

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE NOVEMBER 19, 2014
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, November 19, 2014, at Sparks Council Chambers, 745 4th Street, Sparks, Nevada. Vice Chairman Cate called the meeting to order at 10:00 a.m.

1. ROLL CALL

Members Present: Mike Cate, Vaughn Hartung, Neoma Jardon, Kitty Jung, Geno Martini, and Julia Ratti, Alternate for the City of Sparks.

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 Hartung, second by Member Martini, which motion duly carried by unanimous consent of the members present, the Board approved the agenda.

5. APPROVAL OF THE OCTOBER 15, 2014 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 October 15, 2014 minutes.

6. ELECTION OF CHAIRPERSON TO FILL THE REMAINING TERM OF FORMER CHAIRMAN MIKE CARRIGAN

Michael Pagni, TMWA Legal Counsel, explained that former Chairman Carrigan's term of office expired under the Joint Powers Agreement (JPA). Therefore, his position as Chairman on TMWA's Board expired and a nomination and election for a new Chairman is required to fill the vacancy created by his absence for the remainder of his term, which ends on June 30, 2015.

Upon motion by Member Hartung second by Member Jung, which motion duly carried by unanimous consent of the members present, the Board elected Member Martini as Chairman of the TMWA Board for the remaining term of former Chairman Mike Carrigan.

7. CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 218 AUTHORIZING THE ISSUANCE OF THE AUTHORITY'S WATER REVENUE COMMERCIAL PAPER NOTES, SERIES 2006A AND SERIES 2006B, IN A COMBINED MAXIMUM PRINCIPAL AMOUNT OF \$27,000,000, FOR THE PURPOSE OF DEFEASING CERTAIN OUTSTANDING WATER OBLIGATIONS OF WASHOE COUNTY, NEVADA, OR, ALTERNATIVELY, TO PAY PROJECTS COSTS OR REFUND OR DEFEASE OUTSTANDING AUTHORITY OBLIGATIONS; AND RELATED MATTERS

Jeff Tissier, TMWA Chief Financial Officer, reported on this agenda item. Mr. Tissier stated that one of the final tasks to complete the merger between TMWA, the Washoe County Water Utility Division and the South Truckee Meadows General Improvement District is to defease \$26.1 million in outstanding water obligations of Washoe County (the "County"). He reported the most cost effective solution is the issuance of TMWA's tax-exempt commercial paper (TECP) to defease the water obligations of the County. The TECP program was expanded to accommodate up to \$27.0 million for defeasance purposes.

Upon motion by Member Hartung second by Member Cate, which motion duly carried by unanimous consent of the members present, the Board approved Resolution No. 218 authorizing the issuance of the Authority's water revenue commercial paper notes, Series 2006A and Series 2006B, for the purposes of defeasing certain outstanding water obligations of Washoe County, Nevada.

8. REQUEST FOR BOARD APPROVAL OF INTERLOCAL AGREEMENT BETWEEN WASHOE COUNTY AND THE TRUCKEE MEADOWS WATER AUTHORITY TO PROVIDE OPERATIONS AND MAINTENANCE SERVICES FOR THE GOLDEN VALLEY ARTIFICIAL RECHARGE PROGRAM

John Enloe, TMWA Strategic Operations Manager, reported on this agenda item. Mr. Enloe stated the Interlocal Agreement (ILA) permits TMWA to provide services to the County in order to maintain the County's program of providing water for recharge purposes which benefits over 600 domestic well owners in the Golden Valley area.

Mr. Enloe provided an overview of the history and benefits of the recharge program. TMWA would be taking over the responsibility for the field activities, overseeing the recharge activities and submitting the compliance report to the State. The County will continue to administer the program. TMWA's estimated cost to provide these services is \$36,000 per year.

Member Jung stated for the record, that the Golden Valley Property Owners Association, in 2010 purchased water rights. Member Jung asked if the water rights would be maintained and by which entity. Mr. Enloe responded that the rights would be maintained by the County, but there is a recommendation in the ILA to work with the County and Association to jointly develop a plan to address opportunities to improve processes and reduce costs.

