

WESTERN REGIONAL WATER COMMISSION BOARD OF TRUSTEES MINUTES

Thursday, May 20, 2010

The meeting of the Western Regional Water Commission (WRWC) Board of Trustees was held on Thursday, May 20, 2010, at Sparks 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 9:00 a.m. There was a quorum present.

Commissioners Present:

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

Representing:

Truckee Meadows Water Authority (TMWA)
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:

Dave Aiazzi, Vice-Chair
Bob Cashell

Representing:

City of Reno
Truckee Meadows Water Authority (TMWA)

- 2. Pledge of Allegiance**

Chairman Carrigan asked Commissioner Martini to lead the Western Regional Water Commission in the Pledge of Allegiance.

- 3. Approval of Agenda**

Commissioner Breternitz made a motion to approve the May 20, 2010 WRWC agenda as posted. 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 April 9, 2010 meeting.**

The minutes of the April 9, 2010 Western Regional Water Commission meeting were submitted for approval. Chairman Carrigan requested a correction to page 3 of 4 – the Fiscal Year should be 2009-2010 (versus 2010-2011). Commissioner Martini made a motion to approve the minutes as amended. Commissioner Larkin seconded the motion, which carried unanimously.

Open Public Hearing – Chairman Carrigan opened the Public Hearing at 9:02 a.m.

6. Public Hearing on the WRWC Tentative Budget for Fiscal Year 2010/2011; discussion and adoption of the WRWC Final Budget for Fiscal Year (FY) 2010/2011

Chairman Carrigan invited Jim Smitherman to present this item. Mr. Smitherman provided a brief PowerPoint presentation summarizing the budget to be presented to the State Taxation Department. He explained that the Public Hearing and submittal of the Budget to the State is required by law annually. He reported that since the last presentation of the tentative budget to the WRWC, a change in the amount of one dollar was made to the beginning fund balance (due to a rounding error). The overview of the WRWC FY 2010/2011 budget included:

- Total revenue projected = \$1,400,852
- Projected professional services / supplies (Total = \$2,470,632)
 - Projected interlocal agreements and contract work for professional services = \$1,886,700
 - Projected staff services = \$480,932
 - Projected non-staff operating expenses = \$103,000
- Net decrease in cash reserves = \$1,069,780 (If all money budgeted is spent)
- Ending fund balance = \$2,580,690

The WRWC Project Work Plan and cost estimates include:

- Wastewater Planning = \$700,000 (Most work is related to the third party Truckee River Total Maximum Daily Loads [TMDLs])
- Reclaimed Water Planning = \$465,000 (Work includes planning, including aquifer recharge and storage [ASR], other potential industrial uses and regulatory requirements for reclaimed water use.) There is a possibility for a federal grant.
- Water Supply Planning = \$250,000
- Water Conservation Planning = \$351,700 (Amount includes TMWA's Water Usage Program, Desert Research Institute (DRI)'s Cloud Seeding, Certified Landscaped Technician Examination program, and the Washoe Evapotranspiration Website.) Commissioner Smith asked if further funding for DRI's Cloud Seeding program is anticipated. Mr. Smitherman stated most likely DRI would request additional funding. He added that the direction from the WRWC during DRI's last update was to form a regional coalition of beneficiaries to assist with funding the program (of which WRWC is one). Chairman Carrigan stated that DRI agreed to provide a report based on the success of the program prior to a request for further funding. Commissioner Smith stated that he recently read a report that DRI estimated creation of 13 billion gallons of additional water. Members agreed an explanation of the quantification was warranted. Mr. Smitherman stated that staff would follow up with DRI.
- Drainage and Flood Control Planning - No money is set aside in the upcoming budget because no work is anticipated; however, funding can be moved if needed based on changing priorities. (Work was performed last year by Washoe County Public Works in the Lemmon Valley area.)
- Comprehensive Regional Water Management Plan = \$120,000 (The deadline for the Plan update is the end of this calendar year. The schedule is on track to meet that deadline.)
- Administrative Management of the WRWC and Northern Nevada Water Planning Commission (NNWPC) = \$480,000 for staff services

Mr. Smitherman provided a comparison of last year's FY 2009-2010 budget to the current FY 2010-2011 budget and stated they are very comparable. He added that last year's budget estimate was close to the actual at the end of the FY. He briefly reviewed some of the small differences. He reported that the plan is to have sufficient funds budgeted to address any priority issues on a timely basis.

