

TRUCKEE MEADOWS WATER AUTHORITY  
MINUTES OF THE DECEMBER 17, 2014  
MEETING OF THE BOARD OF DIRECTORS

---

The Board of Directors met on Wednesday, December 17, 2014, at Sparks Council Chambers, 745 4<sup>th</sup> Street, Sparks, Nevada. Vice Chairman Cate called the meeting to order at 10:00 a.m.

1. ROLL CALL

**Members Present:** Jenny Brekhus, Mike Cate, Vaughn Hartung, Neoma Jardon, Geno Martini, and Ron Smith

**Members Absent:** Kitty Jung

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Cate.

3. PUBLIC COMMENT

Naomi Duerr, Reno Councilmember, announced City of Reno's Mayor Hillary Schieve's appreciation of Member Mike Cate's serving on the TMWA Board and Ms. Duerr is looking forward to serving on the TMWA Board when Member Cate's term ends on December 31, 2014. She stated she has a 25 year background in water management, water conservation, metering, the use of reclaimed water and water planning, and hopes she can provide additional expertise on the Board. Lastly, Ms. Duerr expressed her desire to provide public comment for Agenda Item #15, conversion of flat rate customers to metered billing, prior to the Board deliberating.

4. WELCOME TO NEW BOARD MEMBERS

Chairman Martini welcomed Member Ron Smith and Member Jenny Brekhus to the TMWA Board.

5. APPROVAL OF THE AGENDA

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

6. APPROVAL OF THE NOVEMBER 19, 2014 MINUTES

**Upon motion by Member Jardon second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved the November 19, 2014 minutes.**

7. REQUEST FOR BOARD APPROVAL OF INTERLOCAL AGREEMENT BETWEEN WASHOE COUNTY AND THE TRUCKEE MEADOWS WATER AUTHORITY TO EACH PROVIDE SERVICES DEEMED NECESSARY TO FURTHER THE IMPLEMENTATION OF THE WATER UTILITY MERGER

John Enloe, TMWA Operational Strategies Manager, presented to the Board the Interlocal Agreement (ILA) between Washoe County (the “County”) and TMWA to provide services post-merger and to authorize the General Manager to execute the final agreement. Mr. Enloe reported that TMWA agrees to provide services during the term of this ILA as requested by the County and the County agrees to provide services during the term of this ILA as requested by TMWA for various programs in order to maintain operations of the water systems.

Member Hartung inquired about the costs that will be reimbursed to both parties and what those costs would be. Mr. Enloe replied that it is on an as needed basis and TMWA would reimburse respective staff time when working on County programs/projects, and vice versa.

Member Brekhus asked what the Golden Valley Recharge program entailed. Mr. Enloe replied that it is a County program where the County has been recharging through water that is supplied by TMWA, the groundwater aquifer in an area of approximately of 700 domestic well owners where the natural recharge in the area is not sufficient to support all these wells. There is no municipal pumping in the area. The domestic well owners pay a monthly fee for this program. The program will continue to be administered by Washoe County but TMWA will be providing some services (maintenance of facilities, hydrogeological services, etc.) as set forth in the ILA.

**Upon motion by Member Hartung second by Member Smith, which motion duly carried by unanimous consent of the members present, the Board approved the Interlocal Agreement between Washoe County and TMWA to each provide services deemed necessary to further the Implementation of the Water Utility Merger.**

8. CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 219 FIRST BUDGET AUGMENTATION AND REVISIONS JULY 1, 2014 THROUGH DECEMBER 31, 2014

Jeff Tissier, TMWA Chief Financial Officer, reported on this agenda item. Mr. Tissier stated the budget augmentation provides expenditure authority between January and June of this fiscal year as a result of the merger. He stated this is an initial augmentation; staff will return to the Board later in the fiscal year to take care of the defeasance of the County debt and as of today, have

sold \$27 million in commercial paper notes to effect that defeasance.

Member Brekhus inquired whether it is out of the ordinary for TMWA to absorb the whole entirety of the budget augmentation. Mr. Tissier replied that is correct due to the merger. Member Brekhus inquired about the contribution or increase to TMWA's balance of assets or liabilities is this addition of the County's being added to TMWA's. Mr. Tissier replied that the mergers will add 42 percent, or \$280 million in total fixed assets, increase revenue by 24 percent and increase liabilities by 12 percent.

Member Hartung inquired what other operating sales TMWA have besides hydroelectric sales. Mr. Tissier replied they are primarily turn on/turn off fees and late fees.

Mr. Tissier added that one item not related to the merger is an augmentation for the construction of the Fleish Tunnel project. He stated approximately \$500,000 had to be added due to hitting difficult ground in the tunnel. Also, staff decided to move forward with the transition structures from the flumes to the tunnel, which was scheduled for next fiscal year, but decided to start the transition project now due to the fact there is insufficient water in the river to fully operate the hydros – so it is a good time to do this construction.

**Upon motion by Member Hartung second by Member Brekhus, which motion duly carried by unanimous consent of the members present, the Board approved Resolution No. 219 First Budget Augmentation and Revisions July 1, 2014 through December 31, 2014.**

9. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 220 APPROVING THE §115 OTHER POST-EMPLOYMENT BENEFIT TRUST (§115 TRUST) FOR THE INCOMING WASHOE COUNTY EMPLOYEES

Jessica Atkinson, TMWA Human Resources Manager, and Mr. Tissier reported on this agenda item. Ms. Atkinson stated the final Trust document, for the incoming County employees, has made its way through the review process and is before the Board for approval.

Chairman Martini opened the agenda item for public comment.

Carla Fells, Executive Director for Washoe County Employees Association (WCEA), stated she is representing the County employees and is against the adoption of Resolution No. 220. Ms. Fells provided an overview of how the County Other Post-Employment Benefit Trust (OPEB) was established and the concessions the County employees made in §115 Trust. She stated the Trust document she received does not show that the pre-1997 retiree employees will receive 100 percent of their retirement health benefits paid for as it is agreed in the current County collective bargaining contract.

Mike Langton, Legal Counsel for WCEA, stated his concerns regarding the §115 Trust document and is requesting the Trust to be amended per his concerns. Mr. Langton had his concerns distributed to the Board (Attachment A) and stated he wants the employees to be protected from losing the benefit that they have prefunded.

Chairman Martini asked Michael Pagni, TMWA Legal Counsel, if Resolution No. 220 had to be adopted today. Mr. Pagni replied yes and stated that Mr. Langton may have been looking at an older draft and all of his concerns outlined in *Attachment A* have been included in the most current version of the Trust. Mr. Pagni commented on the changes to the percentages for retiree health insurance mentioned need to be reviewed and if needed, can be adjusted. Mr. Pagni asked the Board, since an action to approve the Trust today is necessary, to give the General Manager the authority to make adjustments to the document to address the issues raised by Mr. Langton.

