

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE JUNE 19, 2013
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday June 19, 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 Vaughn Hartung. Members Absent: Sharon Zadra and Neoma Jardon. A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Jung.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF THE AGENDA

Upon motion by Member Jung, 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 MAY 16, 2013 MINUTES

Upon motion by Vice Chairman Cate, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved the May 16, 2013 minutes.

Chairman Carrigan opened the public hearing on the Rate and Rule Amendments.

6a. PUBLIC COMMENT ON ITEM 6b

There was no public comment.

6b. RATE AMENDMENT, ADOPTION: SECOND READING, PUBLIC HEARING AND POSSIBLE ADOPTION OF RESOLUTION NO. 193, A RESOLUTION TO AMEND TMWA RATE SCHEDULE WSF – WATER SYSTEM FACILITY CHARGES TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO

Scott Estes, TMWA Director of Engineering, and John Erwin, TMWA Director of Natural Resources, presented this item to the Board. Mr. Estes stated that, if approved, the changes would go into effect as of July 1, 2013. He also stated that none of the fees collected by this rate adjustment are paid by existing customers but that pursuant to Board direction, it would be “growth paying for growth.” A presentation of this item was made to the TMWA Standing Advisory Committee (SAC) on May 7, 2013 and to the Builders Association of Northern Nevada (BANN) on May 6, 2013. A public workshop was also held on May 8, 2013 which was not attended by any member of the public. Member Hartung asked for clarification on the difference between the estimate and the actual amount spent in the Supply-Treatment fee as outlined in the staff report. Mr. Estes noted that a large part of the cost overrun was due to the Burkes Blvd. RCB (Reinforced Concrete Box) project, which was not even envisioned in the original estimate.

Mr. Erwin further explained that in April 2008 there was a major earthquake which resulted in the loss of Flumes 1 and 18. Many emergency measures were needed including the purchase of special pipe to bypass the flume and the purchase of new permits from the railroad to provide a new access for the new pipeline. The permits were an additional cost of a half million dollars which also could not be anticipated. Also, steel and concrete prices were at record highs at the time of construction, but because of the fact that this was emergency construction, purchases had to be made.

Mr. Estes also pointed out that that several large cost under runs were also realized during this period, including savings of \$1.4 million on the Glendale pumping improvements and an additional \$1.0 million saved on the Glendale Diversion project.

Mr. Hartung thanked Mr. Estes and the TMWA staff for their hard work and for the clarifications to his questions.

Upon motion by Member Hartung and second by Member Martini, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 193.

6c. RULE AMENDMENT, ADOPTION: SECOND READING, PUBLIC HEARING AND POSSIBLE ADOPTION OF RESOLUTION NO. 194: A RESOLUTION TO AMEND TMWA RULES 5 AND 7 TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO

There was no discussion on this item.

Upon motion by, second by Member Hartung, second by Member Martini, which motion carried unanimously by the members present, the Board approved Resolution No. 194

Chairman Carrigan closed the public hearing on Rate and Rule Amendments

7. DISCUSSION AND ACTION ON POSSIBLE APPROVAL OF A THIRD AMENDMENT TO THE INTERLOCAL AGREEMENT AMONG THE WESTERN REGIONAL WATER COMMISSION (“WRWC”), TRUCKEE MEADOWS WATER AUTHORITY (“TMWA”) AND WASHOE COUNTY (THE “COUNTY”) FOR REIMBURSEMENT OF CERTAIN EXPENSES, NOT TO EXCEED \$300,000, INCURRED IN EVALUATING AND IMPLEMENTING RECOMMENDATIONS REGARDING INTEGRATION/CONSOLIDATION OF PUBLIC WATER PURVEYORS; AND, IF APPROVED, AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE THIRD AMENDMENT

Jeff Tissier presented this item on behalf of Mark Foree, who was not present. Mr. Tissier explained that this item was for the reimbursement of shared expenses incurred in the process to pursue integration of the public water purveyors. Included in this amount are expenses for the due diligence on the possible merger between STMGID (South Truckee Meadows General Improvement District) and TWMA. To date, TMWA has spent approximately \$170,000 on due diligence. Mr. Tissier then submitted copies of the draft due diligence report on the STMGID water system, which was finalized on June 18, 2013. This report was also given to personnel at Washoe County Department of Water Resources (DWR) and to the legal counsel and the consulting engineer at STMGID, with the request that it be reviewed and returned with comments in 30 days, focusing on major elements of the document. Mr. Tissier expects that TMWA will then wait for an invitation from STMGID to answer any questions that they may have. Chairman Carrigan asked if there was any prediction as to when this merger would occur if this proposal is accepted. Mr. Tissier responded that a tentative focus date of July 1, 2014 is considered to be the most likely date, due to the number of transition elements that would need to be completed to effect the merger.

