



## STANDING ADVISORY COMMITTEE

### MINUTES

November 4, 2014

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The Standing Advisory Committee (SAC) met at Truckee Meadows Water Authority (TMWA) 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\*, Robert Chambers, Mike Pidlypchak, Bruce Gescheider, Carol Litster, Neil McGuire, Mike Schulewitch, Jim Smith, and Ron Turner.

**Alternates Present:** Mike Heffner, Ken McNeil, and Jerry Wager.

**Staff Present:** Jessica Atkinson, Jack Byrom, Robert Charpentier, John Enloe, Scott Estes, Sonia Folsom, Mark Foree, Bill Hauck, Paul Miller, Kim Mazeres, 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 Committee approved the agenda.**

#### 4. APPROVAL OF THE MINUTES OF THE OCTOBER 7, 2014 MEETING

**Upon motion duly made and seconded, and carried by unanimous consent of the members present, the Committee approved the minutes of the October 7, 2014 meeting.**

5. CONSOLIDATION PROGRESS REPORT (STANDING ITEM) - REPORT AND UPDATE ON STATUS OF MERGER WITH WASHOE COUNTY COMMUNITY SERVICES DEPARTMENT AND SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT WATER UTILITIES

Jack Byrom provided a brief update on the merger status. Mr. Byrom reported that significant critical tasks have been completed, especially in the legal area where six agreements were approved by both TMWA's and Washoe County Boards. Most importantly, a resolution was passed that allows TMWA's General Manager, Mark Foree, and Washoe County's ("County") Manager, John Slaughter, to implement and approve any actions or items that will occur post-merger. He informed the Committee that the process is going well and that:

- 76 out of 126 tasks on the legal checklist have been completed;
- 132 out of 275 tasks on the master schedule have been completed;
- Human Resources has started the shadowing and transition program;
- The Fish Springs project is operating and water is being supplied into the North Stead area;
- The new customer service billing system went live on Monday November 3;
- The new Supervisory Control and Data Acquisition (SCADA) system is running parallel with the County to ensure everything is working properly; and
- The warehouse expansion has begun and is set to be completed by the end of March.

Bob Chambers asked if there were any problems to be decided by the Managers of TMWA and County, were there any restrictions that would require both parties having to go back to their respective boards. Mr. Byrom responded that it would have to be material or or have financial impact. Mark Foree added that they have been given authority to sign closing documents.

6. PRESENTATION OF VISION, VALUES AND BUSINESS OBJECTIVES

Mr. Foree reported that the process to review the vision, values and business objectives started approximately two years ago in which TMWA contracted with Breakthrough Training located in Reno. The training was offered to all of TMWA's employees on a voluntary basis and 60 percent of employees participated. He commented that the sessions focused on team work and goal setting, as well as TMWA's culture and the importance of a company culture in successful companies. Since TMWA is going through many changes, the sessions also addressed what is being done and how it is being conducted, both currently and what needs to change in the future.

Mr. Foree presented TMWA's customer satisfaction rating of 93 percent (represented in TMWA's annual customer satisfaction survey), stressing the importance of excellent customer service and culture at TMWA. He stated that due to the consolidation TMWA becomes a regional water provider, and staff thought the timing was beneficial to review and update the vision statement, core values and business objectives since the current ones were crafted in 2001. He mentioned that the new employees from the County will be made aware of what the culture is at TMWA and the way things are done around here in order to succeed. Finally, the

process was not a managerial exercise. Rather, it was an employee driven process. After the core values were developed, other groups worked on the vision and business objectives.

Jessica Atkinson, TMWA's Human Resources Administrator, added that because core values are the basis of how decisions are made, identify TMWA's core values was a good place to start this process. Ms. Atkinson reiterated that they enlisted over 40 employees from all departments and levels throughout the organization. The sole task of this group was to identify what TMWA's Core Values are. Over a period of three sessions and approximately 12 hours, the group synthesized the information and came up with five core values. Ms. Atkinson presented TMWA's Core Values using the acronym "P.R.I.D.E.":

POSITIVE – Have a great attitude...be positive!  
RESPECT – Care about others...show respect!  
INTEGRITY – Do the right thing...demonstrate integrity!  
DEDICATED – Commit to success...be dedicated!  
EXCELLENCE – Pursue greatness...achieve excellence!

Ms. Atkinson mentioned that throughout the process, there was involvement and ownership from everyone who participated and that every single employee at TMWA is proud of what they do, the service they provide, proud of their community and part of the team.

Robert Charpentier presented the Vision video and new vision statement:

*"To enhance the quality of life in the Truckee Meadows by delivering exceptional, customer-focused water services. "*

Kim Mazeres presented TMWA's Business Objectives:

- Provide high quality service 24 hours a day, every day.
- Deliver high quality water in a cost effective manner.
- Plan, develop and implement solutions that increase efficiency and productivity.
- Maintain a safe and secure working environment.
- Provide the tools, training and environment to foster employee growth and achievement.
- Communicate effectively with the public, stakeholders and employees.
- Manage water resources and plan facilities to meet the community's water needs.

Bruce Gescheider asked if the 28 employees coming from the County were part of the process. Mr. Foree replied that they were not, but they do plan on using Breakthrough Training to help with the transition.

Mike Heffner mentioned that in years prior, he went through Breakthrough Training and it was an amazing experience. Mr. Heffner added that the goal was to set out goals they thought were actionable and try to figure out a way to get there. He asked if TMWA established benchmark objectives. Mr. Foree replied that the training was focused on personal growth and personal goals.

Ron Turner requested that copies of the PowerPoint presentation be emailed to the Committee members.

Mr. McGuire stated that it would be interesting to see if the customer satisfaction rating increases as more information has been provided to the public and the fact that there are people who still do not know about TMWA. He also stated it would be interesting to see the changes in public perception in the coming years after the merger.