Chairman Martini asked Mr. Langton if he was comfortable with the changes outlined by Mr. Pagni and giving the General Manager the authority to make future adjustments if needed. Mr. Langton replied he is comfortable with the Trust being adopted with these conditions and apologized if he was addressing an older version.

Ms. Fells reiterated they would prefer the benefit as it is written in County contract be carried forward. Mr. Langton added it is in *Attachment B*, Article 9 Section C. Chairman Martini confirmed with Mr. Pagni if the changes to language was sufficient. Mr. Pagni replied that it was.

Member Brekhus asked if there would be an update by the General Manager regarding the changes and how the resolution was met. Mark Foree, TMWA General Manager, replied yes, there would be a follow-up report on the status.

**Upon motion by Member Hartung second by Member Cate which motion duly carried by unanimous consent of the members present, the Board approved as amended the adoption of Resolution No. 220 approving the \$115 Trust for the incoming Washoe County employees and authorizing the General Manager to make necessary adjustments.**

**10. DISCUSSION AND ACTION CONFIRMING GENERAL MANAGER'S APPOINTMENT OF FOUR TRUSTEES TO THE POST-RETIREMENT MEDICAL PLAN & TRUST FOR A TWO-YEAR TERM FROM JANUARY 1, 2015 THROUGH DECEMBER 31, 2016**

Ms. Atkinson reported that the current trustees for the TMWA §501-c-9 Trust, for current TMWA employees, have been reappointed by the General Manager and IBEW, and all have agreed to serve another two year term. Staff is requesting the Board to confirm the appointments.

Chairman Martini asked if Mr. Langton had any further questions. Mr. Langton stated he was just informed he had misread the language for this agenda item and had no questions.

**Upon motion by Member Jardon, second by Member Smith, which motion carried unanimously by the members present, the Board approved confirming General Manager's appointment of four trustees to the Post-Retirement Medical Plan and Trust for a two-year term from January 1, 2015 through December 31, 2016.**

11. APPOINTMENTS OF TMWA'S REPRESENTATIVE(S) TO THE WESTERN REGIONAL WATER COMMISSION (WRWC)

Mr. Foree reported that the Board is required to appoint a City of Sparks representative to the WRWC, and since Mayor Martini is already appointed by the City of Sparks, it leaves only Member Smith to be appointed by TMWA to the WRWC.

Member Brekhus inquired whether TMWA appoints members to WRWC for the different jurisdictions. Mr. Foree replied that the WRWC Act requires the TMWA Board to appoint a member of the TMWA Board from each entity to the WRWC and each entity separately appoints another member from their council or commission. Member Brekhus stated that it is not explained clearly. Mr. Foree replied that it is outlined in Section 25 subsection 3 of the WRWC Act.

Member Brekhus asked what is to become of the STMGID appointment to WRWC with the dissolution of STMGID. Mr. Foree replied that as the successor to STMGID the WRWC Act would allow TMWA to appoint another trustee to the WRWC. Member Brekhus inquired if there has been a conversation about how that process will occur or what jurisdiction that member would come from. Mr. Foree replied they have not had that discussion but it will be on the January 2015 TMWA Board agenda.

**Upon motion by Member Hartung, second by Member Cate, which motion duly carried by unanimous consent of the members present, the Board approved the appointment of Member Ron Smith to the Western Regional Water Commission for the remainder of the term ending March 31, 2015 and for the two-year term beginning April 1, 2015.**

12. DISCUSSION AND ACTION ON ADOPTION OF RESOLUTION NO. 221 APPROVING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2014

Mr. Tissier introduced Kristin Burgess, shareholder with Kafoury Armstrong and Company (Kafoury), and asked her to present the required communications regarding the Comprehensive Financial Report for FY 2014. Ms. Burgess stated they are responsible for TMWA audit for Fiscal Year 2014 and there are two reports in connection with TMWA's audit. The first report is the financial statements stating TMWA was issued a clean opinion with respect to the presentation of those financial statements and fairly presented in accordance with generally accepted accounting principles. Included with the audit is the analysis on the reasonableness of TMWA's significant accounting estimates, which were included in the financial statements and came to the conclusion they were reasonable. Significant estimates include: useful lives of capital assets, valuation of developer dedicated and other donated assets to TMWA, the liability and related disclosures related to OPEB obligations, the receivables for delivered but unbilled water revenue sales, and the allocation of administrative costs between expense and those capitalized to the assets themselves.

Ms. Burgess reported they did not have any audited adjustments in connection with their performance with the audit or any unadjusted audit differences in material small items this year. She stated that compliance with Nevada Revised Statutes and Nevada Administrative Code are also included in Note 2 which reports TMWA conformed to all significant statutory constraints in FY 2014.

Ms. Burgess referred to the second report issued in connection with government auditing standards because TMWA is required to be audited in accordance with those standards as well. The report on internal control and on compliance as it relates to basic financial statements shows they looked at TMWA's internal controls as part of developing their own audit procedures. She noted that TMWA had no material weaknesses in connection with its internal controls or any issues of noncompliance.

Mr. Tissier acknowledged his staff Anne Hansen, Mary Bennett, Maria Dufur, Leonida Pouliot, Shelley Ashford and Michelle Smith, and thanked them for their excellent work. He said it is very unusual to have no findings in an audit.

Chairman Martini pointed out that in the banking business they would receive surprise audits and it was very seldom there were not findings. He stated that it is exceptional when there were no significant findings in an audit and it means the company is run well and all the employees are doing great work.

Member Smith congratulated staff on a job well done.

**Upon motion by Member Smith, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board adopted Resolution No. 221 approving the Comprehensive Annual Financial Report for Fiscal Year 2014.**

### 13. PRESENTATION OF FIRST QUARTER FY2015 FINANCIAL REPORT

Mr. Tissier reported the first quarter financials were very good. They were under budget in revenues by \$1.4 million as a result of the two weeks of precipitation in August/September and the request to reduce demands to conserve drought storage. Mr. Tissier noted that their 2014 operating spending levels were at 2007 levels.

Member Brekhus referenced paragraph two on page two of the staff report. She asked if TMWA has an adopted capital improvement program and, if so, for how many years. Mr. Tissier replied that TMWA has adopted a five-year capital improvement plan. Member Brekhus asked to receive a copy. Mr. Tissier replied that he would send it to her.

Member Brekhus asked for Mr. Tissier to clarify the meaning of "TMWA's new TECP liquidity facility has cut liquidity support costs in half." Mr. Tissier replied that it refers to the commercial paper program and explained the process by which staff manages the program.

14. REVIEW OF TMWA'S FINANCIAL POSITION AND POSSIBLE ACTION IN REGARD TO THE PHASE 3 RATE ADJUSTMENT PREVIOUSLY ADOPTED BY THE BOARD IN JANUARY, 2012

Mr. Foree explained the original timeline to implement Phase 3 Rates was scheduled for February 2014, but was deferred by the Board to be implemented in February 2015. At this point in time, positive financial performance and greater operating efficiencies, due to the consolidation, have negated the need for the Phase 3 rate adjustments. Staff is recommending considering at least one year of operating and financial performance as a consolidated water utility before proposing any new rate adjustment proposals.