Commissioner Larkin referred to the County's proposed wage reductions and asked if those were factored into the budget. Mr. Smitherman stated that the County's projected wage decrease is 2.8%, which was not included because it has not been finalized. He added that any cost reduction would result in an increased ending fund balance.

Mr. Smitherman stated that an additional form was provided to commissioners at today's meeting that is required by law for lobbying expense estimates, of which there were none. Chairman Carrigan confirmed that the form shows a zero amount estimated for lobbying expenses.

Commissioner Larkin made a motion "To adopt and certify the WRWC Final Budget for Fiscal Year 2010/2011 and direct staff to transmit a copy of it to the Nevada Tax Commission in accordance with law." Commissioner Smith seconded the motion, which carried unanimously.

Close Public Hearing - Chairman Carrigan closed the Public Hearing at 9:13 a.m.

7. Discussion and possible approval of an Amendment to the Contract with Somach Simmons & Dunn, in an additional amount not to exceed \$50,000, for specialized legal services required in connection with the Truckee River Total Maximum Daily Load ("TMDL") process; and, if approved, authorize the Chairman to execute the Amendment

Mr. Smitherman reported that an amendment was requested to the contract for specialized legal services related to the TMDL process in an amount not to exceed \$50,000. He stated that the scope of work was expanded based on reclassification of certain reaches of the river related to the Clean Water Act and water quality standards. He stated that the Working Group advised that \$50,000 would be sufficient to carry the work through the next year.

Commissioner Breternitz made a motion "To approve the proposed Amendment No. 1 to the contract with Somach Simmons & Dunn, in an amount not to exceed \$50,000 from the RWMF, for specialized legal services required in connection with the Truckee River TMDL process; and, authorize the Chairman to execute the Amendment." Commissioner Larkin seconded the motion, which carried unanimously.

8. Status report on integration/consolidation of the Washoe County DWR and TMWA, and possible direction to staff.

Chairman Carrigan invited Rosemary Menard, Director of Washoe County Department of Water Resources (DWR) and Mark Foree, General Manager of TMWA, to provide an update. Mr. Foree referred to the staff report, which summarizes work completed on the TMWA and DWR Integration Efforts, as well as proposed work. He stated that current efforts are focused on facility assessments, engineering hydraulic modeling, land easement review, Supervisory Control and Data Acquisition (SCADA) and Information Technology (IT) assessments, and ordinance and rules review. He reported that the work will lead to the development of an integrated operating plan, followed by additional financial analysis.

Ms. Menard reported that based on the Interlocal Agreement approved by the Board of County Commissioners (BCC) and TMWA Board, one of the next major steps in the integration process is to

create the addendum that assesses the allocation of risks and benefits, which is scheduled for completion by late-summer / early-fall. She stated that staffs of TMWA and DWR continue to work well together in a collaborative process with a lot of ongoing work and progress.

Commissioner Martini asked how much has been spent on the process to date. Ms. Menard stated she was unsure; however, staff time is charged to a certain charge code so that reimbursement may be requested. She explained that the work expended will be beneficial to the community whether or not the integration occurs because it provides a good review of facilities and planning infrastructure. Commissioner Martini stated he agrees that the study will be beneficial to the community and he supports the effort; however, he stated that citizens need to be aware that such an effort does not come free. He added that it is costly to evaluate and possibly move forward with integration. Ms. Menard agreed and added that the money spent is a good investment for the community.

Mr. Foree added that the amount for reimbursement in the Interlocal Agreement (under the next agenda item) is approximately half of what has been spent.

Commissioner Martini made a motion to accept the report. Commissioner Larkin seconded the motion, which carried unanimously.

9. Discussion and possible approval of an Interlocal Agreement among the WRWC, TMWA, and Washoe County for reimbursement of certain expenses incurred in evaluating and implementing recommendations regarding integration/consolidation of the County's Department of Water Resources ("DWR") and TMWA; and, if approved, authorize the Chairman to execute the Agreement.

Mr. Smitherman stated this item is related to the report under the previous agenda item and added that the presentation was made earlier to the TMWA Board. Chairman Carrigan agreed that it was not necessary to provide the full presentation.

