

TRUCKEE MEADOWS WATER AUTHORITY
DRAFT MINUTES OF THE SEPTEMBER 16, 2015
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, September 16, 2015, at Sparks Council Chambers, 745 4th Street, Sparks, Nevada. Chair Martini called the meeting to order at 10:00 a.m.

1. ROLL CALL

Members Present: Jenny Brekhus, Naomi Duerr, Neoma Jardon, Vaughn Hartung, Jeanne Herman, and Geno Martini.

Member Absent: and Ron Smith

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Herman.

**Member Hartung arrived at 10:01 a.m.*

3. PUBLIC COMMENT

Sandra Chinna, Reno resident, asked the Board to delay converting her from flat-rate to metered billing. See attachment.

4. APPROVAL OF THE AGENDA

Upon motion by Member Hartung, second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board approved the agenda.

5. APPROVAL OF THE AUGUST 19, 2015 MINUTES

Upon motion by Member Hartung, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the August 19, 2015 minutes.

***Member Duerr arrived at 10:05 a.m.*

6. REQUEST FOR BOARD APPROVAL OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF RENO, WASHOE COUNTY AND TMWA FOR THE FUNDING, CONSTRUCTION AND LONG-TERM MAINTENANCE OF DRAINAGE IMPROVEMENTS IN THE MESA PARK AREA OF NORTHWEST RENO

Juan Esparza, TMWA Principal Engineer, provided an overview of the Interlocal Agreement (ILA) associated with the construction and long-term maintenance of the Highland Canal to improve storm drainage in the Mesa Park area.

Member Hartung inquired about the budget for the project and cost to TMWA. Mark Foree, TMWA General Manager, replied if the bids received are greater than the estimate, staff may need to present a budget augmentation. Mr. Foree also noted if the project does not begin soon the grant funding will need to be returned.

Member Brekhus inquired about TMWA funds being used for stormwater purposes. Michael Pagni, TMWA Legal Counsel, replied that the cooperative agreement prohibits TMWA from owning or operating sewer systems, but TMWA can fund a portion of a sewer project owned by other entities where such project facilitates improved operations of TMWA's water system. This ILA presents the framework for TMWA to do just that. Mr. Pagni added the Highland Canal is owned and operated by TMWA as a raw water supply canal and the project in question is to prevent stormwater from entering the canal.

Member Duerr congratulated TMWA on addressing the issue and advancing the project.

Upon motion by Member Hartung, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the Interlocal Agreement between the City of Reno, Washoe County and TMWA for the funding, construction and long-term maintenance of drainage improvements in the Mesa Park area of northwest Reno.

7. REPORT ON THE CITY OF RENO CLIMATE ACTION INITIATIVE

Scott Gilles, City of Reno, stated the City of Reno Climate Change Initiative (CAI) is a working group of six private citizens. The CAI is examining alternative methods in which the City of Reno can adapt to climate change. The report will be presented to the City of Reno Manager on November 6, 2015.

Member Brekhus remarked it is appropriate to have the CAI considering alternative methods at the time the City is updating their Master Plan and recommendations will be included.

Chair Martini asked why TMWA had not been included. Member Brekhus replied that it is in the preliminary stages of gathering information which will be used to update the City of Reno Master Plan.

Member Jardon asked Mr. Gilles to confirm the context of the report and the meeting date to the City of Reno Council. Mr. Gilles replied he will confirm and notify local entities. Chair Martini added that it is

in the spirit of regional cooperation to notify other governmental entities of reports of this type. Member Jardon added that it may be because it is in its early stages.

Member Duerr is looking forward to the partnership.

Member Hartung stated he supports the program.

8. REPORT AND DISCUSSION REGARDING TMWA STAFF'S WORK WITH AGENCY STAFFS REGARDING LANDSCAPE ORDINANCES AND DISCUSSION OF NRS 116.330

Laine Christman, TMWA Resource Economist, provided a brief overview of the status of reviewing current ordinances. On September 10th, Mr. Christman stated he and Andy Gebhardt, TMWA Customer Service Manager, met with local planners and other representatives from governmental entities. They discussed the details of recommendations and addressed concerns and requirements regarding landscape ordinances.

