



2016 – 2035 WATER RESOURCE PLAN

VOLUME I

ABSTRACT

ABBREVIATIONS

2025WRP	2005-2025 Truckee Meadows Water Resource Plan, Truckee Meadows Water Authority, March 2003
2030WRP	2010-2030 Truckee Meadows Water Resource Plan, Truckee Meadows Water Authority, December 2003
2035WRP	2016-2035 Truckee Meadows Water Resource Plan
AF	Acre-Feet, an acre-foot is equal to 325,851 gallons
AF/yr	Acre-Feet/Year
CTMRD	Central Truckee Meadows Remediation District
DMPs	Demand-side management programs
DRI	Desert Research Institute
eDMPs	Enhanced demand-side management programs
JPA	Joint Powers Authority
M&I	Municipal and Industrial
NDEP	Nevada Division of Environmental Protection
NNWPC	Northern Nevada Water Planning Commission
non-TRA	non-Truckee Resource Area
NRS	Nevada Revised Statute
NVIP	North Valley Importation Project
PCE	tetrachloroethylene, a volatile organic compound
PLPT	Pyramid Lake Paiute Tribe
POSW	Privately-Owned Stored Water, as defined in the 1935 Truckee River Agreement
RWPC	Regional Water Planning Commission
SMPs	Supply-side management programs
STMGID	South Truckee Meadows General Improvement District
SVGID	Sun Valley General Improvement District
TCID	Truckee-Carson Irrigation District
TMWA	Truckee Meadows Water Authority
TMSA	Truckee Meadows Service Area
TRA	Truckee Resource Area
TROA	Truckee River Operating Agreement
UNR	University of Nevada, Reno

USEPA	U.S. Environmental Protection Agency
WCHD	Washoe County Health District
WDWR	Washoe County Department of Water Resources
WHPP	Wellhead Protection Plan

PREFACE

The Truckee Meadows Water Authority (“TMWA”) was created in 2000 through execution of the “Cooperative Agreement” among the City of Reno, City of Sparks, and Washoe County (“JPA”). One of the main purposes in creating TMWA was to meet the “common interest in assuring that water resources be developed and managed to fulfill the present and future water needs of the greater Truckee Meadows community” and “to assure sufficient water supply to meet the needs of existing and future development.” [JPA Recitals “A” and “D”]. Given its JPA directive authorizing TMWA to provide retail water service to customers within its retail service area, TMWA is required to ensure its customers’ water demands can be met in the most efficient, cost-effective manner in both dry and non-dry years.

The JPA also requires that TMWA establish a water resource plan which identifies, among other things, “(i) water supplies available to TMWA from all sources and (ii) demand within the Authority’s retail service area....and the means by which such requirements will be met.” The focus of TMWA’s water resource planning is meeting TMWA’s primary mission to deliver potable drinking water to the residents and businesses of the greater Truckee Meadows area, in perpetuity. It is important to note the scope of TMWA’s water planning process, as defined by its JPA directive, does not provide for municipal sewer, reclaim, flood control, storm drainage or groundwater remediation. Those functions are planned for by Reno, Sparks or Washoe County. All water-related utility planning efforts, including TMWA’s water plan and facility plan, are incorporated into the Western Regional Water Commission’s (“WRWC”) *Regional Water Management Plan* (under revision at the time of this writing).

The purpose of recurring water resource planning efforts is to examine changes in conditions, circumstances, or risks that may influence TMWA’s ability to: (1) meet the demands of its current customers and (2) determine the extent of TMWA’s ability to service the future water needs of the greater Truckee Meadows area with current and/or future acquired water resources. TMWA’s water resource plans analyze trends in climatic, demographic, economic, regulatory and legal influences that may pose a risk or impair TWMA’s right to divert surface or groundwater and deliver potable water. A water resource plan also investigates TMWA’s ability to acquire new sources of supply.

This *2016-2035 Water Resource Plan* (“2035WRP”) is the third such plan produced by TMWA pursuant to the JPA since the utility’s inception in 2001. The 2035WRP builds upon and incorporates themes and findings of prior TMWA and various regional water resource plans. TMWA’s Board of Directors adopted its first plan, the *2005-2025 Water Resource Plan* (“2025WRP”), in March 2003 and adopted its second plan, the *2010-2030 Water Resource Plan* (“2030WRP”), in December 2009. The prior water resource plans provide the historical context of how events over the years have shaped the management of water resources available to the community. The use and distribution of the waters of Lake Tahoe and the Truckee and Carson Rivers have been a flashpoint of controversy for more than a century, with issues including how the waters should be divided between California and Nevada, how much water should go to agriculture, how much water should go to Pyramid Lake and its native fish, how to create opportunity for enhancing recreation and wildlife uses, and how water supplies should be allocated to meet the water demands of urbanization in the greater Truckee Meadows region. Comprehending these water resource plans is difficult without an exposure to the tumultuous history of complex legal and operational issues of the Truckee River system. To gain a fuller

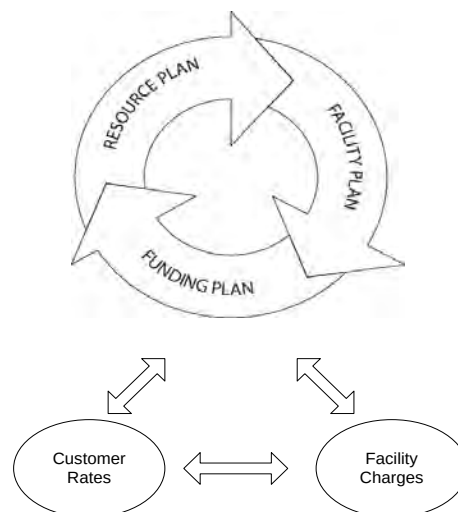
understanding of the contextual history of TMWA and water resource management for the greater Truckee Meadows region which began in the late 1800's the reader is encouraged to review the 2025WRP and the 2030WRP.

As a municipal provider of water service the water utility must take a very long-term planning perspective to ensure its available water resources are renewable, reliable and sustainable, in essence, in perpetuity. Ramifications from events that affect and shape the delivery of potable water take years to unfold. For example, fluctuations in population and economic conditions, such as dramatic growth during the 1980's through the early 2000's, or stagnation resulting from the 2007-2009 Recession, can positively or negatively impact water demand. Since future economic and population growth remain speculative, reliance on careful analysis of changes in economic trends is paramount to confident projections of future water demand. Moreover, the goals and objectives set by the community and its elected officials also evolve over time. In order to accommodate the land use entitlement and planning functions of the cities, counties and regional planning agencies, TMWA's water resource planning is designed to allow TMWA to meet the needs of anticipated future growth (if and when local land use planners and their governing bodies determine that such growth is appropriate). Should conditions warrant, with sufficient long-term view, the utility can anticipate and prepare for the construction of new water supply projects which can take decades to permit and complete. In order to develop adaptive strategies to meet both current and potential future water needs of the community, TMWA crafts its water resource plans to span a 20-year period. A 20-year plan provides a reasonable timeframe in which to assess potential changes and implement tractable and sustainable solutions. Planning for *the ability* of future municipal water supplies also furthers State policy to provide water which is safe for drinking and other domestic purposes, protects existing water rights and encourage efficient and non-wasteful use of limited water resources.

As economic and political conditions affect demand for water, seasonal fluctuations in Truckee River flows impact water supplies. Due to variability in climate and weather conditions, the form of precipitation (i.e., rain versus snow) and the timing of this precipitation affect Truckee River flows, TMWA's primary source of water supply, and TMWA's ability to capture those river resources. The December 1, 2015 implementation of the Truckee River Operating Agreement ("TROA") is a prime example of long-term planning for, and successful adaptation to, emerging water issues—some of which were identified in the 1970's. TROA is the culmination of decades of deliberative and careful water resource planning designed to address concerns over future water supply. TROA replaces the rigid and inflexible water management system for the Truckee River. The prior management system was dictated by decades-old court decrees and was originally designed to serve agriculture, small hydroelectric plants, now defunct paper mills, and a small, rural community. TROA now provides flexible Truckee River operating criteria, allowing TMWA the ability to adapt to future variability of climatic, hydrologic and economic conditions, while taking advantage of unused storage space in federal reservoirs. This new system means the Truckee Meadows community has a sustainable water supply that can meet demand for the 2035 planning horizon and beyond. TROA does this by allowing TMWA to use water when it needs it, and store it when it is not needed, rather than being required to let water flow past the Truckee Meadows as under old operating criteria. TROA also grants TMWA new rights to credit store and exchange waters in numerous upstream reservoirs, providing critical expanded drought protection to meet current and future municipal needs.

While changes to the supply of, and demand for, water resources cannot be accurately predicted and since it often takes years for extended dry or non-dry periods to be identified, TMWA is continually adapting its supply strategies to ensure it can meet the needs of its customers through such variability. In order to account for supply variability and develop dynamic, adaptive plans so as not to extend beyond the sustainability of available water resources, every five years TMWA updates its water resource plan. If water supply or other conditions significantly change within the regular 5-year update cycle, TMWA may update its Water Resource Plan more frequently.

Based on supply and demand projections, TMWA's water resource plan describes optimizing strategies to manage, develop and utilize available water resources, provides direction for facility planning to ensure a safe reliable supply of water, and identifies potential impediments to avoid or mitigate the legal use of TMWA's water resources. By integrating the long-term resource supply and demand with facility assessment and planning, TMWA ensures funding mechanisms are in place to meet current and projected future demand conditions. In addition to TMWA's water resource plan, TMWA prepares its 20-year water facility plan and regularly updated its funding plans to ensure the continued success of the utility in achieving its mission. The water resource and facility plans set forth how the utility will meet the policy directives outlined in the JPA and in other Board adopted documents, and by implication, regional objectives of the local governments as they comprise TMWA's Board of Directors. Both plans are operational in nature, in that they identify assets available to TMWA to generate high-quality, potable water supplies for current and future customers in a cost-effective manner. The water resource and facility plans form the basis for TMWA's funding plan which is the core of the utility's financial success. TMWA's 2035WRP is one component of the coordinated planning efforts addressing the water resource and facility challenges facing the utility and the region. The objective is to develop workable strategies that are cost effective and protect the financial integrity of TMWA—and by extension, shield customers from undue costs. A visual representation of the cyclical nature of TMWA's dynamic, integrated planning approach is shown below in Figure 1-1.



The cycle of planning, monitoring, analyzing, and updating is a continuous, dynamic process necessary to respond to changing economic and environmental factors that affect the greater Truckee Meadows current and future water supply.

SYNOPSIS OF THE 2016-2035 WATER RESOURCE PLAN

This section of the Abstract contains a brief synopsis of each of six distinct chapters within the water plan which are presented in the following order:

- Chapter 1, “Introduction”, presents some of the key past and current trends and challenges that have shaped, or are projected to shape, the future of the greater Truckee Meadows region and the availability of water resources.
- Chapter 2, “Source Water Reliability”, presents discussion of quality of surface and ground water sources, climate change and climatic effects, source/loss risk analysis, and water quality protection/response plans.
- Chapter 3, “Integrated Management of Water Resources”, describes availability of water rights used by TMWA and how those resources are conjunctively managed to annually produce a sufficient amount of water to meet TMWA’s water service demands in non-Drought and Drought-Situation years.
- Chapter 4, “Population and Water Demand Projections”, presents forecasts of population and water demands for the planning horizon.
- Chapter 5, “Water Conservation Plan”, describes the various conservation programs and measures that TMWA employs to reduce annual water use and minimize water waste in both non-drought and drought-situation years, including a comprehensive list of tools that the TMWA Board can employ to produce enhanced water savings based on water supply conditions at any given time.
- Chapter 6, “Future Water Resources”, identifies potential future water resources.

Chapter 1

Economic development of the communities in and surrounding the Truckee Meadows is the primary driver and impetus to expand the pool of available water resources to meet the needs of the greater Reno/Sparks region in southern Washoe County. Over the past several decades water resource planning in the region focused its efforts on comparing smaller, incremental supply projects to the long-term water supply of the larger river settlement project, i.e., TROA. After nearly 40 years, the final components of TROA, signed on September 6, 2008, were completed in 2015 so that TROA could finally be implemented. This past August 2015 major milestones related to the Reno, Sparks and Washoe County obligation to supply 6,700 acre feet (“AF”) of Truckee River water rights were completed. The final two lawsuits before TROA could be implemented were dismissed in September and November 2015. On December 1, 2015, TROA was implemented and TMWA began crediting storing water the same day -- the first time in history the water utility has been able to store water during a winter month. With the implementation of TROA, and the underlying elements of the Negotiated River Settlement ratified in PL 101-618 activated, the communities’ water demands of up to 119,000 AF/yr within

the Truckee Resource Area (“TRA”)¹ can be reliably met as long as acceptable Truckee River water rights are dedicated to TMWA by future development prior to issuing new will-serve commitments. TROA provides greater flexibility in river operations, particularly during drought conditions as TMWA’s drought storage potential increases, river flows are enhanced for endangered and threatened fish species, and water rights of the signatories and non-signatories to the agreement are protected. That is not to say work on other supply projects is discontinued. On the contrary, TMWA continues to track progress on various projects as it looks beyond TROA and the projected water needs of the region well beyond the planning horizon of this plan. The need and timing of future water supply projects will be dictated by future economic conditions and employment opportunities constrained by the availability and costs of developable land, water rights, rights-of-way, sewer treatment, Truckee River water quality, and related public infrastructure.

Introduced in the 2007 Nevada Legislative Session, SB487 proposed to create a new regional water resources entity in Washoe County. Pursuant to SB487 the cities of Reno and Sparks, the South Truckee Meadows General Improvement District (“STMGID”), the Sun Valley General Improvement District (“SVGID”), TMWA, and Washoe County formed a JPA to operate the WRWC in 2008. The WRWC is charged with facilitating cooperative resource management efforts among the existing water purveyors in southern Washoe County and to provide for integration of regional water supply and storm water management, subject to TROA. SB487 included a change of oversight and restructuring of the Regional Water Planning Commission (“RWPC”) into the Northern Nevada Water Planning Commission (“NNWPC”), in addition to an evaluation of the possibility of merging water purveyors in the Truckee Meadows. The outcome of the process lead to the successful integration of STMGID and Washoe County’s water systems into TMWA on December 31, 2014. From the aspect of treating and delivering potable water to customers, the consolidation enhanced efficiencies related to the operation of water production and distribution systems. The consolidation also allows for consistent water management strategies and the expanded use of surface water and reduced use of groundwater, thereby improving aquifer conditions in the various basins where TMWA operates. Although the merger expanded TMWA’s planning and operational responsibilities, the addition of water systems did not burden TMWA since each system has its own resources and facilities for ongoing operations. However, it poses additional resource management challenges to ensure adequate supply within the expanded TRA. For those systems adjacent to TMWA’s pre-merger service area, the enhancement in operations, allowing expansion of surface water use in lieu of groundwater use, is a significant benefit to TMWA’s new customers in those areas, particularly in the southwest portion of the Truckee Meadows hydrographic basin.

Also acquired in the merger were 5 smaller satellite-groundwater-dependent systems which are grouped under a “non-TRA” category for resource tracking purposes since each

¹ The introduction and use of the phrase “Truckee Resource Area” (“TRA”) is used to designate TMWA’s existing retail and wholesale service areas within which (1) TMWA will accept for dedication, subject to certain conditions, a Truckee River water source/right for the delivery of water to a service property that can be served with Truckee River resources and (2) facilities exist or can be constructed at a developers expense that can transport potable Truckee River water that once it has been diverted and treated at TMWA’s Chalk Bluff or Glendale Water Treatment Facilities. TMWA operates 5 separate systems in hydrographic basins that are not served from the treatment plants and are grouped under the “non-TRA” designation. These designations are needed to track the surface and groundwater rights to be assigned to various service areas and whether the rights and their use are part of resources for TROA.

system has resources and facilities to meet the build-out conditions established when the system was initiated. For this plan, TMWA did not contemplate the acquisition of additional, out-of-service-area resources for these small systems due to: the remoteness of the systems; no indication of impending development adjacent to these systems; limited or fully committed groundwater resources in the hydrographic basins where these systems are located; and the costs to bring other resources to these systems presently outweighs the benefits.

Chapter 2

Meteorologic conditions and resulting droughts are the most significant weather variables and source supply contamination are of greatest concern in assessing the quantity and quality of water supplies available for continued municipal uses. Studies completed by Desert Research Institute (“DRI”) indicate that while the potential for climate change to alter the timing, type of, and quantity of precipitation is possible, continued monitoring of meteorologic trends is required; therefore, specific recommendations in management of the region’s water supplies, or any restriction to implementation of water resources due to climate change, have not been produced by the various researchers investigation of this phenomenon. Low precipitation years that lead to low snowpack accumulations can affect the amount of water available to the Truckee River system; Lake Tahoe elevations provide an indication of the severity and duration of historic drought periods.

TMWA’s source water, both surface and ground, is of very high quality, meeting, and in many cases, significantly exceeding all required drinking water standards. A Water Quality Assurance Program is implemented to ensure this high standard continues to be met for current and future customers. While there is a risk to surface water reliability from turbidity and toxic spill events, TMWA has sufficient well capacity and distribution storage to meet reduced customer demands during a water quality emergency until repairs are completed or the threat to supplies has passed; additional actions are available to TMWA in the event of extended off-river emergencies. TMWA’s Wellhead Protection Plan (“WHPP”) provides information by which TMWA can develop and implement groundwater protection strategies to mitigate potential threats to groundwater sources, including educational outreach. The WHPP is operated voluntarily, under local jurisdiction and control, and utilizes both U.S. Environmental Protection Agency (“USEPA”) and Nevada Division of Environmental Protection (“NDEP”) guidance and criteria to provide for State endorsement. Successful examples of the WHPP working include TMWA’s cooperation with NDEP and Washoe County Health District (“WCHD”) to mitigate the Sparks Solvent/Fuel Site Remediation, the Stead Solvent Site Remediation, and over the years mitigation of several leaking, underground storage tanks in and around the Truckee Meadows along with the Central Truckee Remediation District for the clean-up of tetrachloroethylene (“PCE”) in the Reno/Sparks area. TMWA’s Source Water Protection Program is designed to preserve and enhance available surface water and groundwater supplies and to address known and potential threats to water quality, and remains adaptive to changes in USEPA, NDEP or WCHD drinking water standards and regulations.

Results from the analyses about *Source Water Reliability* described in Chapter 2 identified major factors affecting TMWA’s primary water supplies and TMWA’s responsive mitigation measures as summarized here:

- Weather and source supply contamination are of greatest concern in assessing the quantity and quality of water supplies available for continued municipal uses.
- Changes in management of or any restriction to implementation of water resources due to climate change are not warranted at this time.
- Low precipitation years that lead to low snowpack accumulations affect the amount of water available to the Truckee River system; Lake Tahoe elevations provide an indication of the severity and duration of historic drought periods.
- Drought periods have established patterns, typically taking three years of consecutive dry winters to cause Lake Tahoe to fall to or below its rim; however, all the reservoirs may be replenished quickly with one or two wet winters.
- Hydrologic droughts (periods when TMWA availability to use physical supplies of water diminishes) occur after 3 or 4 years of meteorologic droughts conditions.
- Drought periods occur in the Truckee Meadows and have ranged in duration from a few years to 8 years with intervening “wet” and “dry” years within the drought period.
- TMWA’s source water is of very high quality, meeting, and in many cases, significantly exceeding all required standards. A Water Quality Assurance program has been implemented to ensure this high standard continues to be met in the future.
- While there is a risk to source water reliability from turbidity and toxic spill events, TMWA has sufficient well capacity and distribution storage to meet reduced customer demands during a water quality emergency; additional actions are available to TMWA in the event of extended off-river emergencies. An earthquake event in 2008 tested TMWA’s emergency response plan with a loss in water supply and demonstrated TMWA’s ability to respond by having trained staff and available alternate water supplies.
- TMWA has a robust Source Water Protection Program in place designed to preserve and enhance available surface water and groundwater supplies and to address known and potential threats to water quality.

Chapter 3

TMWA conjunctively manages its water supplies during drought periods by utilizing a combination of natural river flows, groundwater pumping including extraction of accumulated volumes of injected surface water, releases of its upstream drought reserves, i.e., privately owned stored water (“POSW”). TMWA manages for uncertainty of its water supply, in terms of the overall quantity and the timing of its delivery, through storage of water in upstream reservoirs and injection of treated surface water through its network of wells into aquifers in Lemmon Valley, Spanish Springs and Truckee Meadows. When river flows are available, TMWA maximizes the use of surface water resources while minimizing the use of groundwater supplies. This approach allows TMWA to meet demands with surface water, and to rest and recharge specific wells when enough surface water is available. TMWA continually assesses the potential reduction to source water supplies due to variability of weather conditions. This continual reassessment of source water supplies and management tactics is the best defense against reservoir depletion as well as unnecessary economic stress to both the utility and customer base.

Significant to water resource planning is the selection of a drought period to estimate the yield of TMWA's resources during Drought Situations. In years when sufficient precipitation occurs, there is no need for TMWA to pump significant amounts from its wells or release any of its POSW in upstream reservoirs since the Truckee River can supply the majority of water to meet customer demands. TMWA manages its resources to take maximum advantage of Truckee River flows while minimizing use of its groundwater and upstream reserve supplies during non-Drought Situation years. Planning for water supplies during a critical-year in a drought period determines the maximum amount of water demand TMWA will be able to provide. As a result of implementing TROA and the continued dedication of river rights, TMWA is able to fully utilize TROA's demand limit of 119,000 AF. In addition, there are existing groundwater or creek resources that may be acquired or developed in the TRA over the planning horizon which provide over 140,000 AF of resources when added to TROA. During the negotiation and environmental process for TROA, its supply was designed to meet demands through the historic drought from 1987 to 1994. Also, under TROA, hypothetical droughts with back-to-back 1987-1994 hydrology and repeating the 2015 hydrology for 5-years and 20-years demonstrate an accumulation of upstream reserves even in the driest of years.

At this time, Truckee River irrigation rights continue to be the major source of water supplies for the TRA. Through continued conversion and commitment to Municipal & Industrial ("M&I") use, the number of available Truckee River water rights available will meet the projected growth through the planning horizon. Noted is the fact that the water rights market is becoming more competitive as there are other demands for these rights, such as M&I use in the Fernley area or use as dilution flows for water quality enhancement in the Lower Truckee River. Other factors discussed that are affecting the future acquisition of water rights in an open market environment include issues of ownership and finding willing sellers of the water rights which will ultimately affect the price and availability of water rights. TMWA has over 7,000 AF of resources in its Rule 7 inventory, implying a 7 to 10 year supply depending on market demands. Significant price variation for water rights between 2005 and 2010 portends the future water rights market beyond the planning horizon.

The processes associated with the concepts of *Integrated Resource Management* described Chapter 3 derived from conjunctively managing surface rights, groundwater rights, and water production facilities include the following:

- TMWA has sufficient water resources to meet the demands of current customers.
- Within the TROA/TRA and subject to future water-rights-market conditions, Truckee River water rights are available to take advantage of 119,000 AF of demand TROA provides.
- There are sufficient groundwater resources to meet current demands through the planning horizon within the non-TROA/TRA.
- Current production capacities are:

	TRA	non-TRA
Chalk Bluff	90.0 MGD	na
Glendale	33.0 MGD	na
Subtotal Surface	123.0 MGD	na
Groundwater	100.0 MGD	17.0 MGD

Total	223.0 MGD	17.0 MGD

- Artificial recharge has improved or stabilized groundwater levels in and around the injection wells thereby preserving TMWA's ability to utilize its groundwater resources to meet summer peaking and/or drought situation pumping requirements without degrading groundwater quality.
- Drought year cycles are rare events, similar to flood events. The estimated drought frequencies are:

8-year	1 in 230 years
9-year	1 in 375 years
10-year	1 in 650 years
- Published tree-ring studies have shown a dry winter like 2015 occurs with a frequency of 1 in 3,100 years.
- Drought yield of TMWA's TRA existing resources is a function of available resources and drought-year design. Based on available data, the 1987 to 1994 Drought remains the worse drought of record for the Truckee River and is the design criteria for TROA.
- Under TROA, hypothetical droughts were analyzed: (1) 9-year simulation of 2012 to 2015 actual hydrology plus 5 year repeating 2015 annual hydrology; (2) 20-year simulation of 2012 to 2015 actual hydrology plus 1987-1994+1988 hydrology repeated twice; and (3) 20-year simulation of 2012 to 2015 actual hydrology plus 2015 hydrology repeated 20 years indicate TMWA has sufficient dry-year reserves to meet demands, and in many years during the drought period accumulates drought reserves under TROA operations.
- The 2015/2016 winter and subsequent 2016 run-off projections indicate a moderate recovery-year but not necessarily an end to the drought period begun in 2012.

Chapter 4

The population model used for this plan, which implicitly accounts for environmental and economic conditions, forecasts population increasing at a decreasing rate of growth between 2016 and 2060. Projected Washoe County population for the year 2035 is 545,000 persons of which TMWA serves approximately 90 percent. The estimated water demand to support the projected population can be served and managed with TROA and existing groundwater resources through the planning horizon. In 2035, TMWA will have over 150,000 active water services and water will be delivered by TMWA to an estimated 475,000 persons living in the combined TRA and non-TRA service areas. The 2035 water demand projections for this plan indicate water demands will grow approximately 18,000 AF over the planning horizon, from approximately 83,000 AF forecasted for 2016 to 101,000 AF forecasted in 2035. TMWA has sufficient water production facilities to meet current and near-term demand; the timing of construction for new water production facilities to meet future demands will be developed in TMWA's upcoming *2016-2035 Water Facility Plan*.

The *Water Demand Forecast* projection process outlined in Chapter 4 presented TMWA's forecast of population, water demand, and numerous factors impacting the demand forecast are summarized as follows:

- A long term population projection through 2060 is developed using historic county population estimates from 1950 to 2014.
- In developing the water demand forecast, TMWA's population forecast was found to be similar to the 2014 State Demographers Projection for Washoe County.
- Through the year 2035 Washoe County population is expected to see an average annual growth of 1.17 percent and a total population increase of over 101,000 persons from approximately 444,000 persons in 2015.
- Using recent trends in average water use per service for 2009 to 2014 combined with projected new water services, water demand is projected through 2035.
- Over 150,000 active water services are projected for the year 2035.
- Analysis of population and building trends show water demand increasing *at a decreasing rate* between 2015 and 2035 (i.e., while new growth will increase total production, per-service usage is expected to decline through time).
- Total water demand in 2035 is projected to be about 101,000 AF.

Chapter 5

Water conservation is achieved through efficient storage and delivery of the water supply and effective management of demand for that supply. Water supply management has been defined as the control of the water supply by the water purveyor or authority (Stephenson, 2012). Water demand management has been defined as “the development and implementation of strategies, policies, measures, or other initiatives aimed at influencing demand, so as to achieve efficient and sustainable use of this scarce resource” (Savenije and van der Zaag, 2002). TMWA's conservation plan contains the necessary elements to manage both the supply of its water resources as well as demand for those resources, and for meeting the requirements of the JPA, Nevada Revised Statute (“NRS”) 540.313 through 540.151, and TROA. To address the state's water resource challenges, Nevada's Governor Sandoval released in December 2015 the *Nevada Drought Forum: Recommendations Report* which outlines, among other things, recommendations on the best water conservation practices. In addition to the legal mandates, TMWA's conservation plan is consistent with the recommendations identified in this report.

TMWA's conservation plan has two components: (1) supply-side management programs (“SMPs”) are designed to reduce production and distribution losses and (2) demand-side management programs (“DMPs”) are designed to conserve water supplies by limiting water waste, inefficient use, and overuse. TMWA's SMPs are actions taken to maintain water resources and provide alternative sources to potable water in a cost-effective manner, as well as to ensure water is delivered to customers in an efficient manner. Once water is delivered to the customers, TMWA's DMPs target customers' watering practices in order to promote efficient

use of its available water resources. The region experiences meteorologic droughts² brought on by climatic conditions which may or may not affect TMWA's available water supplies in any given year. If meteorologic drought conditions persist, then hydrologic drought³ conditions can ensue which begin to affect both natural river flows and, at times, TWMA's groundwater and upstream reservoir supplies (i.e., POSW). When a Drought Situation⁴ is identified, TMWA evaluates what actions from customers may be necessary to reduce demands. As mentioned above, under TROA operations, managing drought reserves are significantly enhanced (i.e., increased storage potential) thereby reducing much of the pressure on water supplies and customers during Drought Situations. TMWA's four level Drought Situation classification system specifies the timing of enhanced DMP ("eDMPS") activities. This classification is directly linked to TROA's operation protocol and definitions regarding the need to reduce water use when water reserve supplies are impacted. This system is efficient in that it is tied to TROA operations and criteria, minimizes administrative burden and costs on TMWA, and improves TMWA's ability to create more meaningful, easier to understand information campaigns that relate needed reductions in customer use to available water supplies. Based on targeted savings for the year during drought periods TMWA enhances its DMP to promote further reduction in water consumption by its customers in the event the drought situation extends for another year. Program success is evaluated differently depending on the type of program and TMWA strives to provide the most meaningful effectiveness metrics, whenever possible.

Specific findings about TMWA's *Water Conservation Plan* presented in Chapter 5 include the following:

- TMWA's Conservation Plan meets the requirements of the JPA, NRS 540.313 through 540.151, and TROA.
- TMWA's conservation plan is consistent with the water conservation recommendations detailed in the Nevada Drought Forum: Recommendations Report.
- TMWA will continue to be fully engaged in the regional dialogue on responsible water use and will implement programs for its customers that benefit the region and support regional water use goals.
- TMWA's water demand management programs pursue measures to efficiently use its available water resources by addressing water waste, system deficiencies (e.g., leaks, pressure changes, etc.), public education and outreach, watering schedules, drought situations, and emergency conditions.
- Demand management programs may be progressively enhanced during Drought Situations to address the need to reduce water use when water reserve supplies are impacted.

² Meteorologic drought is often defined by a period of well-below-normal precipitation. The commonly used definition of meteorologic drought is an interval of time, generally of the order of months or years, during which the actual moisture supply at a given place consistently falls short of climatically appropriate moisture supply.

³ Hydrologic drought refers to periods of below-normal streamflow and/or depleted reservoir storage.

⁴ Pursuant to TROA: "**Drought Situation** means a situation under which it is determined by April 15, based on procedures set forth in Section 3.D, either there will not be sufficient **Floriston Rate Water** to maintain **Floriston Rates** through October 31, or the projected amount of **Lake Tahoe Floriston Rate Water** in Lake Tahoe, and including **Lake Tahoe Floriston Rate Water** in other **Truckee River Reservoirs** as if it were in Lake Tahoe, on or before the following November 15 will be equivalent to an elevation less than 6,223.5 feet Lake Tahoe Datum."

- Enhanced DMPs may be necessary in response to natural disasters and other events that have potential to interrupt TMWA's available water supplies.
- TMWA will continue to be engaged in the regional dialogue on responsible water use and will implement programs for its customers that benefit the region and support regional water use goals.
- TMWA will continually assess the benefits of implemented programs and may modify programs to reflect new practices, technologies, and regional climate information.
- New and innovative ways to improve efficient water use will continue to be assessed, including expanded uses of non-potable supplies.

Chapter 6

Although TMWA can continue to convert Truckee River water rights, from irrigation to M&I, and provide for new development based on its current pool of resources in the growth prone areas of the Truckee Meadows and thus take full advantage of TROA, TMWA is active in evaluating aquifer storage and recovery and creek development projects, as well as monitoring various groundwater importation projects. The activities of the groundwater importation project sponsors are vital in order to have the next viable water resource available when demands dictate its need. In reviewing prior water plans, the number of water supply projects available for future development has decreased from a high of twenty to eight projects. The reduction in supply projects is a result of changes in conditions necessary to facilitate developing a project. For example, the loss in the number of potential reservoir sites is due to housing developments that have been built in the proposed reservoir site (e.g., Mogul Canyon west of Reno or Canoe Hill in the eastern foothills of Spanish Springs). The estimated supply from future water supply projects has also decreased over the past 20 years, from a high of 73,000 AF under the TROA supply scenario in the 1994/1995 planning period to the current estimate of 51,000 AF from all projects including TROA supplies. These changes are due to reductions in the number of potential supply projects as permitting processes are stalled or denied and/or as a result of changes in the scope of the project. For example, the North Valleys Importation Project ("NVIP") (subsequently purchased and implemented by Vidler Water Company) originally sought a permitted yield of 13,000 acre feet/year ("AF/yr"). The project is currently permitted for 8,000 AF/yr, and may be expanded to 13,000 AF/yr pending commitment of the 8,000 AF and demonstration of the sustainability of the resource. Also, plans are underway to construct a creek-treatment plant to help reverse declining groundwater supplies in the Mt. Rose area and support expanded use of creek water rights for future development. Although there has been a decline in the number of potential water supply projects and in the quantity available from these projects, the conclusion to draw is that future water supply development may reach beyond TMWA's TRA and non-TRA service areas, and ultimately be costly to implement.

Specific findings about TMWA's *Future Water Resources* presented in Chapter 6 include the following:

- In the TRA, TROA will provide 119,000 AF/yr, sufficient to meet the projected demands through the planning horizon.
- The NVIP place of use is in the North Valleys, the project is operational, and will yield 8,000 AF/yr.
- Plans are underway to construct creek-treatment plant(s) to help reverse declining groundwater supplies in the area and support expanded use of creek water rights for future development.
- There are several importation projects for the North Valleys area that are in various stages of permitting and/or design. Construction of these projects is subject to positive changes in economic conditions leading to increased demand for water supplies.
- TMWA will continue to closely monitor advancements in the potable reuse industry to determine its potential applicability to the Truckee Meadows.
- Over the years, numerous projects have been proposed but remain unbuilt due to lack of financing, permitting, conceptual design, institutional or regulatory constraints, etc.

KEY FINDINGS AND RECOMMENDATIONS

This section of the Abstract contains the “Key Findings and Recommendations” which (1) summarize the significant findings from each chapter of the 2035WRP and (2) provide specific recommendations for the Board to consider and act upon.

1.1 2016-2035 Water Resource Plan (“2035WRP”)

Findings:

TMWA’s prior water resource plans: (1) laid the foundation for an understanding of the region’s water supply system; (2) summarized the history of municipal water supply in the Truckee Meadows up to and including the formation of TMWA; (3) presented legislative directives that modified regional water resource planning for the Truckee Meadows and led to the creation of the WRWC; (4) analyzed economic influences at the local level that affect the growth activity and patterns for the Truckee Meadows resulting in a need to examine current population trends and their potential impact on future water demands and resource requirements; (5) confirmed the use of Truckee River flows during the historical 1987-1994 drought period as the basis for prudent water supply planning for the Truckee Meadows; and (6) provided ongoing analysis of future water supply options to meet the region’s economic development needs. This 2035WRP continues the Board’s previous direction to review conditions and influences affecting water supplies and local growth trends and what those influences may have on Truckee Meadows water resources and TMWA’s plans and/or management strategies in the context of completion of the merger of the former Washoe County water utilities into TMWA in December 2014; completion of all conditions precedent to implement the TROA; and current hydrologic conditions.

Recommendation:

Continue monitoring, reviewing and revising, where necessary, its water resource management strategies through its planning efforts, as presented in documents such as this 2035WRP, in response to current and future conditions including but not limited to changing conditions in meteorology, hydrology, community development, institutional/regulatory constraints, customer demands, or other factors affecting TMWA’s water resource availability and delivery systems.

1.2 Consolidation of TMWA and WDWR Water Operations

Findings:

In response to the WRWC legislative directive to evaluate the potential consolidation of water purveyors in the Truckee Meadows, staffs of TMWA and Washoe County Department of Water Resources (“WDWR”) successfully merged the former Washoe County water utilities and the STMGID into TMWA on December 31, 2014.

Recommendation:

No further action required on this item.

1.3 TMWA Planning Area

Findings:

TMWA's retail service area grew by approximately 50 square miles in hydrographic basin where TMWA has facilities as the result of the consolidation of TMWA and WDWR Water Operations. In addition, the consolidation added facilities in hydrographic basins where TMWA did not have a presence (Basin 88-Pleasant Valley, Basin 89-Washoe Valley, and Basin 83-Truckee Canyon). In Chapter 1, Figure 1-1 shows TMWA's expanded retail area in relation to the Truckee Meadows Service Area ("TMSA") and the Western Regional Water Commission's planning area. Historically, TMWA's planning for the delivery of water has been focused on areas adjacent to its retail service area and within the TMSA.

Recommendation:

As a result of the merger and expansion of the area that TMWA now plans for, determine the role and extent of TMWA's water resource planning subject to the constraints of TMWA's Joint Powers Authority.

1.4 Truckee River Operating Agreement ("TROA")

Findings:

The five Mandatory Signatory Parties - TMWA, the Pyramid Lake Paiute Tribe ("PLPT"), the United States, California and Nevada - completed all conditions precedent to implement TROA in the fall of 2015; TROA was implemented on December 1, 2015. TROA's framework provides flexibility for river operations to allow parties to store water they previously could not store; significantly enhances TMWA's drought reserves; allows the exchange of water to optimize the use of Truckee River supplies without injuring the water rights on which the parties rely; and resolves future regulatory uncertainties surrounding the use of the Truckee River.

Recommendation:

Although implemented, continue to participate in any pending litigation or appeal that challenge the implementation of TROA.

1.5 Donner Lake Acquisition

Findings:

In fall 2015, the Truckee Carson Irrigation District ("TCID") began discussions with TMWA regarding the sale of TCID's interest in Donner Lake. After extensive negotiations, TCID and TMWA staff reached an agreement whereby TMWA would pay \$17.2 million for TCID's Donner Lake water rights in addition to eliminating all pending litigation on Donner Lake between TMWA and TCID the withdrawal of TCID's pending appeals on TROA implementation. The purchase agreement was presented to and approved by both the TMWA and TCID boards on December 16, 2015. On January 4, 2016 TCID held a special election of the members of the irrigation district on whether TCID should sell the Donner Lake assets pursuant to the agreement; the members voted overwhelming to sell the assets. Upon close of escrow scheduled for February 2016,

TMWA will add TCID's share of 4,750 AF of Donner Lake water rights to its share, thereby owning all of the 9,500 AF of Donner Lake water rights. TMWA will manage the acquired portion of the Donner Lake water rights pursuant to TROA operations and Board direction; TROA allows using the rights for more credit storage and issuing new will-serve commitments within the 119,000 AF of demand TROA will supply.

Recommendation:

Continue to work to close escrow for the purchase of TCID's interest in the Donner Lake water rights.

2.1 Sustainability of Source Water Supplies - Climate Variability

Findings:

Climate change and meteorological droughts are the most significant variables with potential to change the quantity and quality of raw water supplies, particularly surface water supplies. While the weather pattern consistently provides precipitation during the winter and spring months, the type of precipitation (snow versus rain), amount of precipitation, water content of snow, and speed of snowmelt are variable from year to year. TMWA manages the uncertainty of its raw water sources through storage in upstream reservoirs, conjunctive use of surface and groundwater supplies, and continual assessment of threats to water supply reliability from weather. Studies by DRI and University of Nevada, Reno ("UNR") indicate the potential for climate change to alter the timing, type of, and quantity of precipitation needs continued monitoring and study, but it is inconclusive at this time as to the magnitude of impact that climate change will have on the region and its water resources over a long-term planning horizon. Over the past several years the use of tree ring studies have been found useful in understanding the climate history of Lake Tahoe, Truckee River, and Carson River watersheds. Through such studies a better understanding of the cycles of dry and wet years has been developed along with analyses of frequencies of occurrence, durations and magnitudes. However, the current body of research on tree ring chronologies have not been specific in the Truckee and Carson River watersheds, thus there is limited direct data on historic flows that can be used in planning.

Recommendation:

Continue to consider, when available, new findings from climate change research for the greater Truckee Meadows region; continue working with UNR, DRI, and other researchers to test TMWA's planning and operational strategies, given climate change; and engage UNR, DRI and/or other researchers to develop tree ring chronologies of the Truckee and Carson River watersheds for use in water resource planning and management during droughts and periods of drought recovery beyond historic, instrumental record.

2.2 Sustainability of Source Water Supplies – Drought Periods

Findings:

The region experienced its fourth consecutive, low-precipitation year in 2015. The

meteorologic drought, begun in 2012, created hydrologic drought⁵ impacts in 2014 and 2015 which required TMWA to release some of its upstream drought reserves for the first time since 1992. As defined in TROA, the region has been in a Drought Situation (i.e., the level of Lake Tahoe is projected to be below elevation 6223.5 feet on November 15 of a given year) since 2014. Unfortunately, it cannot be known with certainty the duration of the current drought. Analysis has shown that under TROA operations water supplies and drought reserves accumulate to TMWA's benefit under the 1987 to 1994 drought hydrology; in addition, even under a hypothetical drought hydrology which repeated 2015 hydrology at 2015 demands for 10-years, TMWA would grow its drought reserves.

Recommendation:

Continue to monitor TMWA's ability to meet current and future demands through the 1987 to 1994 drought period, the worst drought period of record, and based on factors such as demand growth, conservation improvements, hydrologic cycles, climate changes, etc., update the Board when future conditions evolve that require changes to the planning criteria or supply operation.

2.3 Sustainability of Source Water Supplies - Surface Water Contamination

Findings:

While there is a risk to surface water reliability from turbidity and toxic spill events, research conducted in 1996 and again in 2007 by UNR on behalf of TMWA has shown no recorded river contamination event from rail or highway transportation. The 2007 study found that the area of highest risk is downstream of TMWA's treatment facilities in the City of Sparks where there is a rail yard and a large number of warehouses and shipping companies that load/unload trucks and rail cars. TMWA's Source Water Protection Program (including its WHPP) is designed to preserve and enhance available water supplies and to address known and potential threats to water quality. TMWA has sufficient well capacity and distribution system storage to meet reduced customer demands during a water quality emergency, and has emergency plans in place in the event of extended off-river emergencies. With the merger of WDWR and STMGID water systems into TMWA, system integration improvements will be implemented that are beneficial in terms of increasing the supply and/or quality of water supplies at minimum economic costs to ensure the delivery of water through the 20-year planning horizon and beyond.

Recommendation:

Continue to: (1) implement its source water protection strategies in cooperation with local entities; (2) maintain, as a minimum, the ability to meet daily indoor water use with its wells; and (3), for river outages lasting up to 7 days during the summer, maintain the ability to meet average daily water demands using its wells, treated water storage, and enhanced conservation measures.

⁵ The State of Nevada Drought Plan, a report prepared in 2012 by the Drought Response Committee comprised of the State Climate Office, Division of Water Resources, and Division of Emergency Management under direction of the Governor defines hydrologic drought as periods of below-normal streamflow and/or depleted reservoir storage.

2.4 Sustainability of Source Water Supplies - Groundwater Contamination

Findings:

TMWA works closely with the Central Truckee Meadows Remediation District (“CTMRD”) to characterize PCE contaminated groundwater and remove PCE contamination at affected wells. TMWA is also working with the CTMRD to remove PCE contamination at the source before groundwater can be impacted. A more ubiquitous contaminant, nitrate, has been impacting groundwater in several basins. A 2007 report by the WDWR funded by the RWPC titled *Septic Nitrate Baseline Data and Risk Assessment Study for Washoe County, Phase I: Prioritization of Study Areas and Assessment of Data Needs*, used available data to identify potential areas of septic nitrate contamination and identify data gaps. The report identified approximately 18,300 septic systems in Washoe County, and at least sixteen areas that have septic densities high enough to impact potable water supplies. Of these, it was determined that five study areas (Spanish Springs, Cold Springs, Washoe Valley, Heppner, and Golden Valley) had sufficient evidence linking water quality degradation to septic systems and required management action. Nine additional areas (Mt. Rose, Ambrose, Hidden Valley, Huffaker, Verdi, Geiger, Island 18, Mogul, and Pleasant Valley) are currently being studied. Two municipal wells in Spanish Springs Valley have already been shut down due to septic nitrate contamination. TMWA has sufficient well capacity and distribution storage to continue to provide safe drinking water in Spanish Springs, as well as remaining areas of concern. However, until areas of high septic density are converted to sewer, the flow of nitrate-contaminated effluent to drinking water aquifers will continue and concentrations may continue to increase.

Recommendation:

Continue to: (1) provide safe drinking water in all areas affected by PCE and septic effluent; (2) investigate the impact to groundwater from PCE and septic effluent; (3) work closely with local jurisdictions to find resources and strategies to convert residences and businesses on septic to sewer; and (4) utilize aquifer recharge as a potential strategy to keep contaminated water away from production wells.

2.5 Sustainability of Source Water Supplies - Groundwater Management

Findings:

Long-term water level declines in East Lemmon Valley, west Pleasant Valley and southwest Truckee Meadows due to reduced natural recharge resulting from low-precipitation and increased pumping by all users have made groundwater production more expensive and impacts to domestic well owners more likely in these areas. TMWA’s current strategy to reduce impacts to groundwater levels relies on: (1) strategic and coordinated timing of its pumping; (2) passive groundwater recharge by increasing the duration and location of deliveries of surface water as often as possible to allow wells to rest and water levels to recover; and (3) active groundwater recharge to enhance groundwater supplies and drive water level recovery. Active groundwater recharge relies on the diversion and treatment of Truckee River and, upon the completion of the Mt. Rose Water Treatment Plant, Whites and Thomas Creek water during the winter months.

Recommendation:

Continue to: (1) reduce impacts to groundwater by pumping municipal wells

strategically; (2) allow water levels to recover through passive groundwater recharge; and (3) force water level recovery through active groundwater recharge. Increasing the breadth and scope of all three of these activities in areas formerly served by WDWR will help groundwater levels recover in areas most affected by groundwater level declines.

2.6 Sustainability of Source Water Supplies – Aquifer Storage & Recovery

Findings:

Since its inception, TMWA's aquifer storage and recovery ("ASR") program has improved or stabilized groundwater levels in and around the injection sites thereby preserving TMWA's ability to utilize its groundwater resources to meet summer peaking and/or drought situation pumping requirements without degrading groundwater quality in the process. ASR is one element of TMWA's integrated management strategy to augment drought reserve supplies for later use during a Drought Situation. ASR can increase the natural supply of groundwater by storing surface water underground when excess supply and treatment capacity exist, and by mitigating groundwater contamination. TMWA has equipped its production wells to allow for treated Truckee River water to flow back into the wells during winter time operations. Through June 2015, TMWA has replenished groundwater reserves in the region (Truckee Meadows, Spanish Springs and Lemmon Valley) with over 33,500 AF of treated surface water.

Recommendation:

Continue and expand the injection of treated surface water into groundwater aquifers to: (1) augment groundwater supplies which provide additional drought and peak-demand capacity; (2) reduce or eliminate water quality concerns; and (3) stabilize and increase groundwater levels. Increasing the breadth and scope of all three of these activities throughout the service area will help groundwater levels recover and may help reduce the impact from septic, industrial, and naturally-occurring contaminants.

3.1 Water Rights Availability

Findings:

TMWA's planning area grew as a result of the 2014 merger of the water systems formerly owned or operated by Washoe County. Because the majority of the water distribution system in the Truckee Meadows, Spanish Springs, Lemmon Valley and a portion of Pleasant Valley is integrated, this planning area can take advantage of Truckee River resources and the benefits of TROA. This planning area is referred to as the TRA. The remote, satellite systems in Washoe Valley and east of the Truckee Meadows in the Truckee Canyon Segment must rely solely on groundwater for their water supply. These systems are referred to as the non-TRA. The non-TRA systems have sufficient resources to meet the need within the development (or subdivision) and TMWA does not anticipate significant expansion of the systems beyond those boundaries. Within the TRA, a review of available Truckee River water rights shows a sufficient number (potentially over 45,000 AF) of water rights exist to meet future-average-year-TMWA-water-service demands through the 2016 to 2035 planning horizon. However, acquiring and transferring many of these water rights, which are fractionated and have ownership problems, will require additional time and expense before the water right can be put to use. Over the past decades, demands for Truckee Meadows water rights have increased in

response to a highly competitive development market, difficulties in finding willing sellers of significant quantities of water rights, and competing environmental and lower river uses of water rights for such things as Fernley's water supply or enhancing water quality both in the Lower Truckee River and groundwater aquifers. Since the number of Truckee Meadows water rights is limited, close coordination of the various river interests must occur to avoid undo stress on the water rights market. Additionally, the NVIP 8,000 AF of Honey Lake groundwater resource is available to meet future demands in the North Valleys.

Recommendation:

Continue to accept the dedication of Truckee River water rights in the growth prone Truckee Meadows, Spanish Springs and upper, west Pleasant Valley, which water rights are sufficient to support both TROA implementation and increased future development needs within TRA; recognize NVIP is available to meet future demands in the North Valleys, and unless other resources are available in the non-TRA systems, these systems are limited to the resources dedicated for the development within the system's service area.

3.2 Current Water Resources

Findings:

TMWA has over 136,000 AF of decreed, storage, and irrigation rights to generate water supplies for customer demands. Under TROA, TMWA uses its PPOSW and a portion of its unexercised water rights to generate sufficient upstream drought reserves to meet projected drought-year demands over the planning horizon. To ensure an adequate supply of water for all customers, TMWA's Rule 7 requires that applicants for any new water service dedicate sufficient water rights to meet the demand of their development. Applicants for new service are required to dedicate sufficient and acceptable water rights to TMWA which they may currently own or acquire on the open market or purchase a will-serve commitment from TMWA.

Recommendation:

Continue to acquire water rights to meet future water demands pursuant to its Rule 7.

3.3 Conjunctive Management of Water Resources

Findings:

TMWA's 2035 water use projection of 101,000 AF for the combined TRA and non-TRA can be satisfied with TMWA's current resources with continued dedication of river rights. Ultimately, within the TRA, TROA allows TMWA to meet a demand of 119,000 AF. Additionally, as a result of the merger, TMWA has over 20,000 AF of groundwater rights committed to areas within the TRA which are not included in the TROA resource pool and to the non-TRA satellite systems. The combined total of TMWA's available water resources plus Vidler is over 147,000 AF, well beyond the 2035 planning horizon. Analyses of TROA's ability to withstand drought periods worse than the drought of 1987-1994, plus one additional year of 1988 hydrology, completed in fall 2015 indicated upstream reserves are sufficient and continue to accumulate when the hydrology of 2015 is repeated over the planning horizon.

Recommendation:

Continue to rely on TMWA's pool of resources to meet current demands and recognize TROA can provide drought-year operational benefits in excess of current drought-year reserves thereby supporting future demands.

4.1 Population Projection**Findings:**

TMWA's population forecast estimates total Washoe County population to increase by 95,000 from 450,000 in 2016 to 545,000 in 2035, or 21 percent; the estimated population served by TMWA will increase by 83,000 people from 392,000 in 2016 to 475,000 by 2035, or 21 percent. The population estimates may change over time as the pace of development within the region or its sub-area varies, and as the region moves towards greater intensification of land use. TMWA's forecast results are statistically similar to the State Demographer's near-term projections.

Recommendation:

Accept TMWA's population forecast as a reasonable estimate of future population growth to be used by TMWA for planning purposes in its planning areas.

4.2 Water Demand Forecast**Findings:**

Water demand-per-service within TMWA's service areas has been decreasing over time resulting in slower total demand growth in TMWA's extended forecast. Based on the review of current growth and economic trends in the region, future water demand is anticipated to grow in the central Truckee Meadows but at a slower pace than historically seen. The water production forecast for a typical year indicates that from 2016 to 2035, production will increase from current estimates for 2016 of approximately 83,000 AF to a projected 2035 demand of approximately 101,000 AF, or about 18,000 AF. The 2035 production is well within the maximum 119,000 AF/yr under TROA operations.

Recommendation:

Accept for planning purposes that the water demand projections are reasonable estimates for use in TWMA's planning areas.

5.1 Water Demand Management**Findings:**

TMWA's Water Demand Management Programs include measures to enhance efficient use of water, reduce or eliminate water waste, and save water. Some specifics include change-out of old meters, leak repair, water theft prevention, numerous education materials including landscape design/retrofit information, Assigned-Day Watering, watering prohibited during the heat of the day, water audits, and Drought Situation responses. Combined, these measures are designed to satisfy the conservation goal agreed to in the 1996 Water Conservation Agreement between RSW, TMWA, PLPT and the United States. Continued levels of spending will be in accordance with that agreement. TMWA works with the WRWC in developing conservation plans for the region, and cooperates with WRWC in implementing its conservation programs. The water

conservation activities embodied in this 2035WRP satisfy Article 5(i) of the JPA agreement that formed TMWA and the Nevada Division of Water Resources requirements that public water systems have a water conservation plan as set forth in NRS 540.131 through 540.151. TMWA's Conservation Plan is also consistent with the water conservation recommendations detailed in the Nevada Drought Forum: Recommendations Report.

Recommendation:

Accept the Water Conservation Plan outlined in this 2035WRP.

6.1 Future Water Resources

Findings:

The selection of the next water supply project is strictly a function of a project's yield, ease of implementation, sustainability, and financial feasibility accompanied with existing regional economic conditions and market forces that may or may not favor the development of a future water supply project. It may be that in the future, as new technology becomes available or the political, regulatory or public opinion changes, new projects may be developed or projects previously thought infeasible may become feasible. In addition to the implementation of TROA, the NVIP was completed in 2008 and is available to supply 8,000 AF annually to the North Valleys. The pending completion to purchase Donner Lake provides TMWA additional ability to issue will-serve commitment pursuant to TROA to take advantage of the full 119,000 acre feet of demand TROA provides. As future economic conditions warrant, TMWA can also pursue other resource development projects that do not conflict with TROA requirements and will be necessary in order to meet water demands beyond the 2035 planning horizon.

Recommendation:

Continue to investigate, evaluate, and negotiate, where appropriate, other potential water supply projects consistent with and/or in addition to TROA.



2016 – 2035 WATER RESOURCE PLAN

VOLUME II

CHAPTERS 1 – 6

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ABBREVIATIONS

2025WRP	2005-2025 Truckee Meadows Water Resource Plan, Truckee Meadows Water Authority, March 2003
2030WRP	2010-2030 Truckee Meadows Water Resource Plan, Truckee Meadows Water Authority, December 2003
2035WRP	2016-2035 Truckee Meadows Water Resource Plan
AF	Acre-Feet, an acre-foot is equal to 325,851 gallons
AF/yr	Acre-Feet/Year
Airport Authority	Reno-Tahoe Airport Authority
AMSL	Above Mean Sea Level
ASR	Aquifer Storage and Recovery
BAC	biologically activated carbon
BBER	Bureau of Business and Economic Research, University of Nevada Reno
BCC	Washoe County Board of County Commissioners
BDOC	biodegradable dissolved organic carbon
BLM	Bureau of Land Management
Board	Board of Directors for Truckee Meadows Water Authority
CC&Rs	Covenants, conditions and restrictions
cfs	cubic feet per second
Churchill	Churchill County
CIP	Capital Improvement Program
Consensus Forecast	2010 Washoe County Consensus Forecast
CSWRCB	California State Water Resources Control Board
CTMRD	Central Truckee Meadows Remediation District
CTP	Chalk Bluff Water Treatment Plant
CYE	Calendar Year End
DMPs	Demand-side management programs
DRI	Desert Research Institute
DWSRF	Drinking Water State Revolving Fund
eDMPs	Enhanced demand-side management programs
ELV	East Lemmon Valley
EMC	Enhanced Messaging Campaign

EPDTS	Entry Points to the Distribution System
FSA	Future Service Area
Fallon	City of Fallon
FSR	Fish Springs Ranch
ft	Foot
FY	Fiscal Year
gdp	gross domestic product
GIS	Geographic Information System
GMWS	General Metered Water Service Rate Schedule
gpcd	gallons per capita per day
gpm	gallons per minute
GTP	Glendale Water Treatment Plant
HOAs	Home Owners Associations
ILA	Interlocal Agreement
IPR	Indirect potable reuse
ISA	Interim Storage Agreement, 1994
ITRDB	International Tree-Ring Data Bank
IWP	Intermountain Water Project
JPA	Joint Powers Authority
LDV	Lower Dry Valley
LSC	Lower Smoke Creek
LMB	Local Managing Board
LV	Lemmon Valley
MCL	Maximum contaminant level
mg/l	milligrams per liter or parts per million (ppm)
µg/l	micrograms per liter or parts per billion (ppb)
MF	membrane filtration
MGD	Million Gallons per Day
M&I	Municipal and Industrial
MIS	Metered Irrigation Water Services Rate Schedule
MMWS	Multi-Family Metered Water Service Rate Schedule
MSA	Metropolitan Statistical Area

NAC	Nevada Administrative Code
NDEP	Nevada Division of Environmental Protection
NDWR	Nevada Division of Water Resources
NEPA	National Environmental Policy Act
NNWPC	Northern Nevada Water Planning Commission
Non-TRA	non-Truckee Resource Area
NPS	Non-Potable Service
NRS	Nevada Revised Statutes
NTM	North Truckee Meadows
NTU	Nephelometric Turbidity Unit
NVI	North Valleys Initiative
NVIP	North Valley Importation Project
O3	Ozonation
ODPS	Orr Ditch Pump Station
O/M	Operating/Maintenance
PARs	Preliminary Assessments Reports
PCE	tetrachloroethylene, a volatile organic compound
PCSs	Potential Contaminant Sources
PL	Public Law
PLPT	Pyramid Lake Paiute Tribe
POSW	Privately-Owned Stored Water, as defined in the 1935 Truckee River Agreement
POU	Place of use
ppb	Parts per billion
PSI	Pounds per square inch
PUCN	Public Utilities Commission of Nevada
RAA	Running Annual Average
Red Rock	Red Rock Valley Importation
RMWS	Residential Metered Water Service Rate Schedule
RO	Reverse osmosis
ROD	Record of Decision
RWPC	Regional Water Planning Commission
RSW	City of Reno, City of Sparks, and Washoe County

RWMP	Regional Water Management Plan
SB	Senate Bill
SCR	Senate Continuing Resolution
SDP	State Demographer's Projection
SDWA	Safe Drinking Water Act
Settlement	Truckee River Negotiated Settlement
Settlement Act	Truckee-Carson-Pyramid Lake Water Rights Settlement Act
Settlement Agreement	PLPT Fish Springs Ranch Settlement Agreement
Sierra	Sierra Pacific Power Company (NVEnergy)
SMPs	Supply-side management programs
SSIP	Silver State Importation Project
STM	South Truckee Meadows
STMFP	South Truckee Meadows Facility Plan, August 2002
STMGID	South Truckee Meadows General Improvement District
SSV	Spanish Springs Valley
SVGID	Sun Valley General Improvement District
TCE	Trichloroethylene, a volatile organic solvent
TCID	Truckee-Carson Irrigation District
TDS	Total Dissolved Solids
The Fund	Truckee River Fund
TMWA	Truckee Meadows Water Authority
TMWRF	Truckee Meadows Water Reclamation Facility
TMSA	Truckee Meadows Service Area
TRA	Truckee Resource Area
TROA	Truckee River Operating Agreement
TROM	Truckee River Operation Model
TRPA	Tahoe Regional Planning Agency
UDV	Upper Dry Valley
UNR	University of Nevada, Reno
U.S.	United States
USACE	United States Army Corps of Engineers
USBR	United States Bureau of Reclamation, or BOR
USGS	United States Geological Survey

USEPA	U.S. Environmental Protection Agency
UV	ultra-violet radiation
VAR	Vector Autoregression Model
Vidler	Vidler Water Company
WC-3	2008 Washoe County Ballot Question No. 3
WCHD	Washoe County Health District
WCWCD	Washoe County Water Conservation District
WDWR	Washoe County Department of Water Resources
WHPP	Wellhead Protection Plan
WLV	West Lemmon Valley
WRP	Water Resource Plan
WRWC	Western Regional Water Commission
WSF	TMWA Rate Schedule Water System Facility Charges

CHAPTER 1 INTRODUCTION

This Introduction to the 2016-2035 Water Resource Plan (“2035WRP”) frames the more significant challenges to water resources that have developed since the last water resource plan (“WRP”) and sets the context for this WRP. This 2035WRP builds upon the information developed and contained in prior WRPs as well as various regional planning efforts.

In March 2003 TMWA published, and the Board adopted, TMWA’s *2005-2025 Water Resource Plan* (“2025WRP”) which presented:

- History of municipal water supply in the Truckee Meadows;
- Description of the region’s water supply system including conjunctive management of surface and groundwater;
- Confirmation of the use of Truckee River flows during the historical 1987-1994 drought period as the basis for Truckee Meadows Water Authority’s (“TMWA’s”) 9-year drought plan;
- Projected population and water demands;
- Conservation program; and.
- Potential future water resource options.

Subsequent to the Board review of its water resource plan strategies in Fall 2009, the Board adopted its *2010-2030 Water Resource Plan* (“2030WRP”) in December 2009. The 2030WRP built on the foundation strategies established in the 2025WRP in addition to responding to then current issues involving:

- Legislative directives to consolidate water purveyors in Washoe County;
- Execution by the five Mandatory Signatory Parties (TMWA, Pyramid Lake Paiute Tribe (“PLPT”), California, Nevada, and the United States (“U.S.”)) and seven other parties of the Truckee River Operating Agreement (“TROA”) on September 6, 2008;
- Changes in population and demand projections as a direct result of the regional economic malaise from 2007-2009 when the 2030WRP was drafted; and
- Completion of the retrofit of flat-rate, single-family residences that were required to be retrofit as part of the 1989 Negotiated River Settlement.

Continuing with the Board’s prior recommendations, this 2035WRP reviews, updates, and/or modifies TMWA’s water resource planning and management strategies due to a number of key events that have occurred over the past five years which include:

- The merger of Washoe County Community Development-Department of Water Resources (“WDWR”) and South Truckee Meadow General Improvement District (“STMGID”) water utilities into TMWA was completed December 31, 2014. Combining the three purveyors into one allows for a consistent water management strategy to be implemented across the majority of water consumers and water resources in southern Washoe County. While the merger allows for greater efficiency in water management planning, it also poses additional resource management

challenges to ensure adequate supplies are available within the expanded Truckee Resource Area (“TRA”)¹.

- A reversal of negative or stagnant economic trends dominating the region since 2007 which altered the economic activity and growth expectations for the Truckee Meadows. The region began experiencing a modest economic resurgence in late 2013 which continues today. This economic shift results in a need to examine the current population trend and its possible effect on water demand and future resource requirements.
- Completion of the remaining conditions precedent to implementing TROA since it was signed by the five Mandatory Signatory Parties in 2008. Favorable California State Water Resources Control Board approvals in 2012, California state court dismissal of an appeal in 2014, and recent Federal court rulings in 2014, paved the way for implementing TROA. This past August 2015 major milestones related to the Reno, Sparks and Washoe County obligation to supply 6,700 AF of Truckee River water rights were completed. The last two lawsuits were dismissed in September and November 2015 allowing TROA to be implemented December 1, 2105. With TROA in effect, the framework is now in place that provides greater flexibility in river operations, particularly during drought conditions as TMWA’s drought storage potential increases, river flows are enhanced for endangered and threatened fish species, and water rights of the signatories and non-signatories to the agreement are protected.
- The region has experienced four years of a meteorologic drought that has produced consecutive lower-than-average snowpack years. The hydrologic drought conditions on the Truckee River began to develop in late 2014 – the third year of the meteorologic drought – and had little impact on TMWA’s water supplies or drought reserves. The hydrologic drought conditions grew more severe in 2015 due to the lowest snowpack in 106 years of historical record keeping. The lack of precipitation has led to an extended drought period similar to 1991 through 1994 with the more regional impacts occurring in 2015.

Given these events, current water resource planning must consider the potential for prolonged drought years while accommodating for regional growth over the next 20 years. Projected changes in supply and demand will impact TMWA’s water facility and capital improvement plans which, in turn, can impact the rates charged to customers, including facility charges for new development.

¹ The introduction and use of the phrase “Truckee Resource Area” (“TRA”) is used to designate TMWA’s existing retail and wholesale service areas within which (1) TMWA will accept for dedication, subject to certain conditions, a Truckee River water source/right for the delivery of water to a service property that can be served with Truckee River resources and (2) facilities exist or can be constructed at a developers expense that can transport potable Truckee River water that once it has been diverted and treated at TMWA’s Chalk Bluff or Glendale Water Treatment Facilities. TMWA operates 5 separate systems in hydrographic basins that are not served from the treatment plants and are grouped under the “non-TRA” designation. These designations are needed to track the surface and groundwater rights to be assigned to various service areas and whether the rights and their use are part of resources for TROA.

Water Resource Plan Scope

One of the main purposes in creating TMWA was to meet the “common interest in assuring that *water resources be developed and managed to fulfill the present and future water needs of the greater Truckee Meadows community*” and “to assure sufficient water supply to meet the needs of existing and future development.” (Joint Powers Authority (“JPA”) Recitals “A” and “D”). As a result of the consolidation of the WDWR and the STMGID into TMWA, described later in this chapter, TMWA’s retail service area expanded by approximately 50 square miles and into hydrographic basins where TMWA previously did not supply retail water service. The area acquired is within the planning boundary of the Western Regional Water Commission (“WRWC”), and the Truckee Meadows Service Area (“TMSA”) except for several remote, satellite service areas in Washoe Valley and near Wadsworth,

The map in Figure 1-1 shows the relationship of TMWA’s retail service areas to the TMSA and the WRWC planning area.

It is important to note the scope of TMWA’s water planning process, as defined by its JPA directive, does not provide for municipal sewer, reclaim, flood control, storm drainage or groundwater remediation. Those functions are planned for by Reno, Sparks or Washoe County. All water-related utility planning efforts, including TMWA’s water plan and facility plan, are incorporated into the Western Regional Water Commission’s *Regional Water Management Plan* (“RWMP”) under revision at the time of this writing. TMWA is required to provide retail water service to customers within its retail service area, and the JPA authorizes TMWA to establish a water resource plan which shall reflect, among other things, water supplies available to TMWA from all sources to meet the demands within the retail service area. This water plan follows the process in previously Board approved plans in that the scope is directed towards planning water supplies for TMWA’s existing and future demands for land to be developed within TMWA’s existing retail service area and for those areas where it proves economically feasible to receive TMWA water service within the TMSA or beyond.

In January 2010, the Regional Planning Governing Board (“RPGB”) adopted amendments to the Truckee Meadows Regional Plan (“Regional Plan”) and the RPGB Regulations on Procedure as a result of 2008 Washoe County Ballot Question No. 3 (“WC-3”). The RPGB with support of the WRWC is responsible to respond to WC-3. However, in 2010 TMWA assisted the WRWC in their efforts to respond the RPGB in estimating the population that can be supported by the sustainable water resources identified in the RWMP and whether sufficient water resources were available to satisfy the projected water demand based on the population estimated by the 2010 Washoe County Consensus Forecast (“Consensus Forecast”).

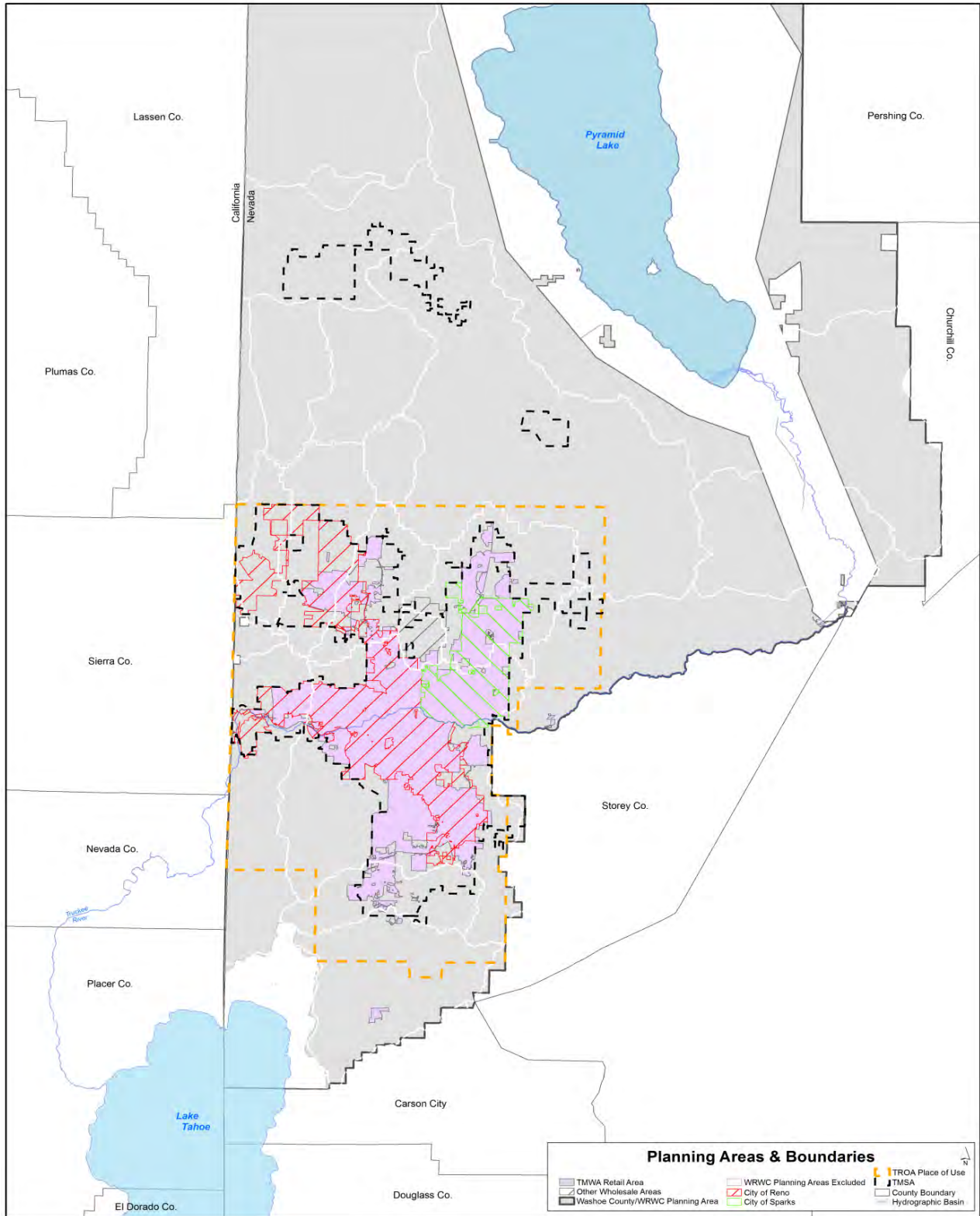


Figure 1-1. WRWC, TMSA and TMWA Planning Areas

The RWMP provides long-range planning-level estimates for water resources considered to be sustainable using the best available information. The RWMP identifies selected hydrographic basins within the Planning Area that presently provide municipal and industrial (“M&I”) water, or that may in the future provide M&I water within the 20-year planning timeframe. In 2010, TMWA developed a long-range water demand projection for the entire County that yielded an annual demand of approximately 142,000 acre feet (“AF”) to support a population of approximately 590,500 persons as projected for the year 2030 by the 2010 Consensus Forecast. WRWC extended the projections to estimate the population that could be supported by the sustainable water resources of approximately 183,200 acre feet/yr (“AF/yr”) (which assumed importing groundwater from hydrographic basins in Washoe County that are not presently providing water for M&I uses) and concluded that those resources could support a build-out population of about 741,000. The WRWC determined in 2010 that sustainable water resources identified in the 2011 RWMP are adequate to serve the 2030 population estimate provided in the Consensus Forecast.

The 2014 Consensus Forecast projected a population of 564,000 persons in the year 2034. In 2012 and 2014, the WRWC reasoned that the sustainable water resources identified in 2010 were adequate to serve the Consensus Forecast 20-year population projections in each of those years. Chapter 4 sets forth TMWA’s current population estimate for 2035 to be 545,000 persons which estimate is the core of the Consensus Forecast for the revised RWMP. The downward trend in out-year populations while holding available resources constant will again meet the expectations of WC-3 when discussed in the upcoming release of the WRWC 2016 RWMP.

Legislative Directives

In 2007 the Nevada Legislature adopted Senate Bill (“SB”) 487, codified as the Western Regional Water Commission (“WRWC”) Act. The Bill was sponsored by the Interim Legislative Subcommittee created in 2005 by Senate Continuing Resolution (“SCR”) 26, and enabled the creation of a new regional water entity in Washoe County to be effective April 1, 2008. Pursuant to this legislation, the cities of Reno and Sparks, the Sun Valley General Improvement District (“SVGID”), the South Truckee Meadows General Improvement District (“STMGID”), TMWA, and Washoe County, entered into a JPA to create the WRWC. The WRWC is charged with facilitating cooperative resource management efforts among the existing water purveyors in southern Washoe County and providing for integration of regional water supply and storm water management, subject to the TROA. This includes facilitating planning for the development, management and conservation of regional water supplies, maximizing conjunctive use by public water purveyors (excluding Gerlach and Incline Village), and facilitating the development of a plan to integrate public purveyor water systems to provide the most effective management and integration of systems. SB487 provided for a change of oversight and restructuring of the prior Regional Water Planning Commission (“RWPC”) into the Northern Nevada Water Planning Commission (“NNWPC”). The WRWC began functioning and assumed oversight of the NNWPC in April 2008.

SB487 also created a legislative committee to oversee the WRWC, which met from time to time during the 2008, 2010 and 2012 interim legislative periods to review the WRWC’s programs and activities and report to the Legislature. During that period, the Committee made the following recommendations for legislation: 2008, requiring coordination of water quality

monitoring on the Truckee River and minor language changes in SB487; 2010, providing financial assistance for connecting to public water or sewer systems; and 2012, eliminating the Committee's statutory sunset date of July 1, 2013 and expanding its scope to study statewide water issues. The sunset provision was not removed, and the Committee expired by statutory elimination on July 1, 2013.

The WRWC adopted its first Comprehensive Regional Water Management Plan ("RWMP") for the planning area in January 2011. The RWMP includes the supply of municipal and industrial ("M&I") water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm water and control of floods. The RWMP is in the latter stages of a required 5-year review, which is expected to be completed in December 2015. An update of the RWMP for the years 2016 to 2035 will be prepared and presented to the WRWC for adoption in 2016. Since TMWA is a major contributor to the potable water management elements of that plan, adoption by TMWA's Board of this 2035WRP is necessary in order that its findings may be incorporated into the RWMP.

Consolidation of TMWA, WDWR & STMGID

Since TMWA's inception in 2000, serious consideration had been given by TMWA's Board of Directors and Washoe County's Board of Commissioners ("BCC") to the possible integration of some or all functions of TMWA and WDWR. Formal direction was given to the WRWC to incorporate into its 2030 RWMP an "evaluation and recommendations regarding the consolidation of public purveyors in the planning area, which must include costs and benefits of consolidation, the feasibility of various consolidation options, analysis of water supplies, operations, facilities, human resources, assets, liabilities, bond covenants, and legal and financial impediments to consolidation and methods, if any, for addressing any such impediments." [Western Regional Water Commission Act, Section 42(9)].

In furtherance of this directive, at its September 12, 2008 meeting, the WRWC asked staff from TMWA and WDWR to "conduct a focused financial analysis to assess the feasibility of some form of utility integration using their joint bond counsel and financial advisors..."² At the December 2008 WRWC meeting, the Phase One Financial Report was presented which consisted of a bond analysis addressing certain limitations and restrictions resulting from existing debt and what opportunities were available for refunding or refinancing existing debt. This analysis demonstrated that consolidating WDWR into TMWA by defeasing WDWR debt would be financially feasible within a reasonable time-frame, but that the converse – defeasing TMWA's debt – would not be a financially advantageous alternative. Staff of TMWA and WDWR met on numerous occasions to analyze the feasibility of whether the integration/consolidation of certain functions of the two entities was possible and, if so, whether efficiencies and benefits to the community would result. Preliminary assessment reports ("PARs") for System Planning and Engineering were delivered to WRWC at its March 13, 2009 meeting, and Operations and Water Resources at its July 10, 2009 meeting. Each of these PARs

² The WRWC Act requires analysis of consolidation of all "public purveyors" within the planning area, however, no analysis was conducted of the SVGID as it was generally concluded that this entity functions in a semi-autonomous fashion and that significant efficiencies in operations or resource management are unlikely to be achieved by consolidating their functions with a consolidated TMWA/DWR entity.

analyzed the potential opportunities for improving efficiency, customer service and reliability, as well as reducing long term operating and/or capital costs through some form of integration of WDWR and TMWA. The PARs were prepared by interagency teams of employees who were familiar with the topics and analyzed TMWA and WDWR water systems as one rather than two systems. The findings of the PARs generally indicated that operational and resource management efficiencies might be achieved through consolidation, that rate structures of the two agencies were sufficiently close that migration to one set of customer rates would not result in inequities to either customer base, and that no insurmountable labor issues were anticipated.

To facilitate the consolidation review, the WRWC appointed a Subcommittee on Integration/Consolidation in July 2009, which conducted two meetings with staff to consider certain aspects of consolidation. At its August 6, 2009 meeting the WRWC-Subcommittee concluded that the integration/consolidation process should proceed, and that the full WRWC Board recommend to the governing bodies of both utilities to develop an inter-local agreement (“ILA”) to implement integration of the two agencies leading to full consolidation. The respective governing bodies took action in September 2009 to direct TMWA and WDWR staff to proceed with the development of an Inter Local Agreement to advance the integration/consolidation of WDWR water functions into TMWA.

TMWA and Washoe County executed the *Interlocal Agreement Governing the Merger of the Washoe County Department of Water Resources Water Utility into the Truckee Meadows Water Authority* dated January 29, 2010, which provides for the merger of WDWR into TMWA. Due diligence began in earnest in 2010 to further identify and/or clarify any potential legal obligations/constraints, complete financial analyses to determine the costs/benefits to the respective utility’s customers, create an operating model of the combined systems to develop optimum production schedules and estimate related costs, and work out transition issues.

By October 2012, TMWA presented to the TMWA Board the results of its completed due diligence analyses and sought direction as to continue the process. At that time, the various steps to proceed with merger implementation included labor negotiations; transferring system control to TMWA; transfer customer billing information to TMWA; defeasing WDWR publically issued water debt to be assumable by TMWA; revising various WDWR loan and bond commitments; and completing other specific tasks identified in the ILA. During the due diligence process, it was identified that the merger of the WDWR system into TMWA would require some resolution with respect to continued operations of the STMGID³ system. Through 2012, Washoe County and the STMGID Local Managing Board (“LMB”) explored various options including merging STMGID as part of WDWR or STMGID becoming a stand-alone utility. The TMWA/WDWR merger was put on hold until these issues could be resolved.

³ STMGID was a general improvement district created by Washoe County in 1981 for the basic purposes of furnishing storm drainage, sanitary sewer and water facilities. STMGID served approximately 3,700 customers in the south Truckee Meadows. Up until December 2012, the BCC served as the STMGID Board of Trustees, and a Local Managing Board (“LMB”) comprised of five residents in the STMGID area acted as an advisory board to the BCC.

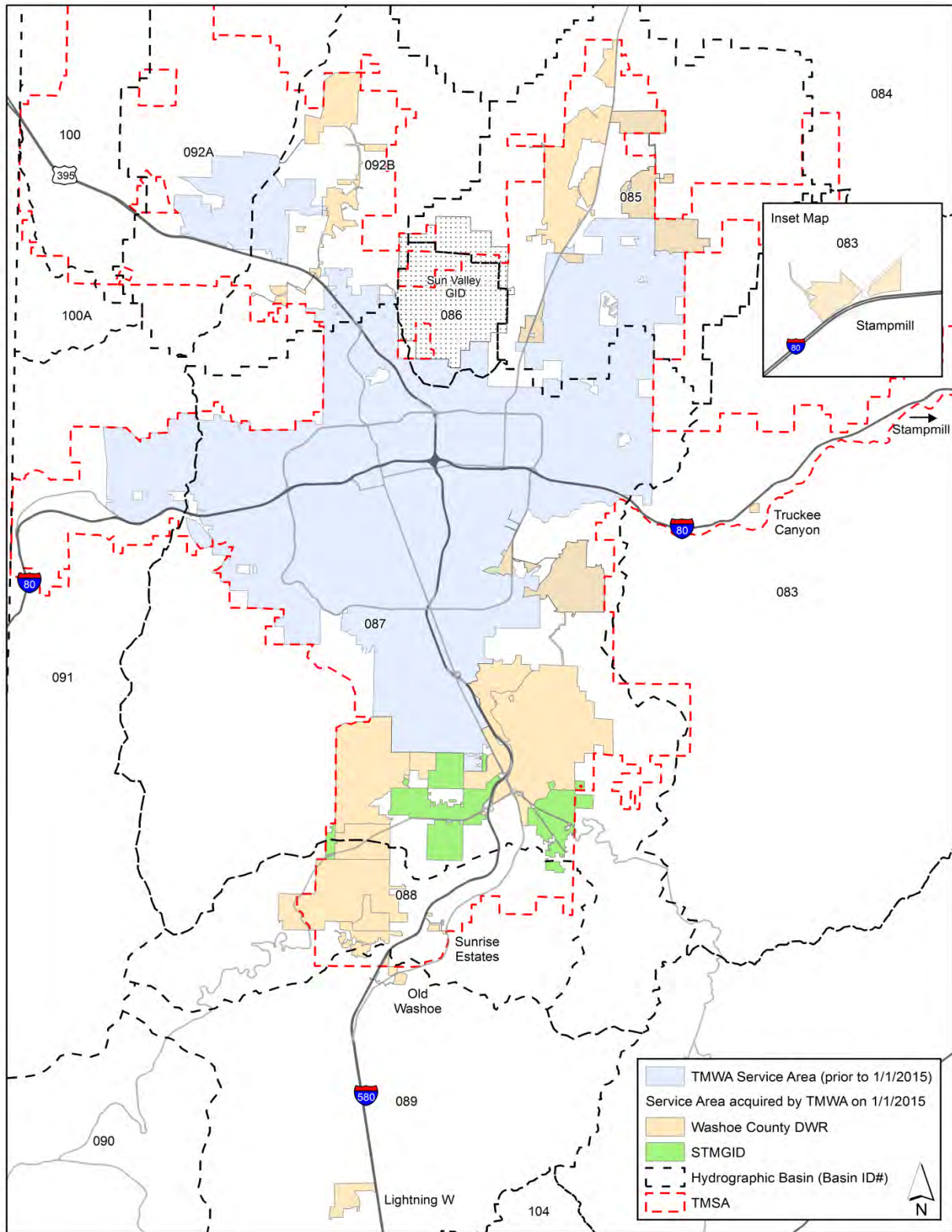


Figure 1-2. Pre-Merger Service Areas

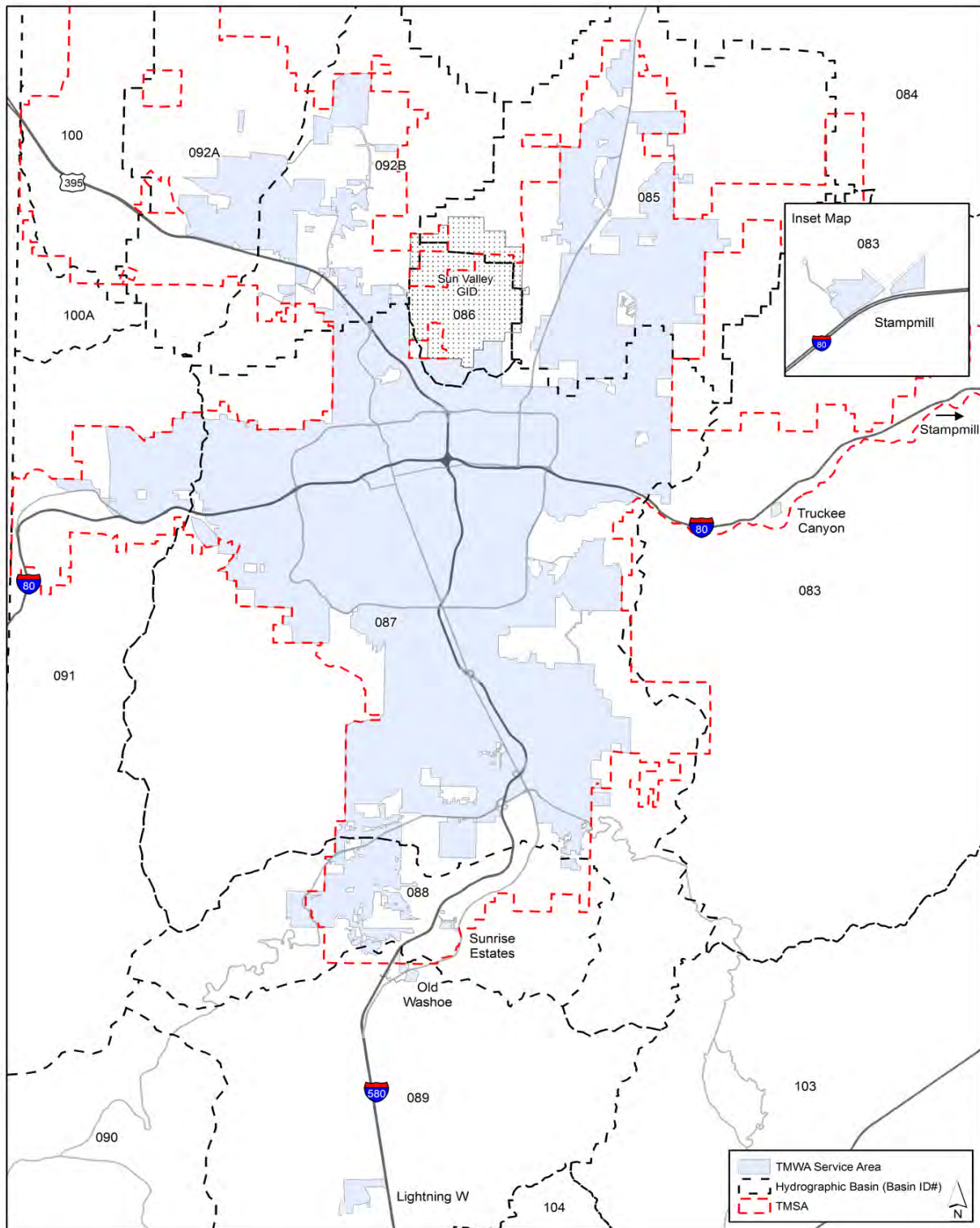


Figure 1-3. Post-Merger Service Area

By December 2012, the BCC elected to authorize the STMGID LMB with the sole responsibility to manage its affairs as a stand-alone entity. In the same month, STMGID submitted a merger term sheet to TMWA for TMWA Board consideration proposing a direct merger of STMGID into TMWA concurrent with the TMWA/WDWR merger. By June 2013, TMWA staff had completed its due diligence of a merger with STMGID with a favorable recommendation to the TMWA Board. Throughout 2014, TMWA and WDWR staff members worked long hours to complete all steps necessary and obligations within the various ILAs. On December 31, 2014, both the WDWR and STMGID water systems were successfully merged into and acquired by TMWA.

TMWA's prior WRPs focused on resource issues facing the utility and its conjunctive use of Truckee River resources and groundwater resources in the pre-merger TRA. Pre-merger, TMWA's planning area was limited to the southern-half of Spanish Springs (hydrographic basin 85), the northern-half of the Truckee Meadows (hydrographic basin 87), and the west-half of Lemmon Valley (hydrographic basin 92A). Post-merger, TMWA assumes a larger, regional role in resource planning and management. The following graphics illustrate the change in scope of TMWA's responsibility and service areas pre- and post- merger. The service area grew from about 109 to 156 square miles.

Due to the expansion of TMWA's service area, TMWA evaluation of water resources and facilities expanded to include all of Lemmon Valley, all of Spanish Springs, all of Truckee Meadows⁴, Pleasant Valley (hydrographic basin 88), and in those areas in Washoe Valley (hydrographic basin 89) and the Tracy Segment (hydrographic basin 83) where small, satellite systems are located. The distribution systems located in hydrographic basins 83, 85, 86, 87, 88 (west portion), 91 and 92 are grouped in the TRA category since the integration of systems between these basins affords customers/development access to Truckee River resources (mainstem and tributary water rights) and the benefits of TROA's drought reserves. Table 1-1 highlights resources, customers and demands in the various planning basins included under the TRA designation.

⁴ Includes Basin 86-Sun Valley and Basin 91-Truckee Canyon (Verdi) as TMWA does not have facilities or groundwater resources in those areas.

Table 1-1. Summary of TMWA's Customers, Resources and Usage by Hydrographic Basin

Description	TOTALS	TRA				non-TRA			
		Spanish Springs	Truckee Meadows ¹	Pleasant Valley-West	Lemmon Valley	Tracy Segment	Pleasant Valley-East	Washoe Valley	Honey Lake
		85	87	88	92A & 92B	83	88	89	97
-----a-----	---b---	---c---	---d---	---e---	---f---	---g---	---h---	---i---	---j---
A. Service Connections									
1. Residential-single family	103,295	16,019	78,136	1,243	8,477	43	54	127	
2. Residential-multi-family	5,013	108	4,666		195				
3. Commercial/Industrial	6,793	273	6,203	13	296	10		6	
4. Irrigation	3,178	182	2,759	67	180	5		7	
5. Wholesale	1		1						
6. Total Connections	118,280	16,582	91,765	1,323	9,148	58	54	140	0
B. Rights (acre feet)									
1. Ground water-in basin	41,620	5,900	28,237	3,457	2,678	315	432	601	
2. Ground water-importation ²	8,000								8,000
3. Surface water-converted ag rights ³	71,990		71,990						
4. Surface water-decree ³ , creek ⁴	47,810		47,810						
5. Surface water-storage	22,250		22,250						
6. Total Resources	191,670	5,900	170,286	3,457	2,678	315	432	671	8,000
C. Sources (acre feet)									
1. Ground water-in basin extraction	23,782	1,783	19,879	1,420	623	14	10	53	
2. Ground water-importation	958								958
3. Surface water-retail	56,760		56,760						
4. Surface water-POSW	11,700		11,700						
5. Total Sources CYE2015	93,200	1,783	88,339	1,420	623	14	10	53	958

¹ Includes Basin 86 -Sun Valley and Basin 91 - Truckee Canyon (Verdi).

² Honey Lake water rights/resources are available to the North Valleys via the Vidler Pipeline.

³ Converted ag and decree rights are used throughout the TRA.

⁴ Converted creek ag rights are available for use in Basins 87 (southwest) and 88 (west portion).

The remote, i.e., satellite, systems TMWA now manages as a result of the merger are found in basins: 83 (Truckee Segment), 88-East (the area east of I-580 in Pleasant Valley), 89 (Washoe Valley) and 97 (Honey Lake)⁵. These systems are grouped in the non-Truckee Resource Area ("non-TRA") category because the systems were developed as standalone subdivisions, which upon recordation of a final map required sufficient resources to meet the full build-out requirements of the development. At this time, the resources to serve these developments are fully committed and cannot be expanded beyond the defined development area without additional investment in facilities and viable resources. For purposes of this plan, it is assumed that each of the satellite systems has sufficient resources and facilities dedicated to meet the build-out of the development over the planning horizon, and it is not foreseen that Truckee

⁵ Honey Lake is unique in that TMWA has no customers and distribution facilities in the basin, just well production and transmission facilities, and is grouped in the non-TRA for convenience.

River resources are or will be available to these systems in the near-term. A brief summary of these systems and the basin in which they are located is presented in Table 1-2.

Table 1-2. Summary of Satellite Systems Resources and Customers

	Description	Start year	Lots & customer type	Dedicated water rights (acre feet)	2015 Production (acre feet)
	-----a-----	---b---	----c----	----d----	----e----
1	Basin 83: Truckee Segment Truckee Canyon Water System	2000	10-commercial 2-irrigation	200	6
2	Stampmill Estates	1994	43- residential 2-commercial	115	9
3	Basin 88: Pleasant Valley-East Sunrise Estates	1978	54-residential	432	10
4	Basin 89: Washoe Valley Lightning W Estates	1997	62-residential 2-commercial 2-irrigation	443	37
5	Old Washoe Estates	1978	65-residential 4-commercial 5-irrigation	158	15
	Basin 97: Honey Lake	2007	na	na	na

The TRA includes the growth prone areas of Lemmon Valley, Pleasant Valley (west portion), Spanish Springs, and Truckee Meadows. For this plan, the discussion of water resources in the chapters that follow frames issues for each hydrographic basin but will be aggregated under the TRA classification and describes how TROA meets and exceeds future demand needs in the TRA while accruing more drought reserves than previously available to TMWA over the planning horizon.

Trends After 2007 Economic Downturn

Following significant economic activity, between 2002 and 2006, the median price of housing approximately doubled within Washoe County. The annual median price for residential homes peaked in 2006 at \$345,000. Some of the reasons cited for this rapid price increase in housing related to (a) relatively low home prices compared to California and other western markets; (b) historically low mortgage rates and easy access to mortgage loans in existence during that time; (c) high consumer confidence and spending at the national level; (d) a strong national economy; (e) an influx of national home builders to the region selling new homes at higher than average prices; (f) a surge in immigration and demand for new housing in the region; (g) a stable and favorable business climate compared to other regions in the west; and (h) increasing costs of raw materials for new construction brought about by high demands. However, due to artificially-low interest rates and subprime lending practices, eventually mortgage rates adjusted and the price trend reversed itself. By 2011, median home prices had plummeted 57 percent from \$345,000 to \$149,000, a level below that of 2001. By 2014 however the median home price was estimated to be \$230,000, indicating home buying was on the rise. Figure 1-4 shows the changes in the median housing price for Washoe County between 2001 and 2014.

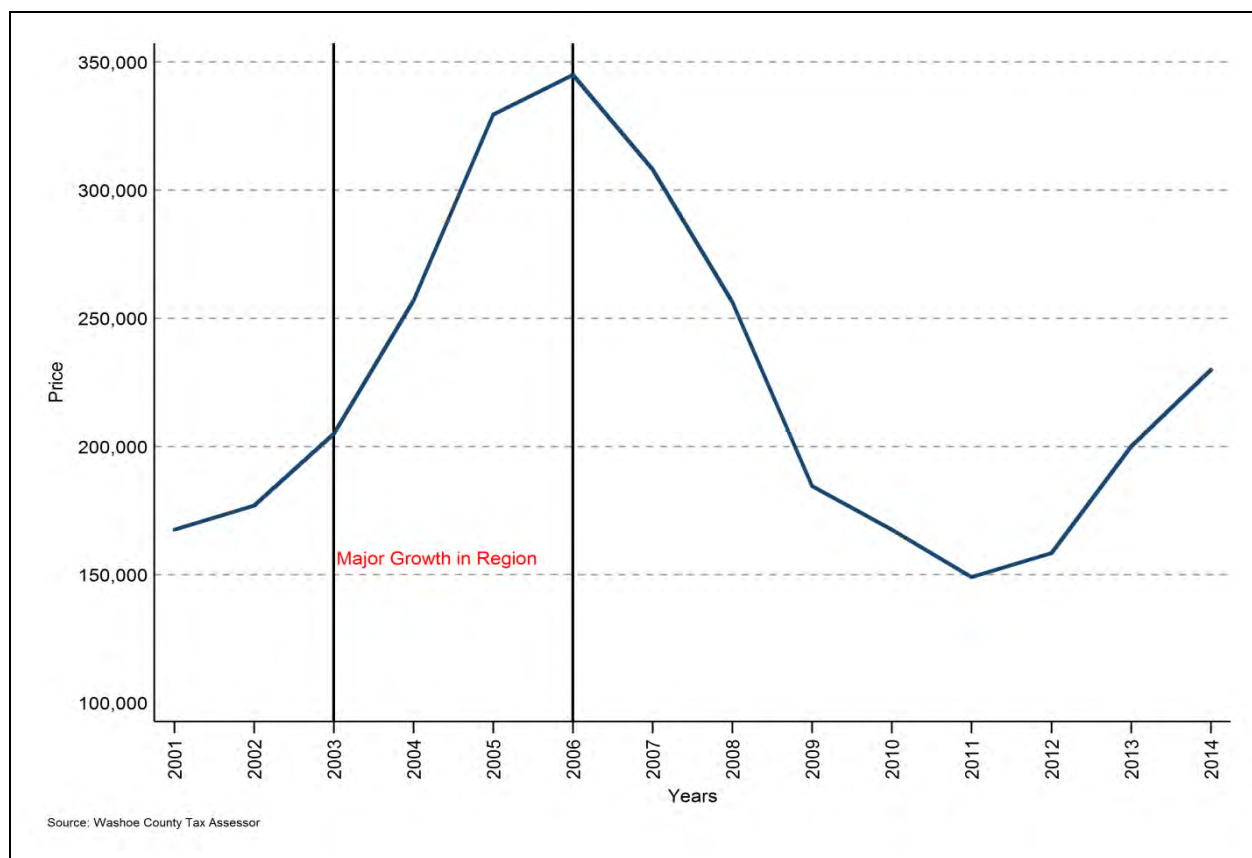


Figure 1-4. Median Housing Prices in Washoe County 2001 -2014

Figure 1-5 shows the development of land in the TMSA over the last 70 years. According to the Washoe County Assessor data 99,700 acres which includes roadways have been developed within the TMSA compared to current The Truckee Meadows Regional Planning Commission estimate of approximately 133,000 acres total developed and developable acreage within the TMSA. Historically, the development trend has been fairly constant over time. There was a brief spike in development in the middle 70's, followed by a consistent rise leading up to the economic downturn, at which time new development came to a relative halt. The reduced supply of developable land during the time period reflected in the graph is just another factor that contributed to increases in real estate prices experienced since the late 1990's through 2006 and will affect future development within the TMSA.

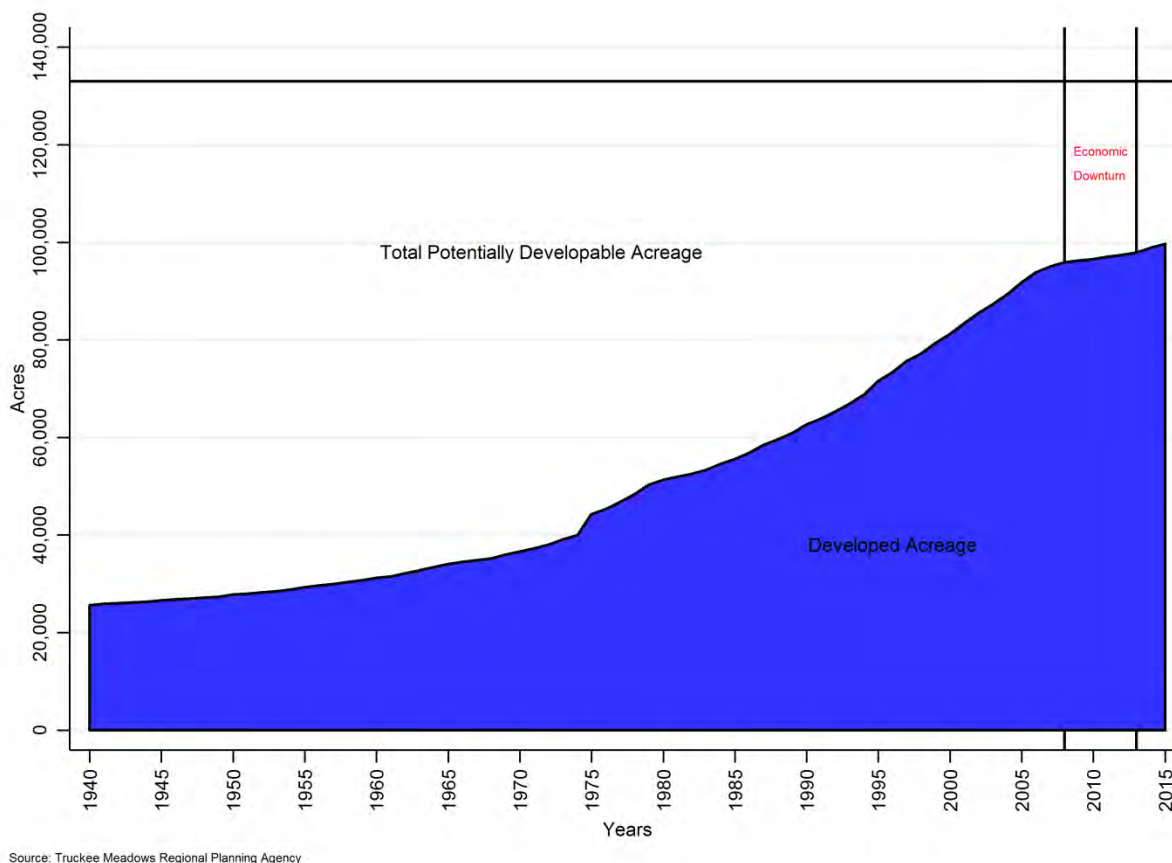


Figure 1-5. Developed and Undeveloped Acres in Washoe County

The ensuing credit crisis within the financial market signaled the start of a recession nation-wide. Economic conditions within the Reno MSA⁶ had a significant downturn after the housing bubble crash of 2007/8. During the peak of the housing boom, the surge of people immigrating who were seeking lower home prices, relative to the national average, found increasing mortgage payments and little job opportunity after the decline. Declining income levels, a rapidly-contracting construction industry, and poor employment conditions in general, led to a dramatic drop in the number of employed persons within the Reno MSA (see Figure 1-6). In 2006, approximately 223,000 people were employed; however by 2011 employment numbers had decreased to 189,000. The result was an unemployment rate that had jumped over 200 percent from a record low of 3.8 percent in 2006 to 12.6 percent in 2011.

⁶ Reno Metropolitan Statistical Area (“MSA”) includes employment from Washoe and Storey Counties.

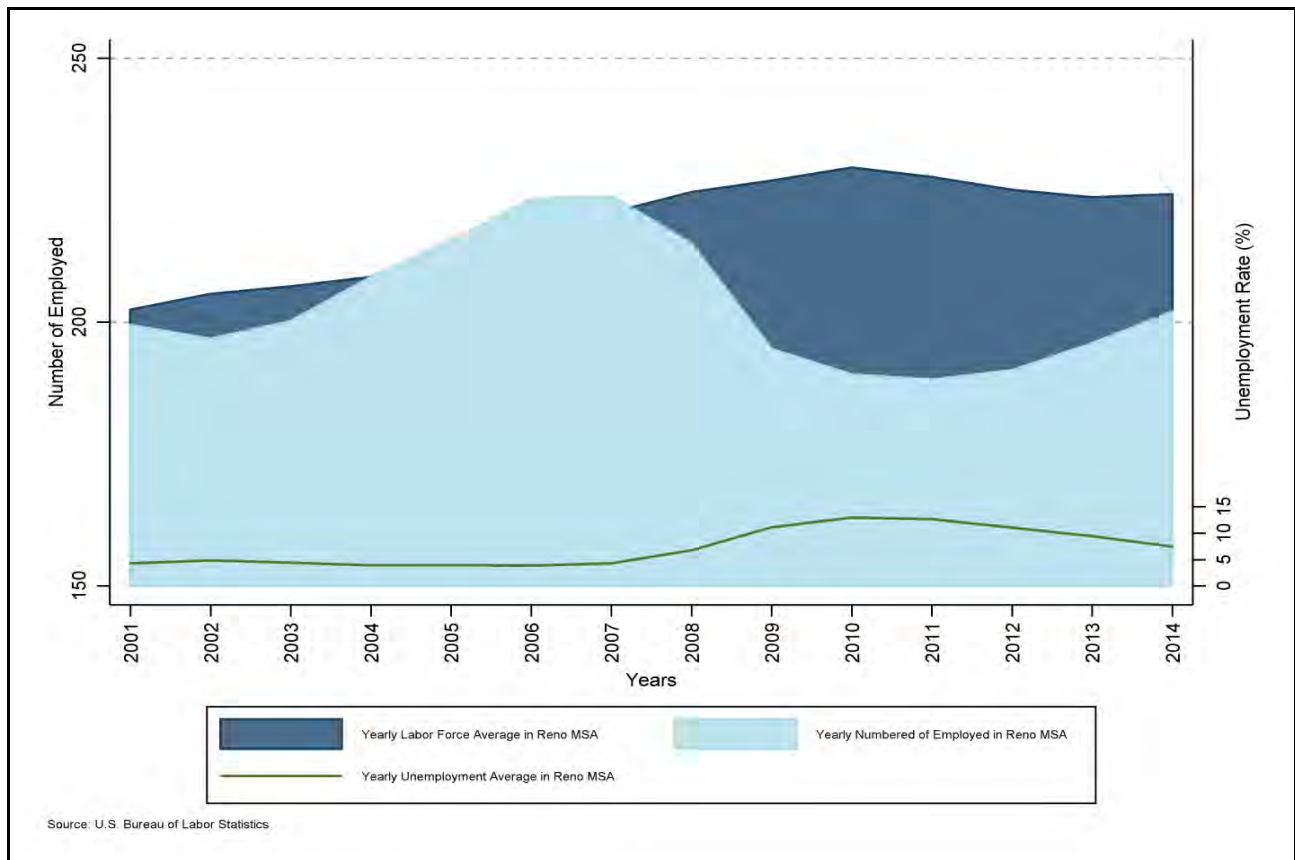


Figure 1-6. Employment Statistics in Reno MSA 2001 -2014

By 2012, indicators began to show signs of an economic recovery. Between 2010 and 2014 employment numbers rose 6 percent, and subsequently the rate of unemployment dropped from a unprecedented high of 13 percent in 2011 to 7.4 percent by 2014 (a rate only slightly higher than the average of 6.1 percent over the last 25 years). This increase in employment slowly began to raise the income levels within the Reno MSA. By 2012, per capita income had rebounded to \$45,000 from \$41,000 in 2010 (a gain of 9.7 percent), with the trend flattening over the next year.

