



## STAFF REPORT

**TO:** Board of Directors  
**FROM:** Mark Foree, General Manager  
**DATE:** May 26, 2016  
**SUBJECT:** **Report and discussion regarding private, cooperative and general improvement district water systems located near TMWA's service area and possible policy direction from Board regarding general response to development of new systems, expansion of existing systems and owner requests for acquisition by or service from TMWA**

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### Recommendation

The Board accept the staff report and provide possible direction to staff regarding proposed expansions of existing water systems, creation of new water systems and possible TMWA acquisition of existing water systems in the region.

### Summary

There are approximately 70 public water systems in Washoe County that are monitored and regulated by the Washoe County District Health Department – many of these are a single well that serves one or two buildings (like a restaurant) or a distribution system that serves a mobile home park.

Of the 70 systems referenced above, this report contains information on 16 water systems other than TMWA that are currently operating near TMWA's retail service area, plus the Reno Technology Park (Apple Data Center) water system and the Tahoe Reno Industrial Park (Storey County) GID water system located east of Sparks.

There are proposed expansions of some of these systems to serve adjacent planned development.

Owners of some of these systems have approached TMWA in the past regarding possible acquisition by or service from TMWA.

Staff provides this report for informational purposes and to receive possible board direction.

## **Background**

In several prior board meetings including our February 5 strategic planning meeting, there have been discussions and questions related to private water systems in the area. Two maps are attached which show the location of these water systems and other information such as population served. The discussion below describes these water systems and provides information regarding planned expansions, etc.

## **Discussion**

Information about the water systems is shown below in different categories:

### **GID/Government systems:**

- Sun Valley GID (population 17,000) – receives all water from TMWA through a wholesale agreement. Service territory is mostly built out and is confined to the hydrographic basin.
- Tahoe Reno Industrial Center (Storey County) GID – groundwater rights and surface water rights (induction wells) provide the source of supply to this Industrial Center. Also have a wastewater reuse system with reservoir storage. Also seeking effluent from TMWRF (Reno/Sparks) to provide cooling water/process water for industrial use.
- Verdi Elementary School – groundwater well treated for arsenic removal. There is interest in having TMWA serve.

### **Cooperatives (Users Associations – not for profit)**

- Parr-Reno Water Co. (upper North Virginia area) – receives all water from TMWA and has distribution system with supplemental tank and pump for fire protection. The system is built out. Have had prior discussions regarding possible TMWA acquisition but that was several years ago – no recent discussions. Public Utilities Commission of Nevada (PUCN) regulation limited to service territory.
- Verdi Mutual Water Co. – Spring source of supply with distribution and fire system for several industrial users including TMWA's Verdi Hydroelectric Generating Plant. The system is built out. Have had prior discussions regarding possible TMWA acquisition. PUCN regulation limited to service territory.
- Reno Technology Center – groundwater wells, tanks and distribution system for the Apple Data Center complex which has substantial amounts of land available for future development. PUCN regulation limited to service territory.
- Silver Knolls Mutual (west of Stead and about 2 miles from TMWA's system) – groundwater wells, tank and distribution system serving 64 residential properties. Had arsenic problem and the state inquired about possible service from TMWA but on-site treatment was less expensive and that is what was installed.
- Grandview Terrace (off upper North Virginia) – groundwater well, tank and distribution system serving mobile homes

**Private (PUCN regulated – for profit)**

- Cold Springs Utilities (population 7,962) – groundwater wells, tank and distribution system west of Lemmon Valley/Stead. Planning expansion of service territory and have discussed possible wholesale supply from TMWA using Fish Springs Ranch supply.
- Sky Ranch Utilities (population 2,030) in Spanish Springs Valley – groundwater wells, tanks and distribution system surrounded by TMWA. The system is built out. No discussions related to TMWA acquisition.
- Verdi Meadows (population 510) – groundwater wells, tank and distribution system serving River Oaks subdivision. Prior talks years ago regarding possible TMWA acquisition. Recent talks regarding possible system intertie/wholesale connection with TMWA.
- Steamboat Springs Water Works – wells, tank and distribution system with 265 services with about 40 acres of undeveloped land in its service area.

**Private (not PUCN regulated)**

- Boomtown – groundwater wells, tank and distribution system serving Casino, gas station, RV park and Cabela's. Prior discussions regarding possible TMWA acquisition including current discussions. Plan to expand service area to include the Meridian 120 subdivision (273 residential units and some industrial), a future truck stop and future multi-family development – which would require application to the PUCN to become a regulated utility.
- River Belle MHP (population 150) – spring (taken off line last year due to contamination) and groundwater well, small storage tank, air stripping process (VOC removal) and distribution system serving mobile home park, grocery store and post office. Interested in service from TMWA.
- Crystal Restaurant and Trailer Park (population 80) – groundwater well serving restaurant and trailer park in Verdi. Interested in service from TMWA.
- Sasquatch Tavern and Grill – groundwater well serving restaurant and a few residences and buildings in Verdi. Interested in service from TMWA.
- Gold Ranch – groundwater wells, tank and distribution system serving casino, RV park and a few other businesses in west Verdi. Some talks with TMWA many years ago.
- River Pines – groundwater well to serve approximately 15 residential lots in Verdi located on former 9-hole golf course adjacent to TMWA's Verdi Hydro Plant. Would be interested in service from TMWA if it were available.