Mr. Gescheider asked if the main difference between the new and old vision statements was the quality of life issue. Mr. Foree replied that the term 'water services' has a greater meaning than that of 'water purveyor' and that TMWA may provide additional services in the future, such as stormwater, sewer, etc. Use of the term 'water services' in the new vision statement is more encompassing.

Rebecca Allured stated she likes the new vision statement.

Mr. McGuire agreed with Ms. Allured because this is what the Committee has committed to for all these years and he gets people who do not understand what a mission statement means as far as the Truckee River and keeping it clean.

Mr. Foree stated that TMWA staff is heading out to the Truckee River on Friday November 7<sup>th</sup> to help clean up the river and encouraged members to join.

Mr. Heffner commented that if business objectives cannot be measured, it would be hard to know what they are achieving. Ms. Mazeres replied that there are goals supporting these objectives, which are measured.

## 7. REPORT ON THE WATER SUPPLY AND CONSERVATION EFFORTS

Bill Hauck provided a brief overview of this agenda item. Mr. Hauck reported that in a normal year river flow should be 400 cubic feet per second (cfs), but it is currently about 70 cfs with no releases from the reservoirs. He stated that Lake Tahoe is about three inches below the rim with no water coming out of the lake.

Mr. Hauck stated that normally we take about 90 percent of our water from the Truckee River, but this year there was not enough water to do that. From August 20, in order to meet customer demands, TMWA released stored water from Stampede, Boca and Donner reservoirs, plus additional groundwater pumping. In a typical year, TMWA operates using approximately 90 percent surface water and approximately 10 percent groundwater, which is the most cost effective way to operate. Mr. Hauck reported that TMWA stopped releasing drought reserves about 10 days earlier since customer demands have decreased.

Mr. Hauck reported that TMWA's goal was to not use more than 5,500 acre feet (AF) of drought reserves. During 2014, TMWA used about 4,900 AF of reserves. He confirmed the reason staff chose the goal of 5,500 AF was because even if there is another dry winter, the reserves would

be refilled 100 percent to 27,000 AF. Therefore, TMWA met its objectives from a water supply perspective.

Shawn Stoddard stated that one of the things staff evaluates to measure conservation results is that water demands are also a function of temperatures. Mr. Stoddard stated that temperatures for September this year were two to three degrees warmer than last year. For one degree change in temperature, staff expects about a three percent change in water demand, holding everything else the same. Mr. Stoddard presumed that if TMWA had not piloted the conservation program, it would not have been unreasonable to see approximately eight and half percent increase in water usage more than last year just based on temperature. He stated that considering these variables, TMWA hit its ten percent conservation goal.

Mr. Hauck stated that TMWA used about 18 percent of drought reserves and there are several wells online that are projected to pump close to 11,000 AF by the end of the year. In a typical year, TMWA pumps about 6,000 AF of groundwater over the year.

Mike Schulewitch asked if Mr. Stoddard had done any models to combine the three water service companies to better understand water usage for the County, STMGID and TMWA. Mr. Stoddard replied that he has models that show water demands for County customers and STMGID, but the combined model of all three will be done at a later date.

Jerry Wager asked to what extent groundwater levels recover during the winter time. Mr. Hauck replied that TMWA has been monitoring one area in particular that was extremely impacted this summer, which coincided with the ditches -- a major source of groundwater recharge for the basin -- being turned off. The ditches were shut off July 30, so since that time, the ditches have not been recharging the aquifers. A few weeks later, TMWA started pumping some of the wells heavily in that area and saw some significant drawdown.

Mr. Wager asked if the ditches were cut off in the 1990s during the drought. Mr. Foree replied that is correct and added that, this winter, TMWA will be conducting artificial recharge throughout the groundwater system.

Mr. McGuire asked about the average use of water for TMWA customers and whether staff has similar figures for STMGID and DWR. Mr. Stoddard replied he is in the process of getting the usage data and will conduct the analysis at that time.

Mr. Wager asked if staff had a figure for how much water is used per square meter of lawn. Mr. Stoddard replied that historically it is 25 gallons/square foot annually for turf.

Discussion began between Mr. McGuire, Mr. Gescheider and Mr. Heffner regarding the appropriate time to turn off irrigation due to the unseasonably warm weather.

Mr. Heffner asked how long TMWA's drought plan was. Mr. Foree replied it is for nine years. Mr. Heffner asked that if it is a nine year drought plan and we have used drought reserves this year and it will be replenished by next summer, does this mean we restart the clock. Mr. Hauck replied no, that means we just used 1/5 of drought reserves to meet customer demands and

next summer will be year four of the drought. Ms. Mazeres added that we are still three years into a drought. Mr. Foree added that we have to look at the water level at Lake Tahoe and we have to look at the drought cycle, not each year individually.

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

1. Provide Consolidation Progress Report
2. Report on Water Supply, including overview of TROA
3. Report on Status of the Third Phase in Rate Increase **(For Possible Action)**
4. Present Fleish Hydro Tunnel video
5. Present Budget Augmentation for Merger **(For Possible Action)**

The members requested that we e-mail the Customer Satisfaction Survey presentation for their review.

Mr. Turner requested for the updated merger checklist to be emailed to the Committee members.

9. STAFF ITEMS

1. Update on Standing Advisory Committee Membership
2. Members will decide on Chair and Vice Chair in January

10. COMMITTEE ITEMS

There were no committee items.

11. PUBLIC COMMENT

There was no public comment.

12. ADJOURNMENT

With no further items for discussion, Chairman McGuire adjourned the meeting at 4:13 p.m.

Approved by the Standing Advisory Committee in session on December 2, 2014.

Respectfully submitted,

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Sonia Folsom, Recording Secretary