

**WESTERN REGIONAL WATER COMMISSION (“WRWC”)  
AGENDA  
Wednesday, September 19, 2012 @ 10:30 a.m.  
Sparks Council Chambers, Legislative Building  
745 Fourth St., Sparks, Nevada**

NOTICE OF POSSIBLE QUORUM OF THE BOARD OF DIRECTORS OF THE TRUCKEE MEADOWS WATER AUTHORITY (“TMWA”), BOARD OF COUNTY COMMISSIONERS OF WASHOE COUNTY (“BCC”), AND BOARD OF TRUSTEES OF THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT (“STMGID”)

*(See ‘Notes’)*

**Notes:** Because several of the WRWC Trustees are also members of the Board of Directors of TMWA, it is possible that a quorum of the TMWA Board may be present. Such members will not take action at this meeting as members of the TMWA Board, but may take action solely in their capacity as WRWC Trustees. A quorum of the BCC and STMGID may also be in attendance but will not be taking action.

1. Items on this agenda on which action may be taken are followed by the term "for possible action". Non-action items are followed by an asterisk (\*).
2. Public comment is limited to three minutes per speaker and is allowed during the public comment periods, and before action is taken on any action item. Comments are to be directed to the Commission as a whole. Persons may not allocate unused time to other speakers. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a “Request to Speak” card and submitting it to the clerk.
3. Items on this agenda may be taken out of order, combined with other agenda items for consideration, removed from the agenda, or delayed for discussion at any time. Arrive at the meeting at the posted time to hear item(s) of interest.
4. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call 834-8002 no later than 24 hours prior to the meeting.
5. In accordance with NRS 241.020, this agenda has been posted at the following locations: Reno City Hall (1 East First Street), Sparks City Hall (431 Prater Way), Sparks Justice Court (630 Greenbrae Dr), Sun Valley GID (5000 Sun Valley Blvd.), TMWA (1355 Capital Blvd.), Washoe County Administration Building (1001 E. 9th Street), Washoe County Clerk’s Office (Court and Virginia Streets), Washoe County Central Library (301 South Center St.), Washoe County Department of Water Resources (4930 Energy Way), Galena Market (19990 Thomas Creek Rd.), Galena High School (3600 Butch Cassidy Way), South Valleys Library (15650A Wedge Parkway), and the WRWC website: <http://www.wrwc.us>

1. Roll Call and Determination of presence of a Quorum\*
2. Pledge of Allegiance\*
3. Public comment — limited to no more than three minutes per speaker\*
4. Approval of Agenda **(for possible action)**
5. Approval of the minutes of the May 17, 2012 meeting **(for possible action)**
6. Review and possible ratification of staff's approval of an invoice for reimbursement of certain expenses incurred in evaluating and implementing recommendations regarding integration/consolidation of Washoe County’s water utility and (“TMWA”) as per the existing Interlocal Agreement — Jim Smitherman, WRWC Water Resources Program Manager **(for possible action)**
7. Review and possible approval of an amendment to the contract with Lombardo & Associates, Inc. for a groundwater management study, to identify strategies and potential funding mechanisms to address regional groundwater quality and quantity

- issues, including nitrate concentrations related to septic tanks, extending the project completion date for 12 months, and if approved, authorize the Chairman to execute the Amendment — Chris Wessel, WRWC Water Management Planner **(for possible action)**
8. Report on the Legislative Committee to Oversee the WRWC meeting of June 28, 2012, and possible designation of a WRWC Legislative Subcommittee for the 2013 session of the Nevada Legislature — Jim Smitherman **(for possible action)**
  9. Discussion and possible direction to staff regarding agenda items for the October 12, 2012 meeting and other future meetings **(for possible action)**
  10. Commission Comments\*
  11. Staff Comments\*
  12. Public comment — limited to no more than three minutes per speaker\*
  13. Adjournment **(for possible action)**

## TRUCKEE MEADOWS WATER AUTHORITY

### NOTICE OF POTENTIAL QUORUM

Wednesday, September 19, 2012 at 11:00 a.m.

Notice is hereby given that a quorum of the Truckee Meadows Water Authority Board, Standing Advisory Committee and/or Western Regional Water Commission may be present at the Glendale Water Treatment Facility Open House to be held on Wednesday, September 19, 2012 between 11 a.m. to 1 p.m. at Glendale Water Treatment plant at 1205 S. 21<sup>st</sup> Street, Sparks, Nevada.

Although members constituting a quorum may be in attendance at the open house, which is not open to the public, for the purpose of general education and not to conduct a meeting, deliberate toward a decision or take action on any matter over which the public body has supervision, control, jurisdiction or advisory power, this notice is provided in excess of caution given the potential of a quorum of one or more of the foregoing bodies to be present at this presentation.