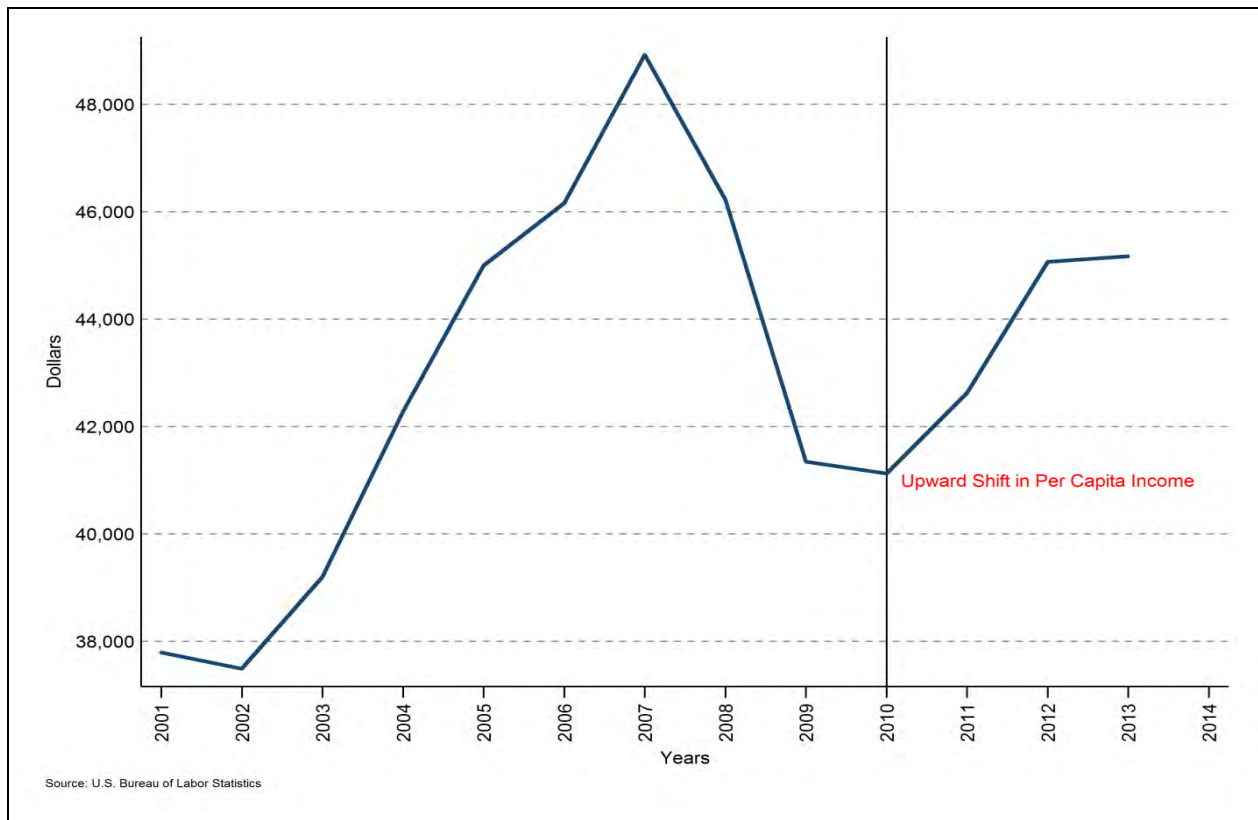


Figure 1-7. Per Capita Income Levels in Reno MSA 2001 -2013

Lagging behind the increase in level of income was home buying, which also exhibited a positive trend. Between 2011 and 2014 homeownership saw upward momentum as housing prices increased 37 percent during that period (see Figure 1-7). New residential housing hit a 10-year low in 2011 with only 538 housing permits issued by the local entities. By 2014, housing permits issued had increased 4-fold to 2,192. Prior to 2003, the median number of will-serve commitments issued by TMWA was 1,300 AF/yr. As the region experienced eight years' worth of development in a four year period (2002 to 2005), commitments more than doubled to 2,800 AF. Following the precipitous drop in new development activity beginning in late 2006, will-serve commitments reached a low point in 2010 (a level not seen since 1958) of 117 AF. Subsequently, as development began a modest rebound, will-serve commitments began to increase (see Figure 1-8).

Moving forward, based on the historic growth, the announcement of Tesla battery plant and other new projects, growth is likely to continue to be positive. It is projected the Reno MSA will see a 4.7 percent increase in employment between 2015 and 2019.⁷ Given the relationship between economic growth, new housing development and home prices, as well as the price of water, it is expected that the price of water rights will increase - though at a much slower rate than previously experienced. Chapter 4 considers these trends and changes in employment leading to the development of revised population, dwelling unit and customer demand estimates for this 2035WRP.

⁷ Estimate based on report by the Economic Development Authority of Western Nevada <http://edawn.org/>.

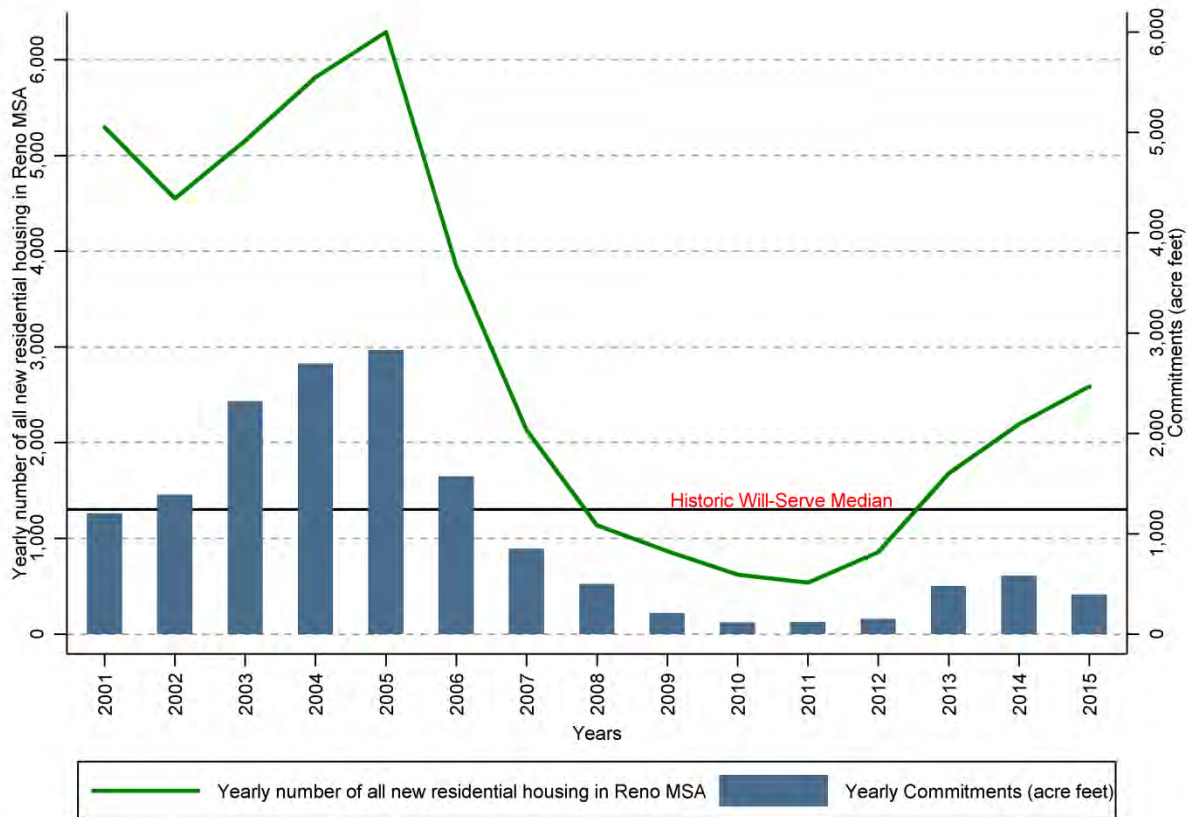


Figure 1-8. New Housing Permits and Annual Will-Serve Commitments 2001 -2015

Depending on the use of the land, commercial versus residential, and the resulting densities assigned to the land, the amount of water resources needed to meet this demand will vary. Analysis in Chapter 3 discusses the availability of Truckee River mainstem rights for future dedication to TMWA to support future will-serve commitments.

TROA Implementation

Pursuant to the *Truckee-Carson-Pyramid Lake Water Rights Settlement Act*, Public Law No. 101-618 (Nov. 16, 1990), Title II, 104 Stat. 3289 (the “Settlement Act”), Congress directed the Secretary of the Interior to negotiate an operating agreement with Nevada and California (and other parties) which, among other things, would provide for a more flexible and coordinated operation of Lake Tahoe, Boca Reservoir, Prosser Creek Reservoir, Martis Reservoir and Stampede Reservoir, and if owners of affected storage rights agreed, Donner and Independence Lake, while at the same time satisfying the exercise of water rights in conformance with the Orr Ditch Decree. TROA is that operating agreement.

TROA provides for modified river and reservoir operations that result in multiple benefits for water users, including benefits related to endangered fish species (spawning fish flows), recreation (minimum water levels in reservoirs), and significant additional drought storage for TMWA. Implementation of TROA solidifies the interstate allocation of water between Nevada and California as provided for in the Settlement Act.

On September 6, 2008, TROA was signed by the five Mandatory Signatory Parties: PLPT, the U.S., California, Nevada and TMWA. In November 2015 the parties completed all requirements to implement TROA, and it implemented December 1, 2015. TMWA began crediting storing water that the same day, the first time in history the water utility has been able to store water during winter months. TROA established a framework which provides greater flexibility for river operations allowing parties to exchange water to accommodate emerging issues without injuring the water rights on which they rely, and perhaps avoid future regulatory uncertainties surrounding the use of the Truckee River. Further discussion on the benefits of TROA is found in Chapter 3.

Purchase of Truckee Carson Irrigation District (“TCID”) Interest in Donner Lake

In May of 1943, Sierra Pacific Power Company ("Sierra") and TCID acquired from the Donner Lake Company ownership of the dam and reservoir at Donner Lake and the right to store water in Donner Lake, as tenants-in-common. The Donner Lake water right allows for the impoundment of approximately 9,500 AF of water each year and the right to use Donner Lake as a reservoir for upstream storage. At that same time, Sierra and TCID entered into an agreement for the operation, maintenance, cost-sharing and use of Donner Lake Water, which requires, among other things, Sierra and TCID to operate the dam and controlling works at Donner Lake. In 2001, Sierra conveyed its interest in the Donner Lake water right and associated operating agreement to TMWA.

In the past, several attempts were been made by Sierra Pacific Power Company to purchase TCID's half of Donner Lake water but without success. TROA imposes various requirements on TMWA to develop additional municipal and industrial water supplies for new water service. Among those requirements, TMWA's acquisition of TCID's Donner Lake Assets is explicitly called out in TROA Section 4.C.1(b) whereby:

“.....Water Authority [TMWA] shall use its best efforts to implement the following measures, to the extent legally, technically and economically feasible, to help meet the water demands of customers:

(b) The acquisition and utilization of the rights currently owned by Truckee-Carson Irrigation District to store and use water in Donner Lake on a willing buyer/willing- seller basis, unless such right is acquired by another party.....”

In fall 2015, TCID began discussions with TMWA regarding the sale of TCID’s interest in Donner Lake. After extensive negotiations, TCID and TMWA staff reached an agreement whereby TMWA pays in total \$17.2 million for the Donner Lake water rights in exchange for:

- TCID and TMWA will settle and resolve all litigation claims with respect to a 2006 action over their respective rights to the Donner Lake water right and their respective rights and obligations under the 1943 Indenture and the 1943 Operating Agreement, including whether the 1943 Operating Agreement is presently valid and enforceable.
- TCID will engage in a good faith effort to procure the dismissal of other TROA related litigation by all other remaining parties to those lawsuits, including the City of Fallon

and Churchill County.

- TCID agrees to not file any new litigation or challenges, legal or otherwise, to the adoption, validity, legality or enforceability of any of TROA's provisions.
- TMWA agrees to engage in a good faith effort to procure consents from other TROA parties to allow TCID to become a party to TROA.
- TMWA agrees TCID may seek to obtain the agreement of the United States and other appropriate TROA parties concerning upstream storage of Newlands Project Credit Water and Other Credit Water pursuant to the provisions of TROA, and modification of release dates of Newlands Project Credit Water. TMWA agrees it will not oppose such requests provided they do not result in injury to or conflict with TMWA's water rights, TMWA's rights under TROA or the Orr Ditch Decree.

The purchase agreement was presented to and approved by both the TMWA and TCID boards on December 16, 2015. On January 4, 2016 TCID held a special election of the member of the irrigation district on whether TCID should sell the Donner Lake assets pursuant to the agreement; the members voted overwhelming to sell the assets.

Upon close of escrow scheduled for February 2016, TMWA will add TCID's 4,750 AF of Donner Lake water right to its share, thereby owning all 9,500 AF of the Donner Lake water right. TMWA will manage the acquired portion of the Donner Lake water right pursuant to TROA operations, which allows using the right for more credit storage and if used for new will-serve commitments, to be included as part of TMWA's normal demand for purposes of TROA.

Water Resources During Drought Periods

The annual flow of water from the Truckee River system is dependent on the amount or size of the preceding years' snowpack (see Figure 1-9) which can be highly variable from year-to-year. Simply stated, the larger the snowpack the greater the Truckee River flows; conversely, the smaller the snowpack the smaller the Truckee River flows; this topic is developed more fully in Chapter 2.

Beginning in 2012, snowpack accumulations have been near or below 50 percent of average. This 2035WRP comes as the region experienced its fourth consecutive year of exceptionally low-precipitation. Drought Situations⁸ exist when there is inadequate natural flow in the Truckee River and there is not enough stored water in Lake Tahoe and/or Boca Reservoir to maintain required rates of flow to meet Floriston Rates, or the elevation of Lake Tahoe is projected to be less than half-a-foot above its natural rim on or before November 15 each year. Truckee River discharge data (1909 through present) and various tree-ring research efforts show drought periods can vary from a few years to as many as 8 to 10 years in duration.

⁸ Pursuant to TROA: "**Drought Situation** means a situation under which it is determined by April 15, based on procedures set forth in Section 3.D, either there will not be sufficient **Floriston Rate Water** to maintain **Floriston Rates** through October 31, or the projected amount of **Lake Tahoe Floriston Rate Water** in Lake Tahoe, and including **Lake Tahoe Floriston Rate Water** in other **Truckee River Reservoirs** as if it were in Lake Tahoe, on or before the following November 15 will be equivalent to an elevation less than 6,223.5 feet Lake Tahoe Datum."

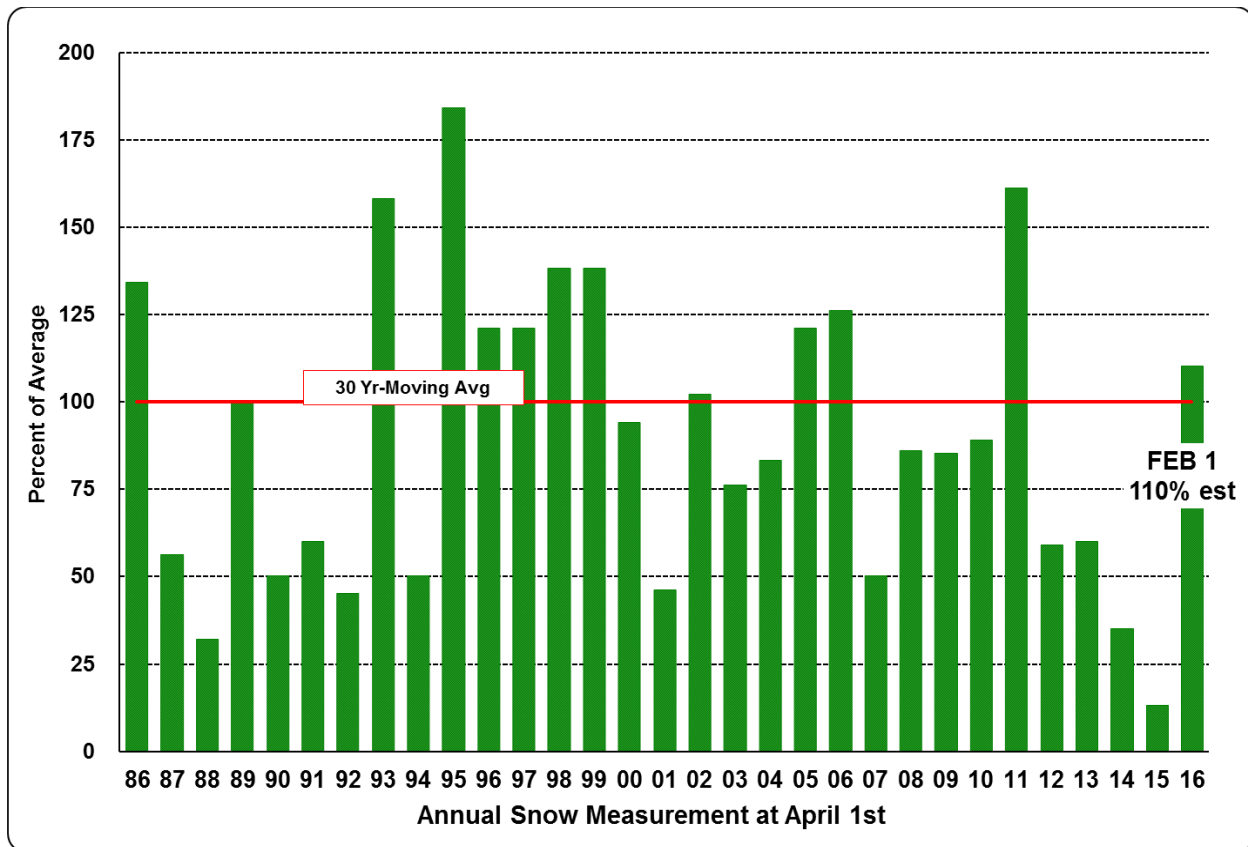


Figure 1-9. 1985 to 2015 April 1 Snowpack for the Truckee River Basin with Estimated February 1, 2016 Percent of Average

During the various drought periods, TMWA’s drought reserves may not be impacted; Privately Owned Stored Water (“POSW”) or drought reserves are only used to meet customer demand when the more critical dry years within the drought period are experienced. Based on past history it is not until at least the third dry or drought year in a row that upstream reserves may have to be used. In the 1987 through 1994 drought of record, only in the summer of 1991 and 1992 were upstream reserves required to meet demands. It is important to also note that the use of reserves has only occurred between the months of June and October, primarily during the irrigation season. In those years where Floriston Rates were not met through the irrigation season, by November flows in the Truckee River were once again sufficient enough to meet wintertime production needs. TMWA’s current water planning is based on the hydrology of 1987-1994, the worst drought on record. In the current drought period, drought reserves were required to meet TMWA customer demands in both 2014 and more so in 2015. Although 2015 was the driest in the last 100 years with the lowest snowpack in recorded history, it cannot be stated with any certainty as to what the duration or direction the current drought period will take. This topic is discussed further in Chapters 2 and 3.

The core of TMWA’s water supply for customers in the TRA is derived from the Truckee River. Consecutive years of low-precipitation in the Lake Tahoe and Truckee River basins produce dry conditions and drought periods in the TRA. The length of a drought period is solely a function of climatic/meteorological conditions, hydrologic drought conditions, and trends over

a period of years. Determining a safe annual yield of available water resources during extended drought situations is the crux of this, and prior, water resource plans.

Summary

Water resource planning for the Truckee Meadows has become increasingly more complex in recent years and will continue to be more challenging as TMWA seeks to accommodate the region's current and future water supply needs. This chapter introduced some of the key issues facing the current and future development of water resources for the Truckee Meadows. The following chapters will take up other issues related to climate, source water reliability and sustainability, water right availability, water resource integration and conjunctive management of resources, demand-side management, and future supply opportunities. This 2035WRP relies and builds upon the information developed and contained in prior TMWA and various regional planning efforts. This 2035WRP plan will examine and analyze the water resource options available to TMWA to meet the water demands of its current and future customers. The plan is set forth as follows:

- Chapter 1, "Introduction", presents some of the key past and current trends and challenges that have shaped, or are projected to shape, the future of the greater Truckee Meadows region and the availability of water resources.
- Chapter 2, "Source Water Reliability", presents discussion of quality of surface and ground water sources, climate change and climatic effects, source/loss risk analysis, and water quality protection/response plans.
- Chapter 3, "Integrated Management of Water Resources", describes availability of water rights used by TMWA and how those resources are conjunctively managed to annually produce a sufficient amount of water to meet TMWA's water service demands in non-Drought and Drought-Situation years.
- Chapter 4, "Population and Water Demand Projections", presents forecasts of population and water demands for the planning horizon.
- Chapter 5, "Water Conservation Plan", describes the various conservation programs and measures that TMWA employs to reduce annual water use and minimize water waste in both non-drought and drought-situation years, including a comprehensive list of tools that the TMWA Board can employ to produce enhanced water savings based on water supply conditions at any given time.
- Chapter 6, "Future Water Resources", identifies potential future water resources.

CHAPTER 2 SOURCE WATER RELIABILITY

This chapter explores the reliability of TMWA's total water supply in terms of both quantity and quality for municipal purposes. A water supply is considered to be reliable when in the event of adverse events, service to customers continues without interruption. There are three key areas of risk that needs to be addressed in order to ensure a perpetual and adequate water supply: climate changes (warmer / cooler average temperatures or wetter / dryer average conditions); weather caused events (such as floods, droughts, mud slides); and anthropogenic events (such as source contamination). Each of these areas of risk requires its own level and type of risk assessment and plan for mitigation. While it not possible to completely remove the risk of any event, it is possible to develop plans and allocate resources to be used for mitigation.

Climate Change

Performing an accurate assessment of the risk associated with climate change requires first a delineation of the differences between climate and weather; a discussion about how climate assumptions can translate into changes to expected weather patterns; how different weather patterns may translate into different risks for TMWA to consider and develop plans for. The following discussion about climate and weather is paraphrased in part from NASA's website⁹ and is provided in Appendix 2-1.

The difference between weather and climate is a function of the measurement of time. Weather is atmospheric conditions are over a relatively short period of time. Most people think of weather in terms of temperature, humidity, precipitation, cloudiness, brightness, visibility, wind, and atmospheric pressure (i.e., high and low pressure). Weather can change minute-to-minute, hour-to-hour, day-to-day, and season-to-season. Weather includes sunshine, rain, cloud cover, winds, hail, snow, sleet, freezing rain, flooding, blizzards, ice storms, thunderstorms, steady rains from a cold front or warm front, excessive heat, heat waves and more.

The National Oceanic and Atmospheric Administration's ("NOAA") National Weather Service ("NWS") is the lead forecasting outlet for the nation's weather and the keeper and provider of much weather data. Their mission states:

"The National Weather Service provides weather, hydrologic, and climate forecasts and warnings for the United States, its territories, adjacent waters and ocean areas, for the protection of life and property and the enhancement of the national economy. NWS data and products form a national information database and infrastructure which can be used by other governmental agencies, the private sector, the public, and the global community."

TMWA makes extensive use of NWS data in many analyses and daily operations.

Climate is used in reference to how the atmosphere 'behaves' over relatively long periods of time. Climate is the average of weather over time and space. Some scientists will define climate as the average weather for a particular region and time period, usually spanning

⁹ NASA publication *What's the Difference Between Weather and Climate?*
http://www.nasa.gov/mission_pages/noaa-n/climate/climate_weather.html

over 30 years. When scientists talk about climate, they are looking at averages of precipitation, temperature, humidity, sunshine, wind velocity, phenomena such as fog, frost, and hail storms, and other measures of the weather that occur over a long period in a particular place. Anecdotally, to talk about climate change is to talk about changes in long-term average of daily weather. Today, children hear stories from their parents and grandparents about how snow was always piled up to their waists as they trudged off to school. Today in most areas of the country, children have not experienced those kinds of dreadful, snow-packed winters. If summers seem hotter lately, then the recent climate may have changed. In various parts of the world, some people have even noticed that springtime comes earlier now than it did 30 years ago. While anecdotal, these are all indicative of possible change in the climate. In addition to long-term climate change, there are shorter term climate variations. This so-called climate variability can be represented by periodic or intermittent changes related to El Niño, La Niña, volcanic eruptions, or other changes in the Earth system.

The study of climate is looking at how the description of weather is changing over longer periods of time. The National Academy of Sciences, a lead scientific body in the U.S., determined that the Earth's surface temperature has risen by about 1 degree Fahrenheit in the past century, with accelerated warming during the past two decades. There is new and stronger evidence that most of the warming over the last 50 years is attributable to human activities. Yet, there is still some debate about the role of natural cycles and processes.

It is accepted that human activities have altered the chemical composition of the atmosphere through the buildup of greenhouse gases – primarily carbon dioxide, methane, and nitrous oxide. While the heat-trapping property of these gases is undisputed, it is uncertain exactly how Earth's climate responds to them. According to the U.S. Climate Change Science Program (<http://www.climatechange.gov>), factors such as aerosols, land use change and others may play important roles in climate change, but their influence is also highly uncertain at the present time.

The above discussion about climate and weather from NASA, clearly shows that the topic of climate and weather is both complex and filled with uncertainties about how all the interrelated components behave over time. What is known is that over the last 100 years global temperature has risen about 1 degree Fahrenheit, and most of that in the last 50 years.

Climate Predictions

Using the Global Climate Dashboard from Climate.gov, average global temperatures are expected to increase about 1 degree between the years 2010 and 2040, and by the year 2100 the change could be 2 to 6 degrees depending on the model selected. The climate scientists are unable to tell which model should be used because all the models are dependent upon expected human activities. The amount of warming associated with different human choices is also unknown because there are many details that are not known about how the climate will respond to continued increases in heat-trapping gases, particularly over longer time scales. The following figure from Climate.gov illustrates the range of possible global temperature changes.

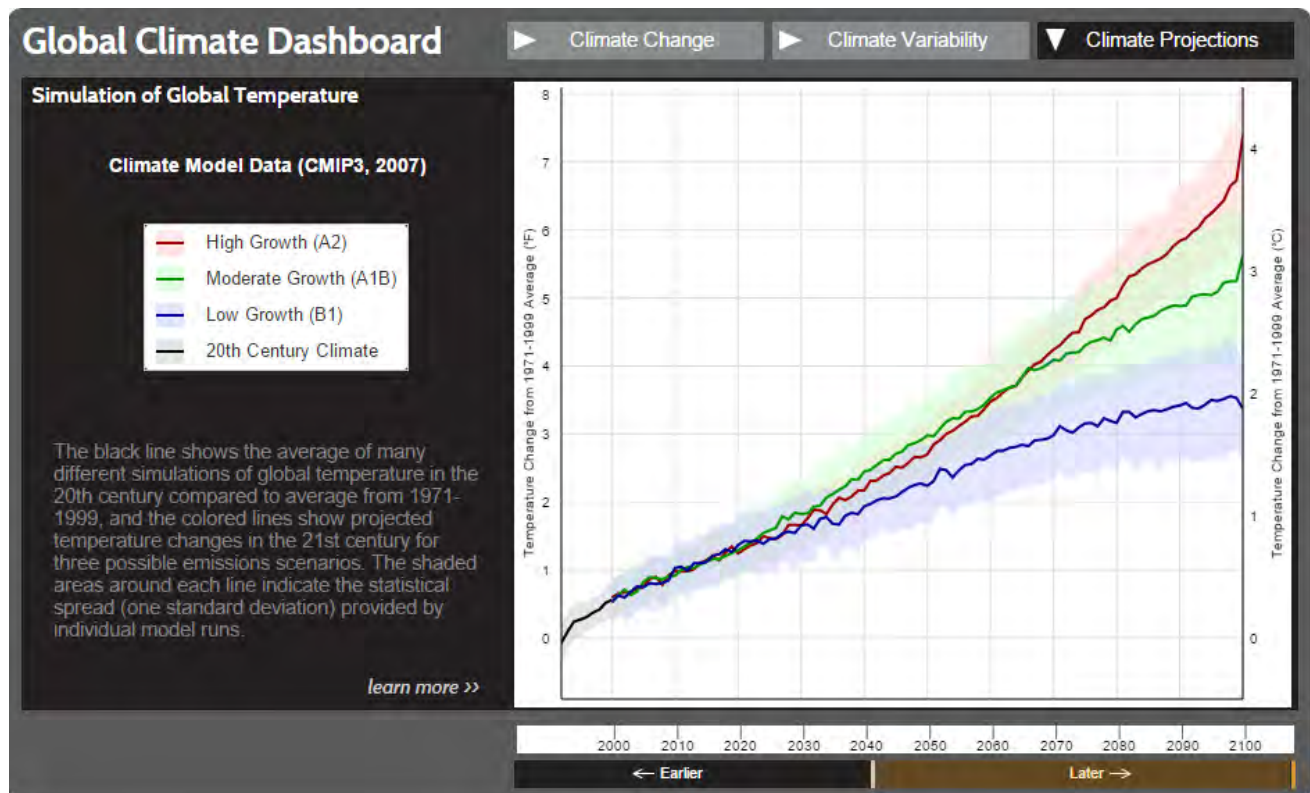


Figure 2-1. Global Climate Dashboard from Climate.gov

Translating Climate Predictions into Changes in Weather

Northern Nevada and California its neighbor to the west share the Lake Tahoe and Truckee River watersheds. In June 2015 the State of California Department of Water Resources (“CDWR”) released a report “California Climate Science and Data for Water Resources Management” presenting their findings and methods of adapting climate change research to water resource planning which have some applicability to the greater Truckee Meadows water supplies. (Appendix 2-2).

In California there is an expectation of more frequent droughts with warmer temperatures. Extremes on the wet end of the spectrum are also expected to increase, due to more frequent warm, wet atmospheric river events and a higher proportion of precipitation falling as rain instead of snow.

Most climate model precipitation projections for California anticipate heavier and warmer winter precipitation in northern California. However there is less scientific detail on localized precipitation changes and this uncertainty needs to be taken into account. Lake Tahoe and the Truckee River basins are considered to be located in northern California and in what California calls the North Lahontan hydrologic region. In the Global Climate Models (“GCM”), California and western Nevada are simplified and represented by a handful of data points. The climate model simulations *do not* provide strong consensus regarding precipitation trends in most locations around the globe, including California. It is possible that throughout the 21st century, the total amount of precipitation statewide will remain, on average, about the same. However, the distribution, timing and type of that precipitation may vary. What is quite certain is that future

years will continue to be subjected to natural climate variability, such as El Niño and other large-time-scale oscillations.

Climate modeling will continue to produce more realistic and improved capability to explore future conditions, as observations accumulate and better fundamental understanding is gained by scientists. These advances will lead to a better understanding of possible scenarios, including the frequency of extreme events such as drought and floods. At this time the climate models provide very limited information for water resource planning. CDWR has determined that the Northern Lahontan hydrologic region is subject to the following vulnerabilities:

- Increased air and water temperatures would place additional stress on sensitive ecosystems and species.
- Loss of snowpack storage may reduce reliability of surface water supplies and results in greater demand on groundwater resources.
- Magnitude and frequency of extreme precipitation events may increase, resulting in greater flood risk.
- Higher temperatures and longer dry seasons would increase wildfire risk.

CDWR suggest the following resource management strategies may prove benefit in addressing future water supply uncertainty:

- System Reoperations:
 - Changing existing operation and management procedures for a water resources system consisting of supply and conveyance facilities. TROA provides for the reoperations of the Truckee River and associated storage reservoirs.
- Conjunctive Management and Groundwater Storage:
 - Coordinated and planned use and management of surface water and groundwater resources to maximize the availability and reliability of water supplies.
- Surface Storage – Regional/Local:
 - Above-ground reservoirs to collect water for later release when needed. Surface storage has played a key role where the quantity, timing, and location of water demand frequently do not match the natural water supply availability.

As seen by the information from NASA, Climate.gov, and CDWR, TMWA can expect the regional climate to continue warming, the exact amount of warming cannot be determined at this time. Warming temperatures are expected to have an impact on water sources, however the current science is unable to provide estimates of what that impact will be over time. Regardless of the exact amount of climate change, resource management strategies such as system reoperations, conjunctive management, and surface storage are useful in managing the climate change impacts. These same tools are also used to manage known weather variability risk such as droughts, floods, rain versus snow events.

Weather Variability

Nevada is part of the Great Basin and for the most part is classified as a high desert climate. Few places in Nevada are as fortunate as the Truckee Meadows which has a river running through it, but that does not change the fact it is a desert with annual average rainfall of 7.5 inches per year. In essence, the region is in perpetual dry conditions interrupted by higher-than-average precipitation years, which makes it difficult to delineate when a drought has begun, will end, or how long a drought could last.

Weather, particularly precipitation in the form of snowpack, is the primary determinant in establishing drought conditions and the availability of surface and groundwater supplies in the various hydrographic basins where TMWA provides service. Precipitation replenishes the reservoirs and aquifers from which water is extracted. While the weather pattern consistently provides precipitation during the winter and spring months, the type of precipitation (snow versus rain) and timing of snowmelt runoff can vary greatly from year to year. Simply stated, a larger snowpack produces greater Truckee River flows; conversely, the smaller the snowpack the smaller the flow in the Truckee River. Figure 2-1 compares annual snowpack accumulations to annual Truckee River flows.

TMWA manages for uncertainty of its water supply, in terms of the overall quantity and the timing of its delivery, through storage of water in upstream reservoirs and injection of treated surface water through its network of wells into aquifers in Lemmon Valley, Spanish Springs and Truckee Meadows. When river flows are available, TMWA manages its surface water resources through conjunctive use with groundwater supplies. This conjunctive use management maximizes use of surface water when it's available, thereby reducing groundwater pumping. This approach allows TMWA to meet demands with surface water, and to rest and recharge specific wells when enough surface water is available. TMWA continually assesses the potential reduction to source water supplies due to variability of weather conditions.

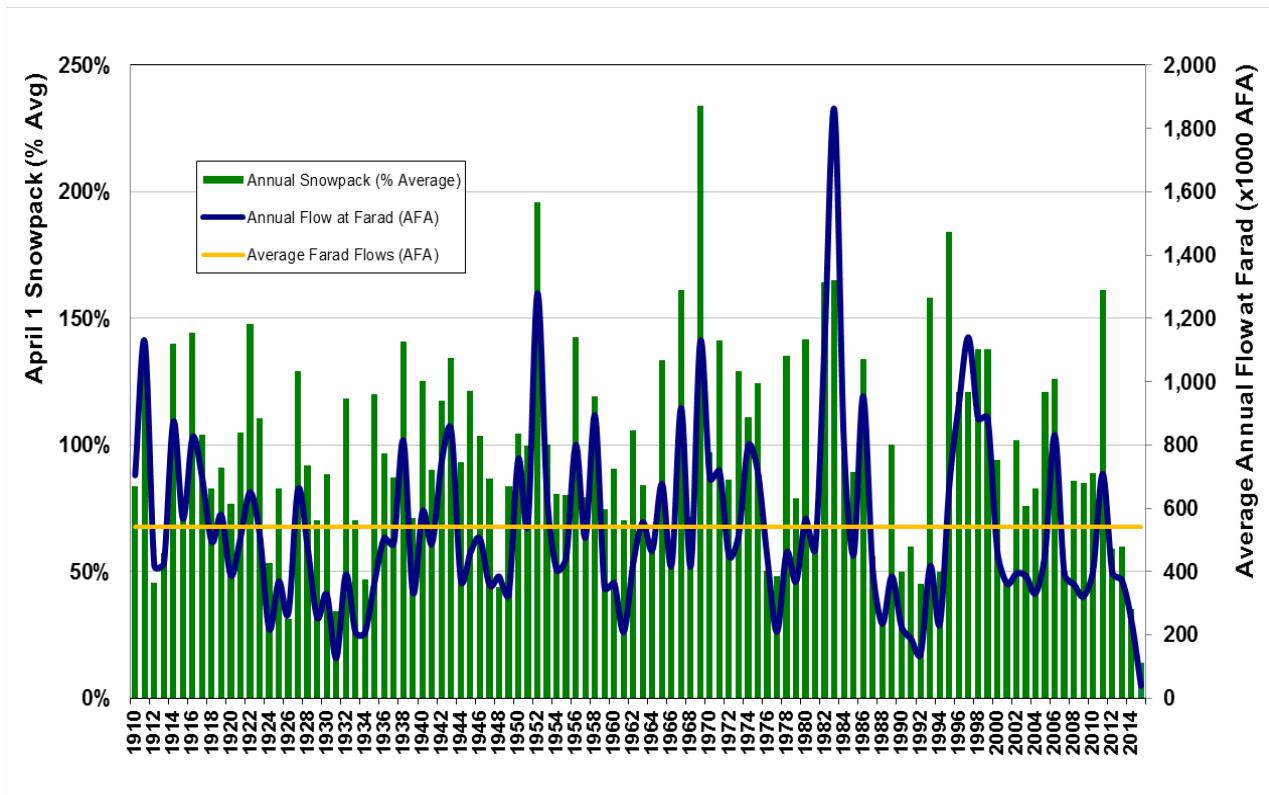


Figure 2-2. Annual Snowpack Percent vs Average and Annual Truckee River Flow at Floriston

Shortages in water resources due to seasonal weather variability can produce adverse environmental and economic conditions such as degradation of the land and the associated biologic ecosystem (i.e., stress to plants, animals, and habitat). Recent changes in the climate have been suggested as the culprit for the high degree of weather variability and deserve more attention as to the impacts to regional water resources. However, studies on the historic hydroclimatic conditions in the region reveal long periods with either extremely wet or dry conditions are common cyclical events when viewed from a much longer timeframe. In order to effectively manage for source water reliability given the uncertainty surrounding annual precipitation, such events and the frequency of their occurrence merit a closer investigation.

For a better understanding of how water resources can be impacted from extreme variability in the Truckee River Basin's weather patterns, TMWA partnered with the Desert Research Institute ("DRI") in 2006 and 2009 to research the possibility of climate change and global warming affecting the Truckee Meadows' water supplies (see Appendix 2-3). The results of that research indicated, at the time the study was done, that historic hydrological records are the best data available for future planning and scientific evidence remains inconclusive as to the effect of climate change on drought conditions within the Truckee Meadows. Since there is a high variability in regional climate data, it has proven difficult to definitively detect long-term climate trends, i.e., some studies project the region becoming wetter while others project a progressively drier environment over time. Given this "noise" in the data and a divergence in the predictions under various climate change models, the 2009 research concluded that continued investigation on this topic is warranted.

In 2015, TMWA partnered with the University of Nevada, Reno (“UNR”) to investigate recent advances in the research of climate change (see Appendix 2-4). The preliminary report indicates that, despite the advancements on climate change research, the debate regarding variation in weather patterns, greenhouse gas emissions, and extreme drought is still ongoing. In many cases simulated climatic projections do not line up with observational data over time. However, it is better established that from a century’s worth of hydrologic records that the high variability in local seasonal river flows is driven, in large part, by oceanic and atmospheric oscillations. Moreover, to adequately evaluate current changes to the availability of water resources as well as the likelihood of future extreme hydrologic conditions, one must take a much broader perspective that incorporates long-term trends into projections. This approach requires hydroclimatic data that extends far beyond modern records. In particular, tree-ring sampling can be used to extend hydroclimatic records many centuries beyond modern records providing insight into long-term changes in the region’s hydrologic conditions.

This point is underscored by the fact that the Lake Tahoe Basin has endured hydroclimatic episodes that persisted for much longer than experienced in modern times. For example, analysis conducted in 2011 on submerged trees in Fallen Leaf Lake revealed a drought that persisted for two centuries (between 1100 and 1200 A.D.). While mega-drought episodes in the area are rare, shorter periods of wet and dry are more common in the region. Figure 2-2 is a map showing the two basins (Truckee indicated by the lime polygon and Carson indicated by the purple polygon) and the location of the tree-ring chronologies (green dots) analyzed in the 2015 report¹⁰. The report reviewed a variety of tree-ring chronologies that analyzed tree-ring datasets covering multiple watersheds throughout California and Nevada. Further analysis of the data delineated those datasets where correlation within the tree-ring chronology exists between the Truckee and Carson River Basins and regions in the sample in order to construct a workable tree-ring chronology. The tree-ring samples provide an extension to the dataset on the hydrologic conditions of those watersheds as far back 1500 A.D.

The report finds evidence of many occurrences over the past 500 years of wet and dry periods that persisted for multiple years. Of the 211 wet and dry episodes during this period, the average lasted for 2.4 years, with the longest episodes being a 9-year wet period in the early 1980s (1978-1986), and two 8-year droughts in 1841-1848 and 1924-1931. These findings point to different hydrologic patterns emerging in the new millennium when compared to the entire length of record. For example, in the last century this region has experienced three of the strongest wet periods (out of a total of six) and two of the strongest dry periods (out of a total of four) out of the top 10 wet and dry cycles of the past 500 years. However, given the wide range in the spatial locations of the chronologies, the report recommends collecting more tree-ring data from sites located in the Truckee and Carson River watersheds to improve the quality of long-term hydroclimatic picture within TMWA’s service area.

¹⁰ Tree-ring chronology data was provided by the Contributors of the International Tree-Ring Data Bank.

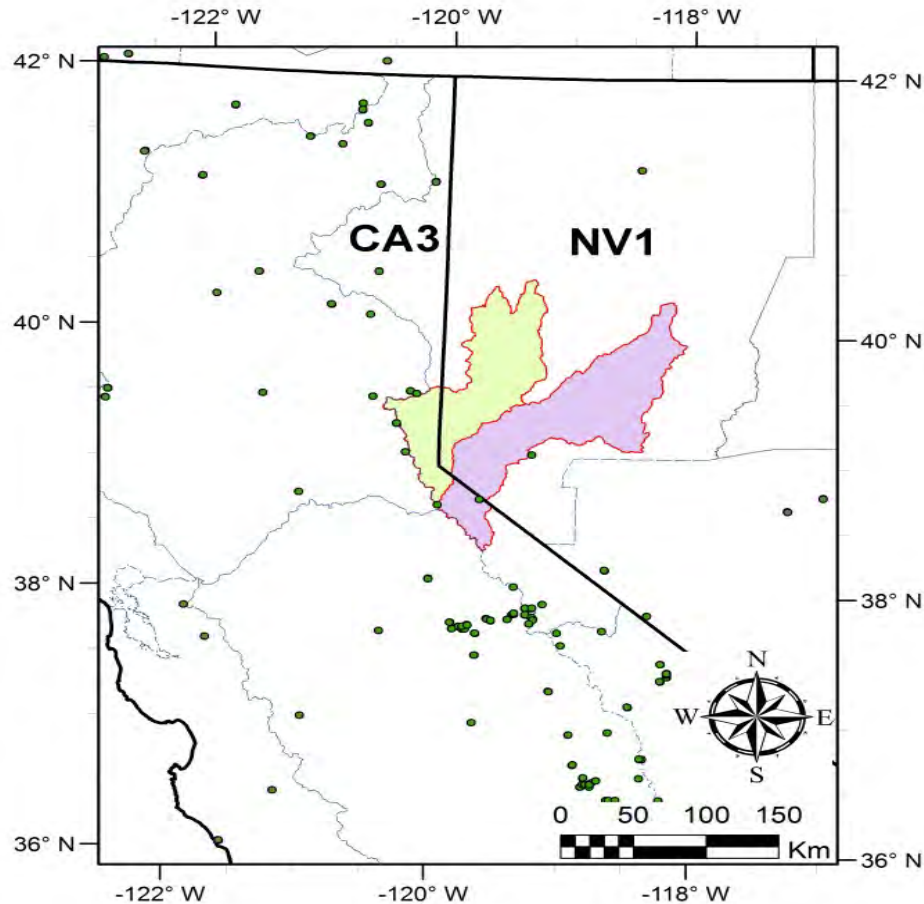


Figure 2-3. Location of Tree-Ring Chronologies Used in the 2015 Report

The 2015 report provides evidence that the highly cyclical nature of both wet and dry episodes is not a new phenomenon. However, given that half of the strongest 10 episodes occurred in the last century, it would suggest variations in weather extremes are becoming stronger and more frequent. This high degree of variability between wet and dry weather patterns, coupled with a high degree of uncertainty regarding the duration of either event, makes managing for water source reliability particularly challenging. Management becomes a delicate balance between selling enough water in wet years to keep costs of service low, and ensuring adequate conservation of storage is achieved during periods of drought. In order to confidently manage for both potential conditions, TMWA ensures its reserves are such that they can meet service demands for extended periods of drought, meanwhile assessing snowpack and river flows annually in order to reevaluate management strategies should conditions worsen or improve. This continual reassessment of source water supplies and management tactics is the best defense against reservoir depletion while mitigating the risk of unnecessary economic stress to both the utility and customer base.

Historically, TMWA's water resource management plans consider changes in water supply based on instrumental data on hydrologic conditions recorded over the past one hundred years. However, as changes in the climate are projected to become increasingly prominent and

erratic, managing for a sustainable supply of water resources in the future, could prove to become more complex. In order to best manage for water supply sustainability in an uncertain future, TMWA anticipates alternative actions that would insulate against future shocks to its supplies and adapts to abrupt changes in short-term conditions, given climate projects that span beyond the hundred years of hydrologic record. In order to design robust strategies to mitigate against potential climate change scenarios, TMWA incorporates the best available scientific information regarding regional climate change into its planning process. Moreover, with the merger with DWR and STMGID, as well as, the recent implementation of TROA, TMWA's strategies have expanded to incorporate new operational and institutional constraints, in order to separate what strategies *should* be done from what strategies *can* be done.

In May of 2015, the USBR released the funding announcement for the WaterSmart: Drought Contingency Planning Grants for Fiscal Year 2015. The WaterSmart Program was established to provide federal assistance to water authorities in the areas of water efficiency and climate change resiliency. The two-year grant calls for the incorporation of the best science on climate change into water resource management within a collaborative, interagency framework. In June 2015, TMWA leveraged this opportunity by proposing a project to address the potential influence of water-shed level climate change on water resource management in the TMSA. Specifically, the project proposes that TMWA will collaborate with UNR and DRI to determine hydrology conditions under “worst case” climate changes scenarios. Through the use of paleoclimatology data such as tree ring samples, scenarios will be modeled based on extreme droughts that occur prior to the last century. Using this information TMWA will create a methodology that identifies both feasible and cost-efficient water management strategies within the TMSA, given various, potential climate change scenarios. Using a linear programming framework to optimize a suite of management options for each scenario, between 2016 and 2017, TMWA will develop a decision support system that considers inputs on watershed-level climate change, water supplies, legislative and stakeholder constraints, and the costs of mitigation and response actions. The end result will be a robust drought contingency management plan that utilizes a dynamic decision support system which details a timetable outlining the optimal suite of actions to: i) provide adequate water resources to meet demand; ii) satisfy cost recovery and all legal requirements; and iii) can adapt readily as conditions change within the TMSA. Preliminary results of this effort are expected early 2017.

In addition to identifying management strategies to deal with potential climate change scenarios, part of the requirements of the federal funding award is that TMWA create an interagency Drought Planning Task Force. The Task Force is comprised of TMWA staff, government agencies' staff, representatives from TMWA's various customer classes, academics, as well as environmental and economic stakeholders within the TMSA. Over the two years of the project, the Task Force will hold a series of meetings to discuss the model's output and the management actions local agencies can take, in response to various climate change projections for the region. As well, the meetings will identify and discuss the implications and potential impacts from those actions. The entire project is slated to be completed by August, 2017.

TMWA is not the only agency taking a proactive approach to water supply sustainability. Given prolonged drought periods can occur in the region, DRI has been conducting cloud seeding in the Lake Tahoe and Truckee River Basins for more than 25 years. The purpose of cloud seeding technology is to enhance snowfall from storm events thereby increasing the overall snowpack in the Tahoe and Truckee Basins. DRI's cloud seeding program consists of

three phases; 1) prepping the cloud seeding generators to distribute the seed when the proper storm presents itself; 2) applying seeding to the clouds of wintertime storms; and 3) analyzing the subsequent weather data during the cloud seeding periods to determine effectiveness. DRI's study estimates cloud seeding increases the precipitation rate by approximately 0.01 inches per hour. During the prior 18 seasons it has been estimated that the DRI state program yielded snow water increases ranging from 8,000 to 30,000 AF/yr, with an annual average of about 18,250 AF. For the 2014/15 winter season it was estimated the cloud seeding program increased the snow water by approximately 11,513 AF (See Appendix 2-5) for the complete report). However, while it cannot be estimated how much of the additional snowfall increases streamflow, groundwater recharge, or reservoir storage that would directly benefit TMWA and its customers, any increase in the snowpack can have a positive effect on the region's water supply.

Droughts

The State of Nevada defines drought as follows:

"Drought is a complex physical and social phenomenon of widespread significance. Drought is not usually a statewide phenomenon; differing situations in the state make drought local or regional in focus. Despite all the problems droughts have caused, drought has proven difficult to define. There is no universally accepted definition because drought, unlike flood, is not a distinct event and drought is often the result of many complex factors acting on and interacting within the environment. Complicating the problem of a drought definition is the fact that drought often has neither a distinct beginning nor end. It is recognizable only after a period of time and, because a drought may be interrupted by short spells of one or more wet months, its termination is difficult to recognize. The most commonly used drought definitions are based on: 1) meteorological and/or climatological conditions, 2) agricultural problems, 3) hydrological conditions, 4) economic considerations and 5) induced drought problems. Each type of drought will vary in severity, but all are closely related and caused by lack of precipitation."¹¹

The State of Nevada Drought Plan sets forth the State's definition for each of the five types of droughts. The role of a water purveyor is to secure reliable water resources to meet its customers' requirements, including mitigating the risks that droughts can impose on water resources. TMWA monitors meteorological¹², hydrological¹³ and induced¹⁴ droughts as these

¹¹ State of Nevada Drought Plan, a report prepared in 2012 by the Drought Response Committee comprised of the State Climate Office, Division of Water Resources, and Division of Emergency Management under direction of the Governor. See Appendix 2-6 for full report.

¹² Meteorological drought is often defined by a period of well-below-normal precipitation. The commonly used definition of meteorological drought is an interval of time, generally of the order of months or years, during which the actual moisture supply at a given place consistently falls short of climatically appropriate moisture supply.

¹³ Hydrologic drought refers to periods of below-normal streamflow and/or depleted reservoir storage.

¹⁴ Induced drought is a condition of shortage which results from over-drafting of the normal water supply. The condition is aggravated by negative precipitation experience and below normal streamflow or aquifer recharge. An induced drought is brought about by introducing agricultural, recreational, industrial or residential consumptions into an area which cannot naturally support them.

have direct effects on availability of surface water to water right holders along the Truckee River and availability of groundwater in hydrogeographic basins during low-precipitation years. TMWA's focus in water resource planning and management is in direct response to hydrologic and induced drought conditions. Depleted reservoir storage, both upstream and subsurface, has a direct impact on TMWA's water supplies during drought periods. Consecutive (three or more) years of low-precipitation in the Lake Tahoe and Truckee River Basins are likely to negatively impact the storage in both Lake Tahoe and Boca Reservoir. Three exceptionally dry years in a row (2012 to 2014) reduced upstream reservoir storage to a point where there was no water left to release into the Truckee River except for TMWA's drought reserves. The length of a drought period is solely a function of meteorological conditions over a period of years.

A good indicator of an impending dry-year water supply is snowpack accumulation. Measured on April 1 of each year, the water content of the snowpack is used to forecast the amount of water that will run off each spring to help fill upstream reservoirs and provide river flows through the year. Figure 1-9 shows snowpack for the Truckee River basin over the past 30 years.

The risk of continued drought conditions increases in lower-than-average-snowpack years. Although the focus of TMWA's supplies are Truckee River based, annual snowpack and precipitation accumulations in all basins where TMWA has resources is vitally important to support natural recharge to aquifers in those basins. Without consistent, sufficient precipitation in these basins, over-draft conditions may develop since domestic well owners and municipal providers must pump water year-in, year-out to meet demands. Issues affecting groundwater resources are discussed later in this chapter.

Since 1980, there have been four periods of varying degrees of hydrologic drought within the Truckee River system: 1987-1994 (8 years); 2001 to 2004 (4 years); 2007 to 2010 (4 years) and the current period of 2012-2015 (4 years). The past 30 years includes the 1987 to 1994 drought period which is considered the worst drought of record over the 106 years of recorded flows of the Truckee River. The severity of each drought's impact during those periods listed in the table is revealed by the quantity of upstream drought reserves (or POSW) that TMWA had to release during a particular year to meet customer demands.

Table 2-1. Loss of Floriston Rate and Use of POSW During Drought Periods Since 1980

	Year	Date Floriston not Met	Use of POSW	Year	Date Floriston not Met	Use of POSW	Year	Date Floriston not Met	Use of POSW	Year	Date Floriston not Met	Use of POSW
	-a-	---b---	---c---	-d-	---e---	---f---	-g-	---h---	---i---	-j-	---k---	---l---
1	1987		0	2000		0	2007		0	2012		0
2	1988	Aug 20	0	2001		0	2008	Nov 23	0	2013		0
3	1989		0	2002	Nov 28	0	2009	Oct 17	0	2014	Jul 29	4,900
4	1990	Aug 26	0	2003	Dec 8	0	2010		0	2015	Apr 7	11,700
5	1991	Jul 26	3,100	2004	Sep 23	0						
6	1992	Jun 5	9,000			0						
7	1993	Sep 26	0									
8	1994		0									

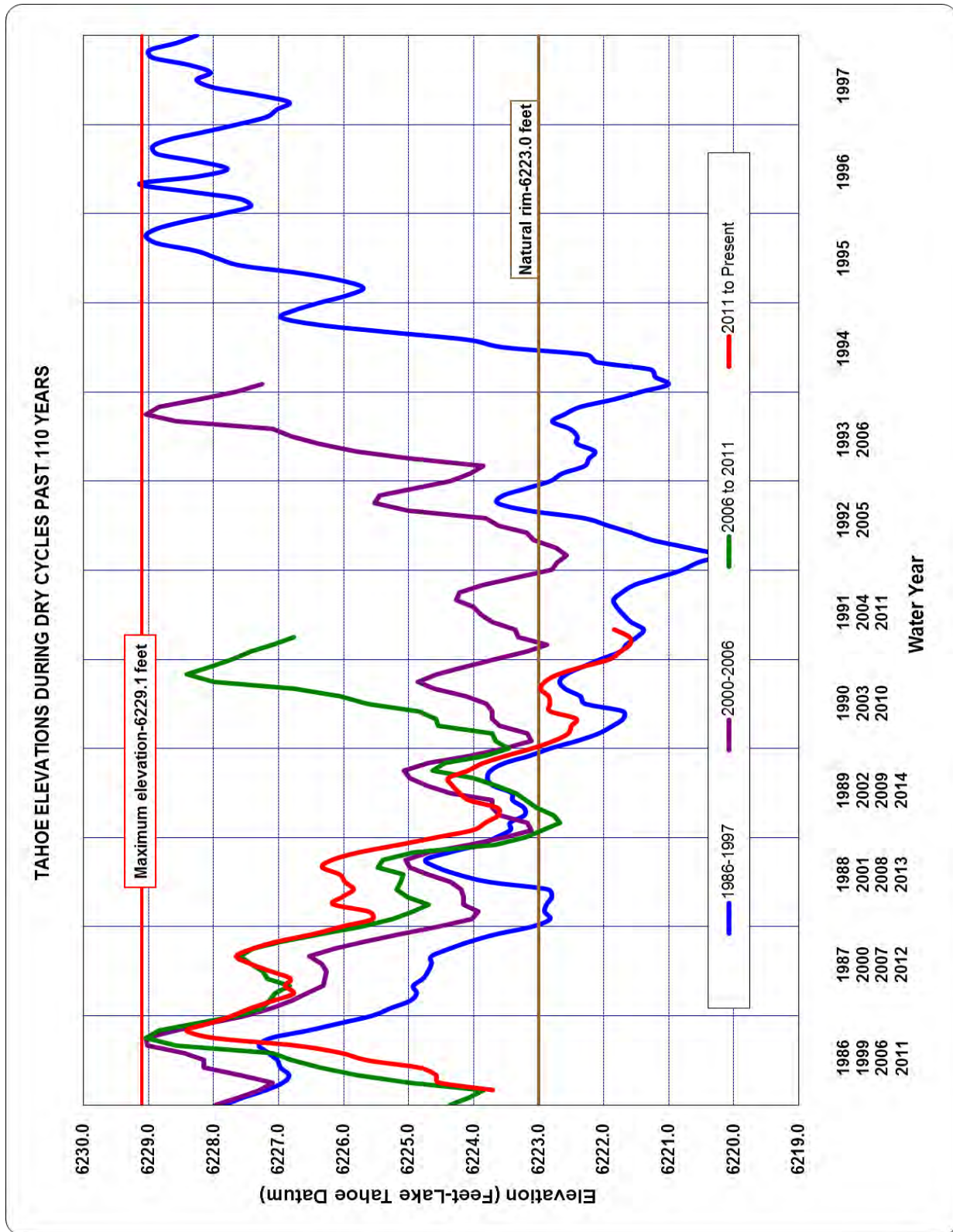


Figure 2-4. Lake Tahoe Elevations During Drought Periods

Figure 2-4 compares the four most recent drought periods. The similarity between drought periods is evident with differences appearing in the length of the drought period and its impact on the level of Lake Tahoe. Brief descriptions of the most recent drought periods follow.

1987 to 1994 Drought Period.

During the 1987/1988 winter, it became apparent that runoff from the snowpack would be significantly below normal. By August 20 of 1988, the Floriston Rates could not be met and POSW was needed by late August to meet customer demands. By the end of August, emergency steps were taken by local government to curb water use to maintain carryover storage for 1989. Outside water use was limited to one-day-a-week in late August. A comparison of water use during the months of August through October 1987 to water use during the same period in 1988, revealed that drought actions reduced production by about 3,400 AF, or about 15 percent reduction. Precipitation through the 1988/1989 winter produced a 100 percent of average snowpack for the Truckee River Basin. Floriston rates were met throughout the 1989 irrigation season. Water supply conditions returned to below average in 1990. Local irrigation ditches were cut-off in late August due to low flows in the Truckee River. Lake Tahoe dropped below its natural rim in September 1990, resulting in no flow into the Truckee River. The winter of 1990/1991 was one of the lowest precipitation periods on record prior to March of 1991. Even with the unusually heavy March precipitation, the snowpack in the Truckee River Basin only measured 60 percent of average on April 1, 1991. Local irrigation ditches were cut-off July 26 when Floriston Rates could not be met.

During 1992, Floriston Rates could not be met after June 5 the earliest date on U.S. District Court Water Master's records up to that date; it was the worst year of the drought period with snowpack less than 50 percent of average and no outflow from Lake Tahoe. After utilizing 9,000 AF of Independence Lake water (POSW), 8,500 AF remained in drought storage at the end of 1992. The net depletion of Independence Lake was 6,000 AF during 1992. The snowpack in 1993 was over 150 percent of average. As a result of the heavy snowpack during the 1992/1993 winter, the elevation of Lake Tahoe increased significantly rising above its natural outlet elevation. Although 1993 was a significant improvement over 1991 and 1992, it was not enough to enable Tahoe to sustain Floriston rates. Floriston Rates were only met until September 26, 1993.

The 1994 snowpack in the Truckee Basin was just 50 percent of average on April 1. The elevation of Lake Tahoe stayed below its natural rim from the fall of 1993 through all of 1994. No releases were able to be made from Lake Tahoe in 1994.

The abundant snowfall of 1995 and subsequent runoff brought the elevation of Lake Tahoe back above its natural outlet elevation. Tahoe rose 6 feet in 1995, ending up four feet above its rim in July 2015. The significantly, above average 1995 snowpack year was reinforced by above-average snowfall in 1996 which effectively ended the 1987 to 1994 drought period. Total natural flows during the 1987 to 1994 water years were 83 percent of the total natural flows from 1929 to

1936 water years and thus, more severe than the previous design drought period of 1928 to 1935.

2000 to 2004 Drought Period.

Reservoirs were full leading into the 2000/2001 snow season, but snowpack within the Truckee River Basin was below average in 2000 and continued that pattern again in 2001. While there was an improvement over 2001 in the amount of snowpack and runoff in 2002-2004, it was not enough to end the start of another drought period. Although TMWA did not need to utilize any POSW to meet customer demands during this drought period, the reduced water availability made it difficult to sustain the required Floriston Rates in December 2002 and again from late 2003 into early 2004. In September 2004 Floriston Rate storage was exhausted and normal-river flows were not met again until the end of February 2005 which ended up being a 125 percent of average snowpack year in the Truckee River Basin. Due to heavy precipitation and flooding in late December 2005/early January 2006 the elevation of Lake Tahoe rose significantly. In fact, almost 11 inches of precipitation was recorded at the United States Geological Survey (“USGS”) Farad gauging station over a two week period (Dec 21, 2005 to Jan 3, 2006). An above average snowpack was recorded again (126 percent of average) in the Truckee River Basin in 2006. Lake Tahoe and all Truckee River Basin reservoirs filled as a result of the streamflow runoff that was produced the following spring. Those two consecutive above average snowpack years (2005 and 2006 respectively) effectively ended the 5-year drought period.

2007 to 2010 Drought Period.

Although the phenomenal snowpack of 2006 refilled Lake Tahoe, the 2007 snowpack was 50 percent of average and turned out to be the start of another drought period. Snowpack in the Truckee Basin was 51, 86, 85, and 89 percent of average for the years 2007, 2008, 2009, and 2010, respectively. Lake Tahoe dropped below its natural rim in October 2008 but the snowpack of 2009 was a slight recovery year and did not impact TMWA reserves in 2009 or 2010. The 161 percent of average snowpack in 2011 was sufficient to nearly fill Lake Tahoe and end this brief drought period. TMWA’s drought reserves were not impacted and were not required for use during this drought period.

2012 to Present Drought Period.

This drought period followed on the heels of the 2007 to 2011 drought period recovery. Snowpack in the Truckee Basin was 59, 60, 35, and 13 percent of average for the years 2012, 2013, 2014, and 2015, respectively. The snowpack and runoff of 2015 ranked it as the worst year on record. Not since recordings began have there been four consecutive low-runoff years as severe as these four. On July 29, 2014 Floriston Rate water supplies were exhausted and TMWA had

to release its drought reserves—POSW-- in August through September. The total amount of upstream reserve TMWA required in 2014 was 4,900 AF.

Due to the severe lack of the 2015 snowpack, Floriston Rate water supplies were exhausted on April 19, 2015. As natural river flows slowly diminished through May and June, the only ditch and diversions operating were TMWA's Highland Ditch that supplies the Chalk Bluff Water Treatment Plant ("CTP") and the Glendale Water Treatment Plant ("GTP") diversion. TMWA began releasing upstream reserves on June 18 and continued to do so through the month of October. TMWA began the 2015 summer season with approximately 27,000 AF in upstream storage and released approximately 11,700 AF through October 21, 2015 to meet customer demands.

At the time this plan was completed in January 2016, the snow season of 2015/2016 was projected above 110 percent of average implying a moderate recovery-year snowpack year following four consecutive dry years of the current drought period, but it could not be determined with certainty that the drought period ended pending completion of the snow season through March 2016.

In all drought periods described above, it took at least three consecutive, low-snowpack years for Lake Tahoe to fall to its rim prior to November. By definition, the region continues in a Drought Situation. However, with the implementation of TROA beginning December 1, 2015 TMWA began storing water ahead of the 2016 spring run-off and as a result anticipates starting the 2016 irrigation season with approximately 38,000 AF of upstream storage which is approximately 12,000 AF more than the beginning of the 2015 irrigation season of 27,000 AF. The 2015/2016 winter produced snowpack accumulations well average precipitation by year-end 2015. At the time this plan was completed in January 2016, the snow season of 2015/2016 was projected above 110 percent of average implying a moderate recovery-year snowpack year following four consecutive dry years of the current drought period, but it could not be determined with certainty that the drought period ended because potential precipitation for February and March 2016 had yet to be recorded.

Important observations to be drawn from reviewing the historical Truckee River hydrology and drought periods include:

- Truckee River supplies are available the majority of the year under meteorologic and hydrologic drought situations.
- Donner and Independence Lakes typically fill each spring under meteorologic and hydrologic drought situations.
- Drought periods vary in duration, from a few years up to 8 years based on recorded history.
- Truckee River water sources used to provide Floriston Rates diminish early in the late spring and/or summer of extreme, low-precipitation years.
- Water levels in the reservoirs, particularly Lake Tahoe, are depleted gradually over 3 to 4 years, but can refill rapidly ending a hydrologic drought period.

- “Recovery” or high-precipitation years may not end a drought period but do interrupt the drought period, helping replenish reserves and/or producing sufficient Truckee River flows for the following year and negating the need to use upstream reserves.
- Use of upstream reserves may not be necessary in every drought period; only in the extreme, low-snowpack years of a drought period does TMWA use its upstream reserves.

Climate change and drought are the most significant weather variables with potential to change the quantity and quality of the water supply. Studies completed by DRI indicate that while the potential for climate change to alter the timing, type of, and quantity of precipitation is possible, continued monitoring of meteorologic trends is required. Drought periods on the other hand have established historical patterns, with the most severe drought on record lasting eight years. TMWA plans for drought periods by utilizing a combination of natural river flows, groundwater pumping, POSW releases, and extraction of accumulated groundwater injections. Chapter 3 discusses the conjunctive management by TMWA of its available water resources -- annual river supplies, POSW in upstream lakes and reservoirs, credit water stored in Boca and Stampede Reservoirs under TROA operations, additional groundwater pumping, and aquifer recharge – in order to meet customer demands through the worst drought on record.

Source Water Contamination

This section begins with an overview of TMWA’s water quality and identified potential risks of water supply contamination, and summarizes TMWA’s Source Water Protection Program.

As detailed within the *2015 Water Quality Reports*, which can be found on TMWA.com, TMWA continues to provide high quality water that meets and exceeds all U.S. Safe Drinking Water Act (“SDWA”) standards. In addition, TMWA’s water meets and, in most cases is significantly better than, all U.S. Environmental Protection Agency (“USEPA”) and Nevada State Health standards. On average, more than 1,200 laboratory tests are performed each month on over 210 samples taken from various locations in Reno, Sparks and Washoe County to ensure that TMWA’s water meets all standards. In addition, TMWA takes samples from numerous locations in the distribution system on a monthly basis to continually demonstrate full compliance with the arsenic standard put into effect in January 2006 by the USEPA.

TMWA Source Water Quality Assurance Program

TMWA’s water quality goal is the delivery of high quality potable water to its customers at a reasonable price. In order to achieve and maintain this goal, TMWA utilizes a water quality assurance program. TMWA utilizes the following components in its water quality assurance program:

- Protection of Source Water Quality: TMWA has a fully integrated and coordinated source water quality program designed to protect or improve the quality of TMWA’s surface water and groundwater supplies.

- **Potable Water Treatment:** TMWA utilizes modern treatment facilities for its raw-surface-water and groundwater supplies and complies with all Federal and State drinking water regulations.
- **Maintenance of Distribution System Water Quality:** TMWA utilizes a highly skilled staff of scientists, engineers and operators who continually monitor water quality in the distribution system.
- **Cross Connection Control:** TMWA has an extensive and fully engaged backflow prevention and cross-connection control program. The purpose of the program is to prevent backflow of pollutants or contaminants from customer plumbing systems into TMWA's distribution system.

The water quality of the Truckee River is normally excellent. Surface water is of exceptional quality because base flows originate from Sierra Nevada Mountain snowpack runoff and seepage or spring flow. Typical water quality data are shown in Table 2-2. Mineral concentrations are very low, and turbidity levels are typically less than two nephelometric turbidity units ("NTU"). However, water in the Truckee River can have higher turbidity because of storm runoff and/or algae growth associated with low flows and warm temperatures in summer.

Table 2-2. Typical Mineral Concentrations of Surface Water

Constituent	Minimum	Average	Maximum
Total dissolved solids, mg/l	34	86	132
Total suspended solids, mg/l	1	13	20,000*
PH	6.8	7.7	9.6
Temperature, C	0.5	0.0	20.0

* High turbidity events only, such as the July 1992 flash flood on Gray Creek.

The reliability of this source is governed by the ability of TMWA's surface-water-treatment facilities to treat Truckee River water during possible events of high turbidity or chemical or biological contamination. Three types of contamination events are identified:

1. Turbidity events¹⁵ – normally low frequency events that are usually flushed by river flows within hours.
2. Non-persistent toxic spills – spills of substances that would be flushed by river flows, usually within an 8 hour period.

¹⁵ The term "turbid" or "turbidity" is applied to waters containing suspended matter that interferes with the passage of light through water.

3. Persistent toxic spills - spills lasting more than 2-4 days that do not flush through the river channel.

Higher than average turbidity events can occur in the Truckee River during periods of floods, storm runoff and/or algae growth associated with low flows and warm temperatures in summer. Turbidity at conventional filtration plants is removed through chemical stabilization (coagulation and flocculation), followed by sedimentation and filtration. All surface water is treated at the CTP or the GTP before distribution. The modern treatment facilities at CTP and GTP have greatly reduced the water supply risks associated with turbidity events. Both CTP and GTP are designed to operate during intermittent turbidity events as high as 4,100 NTU lasting 5-10 days, but it is typically more practical to shut the plants down and let the most turbid water pass by to avoid significant clean-up efforts and costs at the treatment plants. Should a turbidity event that exceeds TMWA's ability to treat the water to required standards occur, it is possible to operate the system with only wells to supply an average day demand, more than sufficient to meet current indoor or winter daily demands of approximately 35-39 million gallons per day ("MGD").

Few toxic spills have occurred on the Truckee River and none were of major proportion. The most recent event was a sewage spill near Squaw Valley, California which occurred in the spring of 2015. The spill was diluted 1000:1 by the flow within the Truckee River; no noticeable impact was seen at either CTP or GTP. Major toxic spills that would render the Truckee River unusable have not been recorded. However, toxic spills into rivers throughout the United States do occur, such as the recent Gold King mine spill into the Animas River in Colorado. Some of the toxic spills have rendered water supplies unusable for an extended period of time. In the event of an incident on the Truckee River, the contaminant might be diluted and washed downstream within a day depending on the flow rate in the river at the time. TMWA might be able increase river flows through release of its stored water. These steps are likely to mitigate any contaminant that does not readily absorb into the river bed.

Past resource plans and a review of United States Department of Transportation data, resulted in the identification of several types of hazardous materials which are commonly carried through the Truckee River Watershed. They include:

Ammonia perchlorate	Hydrogen sulfide	White phosphorous
Anhydrous Ammonia	Nitro cellulose (wet)	Propargyl alcohol
Chlorine	Propane	Sulfuric Acid
Cyanide	Petroleum naphtha	Sodium hydroxide
Hydrochloric acid	Phosphoric acid	

These chemicals represent ingredients used in the formation of products ranging from rocket fuel to pesticides. Although most are extremely toxic it is likely that they would be flushed past TMWA's treatment plant intakes within one day. Chemicals that would likely adhere to the river bed include manufactured pesticides, herbicides, and fungicides. Each chemical would require a specific response depending on location, duration and other factors of the water quality emergency. In the event of a spill, it is possible to operate off of distribution storage and wells while the water quality emergency is being assessed.

In 2007 research was completed at the University of Nevada, Reno on behalf of TMWA (see Appendix 2-7) to quantify the risk of a spill to the Truckee River using data that was previously not available. The analysis has shown no recorded contamination event from rail or

highway transportation. The data also suggests that accidents tend to occur more frequently during the loading and unloading of trucks and rail cars. This suggests that the area of highest risk is downstream of TMWA's treatment facilities in the City of Sparks where there is a rail yard and a large number of warehouses and shipping companies.

Also completed by the University of Nevada, Reno in 2008 was a risk analysis and assessment accompanied by the development of a contaminant transport model of the Truckee River from Tahoe City to the GTP. Published results of this research are provided in Appendix 2-8 and include travel times for various classes of chemicals at different flow rates. The model is used to quantify the time periods required for the river to flush a spill from different possible locations.

While a toxic spill into the Truckee River is clearly a concern, this is an extremely rare event and such an event has not occurred to this date. However, depending upon the time of year, TMWA is able to operate without the river for a period of hours to days using system distribution storage and its production wells. A detailed plan cannot be developed for a major emergency on the Truckee River that would anticipate all possible combinations of circumstances requiring emergency actions. Variables include location, size, and type of spill; time of year; levels of reservoirs and streams; customer demands; and other factors. The supply of water available from TMWA's production wells enables TMWA to meet demands for average indoor water use throughout the year. The merger and integration of WDWR and STMGID water systems into TMWA has resulted in additional interconnections with adjacent water systems. These water systems, located within South Truckee Meadows, Hidden Valley, Spanish Springs and Lemmon Valley, rely on groundwater wells and provide an increased source of off-river supply during an extreme event and/or extended river outage. The merger and integration of the WDWR water systems also brings additional off-river resources and facilities to TMWA, including Thomas, Whites and Galena Creek water resources, the Longley Lane groundwater treatment plant, and the North Valleys Importation Project ("NVIP").

In addition to relying on its wells, other steps to reduce water use during an extreme event and/or extended river outage could include:

- Call for voluntary, then mandatory, water conservation including watering restrictions (e.g., once per week during summer months or no outside watering), reduced laundry at commercial properties, use of paper plates in restaurants, no use of potable water for non-potable purposes, and other measures.
- Engage all wells on the TMWA system for full operation subject to Health Department approval. This would include the use of wells that do not meet drinking water standards and do not pose an acute health risk.
- Modify flows in the Truckee River to either flush, dilute, or isolate the contaminant.
- Utilize extraordinary treatment processes in the pre-treatment section of the water plants. An example of this might be neutralizing pH through chemical additions in the pre-settling basins or addition of granular-activated carbon in the treatment process. The likelihood of these steps being successful will depend on the type of contaminant and its concentration.

- Acquire the use of all water in local irrigation ponds, recreational lakes, etc., to the extent that water can be conveyed to the TMWA's treatment plants through ditches or other means.
- Use isolated portions of the storm drain system and ditch system for conveying water from unusual source locations to the water treatment plants. This might include installing sandbag check dams in certain ditches, along with low-head pumps, in order to move water up-gradient in a ditch to a treatment plant. For example, the creeks in the South Truckee Meadows might be conveyed to the GTP by collecting the water in Steamboat Creek, pumping it into Pioneer Ditch, and thence through step pumping to Glendale.
- Temporarily pump the discharge from the Sparks Marina to the GTP.
- When TROA is in effect utilize the emergency worse than worst case water supply to flush the river of contaminants.

Besides the types of spill events described above, there may be other events that interfere with the availability of Truckee River water. For example, in April 2008 an earthquake triggered a rock slide destroying a 200-foot (“ft”) section of flume along the Highland Ditch in the Mogul area. This incapacitated the primary raw water supply for CTP just as customer demands were increasing with the onset of springtime temperatures. Raw water supply to CTP was quickly restored (that same day) via the Orr Ditch Pump Station (“ODPS”) at a limited capacity of about 60 MGD, but more supply was required. The GTP was brought on-line early in order to help meet those increasing customer demands. Within a few weeks a temporary pumping station along the river was also set up to provide enough raw water in order for CTP to resume operating at its full capacity of 83 MGD. By July the damaged section of flume was bypassed with a 54-inch aboveground high density polyethylene pipe and gravity flow from the river to CTP was restored at a limited capacity of about 26 MGD. The ODPS was used to supplement the additional 57 MGD or so that the CTP required to operate at full capacity. The earthquake event fast-tracked the Mogul Bypass Project with approximately 8,400-ft of 69-inch steel pipe placed underground along with over 5,850 feet of reinforced concrete boxes to enclose the Highland Canal.

Though it cannot be predicted when a river interruption event will occur or what the nature of an event will be, TMWA plans for and practices scenarios to manage through emergency events. The more extraordinary measures that can be engaged are believed to only apply in an extreme, worse-than-historic event that would occur in the peak of the summertime irrigation with contamination occurring between Boca and the diversion point of the Steamboat Ditch. Most combinations of scenarios as to time, place, and nature of event are manageable with existing production facilities and management options without such drastic measures. It must be emphasized that these are broad guidelines only. They are not intended as a definitive instruction list as to the response which should be taken in any given emergency situation. The event, if it occurs, must be evaluated on its specific conditions, and a response plan devised accordingly.

Source Water Protection Program

Surface Water. With the exception of the Thomas, Whites and Galena Creek resources acquired from the merger of WDWR and STMGID water systems and a small appropriated water right from Hunter Creek, all of TMWA's surface water rights used for municipal water supply come from the Truckee River. Attitudes have changed over the years and today the Truckee River, its tributaries, and watershed are recognized as a pristine, high quality water source that must be maintained and protected. Several governmental agencies¹⁶ are charged with protecting the Truckee River and its watershed. All of the local agencies derive their authority from the Clean Water Act and the USEPA.

In support of Truckee River source water protection and TMWA's reliance on the Truckee River for most of its water supply, the Truckee River Fund ("the Fund") was established by TMWA in 2005. The Fund is used to support projects that protect and enhance water quality or resources of the Truckee River, or its watershed. In addition, the Fund provides TMWA a vehicle for not only responding to the numerous requests from outside groups and organizations that are involved in promoting and improving the health of the Truckee River system and watershed, but a means to encourage matching funds for the projects. Participation in these projects benefits the primary water source for the community and, in the long-run, TMWA customers. The Fund's Advisory Committee reviews potential new project proposals typically twice a year.

To-date the Fund has approved and funded 126 diverse projects that further the Fund's goals. Examples include river riparian cleanup and restoration, aquatic invasive species inspections and removal efforts, planning and reconstruction of the Pioneer Dam, Independence Lake Forest and Wildfire Management Plan, and many others completed or underway listed at www.truckeerriverfund.org.

Groundwater. Groundwater protection is an important element of the water quality assurance program. Summaries of the groundwater water quality and quantity conditions in each hydrographic basin where TMWA groundwater production wells are located can be found in Appendix 2-9. Each summary includes a brief history of the basin, the number of production and domestic wells within each basin, the history of groundwater pumping, the water level history and response to groundwater pumping, identifies potential threats to groundwater quality, and the challenges that TMWA is addressing or may need to address related to groundwater quality and quantity issues with cooperation with WDWR, Reno, Sparks, Washoe County, and the NDEP.

¹⁶ The Tahoe Regional Planning Agency ("TRPA") is a bi-state planning agency authorized by Federal Government. Its goal is to ensure that anthropogenic activities, including new development, do not degrade the quality of Lake Tahoe, its tributaries, or watershed. Standards are strictly enforced by TRPA to minimize sediment and nutrient loading to the lake, and TMWA certainly benefits from this enforcement and its programs. In California, the Lahontan Regional Water Quality Control Board enforces water quality standards on the Truckee River and tributaries outside of the Tahoe Basin. This Board derives its authority from the federal government and the Clean Water Act. The Nevada Division of Environment Protection ("NDEP"), under authority derived by the Clean Water Act, has a mission to preserve and enhance the environment of the state in order to protect public health, sustain healthy ecosystems, and contribute to a vibrant economy.

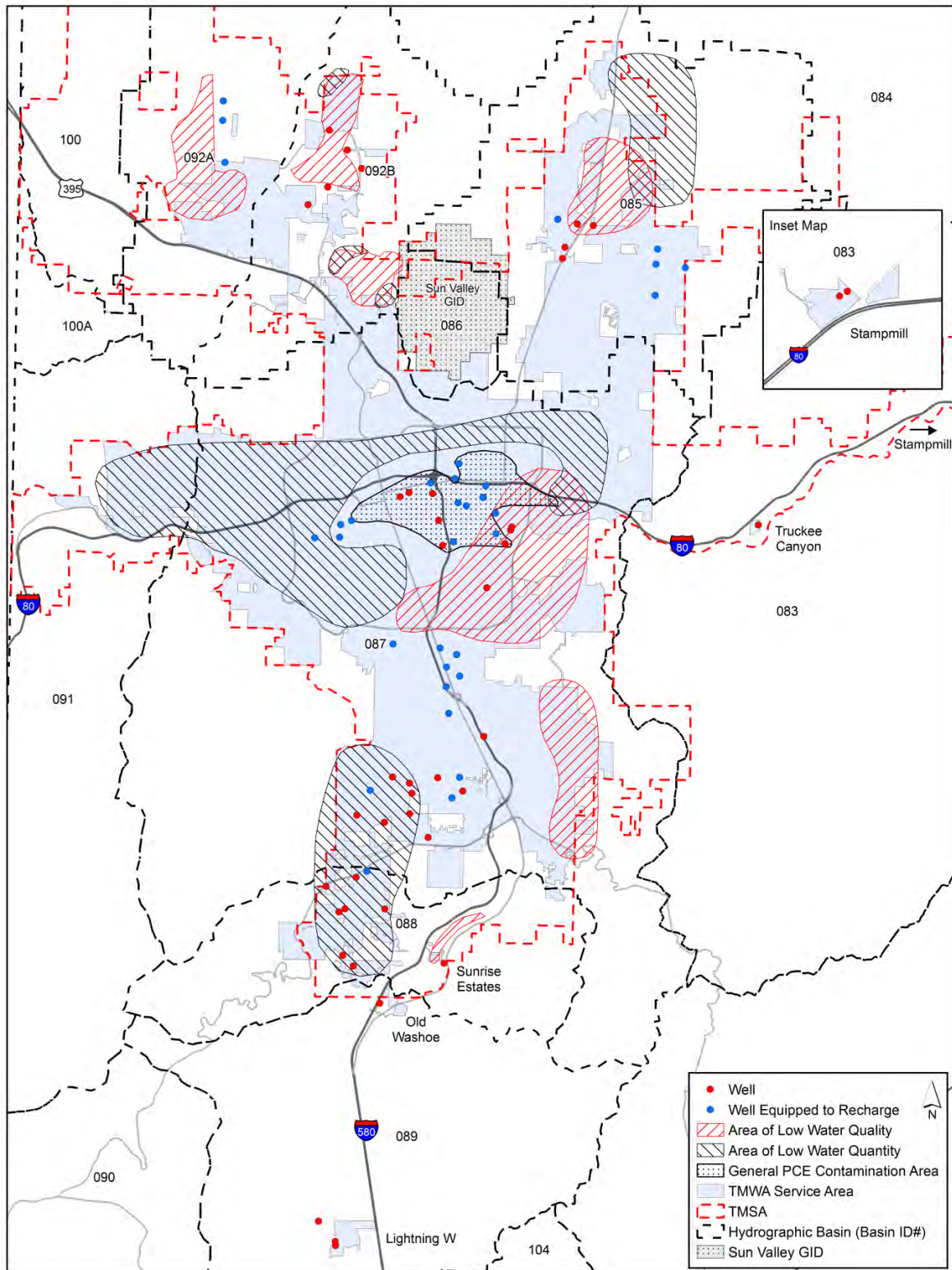


Figure 2.5. Depicts rough outlines of the extent and nature of some of the current threats to groundwater.

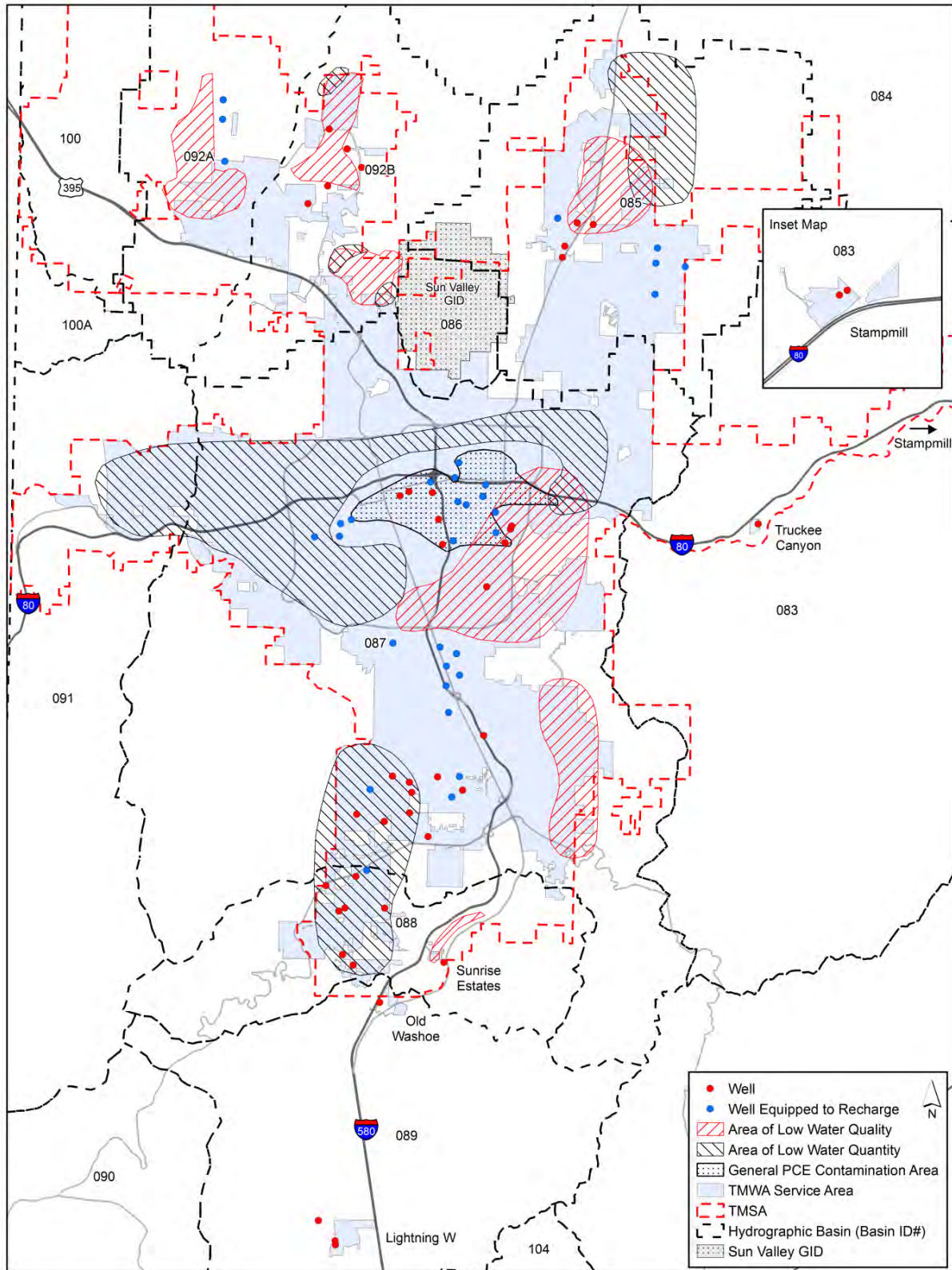


Figure 2-6. Production and Recharge Wells and Areas of Water Quality Concern

In 1986, amendments to the SDWA mandated that each state develop a Wellhead Protection Program (“WHPP”) for the purpose of protecting groundwater that serves as a source for public drinking water supplies. The driving philosophy behind these efforts is that the cost of *cleaning up* contamination far exceeds that of *preventing* contamination.

In 1996, the first WHPP was completed for the Hidden Valley system and endorsed by the NDEP. Additional WHPPs were completed in 1998 (STMGID), 2000 (Lemmon Valley), 2005 (Mt. Rose), and 2008 (Spanish Springs) and were endorsed by the NDEP. The first WHPP TMWA completed was in 2005 and was endorsed by NDEP. Groundwater protection has received even more emphasis with the 2015 update and integration of the previously-endorsed TMWA WHPP and the former WDWR and STMGID WHPPs into one unified groundwater protection plan. TMWA’s 2015 WHPP is a comprehensive action plan to protect aquifers and TMWA’s production wells from further sources of contamination.

Through a concerted effort, TMWA has incorporated USEPA and NDEP suggested elements of a comprehensive 2015 WHPP by:

- Coordinating and actively engaging with a team of local participants, including water quality experts and regulators from Washoe County Health District (“WCHD”), Reno, and Sparks jurisdictions.
- Updating five groundwater flow models through 2014 for each of the major basins where TMWA operates groundwater wells: West Lemmon Valley (“WLV”), East Lemmon Valley (“ELV”), Spanish Springs Valley (“SSV”), North Truckee Meadows, and South Truckee Meadows.
- Utilizing these updated models to develop 2-, 5-, 10-, and 20-year travel times and capture zones for each of the active groundwater wells that TMWA operates. These capture zones help identify where water that ultimately reaches a well comes from over a certain period of time.
- Performing exhaustive database and records searches with the USEPA, NDEP, WCHD, and other sources to develop an inventory of active and Potential Contaminant Sources (“PCSs”) in these basins that may pose a threat to groundwater quality.
- Overlaying the capture zones and the PCSs to better assess threats to groundwater quality at each well.
- Developing management strategies for the identified and potential contaminant sources.
- Planning for the location of new wells.
- Developing contingency plans to address potential contamination events.

The WHPP is an active tool used by TMWA for the coordinated protection of public drinking water resources. The WHPP provides information by which TMWA can develop and implement groundwater protection strategies, including educational outreach. The WHPP is operated voluntarily, under local jurisdiction and control, and utilizes both USEPA and NDEP guidance and criteria to provide for State endorsement. TMWA’s recently completed 2015 WHPP is available for review in Appendix 2-10 and will be submitted to the State for endorsement.

TMWA's current overall groundwater protection action plan (which incorporates specific wellhead protection items) is fully integrated with other local agencies and includes the following elements:

- Actively implementing the comprehensive WHPP.
- Updating the WHPP regularly to identify and manage new PCSs.
- Actively observing over 100 monitoring wells located within the North Truckee Meadows, South Truckee Meadows, WLV and ELV, SSV, Pleasant Valley, Washoe Valley, and Honey Lake Valley ("HLV"). These monitoring wells are owned by TMWA, the Central Truckee Meadows Remediation District ("CTMRD"), and several privately-owned domestic well owners. TMWA monitors water levels in these wells on a monthly to quarterly basis.
- Coordinating with the CTMRD for sampling and analysis of a number of monitoring wells for organic constituents in the North Truckee Meadows. The results of this testing, along with additional sampling and testing of production wells by TMWA and the CTMRD, allows TMWA to be proactive in joint groundwater remediation efforts and to prudently plan the location of future wells and groundwater treatment facilities.
- Collecting and analyzing water quality samples at monitoring wells in SSV and HLV on an annual basis to assess trends in groundwater quality in these areas.
- Working closely with agency partners to determine the short and long-term impact of septic effluent to groundwater quality in basins throughout Washoe County where groundwater is relied on for drinking water supply.

The need to protect source waters gathered momentum when in 1987 TMWA's predecessor, Sierra, identified the presence of the organic solvent tetrachloroethylene ("PCE") in some of their production wells. This solvent has been used since the 1930's in a variety of commercial/industrial operations such as commercial dry cleaning, paint manufacturing, and auto repair.

In the mid-1990's and 2000's, TMWA implemented groundwater treatment at a number of wells which had become contaminated from PCE. Shortly after treatment was implemented, local governmental entities created the CTMRD to provide administration to the PCE clean-up effort and to collect funds necessary for the construction, operation and maintenance of the treatment facilities.

The PCE contamination occurs in eight plumes located along the current and historical commercial/industrial corridors along old U.S. 40 (Fourth Street/B Street/Prater Way), Virginia Street, and Kietzke Lane. Mitigation of the legacy (the responsible parties are unknown) PCE contamination is managed by the CTMRD which has paid for three air-stripping treatment facilities that remove PCE from five TMWA wells: Kietzke, Mill, High, Morrill, and Corbett. Two of the five PCE wells (Mill and Corbett) are piped to GTP. The other three PCE containing wells (High Street, Morrill, and Kietzke) have standalone air-stripping facilities but may be piped to GTP in the future. The CTMRD program has achieved success in plume capture and containment resulting from the implementation of a prescriptive pumping schedule of the TMWA wells which are fitted with PCE removal technologies. The PCE plumes do not appear to be moving or growing. TMWA works and communicates closely with the CTMRD concerning

PCE removal and treatment at TMWA wells and is also proactive in the up-to-date delineation of PCE Plumes (see Figure 2-5). To-date, more than 4,150 pounds of PCE has been removed since 1996.¹⁷

In addition to CTMRD mitigation efforts, there are other, ongoing mitigation efforts being managed by NDEP including:

- Sparks Solvent/Fuel Site Remediation. TMWA is an active team participant in monitoring the clean-up effort of this groundwater contamination site. Mitigation efforts are supervised under NDEP Permit UNEV-97207. TMWA's priority is the quality assurance of the clean-up operation with containment such that existing and future production wells are not compromised by movement of solvent/petroleum based plumes. Figure 2-5 depicts the approximate extent of the existing contaminant plume.
- Stead Solvent Site Remediation. TMWA is an active team participant in the monitoring of the clean-up of solvent groundwater pollution on the southern boundary of the Stead Airport in the WLV hydrographic basin. TMWA's goal is to ensure that clean-up and containment efforts are performed in such a way that nearby TMWA production wells are not compromised by movement of the solvent based plume. Clean-up of trichloroethylene ("TCE") related material since 1999 at the Stead Solvent Site has successfully reduced the spread of the contaminant plume. All cleanup plans are developed and supervised under the direction of NDEP.
- Contaminated Site Assessments, Monitoring, Remediation, and Closure. As part of its WHPP implementation efforts, TMWA has identified eight active or recently closed contaminant release sites in relatively close proximity to TMWA production wells. All eight sites are being investigated or remediated under the supervision of NDEP and the WCHD. As part of the investigation and remediation process, TMWA receives and evaluates quarterly reports concerning these sites, closely monitors water quality of nearby production wells, and provides input to regulatory/enforcement agencies as necessary.

The arsenic concentration in treated Truckee River water is typically below 2 parts per billion ("ppb"), and the arsenic concentration in the wells varies from below 10 ppb to as high as 88 ppb. Attaining the allowable maximum contaminant level ("MCL") for arsenic of 10 ppb from groundwater sources is an issue for TMWA's well operations. At 10 ppb, 11 of TMWA's production wells are affected. Four of the wells that exceed the 10 ppb MCL (Greg, Pezzi, Poplar #1, and Terminal) are piped to GTP for treatment and/or blending with treated surface water, while two other wells (View Street and Poplar #2) may require special mitigation for arsenic in the future. TMWA's compliance plan is based on three USEPA accepted methods of mitigation: (1) blending higher arsenic concentration source water with lower arsenic concentration source water; (2) minimizing use of higher-arsenic-concentration-source water throughout the year to achieve a running annual average ("RAA") of less than 10 ppb at the Entry Points to the Distribution System ("EPTDS"); and, (3) treatment. Because of TMWA's ability to maximize

¹⁷ Further information about the CTMRD can be found on the Washoe County website at: <https://www.washoecounty.us/csd/utility/ctmrd/downloads.php>

Truckee River water and minimize groundwater use to the summer months, USEPA recognizes the annual running average of TMWA's water supplies to comply with drinking water standards for arsenic. As a result of TMWA's cost effective arsenic compliance plan, it received an award in February 2007 from the NDEP and the USEPA, and the President's Award from Partnership for Safe Water in 2015. The NDEP Drinking Water State Revolving Fund ("DWSRF") awards recognize the most innovative projects that effectively use state revolving funds to protect public health, comply with the SDWA, and rank high on a public health benefits priority list.

Table 2-3 summarizes data on 13 of TMWA's production wells with arsenic above or near 10 ppb and the mitigation action taken at each well in order to ensure compliance with drinking water standards.

Table 2-3. TMWA Wells Affected by Arsenic and Compliance Actions

	Well Name	Ref.	Average Arsenic Value (ppb)	Treat at Glendale	Sample at EPTDS*	RAA** (ppb)
	-----a-----	--b--	---c---	---d---	-----e-----	----f----
1	Terminal Way	1	88	X		1.84
2	Poplar No. 1	1	85	X		1.84
3	Pezzi	1	72	X		1.84
4	Mill Street	1	37	X		1.84
5	Greg Street	1	19	X		1.84
6	Corbett	1	17	X		1.84
7	Morrill Avenue		12		X	4.42
8	Silver Lake		10		X	4.61
9	High Street		9		X	4.42
10	Kietzke Lane		9		X	4.71
11	Sparks Avenue		9		X	4.87
12	Poplar No. 2		7		X	3.97
13	View Street	2	5		X	2.38

¹ Well output blended and treated with surface water at Glendale Treatment Plant

² The historical arsenic concentration has been as high as 13 -ppb; however extensive aquifer recharge activities (underground blending) result in a current wellhead concentration of approximately 5 -ppb

* EPTDS - Entry Point To Distribution System

** RAA - Running Annual Average, average of four quarterly As testing results

Summary

This chapter has described major factors affecting TMWA's primary water supplies and finds that:

- Weather and source supply contamination are of greatest concern in assessing the quantity and quality of water supplies available for continued municipal uses.
- Changes in management of or any restriction to implementation of water resources due to climate change are not warranted at this time.
- Low precipitation years that lead to low snowpack accumulations affect the amount of water available to the Truckee River system; Lake Tahoe elevations provide an indication of the severity and duration of historic drought periods.
- Drought periods have established patterns, typically taking three years of consecutive dry winters to cause Lake Tahoe to fall to or below its rim; however, all the reservoirs may be replenished quickly with one or two wet winters.
- Hydrologic droughts (periods when TMWA availability to use physical supplies of water diminishes) occur after 3 or 4 years of meteorologic drought conditions.
- Drought periods occur in the Truckee Meadows and have ranged in duration from a few years to 8 years with intervening "wet" and "dry" years within the drought period.
- TMWA's source water is of very high quality, meeting, and in many cases, significantly better than all required standards. A Water Quality Assurance program has been implemented to ensure this high standard continues to be met in the future.
- While there is a risk to source water reliability from turbidity and toxic spill events, TMWA has sufficient well capacity and distribution storage to meet reduced customer demands during a water quality emergency; additional actions are available to TMWA in the event of extended off-river emergencies. An earthquake event in 2008 tested TMWA's emergency response plan with a loss in water supply and demonstrated TMWA's ability to respond by having trained staff and available alternate water supplies.
- TMWA has a robust Source Water Protection Program in place designed to preserve and enhance available surface water and groundwater supplies and to address known and potential threats to water quality.

CHAPTER 3 INTEGRATED MANAGEMENT OF WATER RESOURCES

Prior to significant population increases beginning in the late 1960's (see Figure 3-1), water supply planning was not as complex as the utility was able to rely on the combination of its decreed rights, the conversion of irrigated lands and associated water rights to municipal use, some groundwater, and upstream storage. However, continued, and at times rapid, growth in population in and around the Truckee Meadows challenged the region's ability to engage new water supplies, secure associated water rights, and optimize the management of existing water supplies given the various operating rules applied to the Truckee River.

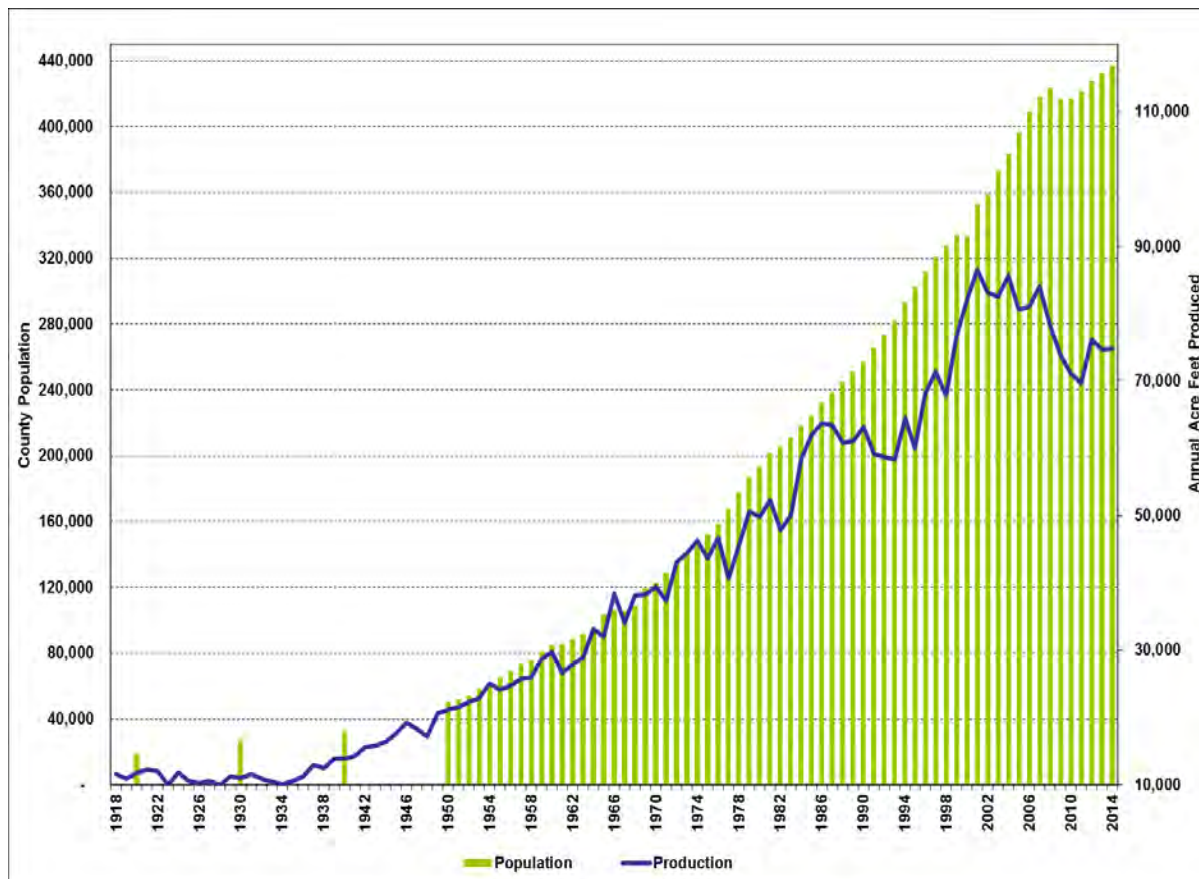


Figure 3-1. Comparison of Washoe County Population to TRA Production

This chapter examines the relationship between water resources, including all reservoir storage rights, the use and availability of Truckee River surface water rights, and ground water rights, and TMWA's surface and groundwater production facilities. The analyses in this chapter include information related to the integration of former WDWR groundwater resources as a result of the recent merger of WDWR and STMGID into TWMA. The chapter discusses TMWA's integration of water rights and production facilities creating opportunity for the conjunctive management making it possible for TMWA to meet its service demands in drought and non-drought years for customers within reach of the TRA and non-TRA.