Member Brekhus asked if the consolidation was considered in the original rate increase proposal and was a consolidated rate study conducted. Mr. Tissier replied no, to both questions. He stated that in February/March 2014, staff prepared a five-year financial forecast on a consolidated basis and in that forecast water rates for all 3 customer groups were kept status quo.

Member Jardon asked if staff can provide what the average rate payer pays monthly and what the new rate would have been on an average bill. John Erwin, TMWA Natural Resources Director, replied the average increase would have been about \$1.40 per month impacting 85,000 customers, totaling approximately \$1.4 million in revenue.

Member Jardon confirmed it is approximately \$1.4 million in increased rates that was avoided by consolidating into a regional operation. She applauded everyone who worked on this and said it represents beautifully what regional cooperation can do.

Mr. Foree added that at their December 2 meeting TMWA's Standing Advisory Committee also recommended the Board eliminate the Phase 3 rate adjustment.

Member Jardon asked if it is correct that there would not be a rate increase required for a long time. Mr. Erwin replied that is correct.

**Upon motion by Member Jardon, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board approved eliminating the Phase 3 Rate Adjustment previously adopted by the Board in January, 2012.**

15. DISCUSSION, POSSIBLE DIRECTION TO STAFF AND POSSIBLE ACTION TO DETERMINE THE SCHEDULE FOR CONSIDERATION OF THE FINAL CONVERSION OF REMAINING FLAT-RATE CUSTOMERS TO METERED BILLING

Mr. Erwin and Kim Mazeris, TMWA Director of Customer Relations, presented on this agenda item. Mr. Erwin provided an overview of the history beginning on page two of the staff report. Since the first report presented to the Board in October 2001, the number of flat-rate conversions have accelerated under TMWA's operation of the water utility. The October 2014 data shows that there are only 11 single-family residences left out of over 42,000 services required to be

retrofit with a meter when the program started in June 1995. Staff is working diligently to complete meter installation for these final 11 difficult-to-meter single family residences. He pointed out on page three the progress and history of how the various customer classes have changed. He reviewed a map in the staff report (page 5) of the Reno-Sparks area showing the location of the remaining number of flat-rate customers and explained that for a few cases, such as condominiums and multi-family complexes, they will most likely have to remain flat-rate customers.

Mr. Erwin explained that of the numerous multi-family units, they have been able to retro-fit approximately 4,000 in Reno, 1,100 in Sparks and 400 in the unincorporated area with meters. He further explained they have conducted an analysis regarding flat-rate customers, how switching to metered reading will impact these customers and how much water can be saved (acre feet) per year.

Ms. Mazeris mentioned that at the October 15, 2014 Board meeting, former Chairman Mike Carrigan asked staff to bring back the topic of flat-rate conversion to be one of the agenda items to consider in 2015. She presented two proposed timelines for the Board to consider if the Board decided to move forward in 2015 with considering converting flat-rate customers to metered-rate billing: an accelerated timeline which would be necessary to meet an implementation date of June 1, 2015, and a delayed timeline, which would allow a later implementation date of December 31, 2015. If Board gave approval today to begin the workshop process, the earliest any conversion date the Board could consider would be June 1, 2015.

Member Smith inquired whether staff knew how much water is being used in a flat-rate multi-family unit, but cannot bill each individual unit separately. Mr. Erwin replied TMWA can estimate the amount used for each unit but cannot bill each individual unit separately. Member Smith added that they were discussing this topic when he was on the Board eight years ago and was surprised to learn it is still being discussed.

There was discussion regarding how much water is used by flat-rate customers, how much water will be saved, and how certain cases, such as condominiums and trailer parks, will be handled. Staff provided clarification that on average flat-rate customers use twice as much water as metered customers, but there are flat-rate customers who use less water. Also, in many cases the multi-family property is responsible for the water line and water use, but in some cases there are sub-meters to the individual units that are maintained by the property owner.

Member Hartung stated that a meter allows owners to monitor and gage their water usage. He reaffirmed his position that it is a great thing to get everyone on meters, to watch and pay attention to their water use. He stated there will be push back by some residents, but it is the right thing to do.

Chairman Martini opened the agenda item for public comment.

Don Mello and Mike Hamel, representing a local Homeowners Association, stated they were opposed to converting flat-rate customers to metered rate. He provided a written statement (see *Attachment C*).

Judson Pierce from Reno, Nevada, stated he has lived in the same home, which is on a corner lot

covered in grass, since the 1960's. He expressed his concern regarding the trees and grass dying if they convert him and his neighbors to the metered rate. He stated he was willing to pay double what he pays currently and would like to have further discussion.

Naomi Duerr, City of Reno Council member, described how she has been a leader in, and committed to, water conservation and metering for 25 years. She stated the issue is not putting in meters, but the mandatory charging based on metered usage. She commends the TMWA Board since they have converted 90 percent of the homes that were once flat-rate. To Member Smith's point, since his time on the Board eight years ago, they have converted 75 percent of flat-rate homes to meter, and the issue has not been left alone. Half of the remaining flat-rate customers are in her ward and she has received about 20 phone calls in the last two days from concerned constituents. She requested from the Board, since many of the residents are in her ward, to delay making their decision until she is officially on the TMWA Board in January and revisit it at that time to allow her to be part of that discussion so that she can work with her constituents to see if she can help ease the transition for the last few flat-rate customers, and to consider the second option, later date timeline. She stated that the constituents who have called her are all elderly who do not have the means to completely update their landscaping.

Mike Schulewitch stated that he represented the rate-payers of South Truckee Meadows General Improvement District (STMGID) in the negotiation of the merger of their water company into TMWA. Pursuant to their agreement, dated December 11, 2013, approved by the TMWA Board, their rates would be maintained through two events: trigger event (i.e. transfer of ownership) or the year 2035. He is concerned about the remaining 173 flat-rate payers left in STMGID water district who started STMGID, who paid higher property taxes in Washoe County, and the vast majority of them do not use that much water. They hope to maintain the process established in the agreement.

Janet Phillips, resident of Reno, Nevada, is a metered-rate payer and was part of the settlement negotiations twenty years ago. Ms. Phillips requested the Board to decide to move forward and choose the accelerated schedule to convert flat-rate customers. She requested they make a policy decision to take action and allow TMWA to handle the unique instances where there are issues.

Chairman Martini closed public comment and opened it to Board discussion and possible action.

Member Jardon inquired if TMWA had any information for people who had converted from flat-rate to meter-rate in the past and if there was any increase in the number of dead trees or lawn. Ms. Mazeres replied that she did not have specific information on hand, but this issue was prominent approximately seven years ago. At that time TMWA created a tree care program, contracted an arborist who visits TWMA customers, and since its inception they have done thousands of tree consultations to make sure that they can take care of their landscapes.

