

TRUCKEE MEADOWS WATER AUTHORITY
DRAFT MINUTES OF THE APRIL 20, 2016
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, April 20, 2016, 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, Vaughn Hartung*, Jeanne Herman, Geno Martini, and Ron Smith.

Members Absent: Neoma Jardon

A quorum was present.

**Member Hartung left at 12:17 p.m.*

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Andy Gebhardt, TMWA Director of Customer Relations.

3. PUBLIC COMMENT

Charles Albright, Reno resident and kayaker, addressed the Board regarding the Glendale Water Treatment Plant's diversion. Mr. Albright submitted a written statement and a petition signed by over 250 local residents (*see Attachments A and B*) requesting TMWA address the safety issues around the intake structure. John Enloe, TMWA Director of Natural Resources, reminded the Board, and public, of the lengthy and detailed public-input process that took place to modify the design of the intake structure to accommodate these concerns. He offered to schedule a meeting with Mr. Albright.

Maureen Collins, President Old Washoe Estates Homeowners Association (HOA), spoke on agenda item #11. Ms. Collins appealed to the Board to honor an agreement entered into with Washoe County in 1986 (*see Attachment C*).

4. APPROVAL OF THE AGENDA

Chair Martini informed the Board a closed door legal session will be held after agenda item #15.

Upon motion by Member Duerr, second by Member Smith, which motion duly carried by unanimous consent of the members present, the Board approved the agenda including a closed door legal session to be held after agenda item #15.

5. APPROVAL OF THE MINUTES OF THE MARCH 16, 2016 MINUTES

Upon motion by Member Brekhus, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved the March 16, 2016 minutes.

6. PRESENTATION ON RESULTS OF TMWA'S 2016 REFUNDING BOND ISSUE

Jeff Tissier, TMWA Chief Financial Officer (outgoing), announced the 2016 Refunding Bond issue was extremely successful. Mr. Tissier introduced John Sheldon and Tom Wynn, from Morgan Stanley who was the senior lead book runner on the refunding, and Brian Thomas with Public Financial Management, TMWA's Financial Advisor. The success of the refunding was in large part due to a number of very positive recent events, including the success of the merger, implementation of TROA, the acquisition of Truckee-Carson Irrigation District's (TCID) interest in Donner Lake, and the integration of the North Valleys project. Moody's kept our rating at AA and S&P upgraded us from AA- to AA stable. With a negotiated sale, TMWA refunded \$147.6 million in bonds and replaced them with \$124.8 million, an immediate reduction in outstanding principal of \$22.8 million, and achieved \$15 million in savings in today's dollars (net present value savings). Also, we successfully deferred \$39.1 million in principal payments in fiscal years 2017, 2018, and 2019 to fiscal years 2035, 2036, and 2037. These significant savings and low interest rates have given us the flexibility we need in order to not require a rate increase at this time. Rather, we will evaluate our position at the end of the 2016 irrigation season and see if some of our water sales revenues rebound to some degree after our call for conservation in 2015. He thanked TMWA and its customers for a great result.

Chair Martini asked Mr. Tissier to clarify the ratio of orders received. Mr. Tissier replied we had \$5.6 dollars of interested orders for every \$1 dollar of bonds available for sale. Chair Martini noted it speaks volumes to how we are viewed in the market place. Mr. Tissier agreed, and stated the competitive bidding also provides a positive independent view of this organization. Mr. Sheldon and Mr. Wynn confirmed that assessment.

Member Smith agreed the savings is amazing. Mr. Tissier added this opened up cash flow, relieving the financial pressure; otherwise it would have accelerated the need for a discussion on a rate increase.

Members of the Board congratulated Mr. Tissier on a successful bond refunding, his financial expertise and foresight to achieve such savings.

