

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE MAY 16, 2013
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Thursday, May 16, 2013, at Sparks Council Chambers, 745 Fourth Street, Sparks, Nevada. Chairman Carrigan called the meeting to order at 10:01 a.m.

1. ROLL CALL

Members Present: Mike Carrigan, Mike Cate, Neoma Jardon, Kitty Jung, Geno Martini and Sharon Zadra. Members Absent: Vaughn Hartung. A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Jung.

Member Zadra arrived at 10:02am

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

Upon motion by Member Martini, second by Vice Chairman Cate, which motion duly carried by unanimous consent of the members present, the Board approved the agenda.

5. APPROVAL OF THE APRIL 17, 2013 MINUTES

Upon motion by Member Martini, second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board approved the April 17, 2013 minutes.

Chairman Carrigan opened the public hearing on the 2013-2014 Budget and Resolution #192.

6a. PUBLIC COMMENT ON ITEM 6b

There was no public comment.

6b. DISCUSSION AND REQUEST FOR ADOPTION OF RESOLUTION #192: A RESOLUTION TO ADOPT THE FINAL BUDGET FOR FISCAL YEAR 2013-2014 AND THE 2014-2018 FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Jeff Tissier presented the budget and stated that there were no major changes from the tentative budget that was presented in April of 2013. This same tentative budget was also presented to the TMWA Standing Advisory Committee (“SAC”) at their meeting on May 7, 2013. No additional comments or changes were requested and so he would recommend that this final budget be adopted.

Chairman Carrigan asked if the budget reflected the rate increase which is scheduled to begin in February of 2014. Mr. Tissier confirmed that it did.

Upon motion by Member Jardon and second by Member Jung, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution #192 and adopted the final budget for Fiscal Year 2013-2014 and the Five Year Capital Improvement Plan.

Chairman Carrigan closed the public hearing on the FY2013-2014 Budget

7a. RATE AMENDMENT, INTRODUCTION; INTRODUCTION AND FIRST READING OF AMENDMENTS TO TMWA RATE SCHEDULE WSF – WATER SYSTEM FACILITY CHARGES TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO

Scott Estes referred to the staff report dated May 7, 2013 and stated that developer fees are the main way that TMWA follows the Board mandated guideline of requiring growth to pay for growth. He also noted that it has been five years since the last fee adjustment; mainly because there has not been a lot of growth due to the decline in the economy. This adjustment is being requested to incorporate actual costs from several large projects which have been completed in the last couple of years. He also noted that TMWA made a formal presentation of these fee adjustments to the Builders Association of Northern Nevada (“BANN”) and also to the SAC, and neither group voiced any significant concerns regarding the proposed adjustments. Additionally, a public workshop was held and no comments were received.

Chairman Carrigan said that the only item that caught his attention was the change in Area 9 -- which was a 25 percent increase. Mr. Estes clarified this change stating that the entire amount of the increase was due to a finance charge being added for the first time to that area. He added that the need to incorporate finance charges in several areas is another reason for the fee change request.

Upon motion by Member Jardon, second by Member Martini, which motion carried unanimously by the members present, the Board moved to refer the item to a Second Reading.

7b. RULE AMENDMENT, INTRODUCTION: INTRODUCTION AND FIRST READING OF AMENDMENTS TO TWMA RULES 5 AND 7 TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO

John Erwin addressed the area of the rules amendments stating that the main reason for the changes was to synchronize Rules 5 and 7. The goal is to get clarity in these rules as they relate to tenant improvements and when various TMWA fees apply. The purpose is to address instances when an underestimation of water demand at a service property has occurred and therefore an under-collection of appropriate fees. These amendments will allow collection of any additional actual costs resulting from prior underestimates. This clarification to Rule 5 will eliminate any contradiction between Rule 5 and Rule 7 and allow them to be synchronized and work appropriately.

Upon motion by Member Jardon, second by Member Martini, which motion carried unanimously by the members present, the Board moved to refer the item to a Second Reading.

8. DISCUSSION AND REQUEST FOR BOARD AUTHORIZATION FOR THE GENERAL MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT WITH WESTERN REGIONAL WATER COMMISSION FOR THE ACQUISITION OF WATER QUALITY RIGHTS

Mr. Erwin referred to the Interlocal Agreement dated May 6, 2013. He stated that the Western Regional Water Commission (“WRWC”) has set aside the amount of \$2.7 million with the understanding that TMWA will act on their behalf to acquire the water rights which are part of the shared goal of TMWA and WRWC in the implementation of the Truckee River Operating Agreement (“TROA”) Section 1.E.4. Reno, Sparks and Washoe County have an obligation to meet acquisition of 6700 acre-feet; of which close to 3300 acre-feet has been identified to-date. Since the pricing of water rights is currently very favorable and there is a funding source, it is a good time to adopt and execute this agreement.