Upon motion by Member Jung, second by Member Martini, which motion carried unanimously by the members present, the Board approved the third amendment to the Interlocal Agreement and authorized the General Manager to execute the agreement.

8. DISCUSSION AND REQUEST FOR BOARD APPROVAL OF WATER SERVICE AGREEMENT BETWEEN TRUCKEE MEADOWS WATER AUTHORITY (“TMWA”) AND THE RENO SPARKS INDIAN COLONY

Andy Gebhardt, TMWA Customer Services Manager, presented this item. He stated that this agreement process originated when TMWA began billing the colony on a master meter back in December of 2011, and that it was presented to the TMWA Board at that time. The agreement has since been waiting for approval by the Reno Sparks Indian Colony, which occurred on May 29, 2013. Mr. Gebhardt indicated that although it has taken a while to get signatures to finalize the contract, the agreement is working well and he recommended the Board give final approval.

Upon motion by Member Martini, second by Member Hartung, which motion carried unanimously by the members present, the Board approved the agreement.

9. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING 2013 LEGISLATIVE ACTIVITIES AND SUMMARY OF TRACKED BILLS

Steve Walker, TMWA lobbyist, presented the final results of the 2013 Legislative session. He stated that rather than review all of the bills on the staff report, he would instead discuss only the bills that TWMA had taken a stand on.

Bills discussed were:

- AB 4: died
- AB 150: was vetoed
- AB 169: died
- AB 251: died
- AB 267: died
- AB 283: passed with amendments
- AB 285: died
- AB 301: died
- AB 318: died
- AB 396: died
- SB 65: passed
- SB 74: passed with amendments
- SB 77: died
- SB 123: passed
- SB 232: died
- SB 253: died
- SB 468: passed

Mr. Walker noted that as a whole the session was a good one for TMWA and that the cooperation between public entities was excellent, the best he has seen. He also stated that he would be keeping the Board apprised as there will likely be a water study, associated with the Public Lands study to begin in the near future. He also advised that all public meetings, including the TMWA Board of Directors meetings, will have to be noticed on the State website beginning on January 1, 2014. Chairman Carrigan thanked Mr. Walker for the fine job he does for TMWA.

No action was taken on this item.

10. PRESENTATION OF PROPOSED PROJECTS AND DISCUSSION AND ACTION ON RESOLUTION NO. 195: A RESOLUTION TO APPROVE FUNDING FOR THE PROJECTS RECOMMENDED BY THE TRUCKEE RIVER FUND ADVISORY COMMITTEE AND AN AUTHORIZATION FOR THE COMMUNITY FOUNDATION

TO FUND SUCH PROJECTS FROM FUND PROCEEDS

Ron Penrose, TMWA Project Manager and Truckee River Fund Liaison, presented a request for additional riverbank rehabilitation from the City of Reno. He explained that this request augments a request previously made in March 2013 and approved by the Board at that time. The request asks for an additional \$12,440. The additional work will benefit the water quality in the river by reducing turbidity and sediment loading at the Glendale Water Treatment Plant.

Upon motion by Vice Chairman Cate, second by Member Martini, which motion carried unanimously by the members present, the Board approved Resolution No. 195.

11. DISCUSSION AND ACTION ON NOMINATION OF CHAIRMAN AND VICE CHAIRMAN AND REQUEST FOR BOARD ADOPTION OF RESOLUTION NO. 196 APPOINTING A CHAIRMAN AND VICE CHAIRMAN FOR FISCAL YEAR 2014

There was no discussion on this item.

Upon motion by Member Martini, second by Member Jung, which motion carried unanimously by the members present, the Board adopted Resolution No. 196 appointing Mike Carrigan as Chairman and Mike Cate as Vice Chairman for the Fiscal Year 2013-2014.. The term begins on July 1, 2013.

12 GENERAL MANAGER'S REPORT

Jeff Tissier presented the General Manager's report to the Board. He reported that Lake Tahoe is over half full, Independence and Donner Lakes are both full, and that normal Truckee River flows for the remainder of the calendar year are expected. Additionally, TMWA is also on track to break the record for hydroelectric generation for the second year in a row. Mr. Tissier said that the "hydro guys" are doing an outstanding job and managing this record production despite a leaking seal on one of the turbines.

12. PUBLIC COMMENT

There was no public comment.

13. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Chairman Carrigan requested that follow up be done by staff at TMWA to respond to an editorial

in the Reno Gazette Journal by a citizen who is concerned about the water situation and believes we are in a water crisis. He asked that she be contacted and given accurate information. He was assured that a representative would contact her right away.

14. ADJOURNMENT

With no further discussion, Chairman Carrigan adjourned the meeting at 10:24 a.m.

Approved by the TMWA Board of Directors in session on August 21, 2013.

Respectfully submitted,

Cara Rives, Recording Secretary