



STANDING ADVISORY COMMITTEE  
MINUTES  
April 2, 2013

---

The Standing Advisory Committee (SAC) met at Truckee Meadows Water Authority in the Independence Room, 1355 Capital Blvd., Reno, Nevada. Chairman McGuire called the meeting to order at 3:01 p.m.

1. ROLL CALL

**Members and Voting Alternates Present:** Robert Chambers, Harry Culbert, Bruce Gescheider, Colin Hayes, Jim Maass, Neil McGuire, Jonnie Pullman, Fred Schmidt, and Ron Turner

**Alternates Present:** Mike Heffner and Paul Rose

**Staff Present:** Corinne Cassell, Robert Charpentier, John Erwin, Scott Estes, Bill Hauck, Cara Rives, Shawn Stoddard, Jeff Tissier and Legal Counsel Debbie Leonard

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

**Upon motion duly made and seconded, and carried by unanimous consent of the members present, the SAC approved the agenda.**

4. APPROVAL OF THE MINUTES OF THE MARCH 5, 2013 MEETING

**Upon motion duly made and seconded, and carried by unanimous consent of the members present, the SAC approved the minutes of the March 5, 2013 meeting.**

5. STATUS REPORT ON THE PROPOSED MERGER OF SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT (STMGID) INTO TMWA

Jeff Tissier reported that the merger is still progressing. STMGID has been getting a lot of information back to TMWA, but TMWA is still awaiting more information. The expectation is to have an initial analysis completed by the end of April. The analysis will be submitted to the STMGID Board of Trustees for its review and also to the Washoe County Department of Water Resources staff for comment. Comments are expected back sometime in May, and at that point, a decision can be made about proceeding forward. Mr. Gescheider asked if there are any roadblocks. Mr. Tissier replied that he didn't think there were and that the system seems to be in good shape. He is still waiting for the maintenance records to determine any potential concerns. Mr. Foree mentioned that one of the more important items was a clarification by both sides as to the "unused utility assets," like facilities, water resources, land and cash. He also said that a general agreement has been drafted; however, more information is needed from STMGID before a meeting can occur. The process is still in the "due diligence" phase. Mr. Tissier said that once the complete analysis is done, it will be brought before the SAC, possibly in time for the June meeting.

6. STATUS REPORT ON THE MERGER OF THE WASHOE COUNTY DEPARTMENT OF WATER RESOURCES WATER UTILITY FUNCTIONS (DWR) INTO TMWA

Mark Foree discussed the current state of the merger between TMWA and DWR. He said that at this point there is not too much to discuss in light of the focus on the STMGID merger, which must be completed first. A question was asked about the recent DWR rate increase, and Mr. Tissier confirmed that as a result of that increase, DWR currently does have higher rates than TMWA.

7. PRESENTATION OF THE FIRST HALF FY2013 FINANCIAL REPORT

Mr. Tissier gave SAC the report on the First Half FY2013 Financials, including the Augmented and Amended budget for the FY2013. He gave details on water sales, operating costs, a change in the accounting rules, capital spending and the decision to decline any further draws on a Drinking Water State Revolving Fund loan. Water sales were higher than expected due to warmer than expected weather for the first half of the fiscal year. The budget reflects the increase in revenue but also assumes a cool weather pattern in the spring/early summer. If warmer weather does occur, then water sales will be higher than projected.

Operating costs were somewhat higher than budgeted. These increased costs were a result of

higher than expected construction costs, including the replacement of the gates at Independence Lake and a larger than normal amount of main and service leaks. The leaks were so prevalent that at one point an outside contractor was hired to assist with repairs. Additionally, fighting ice at the hydroelectric facilities incurred more man hours than budgeted. And finally, a contractor lawsuit added additional expenses to the outflow.