Mr. Smitherman reported that the request for reimbursement is for \$300,000 from this year's FY budget, and \$250,000 from FY 2010-2011 budget to support regional water planning by TMWA and DWR. He added that the WRWC Act requires the study of consolidation of the two entities.

Commissioner Larkin made a motion "To approve the Interlocal Agreement among the WRWC, TMWA and Washoe County for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation of TMWA and DWR, and authorize the Chairman to execute the Agreement." Commissioner Breternitz seconded the motion, which carried unanimously.

10. Discussion and possible reappointment of Mickey Hazelwood and Michael DeMartini to the Northern Nevada Water Planning Commission.

Mr. Smitherman stated that the two expiring positions are appointed by the WRWC Board of Trustees. He reported that Mr. Hazelwood was appointed recently to finish the term (vacated by Michael Cameron) of the public at large position to represent environmental, biological, conservation or public concerns. Mr. DeMartini has served as the representative of domestic well owners. Mr. Smitherman stated that both appointees agreed to serve an additional term on the NNWPC.

Commissioner Smith made a motion "To approve the staff recommendation to reappoint Michael DeMartini to the NNWPC as the member to represent domestic well owners, and reappoint Mickey Hazelwood to the NNWPC as the public at large member to represent environmental, biological,

conservation or public concerns.” Commissioner Larkin seconded the motion, which carried unanimously.

11. Discussion and possible direction to staff regarding the July 15, 2010 meeting of the Legislative Committee to Oversee the WRWC.

Ms. Menard reported that Patrick Guinan was present. She stated that the April 15, 2010 meeting of the Legislative Committee to Oversee the WRWC was cancelled and reported that the next meeting is scheduled for 9:00 a.m. on July 15, 2010 in the Washoe County Commissioners Chambers. She stated she has not yet seen an agenda for the meeting but assumed it would include an update on the consolidation efforts. She added that a planned work session is tentatively scheduled for August, at which time proposed legislative bills would be discussed. She stated that one bill draft request (BDR) will be proposed to allow for change to the Washoe County bond bank provision that would allow bonds to be issued to finance or refinance new projects. She clarified that staff had mentioned the BDR to the interim commission, which will be further discussed at the work session.

Chairman Carrigan invited Mr. Guinan to speak. Mr. Guinan introduced himself and stated he serves as staff to the Legislative Committee to Oversee the WRWC. He stated that the committee chose to cancel the April meeting to allow time for progress on the consolidation effort, and that another issue to be discussed is the water quality issue related to the environmental working group. He clarified that the committee is aware of the proposed BDR related to the bond bank. He welcomed any questions.

Chairman Carrigan thanked Ms. Menard and Mr. Guinan for the update.

12. Discussion and possible direction to staff regarding agenda items for the June 11 or July 9, 2010 Commission meeting and future meetings.

Ms. Menard reported that based on the May WRWC meeting being scheduled late in the month; staff recommended possibly canceling the June meeting, with the next meeting to be scheduled July 9, 2010. Items for the July agenda would include:

- Amendments to the Interlocal Agreement between Reno and the WRWC for TMDL-related work with the technical consultant
- Additional discussion regarding the July 15, 2010 Legislative Committee meeting
- Discussion of amendment to the contract for legal services with John Rhodes, including salary concessions (in line with County staff)

Commissioner Larkin asked if there would be merit in scheduling the July meeting as a joint meeting with the Legislative Committee. Ms. Menard stated that at this time she does not believe it is necessary but agreed to examine any merit associated with a joint meeting.

Commissioner Martini made a motion to cancel the June WRWC meeting. Commissioner Larkin seconded the motion, which carried unanimously.

13. Commission Comments

Commissioner Lancaster suggested to staff that if there are any savings in the budget that the reserve be built back up. She added that she does not believe we can continually draw down without making an increased effort to rebuild it because we are going to need it. Chairman Carrigan stated he agreed.

14. Staff Comments

Mr. Smitherman reported that work is being performed on the websites of the WRWC and the NNWPC so there will be a transition. He added that there is a link from the NNWPC to the WRWC. He added that the websites might look a little different.

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 9:27 a.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on July 15, 2010.

Mike Carrigan, Chairman