Member Jardon asked if, in the past, staff saw an increase on a customer's bill when they converted from flat-rate to metered rate. Ms. Mazeres replied yes, there are cases where there is an increase, but there are also cases where their monthly rate decreases significantly. Ms. Mazeres offered to obtain Mr. Pierce's specific information and conduct a comparison in order to ascertain if he would be one of the 83 percent who would save money or pay the same on the metered rate. Staff can do this evaluation for all flat-rate customers.

Member Smith asked Mr. Mello if it is correct that his HOA board can't meet over the next few months. Mr. Mello replied that they are waiting to hear what the TMWA Board decides and they have to speak to their lawyer since they have laws they need to follow.

Member Brekhus stated she is inclined to move slower particularly with the public meetings. She is persuaded by Ms. Duerr's comments that they are at the tail-end of flat-rate customers, the fact that there are special cases, such as condominiums or STMGID, and customers who have been in their homes for a long time, which need to be considered. She requested to see some different cases of multi-family customers with and without irrigation and how they were or were not converted to meters to get a better understanding of what has been done in the past.

Member Brekhus asked if TMWA has an administrative officer who hears rule challenges. Mr. Erwin replied that TMWA's Rule 8 "Dispute Resolution" maps out the process. Member Brekhus asked if it was a staff member or third party. Mr. Erwin replied that it is a third party who is appointed. He outlined the historical process for the different customer classes and the flat-rate conversions. In 2009, staff presented to the Board they had accomplished 90 percent of all those required to have a meter put on was completed; nearly 100 percent of single-family residences and approximately 75 percent of all multi-family homes were retrofitted. What has evolved over time is the equity of fairness and water management issue. A water meter is the best management tool -- people see how much they use and pay for it.

Member Jardon clarified that the discussion is not whether or not the Board will decide to convert flat-rate customers to meter, rather the timeline for conducting the process to consider conversion. Mr. Erwin replied yes.

Member Jardon asked how the customers receive notice about the conversion and relevant information about the impacts on their bill. Ms. Mazeres replied that every flat-rate customer with a meter, single- or multi-family, has a statement on their bill indicating how much water they used and how much they would pay had they been metered. If the Board decides to set a timeline for conversion they would notify all of the 4,500 customers that are billed on the flat-rate through direct mail, how they can find out in advance what they would begin paying and staff can provide comparisons. Member Jardon asked what the percentage of the inserts and how many people look at them. Ms. Mazeres replied that 55 percent read the inserts and 5-10 percent more also read the messages on the front of the bill. Member Jardon inquired how staff would propose to reach the gap. Ms. Mazeres replied it would be direct mail outside of the bill inserts and messaging.

Member Hartung stated he is not a customer of TMWA, rather of a private water company, Utilities Inc. He stated that if staff can do comparisons then that assumes staff already knows how much water is being used. Ms. Mazeres replied that is correct and all but 11 single-family residences have a water meter installed. He asked if a portion of a multi-family bill is charged at a commercial rate. Ms. Mazeres replied no, but in some cases the multi-family properties pay a separate irrigation rate. Member Hartung asked if a customer pays a higher irrigation rate if they own commercial property. Ms. Mazeres replied if a customer owns a commercial building and irrigation is separately metered, which is not always the case, the irrigation is billed at the highest possible rate; that is the case whether it is a multi-family property or a commercial property.

Member Hartung commented they are not being insensitive to customers not wanting to change

from flat-rate to meters. The issue is not a matter of if, rather when. He stated that it is time to move forward, there will always be another reason not to convert. It is an issue of fairness to all TMWA rate-payers if someone is not paying for what they use, because all other TMWA customers support them and it's not fair. If the Board decides not to move forward, they should adjust the flat-rates because this is a business decision.

Chairman Martini stated he was ready to move forward as well. He commented that no one can say they did not know that this was in the making since it has been discussed for the past ten years. He is in favor of the accelerated timeline. It is a matter of fairness to the customers who pay for the water they use and he is sympathetic to homeowners with larger lots, but it's a time where you have to pay for what you use.

Member Cate commented on the fact that he has been on the Board for eight years, he wants to move forward and it is time to complete the final conversions. He stated that Ms. Duerr has not come before the Board in the last eight years to discuss the topic of water meters except for now that she has constituents. This is an issue about water, that's what TMWA business is and the Board does, conserving water and providing good drinking water for the community. As a community that is all of us, we need to pull together and do the right thing.

Member Smith mentioned that eight years ago they had the same arguments and questions they have today and will have the same issues in another eight years. It's time to move on and complete this in six months, eliminating the claim they did not know about it. He said he was surprised that it was still an issue when he got back on the Board.

Discussion followed regarding the accelerated process timeline, conversion through attrition and TMWA staff being flexible and taking into consideration the vulnerable population.

Member Hartung agreed with Chairman Martini and stated he was ready to make a motion for Option 1, the accelerated process timeline.

Chairman Martini indicated there was a motion by Member Hartung and second by Member Smith. He asked if there was any further discussion.

Member Jardon commented that she is conflicted on the timeline issue. She stated her reasons are in consideration for the new Board members and allowing them the opportunity to be prepared to handle constituent concerns, and proper notification for the remaining flat-rate customers, particularly the elderly. She is in favor of the longer process timeline in deference to the new Board members and consideration for full public notice.

Member Hartung asked staff if there is a mechanism in place for the elderly and infirm that have difficult time in paying their bill. Ms. Mazeres replied there is a mechanism of payment arrangements. She said the customers can call TMWA to make payment arrangements in the summer. Member Hartung confirmed it to be similar to an equal payment plan. Ms. Mazeres replied that is correct.

Ms. Mazeres reiterated that staff does not have a preference of how this is accomplished. However, she said that staff will be extremely busy over the next few months finalizing the merger with Washoe County.

**Upon motion by Member Hartung, second by Member Smith, which motion duly carried four to two with Member Jardon and Member Brekhus dissenting, the Board approved the accelerated schedule for public input and consideration of the conversion of remaining flat-rate customers to metered billing.**

Chairman Martini stated that if anyone in the public is present for the WRWC meeting scheduled for 11:00 am, it will start as soon as the TMWA Board meeting has concluded.

**16. PRESENTATION OF TRUCKEE RIVER FUND ACTIVITIES FOR CALENDAR YEAR 2014**

Ron Penrose, TMWA's Truckee River Fund (TRF) Liaison, presented a summary of the activities of the TRF in a staff report and outlined a few of the projects completed in the past year. Mr. Penrose stated that the TRF has existed since 2005 and has given TMWA the opportunity to collaborate with partner agencies on a variety of projects to improve the watershed and maintain water quality. Overall, it has morphed into a water quality protection program dealing with surface water. One of the major benefits is that the program has provided leverage for TMWA monies to be spent on the watershed. Over the past ten years, the TRF has had close to \$18.2 million in matching funds from grant recipients, and approximately \$10.2 million contribution from the Fund (via TMWA). In 2014, the Board approved funding for sixteen projects via resolution which are outlined in the staff report.