Discussion ensued regarding interest rates, debt coverage, and S&P's report regarding rate flexibility and higher debt levels. Mr. Tissier confirmed the interest rates are positive domestically, but negative overseas. For a utility to enjoy an AA status, the senior lien debt coverage ratio would have to be about 2.0x, but since we have been very successful in holding onto unrestricted cash during the recession, which then was enhanced because of the merger, we have the benefit of AA credit without having such a large senior lien debt coverage ratio. He also confirmed we are probably one of the more leveraged utilities in the nation due to the original purchase.

Member Duerr brought up the issue of increasing our debt coverage ratio and was pleased this was being considered during the transition. Mr. Tissier agreed it has to be reevaluated because the original policy was created in 2003 when TMWA was a standalone agency, and stated there is a need to revisit reserve levels and debt service coverage on a consolidated basis. TMWA's drought management practices were well received by the credit rating agencies and they were amazed by the resiliency of this organization.

Member Hartung expressed to Mr. Tissier - he will be missed and it is very impressive on how well he kept TMWA's finances in order. Mr. Tissier appreciated the praise, but stated a lot of the appreciation should go to the staff and the Board; without their support, this refunding could not have been realized.

Mark Foree, TMWA General Manager, thanked Mr. Tissier for his years of dedicated work and professional expertise which guided TMWA through the recession. His conservative financial management to not rely on developer fees for debt service has ensured our financial stability. Mr. Tissier is truly one of our community's unsung heroes.

7. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, reported positive snowpack levels. Mr. Hauck noted the snowpack levels in the Truckee River and Tahoe Basins ended the season at 102 percent and 100 percent respectively. Lake Tahoe has reached its natural rim and is expected to continue to rise with the snowmelt. He anticipates river flows will continue through September. Currently, there is about 30,500 acre feet (AF) of water storage in upstream reservoirs, which is expected to increase to 44,000 AF this year. TMWA's upstream storage, before the Truckee River Operating Agreement (TROA) was implemented, was 27,000 AF. As such, TMWA does not anticipate having to release any upstream storage reserves this summer.

Chair Martini remarked the news is very reassuring and it is good to see river flows through September.

Member Hartung inquired if Lake Tahoe will have one foot of storage after the releases. Mr. Hauck replied, no because Floriston Rates, the required rate of flow, still have to be met, which is 500 cubic feet per second (cfs) and this rule still applies under TROA, so the lake is expected to again drop below its rim in the fall.

Member Brekhus inquired what TMWA's underground storage is, how much is being pumped and if it could be included on future water supply updates, because this past year is the most we have ever pumped, and if we will pump less this year. Mr. Foree replied that we are not pumping more than ever; our predecessor, Sierra Pacific, had years where they pumped more than what TMWA pumped last year. Mr. Hauck replied that he can include underground storage information in future water supply updates, and that this year we anticipate pumping less than half of what was pumped last year.

8. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 239: A RESOLUTION TO APPROVE A GRANT PROPOSAL WITH THE BUREAU OF RECLAMATION WITH RESPECT TO THE MUNICIPAL WELL AQUIFER STORAGE AND RECOVERY RETROFIT PROJECT FOR DROUGHT RESILIENCY

Laine Christman, TMWA Resource Economist, presented the Bureau of Reclamation (BOR) grant proposal for federal funding for its WaterSMART Drought Resiliency funding opportunity for FY 2016, to equip three wells in Spanish Springs Valley with aquifer storage and recovery (ASR) capabilities. The grant request is for approximately \$790,000 of which TMWA will be responsible for 62 percent and the grant will cover the remaining 38 percent. Benefits include being more drought resilient in the Spanish Springs area, providing flexibility through our infrastructure overall, and addressing water quality issues in the west side area of the valley in Spanish Springs.