Member Jung requested to be kept involved with the process since they are former constituents.

Upon motion by Member Jung second by Member Hartung which motion duly carried by unanimous consent of the members present, the Board approved the Interlocal Agreement between Washoe County and TMWA to provide operations and maintenance services for the Golden Valley Artificial Recharge Program effective on the closing date of the Merger.

9. PRESENTATION ON PROGRESS FOR ESTABLISHING A POST-RETIREMENT MEDICAL PLAN AND TRUST (§115) “THE TRUST” FOR WASHOE COUNTY EMPLOYEES TRANSFERRING TO TMWA IN CONNECTION WITH THE MERGER; REQUEST FOR BOARD AUTHORIZATION FOR THE GENERAL MANAGER TO ADMINISTER THE TRUST AND APPOINT TRUSTEES TO THE TRUST

Jessica Atkinson, TMWA’s Human Resources Administrator, and Mr. Tissier reported on this agenda item. Ms. Atkinson mentioned that Board directed staff to establish a new Post-Retirement Medical Plan and Trust (PRMT) in July for those County employees transferring to TMWA which will mirror the benefits currently offered by the County. She stated that the document is in the final stages of legal review and the final version will be presented to the Board at the December meeting.

Member Hartung asked Mr. Pagni if they can make one motion or if it needs to be two separate motions. Mr. Pagni replied that two separate motions need to be made.

Upon motion by Member Hartung, second by Member Jung, which motion carried unanimously by the members present, the Board approved establishing a Post-Retirement Medical Plan and Trust (§115) for Washoe County employees transferring to TMWA.

Upon motion by Member Hartung, second by Member Jardon, which motion carried unanimously by the members present, the Board approved the authorization for the General Manager to administer the Trust and appoint Trustees to the Trust.

10. REQUEST FOR BOARD APPROVAL OF AGREEMENT WITH VERDI BUSINESS

PARK COOPERATIVE FOR INTERIM WATER SYSTEM OPERATION

Scott Estes, TMWA Director of Engineering, reported on this agenda item. Mr. Estes stated that TMWA is very close to completing the acquisition of the Verdi Business Park (VBP) water assets, but the agreement cannot be completed until VBP closes their construction loan. They approached TMWA regarding an interim operating agreement and TMWA is interested in doing so with the terms and conditions set forth in the agreement, including that VBP will be responsible for their loan payments. Mr. Estes reported that staff is asking the Board to approve the agreement and also authorize the General Manager to execute the same.

Member Hartung asked how the current estimate of the annual surcharge for each property will be reflected on the customer's bill and will TMWA be responsible for the loan. Mr. Estes replied that TMWA will not be involved in making the payments to the loan until the acquisition is completed and at that time the loan will transfer to TMWA, and the surcharge will pay the loan payment amount.

Member Hartung asked how the payment of the loan will be reflected on the customer's bill. Mr. Estes replied that it will be a surcharge on their bill.

Upon motion by Member Hartung, second by Member Cate, which motion duly carried by unanimous consent of the members present, the Board approved the agreement with Verdi Business Park Cooperative for interim water system operation and authorized the General Manager to execute the agreement.

11. PRESENTATION OF REPORT ON FIRE HYDRANT MAINTENANCE

Pat Nielson, TMWA Distribution Maintenance & Generation Manager, reported on this agenda item. Mr. Nielson provided an overview of the fire hydrant maintenance program and stated that Washoe County Department of Water Resources has a Memorandum of Understanding with the Fire Authority dated 1998 that TMWA will assume with the merger and work with the County regarding repair of their underground facilities. Mr. Nielson stated that TMWA has an agreement with the City of Sparks whereby TMWA performs certain maintenance activities on the city's public fire hydrants and that hydrants are maintained on a biennial basis (every other year). He stated that currently the City of Reno maintains their own hydrants and those hydrants are also tested/serviced by them on a biennial basis.

Member Jung commented that the three methods of maintaining fire hydrants are very different between the three agencies. She inquired if TMWA customers are paying for hydrant maintenance in Sparks, but not Reno and the County. Mr. Nielson replied that is correct, it was an agreement made in 2007 in which Sparks entered into, but the other two entities have not.