The dominate source of supply within TRA is from the Truckee River. To create a viable water supply with over 80 percent of that supply being Truckee River resources requires acquiring (1) sufficient water rights and (2) sufficient dry-year reserves or back-up supplies to support those water rights when Truckee River supplies are not available. Significant to the discussion is the fact that after 30-plus years of resource planning for TMWA customers and the region, all the prerequisites to implement TROA occurred in 2015 setting the context for this and future water plans. The implementation of TROA dramatically improves TMWA's drought operations by expanding the opportunity to store and carryover more water during times of the year that previous river operating requirements prevented.

Negotiated River Settlement and the Truckee River Operating Agreement

The Negotiated Settlement ("Settlement") of the Truckee River will provide drought reserves for the Truckee Meadows as well as quiet much of the controversy surrounding the operations of the Truckee River system to provide our current water supplies. The Preliminary Settlement Agreement ("PSA") signed May 23, 1989 between Sierra and PLPT was a successful first step to begin solving many Truckee River issues. On November 16, 1990 the Settlement Act (Public Law ("PL") 101-618) was enacted. PL 101-618 provides for the interstate allocation of water between California and Nevada on the Carson River, the Lake Tahoe Basin, and the Truckee River Basin subject to the finalization of a new operations agreement for the Truckee River, i.e., TROA¹⁸. The interstate allocation is an important resolution between the two states and gives TMWA the assurance of what water will continue to flow over the state line and into Nevada. Fulfillment of the Act that was assumed by TMWA in 2001, allows TMWA to store a portion of its irrigation water rights and POSW in federal reservoirs for drought use in exchange for waiver of its hydroelectric water rights. Water rights currently owned by TMWA but any unexercised portion of the water rights would be stored in available space in the federal reservoirs for use during droughts periods. Some storage under TROA is firm storage which does not evaporate or suffer losses unless it is the only water in the reservoir. Some storage is non-firm storage which spills when the reservoir fills and, in non-Drought Situation years, such storage in excess of certain base amounts is turned over to the U.S. and PLPT to be used for recovery of endangered species and support of the fishery in the lower Truckee River. Total projected demand that TROA will support is 119,000 AF/yr and, in addition, it provides additional drought reserves in the case of a worse-than-worst drought of record. TROA provides TMWA customers with certainty regarding the operation of the system and additional drought supplies for existing as well as new customers. The agreement creates benefits for those who did sign, and non-injury to the water rights of those who do not sign. PL 101-618 also provided for the 1994 Interim Storage Agreement to bridge the Truckee Meadows drought supply until TROA could take effect. That agreement will be superseded by the final TROA agreement.

¹⁸ The five mandatory, signatory parties to TROA are TMWA, State of Nevada, State of California, U.S., and PLPT. The following parties also signed TROA: Carson/Truckee Water Conservancy District; City of Reno; City of Sparks; Sierra Valley Water Company; City of Fernley; Washoe County; North Tahoe Public Utility District; Truckee Donner Public Utility District; and Washoe County Water Conservation District.

TROA was signed by the five mandatory signatory parties--TMWA, State of Nevada, State of California, U.S., and PLPT -- on September 6, 2008; it was the culmination of 17-years of difficult negotiation of a new agreement for the operation of the federal reservoirs and TMWA's share of Donner Lake and Independence Lake. As its name implies, the Truckee River Negotiated Settlement is a negotiated agreement among many parties. The Truckee Meadows community both gains and gives up something as part of the Settlement. TMWA's customers are the major participants to making the Settlement a reality, and are also its major beneficiaries. Since TMWA's water customers are the taxpayers and sewer customers of Reno, Sparks, and Washoe County, many of the Settlement's benefits overlap jurisdictional lines in the Truckee Meadows. Many of the benefits have not and cannot be quantified for the purposes of the analysis as a resource but have been and will continue to be taken into account by the community in its support for the Settlement. In addition, since both states benefit from the interstate allocation of the Truckee and Carson Rivers and from the Tahoe Basin, there are other parties in the two states who indirectly benefit from the Settlement even without having participated.

Benefits and requirements of the Settlement are summarized here:

- Interim drought storage for the TMWA customers until Settlement becomes effective.
- Permanent drought storage for TMWA customers to support demands up to 119,000 AF.
- Certainty associated with the Interstate Allocation of the Truckee and Carson Rivers as well as the Tahoe Basin between California and Nevada.
- Certainty regarding the continued operation of the reservoirs to support existing water rights.
- Improved flexibility of river operations to accommodate changing circumstances, policies and values while protecting historic water rights from injury.
- Improved timing of river flows for the threatened and endangered fish species in Pyramid Lake.
- Enhanced minimum reservoir releases.
- Protection from claims that would harm TMWA's water rights.
- Increased recreational pools in the reservoirs.
- Improved fisheries and riparian habitat.
- Improved water quality enhancement through flow augmentation and retiming of flow.
- Water storage for California municipal and industrial use as well as environmental uses.

The river system is already the beneficiary of increased communication and cooperation, and solutions are being found regularly to areas of previous impasses through completion of TMWA's retrofit of water meters on flat-rate service, TMWA's annual conservation activities, the 1994 Interim Storage Contract, the 1996 Water Quality Settlement Agreement (between Reno, Sparks, Washoe County ("RSW"), PLPT and the U.S.), the Tahoe-Truckee Sanitation Agency water quality settlement, and PLPT's setting of water quality standards. After signing in 2008, several steps had to occur before TROA could be implemented. The following actions, completed in August and September 2015, were the final two requirements before TROA could be implemented:

- Provision of 6,700 AF of water rights for water quality purposes under Section 1.E.4 of TROA by RSW was satisfied by RSW in August 2015. Through cooperative efforts with WRWC and TMWA, RSW were able to provide mainstem Truckee River water rights to satisfy this obligation. RSW and PLPT executed the Agreement Regarding Satisfaction of the Obligation of the City of Reno, City of Sparks and Washoe County Pursuant to Section 1.E.4 of the Truckee River Operating Agreement to Provide 6,700 AF of Water Right on August 26, 2015. Preparations are underway to file with the State Engineer the transfer applications on all 6,700 AF that are due by December 31, 2015.
- Coincident with the provision of the 6,700 AF by RSW, is a joint filing by PLPT and the State of California in California state court to dismiss with prejudice that certain action entitled Pyramid Lake Paiute Tribe v. California et al., Civil S-181-378-RAR-RCB; this was filed October 2015 with the order to dismiss the case issued on November 2, 2015. The Mandatory Signatory Parties to TROA filed on August 25, 2015 the Joint Notice of Filing Re: Stipulation of Mandatory Signatory Parties to Truckee River Operating Agreement in that certain action entitled United States of America, et al. v. The Orr Water Ditch Co., et al., Re: Petition to Modify or Amend Final Decree, Case No. 3:73-cv-031-LDG, in the U.S. District Court for the District of Nevada to which they mutually stipulate and agree that there has been a final resolution of that certain action entitled United States v. Truckee-Carson Irrigation District, et al., No. Civ. R-2987-RCB, in the U.S. District Court for the District of Nevada. As of this writing, response to either motion has not been received.

Still pending before various appeal courts are the following challenges to all prior decisions made by the U.S., Nevada State Engineer, California State Water Resources Control Board, and the Orr Ditch Court and include:

- The Operating Agreement was first published in the Federal Register on December 5, 2008, and its promulgation as a regulation became final on January 5, 2009. TCID, Churchill County (“Churchill”) and the City of Fallon (“Fallon”) have initiated litigation in the U.S. District Court challenging the regulation under the Administrative Procedure Act, 5 U.S.C. §§ 551, et seq., and under the Federal Advisory Committee Act, 5 U.S.C. App. 2 §§ 1, et seq. That same litigation also challenges the adequacy of the Final Environmental Impact Statement for TROA. The U.S. has filed an answer in this matter, and the PLPT, TMWA, City of Fernley, and the Washoe County Water Conservation District (“WCWCD”), have been allowed to intervene. It is difficult to estimate when there will be a decision on its merits. It is likely that there will be an appeal from any decision by the U.S. District Court.
- A motion to modify the Orr Ditch Decree was submitted to the Court in United States v. Orr Water Ditch Company, et al. for approval of modifications to the Orr Ditch Decree on November 17, 2008. The motion has been opposed by TCID, Churchill, and Fallon, and numerous owners of water rights. After determining how pleadings, motions and other papers will be served in this matter on represented parties and on approximately 900 unrepresented parties, the Court gave the Mandatory Signatory Parties until February 1, 2011 to file a definitive Amended Motion to Modify the Orr

- Ditch Decree, with all necessary supporting information. That Amended Motion was filed and fully briefed by all parties. On September 30, 2014, the Court entered an Order granting the Amended Motion to Modify, and an Order which amends the Orr Ditch Decree as requested in the Amended Motion. Therefore, this required action has taken place. TCID and other represented parties filed appeals in December 2014.
- On October 29, 2012, the California State Water Resources Control Board issued Decision 1651 approving the petitions to change the water rights for Boca Reservoir, Prosser Creek Reservoir, Stampede Reservoir, and Independence Lake. On March 7, 2013, TCID, Churchill, and Fallon filed a Petition for Writ of Administrative Mandamus in state court in California challenging Decision 1651. On April 18, 2014, the Petition was dismissed without leave to amend for failure to join indispensable parties. On May 21, 2014, TCID, Churchill and Fallon appealed that dismissal to the Third District Court of Appeal in Sacramento, California.
 - Approval of changes to water rights in Nevada to allow TMWA to hold the consumptive use component of some of its irrigation water rights in storage was approved by the Nevada State Engineer Order No. 6035 on March 19, 2010. TCID, Fallon and Churchill appealed the State Engineer's decision to the Orr Ditch Court. On March 31, 2014, the Orr Ditch Court denied the Petition, and affirmed the State Engineer's decision. TCID, Churchill, and Fallon appealed the Orr Ditch Court's decision to the Ninth Circuit Court of Appeals on May 21, 2014.
 - The Nevada State Engineer's ruling on unappropriated Truckee River water, State Engineer Ruling No. 4683, must be final, and the Orr Ditch Court must have made a determination that the Truckee River in Nevada is fully appropriated and closed to new appropriations. The Nevada State Engineer Ruling granted the unappropriated Truckee River water to the PLPT. The Ruling was appealed to the Third Judicial District Court of the State of Nevada, and the State Engineer's Ruling was affirmed. That District Court decision was appealed to the Nevada Supreme Court by Fallon. On March 30, 2009, the City of Fallon dismissed that appeal, and Ruling No. 4683 is now final. On September 30, 2014, the Orr Ditch Court made the determination that the Truckee River is fully appropriated and closed to new appropriations. Therefore, the required actions have taken place. The September 30, 2014, Order has been appealed by TCID and others.

The pendency of court challenges to TROA did not delay TROA's entry into effect beginning December 1, 2015.¹⁹

Water Rights

Identification of sustainable water resources for 20-year planning purposes requires consideration of both the legal and practical availability²⁰ of water rights that can be converted from irrigation to M&I uses. This includes Truckee River mainstem, Truckee River

¹⁹ Chapter 1 described the pending sale of TCID's share of Donner Lake to TMWA. As a condition of that sale all appeals described here will be dismissed with prejudice removing all challenges to TROA and its implementation.

²⁰ Availability is a function of factors such as economic, hydrologic, environmental, financial, or legal factors that may constrain and pose opportunity for resource development.

tributaries/creek and groundwater rights. Sustainability, in the context of water resource planning, may be defined as the ability of a water resource to meet present needs while, over the life of the water resource, taking advantage of opportunities for future generations to optimize potential future economic, social and environmental benefits the water resource may provide. Water resources accepted by TMWA for will-serve commitments must meet these criteria.

Besides water rights established by decree, surface and groundwater rights in Nevada are generally established by the appropriation system defined in statute and administered by the State Engineer. TMWA coordinates with and often relies on the State Engineer to determine the sustainable yield of water supplies. For example, the State Engineer makes an assessment of the perennial yield²¹ based upon the best available science before allowing appropriation of groundwater from a hydrographic basin. TMWA also relies on its Rule 7 to govern the acquisition and dedication of water resources prior to the issuance of will-serve commitments. TMWA may acquire through dedication or purchase rights in the future as the need for resources arises, but before accepting a water right for a will-serve commitment, TMWA considers a water right's source, priority, quantity, dry-year supply/yield, permitability, unencumbered ownership, and the long-term ability to provide water. In this manner, TMWA ensures that future resources can be sustained in perpetuity.

All surface water rights and State Engineers rulings to the waters of the Truckee River and its tributaries have been adjudicated through court decrees. The Orr Ditch Decree, issued in 1944, established the number of water rights by priority, by owner, and by quantity associated with the Truckee River and all its tributaries. It is important to note that although water rights can be subdivided and/or converted from one use to another, for example agriculture to municipal use, the overall total number of surface water rights available from the Truckee River will not change from the amount of water rights defined in the Decree.²² In addition to the Orr Ditch Decree, the Truckee River is currently governed by several operating agreements, which will be superseded by TROA when it is implemented. TROA is designed to provide long-term sustainable water operations for the multiple stake-holders on the Truckee River system through the continued use of converted irrigation rights to M&I purposes. This is crucial since TMWA derives approximately 80-90 percent of its M&I water for the TRA from the Truckee River. The Truckee Meadows is fortunate to have significant storage capacity in upstream reservoirs and Lake Tahoe to integrate with other resources to maximize the yield of the Truckee River. TROA further enhances the ability to maximize storage for drought supplies.

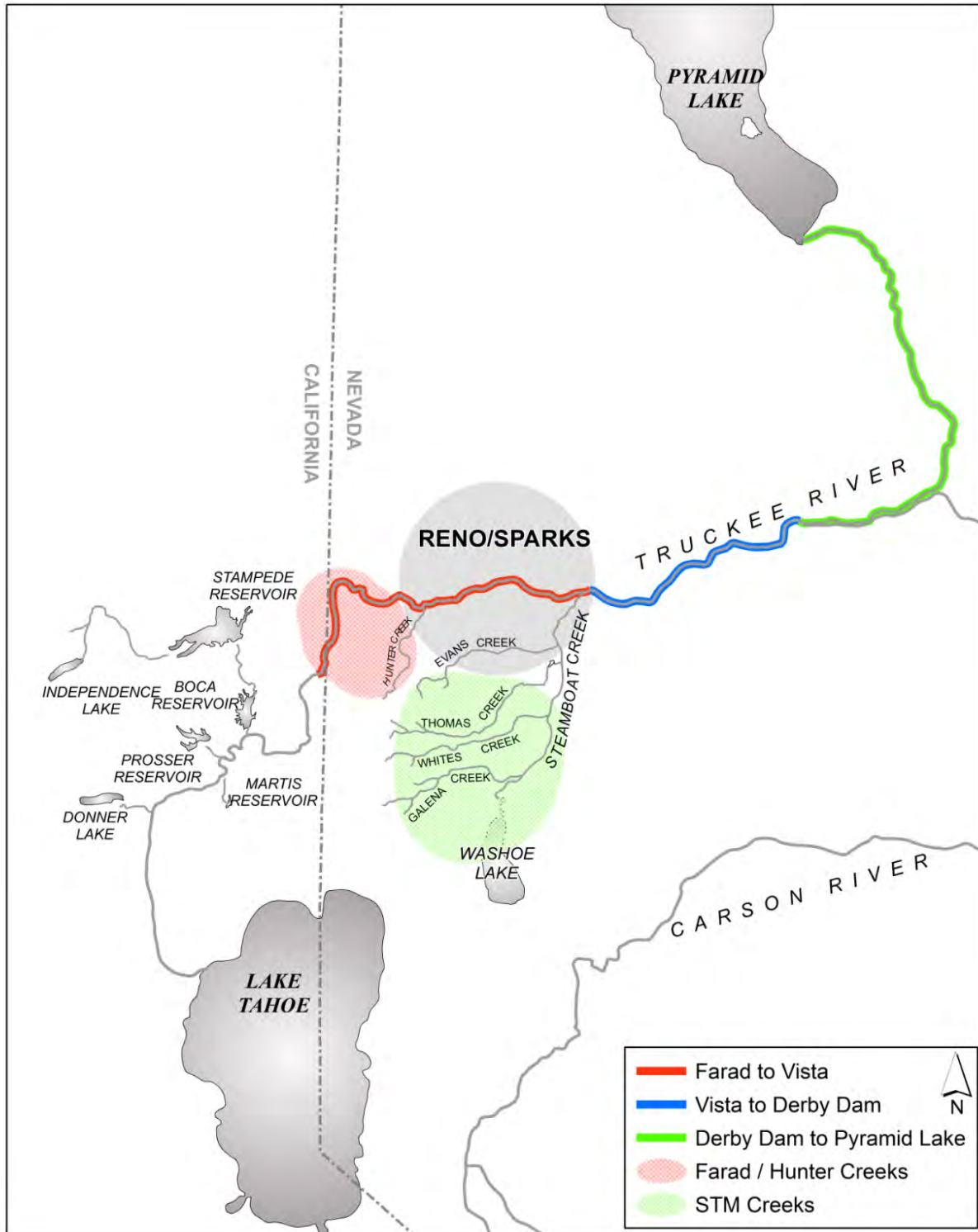
Figure 3-2 identifies the various reaches and more accessible water rights in “creek areas” of the Truckee River. The water rights within each reach or creek have varying priorities and yields that impact the ability to build a sufficient, consistent supply. For example, the Derby Dam to Pyramid Lake reach is of keen interest to PLPT and the Cities because during critical years, when flows are low, the water quality of the river is influenced by discharge of the treated

²¹ Perennial yield is defined as “the amount of usable water of a groundwater reservoir that can be withdrawn and consumed economically each year for an indefinite period of time. It cannot exceed the sum of the Natural Recharge, the Artificial (or Induced) Recharge and the Incidental Recharge without causing depletion of the ground water reservoir.” Also referred to as Safe Yield. <http://water.nv.gov/programs/planning/dictionary/words-S.pdf>

²² The State Engineer granted Permit No. 4683 which granted PLPT right to all unappropriated water (e.g., flood waters) over and above Orr Ditch rights.

effluent in the river at Vista can impact in-stream habitat. Transfer of direct diversion irrigation water rights to this reach could be used to mitigate low-flow conditions.

TMWA's accumulation of Orr Ditch Decree irrigation rights was begun by TMWA's predecessor Sierra in the 1900's. Figure 3-3 compares the accumulation of TMWA's water rights (irrigation, groundwater, and Decree rights) over time to the annual production of water. The graph shows that until the 1960's, the demands of customers were satisfied using the utility's base decree rights along with storage from Donner and Independence Lakes. As demands increased, more irrigation rights were acquired. In addition, groundwater resources began to be developed in the late 1950's and 1960's because the utility was limited in the amount of surface water it could treat, particularly in the winter months due to icing of the river and ditches. Adding wells was a less expensive alternative than adding surface water treatment plants in order to have production capacity to meet a growing summer peak demand. This strategy was heavily employed in the 1980's and 1990's in order to ensure peak-production capacity throughout the distribution system which was expanding further and further away from the centrally located surface water treatment plants adjacent to the Truckee River.



Map Document: (W:\projects\water_resources\River_System_general\projects\mxd\RiverSystem_reaches.mxd)

Figure 3-2. Primary Tributaries and Reaches of the Truckee River

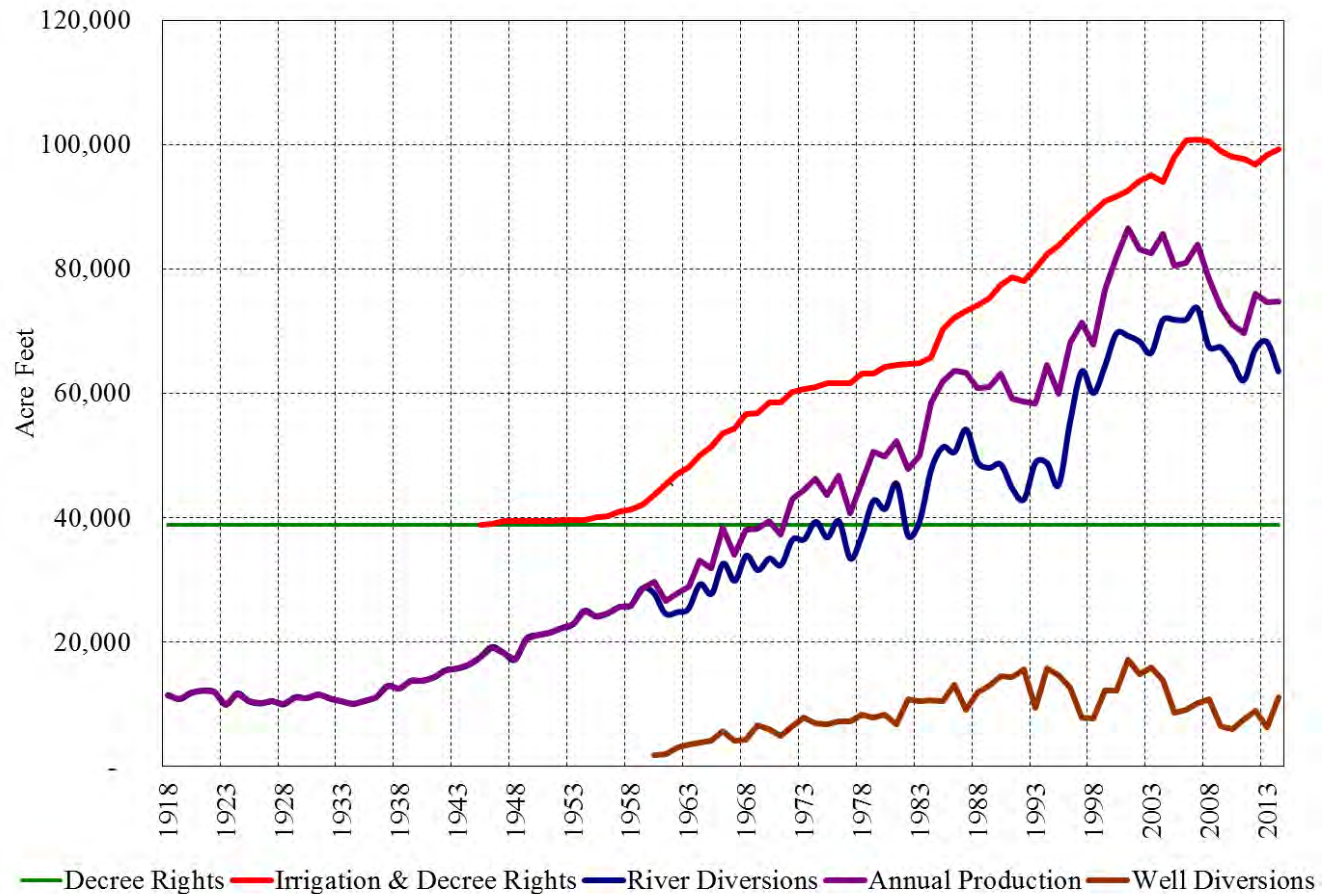


Figure 3-3. Historic Water Diversions, Production, and Acquisitions of Water Rights

This operational strategy changed dramatically in 1994 with the advent of year-round operation of Phase I of CTP (Phase II was completed in 1996 and Phase III completed in 2004). The GTP, originally completed in 1976, underwent significant upgrades in 1996 to comply with Safe Drinking Water Act. It, too, can operate year-round if needed. Given Chalk Bluff's ability to operate as the baseload surface water plant for both winter and summer demands, TMWA can utilize more of its surface water resources thereby preserving groundwater for use during the heavy summer demand months of July through September. This strategy allows better management of resources for drought and non-drought conditions and increases summer peaking capacity. Coupled with the continued acquisition and conversion of water rights from agricultural to M&I, this strategy has enabled TMWA to meet a larger drought-year demand and has thereby allowed the utility to continue to issue will-serve commitments in response to local government development plans and approvals.

After acquiring a water right, TMWA files applications to change the points of diversion, place of use, and manner of use with the Nevada State Engineer. TMWA's primary diversion points for surface water include the Highland Ditch and the Orr Ditch Pump Station for the CTP and the Glendale Diversion Dam for the GTP.

All TMWA's surface and ground water resources make up the water resources that are TROA dependent and were acquired to meet the demands of the pre-merger TRA. In addition to its decreed municipal water rights, TMWA has acquired and converted to M&I use over 69,000

AF of irrigation rights to meet the wholesale and retail will-serve commitments of its customers. These transferred irrigation rights are used in conjunction with TMWA's other groundwater and storage rights to create its water supply. The priorities of the acquired rights vary from very early, e.g., 1861, to later priorities of the early 1900's.

With the merger of STMGID and WDWR, the TRA expanded to include the former wholesale service areas of Washoe County and the retail area of STMGID. Through the merger process TMWA is in the process of adding over 20,000 AF of groundwater rights, some of which are within the expanded TRA and some in various hydrographic basins of the non-TRA. Table 3-1 identifies quantities of water rights that are included in the TRA or non-TRA and then within those designations quantities of water rights that are TROA dependent or not. Excluding 8,000 AF of Vidler groundwater resource, TMWA's combined pool of resources in the TRA is over 179,000 AF of decreed, irrigation, groundwater, and storage rights, and over 9,000 AF of groundwater resources in the non-TRA.

Table 3-1. TMWA Water Rights

	TOTALS	----- TRA -----		----- non-TRA -----	
		TROA	non-TROA	TROA	non-TROA
-----a-----	---b---	---c---	---d---	---e---	---f---
Surface water-converted ag rights	71,990	61,158	10,832		
Surface water-decree, creek	44,843	41,476	3,366		
Surface water-POSW	22,250	22,250			
	-----	-----	-----	-----	-----
Surface Resources	139,083	124,884	14,199	0	0
Groundwater	41,620	15,950	24,322		1,348
Ground water-importation	8,000				8,000
	-----	-----	-----	-----	-----
Groundwater Resources	49,620	15,950	24,322	0	9,348
	-----	-----	-----	-----	-----
TOTALS	188,703	140,834	38,521	0	9,348

The combined production of systems in the TRA totaled 83,100 AF in 2014 and 78,700 AF in 2015. Production in the non-TRA systems was 230 AF (plus 276 AF from Vidler) in 2014 and 77 AF (plus 958 AF from Vidler) in 2015.

TMWA's Rule 7 requires that future applicants for new water service dedicate sufficient water rights to service their development. Applicants for new service can buy water rights in the open market and dedicate sufficient, acceptable water rights to the utility or, if the applicant chooses to acquire from TMWA, the applicant pays for a will-serve commitment based on TMWA's costs incurred in acquiring, processing and maintaining its Rule 7 inventory. The availability of Truckee River water rights for future dedication within the TRA are subject to market conditions for water rights. The water rights market is a free market environment where the quantity of rights sold takes place between willing sellers and willing buyers. These exchanges are governed by the expectation of sellers attempting to maximize their return and the willingness of buyers to pay the market clearing price for the commodity. It takes a tremendous amount of time and effort to research the title information with respect to establishing who owns

which and how many water rights, and then negotiate a transaction between a willing seller and a willing buyer.

The 1944 Orr Ditch Decree sets the total number of mainstem and tributary water rights at 224,000 AF. The original use of the water rights was for agricultural irrigation purposes. Over time the number of water rights used for irrigation has diminished significantly as TMWA acquired and converted the agricultural water rights to M&I use; Figure 3-4 illustrates the transition of water rights from agricultural to M&I.

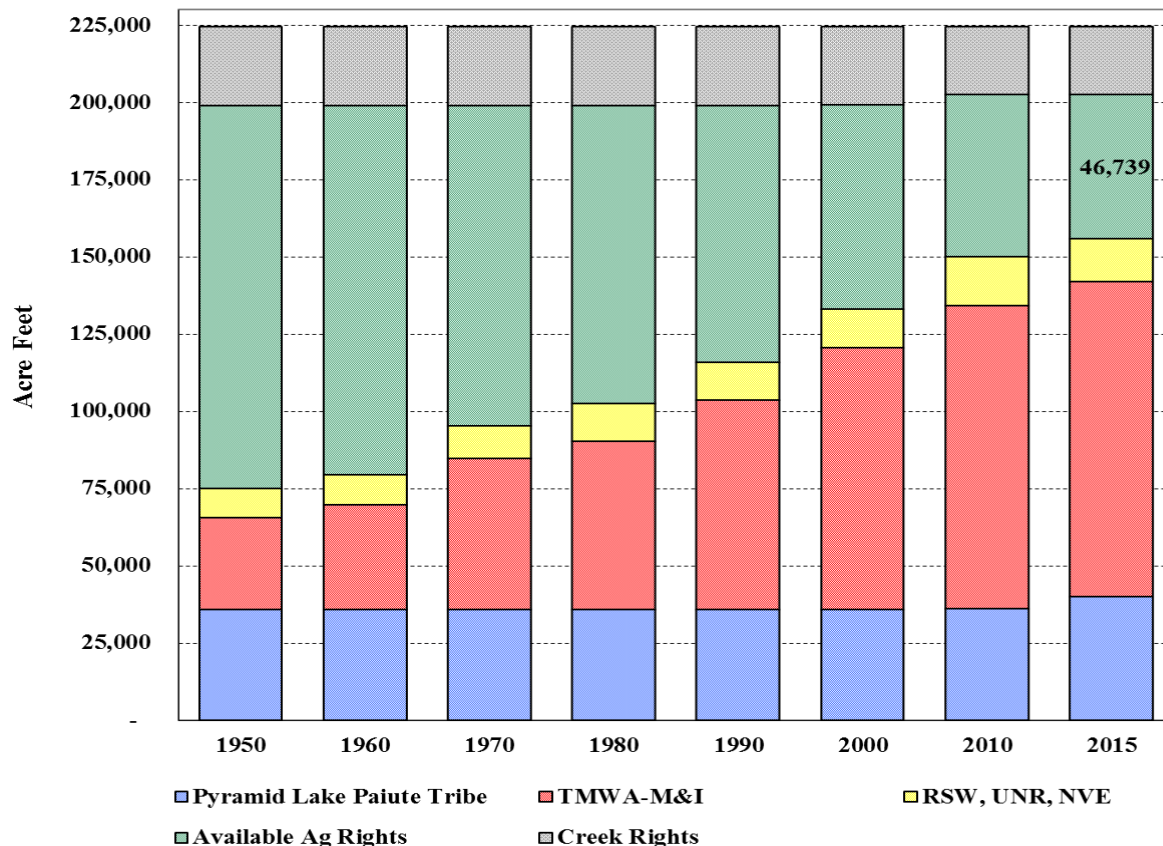


Figure 3-4. Number of Orr Ditch Decree Water Rights Held by Major Entities

Identified in the graph are ownership interests of large blocks of water rights, such as TMWA. The 'green' section shows the change in the number of mainstem irrigation water rights and indicates over 46,000 AF could be available for future acquisition and dedication in the TRA.

Although it appears a significant block of water rights is available for future will-serve commitments, the process of acquiring water right(s) is complicated by the fact that water rights in the state of Nevada, including Truckee River rights, are private property bought and sold in a free, open market. In addition to the economic pressures mentioned above, other issues affecting Truckee River water rights that may be available for dedication to TMWA or acquired through the purchase by the utility include:

- Ownership. Prior to 1979 the utility was solely responsible for the acquisition of water resources. However, since that time, water rights have been dedicated by project sponsors to the utility to meet a project's demand, or the utility purchased small quantities of water rights

via Rule 7 and then subsequently sold will-serve commitments to meet the project's demand. Ownership of a water right is ultimately transferred to the utility through recordation of a deed with the County Recorder.

TMWA has an obligation to protect its customers' interests and resources by accepting only transferable, usable water. Title to a water right is evidenced by a deed recorded at the County Recorder. This may be a deed of the real property including the water rights as appurtenances, or a deed for only the water rights. When TMWA accepts a water right and issues a will-serve commitment, it becomes obligated to provide water service to new projects in perpetuity. Although TMWA takes great care to ensure that it receives clear title to water rights offered for dedication and avoid potential conflicts in title and subsequent encumbrance of TMWA's resources, recording of ownership of water rights in Nevada has historically been somewhat haphazard, and it is sometimes difficult to obtain a complete and accurate chain of title. Such factors will limit TMWA's ability to accept certain water rights.

Another complication with ownership of available Truckee River water rights is finding the owner. Based on Federal Water Master records, mainstem water rights and Truckee Meadows creek rights are fractionated in more than 40,000 pieces spread over more than 30,000 individual parcels, ranging in size from hundredths of an acre-foot on up. The complexities associated with fractionated water rights will require tremendous amounts of time and effort to research the information with respect to which water rights a seller owns and may be willing to sell.

- Use. Clear title does not necessarily imply the utility has the ability to "use" the water right. The State Engineer is required by State law to ensure that any change of use of a water right does not negatively affect other existing uses and is not detrimental to the public interest. This analysis takes place after the State Engineer has received an application from the developer or utility telling the State Engineer that the utility owns the water right and wants to change the use of the water, usually from agricultural to M&I use.

The change application process is intended to consider the propriety of changing the point of diversion, place of use, or manner of use of a water right, but does not adjudicate conflicting claims to title. The State Engineer reviews the abstract of title and all other transfer documents relating to the actual water right referenced in the application. If the State Engineer is satisfied that the utility owns the water right and all the acre feet associated with the water right, he issues a permit. It is important to recognize that the State Engineer's review is substantive and not simply ministerial, and the process is necessarily time consuming.

There are instances when the State Engineer finds fault with the ownership claim or with the amount of acre feet in the application. When this happens, the utility must resolve the ownership question or correct the amount of acre feet, because, in most cases with old water rights, applications, or permits, the acquisition by the utility was incorrect or the original grantee is gone.

- Yield. The third issue facing the acquisition and use of any water right, Truckee or groundwater based, is how much water the water right will actually produce during a drought period. Prior to a water right being accepted as to its ownership and use, the "yield" of the right must be known, and/or the water right may require the dedication of other types of water rights to support the underlying right during drought years. For example, in June 2015

TMWA instituted a process in its facility planning Area 15 wherein if the developer wants to use groundwater rights from Basin 88, he/she must provide an equivalent amount of Whites Creek, Galena Creek or Thomas Creek water right to support the groundwater right. The plan is to treat these creek rights primarily during winter months and deliver to customers and/or inject in the ground so as to reduce groundwater pumping in the basin, thereby allowing the aquifer to recover.

With constrained amounts of river supplies resulting at times from hydrologic drought conditions, TMWA continuously works to maximize the yield it receives from its existing water rights -- decreed, converted irrigation, storage, and groundwater -- to generate a water supply that will meet the current and future needs of its customers. Despite the issues surrounding the ongoing development, acquisition, and management of water rights in the Truckee Meadows, over the years TMWA has acquired a sufficient number of water rights to meet current customer demands as well as maintaining rights available for new will-serve commitments through its Rule 7 processes. TMWA has rules in place to protect current customers and provide opportunity for new development to receive water service. TMWA will continue to have a role in optimizing the water resources available to it to meet future water supply requirements subject to existing constraints on the water rights market.

Currently, total non-Drought Situation year demands are estimated between 80,000 to 84,000 AF. This equates to future dedications of between 39,000 to 35,000 AF of Truckee River irrigation water rights to take advantage of 119,000 AF/yr TROA build-out demand. As noted above there are potentially over 46,000 AF available for future dedication not including over 7,000 AF TMWA has in its Rule 7 account as off this writing. In addition, there is 8,000 AF from Vidler available for future commitments.

Water Production and Facilities²³

The facilities employed to produce water for TMWA's customers are described in this section. The wells typically supply between 10 to 15 percent of total water production during non-Drought Situations, but during Drought Situations groundwater production ranges between 20 and 30 percent of total water production.

Chalk Bluff Water Treatment Plant

CTP is TMWA's largest surface water treatment plant, capable of producing approximately 90 MGD of finished treated water. CTP was constructed in phases: Phase I completed in 1994, Phase II completed in 1996, and Phase III completed in 2004. The CTP treats raw water via a conventional water treatment process through settling of heavy solids, screening, flocculation and sedimentation, filtration, and chlorination. The plant is designed for modular

²³ Though not used in the production of treated water, TMWA operates four hydroelectric power-generating facilities located on the Truckee River upstream of Reno/Sparks. These hydroelectric plants are valuable assets, because of the historic diversion rights associated with hydroelectric generation, and the clean, renewable hydroelectric energy that they (3 operating plants since Farad has been inoperable since the Flood of 1997) generate offsets up to 100% of TMWA's power use and up to 50% of TMWA's annual electrical power costs.

expansions to an ultimate treatment capacity of 120 MGD. The next expansion of 15 MGD (nominal treatment capacity) will be accomplished primarily through the addition of mechanical equipment, such as four additional filters and two flocculation bays, to existing structures.

The plant sits on Chalk Bluff overlooking the Truckee River on the west side of Reno. Untreated (raw) water is delivered to the plant by gravity via the Highland Canal or by pumps with approximately 70 MGD capacity via the Orr Ditch Pump Station (“ODPS”). ODPS is located 1,000 feet due south of the plant on the river. The pumping station was built in conjunction with the construction of CTP and was expanded to a capacity of 70 MGD in 2008. The ODPS has been used to supplement supply to the Chalk Bluff plant at times of the year when the Highland Ditch cannot provide 100 percent of the raw water required to keep the plant at full load (typically June-September), or when the canal is taken out of service for scheduled maintenance or repairs. Due to ice formation for a brief period of time in the winter months, the ditch is also sometimes taken out of service in favor of the ODPS.

The Highland Canal has a nominal capacity of 95 MGD, and is approximately 7.3 miles in length from the diversion dam to CTP. The ditch conveys raw water via gravity to the CTP through a series of concrete-lined open channel sections, flumes, and siphons.

Glendale Water Treatment Plant

GTP is the smaller of TMWA’s surface water treatment plants and is located in Sparks just east of the Grand Sierra Resort. The plant borders the north side of the Truckee River and diverts raw water from the river about 500 feet upstream of the plant. The plant was originally built in 1976 and upgraded in 1996 (filtration and flocculation improvements). It employs the same treatment processes as CTP and also is authorized to filter at the same filtration rate as CTP. TMWA operates the plant under a District Health variance granted in 1997 that brings the net surface treatment capacity of the plant to 33.0 MGD. Groundwater from six wells²⁴ can be pumped to GTP and treated for arsenic and blended with surface water for distribution into the system. With the groundwater the combined output of GTP is 45 MGD.

The current capacities of the two surface water treatments plants are summarized here:

	Design Capacity	Net Production Capacity	Planned Capacity
Chalk Bluff	95.0 MGD	90.0 MGD	120.0 MGD
Glendale	37.5 MGD	33.0 MGD	45.0 MGD

²⁴ GTP can treat water from the Mill, Corbett, Greg, Terminal, Pezzi, and Poplar #1 wells. The combined output of those wells is about 16 MGD, which in drought years is used to augment the reduced Truckee River flows into GTP. In non-drought years, when Truckee River water is available and its use is maximized, groundwater use from these wells is substantially reduced.

Annual production (in acre feet) for from CTP and GTP are summarized here:

	2011	2012	2013	2014	2015
Chalk Bluff	61,678	62,661	62,260	56,409	52,935
Glendale	4,417	4,413	6,029	7,131	3,835
	-----	-----	-----	-----	-----
Total	65,095	67,075	68,289	63,540	56,760

Production Wells

A summary of TMWA's production wells including the location by hydrographic basin, the rated production capacity of the well, the year of installation, whether a TRA or non-TRA well, whether a TROA or non-TROA related well, rehabilitation information and the last 5-years of production is provided in Table 3-2 .

TMWA has 81 active production wells, 68 available to meet the demand of its customers in the TRA and 13 available for service in the non-TRA systems. Another 14 wells are completed but require pumps to be added at a future date, 3 are used for backup purposes, 8 are offline due to water quality issues or low water yield, and 3 are used for construction water purposes due to low water quality. Of the 68 wells in the TRA, 25 wells were part of TMWA's pre-merger inventory. All or a portion of the water rights and all their future production is to be included as contributing toward the water demands to be calculated under TROA operations, whereas the water rights and water production from all other active production wells is over and above the total demand provided under TROA operations.

Forty-four (44) of the active production wells are in Truckee Meadows Basin 87, 8 active production wells are in West and East Lemmon Valley Basins 92A and 92B, 8 active production well are located in Spanish Springs Basin 85, 9 active production wells are in Pleasant Valley Basin 88, 4 active production wells are in Washoe Valley Basin 89, 3 active production wells are located in Tracy Segment Basin 83, and 5 active production wells are in Honey Lake Valley Basin 97.

The majority of wells pump water directly into the distribution systems after chlorination. However, water from 5 wells (Morrill, Kietzke, High, Mill and Corbett) undergoes air-stripping treatment for PCE removal, and water from 6 wells (Mill, Corbett, Greg, Terminal, Pezzi and Poplar #1) is pumped to GTP for arsenic removal. TMWA's TRA production wells have an overall rated capacity of approximately 100 MGD. TMWA seeks to maximize use of surface water throughout the TRA and uses its TRA wells for summer peaking and when needed during Drought Situation years, with the exception of wells in Basin 88-west and Basin 87-southwest which are necessary to meet some winter months demands. All non-TRA systems are groundwater dependent therefore the wells operate daily year-round.

Table 3-2. Production Well Statistics

Well Name	Service Start Year	Rated Capacity [MGD]	Cum Rated Capacity [MGD]	Date Last Rehab	No. of Rehabs	Rehab Reason	TRA	TROA	2011 [AF]	2012 [AF]	2013 [AF]	2014 [AF]	2015 [AF]
-----a-----	-----b-----	-----c-----	-----d-----	-----e-----	-----f-----	-----g-----	-----h-----	-----i-----	-----j-----	-----k-----	-----l-----	-----m-----	-----n-----
<i>Spanish Springs (Basin 85)</i>													
1 Desert Springs 1	1990	0.6	0.6	2012	1	A	Y		175	106	250	223	48
2 Desert Springs 2	1963	0.6	1.2				Y		166	209	195	246	67
3 Desert Springs 3	1979	1.1	2.3				Y		-	218	59	114	0
4 Hawkings	2008	4.3	6.6				Y		807	1,112	8	2	553
5 Spring Creek 2	1988	0.7	7.3	2012	1	A	Y		82	107	147	142	50
6 Spring Creek 5	2000	1.4	8.7				Y		192	353	252	256	256
7 Spring Creek 6	1997	2.5	11.2	2015	1	A	Y		469	228	209	0	461
8 Spring Creek 7	2000	2.9	14.1				Y		400	384	349	454	347
									-----	-----	-----	-----	-----
									2,292	2,717	1,469	1,438	1,783
<i>Truckee Meadows (Basin 87)</i>													
1 21st St	1991	2.0	2.0	2013	1	A	Y	Y	165	360	14	184	546
2 ArrowCreek 1	1995	0.5	2.5				Y		124	99	89	72	119
3 ArrowCreek 2	1995	1.1	3.6				Y		262	293	236	259	369
4 ArrowCreek 3	1998	0.7	4.3				Y		245	222	199	304	340
5 Corbett Elementary	1993	2.1	6.4	2005	1	C	Y	Y	470	470	866	459	693
6 Delucchi Ln	1972	0.8	7.2	2013	1	A	Y	Y	-	51	-	84	228
7 Double Diamond 1	1981	0.8	8.0				Y		151	258	268	199	50
8 El Rancho Blvd	1992	1.2	9.2	2010	3	A	Y	Y	-	109	28	235	310
9 Fourth St	1971	2.2	11.4	2010	1	A	Y	Y	64	400	24	352	444
10 Galletti Way	2000	2.3	13.7				Y	Y	162	305	82	418	83
11 Glen Hare WCSD	1999	1.7	15.4	2010	1	A	Y	Y	-	31	6	260	435
12 Greg St	1967	2.0	17.4	2014	2	A	Y	Y	38	91	19	219	604
13 Hidden Valley 3	1984	1.4	18.8				Y		1,546	949	767	1,000	377
14 Hidden Valley 4	1985	1.4	20.2				Y		-	709	928	639	631
15 Hidden Valley 5	1992	0.6	20.8				Y		229	286	257	-	207
16 High St	1961	2.2	23.0	2008	1	A	Y	Y	950	1,052	1,049	1,029	971
17 Holcomb Ln	1988	1.0	24.0	2010	2	A	Y		526	-	31	132	270
18 Hunter Lake Dr	1995	3.3	27.3				Y	Y	-	61	-	571	773
19 Kietzke Ln	1972	3.3	30.6	2012	1	A	Y	Y	1,473	1,457	1,377	1,487	1,289
20 Lakeside Dr	1985	0.9	31.5				Y		149	165	38	215	308
21 Longley Ln	2000	2.2	33.7	2015	1	A	Y	Y	-	632	191	394	635
22 Hidden Valley 1 (Longley plant)	2005	3.6	37.3				Y		409	453	411	583	207
23 Mill St	1960	2.6	39.9	2013	2	B	Y	Y	554	578	1,357	799	1,041
24 Morrill Ave	1963	2.0	41.9	2008	1	A	Y	Y	907	943	895	900	763
25 Patriot (Huffaker) Blvd	1990	1.8	43.7	2012	1	A	Y	Y	-	172	18	111	546
26 Pezzi	1974	1.3	45.0				Y	Y	20	-	52	363	862
27 Poplar #1	1963	2.3	47.3	2009	1	A	Y	Y	48	-	33	283	656
28 Poplar #2	1967	2.2	49.5	2013	2	A	Y	Y	0	250	-	277	680
29 Reno High	1991	3.3	52.8				Y	Y	105	130	8	694	1,012
30 Sierra Plaza	2002	2.0	54.8				Y	Y	128	-	18	217	611
31 South Virginia St	1969	1.5	56.3	2012	1	A	Y	Y	676	-	31	207	273
32 Sparks (Nugget) Ave	1967	0.9	57.2	2013	2	B	Y	Y	-	57	27	80	181
33 STMGID 1	1984	1.1	58.3				Y		424	600	529	483	204
34 STMGID 11	2000	0.7	59.0				Y		391	520	477	332	134
35 STMGID 12	2011	1.0	60.0				Y		-	365	576	439	117
36 STMGID 2	1984	0.4	60.4				Y		184	213	193	188	65
37 STMGID 3	1984	0.7	61.1				Y		298	258	248	279	90
38 STMGID 4	1981	0.3	61.4				Y		71	78	68	50	60
39 STMGID 5	1988	1.1	62.4				Y		350	359	345	315	301
40 STMGID 6	1988	2.1	64.5	2011	1	B	Y		747	765	659	807	1,021
41 Swope Middle School	1993	0.9	65.4	2013	1	A	Y	Y	-	15	1	127	225
42 Terminal Way	1961	1.7	67.1				Y	Y	25	-	38	232	536
43 Thomas Creek	1978	0.6	67.7				Y		227	191	173	190	53
44 View St	1969	2.4	70.1	2014	2	B	Y	Y	163	273	75	400	560
									-----	-----	-----	-----	-----
									12,282	14,222	12,699	16,869	19,879

A Clean/check well
 B Loss of production
 C Replace pump

TRA: production from these well can service the Truckee Resource Area
 TROA: all or a portion of water rights on the well are TROA components

Table 3-2. Production Well Statistics (cont)

Well Name	Service Start Year	Rated Capacity [MGD]	Cum Rated Capacity [MGD]	Date Last Rehab	No. of Rehabs	Rehab Need	TRA	TROA	2011 [AF]	2012 [AF]	2013 [AF]	2014 [AF]	2015 [AF]
-----a-----	-----b-----	-----c-----	-----d-----	-----e-----	-----f-----	-----g-----	-----h-----	-----i-----	-----j-----	-----k-----	-----l-----	-----m-----	-----n-----
<i>West Lemmon Valley (Basin 92A)</i>													
1 Air Guard	1968	1.6	1.6	2009	3	B	Y		-	255	18	13	254
2 Silver Knolls	2006	1.7	3.3	2010	3	A	Y		-	65	0	0	-
3 Silver Lake	2005	3.2	6.5				Y		149	-	32	440	272
									-----	-----	-----	-----	-----
									149	320	50	454	526
<i>East Lemmon Valley (Basin 92B)</i>													
1 Lemmon Valley 5	1970	1.2	1.2				Y		257	288	193	197	69
2 Lemmon Valley 6	1998	0.3	1.5				Y		96	89	129	48	5
3 Lemmon Valley 7	1970	0.6	2.1				Y		145	161	141	130	23
4 Lemmon Valley 8	1974	0.9	3.0				Y		69	96	110	132	-
5 Lemmon Valley 9	1997	0.8	3.8				Y		-	-	-	-	-
									-----	-----	-----	-----	-----
									567	634	573	507	97
<i>West Pleasant Valley (Basin 88)</i>													
1 Mt Rose 3	1990	0.4	0.4				Y		107	124	159	86	89
2 Mt Rose 5	1990	1.0	1.4	2015	1	C	Y		360	374	424	440	271
3 Mt Rose 6	2000	0.8	2.2				Y		329	395	363	372	424
4 St James 1	1995	0.5	2.7	2014	1	B	Y		108	74	64	94	107
5 St James 2	1995	0.6	3.3	2014	1	B	Y		137	84	84	68	74
6 STMGID 7	1983	0.2	3.5				Y		62	36	50	27	42
7 Tessa 1 (East)	2000	1.2	4.7				Y		210	297	377	506	301
8 Tessa 2 (West)	1999	0.9	5.6	2015	1	B	Y		142	354	284	141	112
									-----	-----	-----	-----	-----
									1,455	1,738	1,805	1,735	1,420
<i>Tracy Segment (Basin 83)</i>													
1 Stampmill 1	1979	0.6	0.6						14	11	13	14	4
2 Stampmill 2	1979	0.3	0.9						14	12	14	13	5
3 Truckee Canyon 1	1997	0.1	1.0						11	18	17	18	6
									-----	-----	-----	-----	-----
									39	41	45	45	14
<i>East Pleasant Valley (Basin 88)</i>													
1 Sunrise Estates 1	1983	0.4	0.4						39	161	66	34	10
<i>Washoe Valley (Basin 89)</i>													
1 Lightning W 1	1994	0.1	0.1						24	32	32	35	7
2 Lightning W 2	1963	0.2	0.3						0	68	-	-	9
3 Lightning W 3	2008	0.3	0.6						71	66	68	63	21
4 Old Washoe Estates 3	1994	0.2	0.8						45	54	48	53	15
									-----	-----	-----	-----	-----
									140	220	149	151	53
<i>Honey Lake Valley (Basin 97)</i>													
1 Fish Spring Ranch Well 1 (A)	2006	4.3	4.3						-	-	-	35	14
2 Fish Spring Ranch Well 2 (B)	2006	2.9	7.2						-	-	-	8	409
3 Fish Spring Ranch Well 3 (C)	2006	2.2	9.4						-	-	-	66	31
4 Fish Spring Ranch Well 4 (D)	2006	2.2	11.5						-	-	-	0	410
5 Fish Spring Ranch Well 5 (E)	2006	3.2	14.8						8	-	-	167	93
									-----	-----	-----	-----	-----
									8	-	-	276	958
81 <-Total Wells	Total Capacity (MGD):		117.1						-----	-----	-----	-----	-----
68 <- TRA	TRA Capacity (MGD):		100.1					68	25	16,971	20,054	16,856	21,508
13 <-non-TRA	non-TRA Capacity (MGD):		17.0										

- A Clean/check well
 B Loss of production
 C Replace pump

TRA: production from these well can service the Truckee Resource Area
 TROA: all or a portion of water rights on the well are TROA components

Over time, wells can lose production capacity. Factors contributing to these declines may include chemical reactions between the groundwater, aquifer materials, and well casing leading to changes in the chemical and/or hydrogeologic characteristics of the well system. These changes can lead to precipitation of minerals that clog the well's screens or by biofouling whereby biological microorganisms combine with trace minerals in groundwater to plug the well's screens. When the production rate or water quality of a well is affected negatively, TMWA begins an analysis to determine the cause of the decline and then takes action to rehabilitate the well so that the well production and water quality can be improved. Although well abandonment and drilling of a new well can mitigate the loss of well production, it is considered a last resort due to the expense to replace a well.

TMWA actively monitors its production wells with the goal of detecting those wells that need rehabilitation. The rule of the thumb for initiating rehabilitation work on a well is upon identification of a 20 percent to 25 percent loss of its design production rate. The rehabilitation program avoids the cost of drilling a replacement well, especially in view of the diminishing well sites within TMWA's services areas that can provide sufficient, high quality production capacity at minimal capital outlay. Well rehabilitation has occurred at more than 25 wells, some of which have been "rehabbed" multiple times. TMWA's approach to well rehabilitation involves the use of a combination of industry established methods along with monitoring and testing steps specific to the conditions found at each distinct well. Various issues and/or well characteristics, primarily a decrease in well yield, have initiated the rehabilitation of each well. Where extensive rehabilitation work was performed, the well's productive capacity was improved and/or restored. Fortunately, TMWA's wells have yet to experience water quality deterioration problems with the exception of sand production at some wells. Table 3-2 indicates those wells that have been rehabbed.

Conjunctive Operation of Surface and Groundwater Resources

Chapter 1 introduced and defined the TRA and non-TRA. For planning purposes in the non-TRA the groundwater resources available to the satellite systems are restricted to the individual system and are sufficient to meet the build-out needs within the established system over the planning horizon. Since these systems have no opportunity to benefit from Truckee River resources, planning conjunctive use within these areas is not possible.

The discussion in the remainder of this section relates to the conjunctive operation of Truckee River resources (mainstem water rights and upstream storage rights) and groundwater rights in the TRA which are combined and managed pursuant to TROA. Resource management within the TRA is subdivided into two categories: (1) surface and groundwater resources dedicated and committed for will-serve commitments that make-up the TROA supply and reservoir operations and (2) groundwater and creek water rights dedicated and committed for will-serve commitments that do not rely on TROA storage. The majority of groundwater rights held by TMWA, pre-merger, are part of the TROA demand. Any groundwater and creek water rights not dependent on TROA storage that have been acquired by TMWA are not included in TROA and are over and above the commitments and associated demands recognized under TROA. Included in this group of rights are the groundwater rights TMWA acquires through the purchase of water systems such as the Silver Lake Water Distribution Company in 1999 or the

groundwater or creek rights TMWA acquired as a result of the merger with WDWR and STMGID in 2014. At the time of acquisition, those rights were adequate to meet the full demands of the customers to whom the water resources were committed without TROA support. In the TRA, those water resources that are supported by TROA operations and drought reserves will serve a demand of 119,000 AF; those water resources in the TRA not supported by TROA operations (e.g., prior WDWR groundwater commitments in Lemmon Valley) will serve a demand of approximately 25,000 AF.

The CTP and GTP make it possible for TMWA to utilize surface water year-round thereby eliminating the need for winter groundwater pumping throughout the TRA with exception of Basin 87-southwest. TMWA manages its plants to maximize surface water production and limit or compress its groundwater pumping to help meet peak summer customer demands. This conjunctive operation of surface and groundwater supplies allows TMWA to increase its pumping during higher summer demands and beyond the summer months when necessitated by lack of river supplies during extreme dry years²⁵. This operational procedure also reduces facility use and overall cost of water production and creates the opportunity to aggressively pursue TMWA's aquifer storage and recovery program ("ASR") with potential for its expansion to serve more demand as described in Chapter 6.

The map in Figure 3-5 shows the location of TMWA's production wells and which of those wells are equipped for recharge.

²⁵ The benefits of conjunctive management of TMWA's surface water and groundwater resources were recognized and resulted in the issuance by the State Engineer of "Groundwater Management Order 1161" on May 15, 2000. Order 1161 resolved several issues with respect to TMWA's ability to exercise its groundwater permits and provides the opportunity for improving the Truckee Meadows aquifer by: reducing over the long-term, the average-annual pumping of the Truckee Meadows aquifer; building up a credit of underground banked surface water for later extractions during droughts; and allowing up to 22,000 AF to be pumped for three consecutive years if sufficient credit has been accumulated during non-drought periods.

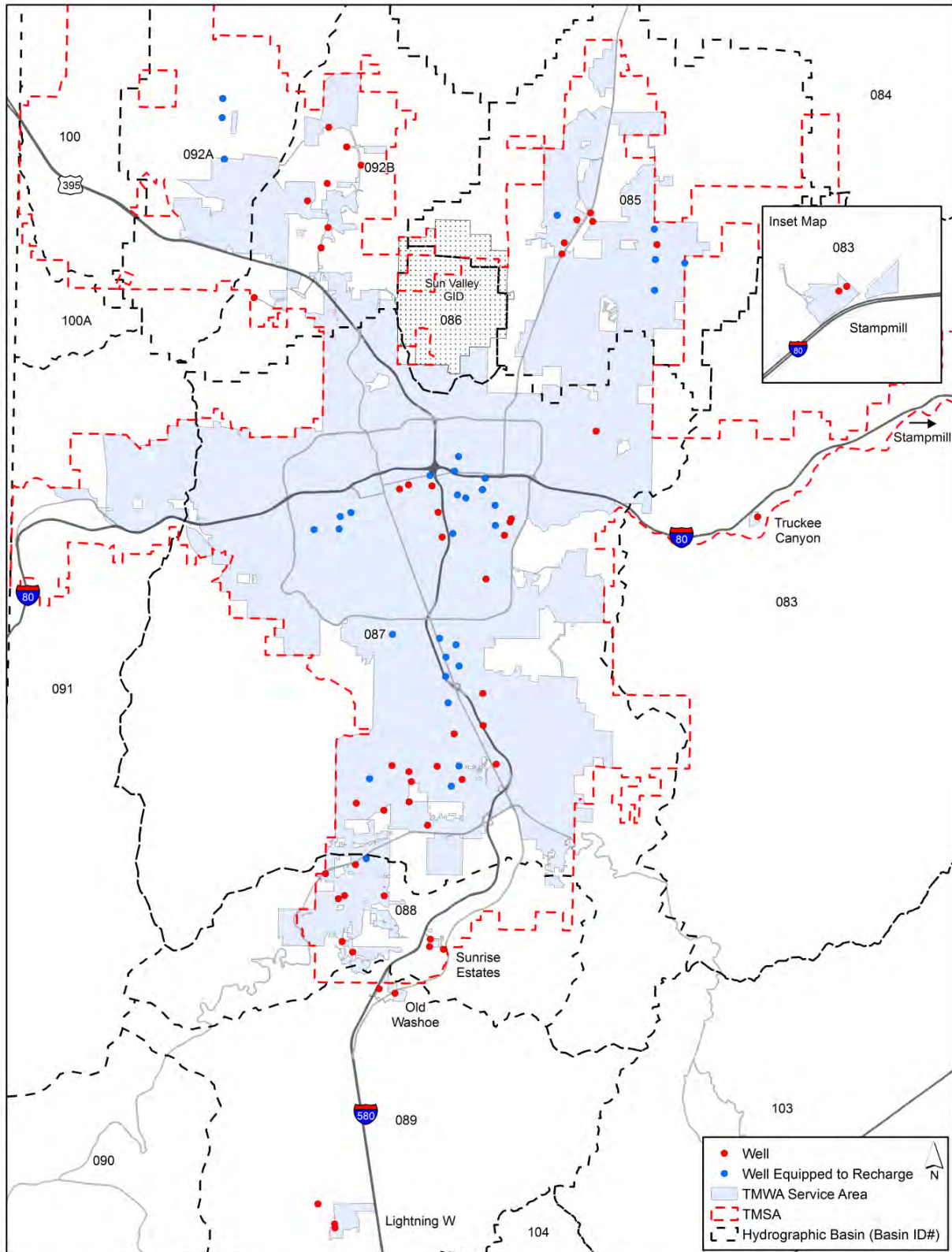


Figure 3-5. Production and Recharge Wells

In the winter season, many of the production wells are used to inject or recharge treated surface water into the groundwater aquifer for storage, water quality mitigation for marginal arsenic concentration wells, and future drought year use. TMWA's injection of treated water is governed by quantity permits issued by Nevada Division of Water Resources ("NDWR"), and quality permits issued by NDEP. TMWA has injected through FYE 2015 25,100 AF, 4,650 AF, and 720 AF in the Truckee Meadows, LVW, and SSV Hydrographic Basins, respectively.²⁶ Table 3-3 summarizes TMWA's recharge activities since 2001.

Table 3-3. Aquifer Storage and Recovery History by Basin (units in acre feet)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1 Mill Street															
2 High Street															
3 Kietzke Lane															
4 Morrill Avenue															
5 So. Virginia															
6 Fourth Street	452	309	152	139	82	113	90	158	107	71	15			189	216
7 Peckham Lane															
8 View Street	433	259	353	598	264	202	179	290	68	61	78	195	218	158	395
9 Poplar #2	46	70	9	44	37	2			7	3		41	5	21	
10 Greg Street	135	137	177	164	41				16	56		191	34	13	142
11 Delucchi Lane													1	12	54
12 Sparks								19	18	5		14	8		
13 Poplar #1															
14 Pezzi															
15 Terminal Way															
16 Lakeside Drive	258	218	292	194	192	213	148	268	198	232	215	104	150	166	368
17 Holcomb Lane	39	187	123	72	17	137		39	48	87		3		72	119
18 Patriot															
19 21st Street	202	192	259	172	108	151	108	153	116	91				68	125
20 Reno High	216	142	173	26	50	213	181	254	184	134				86	222
21 El Rancho	216	178	255	139	97	103	62	118	22	76		43	136	124	136
22 Corbett					1										
23 Swope															
24 Hunter Lake	332	175	246	34	22			120	253	190				52	284
25 Glen Hare	117	62	99	15	9			61	70	70				45	110
26 Galetti	239	234	262	218	119	175	149	223	177	41				99	163
27 Longley Lane	10	14												15	24
28 Sierra Plaza															14
29 STMGID 1															2
30 STMGID 2															11
31 STMGID 11															30
32 Picollo															49
TRUCKEE MEADOWS	2,693	2,177	2,401	1,815	1,038	1,308	918	1,704	1,283	1,117	308	590	551	1,122	2,464
33 Silver Knolls								32	19	131	130	118	164	114	161
34 Air Guard	242	205	180	157	137	163	136	117	106	150	99	81	117	86	121
35 Silver Lake	149	88	83	84	93	147	136	171	191	192	89	63	87	76	117
36 Sherwin Williams															
W LEMMON VALLEY	391	293	263	240	230	309	273	320	317	472	319	263	368	276	399
37 Hawkins Ct (Tucker)								51	391	444	470	422	442	396	985
38 Desert Springs 4												23	227	160	70
SPANISH SPRINGS								51	391	444	470	445	669	556	1,055
TOTALS (AF)	3,084	2,469	2,664	2,056	1,268	1,617	1,191	2,074	1,991	2,033	1,097	1,298	1,588	1,954	3,918

²⁶ Appendix 3-1 contains the FYE 2105 semi-annual ASR reports for each basin filed with NDEP and NDWR.

Since its inception, TMWA's ASR has improved or stabilized groundwater levels in and around the injection sites thereby preserving TMWA's ability to utilize its groundwater resources to meet summer peaking and/or Drought Situation pumping requirements without degrading groundwater quality in the process. ASR is one element of TMWA's integrated management strategy to augment drought reserve supplies for later use during a Drought Situation. ASR, together with TMWA's POSW and credit water releases and increased groundwater pumping, create opportunity to maximize and expand service commitments while meeting critical-year-water-supply requirements during drought periods; this is a primary purpose of water resource planning for the Truckee Meadows. Under TROA the drought needs within the TRA will be met with TROA drought supplies, and only those water rights which need not be stored under TROA will be available for recharge purposes. The ASR drought reserve development can then be utilized to support demands above TROA's 119,000 AF supply.

Lake Tahoe is the largest storage reservoir on the Truckee River system; 95 percent of the water stored upstream and carried-over to the next year to be used to provide normal river flows can be captured in the lake. The top 6.1 feet of the lake is used as a storage reservoir. River flows, or Floriston Rates²⁷, are almost entirely dependent upon Lake Tahoe's elevation at any point in time throughout the year. Availability of Truckee River water, TWMA's primary water supply, can be negatively impacted during low snowpack years. When the elevation of the lake approaches its natural rim (6223.00-feet), Floriston Rates drop-off shortly thereafter. Figure 3-6 presents the history of recorded month-end elevations for Lake Tahoe. If these rates of flow fall off during the typical summertime demand season, it impacts TMWA's water production operations. Since typically 85 percent of TMWA's raw water is derived from the Truckee River, it is easy to see why Lake Tahoe is the best barometer regarding the health of our region's water supply. Depending on the projected elevation of Lake Tahoe determined by April 15 each year for the remainder of the year, enhanced demand-management measures described in Chapter 5 may need to be implemented depending on the projected impact to TWMA's drought reserves.

Figure 3-7 shows a 16-year history of daily river flows (the "blue area") measured at Farad compared to TMWA's daily diversion of surface water (the "green area") and groundwater and POSW (the "red area"). The graphic illustrates that the "red area" demand must be satisfied with increased groundwater production and/or releases of POSW. In the summer months of the driest years groundwater and/or POSW is used to meet demands when river supplies are not available. The reader should note, however, that in all years natural river flows make-up the majority portion of TMWA's water production requirements.

²⁷ Floriston Rates are the minimum required rates of the flow in the Truckee River that must cross the California/Nevada state line daily, which is measured near Farad, California

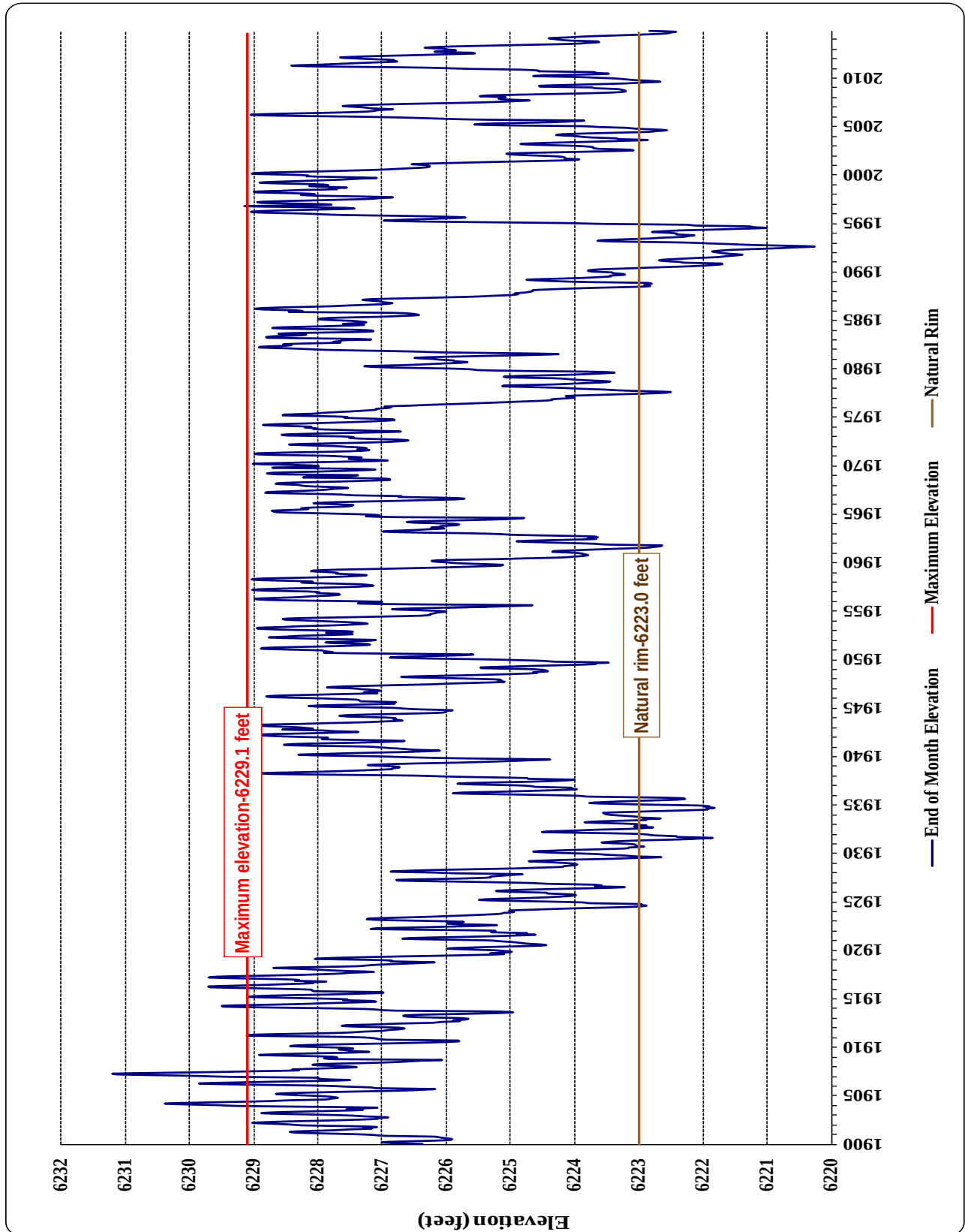


Figure 3-6. Lake Tahoe Elevations

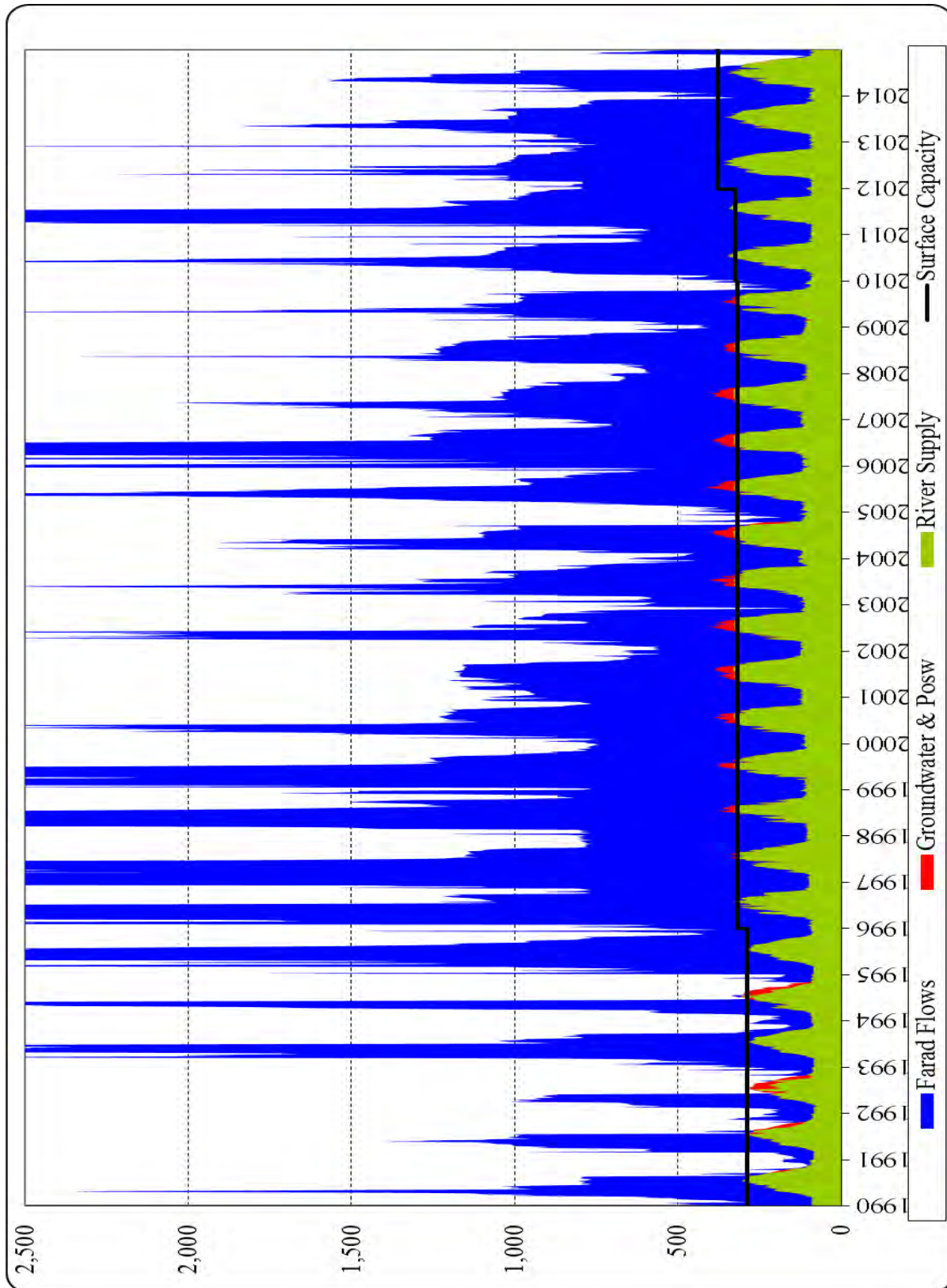


Figure 3-7. 1990 to 2014 Daily River Flows (in acre feet)

Although the resource management schemes vary between non-Drought and Drought Situation years, experiences during prior droughts demonstrate the region's ability to manage its water resources during these dry periods which management is significantly simplified under TROA operations. A comparison of non-Drought and Drought Situations operating strategies highlights the differences in resources management required in order to optimize available resources. The two resulting management scenarios ultimately determine the type of production facilities necessary to produce potable supplies. The non-Drought and Drought Situation overall resource management strategies include:

Non-Drought Situation:

- Maximize surface water diversions every month.
- Maximize establishment of POSW and credit water per TROA operations.
- Limit groundwater use (attempting to pump an average less than 15,950 AF annually) to the critical months: July, August, and September, and eliminate its use as early as possible in October. No groundwater should be used in April, and if possible, preferably delay its use until May or June.
- Retain and carry-over POSW and credit stored water during the year per TROA operations.
- Aquifer recharge, when required for operational purposes.

Drought Situation:

- Maximize surface water diversions every month while river supplies are available. This may require bringing GTP on-line earlier in the spring and implementing aquifer recharge operations early in the fall.
- Maximize establishment of POSW and credit water per TROA operations.
- Request early fill of reservoirs from California Dam Safety.
- Optimize the use of credit water, POSW and groundwater during the months of June through October.
- Enhance water conservation measures as appropriate to reduce customer use.
- Under TROA, if the drought lingers, exchange or trade credit water with other TROA parties, and move water out of Tahoe as soon as practicable to have it available for release from other reservoirs.

The 1987-1994 Drought was the most severe drought on record and is the benchmark for water resource planning criteria. Previous hydrologic analyses in prior water plans confirmed that TMWA is managing its resources to withstand a repeat of 1987 to 1994 hydrology. The analyses test for impacts during years when there is not enough natural flow in the Truckee River and TMWA must use some of its upstream reserves. The effect of one summer month when Floriston Rates are not met does not necessarily impact upstream reserves. Only consecutive months without meeting Floriston Rates during the irrigation season can significantly impact upstream reserves as happened beginning in August through September 2014 and June and through September 2015.

Analyses of California blue oak tree-ring data in the 2025WRP concluded that drought periods of 8-, 9-, or 10-years are rare occurrences with frequencies of 1 in 230 years, 1 in 375 years, and 1 in 650 years, respectively. While there has not been any new tree ring data collected since the 2003 study, a preliminary dendrochronological reconstruction of water-year streamflow was performed using as predictors the western U.S. tree-ring chronologies available from the public-domain International Tree-Ring Data Bank (“ITRDB”) dataset and stream flows from the Carson River (see Appendix 2-4). The Carson River does not have reservoirs compared to the Truckee River and is therefore a more natural flowing river providing better correlation with select tree-ring cores. This reconstruction of the Carson River extended from 1500 to 2001, a period five times longer than the instrumental record. The reconstruction of the Carson River had 211 wet and dry spells with an average duration of 2.4 years, with the longest episodes being a 9-year wet period (1978 to 1986), and two 8-year droughts in 1841-1848 and 1924-1931. These three episodes were also the strongest found in the 502 year history in the reconstruction dataset. Table 2 from Appendix 2-4 summarizes the top 10 strongest wet and driest periods within the reconstruction dataset.

Table 3-4. The 10 Strongest Episodes Identified in the 502-year (1500-2001) Reconstructed Carson River Streamflow

Start (year)	End (year)	Episode	Duration (yrs)
1978	1986	Wet	9
1841	1848	Dry	8
1924	1931	Dry	8
1534	1540	Wet	7
1601	1606	Wet	6
1564	1569	Wet	6
1941	1946	Wet	6
1578	1582	Dry	5
1987	1992	Dry	6
1905	1909	Wet	5

This reconstruction of the Carson River provides some insight into the severity of dry periods on the eastern slopes of the Sierra Nevada range but also finds that up-to-date and more local tree-ring chronologies are needed to increase its reliability of conclusions as to the severity and durations of drought periods on the Carson and Truckee Rivers. Furthermore, a September 2015 report in the journal, *Nature Climate Change*, performed a similar multi-century evaluation of Sierra Nevada snowpack on tree-ring data. This short report (Appendix 3-2) shows the rarity of the 2015 dry snowpack year, and 2015 is considered to be the driest in 500 years with an estimated return interval of 3,100 years. The report also pointed to the possibility that a few years in the sixteenth century could have been drier.

Although the region is in the fourth year of a drought period, it cannot be determined with certainty when this drought period will end or how long it will be. Ongoing analyses of climate variability, specifically developing reliable streamflow datasets for the eastern slopes of the Sierra Nevada range affecting the Truckee Meadows, is recognized as a requirement by all

researchers in the field. Based on available data and research results from studies for the Truckee Meadows, the 1987 to 1994 Drought remains the most severe drought on record. Figure 3-9 illustrates the calculated drought reserves TMWA is able to accumulate under TROA operations at full demand of 119,000 AF.

The last four years (2012, 2013, 2014, and 2015) have been the driest back-to-back winters in recorded history, producing the smallest amount of runoff ever seen over a four year period in the Truckee River system. Out of 106 years of actual hydrologic data available for the Truckee River, 2015 was the driest on record. It had the lowest recorded snowpack and the lowest recorded natural runoff. It was also 12% drier than the previous driest year on record which was 1977. Water year 2015 is by any definition the worst water year on record. To put water year 2015 in perspective, Figure 3-8 sorts the annual Truckee River flows from low to high (left to right) on the x-axis. These annual flows represent the total volume of water that crosses the California-Nevada Stateline at Farad, California. The graph shows water year 2015 to be lowest on record; it remains to be determined what the length of the current drought period will be and if the combination of water years since 2012 will supply more or less water than the combination of water years between 1987 to 1994 (identified in the graph by the black bars).

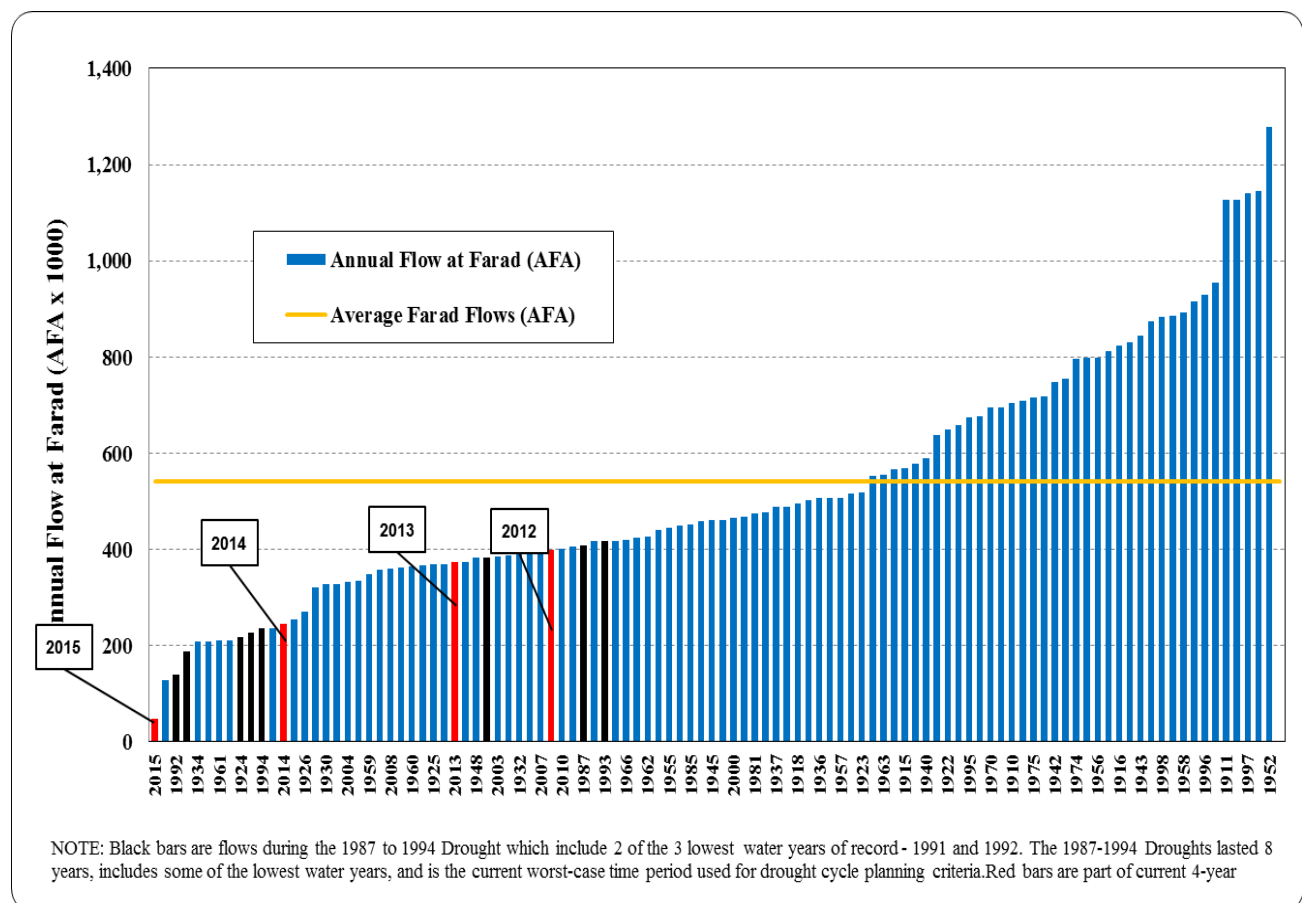


Figure 3-8. Average and Annual Truckee River Flows at Farad (in acre feet)

Previous planning efforts relied on a Fortran-based model developed by Sierra in the 1970's and revised to meet the rigors of the TROA EIS process. The Truckee River Operation

Model (“TROM”) was used extensively during TROA analysis and negotiation. By inputting municipal and irrigation demands, water right diversions, timing constraints, and hydrologic record, the model tracked all sources and uses of Truckee River flows. TROA, which creates various categories of credit water storage, exchange and release priorities, increased the complexities of river operations accounting which required the development of a new, more sophisticated model. Shortly after signing TROA in 2008, the U.S. Bureau of Reclamation (“USBR”) took the lead in consultation with Federal Water Master and the other TROA signatory parties to develop a forecasting, operations and accounting model of the Truckee River in a software package called RiverWare. In side-by-side comparison RiverWare and TROM produce the same results when testing the resiliency of the 1987 to 1994 hydrology and its ability to meet TROA’s annual build-out demand of 119,000 AF. However, with the RiverWare tool, the Water Master and the parties to TROA are able to plan for and manage their various water rights, reservoir storage, and releases under TROA operations.

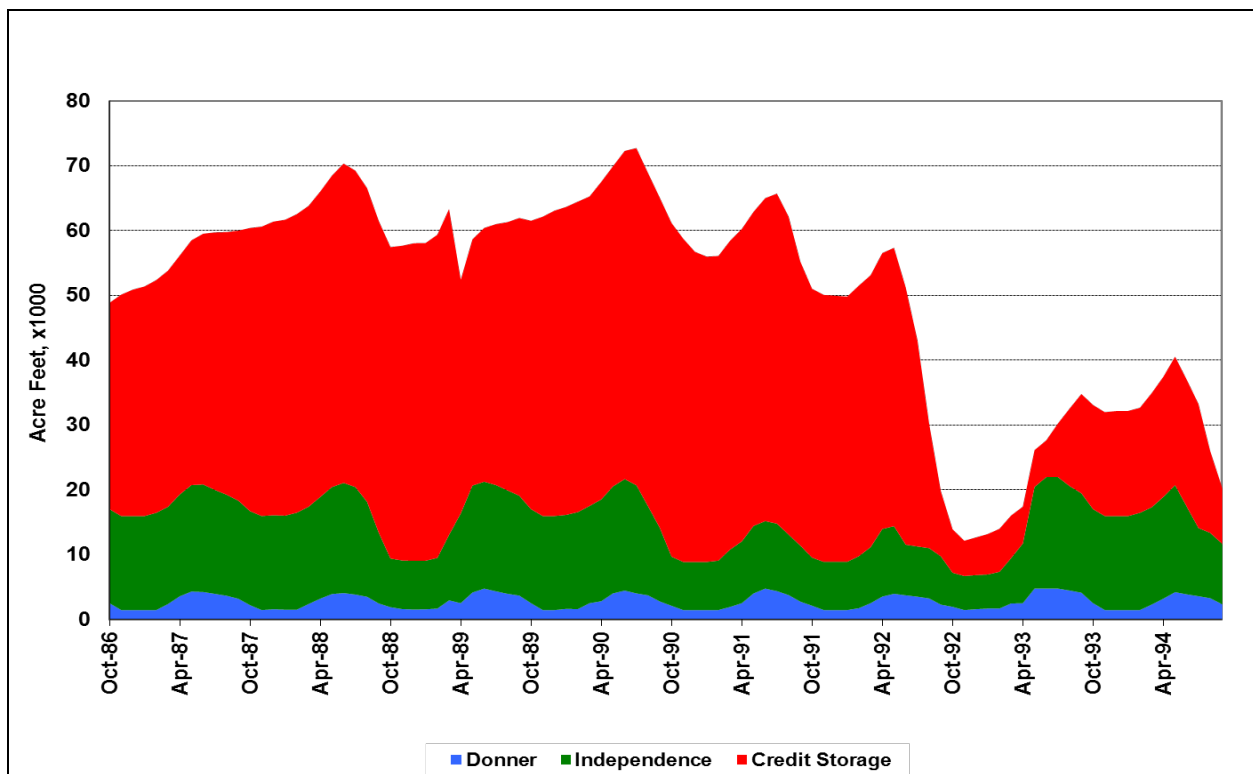


Figure 3-9. Projected Reserves Under the 8-Year Drought Design and TROA 119,000 AF Demand Limit

Under TROA operations during the 8-year drought design (1987 to 1994) at 119,000 AF of demand TMWA continues to accumulate drought reserves through the drought period. The “lumpy” nature of the graphs in Figure 3-9 reflect annual declines in reservoir storage due to (1) releases required for dam safety requirements to ensure there is sufficient flood storage capacity in the winter months; (2) release of credit water for dry demands; or (3) turnover of credit water to Fish Credit Water in Stampede or Boca reservoirs for fish purposes in non-Drought Situation years.

Water Supply Planning Scenarios under TROA Operations

To test the robustness of the region's water supply (in particular the back-up water supply), a hypothetical, 9-year worse-than-worse-case hydrologic scenario was developed and processed through the RiverWare operations model. Starting with actual 2012 to 2015 hydrology for the first four years, 5 years of 2015 hydrology were added on for to complete the dataset for years 2016-2020. The "9YR-SIM" was simulated under both a TROA and non-TROA operating conditions. The 9YR-SIM used for this analysis is over two times more severe than the drought of record (1987-1994) plus the additional dry year (1987) currently used for planning purposes. The simulation used projected 2015 demands within the TRA of 70,000 AF.

Without TROA upstream-drought reserves would run out in year seven of the modeled worse-than-worst-case drought; in other words, reserves are exhausted if 2015 hydrology is repeated three more years after actual 2015 hydrology. However with TROA, the results show that at current demands the region can withstand a hypothetical drought more than 2 times as severe as the drought of record and by the end of 9YR-SIM, TMWA would not only be able to meet demand at current levels, but actually continue to build up and accumulate additional drought storage. By the summer of 2020, the model predicts more than 46,000 AF of additional drought reserves would be available for use; reserve water supplies that would not be there if not for TROA. Supplies would be more than sufficient to meet summer water demand throughout the hypothetical hydrology.

To further stress-test TMWA's upstream drought reserves under TROA operations to the next level, two additional hydrologic scenarios or simulations were performed to test the robustness of the region's back-up water supply. Two twenty (20) year hypothetical worse-than-worse-case scenarios were used. The first 20-year simulation ("Repeat1987") was a repeat of the 1987-1994 drought of record plus the 1988 hydrology, starting at the same initial point as the first scenario (the 9-year simulation referenced above). That starting point was October 1, 2016 (start of Water Year) after the four driest back to back years in recorded history (115 years record keeping). The second scenario ("Repeat2015") repeated actual 2015 hydrological conditions for an additional 20 years starting from October 1, 2016. Both model runs used forecasted customer demands and assumed increases to groundwater pumping capacity of 15 MGD over the 20-year planning horizon.

The results of the Repeat1987 model using RiverWare validate the work that was done for the TROA EIS using TROM. The 1987-1994 Drought is considered to be the drought-of-record is the standard for TROA and TMWA planning. It was the worst drought this region has experienced. The results of the model run suggest that not only can this region withstand a repeat of the 1987-1994 drought over the course of the next 20 years under TROA, but that combined upstream drought reserves would continue to grow and reach over 70,000 acre-feet. During the 20-year run more or less reserves were used to meet demand depending on the available river flows. Figure 3-10 shows TMWA's cumulative combined upstream storage over the 20 year simulation period.

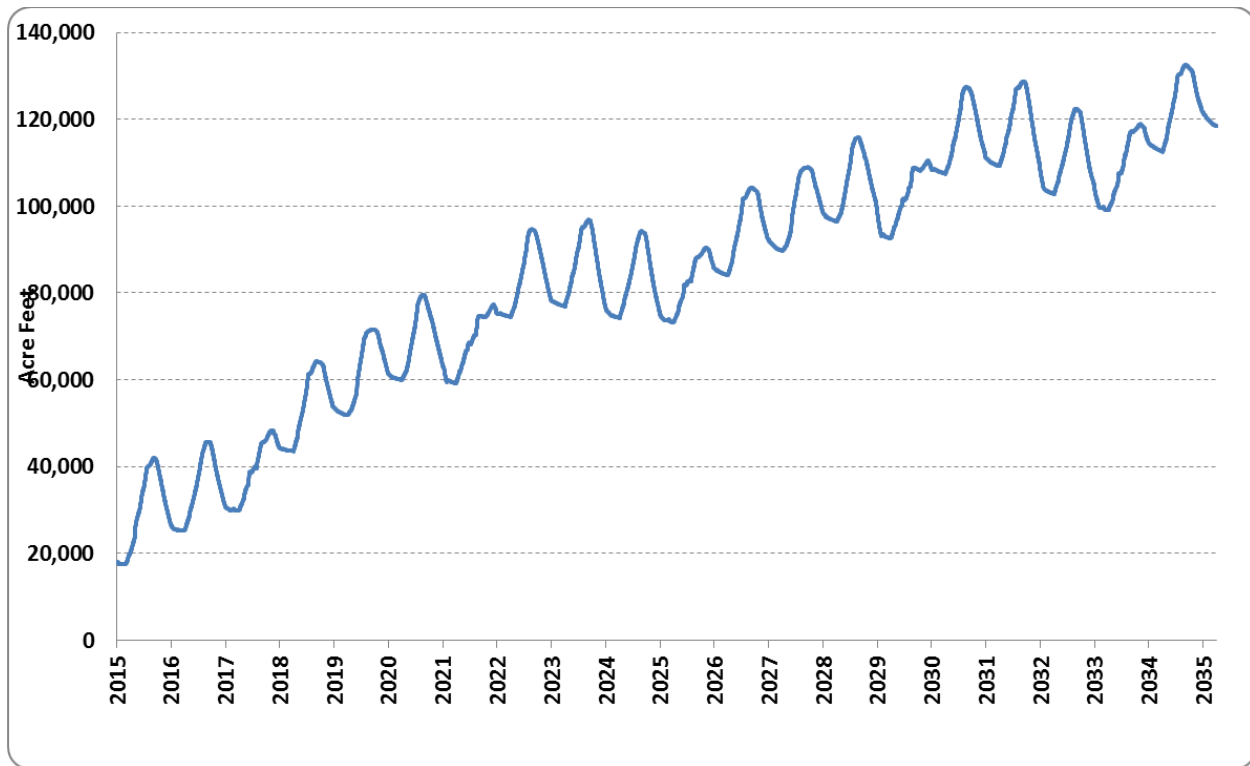


Figure 3-10. 20-Year Projected Drought Reserves Simulating Back-to-Back Hydrology of 1987-1994 plus 1988

The results show very clearly that under TROA the region's water supply is extremely resilient. When drought reserves are needed to supplement natural river flows during the peak summer demand months, storage is used during that period, but is quickly refilled over the course of the next winter and spring. By the time reserves may be for the following summer's demands, upstream reserves have been refilled and upstream reserves are in most years identical to the previous year's reserves, or in some cases, many times better.

Despite a repeat of 2015 hydrological conditions for 20 years following the four (4) driest years in recorded history (a statistically impossible scenario), TMWA's upstream reserves in the Repeat2015 scenario are not only sufficient, but actually increase throughout the planning horizon. The results once again illustrate the importance of the Truckee River Operating Agreement to this community. Figure 3-11 shows TMWA's projected cumulative reserves over the simulation period.

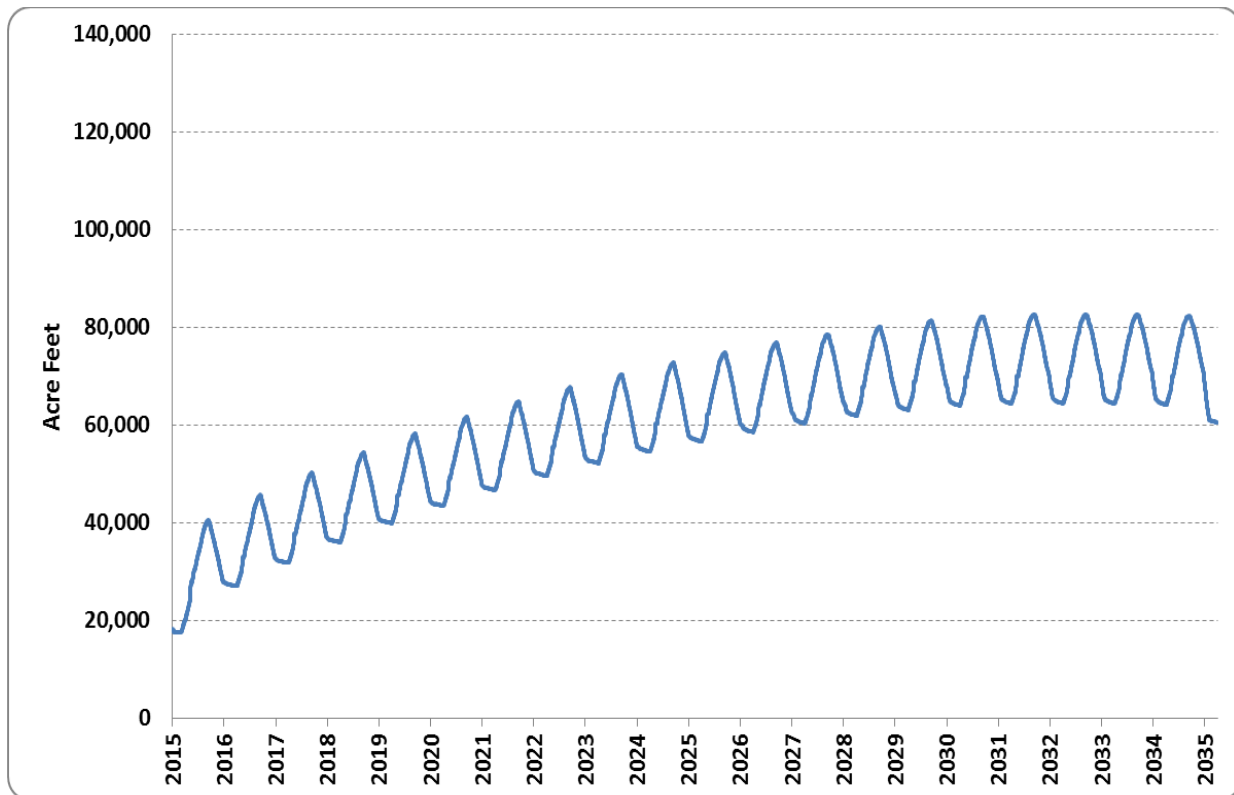


Figure 3-11. 20-Year Projected Drought Reserves Simulating 2015 Hydrology for 20 Years

The extreme robustness of TMWA's upstream drought reserves under the new Truckee River Operating Agreement is very evident. Three (3) statistically impossible hydrologic simulations were run to stress the system. One 9-year and two 20-year statistically impossible hydrological events were performed to demonstrate the robustness of TMWA's integrated management of its available water sources. In every case, upstream drought reserves, while released at one point or another throughout the course of the simulation, were not only more than adequate to meet TMWA's projected customer demand, but actually improved by the end of the model run. See Appendix 3-3 for reports on these scenarios.

Summary

This chapter has described TMWA's existing water rights and water production facilities. The key points of the analysis derived from conjunctively managing surface rights, groundwater rights, and water production facilities are:

- TMWA has sufficient water resources to meet the demands of current customers.
- Within the TROA/TRA and subject to future water-rights-market conditions, Truckee River water rights are available to take advantage of 119,000 AF of demand TROA provides.

- There are sufficient groundwater resources to meet current demands through the planning horizon within the non-TRA/TRA.
- Current production capacities are:

	TRA	non-TRA
Chalk Bluff	90.0 MGD	na
Glendale	33.0 MGD	na
Subtotal Surface	123.0 MGD	na
Groundwater	100.0 MGD	17.0 MGD
Total	223.0 MGD	17.0 MGD

- Aquifer recharge has improved or stabilized groundwater levels in and around the injection wells thereby preserving TMWA's ability to utilize its groundwater resources to meet summer peaking and/or drought situation pumping requirements without degrading groundwater quality.
- Drought year cycles are rare events, similar to flood events. The estimated drought frequencies are:

8-year	1 in 230 years
9-year	1 in 375 years
10-year	1 in 650 years
- Published tree-ring studies have shown a dry winter like 2015 occurs with a frequency of 1 in 3,100 years.
- Drought yield of TMWA's TRA existing resources is a function of available resources and drought-year design. Based on available data, the 1987 to 1994 Drought remains the worse drought of record for the Truckee River and is the design criteria for TROA.
- Under TROA, hypothetical droughts were analyzed: (1) 9-year simulation of 2012 to 2015 actual hydrology plus 5 year repeating 2015 annual hydrology; (2) 20-year simulation of 2012 to 2015 actual hydrology plus 1987-1994+1988 hydrology repeated twice; and (3) 20-year simulation of 2012 to 2015 actual hydrology plus 2015 hydrology repeated 20 years indicate TMWA has sufficient dry-year reserves to meet demands, and in many years during the drought period accumulates drought reserves under TROA operations.
- The 2015/2016 winter and subsequent 2016 run-off projections indicate a moderate recovery-year but not necessarily an end to the drought period begun in 2012.

References

2005-2025 Water Resource Plan, Truckee Meadows Water Authority, March 2003.

2010-2030 Water Resource Plan, Truckee Meadows Water Authority, December 2009.

CHAPTER 4 WATER DEMAND PROJECTIONS

Water demand was projected through the year 2035 to ensure that TMWA will have the necessary water resources and facilities to serve its service area population. Projected water demand is based on projected population and water service connections through the planning period. Projected water demand has four main components: (1) Residential demand, (2) Commercial demand, (3) Irrigation demand, and (4) System losses. Each of these components is projected using established historic water demand factors. The projections include estimates of land use consumption, growth in dwelling units and commercial buildings, and were developed in a four-step modeling process as follows:

- Future population is projected for Washoe County.
- The number of single-family buildings, multi-family dwelling units, and commercial buildings are projected as a function of the population projection.
- A relationship between active water services and buildings is developed to project number of new active water services, including water use coefficients which are estimated for each class of customers using historic billed water use.
- Combine the building projections with the water services and water use coefficients to create the total water demand projection.

Water Demand Factors

The total demand for water is dependent on three general demands or uses: (1) residential consumption of water for internal household purposes; (2) commercial consumption of water as an input to producing goods and services in the local economy (i.e., each business has a demand for water that is dependent of the type of business and the building that it occupies); and (3) residential and commercial consumption of water for irrigation purposes. The quantity of water used for irrigation purposes depends on the type and size of landscaping that is being maintained and the weather. During periods of warm or hot temperatures irrigation increases as the landscape requires more water and during periods of cooler temperatures and/or rain, less water is required.

Residential demand is characterized by the number of people living in the community and the type of dwelling units. As the number of persons increase one can expect an increase in dwelling units and thus an increase in the residential demand for water. As people live in a community, they create the need for jobs and the demand for goods and services. The commercial demand for water is dependent on the population, the health of the economy, and types of commercial enterprises. Most separate irrigation water services are installed at commercial property and multi-family complexes, as such the number of irrigation services can be projected as a function of multi-family services and commercial services.

The core variables that are used to project water demand are population, economic health, and land use / building patterns.

Population and Economy

Population growth and employment are an inter-related time-series. In general, the population of a community grows faster during periods of low unemployment as the prospects of new jobs are good²⁸ (i.e., unemployment rates below 6 percent) and grows slower during periods of higher unemployment. Employment is the primary variable affecting population growth as evidenced by historic events in Nevada.

Employment statistics for the State of Nevada have been collected since 1976. Figure 4-1 shows how employment and population are related for the State of Nevada. During the 1970's through 1987, Nevada saw relatively slow population growth as the unemployment rate was consistently above 6 percent. Starting about 1988, population grew at a faster rate as the unemployment rate was generally below 6 percent, and in some years fell to record lows of less than 4 percent unemployment. When the unemployment rate increased in 2006 and continued to increase rapidly to what are now record highs, population growth slowed to almost no growth beginning in 2008.

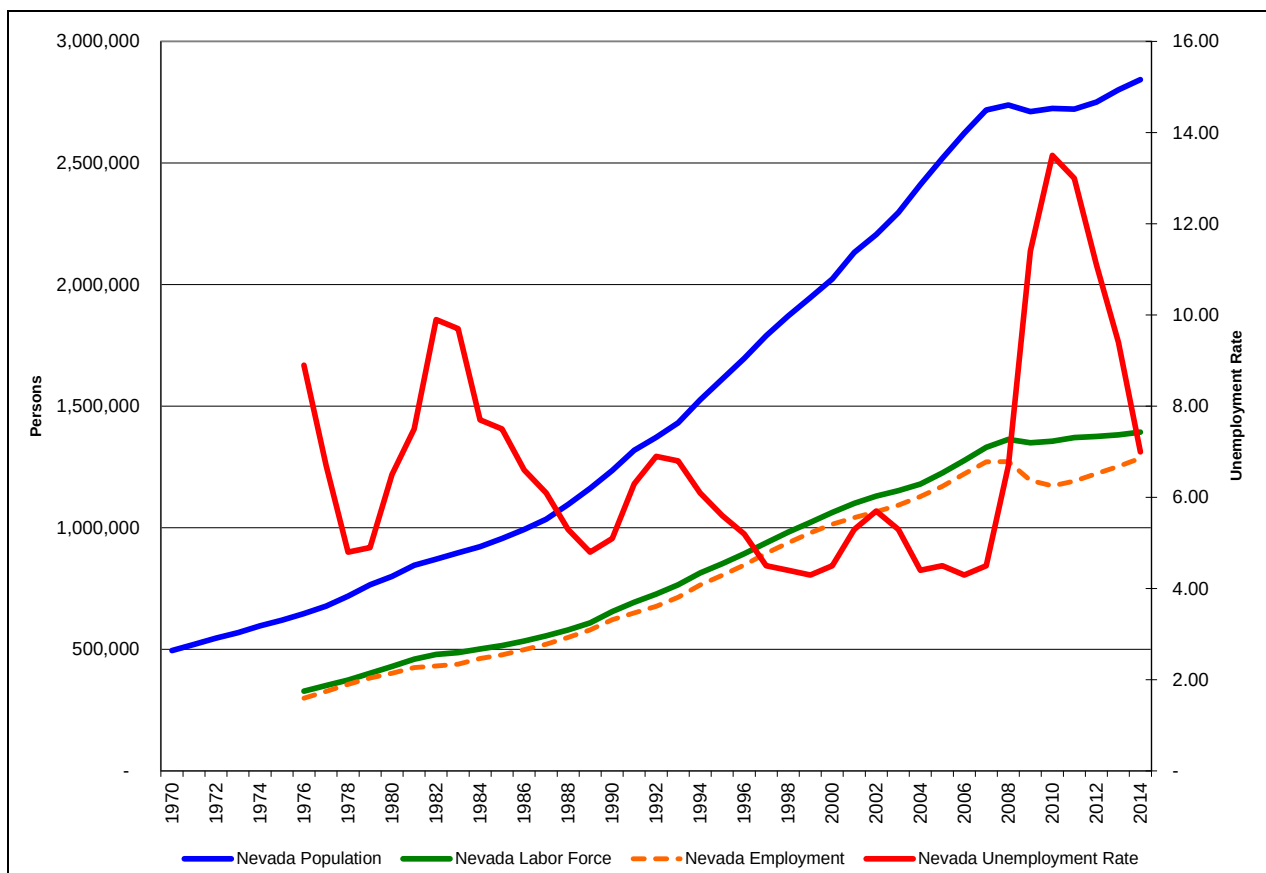


Figure 4-1. Nevada Population, Employment, and Unemployment 1970 to 2014

The employment trends in Washoe County are very similar to the State-wide trends shown above. Washoe County employment statistics from 1990 to 2009 are available from the

²⁸ In most regions an unemployment rate of 5 percent or lower is considered full employment.