Member Brekhus inquired what types of wells are in this area, are there water lines in the area for distribution, how this will be paid for, clarified if water lines are in place from the Truckee River and if this is to address growth. Christian Kropf, TMWA Senior Hydrogeologist, replied they are production wells which TMWA obtained from Washoe County (the County) as part of the merger. They will be retrofitted for ASR capabilities, and will continue as production wells in the summer and recharge wells in the winter. Mr. Foree replied the ASR program is detailed in the 2016-2035 Water Resource Plan (2035WRP) and will be paid for with unrestricted cash to expand recharge capability; he also confirmed treated Truckee River water is being injected into the ground. The infrastructure for recharge is in place as TMWA has been connected to the County for a long time in numerous areas and we wholesaled water to the County prior to the merger. He added this is not connected to growth, rather a prudent water resource management program, as it was extensively addressed in the 2035WRP, and TMWA was able to recharge more last year than ever before.

Member Duerr noted it has been budgeted to rehabilitate the wells and this grant allows for staff to do ASR. She asked about the details of the BOR WaterSMART program and the allocation of the budget. Mr. Christman replied due to the drought, Congress has been giving money to the BOR aimed to help water utilities improve their supply, promote conjunctive use, and be more drought resilient. He added typically the budget is a fifty-fifty share of costs, but in this case, it makes us more competitive.

Member Hartung said it is a great program and, being a resident of Spanish Springs for many years, they rely heavily on groundwater. Since the merger, TMWA provides water to this community, who are now TMWA ratepayers and not an outside group. He noted growth is occurring in Spanish Springs which is paying for water rights; as such it is essential for us to ensure these wells remain stable, and added TMWA is not in a position to dictate growth. He thanked Mr. Christman and staff for the foresight to apply for these grants and address issues in Spanish Springs.

Upon motion by Member Hartung, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 239: A resolution to approve a grant proposal with the Bureau of Reclamation with respect to the Municipal Well Aquifer Storage and Recovery Retrofit Project for Drought Resiliency.

9. PRESENTATION ON THE 2015 SUMMER DROUGHT CAMPAIGN SURVEY RESULTS

Mr. Christman presented the survey results. The survey was designed to determine how customers responded to TMWA's request to reduce water use by at least 10 percent. TMWA collaborated with the University of Nevada, Reno to design and implement the online survey which measured the effectiveness of TMWA's water conservation messaging and studied how customers responded. The findings of the survey were customers reduced their water use through reducing irrigation times, changing landscape and other means; they do not plan on returning to their prior water use.

Member Hartung recognized TMWA's methodology which showed great leadership, and staff did great work, by positively reinforcing the community's efforts. He stressed the messaging should persist to save water regardless of drought or growth, because it is a precious resource. Mr. Christman agreed – customers want to protect the resource and environment.

Chair Martini added it is always good to save water and the reasons do not matter.

Member Duerr asked if there was feedback to change the messaging. Mr. Christman replied no – Customer Service did a great job fielding calls and answering questions.

Member Brekhus remarked on the conflict between water saved and the negative impact to revenue. She stressed staff needs to be innovative and forward thinking in addressing this conflict through our messaging.

Member Duerr added we need to be cautious. The challenge is continued drought will make it harder to ask customers to follow stricter measures. Mr. Christman agreed.

10. PRESENTATION ON PROPOSED CONSERVATION, COMMUNICATIONS AND OUTREACH PLAN FOR 2016, DISCUSSION AND POSSIBLE DIRECTION TO STAFF

Andy Gebhardt, TMWA Director of Customer Relations, introduced members of the Vertex Customer Service Team, without whom TMWA would not have the great customer service it has experienced.

Mr. Gebhardt presented the proposed Conservation, Communications and Outreach Plan for 2016. He noted we had a moderate recovery water-year, and per Mr. Hauck's presentation, we will have river flows through September, which means we will not need to use upstream reserves to meet customer demands. Based on the recently approved 2016-2035 Water Resource Plan, we are in a Level 1 drought with normal conservation messaging planned for the year, which means the customer request will be to use water responsibly and we will not call for additional conservation. We are also introducing a Water Leadership Platform, based on the customer feedback and Board direction; we will be taking a leadership role, including acknowledging those entities who came before us and helped set us up with a resilient water system. He presented a dashboard graph which depicts the upstream storage levels and usage of the last 30-years. This dashboard will be put up on the TMWA website soon and will be updated frequently.