Mr. Penrose mentioned the Keep Truckee Meadows Beautiful (KTMB) Adopt-the-River program and TMWA's participation in adopting two sections of the river upstream of the Glendale diversion dam. TMWA staff conducted a clean-up event in November and are directly involved in the program.

Ms. Phillips, Chair of the Truckee River Fund Advisory Committee, commented that it was a privilege and pleasure to work with Mr. Penrose since its inception and wished him all the best in his retirement.

**17. REQUEST FOR BOARD AUTHORIZATION FOR THE GENERAL MANAGER TO RENEW THE LEGAL SERVICES CONTRACT FOR SUSAN L. OLDHAM FOR PROVISION OF LEGAL SERVICES RELATED TO THE TRUCKEE RIVER OPERATING AGREEMENT FOR THE CALENDAR YEAR 2015**

Mr. Erwin stated that Sue Oldham continues to work with TMWA staff towards the implementation of the Truckee River Operating Fund and has been on the project since the late 1970's. He asked the Board to authorize the General Manager to renew her contract for ongoing legal services.

**Upon motion by Member Smith, second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board authorized the general manager to renew the legal services contract for Susan L. Oldham for**

**provision of legal services related to the Truckee River  
Operating agreement for the Calendar Year 2015.**

**18. REPORT REGARDING OMBUDSMAN ACTIVITIES FROM DECEMBER 2013  
THROUGH NOVEMBER 2014 AND REQUEST FOR BOARD DIRECTION AND  
POSSIBLE AUTHORIZATION FOR THE GENERAL MANAGER TO RENEW THE  
OMBUDSMAN CONTRACT WITH JOANNE STRALLA FOR CALENDAR YEAR  
2015**

Andy Gebhardt, TMWA Customer Service Manager, addressed the Board and requested the renewal of the contract of Joanne Stralla, who is the TMWA Ombudsman. Mr. Gebhardt explained that this contract is renewed on an annual basis, and that Ms. Stralla is a great resource and does an excellent job.

Member Brekhus inquired about “Exhibit A”, which sets forth the Scope of Work required of Ms. Stralla, since it appeared to be missing from the contract. Mr. Pagni explained that an updated Scope of Work exhibit could be provided before the contract is executed, but that since this is a renewal of the contract the intended scope of work proposed is the same as that performed in the past.

**Upon motion by Member Hartung, second by Member Smith, which motion duly carried by unanimous consent of the members present, the Board accepted the report of Ombudsman activities from December 2013 through November 2014 and authorized the General Manager to renew the Ombudsman contract with Joanne Stralla for the Calendar Year 2015.**

**19. REQUEST FOR BOARD APPROVAL OF REAPPOINTMENTS TO THE STANDING  
ADVISORY COMMITTEE OF MEMBERS WHOSE TERM EXPIRES DECEMBER  
31, 2014**

Sonia Folsom, TMWA Liaison to the Standing Advisory Committee (SAC), presented on this item and explained that action was requested to renew the appointments of several members of the TMWA SAC. Ms. Folsom stated that 17 members had terms expiring on December 31, 2014. The expiring terms were listed as follows:

- Wholesale: Fred Schmidt, Sun Valley General Improvement District.
- Irrigation: Neil McGuire will continue as Primary and Mike Heffner will continue as Alternate.
- Commercial: Kevin Haddock will continue as Primary and Pat Martinez will continue as Alternate.
- Senior Citizen: Bob Chambers will continue as Primary and Karl Katt will continue as Alternate.
- Residential Class 1: Paul Rose will continue as Alternate and Carol Litster has agreed to continue as Secondary Alternate.

- Residential Class 2: Harry Culbert will continue as Primary, Mike Pidlypchak will continue as Alternate and Ken McNeil will continue as Secondary Alternate. Lee Leighton will continue as Third Alternate.
- Residential Class 3: Rebecca Allured will continue as Primary, Jerry Wager will continue as Alternate and Mike Schulewitch has agreed to continue as Secondary Alternate.
- NNWPC: Decided at their December 3<sup>rd</sup> meeting they need to reassess their role on the SAC and have yet to (re)appoint a member. This will leave both the primary and alternate seats for the NNWPC temporarily vacant.
- Reno-Sparks Chamber will be appointing an alternate member shortly.

All members had been contacted and accepted the invitation to continue for an additional two years, pending Board approval.

Member Brekhus inquired if there were SAC policies and guidelines and if so to have those sent to her. Ms. Folsom replied there were and she can email a copy to her.

Member Smith asked if there were two or three seats up for reappointment. Ms. Folsom replied there were two seats up for reappointment.

**Upon motion by Member Smith, second by Member Hartung, which motion duly carried by unanimous consent of the members present, the Board reappointed all members of the Standing Advisory Committee whose terms otherwise would expire December 31, 2014.**

20. RECOGNITION OF KELLI BURGESS FOR TMWA'S MICRO-BIOLOGICAL LABORATORY CERTIFICATION AND BEING THE AMERICAN WATER WORKS ASSOCIATION (AWWA) 2014 FALL CONFERENCE VOLUNTEER COORDINATOR

Paul Miller, TMWA Water Operations and Quality Manager, presented this item. Mr. Miller reported that Kelli Burgess is an exemplary employee who has shown extreme dedication to excellent customer service and working diligently, along with other staff members, to obtain the micro-biological laboratory certification for TMWA. Ms. Burgess was also the volunteer coordinator for the American Water Works Association (AWWA) 2014 Fall Conference. This award is to recognize and honor Ms. Burgess for all her hard work. General Manager Foree and the Board of Directors thanked Kelli for her outstanding work and achievements.

21. DISCUSSION AND POSSIBLE BOARD DIRECTION REGARDING MEETING TIMES AND DATES FOR 2015

Mr. Foree presented the meeting dates for the calendar year 2015.

**Upon motion by Member Jardon, second by Member Hartung, which motion duly carried by unanimous consent of the**

**members present, the Board approved the Board meeting dates for 2015.**

22. GENERAL MANAGER'S REPORT

Mr. Foree reported that all of the hydroelectric plants are currently online due to recent precipitation and the report requested by Member Jung regarding the Bureau of Reclamation's Truckee Basin Study will be presented at a future meeting because the final draft of the study is not yet available, although it is supposed to be out by the end of December 2014.

23. RECOGNITION OF DEPARTING BOARD MEMBER

Mr. Foree presented an award to departing Vice Chairman Mike Cate and thanked him for all of his hard work and dedication to TMWA and the community.

