

# WESTERN REGIONAL WATER COMMISSION BOARD OF TRUSTEES MINUTES

Friday, July 10, 2009

The regular meeting of the Western Regional Water Commission (WRWC) was held on Friday, July 10, 2009, at City of Sparks Legislative Council Chambers, 745 Fourth Street, Sparks, Nevada.

- 1. Roll Call and Determination of presence of a Quorum** – Chairman Carrigan called the meeting to order at 1:35 p.m. There was a quorum present.

Commissioners Present:

Mike Carrigan, Chair  
Dave Aiazzi, Vice-Chair  
John Breternitz  
Steve Cohen  
Patricia Lancaster  
Bob Larkin  
Geno Martini  
Ron Smith

Representing:

Truckee Meadows Water Authority (TMWA)  
City of Reno  
Washoe County  
South Truckee Meadows General Improvement District (STMGID)  
Sun Valley General Improvement District (SVGID)  
Truckee Meadows Water Authority (TMWA)  
Truckee Meadows Water Reclamation Facility (TMWRF)  
City of Sparks

Commissioners Absent:

Bob Cashell

Representing:

Truckee Meadows Water Authority (TMWA)

- 2. Pledge of Allegiance**

Commissioner Larkin led the Western Regional Water Commission in the Pledge of Allegiance.

- 3. Approval of Agenda**

Chairman Carrigan reported that item 7 was pulled from the agenda to be rescheduled at a future meeting. Commissioner Martini made a motion to approve the July 10, 2009 WRWC agenda as amended. Commissioner Larkin seconded the motion, which carried unanimously.

- 4. Public Comment**

Chairman Carrigan called for public comments and hearing none, closed the public comment period.

- 5. Approval of the Minutes of the May 21, 2009 meeting.**

The minutes of the May 21, 2009 Western Regional Water Commission meeting were submitted for approval. Commissioner Breternitz made a motion to approve the minutes as submitted. Commissioner Smith seconded the motion, which carried unanimously.

- 6. Discussion and possible approval of an Amended Interlocal Agreement with the City of Reno, in an amount not to exceed \$400,000, for continuation of technical services by Limno-Tech, Inc. for water quality planning and the Truckee River total maximum daily load for nutrients (TMDL), and, if approved, authorize the Chairman to execute the agreement.**

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Chairman Carrigan invited Jim Smitherman to speak on this item. Mr. Smitherman reported that this project has been ongoing and supported by the Regional Water Management Fund (RWMF) in the amount of \$197,500 since July 2008. He stated that the Northern Nevada Water Planning Commission (NNWPC) recommended approval of continued funding for the project. He reported that also previously approved was a contract with California State University, Sacramento (CSUS) in the amount of \$142,500. He added that a contract for specialized services for Somach Simmons and Dunn in the amount of \$50,000 was also allocated. He summarized that to date approximately \$390,000 has been allocated for the project.

Mr. Smitherman reported that the scope of work being presented is fairly self-explanatory and includes a status update of the work done. He reported that the project is becoming more complex as it addresses issues involving regulatory agencies, such as the Nevada Division of Environmental Protection (NDEP), and the Federal Environmental Protection Agency (EPA). He stated that a little over \$400,000 is budgeted for the consultant to continue services through the end of the fiscal year. He welcomed any questions or comments from commissioners.

Chairman Carrigan called for questions. Commissioner Smith asked for clarification that Limno-Tech has been working on the project since last year, which Mr. Smitherman stated is correct. Commissioner Aiazzi asked if this type of funding request should be expected every year. Mr. Smitherman stated he anticipates that more funding will be requested because it is a multi-year negotiation for regulatory work required by the Clean Water Act.

Commissioner Aiazzi asked about the stakeholder education and who would be involved. Mr. Smitherman stated the group would include downstream water users, such as the Tribe, Fernley, Fallon, as well as local entities. Commissioner Aiazzi asked about the difference between stakeholder and watershed education. Mr. Smitherman stated that the watershed participants would include those who contribute pollution to the watershed in the entire Truckee Meadows area and possibly even upstream.

Rosemary Menard clarified that under this contract, Limno-Tech is providing modeling support services. She added that Reno and Sparks have invested in modeling tools, to be used in interactive negotiations with regulators. She explained that the difference between stakeholder and watershed education is that watershed includes the general public, while stakeholders include parties with specific interests.