Bureau of Labor Statistics. Figure 4-2 shows how the County experienced relatively stable population growth and low unemployment rates during the 1990's through 2006. Since late 2006, Washoe County has seen record unemployment rates and a flattening of the labor force that has translated into a period of slow population growth and a period of population contraction as people left the region in search of jobs.

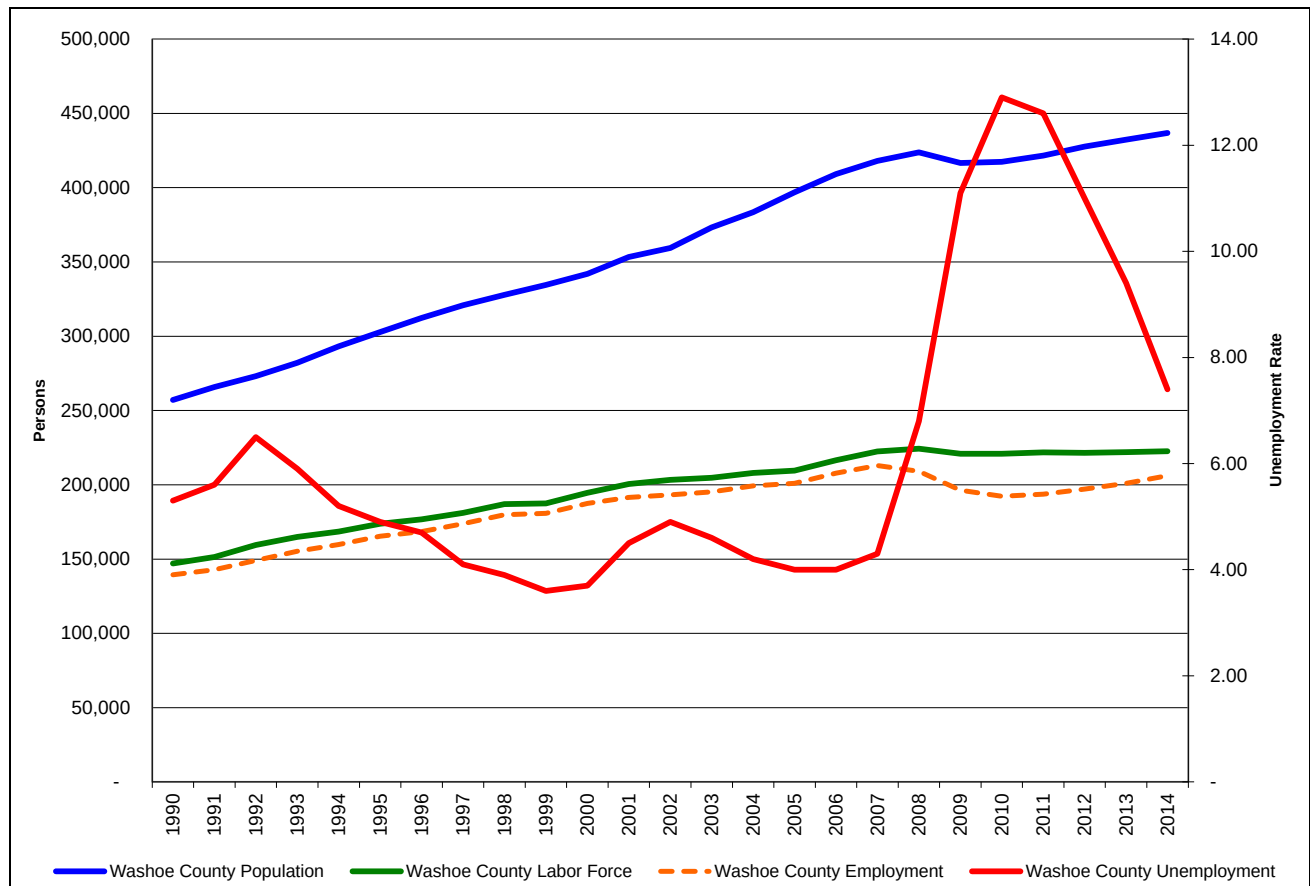


Figure 4-2. Washoe County Population, Labor force, Employment and Unemployment Rates 1990 - 2014

TMWA began using a logistic curve model of projecting population in its 2030WRP. The logistic curve model considers environmental and economic conditions to be implicit as opposed to an employment driven model that is directly dependent on employment data.

In developing a population projection, an important consideration is length of time period to be projected and available sources of data. This 2035WRP requires a projection through the year 2035. Ideally, the source data series should be at least 21 years and cover similar economic conditions. Annual population estimates for Washoe County are available for the years 1950 to 2014. This meets the need of a long time-series. This time-series covers the recessions of the 1970's and 1980's and the periods of high growth seen in the early 2000's.

Appendix 4-1 describes in detail the population model development, a summary of the population model, the logistic curve model, and its statistical properties; a brief description is included below.

Logistic Curve Model

Many of the extrapolation methods that can be used to project populations are not constrained by any limits on growth. This implies that population growth (or decline) can go on forever and in many cases this is not a reasonable assumption. The logistic curve, one of the best-known growth curves in demography, solves the resource constraint problem by including an explicit ceiling on population. It is a symmetric sigmoid shape (S-shape) curve that has an initial period of slow growth, followed by increasing growth rates, followed by declining growth rates that eventually approach zero as population size levels off at its upper limit. The idea of limits on growth is intuitively plausible and is consistent with many theories of population growth, geographic impediments such as public lands and unbuildable terrain, growth constraints created by water resources and government policies, and in-fill of existing vacant residential sites. The population model developed for Washoe County is called a Keyfitz (1968) curve and is described as:

$$Pop_t = \alpha / (1 + \beta_1 * e^{-\beta_2 * t})$$

Where t is time index (1950 = 1), Pop_t is population in time t, α is population ceiling, β_1 and β_2 are shape parameters.

Using population values from 1950 to 2014 the model was estimated as:

$$Pop_t = 612,579.8 / (1 + 11.93398 * e^{-0.0536284 * t})$$

Where “t” is time in years starting at t = 1 for 1950. The $R^2 = 0.9995$ shows that this model is a very good fit to the historic data. Figure 4-3 plots the estimation results of this model.

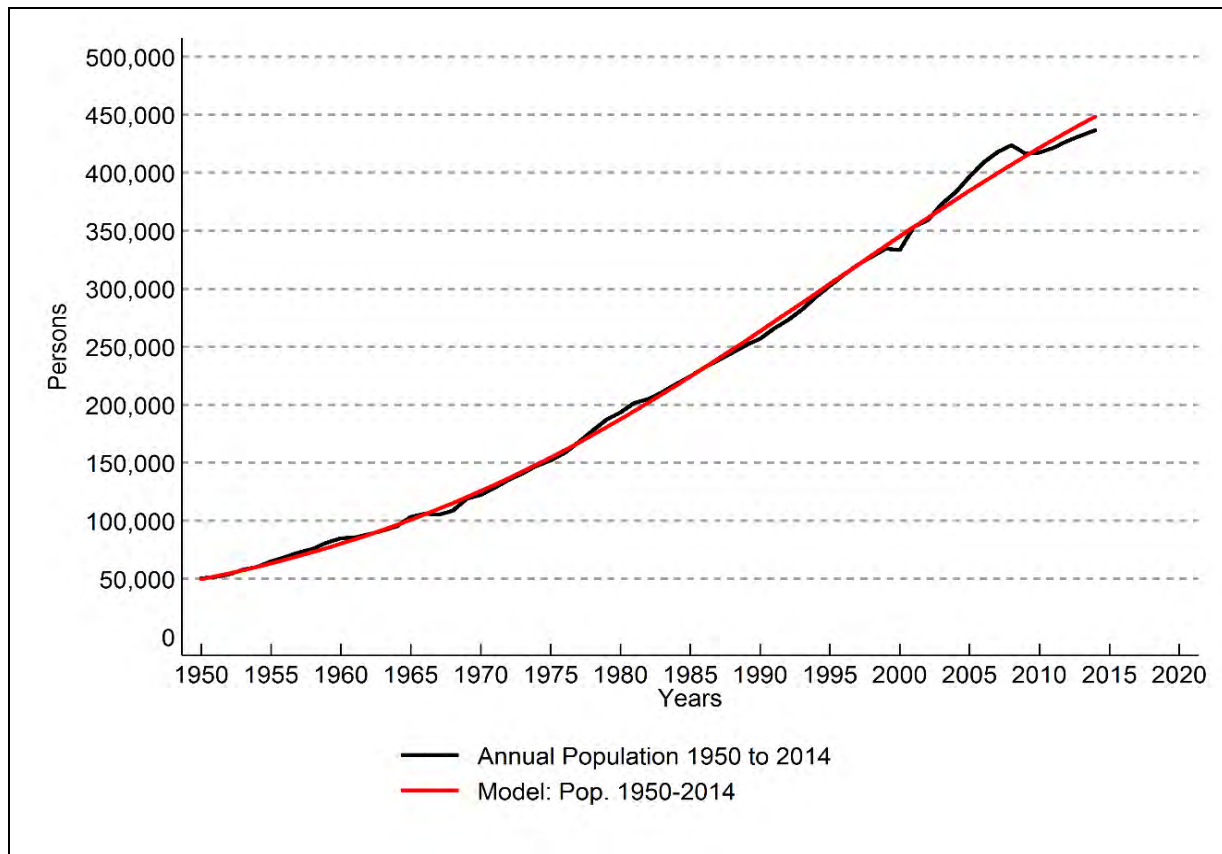


Figure 4-3. Population Logistic Curve Models Results

The results of the logistic model are shown in Figure 4-3. The model fits the data well and has a $R^2 = 0.99$. Figure 4-4 compares the model with the State Demographer's projection ("SDP") and the 2014 Consensus Forecast; the results of these three different models provide essentially the same projection through 2025.

The State Demographer's population projection is one of two other population projections produced locally for planning; the other projection is the Washoe County Consensus Forecast. The consensus forecast was last published by the Truckee Meadows Regional Planning Agency in 2014 based on data that was provided by TMWA, the State Demographer in early 2014 and two national sources Global Insight, and Woods and Poole. The national sources are based on slightly older data due to the nature of the time to provide a forecast on such a large scale. TMWA and the State Demographer are able to provide timelier forecast by using more locally derived data sources.

The Demographer's projections are based on the REMI model and were last published in the fall of 2014. The REMI model is based on economic data since 2001 and thus has a limited ability to project population during this recession but is based on detailed local employment and economic data and can be compared with the logistic model.

As shown in Figure 4-4, through the year 2025 there is no statistical difference between the logistic curves and the SDP. For the years 2025 to 2035 the SDP takes a more linear path and trends upwards. Since there is no statistical difference between the logistic curve and the SDP, (the SDP is contained entirely within the 95 percent confidence interval), the logistic curve model is used as the population model for this 2035WRP.

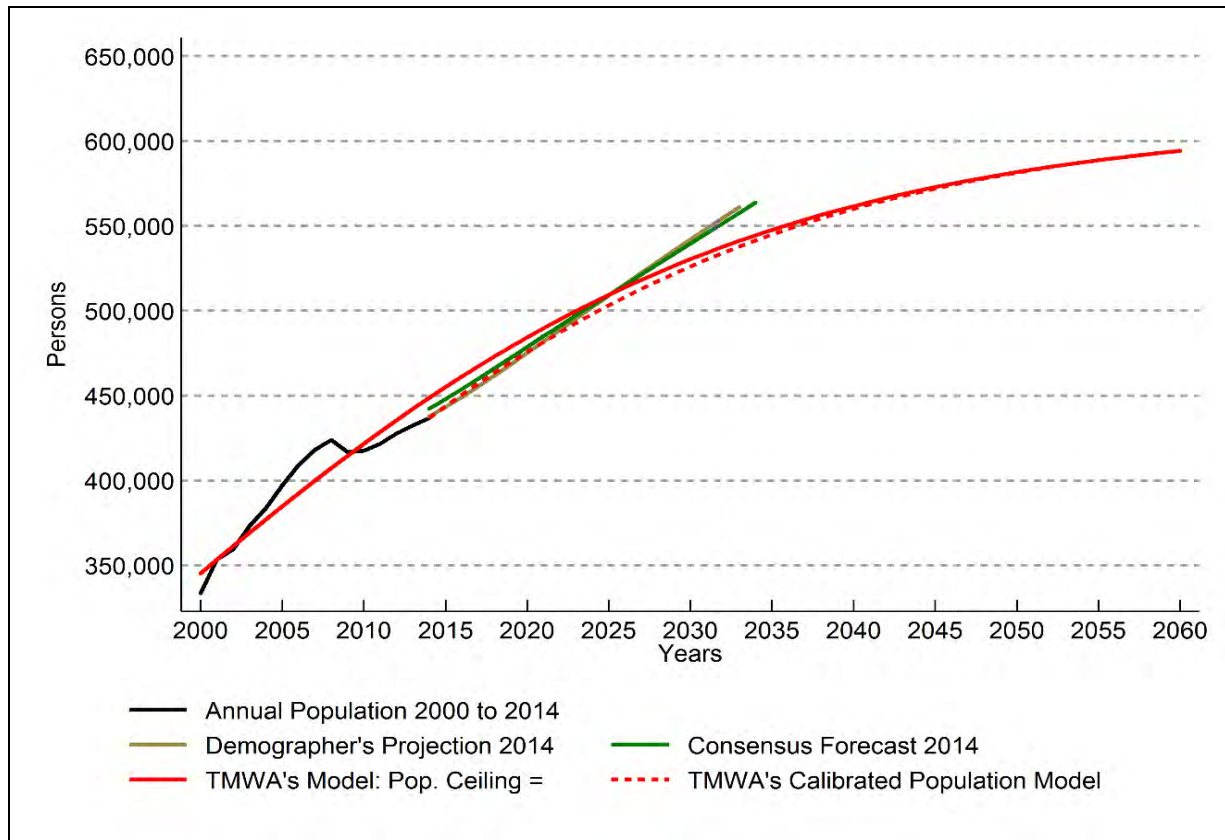


Figure 4-4. Comparison of Logistic, Demographer's, and Consensus Projections

Figure 4-5 shows the population projected to 2100 and compares the general trend with the SDP and the historic data used to estimate the model. The projected county population is expected to level out over time consistent with a logistic curve growth model. This model estimates the long-run population ceiling of 612,579 persons estimated to occur after 2100 with a 95 percent confidence interval of 576,493 to 648,666 persons.

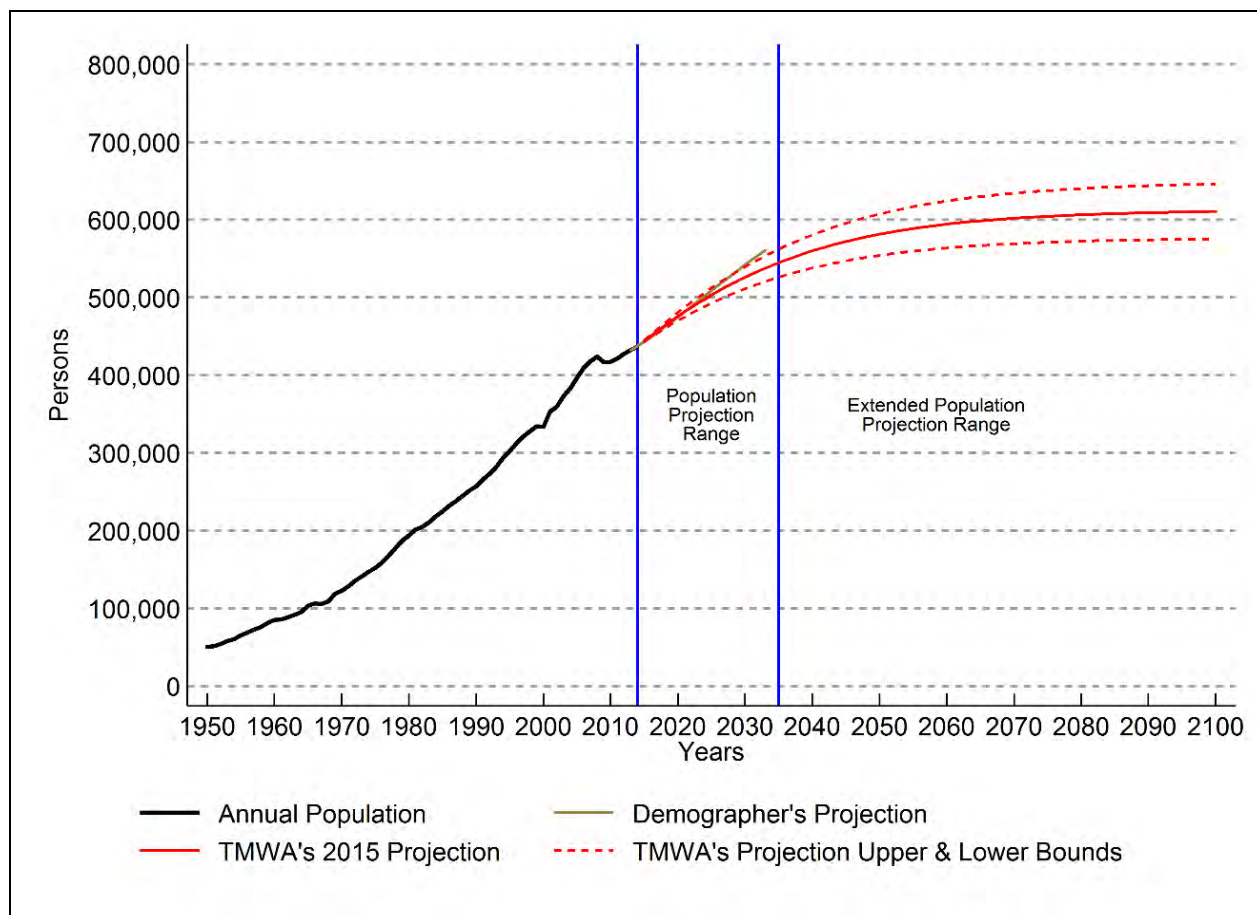


Figure 4-5. Population Projection Results

Table 4-1 provides the Washoe County projections for 2015 to 2060 to be used as the basis for the water demand projection. Washoe County is projected to gain a total of 150,630 persons between 2016 and 2035. This represents a 33.9 percent increase in population with an annual average increase of 0.65 percent.

Table 4-1. Population Projections 2015 to 2060

	Washoe County	TMWA		Washoe County	TMWA
		(TRA+non-TRA)			(TRA+non-TRA)
	-----a-----	-----b-----		-----c-----	-----d-----
2015	443,729	386,752	2038	554,358	483,278
2016	450,488	392,607	2039	557,241	485,708
2017	457,072	398,383	2040	559,995	488,085
2018	463,476	403,965	2041	562,624	490,398
2019	469,699	409,397	2042	565,133	492,545
2020	475,740	414,720	2043	567,526	494,637
2021	481,596	419,797	2044	569,807	496,646
2022	487,267	424,740	2045	571,981	498,606
2023	492,754	429,457	2046	574,052	500,363
2024	498,058	434,052	2047	576,024	502,057
2025	503,178	438,515	2048	577,901	503,752
2026	508,118	442,905	2049	579,688	505,389
2027	512,879	447,048	2050	581,387	506,785
2028	517,463	451,094	2051	583,003	508,225
2029	521,874	454,825	2052	584,539	509,457
2030	526,115	458,450	2053	585,999	510,795
2031	530,188	462,016	2054	587,387	512,116
2032	534,099	465,610	2055	588,705	513,095
2033	537,850	468,748	2056	589,956	514,356
2034	541,445	472,037	2057	591,145	515,373
2035	544,890	474,929	2058	592,273	516,199
2036	548,187	477,712	2059	593,344	517,261
2037	551,342	480,497	2060	594,359	518,160

The disaggregation of population within TMWA's retail and its one wholesale area and the balance of the county is a function of the location of dwelling units. An analysis of land use and distribution of the buildings in the different utility service areas and hydrographic basins provide the base data for projecting dwellings, commercial buildings, and the general consumption of land.

Data Construction and Trends

The Washoe County population is projected using a time-series from 1950 to 2014. Since no formal similar time-series for land use or building construction in Washoe County exists, it was constructed using information embedded in the County Assessor's data files. The County Assessor is the only source of detailed land use and building inventory for the entire county. A July 2014 snapshot of the assessor's data was downloaded from Washoe County's website for use in developing the projection of land consumption and building structures. The data provides a very detailed snapshot of what is known about each parcel and buildings that currently exist on each parcel. This database, when combined with a GIS parcel boundary database provides sufficient information for developing building(s) and dwelling unit history that can be used as part of the water demand projections.

Using a GIS application, each parcel was attributed with a utility service area and hydrographic basin. In this manner the database was used to model Washoe County land use, dwelling unit history, profile and distribution, and the distribution and development of commercial buildings. Figure 4-6 shows the constructed historic data from 1955 to 2014, historic population, and the general trend in persons-per-dwelling unit. The persons-per-dwelling unit is used to disaggregate the population into utility service areas and hydrographic basins. The construction of the persons-per-dwelling unit time-series was possible because of the long-life of buildings. The statistical models of dwellings and building presented below uses data from 1955 to 2014 due to a stable statistical relationship between numbers of dwellings to growth in population during that time span.

The Assessor's building data is reclassified into four classes that map to TMWA's customer classes. Dwelling units on domestic wells, while not served by any utility, are accounted for in the projection. Single-family dwelling units (generally single family homes, townhouses, or condominiums) are serviced under the TMWA Residential Metered Water Service ("RMWS") rate class. Multi-Family dwelling units are apartments, duplexes, and any multi-family structure that would be billed on TMWA's Multi-family Metered Water Service ("MMWS") rate. Last is the commercial building group which includes any non-residential buildings that would receive water on the General Metered Water Service ("GMWS") rate. Figure 4-6 and Figure 4-7 show the data used for the models and the projected units.

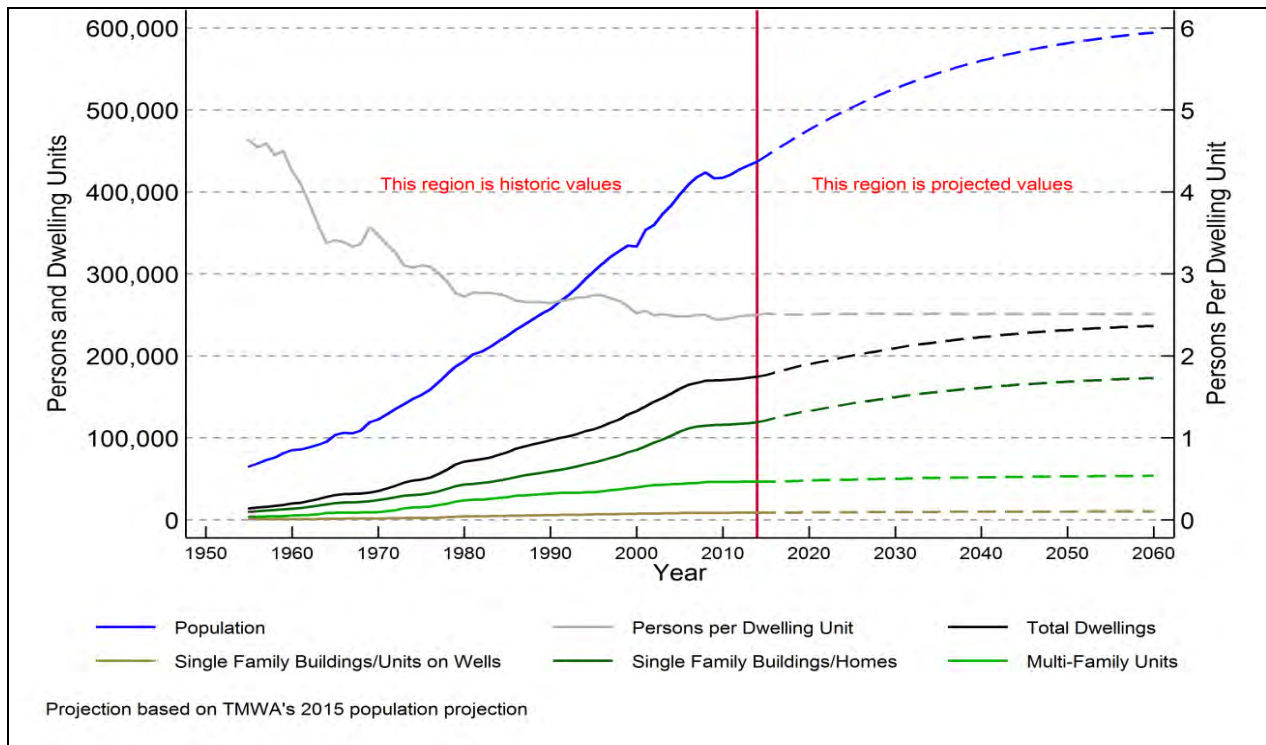


Figure 4-6. Washoe County Population, Dwelling Data and Projected Values

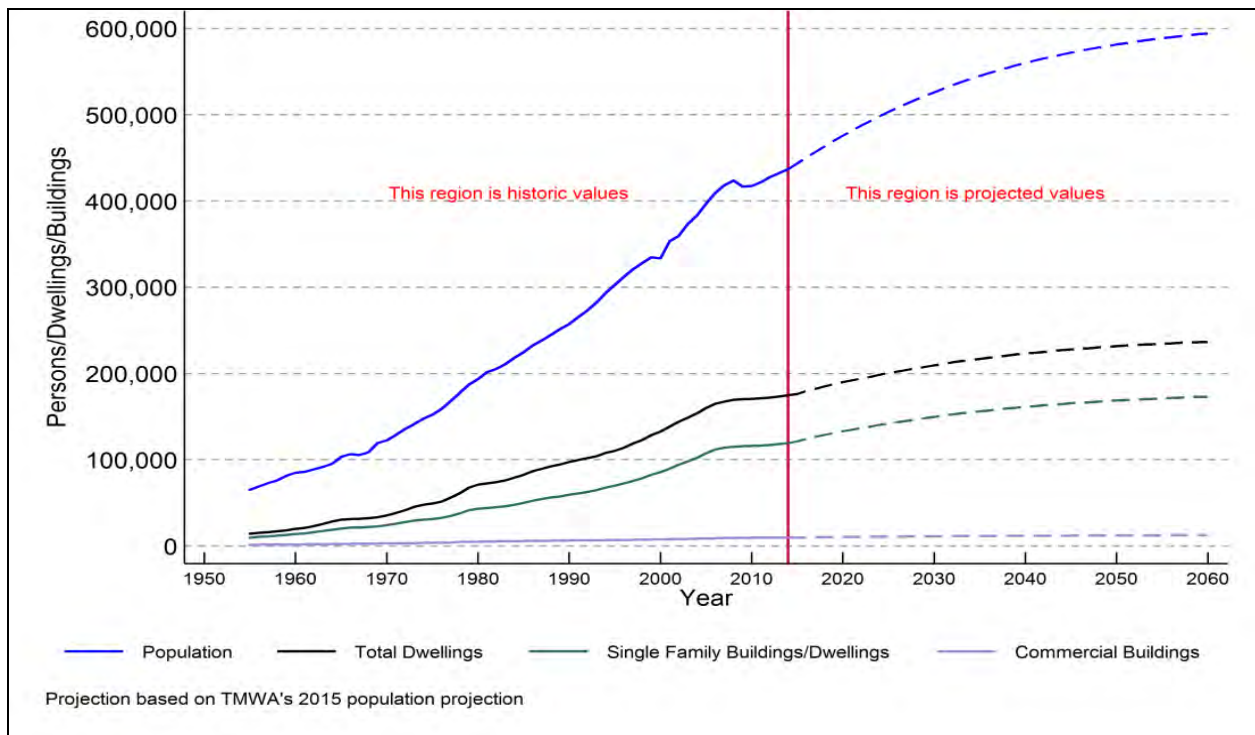


Figure 4-7. Washoe County Commercial Buildings Data and Projections

As a component of the model for dwelling units, Figure 4-8 shows the development of land over time and the projected amount of land that is projected to be developed through 2060.

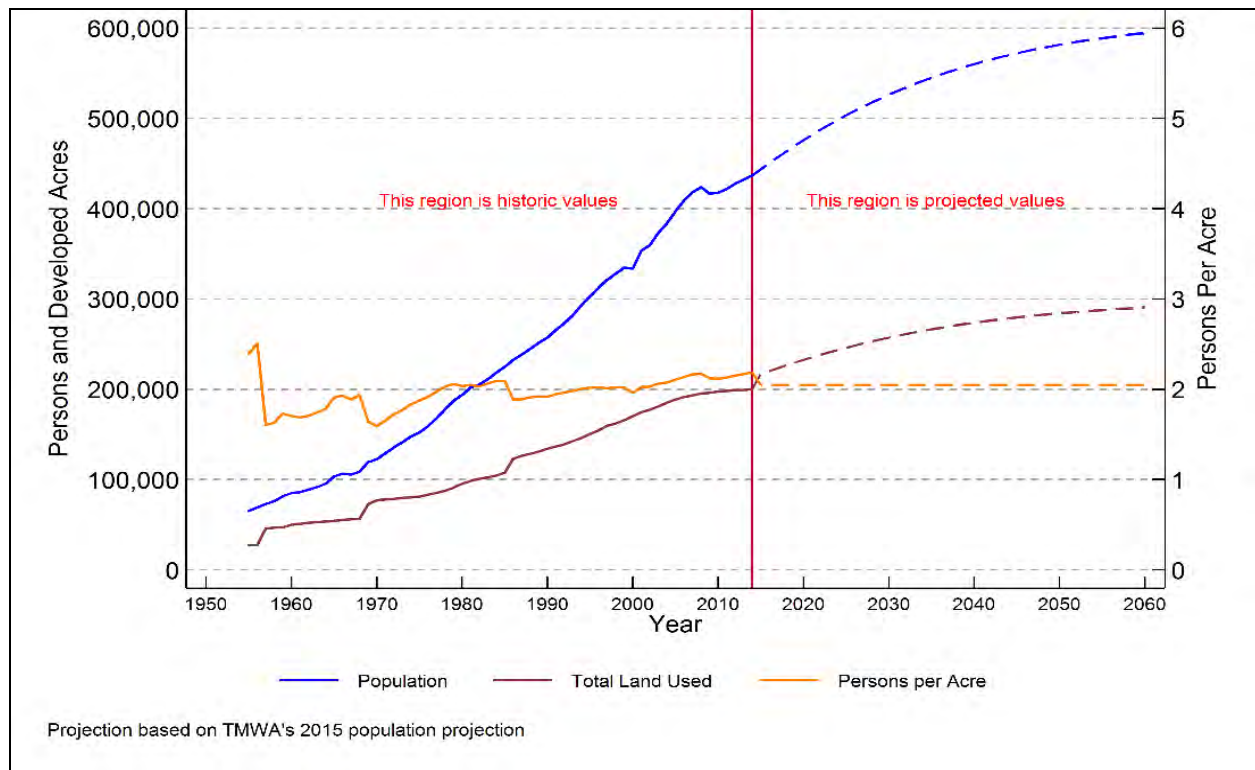


Figure 4-8. Washoe County Land Development Data and Projection

Statistical Analysis

Residential housing is the largest use of land, thus the development of land was best explained by trend of population over time. Figure 4-8 shows the projected development of land and the resulting persons per developed acre. The stock of single-family buildings, multi-family dwelling units and commercial buildings in a given year is related to prior changes in population, number of new buildings constructed and current inventory of dwelling units.

Population is an exogenous variable to the building model. When population projections change then the building projections will change in response to the new population projections. This modeling process uses a vector autoregression model (“VAR”). The three classes of dwelling units and commercial buildings are inter-related and dependent on past values of each class along with current and past population values. A VAR is a common statistical method for modeling multiple variables that are related through time; the full statistical analysis is presented in Appendix 4-2.

This model estimated the relationship between dwellings on wells, single-family dwellings, multi-family units and commercial buildings with population from the population projection model. The final step is to estimate the trend in land development as a function of population over time. To summarize, the modeling process:

- Population is projected using a logistic curve model.
- Single-family homes, multi-family dwelling units and commercial buildings are modeled and projected as a function of past and projected population using a VAR model.
- Land development is projected as a trend of past and projected population.

The persons-per-dwelling unit and persons per developed acre are used as a measure of model quality. The population densities display how well the models are meeting the needs of the projected population. If the model is performing well at modeling the past trend, then there should be little change in the trends in the densities.

Persons-per-dwelling unit has remained stable since 1980 and the resulting projected dwelling units maintain the mix of units that will meet the future population needs. The persons-per-dwelling-unit is also used as the means to allocate county population to county sub-areas based on projected new dwelling units in a sub-area.

The county projection is disaggregated into sub-areas listed here.

Utility Service Areas

ID Code	Name
TR	TMWA Retail Area
SV	TMWA Wholesale (Sun Valley)
WC	Washoe County (Non-TMWA)

Hydrographic Basins

ID Code	Name
083	Tracy Segment
085	Spanish Springs
086	Sun Valley
087	Truckee Meadows
088E	Pleasant Valley East
088W	Pleasant Valley West
089	Washoe Valley
091	Truckee Canyon
092	Lemon Valley
000	All Other Basins in County

Sub-area projections are derived from the County total projection using a ratio share analysis that allows for trends in the area shares over time, while requiring the sum of the shares to always equal 1. This ensures that in any projection year the sum of the sub-areas will always equal the County total.

Figure 4-9 and Figure 4-10 show the disaggregation of population, units and commercial buildings for TMWA retail area and the one wholesale service area. It is these values that form the basis for the water demand projections.

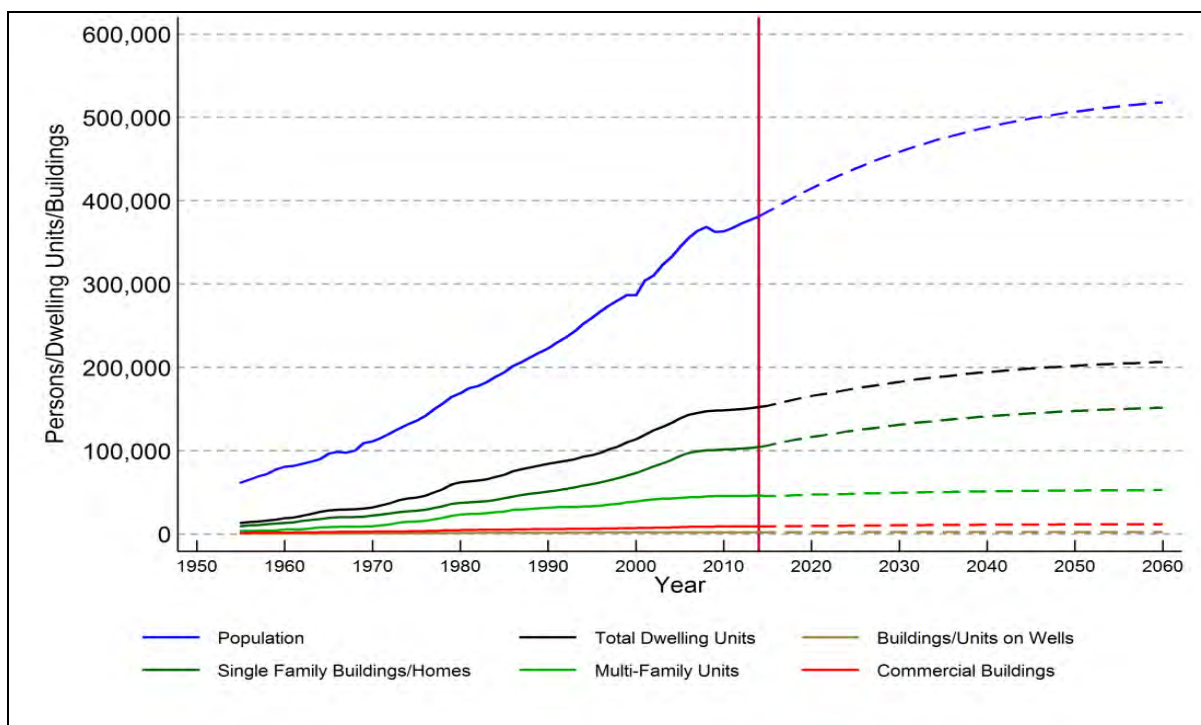


Figure 4-9. Dwelling Units and Commercial Buildings in TMWA's Retail Service Area

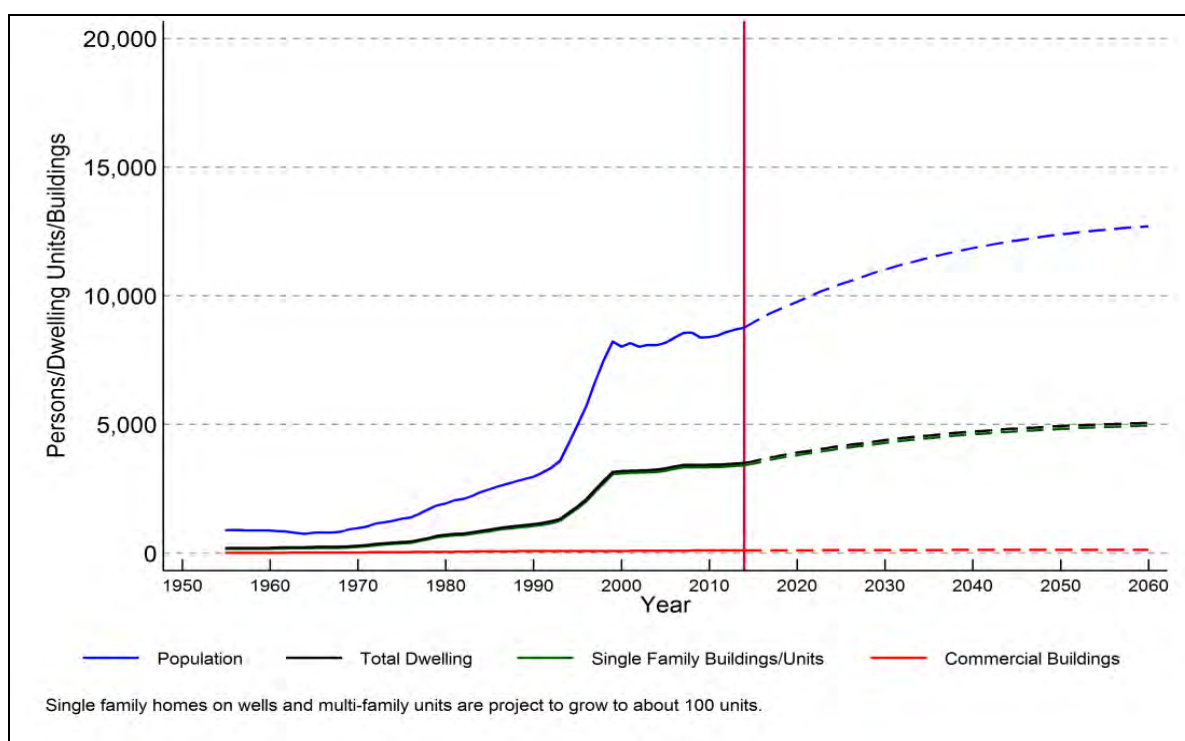


Figure 4-10. Dwelling Units and Commercial Buildings in TMWA's Wholesale Service Area (SVGID)

Water Demand Projections

In order to estimate the water service projections over the next 20 years, the analysis relies on a time-series of the building information within the service area from 2009 to 2014. In some instances the Assessor's data does not match TMWA's billing records due to differences in how the data was recorded or potential data entry errors. For example, not every parcel and building is served by TMWA and some buildings or properties may have more than one water service. To translate the dwelling and building projections into actual water services, an adjustment factor, based on the historic building data, is applied to each water service class.

To estimate the coefficients for water demand, by service class, the analysis considers water usage over the same 5 year period (2009 to 2014). This truncated analysis was done to account for the fact that the majority of TMWA's current customers have transitioned to a metered rate schedule in that timeframe. Since nearly all flat-rate customers have transitioned to metered rate, water demand projections are only made for metered-water service. The small number of remaining flat-rate services are pending the installation of a meter and thus will be considered a metered service moving forward. Moreover, it also reflects any recent physical changes to the structure which the service provides (e.g., an average reduction in the lot size, changes in preferences for landscaping, increased water efficient practices, etc.). This consideration also allows the estimates to capture any recent trends in the regional climate (e.g., increased temperature and weather variability). More a full description of how the water demand projections are estimated, see Appendix 4-3.

The results of this analysis indicate over the next 20 years:

- Total demand for water is projected to increase approximately 81,700 AF in 2015 to 101,400 by 2035.
- 95 percent of single family residences may be served by a single service under RMWS, the remainder may share a RMWS service or be on an individual domestic well.
- 75 percent of all future commercial buildings may be served under a single GMWS service while the remaining 25 percent may share a GMWS service.
- Metered residential services (RMWS and MMWS) account for 70 percent (or 62 percent and 8 percent, respectively) of the total projected demand through 2035.
- The RMWS share of total demand is expected to increase by 2 percent while the shares of total demand by MMWS, GMWS, and MIS are expected to decrease by less than 1 percent.

For the RMWS and GMWS classes, counts on total number of water services and total buildings for each year between 2009 to 2014 are divided to compute a ratio of active water services to buildings. For MMWS, active service ratios are computed by dividing the service counts by total number of multi-family dwelling units. Table 4-2 provides the active service ratios for RMWA, MMWS, and GMWS between 2009 and 2014.

Table 4-2. Active Water Service Ratios per Year

Year	Average Number	----- Ratio of Active: -----		
	Multi-Family Units	Single Family Units	Multi-Family Units	Commercial Units
	(MMWS)	(RMWS)	(MMWS)	(GMWS)
	----a----	----b----	----c----	----d----
2009	10.12	0.85	1.10	0.73
2010	10.27	0.87	1.14	0.73
2011	10.26	0.87	1.12	0.73
2012	10.23	0.88	1.08	0.73
2013	10.23	0.89	1.09	0.73
2014	10.21	0.89	1.09	0.73
2015	10.20	0.90	1.13	0.74

For MIS, which do not have a direct counter-part (building count) in the Assessor's data, service ratios cannot be projected using the method described above. However, MIS are typically attached to either multi-family complexes or commercial properties; therefore, a regression model of MIS services, as a function of MMWS and GMWS, is used to estimate coefficients on the ratio of active MIS. The regression coefficients are interacted with the active service projections for MMWS and GMWS to project active MIS. The projected services between 2015 and 2035 are displayed by service class in Table 4-3.

Table 4-3. Current and Projected Active Retail Water Services 2015 - 2035

Year	Single Family Units (RMWS)	Multi-Family Units (MMWS)	Commercial Units (GMWS)	Metered Irrigation Services (MIS)	Total Services
	----a----	----b----	----c----	----d----	----e----
2015	103,438	4,955	6,714	3,539	118,646
2016	105,854	4,977	6,792	3,570	121,193
2017	108,066	4,991	6,891	3,604	123,552
2018	109,954	5,049	7,011	3,658	125,672
2019	111,699	5,102	7,091	3,697	127,589
2020	113,328	5,135	7,143	3,724	129,330
2021	114,877	5,154	7,183	3,741	130,955
2022	116,458	5,154	7,237	3,757	132,606
2023	118,090	5,175	7,318	3,787	134,370
2024	119,730	5,211	7,406	3,825	136,172
2025	121,164	5,242	7,480	3,856	137,742
2026	122,437	5,283	7,537	3,884	139,141
2027	123,698	5,304	7,574	3,903	140,479
2028	124,985	5,312	7,614	3,916	141,827
2029	126,369	5,332	7,670	3,939	143,310
2030	127,740	5,351	7,736	3,964	144,791
2031	128,982	5,381	7,806	3,994	146,163
2032	130,105	5,417	7,861	4,022	147,405
2033	131,096	5,435	7,901	4,039	148,471
2034	132,058	5,453	7,934	4,054	149,499
2035	133,080	5,463	7,967	4,067	150,577

NOTE: One wholesale (LVS) customer is included in the total.

Coefficients on the average water use per service class, presented in Table 4-4, are calculated using an average of the average annual water use for each hydrographic basin within the TMWA retail service by basin, between 2009 and 2014. This “averaged” average is used to compensate for variation in the weather conditions as well as changes in the number of active water services, per year.

Table 4-4. Average Water Use Per Service (units x1,000 gallons)

HydroBasin	Average*	GMWS	MIS	MMWS	RMWS
----a----	----b----	----c----	----d----	----e----	----f----
083	149.574				
085		326.897	1140.281	359.942	161.962
086		171.500	735.500	191.033	98.797
087		632.300	895.303	421.011	144.493
088E					254.778
088W		301.545	1036.000		262.587
089		375.800	118.000		368.748
092		600.937	849.244	636.457	110.447

* Average use in smaller basin service areas

By multiplying the averaged water use by the projected number of services, the result is a water demand forecast, by service type. Table 4-5 presents the water demand forecasts for each service class, the system loss and total production.

Table 4-5. Projected Retail Water Use by Class Through 2035 (in acre feet)²⁹

	RMWS	MMWS	GMWS	MIS	LVS	Subtotal	System Loss	Total Production
	----a----	----b----	----c----	----d----	----e----	----f----	----g----	----h----
2015	46,252	6,494	12,716	9,777	1,869	77,108	4,626	81,735
2016	47,332	6,523	12,864	9,860	1,903	78,481	4,709	83,190
2017	48,321	6,541	13,050	9,952	1,937	79,801	4,788	84,589
2018	49,165	6,617	13,277	10,101	1,972	81,131	4,868	85,999
2019	49,945	6,687	13,429	10,209	2,007	82,277	4,937	87,213
2020	50,674	6,730	13,527	10,283	2,043	83,259	4,996	88,254
2021	51,366	6,755	13,604	10,330	2,080	84,136	5,048	89,184
2022	52,074	6,755	13,707	10,374	2,118	85,028	5,102	90,129
2023	52,803	6,782	13,860	10,458	2,156	86,058	5,163	91,221
2024	53,537	6,829	14,026	10,563	2,195	87,150	5,229	92,379
2025	54,178	6,870	14,167	10,649	2,234	88,098	5,286	93,383
2026	54,747	6,924	14,275	10,726	2,274	88,947	5,337	94,283
2027	55,311	6,951	14,345	10,779	2,315	89,701	5,382	95,083
2028	55,886	6,962	14,420	10,814	2,357	90,440	5,426	95,866
2029	56,504	6,988	14,526	10,879	2,399	91,296	5,478	96,774
2030	57,118	7,013	14,651	10,947	2,443	92,172	5,530	97,703
2031	57,673	7,052	14,784	11,030	2,486	93,026	5,582	98,608
2032	58,175	7,099	14,888	11,108	2,531	93,802	5,628	99,431
2033	58,619	7,123	14,964	11,155	2,577	94,438	5,666	100,105
2034	59,049	7,147	15,027	11,196	2,623	95,042	5,703	100,745
2035	59,506	7,160	15,090	11,232	2,670	95,658	5,739	101,398

²⁹ System losses are estimated at 6 percent based on review of production and to metered consumption.

Figure 4-11 shows the projected retail water sales and provides a graphical view of the projected trends by service class. Of note is the slowdown of growth that starts after 2035. This is directly related to the slowing of population growth in these later years.

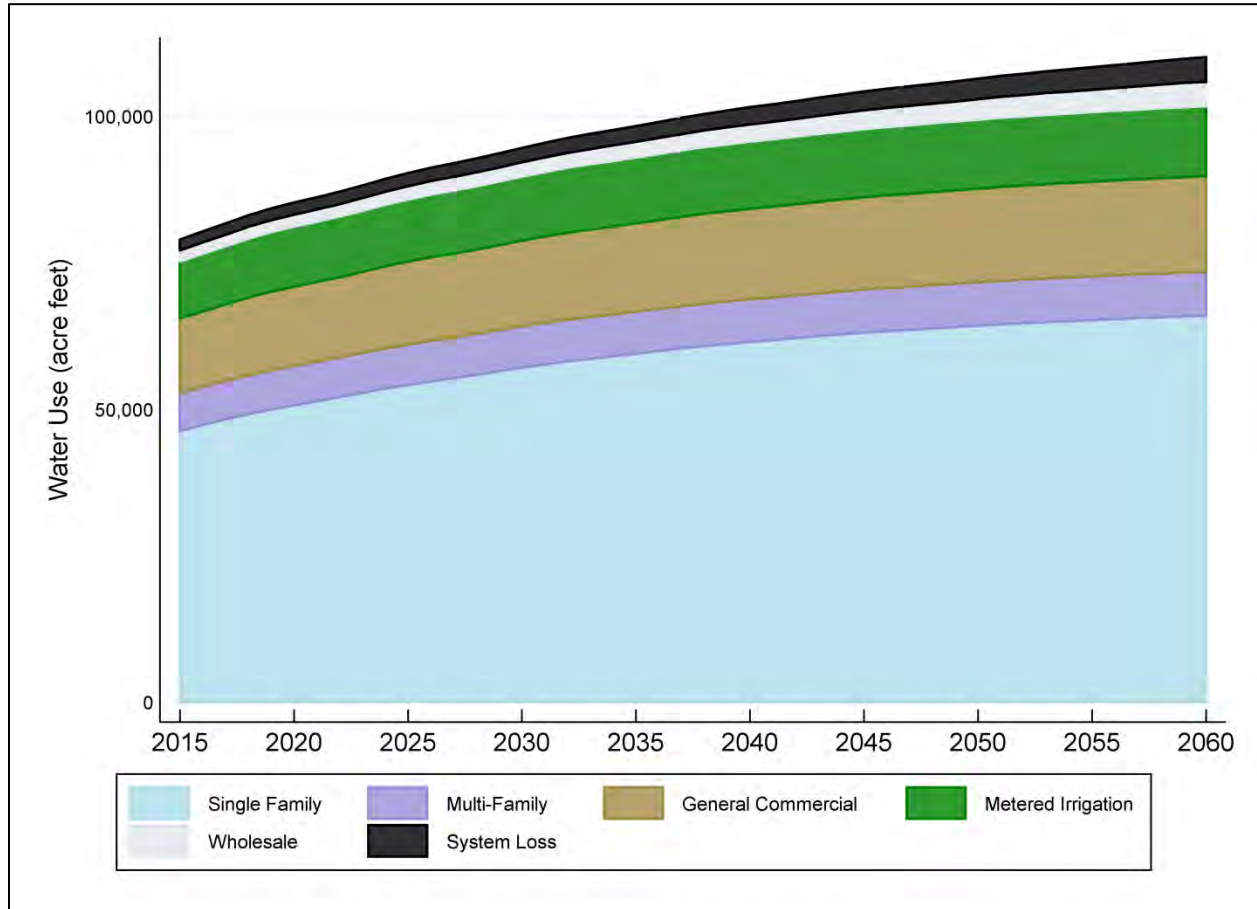


Figure 4-11. Projected Retail Water Use by Class Through 2060

Table 4-6 presents the projected water production within the TRA and non-TRA by hydrographic basin. The system loss is calculated using an estimate of 6 percent of the total demand.

Table 4-6. Projected Water Use Through 2035 by Hydrographic Basin

	----- TRA -----						----- non-TRA -----				
	Spanish Springs	Sun Valley	Truckee Meadows	Pleasant Valley- West	Lemmon Valley 92A & 92B	Subtotal	Tracy Segment	Pleasant Valley- East	Washoe Valley	Subtotal	TOTAL
	85	86	87	88	92A & 92B		83	88	89		
	----a----	----b----	----c----	----d----	----e----	----f----	----g----	----h----	----i----	----j----	----k----
2015	8,917	221	62,115	1,020	4,294	76,567	26	55	136	217	76,784
2016	9,115	225	63,161	1,044	4,378	77,923	26	56	140	222	78,145
2017	9,298	229	64,180	1,065	4,452	79,224	27	56	144	227	79,450
2018	9,460	236	65,241	1,083	4,526	80,546	28	57	146	230	80,776
2019	9,605	239	66,136	1,101	4,590	81,671	28	58	148	234	81,905
2020	9,740	242	66,879	1,117	4,650	82,628	29	59	150	238	82,866
2021	9,864	244	67,536	1,133	4,699	83,476	29	60	152	240	83,716
2022	9,994	247	68,201	1,148	4,753	84,343	29	61	154	244	84,587
2023	10,131	251	68,993	1,163	4,811	85,349	30	62	155	247	85,595
2024	10,272	254	69,837	1,180	4,874	86,417	30	63	157	250	86,667
2025	10,392	257	70,572	1,194	4,926	87,340	30	64	160	254	87,594
2026	10,495	259	71,227	1,206	4,976	88,163	31	64	162	256	88,420
2027	10,601	261	71,785	1,219	5,017	88,884	31	65	162	258	89,142
2028	10,703	264	72,333	1,232	5,059	89,590	31	65	164	260	89,850
2029	10,824	267	72,976	1,244	5,107	90,418	32	66	165	263	90,681
2030	10,934	269	73,640	1,259	5,158	91,260	32	67	169	268	91,528
2031	11,039	272	74,294	1,271	5,207	92,083	32	68	171	271	92,354
2032	11,134	274	74,890	1,281	5,248	92,826	32	68	173	273	93,099
2033	11,219	275	75,354	1,291	5,283	93,422	33	69	174	275	93,697
2034	11,295	277	75,797	1,300	5,318	93,988	33	69	175	277	94,264
2035	11,377	279	76,243	1,310	5,354	94,563	33	70	176	279	94,843

Summary

This chapter included TMWA's population forecast, building projections, water demand forecast, and factors impacting the demand forecast. The results are summarized:

- A long term population projection through 2060 is developed using historic county population estimates from 1950 to 2014.
- TMWA's population forecast was found to be statistically similar to the 2014 SDP for Washoe County.
- Washoe County population is expected to see an average annual growth of 1.17 percent and a total population increase of over 101,000 persons from approximately 443,700 persons in 2015 to 551,300 by 2035.
- Based on expected growth, over 150,000 active water services are projected for the year 2035.
- Average water use, per service, is calculated based on usage data between 2009 to 2014. This approach captures recent changes in 1) TMWA's billing structure; 2) average physical attributes of services; and 3) the climate.
- Interacting average water usage with active service projections yields water demand projections through 2035.
- Total demand for water within is projected to increase approximately 82,000 in 2015 to 101,000 by 2035.
- Analysis of population and building trends show water demand increasing *at a decreasing rate* between 2015 and 2035 (i.e., while new growth will increase total production, per-service usage is expected to decline through time).

CHAPTER 5 WATER CONSERVATION PLAN

Introduction

In the arid Western U.S., water is a scarce resource necessary not only for the well-being of a community's inhabitants, but also for the ecologic and economic vitality of a region. Nevada, and of interest to this plan, Washoe County, is characterized as a high desert environment that is in a constant state of drought, intermixed with brief periods of wet conditions. Such conditions imply efficient water use is not a concept that applies only during dry times, but is rather a way of life in Northern Nevada.

As the water purveyor for approximately 90 percent of Washoe County residents, TMWA has a substantial responsibility as a steward of the region's water resources. In southern Washoe County, the majority of the water resources come from seasonal snow melt that flows down the Truckee River. From year-to-year, the amount of snow melt can fluctuate greatly. In response to these climatic conditions, a robust conservation plan must be in place to successfully manage water supply and demand so that there exists an adequate bank of water reserves available during persistent dry hydrology conditions.

Water conservation is achieved through efficient storage and delivery of the water supply and effective management of demand for that supply. Water supply management has been defined as the control of the water supply by the water purveyor or authority (Stephenson, 2012). Water demand management has been defined as "the development and implementation of strategies, policies, measures, or other initiatives aimed at influencing demand, so as to achieve efficient and sustainable use of this scarce resource" (Savenije and van der Zaag, 2002). TMWA's conservation plan contains the necessary elements to manage both the supply of its water resources as well as demand for those resources. TMWA's conservation plan has two components: 1) supply-side management programs ("SMPs") designed to reduce production and distribution losses and 2) demand-side management programs ("DMPs") designed to conserve water supplies by limiting water waste, inefficient use, and overuse. TMWA's SMPs are actions taken to maintain water resources and provide alternative sources to potable water in a cost-effective manner, as well as to ensure water is delivered to customers in an efficient manner. Once delivered, TMWA's DMPs target customers' watering practices in order to promote efficient use. During periods of extended drought, TMWA's DMPs can be enhanced to promote further reduction in water consumption by its customers. This chapter discusses TMWA's Conservation Plan and how its SMPs and DMPs are used in response to non-drought and drought periods based on annual projected hydrologic conditions.

To support the many benefits of effective conservation, the target goals of TMWA's conservation plan include:

1. Minimizing source water supply disruptions
2. Preserving community and customers' landscaping assets
3. Maintaining a low cost of service
4. Ensuring environmental preservation

Minimizing Source Water Supply Disruptions

When there is not enough Truckee River water to be shared between TMWA and other water rights stakeholders in the region, the priority of water rights dictates the amount of water provided to each stakeholder. TMWA is the largest holder of senior Truckee River irrigation water rights on the Truckee system. However, when the natural flow in the river is not able to provide adequate quantities of water for consumption, reductions in water use can decrease the amount of water to be released from TMWA's upstream and underground reserves. By banking or storing water in reservoirs when allowed under certain river operations, TMWA can minimize, if not prevent, supply interruptions to its treatment plants.

At the water user level, there are steps customers can take to ensure their water services are uninterrupted. When pipes break or leaks occur, not only is it an inconvenience to the customer, it wastes water in the process. TMWA is committed to ensuring its water delivery system stays up-to-date and in good working order. Also, TMWA takes every opportunity to educate customers on how to inspect and maintain their water systems on their property so the water stays on.

Preserving Community and Customers' Landscaping Assets

Property characteristics associated with landscaping add substantial economic value to the property. Government entities and property owners invest significant amounts of time and money in landscape-related assets, both at the time of installation and its ongoing maintenance. Developed land is required by local ordinances to meet specific landscape requirements as part of the building permit process. TMWA requires a sufficient amount of water rights be dedicated for each new development and meet its obligation to serve water to the property in perpetuity. TMWA's Conservation Program is designed to promote efficient demand in general and lower demands during periods of drought, without requiring customers to sacrifice their investment in their landscape assets.

Maintaining a Low Cost of Service

The facility and operating costs to capture, treat and deliver water are the main components that determine the amount customers pay for service. While the majority of costs related to water production are fixed (i.e., there is a very high initial capital cost), there is a portion of that cost associated with system repair and maintenance that can vary annually. When demand for water is efficient, an optimal amount of water is produced and delivered. With optimal supply through the delivery system, wear and tear on the system's components (e.g., pumps, valves, pipes, meters, etc.) is minimized, prolonging their lifecycle. Capital improvement projects ("CIPs") designated to replace aging parts of the system are part of TMWA's supply-side management. Therefore, through effective demand-side management, TMWA is able to keep the associated supply-side management costs low, which in turn provides stable prices to its customers over time³⁰.

³⁰ Since 2002, on average, TMWA's per unit cost of service has increased by 13 percent, an increase less than the national average of 31.6 percent adjusted for inflation

Ensuring Environmental Preservation

Maintaining adequate surface flows within the Truckee River has benefits above meeting customer demand. Higher river flows have benefits to the riparian ecosystem as well³¹. A variety of wildlife species, such as the Cui-ui and Lahontan Cutthroat Trout, depend on the habitat of in Lake Tahoe, along the Truckee River, and its terminus, Pyramid Lake. In times of drought, natural river flows are diminished, which has adverse impacts on native species of fish and other wildlife that rely on the riparian system. By conserving water, upstream reservoirs stay fuller longer. This additional storage allows TMWA to ensure river flows are supplemented during times when the level of Lake Tahoe cannot provide sufficient outflow, which indirectly benefits the riparian habitat along the Truckee River.

TMWA's Water Conservation Plan

Legislative Satisfaction

TMWA's conservation plan extends beyond a responsibility for resource stewardship and must fulfill specific provisions—including water conservation requirements per the JPA, the NRS, regional planning, and TROA. Under NRS 540.131, every water purveyor in Nevada must submit a water conservation plan to the State. This plan must include provisions related to: 1) increasing public education awareness; 2) encouraging reductions in the size of lawns and use of drought-tolerant plants; 3) managing for leaks in the supply system; and 4) increasing the reuse of effluent water. TMWA's current Conservation Plan's contains DMPs and SMPs that meet these requirements (Fig. 5-1). Figure 5-1 provides a diagram illustrating how various elements of TMWA's Conservation Plan meet these NRS requirements (NOTE: expansion of TMWA's water resources (i.e., wells and groundwater supplies) are discussed in Chapters 2 and 6).

The statute also mandates a contingency plan be in place to ensure potable water is available during drought conditions and a schedule for how such a plan will be implemented. The end of this chapter outlines TMWA's Drought Response Plan, which provides how TMWA classifies drought conditions pursuant to TROA, the enhanced DMPs it takes given a certain drought condition, and an explicit timeline for when those enhanced actions occur. In 2007, a mandate was added to NRS 540.141 requiring each conservation measure specified in a purveyor's conservation plan to have an associated estimate outlining the amount of water that will be conserved each year, stated in gallons per-person, per-day (see [NRS 540.141 1.\(g\)](#)). In addition, the NRS now states the rates charged for water will maximize conservation and the plan must estimate the manner in which rates will affect consumption (see [NRS 540.141 2.\(b\)](#)).

In 2015, in order to address mounting concerns over drought, Governor Sandoval created the Nevada Drought Form. Six meetings were held between June and November of that year. In September 2015, the Governor held a Drought Summit at the State's capital, Carson City. As a culmination of those efforts, the Governor released the *Nevada Drought Forum: Recommendations Report in December of 2015*. To address the state's water resource challenges, the report outlined, among other things, recommendations on the best water conservation

³¹ Riparian systems include those lands or areas situated along the banks of a watercourse.

practices. Those conservation recommendations include all water purveyors' conservation plans include: (1) metering of all water connections; (2) the development of water efficiency standards for new development; (3) tiered rate structures to promote conservation; (4) time-of-day and day-of-week water restrictions; and (5) a request that local political subdivisions explore the implementation of water conservation measures where Covenants, Conditions, and Restrictions are in place. The following sections of this chapter outline TMWA's specific programs within its Conservation Plan, of which, are consistent with the recommendations identified in this report and have been deployed by TMWA for many years. A copy of the Nevada Drought Forum: Recommendations Report can be found in Appendix 5-1.

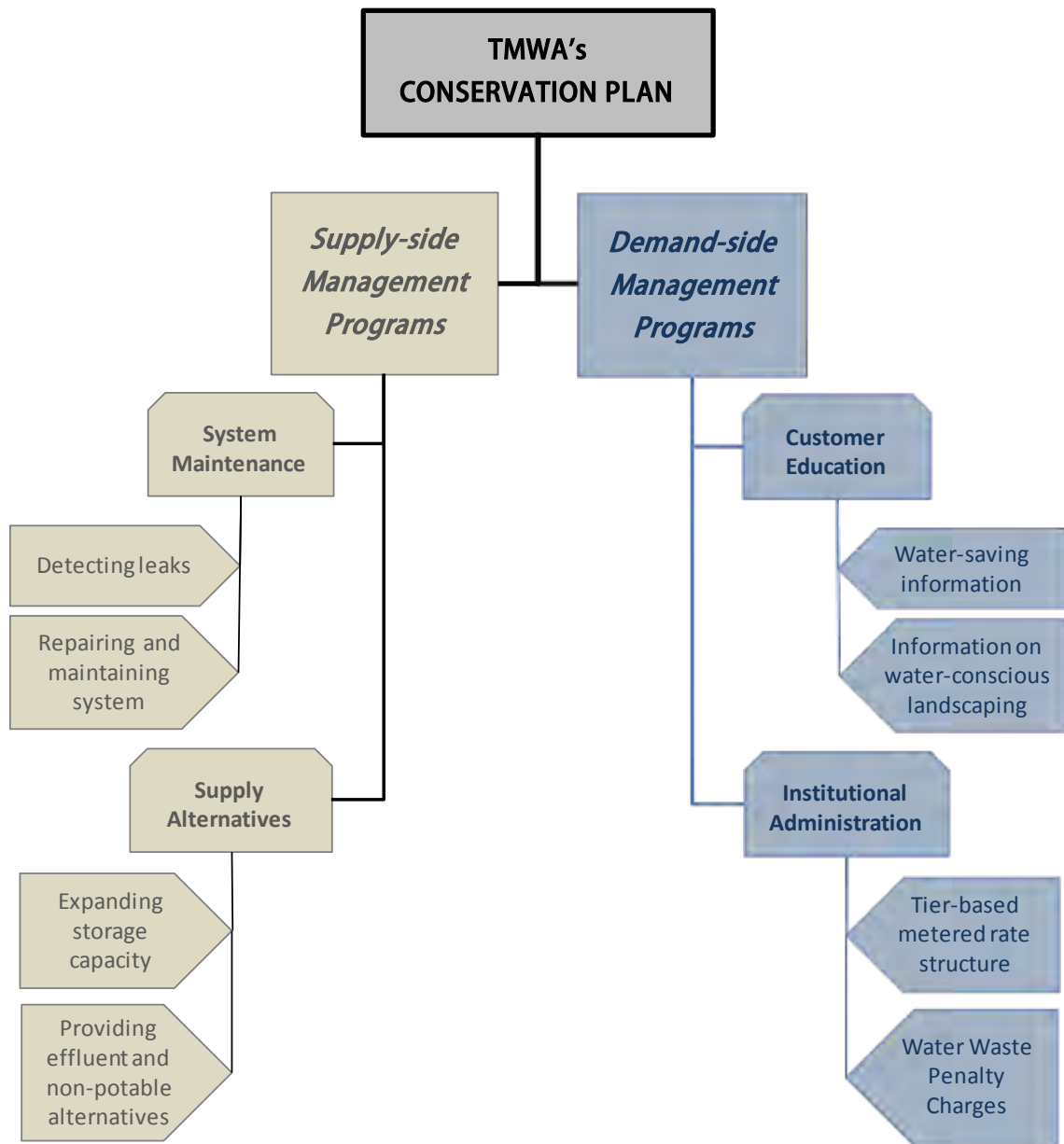
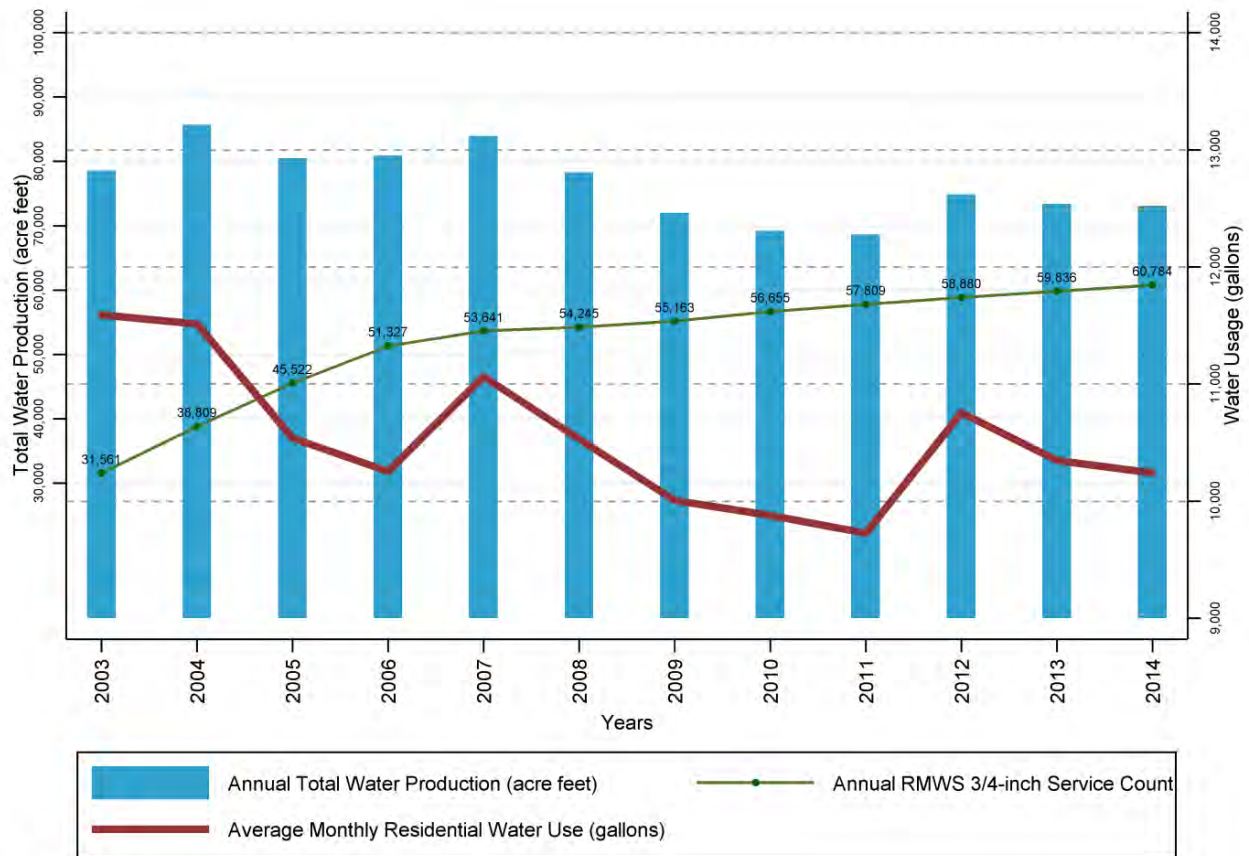


Figure 5-1. Diagram of TMWA's Conservation Plan as Related to NRS 540.131

Overall, residential water use in the TMWA service area has become more efficient over time. By 2014, the average RMWS household used 11.6 percent less water than the average household in 2003. TMWA's total water production has decreased by 7 percent while its number of RMWS services has nearly doubled during this same time period. Figure 5-2 shows this change in per-service efficiency since TMWA's inception. While the graph below shows a clear decline in individual water consumption overall, there are issues that can confound or preclude estimations of 'per-person, per-day' water savings for individual DMPs required under the NRS. Moreover, the effectiveness of SMPs do not directly relate to 'per-person, per-day' savings. SMPs are not savings *by* customers but rather savings on the supply-side that accrue in the distribution system. For such programs (e.g., leak repair, meter replacement, non-potable use,

etc.) a ‘percent of the total supply’ savings is a more meaningful metric from which to estimate effectiveness.



Note: Residential usage includes 3/4-inch RMWS, which account for the majority of TMWA's service population.

Figure 5-2. Average Residential Water Use and Total Production between 2003 and 2014

The major roadblock to quantifying efficacy of DMP's, for which ‘per-person, per-day’ metrics can be determined, is lack of data. Take for example educational programs (e.g. multi-media messaging, online resources, in-person workshops, etc.). It is not feasible to track the information to which customers have been exposed to each program. Even if such tracking was feasible, customers are exposed to information via a host of different formats, so any attempt to delineate the effect of any one program from another would prove unreliable in the uncontrolled environment. In such contexts, the combined effect of individual programs is the only possible estimate of effectiveness. This chapter provides estimates of benefits from each activity and states the measure of gallons saved ‘per-person, per-day’ whenever possible (or meaningful). For programs in which ‘per-person, per-day’ estimates are not relevant, the most meaningful metric will be provided. Programs for which there is no data available from which to estimate effectiveness will be noted.

In early 2015, TMWA partnered with the University of Nevada to conduct research on how different forms of communication and messaging influence customer behavior using a controlled study (i.e. treatment and control groups). TMWA is also investigating how customers conserve water in times of drought, their attitudes about drought, and their attitudes about

TMWA's drought communication efforts. Results from this investigation will be available by the spring of 2016. These studies will offer a deeper understanding into the scope and effectiveness of TMWA's water conservation programs.

TMWA's Conservation Plan will continue to serve as the cornerstone of the region's efforts to conserve local water resources. Given primary reasons for TMWA's Conservation Plan is to promote efficient use of water resources and minimize water waste, each program within the plan plays a unique role in meeting these goals. While many of the water conservation benefits outlined above are interrelated, each program within the Conservation Plan is designed to elicit a specific response from a targeted customer base, in order to achieve a specific set of goals. Table 5-1 summarizes each program, along with its targeted goal(s) and customer(s).

Table 5-1. TMWA's Standard Conservation Plan Programs

Water Conservation Plan	Target Goal	Target Customer
Supply-side Management Programs/Activities		
<i>System Maintenance</i>		
Leaks and System Repairs	1,3	All users
Meter Replacement	1,3	All users
System Pressure Standards	1,3	All users
<i>Supply Alternatives</i>		
Non-Potable Water Service	1,3	Irrigation
Demand-side Management Programs/Activities		
<i>Customer Education</i>		
Conservation Consultant Program	2,3	Residential
Water Audits/Water Usage Reviews	1,2,3	Residential & Business
Public Workshops	1,2,3	Residential
School Educational Programs	1,2,3	Residential
Standing Advisory Committee	1,3,4	All users
Online Resources	1,2,3,4	Residential & Business
Conservation Materials	1,2,3	Residential & Business
Multi-media Messaging	1,2,3,4	All users
<i>Institutional Administration</i>		
Water Rates	2,3	All users
Assigned-Day Watering	1,2,3	All users
Watering Time Restrictions	1,2	All users
Water Waste Restrictions	1,2,3	All users
Unauthorized Use of Water	1,3	All users
Landscaping Regulations	2,3,4	All users
Target Goal		
1. Minimize service disruptions		
2. Preserve customers' landscaping assets		
3. Maintain a low cost of service		
4. Ensure environmental preservation		

Supply-side Management Programs/Activities

To ensure water resources are captured and delivered to customers in an efficient manner, the majority of TMWA's SMPs are CIPs that maintain the integrity of its water system's infrastructure.

System Maintenance

As system components wear out, there is a greater potential for water loss. TMWA is constantly engaging in CIPs that reduce water loss within the delivery system by detecting and repairing aging infrastructure. TMWA continually monitors and maintains its water system infrastructure in order to ensure service disruptions are minimized. TMWA is also very conscious about the cost-effectiveness and expected benefits of system maintenance. Therefore, TMWA incorporates the likelihood and consequences of water main failure to reduce risks to the system associated with unplanned outages and emergency repair costs.

Leaks and System Repairs. Over time, parts of the water-system infrastructure degrade and require repair or replacement. TMWA actively monitors for leaks in the system. When assessing leak repairs, maintenance scheduling considers the safety to the general public and work crews, while providing minimal interruptions to public and private services, as well as minimal overtime expenditures. If water leaks are not large, not causing a safety problem, and are reported outside normal working hours, response staff will determine the urgency of the needed repairs and schedule repair work accordingly.

When the source of the leak is determined, TMWA implements a proactive maintenance program to fix the problem. Once the underground locations of other utilities are determined, the crew will excavate the leak site and make repairs. In the case of a leaking poly-butylene pipe, the crew will usually replace the entire service, as this type of pipe has proven particularly prone to repeated leaks. All leaks are reported and entered into a database.³² Below are the number of main and service repairs since January 2012.

Fiscal Year	Mains Repaired	Services Repaired	Totals
2012	60	147	207
2013	58	216	274
2014	69	224	293
2015	49	287	336

In order to keep leak occurrences to a minimum, TMWA prioritizes system repairs and replaces aging infrastructure on a continual basis, before an incident occurs. Prioritization is given to pre-1960 systems made of steel, cast iron, concrete, or riveted steel. Coordination with local agencies' street and highway replacement programs has proven to be the most cost effective and least disruptive approach to system replacement and

³² TMWA's Computerized Maintenance Management System was deployed beginning CY012; prior to that time leak data records are not as reliable

rehabilitation for TMWA customers. See Appendix 5-2 for more information on TMWA's Main Replacement Program.³³

Quantification of Effectiveness: TMWA's system-wide leakage rate is very low at 3.1 leaks per 100 miles per year, indicating very high service levels currently exist. On average, TMWA loses approximately 6 percent of total supply through system leaks, well below the national average of 16 percent³⁴. This 6 percent also includes non-revenue water (i.e., unmetered, authorized use in firefighting as well as hydrant testing and flushing) and apparent losses (i.e., unmetered, unauthorized use resulting from water theft). This means the real loss of water is some percentage lower than the reported amount. In 2014, TMWA produced approximately 75,000 AF of water. When compared to the national average for water loss, due to TMWA's proactive maintenance schedule, the reduced system loss resulted in 7,500 AF of water loss averted that year. This equates to an additional 6.7 MGD available for customers.

Meter Replacement. In order to effectively identify leaks and other forms of water loss in the system, accurate metering is critical. Since the internal workings of a meter wear out over time, TMWA's Meter Replacement Program replaces meters as soon as they begin to show signs of failure (e.g., seemingly incorrect readings). This practice ensures meters remain in good working condition yet still allows for an extended return on the investment. It is anticipated that TMWA will spend approximately \$8.9 million in FYs 2016-2020 on meter and meter reading device replacement. As meters are replaced, additional water savings may be achieved, since improvements are made to the system when leaks in older facilities are found and repaired during the process.

Quantification of Effectiveness: At the time this report was written, no measure of water saved from meter replacement had been estimated.

System Pressure Standard. Pursuant to the Nevada Administrative Code ("NAC") 445A, TMWA's engineering design criteria plans for a max-day-demand-residual pressure of 40 pounds per square inch ("PSI") to be maintained at the customer's service connection. Pressures exceeding 125 PSI may increase the propensity for main breaks or accelerate the development of leaks, both on TMWA and customer facilities. Excessive pressure results in more water delivered through the tap since flow rate is proportional to pressure. This can result in such forms of water waste as sprinkler overspray and higher leakage flow rates.

Quantification of Effectiveness: At the time this report was written, no measure of water saved from TMWA's pressure standard had been estimated.

³³ Appendix 5-2 provides a narrative of the analytic process and findings with maps provided to give the reader a general characteristic of the range of TMWA's main replacement.

³⁴ Source: Water Audits and Water Loss Control for Public Water Systems, USEPA July 2013

Supply Alternatives

In order to maximize the amount of potable water available to customers, TMWA actively seeks out opportunities to provide non-potable or effluent sources of water whenever possible.

Non-Potable Water: TMWA has a Non-Potable Service (“NPS”) tariff to provide customers that can use sources of non-potable water – either untreated Truckee River water or poor quality ground water – for specific applications with minimal capital investment. The non-potable water service is available at a reduced rate, providing incentive for qualified customers to switch to this service. The service reduces TMWA peak day demand and lowers system capacity needs. Irrigation and construction sites utilize NPS to conserve potable water, enabling existing water resources to go further.

Specific facility needs for each service connection are identified in the service agreements between TMWA and the customer receiving non-potable service. The recipient of the service demonstrates each site’s ability to tolerate the interruptible nature of the service (due to system or drought requirements) and/or the potential to switch between treated and untreated water. For example, TMWA has worked with the Washoe County School District, one of TMWA’s largest municipal customers, to implement non-potable watering solutions at Reno High School.

TMWA also coordinates with the Truckee Meadows Water Reclamation Facility (“TMWRF”) to provide use of effluent water in lieu of TMWA’s water supplies. TMWA has agreements with Reno, Sparks and Washoe County to ensure that the use of treated effluent is being applied for irrigation purposes at suitable sites where the infrastructure is, or is planned to be, installed. Providing service connections with effluent leaves capacity for new municipal demand that requires treated water. TMWA’s rules require that new service applicants submit verification of whether or not the site applying for municipal, treated water is designated to be, or is within feasible range to be, serviced by effluent water. If the project meets the effluent provider criteria for service, treated effluent will be provided for irrigation purposes instead of potable water from TMWA. Replacement water rights are provided as required by TROA.

Quantification of Effectiveness: On average, TMWA’s NPS supplies 34 million gallons of non-potable water annually, which saves approximately 93,000 gallons of potable water each day for use by other customers. Effluent water use reduces demand for TMWA’s potable and non-potable water resources. On average, 3,810 AF of effluent water is provided to qualifying customers annually, which keeps 3,401,353 gallons of TMWA’s water resources available for other services on a daily basis.

Demand-Side Management Programs/Activities

While many communities use conserved water to serve new growth, TMWA uses conserved water to ensure adequate supplies are provided to its existing customers. Once delivered to the customer, TMWA promotes efficient water use through its proactive DMPs. By utilizing a mix of education-based programs and institutional administration, TMWA’s DMPs directly target customer behavior to promote efficient water use year-round and lower demands

during periods of extended drought. By lowering demand during drought periods, DMPs reduce or eliminate the need for TMWA to use its drought reserves (aka POSW).

Customer Education

TMWA is deeply committed to public education about conservation and efficient water use. TMWA utilizes every opportunity to promote education. Since water use during the irrigation season is on average four times higher than during the winter months, much of TMWA's public education focuses on the efficient use of water for landscaping. TMWA facilitates efficient use by distributing information through various forms of communication including in-person workshops and events, multimedia messaging, and printed materials.

Multi-media Messaging: TMWA is committed to providing the public with the most recent information regarding the state of the local water supply. Using media outlets such as radio, television and billboards, TMWA produces targeted advertising to get its messages to customers. TMWA also uses social media platforms (i.e., Facebook, Twitter, YouTube and Google Plus) to help spread information regarding changing conditions in weather and the water supply, as well as, tips for efficient water use. TMWA also works with local news stations to help pass on accurate, up-to-date drought information to its customers.

Quantification of Effectiveness: Given the inability to track the customers whom were exposed to different forms of multi-media messaging, it is not possible to determine the individual effect the materials have on conservation. As of the writing of this report TMWA has 1,231 Facebook followers, 1,201 Twitter followers, and 17 Google Plus followers. Such participation rates are noted when considering the effectiveness of various messaging components. Moreover, when asked to reduce water consumption (via all forms of communication), customers' responses are on par with what TMWA requires to help withstand periods of drought. In 2014, a drought situation occurred in August and lasted through September. During this time, TMWA's request for customers to reduce their use by 10 percent compared to their use in 2013 was met favorably. This was the *first* time since TMWA's founding in 2001 that TMWA asked for a specific reduction in use beyond the annual DMP deployment. This request resulted in an average of 8.5 million gallons saved per-day in 2014 by TMWA customers. It is important to note that while the multi-media messaging campaign directly requested the 10 percent reduction, the subsequent educational programs detailed below help facilitate this additional reduction by customers. Therefore, the effectiveness of programs should be evaluated at the aggregate. More information regarding TMWA's Conservation Plan under drought situations can be found in the Drought Response Plan section. See Table 5-6 for a comparison in retail sales, by customer class, for the months of August and September in 2013 and 2014.

Conservation Consultant Program: TMWA's conservation consultants provide customers information regarding responsible water use, reducing water waste, and TMWA's regulations. During the irrigation months, TMWA ramps up its efforts by hiring

additional seasonal consultants to provide both residential and business customers with additional information about leaks and water waste associated with outdoor watering. TMWA's water conservation consultants investigate water waste complaints and provide tips to customers that help curb excessive water usage and facilitate lower monthly bills.

Quantification of Effectiveness: At the time this report was written, no measure of water saved from TMWA's Conservation Consultant Program had been estimated.

Water Audits/Water Usage Review: In 2003, TMWA began a water audit program. The Water Usage Review Program is co-sponsored by TMWA and the WRWC. At the request of the customer, a TMWA technician will conduct an analysis of the customer's current water usage practices and provide recommendations on how the customer can reduce their water consumption and subsequently their monthly bill. Customer response to TMWA's Water Usage Review Program is extremely positive. As of December 2014, nearly 20,000 customer usage reviews have been completed (see Table 5-2). While the majority of water usage reviews are initiated by a customer's concern about a high bill, TMWA monitors spikes in individuals' water use to proactively assist customers in achieving a balance between water savings and maintaining a healthy landscape as well as detecting potential leaks.

Quantification of Effectiveness: Preliminary analysis on the difference in means was performed on 1,239 RMWS customers who requested a water audit between 2003 and 2013. To be included in the comparison study, these customers had *at least* one full year of information on water consumption before a water usage review was conducted. Comparison of RMWS customers' monthly water consumption before and after an audit request was made indicated an average annual per-service water savings of 6.5 percent³⁵. The greatest total savings (in terms of gallons per month) came at the peak of the irrigation season. During the months of June, July, and August, approximately 1,400 gallons per month (or 6.0 percent) were saved per customer service each month equating to a savings of 47 gallons 'per-service, per-day' during the peak of the irrigation season. At the time this report was written, analysis on effectiveness on commercial customers had not been performed.

³⁵ This difference in average usage is significant at the 99 percent level of convention.

Table 5-2. TMWA Customer Water Audits 2003 to 2014

Year	Residential	Commercial	Total	Cumulative Total
2014	1,351	162	1,513	19,754
2013	1,351	126	1,477	18,241
2012	1,522	141	1,663	16,764
2011	1,838	206	2,044	15,101
2010	2,949	381	3,330	13,057
2009	2,375	300	2,675	9,727
2008	2,196	265	2,461	7,052
2007	1,804	221	2,025	4,591
2006	661	70	731	2,566
2005	771	123	894	1,835
2004	431	66	497	941
2003	402	42	444	444

Public Workshops: Over the course of a year, TMWA provides regular workshops regarding landscaping and irrigation. Topics include: tree care, irrigation system start up, sprinkler maintenance, landscape and xeriscape design, and proper winterization. TMWA also co-sponsors seminars that address landscape design, operation and maintenance of irrigation systems, and related topics. During years when drought conditions are present, TMWA holds special workshops that help customers understand TMWA's water delivery system, how TMWA responds to drought conditions, and how customers can take action to help reduce water usage.

Quantification of Effectiveness: TMWA workshops are offered as an educational resource to promote conservation through efficient water use. Effectiveness is measured by both demand for the workshops and attendance. In 2014 and 2015, enrollment demand was such that additional sessions were offered most of which enjoyed capacity attendance. Unfortunately, it is not feasible to estimate the per-person, per-day water savings such programs would have but, like all of TMWA's customer-education efforts, the emphasis is placed on correcting wasteful behavior by increasing awareness of effective conservation practices.

School Educational Programs. TMWA representatives regularly engage students and teachers regarding northern Nevada's water resources through classroom participation and presentations.

Quantification of Effectiveness: Given the privacy concerns about connecting student participation in TMWA's educational programs to actual customer usage, it is not possible to determine the individual effect this form of education has on conservation. Regardless, early involvement in conservation is an important component in TMWA's conservation plan.

Online Resources. A key part of TMWA's educational messaging centers around understanding the region's water resources. TMWA's main website (www.tmwa.com) directs customers to information on local water supplies and how they are managed. Table 5-3 outlines the various online resources available to customers to help them use water efficiently and avoid water waste. In addition to its primary website, TMWA also deploys situation-specific "micro-sites". These temporary online resources contain enhanced messages that address specific concerns and goals during times of drought. Refer to this chapter's Drought Response Plan section for details on designating drought classifications. It is possible that some or all of these micro-sites will be incorporated into TMWA's primary website when it is updated.

Quantification of Effectiveness: Given the inability to directly track the conservation response of customers who access each website for information on efficient water usage, it is not possible to determine the impact such websites have on conservation. Regardless, these online resources are important components in TMWA's Conservation Plan and its positioning as a community leader in promoting responsible water use.

Table 5-3. TMWA's Online Conservation Resources

Program	Website	Description
Truckee River Flows and Storage	www.tmwastorage.com	Tracks water storage in the largest reservoir on the Truckee River system, Lake Tahoe.
Water Conservation Overview	http://tmwa.com/conservation	An overview of why conservation is important and directs customers to additional conservation links.
Water Conservation Checklist	http://tmwa.com/conservation/checklist	Tips to save indoor and outdoor water use
Winterization Tips	http://tmwa.com/conservation/winterize	A guide to winterizing residential homes
Finding and Repairing Leaks	http://tmwa.com/conservation/leaks	Provides information and links to online videos that help locate water leak.
Water Efficient Landscape Guide	http://www.tmwandscapeguide.com	An interactive guide to help customers design and evaluate their landscaping choices.
Principles of Xeriscape	http://tmwa.com/conservation/xeriscape	Seven horticultural principles of xeriscape.
tmwa.com/save	www.tmwa.com/save	This micro-site was launched to provide customers with a simple list of things they can do to reduce their water use "at least 10%," (that summer's goal). The site will be updated as needed to support future conservation campaigns.

Conservation Materials: TMWA provides a multitude of written materials regarding ways customers can use water efficiently, reduce their usage, and avoid water waste. These conservation materials include:

- Direct Mail - In addition to providing detailed information on how water usage affects their monthly bill, TMWA uses its billing system to convey conservation messages and facts directly on customer's bills. These bill inserts serve as reminders about summer and winter habits that can conserve water.

- Landscape Design PDF resources – These downloadable PDF resources, found at TMWA’s [Water Efficient Landscape Guide](#) website, provide detailed information on landscaping, irrigation, and plant and turf maintenance.
- Door hangers - Whenever a TMWA conservation consultant visits a home or business to remind customers of their watering times, a door hanger is left containing a variety of pertinent materials such as water times and restrictions, tips on tree and lawn care, etc.
- Water saving devices – Upon request by customers or whenever a TMWA conservation consultant visits a customer’s premise, TMWA provides sprinkler timers, hose nozzles, low-flow shower heads, dye tabs, flow-rate bags, or faucet aerators to further assist customers in their water saving efforts.
- Enhanced Drought Information Materials – During times of drought, TMWA provides materials regarding detailed information and specific actions customers can take to help TMWA manage water demand. These enhanced materials include table tents for restaurants, stickers for public restrooms, and letters to homeowner’s associations, etc. Refer to this chapter’s Drought Response Plan section for details on designating drought classifications.

Quantification of Effectiveness: Given the inability to track the customers who receive different conservation materials, it is not possible to determine the individual effect the material have on conservation. Regardless, these printed resources are important components in TMWA’s conservation plan.

Institutional Administration

TMWA has internal rules and regulations that apply to water supply services. Under state law, TMWA is not authorized to supply service to any customer who does not comply with all regulations. TMWA regulations can be found at http://tmwa.com/customer_services/waterrules/. Additionally, local governments and agreements within private developments have codes regarding landscaping design and water conservation practices. In general, municipal codes are designed to work in tandem with TMWA’s rules and regulations.

Water Rates. In order to ensure customers use water responsibly and adequately recover costs, metered rates are employed. Municipal service rates are assessed using an inverted block structure with three to five tiers. This increasing rate structure allows for low costs associated with indoor water use and incentivizes customers to use outdoor water efficiently to avoid going into the more expensive tiers. Irrigation services pay a constant rate per 1,000 gallons, which varies according to a seasonal rate structure. During the peak summer months of June through September the rate is higher than during the off-peak months of October through May. This helps encourage conservation-related behaviors such as scheduling new plantings for cooler months when less intensive watering will be required. As part of the merger agreements with WDWR and STMGID, rate structures for their former customers have been maintained as of June, 2015. TMWA will continue to use a tiered volumetric billing rate structure for all non-irrigation

services. Every few years, water rates and cost of service are reevaluated to account for customer base growth and system component requirements. For the most up-to-date water rates schedules, go to http://tmwa.com/customer_services/waterrates/.

Quantification of Effectiveness: Research conducted by the University of Nevada, Reno Department of Economics indicates that, on average, a 10 percent increase in price is associated with a 2 percent decrease in water usage by residential customers.

Assigned-Day Watering. Since 2010, TMWA has recommended a three-times-per-week, Assigned-Day Watering schedule, with a no-watering restriction on Monday to allow for treatment-operations recovery. The water days schedule and restrictions on times of the day under Assigned-Day Watering is summarized here:

	Mon	Tue	Wed	Thu	Fri	Sat	Sun
All "EVEN" addressed services	No	Yes	No	Yes	No	Yes	No
All "ODD" addressed services	No	No	Yes	No	Yes	No	Yes

Quantification of Effectiveness: TMWA began studying watering schedules beginning in 2004 through 2008 before converting from 2-day-a-week (required until such time that over 90 percent of the flat-rate single family residences were retrofit with a meter which occurred in 2009) to 3-day-a-week watering. Study results found that the three-day-a-week schedule results in less overwatering and waste than the prior 2-day-a-week watering schedule: during the 2-day-a-week schedule it was determined that over 55 percent of customers either were watering 3-days-a-week or were over-watering on their assigned days (see Appendix 5-3 for full report). However, because the system was not fully metered and the change in water schedule went into effect system-wide, no estimate of gallons 'per-person, per-day' could be made as the metered data did not exist at the time.

Watering Time Restrictions. Along with Assigned-Day Watering, TMWA discourages watering during the hottest, and typically the windiest, part of the day. Thus, there is a restriction on time-of-day watering between Memorial Day and Labor Day; there is no watering from 12:00 p.m. to 6:00 p.m. during this time of year. During drought years, these no-watering times are expanded by two hours: 11:00 a.m. to 7:00 p.m. Refer to this chapter's Drought Response Plan section for details on designating drought classifications.

Quantification of Effectiveness: Water loss due to evaporation and wind has many associated factors (e.g., temperature, relative humidity, etc.) that vary daily, making estimating the effectiveness of the regulation problematic. At this time, no specific method of measuring effectiveness has been estimated for restricting water-times. However, watering-times are still considered an important regulation regarding water use efficiency.

Water Waste Penalties. In 2004, TMWA enhanced its rules by adding penalties for water waste violations and for watering on non-assigned days or times, which are billed directly to the customer. These rules provide for a warning followed by an increasing penalty of up to \$75 per occurrence for repeat violations. However, TMWA has discretion on issuing citations and goes to great length to avoid penalties by instead using education to instruct customers on responsible water use. Many times customers are simply unaware that they are wasting water due to broken or misaligned sprinkler heads.

Quantification of Effectiveness: To date, TMWA has issued 297 penalties to commercial and residential water users. While the behavior is typically corrected, it is difficult to determine the amount of water saved through issuance of penalties.

Unauthorized Use of Water. Use of water without dedicated water rights or without TMWA's permission is not allowed under TMWA's rules. Examples of unauthorized use may include: two active service lines on a premise where one service is not being billed, an illegal tap off a water main, or an unauthorized hook-up to a fire hydrant. TMWA's rules and tariffs are designed to cover all costs to the utility in cases of illegal service taps, damage to TMWA facilities, and/or theft of water at \$1,000 per occurrence. Use of fire hydrants as a water source is also illegal under municipal ordinances except for approved city vehicles. TMWA monitors its system to locate and correct unauthorized water use on an ongoing basis.

Quantification of Effectiveness: Since illegal water use is not separately metered it is difficult to estimate how much water is saved by identifying fraudulent water usage. Regardless of the impact, preventing and stopping illegal use is important to keeping customer rates low, preventing service disruption, and facilitating effective firefighting operations.

Landscaping Regulations. The Cities of Reno and Sparks, and Washoe County have landscape ordinances that regulate the types of landscaping developed land must have. In general, these municipal ordinances are designed to support TMWA's conservation efforts and allow enforcement of penalties to water wasters. TMWA conducted an initial review of the municipal ordinances, for Washoe County and the cities of Reno and Sparks related to water conservation and landscaping mandates, in 2005. In April of 2015, the codes for the three entities were revisited to 1) determine what changes have been made to these code provisions since TMWA last reviewed them, and 2) identify recommendations to the Reno City Council, Sparks City Council, and Washoe County Board of Commissioners regarding revisions to the current ordinances, as well as, the potential addition of new requirements. In a series of meetings with municipal planners, staff from the Washoe County District Health Department, and representatives from the building industry, TMWA identified fundamental changes in the landscaping/water conservation codes that occurred since 2005 and discussed recommendations to ensure new development planning in the region was more water-conscious. The major recommendations for new developments included: (1) expanding the minimum width of narrow turf strips to 8 feet with a 2 foot setback from any impervious surface; (2) setting a maximum total area requirement for allowable turf by zoning district; (3) setting a

minimum requirement for drought-tolerant landscaping; and (4) requiring hydro-zoning (i.e., grouping plants with similar watering needs) irrigation plans be implemented whenever possible. A copy of the report can be found in Appendix 5-4.

Additional, legal agreements for private master developments can have regulations (e.g. Home Owners Associations' ("HOAs") rules and regulations) beyond what is required under municipal ordinances. During times of drought, TMWA asks HOAs to allow their residents the ability to comply with TMWA's requests for customers to reduce their water use without penalty. In 2005, a piece of legislation, NRS 166.330, was passed prohibiting HOAs from "unreasonable" restrictions of homeowners utilizing drought-tolerant landscaping on properties within their jurisdictions. However, in order for the homeowner to convert his or her landscaping from the approved vegetation type(s) to a drought-tolerant variety, the homeowner must first submit a detailed architectural plan of the new landscaping design. The HOA has the right to review the plan and can approve or deny the request; however, the HOA cannot deny a plan unreasonably, i.e., if, to the maximum extent possible, the altered design is compatible with the overall style of the community. While this statute clearly applies to all covenants, conditions and restrictions ("CC&Rs") that were established *after* the adoption of the law on October 1, 2005, it remains to be determined if such a law can apply to CC&R's prior to that date without impairing the existing contract.

Quantification of Effectiveness: Since municipal ordinances apply to all properties within a jurisdiction and these ordinances can vary both within and between jurisdictions, it is not possible to estimate the water savings that results from changes to municipal ordinances designed to further reduce water waste.

Drought Response Plan

Under normal circumstances when TMWA does not need to use its drought reserves, the aforementioned DMPs are adequate to promote efficient water use. However, if a Drought Situation is identified within the Truckee River Basin and drought reserves are required, TMWA's customers are expected to take additional actions to reduce their water use. Depending on the severity of the drought and the available quantity of TMWA's drought reserve water PSOW supplies (i.e., Independence Lake, Donner Lake, Stampede Reservoir), the aforementioned DMPs may be modified to achieve water reductions necessary to ensure TMWA's drought reserves are adequate to meet customer demand in the current and succeeding years. In these situations TMWA historically requests a 10 percent reduction in use and implements *enhanced* demand-side management programs ("eDMPs") to achieve this target reduction. The level and timing of which eDMPs are deployed can vary during the year, given the severity of the Drought Situation.

Pursuant to the operating criteria outlined in TROA, determination of a Drought Situation³⁶ takes place in April. That determination is dictated by the amount of water available

³⁶ Pursuant to TROA: "**Drought Situation** means a situation under which it is determined by April 15, based on procedures set forth in Section 3.D, either there will not be sufficient **Floriston Rate Water** to maintain **Floriston Rates** through October 31, or the projected amount of **Lake Tahoe Floriston Rate Water** in Lake Tahoe, and

for the Truckee River system based on available stored water in Lake Tahoe and Boca Reservoir, snowpack amounts, and run-off estimates for the current year; together these are early indications of when river flows will no longer support Floriston Rates. When the elevation of Lake Tahoe and subsequent Truckee River flows fall off significantly earlier than normal, this creates operational challenges for TMWA, forcing TMWA to use additional groundwater pumping and/or its POSW in order to meet the demands of its water customers during the irrigation season. For a full discussion of drought period operations, refer to Chapter 2.

TMWA uses a three-stage Drought Situation classification system (see Table 5-4). Per TROA, in a non-drought situation the elevation of Lake Tahoe is such that natural river flows will maintain Floriston Rates through Labor Day. Under this situation, no reserves are projected to be used, thus no eDMPs are necessary since demands typically are reduced after Labor Day. Similarly, when a Drought Situation is identified but Lake Tahoe and Boca Reservoir supplies remain adequate to maintain Floriston Rates until after Labor Day, no eDMPs need be deployed. While customer irrigation demands may remain high after Labor Day, even potentially requiring POSW to meet those demands, a certain amount of POSW must be released anyway to be in compliance with federal flood regulations. However, during a Drought Situation, if Lake Tahoe and Boca Reservoir supplies are not sufficient to maintain Floriston Rates in any month before Labor Day, then one of three levels of eDMP is identified and actions outlined to ensure customer demands are reduced in the current year and drought reserves are maintained in the event a successive Drought Situation occurs the following year.

including **Lake Tahoe Floriston Rate Water** in other **Truckee River Reservoirs** as if it were in Lake Tahoe, on or before the following November 15 will be equivalent to an elevation less than 6,223.5 feet Lake Tahoe Datum.”

Table 5-4. TMWA's Drought Situation Classification System

	NON-DROUGHT SITUATION Reserve Supplies NOT Released	DROUGHT SITUATION	
		Reserve Supplies Release AFTER Labor Day (Level 1)	Reserve Supplies Release BEFORE Labor Day (Level 2, 3, or 4)
A. Watering Restrictions Between Memorial Day and Labor Day	12 to 6 P.M.	12 to 6 P.M.	11 to 7 P.M.
B. Public Education and Advertising	Standard programs	Standard programs	Increased programs
C. Water Waste Prevention	Standard enforcement	Standard enforcement	Increased enforcement
D. Other Actions			Additional <i>enhanced</i> DMP are deployed depending on the severity of the drought and time of impact to water supplies. These include but are not limited to; 1) Drought Rates during irrigation season 2) Reduced number of watering days 3) Daily water allotments set 4) See Appendix 5-5 this Chapter for other options

The following figure provides a generalized flowchart of this cyclical drought monitoring process. Pursuant to TROA, the process includes determination of whether or not a Drought Situation exists, its level of severity, and the potential impact on TMWA's drought reserves. From this determination a timeline for TMWA's Drought Response Plan can be developed.

