



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: John Enloe, Operational Strategies Manager
DATE: January 12, 2016
SUBJECT: **Informational report on the operation of the Fish Springs Ranch/North Valleys Water Importation Project (“Vidler”)**

BACKGROUND

At the November 2015 Board meeting, a request was made to update the Board on the status of the operation of the Fish Springs Ranch/North Valleys Water Importation Project (NVIP). The following information is a brief update on the operations of the NVIP since the merger.

DISCUSSION

Under the terms of the Banking Agreement with Fish Springs Ranch, LLC, TMWA is authorized to use the Dedicated Water Rights for “its general temporary purposes, including groundwater recharge or conjunctive use management” until the water is otherwise committed for service. To date, virtually no water rights from the NVIP have been committed for service in the North Valleys. At present, however, there are a substantial number of new projects in Stead/Lemmon Valley and Cold Springs which have expressed strong interest in obtaining water supply from the NVIP. These projects include: Heinz Ranch, Taintown and White Lake Vistas in the Cold Springs area; NVIG, Silver Hills and The Lakes at Lemmon Valley within Stead/Lemmon Valley; and a project referred to as Evans Ranch, which encompasses an area in both Cold Springs and Stead/Lemmon Valley.

8,000 acre feet of will serve commitments can be made against the NVIP, with a potential to increase the water supply in the future by an additional 5,000 acre feet, subject to favorable water level and water quality monitoring data, and obtaining all necessary permits. The amount of Water Rights Credits required to support a will serve commitment shall be calculated in accordance with TMWA Rule 7.

Subsequent to the merger of the Washoe County water systems into TMWA, staff has operated the NVIP water supply facilities for drought mitigation and conjunctive use purposes. During 2015, over 957 acre feet of groundwater was supplied from the NVIP to the North Valleys. A portion of the water was supplied to the former Washoe County system in Lemmon Valley rather than pumping existing local area wells. This operation provided East Lemmon Valley with “passive recharge” benefits amounting to 366 acre feet compared to 2014 pumping amounts. The balance of the water, approximately 591 acre feet, was supplied to the existing TMWA system in Stead through a connection referred to as the Bravo Intertie. A majority of this NVIP

water supply to existing customers in Stead offset water that would have otherwise been supplied from the Truckee River.

At present, the North Valleys Integration Project, a \$12.5 million, 24-inch diameter pipeline project is under construction along Lemmon Drive. This project, once completed in June 2016, will give TMWA the ability to deliver the full 8,000 acre foot NVIP water supply to the North Valleys. In addition, it provides a substantial non-Truckee River water resource to the region in the event of ongoing drought conditions. A low interest rate SRF loan was obtained to fund the project; costs will be recovered primarily from WSF fees paid by new development with a small portion benefitting existing customers.