

WESTERN REGIONAL WATER COMMISSION BOARD OF TRUSTEES MINUTES

Wednesday, November 16, 2011

The regular meeting of the Western Regional Water Commission (WRWC) Board of Trustees was held on Wednesday, November 16, 2011, at Sparks Council Chambers, 431 Prater Way, Sparks, Nevada.

- 1. Roll Call and Determination of presence of a Quorum** – Chairman Carrigan called the meeting to order at 9:30 a.m. There was a quorum present.

Commissioners Present:

Mike Carrigan, Chair
Dave Aiazzi
Bob Cashell
Geno Martini
Margaret Reinhardt
Ron Smith

Representing:

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

Commissioners Absent:

Bob Larkin, Vice-Chair
John Breternitz
Steve Cohen

Representing:

Washoe County
Truckee Meadows Water Authority
South Truckee Meadows General Improvement District (STMGID)

- 2. Pledge of Allegiance**

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

- 3. Public Comment**

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

- 4. Approval of Agenda**

Commissioner Martini made a motion to approve the November 16, 2011 WRWC agenda as posted. Commissioner Smith seconded the motion, which carried unanimously.

- 5. Approval of the Minutes of the June 10, 2011 meeting.**

The minutes of the June 10, 2011 Western Regional Water Commission meeting were submitted for approval. Commissioner Smith made a motion to approve the minutes as submitted. Commissioner Martini seconded the motion, which carried unanimously.

- 6. Discussion and possible approval of the WRWC fiscal year 2010/11 Financial Statements and audit opinion — Zeth Macy, CPA, partner in Schettler, Macy & Silva, LLC**

Ben Hutchins, Finance & Customer Services Manager for Washoe County Department of Water Resources, invited Zeth Macy, CPA, partner in Schettler, Macy & Silva, LLC, to present this item. Mr. Macy stated that he enjoys working with Mr. Hutchins and the WRWC. He referred to WRWC Financial

Statements that were included in the agenda packet. He summarized that revenues were approximately \$1.38 million; expenditures were approximately \$1.39 million; for an ending fund balance of \$3,475,715.

Commissioner Smith made a motion to accept the report. Commissioner Aiazzi seconded the motion, which carried unanimously.

7. Discussion and possible approval of a Second Amendment to the Agreement for Legal Services for the WRWC and the NNWPC, to extend the term of the Agreement and provide for an additional reduction in attorney compensation; and, if approved, authorize the Chairman to execute the Amendment — Jim Smitherman, WRWC Water Resources Program Manager, and John Rhodes, WRWC Legal Counsel

Chairman Carrigan invited Mr. Rhodes or Mr. Smitherman to present this item. Mr. Smitherman reported that the Northern Nevada Water Planning Commission (NNWPC) reviewed this item and made a recommendation for approval by the WRWC. He added that Rhodes Law Office has served as legal counsel for the NNWPC and WRWC since 2008.

Mr. Smitherman stated that this proposal is for a three-year amendment, which can be terminated by either party with 30 days notice. He added that the two-year contracts seem to pass quickly so he suggested three years. He stated that Mr. Rhodes proposed a 10% decrease in his compensation, in line with County salary reduction proposals.

Commissioner Martini made a motion to approve the proposed Amendment No. 2 with Rhodes Law Office to continue to provide legal services to the NNWPC and the WRWC, and authorize the Chairman to execute the Amendment. Commissioner Smith seconded the motion, which carried unanimously.

8. Discussion and possible direction to staff regarding proposed purchase of general and public officials liability insurance coverage for the WRWC; and, if approved, authorize Jim Smitherman to complete the application process and obtain the insurance with coverage in the amount of \$1,000,000 — John Rhodes

Commissioner Martini asked if this is a new item. Mr. Rhodes stated it is and recommended that the WRWC obtain liability insurance. He solicited quotes from Wells Fargo insurance brokers, Brandon Lewis and Gary Roberts. A quote was provided for \$1 million in coverage and another for an additional \$1 million.