24. PUBLIC COMMENT

Mike Schulewitch expressed his concerns regarding the decision regarding flat-rate customers. With the merger, both parties agreed to a number of terms and conditions, and he wants to make sure those conditions and terms are not negated going forward.

Chairman Martini asked if staff can meet with Mr. Schulewitch. Mr. Foree replied that legal counsel can schedule a meeting with Mr. Schulewitch.

25. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

26. ADJOURNMENT

With no further discussion, Chairman Martini adjourned the meeting at 12:17 p.m.

Approved by the TMWA Board of Directors in session on January 21, 2015.

Respectfully submitted,  
Sonia Folsom, Recording Secretary

**My Concerns:**

1. Article II, § 2.3

The "CBA" - IBEW 1245's

Article IV: "If the amount of the premiums required to be paid by TMWA is modified by the CBA or resolutions adopted by TMWA, then Exhibit "D" is to be amended to reflect such changes."

Exhibit "D" STATES the percentages to be paid for retiree health insurance.

This seems to give authority to Local 1245 or TMWA by resolution to change the percentages.

No one or no entity should be able to alter the percentages.

2. Some County employees are going to TMWA but will not be covered by the Local 1245 CBA.

Section 2.11 defines "Retiree" as a Transferred Employee who separates from service or retires from TMWA, and under the terms of the CBA or resolutions adopted by TMWA, is eligible to receive benefits from this Trust."

M: Again, the CBA or resolutions should not determine who should be eligible.

3. No Vision coverage.

Article 19(A) of WCEA's CBA has vision benefit.

4. I just reviewed item #10 on the TMWA agenda and note that no beneficiary of the Trust will be appointed as a trustee. Article VII, § 7.1(a)(iii) requires "A beneficiary of the Trust" be one of the Trustees.

Article I states the "Trust is intended to provide the means to fund all or a portion of the post-retirement benefits to be provided to those former employees of Washoe County ... who became employees of Truckee Meadows Water Authority as a result of the merger ... ." Therefore, one of those employees must be a Trustee.

# AGREEMENT

BETWEEN

THE COUNTY OF WASHOE  
STATE OF NEVADA

AND THE  
NON-SUPERVISORY EMPLOYEES  
NEGOTIATING UNIT

OF

THE WASHOE COUNTY  
EMPLOYEES ASSOCIATION  
2014-2015



classified service or who is leaving the County service to accept other employment, except as provided in this subsection.

4. A leave of absence with pay must be granted to any County employee who is required by law to appear and/or serve as a witness or juror for the Federal Government, the State of Nevada, or a political subdivision thereof. The employee must be paid the employee's regular salary while on leave of absence, but must remit to the employee's department head, for deposit in the County general fund, all fees, which he/she may receive as a witness or juror. The employee shall retain reimbursements for mileage and per diem. Court leave must not be charged against the employee's vacation credit.

5. The Board of County Commissioners, upon the recommendation of the County Manager, may grant leaves of absence without pay in excess of one year for the purpose of attending extended courses of training at a recognized college or university, accepting a position in the unclassified service, and for other purposes deemed beneficial to the public service.

6. Employees taking authorized educational leaves may elect to use accumulated annual leave at their option.

7. Leaves of absence with pay may be granted by the appointing authority to allow employees time off to vote, pursuant to the provisions of NRS 293.463.

8. Leaves of absence with pay shall be granted to an employee, whether in the classified or unclassified service, to act as a volunteer fireman or any regular organized and recognized fire department for the protection of life or property during working hours or fractions thereof which should otherwise have been devoted to County employment. Further, any employee whose absence from the job is for the purpose of aiding in a public emergency as a volunteer reserve member of a police department or sheriff's office may be relieved from the employee's duties, without the loss of compensation, upon request and approval of the employee's appointing authority, and with the approval of the County Manager/Board.

9. The parties recognize that Washoe County has addressed, on a discretionary basis, employees called to active duty in any of the armed services of the United States or Nevada, and where determined appropriate by the County, such employees have been paid the difference between the employees regular County compensation and the employees military compensation if the military pay is less than their County compensation. The County shall continue, at the request of the Association or an individual, to consider all such requests, and shall provide a determination within 21 days of application for such pay; such payment shall be at the discretion of the County.

10. Any employee who is an active member of the United States Army Reserve, the United States Air Force Reserve, the United States Naval Reserve, the United States Marine Corps Reserve, the United States Coast Guard Reserve, the United States Public Health Service Reserve or the Nevada National Guard shall be relieved from the employee's duties, upon request to the employee's appointing authority, to serve under orders on training duty without loss of the employee's regular compensation for a period not to exceed fifteen (15) working days in any one calendar year. Any such absence shall not be deemed to be such employee's annual leave provided for by this Agreement.

11. The provisions of this article do not apply to any leave of absence that is governed by the Family and Medical Leave Act.

(Revised 7-1-13)

#### ARTICLE 19 - HEALTH PLAN

##### A. Insurance Negotiating Committee:

##### 1. Establishment, Purpose and Effective Date

The Association and the County agree to the establishment of an Insurance Negotiating Committee composed of representatives of the County and each recognized employee bargaining unit.

The purpose of the Committee is to recommend to the Washoe County Commission any benefit changes in the County's medical, dental, vision and life insurance plans. This Committee shall also serve as the Oversight Committee for the Retiree Health Insurance Program.

This Committee shall become effective upon approval or ratification of the groups listed in Paragraph 2 below.

2. Composition of Committee

The Committee shall consist of one (1) voting member from each of the following groups:

- (1) Washoe County District Attorney Investigator's Association – Non-supervisory Unit
- (2) Washoe County District Attorney Investigator's Association – Supervisory Unit
- (3) Washoe County Public Attorneys Association
- (4) Washoe County Sheriff's Supervisory Deputies Association
- (5) Washoe County Sheriff's Deputies Association
- (6) Washoe County Employees Assn. – Supervisory-Admin. Unit
- (7) Washoe County Employees Assn. – Non-supervisory Unit
- (8) Washoe County Nurses Association – Non Supervisory Unit
- (9) Washoe County Nurses Association – Supervisory-Administrative Unit
- (10) Management
- (11) Any other bargaining unit that may be formed during the term of the Agreement

The Associations may have an expert attend the insurance committee meeting and provide input to the committee  
(Revised 7-1-10)

In addition, one retired employee shall serve as a nonvoting member to provide input on the effects of proposed changes upon retirees. The name of a retiree may be nominated by any voting member. The retiree employee shall be selected by majority vote of the Board of Directors of the Association and shall thereafter serve at the pleasure of the said Board of Directors.  
(Revised 8-15-00)

The Committee Chairperson and Vice Chairperson shall be appointed by the County Manager and will not have a vote on the Committee.