Upon motion by Member Duerr, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved the Conservation, Communications and Outreach Plan for 2016.

11. DISCUSSION AND ACTION ON REQUEST BY OLD WASHOE ESTATES HOMEOWNERS ASSOCIATION FOR EXEMPTION FROM WATER SERVICE CHARGES FOR IRRIGATION OF COMMON AREAS IN CONNECTION WITH 1986 SALE OF SYSTEM TO WASHOE COUNTY

Mr. Gebhardt reported TMWA was unaware of these three common-area irrigation services to Old Washoe Estates HOA (the “Association”), which was not revealed in discovery during the merger with the County. When TMWA started billing the Old Washoe Estates common area irrigation services, the Association expressed concern that it goes against an agreement they had with the County.

Michael Pagni, TMWA General Counsel, reported the Association provided documents explaining the arrangement, which consisted of a 1986 purchase agreement between the Association and County when the County acquired the system. Ordinance 670 was originally adopted by the County at the time of acquisition. TMWA’s obligations are driven by the merger documents, specifically those obligations highlighted in the schedule attached to the merger. Mr. Pagni stated he reviewed those schedules and there was no reference to a special billing arrangement or contractual obligation with the Association. He also reviewed the purchase agreement and saw no special arrangement, but Schedule B of that ordinance which provided that “A portion of the monthly base rate paid by residents of the Association shall be used to defray the costs associated with irrigating the common area.” This appears to be a cross-subsidization, which the TMWA Board is not in favor of, at the time of the County acquisition, and was in the original ordinance that was repealed in 1997. At the time of merger, TMWA adopted the rates in the County ordinance in effect in 2014, but there was nothing in the County ordinance that set up a special rate for the Old Washoe Estates HOA. However, the Association’s position is based on both the 1986 arrangement and comments made by TMWA during merger public workshops. In the past, the Board has taken consideration of certain circumstances and he thought it prudent to bring this to their attention and receive Board direction. He noted he does not see a legal obligation, but perhaps a policy decision for the Board.

Member Duerr asked why the County repealed the ordinance. Mr. Pagni replied he could not be certain, but when Ordinance 670 was adopted it was specific to the Association; over the years, as the county acquired other systems, they blended all the separate ordinances into one overarching ordinance and Ordinance 670 was not included.

Member Brekhus asked where Old Washoe Estates is located in the TMWA service area. Mr. Foree replied it is in the north-east end of Washoe Valley.

Public Comment

Ms. Collins reiterated when the County acquired their private water system, they retained the water rights and water wells, with the understanding that they would not be billed for the common-area irrigation (see *Attachment C*).

Allen Forbes, resident of Old Washoe Estates, has lived there for 20 years and has never had to pay for the water in the common-areas.

Chair Martini asked if there was a representative from the County present or available. Mr. Gebhardt replied no.

Member Smith asked whether when Old Washoe Estates was acquired by the County, they did not pay for the water rights but offered free water for irrigation. Ms. Collins replied yes, there was an agreement they would take over the wells, water rights and install meters to residents and not be billed for irrigation.

Member Hartung confirmed that the County had slightly increased each resident's bill to offset the common area irrigation, so the residents were not getting the water for free. Mr. Pagni replied yes, it was put onto the residents' bills. He reviewed the original Purchase Agreement, and the consideration was the County acquired the system, taking out a loan for \$100,000 to do upgrades to the system -- per Ordinance 670, Schedule B, as referenced earlier.

Member Brekhus expressed her concern for their situation, but 30-years ago it was a private water system and the County "saved" them, now TMWA is saving the County customers. She does not think it would be equitable to allow for the prior agreement to stand, rather everyone should be held to the same standards now that we are taking a regional approach.