Member Jung requested for this to be brought back to the Board in a future agenda item, in order to address the equity and fairness across all three entities of remuneration of funds for the services provided. Mr. Nielson agreed, and stated that the agreement with the City of Sparks was done with Board approval. However, since then Mr. Nielson stated that he has reviewed the resources required in order to maintain the City of Reno system.

Member Jung inquired if Mr. Nielson had reviewed the County figures. Mr. Nielson replied that staff has not looked into the number of County fire hydrants to be maintained at this time as the County has not requested that but TMWA can certainly work with the County on this topic. Member Jung requested staff to research whether everyone is paying equally if they are receiving the service.

Member Jardon asked how long it would take to produce the information Member Jung is requesting. Mr. Nielson replied that the resources required for the City of Reno has been analyzed, but the data for the County has yet to be collected and it will take a few months at a minimum. He reported that TMWA maintains only the public hydrants for the City of Sparks. That leaves the private hydrants for the City of Sparks to take care of, and they have recently started a program to have all of the private hydrants inspected.

Member Jardon and Chairman Martini inquired how long it would take to gather all the information and bring it back to the Board in a future agenda item. Mr. Foree stated that it took a couple of years to contract with the City of Sparks and the City of Reno has spoken with TMWA staff on several occasions over the years, but have not confirmed this is their intent. He continued that they would expect an agreement with the City of Reno to take a fair amount of time with plenty of work yet to be completed. He commented that with the Board having supported the agreement with the City of Sparks, staff would consider the same terms for the City of Reno and County if they desire that as well.

Chairman Martini requested that TMWA staff complete the process for the City of Reno agreement and bring it back to the board for review in a future agenda item. Mr. Foree replied that they will do so and TMWA staff is willing to work with the staff at the City of Reno anytime to develop the agreement.

Member Jardon added that they will initiate it at the City of Reno.

Mr. Nielson clarified that the numbers he is speaking of addresses the upfront cost to initiate the program, but the agreement itself will take much longer to complete. Member Jardon inquired if it had to do with labor issues. Mr. Nielson replied that is correct.

Chairman Martini reiterated that members of the Board will coordinate with their respective entities to ensure everyone is on the same page regarding the maintenance of the fire hydrants in the Cities of Reno and Sparks, and Washoe County.

Member Hartung asked for clarification regarding the difference between public and private hydrants. Mr. Nielson replied that a public hydrant is typically on a public street or right-of-way whereas a private hydrant is on private property, such as an apartment complex or shopping center parking lot.

Member Hartung asked if there was any liability for TMWA to maintain the fire hydrants, if they fail. Mr. Nielson replied that there is some liability, but if it was maintained within the last year and it failed (which can happen), there is another fire hydrant typically within 800 feet that is easily accessible. He stated that they looked at case law in regard to the agreement with the City of Sparks, and the agencies were not held liable unless gross negligence had occurred on the maintenance of the fire facilities.

Member Hartung questioned the maintenance schedule and if it is possible to resolve the discrepancy. Mr. Nielson replied that it is based on the ISO recommendations for insurance coverage. He stated that ISO would like to see it done every year, but, because of the cost associated with it, most agencies are on a two year schedule.

Member Hartung asked if it is typical for a water authority to maintain the fire hydrants, because fire departments usually maintain them. Mr. Nielson replied that the Truckee Meadows area is unique because Sierra Pacific owned the water system as a private utility and the fire hydrants were viewed as a public utility and since that time, the separation of public and private entities has continued. He stated that TMWA does not own the hydrants which are owned by the respective jurisdictional agencies and there was a fee each agency paid to the water company for each fire hydrant; this fee was eliminated when TMWA was formed.

Member Hartung stated that he was unaware of the discrepancy between the levels of service between TMWA and the fire departments. Mr. Nielson agreed and mentioned that the fire departments are adequately maintaining the hydrants, but at times, there are issues with “dirty water” calls and they avoid these issues with TMWA staff maintaining the hydrants.