The voting member of each bargaining unit, upon conferring with its association as necessary, shall have the authority to bind said bargaining unit to any modification in benefits agreed to by a majority vote of the Committee. Such modifications shall then be presented to the County Commission, and if so approved by the County Commission, shall be binding upon each bargaining unit.

If the Committee recommendation is rejected by the County Commission, the Commission shall define their objections and parameters and the Insurance Committee shall, within fifteen (15) days of being notified of the Commission's objections and parameters, meet and attempt to redefine plan modifications which meet the Commission-established parameters. If the Committee is successful, the plan modifications shall be resubmitted to the Commission for approval. If the Committee is unable to determine acceptable modifications for submission to the Commission, the County and Insurance Committee agree to resolve any resulting

differences by submitting the dispute to expedited final and binding interest resolution which shall be binding upon the County and the bargaining units.

**Binding Interest Resolution Process:** When the Insurance Committee first convenes in any plan year, no later than January 31, they shall notify the County Manager of their designated representative(s) who shall represent the Insurance Committee in selecting an experienced insurance neutral and scheduling a timely hearing should it be necessary. Within five (5) days of notification of the Committee's representative(s), said representative(s) and the County Labor Relations Manager shall meet and designate an experienced insurance neutral to hear such dispute should it become necessary. If the parties are unable to agree on the neutral, they shall obtain a list of five (5) experienced insurance individuals, from the Nevada Insurance Commissioner with in-depth knowledge of public sector insurance systems who are not associated with Washoe County or with the Washoe County Association bargaining units, and alternately strike from the list to select the neutral and the mediator. The right to strike the first name from the list shall be determined by the toss of a coin. They shall immediately contact the neutral and advise him/her of their selection should a hearing become necessary and the conditions for a decision which shall include: 1) the hearing shall be scheduled for two (2) consecutive days, with each party having one (1) day to present their position on the merits of the dispute; 2) the neutral may keep a record of the hearing and the parties will retain a court reporter to transcribe and provide a real time transcript of the hearing; 3) each party shall have five (5) days following the hearing to submit any brief they intend filing; 4) the neutral shall render a decision within fifteen (15) days of when the briefs are due; and 5) the neutral's authority shall be restricted to either selecting the plan design submitted by the Committee or the plan design submitted on behalf of the County Commission. The Insurance Committee representative(s) and the County Labor Relations Manager shall also be advised of the Insurance Committee schedule and shall set a date with the neutral in advance of any known dispute in order to insure a timely decision in the event the resolution process is necessary. In the event the resolution process hearing is not necessary, County shall pay any cancellation fees. Each party shall be responsible for their costs of presenting their case to the neutral and any of his/her fees shall be split equally with the Insurance Committee (Associations) paying half and County paying half.

**Mediation Process:** If an impasse occurs prior to going to binding interest resolution, the parties agree to contact the selected individual from the forgoing list of insurance neutrals to mediate the dispute. Should mediation not resolve the dispute an expedited hearing with the selected neutral shall occur.

Any insurance committee member shall be granted time off from their assigned duties with Washoe County to attend the hearing at the County's expense. No overtime costs shall be paid to any employee attending the hearing.  
(Revised 7-1-10)

### 3. Health Benefit Premiums

The County agrees to pay one hundred percent (100%) of the premium attributable to the employee coverage.

In the event an employee elects dependent coverage, the County shall pay fifty percent (50%) of the premium for such coverage.

### B. Medical Claims Review:

Should there be a dispute over a medical claim under the County's self-funded health plan, it shall be resolved in the following manner. The Insurance Appeals Committee shall first attempt to

resolve the dispute. If the dispute remains unresolved, it shall then be referred to the separate arbitration procedure that has been established under the County's self-funded health plan. The aggrieved employee and the County shall each pay one-half (1/2) of the cost of arbitration.

C. Retiree Health Insurance:

1. For those individuals employed by the County between May 3, 1977 and January 13, 1981, the following provisions apply:

(a) The County will pay 50% of the medical insurance premium attributable to the employee for participation in the County's Retiree Health Insurance Program upon the employee's retirement and receipt of benefits from Nevada PERS, provided the employee has at least a total of ten (10) years of full-time County employment.

(b) The County will pay 75% of the medical insurance premium attributable to the employee for participation in the County's Retiree Health Insurance Program upon the employee's retirement and receipt of benefits from Nevada PERS, provided the employee has at least a total of fifteen (15) years of full-time County employment.

(c) The County will pay 100% of the medical insurance premium attributable to the employee for participation in the County's Retiree Health Insurance Program upon the employee's retirement and receipt of benefits from Nevada PERS, provided the employee has at least a total of twenty (20) years of full-time County employment.

The payments specified in a, b, and c, above, will be made in accordance with and are subject to all applicable laws in effect at the time of the employee's retirement, and are contingent upon the employee being medically eligible to be reinstated into the County's Retiree Health Insurance Program if there has been a break in coverage under the County's Health Plan.

2. For those employees hired on or after January 13, 1981, the provisions listed in Section C.1. above, are applicable except that in order to receive the retiree health insurance benefits an individual must be an employee of Washoe County immediately prior to drawing retirement benefits.

3. The parties recognize that the cost of retiree health insurance should be considered a current benefit earned and paid for during an individual's employment with the benefit simply being deferred until retirement. Based upon this, the parties further recognize that the funding of the retiree health insurance program must be addressed during the period of employment of active employees in order to try and ensure the fiscal integrity of the program in the future and in order to try and ensure that the benefit upon retirement can be provided. Additionally, the parties recognize that the prefunding of the service cost of this program, which is addressed below, only represents a portion of the funding obligations of this program and that the parties will address the unfunded liability portion of this program in the future. At the point in time when the retiree health insurance program is fully prefunded, with no unfunded liability remaining, the retiree health insurance program will be fully considered a current benefit earned and paid for during an individual's employment with the benefit simply being deferred until retirement. With those mutual recognitions and understandings, the parties herein agree to prefund the program annually at the actuarially determined service cost amount attributable to this bargaining unit beginning July 1, 1996. The amount of the service cost attributable to this bargaining unit will be a percentage of the number of employees represented by the bargaining unit compared to the number of employees covered under the County's Health Benefit Program.

4. For those employees hired on or after September 17, 1997 through June 30, 2010, the County will pay the portion of the medical insurance premium associated with State PEBP Retiree Health Insurance plan for non-state employees. The parties recognize the 2003 Nevada Legislature passed legislation (AB286) that affords public employees of Nevada political subdivisions the opportunity to enroll, upon their retirement, in the Public Employees Benefit Program (PEBP) health insurance plan. The 2003 legislation also obligated public

employers of said retiree who enrolled in the plan to pay a portion of the medical premium on the retiree's behalf. In recognition of this statute, the County agrees, in lieu of making said payment to PEBP, which option is currently not open to County retirees, to provide the payment on the retiree's behalf towards their Washoe County retiree medical insurance premium owed, with Medicare becoming primary and Washoe County becoming secondary upon Medicare eligibility, should they elect to remain in the County Retiree Health Plan. In order to receive the retiree health insurance benefits an individual must be an employee of Washoe County immediately prior to drawing retirement benefits. The parties acknowledge that the PEBP medical premium payment level is set annually by the state.