Commissioner Aiazzi asked if the effort is required as part of the Truckee River Operating Agreement (TROA). Ms. Menard reported that TROA relates to water quantity issues, while this project focuses on water quality.

Commissioner Aiazzi asked if the Tahoe-Truckee Sanitation Agency (TTSA) does similar studies and if so, why we are not involved in that process. Ms. Menard stated yes they perform similar studies but they are not a direct discharger to the river (they discharge to a leach field). Commissioner Aiazzi asked if the Truckee Meadows is included as a stakeholder (as a downstream water user) to the TTSA. Ms. Menard stated she is not aware that TTSA is doing TMDL studies; however, if they were, we would be a stakeholder.

Commissioner Aiazzi asked if the consultant had been asked to reduce their wages or pay. Mr. Smitherman stated that City of Reno holds the contract with Limno-Tech and referred the question to Reno staff. Stan Shumaker, City of Reno Public Works, stated that Limno-Tech has done extensive work for Reno in the past. He stated that they have always been fair in their pricing and have gladly performed additional work as requested.

Commissioner Larkin asked if there is an alternative to this program. Mr. Smitherman stated that if this

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project were not implemented, most likely, an alternate method would be required to dispose treated effluent water to the river. He added that the regulatory cap would be reached on the amount of nutrients that enter the river. He stated the alternatives could include working with the regulatory authorities on some flexibility of the limits.

Sylvia Harrison, Legal Counsel for TMWA, offered to bring the context of the TMDL in the Clean Water Act to the next meeting to explain the history and process.

Commissioner Larkin asked if Limno-Tech is the best-qualified firm to perform this work. Mr. Smitherman stated that he believes Limno-Tech's expertise is top-notch for this project. Commissioner Larkin asked what the deliverable for the project is. Mr. Smitherman reported that the successful model runs can be used to persuasively renegotiate the TMDLs and possibly water quality standards. Commissioner Larkin asked if the WRWC would own the model once completed. Ms. Menard stated that the modeling work has been underway for a couple of years and is being used to examine phosphorus and other issues. She stated that additional information could be included in the background presentation mentioned by Ms. Harrison. She added that yes, the WRWC would own the model.

Commissioner Cohen asked how long it would be until the current TMDL would be revised. Ms. Menard stated it was set in 1994 and there is no requirement for the TMDL to be revised.

Commissioner Cohen made a motion to approve staff's recommendation. Commissioner Smith seconded the motion, which carried unanimously.

- 7. Discussion and possible approval of an Interlocal Agreement with the City of Reno, in an amount not to exceed \$65,000, for consulting services to be provided by MBK Engineers for water quality planning and the TMDL, and, if approved, authorize the Chairman to execute the agreement. *(This item was pulled from the agenda.)***
- 8. Discussion and possible approval of an Interlocal Agreement with the City of Fernley, in an amount not to exceed \$71,000, to reimburse water delivery assessments related to augmentation of instream flows in the lower Truckee River, and, if approved, authorize the Chairman to execute the agreement.**

Chairman Carrigan welcomed John Rhodes, Legal Counsel, to present this item. Mr. Rhodes reported that recently the Pyramid Lake Paiute Tribe (PLPT) and City of Fernley entered into an unprecedented water exchange agreement under which Fernley agreed to transfer up to 6,088 acre-feet of its Truckee River water to the lower Truckee River below Derby Dam for the 2009 irrigation season. He stated that in exchange, the Tribe will provide to the City of Fernley certain upstream storage rights. He reported that this agreement will significantly augment and enhance flows in the lower Truckee River, which is directly related to the TMDL issue discussed under item 6.

Mr. Rhodes reported that the PLPT and Fernley approached staff with a request that on a one-time basis for this year only, the WRWC reimburse Fernley for its water delivery fees to jump start the program. He stated that the hope is for the program to continue into the future with other funding sources. He added that staff believes the program is worthy of a funding recommendation in that it will provide significant enhancement to water quality in the lower river at a minimal price compared to water right values.

Mr. Rhodes reported that Greg Evangelatos, Fernley City Manager, Paul Taggart, Fernley Legal Counsel, and John Jackson, PLPT, were present at the meeting. Mr. Rhodes referred to a reimbursement agreement in the amount of up to \$71,000 for 2009 irrigation season only that was distributed to commissioners and welcomed questions.