Member Hartung asked if Stamp Mill will come under TMWA post-merger. Mr. Nielson replied that is correct. Member Hartung added that he has received constituent’s complaints when the fire department flushes the hydrants resulting in “dirty water”. Mr. Nielson agreed that happens, even in the TMWA system. Member Hartung asked if it was possible to avoid this issue if the hydrants were flushed more frequently. Mr. Nielson replied that it has more to do with the velocity used than the frequency.

Member Jung added that the question to be asked is to have uniformity or TMWA stop maintaining the hydrants entirely. She commented that it is logical for TMWA to take on the maintenance for all three entities, but it should be subsidized by TMWA rate payers equally.

12. DROUGHT COMMUNICATIONS UPDATE

A. PRESENTATION ON DROUGHT PLANNING

John Erwin, TMWA Director of Natural Resources, reported on this agenda item. Mr. Erwin focused on outlining the process as it relates to the sources of TWMA’s water supply and timing of the use of those supplies relative to customer demands.

Mr. Erwin referred to the chart, Snowpack and River Flows and Average Annual Truckee River Flow, on page 10 of the staff report that describes the situation in the current drought cycle, including the snow pack and river flows over the years. Currently, the region is in a dry cycle not as strenuous as what was experienced in 1987 to 1994. The data shows frequent occurrences of consecutive three years of less-than-average precipitation usually followed by a wet season in the fourth year.

Mr. Erwin explained the average run-off in a dry year is approximately 550,000 acre feet (AF), of which TMWA diverts up to eight percent in dry years, and between three to four percent in a wet year. He stated that Lake Tahoe is a key indicator of drought conditions and the effects a dry cycle may have on TMWA’s drought reserves. The lake holds approximately 6.1 feet of storage (about 122,000 AF per foot of storage). In some years, if the water level falls below the rim of 6223 feet elevation, as it is today, the lake level can recover four to five feet in only one season even though it takes approximately three dry years to drop the water level below the rim.

Mr. Erwin explained the process by which TMWA releases water apart from the regulated reservoir release operations of the system, contracts and/or various obligatory operations along

the river. The water has to be released by the Federal Watermaster to meet a daily flow of 500 cubic feet per second (cfs) from the California-Nevada Stateline beginning April 1 through September 30. However, due to the drought and the fact that no water is available to be released to support required flows, the river is currently at 50 cfs. He provided an overview of the major users of the Truckee River system explaining the largest beneficiary is Pyramid Lake in non-dry years, but in a period of drought, historically the largest beneficiary is the Truckee Carson Irrigation District. He stated that in a typical year, over 90 percent of TMWA's water supply is provided from surface water which is supplemented by groundwater in the summer to meet peak demands.

Mr. Erwin stated the release of drought reserves this year coincided with the call for 10 percent conservation. Due to the fact that TMWA's upstream reservoirs were full, any water saved before that time could not be stored upstream. Operationally, TMWA released water from Stampede Reservoir first because TMWA has a contract with the United States to store water in Stampede that requires any water above 5,000 AF of storage to be turned over to Fish Credit Water by September 1 in any year. As of August 11th, TMWA had about 1,500 AF of storage available in Stampede which water was released before September 1st; after which 800 AF of TMWA's drought reserves were released from Boca Reservoir, lastly water was released from Donner Lake to meet customer demands. TMWA did not need to use any water from Independence Lake but still had to release 3,000 AF from the lake so it was released and restored in Stampede Reservoir to be available for 2015 if needed. During this time, July to September, TMWA increased groundwater pumping to meet demands. The result was only 8,000 AF was used in August where typically the community uses 9,000 AF in August.

During the drought of 1991-92, the community was very expressive about minimizing the impact on the community during droughts. TMWA's reserves, Independence Lake and half of Donner Lake, were purchased by Sierra Pacific in 1937 and 1943, respectfully, for that very purpose, and it is the way staff manages the water impounded by these reservoirs. TMWA staff plans for the worst, but expects the best and strives to keep its reserves full for the next year's water season.