Discussion followed with regards to the cost of the base rate and cost of irrigation per year. Mr. Pagni replied according to the County Schedule of Rates, it was monthly base rate depending on the service size and a commodity charge. Mr. Foree added the rate was for the residential services in the Association. Mr. Gebhardt confirmed the HOA has 51 houses and three common areas; the cost for irrigating the common areas is about \$4,000 per year which equals to about \$6.50 per month per household – far less than the charges under the original County agreement.

Chair Martini expressed his concerns with not following through on the agreement entered into with the County, being that we did not catch the schedule. Mr. Pagni understood the comment, but noted that the ordinance was repealed, so there was no agreement with the Association at time of the merger.

Mr. Foree pointed out there are three options to consider when deciding on how to proceed: (1) continue to provide free water; (2) change rates and assess a surcharge on the residential bills to cover costs of common area irrigation water use (the original agreement); or (3) bill the Association as TMWA does all other HOA customers for the water use.

Member Brekhus remarked we need to attempt uniformity and honor the most recent agreements, as part of the merger, otherwise we are setting a precedent for future exceptions to be made.

Member Duerr recognized Chair Martini's acknowledgment of the prior agreement, but suggested we assess the surcharge to the customers, if this option is not complicated, or to the HOA. Mr. Gebhardt replied it is complicated, but it can be done. He recommended billing the HOA which is consistent with TMWA's policy.

Member Duerr asked about the monthly customer charge paying \$38/month as a County customer or \$17/month as a TMWA customer. Ms. Collins replied it was \$17 per month and clarified for Member Brekhus, that the Old Washoe Estates started in 1979 and the County took over in 1986; it was a new community and system, not in dire straits.

Upon motion by Member Duerr, second by Member Smith, which motion duly carried by unanimous consent of the members present, the Board approved TMWA to bill the Old Washoe Estates HOA the cost for common-area irrigation based on TMWA's current rate schedule.

12. DISCUSSION AND ACTION ON THE THIRD AMENDMENT TO THE JUNE 19, 2013 CONTRACT FOR THE DELIVERY OF WATER BETWEEN TMWA AND THE RENO-SPARKS INDIAN COLONY

John Erwin, TMWA Director of Natural Resources, reported that TMWA provides water to the Reno-Sparks Indian Colony (RSIC). What is presented to the Board today is an updated schedule of properties, with associated commitments and delivery rates, which are being served within the RSIC boundary.

Upon motion by Member Hartung, second by Member Duerr, which motion duly carried by unanimous consent of the members present, the Board approved the third amendment to the June 19, 2013 contract for the delivery of water between TMWA and the Reno-Sparks Indian Colony.

13. REVIEW OF TMWA'S CURRENT AGREEMENT FOR LEGAL SERVICES WITH THE FIRM OF MCDONALD CARANO WILSON (MCW), DISCUSSION AND POSSIBLE DIRECTION TO STAFF

Mr. Foree noted at the February 5, 2016 Strategic Planning Workshop the Board had discussed the current agreement for legal services and whether a Request for Qualifications ("RFQ") process be conducted to consider alternate legal services providers in the future. Also, questions regarding how conflicts are handled and comments about the outdated agreement were mentioned. Mr. Foree presented the proposed addendum to the agreement, which included an updated agreement in terms of how conflicts are handled, current hourly charge rates, etc. He noted General Counsel provides services to the Board and operational services to staff regarding easements, real property, employment issues, construction and contract issues, etc.; they are cost effective and very efficient. TMWA staff is very happy with MCW services.

Member Duerr recognized the good work provided by Mr. Pagni and MCW, and thanked him for addressing the conflict issue in his addendum. She was pleased with the improvements he had made, particularly since his hourly rates have not increased in 15 years, another reason to review the contract every few years.