**Other - subdivision on domestic wells where TMWA service has been requested**

- Riverdale subdivision (58 residential lots on northern edge of Verdi – across bridge and north of river) – domestic wells – some residents have requested service from TMWA due to failing wells.

**When a water system requests TMWA to acquire system**

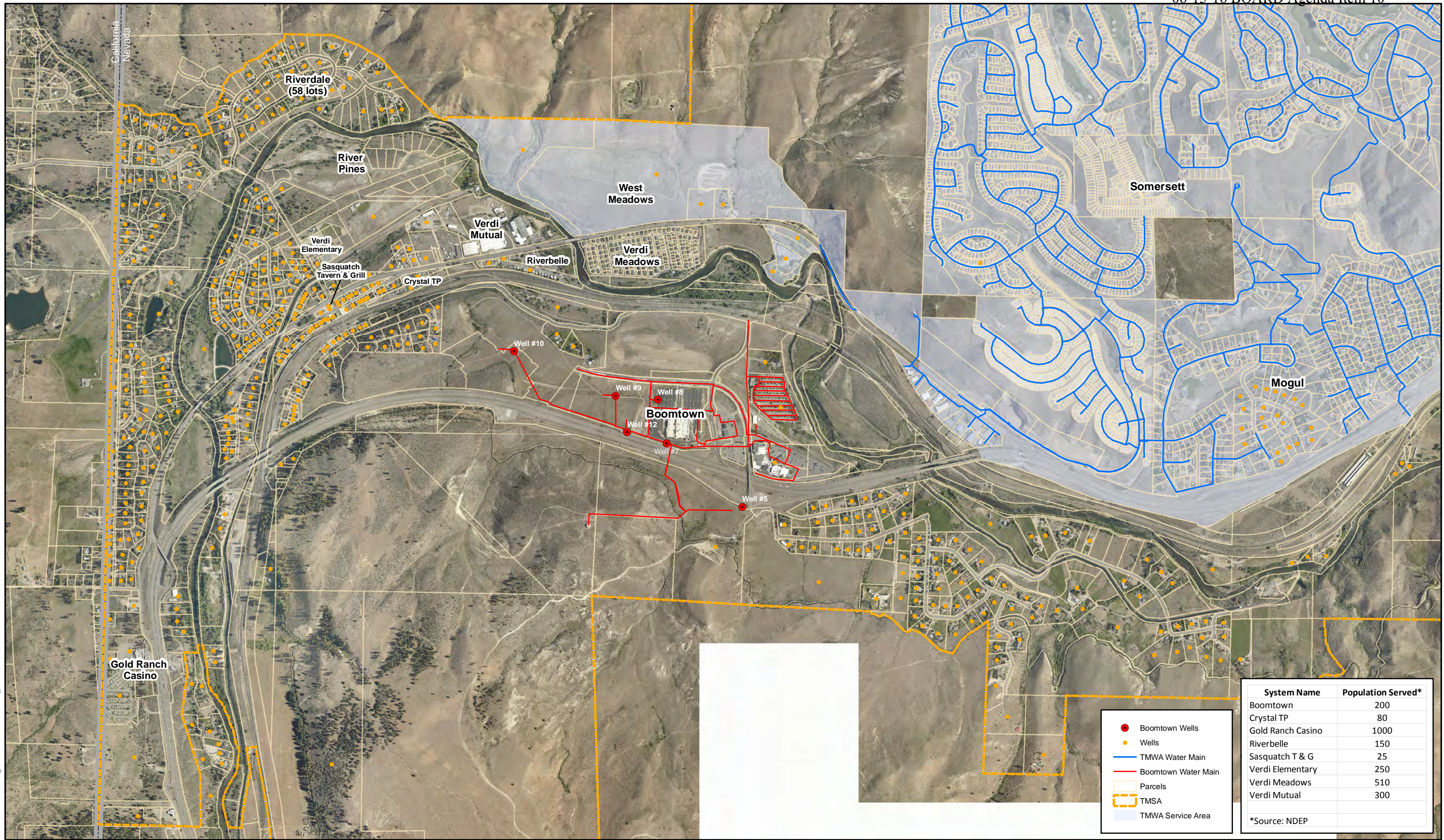
As indicated above, several water system owners have inquired about possible acquisition by TMWA. When this occurs, and TMWA staff believes there are potential benefits to a possible acquisition, staff conducts due diligence regarding water system facilities, resources, etc. TMWA staff may then craft proposed terms of an agreement (pending board approval) that avoid placing the cost of acquisition on existing customers. Typically, TMWA requires systems to be improved to TMWA standards prior to acquisition, as was done when TMWA acquired the Verdi Business Park system a few years ago.

**When a new water system is proposed or an existing system is planning expansion of their service territory**

When this occurs and the system is regulated by the PUCN, TMWA can intervene and participate in the proceeding (i.e. submit data requests, attend hearings, file testimony, etc.). TMWA staff would recommend intervening in some of these cases, i.e. when and if Boomtown makes such an application to the PUCN.

**Staff welcomes input and direction from the Board regarding these issues.**





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### Verdi Area Water Systems and Wells

DATE: 5/27/2016  
 MAP BY: KJ  
 REQUESTED BY: MF  
 SCALE: 1 inch = 1,500 feet