Mr. Erwin noted staff had anticipated that the need to release drought reserves would take place this year beginning in August. At that time, TMWA asked the community to conserve. The timing was very important because when TMWA's reservoirs are full, there is no place to put the water conserved. Water that the community does not use benefits other parties and the timing to call for conservation was strategic – maximum benefit to TMWA customers with minimum disruption to the local community.

Mr. Erwin then discussed TMWA's Water Resource Plan (WRP) and TMWA's water demand management strategy. The various measures, which comply with Nevada Revised Statute, are grouped under three categories: 1) System Management; 2) Public Education; and 3) Other Demand Management Measures. The Drought Situations section of the WRP looks at dates between Memorial Day and Labor Day, and what the water level at Lake Tahoe will be at after Labor Day. This table relates to changing water usage by taking demand management actions during a non-drought situation and drought situation.

Mr. Erwin explained the results of the conservation effort to reduce outdoor water usage by 10 percent. He stated the community achieved 7.5 percent reduction in water usage system-wide with varying results in the different customer classes.

Member Hartung asked if the numbers given assume current usage. Mr. Erwin replied yes. Member Hartung expressed his concern over the increase in demand with limited resources, stating there are only two choices: 1) increase the size of reservoirs; or 2) find new sources. He stated the community is willing to conserve and there are plenty of opportunities for them to do so. The County Commission has asked County staff to review policies affecting conservation in order to improve efforts, such as the Homeowners Associations (HOA's) policies for landscaping in greenbelts and front yards.

Mr. Erwin pointed out TMWA's resource planning is based on serving demand of approximately 110,000 AF and currently TMWA is serving approximately 75,000 – 80,000 AF, with growth built into the WRP's projections. He added that for the past 25 years, staff has been working on the Truckee River Operating Agreement (TROA), which will increase the ability to store more water for drought reserves as demand increases. Currently, TMWA is only able to store 27,000 AF between storage in Donner Lake, Independence Lake and Stampede Reservoir, but with TROA can potentially triple the amount of stored water. However, in wet years a portion of the water stored in Stampede will be turned over for fish purposes.

He added it will take a major cultural shift to change the policies regarding HOA's in the region. If TMWA is able to conserve and save water, it will be put into storage as reserve for a future dry year.

Member Hartung inquired about the difficulty in growing trees in certain areas in the region where it is mandated. Mr. Erwin replied a good example of that is Lemmon Valley area, particularly the Stead area, is one of the hardest places to grow trees, because of the micro-climate is so different from the Truckee Meadows that trees require more water to stay alive.

Member Hartung commented on the fact that many businesses are mandated to have turf, but would rather have dry-scape. He stated all three entities should look into the requirements for future development to allow for greater flexibility.

B. 2014 DROUGHT COMMUNICATION SUMMARY

Marlene Olsen, GoodStanding, and Robert Charpentier, TMWA Communications Specialist, reported on this agenda item. Ms. Olsen credited the team at TMWA, who have been meeting since January and have begun meeting regarding next summer's messaging and timing for a campaign. The 2014 campaign focuses on residential customers because this class uses three to four times more water in the summer than in winter. This year's results are being used as foundational information for how staff will plan for next year, in case of a fourth consecutive dry year. The campaign budget was under \$95,000 and all media were asked for value-added when ads were placed which ran from May through August. The first part of the campaign was reminding customers of responsible water use, and to conserve where they could. The second part of the campaign, the call to conserve 10 percent, started in late July. The third part of the campaign was a "Thank you" ad to TMWA's customers. Staff used all types of media – TV, radio, print and online, including Hispanic media.

Ms. Olsen broke down the cost for the total impressions of 6.8 million in paid advertising for the entire campaign. This is a very cost effective campaign, at 7.78 cents cost per thousand, whereas an average, local ad campaign would cost 10 – 12 cents per thousand.

Member Hartung asked about the timing and the impressions from the public that they received. Ms. Olsen replied that staff did not receive any negative comments about the request for 10 percent conservation. Mr. Charpentier added that the public's reaction has been positive and they like the ads. He asked the Board if they heard anything from their constituents. Member Hartung expressed his pleasure with the positive feedback from the public, but has not heard any remarks because of where he lives in Spanish Springs.