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Chairman Carrigan asked for clarification that Fernley owns approximately 10,000 acre-feet of Truckee River surface water rights within the Truckee Division of the Newlands Reclamation Project, of which 6,088 acre-feet is proposed to be delivered to the lower Truckee River below Derby Dam. He also asked for clarification that Fernley has to pay Truckee Carson Irrigation District (TCID) whether the water is used or not. Mr. Evangelatos agreed that is correct and added that the total paid to TCID is \$110,000 and Fernley is asking for a portion (\$71,000) of that amount from the WRWC.

Chairman Carrigan asked Mr. Evangelatos how the flows toward the lake below Fernley look. Mr. Evangelatos stated that flows can be pretty slow during irrigation season. He added that Fernley believes they are operating in a regional context in that the best use of the water at this time is to divert it to Pyramid Lake as a part of the regional water system.

Commissioner Larkin asked Mr. Rhodes for clarification of why this request is coming before the WRWC. Mr. Rhodes stated that the WRWC is concerned with water quality and this proposal would help to meet the water quality goals. He added that enhanced flows in the lower river have a direct impact on the TMDL.

Commissioner Larkin reported that the signatories to TROA have already acknowledged that there is a water quality, as well as quantity, issue and by purchasing the water from Fernley, it will help meet those goals. Mr. Rhodes clarified that the WRWC would be purchasing a benefit to which Fernley would otherwise be entitled.

Commissioner Larkin commended Mr. Evangelatos and Fernley for their participation in regional issues as well as with the PLPT. Mr. Evangelatos added that Fernley wishes to fully participate in the process. Commissioner Larkin asked what other funding sources would be examined. Mr. Evangelatos stated that Fernley has been working with the Tribe and stated that Mr. Taggart could provide further information if desired.

Commissioner Martini made a motion to approve staff's recommendation. Commissioner Larkin seconded the motion. Commissioner Aiazzi stated that he would support this motion because Fernley is coming forward to participate in regional issues. He stated that he believes this is the beginning of a good partnership and hopes it continues. The motion carried unanimously.

**9. Update on status of evaluation considering possible integration of TMWA and the Washoe County Department of Water Resources (DWR), including presentation of reports from Operations Team and Water Resources Team; discussion regarding schedule, and possible direction to staff.**

Mark Foree, TMWA General Manager, reported that TMWA and DWR staffs have been working for about nine months on studying the potential opportunities and costs associated with some sort of integration between the two agencies. Mr. Foree reported that the results of the financial assessment, including each agency's debt, were presented to the WRWC in December. Mr. Foree reported that in March the system planning and engineering team produced a report.

Mr. Foree reported that two additional reports have been completed: 1) Operations and 2) Water Resources. He invited staff to present an overview of the reports. Ms. Menard stated that following the presentation, a proposed schedule of next steps would be presented. She introduced the operations staff from TMWA and DWR.

Pat Nielson, TMWA, and Joe Howard, DWR, provided a brief overview of the report. Mr. Nielson stated that the analysis included a high-level review of treatment, operations and maintenance. He reported that

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the conclusions were that there is an ability to save operational costs and provide more efficiency. He added that the cost savings have not yet been quantified. Some of the cost savings would occur based on a more efficient use of resources. He stated that related to water treatment and distribution, cost savings would be seen by jointly purchasing chemicals and supplies. Mr. Nielson reported that efficient use of the distribution system would include the use of surface water compared to groundwater, and the aquifer recharge program could be enhanced. The water quality laboratory operations could be combined resulting in cost savings.

Mr. Nielson reported that contract services could be reduced or eliminated based on the use of combined work forces. He summarized that overall system reliability, efficiency and customer service could be improved by integrating the two entities. He welcomed questions from commissioners to Mr. Howard or himself.

Commissioner Larkin referred to the team members for treatment operations and asked if it is an area being explored for integration and how it would work mechanically. Mr. Nielson stated that the study did not get to that level of detail. He added that for example two operators would be combined as an operation group. He stated there could be a reduction in staff; however, that might happen through attrition down the line. Mr. Howard stated that TMWA has operation staff *on duty* 24 hours per day; whereas DWR operators are *on-call* 24 hours per day. He summarized that if the entities were integrated, it would eliminate the need to have on-call staff 24 hours per day.

