the 2006 Commercial Paper Resolution relating to TMWA’s water revenue commercial paper notes, series 2006a and series 2006b to allow such notes to be issued for refunding purposes

9. REQUEST FOR BOARD DIRECTION TO ESTABLISH A LEGISLATIVE SUBCOMMITTEE AND ESTABLISH THE PROCESS TO REVIEW LEGISLATIVE

ACTIVITIES

Mr. Erwin referred to the staff report which outlined the process used during the legislative session in 2009. He stated the Board established a subcommittee consisting of the Chairman and Vice Chairman. That subcommittee met with the Western Regional Water Commission subcommittee so that topics could be discussed at that time. Mr. Erwin introduced Steve Walker, TMWA lobbyist, stating that Mr. Walker and Mike Pagni, TMWA Legal Counsel, were present to answer any questions. Staff's recommendation is to reestablish the subcommittee and calendar those meetings. Meetings will be canceled when no action is required for the week. Chairman Carrigan called for discussion restating that the Subcommittee would consist of the Chairman and Vice Chairman and meetings would be held on Fridays at 3 p.m. at TMWA. Mr. Erwin said that was correct and on the week that the WRWC meets, the meetings would be held in a conference at Sparks City Hall.

Upon motion by Member Martini, second by Member Larkin, which motion carried by unanimous consent, the Board established a legislative subcommittee and established the process to review legislative activities.

10. REQUEST FOR GENERAL MANAGER AUTHORIZATION TO IMPLEMENT A VOLUNTARY WORKFORCE REDUCTION PROGRAM

Mark Foree presented this item. He stated that since TMWA's inception in 2001, with the board's direction and guidance, staff has very carefully managed TMWA's finances and over the last few years during the economic downturn has made a very concerted effort to cut costs in the organization. He commended staff for being extremely diligent over the past few years in cutting operating expenses, stating that FY2010 results showed spending was reduced by \$3.6 million dollars or 9.1% compared to the prior year's spending, which puts current spending at the FY2007 level. Staffing has always been conservative as the organization was staffed for only a moderate level of economic activity and up until a few years ago, contractors and consultants were used to get through the peak work periods. Now, however, there isn't anything resembling moderate economic activity in the region and over the last two years, staffing has been reduced by 6% or 11 positions through attrition, leaving staffing a little below FY2007 staffing levels. Unfortunately, revenue is at FY2006 revenue levels because of significantly reduced demands over the last several years due in part to the large number of vacant homes and businesses in the area. And in CY2010, net water production was 69,100 acre feet which is a level that has not been seen since 1998.

Mr. Foree stated these are the reasons for the request for Board authorization to expend funds to develop and implement a voluntary workforce reduction program to take effect July 1, 2011. With this program, it is estimated that an 8 to 12% reduction in workforce can be achieved at a savings between \$1 and \$1.5 million annually. Chairman Carrigan called for questions.

Member Breternitz asked what the reduction would do to ongoing maintenance of the system and service to the customers. Mr. Foree said that this program will focus on areas related to growth, basically anything related to new business, but the core business of operating and maintaining

the system would remain intact. He said “It is also just a fact of life now that you need to do the same amount of work with less people, so we realize that too, and it will be a challenge for us but we feel that we can meet that challenge.” Chairman Carrigan asked the initial outlay is what to save what? Mr. Foree reiterated that the request is for \$850,000 and savings are expected of between \$1 and 1.5 million dollars annually. Chairman Carrigan asked Mr. Foree to clarify that FY2012 would be revenue neutral and then after that, the savings would be realized. Mr. Foree agreed this was correct.

Upon motion by Member Cashell, second by Member Larkin, which motion carried by unanimous consent, the Board authorized the general manager to develop and implement a Voluntary Workforce Reduction Program.

11. GENERAL MANAGER’S REPORT

Mr. Foree stated that although there was a really good start to the snowpack season, with nothing in the way of precipitation for January, snowpack is 155% of normal for this time of year in the Truckee River Basin and 170% of normal in the Tahoe Basin.

Mr. Foree said that the recently completed Mogul Bypass Project also expanded the capacity of the Highland Canal. We had estimated that with the completed project \$400,000 in electrical pumping costs would be saved annually, but in the past 8 months alone, \$775,000 has been saved compared to the prior years, which is huge for TMWA. Gravity is a great thing!

12. PUBLIC COMMENT

There was no public comment.

13. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Vice Chairman Aiazzi reported that at the Flood Control Meeting on Friday, January 14, 2011, our general counsel made some comments about what should be put in that JPA regarding TROA and upstream reservoir storage. These comments were incorporated and Flood Project personnel were going to work with Mike Pagni on the actual language. The JPA will be presented at the next City Council and County Commission meetings for approval.

14. ADJOURNMENT

With no further business to discuss, Chairman Carrigan adjourned the meeting at 10:27 a.m.

Approved by the TMWA Board of Directors in session on _____.

Respectfully submitted,

Corinne Cassell, Recording Secretary

*Member Aiazzi present for items 5 through 14 only.

DRAFT