Member Hartung also remarked Mr. Pagni and his team does a very good job and sees no reason to send out an RFQ to obtain another firm who would need to be brought up to speed. Mr. Pagni works efficiently and well with the Board and staff. He motioned to continue with the MCW agreement.

Member Brekhus appreciated the addendum and agreed Mr. Pagni provides good services, but requested the Board consider looking around the region and send out an RFQ for services next year. Maybe TMWA is out of sync with not having RFQs for almost two decades.

Chair Martini suggested that may be better recommended under agenda item 19, future requests for Board agenda items.

Member Hartung expressed he has no desire to amend his motion. He stressed to do so would be spending undue staff hours and rate payer money to send out for an RFQ since we have just stated we are happy with the legal services provided; we should only do so if we are unhappy with legal services provided.

Chair Martini agreed with Member Hartung, stating the institutional knowledge Mr. Pagni and MCW has is paramount; to bring another law firm up to speed would be time consuming and expensive. He is very happy and sees no reason to send out an RFQ just to look around.

Member Smith pointed out there is no need to fix what is not broken. Mr. Pagni and MCW are the foremost experts in water in the region and there is no need to change just to change.

Upon motion by Member Hartung, second by Member Smith, which motion duly carried by unanimous consent of the members present, the Board approved continuing TMWA's agreement (with addendum) for legal services with the firm of McDonald Carano Wilson (MCW).

14. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 240: A RESOLUTION TO APPROVE FUNDING FOR THE PROJECTS RECOMMENDED BY THE TRUCKEE RIVER FUND ADVISORY COMMITTEE AND AN AUTHORIZATION FOR THE COMMUNITY FOUNDATION TO FUND SUCH PROJECTS FROM FUND PROCEEDS

John Enloe, TWMA Director of Natural Resources, reported the Truckee River Fund (TRF) advisors met on February 26 where they reviewed eight proposals, and they are recommending funding approval for six projects for a total of \$203,184. The projects for funding are:

1. **Watershed Education Initiative**
Organization: Sierra Nevada Journeys (SNJ)
Amount Recommended: \$ 33,041, **Organizational Match:** \$ 7,250 (Cash); \$ 10,440 (In-Kind)
2. **Mount Rose Noxious Weed Monitoring and Treatment #4**
Organization: Friends of Nevada Wilderness
Amount Recommended: \$ 21,002, **Organizational Match:** \$ 6,000 (Cash); \$ 8,640 (In-Kind)
3. **Truckee River Cleanup Crew – Year 2**
Organization: City of Reno
Amount Recommended: \$ 47,787, **Organizational Match:** \$ 46,187 (Cash); \$ 22,782 (In-Kind)

4. **Trout Creek Pocket Park & Restoration Initiative**
Organization: Mountain Area Preservation Foundation (MAP)
Amount Recommended: \$ 25,000, **Organizational Match:** \$168,750 (Cash); \$ 5,500 (In-Kind)
5. **Johnson Canyon Westside Restoration – Construction Implementation**
Organization: Truckee River Watershed Council (TRWC)
Amount Recommended: \$ 67,000, **Organizational Match:** \$ 79,000 (Cash); \$ 6,000 (In-Kind)
6. **Take Care – Truckee River**
Organization: Tahoe Fund on behalf of the Lake Tahoe Outreach Committee
Amount Recommended: \$ 9,354, **Organizational Match:** \$ 6,465 (In-Kind)

Mr. Enloe informed the Board, based on prior to comments, the TRF Advisory Committee met in January to clarify grant priorities in order to better decide which grants to recommend for approval. He referred to the updated TRF Grant Priorities attached to the staff report.

Member Brekhus asked if businesses looking to improve their commercial conservation methods should look to the TRF for assistance or TMWA staff. Mr. Enloe replied TMWA staff is more than capable of working with businesses to address these issues.

