



STANDING ADVISORY COMMITTEE

MINUTES

January 7, 2014

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 3:02 p.m.

1. ROLL CALL

Members and Voting Alternates Present: Rebecca Allured, George Ball, Harry Culbert, Bruce Gescheider, Kevin Haddock, Colin Hayes, Karl Katt, Neil McGuire, Fred Schmidt and Ron Turner.

Alternates Present: Mike Heffner, Larry Hunt, Ken McNeil, Mike Pidlypchak, Paul Rose, Jim Smith and Jerry Wager.

Staff Present: Jack Byrom, Robert Charpentier, John Erwin, Mark Foree, Scott Estes, Paul Miller, Ron Penrose, Cara Rives, Shawn Stoddard, Jeff Tissier, Bryce Twichell 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 DECEMBER 3, 2013 MEETING

Upon motion duly made and seconded, and carried by unanimous consent of the members present, the SAC approved the minutes of the December 3, 2013 meeting.

5. UPDATE ON BOARD ACTIONS REGARDING THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT (STMGID) MERGER, RATE ADJUSTMENT AND SAC MEMBERSHIP

Mark Foree informed the SAC that on December 5th, the STMGID Board unanimously approved the merger agreement; and then, on December 11, 2013, the TMWA Board also unanimously

approved the agreement. He commented that he felt this was a great outcome on a fairly long process. He expressed that congratulations were due for both sides for its success.

He also reported that the Board decided to delay the Phase 3 rate adjustment for one year, until February 2015, as was recommended by the SAC. The Phase 2 rate adjustment will go forward as scheduled in February 2014. Additionally, the Board approved the recommendations by staff of all SAC membership renewals.

A few items remain for the STMGID merger, including ordinances by Washoe County to dissolve STMGID, which should occur within the next few months. The merger with STMGID will also occur simultaneously with the merger with the Washoe County Department of Water Resources (DWR).

Fred Schmidt asked if there would be a chance for the SAC to review the financials before the implementation of Phase 3 in 2014. Mr. Foree confirmed that the information would be presented to the SAC before any implementation.

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

Mr. Foree explained that in response to a request from last month's meeting, this month's SAC packet included a report presented to the Board on October 16 containing a merger project list with rough timelines for each project. The projected date for completion of the merger is Dec 31, 2014, and in line with that date TMWA will be preparing a more detailed project schedule with several critical path items included. If any of those critical items don't get completed on schedule, the final date would also be affected; however, it is the opinion of staff that the Dec 31 date is very achievable. Jeff Tissier reported that John Sherman has been named project manager by the County for the merger, which is good news since Mr. Sherman is very experienced and knowledgeable. A meeting will be scheduled between the Board of County Commissioners and the TMWA Board for late February or early March, as both boards must approve moving to merger implementation. Some of the issues that need to be dealt with include porting over of customers into TMWA's billing system, importing SCADA data, the resolution of the issues of the Fish Springs Ranch system, and the installation of a pipeline to tie in DWR's Lemmon Valley system to the TMWA system.

Mr. McGuire asked who pays for the pipeline. Mr. Foree said it doesn't really matter since once the merger is completed all the money comes from the same source. Mr. Tissier clarified that this project had already been budgeted for in the most recent 5-year forecast.

Mr. McGuire also asked if there was a plan for replacement of the DWR meter boxes since

TMWA has different boxes. TMWA has rectangular concrete boxes, DWR has round plastic boxes. Scott Estes said that no formal replacement would be done, and that more than likely they would be replaced as they fail. Mr. Foree also mentioned that the round ones do have more leaks and do not last as long.

7. REPORT ON THE WATER SUPPLY

Bill Hauck, TMWA Senior Hydrologist, stated that it has been a disappointing start to the water year, which officially began in October 2013. The snow pack is currently about 20 percent of average and it is the 4th driest first quarter of a water-year--October to December-- of record. There are some winter months left, so there is still hope that things will get better.

Lake Tahoe is the largest source of water for the area. When Lake Tahoe is full, it takes 2-4 years to deplete. It can also fill up quickly, as happened in 2006, when it rose 5 feet in one winter. When the Lake goes below the rim, no water flows out of the lake into the Truckee River.