Member Hartung expressed concerns over backlash from the community regarding property owners and businesses that are wasting water. Ms. Olsen replied staff spends an enormous amount of time educating the community and anytime they receive feedback, they address such questions and/or concerns. Ms. Olsen stated they set milestones to provide information at the time it was relevant regarding what was happening in the water system – especially, mitigating the comparisons made between what was happening in California compared to Nevada. For example, some communities in California are beginning to discuss the topic of assigned water days whereas TMWA has been implementing assigned day watering since the 1980's.

Member Hartung inquired about educating the public in terms of the cost per square foot to maintain lawn and the savings to be achieved if they switched to a different form of landscaping. Ms. Olsen stated they will be using this year's data for future planning.

Mr. Charpentier added that the results were interesting because this is the first time in the lifetime of TMWA that staff conducted a drought communications campaign. He mentioned that the conservation component is evident on the website, bill inserts, radio ads, and workshops. However, these results are going to provide staff with foundational information moving forward.

Ms. Olsen reported on the results of publicity to the news departments: 1) 107 stories were filed; 2) 53 direct interviews were conducted with TMWA staff and subject matter experts; and 3) over \$50,000 in earned media value was received. She thanked TMWA staff who were very accommodating in providing the relevant, valuable information and giving interviews; it speaks to the cultural ethic of responding to public inquiry. She added that she can provide the website address linked to all the media articles if the Board so desired.

Mr. Charpentier specified the biggest impact was all the media channels used: interviews, articles, bill inserts, workshops, YouTube videos, Facebook, Twitter and the TMWA website. Staff noticed an increase in website traffic of 50,000 visits and 140,000 views on Facebook.

Member Hartung stated it is important for TMWA to continue to inform the public. They recognize that water is a finite, precious resource, and it is all of our concern to preserve it as the region is preparing for upcoming changes.

Mr. Charpentier agreed and commented on the fact that staff is constantly ensuring the public are aware of the conservation message, but also assuring them that TMWA has been not only planning for this, but implementing programs for over 25 years. As communicators, it is the responsibility of staff to promote the message that TMWA is ready to take care of the drought issue, but stressing the importance to the public that they still own part of the responsibility as a resident in the community. Member Hartung agreed and added that it should be treated as an asset.

Ms. Olsen expressed the importance of the trust that TMWA's customers have towards TMWA and its staff. When asked to conserve, they rise to the occasion, as they did this past summer. Mr. Charpentier added that staff fortified this position by making sure the message was proportional to the situation.

C. REQUEST FOR BOARD APPROVAL OF FY2015 DEMAND MANAGEMENT/CONSERVATION GOALS, INCLUDING A POSSIBLE GOAL OF CONVERTING ALL REMAINING FLAT-RATE CUSTOMERS TO METERED RATE

Kim Mazeres, TMWA Director of Customer Relations, reported on this agenda item. Ms. Mazeres stated for the last 25 years, TMWA's message has always been about responsible water use, and it is a norm that the community has come to accept over the last several decades. She has been involved in the messaging for many years, and when the public hears a message from TMWA, they respond.

Ms. Mazeres mentioned that at the last meeting, October 15th, Board members asked TMWA staff to return with additional FY15 goals related to demand-management/water conservation. Staff developed three goals to enrich TMWA's existing efforts:

1. Staff to work with the Board of Directors to determine and implement a plan for transitioning the remaining 6,142 flat-rate customers to the metered rate. This would include working with staff over the next several months, holding public workshops, and the normal rules and rates process.
2. Staff to work with the Board of Directors, the Regional Planning Agency, the Cities of Reno and Sparks and Washoe County in an effort to reduce turf in parkways and common areas, whether existing or new development, as well as the elimination of the mandate for turf in front yards. Staff recommends the TMWA Board to work with their respective staffs to collaborate with TMWA staff to address this issue.
3. Staff to develop 2015 Drought Communications Plan. Staff will have a draft in March and will focus on changing the messaging for commercial and irrigation customer classes.