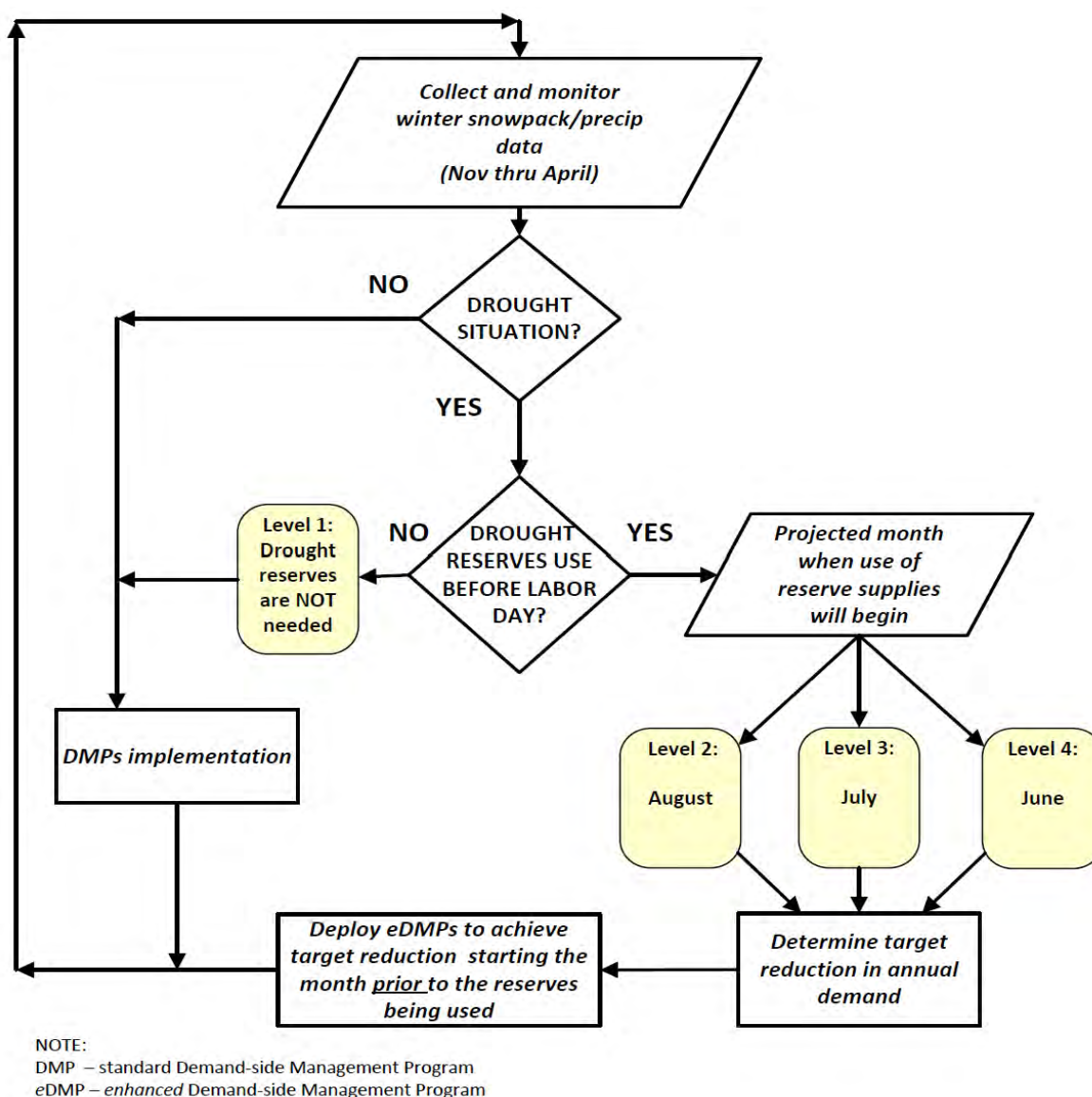


Figure 5-3. Drought Situation and Demand-side Management Response Flowchart

Each level of drought severity depends upon when Floriston Rates are anticipated to be lost. Once the level is known, TMWA will employ its enhanced messaging campaign (“EMC”), which provides the public with additional information on current water supply conditions and the target reduction TMWA will be expecting from its customers in the coming months. TMWA’s Drought Situation classification system is presented in Table 5-5 along with recommended timing of TMWA’s EMC and eDMPs, given the level of the Drought Situation.

Table 5-5. TMWA's Enhanced Demand Management Programs by Drought Situation

		Month					
		May	Jun	Jul	Aug	Sept	Oct
Non-Drought Situation		DMP	DMP	DMP	DMP	DMP	DMP
Drought Situation							
Reserve supplies not needed before Labor Day	Level 1	DMP	DMP	DMP	DMP	DMP	DMP
Reserve supplies needed <i>before</i> Labor Day	Level 2	DMP	DMP	EMC	eDMP	eDMP	DMP
	Level 3	DMP	EMC	eDMP	eDMP	eDMP	DMP
	Level 4	EMC	eDMP	eDMP	eDMP	eDMP	DMP

DMP - standard demand-side management program

eDMP - *enhanced* demand-side management program

EMC - enhanced message campaign begins at least a month prior to eDMP deployment

Quantification of The Drought Response Plan TMWA initiated in 2014 is a good example of the Plan's effectiveness. In April of 2014 a *Drought Situation: Level 2* was identified. Factors for this classification included a seasonal snowmelt which would result in Lake Tahoe falling below its rim in the Fall and Floriston Rates were expected to drop-off by late-July. This meant, in addition to groundwater pumping, release of POSW would be required in the late summer months. Starting in July, TMWA began its EMC by asking its customers to reduce their water use by 10 percent compared to their use in 2013 in the coming months. Overall, TMWA's customers responded well to the request for a voluntary reduction of 10 percent. Table 5-6 shows the reduction in use by TMWA's customer classes.

Table 5-6. Month Retail Water Sale for August and September 2013 and 2014

Customer Class	Services	Sept 2013 Use (x1000 gal)		2014 Use (x1000 gal)		Percent Change	
		Median	Mean	Median	Mean	Median	Mean
Single Family Metered	88,256	38	43.90	32	37.80	-11.80	-9.50
Single Family Flat Rate	3,866	84	101.50	70	84.50	-14.70	-12.30
Commercial	4,405	49	213.20	42	189.30	-5.70	-4.60
Metered Irrigation	2,328	218	417.90	192	373.80	-6.70	-4.90

Note: this study looks only at water services with 2013 & 2014 data.

In April of 2015, due to the worst snowpack on record it was determined that the drought period would extend into the next irrigation season. In response to these hydrologic conditions, TMWA elevated the Drought Situation to *Level 4*. In May of 2015—two

months earlier than 2014—TMWA began its EMC and customers were asked to reduce their use by at least 10 percent in the coming months, again compared to 2013's usage. In the subsequent months the following eDMPs were deployed:

- television advertising,
- increased radio advertising,
- dedication of a conservation website (tmwa.com/save),
- increased Conservation Consultant staffing,
- conservation-car wraps (10 vehicles),
- internet advertising,
- table tents at restaurants stating water was served upon request,
- stickers in commercial restrooms reminding people to save 10 percent,
- increased educational programs, and;
- letters to HOAs requesting they not fine residents who let their lawns turn brown.

There was also a significant increase in media engagement with TMWA staff being interviewed almost daily. Table 5-7 compares the monthly retail water sales for June through September between 2013 and 2015. In addition, to TMWA normal customer classes, the table also shows the reduction by the newly acquired DWR and STMGID customer classes. In both years, customers went above and beyond with the average reduction being greater than the 10 percent requested.

Table 5-7. Monthly Retail Water Sale for June through September 2013 and 2015

Customer Class	Services	2013 Use (x1000 gal)		2015 Use (x1000 gal)		Percent Change	
		Median	Mean	Median	Mean	Median	Mean
Single Family Metered - TMWA	68,193	78	88.90	61	69.80	-19.70	-16.40
Single Family Metered - DWR	16,999	98	111.80	78	89.20	-19.10	-16.00
Single Family Metered - STMGID	3,164	146	160.40	112	125.10	-20.30	-18.50
Single Family Flat Rate - TMWA	3,473	185	219.60	137	165.40	-23.10	-21.60
Single Family Flat Rate - DWR	103	140	139.40	107	101.10	-24.60	-27.00
Single Family Flat Rate - STMGID	78	154	153.40	103	109.70	-29.10	-27.30
Commercial	4,945	92	423.20	71	368.20	-10.00	-8.70
Metered Irrigation	2,398	437	853.50	350	681.50	-18.00	-15.10

Note: this study looks only at water services with 2013 & 2015 data.

These past drought years exemplify the robustness of TMWA's Drought Response Plan and provide a good case study of how the eDMPs are flexible and can adequately control water demand given any level of drought severity. Should a drought occur, whose magnitude exceeds the worst drought on record, TMWA is engaged in a two-year, USBR-sponsored project to address climate change. TMWA will collaborate with UNR and DRI, to determine hydrologic conditions under "worst case" climate changes scenarios. The results will provide insight into the effectiveness of TMWA's current Drought Response Plan, given potential climate changes scenarios. It will also propose the level of need for an updated management framework should the existing Plan fail. The project's deliverable will be generalizable Decision Support System that can optimize water resource management given any water utility's situation. The final results of this two-year study will be available in July of 2017. Refer to Chapter 2 for more details about this project.

Demand Management Programs and Emergency Supply Conditions

Natural disasters and other unforeseen events can interrupt TMWA's available water supplies. These include floods, extreme low precipitation years, earthquakes, equipment failure, or distribution system leaks. Sometimes the events are localized within the distribution system and sometimes the whole community can be affected in which cases the government can declare a state of emergency. Under such cases, TMWA's goal is to minimize service disruptions and, when necessary, the community is asked for, and has responded favorably to, increased and more aggressive conservation messages and calls for water use reductions and restrictions. Some of the eDMPs to be used during a state of emergency include mandatory water conservation (i.e., once-per-week or no outside watering during summer months, reduced laundry at commercial properties, use of paper plates in restaurants, no use of potable water for non-potable purposes, heavy fines for water wasters, temporary "drought" rates, etc.). For more information on potential DMPs please see Appendix 5-5.

TMWA's personnel train for management operations under various emergency situations. This training has proven successful as water supply interruptions have been mitigated as swiftly and efficiently as possible such as the April 2008 earthquake in Mogul which destroyed the Highland Flume thereby precluding gravity-fed delivery of water to the Chalk Bluff Water Treatment Plant. TMWA mitigated the incident by 1) turning on its Orr Ditch Pump Station and installed temporary pumps to feed Chalk Bluff, 2) turning on its Glendale Water Treatment Plant, 3) turning on its wells as needed for irrigation demands, and 4) installing temporary piping around the Highland Flume failure to deliver more water to Chalk Bluff. These actions avoided any water supply interruptions for TMWA customers. Increased conservation by TMWA customers during emergencies is just one element of successfully managing water supply interruptions. Chapter 2 describes the types of response tactics TMWA deploys during emergency situations.

Summary

TMWA's Conservation Plan includes a comprehensive list of SMPs and DMPs. As water supplies fluctuate year to year—due to fluctuations in the seasonal snowpack—these programs ensure TMWA and its customers are able to conserve to the degree which is warranted. TMWA's current Conservation Plan meets or exceeds the state regulations (i.e., JPA, NRS, TROA) and recommendations for best practices (i.e., The Nevada Drought Forum: Recommendations Report). The success of any one program is evaluated depending on its scope and TMWA's ability to collect data on the participants and amount of water saved. Such metrics may include: the number of gallons saved (in total gallons or as a percent), the level of customer participation, estimated reduction of peak day usage, visibly improved water management practices, or the number of customers receiving water conservation education. Moving forward, TMWA will continue to assess the benefits from each SMP and DMP and may modify any to reflect new practices, technologies, or information regarding regional climate change.

The following highlights of this chapter include:

- TMWA's Conservation Plan meets the requirements of the JPA, NRS 540.313 through 540.151, and TROA.
- TMWA's water demand management programs pursue measures to efficiently use its available water resources by addressing water waste, system deficiencies (e.g., leaks, pressure changes, etc.), public education and outreach, watering schedules, and drought/emergency conditions.
- Demand management programs may be progressively enhanced during Drought Situations to address the need to reduce water use when water reserve supplies are impacted.
- Enhanced DMPs may be necessary in response to natural disasters and other events that have potential to interrupt TMWA's available water supplies.
- TMWA will continue to be engaged in the regional dialogue on responsible water use and will implement programs for its customers that benefit the region and support regional water use goals.
- TMWA will continually assess the benefits of implemented programs and may modify programs to reflect new practices, technologies, and regional climate information.
- New and innovative ways to improve efficient water use will continue to be assessed, including expanded uses of non-potable supplies.

CHAPTER 6 FUTURE WATER RESOURCES

Introduction

This 2035WRP has demonstrated that TMWA currently and for the foreseeable future will continue to rely on the conversion of Truckee River water rights from irrigation to M&I use to meet projected growth in the TRA with limited expansion of groundwater resources in the non-TRA. In the TRA, TROA provides the ability to further utilize Truckee River water rights to meet demands up to 119,000 AF/yr in conjunction with the conversion of irrigation rights, optimization of its recharge and conjunctive use opportunities. In addition to the TROA's demands TMWA has over 20,000 AF of groundwater and over 3,000 AF of creek resources that are over and above the TROA resources as well as 8,000 AF/yr of groundwater available from the NVIP (should resources be needed to meet new demands in the North Valleys).

This chapter discusses various water-resource management strategies that can be implemented or pursued in order to meet growth beyond the TROA supply. Discussed first are recharge and conjunctive use opportunities which take advantage of existing facilities and water resources to bolster TMWA's ability to reliably meet projected demands. The discussion focuses on future potential expansion of the NVIP, implementation of the Mt. Rose Fan Groundwater Sustainability Project, and Expanded ASR. The focus then shifts to other potential water supply projects that TMWA continues to monitor and consider for future demands beyond TROA.

Conjunctive Management Strategies with Existing Facilities and Resources

North Valleys Importation Project

NVIP is sponsored by Vidler Water Company ("Vidler"). In 2006, Vidler owned over 13,000 AF of irrigation water rights in the Honey Lake groundwater basin (referred to as the "Dedicated Water Rights"). The State Engineer had issued a ruling that the Dedicated Water Rights could be transferred interbasin for municipal use in southern Washoe County, but final permits were pending approval. Vidler had completed National Environmental Policy Act ("NEPA") review processes permitting the transportation of 8,000 AF of the Dedicated Water Rights through a pipeline to the North Valleys area of Washoe County.

Between 2006 and 2008, Washoe County entered a series of agreements with Vidler related to the interbasin water pipeline project which set forth various terms related to the construction and dedication of infrastructure, dedication of water rights, banking of water rights credits, and temporary use of Dedicated Water Rights. Washoe County was to acquire title to the Dedicated Water Rights while Vidler retained rights to sell and assign water credits for future will-serve commitments supplied by the Dedicated Water Rights.

The PLPT objected to the project, asserting that it would harm PLPT's existing and claimed water rights in the Honey Lake Valley, Smoke Creek Desert and Pyramid Lake Basins. These objections led to various litigious challenges by PLPT, which were ultimately settled pursuant to the *Pyramid Lake Paiute Tribe Fish Springs Ranch Settlement Agreement* dated May 30, 2007 ("Settlement Agreement").

Under the Settlement Agreement, construction of the NVIP project would be allowed to move forward in return for two payments from Vidler of \$3.6 million each (plus interest since 2007) and the transfer of several thousand acres of land to PLPT. PLPT would then waive the claims against Vidler for impacts or injuries to existing and claimed Tribal water rights for this project. PLPT would also drop the claims against the BLM. PLPT further agreed that Vidler would have the right to pump and transfer up to 13,000 AF from the project to “the End Users for the use of the End Users for any purpose and at any location allowed by the State Engineer” and to manage the project. The Settlement Agreement further requires Vidler to pay PLPT 12 percent of the gross sales price for each acre foot of water rights in excess of the 8,000 AF.

For the settlement to be implemented in full, the United States had to authorize PLPT to waive their claims and ensure that the U.S. does not take action against Fish Springs on behalf of PLPT after enacting the full settlement. This required Congressional approval to allow PLPT to waive their claims, prohibit the U.S. from taking action on behalf of PLPT after the agreement is enacted and release the U.S. from liability for PLPT’s waived claims. H.R. 3716 was signed into law on September 20, 2014 approving the Settlement Agreement.

In connection with the acquisition of the assets of the WDWR, on December 31, 2014 Washoe County assigned and TMWA assumed all of Washoe’s right, title and interest in and to the Banking Agreement, Dedication Agreement and License Agreement on the terms set forth in an Assignment, Assumption and Consent Regarding Water Banking Trust Agreement.

TMWA has agreed “to hold and reserve a quantity of water rights credits (the “Water Rights Credits”) equal to the amount of municipal permits issued by the State Engineer” which could be used by Vidler to satisfy water rights dedication requirements in connection with future requests for will-serve commitments. Vidler is ready to issue will-serve commitments for up to 8,000 AF of the Water Rights Credits. The remaining 5,000 AF of Water Rights Credits shall be held by TMWA and, no will-serve commitments will be issued on such remaining credits until all necessary permits have been obtained.

Vidler reserved “the exclusive beneficial interest” in all Dedicated Water Rights in excess of 8,000 AF, such excess rights defined as the “Additional Water Rights.” Vidler intends to import these Additional Water Rights into the TMWA service area at the time sufficient evidence of the resource sustainability exists. Vidler reserved to itself the exclusive right to all of the capacity in the infrastructure up to 13,000 AF, “for the purpose of transporting the Dedicated Water Rights, including the Additional Water Rights and any other Vidler water rights.” Vidler shall be solely responsible for all costs in upgrading, constructing and equipping project infrastructure to transport all or any portion of the Additional Water Rights, which infrastructure Vidler shall dedicate to TMWA.

Prior to the time when all of the Water Rights Credits are “in actual use for municipal service”, TMWA is authorized to use some or all of the water rights associated with the Water Rights Credits not otherwise committed to will-serve commitments “for its general temporary purposes, including groundwater recharge or conjunctive use management.”

TMWA’s North Valleys Integration Project, an \$18 million pipeline project funded by TMWA and to be reimbursed as development occurs, will be constructed in 2016 and integrate the NVIP into the North Virginia Pump System, making available the full 8,000 AF of water supply to the North Valleys.

Groundwater Sustainability on the Mt. Rose Fan

TMWA is enhancing groundwater resources in the Mt. Rose Fan area through conjunctive use management of surface water and groundwater. Due to dependence upon groundwater and the continued decline in water levels aggravated by the ongoing drought in this area, it is necessary to provide a supplemental source of supply for the water systems located on the upper Mt. Rose and Galena Fan areas. These areas currently rely on groundwater wells for 100 percent of their water supply and the continuing drought situation, and domestic and municipal well pumping, has severely limited the amount of natural recharge to local aquifers. With the full resources consolidated water utility available, immediate construction of the facilities to implement conjunctive use management has begun. This will improve reliability for both TMWA customers and domestic well owners by mitigating the continued decline of groundwater levels in the area.

TMWA is implementing a \$7.8 million conjunctive-use plan for the Mt. Rose/Galena Fan area, consisting of three projects which will provide the ability to deliver treated surface water from the Truckee River to the area:

- Arrowcreek/Mt. Rose Conjunctive-Use Facilities
- Expanded Conjunctive-Use Facilities/ASR Program
- STMGID Conjunctive-Use Facilities

The Arrowcreek/Mt. Rose Conjunctive-Use Facilities, Phase 1 will deliver up to 1,500 gpm of surface water primarily during the winter months. This allows TMWA to not pump its production wells in the Arrowcreek and Mt. Rose water systems. These facilities consist of three booster pump stations and about 3,600 feet of 10-inch pipe on Zolezzi Lane. When installed, the project will deliver water to the Arrowcreek No. 3 Tank, located below the Thomas Creek Trail parking lot off Timberline Drive. This \$2.8 million project is scheduled for construction in the summer of 2015; the facilities are planned to be operational by November of 2015.

TMWA is also expanding its ASR in this area. ASR occurs during the fall, winter and spring. The first wells scheduled to be equipped for recharge are Arrowcreek 2, Tessa West and Mt. Rose 3. An additional component of the overall ASR program is Phase 2 of the Arrowcreek/Mt. Rose conjunctive-use facilities. Scheduled to be constructed in 2016-2017, Phase 2 will consist of an additional \$1.2 million of system improvements. This will allow delivery of surface water into the upper portions of the Mt. Rose/Galena water system for use in recharging additional wells.

The third project, the \$3.8 million STMGID Conjunctive-Use Facilities, will provide surface water primarily during the winter months for an area which primarily serves former STMGID customers, located in the vicinity of the Saddlehorn neighborhood. The facilities will be constructed in 2017/2018, benefiting TMWA customers and domestic well owners by providing surface water to protect and restore groundwater resources. The project will consist of a new booster pump station and about 8,100 feet of 10-inch pipe to be located on Arrowcreek Parkway. These facilities will deliver about 1,000 gpm to the STMGID Tanks 4 and 5 zones during the winter months.

Effective June 1, 2015, TMWA's Board of Directors adopted revisions to its rules, water rights dedication policies and Water Service Facility Charges ("WSF") for the Mt. Rose/Galena Fan area. These changes affect new development in the area. The newly adopted rules and WSF

charges along with existing water rights dedication rules require developers in this area to dedicate supplemental surface water (creek) supplies when dedicating groundwater for new service in the area. Supplemental surface water resources (Whites, Thomas and/or Galena creeks) are a key component of the conjunctive resource management plan and necessary to ensure a sustainable water supply for existing customers, domestic well owners and new development in these areas.

Surface water from Whites, Thomas and Galena creeks has historically been used for agricultural irrigation. These creeks remain a key part of the regional water resources for the South Truckee Meadows. For instance, the creeks are used to augment the South TRMWF reclaimed water (purple pipe) supply. The State Engineer also permits the use of these creek rights for water service.

In order to develop supplemental surface water supplies that will provide for the long-term sustainability of the local groundwater aquifer, TMWA is implementing a plan to construct a small water treatment plant off of Whites and Thomas Creeks— this plan was approved as part of Washoe County’s 2002 South Truckee Meadows Facility Plan (“STMFP”). The STMFP recognized that, “The upper treatment plant is an integral component of the recommended water supply plan. Most importantly, it will provide recharge water and/or offset winter groundwater pumping in the upper Mt. Rose fan area.”

The Mt Rose Water Treatment Plant (“MRTP”) is planned to be constructed to with for a production capacity of up to 4 MGD. When adequate Whites and Thomas Creek flows are available, a portion of the flow will be diverted to the MRTP leaving sufficient flows to maintain wildlife and habitat needs, as well as downstream irrigation requirements. A methodology called the “Tennant Method” was utilized to estimate the amount of flow needed to maintain “Good” habitat conditions in each of the creeks. The Tennant Method is a widely accepted methodology used specifically for this purpose and takes into consideration the needs of the plant communities, fisheries, and wildlife. TMWA is using the Tennant Method flow rates and the downstream water right diversions to set flow objectives for the creeks. Based on these flow objectives, an analysis was performed to quantify the potential yield from the creeks. It is anticipated that of the 4,852 AF/year of water rights available for M&I use off of Whites and Thomas Creeks, an estimated 3,200 AF will be diverted in a typical year. Depending on the time of year, diversions to the plant will be reduced or stopped because the natural flow in the creeks falls below the flow objectives. A future analysis using similar methodology will be performed to quantify the potential yield from Galena Creek in order to estimate additional surface water supplies that could also be developed to help provide additional long-term sustainable water supplies for the area.

Aquifer Storage and Recovery

TMWA defines ASR as the injection of treated surface water into the underground aquifer for later withdrawal. Chapter 3 provided a background of TMWA’s recharge activities in the Truckee Meadows, Lemmon Valley, and Spanish Springs. ASR can increase the natural supply of groundwater by storing surface water underground when excess supply and treatment capacity exist, and by mitigating groundwater contamination. TMWA has equipped its production wells to allow for treated water to flow back into the wells under pressure during winter time operations.

As part of the overall 119,000 AF/yr supply of TROA, TMWA can pump an average of 15,950 AF/yr. TMWA can pump groundwater in excess of 15,950 AF/yr with or without combining with other water rights as long as those other water rights do not rely on storage under the TROA. In the TRA, new groundwater projects in excess of this 15,950 AF can be pumped separately or paired with water rights that do not rely on TROA storage and will not be counted against TROA's 119,000 AF demand. Chapter 3 described the management of Truckee River resources requires not only the acquisition of irrigation water rights but also increasing the amount of drought reserves to back-up the Truckee River rights during Drought Situations. TMWA backs up Truckee River rights by expanding its drought reserves by increasing upstream storage (i.e., TROA) or increasing the ability to pump more groundwater. The greater the ability to pump groundwater during a drought-year, the greater number of surface water rights that can be supported thereby expanding the number of commitments that can be made through the dedication of more surface water rights.

An additional ASR opportunity may exist with using former WDWR well facilities in Spanish Springs for recharge; there may be sufficient capacity that could be used during drought years to extract additional groundwater. The yield would be calculated by assuming that Spanish Springs would be served by Truckee River water eight months of the year and their full groundwater rights would be utilized during the four summer months for peaking. No additional well capacity would be required to operate in this manner; however, additional injection, booster and/or pressure reducing facilities may be necessary. Prior to TROA taking effect, TMWA may use any of its water rights for ASR; after TROA takes effect it will be necessary to ensure that the obligations to store water rights under TROA are fulfilled before water rights are utilized to support this project. The amount of water rights available to this project would be utilized to calculate how many surface water rights this recharge concept would support. The project is over and above TROA's 119,000 AF demand limit.

Integrated Water Management

Regional water and wastewater challenges facing the Truckee Meadows include such complex issues as ensuring sustainable water supplies to meet existing and future demands within the Truckee Meadows Service Area ("TMSA"); maintaining the appropriate water quality discharge standards and treatment capacity requirements at several of our region's wastewater treatment plants; and addressing competing needs for the region's limited water resources to meet commitments to water supply, water quality, instream flows and the environment. Many of these regional water issues are interrelated and their affects go beyond individual watershed boundaries. Solutions to one system, such as water, wastewater or flood control will likely affect the needs and costs of one or more of the other systems. In addition to being challenging, resolving many of these water issues will be expensive. Clearly, an integrated water management approach that utilizes the region's common water resources and facilities to their optimum advantage has the potential to not only reduce costs, but also increase the level of service, enhance water quality and provide environmental benefits.

To help advance solutions to these regional water management issues, a process referred to as the North Valleys Initiative ("NVI") was undertaken by the NNWPC and the WRWC from May 2008 through July 2010. The NVI process was a collaborative effort among key staff from

the City of Reno, the City of Sparks, WDWR, SVGID and TMWA, designed to identify recommended solutions to many of the region's water issues.

The North Valleys is one area within our region that is expected to see an increase in population in the near future. Large tracts of land within the North Valleys have been master planned for commercial and residential development. This includes the Reno Tahoe Airport Authority ("Airport Authority") property in Stead, which is one of the largest tracts of undeveloped commercial and industrial property in the region. The Airport Authority property will be instrumental in providing a new employment center as the area develops.

Much of the area's future water supply requirements will be satisfied by the NVIP and TMWA's North Virginia pumping system. These water supply facilities augment the local groundwater resources, and both are currently available to serve the Stead and Lemmon Valley areas. With additional improvements, these facilities can also be extended to provide much needed water supplies to Cold Springs. Although these water supply sources are substantial, long-term development potential of the area may be constrained as a result of ultimate water supply and wastewater disposal limitations. Because of their proximity and similarities concerning water supply and wastewater disposal, a coordinated regional water planning effort for the Stead, Lemmon Valley and Cold Springs areas is currently being pursued.

The NVI process evaluated an alternative to traditional effluent reuse and disposal practices, referred to as potable reuse. Potable reuse is the process of purifying wastewater to such a high quality that the water can be put back into the drinking water supply. Indirect potable reuse ("IPR") is a process whereby the purified water is stored in an environmental buffer such as a lake or aquifer before re-entering the drinking water supply. The NVI process evaluated one potential IPR concept, whereby treated wastewater would be purified and recharged to replenish the local aquifer. The NVI process concluded that IPR could provide for an efficient use of water resources; defer expenditures on future water importation projects; and provide a safe, local, drought proof, reliable water supply as well as a potential solution to groundwater basin over-drafting. Potential long term accumulation of salts, public acceptance and a lack of regulatory guidance in Nevada are some of the challenges that would need to be overcome.

Presently, the NDEP has established a Reuse Steering Committee which is undertaking a comprehensive review of the reuse program for treated effluent, with a goal of providing strategic direction for future reuse in Nevada. Categories of reuse being evaluated include urban, agricultural (food and non-food crops), impoundments, environmental, industrial, groundwater recharge (non-potable) and IPR. Presently, several states including California, Florida, Montana and Texas have specific regulations for indirect potable reuse, and several additional states including North Carolina, Pennsylvania, Virginia and Washington allow IPR on a case by case basis.

IPR and groundwater replenishment must demonstrate safe, reliable water quality, practicality, affordability and public acceptance. Today, coastal communities like Orange County, California utilize reverse osmosis ("RO"), high-energy ultra-violet radiation ("UV") and peroxide treatment as part of their IPR Groundwater Replenishment System. Because RO brine disposal to the ocean is not readily available, this approach may be neither affordable nor appropriate for many inland areas like Reno. Coincident with the NVI process, the City of Reno conducted an alternative treatment demonstration project at the Reno-Stead Water Reclamation Facility for regulatory evaluation using membrane filtration ("MF"), peroxide, ozonation ("O3"),

and biologically activated carbon (“BAC”). Data from Reno’s MF-Peroxide-O3-BAC pilot project has shown that the following process capabilities can be accomplished:

- Reduces contaminants to very low and non-detectable concentrations;
- Avoids increasing the corrosivity of the product water, a serious concern for IPR in arsenic-rich aquifer formations;
- Significantly reduces biodegradable dissolved organic carbon (“BDOC”) concentrations to minimize bio-fouling of IPR aquifer injection wells;
- Removes O3 transformation byproducts.

Compared to RO-UV-Peroxide systems found in Orange County, Reno’s MF-Peroxide-O3-BAC process eliminates treatment and disposal of RO process reject water, and has the benefits of multi-barrier treatment for all major categories of contaminants of concern, provides reliability; lower capital costs; lower operating and maintenance (“O/M”) costs and simpler O/M tasks; and lower energy use.

Recently, grant funds for a nation-wide study by the WaterReuse Research Foundation have been secured by a local consulting firm working in collaboration with American Water (the largest investor-owned U.S. water and wastewater utility company) to further the advancement of this promising technology. In 2016, a similar MF-Peroxide-O3-BAC demonstration project will be conducted locally at Washoe County’s South TMWRF, with involvement of technical staff from Reno, Sparks, Washoe County and TMWA. The results of this effort will allow the potable reuse industry to make informed decisions on the viability of ozone-BAC to meet regulatory goals and future water supply needs.

Conceptually, an IPR project might be well suited for areas such as the North Valleys or the South Truckee Meadows. IPR in these locations could improve the utilization of existing water resources and water rights, since the Water Reclamation Facilities for these areas do not return the treated water to the Truckee River. The purified water could be recharged using infiltration basins or injection wells in areas generally isolated from domestic wells, blended with ambient groundwater, and recovered using TMWA’s municipal wells after the water is retained in the aquifer for a period of months to years and has travelled a minimum distance through the ground.

There is the potential to expand the local water supplies by several thousand AF/yr through implementation of a safe, drought proof and reliable IPR project. Reported capital costs for the MF-Peroxide-O3-BAC treatment process are in the range of \$5 to \$10 million per MGD of treatment capacity, not including site specific costs for piping from the treatment facility to an infiltration or injection site, and development of the recharge infrastructure. This compares to \$20 to \$40 million per MGD of treatment capacity for an RO based treatment system where zero liquid discharge of the RO brine waste stream is required.

TMWA will continue to closely monitor national, state-wide and local advancements in the potable reuse industry to determine its potential applicability to the Truckee Meadows.

Bedell Flat ASR

As part of TMWA's overall conjunctive use management strategy, TMWA is working with the City of Reno and Washoe County to initiate an evaluation of the feasibility of an integrated water resource ASR program in Bedell Flat. Bedell Flat was identified in previous analysis performed by the City of Reno in 2007 as having potentially favorable geologic conditions for disposal of treated effluent. Furthermore, several potential reservoir sites ranging in size up to 30,000 AF were identified within Bedell Flat as part of the *2007 City of Reno / Washoe County TMSA/FSA Water, Wastewater and Flood Management Facility Plan*. With completion of the NVIP in 2008, transmission pipeline infrastructure is in place along the east side of the basin which could be improved to convey stored water from Bedell Flat into the North Valleys. Water stored or banked in Bedell Flat could serve as a non-Truckee River based drought or emergency water supply for the region.

Bedell Flat is located in southern Washoe County, about 13 miles north of Stead and appears to have favorable hydrogeologic characteristics for a large scale ASR program (see Figure 6-1).

Bedell Flat is a relatively small (51 square miles), undeveloped hydrographic basin comprised of federal lands administered by the Bureau of Land Management. Depths to water range from less than 5 feet in the northwest, where surface drainage exits the basin, to at least 140 feet near the middle of the basin. Additionally, geologic materials appear favorable as the basin is drained and nearly impermeable playa sediments are notably absent.

Several water resource ASR options are under consideration within Bedell Flat. These options include: injection of potable water using ASR wells off of the existing NVIP pipeline; infiltration of highly treated wastewater along a natural drainage referred to as Bird Spring Wash; infiltration of highly treated wastewater through a proposed engineered infiltration gallery, also known as a spreading basin or rapid infiltration basin (RIB); or a combination of these. Geologic/hydrogeologic feasibility investigations and environmental clearance and permitting work are proposed to gain an understanding of the feasibility, scope and cost of a water banking program in Bedell Flat.

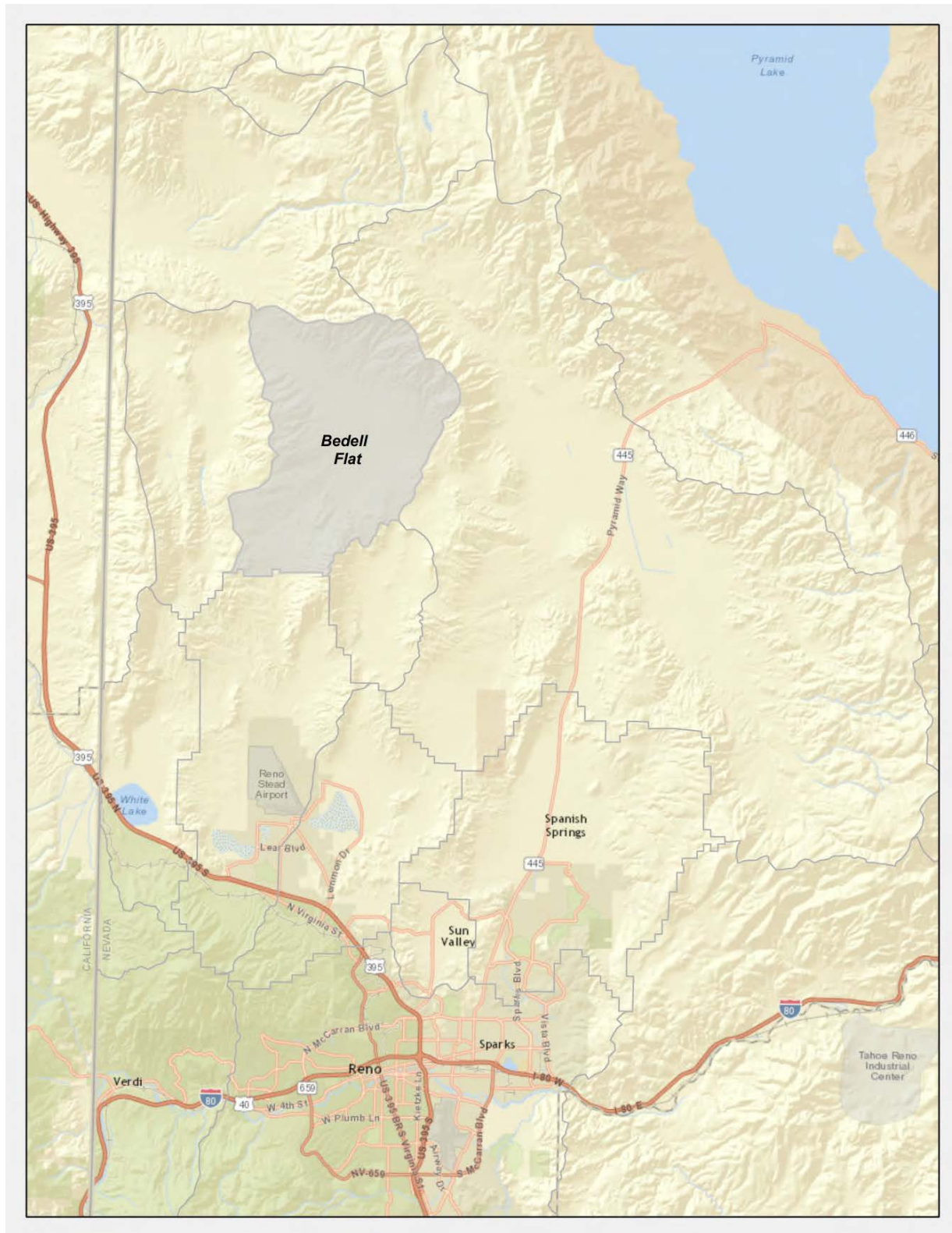


Figure 6-1. Location of Bedell Flat Hydrographic Basin

Potential Water Supply Projects

There are a number of water importation projects being pursued by private developers who may be willing to bring these water supplies to the region. Also, the water supplies provided by TROA, ASR and conjunctive use can be timed either near term or into the future without losing the opportunity to pursue those projects. These water supplies are analyzed from the standpoint of long term water quantity and water quality because if the projects are not sustainable in perpetuity, TMWA and its customers would be required to make up for such lack of water or water quality. However, to the extent these private developers find their projects to be environmentally permissible, cost effective and worth the financial risk they may take, TMWA would integrate these projects into its water resource supply mix and would accept will-serve commitments against these supplies before other supplies are fully allocated.

For this discussion it is assumed that future water resource projects will be implemented in the most economical fashion by the appropriate entity, such as Vidler, with the ability to assume the risk and invest the time and effort for permitting, design, construction, and financing of a water supply project - a function that TMWA does not currently undertake at this time due to the inherent risks of stranding investment until will-serve commitments can be sold and facility charges collected to cover the cost of developing a project.

The following is a partial list of potential water supply projects that TMWA may be able to use to expand future supplies. The following information summarizes the status of proposed water importation projects in hydrographic basins outside of the Truckee Meadows, however, detailed information is limited. The information is based on data currently available and is by no means exclusive to any new project, combination of projects, or future configuration of how the water resources could be integrated into TMWA's system.

Intermountain Water Project

Sponsored by Intermountain Water Supply, Ltd., the Intermountain Water Project ("IWP") is permitted for 3,564.1 AF/yr for municipal water from three close-in basins to supply water to the North Valleys. Interbasin transfers have been approved as follows: Bedell Flat, 368.1 AF/yr, Lower Dry Valley ("LDV"), 2,000 AF/yr, Upper Dry Valley ("UDV"), 996 AF/yr, and Newcomb Lake, 200 AF/yr. The project received a record of decision ("ROD") from BLM for a pipeline and related infrastructure from the LDV and Bedell Flat well sites to Lemmon Valley as well as an Environmental Assessment for a power line from NV Energy's transmission line on Red Rock Road to the Bedell Flat well site and pump station. Right-of-way grants and easements over private land have been secured for the LDV and Bedell Flat well sites. Private easements have also been secured for the Newcomb Lake well site and a portion of the UDV well sites.

Test wells have been drilled and pumped in LDV which indicate a sustainable yield of 25 percent more water than is currently permitted. The project can be developed in increments as demand requires, starting with Bedell Flat and moving through the five LDV well sites and thereafter to Newcomb Lake and UDV. Washoe County has issued the IWP a Special Use Permit.

Lower Smoke Creek Importation.

The Lower Smoke Creek (“LSC”) project is located just north of Pyramid Lake in Basin 21 in Washoe County. Much of the water in Basin 21 is held primarily by one owner through various entities, including Bright-Holland Co., a Nevada corporation and Jackrabbit Properties LLC, a Nevada limited liability company. In the mid-2000’s Jackrabbit and Bright Holland assembled water rights in Basin 21 and executed an option to sell with Granite Fox Power, LLC also known as Sempra. The option agreement at the time encompassed approximately 28,000 AF of groundwater and surface water combined. It was Sempra's intent to use the water for a \$2 billion coal fired power plant within Basin 21. Subsequently, Sempra decided not to proceed with the power plant project and as a result, released its options to purchase the water. Jackrabbit and Bright Holland, in turn, executed a water development agreement with LSC Development, which intends to develop a water importation project rather than a power plant project. The first phase of the water importation project is intended to capture the water in the southern portion of Basin 21 and pipe the water to Winnemucca Ranch and other planned developments consistent with the relevant water resource plans. The second phase would extend the pipeline to transport water from the northern portion of Basin 21. Basin 21 has a yield substantiated by the USGS of 16,000 AF and is currently being adjudicated. Sempra completed extensive groundwater testing and modeling, which confirmed the long term sustainability of the water resource. LSC Development updated the modeling to reflect a municipal water project. With this existing information, including USGS gauges in place since 1986, the abovementioned water rights will support approximately 10,500 to 14,000 AF of municipal water annually, subject to State Engineer approvals.

Other Conceptual Projects

The following project descriptions come from various water supply plans that have never made it past the concept or permit stage. They provide ideas for future water supply possibilities; little is known of the status of these projects, but economics may someday stimulate renewed interest.

Dixie Valley Ground Water Importation. This supply alternative proposes to develop ground water in Dixie Valley and transport it via a pipeline over the Stillwater Range to Lahontan Valley. The water could support growth in the Fallon area, provide irrigation water, or augment supplies in the Lahontan Valley wetlands. Water from Dixie Valley utilized in the Lahontan Valley could displace the use of Truckee River water. Water rights thereby freed-up on the Truckee River could be transferred upstream.

Long Valley, California, Ground Water Recharge and Importation. Long Valley, California is located north of Reno and west of Bordertown, Nevada. The owners of Evans Ranch, Inc., have filed applications with various California governing agencies to recover an estimated 3,300 AF of surplus surface water from the Long Valley Creek system and use this water to recharge ground water supplies in the valley. The surface water would replace ground water which would be withdrawn and transported for use in the lower (Nevada) portion of Evans Ranch and/or quasi-municipal uses in developing areas in Washoe County, Nevada.

Red Rock Valley Importation. The Red Rock Valley Importation (“Red Rock”) project proposes to transport between 1,000 to 1,300 AF of water from the Red Rock groundwater basin to the north end of WLW. TMWA entered into a purchase agreement with Red Rock subject to satisfying certain conditions of supply (e.g., 1,000 AF minimum State Engineer permit) and facility construction. In January 2008 the State Engineer issued a permit for 855 AF with conditions that allow the project to expand up to 1,273 AF. Through 2008 Red Rock’s project sponsors progressed with design and planning which led to filing an application for a Special Use Permit with Washoe County in December 2008. The Board of Adjustment denied the application at its March 4, 2009 meeting and the BCC also denied an appeal in May 2009.

Silver State Importation Project. Silver State Importation Project (“SSIP”), also called the Washoe County Ground Water Importation Project, is a proposal to develop ground water sources in 19 hydrographic basins in central and northern Washoe County for importation into the Truckee Meadows. The plan was originally created to provide drought year water supplies for the Truckee Meadows served by TMWA and year-round supplies to Lemmon Valley, SSV, Cold Spring Valley, Warm Springs Valley, and adjacent areas. SSIP was proposed to proceed in five stages over a 50-year period. The final project includes 372 miles of buried steel pipeline ranging in size from 14 to 60 inches, 8 pumping stations, 42 production wells, and underground terminal storage.

Sierra Valley Water Rights. Since the late 1800s, a diversion ditch has carried up to 60 cfs of water for agricultural use from the Little Truckee River above Stampede Reservoir out of the Truckee Basin to Sierra Valley, California, in the Feather River basin. The Little Truckee River diversions are inversely proportional to the Sierra Valley natural runoff, i.e., the lower the available flows in the native Sierra Valley streams, the higher the diversions from the Little Truckee River. Thus, these rights have a higher drought yield than a normal year yield, but the ability to store these rights would be required.

Summary

This chapter presented the status of various ground and surface water projects. The majority of them have been reviewed and analyzed in various water resource plans over the past 20 years. The projects discussed here are not all inclusive, but are projects that have been studied in the past or continue to be considered potentially viable. The selection of the next water supply project is strictly a function of the project’s yield, ease of implementation, sustainability, and financial feasibility as determined by existing regional economic conditions and market forces that would or would not favor the development of a future water supply project. It may be that in the future as new technology becomes available or the political, regulatory or public opinion changes, new projects may be developed or projects previously thought infeasible may become feasible. Specific conclusions are:

- In the TRA, TROA will provide 119,000 AF/yr, sufficient to meet the projected demands through the planning horizon.

- The NVIP place of use is in the North Valleys, the project is operational, and will yield 8,000 AF/yr.
- Plans are underway to construct creek-treatment plant(s) to help reverse declining groundwater supplies in the area and support expanded use of creek water rights for future development.
- There are several importation projects for the North Valleys area that are in various stages of permitting and/or design. Construction of these projects is subject to positive changes in economic conditions leading to increased demand for water supplies.
- TMWA will continue to closely monitor advancements in the potable reuse industry to determine its potential applicability to the Truckee Meadows.
- Over the years, numerous projects have been proposed but remain unbuilt due to lack of financing, permitting, conceptual design, institutional or regulatory constraints, etc.

CHAPTER 1 INTRODUCTION

This Introduction to the 2035WRP frames the more significant challenges to water resources that have developed since the last water resource plan (“WRP”) and sets the context for this WRP. This 2035WRP builds upon the information developed and contained in prior WRPs as well as various regional planning efforts.

~~The Truckee Meadows Water Authority (“TMWA”) was formed in direct response to a September 2000 announcement by Sierra Pacific Resources (“Sierra”) of its intention to sell its water utility business serving water to the greater Reno/Sparks area in Washoe County, Nevada. On October 20, 2000 Reno, Sparks and Washoe County (“RSW”) submitted a joint “Proposal to Purchase the Water Utility Assets of Sierra Pacific Resources.” RSW indicated intent to form a Joint Powers Authority (“JPA”) and to have the JPA in existence upon selection as the successful bidder. On November 13 and 14, 2000, a Cooperative Agreement was executed between RSW forming TMWA⁴. TMWA was officially born by RSW’s execution of the “Cooperative Agreement among City of Reno, City of Sparks, and County of Washoe” on December 4, 2000 pursuant to the provisions of Chapter 277 of the Nevada Revised Statutes (“NRS”).~~

~~The broad underlying principles RSW sought to achieve through TMWA include:~~

- ~~• Assure that water resources are developed and managed to fulfill the present and future water needs of the greater Truckee Meadows community.~~
- ~~• Acquire and manage the water assets for the benefit of the Truckee Meadows community.~~
- ~~• A need for RSW to act together with respect to water supply and water quality.~~
- ~~• Secure additional supplies and effectively manage existing supplies which can best be achieved through the cooperative action of RSW operating through TMWA.~~

~~After the successful launch of TMWA, RSW subsequently submitted and was awarded the successful bid to acquire Sierra’s water utility business on January 15, 2001. On June 5, 2001 TMWA sold \$452.3 million in bonds pledged against its revenues and the sale of Sierra’s water utility business with the transfer of title to all diversion, treatment, conveyance, water transmission, wells and distribution related facilities was completed. When TMWA opened for business on June 11, 2001, 127 employees, all former water division employees of Sierra, continued managing and operating the water utility business for the greater Truckee Meadows area, and began the process to meet the business objectives established by the JPA, TMWA’s Board of Directors and its management team.~~

In March 2003 TMWA published, and the Board adopted, TMWA’s 2005-2025 *Water Resource Plan* (“2025WRP”) which ~~That plan~~ presented:

- History~~a summary of the history~~ of municipal water supply in the Truckee Meadows;

⁴~~The original Cooperative Agreement, in 2000 was subsequently revised in 2005 to change the make-up of the Board from 7 members (3 Reno, 2 Sparks, 1 Washoe County, 1 Unidentified) to its current form (3 Reno, 2 Sparks, 2 Washoe County); and in 2010 to revise the agreement to accommodate potential merger with Washoe County.~~

- ~~the understanding~~ Description of the region's water supply system including; a conjunctive management of surface and groundwater;
- ~~Confirmation~~ confirmation of the use of Truckee River flows during the historical 1987-1994 drought period as the basis for TMWA's 9-year drought plan;
- ~~Projected~~ projected population and water demands;
- ~~Conservation program~~; conservation programs and.
- ~~Potential measures to reduce annual water use and minimize water waste; and potential~~ future water resource options.

Subsequent to the Board review of its water resource plan strategies in Fall 2009, the Board adopted its *2010-2030 Water Resource Plan* ("2030WRP") in December 2009. The 2030WRP built on the foundation strategies established in the 2025WRP in addition to responding to then current issues involving:

- ~~Chapter 1~~• Legislative directives to consolidate water purveyors in Washoe County;
- ~~Chapter 2~~• Execution by the five Mandatory Signatory Parties (TMWA, Pyramid Lake Paiute Tribe ("PLPT"), California, Nevada, and the United States ("U.S.)) and seven other parties of the Truckee River Operating Agreement ("TROA") on September 6, 2008;
- ~~Chapter 3~~• Changes in population and demand projections as a direct result of the regional economic malaise from 2007-2009 when the 2030WRP was drafted; and
- ~~Chapter 4~~• Completion of the retrofit of flat-rate, single-family residences that were required to be retrofit as part of the 1989 Negotiated River Settlement.

Continuing with the Board's prior recommendations, this 2016-2035 Water Resource Plan ("2035WRP") reviews, updates, and/or modifies TMWA's water resource planning and management strategies due to a number of key events that have occurred over the past five years which include:

- The merger of Washoe County Community Development-Department of Water Resources ("WDWR") and South Truckee Meadow General Improvement District ("STMGID") water utilities into TMWA was completed December 31, 2014. Combining the three purveyors ~~intounder~~ one jurisdiction allows for a consistent water management strategy to be implemented across the majority of water consumers and water resources in southern Washoe County. While the merger allows for greater efficiency in water management planning, it also poses additional resource management challenges to ensure adequate supplies are available~~supply~~ within the expanded Truckee Resource Area⁵ ("TRA")⁶.

⁵ ~~The Truckee Resource Area ("TRA") is that portion of TMWA's service area within which the utility will accept for dedication, subject to certain conditions, a Truckee River water source/right for the delivery of water to a service property that can be served with Truckee River resources.~~

⁶ The introduction and use of the phrase "Truckee Resource Area" ("TRA") is used to designate TMWA's existing retail and wholesale service areas within which (1) TMWA will accept for dedication, subject to certain conditions,

- A reversal of negative or stagnant economic trends dominating the region since 2007 which altered the economic activity and growth expectations for the Truckee Meadows. The region began experiencing a modest economic resurgence in late 2013 which continues today. This economic shift results in a need to examine the current population trend and its possible effect on water demand and future resource requirements.
- Completion of the remaining conditions precedent to implementing TROA since it was signed by the five Mandatory Signatory Parties in 2008. Favorable California State Water Resources Control Board approvals in 2012, California state court dismissal of an appeal in 2014, and recent Federal court rulings in 2014, ~~paved~~~~are paving~~ the way for implementing TROA. This past August 2015 major milestones related to the Reno, Sparks and Washoe County obligation to supply 6,700 ~~acre-feet~~ (“AF”) of Truckee River water rights were completed. ~~The last two lawsuits Filings were dismissed made in August and September and November 2015 allowing to dismiss the last two lawsuits which are the final two elements to “check-off” before TROA to be implemented December 1, 2105.~~ With TROA in effect, the framework is now in place that provides greater flexibility in river operations, particularly during drought conditions as TMWA’s drought storage potential increases, river flows are enhanced for endangered and threatened fish species, and water rights of the signatories and non-signatories to the agreement are protected.
- The region ~~has experienced four years is in the fourth year~~ of a meteorologic drought that has produced consecutive lower-than-average snowpack years. The hydrologic drought conditions on the Truckee River began to develop ~~in~~ late 2014 ~~—~~ the third year of the meteorologic drought – and had little impact on TMWA’s water supplies or drought reserves. The hydrologic drought conditions grew more severe in 2015 due to the lowest snowpack in 106 years of historical record keeping. The lack of precipitation has led to an extended drought period similar to 1991 through 1994 with the more regional impacts occurring in 2015.

Given these events, current water resource planning must consider the potential for prolonged drought years while accommodating for regional growth over the next 20 years. Projected changes in supply and demand will impact TMWA’s water facility and capital improvement plans which, in turn, can impact the rates charged to customers, including facility charges ~~for new development. . TMWA’s 2035WRP is one component of the coordinated planning efforts addressing the water resource, and ultimately the facility challenges facing the utility and the region in order to develop workable strategies that are cost effective while protecting the financial integrity of TMWA. A visual presentation of the cyclical relationships of this integrated planning approach TMWA undertakes periodically is shown below in Figure 1-1.~~

~~a Truckee River water source/right for the delivery of water to a service property that can be served with Truckee River resources and (2) facilities exist or can be constructed at a developers expense that can transport potable Truckee River water that once it has been diverted and treated at TMWA’s Chalk Bluff or Glendale Water Treatment Facilities. TMWA operates 5 separate systems in hydrographic basins that are not served from the treatment plants and are grouped under the “non-TRA” designation. These designations are needed to track the surface and groundwater rights to be assigned to various service areas and whether the rights and their use are part of resources for TROA.~~

~~This cycle of review and updating is a continuous process necessary to respond to changing economic and environmental factors that may affect the Truckee Meadows and the surrounding region.~~

Water Resource Plan Scope

~~One of the main purposes in creating TMWA was to meet the “common interest in assuring that water resources be developed and managed to fulfill the present and future water needs of the greater Truckee Meadows community” and “to assure sufficient water supply to meet the needs of existing and future development.” (JPA Recitals “A” and “D”). As a result of the consolidation of the Washoe County Department of Water Resources Water Utility (“WDWR”) and the South Truckee Meadows General Improvement District (“STMGID”) into TMWA, described later in this chapter, TMWA’s retail service area expanded by approximately 50 square miles and into hydrographic basins where TMWA previously did not supply retail water service. The area acquired is within the planning boundary of the WRWC, and the TMSA except for several remote, satellite service areas in Washoe Valley and near Wadsworth,~~

~~The map in Figure 1-1 shows the relationship of TMWA’s retail service areas to the TMSA and the WRWC planning area.~~

~~It is important to note the scope of TMWA’s water planning process, as defined by its JPA directive, does not provide for municipal sewer, reclaim, flood control, storm drainage or groundwater remediation. Those functions are planned for by Reno, Sparks or Washoe County. All water-related utility planning efforts, including TMWA’s water plan and facility plan, are incorporated into the Western Regional Water Commission’s *Regional Water Management Plan* (“RWMP”) under revision at the time of this writing. TMWA is required to provide retail water service to customers within its retail service area, and the JPA authorizes TMWA to establish a water resource plan which shall reflect, among other things, water supplies available to TMWA from all sources to meet the demands within the retail service area. This water plan follows the process in previously Board approved plans in that the scope is directed towards planning water supplies for TMWA’s existing and future demands for land to be developed within TMWA’s existing retail service area and for those areas where it proves economically feasible to receive TMWA water service within the TMSA or beyond.~~

~~In January 2010, the Regional Planning Governing Board (“RPGB”) adopted amendments to the Truckee Meadows Regional Plan (“Regional Plan”) and the RPGB Regulations on Procedure as a result of 2008 Washoe County Ballot Question No. 3 (“WC-3”). The RPGB with support of the WRWC is responsible to respond to WC-3. However, in 2010 TMWA assisted the WRWC in their efforts to respond the RPGB in estimating the population that can be supported by the sustainable water resources identified in the RWMP and whether sufficient water resources were available to satisfy the projected water demand based on the population estimated by the 2010 Washoe County Consensus Forecast (“Consensus Forecast”).~~

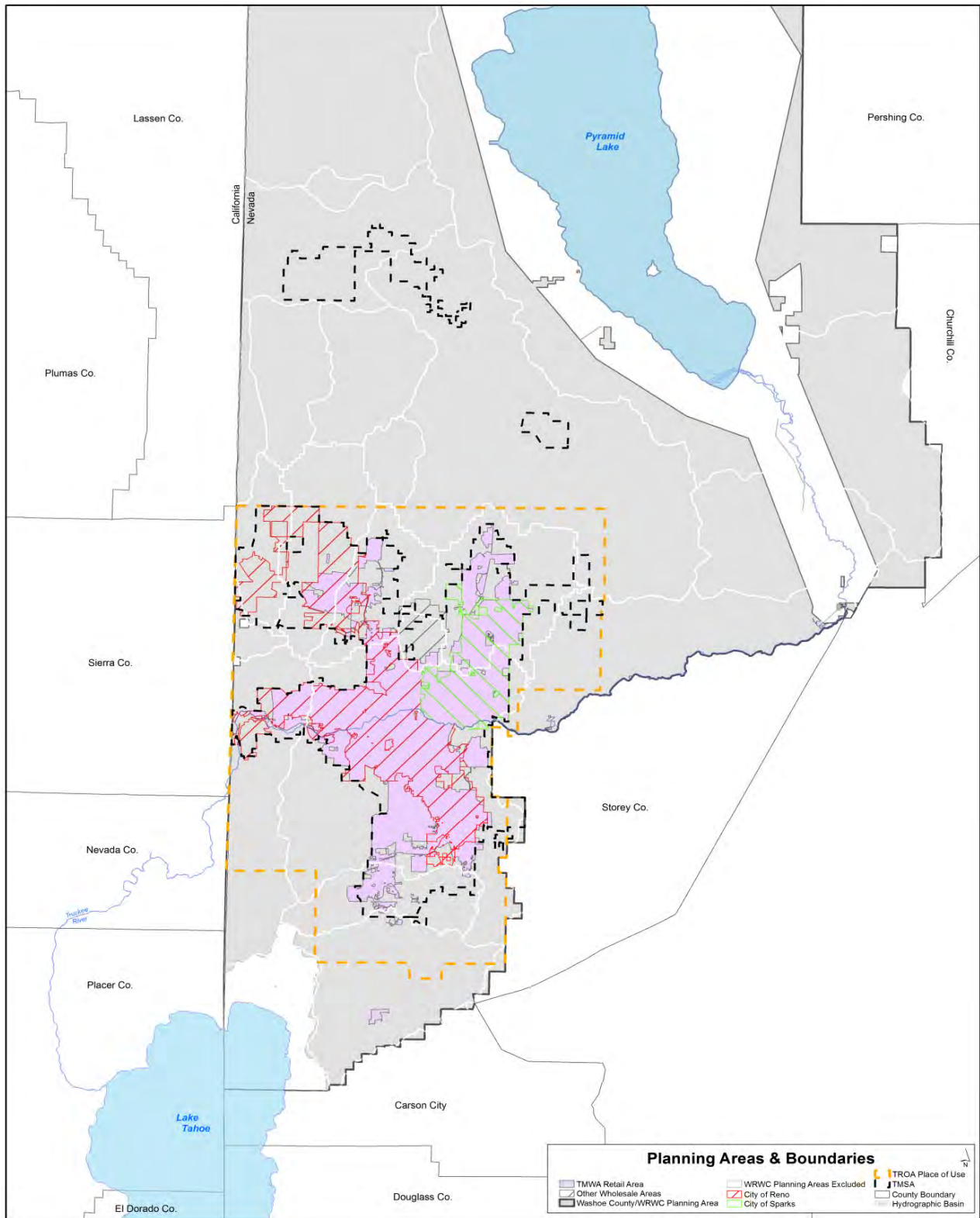


Figure 1-1. WRWC, TMSA and TMWA Planning Areas

The RWMP provides long-range planning-level estimates for water resources considered to be sustainable using the best available information. The RWMP identifies selected hydrographic basins within the Planning Area that presently provide municipal and industrial (“M&I”) water, or that may in the future provide M&I water within the 20-year planning timeframe. In 2010, TMWA developed a long-range water demand projection for the entire County that yielded an annual demand of approximately 142,000 AF to support a population of approximately 590,500 persons as projected for the year 2030 by the 2010 Consensus Forecast. WRWC extended the projections to estimate the population that could be supported by the sustainable water resources of approximately 183,200 AF/yr (which assumed importing groundwater from hydrographic basins in Washoe County that are not presently providing water for M&I uses) and concluded that those resources could support a build-out population of about 741,000. The WRWC determined in 2010 that sustainable water resources identified in the 2011 Regional Water Management Plan are adequate to serve the 2030 population estimate provided in the Consensus Forecast.

The 2014 Consensus Forecast projected a population of 564,000 persons in the year 2034. In 2012 and 2014, the WRWC reasoned that the sustainable water resources identified in 2010 were adequate to serve the Consensus Forecast 20-year population projections in each of those years. Chapter 4 sets forth TMWA’s current population estimate for 2035 to be 545,000 persons which estimate is the core of the Consensus Forecast for the revised RWMP. The downward trend in out-year populations while holding available resources constant will again meet the expectations of WC-3 when discussed in the upcoming release of the WRWC 2016 RWMP.

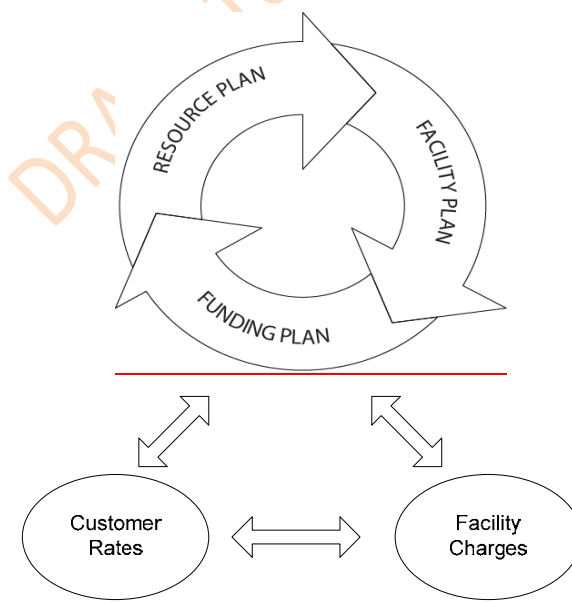


Figure 1-1. TMWA Planning Process

This Introduction to the 2035WRP frames the more significant challenges to water resources currently found within the Truckee Meadows region and sets the context for this water

~~resource plan (“WRP”). This 2035WRP builds upon the information developed and contained in prior WRPs as well as various regional planning efforts. This plan will examine and analyze the water resource options available to TMWA to meet the water demands of its current customers and set a strategy for management given future demand projections.~~

Legislative Directives

In 2007 the Nevada Legislature adopted Senate Bill (“SB”) 487, codified as the Western Regional Water Commission (“WRWC”) Act. The Bill was sponsored by the Interim Legislative Subcommittee created in 2005 by Senate Continuing Resolution (“SCR”) 26, and enabled the creation of a new regional water entity in Washoe County to be effective April 1, 2008. Pursuant to this legislation, the cities of Reno and Sparks, ~~STMGID~~, the Sun Valley General Improvement District (“SVGID”), ~~the South Truckee Meadows General Improvement District (“STMGID”)~~, TMWA, and Washoe County, entered into a JPA to create the WRWC. The WRWC is charged with facilitating cooperative resource management efforts among the existing water purveyors in southern Washoe County and ~~providing to provide~~ for integration of regional water supply and storm water management, subject to the TROA. This includes facilitating planning for the development, management and conservation of regional water supplies, maximizing conjunctive use by public water purveyors (excluding Gerlach and Incline Village), ~~and~~ facilitating the development of a plan to integrate public purveyor water systems to provide the most effective management and integration of systems. SB487 provided for a change of oversight and restructuring of the prior Regional Water Planning Commission (“RWPC”) into the Northern Nevada Water Planning Commission (“NNWPC”). The WRWC began functioning and assumed oversight of the NNWPC in April 2008.

SB487 also created a legislative committee to oversee the WRWC, which met from time to time during the 2008, 2010 and 2012 interim legislative periods to review the WRWC’s programs and activities and ~~make a~~ report to the Legislature. During that period, the Committee made the following recommendations for legislation: 2008, requiring coordination of water quality monitoring on the Truckee River and minor language changes in SB487; 2010, providing financial assistance for connecting to public water or sewer systems; and 2012, eliminating the Committee’s statutory sunset date of July 1, 2013 and expanding its scope to study statewide water issues. The sunset provision was not removed, and the Committee expired by statutory elimination on July 1, 2013.

The WRWC adopted its first Comprehensive Regional Water Management Plan (“RWMP”) for the planning area in January 2011. The RWMP includes the supply of municipal and industrial (“M&I”) water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm water and control of floods. The RWMP is in the latter stages of a required 5-year review, ~~which is required and~~ expected to be completed in December 2015. An update of the RWMP for the years 2016 to 2035 will be prepared and presented to the WRWC for adoption in ~~the fall of~~ 2016. Since TMWA is a major contributor to the potable water management elements of that plan, adoption by TMWA’s Board of this 2035WRP is necessary in order that its findings may be incorporated into the RWMP.

Consolidation of TMWA, WDWR & STMGID

Since TMWA's inception in 2000, serious consideration had been given by TMWA's Board of Directors and Washoe County's Board of Commissioners ("BCC") to the possible integration of some or all functions of TMWA and WDWR. Formal direction was given to the WRWC to incorporate into its 2030 ~~RWMP Comprehensive Water Plan~~ an "evaluation and recommendations regarding the consolidation of public purveyors in the planning area, which must include costs and benefits of consolidation, the feasibility of various consolidation options, analysis of water supplies, operations, facilities, human resources, assets, liabilities, bond covenants, and legal and financial impediments to consolidation and methods, if any, for addressing any such impediments." [Western Regional Water Commission Act, Section 42(9)].

In furtherance of this directive, at its September 12, 2008 meeting, the WRWC asked staff from TMWA and WDWR to "conduct a focused financial analysis to assess the feasibility of some form of utility integration using their joint bond counsel and financial advisors..."⁷ At the December 2008 WRWC meeting, the Phase One Financial Report was presented which consisted of a bond analysis addressing certain limitations and restrictions resulting from existing debt and what opportunities were available for refunding or refinancing existing debt. This analysis demonstrated that consolidating WDWR into TMWA by defeasing WDWR debt would be financially feasible within a reasonable time-frame, but that the converse – defeasing TMWA's debt – would not be a financially advantageous alternative. Staff of TMWA and WDWR met on numerous occasions to analyze the feasibility of whether the integration/consolidation of certain functions of the two entities was possible and, if so, whether efficiencies and benefits to the community would result. Preliminary assessment reports ("PARs") for System Planning and Engineering were delivered to WRWC at its March 13, 2009 meeting, and Operations and Water Resources at its July 10, 2009 meeting. Each of these PARs analyzed the potential opportunities for improving efficiency, customer service and reliability, as well as reducing long term operating and/or capital costs through some form of integration of WDWR and TMWA. The PARs were prepared by interagency teams of employees who were familiar with the topics and analyzed TMWA and WDWR water systems as one rather than two systems. The findings of the PARs generally indicated that operational and resource management efficiencies ~~might~~may be achieved through consolidation, that rate structures of the two agencies were sufficiently close that migration to one set of customer rates would not result in inequities to either customer base, and that no insurmountable labor issues were anticipated.

To facilitate the consolidation review, the WRWC appointed a Subcommittee on Integration/Consolidation in July 2009, which conducted two meetings with staff to consider certain aspects of consolidation. At its August 6, 2009 ~~meeting~~meeting the WRWC-Subcommittee ~~meeting~~ concluded that the integration/consolidation process should proceed, and that the full WRWC Board recommend to the governing bodies of both utilities to develop an inter-local agreement ("ILA") to implement integration of the two agencies leading to full consolidation. The respective governing bodies took action in September 2009 to direct TMWA and WDWR

⁷ The WRWC Act requires analysis of consolidation of all "public purveyors" within the planning area, however, no analysis was conducted of the SVGID as it was generally concluded that this entity functions in a semi-autonomous fashion and that significant efficiencies in operations or resource management are unlikely to be achieved by consolidating their functions with a consolidated TMWA/DWR entity.

staff to proceed with the development of an Inter Local Agreement~~ILA~~ to advance the integration/consolidation of WDWR water functions into TMWA.

TMWA and Washoe County executed the *Interlocal Agreement Governing the Merger of the Washoe County Department of Water Resources Water Utility into the Truckee Meadows Water Authority* dated January 29, 2010, which provides for the merger of WDWR into TMWA. Due diligence began in earnest in 2010 to further identify and/or clarify any potential legal obligations/constraints, complete financial analyses to determine the costs/benefits to the respective utility's customers, create an operating model of the combined systems to develop optimum production schedules and estimate related costs, and work out transition issues.

By October 2012, TMWA presented to the TMWA Board the results of its completed due diligence analyses and sought direction as to continue the process. At that time, the various steps to proceed with merger implementation included labor negotiations; transferring system control to TMWA; transfer customer billing information to TMWA; ~~defeating~~~~defease~~ WDWR publically issued water debt to be assumable by TMWA; ~~revising~~~~revise~~ various WDWR loan and bond commitments; and ~~completing~~ other specific tasks identified in the ILA.- During the due diligence process, it was identified that the merger of the WDWR system into TMWA would require some resolution with respect to continued operations of the STMGID⁸ -system. Through 2012, ~~the~~ Washoe County and the STMGID Local ~~Managing~~~~Management~~ Board ("~~LMB~~") explored various options including merging STMGID as part of WDWR or STMGID becoming a stand-alone utility. The TMWA/WDWR merger was put on hold until these issues could be resolved.

⁸ STMGID was a general improvement district created by Washoe County in 1981 for the basic purposes of furnishing storm drainage, sanitary sewer and water facilities. STMGID served approximately 3,700 customers in the south Truckee Meadows. Up until December 2012, the BCC served as the STMGID Board of Trustees, and a Local Managing Board ("LMB") comprised of five residents in the STMGID area acted as an advisory board to the BCC.

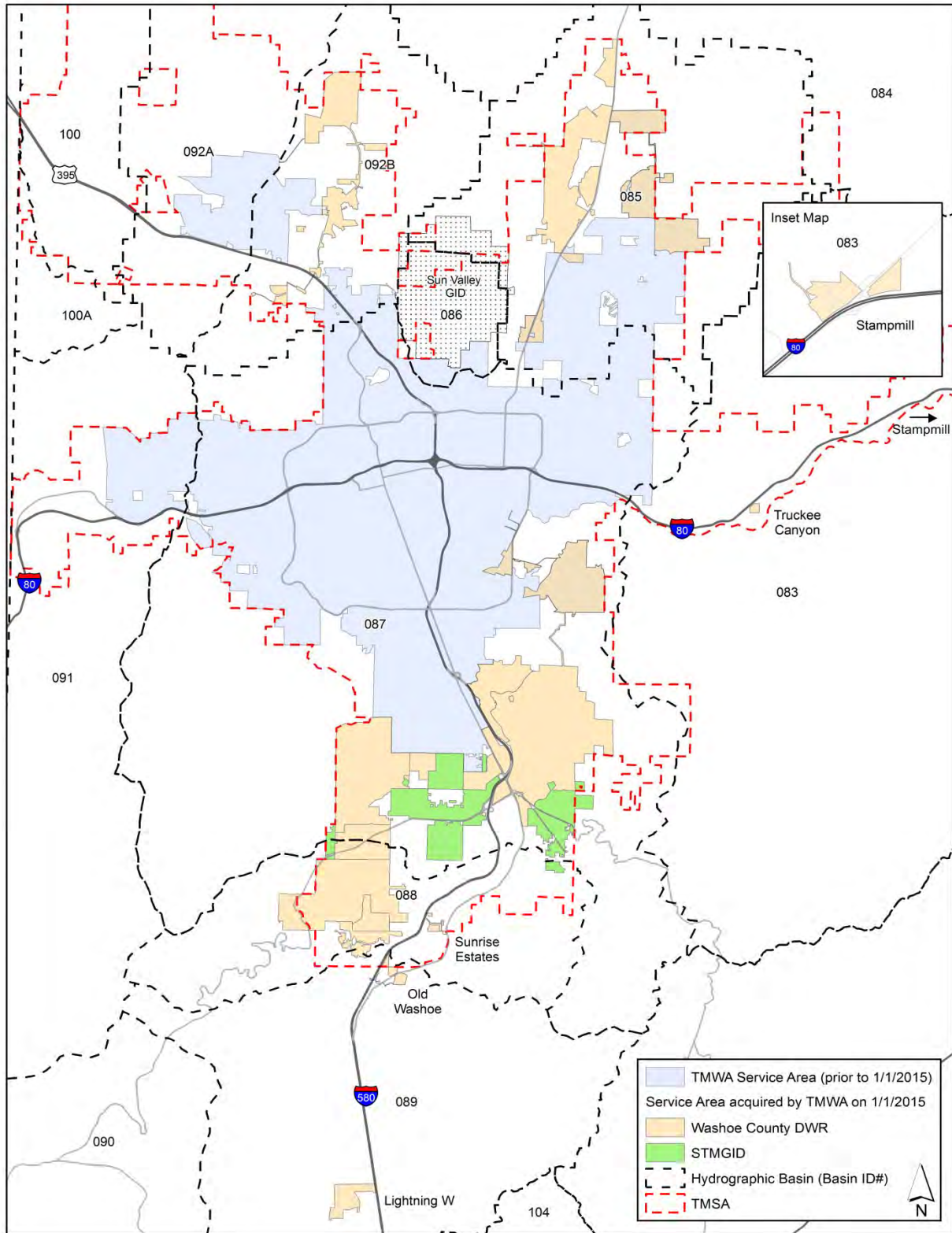


Figure 1-2. Pre-Merger Service Areas

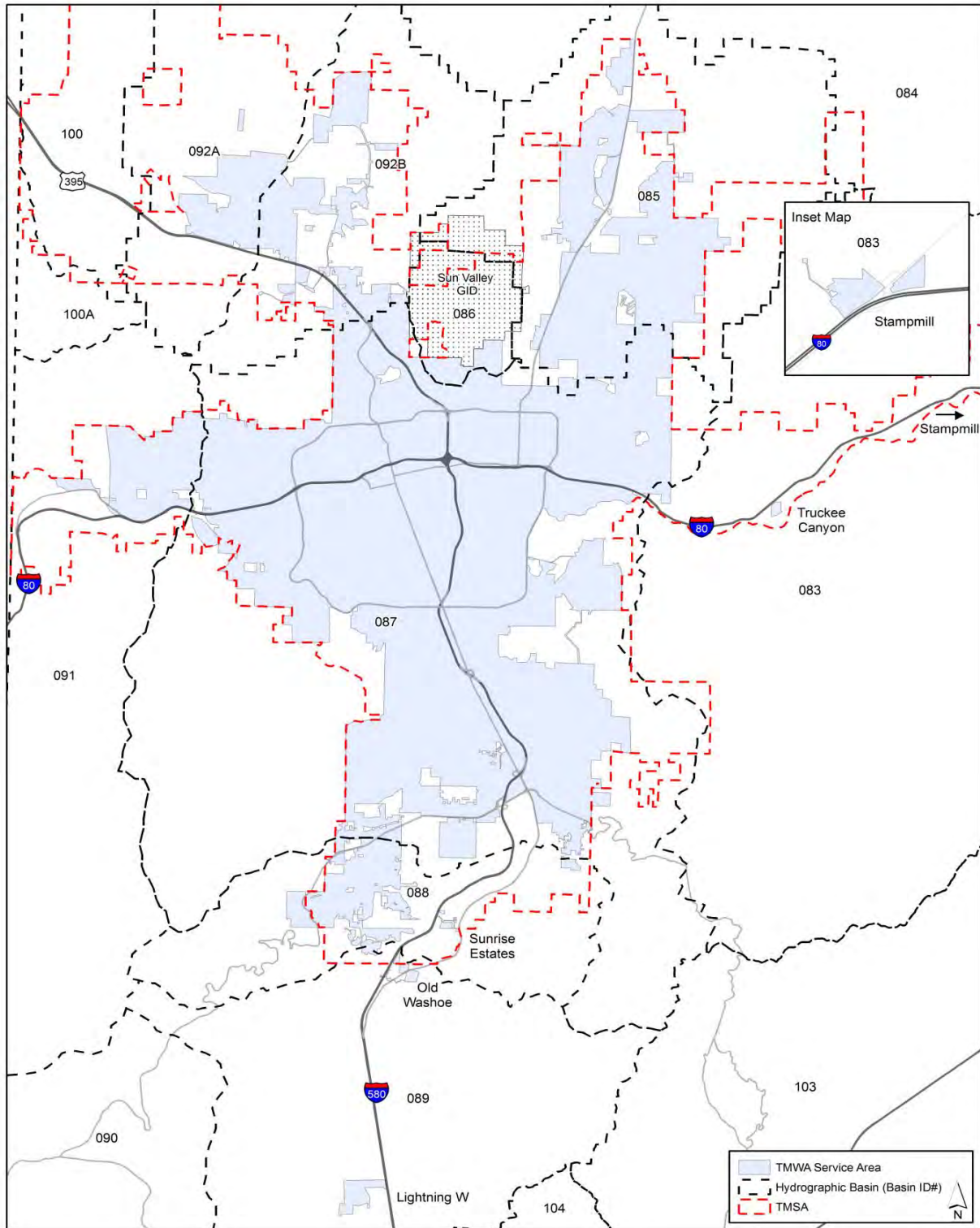


Figure 1-3. Post-Merger Service Area

By December 2012, the BCC elected to authorize the STMGID ~~LMBLocal Managing Board~~ with the sole responsibility to manage its affairs as a stand-alone entity. In the same month, STMGID submitted a merger term sheet to TMWA for TMWA Board consideration proposing a direct merger of STMGID into TMWA concurrent with the TMWA/WDWR merger. By June 2013, TMWA staff had completed its due diligence of a merger with STMGID with a favorable recommendation to the TMWA ~~Boardboard~~. Throughout 2014, TMWA and WDWR staff members worked long hours to complete all steps necessary and obligations within the various ILAs. On December 31, 2014, both the WDWR and STMGID water systems were successfully merged into and acquired by TMWA.

TMWA's prior ~~WRPswater resource plans~~ focused on resource issues facing the utility and its conjunctive use of Truckee River resources and groundwater resources in the pre-merger TRA. Pre-merger, TMWA's planning area was limited to the southern-half of Spanish Springs (hydrographic basin 85), the northern-half of the Truckee Meadows ((hydrographic basin 87), and the west-half of Lemmon Valley (hydrographic basin 92A). Post-merger, TMWA assumes a larger, regional role in resource planning and management. The following graphics illustrate the change in scope of TMWA's responsibility and service areas pre- and post- ~~the~~ merger. The service area grew from about 109 to 156 square miles.

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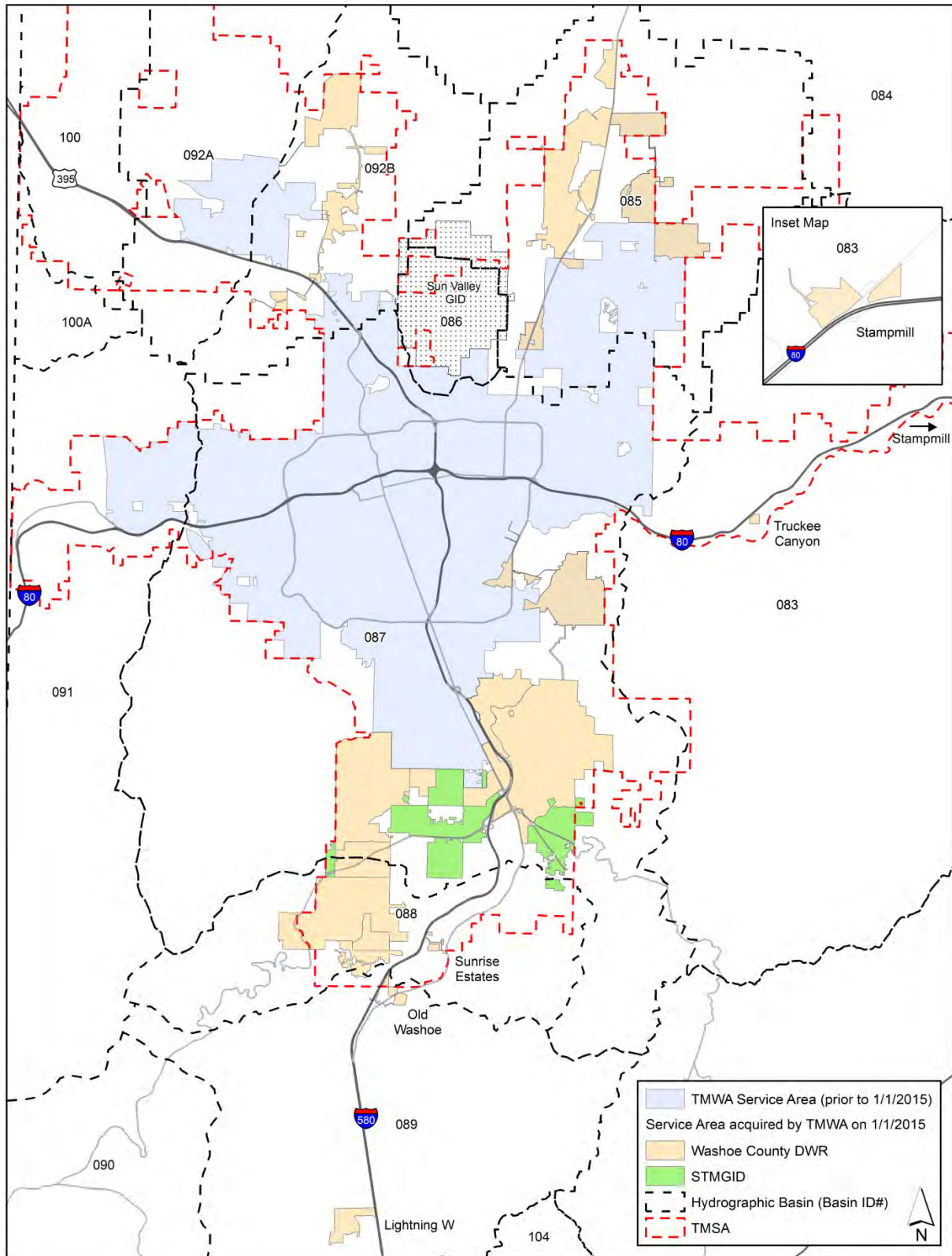


Figure 1-2. Pre-Merger Service Areas

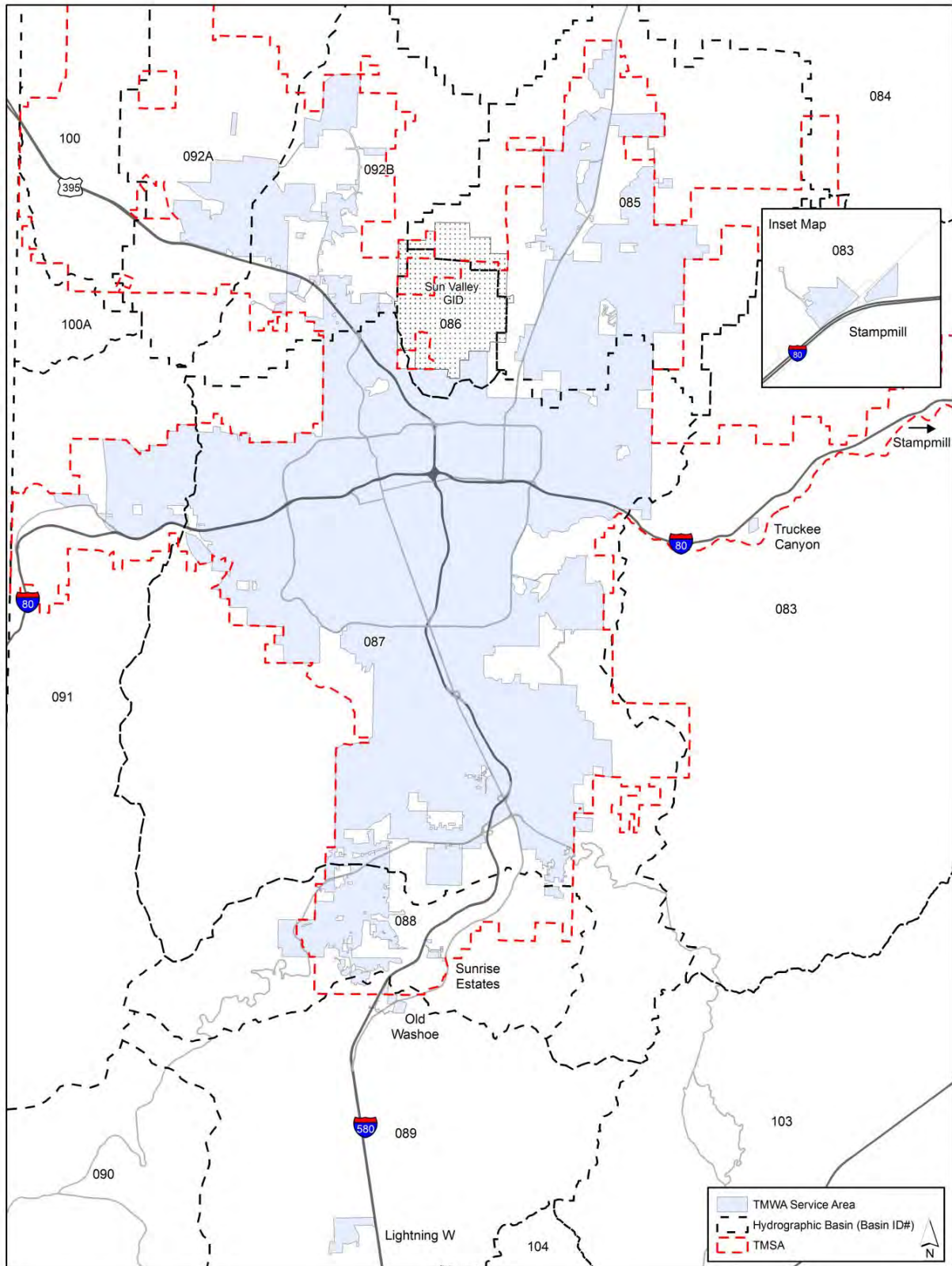


Figure 1-3. Post-Merger Service Area

Due to the expansion of TMWA's service area, TMWA evaluation of water resources and facilities expanded to include all of Lemmon Valley, all of Spanish Springs, all of Truckee Meadows⁹, Pleasant Valley (hydrographic basin 88), and in those areas in Washoe Valley (hydrographic basin 89) and the Tracy Segment (hydrographic basin 83) where small, satellite systems are located. The distribution systems located in hydrographic basins 83, 85, 86, 87, 88 (west portion), 91 and 92 are grouped in the TRA category since the integration of systems between these basins affords customers/development access to Truckee River resources (mainstem and tributary water rights) and the benefits of TROA's drought reserves. Table 1-1 highlights resources, customers and demands in the various planning basins included under the TRA designation.

Table 1-1. Summary of TMWA's Customers, Resources and Usage by Hydrographic Basin in TRA and non-TRA Planning Basins

Description	TOTALS	TRA				non-TRA			
		Spanish Springs	Truckee Meadows ¹	Pleasant Valley-West	Lemmon Valley	Tracy Segment	Pleasant Valley-East	Washoe Valley	Honey Lake
		85	87	88	92A & 92B	83	88	89	97
-----a-----	---b---	---c---	---d---	---e---	---f---	---g---	---h---	---i---	---j---
A. Service Connections									
- 1. Residential-single family	103,295	16,019 ~~4~~ 5,758	78,136 ~~77~~ ,613	1,243 ~~22~~ 4	8,477 ~~47~~ 9	43	54	127	
- 2. Residential-multi-family	5,013	108	4,666 ~~714~~		195 ~~491~~				
- 3. Commercial/Industrial	6,793	273 ~~280~~	6,203 ~~494~~	134 ~~2~~	296 ~~291~~	10		6	
- 4. Irrigation	3,178	182	2,759 ~~750~~	67 ~~60~~	180 ~~174~~	5		7	
- 5. Wholesale	1		1						
- 6. Total Connections	118,280	16,582 ~~3~~ 28	91,765 ~~27~~ 2	1,323 ~~29~~ 3	9,148 ~~43~~ 5	58	54	140	0

⁹ Includes Basin 86-Sun Valley and Basin 91-Truckee Canyon (Verdi) as TMWA does not have facilities ~~or not~~ groundwater resources in those areas.

B. Rights (acre feet)

- 1. Ground water-in basin	41,620	5,900	28,237	3,457	2,678	315	432	601	
- 2. Ground water-importation ⁻²	8,000								8,000
- 3. Surface water-converted ag rights ³	~~71,990~~ ~~69,717~~		~~71,990~~ ~~69,717~~						
- 4. Surface water-decree ³ , creek ⁴	~~47,810~~ ~~44,843~~		~~47,810~~ ~~44,843~~						
- 5. Surface water-storage	22,250		22,250						
- 6. Total Resources	~~191,670~~ ~~86,430~~	5,900	~~170,286~~ ~~65,046~~	3,457	2,678	315	432	671	8,000

C. Sources (acre feet)

- 1. Ground water-in basin extraction	~~23,782~~ ~~24,233~~	~~1,783~~ ~~438~~	~~19,879~~ ~~16,869~~	~~1,420~~ ~~708~~	~~623~~ ~~988~~	~~144~~ ~~5~~	~~103~~ ~~4~~	~~531~~ ~~51~~	
- 2. Ground water-importation	~~958~~ ~~276~~								~~958~~ ~~276~~
- 3. Surface water-retail	~~56,760~~ ~~57,640~~		~~56,760~~ ~~57,640~~						
- 4. Surface water-POSW	~~4,900~~ ~~11,700~~		~~11,700~~ ~~4,900~~						
- 5. Total Sources ~~CYE2015~~ ~~CYE2014~~	~~93,200~~ ~~84,049~~	~~1,783~~ ~~438~~	~~88,339~~ ~~79,409~~	~~1,420~~ ~~708~~	~~623~~ ~~988~~	~~144~~ ~~5~~	~~103~~ ~~4~~	~~531~~ ~~51~~	~~958~~ ~~276~~

¹ Includes Basin 86 -Sun Valley and Basin 91 - Truckee Canyon (Verdi).

² Honey Lake water rights/resources are available to the North Valleys via the Vidler Pipeline.

³ Converted ag and decree rights are used throughout the TRA.

⁴ Converted creek ag rights are available for use in Basins 87 (southwest) and 88 (west portion).

The remote, i.e., satellite, systems TMWA now manages as a result of the merger are found in basins: 83 (Truckee Segment), 88-East (the area east of I-580 in Pleasant Valley), 89 (Washoe Valley) and 97 (Honey Lake)¹⁰. These systems are grouped in the non-Truckee Resource Area (“non-TRA”) category because the systems were developed as standalone subdivisions, which upon recordation of a final map required sufficient resources to meet the full build-out requirements of the development. At this time, the resources to serve these developments are fully committed and cannot be expanded beyond the defined development area without additional investment in facilities and viable resources. For purposes of this plan, it is assumed that each of the satellite systems has sufficient resources and facilities dedicated to meet the build-out of the development over the planning horizon, and it is not foreseen that Truckee River resources are or will be available to these systems in the near-term. A brief summary of these systems and the basin in which they are located is presented in Table 1-2.

Table 1-2. Summary of Satellite Systems Resources and Customers

	Description	Start year	Lots & customer type	Dedicated water rights (acre feet)	~~2015~~ 2014 Production (acre feet)
	-----a-----	---b---	---c---	---d---	---e---
~~1~~ ~~12~~	Basin 83: Truckee Segment Truckee Canyon Water System	2000	10-commercial 2-irrigation	200	~~618~~
~~23~~	Stampmill Estates	1994	~~2-commercial~~ 43- residential	115	~~927~~

¹⁰ Honey Lake is unique in that ~~TMWA has~~~~there are~~ no customers and ~~related~~ distribution facilities in the basin, just well production and transmission facilities, and is grouped in the non-TRA for convenience.

			<u>2-commercial</u>		
~~4~~	Basin 88: Pleasant Valley- ~~East~~ East ^a				
~~35~~	Sunrise Estates	1978	54-residential	432	~~1034~~
~~6~~	Basin 89: Washoe Valley				
~~47~~	Lightning W Estates	1997	<u>62-residential</u> <u>2-commercial</u> <u>2-irrigation</u>	443	~~3798~~
~~58~~	Old Washoe Estates	1978	<u>62-residential</u> <u>65-residential</u> <u>4-commercial</u> <u>5-irrigation</u> <u>65-residential</u>	158	~~1553~~
~~9~~	Basin 97: Honey Lake	2007	na	na	na

The TRA includes the growth prone areas of Lemmon Valley, Pleasant Valley (west portion), Spanish Springs, and Truckee Meadows. For this plan, the discussion of water resources in the chapters that follow ~~frames will frame~~ issues for each hydrographic basin but will be aggregated under the TRA classification and describes how TROA meets and exceeds future demand needs in the TRA while accruing more drought reserves than previously available to TMWA over the planning horizon.

Trends After 2007 Economic Downturn

Following significant economic activity, between 2002 and 2006, the median price of housing approximately doubled within Washoe County. The annual median price for residential homes peaked in 2006 at \$345,000. Some of the reasons cited for this rapid price increase in housing related to (a) relatively low home prices compared to California and other western markets; (b) historically low mortgage rates and easy access to mortgage loans in existence during that time; (c) high consumer confidence and spending at the national level; (d) a strong national economy; (e) an influx of national home builders to the region selling new homes at higher than average prices; (f) a surge in immigration and demand for new housing in the region; (g) a stable and favorable business climate compared to other regions in the west; and (h) increasing costs of raw materials for new construction brought about by high demands. However, due to artificially-low interest rates and subprime lending practices, eventually mortgage rates adjusted and the price trend reversed itself. By 2011, median home prices had plummeted 57 percent from \$345,000 to \$149,000, a level below that of 2001. By 2014 however the median home price was estimated to be \$230,000, indicating home buying was on the rise. Figure 1-4 shows the changes in the median housing price for Washoe County between 2001 and 2014.

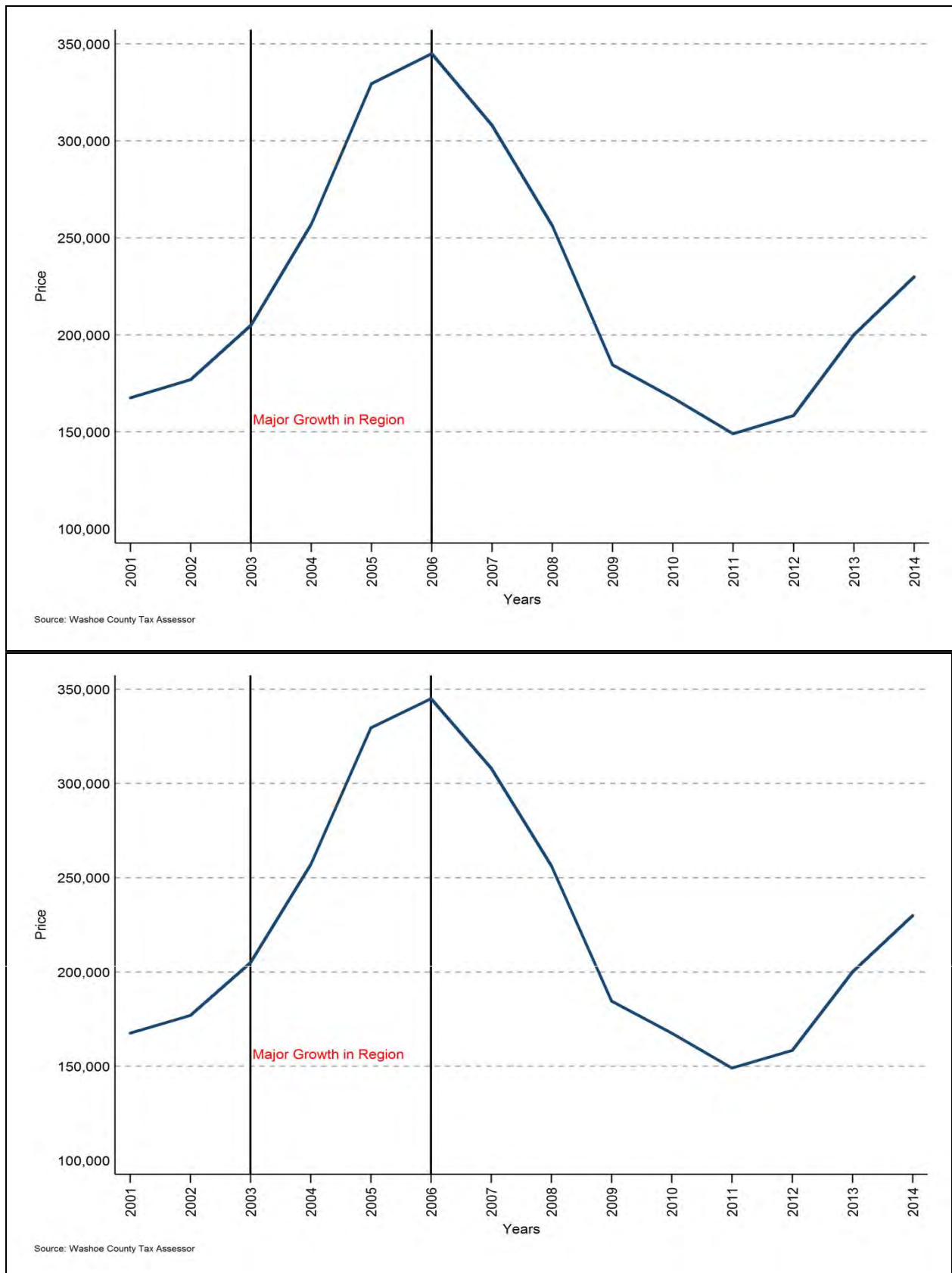
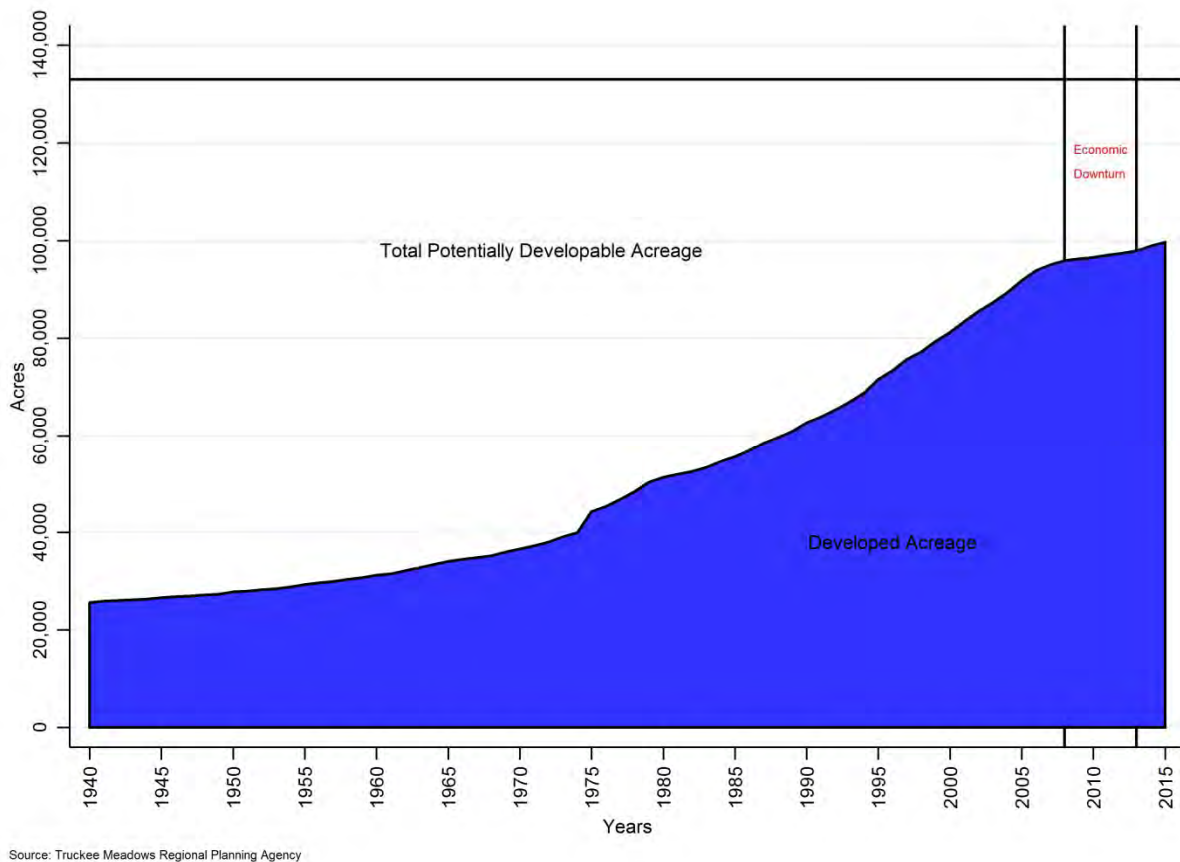


Figure 1-4. Median Housing Prices in Washoe County 2001 -2014

Figure 1-5 shows the development of land in the TMSA over the last 70 years. According to the Washoe County Assessor data 99,700 acres which includes roadways have been developed within the TMSA compared to current The Truckee Meadows Regional Planning Commission estimate of approximately 133,000 acres total developed and developable acreage within the TMSA. Historically, the development trend has been fairly constant over time. There was a brief spike in development in the middle 70's, followed by a consistent rise leading up to the economic downturn, at which time new development came to a relative halt. The reduced supply of developable land during the time period reflected in the graph is just another factor that contributed to increases in real estate prices experienced since the late 1990's through 2006 and will affect future development within the TMSA.

**Figure 1-5. Developed and Undeveloped Acres in Washoe County**

The ensuing credit crisis within the financial market signaled the start of a recession nation-wide. Economic conditions within the Reno MSA¹¹ had a significant downturn after the

¹¹ Reno Metropolitan Statistical Area ("MSA") includes employment from Washoe and Storey Counties.

housing bubble crash of 2007/8. During the peak of the housing boom, the surge of ~~immigration of~~ people ~~immigrating who were~~initially seeking lower home prices, relative to the national average, found increasing mortgage payments and little job opportunity after the decline. Declining income levels, a rapidly-contracting construction industry, and poor employment conditions in general, led to a dramatic drop in the number of employed persons within the Reno MSA (see Figure 1-6). In 2006, approximately 223,000 people were employed; however by 2011 employment numbers had decreased to 189,000. The result was an unemployment rate that had jumped over 200 percent from a record low of 3.8 percent in 2006 to 12.6 percent in 2011.