Commissioner Larkin referred to the water quality laboratories under possible integration. Mr. Howard stated that most likely DWR would eliminate their lab because they only perform microbiology (as needed), whereas TMWA's lab samples all types of constituents on a regular basis.

Mr. Howard reported that recently there was a water line break on Rock Boulevard where TMWA and DWR were initially unsure of whose line it was. He stated it was found to be DWR's line that broke; however, TMWA staff provided excellent back-up resulting in a true team effort with no prior planning.

Commissioner Smith asked about the potential cost savings based on integration. Mr. Nielson stated that intuitively staff believes that savings would be realized; however, a more in-depth analysis will be performed. Commissioner Smith stated he would like to see the estimated cost savings. Ms. Menard reported that the cost saving analysis would be completed in Phase 2.

Commissioner Aiazzi asked if this analysis includes billing, meter reading, etc. Mr. Nielson stated that the meter technician function was briefly discussed. He added that the systems have different meters.

Commissioner Aiazzi asked for clarification that DWR does not test for *Cryptosporidium*. Mr. Howard stated that DWR does not specifically test for that constituent because most of their water is groundwater.

Commissioner Aiazzi asked if the unions have been involved in discussions, which he stated is key. Mr. Nielson stated that the union has not been involved at this point because the financial analysis needs to be completed to determine whether to move forward.

Commissioner Aiazzi addressed Mark Foree and stated that initially the WRWC asked for the unions to be involved upfront. Mr. Nielson stated that the unions have been kept in the loop. Commissioner Aiazzi reiterated that the request was for the unions to be involved from the beginning. Mr. Howard stated that the staff teams include members of Washoe County Employee's Association (WCEA).

Mr. Foree stated that the analysis is being completed in a step process. Commissioner Aiazzi again reiterated that the WRWC requested involvement of the unions from the beginning. Mr. Foree stated that

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the next step in Phase 2 would include a more detailed cost analysis. Commissioner Aiazzi commented about the long time frame for getting to this point.

John Erwin, TMWA, and Vahid Behmaram, DWR, headed up the analysis of integration of water resources. Mr. Erwin referred to sections of the staff report that showed the possible opportunities. He added that the analysis was performed at a very high level and still requires a detailed analysis of the cost impacts and benefits to determine what areas should be considered for integration.

Mr. Erwin stated that at this point, South Truckee Meadows General Improvement District and Sun Valley General Improvement District have not been included in the integration analysis.

Chairman Carrigan called for questions or comments from commissioners. Commissioner Larkin mentioned some of the potential benefits related to Spanish Springs and Lemmon Valley by utilizing the same pipes and flows. Mr. Erwin agreed and stated that synergies were explored based on sharing resources in those areas. He stated that analysis also needs to be completed as to what types of facilities would be necessary. He mentioned other opportunities that will be explored.

Ms. Menard referred to the proposed schedule for moving forward with the TMWA/DWR Integration Evaluation. She reported that the recommendation from staff is the formation of a subcommittee compiled of WRWC members. She stated that following discussion at the next WRWC meeting on August 14, a recommendation should be made on whether to proceed to the next phase or provide other direction.

Ms. Menard stated that the plan is for staff to work with the newly formed subcommittee to develop a preliminary implementation plan for what to include in Phase 2 and recommendations on some type of joint management agreement or other outcome. She added that the recommended alternatives would be presented at the September meeting and if acceptable, it would be scheduled for a joint meeting of the WRWC, TMWA Board and Washoe Board of County Commissioners in October. The hope for the September joint meeting is to receive buy-in from participants along with further direction.

Ms. Menard stated that staff is seeking acceptance of the two reports heard today and direction for staff to work with the subcommittee.

Chairman Carrigan stated that the biggest issue is the financial portion. He added that perhaps "shared services" might be more appropriate than "integration". Commissioner Aiazzi stated he thinks it should be more of a long-term analysis without spending a lot of money. He reiterated the need for involvement by the union membership. He added that members are not going to be interested in integration if it means losing his or her job. He suggested that the concept move forward as a possibility for future financial savings based on attrition.

