



## STANDING ADVISORY COMMITTEE

### MINUTES

October 1, 2013

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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 3:00 p.m.

#### 1. ROLL CALL

**Members and Voting Alternates Present:** George Ball, Robert Chambers, Harry Culbert, Bruce Gescheider, Colin Hayes, Larry Hunt, Ben Hutchins, Jim Maass, Neil McGuire, Jonnie Pullman, and Ron Turner.

**Alternates Present:** Mike Heffner, Larry Hunt, Karl Katt, Ken McNeil, Mike Pidlypchak, Paul Rose, Jim Smith, Fred Schmidt and Jerry Wager.

**Staff Present:** Jack Byrom, Robert Charpentier, Amanda Duncan, John Erwin, Mark Foree, Scott Estes, Kim Mazeres, Karen Meyer, Paul Miller, Pam Parenti, Shawn Stoddard, Jeff Tissier, Steve Volk, 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 AUG 6, 2013 MEETING

**Upon motion duly made and seconded, and carried by unanimous consent of the members present, the SAC approved the minutes of the August 6, 2013 meeting.**

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

Jeff Tissier presented this item to the Committee. He began by reminding the group of the history of the merger, including the term sheet that was presented to the TMWA Board in

December of 2012 by the STMGID Board. Due diligence was then completed by TMWA staff, and TMWA made a determination that the terms listed in the term sheet were acceptable. On August 1, 2013, TMWA representatives were invited to the STMGID Board of Trustees meeting and answered questions about the due diligence and proposed merger. STMGID then held a public workshop on August 29, 2013. At STMGID's request representatives of TMWA attended and answered a variety of questions. There has also been some dialogue between attorneys on both sides and a group appointed by the STMGID Board of Trustees. TMWA has been clear that no new terms beyond what STMGID presented in the term sheet will be accepted.

Fred Schmidt asked questions about the terms of the merger and rates that would be in effect after the merger, as well as whether the STMGID Board had voted on the merger. Mr. Tissier responded that there has not been a vote, although one is expected at the December 2013 meeting. Mr. Tissier also stated that, should the merger be approved, there would be no impact on current rates. The result will be separate TMWA, DWR and STMGID rates.

Ron Turner asked about the timing of the merger. Mr. Tissier stated that the merger was expected to occur by December 2014 at the latest, if things continue to move ahead favorably. Mr. Turner also inquired about the excess cash issue. Mr. Tissier explained that STMGID has approximately \$800,000 that is set aside for arsenic mitigation that, with the merger, will not be needed. Some discussion ensued regarding other physical assets belonging to STMGID, as well as developer and operating funds also ensued. A question about possible problems with Well #9 was raised. In response to the Well #9 issue, Scott Estes, TMWA Director of Engineering, responded that there are potential water quality issues and cost of operations issues that will need to be examined.

Chairman McGuire inquired about the use of surface water. Mr. Estes explained that surface water as well as groundwater are used in STMGID's distribution system.

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

Jeff Tissier presented this item to the Committee. He explained that this merger had been slowed until the STMGID merger moved forward. TMWA has had recent meetings with the interim County Manager and county staff to discuss this merger. One of the items under discussion is the effort to connect Fish Springs via pipeline into the Lemmon Valley and TMWA systems. Stantec Consulting is designing an intertie for this purpose, and predicted costs are approximately \$800,000.

Next steps in this negotiation are a vote between the STMGID Board, Washoe County Commission and the TMWA Board. This vote would need to occur at a joint meeting no later than January 2014 in order to have the merger complete by December of 2014. The longest two lead time items in the merger are labor negotiations and billing conversion.

Johnnie Pullman asked for clarification on the labor negotiation issue. Mr. Tissier answered that there would need to be resolution of occupational seniority and pay scales.

Fred Schmidt asked if the Fish Springs issue had been resolved. Mr. Tissier said that yes that this project should be moving forward. More discussion by the committee and staff about the blending of employees between DWR and TMWA and pre-merger due diligence ensued.

## 7. PRESENTATION ON TMWA UTILITY COORDINATION WITH OTHER COMPANIES/AGENCIES

Scott Estes, TMWA Director of Engineering, introduced this item and referred to the staff report dated October 1, 2013. He stated that approximately \$4 million was spent during 2013, and that \$5.5 million is budgeted annually for utility coordination. He then introduced Jack Byrom, TMWA Supervising Project Manager, and Steve Volk, TMWA Senior Construction Engineer. Mr. Byrom gave a brief history and description of the Street and Highway Coordination Committee (SHCC), which was formed in 2001. He pointed out that SAC Member Mike Pidlypchak was instrumental in the creation of the SHCC and was the originator of the idea.