Member Jardon asked if the commercial class was a larger user as compared to residential. Mr. Erwin replied that TMWA has 100,000 water services of which 5,000 are commercial, 3,000 are irrigation, and the balance being multi-family and residential. Single-family residences get the biggest return on demand management programs. Member Jardon asked if residences use the most water. Mr. Erwin replied that is correct and that residential usage from summer to winter is four to one whereas commercial is approximately one and half to one.

Member Jardon inquired about the difference in response time between residential and commercial users and if staff will change their messaging to reflect that. Ms. Mazeres replied that is correct, they will change the timing and the method to reach those commercial customers.

Member Hartung asked that one of the recommendations staff should make is if people want turf, especially in new developments, to add soil additives (i.e. polymers) that would hold the water. Ms. Mazeres asked if he is suggesting recommendations or mandates. Member Hartung replied that he would not like to mandate, but rather recommend. Ms. Mazeres replied yes.

Member Hartung also requested that staff should add the Builder's Association to Goal 2 as one of the agencies they work with. He also stated that he supports the conversion of the remaining 6,142 flat-rate customers to meter-rate, or increase the fee.

Member Jardon asked to have a report of where the 6,142 flat-rate customers reside in which jurisdiction. Ms. Mazeres replied they can provide a report.

Member Jung agreed with reducing the amount of turf in front yards, but requested staff to review a similar program in Phoenix, Arizona. She stated the program created “hot-spots” that had to be mitigated by air conditioning. In addition, she requested for staff to provide a report highlighting the requirements for new development, in terms of green space, in each of the three jurisdictions, for commercial and residential. Mr. Erwin replied that staff would have to research and draft a report.

Member Jardon suggested this report be presented to the Regional Planning Governing Board so this can become a regional approach. She requested that the advisory vote that was done on WC3 in 2008 be included in the report to show how it is being integrated at TMWA, as well as the jurisdictions and the Regional Planning Governing Board.

Upon motion by Member Hartung, second by Member Jung, which motion duly carried by unanimous consent of the members present, the Board approved the FY2015 Demand Management/Conservation Goals, including a possible goal of converting all remaining flat-rate customers to metered rate.

13. GENERAL MANAGER’S REPORT

Mr. Foree stated that staff is continuing to work on numerous tasks related to the merger and staff is on schedule to close on December 31, 2014. He stated there was a customer complaint included in the board packet that was questioning the accuracy of TMWA meters and/or stating he did not use the water that was registered by the meter.

Andy Gebhardt, TMWA Customer Service Manager, provided an overview of the situation regarding the processes and procedures TMWA staff follows where a customer complaint is received. Mr. Gebhardt used as an example a complaint regarding the accuracy of the water meter. He reported that staff conducted a water audit and found that the meter was reading accurately; however, staff adjusted the customer’s bill for the additional water used (following standard procedure) and provided the customer a credit. The customer was not satisfied and wanted TMWA to show where the water went because he insisted that he did not use it. In cases like this, Mr. Gebhardt said that since the customer is still debating the issue, the credit on the account is removed and the water meter is sent to a third party meter testing facility to be tested. He reported that the findings indicated that the meter was reading accurately. The next step, which the customer was informed of, is for the customer to file a formal dispute resolution under TMWA’s Rule 8.

There was discussion about the process, approach to handling the customer complaints and the removal of the credit from the customer’s bill as well as formalizing the method of communication in such instances.

Mr. Pagni interjected at this time stating this agenda item is the General Manager’s report and further detailed discussion about customer complaint procedures would require including this on a future agenda.

14. PUBLIC COMMENT

There was no public comment.

15. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Member Jung asked for a report back from staff on the recent Bureau of Reclamation study of the Tahoe Basin - a summary, focusing on the results of the study and implications on TROA.

16. ADJOURNMENT

With no further discussion, Chairman Martini adjourned the meeting at 11:43 a.m.

Approved by the TMWA Board of Directors in session on December 17, 2014.

Respectfully submitted,

Sonia Folsom, Recording Secretary