5. For those employees hired after June 30, 2010, there will be no retiree medical health care contribution by the County.

(Added 7-1-10)

#### ARTICLE 20 - ON-THE-JOB-INJURY BENEFITS

Sick Leave, Vacation Leave, and Compensatory Leave Time when receiving Industrial Insurance or Occupational Disease Benefits.

When a County employee is eligible at the same time for benefits under Chapter 616 or 617 of NRS (Industrial Insurance and Occupational Disease Acts) and for sick leave, vacation leave, and/or compensatory time, he/she shall not be required to use accrued sick leave, vacation leave, or compensatory time for the period during which Workers' Compensation Insurance benefits are being received.

Any employee who suffers a job-connected injury or illness in the course of the employee's employment with Washoe County for which benefits are paid under Chapter 616 or 618 of NRS may, at the option of the employee, apply for and receive accrued sick leave, vacation leave, and/or compensatory time during the course of such disability. The amount of sick leave, vacation leave, and/or compensatory paid to such employee for any pay period shall not exceed the difference between the employee's normal salary and the amount of any sick, vacation, and or compensatory time payment received, exclusive of reimbursement or payment of hospital or medical expenses.

Any time that is charged to an employee's sick leave, annual leave, or compensatory time used on the first day of a job-connected injury or illness which qualifies for disability benefits under Chapter 616 or 618 of NRS shall be credited back to the appropriate leave bank.

An employee may elect to forego being involuntarily placed into vocational rehabilitation pursuant to NRS Chapter 616C to afford themselves the opportunity to pursue other County positions for which they are qualified and for which they can perform the essential job functions of the position, with or without accommodation pursuant to the ADA. This shall not afford the employee any rights to a position and they shall compete for such positions on the basis of merit.

An employee who is utilizing sick leave to attend to therapy or follow-up appointments due to a job-related injury may request that they be allowed to flex their schedule to avoid using paid leave. Management will consider such requests in good faith and shall then advise the employee if the request can be accommodated. The parties recognize that the granting of such flex schedules at the discretion of management. Employees may also request unpaid leave to attend such appointments.

In instances where an employee has to attend to therapy or follow-up appointments due to a job-related injury where such appointments require travel in excess of 50 miles one way from the employee's place of employment, then the employee shall be compensated pursuant to NRS 616C.477.

(Revised 7-01-10)

**TRUCKEE MEADOWS WATER AUTHORITY**  
**Board of Directors**  
**AGENDA**  
**Wednesday, December 17, 2014 at 10:00 a.m.**  
**Sparks Council Chambers, 745 4th Street, Sparks, NV**  
**Public Comment by Don Mello**  
**In re Agenda Item 15**

Chairman Martini and Members of the Board. My name is Don Mello. With me is Mike Hamel. We are board members and officers for an 88 unit complex consisting of 22 four-plexes. We are here on our own and not at the direction of our board.

We are not here to oppose the conversion to metered rates. We are here to tell you of a uniqueness that pertains to our complex. A uniqueness that we know also applies to other residential complexes like ours and the concerns we have about the eventual conversion.

The 22 units in our complex have one water line each. It is not possible to meter each and every one of the 88 residential units. It is not fair nor practical to send one bill per building and to then expect the occupants in each unit to fight amongst themselves over who used the most water.

There are presently 22 water meters in place. Currently, each residential unit is billed under the flat rate Small Unit Family Rate. As you are aware, this rate plan is applied to multi-family units and allows for a defined square footage of exterior land. Our complex is within the square footage parameters allowed under the tariff.

Based on information that is more than a year old, I am told that under the metered rate our water bills would be lower. You may wonder why then we have not converted to a metered rate?

We have not done so because many of the residents have been in our complex since before the creation of the water authority. A promise was made to them and there is a contract in place between them and the water authority that we as HOA board members do not have authority to interfere with. Once that contract no longer exists, it would be wise for our board to take over responsibility for the 22 meter water charges. For the HOA to allocate the total charges across the complex to all occupants. But, we believe this board will have to order it be done.

There are two additional concerns that Mike and I have as HOA board members. The current rate plan, though a flat rate, it is under a residential tariff. The word "family" in the title denotes as much. We are concerned that once the bills start going to a corporate entity, our homeowners association, that we will be put under a commercial tariff.

We are also concerned that once the units are billed on a metered rate that TMWA staff will then tell us we have to separate our irrigation water and place that water usage on a commercial irrigation tariff.

If any of you live in an HOA community, you know full well who pays the bills. Collectively, the individual residential unit owners. You and me. It is our position that residential dwelling unit owners in a multi-family environment and with landscaping within the constraints of a fair and equitable tariff are no different than our neighbors. Single family residences who also have landscaping. Both should be treated and billed equally.

We are not suggesting that you cannot choose to bill residential landscape irrigation under a different tariff and order the installation of separate landscape water meters for every residential customer within the service area. We are asking that you treat us all equally.

The other concern we have pertains to timing. Like you, we, all HOAs, operate with limited statutory authority. We cannot react to change as quickly as you might expect or want. Our board meeting and accepting responsibility for all water charges cannot occur within the time frame envisioned under the June 1 scenario found on page 10 of the handout available online for this agenda item.

Ours and every HOA in this community have to know in advance what the rules are, what is expected of us, make proposed budget adjustments, send notices of increases in assessments, hold a public hearing, and vote to accept responsibility for the water service.

We simply cannot accept nor start paying water bills without board approval and without a defined revenue source. In our opinion, to do so otherwise would be against the law and subject us to sanctions.

Though our local community is now in a bind and more than likely what you are now tasked with doing should have been done years ago, we ask for the board to adopt the second scenario. Not only then will our board be able to in an orderly and legal fashion become the responsible party for 22 water bills, we will be doing so at a time when we will be able to spread the seasonally future higher costs amongst our member owners months in advance of the next growing season. Thus, giving us a financial cushion come the 2015 growing season. Because our operating costs are going to increase. This delay will also extend the amount of time TMWA makes more money off of us than it would under the metered rate plan.

As for future higher operating costs, I envision someone needing to weekly check each meter to measure for unusual water usage and to react immediately. I envision a showdown with our landscaper possibly greater than the one I intend to have with him at our next month's board meeting. Our being even more hard-nosed about damage to the irrigation system caused during mowing and resulting in wasted water when sprinkler heads the landscaper breaks are not immediately repaired. As a result, our landscaper is going to demand more time on site. That will cost us more money.

But in the end will save us all more water.

We appreciate this opportunity to share with you our concerns and thank you for making the hard decisions that allow this area to continue to be a viable community and nice place to live.