Member Hartung asked what was the overall consensus regarding current policies and codes in terms of required landscape. Mr. Christman replied the biggest consensus is the limitations and restrictions on turf. Preliminary findings suggest everyone is in agreement in setting a maximum, as opposed to a minimum, limit on turf in front yards and a maximum on hardscape.

Mr. Pagni discussed NRS 116.330 and that the statute specifically provides HOA's cannot unreasonably withhold approval and would likely apply to CC&R's adopted prior to 2005.

Member Brekhus welcomed the discussion by TMWA about growth and development regulations the Cities adopt as the drought continues. She stressed the biggest issue with outside water consumption is the lot size and would like to see discussion about land use decisions involving greater water consumption of outdoor landscaping.

Chair Martini inquired why Member Brekhus would like for the TMWA Board to get involved in land use planning. Member Brekhus replied she would like to see the outcome of any changes to the HOA turf mandates because there may be some correlation between lot size and outdoor water use and asked if TMWA had any evidence indicating a correlation. Mr. Foree replied that residential lot size and dedication requirements are the basis of Rule 7.

Member Duerr added she has extended an invitation to the HOA's to be part of her Neighborhood Advisory Board so representatives can provide input. She is concerned with the median strips and common area landscapes.

Member Hartung agreed, but the issue is in the development agreement and they -- the Cities of Reno and Sparks and Washoe County -- can affect change.

Member Jardon asked if there is an HOA association to engage HOA board members and presidents for their input. Mr. Pagni replied all common interest communities are regulated by the Nevada Real Estate Division and Ombudsman Office. She added it would be practical to invite representatives from the Real Estate Association at the next Board meeting.

Member Hartung asked if staff had contacted the Real Estate Association so they can relay information to the respective HOA's. Mr. Christman replied they have not at this time.

9. DRI PRESENTATION ON 2015 WEATHER

John Erwin, TWMA Director of Natural Resources, introduced David Simeral, Desert Research Institute (DRI) Associate Research Meteorologist. Mr. Simeral reported on the wet conditions experienced in June and the mediocre impact on overall drought conditions due to the record heat and increased evapotranspiration rates. He also discussed the current climate, drought status and weather patterns in 2015. The region is currently experiencing the warmest period on record since 1895. The findings suggest there is a 95 percent chance El Niño conditions will persist through the winter; however, there is no guarantee that it will be a wet winter.

Member Duerr confirmed the region can experience high-water years and La Niña or low-water years and El Niño. Mr. Simeral replied yes, there is no clear trend.

Member Hartung suggested this information would be important to share with Congressman Amodei. Mr. Simeral replied they have had a briefing with Congressman Amodei.

Member Jardon asked if El Niño will continue into the winter, when did it begin. Mr. Simeral replied it began developing in the spring and warming across the pacific.

Member Duerr requested if Mr. Simeral can share a synthesized report to the Board on occasion to assist them in policy making and relaying the message to the public. Mr. Simeral replied this would fall under the purview of the Western Regional Climate Center which is hosted by DRI, but he could provide a briefing annually.

Discussion followed regarding alternative solutions to managing, capturing and storing water, especially stormwater and grey water within the legal boundaries.

10. WATER SUPPLY UPDATE, AND PRESENTATION AND DISCUSSION OF TROA OPERATIONS DURING DROUGHT PERIOD

John Erwin, TMWA Director of Natural Resources, reported the draft 2016-2035 Water Resource Plan will be delivered to board members by October 1, 2015 in preparation for the October 21 TMWA Strategic Planning Workshop.

Discussion ensued in response to TMWA's process for including public input and drafting the water resource plan (WRP).