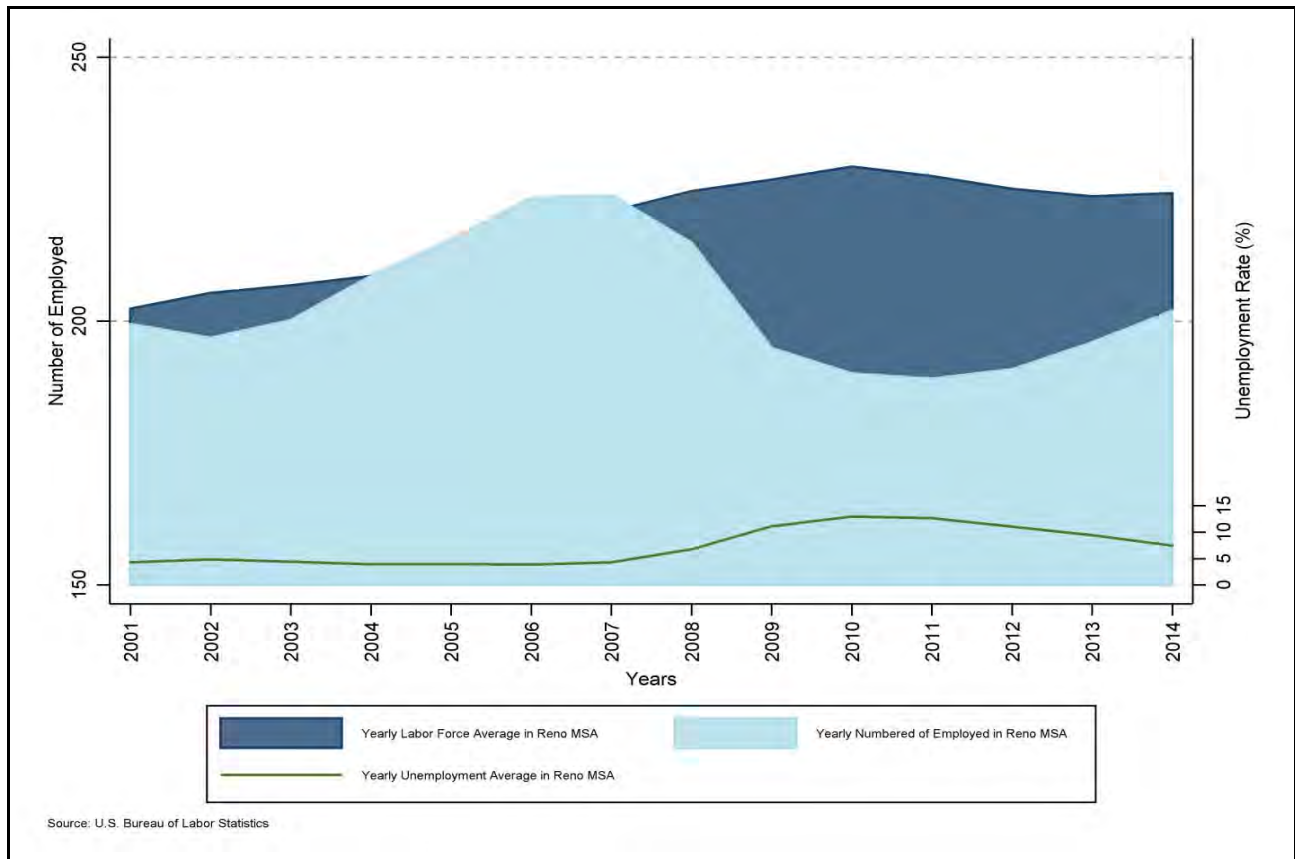


Figure 1-65. Employment Statistics in Reno MSA 2001 -2014

By 2012, indicators began to show signs of an economic recovery. Between 2010 and 2014 employment numbers rose 6 percent, and subsequently the rate of unemployment dropped from an unprecedented high of 13 percent in 2011 to 7.4 percent by 2014 (a rate only slightly higher than the average of 6.1 percent over the last 25 years). This increase in employment slowly began to raise the income levels within the Reno MSA. By 2012, per capita income had rebounded to \$45,000 from \$41,000 in 2010 (a gain of 9.7 percent), with the trend flattening over the next year.

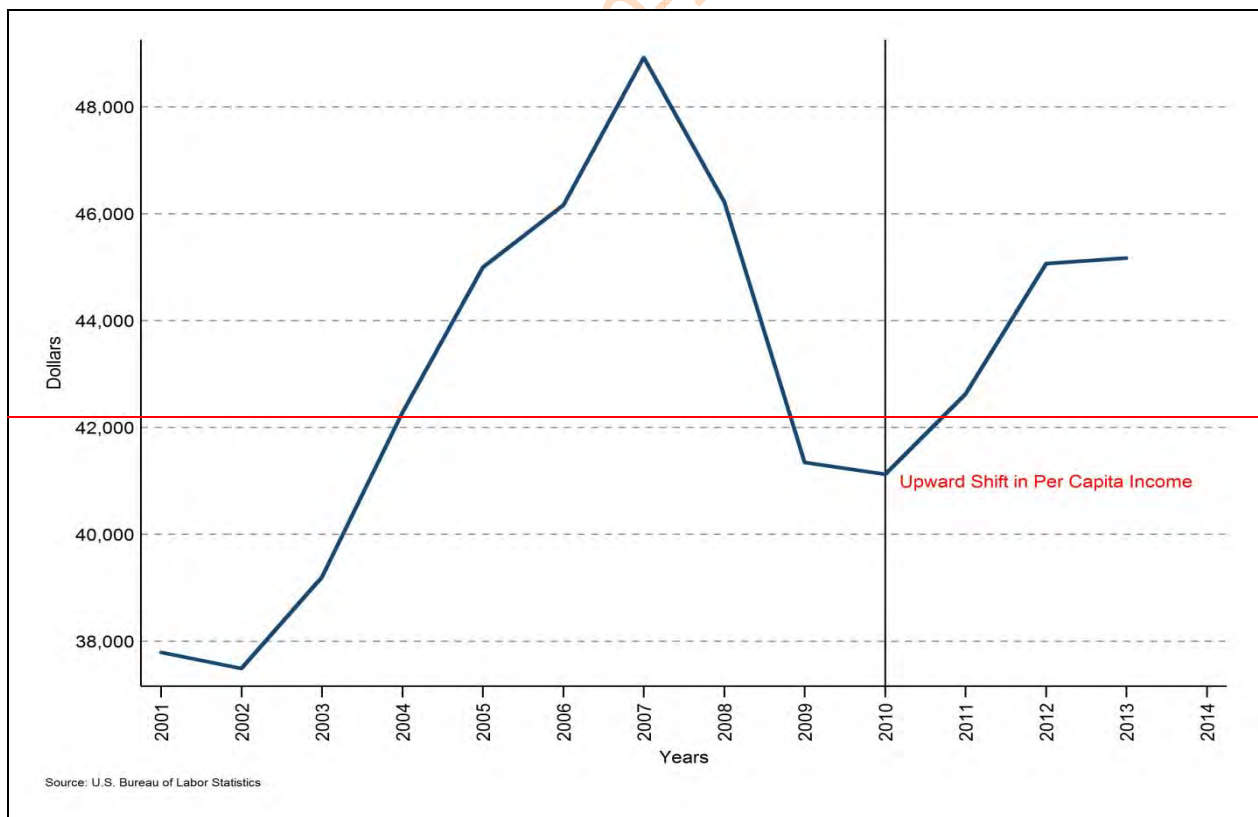


Figure 1-76. Per Capita Income Levels in Reno MSA 2001 -2013

Lagging behind the increase in level of income was home buying, which also exhibited a positive trend. Between 2011 and 2014 homeownership saw upward momentum as housing prices increased 37 percent during that period (see Figure 1-~~76~~). New residential housing hit a 10-year low in 2011 with only 538 housing permits issued by the local entities. By 2014, housing permits issued had increased 4-fold to 2,192. Prior to 2003, the median number of will-serve commitments issued by TMWA was 1,300 ~~acre feet/year (“AF/yr.”)~~. As the region experienced eight years’ worth of development in a four year period (2002 to 2005), commitments more than doubled to 2,800 AF. Following the precipitous drop in new development activity beginning in late 2006, will-serve commitments reached a low point in 2010 (a level not seen since 1958) of 117 AF. Subsequently, as development began a modest rebound, will-serve commitments began to increase (see Figure 1-~~87~~).

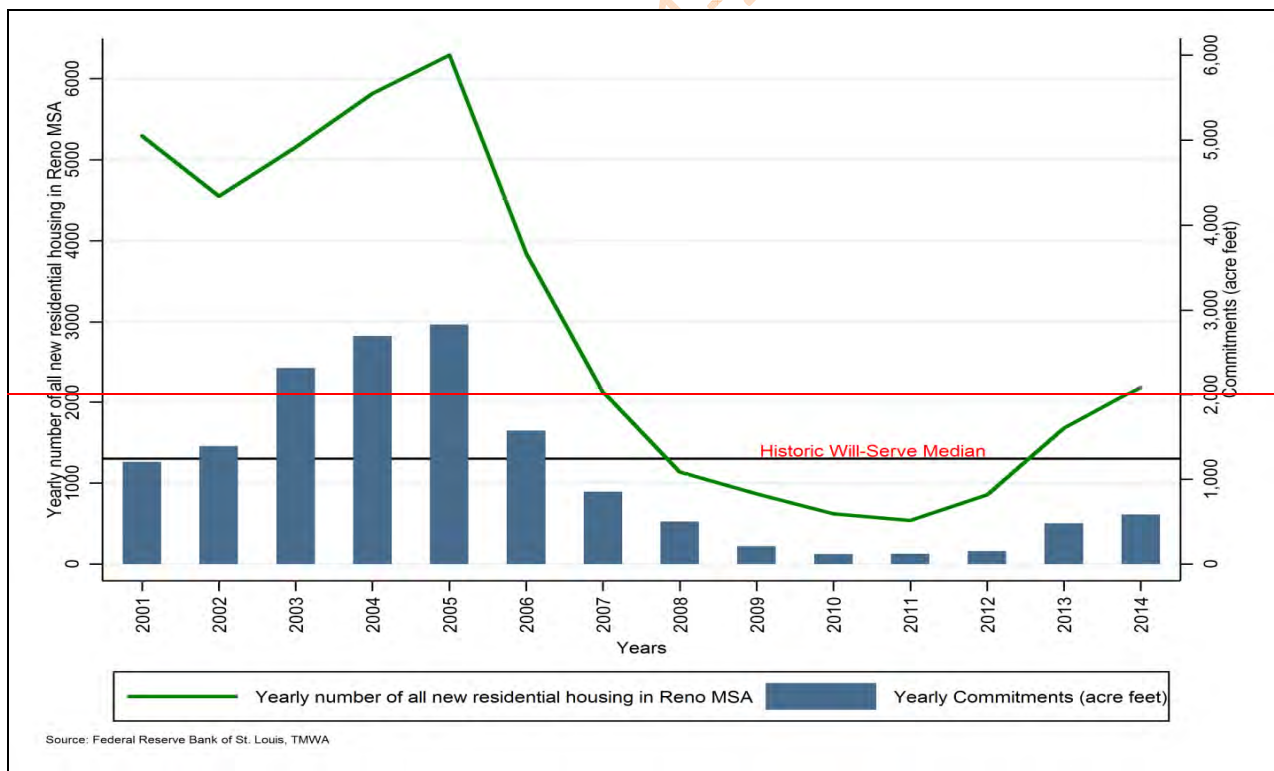


Figure 1-7. New Housing Permits and Annual Will-Serve Commitments 2001–2014

Moving forward, based on the historic growth, the announcement of Tesla battery plant and other new projects, growth is likely to continue to be positive. It is projected the Reno MSA will see a 4.7 percent increase in employment between 2015 and 2019.¹² Given the relationship between economic growth, new housing development and home prices, as well as the price of water, it is expected that the price of water rights will increase - though at a much slower rate than previously experienced. Chapter 4 considers these trends and changes in employment leading to the development of revised population, dwelling unit and customer demand estimates for this 2035WRP.

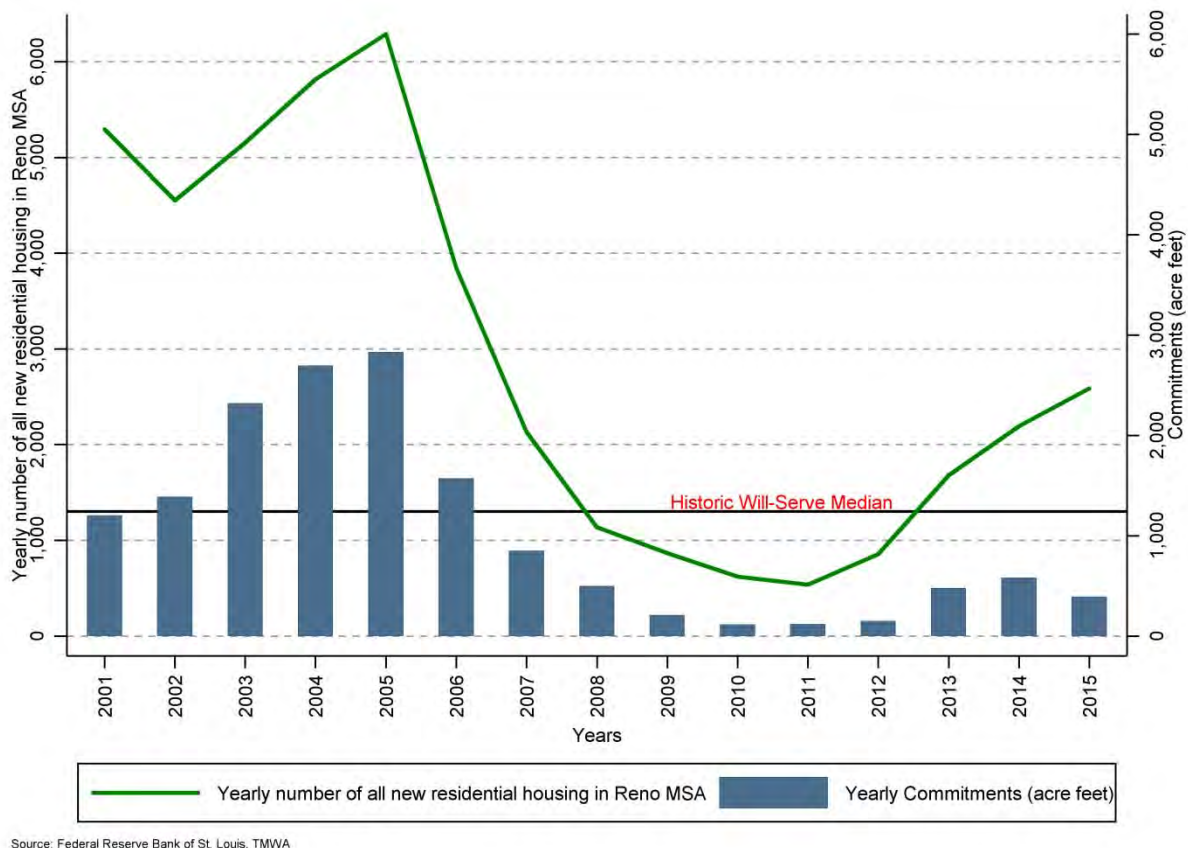


Figure 1-8. New Housing Permits and Annual Will-Serve Commitments 2001 -2015

Depending on the use of the land, commercial versus residential, and the resulting densities assigned to the land, the amount of water resources needed to meet this demand will vary. Analysis in Chapter 3 discusses the availability of Truckee River mainstem rights for future dedication to TMWA to support future will-serve commitments.

¹² Estimate based on report by the Economic Development Authority of Western Nevada <http://edawn.org/>.

TROA Implementation

Pursuant to the *Truckee-Carson-Pyramid Lake Water Rights Settlement Act*, Public Law No. 101-618 (Nov. 16, 1990), Title II, 104 Stat. 3289 (the “Settlement Act”), Congress directed the Secretary of the Interior to negotiate an operating agreement with Nevada and California (and other parties) which, among other things, would provide for a more flexible and coordinated operation of Lake Tahoe, Boca Reservoir, Prosser Creek Reservoir, Martis Reservoir and Stampede Reservoir, and if owners of affected storage rights agreed, Donner and Independence Lake, while at the same time satisfying the exercise of water rights in conformance with the Orr Ditch Decree. TROA is that operating agreement.

TROA provides for modified river and reservoir operations that result in multiple benefits for water users, including benefits related to endangered fish species (spawning fish flows), recreation (minimum water levels in reservoirs), and significant additional drought storage for TMWA. Implementation of TROA solidifies the interstate allocation of water between Nevada and California as provided for in the Settlement Act.

On September 6, 2008, TROA was signed by the five Mandatory Signatory Parties: PLPT, the U.S., California, Nevada and TMWA. ~~In November 2015 the~~ The parties ~~have~~ completed all requirements to implement ~~and make~~ TROA, ~~and it implemented December 1, 2015. TMWA began crediting storing water that the same day, the first time in history the water utility has been able to store water during winter months. effective. Once TROA established becomes effective,~~ a framework ~~will be established~~ which provides greater flexibility for river operations allowing parties to exchange water to accommodate emerging issues without injuring the water rights on which they rely, and perhaps avoid future regulatory uncertainties surrounding the use of the Truckee River. ~~The following describes the various conditions of consequence precedent to implementing TROA that were completed since signing TROA in 2008, thus allowing TROA to be implemented:~~ Further discussion on the benefits of TROA is found in Chapter 3.

- ~~Publication of TROA in the Federal Register (December 5, 2008) and its promulgation as a regulation (final on January 5, 2009). Truckee-Carson Irrigation District (“TCID”), Churchill County and the City of Fallon have initiated litigation in the U.S. District Court challenging the regulation, including a challenge to the adequacy of the Final Environmental Impact Statement for the Operating Agreement.~~
- ~~A motion to modify the Orr Ditch Decree was submitted to the Court in *United States v. Orr Water Ditch Company, et al.* for approval of modifications to the Orr Ditch Decree on November 17, 2008. On September 30, 2014, the Court entered an Order granting the Amended Motion to Modify, and an Order which amends the Orr Ditch Decree as requested in the Amended Motion.~~
- ~~The U.S. and TMWA submitted a joint motion to the court in *United States v. Truckee River General Electric Company* to modify the Truckee River General Electric Decree on November 20, 2008. The Court entered an order modifying the Decree on December 22, 2008.~~
- ~~On October 29, 2012, the California State Water Resources Control Board (“CSWRCB”) issued Decision 1651 approving the petitions to change the water rights (petitions originally filed in 2004) for Boca Reservoir, Prosser Creek Reservoir,~~

~~Stampede Reservoir, and Independence Lake. CSWRCB is awaiting confirmation that all items are complete before it issues final permits.~~

- ~~• Approval of changes to water rights in Nevada to allow TMWA to hold the consumptive use component of certain of its irrigation water rights in storage was approved by the Nevada State Engineer Order No. 6035 on March 19, 2010. On March 31, 2014, the Orr Ditch Court affirmed the State Engineer's decision.~~
- ~~• On September 30, 2014, the Orr Ditch Court made the determination that the Truckee River is fully appropriated and closed to new appropriations affirming the Nevada State Engineer's Ruling No. 4683 is final.~~
- ~~• In the fall of 2014 the PLPT filed the application and received the permit needed to allow water under Ruling No. 4683 to be stored in Truckee River reservoirs.~~
- ~~• Provision of 6,700 AF of water rights for water quality purposes under Section 1.E.4 of TROA was satisfied by RSW in August 2015.~~
- ~~• The last conditions, coincident with the provision of the 6,700 AF by RSW, were the final filings by PLPT and the State of California in California state court to dismiss the PLPT v. State of California case, and by the Mandatory Signatory Parties to TROA agreeing that there has been a final resolution of that certain action entitled U.S. v. TCID were completed.~~

~~Further discussion on the benefits of TROA is found in Chapter 3.~~

Purchase of Truckee Carson Irrigation District ("TCID") Interest in Donner Lake

In May of 1943, Sierra Pacific Power Company ("Sierra") and TCID acquired from the Donner Lake Company ownership of the dam and reservoir at Donner Lake and the right to store water in Donner Lake, as tenants-in-common. The Donner Lake water right allows for the impoundment of approximately 9,500 AF of water each year and the right to use Donner Lake as a reservoir for upstream storage. At that same time, Sierra and TCID entered into an agreement for the operation, maintenance, cost-sharing and use of Donner Lake Water, which requires, among other things, Sierra and TCID to operate the dam and controlling works at Donner Lake. In 2001, Sierra conveyed its interest in the Donner Lake water right and associated operating agreement to TMWA.

In the past, several attempts were been made by Sierra Pacific Power Company to purchase TCID's half of Donner Lake water but without success. TROA imposes various requirements on TMWA to develop additional municipal and industrial water supplies for new water service. Among those requirements, TMWA's acquisition of TCID's Donner Lake Assets is explicitly called out in TROA Section 4.C.1(b) whereby:

".....Water Authority [TMWA] shall use its best efforts to implement the following measures, to the extent legally, technically and economically feasible, to help meet the water demands of customers:

(b) The acquisition and utilization of the rights currently owned by Truckee-Carson Irrigation District to store and use water in Donner Lake on a willing buyer/willing- seller basis, unless such right is acquired by another party....."

In fall 2015, TCID began discussions with TMWA regarding the sale of TCID's interest in Donner Lake. After extensive negotiations, TCID and TMWA staff reached an agreement whereby TMWA pays in total \$17.2 million for the Donner Lake water rights in exchange for:

- TCID and TMWA will settle and resolve all litigation claims with respect to a 2006 action over their respective rights to the Donner Lake water right and their respective rights and obligations under the 1943 Indenture and the 1943 Operating Agreement, including whether the 1943 Operating Agreement is presently valid and enforceable.
- TCID will engage in a good faith effort to procure the dismissal of other TROA related litigation by all other remaining parties to those lawsuits, including the City of Fallon and Churchill County.
- TCID agrees to not file any new litigation or challenges, legal or otherwise, to the adoption, validity, legality or enforceability of any of TROA's provisions.
- TMWA agrees to engage in a good faith effort to procure consents from other TROA parties to allow TCID to become a party to TROA.
- TMWA agrees TCID may seek to obtain the agreement of the United States and other appropriate TROA parties concerning upstream storage of Newlands Project Credit Water and Other Credit Water pursuant to the provisions of TROA, and modification of release dates of Newlands Project Credit Water. TMWA agrees it will not oppose such requests provided they do not result in injury to or conflict with TMWA's water rights, TMWA's rights under TROA or the Orr Ditch Decree.

The purchase agreement was presented to and approved by both the TMWA and TCID boards on December 16, 2015. On January 4, 2016 TCID held a special election of the member of the irrigation district on whether TCID should sell the Donner Lake assets pursuant to the agreement; the members voted overwhelming to sell the assets.

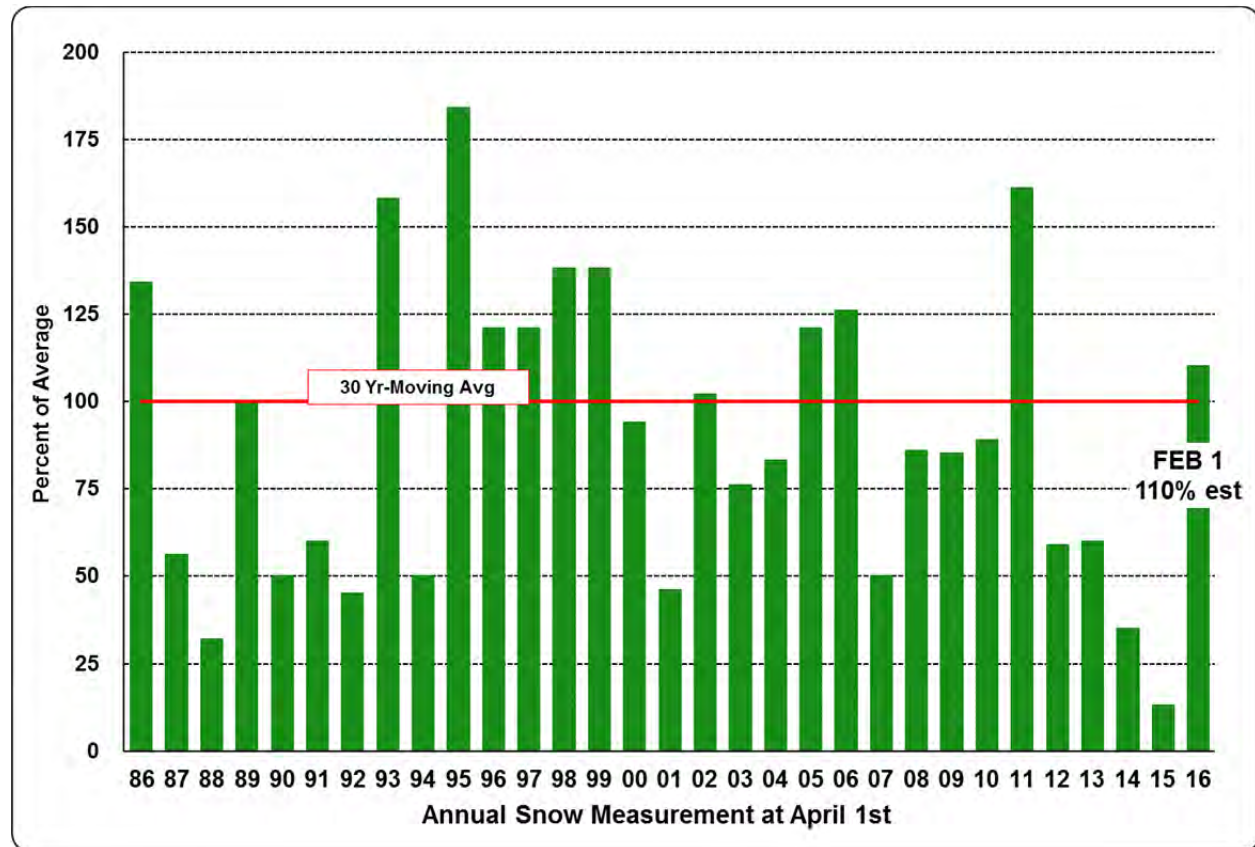
Upon close of escrow scheduled for February 2016, TMWA will add TCID's 4,750 AF of Donner Lake water right to its share, thereby owning all 9,500 AF of the Donner Lake water right. TMWA will manage the acquired portion of the Donner Lake water right pursuant to TROA operations, which allows using the right for more credit storage and if used for new will-serve commitments, to be included as part of TMWA's normal demand for purposes of TROA.

~~Suffice to say, all conditions necessary for the implementation of TROA have been satisfied. The pendency of court challenges to actions required for TROA to enter into effect will not delay its entry into effect.~~

Water Resources During Drought Periods

The annual flow of water from the Truckee River system is dependent on the amount or size of the preceding years' snowpack (see Figure 1-9) which can be highly variable from year-to-year. Simply stated, the larger the snowpack the greater the Truckee River flows; conversely, the smaller the snowpack the smaller the Truckee River flows; this topic is developed more fully in Chapter 2. ~~Figure 1-8 illustrates this variability by comparing annual snowpack accumulations for the Truckee River Basin.~~

Beginning in 2012, snowpack accumulations have been near or below 50 percent of average. This 2035WRP comes as the region experienced its fourth consecutive year of exceptionally low-precipitation. Drought Situations¹³ exist when there is inadequate natural flow in the Truckee River and there is not enough stored water in Lake Tahoe and/or Boca Reservoir to maintain required rates of flow to meet Floriston Rates, or the elevation of Lake Tahoe is projected to be less than half-a-foot above its natural rim on or before November 15 each year. Truckee River discharge data (1909 through present) and various tree-ring research efforts show drought periods can vary from a few years to as many as 8 to 10 years in duration.



¹³ Pursuant to TROA: “**Drought Situation** means a situation under which it is determined by April 15, based on procedures set forth in Section 3.D, either there will not be sufficient **Floriston Rate Water** to maintain **Floriston Rates** through October 31, or the projected amount of **Lake Tahoe Floriston Rate Water** in Lake Tahoe, and including **Lake Tahoe Floriston Rate Water** in other **Truckee River Reservoirs** as if it were in Lake Tahoe, on or before the following November 15 will be equivalent to an elevation less than 6,223.5 feet Lake Tahoe Datum.”

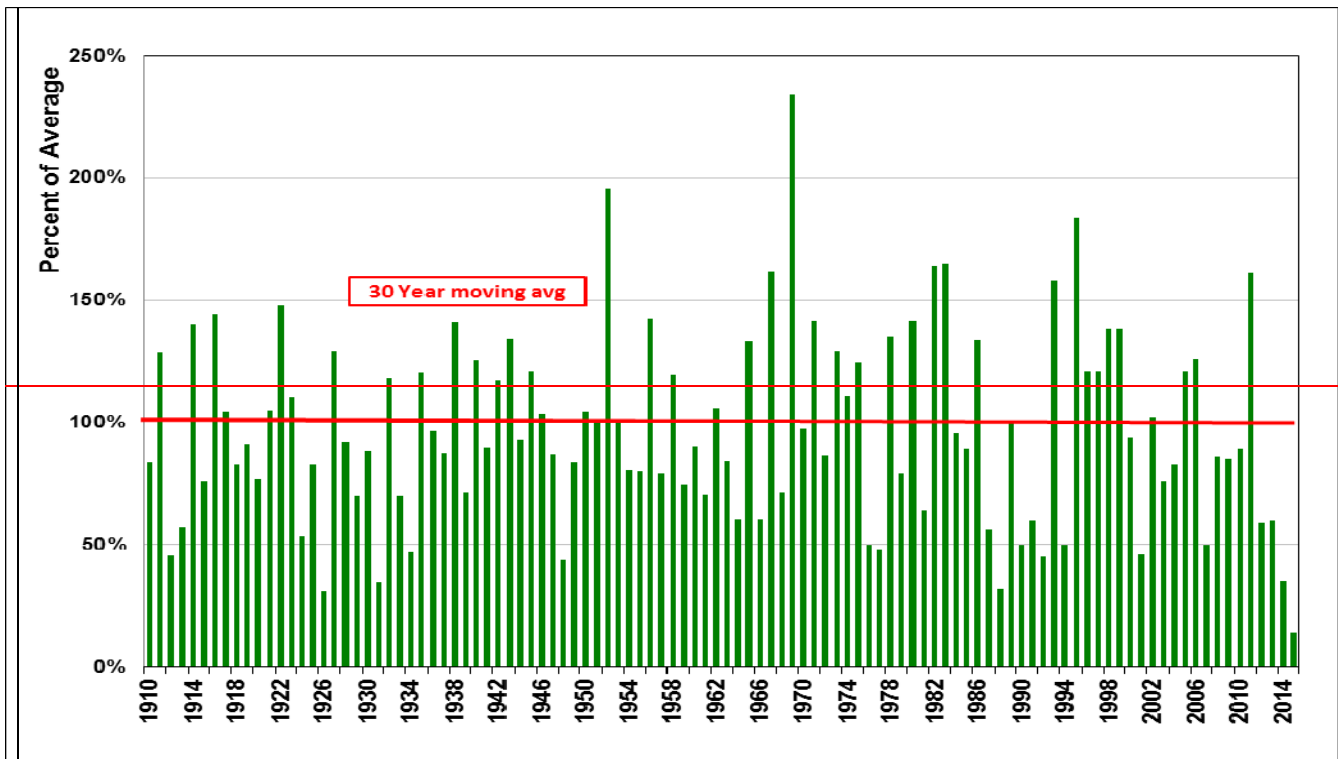


Figure 1-9. 1985 to 2015 April 18. Snowpack for the Truckee River Basin with Estimated February 1, 2016 Percent of 30-Year Moving Average

During the various drought periods, TMWA's drought reserves may not be impacted; Privately Owned Stored Water ("POSW") or drought reserves are only used to meet customer demand when the more critical dry years within the drought period are experienced. Based on past history it is not until at least the third dry or drought year in a row that upstream reserves may have to be used. In the 1987 through 1994 drought of record, only in the summer of 1991 and 1992 were upstream reserves required to meet demands. It is important to also note that the use of reserves has only occurred between the months of June and October, primarily during the irrigation season. In those years where Floriston Rates were not met through the irrigation season, by November flows in the Truckee River were once again sufficient enough to meet wintertime production needs. TMWA's current water planning is based on the hydrology of 1987-1994, the worst drought on record. In the current drought period, drought reserves were required to meet TMWA customer demands in both 2014 and more so in 2015. Although 2015 was the driest in the last 100 years with the lowest snowpack in recorded history, it cannot be stated with any certainty as to what the duration or direction the current drought period will take. This topic is discussed further in Chapters 2 and 3.

The core of TMWA's water supply for customers in the TRA is derived from the Truckee River. Consecutive years of low-precipitation in the Lake Tahoe and Truckee River basins produce dry conditions and drought periods in the TRA. The length of a drought period is solely a function of climatic/meteorological conditions, hydrologic drought conditions, and trends over a period of years. Determining a safe annual yield of available water resources during extended drought situations is the crux of this, and prior, water resource plans.

Summary

Water resource planning for the Truckee Meadows has become increasingly more complex in recent years and will continue to be more challenging as TMWA seeks to accommodate the region's current and future water supply needs. ~~However, with the recent implementation of TROA, TMWA is better equipped to mitigate drought situations and expand its ability to generate larger volumes of upstream reserves. For example, in 2015, the lowest recorded snowpack and precipitation year of record, TMWA estimates it would have been able to add an additional 9,000 to 12,000 AF of reserves to its existing 27,000 AF of POSW it had accumulated by May 2015 (Chapter 3 discusses this further).~~

This chapter introduced some of the key issues facing the current and future development of water resources for the Truckee Meadows. The following chapters will take up other issues related to climate, source water reliability and sustainability, water right availability, water resource integration and conjunctive management of resources, demand-side management, and future supply opportunities. This 2035WRP relies and builds upon the information developed and contained in prior TMWA and various regional planning efforts. This 2035WRP plan will examine and analyze the water resource options available to TMWA to meet the water demands of its current and future customers. The plan ~~outline~~ is set forth as follows:

- ~~“Key Findings and Recommendations” summarizes the significant findings of the 2035WRP and makes recommendations for further Board actions.~~
- Chapter 1, “Introduction”, presents some of the key past and current trends and challenges that have shaped, or are projected to shape, the future of the greater Truckee Meadows region and the availability of water resources.
- Chapter 2, “Source Water Reliability”, presents discussion of quality of surface and ground water sources, climate change and climatic effects, source/loss risk analysis, and water quality protection/response plans.
- Chapter 3, “Integrated Management of Water Resources”, describes availability of what water ~~rights are currently available or~~ used by TMWA and how those resources are conjunctively managed to annually produce a sufficient amount of water to meet TMWA's water service demands in non-~~Drought~~drought and Drought-Situation~~drought-situation~~ years.
- Chapter 4, “Population and Water Demand Projections”, presents forecasts of population and water demands for the planning horizon.
- Chapter 5, “Water Conservation Plan”, describes the various~~several~~ conservation programs and measures that TMWA employs to reduce annual water use and minimize water waste in both non-drought and drought-situation years, including a comprehensive list of tools that the TMWA Board can employ to produce enhanced water savings based on water supply conditions at any given time.
- Chapter 6, “Future Water Resources”, identifies potential future water resources.
- ~~Chapter 7, “Summary”, compiles the issues outlined in the plan with some suggested direction for the future of water resources for the greater Truckee Meadows region.~~

CHAPTER 2 SOURCE WATER RELIABILITY

This chapter explores the reliability of TMWA's ~~totalprimary~~ water ~~supplysources~~ in terms of both quantity and quality for municipal purposes. A water supply is considered to be reliable when in the event of adverse events, service to customers continues without interruption. There are three key areas of risk that needs to be addressed in order to ensure~~Key concerns with ensuring~~ a perpetual and adequate water supply: climate changes (warmer / cooler average temperatures or wetter / dryer average conditions); ~~are~~ weather caused events (such as floods, droughts, mud slides); and anthropogenic events (such as source contamination). Each of these areas of risk requires its own level and type of risk assessment and plan for mitigation. While it not possible to completely remove the risk of any event, it is possible to develop plans and allocate resources to be used for mitigation.

Climate Change

Performing an accurate assessment of the risk associated with climate change requires first a delineation of the differences between climate and weather; a discussion about how climate assumptions can translate into changes to expected weather patterns; how different weather patterns may translate into different risks for TMWA to consider and develop plans for. The following discussion about climate and weather is paraphrased in part from NASA's website¹⁴ and is provided in Appendix 2-1.

The difference between weather and climate is a function of the measurement of time. Weather is atmospheric conditions are over a relatively short period of time. Most people think of weather in terms of temperature, humidity, precipitation, cloudiness, brightness, visibility, wind, and atmospheric pressure (i.e., high and low pressure). Weather can change minute-to-minute, hour-to-hour, day-to-day, and season-to-season. Weather includes sunshine, rain, cloud cover, winds, hail, snow, sleet, freezing rain, flooding, blizzards, ice storms, thunderstorms, steady rains from a cold front or warm front, excessive heat, heat waves and more.

The National Oceanic and Atmospheric Administration's ("NOAA") National Weather Service ("NWS") is the lead forecasting outlet for the nation's weather and the keeper and provider of much weather data. Their mission states:

"The National Weather Service provides weather, hydrologic, and climate forecasts and warnings for the United States, its territories, adjacent waters and ocean areas, for the protection of life and property and the enhancement of the national economy. NWS data and products form a national information database and infrastructure which can be used by other governmental agencies, the private sector, the public, and the global community."

TMWA makes extensive use of NWS data in many analyses and daily operations.

Climate is used in reference to how the atmosphere 'behaves' over relatively long periods of time. Climate is the average of weather over time and space. Some scientists will

¹⁴ NASA publication *What's the Difference Between Weather and Climate?*
http://www.nasa.gov/mission_pages/noaa-n/climate/climate_weather.html

define climate as the average weather for a particular region and time period, usually spanning over 30 years. When scientists talk about climate, they are looking at averages of precipitation, temperature, humidity, sunshine, wind velocity, phenomena such as fog, frost, and hail storms, and other measures of the weather that occur over a long period in a particular place. Anecdotally, to talk about climate change is to talk about changes in long-term average of daily weather. Today, children hear stories from their parents and grandparents about how snow was always piled up to their waists as they trudged off to school. Today in most areas of the country, children have not experienced those kinds of dreadful, snow-packed winters. If summers seem hotter lately, then the recent climate may have changed. In various parts of the world, some people have even noticed that springtime comes earlier now than it did 30 years ago. While anecdotal, these are all indicative of possible change in the climate. In addition to long-term climate change, there are shorter term climate variations. This so-called climate variability can be represented by periodic or intermittent changes and hydrologic droughts. The discussion explores weather related to El Niño, La Niña, volcanic eruptions, or other changes in the Earth system.

The study of climate is looking at how the description of weather is changing over longer periods of time. The National Academy of Sciences, a lead scientific body in the U.S., determined that the Earth's surface temperature has risen by about 1 degree Fahrenheit in the past century, with accelerated warming during the past two decades. There is new and stronger evidence that most of the warming over the last 50 years is attributable to human activities. Yet, there is still some debate about the role of natural cycles and processes.

It is accepted that human activities have altered the chemical composition of the atmosphere through the buildup of greenhouse gases – primarily carbon dioxide, methane, and nitrous oxide. While the heat-trapping property of these gases is undisputed, it is uncertain exactly how Earth's climate responds to them. According to the U.S. Climate Change Science Program (<http://www.climatechange.gov>), factors, such as aerosols, land use change and others may play important roles in climate change, but their influence is also highly uncertain at the present time.

The above discussion about climate and weather from NASA, clearly shows that the topic of climate and weather is both complex and filled with uncertainties about how all the interrelated components behave over time. What is known is that over the last 100 years global temperature has risen about 1 degree Fahrenheit, and most of that in the last 50 years.

Climate Predictions

Using the Global Climate Dashboard from Climate.gov, average global temperatures are expected to increase about 1 degree between the years 2010 and 2040, and by the year 2100 the change could be 2 to 6 degrees depending on the model selected. The climate scientists are unable to tell which model should be used because all the models are dependent upon expected human activities. The amount of warming associated with different human choices is also unknown because there are many details that are not known about how the climate will respond to continued increases in heat-trapping gases, particularly over longer time scales. The following figure from Climate.gov illustrates the range of possible global temperature changes.

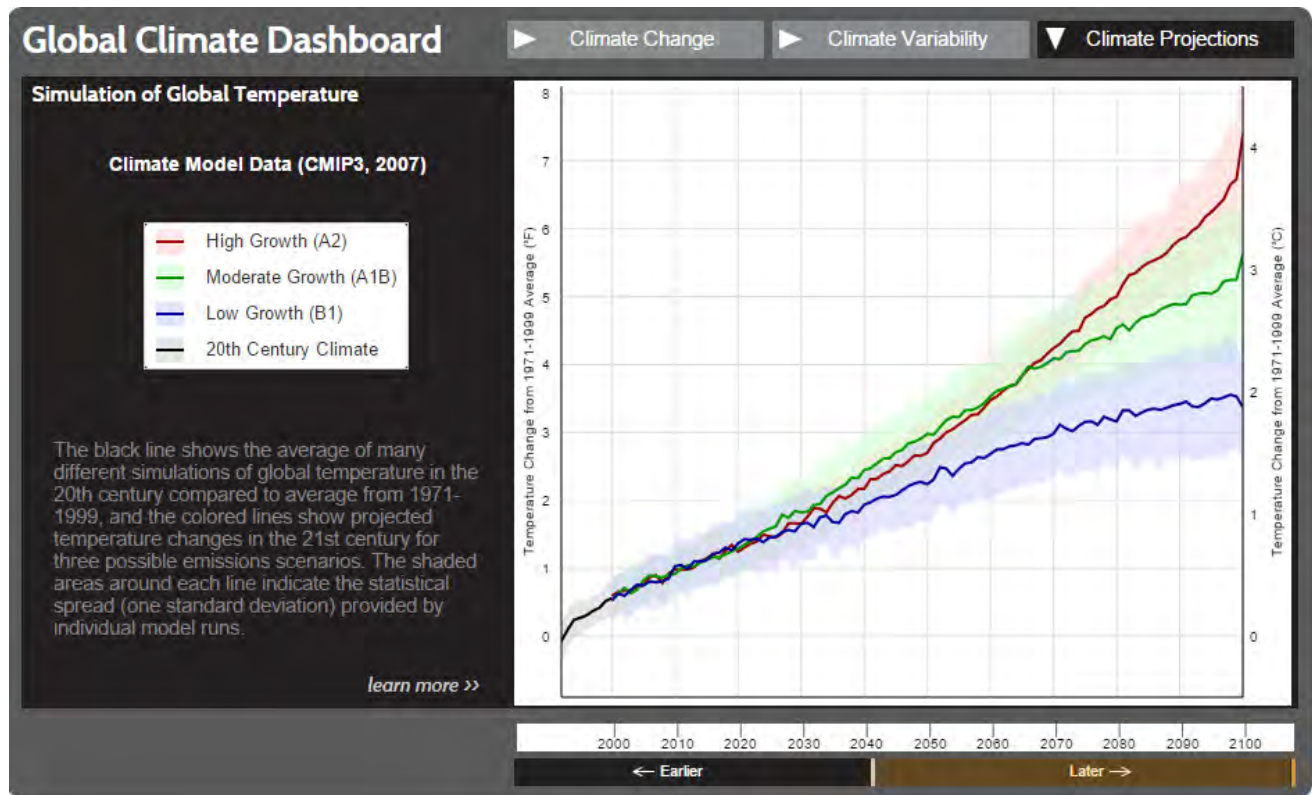


Figure 2-1. Global Climate Dashboard from Climate.gov

Translating Climate Predictions into Changes in Weather

Northern Nevada and California its neighbor to the west share the Lake Tahoe and Truckee River watersheds. In June 2015 the State of California Department of Water Resources (“CDWR”) released a report “California Climate Science and Data for Water Resources Management” presenting their findings and methods of adapting climate change research to water resource planning which have some applicability to the greater Truckee Meadows water supplies. (Appendix 2-2).

In California there is an expectation of more frequent droughts with warmer temperatures. Extremes on the wet end of the spectrum are also expected to increase, due to more frequent warm, wet atmospheric river events and a higher proportion of precipitation falling as rain instead of snow.

Most climate model precipitation projections for California anticipate heavier and warmer winter precipitation in northern California. However there is less scientific detail on localized precipitation changes and this uncertainty needs to be taken into account. Lake Tahoe and the Truckee River basins are considered to be located in northern California and in what California calls the North Lahontan hydrologic region. In the Global Climate Models (“GCM”), California and western Nevada are simplified and represented by a handful of data points. The climate model simulations *do not* provide strong consensus regarding precipitation trends in most locations around the globe, including California. It is possible that throughout the 21st century, the total amount of precipitation statewide will remain, on average, about the same. However, the distribution, timing and type of that precipitation may vary. What is quite certain is that future

years will continue to be subjected to natural climate variability, such as El Niño and other large-time-scale oscillations.

Climate modeling will continue to produce more realistic and improved capability to explore future conditions, as observations accumulate and better fundamental understanding is gained by scientists. These advances will lead to a better understanding of possible scenarios, including the frequency of extreme events such as ~~and~~ drought and floods. At this time the climate models provide very limited information for water resource planning. CDWR has determined that the Northern Lahontan hydrologic region is subject to the following vulnerabilities:

- Increased air and water temperatures would place additional stress on sensitive ecosystems and species.
- Loss of snowpack storage may reduce reliability of surface water supplies and results in greater demand on groundwater resources.
- Magnitude and frequency of extreme precipitation events may increase, resulting in greater flood risk.
- Higher temperatures and longer dry seasons would increase wildfire risk.

CDWR suggest the following resource management strategies may prove benefit in addressing future water supply uncertainty:

- System Reoperations:
 - o Changing existing operation and management procedures for a water resources system consisting of supply and conveyance facilities. TROA provides for the reoperations of the Truckee River and associated storage reservoirs.
- Conjunctive Management and Groundwater Storage:
 - o Coordinated and planned use and management of surface water and groundwater resources to maximize periods, that can affect the availability and reliability of water supplies.
- Surface Storage – Regional/Local:
 - o Above-ground reservoirs to collect water for later release when needed. Surface storage has played a key role whereof TMWA's water resources, and water quality issues that can affect long-term sustainability. The most imminent threats to the reliability of the water supply are weather and source contamination, both of which may affect the quantity, timing, and location quality of available water demand frequently do not match the natural water supply availability supplies.

As seen by the information from NASA, Climate.gov, and CDWR, TMWA can expect the regional climate to continue warming, the exact amount of warming cannot be determined at this time. Warming temperatures are expected to have an impact on water sources, however the

current science is unable to provide estimates of what that impact will be over time. Regardless of the exact amount of climate change, resource management strategies such as system reoperations, conjunctive management, and surface storage are useful in managing the climate change impacts. These same tools are also used to manage known weather variability risk such as droughts, floods, rain versus snow events.

Weather Variability

Nevada is part of the Great Basin and for the most part is classified as a high desert climate. Few places in Nevada are as fortunate as the Truckee Meadows which has a river running through it, but that does not change the fact it is a desert with annual average rainfall of 7.5 inches per year. In essence, the region is in perpetual dry conditions interrupted by higher-than-average precipitation years, which ~~makesmake~~ it difficult to delineate ~~when the beginning or end of~~ a drought has begun, will end, or how long a drought could last~~period including its duration.~~

Weather, particularly precipitation in the form of snowpack, is the primary determinant in establishing drought conditions and the availability of surface and groundwater supplies in the various hydrographic basins where TMWA provides service. Precipitation replenishes the reservoirs and aquifers from which water is extracted. While the weather pattern consistently provides precipitation during the winter and spring months, the type of precipitation (snow versus rain) and timing of snowmelt runoff can vary greatly from year to year. Simply stated, a larger snowpack produces greater Truckee River flows; conversely, the smaller the snowpack the smaller the flow in the Truckee River. Figure 2-1 compares annual snowpack accumulations to annual Truckee River flows.

TMWA manages for uncertainty of its water supply, in terms of the overall quantity and the timing of its delivery, through storage of water in upstream reservoirs and injection of treated surface water through its network of wells into aquifers in Lemmon Valley, Spanish Springs and Truckee Meadows. When river flows are available, TMWA manages its surface water resources through conjunctive use with groundwater supplies. This conjunctive use management maximizes use of surface water when it's available, thereby reducing groundwater pumping. This approach allows TMWA to meet demands with surface water, and to rest and recharge specific wells when enough surface water is available. TMWA continually assesses the potential reduction to source water supplies due to variability of weather conditions.

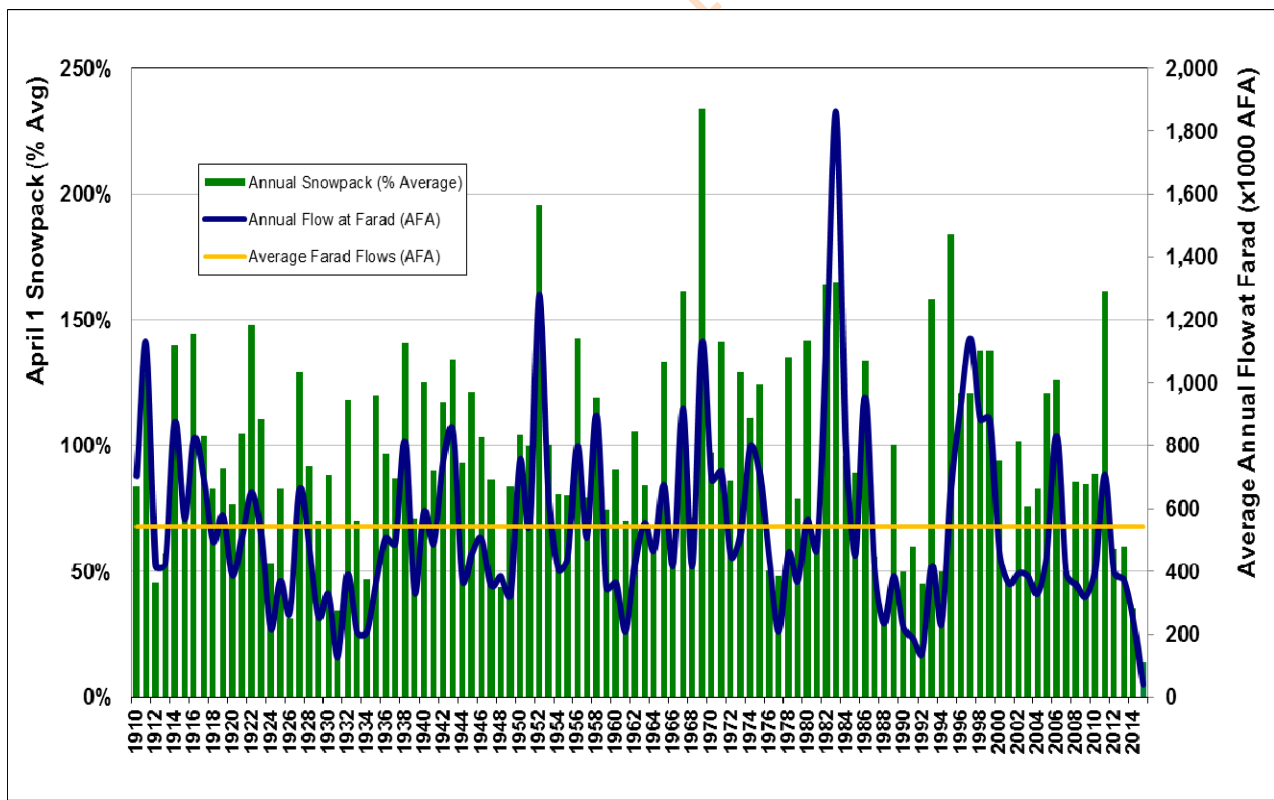
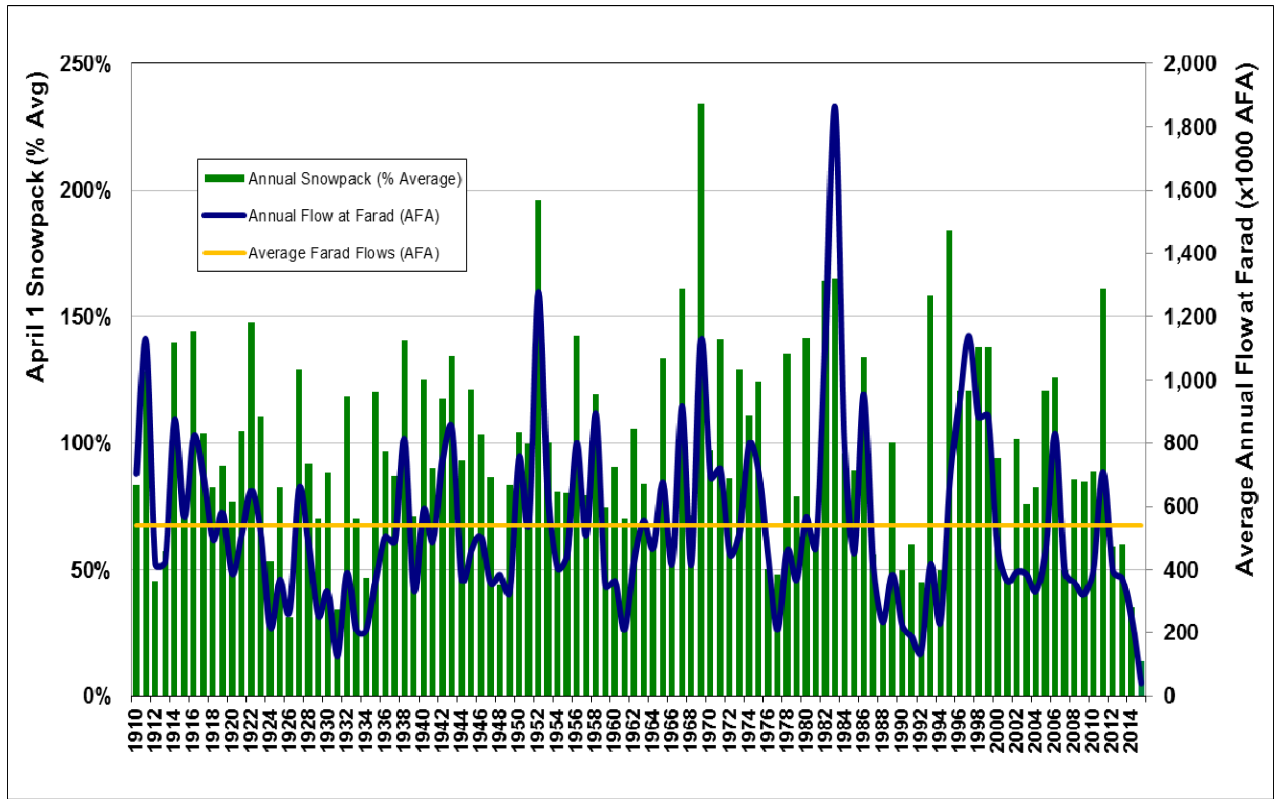


Figure 2-21. Annual Snowpack Percent vs Average and Annual Truckee River Flow at Floriston

Shortages in water resources due to seasonal weather variability can produce adverse environmental and economic conditions such as degradation of the land and the associated biologic ecosystem (i.e., stress to plants, animals, and habitat). Recent changes in the climate have been suggested as the culprit for the high degree of weather variability and deserve more attention as to the impacts to regional water resources. However, studies on the historic hydroclimatic conditions in the region reveal long periods with either extremely wet or dry conditions are common cyclical events when viewed from a much longer timeframe. In order to effectively manage for source water reliability given the uncertainty surrounding annual precipitation, such events and the frequency of their occurrence merit a ~~closer~~close investigation.

For a better understanding of how water resources can be impacted from extreme variability in the Truckee River Basin's weather patterns, TMWA partnered with the Desert Research Institute ("DRI") in 2006 and 2009 to research the possibility of climate change and global warming affecting the Truckee Meadows' water supplies (see Appendix 2-~~34~~). The results of that research indicated, at the time the study was done, that historic hydrological records are the best data available for future planning and scientific evidence remains inconclusive as to the effect of climate change on drought conditions within the Truckee Meadows. Since there is a high variability in regional climate data, it has proven difficult to definitively detect long-term climate trends, i.e., some studies project the region becoming wetter while others project a progressively drier environment over time. Given this "noise" in the data and a divergence in the predictions under various climate change models, the 2009 research concluded that continued investigation on this topic is warranted.

In 2015, TMWA partnered with the University of Nevada, Reno ("UNR") to investigate recent advances in the research of climate change (see Appendix 2-~~42~~). The preliminary report indicates that, despite the advancements on climate change research, the debate regarding variation in weather patterns, greenhouse gas emissions, and extreme drought is still ongoing. In many cases simulated climatic projections do not line up with observational data over time. However, it is better established that from a century's worth of hydrologic records that the high variability in local seasonal river flows is driven, in large part, by oceanic and atmospheric oscillations. Moreover, to adequately evaluate current changes to the availability of water resources as well as the likelihood of future extreme hydrologic conditions, one must take a much broader perspective that incorporates long-term trends into projections. This approach requires hydroclimatic data that extends far beyond modern records. In particular, tree-ring sampling can be used to extend hydroclimatic records many centuries beyond modern records providing insight into long-term changes in the region's hydrologic conditions.

This point is underscored by the fact that the Lake Tahoe Basin has endured hydroclimatic episodes that persisted for much longer than experienced in modern times. For example, analysis conducted in 2011 on submerged trees in Fallen Leaf Lake revealed a drought that persisted for two centuries (between 1100 and 1200 A.D.). While mega-drought episodes in the area are rare, shorter periods of wet and dry are more common in the region. Figure 2-2 is a map showing the two basins (Truckee indicated by the lime polygon and Carson indicated by the purple polygon) and the location of the tree-ring chronologies (green dots) analyzed in the 2015 report¹⁵. The report reviewed a variety of tree-ring chronologies that analyzed tree-ring datasets

¹⁵ Tree-ring chronology data was provided by the Contributors of the International Tree-Ring Data Bank.

covering multiple watersheds throughout California and Nevada. Further analysis of the data delineated those datasets where correlation within the tree-ring chronology exists between the Truckee and Carson River Basins and regions in the sample in order to construct a workable tree-ring chronology. The tree-ring samples provide an extension to the dataset on the hydrologic conditions of those watersheds as far back 1500 A.D.

The report finds evidence of many occurrences over the past 500 years of wet and dry periods that persisted for multiple years. Of the 211 wet and dry episodes during this period, the average lasted for 2.4 years, with the longest episodes being a 9-year wet period in the early 1980s (1978-1986), and two 8-year droughts in 1841-1848 and 1924-1931. These findings point to different hydrologic patterns emerging in the new millennium when compared to the entire length of record. For example, in the last century this region has experienced three of the strongest wet periods (out of a total of six) and two of the strongest dry periods (out of a total of four) out of the top 10 wet and dry cycles of the past 500 years. However, given the wide range in the spatial locations of the chronologies, the report recommends collecting more tree-ring data from sites located in the Truckee and Carson River watersheds to improve the quality of long-term hydroclimatic picture within TMWA's service area.

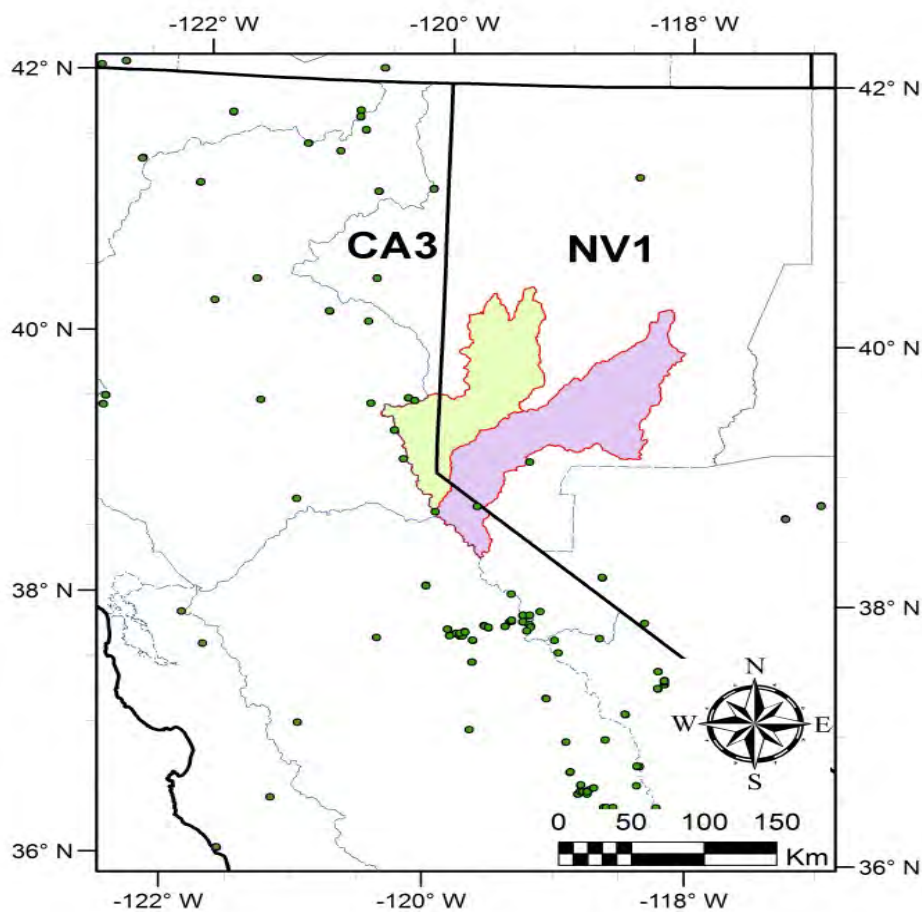


Figure 2-32. Location of Tree-Ringring Chronologies Used in the 2015 Report

The 2015 report provides evidence that the highly cyclical nature of both wet and dry episodes is not a new phenomenon. However, given that half of the strongest 10 episodes occurred in the last century, it would suggest variations in weather extremes are becoming stronger and more frequent. This high degree of variability between wet and dry weather patterns, coupled with a high degree of uncertainty regarding the duration of either event, makes managing for water source reliability particularly challenging. Management becomes a delicate balance between selling enough water in wet years to keep costs of service low, and ensuring adequate conservation of storage is achieved during periods of drought. In order to confidently manage for both potential conditions, TMWA ensures its reserves are such that they can meet service demands for extended periods of drought, meanwhile assessing snowpack and river flows annually in order to reevaluate management strategies should conditions worsen or improve. This continual reassessment of source water supplies and management tactics is the best defense against reservoir depletion while mitigating the risk of as well as unnecessary economic stress to both the utility and customer base.

Historically, TMWA's water resource management plans consider changes in water supply based on instrumental data on hydrologic conditions recorded over the past one hundred years. However, as changes in the climate are projected to become increasingly prominent and erratic, managing for a sustainable supply of water resources in the future, could prove to become more complex. In order to best manage for water supply sustainability in an uncertain future, TMWA anticipates alternative actions that would insulate against future shocks to its supplies and adapts to abrupt changes in short-term conditions, given climate projects that span beyond the hundred years of hydrologic record. In order to design robust strategies to mitigate against potential climate change scenarios, TMWA incorporates the best available scientific information regarding regional climate change into its planning process. Moreover, with the merger with DWR and STMGID, as well as, the recent implementation of TROA, TMWA's strategies have expanded to incorporate new operational and institutional constraints, in order to separate what strategies should be done from what strategies can be done.

In May of 2015, the USBR released the funding announcement for the WaterSmart: Drought Contingency Planning Grants for Fiscal Year 2015. The WaterSmart Program was established to provide federal assistance to water authorities in the areas of water efficiency and climate change resiliency. The two-year grant calls for the incorporation of the best science on climate change into water resource management within a collaborative, interagency framework. In June 2015, TMWA leveraged this opportunity by proposing a project to address the potential influence of water-shed level climate change on water resource management in the TMSA. Specifically, the project proposes that TMWA will collaborate with UNR and DRI to determine hydrology conditions under "worst case" climate changes scenarios. Through the use of paleoclimatology data such as tree ring samples, scenarios will be modeled based on extreme

droughts that occur prior to the last century. Using this information TMWA will create a methodology that identifies both feasible and cost-efficient water management strategies within the TMSA, given various, potential climate change scenarios. Using a linear programming framework to optimize a suite of management options for each scenario, between 2016 and 2017, TMWA will develop a decision support system that considers inputs on watershed-level climate change, water supplies, legislative and stakeholder constraints, and the costs of mitigation and response actions. The end result will be a robust drought contingency management plan that utilizes a dynamic decision support system which details a timetable outlining the optimal suite of actions to: i) provide adequate water resources to meet demand; ii) satisfy cost recovery and all legal requirements; and iii) can adapt readily as conditions change within the TMSA. Preliminary results of this effort are expected early 2017.

In addition to identifying management strategies to deal with potential climate change scenarios, part of the requirements of the federal funding award is that TMWA create an interagency Drought Planning Task Force. The Task Force is comprised of TMWA staff, government agencies' staff, representatives from TMWA's various customer classes, academics, as well as environmental and economic stakeholders within the TMSA. Over the two years of the project, the Task Force will hold a series of meetings to discuss the model's output and the management actions local agencies can take, in response to various climate change projections for the region. As well, the meetings will identify and discuss the implications and potential impacts from those actions. The entire project is slated to be completed by August, 2017.

TMWA is not the only agency taking a proactive approach to water supply sustainability. The winter snowpack is the primary source of water for TMWA's customers and allows replenishment of TMWA's upstream reservoirs. As the snowpack grows over the course of the winter, water is stored until the spring stream flow runoff period. In high snowpack years, this melting can provide stream flows well into the summer months. Given prolonged drought periods can occur in the region, DRI has been conducting cloud seeding in the Lake Tahoe and Truckee River Basins for more than 25 years. The purpose of cloud seeding technology is to enhance snowfall from storm events thereby increasing the overall snowpack in the Tahoe and Truckee Basins. DRI's cloud seeding program consists of three phases; 1) prepping the cloud seeding generators to distribute the seed when the proper storm presents itself; 2) applying seeding to the clouds of wintertime storms; and 3) analyzing the subsequent weather data during the cloud seeding periods to determine effectiveness. DRI's study estimates cloud seeding increases the precipitation rate by approximately 0.01 inches per hour. During the prior 18 seasons it has been estimated that the DRI state program yielded snow water increases ranging from 8,000 to 30,000 AF/yr, with an annual average of about 18,250 AF. For the 2014/15 winter season it was estimated the cloud seeding program increased the snow water by approximately 11,513 AF (See Appendix 2-5)3 for the complete report). However, while it cannot be estimated how much of the additional snowfall increases streamflow, groundwater recharge, or reservoir storage that would directly benefit TMWA and its customers, any increase in the snowpack can have a positive effect on the region's water supply.

Droughts

The State of Nevada defines drought as follows:

“Drought is a complex physical and social phenomenon of widespread significance. Drought is not usually a statewide phenomenon; differing situations in the state make drought local or regional in focus. Despite all the problems droughts have caused, drought has proven difficult to define. There is no universally accepted definition because drought, unlike flood, is not a distinct event and drought is often the result of many complex factors acting on and interacting within the environment. Complicating the problem of a drought definition is the fact that drought often has neither a distinct beginning nor end. It is recognizable only after a period of time and, because a drought may be interrupted by short spells of one or more wet months, its termination is difficult to recognize. The most commonly used drought definitions are based on: 1) meteorological and/or climatological conditions, 2) agricultural problems, 3) hydrological conditions, 4) economic considerations and 5) induced drought problems. Each type of drought will vary in severity, but all are closely related and caused by lack of precipitation.”¹⁶

The State of Nevada Drought Plan sets forth the State’s definition for each of the five types of droughts. The role of a water purveyor is to secure reliable water resources to meet its customers’ requirements, including mitigating the risks that droughts can impose on water resources. TMWA monitors meteorological¹⁷, hydrological¹⁸ and induced¹⁹ droughts as these have direct effects on availability of surface water to water right holders along the Truckee River and availability of groundwater in hydrogeographic basins during low-precipitation years. TMWA’s focus in water resource planning and management is in direct response to hydrologic and induced drought conditions. Depleted reservoir storage, both upstream and subsurface, has a direct impact on TMWA’s water supplies during drought periods. Consecutive (three or more) years of low-precipitation in the Lake Tahoe and Truckee River Basins are likely to negatively impact the storage in both Lake Tahoe and Boca Reservoir. Three exceptionally dry years in a row (2012 to 2014) reduced upstream reservoir storage to a point where there was no water left to release into the Truckee River except for TMWA’s drought reserves. The length of a drought period is solely a function of meteorological conditions over a period of years.

A good indicator of an impending dry-year water supply is snowpack accumulation. Measured on April 1 of each year, the water content of the snowpack is used to forecast the amount of water that will run off each spring to help fill upstream reservoirs and provide river flows through the year. Figure 1-92-3 shows snowpack for the Truckee River basin over the past 30 years.

¹⁶ State of Nevada Drought Plan, a report prepared in 2012 by the Drought Response Committee comprised of the State Climate Office, Division of Water Resources, and Division of Emergency Management under direction of the Governor. See Appendix 2-64 for full report.

¹⁷ Meteorological drought is often defined by a period of well-below-normal precipitation. The commonly used definition of meteorological drought is an interval of time, generally of the order of months or years, during which the actual moisture supply at a given place consistently falls short of climatically appropriate moisture supply.

¹⁸ Hydrologic drought refers to periods of below-normal streamflow and/or depleted reservoir storage.

¹⁹ Induced drought is a condition of shortage which results from over-drafting of the normal water supply. The condition is aggravated by negative precipitation experience and below normal streamflow or aquifer recharge. An induced drought is brought about by introducing agricultural, recreational, industrial or residential consumptions into an area which cannot naturally support them.

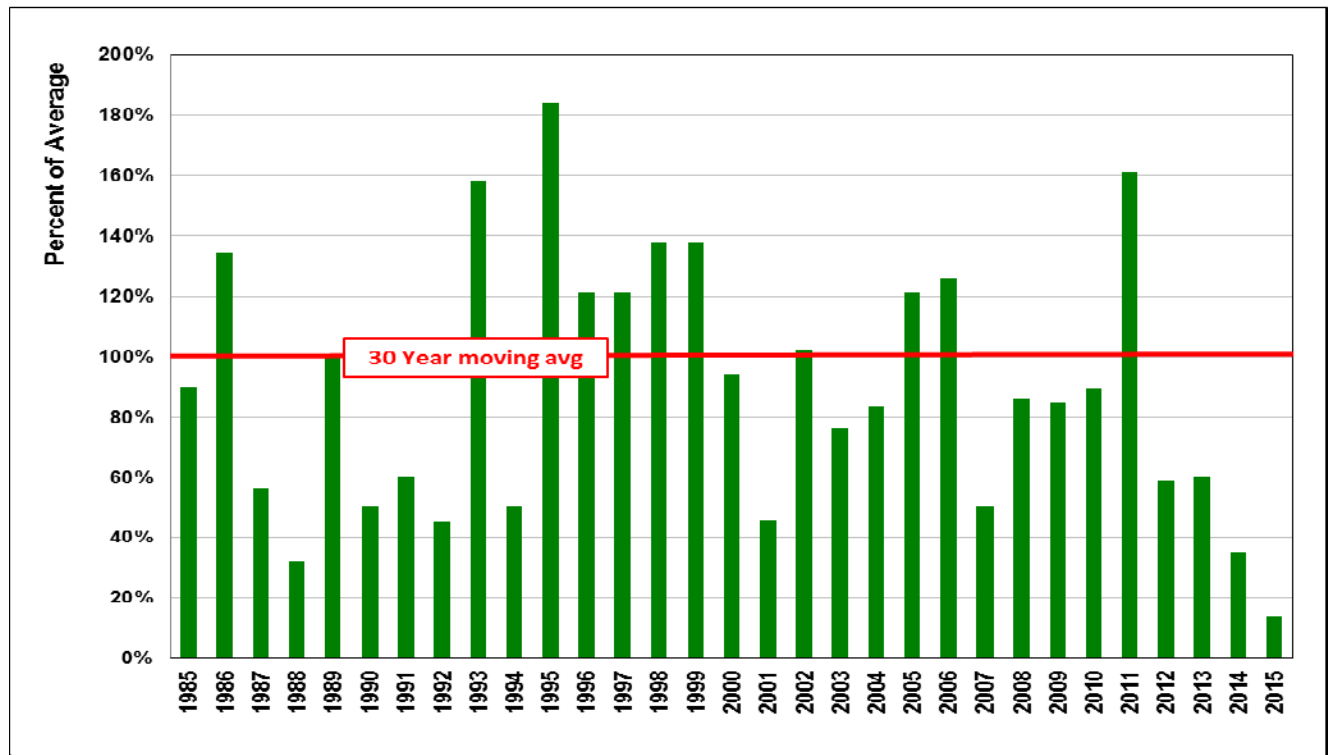


Figure 2-3. 1985 to 2015 April 1 Snowpack for the Truckee River Basin

The risk of continued drought conditions increases in lower-than-average-snowpack years. Although the focus of TMWA's supplies are Truckee River based, annual snowpack and precipitation accumulations in all basins where TMWA has resources is vitally important to support natural recharge to aquifers in those basins. Without consistent, sufficient precipitation in these basins, over-draft conditions may develop since domestic well owners and municipal providers must pump water year-in, year-out to meet demands. Issues affecting groundwater resources are discussed later in this chapter.

Since 1980, there have been four periods of varying degrees of hydrologic drought within the Truckee River system: 1987-1994 (8 years); 2001 to 2004 (4 years); 2007 to 2010 (4 years) and the current period of 2012-2015 (4 years). The past 30 years includes the 1987 to 1994 drought period which is considered the worst drought of record over the 106 years of recorded flows of the Truckee River. The severity of each drought's impact during those periods listed in the table is revealed by the quantity of upstream drought reserves (or POSW) that TMWA had to release during a particular year to meet customer demands.

Table 2-1. Loss of Floriston Rate and Use of POSW During Drought Periods Since 1980

Year	Date Floriston not Met	Use of POSW	Year	Date Floriston not Met	Use of POSW	Year	Date Floriston not Met	Use of POSW	Year	Date Floriston not Met	Use of POSW
-a-	---b---	---c---	-d-	---e---	---f---	-g-	---h---	---i---	-j-	---k---	---l---
1	1987	0	2000		0	2007		0	2012		0

2	1988	Aug 20	0	200	1	0	200	8	Nov 23	0	201	3	0			
3	1989		0	200	2	Nov 28	0	200	9	Oct 17	0	201	4	Jul 29	4,900	4,900
4	1990	Aug 26	0	200	3	Dec 8	0	201	0		0	201	5	Apr 7	11,700	10,000
5	1991	Jul 26	3,100	200	4	Sep 23	0								0	0
6	1992	Jun 5	9,000				0									
7	1993	Sep 26	0													
8	1994		0													

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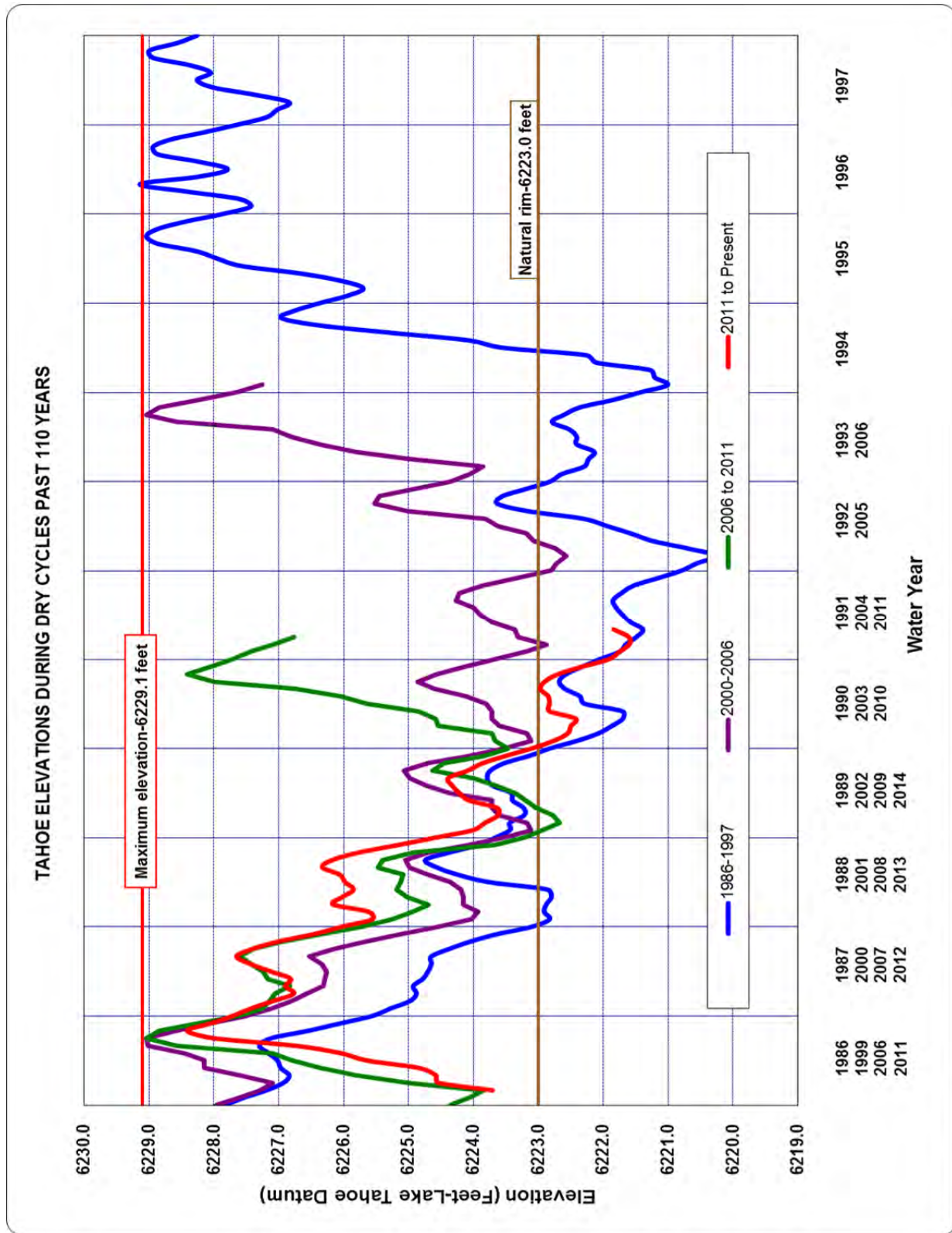


Figure 2-4. Lake Tahoe Elevations During Drought Periods

Figure 2-4 compares the four most recent drought periods. The similarity between drought periods is evident with differences appearing in the length of the drought period and its impact on the level of Lake Tahoe. [Brief descriptions of the most recent drought periods follow.](#)

1987 to 1994 Drought Period.

During the 1987/1988 winter, it became apparent that runoff from the snowpack would be significantly below normal. By August 20 of 1988, the Floriston Rates could not be met and POSW was needed by late August to meet customer demands. By the end of August, emergency steps were taken by local government to curb water use to maintain carryover storage for 1989. Outside water use was limited to one-day-a-week in late August. A comparison of water use during the months of August through October 1987 to water use during the same period in 1988, revealed that drought actions reduced production by about 3,400 AF, or about 15 percent reduction. Precipitation through the 1988/1989 winter produced a 100 percent of average snowpack for the Truckee River Basin. Floriston rates were met throughout the 1989 irrigation season. Water supply conditions returned to below average in 1990. Local irrigation ditches were cut-off in late August due to low flows in the Truckee River. Lake Tahoe dropped below its natural rim in September 1990, resulting in no flow into the Truckee River. The winter of 1990/1991 was one of the lowest precipitation periods on record prior to March of 1991. Even with the unusually heavy March precipitation, the snowpack in the Truckee River Basin only measured 60 percent of average on April 1, 1991. Local irrigation ditches were cut-off July 26 when Floriston Rates could not be met.

During 1992, Floriston Rates could not be met after June 5 the earliest date on U.S. District Court Water Master's records up to that date; it was the worst year of the drought period with snowpack less than 50 percent of average and no outflow from Lake Tahoe. After utilizing 9,000 AF of Independence Lake water (POSW), 8,500 AF remained in drought storage at the end of 1992. The net depletion of Independence Lake was 6,000 AF during 1992. The snowpack in 1993 was over 150 percent of average. As a result of the heavy snowpack during the 1992/1993 winter, the elevation of Lake Tahoe increased significantly rising above its natural outlet elevation. Although 1993 was a significant improvement over 1991 and 1992, it was not enough to enable Tahoe to sustain Floriston rates. Floriston Rates were only met until September 26, 1993.

The 1994 snowpack in the Truckee Basin was just 50 percent of average on April 1. The elevation of Lake Tahoe stayed below its natural rim from the fall of 1993 through all of 1994. No releases were able to be made from Lake Tahoe in 1994.

The abundant snowfall of 1995 and subsequent runoff brought the elevation of Lake Tahoe back above its natural outlet elevation. Tahoe rose 6 feet in 1995, ending up four feet above its rim in July 2015. The significantly, above average 1995 snowpack year was reinforced by above-average snowfall in 1996 which effectively ended the 1987 to 1994 drought period. Total natural flows during the 1987 to 1994 water years were 83 percent of the total natural flows from 1929 to

1936 water years and thus, more severe than the previous design drought period of 1928 to 1935.

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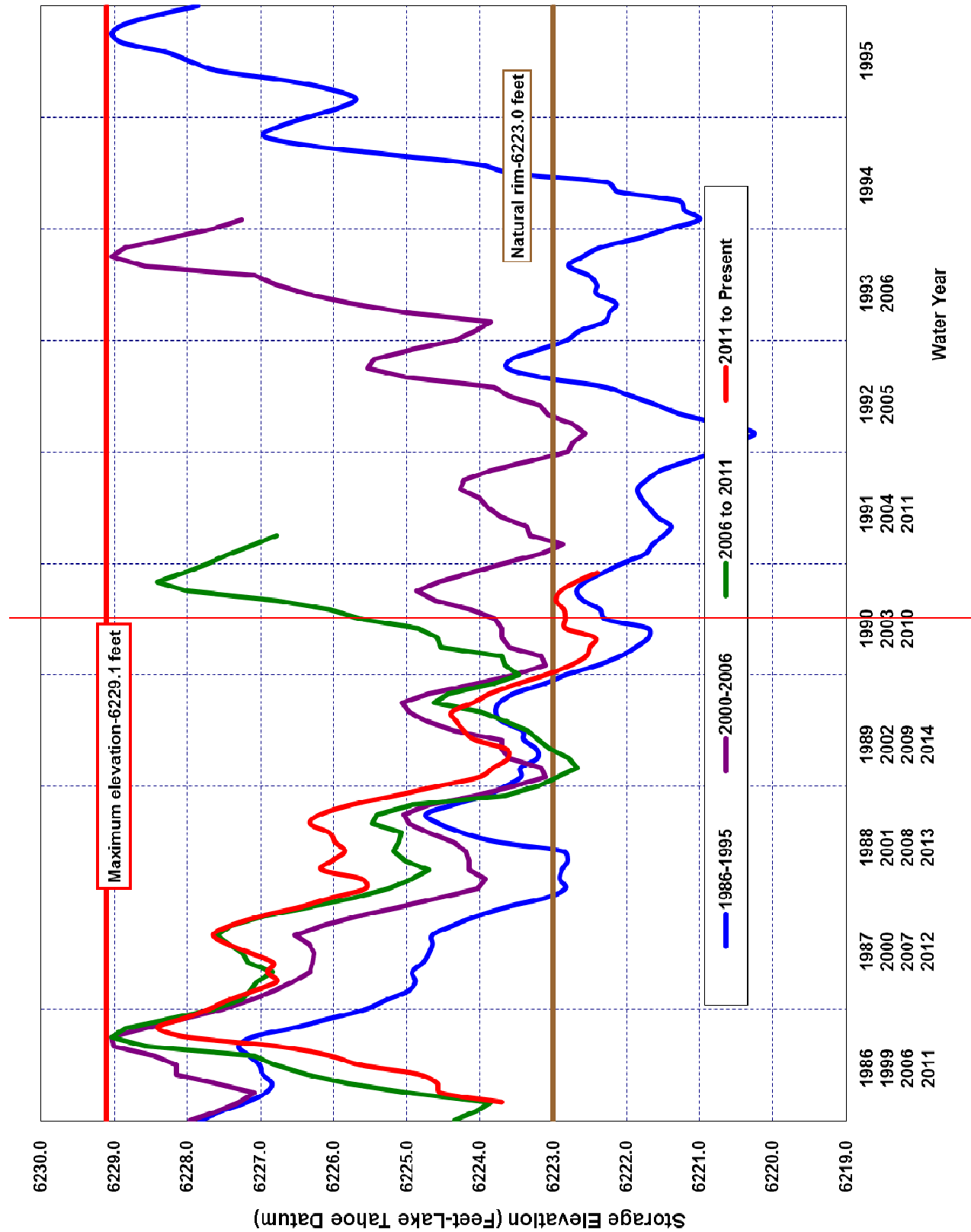


Figure 2-4. Lake Tahoe Elevations During Drought Periods

2000 to 2004 Drought Period.

Reservoirs were full leading into the 2000/2001 snow season, but snowpack within the Truckee River Basin was below average in 2000 and continued that pattern again in 2001. While there was an improvement over 2001 in the amount of snowpack and runoff in 2002-2004, it was not enough to end the start of another drought period. Although TMWA did not need to utilize any POSW to meet customer demands during this drought period, the reduced water availability made it difficult to sustain the required Floriston Rates in December 2002 and again from late 2003 into early 2004. In September 2004 Floriston Rate storage was exhausted and normal-river flows were not met again until the end of February 2005 which ended up being a 125 percent of average snowpack year in the Truckee River Basin. Due to heavy precipitation and flooding in late December 2005/early January 2006 the elevation of Lake Tahoe rose significantly. In fact, almost 11 inches of precipitation was recorded at the United States Geological Survey (“USGS”) Farad gauging station over a two week period (Dec 21, 2005 to Jan 3, 2006). An above average snowpack was recorded again (126 percent of average) in the Truckee River Basin in 2006. Lake Tahoe and all Truckee River Basin reservoirs filled as a result of the streamflow runoff that was produced the following spring. Those two consecutive above average snowpack years (2005 and 2006 respectively) effectively ended the 5-year drought period.

2007 to 2010 Drought Period.

Although the phenomenal snowpack of 2006 refilled Lake Tahoe, the 2007 snowpack was 50 percent of average and turned out to be the start of another drought period. Snowpack in the Truckee Basin was 51, 86, 85, and 89 percent of average for the years 2007, 2008, 2009, and 2010, respectively. Lake Tahoe dropped below its natural rim in October 2008 but the snowpack of 2009 was a slight recovery year and did not impact TMWA reserves in 2009 or 2010. The 161 percent of average snowpack in 2011 was sufficient to nearly fill Lake Tahoe and end this brief drought period. TMWA’s drought reserves were not impacted and were not required for use during this drought period.

2012 to Present Drought Period.

This drought period followed on the heels of the 2007 to 2011 drought period recovery. Snowpack in the Truckee Basin was 59, 60, 35, and 13 percent of average for the years 2012, 2013, 2014, and 2015, respectively. The snowpack and runoff of 2015 ranked it as the worst year on record. Not since recordings began have there been four consecutive low-runoff years as severe as these four. On July 29, 2014 Floriston Rate water supplies were exhausted and TMWA had to release its drought reserves—POSW-- in August through September. The total amount of upstream reserve TMWA required in 2014 was 4,900 AF.

Due to the severe lack of the 2015 snowpack, Floriston Rate water supplies were exhausted on April 19, 2015. As natural river flows slowly diminished through May and June, the only ditch and diversions operating were TMWA's Highland Ditch that supplies the Chalk Bluff Water Treatment Plant ("CTP") and the Glendale Water Treatment Plant ("GTP") diversion. TMWA began releasing upstream reserves on June 18 and continued to do so through the month of October. TMWA began the 2015 summer season with approximately 2729,000 AF in upstream storage and released approximately 11,700,000 AF through October 21, 2015 to meet customer demands.

At the time this plan was completed in January 2016, the snow season of 2015/2016 was projected above 110 percent of average implying a moderate recovery-year snowpack year following four consecutive dry years of the current drought period, but it could not be determined with certainty that the drought period ended pending completion of the snow season through March 2016.

In all drought periods described above, it took at least three consecutive, low-snowpack years for Lake Tahoe to fall to its rim prior to November. By definition, the region continues in a Drought Situation. However, with the implementation of TROA beginning December 1, 2015 TMWA began storing water ahead of the 2016 spring run-off and as a result TMWA anticipates starting the 2016 irrigation season with approximately 3822,000 AF of upstream storage which is approximately 12,000 AF more than the beginning of the 2015 irrigation season of 27,000 AF. The . Should the 2015/2016 winter produced snowpack accumulations well produce below average precipitation by for a fifth year-end 2015. At the time this plan was completed in January 2016, the region will be in a Drought Situation which will impact TMWA's upstream reserves and could present an operational challenge for TMWA during Summer 2017 if the low-precipitation trend continues through the winter of 2016. As of this writing, it cannot be known with certainty whether the snow season of 2015/2016 was projected above 110 percent of average implying a moderate recovery-year snowpack year following four consecutive dry years of the current drought period, but it could not be determined with certainty that the drought period ended because potential precipitation for February and March 2016 had yet to be recorded.

Important observations to be drawn from reviewing the historical Truckee River hydrology and drought periods include:

- Truckee River supplies are available the majority of the year under meteorologic and hydrologic drought situations.
- Donner and Independence Lakes typically fill each spring under meteorologic and hydrologic drought situations.
- Drought periods vary in duration, from a few years up to 8 years based on recorded history.
- Truckee River water sources used to provide Floriston Rates diminish early in the late spring and/or summer of extreme, low-precipitation years.

- Water levels in the reservoirs, particularly Lake Tahoe, are depleted gradually over 3 to 4 years, but can refill rapidly ending a hydrologic drought period.
- “Recovery” or high-precipitation years may not end a drought period but do interrupt the drought period, helping replenish reserves and/or producing sufficient Truckee River flows for the following year and negating the need to use upstream reserves.
- Use of upstream reserves may not be necessary in every drought period; only in the extreme, low-snowpack years of a drought period does TMWA use its upstream reserves.

Climate change and drought are the most significant weather variables with potential to change the quantity and quality of the water supply. Studies completed by DRI indicate that while the potential for climate change to alter the timing, type of, and quantity of precipitation is possible, continued monitoring of meteorologic trends is required. Drought periods on the other hand have established historical patterns, with the most severe drought on record lasting eight years. TMWA plans for drought periods by utilizing a combination of natural river flows, groundwater pumping, POSW releases, and extraction of accumulated groundwater injections. Chapter 3 discusses the conjunctive management by TMWA of its available water resources -- annual river supplies, POSW in upstream lakes and reservoirs, credit water stored in Boca and Stampede Reservoirs under TROA operations, additional groundwater pumping, and ~~aquifer~~artificial recharge – in order to meet customer demands through the worst drought on record.

Source Water Contamination

This section begins with an overview of TMWA’s water quality and identified potential risks of water supply contamination, and summarizes TMWA’s Source Water Protection Program.

As detailed within the *2015 Water Quality Reports*, which can be found on TMWA.com, TMWA continues to provide high quality water that meets and exceeds all U.S. Safe Drinking Water Act (“SDWA”) standards. In addition, TMWA’s water meets and, in most cases is significantly better than, all U.S. Environmental Protection Agency (“USEPA”) and Nevada State Health standards. On average, more than 1,200 laboratory tests are performed each month on over 210 samples taken from various locations in Reno, Sparks and Washoe County to ensure that TMWA’s water meets all standards. In addition, TMWA takes samples from numerous locations in the distribution system on a monthly basis to continually demonstrate full compliance with the arsenic standard put into effect in January 2006 by the USEPA.

TMWA Source Water Quality Assurance Program

TMWA’s water quality goal is the delivery of high quality potable water to its customers at a reasonable price. In order to achieve and maintain this goal, TMWA utilizes a water quality assurance program. TMWA utilizes the following components in its water quality assurance program:

- **Protection of Source Water Quality:** TMWA has a fully integrated and coordinated source water quality program designed to protect or improve the quality of TMWA's surface water and groundwater supplies.
- **Potable Water Treatment:** TMWA utilizes modern treatment facilities for its raw-surface-water and groundwater supplies and complies with all Federal and State drinking water regulations.
- **Maintenance of Distribution System Water Quality:** TMWA utilizes a highly skilled staff of scientists, engineers and operators who continually monitor water quality in the distribution system.
- **Cross Connection Control:** TMWA has an extensive and fully engaged backflow prevention and cross-connection control program. The purpose of the program is to prevent backflow of pollutants or contaminants from customer plumbing systems into TMWA's distribution system.

The water quality of the Truckee River is normally excellent. Surface water is of exceptional quality because base flows originate from Sierra Nevada Mountain snowpack runoff and seepage or spring flow. Typical water quality data are shown in Table 2-2. Mineral concentrations are very low, and turbidity levels are typically less than two nephelometric turbidity units ("NTU"). However, water in the Truckee River can have higher turbidity because of storm runoff and/or algae growth associated with low flows and warm temperatures in summer.

Table 2-2. Typical Mineral Concentrations of Surface Water

Constituent	Minimum	Average	Maximum
Total dissolved solids, mg/l	34	86	132
Total suspended solids, mg/l	1	13	20,000*
PH	6.8	7.7	9.6
Temperature, C	0.5	0.0	20.0

* High turbidity events only, such as the July 1992 flash flood on Gray Creek.

The reliability of this source is governed by the ability of TMWA's surface-water-treatment facilities to treat Truckee River water during possible events of high turbidity or chemical or biological contamination. Three types of contamination events are identified:

1. Turbidity events²⁰ – normally low frequency events that are usually flushed by river flows within hours.

²⁰ The term "turbid" or "turbidity" is applied to waters containing suspended matter that interferes with the passage of light through water.

2. Non-persistent toxic spills – spills of substances that would be flushed by river flows, usually within an 8 hour period.
3. Persistent toxic spills - spills lasting more than 2-4 days that do not flush through the river channel.

Higher than average turbidity events can occur in the Truckee River during periods of floods, storm runoff and/or algae growth associated with low flows and warm temperatures in summer. Turbidity at conventional filtration plants is removed through chemical stabilization (coagulation and flocculation), followed by sedimentation and filtration. All surface water is treated at the CTP or the GTP before distribution. The modern treatment facilities at CTP and GTP have greatly reduced the water supply risks associated with turbidity events. Both CTP and GTP are designed to operate during intermittent turbidity events as high as 4,100 NTU lasting 5-10 days, but it is typically more practical to shut the plants down and let the most turbid water pass by to avoid significant clean-up efforts and costs at the treatment plants. Should a turbidity event that exceeds TMWA's ability to treat the water to required standards occur, it is possible to operate the system with only wells to supply an average day demand, more than sufficient to meet current indoor or winter daily demands of approximately 35-39 million gallons per day ("MGD").

Few toxic spills have occurred on the Truckee River and none were of major proportion. The most recent event was a sewage spill near Squaw Valley, California which occurred in the spring of 2015. The spill was diluted 1000:1 by the flow within the Truckee River; no noticeable impact was seen at either CTP or GTP. Major toxic spills that would render the Truckee River unusable have not been recorded. However, toxic spills into rivers throughout the United States do occur, such as the recent Gold King mine spill into the Animas River in Colorado. Some of the toxic spills have rendered water supplies unusable for an extended period of time. In the event of an incident on the Truckee River, the contaminant might be diluted and washed downstream within a day depending on the flow rate in the river at the time. TMWA might be able increase river flows through release of its stored water. These steps are likely to mitigate any contaminant that does not readily absorb into the river bed.

Past resource plans and a review of United States Department of Transportation data, resulted in the identification of several types of hazardous materials which are commonly carried through the Truckee River Watershed. They include:

Ammonia perchlorate	Hydrogen sulfide	White phosphorous
Anhydrous Ammonia	Nitro cellulose (wet)	Propargyl alcohol
Chlorine	Propane	Sulfuric Acid
Cyanide	Petroleum naphtha	Sodium hydroxide
Hydrochloric acid	Phosphoric acid	

These chemicals represent ingredients used in the formation of products ranging from rocket fuel to pesticides. Although most are extremely toxic it is likely that they would be flushed past TMWA's treatment plant intakes within one day. Chemicals that would likely adhere to the river bed include manufactured pesticides, herbicides, and fungicides. Each chemical would require a specific response depending on location, duration and other factors of the water quality emergency. In the event of a spill, it is possible to operate off of distribution storage and wells while the water quality emergency is being assessed.

In 2007 research was completed at the University of Nevada, Reno on behalf of TMWA (see Appendix 2-~~75~~) to quantify the risk of a spill to the Truckee River using data that was previously not available. The analysis has shown no recorded contamination event from rail or highway transportation. The data also suggests that accidents tend to occur more frequently during the loading and unloading of trucks and rail cars. This suggests that the area of highest risk is downstream of TMWA's treatment facilities in the City of Sparks where there is a rail yard and a large number of warehouses and shipping companies.

Also completed by the University of Nevada, Reno in 2008 was a risk analysis and assessment accompanied by the development of a contaminant transport model of the Truckee River from Tahoe City to the GTP. ~~Published~~The results of this research are provided in Appendix 2-~~86~~ and include travel times for various classes of chemicals at different flow rates. The model is used to quantify the time periods required for the river to flush ~~clear~~ a spill from different possible locations.

While a toxic spill into the Truckee River is clearly a concern, this is an extremely rare event and such an event has not occurred to this date. However, depending upon the time of year, TMWA is able to operate without the river for a period of hours to days using system distribution storage and its production wells. A detailed plan cannot be developed for a major emergency on the Truckee River that would anticipate all possible combinations of circumstances requiring emergency actions. Variables include location, size, and type of spill; time of year; levels of reservoirs and streams; customer demands; and other factors. The supply of water available from TMWA's production wells enables TMWA to meet demands for average indoor water use throughout the year. The merger and integration of WDWR and STMGID water systems into TMWA has resulted in additional interconnections with adjacent water systems. These water systems, located within South Truckee Meadows, Hidden Valley, Spanish Springs and Lemmon Valley, rely on groundwater wells and provide an increased source of off-river supply during an extreme event and/or extended river outage. The merger and integration of the WDWR water systems also brings additional off-river resources and facilities to TMWA, including Thomas, Whites and Galena Creek water resources, the Longley Lane groundwater treatment plant, and the North Valleys Importation Project ("NVIP").

In addition to relying on its wells, other steps to reduce water use during an extreme event and/or extended river outage could include:

- Call for voluntary, then mandatory, water conservation including watering restrictions (e.g., once per week during summer months or no outside watering), reduced laundry at commercial properties, use of paper plates in restaurants, no use of potable water for non-potable purposes, and other measures.
- Engage all wells on the TMWA system for full operation subject to Health Department approval. This would include the use of wells that do not meet drinking water standards and do not pose an acute health risk.
- Modify flows in the Truckee River to either flush, dilute, or isolate the contaminant.
- Utilize extraordinary treatment processes in the pre-treatment section of the water plants. An example of this might be neutralizing pH through chemical additions in the pre-settling basins or addition of granular-activated carbon in the treatment

process. The likelihood of these steps being successful will depend on the type of contaminant and its concentration.

- ~~Where possible, utilize and expand emergency interconnections with other water systems.~~
- Acquire the use of all water in local irrigation ponds, recreational lakes, etc., to the extent that water can be conveyed to the TMWA's treatment plants through ditches or other means.
- Use isolated portions of the storm drain system and ditch system for conveying water from unusual source locations to the water treatment plants. This might include installing sandbag check dams in certain ditches, along with low-head pumps, in order to move water up-gradient in a ditch to a treatment plant. For example, the creeks in the South Truckee Meadows might be conveyed to the GTP by collecting the water in Steamboat Creek, pumping it into Pioneer Ditch, and thence through step pumping to Glendale.
- Temporarily pump the discharge from the Sparks Marina to the GTP.
- When TROA is in effect utilize the emergency worse than worst case water supply to flush the river of contaminants.

Besides the types of spill events described above, there may be other events that interfere with the availability of Truckee River water. For example, in April 2008 an earthquake triggered a rock slide destroying a 200-foot (“ft”) section of flume along the Highland Ditch in the Mogul area. This incapacitated the primary raw water supply for CTP just as customer demands were increasing with the onset of springtime temperatures. Raw water supply to CTP was quickly restored (that same day) via the Orr Ditch Pump Station (“ODPS”) at a limited capacity of about 60 MGD, but more supply was required. The GTP was brought on-line early in order to help meet those increasing customer demands. Within a few weeks a temporary pumping station along the river was also set up to provide enough raw water in order for CTP to resume operating at its full capacity of 83 MGD. By July the damaged section of flume was bypassed with a 54-inch aboveground high density polyethylene pipe and gravity flow from the river to CTP was restored at a limited capacity of about 26 MGD. The ODPS was used to supplement the additional 57 MGD or so that the CTP required to operate at full capacity. The earthquake event fast-tracked the Mogul Bypass Project with approximately 8,400-ft of 69-inch steel pipe placed underground along with over 5,850 feet of reinforced concrete boxes to enclose the Highland Canal.

Though it cannot be predicted when a river interruption event will occur or what the nature of an event will be, TMWA plans for and practices scenarios to manage through emergency events. The more extraordinary measures that can be engaged are believed to only apply in an extreme, worse-than-historic event that would occur in the peak of the summertime irrigation with contamination occurring between Boca and the diversion point of the Steamboat Ditch. Most combinations of scenarios as to time, place, and nature of event are manageable with existing production facilities and management options without such drastic measures. It must be emphasized that these are broad guidelines only. They are not intended as a definitive instruction list as to the response which should be taken in any given emergency situation. The event, if it occurs, must be evaluated on its specific conditions, and a response plan devised accordingly.

Source Water Protection Program

Surface Water. With the exception of the Thomas, Whites and Galena Creek resources acquired from the merger of WDWR and STMGID water systems and a small appropriated water right from Hunter Creek, all of TMWA's surface water rights used for municipal water supply come from the Truckee River. Attitudes have changed over the years and today the Truckee River, its tributaries, and watershed are recognized as a pristine, high quality water source that must be maintained and protected. Several governmental agencies²¹ are charged with protecting the Truckee River and its watershed. All of the local agencies derive their authority from the Clean Water Act and the USEPA.

In support of Truckee River source water protection and TMWA's reliance on the Truckee River for most of its water supply, the Truckee River Fund ("the Fund") was established by TMWA in 2005. The Fund is used to support projects that protect and enhance water quality or resources of the Truckee River, or its watershed. In addition, the Fund provides TMWA a vehicle for not only responding to the numerous requests from outside groups and organizations that are involved in promoting and improving the health of the Truckee River system and watershed, but a means to encourage matching funds for the projects. Participation in these projects benefits the primary water source for the community and, in the long-run, TMWA customers. The Fund's Advisory Committee reviews potential new project proposals typically twice a year.

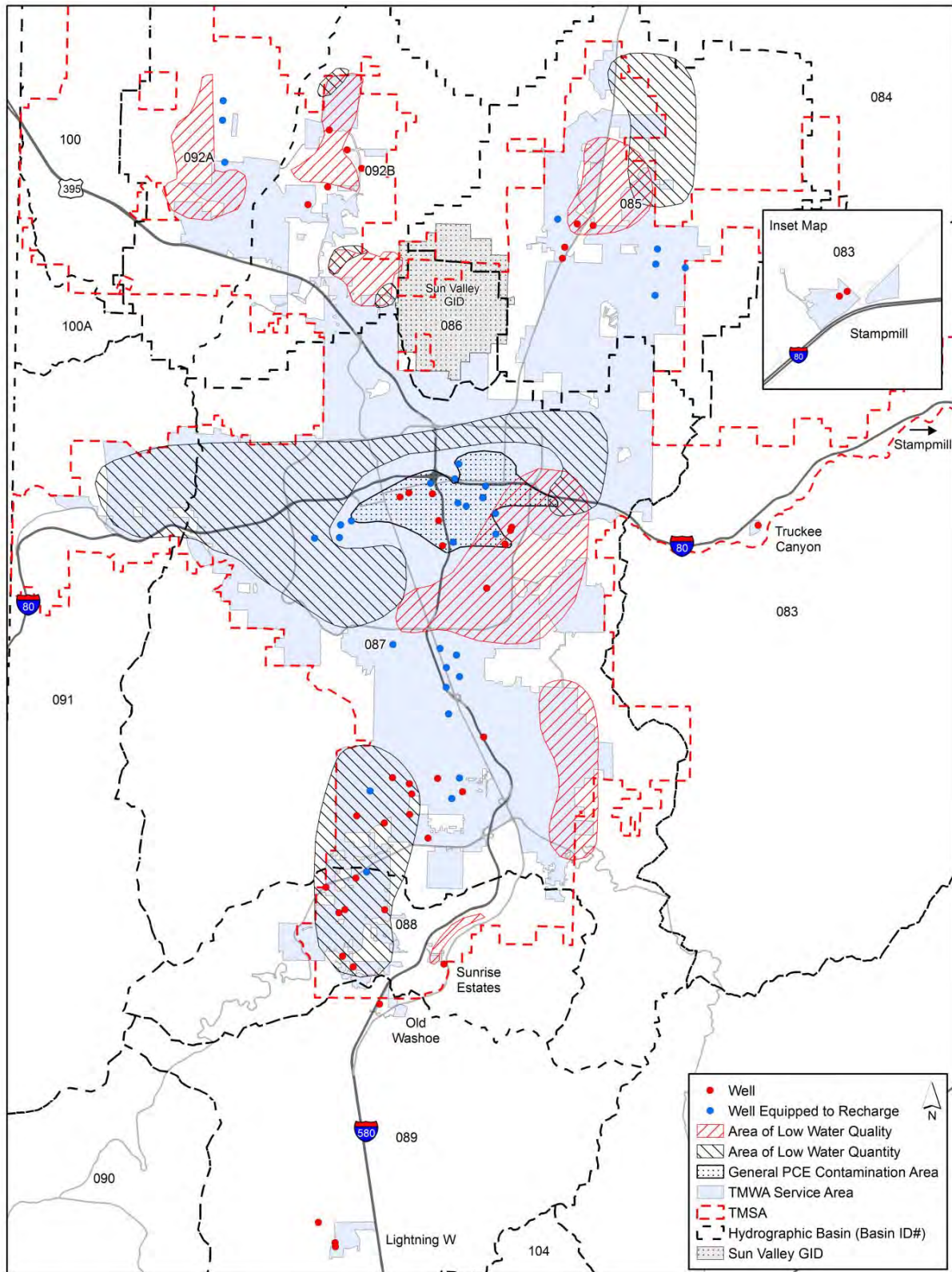
To-date the Fund has approved and funded 126 diverse projects that further the Fund's goals. Examples include river riparian cleanup and restoration, aquatic invasive species inspections and removal efforts, planning and reconstruction of the Pioneer Dam, Independence Lake Forest and Wildfire Management Plan, and many others completed or underway listed at www.truckeeriverfund.org.