At its start the SHCC consisted of four members, and has now grown much larger. The objective was, and is, to promote the early identification of projects that may impact multiple agencies and to coordinate activities to ensure safety and efficiency. Currently, Mr. Byrom and Mr. Volk meet on a regular basis with representatives from other agencies and also host a twice monthly utility meeting. Invited agencies include NV Energy, City of Reno, City of Sparks, Washoe County, RTC (Regional Transportation Commission), NDOT (Nevada Department of Transportation), AT&T and Charter Communications, as well as other utility and consulting engineers.

Mr. Byrom cited the recent construction project on Plumb Lane as an example of the work done by the SHCC; he stated that over one year of planning was done to ensure the lowest cost and least public impact.

Chairman McGuire inquired about how coordination is done with private companies. Mr. Byrom answered that sewer and storm drain construction has very little flexibility, but natural gas, water and electric are somewhat easier utility lines to move. Member Mike Pidlypchak explained that franchise agreements usually cover this, as do Right of Way agreements and State Law. He also said that budget constraints are also a factor.

Mr. Byrom closed by stating that the SHCC has been very successful and that the result is a significant savings to the customer/taxpayer.

## 8. PRESENTATION ON THE SOUTH TRUCKEE MEADOWS WATERSHED AND AQUIFER

John Buzzone from Stantec Consulting presented this item. Mr. Buzzone stated that he is new to Stantec having previously been employed at Washoe County Department of Water Resources. His PowerPoint presentation was on the status of the groundwater conditions in the South Truckee Meadows.

Mr. Buzzone talked about recharge to the aquifer, which is primarily from snowmelt off the mountains. The snow melt flows into the aquifer and is pulled out by the wells and by plants in the wetlands, which is a process known as evapotranspiration. He also explained that it is important to recognize that recharge needs to always equal the discharge from an aquifer. If the demand on an aquifer increases, it must be recharged from other areas. The estimate of how much ground water is currently being used in the South Truckee Meadows is 8700 acre feet, approximately. Appropriated groundwater rights are much higher, at 12-13,000 acre feet.

Groundwater issues in the area center on increased water production from municipal wells in conjunction with ongoing pumping by domestic wells. In areas where domestic wells are in close proximity to production wells, there is a net reduction in water levels. This reduction has created the need to assist or mitigate declining water levels. A program was set up by Washoe County for affected wells, which is funded by both Washoe County and STMGID. There are approximately 510 wells in the mitigation area.

One of the committee members asked who regulates domestic wells. Mr. Buzzone responded that domestic wells are entitled to pump 2 acre feet per year and the State Engineer is responsible for monitoring and enforcement. In addition, there are no specific regulations on domestic well water quality; so unless the private well owner is testing the water on their own, they are not guaranteed that the water is free of chemicals such as arsenic, antimony, etc.

A ground water model for the Mt. Rose fan area was developed by DWR and Desert Research Institute (DRI) personnel to analyze data to assist with the management of water resources. Based on five different scenarios, the model found that in almost all cases, as pumping rates increase, water levels drop, but then over time, water levels tend to stabilize to a new equilibrium. When groundwater levels stabilize at a lower level, discharge amounts to wetlands and springs may decrease. The model also identified potential problems in some scenarios that predicted that municipal wells could experience declining levels as well. In two of the scenarios some municipal wells dropped below the level of the screens on wells.

Geothermal wells are prominent in this area of town and experience other issues including chemicals such as boron, arsenic and other metals in the water. Geothermal wells tend to be much deeper than other wells, 2,000-4,000 feet deep on average. A particle tracking study using the model found that geothermal particles tend to go in a north easterly direction – toward Steamboat creek – which is in the opposite direction of the municipal wells.

A committee member asked if TMWA plans to handle the issue of water resources in the same

manner as DWR has in the past. Shawn Stoddard responded that TMWA is currently evaluating the model in order to understand this area better.

9. 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 voted to cancel the November 5, 2013 meeting and set the date of the next meeting as Tuesday, December 3, 2013, at 3 p.m. and requested the following items be placed on the agenda:**

- 1. Update on merger of STMGID into TMWA**
- 2. Update on merger between TMWA and DWR**
- 3. Financial update (through Sept 2013) and update of current rates, including data on possible rate hike**
- 4. Overview of Water Rights – basics (20 minutes)**

10. STAFF ITEMS

Paul Miller, TMWA manager of Water Operations, announced the award recently received by TMWA from the Partnership for Safe Water. The award is the “Directors Award of Recognition” which was given to the Chalk Bluff Treatment plant and recognizes outstanding water quality at the plant. This award has been earned by only two percent of water treatment plants in the United States and is a very prestigious award. Mr. Miller commended his staff for their dedication to maintaining high standards and the shared commitment to excellence. Mr. Miller then showed a video about the award and gave out commemorative water bottles to each committee member.

11. COMMITTEE ITEMS

There were no committee items.

12. PUBLIC COMMENT

There was no public comment.

13. ADJOURNMENT

With no further items for discussion, Chairman McGuire adjourned the meeting at 5:07 p.m.

Approved by the Standing Advisory Commission in session on December 3, 2013

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Cara Rives, Recording Secretary