The good news is that we are prepared for this; in fact TMWA has adequate reserves for a 9-year drought period. TMWA has water stored in upstream reservoirs, including Independence Lake, Donner Lake, Stampede and Boca, and additionally can pump more ground water if needed. So while we don't like being in a position like this, for this year at least, it's still business as usual.

Jerry Wager asked if the weather continues to be dry like it was last year, whether there would be additional restrictions on agricultural or residential irrigation. John Erwin, TMWA's Director of Natural Resources, replied that TMWA's water resource plan contains guidelines for implementing more stringent conservation activities based on Tahoe elevations. The guideline is based on the elevation of Lake Tahoe. If the elevation is projected to drop below the rim before Labor Day, then TMWA is in a Stage 3 drought situation, which means increased education about using water more wisely and expansion of no outdoor watering times from 12 PM to 6 PM to 11 AM to 7 PM. If the elevation drops below the rim after Labor Day, then we would continue in Stage 2, where we are now, and no changes would be made.

Mr. Foree commented that since TMWA was formed in 2001, we have never had to draw on the drought reserves in upstream reservoirs, although in 2005, it was close.

8. PRESENTATION ON THE BASICS OF WATER RIGHTS AND TROA

John Erwin continued the discussion on the water supply and expanded it to include his presentation on water rights.

He explained that the distance between Lake Tahoe and Pyramid Lake is about 110 miles. He stated that the cities of Reno and Sparks, and all of our other water sources, are located in the area between those two Lakes. Donner Lake holds approximately 9,500 acre feet (AF) of storage and TWMA owns half of the storage rights in that lake. Donner releases are restricted between May 15th and Labor Day; with elevations of 5932 – 5938 AF that must be maintained. So any releases out of Donner cannot drop the elevation in that lake below those levels before Labor Day. Prosser is a federally owned reservoir that holds approximately 25,000 AF and is used for recreation and fish recovery usage only; water stored there does not contribute to the Floriston rates. Further down is Independence Lake, which holds approximately 17,000 AF; and TMWA owns all the storage rights in that reservoir. It is currently at approximately 14,000 AF. Stampede Reservoir is also federally owned and has a 225,000 AF capacity. It is currently about half full. The water in Stampede is used for fish recovery and recreation. Boca Reservoir holds 40,800 AF and the dam is owned by the federal government but the storage rights are held in common by the water right holders within the Truckee Meadows who are represented by the Washoe County Conservation District. The water stored there is to be released to meet the Floriston, aka, Farad rate.

Mr. Erwin then gave a brief overview of the Truckee River Operating Agreement (TROA). He explained that the Federal Government owns reservoirs, but has no water rights. TMWA has water rights but needs more reservoirs. The Pyramid Lake Paiute tribe has endangered species and therefore needs water during wet years, but not so much during dry years. TWMA needs water during the dry years, so the agreement seeks to balance those complimentary needs.

Mr. Erwin then referred to the supplementary information which was sent to the committee members and gave a brief overview of individual water rights and how to research them on the State Engineers office website.

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 February 4, 2014 and March 4, 2014 meetings and set the date of the next meeting as Tuesday, April 1, 2014 at 3 p.m. and requested the following items be placed on the agenda:

- 1. Update on the merger between TMWA and STMGID**
- 2. Update on merger between TMWA and DWR and review of**

critical path items.

3. Report on the tentative budget

4. Report on the Snowpack

10. STAFF ITEMS

Mr. Tissier announced that TMWA had met with John Sherman who is the project manager for Washoe County to discuss the scheduling of the Joint Meeting for the merger. He also noted that if the joint meeting occurs in early March, he would not have any information to discuss with the SAC until April. The committee then agreed that the next meeting should not be until April of 2014.

11. COMMITTEE ITEMS

Member Gescheider requested that the critical path items for the upcoming merger be shared at the next meeting.

12. PUBLIC COMMENT

There was no public comment.

17. ADJOURNMENT

With no further items for discussion, Chairman McGuire adjourned the meeting at 4:59 p.m.

Approved by the Standing Advisory Commission in session on April 1, 2014

Respectfully submitted,

Cara Rives, Recording Secretary