Groundwater. Groundwater protection is an important element of the water quality assurance program. Summaries of the groundwater water quality and quantity conditions in each hydrographic basin where TMWA groundwater production wells are located can be found in Appendix 2-97. Each summary includes a brief history of the basin, the number of production and domestic wells within each basin, the history of groundwater pumping, the water level history and response to groundwater pumping, identifies potential threats to groundwater quality, and the challenges that TMWA is addressing or may need to address related to groundwater quality and quantity issues with cooperation with WDWR, Reno, Sparks, Washoe County, and the NDEP. Figure :

²¹ The Tahoe Regional Planning Agency ("TRPA") is a bi-state planning agency authorized by Federal Government. Its goal is to ensure that anthropogenic activities, including new development, do not degrade the quality of Lake Tahoe, its tributaries, or watershed. Standards are strictly enforced by TRPA to minimize sediment and nutrient loading to the lake, and TMWA certainly benefits from this enforcement and its programs. In California, the Lahontan Regional Water Quality Control Board enforces water quality standards on the Truckee River and tributaries outside of the Tahoe Basin. This Board derives its authority from the federal government and the Clean Water Act. The Nevada Division of Environment Protection ("NDEP"), under authority derived by the Clean Water Act, has a mission to preserve and enhance the environment of the state in order to protect public health, sustain healthy ecosystems, and contribute to a vibrant economy.

~~The basin summaries identify potential threats to groundwater quality. TMWA, WDWR, Reno, Sparks, Washoe County, and the NDEP are monitoring and managing these threats. Figure 2-5 depicts rough outlines of the extent and nature of some of the current threats to groundwater.~~

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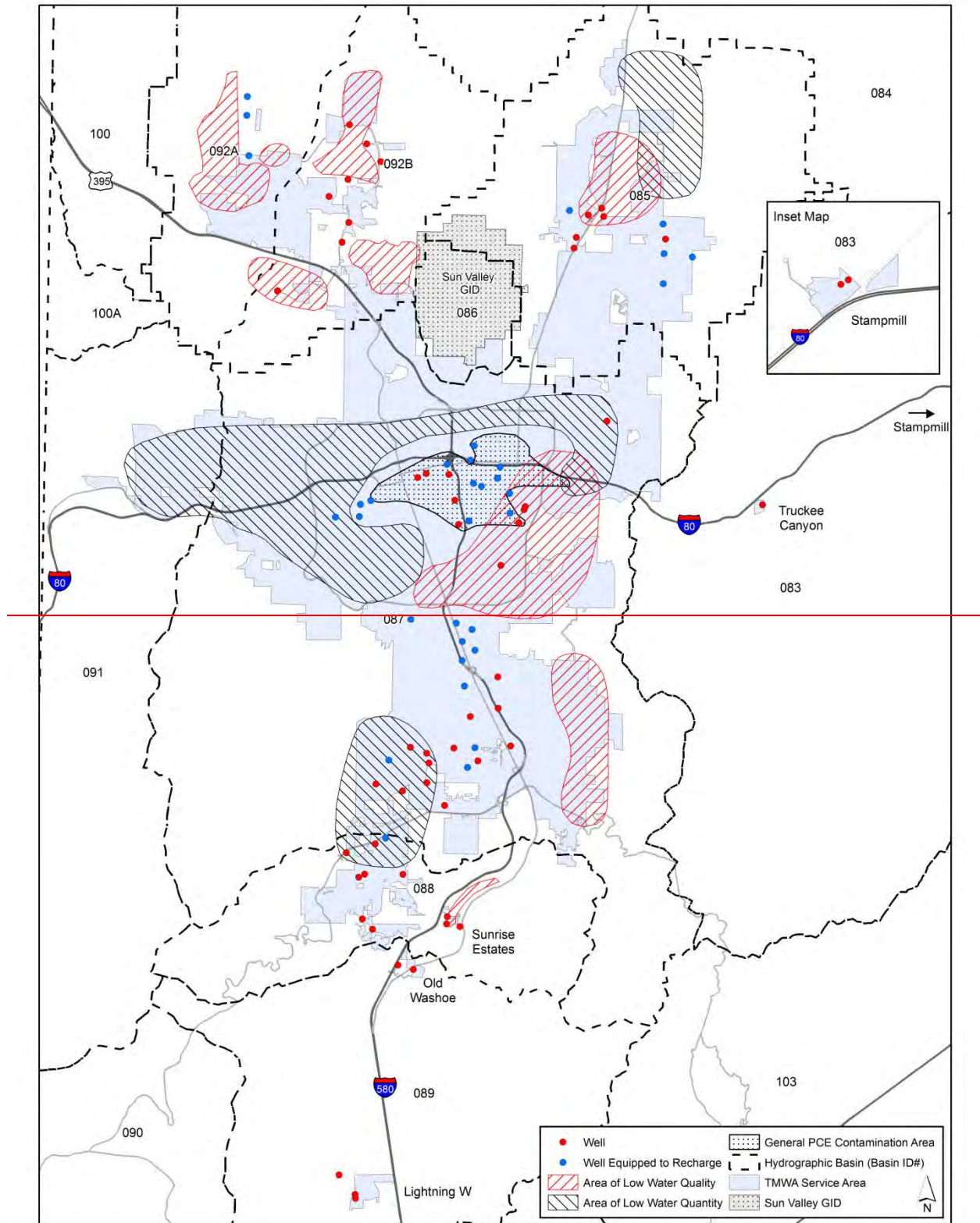


Figure 2-5. Production and Recharge Wells and Areas of Water Quality Concern

In 1986, amendments to the SDWA mandated that each state develop a Wellhead Protection Program (“WHPP”) for the purpose of protecting groundwater that serves as a source for public drinking water supplies. The driving philosophy behind these efforts is that the cost of *cleaning up* contamination far exceeds that of *preventing* contamination.

In 1996, the first WHPP was completed for the Hidden Valley system and endorsed by the NDEP. Additional WHPPs were completed in 1998 (STMGID), 2000 (Lemmon Valley), 2005 (Mt. Rose), and 2008 (Spanish Springs) and were endorsed by the NDEP. The first WHPP TMWA completed was in 2005 and was endorsed by NDEP. Groundwater protection has received even more emphasis with the 2015 update and integration of the previously-endorsed TMWA WHPP and the former WDWR and STMGID WHPPs into one unified groundwater protection plan. TMWA’s 2015 WHPP is a comprehensive action plan to protect aquifers and TMWA’s production wells from further sources of contamination.

Through a concerted effort, TMWA has incorporated USEPA and NDEP suggested elements of a comprehensive 2015 WHPP by:

- a. Coordinating and actively engaging with a team of local participants, including water quality experts and regulators from Washoe County Health District (“WCHD”), Reno, and Sparks jurisdictions.
- b. Updating five groundwater flow models through 2014 for each of the major basins where TMWA operates groundwater wells: West Lemmon Valley (“WLV”), East Lemmon Valley (“ELV”), Spanish Springs Valley (“SSV”), North Truckee Meadows, and South Truckee Meadows.
- c. Utilizing these updated models to develop 2-, 5-, 10-, and 20-year travel times and capture zones for each of the active groundwater wells that TMWA operates. These capture zones help identify where water that ultimately reaches a well comes from over a certain period of time.
- d. Performing exhaustive database and records searches with the USEPA, NDEP, WCHD, and other sources to develop an inventory of active and Potential Contaminant Sources (“PCSs”) in these basins that may pose a threat to groundwater quality.
- e. Overlaying the capture zones and the PCSs to better assess threats to groundwater quality at each well.
- f. Developing management strategies for the identified and potential contaminant sources.
- g. Planning for the location of new wells.
- h. Developing contingency plans to address potential contamination events.

The WHPP is an active tool used by TMWA for the coordinated protection of public drinking water resources. The WHPP provides information by which TMWA can develop and implement groundwater protection strategies, including educational outreach. The WHPP is operated voluntarily, under local jurisdiction and control, and utilizes both USEPA and NDEP guidance and criteria to provide for State endorsement. TMWA’s recently completed 2015 WHPP is available for review in Appendix 2-[108](#) and will be submitted to the State for endorsement.

TMWA's current overall groundwater protection action plan (which incorporates specific wellhead protection items) is fully integrated with other local agencies and includes the following elements:

- ~~A.~~● Actively implementing the comprehensive WHPP.
- ~~B.~~● Updating the WHPP regularly to identify and manage new PCSs.
- ~~C.~~● Actively observing over 100 monitoring wells located within the North Truckee Meadows, South Truckee Meadows, WLV and ELV, SSV, Pleasant Valley, Washoe Valley, and Honey Lake Valley ("HLV"). ~~Vidler~~ These monitoring wells are owned by TMWA, the Central Truckee Meadows Remediation District ("CTMRD"), and several privately-owned domestic well owners. ~~TMWA~~ monitors water levels in these wells on a monthly to quarterly basis.
- ~~D.~~● Coordinating with the CTMRD for sampling and analysis of a number of monitoring wells for organic constituents in the North Truckee Meadows. The results of this testing, along with additional sampling and testing of production wells by TMWA and the CTMRD, allows TMWA to be proactive in joint groundwater remediation efforts and to prudently plan the location of future wells and groundwater treatment facilities.
- ~~E.~~● Collecting and analyzing water quality samples at monitoring wells in SSV and HLV. ~~Vidler~~ on an annual basis to assess trends in groundwater quality in these areas.
- ~~F.~~● Working closely with agency partners to determine the short and long-term impact of septic effluent to groundwater quality in basins throughout Washoe County where groundwater is relied on for drinking water supply.

The need to protect source waters gathered momentum when in 1987 TMWA's predecessor, Sierra, identified the presence of the organic solvent tetrachloroethylene ("PCE") in some of their production wells. This solvent has been used since the 1930's in a variety of commercial/industrial operations such as commercial dry cleaning, paint manufacturing, and auto repair.

In the mid-1990's and 2000's, TMWA implemented groundwater treatment at a number of wells which had become contaminated from PCE. Shortly after treatment was implemented, local governmental entities created the CTMRD to provide administration to the PCE clean-up effort and to collect funds necessary for the construction, operation and maintenance of the treatment facilities.

The PCE contamination occurs in eight plumes located along the current and historical commercial/industrial corridors along old U.S. 40 (Fourth Street/B Street/Prater Way), Virginia Street, and Kietzke Lane. Mitigation of the legacy (the responsible parties are unknown) PCE contamination is managed by the CTMRD which has paid for three air-stripping treatment facilities that remove PCE from five TMWA wells: Kietzke, Mill, High, Morrill, and Corbett. Two of the five PCE wells (Mill and Corbett) are piped to GTP. The other three PCE containing wells (High Street, Morrill, and Kietzke) have standalone air-stripping facilities but may be piped to GTP in the future. The CTMRD program has achieved success in plume capture and containment resulting from the implementation of a prescriptive pumping schedule of the TMWA wells which are fitted with PCE removal technologies. The PCE plumes do not appear to be moving or growing. TMWA works and communicates closely with the CTMRD concerning

PCE removal and treatment at TMWA wells and is also proactive in the up-to-date delineation of PCE Plumes (see Figure 2-5). To-date, more than 4,150 pounds of PCE has been removed since 1996.²²

In addition to CTMRD mitigation efforts, there are other, ongoing mitigation efforts being managed by NDEP including:

G. Sparks Solvent/Fuel Site Remediation. TMWA is an active team participant in monitoring the clean-up effort of this groundwater contamination site. Mitigation efforts are supervised under NDEP Permit UNEV-97207. TMWA's priority is the quality assurance of the clean-up operation with containment such that existing and future production wells are not compromised by movement of solvent/petroleum based plumes. Figure 2-5 depicts the approximate extent of the existing contaminant plume.

H. Stead Solvent Site Remediation. TMWA is an active team participant in the monitoring of the clean-up of solvent groundwater pollution on the southern boundary of the Stead Airport in the WLV hydrographic basin. TMWA's goal is to ensure that clean-up and containment efforts are performed in such a way that nearby TMWA production wells are not compromised by movement of the solvent based plume. Clean-up of trichloroethylene ("TCE") related material since 1999 at the Stead Solvent Site has successfully reduced the spread of the contaminant plume. All cleanup plans are developed and supervised under the direction of NDEP.

I. Contaminated Site Assessments, Monitoring, Remediation, and Closure. ~~Leaking Underground Storage Tanks.~~ As part of its WHPP implementation efforts, TMWA has identified eight active or recently closed contaminant release sites ~~seven leaking underground storage tanks~~ in relatively close proximity to TMWA production wells. All ~~eight~~ thirteen sites are being investigated or remediated under the supervision of NDEP and the WCHD. As part of the investigation and remediation process, TMWA receives and evaluates quarterly reports concerning ~~remediation of~~ these sites, closely monitors water quality of nearby production wells, and provides input to regulatory/enforcement agencies as necessary.

The arsenic concentration in treated Truckee River water is typically below 2_-parts per billion ("ppb"), and the arsenic concentration in the wells varies from below 10_-ppb to as high as 88_-ppb. Attaining the allowable maximum contaminant level ("MCL") for arsenic of 10_-ppb from groundwater sources is an issue for TMWA's well operations. At 10_-ppb, 11 of TMWA's production wells are affected. Four of the wells that exceed the 10_-ppb MCL (Greg, Pezzi, Poplar #1, and Terminal) are piped to GTP for treatment and/or blending with treated surface water, while two other wells (View Street and Poplar #2) may require special mitigation for arsenic in the future. TMWA's compliance plan is based on three USEPA accepted methods of mitigation: (1) blending higher arsenic concentration source water with lower arsenic concentration source water; (2) minimizing use of higher-arsenic-concentration-source water throughout the year to achieve a running annual average ("RAA") of less than 10_-ppb at the

²² Further information about the CTMRD can be found on the Washoe County website at: <https://www.washoecounty.us/csd/utility/ctmrd/downloads.php>

Entry Points to the Distribution System (“EPTDS”), and, (3) treatment. Because of TMWA’s ability to maximize Truckee River water and minimize groundwater use to the summer months, USEPA recognizes the annual running average of TMWA’s water supplies to comply with drinking water standards for arsenic. As a result of TMWA’s cost effective arsenic compliance plan, it received an award in February 2007 from the NDEP and the USEPA, and the President’s Award from Partnership for Safe Water in 2015. The NDEP Drinking Water State Revolving Fund (“DWSRF”) awards recognize the most innovative projects that effectively use state revolving funds to protect public health, comply with the SDWA, and rank high on a public health benefits priority list.

Table 2-3 summarizes data on 13 of TMWA’s production wells with arsenic above or near 10 -ppb and the mitigation action taken at each well in order to ensure compliance with drinking water standards.

Table 2-3. TMWA Wells Affected by Arsenic and Compliance Actions

	Well Name	Ref.	Average Arsenic Value (ppb)	Treat at Glendale	Sample at EPTDS*	RAA** (ppb)
	-----a-----	--b--	---c---	---d---	---e---	---f---
1	Terminal Way	1	88	X		1.84
2	Poplar No. 1	1	85	X		1.84
3	Pezzi	1	72	X		1.84
4	Mill Street	1	37	X		1.84
5	Greg Street	1	19	X		1.84
6	Corbett	1	17	X		1.84
7	Morrill Avenue		12		X	4.42
8	Silver Lake		10		X	4.61
9	High Street		9		X	4.42
10	Kietzke Lane		9		X	4.71
11	Sparks Avenue		9		X	4.87
12	Poplar No. 2		7		X	3.97
13	View Street	2	5		X	2.38

	Well Name	Ref.	Average Arsenic Value (ppb)	Treat at Glendale	Sample at EPTDS*	RAA** (ppb)
	-----a-----	--b--	---c---	----d----	-----e----	----f----
1	Terminal Way	1	88	X		1.84
2	Poplar No. 1	1	85	X		1.84
3	Pezzi	1	72	X		1.84
4	Mill Street	1	37	X		1.84
5	Greg Street	1	19	X		1.84
6	Corbett	1	17	X		1.84
7	Morrill Avenue		12		X	4.42
8	Silver Lake		10		X	4.61
9	High Street		9		X	4.42
10	Kietzke Lane		9		X	4.71
11	Sparks Avenue		9		X	4.87
12	Poplar No. 2		7		X	3.97
13	View Street	2	5		X	2.38

¹ Well output blended and treated with surface water at Glendale Treatment Plant

² The historical arsenic concentration has been as high as 13 -ppb; however extensive ~~aquifer~~^{artificial} recharge activities (underground blending) result in a current wellhead concentration of approximately 5 -ppb

* EPTDS - Entry Point To Distribution System

** RAA - Running Annual Average, average of four quarterly As testing results

Summary

This chapter has described major factors affecting TMWA's primary water supplies and finds that:

- Weather and source supply contamination are of greatest concern in assessing the quantity and quality of water supplies available for continued municipal uses.
- Changes in management of or any restriction to implementation of water resources due to climate change are not warranted at this time.
- Low precipitation years that lead to low snowpack accumulations affect the amount of water available to the Truckee River system; Lake Tahoe elevations provide an indication of the severity and duration of historic drought periods.
- Drought periods have established patterns, typically taking three years of consecutive dry winters to cause Lake Tahoe to fall to or below its rim; however, all the reservoirs may be replenished quickly with one or two wet winters.
- Hydrologic droughts (periods when TMWA availability to use physical supplies of water diminishes) occur after 3 or 4 years of meteorologic droughts conditions.
- Drought periods occur in the Truckee Meadows and have ranged in duration from a few years to 8 years with intervening "wet" and "dry" years within the drought period.
- TMWA's source water is of very high quality, meeting, and in many cases, significantly better than all required standards. A Water Quality Assurance program has been implemented to ensure this high standard continues to be met in the future.
- While there is a risk to source water reliability from turbidity and toxic spill events, TMWA has sufficient well capacity and distribution storage to meet reduced customer demands during a water quality emergency; additional actions are available to TMWA in the event of extended off-river emergencies. An earthquake event in 2008 tested TMWA's emergency response plan with a loss in water supply and demonstrated TMWA's ability to respond by having trained staff and available alternate water supplies.
- TMWA has a robust Source Water Protection Program in place designed to preserve and enhance available surface water and groundwater supplies and to address known and potential threats to water quality.

Analyses of California blue oak tree-ring data in the 2025WRP concluded that drought periods of 8-, 9-, or 10-years are rare occurrences with frequencies of 1 in 230 years, 1 in 375 years, and 1 in 650 years, respectively. While there has not been any new tree ring data collected since the 2003 study, a preliminary dendrochronological reconstruction of water-year streamflow was performed using as predictors the western U.S. tree-ring chronologies available from the public-domain International Tree-Ring Data Bank (“ITRDB”) dataset and stream flows from the Carson River (see Appendix 2-4). The Carson River does not have reservoirs compared to the Truckee River and is therefore a more natural flowing river providing better correlation with select tree-ring cores. This reconstruction of the Carson River extended from 1500 to 2001, a period five times longer than the instrumental record. The reconstruction of the Carson River had 211 wet and dry spells with an average duration of 2.4 years, with the longest episodes being a 9-year wet period (1978 to 1986), and two 8-year droughts in 1841-1848 and 1924-1931. These three episodes were also the strongest found in the 502 year history in the reconstruction dataset. Table 2 from Appendix 2-4 summarizes the top 10 strongest wet and driest periods within the reconstruction dataset.

Table 3-4. The 10 Strongest Episodes Identified in the 502-year (1500-2001) Reconstructed Carson River Streamflow

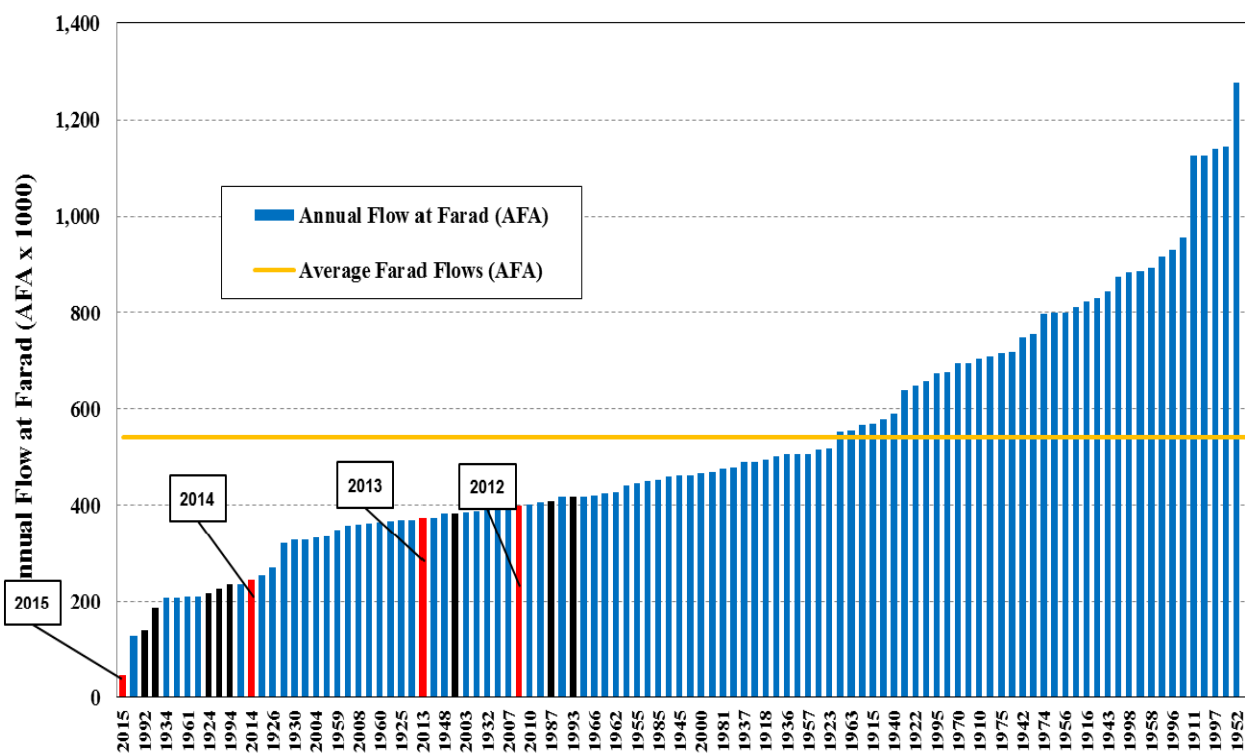
<u>Start (year)</u>	<u>End (year)</u>	<u>Episode</u>	<u>Duration (yrs)</u>
<u>1978</u>	<u>1986</u>	<u>Wet</u>	<u>9</u>
<u>1841</u>	<u>1848</u>	<u>Dry</u>	<u>8</u>
<u>1924</u>	<u>1931</u>	<u>Dry</u>	<u>8</u>
<u>1534</u>	<u>1540</u>	<u>Wet</u>	<u>7</u>
<u>1601</u>	<u>1606</u>	<u>Wet</u>	<u>6</u>
<u>1564</u>	<u>1569</u>	<u>Wet</u>	<u>6</u>
<u>1941</u>	<u>1946</u>	<u>Wet</u>	<u>6</u>
<u>1578</u>	<u>1582</u>	<u>Dry</u>	<u>5</u>
<u>1987</u>	<u>1992</u>	<u>Dry</u>	<u>6</u>
<u>1905</u>	<u>1909</u>	<u>Wet</u>	<u>5</u>

This reconstruction of the Carson River provides some insight into the severity of dry periods on the eastern slopes of the Sierra Nevada range but also finds that up-to-date and more local tree-ring chronologies are needed to increase its reliability of conclusions as to the severity and durations of drought periods on the Carson and Truckee Rivers. Furthermore, a September 2015 report in the journal, *Nature Climate Change*, performed a similar multi-century evaluation of Sierra Nevada snowpack on tree-ring data. This short report (Appendix 3-2) shows the rarity of the 2015 dry snowpack year, and 2015 is considered to be the driest in 500 years with an estimated return interval of 3,100 years. The report also pointed to the possibility that a few years in the sixteenth century could have been drier.

Although the region is in the fourth year of a drought period, it cannot be determined with certainty when this drought period will end or how long it will be. Ongoing analyses of climate variability, specifically developing reliable streamflow datasets for the eastern slopes of the Sierra Nevada range affecting the Truckee Meadows, is recognized as a requirement by all researchers in the field. Based on available data and research results from studies for the Truckee Meadows, the

1987 to 1994 Drought remains the most severe drought on record. Figure 3-9 illustrates the calculated drought reserves TMWA is able to accumulate under TROA operations at full demand of 119,000 AF.

The last four years (2012, 2013, 2014, and 2015) have been the driest back-to-back winters in recorded history, producing the smallest amount of runoff ever seen over a four year period in the Truckee River system. Out of 106 years of actual hydrologic data available for the Truckee River, 2015 was the driest on record. It had the lowest recorded snowpack and the lowest recorded natural runoff. It was also 12% drier than the previous driest year on record which was 1977. Water year 2015 is by any definition the worst water year on record. To put water year 2015 in perspective, Figure 3-3-8 sorts the annual Truckee River flows from low to high (left to right) on the x-axis. These annual flows represent the total volume of water that crosses the California-Nevada Stateline at Farad, California. The graph shows water year 2015 to be lowest on record; it remains to be determined what the length of the current drought period will be and if the combination of water years since 2012 will supply more or less water than the combination of water years between 1987 to 1994 (identified in the graph by the black bars).



NOTE: Black bars are flows during the 1987 to 1994 Drought which include 2 of the 3 lowest water years of record - 1991 and 1992. The 1987-1994 Droughts lasted 8 years, includes some of the lowest water years, and is the current worst-case time period used for drought cycle planning criteria. Red bars are part of current 4-year

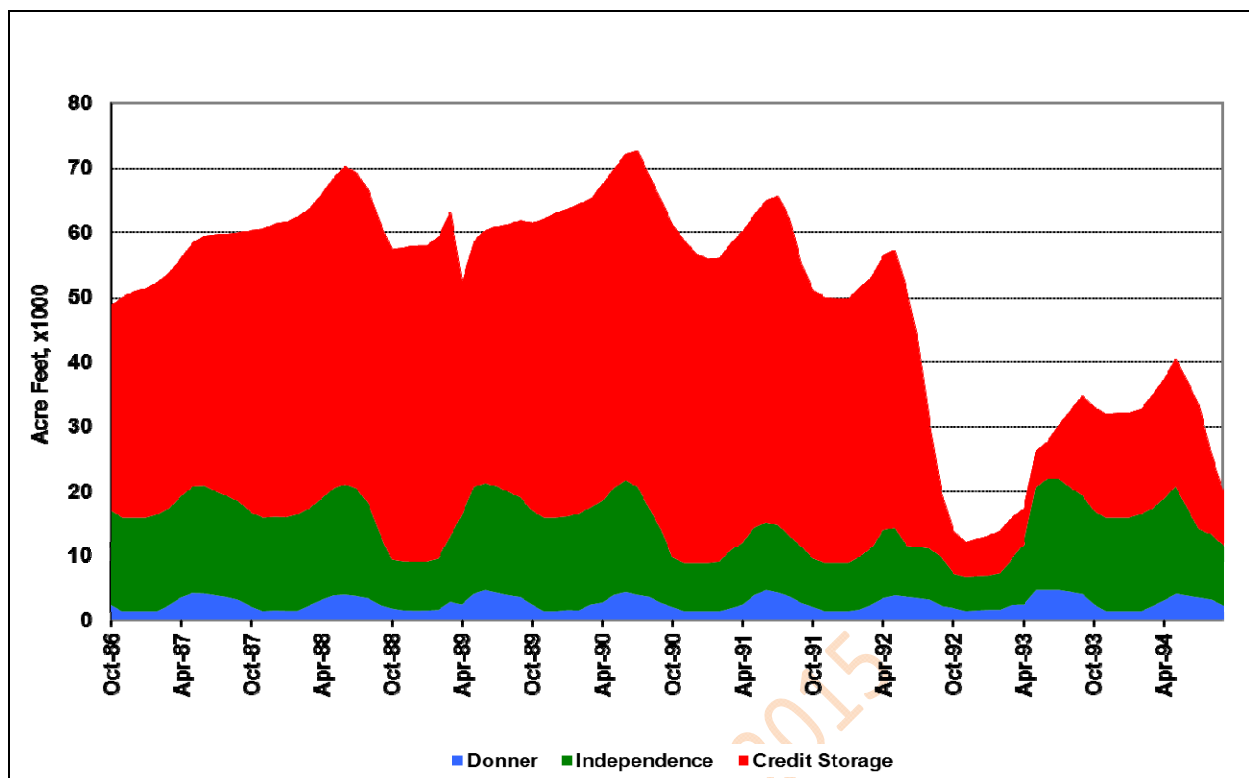


Figure 3-9. Projected Reserves Under the 8 Year Drought Design and TROA 119,000 AF Demand Limit

Under TROA operations during the 8 year drought design (1987 to 1994) at 119,000 AF of demand TMWA continues to accumulate drought reserves through the drought period. The “lumpy” nature of the graphs in Figure 3-9 reflect annual declines in reservoir storage due to (1) releases required for dam safety requirements to ensure there is sufficient flood storage capacity in the winter months; (2) release of credit water for dry demands; or (3) turnover of credit water to Fish Credit Water in Stampede or Boca reservoirs for fish purposes in non-Drought Situation years.

Water Supply Planning Scenarios under TROA Operations

To test the robustness of the region’s water supply (in particular the back-up water supply), a hypothetical, 95-year worse-than-worse-case hydrologic scenario was developed and processed through the RiverWare operations model. (see Appendix 3-2). Starting with actual 2012 to 2015 hydrology for conditions through the first four years, 5 years (2012-2015), a 9 year drought with a repeat of 2015 hydrology were added on for to complete the dataset for an additional five years (2016-2020. The “9YR-SIM”) was simulated under both a TROA and non-TROA operating conditions. The 9YR-SIM 9-year drought used for this analysis is over two times more severe than the drought of record (1987-1994) plus the additional dry year (1987) currently used for planning purposes. The simulation used projected 2015 demands within the TRA of 70,000 AF.

Without Under the non-TROA scenario upstream-drought reserves would run out in year seven of the modeled worse-than-worst worse-case drought; in other words, reserves are exhausted if 2015 hydrology is repeated three more years after actual 2015 hydrology. However with Under TROA, the results show that at current demands the region can withstand a hypothetical drought

more than 2 times as severe as the drought of record and by the end of ~~9YR-SIM~~~~the 9-year simulation~~, TMWA would not only be able to meet demand at current levels, but actually continue to build up and accumulate additional drought storage. By the summer of 2020, the model predicts more than 46,000 AF of additional drought reserves would be available for use; reserve water supplies that would not be there if not for TROA. Supplies would be more than sufficient to meet summer water demand throughout the hypothetical hydrology.

To further stress-test TMWA's upstream drought reserves under TROA operations to the next level, two additional hydrologic scenarios or simulations were performed to test the robustness of the region's back-up water supply. Two twenty (20) year hypothetical worse-than-worse-case scenarios were used. The first 20-year simulation ("Repeat1987") was a repeat of the 1987-1994 drought of record plus the 1988 hydrology, starting at the same initial point as the first scenario (the 9-year simulation referenced above). That starting point was October 1, 2016 (start of Water Year) after the four driest back to back years in recorded history (115 years record keeping). The second scenario ("Repeat2015") repeated actual 2015 hydrological conditions for an additional 20 years starting from October 1, 2016. Both model runs used forecasted customer demands and assumed increases to groundwater pumping capacity of 15 MGD over the 20-year planning horizon.

The results of the Repeat1987 model using RiverWare validate the work that was done for the TROA EIS using TROM. The 1987-1994 Drought is considered to be the drought-of-record is the standard for TROA and TMWA planning. It was the worst drought this region has experienced. The results of the model run suggest that not only can this region withstand a repeat of the 1987-1994 drought over the course of the next 20 years under TROA, but that combined upstream drought reserves would continue to grow and reach over 70,000 acre-feet. During the 20-year run more or less reserves were used to meet demand depending on the available river flows. Figure 3-10 shows TMWA's cumulative combined upstream storage over the 20 year simulation period.

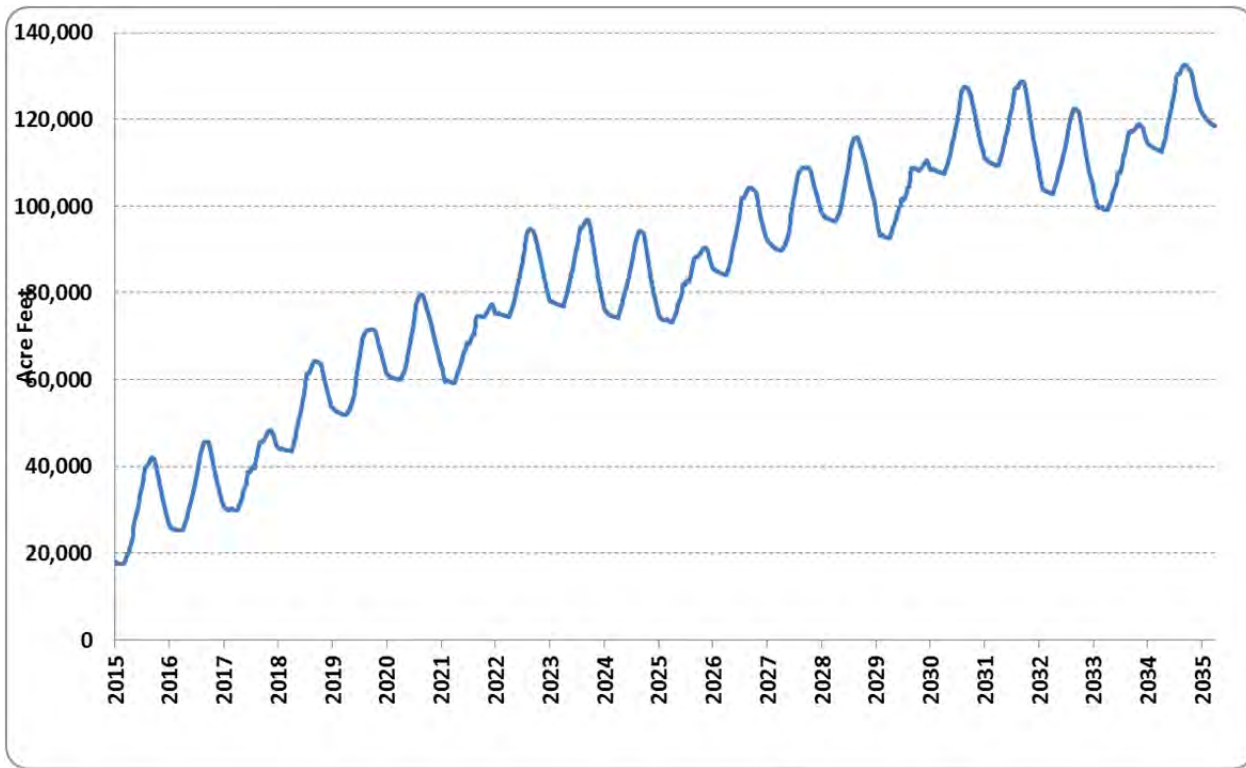


Figure 3-10. 20-Year Projected Drought Reserves Simulating Back-to-Back Hydrology of 1987-1994 plus 1988

The results show very clearly that under TROA the region's water supply is extremely resilient. When drought reserves are needed to supplement natural river flows during the peak summer demand months, storage is used during that period, but is quickly refilled over the course of the next winter and spring. By the time reserves may be for the following summer's demands, upstream reserves have been refilled and upstream reserves are in most years identical to the previous year's reserves, or in some cases, many times better.

Despite a repeat of 2015 hydrological conditions for 20 years following the four (4) driest years in recorded history (a statistically impossible scenario), TMWA's upstream reserves in the Repeat2015 scenario are not only sufficient, but actually increase throughout the planning horizon. The results once again illustrate the importance of the Truckee River Operating Agreement to this community. Figure 3-11 shows TMWA's projected cumulative reserves over the simulation period.

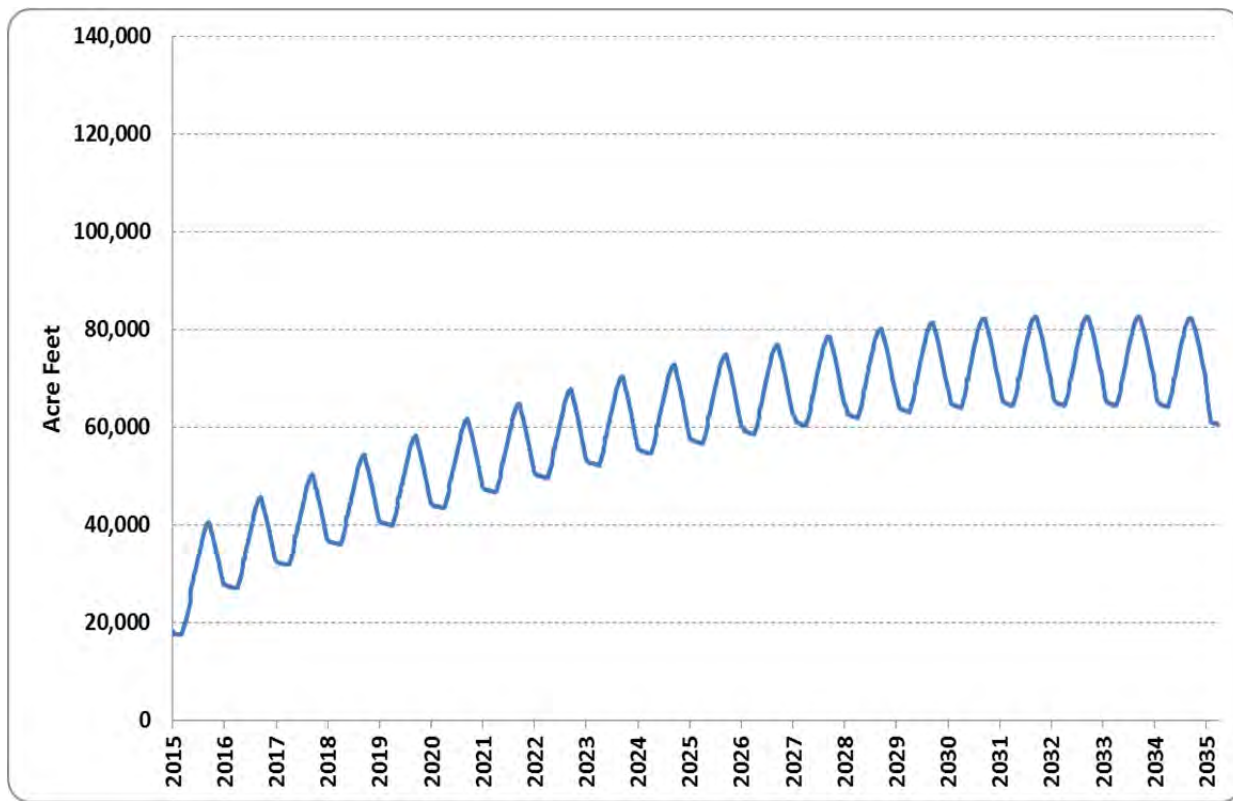


Figure 3-11. 20-Year Projected Drought Reserves Simulating 2015 Hydrology for 20 Years

The extreme robustness of TMWA's upstream drought reserves under the new Truckee River Operating Agreement is very evident. Three (3) statistically impossible hydrologic simulations were run to stress the system. One 9-year and two 20-year statistically impossible hydrological events were performed to demonstrate the robustness of TMWA's integrated management of its available water sources. In every case, upstream drought reserves, while released at one point or another throughout the course of the simulation, were not only more than adequate to meet TMWA's projected customer demand, but actually improved by the end of the model run. See Appendix 3-3 for reports on these scenarios.

~~Analyses of California blue oak tree-ring data in the 2025WRP concluded that drought periods of 8-, 9- or 10-years are rare occurrences with frequencies of 1 in 230 years, 1 in 375 years, and 1 in 650 years, respectively. While there has not been any new tree-ring data collected since the 2003 study, a preliminary dendrochronological reconstruction of water-year streamflow was performed using as predictors the western U.S. tree-ring chronologies available from the public-domain International Tree-Ring Data Bank ("ITRDB") dataset and stream flows from the Carson River (see Appendix 2-2). The Carson River does not have reservoirs compared to the Truckee River and is therefore a more natural flowing river providing better higher correlation with select tree-ring cores. This reconstruction of the Carson River extended from 1500 to 2001, a period five times longer than the instrumental record. The reconstruction of the Carson River had 211 wet and dry spells with an average duration of 2.4 years, with the longest episodes being a 9-year wet period (1978 to 1986), and two 8-year droughts in 1841-1848 and 1924-1931. These three episodes were~~

- Within the TROA/~~TRA~~ and subject to future water-rights-market conditions, Truckee River water rights are available to take advantage of 119,000 AF of demand TROA provides.
- There are sufficient groundwater resources to meet current demands through the planning horizon within the non-TROA/~~TRA~~.
- Current production capacities are:

	<u>TRA</u>	<u>non-TRA</u>
Chalk Bluff	—90.0 MGD	— na
Glendale	—33.0 MGD	— na
Subtotal Surface	—123.0 MGD	— na
Groundwater	—100.0 MGD	—17.0 MGD
Total	—223.0 MGD	—17.0 MGD

- ~~Aquifer~~Artificial recharge has improved or stabilized groundwater levels in and around the injection wells thereby preserving TMWA's ability to utilize its groundwater resources to meet summer peaking and/or drought situation pumping requirements without degrading groundwater quality.
- Drought year cycles are rare events, similar to flood events. The estimated drought frequencies are:

8-year	1 in 230 years
9-year	1 in 375 years
10-year	1 in 650 years
- Published tree-ring studies have shown a dry winter like 2015 occurs with a frequency of 1 in 3,100 years.
- Drought yield of TMWA's TRA existing resources is a function of available resources and drought-year design. Based on available data, ~~research finds~~ the 1987 to 1994 Drought remains the worse drought of record for the Truckee River and is the design criteria for TROA.
- Under TROA, hypothetical droughts were analyzed: (1) 9-year simulation of 2012 to 2015 actual which repeat the hydrology plus 5 year repeating 2015 annual hydrology; (of 2015, a drought period more than 2) 20-year simulation times as severe as the drought of 2012 to 2015 actual hydrology plus 1987-1994+1988 hydrology repeated twice; and (3) 20-year simulation of 2012 to 2015 actual hydrology plus 2015 hydrology repeated 20 years indicate record, TMWA has sufficient dry-year continues to accumulate drought reserves to meet demands, and in many years during the drought period ; TMWA also accumulates drought reserves through the 1987 to 1994 drought period under TROA operations.
- ~~The Pending the outcome of the~~ 2015/2016 winter and subsequent 2016 run-off projections indicate a moderate recovery-year but not necessarily an end to the drought period begun in 2012., TMWA continue to base its planning on the 1987 to 1994 Drought Period, the worst drought cycle of hydrologic record for the Truckee River.

Ensuring Environmental Preservation

Maintaining adequate surface flows within the Truckee River has benefits above meeting customer demand. Higher river flows have benefits to the riparian ecosystem as well³⁶. A variety of wildlife species, such as the Cui-ui and Lahontan Cutthroat Trout, depend on the habitat ~~offound~~ in Lake Tahoe, along the Truckee River, and its terminus, Pyramid Lake. In times of drought, natural river flows are diminished, which has adverse impacts on native species of fish and other wildlife that rely on the riparian system. By conserving water, upstream reservoirs stay fuller longer. This additional storage allows TMWA to ensure river flows are supplemented during times when the level of Lake Tahoe cannot provide sufficient outflow, which indirectly benefits the riparian habitat along the Truckee River.

TMWA's Water Conservation Plan

Legislative Satisfaction

TMWA's conservation plan extends beyond a responsibility for resource stewardship and must fulfill specific provisions—including water conservation requirements per the JPA, the NRS, regional planning, and TROA. Under NRS 540.131, every water purveyor in Nevada must submit a water conservation plan to the State. This plan must include provisions related to: 1) increasing public education awareness; 2) encouraging reductions in the size of lawns and use of drought-tolerant plants; 3) ~~managing for~~~~identifying~~ leaks in the supply system; and 4) increasing the reuse of effluent water. TMWA's current Conservation Plan's contains DMPs and SMPs that meet these requirements (Fig. 5-1). Figure 5-1 provides a diagram illustrating how various elements of TMWA's Conservation Plan meet these NRS requirements (NOTE: expansion of TMWA's water resources (i.e., wells and groundwater supplies) are discussed in Chapters 2 and 6).

The statute also mandates a contingency plan be in place to ensure potable water is available during drought conditions and a schedule for how such a plan will be implemented. The end of this chapter outlines TMWA's Drought Response Plan, which provides how TMWA classifies drought conditions pursuant to TROA, the enhanced DMPs it takes given a certain drought condition, and an explicit timeline for when those enhanced actions occur. In 2007, ~~a mandate was added to~~ NRS 540.141 ~~added a mandate~~ requiring each conservation measure specified in a purveyor's conservation plan to have an associated estimate outlining the amount of water that will be conserved each year, stated in gallons per-person, per-day (see [NRS 540.141 1.\(g\)](#)). In addition, the NRS now states the rates charged for water will maximize conservation and the plan must estimate the manner in which rates will affect consumption (see [NRS 540.141 2.\(b\)](#)).

In 2015, in order to address mounting concerns over drought, Governor Sandoval created the Nevada Drought Form. Six meetings were held between June and November of that year. In September 2015, the Governor held a Drought Summit at the State's capital, Carson City. As a culmination of those efforts, the Governor released the Nevada Drought Forum:

³⁶ Riparian systems include those lands or areas situated along the banks of a watercourse.

Recommendations Report in December of 2015. To address the state's water resource challenges, the report outlined, among other things, recommendations on the best water conservation practices. Those conservation recommendations include all water purveyors' conservation plans include: (1) metering of all water connections; (2) the development of water efficiency standards for new development; (3) tiered rate structures to promote conservation; (4) time-of-day and day-of-week water restrictions; and (5) a request that local political subdivisions explore the implementation of water conservation measures where Covenants, Conditions, and Restrictions are in place. The following sections of this chapter outline TMWA's specific programs within its Conservation Plan, of which, are consistent with the recommendations identified in this report and have been deployed by TMWA for many years. A copy of the Nevada Drought Forum: Recommendations Report can be found in Appendix 5-1.

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requirement for allowable turf by zoning district; (3) setting a minimum requirement for drought-tolerant landscaping; and (4) requiring hydro-zoning (i.e., grouping plants with similar watering needs) irrigation plans be implemented whenever possible. A copy of the report can be found in Appendix 5-4. -

Additional, legal agreements for private master developments can have regulations (e.g. Home Owners Associations' ("HOAs") rules and regulations) beyond what is required under municipal ordinances. During times of drought, TMWA asks HOAs to allow their residents the ability to comply with TMWA's requests for customers to reduce their water use without penalty. In 2005, a piece of legislation, NRS 166.330, was passed prohibiting HOAs from "unreasonable" restrictions of homeowners utilizing drought-tolerant landscaping on properties within their jurisdictions. However, in order for the homeowner to convert his or her landscaping from the approved vegetation type(s) to a drought-tolerant variety, the homeowner must first submit a detailed architectural plan of the new landscaping design. The HOA has the right to review the plan and can approve or deny the request; however, the HOA cannot deny a plan unreasonably, i.e., if, to the maximum extent possible, the altered design is compatible with the overall style of the community. While this statute clearly applies to all covenants, conditions and restrictions ("CC&Rs") that were established *after* the adoption of the law on October 1, 2005, it remains to be determined if such a law can apply to CC&R's prior to that date without impairing the existing contract.

Quantification of Effectiveness: Since municipal ordinances apply to all properties within a jurisdiction and these ordinances can vary both within and between jurisdictions, it is not possible to estimate the water savings that results from changes to municipal ordinances designed to further reduce water waste.

Drought Response Plan

Under normal circumstances when TMWA does not need to use its drought reserves, the aforementioned DMPs are adequate to promote efficient water use. However, if a Drought Situation is identified within the Truckee River Basin and drought reserves are required ~~to be used~~, TMWA's customers are expected to take additional actions to reduce their water use. Depending on the severity of the drought and the available quantity of TMWA's drought reserve water PSOW supplies (i.e., Independence Lake, Donner Lake, Stampede Reservoir, ~~and groundwater storage~~), the aforementioned DMPs may be modified to achieve water reductions necessary to ensure TMWA's drought reserves are adequate to meet customer demand in the current and succeeding years. In these situations TMWA historically requests a 10 percent reduction in use and implements enhanced demand-side management programs ("eDMPs") to achieve this target reduction. There are needed. Therefore, similar to Drought Response Plans in previous WRPs, the level and timing of ~~to~~ which eDMPs are deployed ~~employed~~ can vary during the year, given the severity of the Drought Situation.

Pursuant to the operating criteria outlined in TROA, determination of a Drought Situation⁴¹ takes place in April. That determination is dictated by the amount of water available for the Truckee River system based on available stored water in Lake Tahoe and Boca Reservoir, snowpack amounts, and run-off estimates for the current year; together these are early indications of when river flows will no longer support Floriston Rates. When the elevation of Lake Tahoe and subsequent Truckee River flows fall off significantly earlier than normal, this creates operational challenges for TMWA, forcing TMWA to use additional groundwater pumping and/or ~~its POSW back-up drought supplies (i.e., POSW stored in upstream reservoirs)~~ in order to meet the demands of its water customers during the irrigation season. ~~For a full discussion~~Discussion of drought period operations, ~~refer to is found in~~ Chapter 2.

TMWA uses a three-stage Drought Situation classification system ~~(see Table 5-4).~~ Per TROA, in a non-drought situation the elevation of Lake Tahoe is such that natural river flows will maintain Floriston Rates through Labor Day. Under this situation, no reserves are projected to be used, thus no eDMPs are necessary since demands typically are reduced after Labor Day. Similarly, when a Drought Situation is identified but Lake Tahoe and Boca Reservoir supplies remain adequate to maintain Floriston Rates until after Labor Day, no eDMPs need be deployed. While customer irrigation demands may remain high after Labor Day, even potentially requiring POSW to meet those demands, a certain amount of ~~POSW those reserves~~ must be released anyway to be in compliance with federal flood regulations. However, during a Drought Situation, if Lake Tahoe and Boca Reservoir supplies are not sufficient to maintain Floriston Rates in any month before Labor Day, then one of three levels of eDMP is identified and actions outlined to ensure customer demands are reduced in the current year ~~and. Such actions will reduce the use of~~ drought reserves are maintained in the event a successive Drought Situation occurs the following year.

⁴¹ Pursuant to TROA: “**Drought Situation** means a situation under which it is determined by April 15, based on procedures set forth in Section 3.D, either there will not be sufficient **Floriston Rate Water** to maintain **Floriston Rates** through October 31, or the projected amount of **Lake Tahoe Floriston Rate Water** in Lake Tahoe, and including **Lake Tahoe Floriston Rate Water** in other **Truckee River Reservoirs** as if it were in Lake Tahoe, on or before the following November 15 will be equivalent to an elevation less than 6,223.5 feet Lake Tahoe Datum.”

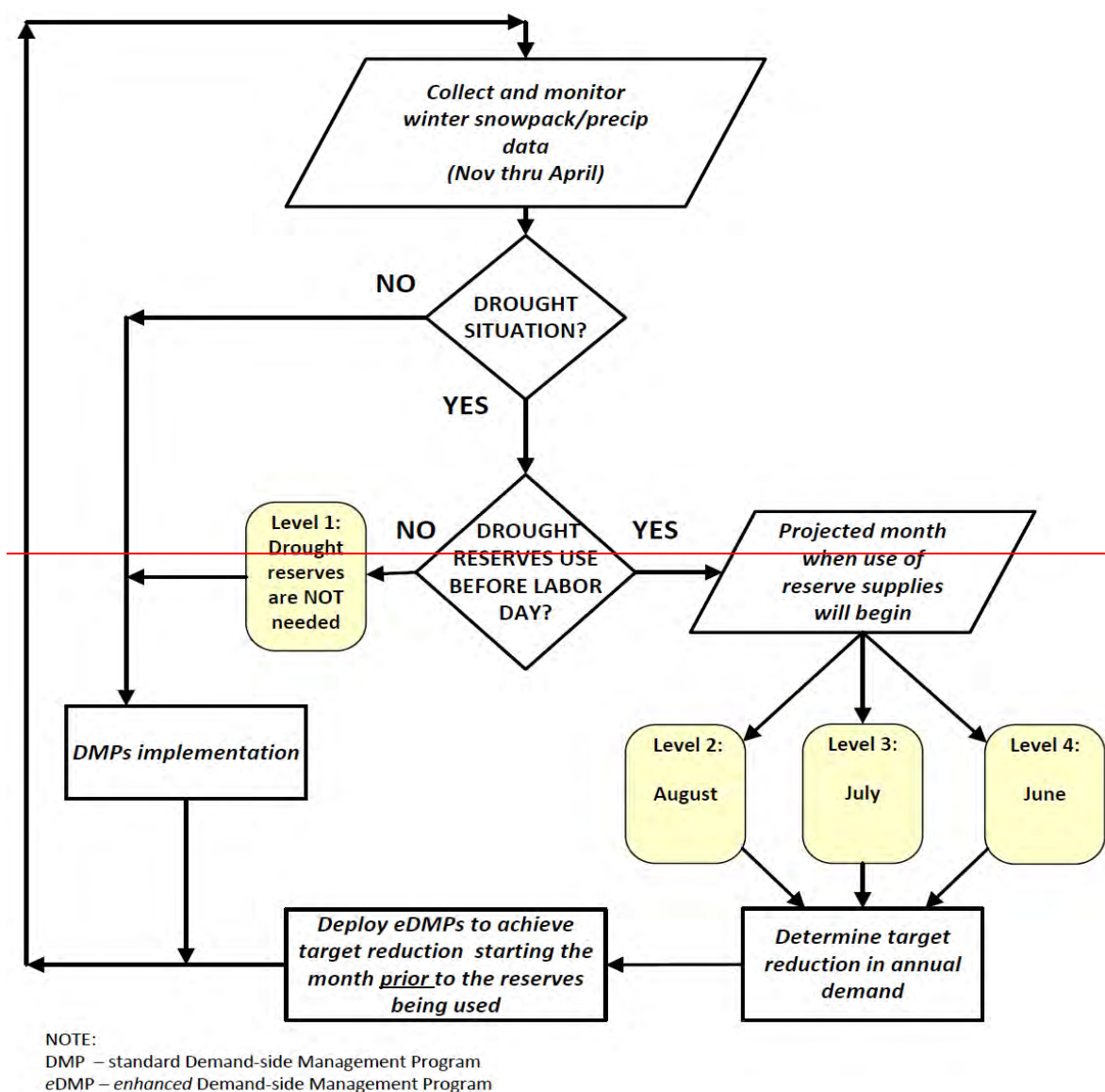


Figure 5-3: Drought Situation and Demand-side Management Response Flowchart

The Drought Response Plan TMWA initiated in 2014 is a good example of the Plan's effectiveness~~show this system works~~. In April of 2014 a *Drought Situation: Level 2* was identified. Factors for this classification included a seasonal snowmelt which would result in Lake Tahoe falling below its rim in the ~~Fall~~~~fall~~ and Floriston Rates were expected to drop-off by late-July. This meant, in addition to groundwater pumping, release of POSW would be required in the late summer months. Starting in July, TMWA began its EMC by asking its customers to reduce their water use by 10 percent compared to their use in 2013 in the coming months. Overall, TMWA's customers responded well to the request for a voluntary reduction of 10 percent. Table 5-6 shows the reduction in use by TMWA's customer classes. :

~~Quantification of Effectiveness: In 2014, customers responded well to the request for a voluntary reduction of 10 percent. Overall, in August all metered commercial and~~

residential customers reduced their use by 7 percent. By September, the entire customer base responded with an 11 percent reduction in use. The following table compares the monthly retail water sales for August and September in 2013 and 2014.

Table 5-6. Month Retail Water Sale for August and September 2013 and 2014

<u>Customer Class</u> <u>Monthly Water Sales in</u> <u>2013 (AF)</u>	<u>August</u>	<u>Sept 2013 Use</u> <u>(x1000 gal)</u> <u>September</u>		<u>2014 Use</u> <u>(x1000 gal)</u>		<u>Percent Change</u>	
	<u>Services</u> <u>77</u>	<u>Median</u> <u>84</u>	<u>Mean</u>	<u>Media</u> <u>n</u>	<u>Mean</u>	<u>Media</u> <u>n</u>	<u>Mean</u>
<u>Single Family Metered Monthly Water Sales in 2014 (AF)</u>	<u>88,256</u> <u>8,759</u>	<u>387,908</u>	<u>43.90</u>	<u>32</u>	<u>37.80</u>	<u>-11.80</u>	<u>-9.50</u>
<u>Single Family Flat Rate Total Savings (AF)</u>	<u>3,866</u> <u>648</u>	<u>849</u> <u>76</u>	<u>101.5</u> <u>0</u>	<u>70</u>	<u>84.50</u>	<u>-14.70</u>	<u>-12.30</u>
<u>Commercial Total Savings (%)</u>	<u>4,405</u> <u>-7</u>	<u>49</u> <u>-11</u>	<u>213.2</u> <u>0</u>	<u>42</u>	<u>189.3</u> <u>0</u>	<u>-5.70</u>	<u>-4.60</u>
<u>Metered Irrigation Total 'Per Day' Savings (AF)</u>	<u>2,328</u>	<u>218</u>	<u>417.9</u> <u>0</u>	<u>192</u>	<u>373.8</u> <u>0</u>	<u>20.6</u> <u>0</u>	<u>4.90</u> <u>5</u>

Note: this study looks only at water services with 2013 & 2014 data. Sales figures exclude wholesale customers.

In April of 2015, due to the worst snowpack on record it was determined that the drought period would extend into the next irrigation season. In response to these hydrologic conditions, TMWA elevated the Drought Situation to *Level 4*. In May of 2015—two months earlier than 2014—TMWA began its EMC and customers were asked to reduce their use by at least 10 percent in the coming months, again compared to 2013's usage. In the subsequent months the following eDMPs were deployed:

- television advertising,
- increased radio advertising,
- dedication of a conservation website (tmwa.com/save),
- increased Conservation Consultant staffing,
- conservation-car wraps (10 vehicles),
- internet advertising,
- table tents at restaurants stating water was served upon request,
- stickers in commercial restrooms reminding people to save 10 percent,
- increased educational programs, and;
- letters to HOAs requesting they not fine residents who let their lawns turn brown.

There was also a significant increase in media engagement with TMWA staff being interviewed almost daily. Table 5-7 compares the monthly retail water sales for June through September between 2013 and 2015. In addition, to TMWA normal customer classes, the table also shows the reduction by the newly acquired DWR and STMGID customer classes. In both years, customers went above and beyond with the average reduction being greater than the 10 percent requested. Compared to 2013 the water use reduction result was a 10.5 percent in June, a 16 percent drop in July, a 9 percent in August, and no measurable percent drop in September; the combined estimated water use reduction comparing 2015 to 2013 is estimated to be 10 percent, or approximately 5,000 AF. The following table (Table 5-7) compares the monthly retail water sales for June and July in 2013 and 2015. Some of this reduction was attributed to greater than average rainfall in the region during May and June of 2015.

Table 5-7: Monthly Retail Water Sale for June through September 2013 and 2015

	<u>June</u>		<u>July</u>		<u>August</u>	<u>September</u>	
<u>Monthly Water Sales in 2013 (AF)</u>						<u>Percent Change</u>	
<u>Customer Class</u>	<i>Awaiting final 2015 dataset to complete analysis; will be provided in final version.</i>					<u>Median</u>	<u>Mean</u>
<u>Single Family Metered - TMWA</u>						<u>-19.70</u>	<u>-16.40</u>
<u>Single Family Metered - DWR</u>	<u>16,999</u>	<u>98</u>	<u>111.80</u>	<u>78</u>	<u>89.20</u>	<u>-19.10</u>	<u>-16.00</u>
<u>Single Family Metered - STMGID</u>	<u>3,164</u>	<u>146</u>	<u>160.40</u>	<u>112</u>	<u>125.10</u>	<u>-20.30</u>	<u>-18.50</u>
<u>Single Family Flat Rate - TMWA</u>	<u>3,473</u>	<u>185</u>	<u>219.60</u>	<u>137</u>	<u>165.40</u>	<u>-23.10</u>	<u>-21.60</u>
<u>Single Family Flat Rate - DWR</u>	<u>103</u>	<u>140</u>	<u>139.40</u>	<u>107</u>	<u>101.10</u>	<u>-24.60</u>	<u>-27.00</u>
<u>Single Family Flat Rate - STMGID</u>	<u>78</u>	<u>154</u>	<u>153.40</u>	<u>103</u>	<u>109.70</u>	<u>-29.10</u>	<u>-27.30</u>
<u>Commercial</u>	<u>4,945</u>	<u>92</u>	<u>423.20</u>	<u>71</u>	<u>368.20</u>	<u>-10.00</u>	<u>-8.70</u>
<u>Metered Irrigation</u>	<u>2,398</u>	<u>437</u>	<u>853.50</u>	<u>350</u>	<u>681.50</u>	<u>-18.00</u>	<u>-15.10</u>

Note: this study looks only at water services with 2013 &

2015 data.

Monthly Water Sales in 2015 (AF)

Total Savings (AF)

Total Savings (%)

Total 'Per-Day' Savings (AF)

Sales figures exclude wholesale customers.

These past drought years exemplify the robustness of TMWA's customer demand during drought conditions in 2014 and 2015 are examples of how well TMWA's Drought Response Plan and succeeded in achieving water use reductions warranted for

~~the given year's water supply. These years~~ provide a good case study of how the eDMPs are flexible ~~and can enough to~~ adequately control water demand ~~given any~~based on the level of drought severity. ~~Should a drought occur, whose magnitude exceeds the worst drought on record~~As of the writing of the 2035WRP, TMWA is engaged in a two-year, with scientific experts and relevant stakeholders on a USBR-sponsored project to address climate change. TMWA will collaborate with UNR and DRI, to determine hydrologic conditions under "worst case" climate changes scenarios. The results will provide insight into the effectiveness of TMWA's current an updated Drought Response Plan, given potential climate changes scenarios. It will also propose the level of need for an updated management framework should the existing Plan fail. The project's deliverable will be generalizable Decision Support System that can optimize water resource management given any water utility's situation. The final results changes in the variability of the local climate. Results of this two-year study will be available in July of 2017. Refer to Chapter 2 for more details about this project.

Demand Management Programs and Emergency Supply Conditions

Natural disasters and other unforeseen events can interrupt TMWA's available water supplies. These include floods, extreme low precipitation years, earthquakes, equipment failure, or distribution system leaks. Sometimes the events are localized within the distribution system and sometimes the whole community can be affected in which cases the government can declare a state of emergency. Under such cases, TMWA's goal is to minimize service disruptions and, when necessary, the community is asked for, and has responded favorably to, increased and more aggressive conservation messages and calls for water use reductions and restrictions. Some of the eDMPs to be used during a state of emergency include mandatory water conservation (i.e., once-per-week or no outside watering during summer months, reduced laundry at commercial properties, use of paper plates in restaurants, no use of potable water for non-potable purposes, heavy fines for water wasters, temporary "drought" rates, etc.). For more information on potential DMPs please see Appendix 5-~~53~~.

TMWA's personnel train for management operations under various emergency situations. This training has proven successful as water supply interruptions have been mitigated as swiftly and efficiently as possible such as the April 2008 earthquake in Mogul which destroyed the Highland Flume thereby precluding gravity-fed delivery of water to the Chalk Bluff Water Treatment Plant. TMWA mitigated the incident by 1) turning on its Orr Ditch Pump Station and installed temporary pumps to feed Chalk Bluff, 2) turning on its Glendale Water Treatment Plant, 3) turning on its wells as needed for irrigation demands, and 4) installing temporary piping around the Highland Flume failure to deliver more water to Chalk Bluff. These actions avoided any water supply interruptions for TMWA customers. Increased conservation by TMWA customers during emergencies is just one element of successfully managing water supply interruptions. Chapter 2 describes the types of response tactics TMWA deploys during emergency situations.

Summary

TMWA's Conservation Plan includes a comprehensive list of SMPs and DMPs. As water supplies fluctuate year to year—due to fluctuations in the seasonal snowpack—these programs ensure TMWA and its customers are able to conserve to the degree which is warranted. ~~TMWA's current Conservation Plan meets or exceeds the state regulations (i.e., JPA, NRS, TROA) best extent possible, TMWA continually assesses the benefits from each SMP and recommendations for best DMP and may modify any to reflect new practices (i.e., The Nevada Drought Forum: Recommendations Report), technologies, or information.~~ The success of any ~~one~~ program is evaluated depending on its scope and TMWA's ability to collect data on the participants and amount of water saved. Such metrics may include: the number of gallons saved (in total gallons or as a percent), the level of customer participation, estimated reduction of peak day usage, visibly improved water management practices, or the number of customers receiving water conservation education. Moving forward, TMWA will continue to assess the benefits from each SMP and DMP and may modify any to reflect new practices, technologies, or information regarding regional climate change. The key findings in this chapter include:

The following highlights of this chapter include:

- 1.● TMWA's Conservation Plan meets the requirements of the JPA, NRS 540.313 through 540.151, and TROA.
2. ~~TMWA will continue to be fully engaged in the regional dialogue on responsible water use and will implement programs for its customers that benefit the region and support regional water use goals.~~
- 3.● TMWA's water demand management programs pursue measures to efficiently use its available water resources by addressing water waste, system deficiencies (e.g., leaks, pressure changes, etc.), public education and outreach, watering schedules, and drought/emergency conditions.
4. ~~TMWA will continually assess the benefits of implemented programs and may modify programs to reflect new practices, technologies, and information. Program success is evaluated differently depending on the type of program and TMWA strives to provide the most meaningful effectiveness metrics, whenever possible.~~
5. ~~Innovative ways to improve efficient water use will continue to be assessed, including expanded uses of non-potable supplies.~~
- 6.● Demand management programs may be progressively enhanced during Drought Situations to address the need to reduce water use when water reserve supplies are impacted.
- 7.● Enhanced DMPs may be necessary in response to natural disasters and other events that have potential to interrupt TMWA's available water supplies.
- TMWA will continue to be engaged in the regional dialogue on responsible water use and will implement programs for its customers that benefit the region and support regional water use goals.

- TMWA will continually assess the benefits of implemented programs and may modify programs to reflect new practices, technologies, and regional climate information.
- New and innovative ways to improve efficient water use will continue to be assessed, including expanded uses of non-potable supplies.

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charges along with existing water rights dedication rules require developers in this area to dedicate supplemental surface water (creek) supplies when dedicating groundwater for new service in the area. Supplemental surface water resources (Whites, Thomas and/or Galena creeks) are a key component of the conjunctive resource management plan and necessary to ensure a sustainable water supply for existing customers, domestic well owners and new development in these areas.

Surface water from Whites, Thomas and Galena creeks has historically been used for agricultural irrigation. These creeks remain a key part of the regional water resources for the South Truckee Meadows. For instance, the creeks are used to augment the South TRMWF reclaimed water (purple pipe) supply. The State Engineer also permits the use of these creek rights for water service.

In order to develop supplemental surface water supplies that will provide for the long-term sustainability of the local groundwater aquifer, TMWA is implementing a plan to construct a small water treatment plant off of Whites and Thomas Creeks— this plan was approved as part of Washoe County’s 2002 South Truckee Meadows Facility Plan (“STMFP”). The STMFP recognized that, “The upper treatment plant is an integral component of the recommended water supply plan. Most importantly, it will provide recharge water and/or offset winter groundwater pumping in the upper Mt. Rose fan area.”

The Mt Rose Water Treatment Plant (“MRTP”) is planned to be constructed to with for a production capacity of up to 4 MGD. When adequate Whites and Thomas Creek flows are available, a portion of the flow will be diverted to the MRTP leaving sufficient flows to maintain wildlife and habitat needs, as well as downstream irrigation requirements. A methodology called the “Tennant Method” was utilized to estimate the amount of flow needed to maintain “Good” habitat conditions in each of the creeks. The Tennant Method is a widely accepted methodology used specifically for this purpose and takes into consideration the needs of the plant communities, fisheries, and wildlife. TMWA is using the Tennant Method flow rates and the downstream water right diversions to set flow objectives for the creeks. Based on these flow objectives, an analysis was performed to quantify the potential yield from the creeks. It is anticipated that of the 4,852 AF/year of water rights available for M&I use off of Whites and Thomas Creeks, an estimated 3,200 AF will be diverted in a typical year. Depending on the time of year, diversions to the plant will be reduced or stoped because the natural flow in the creeks falls below the flow objectives. A future analysis using similar methodology will be performed to quantify the potential yield from Galena Creek in order to estimate additional surface water supplies that could also be developed to help provide additional long-term sustainable water supplies for the area.

~~An analysis is underway which will quantify the potential yield from the creeks and groundwater resources on the Mt. Rose fan. Technical results for this analysis are pending.~~

Aquifer Storage and Recovery

TMWA defines ASR as the injection of treated surface water into the underground aquifer for later withdrawal. Chapter 3 provided a background of TMWA’s recharge activities in the Truckee Meadows, Lemmon Valley, and Spanish Springs. ASR can increase the natural

Bedell Flat ASR

As part of TMWA's overall conjunctive use management strategy, TMWA is working with the City of Reno and Washoe County to initiate an evaluation of the feasibility of an integrated water resource ASR program in Bedell Flat. Bedell Flat was identified in previous analysis performed by the City of Reno in 2007 as having potentially favorable geologic conditions for disposal of treated effluent. Furthermore, several potential reservoir sites ranging in size up to 30,000 AF were identified within Bedell Flat as part of the 2007 City of Reno / Washoe County TMSA/FSA Water, Wastewater and Flood Management Facility Plan. With completion of the NVIP in 2008, transmission pipeline infrastructure is in place along the east side of the basin which could be improved to convey stored water from Bedell Flat into the North Valleys. Water stored or banked in Bedell Flat could serve as a non-Truckee River based drought or emergency water supply for the region.

Bedell Flat is located in southern Washoe County, about 13 miles north of Stead and appears to have favorable hydrogeologic characteristics for a large scale ASR program (see Figure 6-1).

Bedell Flat is a relatively small (51 square miles), undeveloped hydrographic basin comprised of federal lands administered by the Bureau of Land Management. Depths to water range from less than 5 feet in the northwest, where surface drainage exits the basin, to at least 140 feet near the middle of the basin. Additionally, geologic materials appear favorable as the basin is drained and nearly impermeable playa sediments are notably absent.

Several water resource ASR options are under consideration within Bedell Flat. These options include: injection of potable water using ASR wells off of the existing NVIP pipeline; infiltration of highly treated wastewater along a natural drainage referred to as Bird Spring Wash; infiltration of highly treated wastewater through a proposed engineered infiltration gallery, also known as a spreading basin or rapid infiltration basin (RIB); or a combination of these. Geologic/hydrogeologic feasibility investigations and environmental clearance and permitting work are proposed to gain an understanding of the feasibility, scope and cost of a water banking program in Bedell Flat.



Figure 6-1. Location of Bedell Flat Hydrographic Basin

Lower Smoke Creek Importation.

The Lower Smoke Creek (“LSC”) project is located just north of Pyramid Lake in Basin 21 in Washoe County. Much of the water in Basin 21 is held primarily by one owner through various entities, including Bright-Holland Co., a Nevada corporation and Jackrabbit Properties LLC, a Nevada limited liability company. In the mid-2000’s Jackrabbit and Bright Holland assembled water rights in Basin 21 and executed an option to sell with Granite Fox Power, LLC also known as Sempra. The option agreement at the time encompassed approximately 28,000 AF of groundwater and surface water combined. It was Sempra's intent to use the water for a \$2 billion coal fired power plant within Basin 21. Subsequently, Sempra decided not to proceed with the power plant project and as a result, released its options to purchase the water. Jackrabbit and Bright Holland, in turn, executed a water development agreement with LSC Development, which intends to develop a water importation project rather than a power plant project. The first phase of the water importation project is intended to capture the water in the southern portion of Basin 21 and pipe the water to Winnemucca Ranch and other planned developments consistent with the relevant water resource plans. The second phase would extend the pipeline to transport water from the northern portion of Basin 21. Basin 21 has a yield substantiated by the USGS of 16,000 AF and is currently being adjudicated. Sempra completed extensive groundwater testing and modeling, which confirmed the long term sustainability of the water resource. LSC Development updated the modeling to reflect a municipal water project. With this existing information, including USGS gauges in place since 1986, the abovementioned water rights will support approximately 10,500 to 14,000 AF of municipal water annually, subject to State Engineer approvals.

Other Conceptual Projects

The following project descriptions come from various water supply plans that have never made it past the concept or permit stage. They ~~are included to~~ provide ideas for future water supply possibilities; little is known of the status of these projects, but economics may someday stimulate renewed interest.

Dixie Valley Ground Water Importation. This supply alternative proposes to develop ground water in Dixie Valley and transport it via a pipeline over the Stillwater Range to Lahontan Valley. The water could support growth in the Fallon area, provide irrigation water, or augment supplies in the Lahontan Valley wetlands. Water from Dixie Valley utilized in the Lahontan Valley could displace the use of Truckee River water. Water rights thereby freed-up on the Truckee River could be transferred upstream.

~~Humboldt Basin Ground Water Importation. The Humboldt Basin Ground Water Importation project, better known as the Gabbs Hay Company plan, proposed to develop groundwater sources in Pershing and Humboldt Counties to enhance beneficial uses for wildlife projects in the Toulon, Fernley, and Fallon areas, provide water for future growth in western Pershing County, displace Newlands Project water rights essentially freeing those rights to be utilized upstream, specifically by Truckee Meadows municipal industrial users, or connect~~

~~approximately 130 miles of gathering and transmission pipelines to deliver water to Sparks. Preliminary estimates are to produce 20,000 to 30,000 AF, which is permitted, and/or certificated.~~

Long Valley, California, Ground Water Recharge and Importation. Long Valley, California is located north of Reno and west of Bordertown, Nevada. The owners of Evans Ranch, Inc., have filed applications with various California governing agencies to recover an estimated 3,300 AF of surplus surface water from the Long Valley Creek system and use this water to recharge ground water supplies in the valley. The surface water would replace ground water which would be withdrawn and transported for use in the lower (Nevada) portion of Evans Ranch and/or quasi-municipal uses in developing areas in Washoe County, Nevada.

Red Rock Valley Importation. The Red Rock Valley Importation (“Red Rock”) project proposes to transport between 1,000 to 1,300 AF of water from the Red Rock groundwater basin to the north end of WLTV. TMWA entered into a purchase agreement with Red Rock subject to satisfying certain conditions of supply (e.g., 1,000 AF minimum State Engineer permit) and facility construction. In January 2008 the State Engineer issued a permit for 855 AF with conditions that allow the project to expand up to 1,273 AF. Through 2008 Red Rock’s project sponsors progressed with design and planning which led to filing an application for a Special Use Permit with Washoe County in December 2008. The Board of Adjustment denied the application at its March 4, 2009 meeting and the BCC also denied an appeal in May 2009.

Silver State Importation Project. Silver State Importation Project (“SSIP”), also called the Washoe County Ground Water Importation Project, is a proposal to develop ground water sources in 19 hydrographic basins in central and northern Washoe County for importation into the Truckee Meadows. The plan was originally created to provide drought year water supplies for the Truckee Meadows served by TMWA and year-round supplies to Lemmon Valley, SSV, Cold Spring Valley, Warm Springs Valley, and adjacent areas. SSIP was proposed to proceed in five stages over a 50-year period. The final project includes 372 miles of buried steel pipeline ranging in size from 14 to 60 inches, 8 pumping stations, 42 production wells, and underground terminal storage.

~~Purchase TCID’s Share of Donner Lake Storage. The right to the water stored in Donner Lake (9,500 AF) near Truckee is owned as tenants in common by TMWA and TCID. Over the decades, numerous attempts have been made to purchase TCID’s half of Donner Lake water but without success. The estimated annual yield of purchasing TCID’s half of Donner Lake water is approximately 2,400 AF/yr. The reason the yield of Donner is lower than one-half of the actual volume of water that can be stored in the lake ($9,500/2=4,750$) is due to the facts that (1) there is a summertime lake level elevation requirement that restricts when and how much water can be released from the lake and (2) the physical outlet of the lake prevents complete release of the stored water (unless it were to be pumped out). The yield of a Donner project is only available when used in conjunction with TROA; as a standalone project the elevation and flood releases~~

~~restrict the ability to use the water on an annual M&I schedule. The cost of this option is subject to negotiated purchase price with TCID.~~

Sierra Valley Water Rights. Since the late 1800s, a diversion ditch has carried up to 60 cfs of water for agricultural use from the Little Truckee River above Stampede Reservoir out of the Truckee Basin to Sierra Valley, California, in the Feather River basin. The Little Truckee River diversions are inversely proportional to the Sierra Valley natural runoff, i.e., the lower the available flows in the native Sierra Valley streams, the higher the diversions from the Little Truckee River. Thus, these rights have a higher drought yield than a normal year yield, but the ability to store these rights would be required.

DRAFT 10-1-2015



STAFF REPORT

TO: Standing Advisory Committee
FROM: John Erwin, Dir Natural Resources
DATE: 28 January 2016
SUBJECT: 2016-2035 Water Resource Plan Staff Response to Public Comments

The attached table contains key extracts from the written comments TMWA received after the release of the Draft 2016-2035 Water Resource Plan as well as from comments submitted at the 5 open house workshops. Where comments were addressed to specific items within the plan, subsequent analysis and revisions were made to the plan. Examples, include addressing sustainability of resources and WC-3, updating information relating to the recent implementation of TROA, testing sustainability of water supplies under TROA operations using more severe hydrologic conditions than the 1987-1994 drought period, new information as to construction of Whites Creek Treatment plant to enhance aquifer recharge for the southwest Truckee Meadows, and updating progress on coordination of landscape ordinances between Reno, Sparks and Washoe County. Most of staff responses are answering specific questions on topics not necessarily covered within the plan but obliquely related to water issues the plan evaluated.

Copies of the submitted comments are also included.

Chapter	Category	Topic	Comment Excerpt	Author	Author Affiliation
1 1 Introduction	General	General	Plan should address WC3.	Dennis Ghiglieri	Sierra Club
			<i>Additional text has been added in Chapter 1 related to WC-3.</i> <i>The scope of planning for TMWA's WRP focuses on securing and managing sustainable and reliable water sources in order to supply water to those areas wherein TMWA currently or has the potential to serve water, generally within the Truckee Meadows Service Area ("TMSA"). In January 2010, the Regional Planning Governing Board ("RPGB") adopted amendments to the Truckee Meadows Regional Plan ("Regional Plan") and the RPGB Regulations on Procedure as a result of 2008 Washoe County Ballot Question No. 3 ("WC-3"). The RPGB with support of the WRWC, not TMWA, is responsible to respond to WC-3. However, in 2010 TMWA assisted the WRWC in their efforts to respond the RPGB in estimating the population that can be supported by the sustainable water resources identified in the RWMP and whether sufficient water resources were available to satisfy the projected water demand based on the population estimated by the 2010 Washoe County Consensus Forecast ("Consensus Forecast"). The WRWC determined in 2010 that sustainable water resources identified in the Regional Water Plan are adequate to serve the 2030 population estimate provided in the Consensus Forecast. TMWA's 2035WRP concludes that TMWA has sufficient sustainable and reliable sources of supply to meet its projected demands for the projected service area population, particularly when managed under the newly implemented TROA. Specific comments raised with respect to WC-3 should be addressed in the WRWC Regional Water Management Plan currently under revision.</i>		
2 1 Introduction	TROA	General	Please clarify if TROA has been implemented.	Dennis Ghiglieri	Sierra Club
			<i>Chapter 1 has been updated with respect to the December 2015 implementation of TROA.</i>		
3 2 Source Water Reliability	Climate Change	General	Higher temps lead to threats to water source reliability in some regions.	Linda Gillaspay	Sierra Club
			<i>Data for the greater Truckee Meadows region indicates that average temperatures have been increasing over the past several decades. Studies as to the affect those increases have on water source reliability have yet to be conducted or concluded for the greater Truckee Meadows region.</i>		
4 2 Source Water Reliability	Climate Change	General	TMWA should recommend policy changes to address climate change.	Ron Foster	Carson City Resident
			<i>Comment lacks specificity as to type of policy(ies) sought. However, see other climate change responses.</i>		
5 2 Source Water Reliability	Climate Change	General	Tree ring science not applicable to current situation or what to expect in future situation.	Linda Gillaspay	Sierra Club
			<i>Additional section on climate change, weather, and the use of history has been added to chapter 2. The tree ring data is useful in testing climate models in representing past conditions as well as future conditions.</i>		
6 2 Source Water Reliability	Climate Change	Growing season	Growing season is longer with more frost-free days What if this becomes the new normal?	Ron Foster	Carson City Resident
			<i>See response #8. No data or reports supplied to be able to repond if warmer temperatures are the new normal so response is limited. In addition, TMWA's actual production data to develop Chapter 5 indicate TMWA's total annual production has been declining since 2003 as has the average use per service which contradicts the suggested inference.</i>		
7 2 Source Water Reliability	Climate Change	Growing season	Doesn't address increasing growing degree days.	Jerry Wager	Standing Advisory Committee
			<i>See response #6</i>		

	Chapter	Category	Topic	Comment Excerpt	Author	Author Affiliation
8	2 Source Water Reliability	Climate Change	Growing season	KRNO weather data shows increased growing season (110 in 70s to 200 in 2010).	David von Seggern	Ratepayer
<i>Concur temperature data recorded at the Reno Airport shows warmer average temperatures, including 2011-2014; Airport data may need correction due to potential urban heat sink due to location of data collector; and collaborating data sources would improve analysis. "Growing degree day calculations are the measure of the amount of heat needed for plants, insects and microorganisms to grow and develop. If a plant or insect is too cold, it cannot grow." [Using Growing Degree Days for Alfalfa Production, UNR Cooperative Extension, Fact Sheet 99-71]. Once average daily temperature is calculated ([hi temp-low temp]/2) the minimum threshold temperature for a plant is subtracted resulting in the number of growing degree days. In other words, plants have a minimum temperature before growth begins. The submitted analysis found the growing season expanded "from 100 days in the 1970s to almost 200 in recent years" which would occur using a based temperature of 32 F to calculate the number of frost-free days. But a increase in the number of frost-free days is not indicative of whether plant growing season and therefore water use would increase since the growing season is determined by the individual plant species. For example, the minimum threshold temperature for alfalfa is 42 F, for woody plants 45 to 55 F, and for fescue grass 60 to 75 F. Additional data and proper selection of a minimum threshold temperature for the Truckee Meadows is required before a trend in growing season can be established.</i>						
9	2 Source Water Reliability	Climate Change	Growing season	Plan doesn't address increasing growing degree days.	Rose Strickland	Truck River Yacht Club
<i>See response #6</i>						
10	2 Source Water Reliability	Climate Change	Growing season	Plan must address increasing temps/longer growing days and impacts to supplies.	Dennis Ghiglieri	Sierra Club
<i>See response #6</i>						
11	2 Source Water Reliability	Climate Change	Supply	TMWA should revise plan to contend with alternative planning based on median predictions of temp and precipitation.	David von Seggern	Ratepayer
<i>Discussion was added to chapter 2 to directly address climate change and how current models do provide predictions of precipitation that can be used for water supply planning or solid estimates of impacts to snowpack.</i>						
12	2 Source Water Reliability	Climate Change	Supply	WRP relies on tree ring studies, which averages out precipitation changes. Since WRP doesn't include climate change information, how do we know changes aren't warranted?	Ron Foster	Carson City Resident
<i>TMWA's WRP relies on paleoclimatic tree ring data because it is a good source to determine drought conditions that occurred prior to instrumental records. The California Climate Science and Data for Water Management's June 2015 report (p. 4) highlights its usefulness in assessing modern climate models. In fact, an ongoing, National Science Foundation-sponsored grant, titled Water for the Seasons, also uses tree ring data to reconstruct regional river flows based on worst case drought on the past 500 years. Currently TMWA is working with Water for the Seasons to determine how its operations would be affected under such worst case scenarios; findings are expected in 2017.</i>						
13	2 Source Water Reliability	Climate Change	Supply	Plan doesn't adequately address declines in snowpack over time.	Jerry Wager	Standing Advisory Committee
<i>See response #12</i>						
14	2 Source Water Reliability	Climate Change	Supply	TMWA conclusion on impacts of climate change are contrary to current info on temp and impact to water supply. Plan should address how TMWA will adapt to changing conditions in water supply.	Dennis Ghiglieri	Sierra Club
<i>TMWA's has not formed any conclusions with respect to climate change and its potential effects on TMWA's water sources. Even though TMWA has relied on the research efforts of UNR, DRI and USBR, research results have yet to establish, quantify or project the impacts of climate change on TMWA's water sources. TMWA is currently participating with UNR, DRI and USBR under the WATERSMART grant to study water effiency and climate change resiliency (see Chapter 5 for more details).</i>						

Chapter	Category	Topic	Comment Excerpt	Author	Author Affiliation
15	2 Source Water Reliability	Water Quality	General	Plan should address how to reduce and eliminate the number of septic systems over time.	Dennis Ghiglieri Sierra Club
			<i>TMWA does not have jurisdiction or planning responsibility over septic systems at this time. This topic is addressed by the WRWC in its Regional Water Management Plan currently under revision.</i>		
16	2 Source Water Reliability	Water Supply	Catastrophic Events	Wildfire and earthquakes can severely impact water supply and quality. Plan should address these events in various scenarios and develop contingencies.	Dennis Ghiglieri Sierra Club
			<i>Chapter 2 addresses how TMWA has plans to respond to emergency conditions.</i>		
17	2 Source Water Reliability	Water Supply	Catastrophic Events	The plan addresses strategies for dealing with earthquakes and spills.	Jerry Wager Standing Advisory Committee
			<i>Chapter 2 addresses how TMWA has plans to respond to emergency conditions.</i>		
18	2 Source Water Reliability	Water Supply	Drought criteria	TROA definition of drought is poor. Better definition is very first below average year.	Dennis Ghiglieri Sierra Club
			<i>As a function of understanding how the reservoirs are operated on the Truckee system and available hydrologic data, the scientists and engineers representing California, Nevada, TMWA, Pyramid Lake Paiute Tribe, and USBR set forth and agreed to the definition of drought situation thereby optimizing the operation of Truckee River supplies during extended drought periods and meeting the goals of TROA.</i>		
19	2 Source Water Reliability	Water Supply	Drought criteria	TMWA should not rely on 100 year record for snowpack and river flows.	David von Seggern Ratepayer
			<i>Barring any data or procedures to the contrary, TMWA will continue to follow established scientific and engineering methods that rely on historic data on snowpack, precipitation, river flows, temperature, or any other known and measurable data that affect water sources.</i>		
20	2 Source Water Reliability	Water Supply	Drought criteria	TMWA should not rely on 100 year record for snowpack and river flows.	Rose Strickland Truck River Yacht Club
			<i>See response #19.</i>		
21	2 Source Water Reliability	Water Supply	General	Is TMWA planning infrastructure to capture flood flows to replenish GW?	Rose Strickland Truck River Yacht Club
			<i>TMWA does not have jurisdiction or planning responsibility over flood retention systems. In addition, the parties to TROA agreed that the Truckee River is fully appropriated and any unappropriated water, such as those arising from flood events, accrue to the Pyramid Lake.</i>		
22	2 Source Water Reliability	Water Supply	Supply	TMWA should seek federal funding to update perennial yields.	Pam Galloway Voices for Sustainable Washoe County
			<i>The office of the Nevada State Engineer establishes perennial yield for Nevada's 256 hydrographic basin relying on the research and findings the U.S. Geologic Survey.</i>		
23	2 Source Water Reliability	Water Supply	Supply	Plan should factor in possibility that wells will not be sustainable and will rely on river water.	Pam Galloway Voices for Sustainable Washoe County
			<i>Chapter 2 describes TMWA groundwater sources in the various hydrographic basins where TMWA has its production wells. Chapter 3 describes the integrated operation by TMWA of its surface and groundwater sources and efforts to ensure the long-term sustainability of those groundwater resources. If the comment relates to the failure of domestic wells, those adjacent to TMWA facilities have the opportunity to pay all fees and get water service from TMWA; the more remote domestic wells will deepen or redrill the well.</i>		
24	3 Integrated Management	Supply Management	Drought criteria	Plan should address probability of worst case scenario of drought.	Jerry Wager Standing Advisory Committee
			<i>TMWA currently plans to the worst drought of record: 1987-1994+1988. Chapter 4 includes updated scenarios of water supplies under TROA with back-to-back 1987-1994+1988 conditions through 2035 and repeating 2015 hydrology, the worst water year of record, for 20 years through 2035; in all scenarios TMWA is able to meet annual demands through 2035. These new reports will be added to Appendix 3-3.</i>		

Chapter	Category	Topic	Comment Excerpt	Author	Author Affiliation
25	3 Integrated Management	Supply Management	Drought criteria	Too much emphasis on last 100 yrs of flows. Should focus on averages over 30, 15, and 5 yrs and plan for those scenarios	Dennis Ghiglieri Sierra Club
<i>See response to #24.</i>					
26	3 Integrated Management	Supply Management	Drought criteria	Can't find analysis to back up statement that under 2015 hydrology, TMWA's reserves will increase.	Dennis Ghiglieri Sierra Club
<i>See Chapter 3 and Appendix 3.3 for analysis report.</i>					
27	3 Integrated Management	Supply Management	Groundwater	The plan's reliance on groundwater recharge could lead to reduced groundwater levels. How sustainable is groundwater pumping under a 5, 9, or 15 year drought?	Dennis Ghiglieri Sierra Club
<i>Assuming the commenter is referring to natural groundwater recharge, Chapter 4 describes how TMWA conjunctively manages its surface and groundwater supplies to meet demands. In those areas where water levels have declined in the former Washoe County and STMGID service areas, TMWA is providing treated surface water during the winter months in order to turn-off the wells thereby allowing natural recharge to occur; where possible, TMWA is also injecting treated surface water into wells to further recover groundwater levels. The objective is to maximize surface water when available and use groundwater for peaking and/or drought situation purposes thereby improving possibility of groundwater level recovery and long-term sustainability of the resource.</i>					
28	3 Integrated Management	Supply Management	Water Rights	TROA is great, but plan should recognize water rights alone may not be sufficient if supplies decrease and demands increase.	Jerry Wager Standing Advisory Committee
<i>As described in Chapter 3, the primary purpose of TROA is to accumulate significant amounts of water in upstream reservoirs to compensate for lack of natural river flows and release those reserves when needed during drought situations. In "normal" year river supplies, a portion of TMWA's water rights will be exercised to put water in upstream reservoirs. By doing so, TROA is designed to meet an annual demand of 119,000 acre feet based on the conjunctive use of natural river flows, groundwater pumping, conservation, and reservoir storage release. The comment accurately reflects the fact that owning water rights is no guarantee of physical water should conditions, such as an extended drought period, occur. The exercise of water rights is a function of the type of water year - dry vs non-dry - and water available to consumptive uses or storage uses. Managing water rights and water supplies under TROA operations can successfully meet projected demands through 2035 and beyond.</i>					
29	3 Integrated Management	Supply Management	Water Rights	Plan include exaggerated water rights.	Pam Galloway Voices for Sustainable Washoe County
<i>TMWA is not familiar with the term 'exaggerated' water rights.</i>					
30	4 Water Demand Projections	Water Demand	General	Questions TMWA and WRWC's projection of 741,000.	Pam Galloway Voices for Sustainable Washoe County
<i>In 2010, TMWA developed a long-range water demand projection for the entire County that yielded an annual demand of approximately 142,000 acre feet to support a population of approximately 590,500 as projected for the year 2030 by the 2010 Consensus Forecast. The question was then asked based on the estimated available water supplies including those from several surrounding hydrographic basins how many persons could approximately 183,200 acre feet per year support. The estimate was about 741,000 persons. It was a theoretical exercise that assumed all sources of water were available without any consideration to the costs to develop those resources. TMWA's is projecting by 2035 total Washoe County population of 545,000 and TMWA serving 475,000 persons of the total; TMWA's population forecasts are approximately 50,000 fewer persons than the 2010 projection. Total TMWA demand for 2035 is estimated to be 102,000 acre feet which is well below the range of estimated resources available to the greater Truckee Meadows region.</i>					
31	4 Water Demand Projections	Water Demand	Projection	Plan forecasts increased water use over time. A better plan is to seek to keep constant or reduce demand.	Dennis Ghiglieri Sierra Club
<i>The comment suggests holding demands constant or reducing over time while, it is assumed, the population continues to grow. That implies that the current pool of water rights/resources can be used to supply new development which is contrary to the terms of TROA and TMWA's rules in that water saved through reducing demands cannot be used for new development.</i>					

Chapter	Category	Topic	Comment Excerpt	Author	Author Affiliation	
32	4 Water Demand	Water Demand	Projection	TMWA fails to plan to lower per capita water use.	Dennis Ghiglieri	Sierra Club
				TMWA's Conservation Plan aims to balance supply and demand in any given year. In non-drought years, TMWA advocates for efficient water usage. Should a drought situation be determined, TMWA will request that customers reduce their use during the irrigation season. TMWA does not measure effectiveness of its Conservation Plan in per-capita terms. Rather it can calculate effectiveness on a per-service level. Since TMWA's inception in 2003, the largest customer base's (i.e., Single Family Water Services') water usage has declined by 11.6%. and it's total production has been reduced by 7% by 2014. Much of this reduced water usage can be attributed to TMWA ongoing conservation efforts, as outlined in its Conservation Plan.		
33	5 Conservation Plan	Demand Management	General	DMP should be backbone of plan, not just reactive to drought.	Dennis Ghiglieri	Sierra Club
				TMWA's Water Resource Plan is comprised of many different facets of its supply of, and demand for, water. While demand is a crucial component of water resource management, monitoring and projecting supplies is equally as important. Since demand is hinged upon a finite supply, the first half of the Resource Plan emphasizes TMWA's water portfolio. Furthermore, TMWA implements ongiong DMPs in every year and only deployments enhanced DMPs during time so drought. This approach has proven effective over the last two years of drought (2014-2015) by reducing customer demands while allowing customers to maintain their landscape assets.		
34	5 Conservation Plan	Demand Management	General	Plan provides inadequate implementation/enforcement of conservation program. Waste reports go unnoticed by TMWA.	Rose Strickland	Truck River Yacht Club
				Chapter 5 includes summaries of the number of annual water audits and the annual number of site visits TMWA personnel have responded to in order to educate and assist customers with improving their water conservation practices. At times, many instances of water waste do go unnoticed and/or not reported to TMWA.		
35	5 Conservation Plan	Demand Management	General	The plan fails to recommend permanent reductions in demand and only relies on voluntary reduction thru advertisement.	Dennis Ghiglieri	Sierra Club
				Components of TMWA conservation efforts are directed to assist customers to design efficient landscapes and/or help redesign existing landscape or irrigation practices to reduce waste. The fact that all customers must pay for what they use based on the metered rate has shown annual declines in use per service since TMWA's inception. See Chapter 5 for more details.		
36	5 Conservation Plan	Demand Management	Landscape	Deed restrictions on sod instalation and xeriscape requirements.	John Wolf	Ratepayer
				Chapter 5 includes updated material related to latest efforts to address future changes to the landscape ordinances of Reno, Sparks and Washoe County.		
37	5 Conservation	Demand Management	Landscape	Landscape reduction funding for residents.	Jana Vanderhaar	Ratepayer
				TMWA has done extensive research on Landscape Rebate programs. In order to fund such a program a sustainable funding mechanism would need to be put in place and such a program would require a mandatory rate increase to TMWA's customers. These findings were presented to TMWA's Board in August of 2015. Currently, TMWA has received no direction by its Board to implement such a program. For details see the staff report at: http://www.tmwa.com/docs/meetingcenter/BOD/2015/_2015.0819_BOD_07_Drought_Related-Turf_Conversion_Programs-Drought_Rates.pdf .		
38	5 Conservation Plan	Demand Management	Landscape	Why are all 3 agencies not on the same landscape guidelines?	Diana Langs	Ratepayer
				See response to #36.		
39	5 Conservation	Demand Management	Landscape	Landscape code revision input by NVASLA.	Barb Santer	Stantec
				See response to #36.		
40	5 Conservation Plan	Demand Management	Landscape	Improved irrigation, decreasing landscaping, more multi-family, change building codes.	Ron Foster	Carson City Resident
				See response to #36.		
41	5 Conservation	Demand Management	Rain capture	Water capture devices.	Unknown	Ratepayer
				NRS 533.030 requires a filing to appropriate water , which could be extended to rain catchment systems. If so, the use of catchment could be challenged as interfering with existing senior water rights, particularly on the Truckee system as the parties to TROA agreed that the Truckee River is fully appropriated and any unappropriated water, such as those arising from flood events, accrue to the Pyramid Lake.		

Chapter	Category	Topic	Comment Excerpt	Author	Author Affiliation
42	5 Conservation Plan	Demand Management Rates	Expand 3 tiers to 5 and rate hikes should be directed toward upper tiers.	Dennis Ghiglieri	Sierra Club
			<i>Economic studies have shown adding additional tiers is only effective up to a certain point. In general, a third tier or higher are sometimes seen by customers as a higher price and thus will reduce their water use. However, there are studies that show customers reacting to the average cost of water on their bills and thus more than 2 tiers have no effect on water use. TMWA has determined, within its customer base, that more than three tiers will not likely result in a significant change in water use.</i>		
43	5 Conservation	Demand Management Rates	Use seasonal rates.	Ron Foster	Carson City Resident
			<i>TMWA has implemented a tier-based pricing structure on its residential and commercial customers. This structure is effectively a seasonal rate structure since the first tier's threshold is devised to capture indoor-only usage. The majority of these customers enter the upper tiers during the irrigation season. TMWA's irrigation customers are on a single-tier, seasonal rate structure.</i>		
44	6 Future Water Resources	Infrastructure Growth pays	New development should pay for new infrastructure.	Pam Galloway	Voices for Sustainable Washoe County
			<i>Concur. It is a policy of TMWA's Board that all new development pay costs associated with new service as outlined in TMWA's Rules and Rates.</i>		
45	6 Future Water Resources	Infrastructure Growth pays	We want a cost/benefit analysis affixed to all infrastructure.	Pam Galloway	Voices for Sustainable Washoe County
			<i>Assuming the commenter is referring to new supply projects such as an importation project, a cost/benefit analysis would be performed at the time of application and/or submittal to the Northern Nevada Water Planning Commission as part of compliance review to the WRWC Regional Water Management Plan.</i>		
46	6 Future Water Resources	Infrastructure Growth pays	Potential projects lack cost projections.	Dennis Ghiglieri	Sierra Club
			<i>Chapter 6 identifies some conceptual importation projects. Without specifics from the project sponsors as to when and how the project would be integrated into TMWA supply mix, costs cannot be projected at this time.</i>		
47	6 Future Water Resources	Supply Development Growth	New growth should be tied to sustainable water supplies.	Pam Galloway	Voices for Sustainable Washoe County
			<i>Concur. At this time, the supplies to meet the projected demands through 2035 will principally rely on Truckee River water rights and their operation under TROA which will supply an ultimate of demand of 119,000 acre feet.</i>		
48	6 Future Water Resources	Supply Development Growth	Potential projects need independent analysis on sustainability.	Dennis Ghiglieri	Sierra Club
			<i>Concur. TMWA does not accept a project without demonstrated sustainability of the underlying resource.</i>		
49	6 Future Water Resources	Supply Development Project	Does not favor importation projects from outlying areas (Vidler, etc.).	Pam Galloway	Voices for Sustainable Washoe County
			<i>Chapter 6 identifies some conceptual importation projects. Over the years, other importation projects were proposed and even applications to appropriate were made but were ultimately denied. Future economic conditions will determine the viability and need of importation projects.</i>		
50	6 Future Water Resources	Supply Development Project	TMWA should purchase additional water rights from Sierra Valley or Donner Lake.	Dennis Ghiglieri	Sierra Club
			<i>Chapter 1 has been updated to include pending purchase of Donner Lake water rights from TCID. Chapter 6 has brief summary of Sierra Valley water rights acquisition, which acquisition is subject to future economic conditions.</i>		
51	6 Future Water Resources	Supply Development Project	What is the long-term (20-yr) sustainability of the HL project and has this been independently verified.	Dennis Ghiglieri	Sierra Club
			<i>Chapter 6 describes the North Valleys Importation Project ("NVIP"). At this time the Nevada State Engineer has issued permits to Vidler for 13,000 acre feet subject to pumping determination that pumping 8,000 acre feet annually is sustainable within the Honey Lake basin. In 2015 the project delivered approximately 1,000 acre feet into Lemmon Valley without measurable impact to the Honey Lake basin.</i>		
52	6 Future Water Resources	Supply Development Project	Delete Gabbs Hay Company Groundwater Importation Project from future supply.	Mike Baughman	Humboldt River Basin Water Authority
			<i>State Engineer denied permit under Ruling 3893, project therefore not viable.</i>		

Chapter	Category	Topic	Comment Excerpt	Author	Author Affiliation
<i>The following were comments lack specificity as to the plan or are beyond the purview and scope of TMWA's water planning process.</i>					
53	General comment		Thanks for planning efforts included in the TMWA 2016-2035 WRP.	Androo Allen	BANN
54	General comment		Thanks for having TMWA staff available. Very informative, received great info.	Dan Herman	Open House
55	General comment		Everyone was so excited to talk with me, I was here till the bitter end.	Elizabeth Zbindey	Open House
56	General comment		Good presentation format. Face to face with the experts.	Herb Kirby	Open House
57	General comment		Bill, Mark, and John were all knowledgeable and courteous and spoke with authority.	Kenneth Douajkowski	Open House
58	General comment		Thank you for the open forum, very informative.	Unknown	Open House
59	General comment		Never reduce conservation as long as groundwater is over withdrawn.	David Pritchett	Ratepayer
60	General comment		Healthy soil to absorb run-off.	Unknown	Ratepayer
61	General comment		Like to see a chapter that evaluates the environment/economic importance of the Truckee River.	Dennis Ghiglieri	Sierra Club
62	General comment		A peer review of all analysis and conclusions should be done.	Dennis Ghiglieri	Sierra Club
63	General comment		Claim that 97% of scientist agree temp increased is linked to green house gases.	Linda Gillaspay	Sierra Club
64	General comment		Suggests TMWA should have a climate change committee.	Linda Gillaspay	Sierra Club
65	General comment		Only really limiting factor to growth is water.	Jerry Wager	Standing Advisory Committee
66	General comment		Plan missing provisions for enhancing fish and wildlife habitat and recreational uses.	Rose Strickland	Truck River Yacht Club

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: Dan Herman

Address: 11275 Zampo Rizo LN
SPARKS NV 89441

I would like to address:

→ Thanks for Having TMWA
Staff available. Very informative,
received great info

Dan Herman

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: John Wolf

Address: _____

I would like to address:

- 1) Timeframes for Final Map Review & water project Review.
- 2) Reduce Demand Requirements for Deed Restrictions on SOD Installations, Xeroscape requirements.