Member Duerr confirmed grants are reviewed for approval twice a year, inquired about the remaining funds, and asked when the next round of grant proposals will take place. Mr. Enloe replied yes, grants are reviewed twice a year, there is about \$400,000 remaining, and the next round will open in the summer for August recommendation. TMWA provides funding to the TRF every fiscal year. Mr. Foree confirmed it is in the budget for FY2017 in the amount of \$850,000.

Upon motion by Member Duerr, second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 240: A resolution to approve funding for the projects recommended by the Truckee River Fund Advisory Committee and an authorization for the Community Foundation to fund such projects from Fund proceeds.

Member Duerr inquired if the Board could receive a brief summary report on project results by the TRF to be included in future staff reports. Mr. Enloe replied each TRF advisor is responsible for overseeing and managing projects, so they report on how well the project has satisfied the criteria. A summary of this information can be included in future staff reports.

15. ONE TRUCKEE RIVER PRESENTATION

Angela Fuss, representing the One Truckee River, which is being spearheaded by Nevada Land Trust and Keep Truckee Meadows Beautiful, presented on the concerns being addressed by the One Truckee River, as it relates to TMWA and the issues along the Truckee River. Ms. Fuss detailed the collaboration and progress being made with multiple community stakeholders to address the homeless issue along the river in and around the Glendale Water Treatment Plant. Specifically, she addressed a pilot project to fund public restrooms along the river for one year to improve the area and water quality.

Members of the Board discussed how best to support the One Truckee River and participate in the pilot program in order to address the water quality issue along this section of the river and whether to reach out to the ratepayers to ask for donations to the TRF. Mr. Foree replied the funding can be provided through the TRF or through Board direction to TMWA to provide funding directly.

Chair Martini adjourned for a closed door session at 12:05 p.m.

Chair Martini reconvened the TMWA Board meeting at 12:16 p.m.

16. DISCUSSION, ACTION AND DIRECTION TO STAFF ON TMWA PARTICIPATION IN CASE NO. CV13-01468, CERBERUS HOLDINGS, ET AL V. G&L CONSTRUCTION, ET AL., OR OTHER LITIGATION IN CONNECTION WITH DAMAGES TO TMWA'S PROPERTY INTERESTS RELATED TO COMSTOCK DR. TANK AND WATER FACILITIES

Member Hartung motioned to participate in the case as proposed by General Counsel.

Upon motion by Member Hartung, second by Member Smith, which motion duly carried by unanimous consent of the members present, the Board approved TMWA's participation in Case No. CV13-01468, Cerberus Holdings, et al v. G&L Construction, et al., or other litigation in connection with damages to TMWA's property interests related to Comstock Dr. tank and water facilities.

17. GENERAL MANAGER'S REPORT

Mr. Foree noted the acquisition of the other half of water rights to Donner Lake from Truckee Carson Irrigation District closed escrow on March 31 and all litigation related to the Truckee River Operating Agreement have been dismissed.

Member Brekhus inquired about the annexation area, by Pebble Creek Road, specifically if it was in the area of recharge that was part of the grant proposal and if there will be more subdivision development. Mr. Erwin replied yes it is in the area of recharge.

18. PUBLIC COMMENT

There was no public comment.

19. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Duerr requested consideration of providing funding to the One Truckee River to establish the one-year pilot program for public restrooms along the Truckee River.

Member Brekhus requested a memo regarding the rehabilitation of the Hunter Lake Well. She also requested more information on the work being done along California Ave. Staff replied that work along the California and Keystone intersection is in design. Mr. Foree replied the tie-in work has already been completed on California between Keystone and Newlands Circle. Mr. Erwin added the next phase, on Foster from Booth to the tie-in point described above and along Marsh Ave., is outlined in the 2017-2021 Capital Improvement Plan.

20. ADJOURNMENT

With no further discussion, Chair Martini adjourned the meeting at 12:21 p.m.

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

Sonia Folsom, Recording Secretary

**Member Hartung was present for agenda items 1 through 16 only.*