With the implementation of the Truckee River Operating Agreement (TROA) imminent, Bill Hauck, TMWA Hydrologist, reported on 5-year water supply projections under TROA and non-TROA operations. For purposes of those projections, Mr. Hauck said TMWA assumed that the record drought conditions experienced in 2015, which have a probability of occurring only once every 3,000 years, would be repeated each year over the next five years. TMWA also assumed starting conditions based on

the current meteorologic drought which started in 2012. Under TROA operations, the projected upstream drought reserve storage is *more than adequate* to meet customer demand with repetitive 2015 hydrology. This is great news for TMWA's customers. Under non-TROA operations, the projected upstream drought reserves are adequate for another two years under the same conditions and by the end of the 5-year projection water levels at Lake Tahoe would be 8-feet below the rim. Mr. Hauck proceeded to explain the difference between TROA and non-TROA operations and brought to the attention of the Board that TMWA will be able to double its water storage to 46,000 acre feet (AF) with TROA operations.

Members Hartung noted everyone should plan for, and expect, the worst case scenario, drought measures should be put in place regardless of a wet year, and staff should continue with the drought messaging. Mr. Hauck replied staff continues to work together on drought communication.

Member Jardon agreed with Member Hartung, and stated she had a discussion with Mr. Foree regarding this which is addressed in the next agenda item. It is their obligation to get customers in the habit of keeping drought issues front of mind.

Member Duerr asked for clarification on TROA operations regarding future water storage – specifically, will TMWA be able to store more water. Mr. Hauck replied with TROA operations, even with an additional 5-year projection of the worst precipitation year on record we would be able to continue storing *more* water every year.

Mr. Foree assured the Board Members that implementation of TROA is imminent. The non-TROA water supply situation is irrelevant except to highlight how important and how big of a game changer TROA is for this region.

Member Brekhus asked if changing weather conditions and snowpack drought would impact water levels in the reservoirs as well as whether it was taken into consideration in the 2015 model. Mr. Hauck responded that the next 5-years assume current operating guidelines. Mr. Erwin added it included 2015 hydrology, which is the lowest snowpack of record, and was repeated in the five-year projection.

Member Jardon inquired if the outstanding lawsuit would delay the implementation of TROA and if it would impact water storage capabilities. Mr. Foree replied they anticipate escrow on the sale of the 2,750 AF will close at the end of this month which then allows filing for dismissal of final, pending lawsuit. With respect to water storage, Mr. Erwin replied there is plenty of storage space in the reservoirs as there will not be any releases this year because the reservoirs are already at or below flood storage levels.

Mr. Foree returned to the discussion of the WRP process. He explained that the existing WRP is updated with current data, the draft WRP is presented to the TMWA Standing Advisory Committee (SAC) and the TMWA Board of Directors for feedback, and it is then presented at public workshops for public comment/input. The public workshops are scheduled for November 2015. The suggestions will then be included in the final plan and presented to the Board for approval. Mr. Erwin recommended that they wait until early 2016 to see what the 2015/16 snow season yields before making a formal change to the planning criteria or adoption of the plan.

Chair Martini cautioned everyone not to overreact now, even though they are experiencing extraordinary circumstances, and supported the fact staff continue the conservation messaging at a time when it is relevant and the public is listening. He stressed the process works every year; staff has effective mechanisms in place and provides information to the public when appropriate. He asked if staff does this every year regardless of whether it is a wet or dry year. Mr. Erwin replied yes.

Mr. Erwin reported that prior water utility staff at Sierra Pacific considered climate change in the 1970s when the drought occurred in 1976. At that time they began reviewing the communities' long-term drought supply plan which resulted in the Negotiated River Settlement ultimately leading to TROA.

Member Jardon stated how the public expects action and wants to see TMWA make policy decision so they can implement promptly. Mr. Foree replied the Drought Plan, in the update to the WRP, details the tools available to make an informed choice in the spring at which time the Board can make a decision.

Mr. Erwin assured the Board that staff continues to monitor and evaluate conditions as they have always done, and in the November-December timeframe they lay out the foundation so that if conditions change one way or another they return to the Board. Staff anticipates this, at which time certain tactics laid out in the Drought Plan are recommended. It is very similar to what occurred early this year when staff presented the Drought Communication Plan in March for their approval.

Member Jardon confirmed staff is building criteria based on information so they can act expeditiously, and they have done everything they can in anticipation of the irrigation season. The October Strategic Planning Workshop is the Board's opportunity to vet out these proposals.

Chair Martini pointed out the Board could always call a special meeting if necessary.