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name:

Diana Langs

Address:

14960 Redmond Dr.

I would like to address:

Why all 3 entities are not
on the same landscape
guidelines.

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: Elizabeth Zbinden

Address: _____

~~I would like to address:~~ about the open house

Everyone was so excited to talk with me, I was here
til the bitter end. ~~lots~~ Lots of info!

11/18.

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: Kenneth Donajkowski

Address: 4710 S. Saddlehorn, Reno 89511

I would like to address:

Bill, Mark, and John were all
knowledgeable, courteous spoke with authority
but with a friendliness and not in
any way condescending I leave with
a greater degree of confidence in
TMWA & the men.

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name:

Herb Kirby

Address:

Saddlehorn

~~I would like to address:~~

*Good presentation format. Face to face
with the experts.*

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: _____

Address: _____

I would like to address:

Chris Wessel was very helpful
answering my question.

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: Dennis Ghiglieri

Address: _____

I would like to address:

Plan for scenarios that reflect different degrees
of impact from increasing temperatures

Keep water use flat by managing water demand
to retain maximum flexibility for river water rights

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: Linda Gillaspay

Address: 9155 Wigham Way, Reno, NV.

I would like to address:

The draft does not adequately address Climate Change -
The DRI & UWR's Climate Ope should be more integrated.
Climate Change should have their ^{own} ~~center~~ committee. Tree Ring
science is not adequate when GHG emissions
are higher than they have been in 800,000 yrs.
Greenlands glaciers are melting faster than they
have in 10,000 yrs. Our science methods must
change.

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: Paula McDonough

Address: 280 Island Ave. #1202, Reno, NV 89501

I would like to address:

Encourage people to THINK about water when they use it. That, unlike
electricity, it is a finite resource. You can leave the light on in a room when
you leave it — but PLEASE don't run the water while you brush your
teeth. (Fill up* a basin to rinse dishes before loading dishwasher & and
only run when full). "If it's yellow, let it mellow; if it's brown,
flush it down." — words to live by — even if you have a low-
flush toilet. In other words: PAY ATTENTION! And no more
flat rate customers.

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: Jana Vanderhaar

Address: 870 Daniel, Reno

I would like to address:

- grey water harvesting ordinance
- LID in landscapes — required
for every development
- lawn reduction funds for
residents

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: _____

Address: _____

I would like to address:

Water capture - residential and other by building healthy
soil to absorb rather than run-off.

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: DAVID PRITCHETT

Address: 2145 PRINCE WAY, 89503

I would like to address:

NEVER REDUCE CONSERVATION
AS LONG AS GROUNDWATER EVER
IS WITHDRAWN!

2015 CONSUMPTION IS THE
NEW IN-THE-BLACK
BASELINE!

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: _____

Address: _____

I would like to address:

Thank you for the Open Forum.
Very informative!

TRUCKEE MEADOWS WATER AUTHORITY

SPEAKER INFORMATION CARD

Name: Barb Santher / Stantec

Address: Sierra Center Parkway - 398 - 1205
barb.santher@stantec.com

I would like to address:
- landscape code revisions
input by NVALSA -
(American Society of Landscape
Architects)

November 20, 2015

TMWA, The 20 year Water Resource Plan/Draft

Climate Change comments:

The TMWA draft stated that tree-ring science, using trees dating back to 1500 A.D. will be used for future analysis, yet currently the Co2 in our atmosphere is higher than it has been for 800,000 years. Although, I respect tree-ring science, I do not think it can be applied to our current situation. The climate is going to continue to change very rapidly and our past experiences are no longer the best guide about what to expect.

It was mentioned in the draft, when the TMWA last partnered with the DRI from 2006 to 2009, there was "noise" in the data. That partnership was six years ago and a wealth of information has been gathered and analyzed since then.

The report of 2015, in connection with the University of Nevada, stated "the preliminary report indicates that, despite the advancements on climate change research, the debate regarding variations in weather patterns, greenhouse gas emissions and extreme drought is still ongoing." Actually, 97% of the worlds scientists would disagree with that statement. The United Nations has a free on-line Climate Change class and they specifically list what the temperature rise will be, based on the amount of greenhouse gas emissions in the atmosphere.

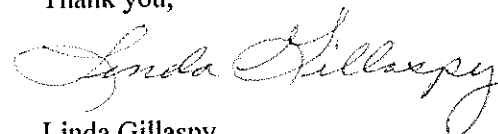
A few of the excellent scientific tools currently available:

1. The U.S. Climate Resilience Tool Kit
2. The "Climate Outlook" offered by the Nevada State Climate Office/U.N.R.
3. The Carto DB Resources Center/Natural Resources
4. NOAA/Global Historical Climatology Network (GHCN)-daily
5. The U.S. Drought Monitor-weekly

In the TMWA draft, I did not see the one item that seems to be scientifically agreed upon: There will be an increase in the length of dry periods across most of the United States. As higher temperatures lead to greater evaporation and earlier snowmelt, the threat of seasonal drought will increase. In some regions, changing conditions and increased demand, will challenge the reliability of municipal water supplies.

Wouldn't a Climate Change Committee, working with the newest available resources, be an asset to the TMWA?

Thank you,



Linda Gillaspie
9155 Wigwam Way
Reno, NV 89506



Toiyabe Chapter
PO Box 8096
Reno, NV 89507

**SIERRA
CLUB**

November 20, 2015

TO: Truckee Meadows Water Authority Board:

Geno Martini, Mayor of Sparks	TMWA Chairman	gmartini@cityofsparks.us
Neoma Jardon, Reno Council Member	TMWA Vice-Chair	jardonn@reno.gov
Jenny Brekhus, Reno Council Member	TMWA Director	brekhusj@reno.gov
Naomi Duerr, Reno Council Member	TMWA Director	duern@reno.gov
✓ Vaughn Hartung, Washoe County Commissioner	TMWA Director	vhartung@washoecounty.us
Jeanne Herman, Washoe County Commissioner	TMWA Director	jherman@washoecounty.us
Ron Smith, Sparks Council Member	TMWA Director	rsmith@cityofsparks.us

RE: TMWA 2016-2035 DRAFT WATER RESOURCE PLAN

Dear Director Hartung:

I am making these comments on behalf of the members of the Toiyabe Chapter of the Sierra Club many of whom live in the Truckee Meadows, Lake Tahoe, and throughout Washoe County. We have reviewed the Truckee Meadows Water Authority's (TMWA) Draft Water Resource Plan (Plan) which covers the 20 year period from 2016 to 2035. The Plan contains some very useful information about the region and the water supplied by our critical community asset – the Truckee River. Unfortunately, the Plan recommendations fall short to provide the leadership in conserving and preserving our water resources for the future.

We were unable to find an email or mailing address to comment directly to TMWA administration regarding the Plan either on its website or in the Draft Plan itself. We are, therefore, sending these comments to each of you as the TMWA Board of Directors.

We offer the following comments in hopes that the TMWA will more fully address important issues which will very likely impact our region's water supply for the future. We would like to see a chapter in the Plan that analyzes the importance of the Truckee River to our environment as well as the economy of our region from the river's headwaters to Pyramid Lake. Such an analysis should consider river flows which support recreation, fish and wildlife, our quality of life, and maintenance of groundwater that helps sustain both the river itself and tributary flows.

Summary of our comments on the Plan's "Key Findings and Recommendations"

We have several concerns about the Plan's findings and recommendations.

- The Plan fails to recognize the impacts of a changing climate. Temperatures are increasing (see attachment). 2015 is the lowest precipitation year in the long-term record for the Truckee River watershed and the northern Sierra Nevada Mountains. As I write this, Lake Tahoe is 1.5 feet below its rim allowing no water to flow from Tahoe into the Truckee River. A longer growing season as a result of increasing temperatures affects the outdoor water use where a significant amount of our water demand comes from. The Plan must address increasing temperatures and their impact on water use and supply.
- The Plan calls for increasing customer water use approaching TMWA's total Truckee River water rights of 119,000 acre-feet (KAF) by 2035 based on TMWA's growth analysis. A far better approach would be to plan to lower per capita demand as other growing areas of the west have done over the southwest's 15 year drought. The advantages of this approach is that it preserves water rights that TMWA already holds and pushes additional expensive infrastructure projects off the planning horizon.
- The Plan places too much reliance on the long-term historical record of Truckee River flows. A better approach would be to offer scenarios that average the past 30 years, the past 15 years and the past 5 years and develop an approach for each of them.
- Demand management needs to be the backbone of the plan rather than focusing on managing demand during drought.
- The Plan uses TROA's (Truckee River Operating Agreement) drought definition where Lake Tahoe's elevation drops to 6223.5 elevation (leaving only 0.5 feet before no water flows from Lake Tahoe to the Truckee River.) A better definition for the local community would be to recognize that a drought starts with the very first below average year because there is less water overall to the hydrologic system and reservoir drawdown begins with reduced precipitation. Droughts tend to occur over sequential years and delaying our response to it can increase operational costs (e.g., increased pumping and treatment costs) in subsequent years in addition to impacting the natural systems – both the Truckee River itself and its watershed – over a longer period of time.
- Rates and demand management need to be part of the Plan. Expanding the rate tiers from 3 to 5 or more should be a key element of the Plan. Additional tiers are an important way to encourage water conservation in outdoor irrigation systems and landscape design. Large volume water users will conserve water as cost increases. The current tier structure does not encourage water conservation because 1) the cost of water is not significantly different among the tiers and 2) the number of tiers need to be increased to address the customers who are using large volumes of water through increased charges for that water. Water rates will undoubtedly increase over the 20 year planning horizon, and TMWA should recognize that increases should not be across the board; instead, increases should be weighted toward the higher tiers. Tiered rates can be designed to be revenue neutral for TMWA to continue to meet its bond payments and operational requirements.
- The plan should address WC3 where Washoe County citizens approved a question that all development needs to conform to existing water supplies.
- The two potential water supply projects lack cost projections and any independent scientific analysis which provides long-term supply availability. TMWA should not rely on the State Engineer for water supply amounts and options, but should look to peer-reviewed studies of any outside groundwater projects. The pursuit of speculative projects leaves us vulnerable if the groundwater sources prove to be less reliable or long-term pumping of the desert aquifers results in lowering of water quality. The listed conceptual projects are speculative in terms of actual long-term water availability and any kind of cost or impact on rates. (see below regarding purchase of water rights within the Truckee River system)
- Purchase of Truckee River water rights from the Sierra Valley diversion or from Donner Lake water rights has potential to add water resources that would require no additional

infrastructure or management costs, and would provide additional water resources from the Truckee River. The Plan should recommend these Truckee River water rights purchases be studied by an outside, independent entity for its feasibility on a cost per acre-foot basis.

As written the Plan recommends taking more and more water from the Truckee River each year over the planning horizon raising the specter of additional infrastructure costs and approaching the limit of TMWA's water rights. The Plan is not sustainable when demand is assumed to constantly increase. The Plan should recommend maintaining or reducing water demand to match projected growth.

Specific comments on the Plan's Key Findings and Recommendations:

- 1.1: It is very important to be resilient in our responses to our continued water supply and we agree with TMWA that there is a need for monitoring, reviewing and revising the Plan. Who will do "monitoring, reviewing and revising"? Will there be peer-review of the assumptions and conclusions of TMWA? Have outside experts been consulted to address the assumptions in the Plan of available water resources and the reliance on TMWA's drought reserve and impacts to groundwater from pumping and recharge?
- 1.3: Since the Plan is based on a completed TROA, what does *"in essence, all conditions precedent to implement TROA were completed in the fall of 2015"* mean? Please clarify whether TROA has been fully completed and what remains to be completed. What is the time frame to completely implement TROA?
- 2.1 Sustainability: *"...but it is inconclusive at this time as to the magnitude that climate change will have on the region and its water resources over a long-term planning horizon."* This is not a reasonable conclusion from the available information regarding temperature increases and the potential impacts that they have on water supply and demand for our region. (The Plan should at least take the median predictions of US agencies engaged in climate studies through 2035.) Temperatures increase evaporation and transpiration in the watershed and in urban and suburban landscapes. Development tends to flush water quickly out of the system during storms reducing infiltration and recharge. River flows could be affected by both temperature increases as well as changes in timing of runoff. Unfortunately, it is not possible to rely on historical precipitation and river flow to predict the future under warming conditions. A better approach is to consider scenarios which look at precipitation and flow records of 30, 15, and 5 years on an ongoing basis in the Plan. The Plan should define how the TMWA will adapt to changing water availability and usage and how best to manage demand.
- 2.2 *"even under a hypothetical drought hydrology which repeated 2015 hydrology at 2015 demands for 10 years, TMWA would grow its reserves."* We cannot find the analysis for this statement in the Plan; the statement is counter intuitive.
- 2.3 Contamination: There are other potential events which could cause significant harm to the water availability and water quality. One event which could have a significant impact on the region would be a very large wildfire that covers a significant portion of the watershed resulting in reduced water quality and changing the timing of runoff and impacting snowpack retention. Another event that should be considered is a serious earthquake which damages upstream storage capacity. Although a serious earthquake is far less likely to occur than a fire in any given year, the Plan should address these events in various scenarios and develop contingencies.
- 2.4 Septic systems recommendation (3): Because potential for contamination of groundwater under higher pumping scenarios (when aquifers don't recover from pumping), the Plan should identify how to proceed to significantly reduce or eliminate septic systems throughout the Truckee Meadows. When pumping impacts accumulate, both naturally occurring and man-

caused contamination of groundwater will likely move faster toward domestic water supply wells. The Plan should outline the mechanism or mechanisms to address a significant reduction of or elimination of all septic systems.

- *2.5, 2.6 groundwater management, sustainability storage/recovery:* Artificial (“passive” and “forced”) recharge of groundwater is a response to over-pumping of the aquifer. The Plan considers only short-term pumping with rapid return to conditions that will allow recharge. Passive recharge will occur from the Truckee River, local tributaries to the Truckee River and direct precipitation. Artificial recharge depends on having sufficient water to divert from surface water to inject and spread. The Plan’s reliance on recharge could lead to a long-term downturn in groundwater levels if recharge can’t be accomplished due to extended periods of drought. Since most groundwater likely comes from the Truckee River and its tributaries, scenarios need to be developed to consider worst case drought occurrences where immediate recharge cannot occur. It is also important to recognize that, unlike surface water diversion, groundwater diversion borrows water from future precipitation. Without recharge from future river flows, groundwater pumping in the plan may not have adequate proven supplies. Is groundwater pumping sustainable in a 5 year drought? A 9 year drought? A 15 year drought? Would the aquifer become contaminated as drawdown occurs? Scenarios should be developed that identify impacts to Truckee River flows under various long-term drought occurrences. Also, how does groundwater with higher total dissolved solids (TDS) impact the Truckee Meadows Water Reclamation Facility’s ability to meet water quality standards?
- *3.1: 8,000 AF (annually) of Honey Lake groundwater is available:* Honey Lake groundwater was developed by a private company which also built a pipeline to carry the water to the north valleys. Currently, TMWA is connecting the pipeline to the its service area. The Plan also says that even more groundwater may be available – as much as 13,000 acre-feet annually. Yet, TMWA has not actually relied on this groundwater supply. What is the long-term reliability of this water over the 20 year planning horizon? Has it been independently verified? Will this system be interconnected with the TMWA system? If so, how will this higher TDS water impact the Truckee Meadows Water Reclamation Facility’s ability to meet water quality standards?
- *3.3: “As it pertains to TROA and future demands within the TRA, use of a more stringent drought cycle design, without the data to support it, ultimately reduces the use of available resources in the long-term and burdens the region with the cost requirement to replace the constrained resource.”* Unfortunately, this statement ignores potentially worse drought occurrences and how to respond to them. A Plan should provide guidance for worsening conditions and not be viewed solely as a burden on the community. The Plan should have contingencies in place for various potential drought scenarios. These scenarios would offer a roadmap when additional warming impacts storage, demand, or surface water availability. There is little value in a Plan which provides no guidance in the event of increasing drought severity.
- *4.2: Demand forecast:* The Plan provides for increased demand over 20 year planning horizon and calls for extracting more water annually from the Truckee River to meet this demand. However, reducing demand has been used successfully throughout the West (Los Angeles and Las Vegas, for example) and certainly would offer a better long-term strategy when unknown factors due to climate change loom on the short and long-term horizons. Warming will certainly increase over the 20 year Plan timeframe. A far better Plan strategy should be to conserve the available water resources through demand management. Per capita use in the Truckee Meadows is higher than many of our western city counterparts. The Plan should seek to keep constant or reduce total water demand over the 20 year planning horizon. This would

be a better plan element and offers the additional benefits of reducing infrastructure costs and pumping and distribution costs. Holding demand constant or reducing it can also be revenue neutral if properly considered in the 20 year Plan. In short, it is not sustainable to keep advancing water use to the limit of TMWA's Truckee River water rights.

- *5.1: Demand management:* The Plan fails to recommend significant ways to permanently reduce demand both indoors (non-consumptive) and outdoors (consumptive). A significant portion of TMWA's water demand comes from outdoor summer irrigation. There is, however, no action mentioned in the Plan to reduce demand directly through ordinance changes, incentive programs to replace old appliances and household fixtures, landscape requirements, restrictions in new development, reduction of strip lawns or numerous other techniques that have been applied throughout the arid west by cities both larger and smaller than Reno and Sparks. Mostly TMWA relies on voluntary measures through an advertising program in this 20 year Plan – something which is mostly a continuation of current activities. There should be specific goals in maintaining a constant or reduced demand especially in outdoor irrigation during the critical summer months. Such programs should be part of the Plan in a region where water is – and has always been – a scarce resource. The Truckee Meadows service area is a desert and per capita water use should be brought closer to that reality over the 20 year planning horizon.

Thank you for this opportunity to address the Draft Water Resource Plan.

Sincerely,

Dennis Ghiglieri
Conservation Chair

Attachment: Graphic from the Desert Report “*Climate Change On The High Desert Of Nevada*”, 2015, David von Seggern (supplied upon request)

Graphic from the Sierra Club's Desert Report "*Climate Change On The High Desert Of Nevada*", 2015, David von Seggern (Entire report available upon request)

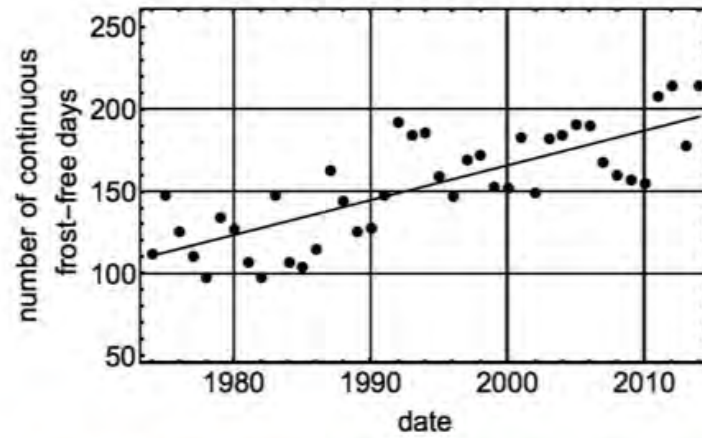


FIGURE 5: Trend in the growing season (see text for definition) in Reno, Nevada over the past 41 years (KRNO data).



Truckee River Yacht Club
PO Box 9409
Reno, NV 89507

To: Jenny Brekhus, Truckee Meadows Water Authority (TMWA) Board member

Date: December 3, 2015

Re: comments on draft TMWA Resources Plan

On behalf of the Truckee River Yacht Club (TRYC), I am sending you our comments on the TMWA Draft Water Resources Plan (PLAN), as we were unable to find an address to direct our comments to TMWA, either in the document or on its website. We are concerned about many parts of the draft PLAN and its possible negative impacts on the Truckee River as well as the draft PLAN's missing opportunities for a more secure water future in the 21st Century.

The TRYC is a non-profit, tax-exempt, volunteer community-based advocacy group working and playing for a thriving, dynamic river system. Our mission, objectives, and blogs can be found on our website at: <http://truckeeriver.org/about/>.

While the draft PLAN provides good background information on the history of water and its management and uses in the Truckee Meadows, the current draft, as written, is substantially deficient in several areas, including:

1. A lack of stewardship for the well-being of the Truckee River
2. Weak provisions on water conservation and efficiency
3. Little to no consideration to planning responses to our changing climate
4. Missing opportunities to secure more reliable future water supplies while at the same time protecting the river and its connected groundwater resources.

1. Poor stewardship: The draft PLAN appears to treat the Truckee River simply as a conduit for delivering water for municipal and industrial uses, not as a living river which supports an ecosystem and provides not only outstanding recreational opportunities and scenic beauty to our communities, but which is the heart of the Truckee Meadows. The draft PLAN is missing provisions for either not harming or for positively enhancing fish and wildlife habitat on and recreational uses of our river.

2. Feeble water conservation: The draft PLAN does not provide for adequate implementation nor enforcement of its current conservation program. Water flooding down street gutters is unfortunately a common sight in the Truckee Meadows. Citizen reports of water abuse receive no response from TMWA. There are so many opportunities for improving water efficiency (and thus reducing water demand) which are being successfully implemented in other Western cities that the lackadaisical approach by TMWA to this critical responsibility is embarrassing as the West struggles with drought impacts.

3. 20th century planning approach: The draft PLAN is solely based on past precipitation records,

ignoring the increasing temperatures and decreasing precipitation amounts and trends in our region. These are breaking records some times almost on a daily basis. Our growing season has increased from about 110 days/year to nearly 200 days/year in the last decade, yet the draft PLAN ignores these impacts on both future water supplies and demands.

The draft PLAN also fails to consider or plan for catastrophic disasters in our watershed - one or more massive fires in the Sierra, a critical dam upriver failure, or a 1000 year flood that damages the watershed and destroys water delivery infrastructure. What would TMWA do if any of these disasters struck to insure our continuing water supply? The draft PLAN simply ignores these possibilities and optimistically assures us that past conditions will repeat themselves and, if not, maybe El Nino or some other weather miracle will erase our drought.

At the very least, scenarios should be developed for future high, medium, and low water supplies .

4. Missing opportunities for future water supplies: The draft PLAN includes a list of incredibly speculative water importation projects from areas which are suffering from the same drought as the Truckee Meadows instead of considering how to take advantage of other climate changes - the extreme storms which are already occurring around us - the 1000 year storms at Death Valley and in California. Is TMWA planning the infrastructure to capture flood flows for infiltration to replenish local water table levels which are being stressed by TMWA wells? It is not clear whether this is TMWA's responsibility or that of the Truckee Meadows Flood Project - or whether the two agencies plus others should be working to seize this opportunity.

In conclusion, we thank you for your work on the Reno City Council and know that you share our commitments to making a healthy living Truckee River the centerpiece of the Truckee Meadows, our quality of life and our economic well-being. We request that the Board instruct TMWA staff to take the draft PLAN back to the drawing board to remedy its current deficiencies and to take advantage of the many missed opportunities to protect and enhance current and future water supplies in the Truckee Meadows.

Sincerely,

Rose Strickland /s/

Rose Strickland
TRYC

2585 Sunline Dr.
Reno, NV 89523
November 20, 2015

2016-2035 Water Resources Plan Administrator
Truckee Meadows Water Authority
1355 Capital Blvd.
Reno, NV 89502

TRUCKEE MEADOWS
DEC 03 2015
WATER AUTHORITY

Dear Administrator:

I am a homeowner served by the TMWA. I am also a retired earth scientist from the Nevada Seismological Laboratory at UNR. With my science background, I took a keen interest in the factual detail of the new Water Resources Plan revision.

TMWA staff are to be commended for bringing a large body of data to the development of this plan revision and seemingly integrating it in a meaningful way to project the water uses, supplies, and demands for the next 20 years in our area.

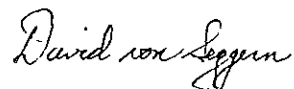
But I am disheartened to see that the 20-year plan makes little or no recognition of our changing climate, relying instead on the "100-year" record of streamflows, snowpack, and weather conditions in our region. I call your attention to the latest climate predictions of the EPA seen at <http://www2.epa.gov/cira/climate-action-benefits-methods-analysis#temperature-projections>. Their projections show about 2 degrees Fahrenheit change in the next 10 years in Nevada, under "business-as-usual" circumstances. The magnitude of this change is repeated in many other studies by US and international agencies.

I have looked carefully at meteorological records for station KRNO (Reno airport) in order to uncover trends over the past few decades (start of complete records at KRNO is 1974). My report, under cover of this letter or at https://www.dropbox.com/s/ry2cx2hvlh45eyl/KRNO_weather_analysis.pdf?dl=0, shows some interesting patterns developing in the past few years or decades, representing the leading edge of the climate change predictions of NOAA. I believe these patterns have strong implications for the plan revision and must be examined. Not only has temperature increased, but the variables of humidity, windspeed, and precipitation have changed almost abruptly in the past 5 years. The temperature increase has been ongoing since the mid-1970s up to present. The most astonishing result seems to be in the length of the growing season for Reno, changing from around 110 days in the 1970s to about 200 days in the 2010s. This alone is a stark indicator of climate change in our area.

TMWA should go back to the drawing board to account for climate change in their predictions through 2035. Higher temperatures have impacts on precipitation, on snowpack levels, on extent of snowpack, on timing of runoff, and indeed on almost all the variables taken in TMWA's plan.

The plan for the next 20 years must account for the probable increase in temperature in our area and the interaction of that increase with most other variables. If TMWA would simply recognize the high probability of climate change and make an alternate planning scenario based on median predictions of temperature and precipitation, then that would show that TMWA is cognizant of the changing climate and that it may have even greater influence on the next plan revision.

Sincerely yours,

A handwritten signature in cursive script, reading "David von Seggern".

David von Seggern

enclosure: *Analysis of Reno, Nevada Weather Data at the NOAA Weather Station KRNO*

Analysis of Reno, Nevada Weather Data at the NOAA Weather Station KRNO

David von Seggern, Ph. D., Emeritus, U. Nevada

TRUCKEE MEADOWS

DEC 03 2015

WATER AUTHORITY

Introduction

Anecdotal accounts of changing climate in the Reno, Nevada, area have become more prevalent in the early years of the 21st century. The accounts by long-term Reno residents are the most reliable and interesting. For instance, one native said to me that no one even tried to raise tomatoes back in the 1970's. Clearly, today's situation is quite different in the Truckee Meadows.



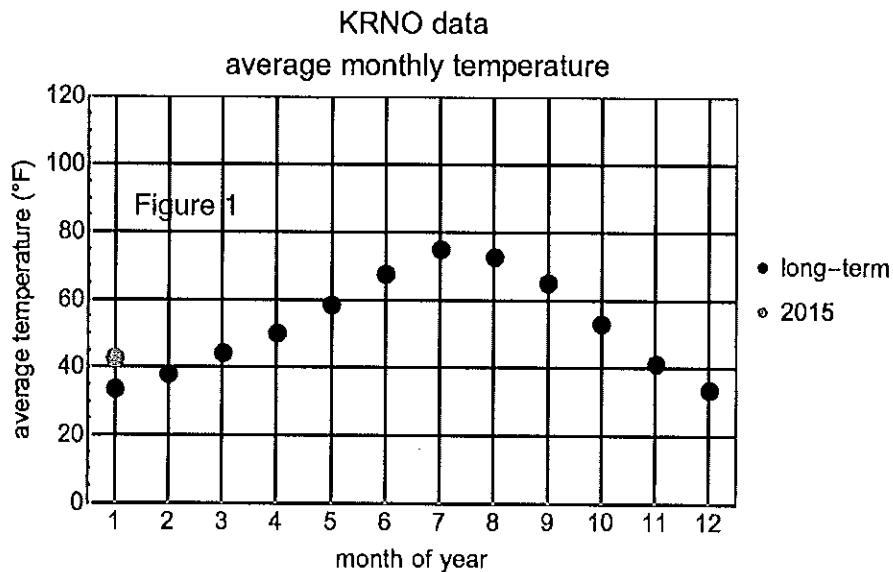
I have delved into what evidence does support climate change in Reno but wanted to prepare a finding which is somewhat more towards a narrative readable by the general audience. I endeavored to quantify the changing climate in Reno, Nevada by accessing the weather data from the station KRNO at the Reno airport. KRNO is part of a network of National Oceanic and

Atmospheric (NOAA) weather stations and provides quality, continuous data on the scale of decades. Available parameters are temperature, humidity, wind speed, atmospheric pressure, cloud cover, and several others. Although temperature trends are often the focus of those pointing to changing climate, other measurements also present interesting trends in recent years.

The data for KRNO was accessed through the program Mathematica®, a commercial product for doing mathematics on a computer, modeling systems, analyzing data, and making visualizations. The Mathematica® developers have provided data portals to some of the world's most important data basis in science, engineering, and many other disciplines. One of those portals is to the NOAA archive of weather station data.

Results

Before progressing to the analysis of KRNO weather data in general, let's start with a dramatic result that, while illustrating the capabilities of Mathematica®, shows that the current weather in Reno is indeed different that in prior years. Many in Reno have expressed and witnessed that this past January (2015) was unusually warm. This was reinforced by the fact that the snowpack in the Sierra Nevada was listed as only 25% of

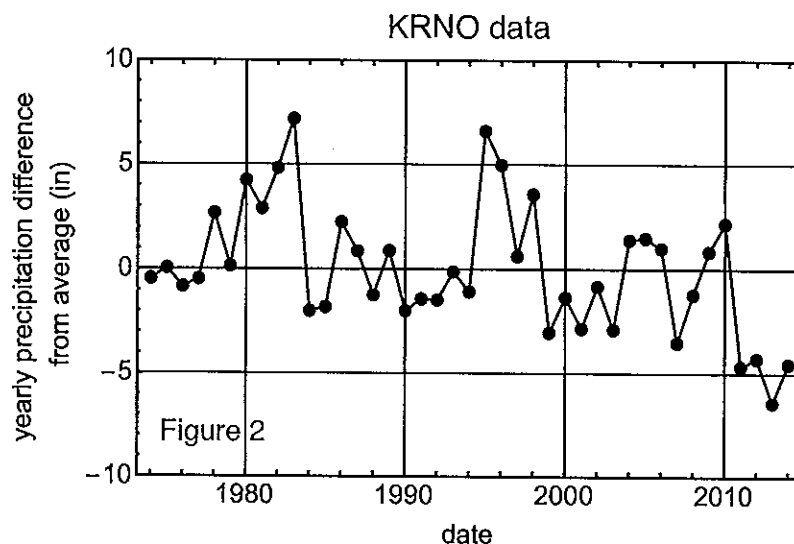


normal at the end of January. If I take KRNO data starting in 1974 and ending in 2014 (why 1974 was chosen is explained in an appendix), we can form long-term averages for the average temperatures in each month of the year. That is, I get the average temperature in each month of those 41 years and then compute the

mean of those averages for each of the 12 months of the year. Thus, I get a long-term baseline value for each month. Next I compute the average temperature in January 2015 and plot it on the graph of long-term averages as in Figure 1. The recent January average temperature is startlingly higher than the mean. In fact, this recent January was the hottest January on record at KRNO and exceeded the long-term average by 9.1° F.

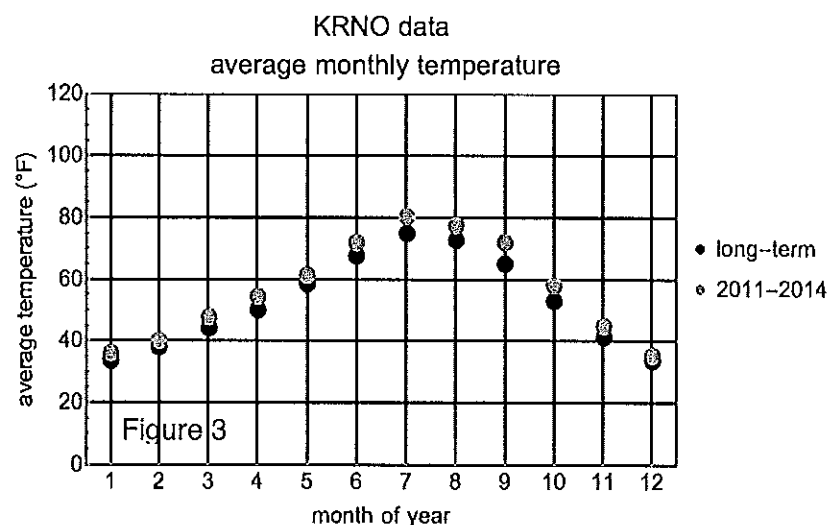
That this is part of a recent trend will be made apparent in the remainder of this analysis. The amount of the difference for January 2015 from the long-term January average is still quite surprising.

Let us now take a comprehensive look at all the climate signals which are appearing in Reno. It is natural to start with precipitation because this is a quantity which people in the Truckee Meadows can easily relate to. "Drought" conditions in Reno over the past few years have been regularly reported in Reno newspapers and on Reno televised media. This has been reinforced by Truckee Meadows Water Authority (TMWA) with enclosures with their billing statements and with advice given through the news media for conserving water. Residents are keenly aware of longer watering seasons and the need to water plants, shrubs, and trees in the winter months. The analysis approach was similar to



the above for temperature data, except now yearly totals of precipitation were computed. I chose the calendar year for annual precipitation rather than "water year" as is often done. There is really little affect on the multi-year interpretation by taking alternate annual cycles. I then averaged the yearly precipitation numbers to get a baseline mean precipitation of 7.81 inches per year. Figure 2 shows the difference from this long-term average of the annual total precipitation at KRNO for the years 1974 through 2014. Drought years fall below the zero horizontal line. Note that the years 2011 to 2014 all have less precipitation than any previous year on the graph, including the years 1984 to 1994, often referred to as the "big drought" in Reno. Though the 2011-2014 lack of precipitation has been unprecedented, it takes no scientific understanding to know that a continuation of this will present extreme challenges to the flora in the Truckee Meadows and to the provision of water in this region. A precipitation deficit running at 5 inches a year in a region which has only about 8 inches per year of precipitation is not manageable without large changes to water use.

Declining precipitation in the Truckee Meadows is exacerbated by increasing temperatures. Following the methodology of Figure 1, I have computed the long-term monthly average temperatures from KNRO. Given the striking decrease in precipitation

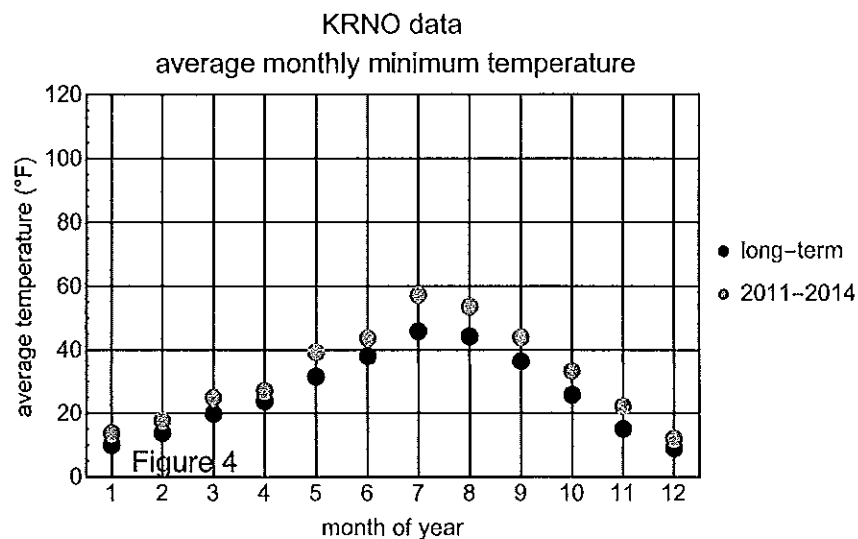


for the years 2011 to 2014, I have computed short-term temperature averages for these same years. How these monthly averages compare to the long-term averages is shown in Figure 3.

As is often stated, temperature increases at KRNO cannot be taken as accurate due to the "heat island" effect of a growing urban infrastructure. While I do not have the resources to correct for this

effect, Figure 3 simply shows that the years 2011-2014 have been significantly higher in temperature than the long-term average. This is a fact and leads to our perception of climate warming even if it is a biased result.

That nighttime temperatures have been especially higher recently has already been presented in the news media. Here I quantify both extremes of temperature: the

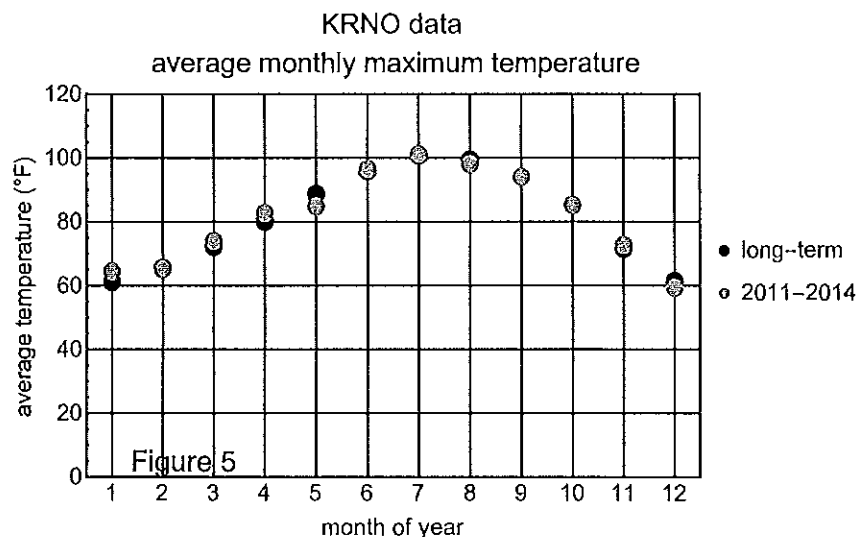


minimum and maximum temperatures for the day. I look at these quantities on a monthly average basis.

Starting with minimums, we average the reported minimums for a month and do that for every year in the record. Similarly, I average the maxima over monthly windows. I then take the mean over years of each month's averages to get a long-term mean

minimum temperature for each month; similarly for maxima. The results are shown in Figures 4 and 5 for minima and maxima, respectively.

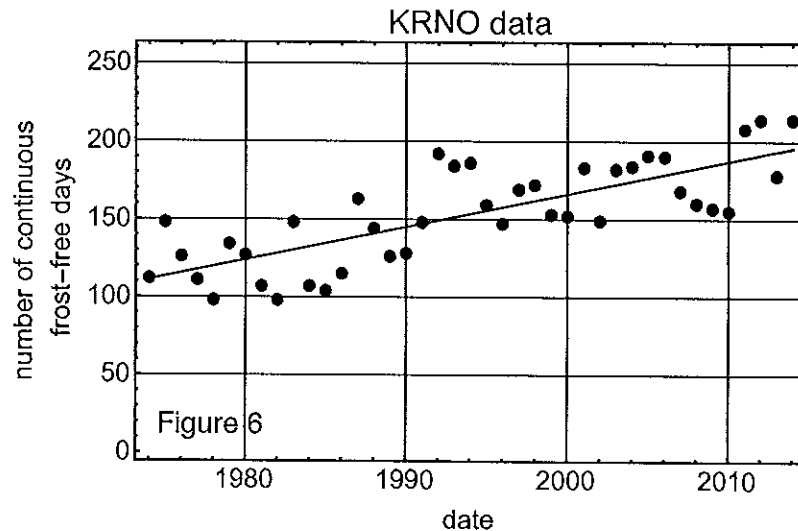
Figure 4 shows that the minimum temperatures have increased dramatically in the past four years (2011-2014) compared to the long-term average values. Every month has seen a significant increase, with the July value showing the largest increase. This simply means that summer nights are now much warmer than previously. Figure 5 shows only a slight upward effect on maximum temperatures, unlike on the minimum temperatures of Figure 4. Some months, namely May, August, and December, for the recent years (2011-2014) show a decrease in the maximum temperatures.



pronounced change in minimum temperatures may be attributed to the "heat island" effect which would radiate back stored energy from infrastructure during the night to moderate ambient temperature.

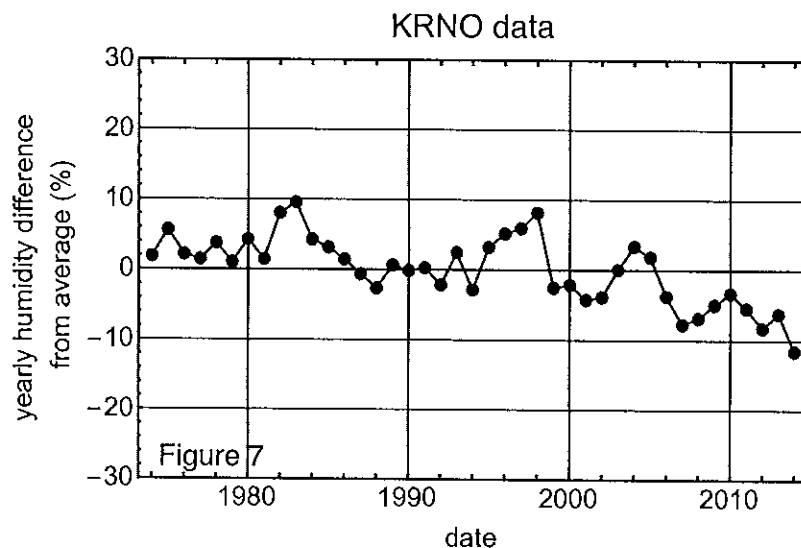
The upward changes on temperature in the Truckee Meadows have a positive effect on the length of the growing season. Especially the warmer temperatures at

night have eliminated late frosts in the spring and early frosts in the autumn. I have taken the "growing season" to mean that length of continuous days for which there is no frost ($\leq 32^{\circ}\text{F}$). Using the KRNO records again, days can be easily classed as "frost-free". Then a search is made to find the continuous length of frost-free days for each year. Figure 6 shows the result. A line has been fitted to the data to indicate the trend in the growing season. It goes from about 110 days in 1974 to nearly 200 days in 2014. This is a startling result and indicates the practical effect of a warming climate in the Truckee Meadows. Certainly, many crops can now be grown under the new conditions than formerly. Anecdotal accounts of the inability to raise vegetables and such in earlier decades were undoubtedly true, but the situation has now drastically changed. It is important to point out that 3 of the last 4 years have seen growing seasons longer than any previous years up through 2010.



I have looked at the two weather parameters of most practical importance: temperature and precipitation. It is worthwhile, however, to explore some of the other common weather measurements such as humidity, wind speed, and barometric pressure. Again, I take the KRNO record for the years 1974-2014.

For humidity I again formed a long-term average by computing first the annual averages of humidity and then taking the mean of those annual averages over the years 1974-2014. I then took the difference of the annual averages from the long-term average. Figure 7 shows these differences, with a clear downward trend in average annual humidity since 1974. Beginning in the early 2000's, there is a downward trend to humidity since about the year 2000. This downward trend naturally correlates with the sharp decrease in



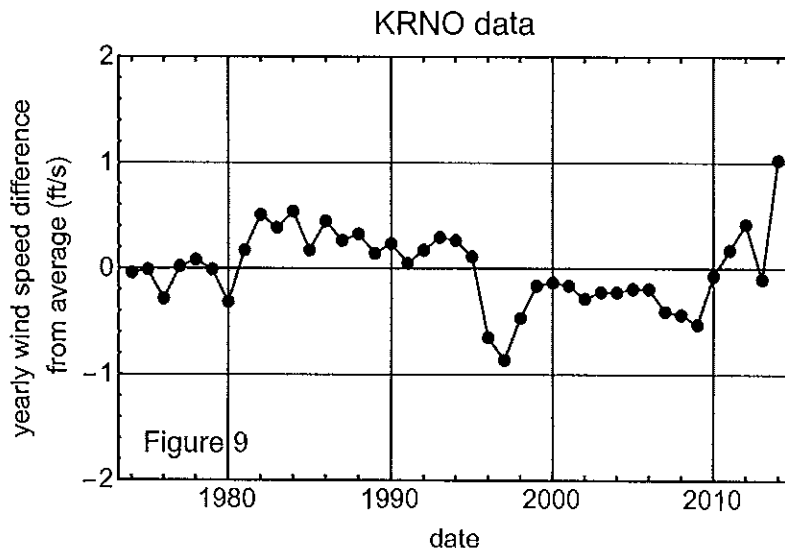
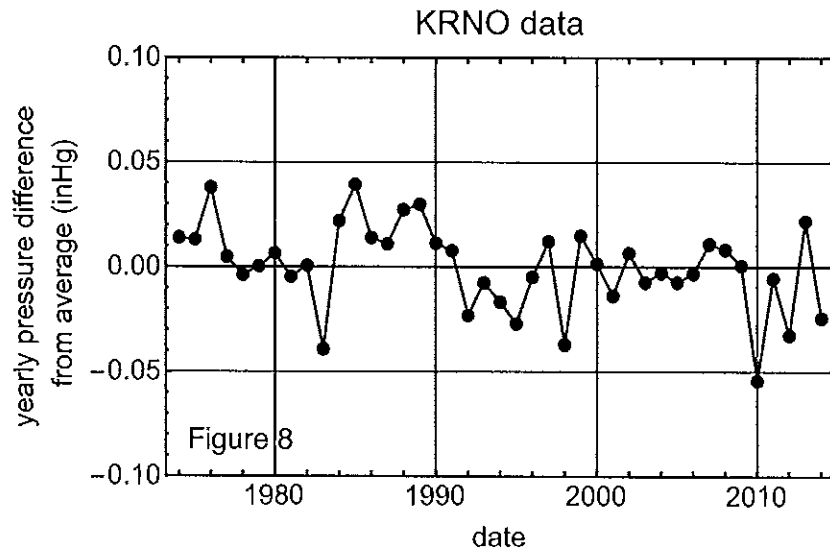
precipitation shown in Figure 2, especially in the more recent years. Clearly, the Truckee Meadows has recently become a drier place.

The same method was used to graph differences of yearly barometric pressure from the long-term average, as in Figure 8. Here, a case for a trend in the last few years cannot be made with any certainty.

Barometric pressure may simply be uncorrelated with precipitation and temperature measurements.

Again, using the same method, I graph the differences in windspeed on a yearly basis with respect to the long-term average in Figure 9. Aside from the very dramatic increase in average windspeed during the year 2014, there is some indication of an upward

trend in wind activity starting in 2010. It will be interesting to see if 2014's anomalous value will continue into 2015. If so, a claim for a trend will be better supported.



Climate-change science often warns that temperature increases are accompanied by more "extreme" events, and the anomalous windspeed average in 2014 could possibly be associated with climate warming.

Summary

The analysis of weather data from the station KRNO at the Reno airport shows many interesting features which together indicate a changing microclimate in the Truckee

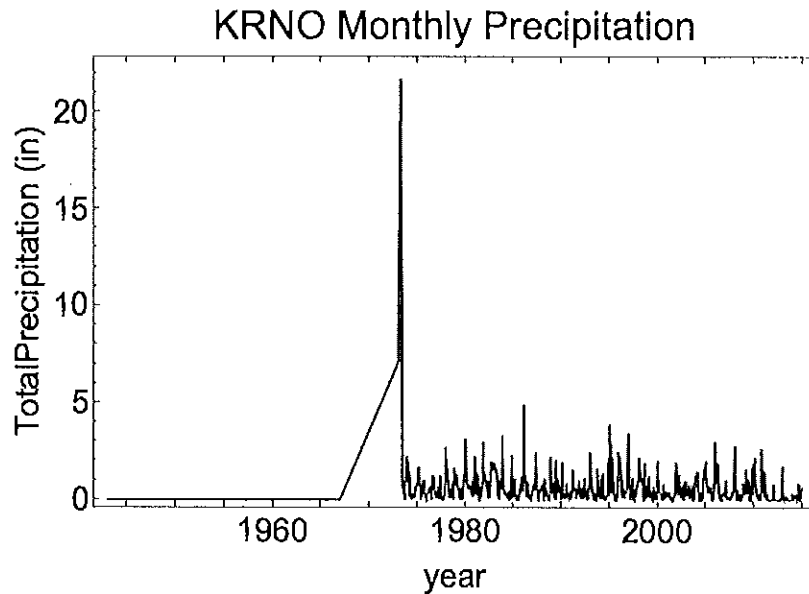
Meadows region. How much of this is attributable to the heat-island effect is not probed here; however, the data very clearly show a change in climate, regardless of the causes. The effect on temperature of the heat-island is surely significant, but it is difficult to intuitively connect precipitation, humidity, windspeed, and barometric pressure with it.

Of the results shown here, surely the dramatic increase in the growing season of the region is the most important. To go from just over 100 days in the 1970's to almost 200 in recent years has many consequences for the flora of the Truckee Meadows. Fruit and vegetable crops once prohibitive to grow can now be grown. While this may be easy for the home gardener to adjust to, taking advantage of a longer growing season for commercial crops requires additional water sources which are of dubious availability. But this also means that lawns and landscaping plants require more water for more of the year, thus increasing requirements for water provision in the Truckee Meadows.

In the context of global warming, the recorded change in the microclimate of the Truckee Meadows would need to be carefully corrected for human effects, mainly the heat-island effect. Analysis of other NOAA stations in Nevada will make an interesting sequel to this report because several of them are in areas that have little or no basis for a heat-island effect.

Appendix: The KRNO station record.

Continuous data for KRNO weather station is available for full years only starting in 1974. This was discovered when the KRNO precipitation record was retrieved and summed over individual months. The graph below shows the results when all data was requested for precipitation reported at KRNO. It can be seen that the recorded precipitation was not accurate until 1974. This result is common to the other measurements that are available. Thus, my analysis of KRNO data begins with January 1, 1974.



From: Pamela E Galloway
Sent: Friday, December 11, 2015 2:18 PM
To: Jenny Brekhus
Cc: Foree, Mark; Foree, Mark
Subject: Fw: TMWA 2016-35 plan, WC-3 input on water, growth issues - Pamela Galloway

Please feel free to forward to anyone concerned about Washoe County water and financial resources

<http://nevadatrends.com/>

See WC-3 2015 current document on ballot measure, legal standing

Dear Councilwoman Brekhus (Jenny):

I address this to you as you have long been concerned about water issues, I know you, you are responsive and responsible, you give input due consideration, and you are on the TMWA board, you are a professional planner by trade, and as a Reno City Council member have much input on future growth and development.

I first want to publicly thank you for all the time you have taken in recent years to thoroughly examine so many complex issues, take the time to ask high-quality questions, take the time to explain your thinking. I learn a lot by watching you and appreciate your comprehensive look at concerns. This includes your input at TMWA meetings. You ask many good questions.

I am adding Mark Foree to this email, along with some other TMWA board members. I ask that this be added to the official record of plan input, and be forwarded to all TMWA board members and appropriate staff.

Many other concerned residents are being blind-copied. They are among the 121,555 Voices for a Sustainable Washoe County who in 2008 voted yes on WC-3, tying land-use planning to the known, sustainable water supply. Since that time, as you know, our long-term drought has reached serious levels. Many of the key proponents who worked hard for most of 2008 to pass WC-3 have met several times in recent months to share concerns and discuss where we are today. **We want WC-3 honored.**

Some of the recommendations below are mine alone, some are from others individually, and some enjoy the support of everyone. You may be interested to know that we are Republicans, Democrats, most over the age of 50, and in our various walks of life what we have in common is that every one of us has spent decades of our lives being involved in governments at the local and state levels. We have long memories and much information about what has occurred around here dating back at least to the 1970s. Our backgrounds and areas of expertise are quite varied, so it makes for interesting discussion. I am a print news journalist by trade and not a water expert but have been a student of water for many years. I am better versed in South Truckee Meadows issues than other areas so use this area to make significant points, not to pick on one area. These anecdotes could be coming to other areas near you if people are not attentive. We are borrowing from Peter to pay Paul throughout the land. If groundwater tables continue to drop, more existing residents will need the river.

The list of issues and concerns outlined herein is rather lengthy, but not all-inclusive and definitive or it would become unwieldy. This involves recommending input for TMWA's future plan document, and to the cities of Reno and Sparks especially. (Please note that attached to the bottom of this email is the first in a four-part series being published by USA Today, describing how the nation's ground waters are being depleted rapidly. I add this as I recall someone stating that this is TMWA's concern, too, in our region. As you know, water tables have been dropping significantly around here for some years, such as along north and south sides of Mt. Rose Highway.)

If we were limited to only one recommendation, besides enacting WC-3, it would be that ***we want cost/benefit analyses affixed to all water infrastructure*** and other public services going forward. I would add that we want all water rights listed, too. For instance, running a pipeline from the Mt. Rose Highway up high from wells in an area known to have dropping groundwater tables to the south to benefit Sierra Reflections would be prime for a cost/benefit analysis. It is not sufficient to say "future hookups" would pay for this. There are, according to a TMRPA point-and-click map, some 943 homes planned in Sierra Reflections, and they would also need to pay for gas and sewer lines. So who else would be hooked up to this? How much would the future development pay? Would creek and groundwater rights be used for this? What is their perennial yield? Do the creeks ever dry out in the summer? What about downstream holders of the rights? What rights did Sierra Reflections buy, for how much?

(Two more anecdotes: This morning I received a phone call from Las Vegas, directing me to an LVRJ article about next week's special legislative session for Faraday, the Apex electric car company proposal. Previously, it was reported that Faraday wanted taxpayers to foot the bill for \$150 million for water lines. This morning's article says no, it will initially pump groundwater. Next, I received an email saying that the Tahoe-Region Industrial Center (TRIC)'s requested need for a \$35 million pipeline to ship our gray water to Storey County has fallen into a "Sparks black hole". I have no idea what this means, but these are excellent examples of reported proposals that could put the costs for water lines on the backs of existing residents and ratepayers. We do not want to finance any such pipelines. Developers need to foot the bills for their infrastructure and not keep looking to our state and local coffers. Look what has happened to Reno's financial condition after prior officials ran up all the credit cards for the specially interested. We don't want that.

(Digressing again, while EDAWN has the megaphone hyping that we need to get ready for 50,000 jobs coming here within the next five years, EDAWN needs to also list all existing debt and what will be needed to pay for the associated schools, roads, fire, police, courts, etc. Reno came to the verge of bankrupt status, and it will take decades to pay off existing debt and unfunded liabilities incurred by your predecessors. Some in our WC-3 group asked why we would "soil our own nest" with more debts, more unfunded liabilities, and 741,000 people destroying our quality of life. It is a legitimate question. We are not anti-growth, we are for sustainable growth linked to the water supply. You can quickly come up with \$2 billion needed for existing non-water needs, and by adding debt and other needs such as higher education I can easily push that number to \$3 billion for local needs, not counting growth. If I did a deeper survey even the \$3 billion might be low.) Growth does not pay for itself.

If we had two priorities to offer, our second is that we advocate for "good numbers" -- ***transparent, accountable, good numbers***. For instance, I read in USA Today (see below) that Congress authorized the USGS years ago to check perennial yields in the Midwest. ***We would urge TMWA, while Harry Reid is still in office, to seek federal funds immediately to examine and update our perennial yields.***

Background: Our numbers are outdated in some cases. We are told by water experts that some yields included in the draft TMWA plan may be overly optimistic. Are some tied to mineralized water? Some groundwater rights are linked to wellheads in the former STMGID that were shut down long ago. The rights are parked there because there is no place to put them. As water rights expert Vahid told me long ago, if it is not parked on some wellhead, it goes away. The state water engineer does not consider it viable.

Anecdote: A casino long ago planned for the SE corner of Geiger Grade/S. Virginia Street intersection had some 400-plus acre feet of water rights, and these were parked on a poisonous mineralized well in the Kohl's parking lot which has only recently been shut down. Now the casino has been moved to the SW corner of the intersection (Station, and I have serious questions about whether this is even financially viable anymore) but it has no water rights situated on a viable well. So what to do? Send river? (This originally was approved by BCC only with promises it would be a very low-profile western-themed gaming facility like the Pondera Ranch with pony rides for the kids, not some humungous hotel/casino as John Frankovich keeps describing to you at Reno City Council meetings to justify digital signs and brightness everywhere. But I digress.)

I know for a fact the plan includes **exaggerated ground water rights**. Or it might have rights that are good terms of solid numbers but are too remote to access. For instance, who would run a pipeline to Bedell Flat to access 60 AF yearly (if that is still a good number)? This is north of Lemmon Valley, in between Red Rock and Warm Springs. This could be for 60 homes with landscape, 120 homes (no landscaping) housing how many people that are now added to your population projections? At what cost to access? You see the problem. One number added impacts all other numbers, leaving residents to think there is no problem supplying water to almost three-quarters of a million people. No. This is not responsible.

I give a shout out to Neoma Jardon for suggesting to TMWA that it **consider developing some more worst case drought scenarios -- "variables"**. Jim Smitherman did state that the numbers do not consider worst case scenarios. I am assuming too, based upon plan wording, that all waters listed are drinkable, and not highly mineralized. One water attorney tried for years to get the county to buy waters to the north that are mineralized. We have and would continue to vehemently oppose this. So we want the "good numbers" to mean drinkable, sustainable water. **We would not favor importation projects** taking waters from outlying areas. We would not want to count farmland acre feet when it is unknown whether or not a farmer in the future would be willing to convert his land and sell out the affixed water rights. For instance, if I were a farmer in Fallon and I sold my land, it would be to a developer wanting to build a subdivision, not someone in Washoe County taking the water rights and making the land useless.

Anecdote on meaningful, realistic numbers: In 2008, we all agreed that there was enough water (max) to serve a population of 620,000. We of WC-3 were gracious and generous agreeing with this number, not wanting to pick fights with developers or governments over numbers so we chose the high number offered by experts. That said, I want to share that a well-respected water expert sent me an email in 2007 stating this: **We really only have enough water for 550,000 total buildout population**, the expert stated, but we could get to 620,000 if we took all the water up to the Oregon border, including drying out all the recreation areas, and we took some water rights from the Lake Lahontan area. (As you can see, TMWA's and WRWC's verbiage with a population total of 741,000 becomes questionable and is perceived by experts as overly optimistic, with exaggerated perennial yields. We urge TMWA and WRWC to go back to the drawing board on these numbers.)

These are just a few examples. ***Some of these numbers need to be revisited.***

In sum, we want good, accountable, transparent numbers and explanations now on all sustainable water of drinking quality, taking into account the possibility of long-term drought.

Water experts opine that this notion of a population buildout number of 741,000 served by 183,000+ AF (Western Regional Water Commission) might be exaggerated and does not plan for contingencies. One of my biggest points is that we may have thousands upon thousands of people already here who are on groundwater systems and might clamor to be placed on the river system if the groundwater tables continue to drop. This has already happened in the case of the former South Truckee Meadows General Improvement District (STMGID). Despite the ongoing protests of many citizens for years, too much new development was placed on municipal wells along the Mt. Rose fan, so those who formed the system and paid for it for 40 years were transferred to the river to make way for more development. We cautioned it was not sustainable. We formed a years-long citizens' advisory group working with the county. (I chaired it.) We accomplished much, de-annexed territory to be sustainable, accounted for every drop of water, added more meters and pumps, included future infill, and spent several thousand hours developing a sustainable plan. The final CEO who came in to run DWR ignored all of this. More and more development was put in STMGID or on county municipal wells that should have been placed in TMWA on the river. Unfortunately I was commuting to Washington D.C. for years to care for an elderly grandma and could no longer watchdog STMGID. Of course it is now lost. In recent times neighbors begged me repeatedly to rise up and fight again but I said no, send me the river now. I no longer trust the municipal wells. I know you all are Republicans, I said, but we are in the midst of climate change. One called me late at night and whispered into the phone that he believed me but don't tell anyone because he is a Republican. Humor is important.

We of STMGID are the poster child for what happens when development occurs almost mindlessly without regard to proper planning. What saved us was the river. For others, should this zealous overdevelopment occur, the river might not be nearby and accessible.

I recommend, therefore, that the ***TMWA plan factor in the possibility that all those on these municipal groundwater systems relying on wells could one day need the river*** instead. This is in keeping with TMWA board discussions and Ms. Jardon's comments.

Subtract all these people from the future population projections as they are already here.

Giving some kudos, I want to publicly acknowledge your tougher public questioning, Jenny, including the costs of this pipeline in the south, Neoma Jardon's request that variable levels of drought scenarios be included in the plan, and Naomi Duerr's shout out for protecting and increasing the tree canopy of the Truckee Meadows. Those of us who paid (in some cases dearly) for water rights affixed to properties need assurances (and the plan does this) that any savings we derive will go to the reservoirs. Many people are skeptical about this, thinking it will be used for new growth. Already it is rumored that the TRIC is on the hunt for water rights to be pumped up into its Storey County industrial center (not gray water but river).

We want ***WC-3 enacted***. Obviously this 56,000+ "approved but unbuilt" number of housing units in Reno is not a good number anymore and I do note regional planners are trying to get their arms around some of this, such as future commercial development. ***Regional***

planners need to focus on water more. Reno and Sparks planners, representing about 75% total of the future development, could alter their plans to place "good water rights" alongside development approvals as they occurring. These two should not be considered separately. For instance, when a development project comes to the table, every single developer needs to be asked how many water rights will be needed, what type, what is the source of the type (not Dry Creek Gulch), and is there the promise from TMWA to deliver. If this involves pipelines, is the developer prepared to pay 100% of these costs? What hookup fees will be charged, and to whom? Creeks and streams that dry up in the summertime need to take that into account.

I have quipped that in the Watergate years we used to say, "Follow the money." Now we need to say, "...and the pipelines".

I offer this up because TMWA says it does not get into the development matters, it just issues "will serve" for whatever is in your TMSAs (service areas). Therefore, **Reno especially might consider going back to the drawing board and examining all these TMSAs** and how much water it would take to serve. Ditto Sparks and county future development. Our elected representatives need to be at the forefront representing the existing taxpayers and ratepayers who do not want to pay the costs of the infrastructure for future development. As occurs in many other places, **future development needs to pay for itself**. Our budgets are stretched thin, governmental entities have taken on much debt, our property taxes are capped, there is not much other revenue available unless we keep being asked to bond more. Obviously Reno cannot take on more debt, and I would not support the county doing it either. Kudos to Washoe County Manager John Slaughter and others for lowering the county's debt.

Newspaper ads and agenda containing information about bonds being approved need to spell out the amount, what it is to be used for, the percentage rate, total payout costs, etc. These are often worded more vaguely and the reader is clueless about what is being purchased. (Take today's classifieds, for instance.)

Recommendations summarized

Summarizing the highlights, we the Voices for a Sustainable Washoe County who drove WC-3 to a major victory (more than 73% voting in the affirmative), offer these recommendations:

Open, transparent, comprehensive **cost/benefit analyses on all projects**.

Obtain the services of the USGS, if necessary, to **update perennial yield numbers**. If not, budget to do this anyway. If we know water rights are sitting on a dead wellhead, delete them. Be honest.

Numbers need to include only what is drinkable, accessible water, and not "maybe in the future". The impression exists that future plans reach to obtain the highest population figures possible to 2035, rather than what is reasonable. We want to preserve our quality of life and not resemble Hesperia, CA. We need to **factor in dropping water tables, climate change, global warming, long-term drought, or whatever you want to call "it" that we are experiencing**.

Numbers need to **subtract any waters involving expensive and/or unethical importation** projects. I already have firsthand knowledge about what happens when you try to clean up highly mineralized water. It does not work. We spent at least \$1 million, maybe \$2 million, trying that in STMGID and it failed. Extracting all the costs became

impossible. You can clean up arsenic but not other minerals tied to geothermal. It is hopeless, trust me on this. We are not paying for any more of these cleanup experiments with geothermal. If it worked, there would be ample water everywhere.

Update all "approved but unbuilt" and other planning information so TMWA and TMRPA can plan better. The regional entities only reflect what is being approved at the local level.

Reno especially should consider revisiting all its future service areas (FSA) as there are some that are downright scary to contemplate. For instance, anecdotally, lands to the east of Damonte High School up into the Virginia Highlands have no water and the developer does not have the money for any infrastructure. Developers like this cannot ask us to build another Geiger Grade and haul water, sewer, electric, gas, and public services up 6,400 feet into wildlands filled with herds of horses. I don't want to seem a NIMBY, but I am writing only about what I know. Some of these lands are islands, disconnected, and so steep you cannot walk up or down the slopes. Think in terms of the Geiger Grade lookout.

Anecdote #2: **How much water can Vidler really deliver?** Years ago I added up all the development planned in the North Valleys plus Spring Mountain, in which developers said they were going to use Vidler pipeline water from Fish Springs in the Honey Lake area. The numbers far exceeded the 8,000 AF estimated yield. I totaled all this, sent it to two water experts, and one responded that I was asking very good questions and needed to get answers. I am asking now for the answers. Reno might want to **revisit Spring Mountain**, for instance, and ask this (Winnemucca Ranch) owner not to count on Reno to supply all the public services for an area 25-30 miles away. This is too far away, too remote, not contiguous, without sufficient water for 12,000 homes. This developer needs to be told he needs to build his own separate town with its own public services. I recommend strongly that you eliminate this from your TMWA or it will sink Reno. Already services such as police and fire are stretched thin over an ever-expanding land mass. I figure 12,000 homes equals at least 24,000 people plus people travelling there to work in gas stations, health clinics, etc. I view it as a small town of 30,000. Not only does Reno need to protect existing property tax payers from this, county and Sparks residents need to be protected from this kind of sprawl draining resources. What experts have told me repeatedly over the years is they fear disjointed, leap frog, disconnected, discontinuous development because the costs of the pipelines alone will bury us in massive debt. I speak out for those in government, or with families in government, or consultants, who do not feel comfortable speaking out for obvious reasons.

(Sidebar: It is my understanding, too, that while Vidler did turn all this over to the county, it will not allow waters other than its own to be put in its pipeline. This could be perhaps to protect it from mineralized waters, or just to be self-interested, I don't know. So if anyone did rely on other waters in the North Valleys, it would have to be placed in another pipeline if this is correct.)

Improve the quality of the information reported to taxpayers. **Agenda items need to include more detailed information** when millions of dollars' worth of bonds are being issued.

Some citizens feel that TMWA's call for a 10% reduction did not go far enough. I do give a shout out, too, to David Bobzien for calling attention to this. He is a conservation policy expert and was criticized by some TMWA board fellows for opining that TMWA did not go far enough. He had every right to say publicly what many were saying privately. My friends were asking on Day #1 why not 20%? So kudos to David, who has now formed a separate citizens' climate action initiative in Reno. That said, I thought TMWA handled this pretty

well, it was well-publicized, the citizens did respond. For those not in TMWA I was impressed that I received a notice after a few months telling me about my usage, commending me for cutting back above the 10%. etc. I commend TMWA, too, for developing a master plan, and making the effort to seek so much community input. It is a good start. The 10% might not have been enough, maybe we all dodged a bullet, but now we know we can at the very least do that. Hopefully El Nino will save us but that is not a good long-term strategy.

Beyond just the water, I think it fair to say we ***all are concerned about our quality of life*** here. Everyone wants economic development and jobs, but it needs to be tempered with our limited financial and water resources. We all cherish our natural surroundings, our independent spirits. One consultant came here years ago and addressed public officials, planners, staff. In some government TV program he cautioned the audience not to "kill your golden goose". What we have here is special. We need to guard it by growing sustainably, not greedily.

And Jenny, I give you another shout out for standing up against more billboards, glaring signage, and digital, turning us into more carnival atmosphere in Reno. You have boldly led the charge even though it has cost you politically. This is what I mean about quality of life. And among those who support you and Scenic Nevada in this are many conservative, Republican pro-business types. No one wants our area visually trashed or our limited resources spent unwisely, regardless of political persuasions. Everyone who pushed for more signs and digital talked about money. They did not talk about visual impacts and quality of life, or people being blinded and put in harm's way. So I thank you for standing up for everyone. That is yet another ballot measure in which residents said no to more billboards and elected officials ignored it. Thousands of Reno residents signed a petition opposing a casino on the Mt. Rose Highway and the former mayor and council ignored that, too. The former mayor said, "Those people don't count." Voters said no to the train trench costs which have buried Reno in debt and that too was ignored. Then governments turn around and ask for community input. What?

Hopefully WC-3 won't be ignored. That is my community input (for now).

With warm regards, and thanks for your serious consideration of the contents herein,
 Pamela E. Galloway
 Voices for a Sustainable Washoe County
 Virginia Foothills

USA TODAY 12/11/15

PUMPED DRY

THE GLOBAL CRISIS OF VANISHING GROUNDWATER

OUR WATER IS RUNNING OUT

MANY U.S. AQUIFERS IN DECLINE

Ian James and Steve Reilly

SUBLETTE, KANSAS

Just before 3 a.m., Jay Garetson's phone buzzed on the bedside table. He picked it up and read the text: "Low Pressure Alert." He felt a jolt of stress, and his chest tightened. He dreaded what that automated message probably meant: As the water table dropped, another well on his family's farm was starting to suck air.

The Garetson family has farmed in the plains of southwestern Kansas for four generations, since 1902. Now they face a hard reality. The groundwater they depend on is disappearing. Their fields could wither. Their farm might not survive for the next generation.

At dawn, Garetson was out among the cornfields at the well, trying to diagnose the problem. The pump hummed as it lifted water from nearly 600 feet underground. He turned a valve and let the cool water run into his cupped hands. Just as he feared, he saw fine bubbles in the water.

"It's showing signs of weakening," he said. "It's just a question of how much time is left." The High Plains Aquifer, which lies beneath eight states from South Dakota to Texas, is the lifeblood of one of the world's most productive farming economies.

v STORY CONTINUES ON 2B

In areas where aquifers are being severely depleted, new wells are being drilled hundreds of feet into the earth at enormous cost.

Jay Garetson looks into a cornfield next to a pump on his family's farm in Kansas. He said contemplating the challenges ahead "leaves you gasping for air."

IAN JAMES, THE DESERT SUN

NATION'S WELLS DRAINING DRY

v CONTINUED FROM 1B

The aquifer, also known as the Ogallala, makes possible a large share of the country's output of corn, wheat and cattle. But its levels have been rapidly declining, and with each passing year, more wells are going dry.

The severe depletion of the Ogallala Aquifer is symptomatic of a larger crisis in the USA and many parts of the world. Much more water is pumped from the ground than can be naturally replenished. Groundwater levels are plummeting. It's happening not only in the High Plains and drought-ravaged California but also in places from the Gulf Coastal Plain to the farmland of the Mississippi River Valley, and from the dry Southwest to the green Southeast.

NOT JUST CALIFORNIA

In a nationwide examination, USA TODAY and *The Desert Sun* analyzed two decades of measurements from more than 32,000 wells and found water levels falling in nearly two-thirds of those wells. Heavy pumping caused major declines in many areas. The analysis of U.S. Geological Survey (USGS) data reveals that:

- u Nationwide, water levels have declined in 64% of the wells included in the government database during the past two decades.

- u The average decline among decreasing wells has been more than 10 feet, and in some areas, the water table has dropped more than 100 feet during that period.

- u For 13 counties in Texas, New Mexico, Mississippi, Kansas and Iowa, average water levels fell more than 40 feet since 1995.

- u Nationally, the average declines have been larger from 2011-2014 as drought has intensified in the West. But water tables have been falling consistently over the years through both wet and dry periods and also in relatively wet states such as Florida and Maryland.

- u Across the High Plains, one of the country's largest depletion zones, the average water levels in more than 4,000 wells are 13.2 feet lower today than they were in 1995. In the southern High Plains, water levels have plunged significantly more — in places more than 100 feet in 20 years.

Aquifers are being drawn down in many areas by pumping for agriculture, which accounts for nearly two-thirds of the nation's use of fresh groundwater. Water is also being drained for cities, expanding development and industries. Across much of the country, over-pumping has become a widespread habit. While the symptoms have long remained invisible to most people, the problem is analogous to gradually squandering the balance of a collective bank account. As the balance drops, there's less to draw on when it's needed. Falling groundwater levels bring increasing costs for well owners, water utilities and society. As water levels drop, more energy is required to lift water from wells, and pumping bills are rising. Where aquifers are severely depleted, new wells are being drilled hundreds of feet into the earth at enormous cost.

GOING DEEPER

That trend of going deeper can go on only so long. In particularly hard-hit communities in California's Central Valley, homeowners have been left relying on tanker trucks to deliver water. So much has been pumped from parts of California that the ground has been sinking, causing major damage to roads, bridges and canals. As sections of some U.S. aquifers collapse, their capacity to hold water is permanently reduced.

Since the beginning of the 20th century, the USA has lost more than 1,000 cubic kilometers of water from its aquifers — about 28 times the amount of water in Lake Mead, the country's largest reservoir.

That estimate of water losses from 1900 through 2008, calculated by USGS scientist Leonard Konikow, shows the High Plains has accounted for 35% of the country's total depletion.

The declines in groundwater in the USA mirror decreases in many parts of the world.

NASA satellites have allowed scientists to map the changes underground on a global scale for the first time, putting into stark relief a dramatic drawdown. The latest satellite data, together with measurements of water levels in wells, reveal widespread declines from North Africa to India.

"Groundwater depletion is this incredible global phenomenon," said Jay Famiglietti, a professor of earth system science at the University of California-Irvine and senior water scientist at NASA's Jet Propulsion Laboratory. "We never really understood it the way we understand it now. It's pervasive, and it's happening at a rapid clip."

BEYOND NATURAL LIMITS

The USA is one of the largest users of groundwater in the world. The federal government estimates the country used 76 billion gallons of fresh groundwater per day in 2010. That's 117,000 cubic feet per second, roughly comparable to Niagara Falls.

In many regions, government agencies and water districts have studied the problem but haven't taken sufficient steps to manage aquifers or prevent declines.

Alongside climate change, groundwater depletion has become another human-caused crisis that could bring devastating consequences. As aquifers are pushed far beyond natural

limits, water scarcity batters farms, undermines economies and intensifies disputes over water.

In parts of the southern High Plains, farmers are feeling the effects. Some counties have seen small decreases in population as people have moved away. Local leaders express concerns about what sorts of businesses can help sustain their economies as water supplies dwindle.

In Haskell County, Kan., windswept fields of sorghum and corn stretch to the flat horizon in a swaying sea. The huge farms, many in the thousands of acres, still appear lush and productive. But driving along the country roads, Garetson points out spots where wells have gone dry — on his family land and other farms.

All that's left at one decommissioned well is a round metal cover on a concrete slab.

Opening the well's lid, Garetson dropped in a rock. It pinged off the steel casing. More than five seconds later, there was faint splash.

"Now the only water it finds is a couple, 3 feet at the very bottom of the well that the pumps can't effectively access anymore," Garetson said.

He and his brother, Jarvis, drilled this well in the early 2000s when a shallower well failed. It lasted less than a decade. It went dry in 2012, forcing them to drill again — this time 600 feet deep, down to the bedrock at the bottom of the aquifer. It's hard to say how long that well might last.

"Very simply, we're running out, and it's happening far faster than anybody anticipated," he said. "And as optimistic as I'd like to be about the future, the window for that optimism is closing very quickly."

Over the past five years, the pumping capacity of the Garetsons' wells decreased about 30% as the water table has fallen. They've been forced to plant less corn and instead more wheat and sorghum, which use less water and bring in smaller earnings.

When Garetson's grandparents drilled wells in the mid-20th century, they were told the water supply was inexhaustible. They had clung to their land through the hardships of the Dust Bowl, when blowing drifts of soil and grit decimated crops and sent many others packing. In the decades that followed, they built a successful business on water pumped from the ground.

POCKETS OF DEPLETION

Since then, numerous studies have shown that the status quo is far from sustainable. Starting in 1986, Congress directed the USGS to monitor and report on changes in the levels of the Ogallala Aquifer, recognizing its economic importance. About 30% of the groundwater used for irrigation in the country is pumped from the aquifer.

Groundwater levels have changed relatively little in some wetter areas as rain and snowmelt offset the amounts pumped out. But even pockets of the Northeast and upper Midwest experienced serious declines. Average water levels in Cumberland County, N.J., decreased nearly 6 feet over the past two decades. In Outagamie County, Wis., there was a decline of 6.1 feet.

Elsewhere, there has been significant depletion across entire regions, largely driven by agriculture. Average water levels fell by 5.7 feet across the Mississippi River Valley aquifer system, by 12.6 feet in the Columbia Plateau basaltic rock aquifers of the Pacific Northwest and by 17.8 feet in some of the Snake River Plain's aquifers of southern Idaho.

Saltwater has been seeping into declining aquifers along the Atlantic coast in places such as Hilton Head, S.C., and Savannah, Ga., and beneath coastal Florida cities such as Jacksonville, Miami and Tampa. When saltwater intrusion taints drinking water, it can force water districts to use different wells or invest in costly solutions such as desalination.

There have also been longterm declines in groundwater levels around urban areas including Chicago, Milwaukee, Memphis, and Houston.

Large rice farms in the Mississippi River Valley depend heavily on water pumped from wells. So do fields of cotton, soybeans and corn across parts of Mississippi, Louisiana, Arkansas

and Missouri. Farms draw out significantly more than is naturally replenished, and the valley's alluvial aquifer system is declining.

Arkansas, the country's top rice-producing state, is updating its water plan with proposals to cope with a growing "groundwater gap" in the eastern portion of the state. Officials recommend building infrastructure to make surface water the primary irrigation source for areas that depend on declining groundwater.

Regulatory changes aimed at addressing strains on groundwater are being debated elsewhere, in wet regions as well as dry.

In Arizona, lawmakers are under pressure to consider groundwater regulations for some of the same rural areas that fought off restrictions about 35 years ago. Some farmers and residents in southeastern Arizona worry about unregulated pumping and are pushing to limit the expansion of irrigated farmlands and to charge fees for groundwater use.

In each state, groundwater use falls under different laws. In many areas, agencies charged with managing water have allowed aquifers to fall into a state of perpetual overdraft while water levels recede by the year. Even where regulations exist, pumping often remains largely unchecked.

"Like your bank account, you can't keep depleting it forever. That's a non-sustainable condition," USGS scientist Konikow said. "Society will have to do something about it."

Contributing: Steve Elfers of USA TODAY and Caitlin McGlade of The Arizona Republic. This special report was produced with a grant from the Pulitzer Center on Crisis Reporting.

"Very simply, we're running out, and it's happening far faster than anybody anticipated."

Jay Garetson

TMWA Standing Advisory Committee Member – Jerry Wager, Residential Customer Class, Primary Representative

November 23, 2015

i have been trying to live up to my SAC responsibilities by encouraging people to read and comment on the plan - which is well done, and comprehensive. My only real concern deals with climate change and the lack of emphasis/discussion about it. I recognize that the professionals at TMWA feel confident that they have planned for worst case scenarios. But in the the circles I run in, (walk, actually since it's mostly old geezers), people are very concerned about the impacts of a changing climate - I think there is pretty broad public concern as well in the community; TMWA should to address it, if for no reason other than to help reduce fears. Certainly, there is enough scientific consensus and data to justify treating it as a viable threat to our most critical resource. Rather than taking meeting time, I thought it best to submit my comments in writing so they are attached. We are headed to Portland so will miss some of the cold. Hope you have a good holiday and the pipes don't freeze.

The 20 Year Water Resource Plan

The 20 year plan is very detailed and well written, addressing both current and future demand . In addition, it addresses a number of existing and near-term strategies for dealing with historical drought and emergencies (e.g., earthquake and spills). That said, I feel it has two weaknesses:

- It does not adequately deal with the potential impacts on water supply from climate change. While the plan references changes in variability of wet and drought conditions, its reliance on the long term record (100+ years) tends to average out and minimize the potential impacts that a rapidly changing climate has on consumer demand, snowpack, precipitation, soil moisture and runoff.
- The plan's population and growth projections, while well justified may be too conservative given the growth potential of the region and the strong development policies being advocated by some development organizations and political leaders.

Climate Change

The 20 year plan makes reference to changes in climate (pp 29-39) based on recorded levels of snowpack, runoff, precipitation and more recent studies using tree-rings; while it recognizes that variability between wet and dry events seems to be increasing, it gives little attention to the potential overall effect of climate change. The plan largely falls back on a century-long record. It's hard to argue with the use of this data, but a case can be made for giving more weight to data from the past 30-45 years when the impacts of climate change have become sharper and the scientific consensus stronger. Looking at this period of record gives a different picture than that of the long term data: recurrent, increasingly severe drought, exceptionally low levels of snowpack and earlier reliance on drought reserves and ground water pumping. The plan does not really reference climate change studies that may bear on this region's future. For example, studies targeted at the Rockies and mountainous regions of Europe suggest that higher average temperatures may not change overall annual precipitation, but will significantly reduce the portion that falls as snow. The 20 year plan cites the critical importance of snowpack to the area's surface water supplies, but doesn't address the possibility that this form of precipitation in all likelihood will decline substantially. Snowpack in early spring decreased at more than 90 percent of measurement sites in the western United States between 1955 and 2015. The average change across all sites for this time period amounts to about a 23 percent decline (USEPA). Our snowpack in 2014 was the lowest ever recorded, and came on the heels of three below average years.

Also, not addressed are higher temperatures which have already increased the growing season (and therefore irrigation which accounts for 50- 75% of summer demand). Stephanie McAfee, deputy Nevada state climatologist and an assistant professor of geography at UNR: "In the 1940s, the average growing season was about 118 days, while in the 2000s, it was about 60 days longer so, yes, it seems like the growing season is getting longer, maybe one month over the last 120 years." (Historical Climatology Network record for Reno from 1937 to 2014). Since warm weather water demand increases 2-4 times for various classes of users due to irrigation, an expanding growing season will have a major affect on demand.

Higher temperatures increase rates of evaporation which affect surface supplies, lowers soil moisture which, among other impacts, reduces infiltration and increases runoff and the potential of catastrophic forest fires. There will be greater reliance on groundwater pumping, which, as we have seen in nearby California, can have long term impacts on aquifer recharge and storage capabilities.

Another concern relates to the impact of climate change on the cost of water. Decreased surface flows will increase operating costs in a variety of ways, e.g., less revenue from hydroelectric operations, increased groundwater pumping, and more expensive water treatment. Reuse and additional infrastructure to meet demand and water shortages will also have high costs. On page 51, the plan concludes that no changes in management or restrictions due to climate change are warranted at this time. But planning is done explicitly to look into the future; therefore, shouldn't it address these probabilities forthrightly and discuss worst case scenarios? If nothing else, this would give the public and political leaders some warning as to the extent of restrictions and costs that the future might hold.

Growth

The Truckee Meadows region seems poised for significant growth over the next several decades. Several large industries have already located in the area; and there is little reason to expect more won't come based on the lower costs of living, tremendous recreational resources, proximity to markets, favorable tax climates, etc. The only really limiting factor would appear to be – water. The Plan's population and development projections are soundly based, projecting a 25% increase in water demand over the next 20 years. In this regard, even if the Plan's projections are somewhat conservative there are several trends that might help reduce overall water demand, e.g. greater ratio of multi-family units compared to single family, and increased use of xeriscaping and water-saving technologies. Given this, there may be enough extra capacity to meet greater population and development than the Plan predicts. However, the "gorilla in the closet" still remains: will there be less supply due to climate change?

Positives

It should also be mentioned that the Plan cites a variety of positive approaches to increasing and/or protecting the water supply. For example, the Truckee Meadows Operating Agreement (TROA) was recently finalized, giving TMWA more drought reserves. Still, the plan should recognize that increased water rights alone may not be sufficient if surface water supplies decrease and demand increases. There are also several positive actions TMWA and other entities are taking – most importantly increased call for voluntary conservation, expanded cloud seeding and low season groundwater injection, and greater use of non-potable water where possible. Each of these strategies has potential for being expanded. However, taken together they may not be sufficient to offset a long term decline and/or variations in annual precipitation and snowpack, especially if growth projections prove too conservative.

Conclusion

The US Department of Defense's 2014 Quadrennial Defense Review (QDR)¹ indicated that climate change would have a major impact on global conflict, poverty, environmental degradation, and political instability; it's much less of a leap to assume that climate change will have even more serious impacts on regional water resources.

In my two years as a member of TMWA's SAC, I am continually impressed with the staff's competence and dedication. TMWA strikes me as being exceptionally well managed. The general population probably has little appreciation of how lucky they are to have such people in charge of their most precious resource.

Unfortunately, the issue of climate change also has been politicized, making it more difficult for public utilities to address it without being criticized or accused of negatively impacting development. Although it is very difficult to predict changes in the amount and seasonal variability of rainfall and/or snowpack; the trends are evident. The Plan should recognize this threat and suggest strategies for meeting it.

¹ Climate change poses another significant challenge for the United States and the world at large. As greenhouse gas emissions increase, sea levels are rising, average global temperatures are increasing, and severe weather patterns are accelerating. These changes, coupled with other global dynamics, including growing, urbanizing, more affluent populations, and substantial economic growth in India, China, Brazil, and other nations, will devastate homes, land, and infrastructure. Climate change may exacerbate water scarcity and lead to sharp increases in food costs. The pressures caused by climate change will influence resource competition while placing additional burdens on economies, societies, and governance institutions around the world. These effects are threat multipliers that will aggravate stressors abroad such as poverty, environmental degradation, political instability, and social tensions – conditions that can enable terrorist activity and other forms of violence. DOD, QDR, 2014.

Humboldt River Basin Water Authority
c/o Intertech Services Corporation
P.O. Box 2008
Carson City, Nevada 89702

Elko County
Eureka County
Humboldt County
Lander County
Pershing County

December 16, 2015

Mr. Mark Foree
General Manager
Truckee Meadows Water Authority
P.O. Box 30013
Reno, NV 89520-3013
Sent via Email to: mforee@tmwa.com

RE: Comments to Truckee Meadows Water Authority 2016-2035 Draft Water Resources Plan

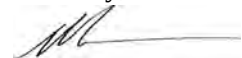
Dear Mr. Foree:

I am writing on behalf of the Humboldt River Basin Water Authority (HRBWA) to request a minor revision to the Truckee Meadows Water Authority 2016-2035 Draft Water Resources Plan. Page 133 of said plan identifies the "Humboldt Basin Ground Water Importation project, better known as the Gabbs Hay Company plan" as a possible future water supply project to meet Truckee Meadows water demands beyond the year 2035. As evidenced by Nevada State Engineer Ruling 3893, water right applications filed by the Gabbs Hay Company for a previous incarnation of the Gabbs Hay Company plan referenced in the TMWA water plan were denied on the grounds on the grounds that "it would not be in the public interest to approve applications based on the information and financial data available to the State Engineer. In said ruling, the State Engineer did not rule on the merits of several protests lodged against the Gabbs Hay Company applications.

Given previous action by the Nevada State Engineer denying applications filed by Gabbs Hay Company for the Humboldt Basin Ground Water Importation Project, and the likelihood that new applications if filed for the same or a similar project would be similarly protested and denied by the Nevada State Engineer, HRBWA respectfully requests that reference to the "Humboldt Basin Ground Water Importation project, better known as the Gabbs Hay Company plan" be removed from the Truckee Meadows Water Authority 2016-2035 Draft Water Resources Plan.

Your consideration of this request is greatly appreciated.

Sincerely,



Mike Baughman, PhD, CEC
Executive Director
Humboldt River Basin Water Authority
(775) 315-2544 (c)
mikebaughman@charter.net



Date: January 18, 2016

To: Geno Martini, Chairman Truckee Meadows Water Authority
Mark Foree, General Manager

From: Androo Allen, President, Builders Association of Northern Nevada

The Builders Association of Northern Nevada appreciates Truckee Meadows Water Authority's request to participate in review and comment of the 2016-2035 Water Resource Plan. After several informative workshops detailing the plan we support and applaud TMWA on a job well done.

Truckee Meadows Water Authority (TMWA) is the largest water supplier in Washoe County serving approximately 90% of the region's municipal water customers. TMWA is a key player in developing the region's water use by implementing programs that support a comprehensive Water Resource Plan.

Water resource planning for Truckee Meadows has been complex and challenging for TMWA to accommodate the region's current and future water supply needs. However, with the recent implementation of the Truckee River Operating Agreement TROA coupled with the proposed roadmap for the preservation and management of the region's water resources as outlined in TMWA's recent 2016-2035 WATER RESOURCE PLAN, TMWA is better equipped to mitigate drought situations and expand its ability to generate significantly larger volumes of upstream reserves.

TMWA's population forecast estimates Washoe County population to increase from approximately 450,000 in 2016 to 545,000 in 2035. The water production forecast for a typical year indicates that from 2016 to 2035, production will increase from current estimates for 2016 of approximately 83,000 acer foot (AF) to a projected 2035 demand of approximately 102,000 AF, or an increase of 19,000 AF. The 2035 projection is well within the maximum 119,000 AF/yr under TROA operations.

Over the years the utility has responded to low-precipitation years in a drought cycle with enhanced conservation activities. Climate change and meteorological droughts are the most significant variables with potential to change the quantity and quality of raw water supplies, particularly surface water supplies. With TROA, TMWA is better able to manage the uncertainty of its raw water sources through storage in upstream reservoirs, conjunctive use of surface and groundwater supplies, and continual assessment of threats to water supply reliability.

Studies by Desert Research Institute (“DRI”) and University of Nevada, Reno (“UNR”) indicate the potential for climate change but it is inconclusive as to any change for this region. TMWA is to be commended for continuing to monitor and study advances in the research conducted by DRI and UNR. As data becomes available we are confident TMWA’s plans can adapt to changing conditions resulting from climate change.

With the TROA framework in place, TMWA will have flexibility for river operations to allow parties to store water they previously could not store which significantly enhances TMWA’s drought reserves, allows the exchange of water to optimize the use of Truckee River supplies without harming the water rights on which the parties rely, and resolves future regulatory uncertainties surrounding the use of the Truckee River.

Since its inception, TMWA’s aquifer storage and recovery program has improved or stabilized groundwater levels in and around the injection sites thereby preserving TMWA’s ability to utilize its groundwater resources to meet summer peaking and/or drought situation pumping requirements without degrading groundwater quality in the process. This is another example of the excellent management of water resources TMWA performs for this community.

TMWA’s enhanced Demand Management Plan was developed from prior water resource plans understanding climate induced droughts and its effect on Truckee River water supplies. This active management of water supply includes the following elements:

- Truckee River Operating Agreement (“TROA”)
- Assigned Day Watering
- Water Day Time Restrictions
- Public Education & Advertising programs
- Water Waste Prevention Enforcement
- Targeting 10% reduction in water use
- Coordination of Treated Effluent Use
- Irrigation Leaks and System Repairs
- Meter Replacement
- Non-Potable Water Service
- Irrigation System Pressure Standards
- Homeowner Workshops
- Commercial Landscape Retrofit
- Water Audits
- Codes and Ordinances
- Communication with Home Owners Associations (HOAs) and Domestic Well Owners
- Website linked to a specific microsite for all drought information and landscaping resources.
- Restaurant and Business Outreach

- Partnering to institute more technical workshops for landscapers
- Engagement of Governmental Agencies
- Curtail fire hydrant flushing
- Aquifer Storage and Recovery enhance
- Improvements to catchment facilities to improve the diversion of flows/runoff.
- Development/implementation of environmental assessment tools

One important TMWA resolution was to test the robustness of the region's water supply with a hypothetical 5-year worse-than-worst-case hydrologic scenario. Starting with actual conditions through the first four years (2012-2015), a 9-year drought with a repeat of 2015 hydrology and demands for an additional five years (2016-2020) was simulated under both a TROA and non-TROA operating conditions. The 9-year drought used for this analysis is over two times more severe than the drought of record (1987-1994) plus the additional dry year (1987) currently used for planning purposes.

- Under the non-TROA scenario upstream-drought reserves would run out in year seven of the modeled worse-than-worst-case drought; in other words, reserves are exhausted if 2015 hydrology is repeated three more years after actual 2015 hydrology.
- Under TROA, the results show that at current demands the region can withstand a hypothetical drought more than 2 times as severe as the drought of record and by the end of the 9-year simulation, TMWA would not only be able to meet demand at current levels, but actually continue to build up and accumulate additional drought storage.

Another enormous reinforcement of water supplies for TMWA is the purchase of Truckee-Carson Irrigation District (TCID) share of Donner Lake storage. The right to the water stored in Donner Lake (9,500 AF) and the current drought planning outcomes adds the significant safeguard to surpass the water needs for countless years.

Economic development in the Truckee Meadows is one fundamental driver to expand the pool of available water resources to meet the needs of the region. Thanks to the planning efforts included in the TMWA 2016-2035 WATER RESOURCE PLAN and other efforts, our community will continue to enjoy the magnificence of the Sierra Nevada/Truckee Meadows for many generations into the future.

Thanks again,



Androo Allen, President
Builders Association of Northern Nevada

IN THE OFFICE OF THE STATE ENGINEER
ON THE STATE OF NEVADA

02-02-16 SAC Agenda Item 12.3

IN THE MATTER OF APPLICATION NUMBERS)
51146, 51147, 51148, 51149, 51150,)
51151, 51152, 51153, 51154 AND 51155)
FILED TO APPROPRIATE THE PUBLIC)
WATERS OF AN UNDERGROUND SOURCE)
WITHIN THE LOVELOCK VALLEY GROUND)
WATER BASIN IN CHURCHILL AND)
PERSHING COUNTIES, NEVADA.)

RULING

3893

GENERAL

I.

Application 51146 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within T.15N., R.19E., T.15N., R.20E., (Carson City, Eagle Valley); T.16N., R.19E., T.16N., R.20E., (Washoe Valley); T.17N., R.19E., (Slide Mt., N. Washoe Valley); T.17N., R.20E., (Portion N. Washoe Valley); T.18N., R.19E., (Whites, Thomas, Dry & Evans Creek Fans); T.18N., R.20E., (S. Truckee Meadows); T.19N., R.18E., (Verdi, Mogul, Lawton Areas); T.19N., R.19E., (Reno); T.19N., R.20E., (Reno, Sparks); T.20N., R.19E., (N. Reno, Black Springs, Golden Valley); T.20N., R.20E., (N. Sparks, Sun Valley, S. Spanish Springs Valley); T.21N., R.18E., (Cold Springs Valley, W. Lemmon Valley); T.21N., R.19E., (Lemmon Valley, Stead); T.21N., R.20E., (S. Hungry Valley, N. Spanish Springs Valley); M.D.B.&M. The point of diversion is described as being within the NE1/4 NE1/4 Section 10, T.24N., R.29E., M.D.B.&M.¹

Application 51147 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within the same area described under Application 51146. The point of diversion is described as being within the NW1/4 NW1/4 Section 24, T.25N., R.29E., M.D.B.&M.¹

¹ Public Record in the office of the State Engineer.

Application 51148 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within the same area described under Application 51146. The point of diversion is described as being within the SE1/4 SE1/4 Section 2, T.24N., R.29E., M.D.B.&M.¹

Application 51149 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within the same area described under Application 51146. The point of diversion is described as being within the NW1/4 NW1/4 Section 14, T.24N., R.30E., M.D.B.&M.¹

Application 51150 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within the same area described under Application 51146. The point of diversion is described as being within the NW1/4 NW1/4 Section 11, T.24N., R.30E., M.D.B.&M.¹

Application 51151 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within within the same area described under Application 51146. The point of diversion is described as being within the SE1/4 SE1/4 Section 12, T.25N., R.29E., M.D.B.&M.¹

Application 51152 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within the same area described under Application 51146. The point of diversion is described as being within the NW1/4 NW1/4 Section 28, T.25N., R.31E., M.D.B.&M.¹

Application 51153 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within the same area described under Application 51146. The point of diversion is

described as being within the NW1/4 NW1/4 Section 22, T.25N., R.31E., M.D.B.&M.¹

Application 51154 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within the same area described under Application 51146. The point of diversion is described as being within the NW1/4 NW1/4 Section 14, T.25N., R.31E., M.D.B.&M.¹

Application 51155 was filed on July 27, 1987, by Gabbs Hay Company (G.H.C.) to appropriate 6.0 c.f.s. of water from an underground source for municipal purposes within the same area described under Application 51146. The point of diversion is described as being within the SW1/4 NW1/4 Section 12, T.25N., R.31E., M.D.B.&M.¹

Applications 51146, 51147, 51148, 51149, 51150 and 51151 were timely protested on September 21, 1987, by William A. Molini, Department of Wildlife on the following grounds:

The Humboldt Wildlife Management Area is a state managed wetland area which is comprised of three main units encompassed within a total of 36,370 acres of one of the four most important wetlands in Nevada. At normal or non-flood level, there is a maximum of 16,800 surface acres of water which require approximately 73,000 acre feet of water annually to meet the evapotranspiration losses.

From 1971 through 1985, there were an average of 2,247,800 duck use-days, 72,400 goose use-days, and 20,800 swan use-days for the migration period from mid-August through mid-January.

Since 1972, there have been an average of 492 breeding pairs of ducks recorded on the area of which redheads, cinnamon teal, ruddy ducks, and gadwall have been the principal species. Because of current low numbers of redheads in North America, they have been declared as sensitive species of special concern. The highest duck

breeding population occurred in 1977 when 1,049 pairs were observe(sic). Currently the goose breeding population is less than 5 pairs per year.

In addition to providing habitat for large numbers of waterfowl throughout the year, this area provides nesting and feeding areas for a significant population of nongame species. During the spring and summer months, birds such as black-crowned night and great blue herons, snowy and great white egrets, white-faced ibis, white pelicans, western grebes, avocets, and other marsh associated birds are found in good(sic) numbers on this area. During most years, several bald eagles winter at the wildlife management area and feed on the abundant birds and fish in the area.

Most, if not all, recreation use-days on the Humboldt Wildlife Management Area are directed towards waterfowl hunting. Since 1976, there have been an average of 2,722 hunter use-days with an estimated harvest of 4,363 ducks, 44 geese, 6 swans, and 36 coots from the wildlife management area.

Withdrawal of groundwater, as proposed through water rights applications 51146-51155, has the potential to negatively impact the Humboldt Wildlife Management Area and to reduce its capacity to support waterfowl and other wildlife species and attendant recreational use.

Therefore, the protestant requests that the application be denied and that an order be entered for such relief as the State Engineer deems just and proper.

Applications 51147, 51151, 51152, 51153, 51154 and 51155 were timely protested on January 13, 1988, by Marian A. McClellan on the following grounds:

Please be advised that on behalf of Pershing County, Nevada, as the elected representatives of the people of Pershing County, Nevada, we hereby wish to file a protest with regard to the above-referenced water application.

The basis of that protest is, to date, the Pershing County Commissioners and the people of Pershing County have not been supplied with sufficient data to fully understand the impact of this application on the future water situation of Pershing County.

It would appear that this application would be for the purpose of transferring water out of Pershing County to more populated areas. We have been unable to obtain from your office or any other agency any type of understanding with regard to the size of the underground resources in the Humboldt Sink area. We further have been provided no information that would show if this would in anyway cause a detriment to the existing farm lands, the wetlands or upstream sources of water in Pershing County. More importantly, there is absolutely no way for us to determine the adverse impact this might cause on generations to come. Without that full understanding, the only logical position we can take on behalf of the people of Pershing County is to protest this application until such time as studies can be done that will give us a clear picture on this impact. At such time then we could intelligently determine the best position with regard to the citizens of our county.

Thank you for reviewing our protest and considering it together with all other matters in this application.

Therefore, the protestant requests that the application be denied and that an order be entered for such relief as the State Engineer deems just and proper.

Applications 51147, 51151, 51152, 51153, 51154 and 51155 were timely protested on January 21, 1988, by Keith E. Hemp on the following grounds:

The Lovelock Meadows Water District was formed a few years ago in order to provide culinary water to Lovelock and the surrounding area. The water district feels that if any water is to be diverted and exported from the Lovelock area that it should only be done after it has been determined

that such exportation of water will not resort in material damage to the citizens of Pershing County and the water district.

Secondly, any such exportation of water should be done as a commercial enterprise that would benefit the citizens of Pershing County being subject to fees or some compensation to the county from which the water originated.

Finally the water district believes that there is insufficient data to show how the County would be effected if such water is exported to a more populated area. For example, sometime in the future there could be an insufficient water supply for the citizens of Pershing County.

For these reasons the Lovelock Meadows Water District wishes to file a grievance regarding this application.

Therefore, the protestant requests that the application be denied and that an order be entered for such relief as the State Engineer deems just and proper.

FINDINGS OF FACT

I.

The State Engineer finds that the combination of Applications 51146 through 51155 constitutes a fairly large project in that it is attempting to appropriate approximately 20,000 acre feet of water from 10 wells for municipal use in every populated area in Western Nevada.¹

II.

The State Engineer finds that this project constitutes a trans-county, trans-basin diversion.¹ The State Engineer satisfied the requirements in NRS 533.363 by sending copies of the applications and supporting maps to the county of origin (Pershing) and the counties of destination of the water (Churchill, Lyon, Washoe and Carson City). Recommendations received from Churchill County, Washoe County and Lyon County all recommended denial of the applications. No recommendation was received from Carson City.

III.

By certified letter dated February 25, 1992² the State Engineer requested information regarding the applications which included:³

1. Costs and benefits of the project.
2. Financial feasibility of the project.
3. How project would be financed.

The State Engineer gave the applicants 90 days to supply the required information.

IV.

The State Engineer received a letter from Walters Engineering dated May 21, 1992, outlining the total capital costs to be \$94,342,860. The project was reported to be profitable if they could sell the water on the Washoe Front for \$3.50/1000 gallons. The financial ability of the applicant to provide and to develop the project was to be received under separate cover from Mr. Porteous. No additional information has been received.

V.

Copies of letters from consultants in the file indicate a bid to study the water availability and water quality would be \$108,000 for Phase I and \$465,000 for Phase II.⁴

VI.

A letter from the applicant to Washoe County dated September 19, 1989 states that the project may cost as much as \$250 million.¹

² See return receipt #P 680 490 839.

³ NRS 533.375.

⁴ See letter in public record of State Engineers office under Application 51146 from Kenneth D. Schmidt and Associates dated December 28, 1988.

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VII.

The State Engineer finds no information in the record that indicate that the applicant ever began studies to determine whether the water is available, the cost to capture it, nor whether there is a potential buyer for the water.¹

VIII.

The State Engineer finds no information in the record to indicate the applicant has the financial ability to carry out the proposed work and put the water to beneficial use.^{1,5}

IX.

The State Engineer finds that there is insufficient information to demonstrate that the applicant has filed the applications in good faith. Additionally, the applicant has not demonstrated the financial feasibility and benefits of the proposed project.

CONCLUSIONS

I.

The State Engineer has jurisdiction of the parties and the subject matter of this action.⁶

⁵ NRS 533.375(2).

⁶ NRS Chapter 533 and 534.

II.

The State Engineer is prohibited by law from granting a permit under an application to appropriate the public waters where⁷:

- A. There is no unappropriated water at the proposed source, or
- B. The proposed use conflicts with existing rights, or
- C. The proposed use threatens to prove detrimental to the public interest.

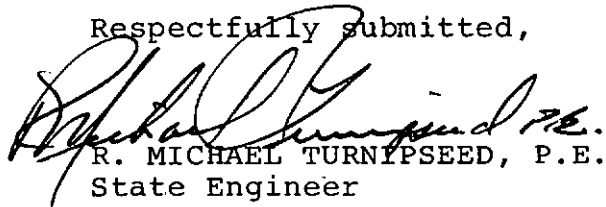
III.

The State Engineer concludes that it would not be in the public interest to approve the applications.

RULING

Applications 51146, 51147, 51148, 51149, 51150, 51151, 51152, 51153, 51154 and 51155 are hereby denied on the grounds that it would not be in the public interest to approve applications based on the information and financial data available to the State Engineer. No ruling is made on the protests.

Respectfully submitted,



R. MICHAEL TURNIPSEED, P.E.
State Engineer

RMT/pm

Dated this 26th day of
June, 1992.

⁷ NRS Chapter 533.370