Member Martini asked the total number of water rights that are held by TMWA. Mr. Erwin replied that as a total block TMWA holds 150,000 plus acre-feet; including ground water, storage rights, and surface water. However if this is in reference to Rule 7, the amount would be approximately 6800 acre-feet.

Upon motion by Member Martini, second by Member Zadra, which motion carried unanimously by the members present, the Board approved the Interlocal Agreement between TMWA and WRWC and authorized the General Manager to execute the agreement.

9. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING 2013 LEGISLATIVE ACTIVITIES AND CURRENT BILLS AND DISCUSSION

Mr. Erwin referred to the report dated May 16, 2013 and introduced Steve Walker, TMWA Lobbyist, and Mike Pagni, TMWA Legal Counsel, to give updates on the current legislation of interest to TMWA. Mr. Walker stated that as the Legislative session winds down, things are very hectic – but noted that as far as water issues and water rights, this was a relatively insignificant session for TMWA. All of the bills that had direct water issues and were subject to lobbying

have been changed. All the rest of the bills which they had been monitoring were in the category of administrative and are still being watched. He then briefly reviewed and gave updates on the following bills: AB 150, AB 169, AB 283, AB 396, SB 65, SB 123, SB 171, SB 232 and SB 283. Mr. Pagni stated that there are 18 days to go in the session, and the major focus is on taxes. The outcome is fairly unpredictable but all relevant legislation will continue to be monitored.

No Action was taken.

10. PRESENTATION OF FY 2014 COMMUNICATIONS PLAN, DISCUSSION AND POSSIBLE DIRECTION TO STAFF

Robert Charpentier, TMWA Communications Specialist, and Frankie Vigil, GoodStanding Outreach, presented this item. Referring to the FY2014 Communications Plan (“plan”) Ms. Vigil reviewed and gave highlights on this draft version. For background, she noted that a planning session which included Mr. Charpentier, Kim Mazeris, TMWA Director of Customer Relations, and Jessica Wiley, TMWA Human Resources Administrator, was held in October to review the goals which the Board had previously approved; and to analyze which of those goals communications could or could not help achieve. The plan is the outcome of that session and she asked Mr. Charpentier to give more details on what was created. He stated that this plan is a “living document” which can and should change as situations change.

Chairman Carrigan stated that he was interested in seeing a project that would address the many questions he has had people ask him about both the consolidation of TMWA and the Department of Water Resources (“DWR”) and TMWA and South Truckee Meadows General Improvement District (“STMGID”). He would like to see a story done to let people know what TMWA is trying to accomplish, especially in light of the many delays that have occurred.

Member Jung asked if TMWA has strategic plans in the area of water reclamation. Mr. Foree responded that wastewater is handled by Reno, Sparks and Washoe County and that they have extensive networks for reclaimed water use. So while TMWA does not directly deal with wastewater, we do a lot of work on water quality in cooperation with the Western Regional Water Commission (“WRWC”).

Member Jardon asked about the percentage of customers who respond to bill inserts and its effectiveness as a communication tool. Ms. Vigil said that they do track bill insert readership through the Customer Satisfaction Survey; and, when asking customers where they have heard about workshops or other informational items they have found that 9 times out of 10 customers do report having received the information from the inserts. Based on that feedback, they feel that this is still a very effective and appropriate place for messaging.

Upon motion by Member Jardon, second by Member Jung, which motion carried unanimously by the members present, the Board approved the FY2014 Communications Plan.

11. GENERAL MANAGER’S REPORT

Mr. Foree presented the General Manager's report to the Board. He began by mentioning an article that recently appeared in the April edition of "Water System Operator" magazine which lauded TMWA's outstanding energy management.

He also reported that although the Fleish Hydroelectric facility was out of operation for a few weeks due to leakage issues, TMWA is still on pace to equal last year's record hydroelectric revenue. He expressed gratitude for the outstanding job that the hydro crew has done again this year.

Lake Tahoe is currently 55 percent full; which should be adequate to allow normal hydroelectric operations for the rest of the calendar year.

12. PUBLIC COMMENT

There was no public comment.

13. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

14. ADJOURNMENT

With no further discussion, Chairman Carrigan adjourned the meeting at 10:28 a.m.

Approved by the TMWA Board of Directors in session on June 19, 2013.

Respectfully submitted,

Cara Rives, Recording Secretary