At this point there was further discussion regarding TMWA implementing a more robust planning process whereby the public is presented with the current WRP and given more time for their feedback and input at an earlier stage in the process. This would be to ensure capitalization on current public interest which will guarantee a plan which has been vetted by all parties who will be affected and be tasked to implement the measures.

Member Hartung stated part of policy is to acknowledge we live in a desert. Customers need to change their practices, as there are certainties of natural events occurring and they need to start acting as such.

Mr. Hauck concluded with the water supply update. The average savings to date, from May to the middle of September, was 12 percent or 4,950 AF.

11. UPDATE ON TMWA CONSERVATION INITIATIVES, DISCUSSION AND POSSIBLE DIRECTION TO STAFF

Kim Mazeres, TMWA Director of Communication Relations, provided an overview of all the conservation initiatives staff has implemented. This year's conservation initiatives and communications tactics, approved in March 2015, were based on the Board adopted WRP. Customers have exceeded the goals through this summer irrigation season. Ms. Mazeres referred to the chapter in the WRP of conservation initiatives, which includes an appendix on every conservation initiative staff can utilize.

Member Jardon appreciated staff putting this on the agenda with little notice. Her interest is per TMWA's rules watering hour restrictions ended on Labor Day. She believes this is a great time to discuss a potential extension or modification of this rule to October so they may have the ability to change or extend the restrictions on watering hours if it is necessary. Ms. Mazeres pointed out the restrictions applied to the watering hours, not the assigned watering days. The conservation messaging and advertisements will continue through October.

Member Jardon stated HOA's have certain restrictions, but are receptive to leniencies. Ms. Mazeres replied they have sent letters to HOA's requesting they do not fine or penalize their residents if their lawns turn brown due to conservation efforts and they can continue doing so in future years if needed.

Member Duerr mentioned the October 1 implementation date for the flat-rate implementation, inquired when the metered-rate would start, and what staff has done to prepare these customers. Ms. Mazeres replied the October bill customers will receive will reflect the metered rate and staff has provided messages on these customers September and October bills.

Member Duerr said the Board should be congratulated for taking action to implement the metered rate at such an opportune time.

No action taken.

12. GENERAL MANAGER'S REPORT

Mr. Foree mentioned at the next Board meeting they will be reviewing TMWA FY15 Goals & Objectives results as well as the General Manager Goals & Objectives results. He referred to the TMWA FY15 Goals & Objectives and the General Manager's Performance Objectives that were adopted by the Board last year, both included in the General Manager's report, and requested Board Members to provide their recommendations or suggestions regarding possible FY2016 Goals and Objectives by October 7th so that they may be incorporated into the staff reports for those items of the Strategic Planning Workshop.

Mr. Foree announced TMWA staff has been working to finalize a fire hydrant maintenance agreement with City of Reno staff which is being modeled after the City of Sparks Fire Hydrant Maintenance Agreement. Once the draft agreement is finalized, it will be brought before the Board for approval along with an augmented budget request because TMWA will need additional vehicles, equipment and staff to perform this work.

Member Brekhus inquired about the assistance TMWA provided to the water utility in Verdi, if there is a policy in place and the nature of the relationships with neighboring water utilities. Mr. Foree replied TMWA provided mutual aid (technical assistance and some equipment) related to the emergency at the River Bell Mobile Home Park in Verdi.

13. PUBLIC COMMENT

There was no public comment.

14. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Jardon asked if they were agendaized at the October Board meeting to add conservation items. Mr. Erwin replied yes.

Member Duerr requested the Board receive a draft agenda prior to the October Strategic Planning Workshop. She asked what they would expect on the agenda. Mr. Foree replied they have a presentation on customer satisfaction, the WRP, FY15 Goals & Objectives results, and the General Manager's performance review at which time the Board provides input for goal setting for FY2016.

Member Brekhus remarked she attended the Chalk Bluff Water Treatment plant tour and found it very informative.

15. ADJOURNMENT

With no further discussion, Chair Martini adjourned the meeting at 12:14 p.m.

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

Sonia Folsom, Recording Secretary

**Member Hartung was present for agenda items 2 thru 15 only.*

*** Member Duerr was present for agenda items 5 thru 15 only.*