Capital spending is approximately \$4.7 million less than expected. Mr. Tissier said that the decision was made to “early adopt” a change in the Accounting Rules, which will affect the budget. He explained that a decision was made to not continue with more draws on the *Drinking Water State Revolving Fund (DWSRF)* loan, which will have a beneficial effect in the future. Chairman McGuire inquired about the freezing of boxes that resulted in so many leaks and asked if most of those leaks were residential or commercial. Kim Mazerres responded that most of the leaks were residential and a result of the protective blankets being accidentally pulled out of the boxes. She said that the monthly insert put into all customer bills offered a free “check” of all boxes prior to the freezing weather. Mr. Tissier closed by saying that the final budget would be presented at a at the May Board meeting.

#### 8. STATUS REPORT ON THE 2013 NEVADA LEGISLATIVE SESSION

John Erwin referred to the staff report attachment and then introduced Steve Walker, TMWA lobbyist, who provided more details on the recent actions taken in the Legislature. Mr. Walker mentioned that TMWA is currently tracking 36 Assembly bills and 29 Senate bills, out of approximately 1,000 total bills. Of that, about 380 bills were introduced in the last two weeks. The deadline for these bills to be heard is April 11, 2013, which means this is an extremely busy time.

TMWA is watching many of the bills that deal with public works activities, employment activities, employee relations and collective bargaining. A few bills specifically mentioned were, AB 169, AB 220, AB 301, AB 338, SB 65, SB 232 and SB 499.

Mr. Walker also mentioned that TMWA gave a presentation on March 5, 2013 to the State Legislature Joint Meeting of the Natural Resources Committees. Mr. Walker said that he had received several comments from legislators about the slide that outlined and detailed TMWA’s customer satisfaction rating. They found that the improvement from 70 percent in 2001 to 90 percent in 2012 was especially impressive.

#### 9. UPDATE ON THE WATER SUPPLY

Bill Hauck, TMWA Hydrologist, presented a PowerPoint presentation on the current water supply as of March 31, 2013, the official end of the snowpack building season. He referred to the graph that showed measurements taken by State of Nevada hydrologists as of April 1. Based on

this, the snowpack is approximately 60 and 50 percent of average in the Truckee and Tahoe basins, respectively; these results are very close last year's. This reflects two very dry years back to back. However, with Lake Tahoe being approximately half full at this time, the net impact on TMWA will not be negative and it will be "business as usual" as normal river flows for the remainder of 2013 are expected, which will support normal water production operations and normal operations of the hydroelectric facilities. He said that part of TMWA's long-term water resource plan includes managing water resources through a nine year drought period; and there is more than enough water in the reservoirs to meet customer demands in 2013 without drawing on any drought reserves.

10. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING AGENDA ITEMS FOR FUTURE MEETINGS

**Upon motion duly made and seconded, and carried by unanimous consent of the members present, the SAC set the date of the next meeting as Tuesday, May 7, 2013, at 3 p.m. and requested the following items be placed on the agenda:**

- 1. Recognition of Greg Vorreyer, former SAC Chairman**
- 2. Status report on the 2013 Nevada Legislative Session**
- 3. Update on merger of STMGID and TMWA**
- 4. Update on merger of DWR and TMWA**
- 5. Presentation of the budget for Fiscal Year 2014 and the 5-year Capital Improvement Plan**
- 6. Presentation of Facility Charges and Fees changes**
- 7. Informational videos on Ice Fighting and Construction on the Highland Canal**

11. STAFF ITEMS

Cara Rives stated that an email had been received from Jeannie Redinger; SAC alternate for the Multi-family category, resigning her appointment effective immediately.

12. COMMITTEE ITEMS

Mr. Gesheider asked that the SAC invite former SAC Chairman Greg Vorreyer to the next meeting to receive a certificate of recognition.

13. PUBLIC COMMENT

Chairman McGuire acknowledged the attendance of three members of the public; Roger Edwards and Ernie Zebal, both Golden Valley property owners, and Ken Archer, an observer. Mr. Edwards stated that he would like to meet with TMWA to discuss the Golden Valley property owners concerns in light of the proposed merger with Washoe County DWR.

14. ADJOURNMENT

With no further items for discussion, Chairman McGuire adjourned the meeting at 4:07 p.m.

Approved by the Standing Advisory Commission in session on May 7, 2013

---

Cara Rives, Recording Secretary

\*Fred Schmidt present for items 5 through 14 only