Commissioner Martini stated that in defense of staff he feels that the process should move slowly based on the regular duties of staff and trying to focus on the fast track analysis. He summarized that the daily duties are just as important and need to keep going.

Commissioner Aiazzi agreed and stated that his point is that if the unions are absolutely not interested in pursuing integration, it is a waste of time.

Commissioner Aiazzi made a motion to accept the two reports. Commissioner Martini seconded the motion, which carried unanimously.

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Commissioner Larkin made a motion to move "full steam ahead" with the staff recommendations. Commissioner Breternitz seconded the motion, which carried with seven in favor and one opposed.

Commissioner Larkin stated he would be willing to add to his motion that the unions need to be involved. Commissioner Aiazzi stated that the two unions could do their own analysis. Ms. Menard stated that the work which has been done in examining the benefit packages and salaries of both entities will be ready for presentation at the subcommittee meeting.

Commissioner Larkin made a motion to involve the unions in the meetings from here on. Commissioner Lancaster seconded the motion. Commissioner Aiazzi stated that this group can not make the unions be involved and suggested "inviting" them to the table. Commissioner Larkin agreed.

Ms. Menard reported that approximately nine months ago, she spoke with the Washoe County Employee's Association's Executive Director about these issues. The director's choice was for staff to proceed with the scope through the first phase before heavily involving the entire membership.

Mr. Foree stated that monthly management meetings have been held with the union and have included progress updates. He added that the union representatives seem to be very satisfied with the updates.

Chairman Carrigan called for a vote on the motion to invite the unions to participate, which carried unanimously.

#### **10. Discussion and possible appointment of a TMWA/DWR Integration Evaluation Subcommittee.**

Commissioner Larkin made a motion to establish a subcommittee to include Chairman Carrigan, Vice-Chairman Aiazzi, Commissioner Larkin and Commissioner Cohen. Commissioner Martini seconded the motion, which carried unanimously. Commissioner Aiazzi clarified that the meetings would be public with posted agendas and minutes.

#### **11. Discussion and possible approval of an Interlocal Agreement with Washoe County for the Investment of Regional Water Management Funds in the Washoe County Investment Pool, and if approved, authorize the Chairman to execute the agreement.**

Ben Hutchins stated that he is bringing back this slightly revised Agreement, which was presented to the WRWC approximately a year ago. He explained that the Washoe County Investment Committee proposed some language changes related to gains and losses. Commissioner Larkin reported that he serves on the Investment Committee and the money would be invested in the safest pool.

Commissioner Cohen made a motion to accept staff's recommendation to approve the Agreement. Commissioner Larkin seconded the motion, which carried unanimously.

#### **12. Discussion and possible direction to staff regarding the date of the next meeting and agenda items for that meeting.**

Ms. Menard stated that potentially a work session to discuss the TMWA/DWR Integration would be scheduled for the next WRWC meeting, as well as the item postponed from today's meeting. She stated that the meeting would be scheduled for August 14, 2009 at 1:30 p.m.

Chairman Carrigan asked about the previously mentioned Power Point presentation on the TMDL background, which Ms. Menard suggested be scheduled at a different meeting, possibly in September.

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**13. Commission Comments**

Commissioner Larkin asked when an update on the sustainability issue could be expected. Ms. Menard stated that staff has been working on the first draft of chapter one of the updated Water Plan, which must be completed by the end of December 2010. She stated that by December of this year, the draft, which includes language addressing the sustainability issue, should be ready for presentation to the WRWC.

**14. Staff Comments**

Mr. Smitherman reported that on June 8, 2009 the Governor appointed the WRWC as the 208 Water Planning Agency.

**15. Public Comment**

Chairman Carrigan called for public comments and hearing none, closed the public comment period.

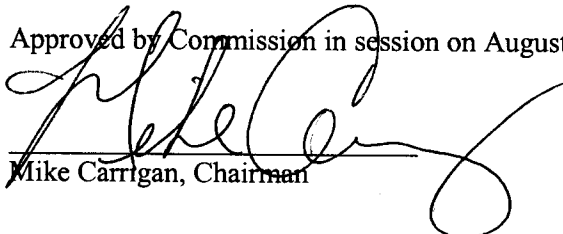
**16. Adjournment**

With no further business, the meeting was adjourned at 2:40 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on August 14, 2009.

  
Mike Carrigan, Chairman