Chairman Carrigan asked for the record, what the policy would cover. Mr. Lewis reported that the policy provides:

- General liability for bodily injury and property damage
- Professional liability for “wrongful acts”, which is similar to errors and omissions for private firms – It would cover allegations of misstatement, error, omission, neglect or breach of duty. It does not cover property damage.
- The policy provides coverage for the limited amount of property the WRWC owns, which basically consists of servers for the website.
- It covers hired and non-owned automobile liability for the commission and board members. If a commissioner were driving his/her own automobile on behalf of the commission; if an accident and lawsuit occurred and it was found that the driver was driving on behalf of the WRWC, coverage would be provided.

Commissioner Martini stated that he is covered by City of Sparks and represents Sparks on the WRWC. He asked if this insurance would cover him in case of an accident. Mr. Rhodes stated that he believes Risk Management would determine that since Commissioner Martini was statutorily appointed to the WRWC, although representing Sparks, the WRWC would be responsible for coverage. Mr. Rhodes stated that this policy would prevent that argument from arising.

Mr. Lewis reported that in general, the coverage in place for Reno, Sparks and Washoe County, does not automatically cover an outside board (or legal entity).

Chairman Carrigan asked about the cost. Mr. Rhodes stated that the initial policy would cost just over \$2,000 and the policy with an additional million dollars in coverage would cost just over \$3,000.

Commissioner Aiazzi asked questions about coverage if he is representing Reno, but driving to a meeting of the WRWC, followed by a meeting of the TMWA Board. Mr. Lewis stated that his own auto insurance would be primary. Commissioner Aiazzi stated that his insurance rate would still increase and asked how this policy would help him. Mr. Lewis offered to check into further benefits of the policy if desired. Mr. Rhodes stated that the policy says it would cover over what is covered privately.

Commissioner Cashell made a motion to approve the policy for \$2 million. Commissioner Martini seconded the motion, which carried unanimously.

9. Report on amendments to the Open Meeting Law made by the 2011 Nevada Legislature — John Rhodes.

Mr. Rhodes stated that the two bills supported by the WRWC presented by the Legislative Committee to Oversee the WRWC (LOC) were Assembly Bills (AB) 257 and AB 59. He explained that both passed.

Mr. Rhodes stated that under the ethics bill, AB 59, each member of a public body who attends a meeting of that public body, where action is taken in any violation of a provision of Open Meeting Law, he or she is subject to a civil penalty in an amount not to exceed \$500; however, it was amended that the violator must have knowledge of the violation. Chairman Carrigan asked if the new laws apply to the legislature. Mr. Rhodes stated they do not.

10. Discussion and possible direction to staff regarding agenda items for the December 2011 meeting and future meetings.

Chairman Carrigan asked if pending items were scheduled for the December meeting. Mr. Smitherman stated that Desert Research Institute (DRI) is ready to present an update on the cloud seeding program with a request for continued funding. He stated that if desired, the presentation could be scheduled in January. He offered to provide an update on work he is doing with the Truckee Meadows Regional Planning Agency on growth projection models.

Chairman Carrigan suggested cancelling the December meeting, with the next meeting to be scheduled in January 2012.

11. Commission Comments

None

12. Staff Comments

Rosemary Menard provided an update on the Interim Oversight Committee for the WRWC. She explained that the Act required oversight for three interims, next year being the third. She stated that the members include Senator Lee, Senator Gustafson, Senator Schneider, Assemblywoman Benitez-Thompson, Assemblyman Daly, and Assemblyman Goicoechea. She added that Pat Guinan would serve as staff for the committee. She stated that a meeting would probably be scheduled in February 2012, followed by a workshop in August.

She stated that many of the legislators are new to the process.

13. Public Comment

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

14. Adjournment

With no further business, the meeting was adjourned at 9:52 a.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on February 10, 2012.

Mike Carrigan, Chairman