The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital), Reno City Hall (1 E. First), Sparks City Hall (431 Prater), Sparks Justice Court (630 Greenbrae), Washoe County Clerk's Office/Courthouse (75 Court), Washoe County Central Library (301 South Center), Washoe County Administration (1001 East Ninth), Sun Valley GID (5000 Sun Valley Blvd.), Washoe County Department of Water Resources (4930 Energy Way), Galena Market (19990 Thomas Creek Rd.), Galena High School (3600 Butch Cassidy Way), South Valleys Library (15650A Wedge Parkway), and at <http://www.tmwa.com>, <http://www.truckeeriverfund.org/meetings.shtml>, and <http://www.wrwc.us>

**WESTERN REGIONAL WATER COMMISSION  
BOARD OF TRUSTEES  
*DRAFT* MINUTES**

**Thursday, May 17, 2012**

The regular meeting of the Western Regional Water Commission (WRWC) Board of Trustees was held on Thursday, May 17, 2012, 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 9:34 a.m. There was a quorum present.

Commissioners Present:

Mike Carrigan, Chair  
Dave Aiazzi  
Bob Cashell  
Steve Cohen  
Kitty Jung  
Geno Martini

Representing:

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

Commissioners Absent:

Bob Larkin  
Margaret Reinhardt  
Ron Smith

Representing:

Washoe County  
Sun Valley General Improvement District (SVGID)  
City of Sparks

**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 May 17, 2012 WRWC agenda as posted. Commissioner Aiazzi seconded the motion, which carried unanimously.**

**5. Approval of the Minutes of the February 10, 2012 meeting**

The minutes of the February 10, 2012 Western Regional Water Commission meeting were submitted for approval.

**Commissioner Aiazzi made a motion to approve the minutes as submitted. Commissioner Martini seconded the motion, which carried unanimously.**

**6. PUBLIC HEARING on the WRWC Tentative Budget for Fiscal Year 2012/2013; discussion and adoption of the WRWC Final Budget for Fiscal Year 2012/2013**

Chairman Carrigan opened the Public Hearing and invited comments from the public on the budget. Hearing none, he turned the presentation over to Jim Smitherman.

Mr. Smitherman referred to the items in the packet, which include all of the budget forms required by the Nevada Department of Taxation. He explained that the Northern Nevada Water Planning Commission approved the tentative budget at its April 4, 2012 meeting and recommended approval by the WRWC.

Mr. Smitherman stated that the fiscal year (FY) 2012/2013 budget projects \$1,344,186 in revenue (up about 2% from last year), and \$3,577,319 in expenses (down approximately \$100,000 from last year). He added that as in past years, the entire budget might not be spent. If it were, the net decrease in the fund would be \$2,992,787, with an ending fund balance of approximately \$900,000. Chairman Carrigan stated that amount is different from the worksheet ending cash balance of \$1.3 million. Mr. Smitherman explained the difference is due to the worksheet showing a “cash balance”, which begins at a different point. He added that Ben Hutchins, Finance and Customer Service Manager for Washoe County, was not present to explain the worksheets.

Chairman Carrigan clarified for commissioners that if the budget is adopted, the estimated cash balance as of 6/30/13 would be \$1.2 million. Mr. Smitherman agreed and added that the expenditures include estimated professional services, staff services and non-staff services. He explained that the largest expenditure is for “Regional Water Planning Projects”, which includes \$1,350,000 for acquisition of 6,700 acre-feet of water rights as required by the Truckee River Operating Agreement (TROA). He added that the purchase would be contingent on receiving approximately \$15 million from the federal government. He stated that the budget item has been carried forward for a few years.

Mr. Smitherman stated that \$300,000 is set aside in the budget to reimburse Truckee Meadows Water Authority (TMWA) and Washoe County Department of Water Resources (DWR) for consolidation analysis and efforts. He summarized that Regional Water Planning Projects total \$1,670,000.

Mr. Smitherman reviewed the other budget items, which include:

- Regional Water Conservation = \$219,500
- Regional Reclaimed Water Planning Projects = \$50,000
- Regional Storm Water Planning Projects = \$262,500
- Regional Wastewater Planning Projects = \$450,000
- Comprehensive Plan = \$340,787
- Total (including Regional Water Planning Projects) = \$2,992,787

Mr. Smitherman briefly reviewed the routine operating expenses, which includes staff and non-staff services. He summarized that the operating budget has not changed significantly from the past year.

Commissioner Aiazzi asked if \$300,000 would actually be spent on the feasibility analysis of consolidation. Mr. Smitherman stated that a few years ago \$250,000 was spent and the last two years, \$300,000 per year has been spent. Commissioner Aiazzi asked if the funding was in addition to TMWA and DWR each spending \$300,000. Mr. Smitherman stated that all of the money spent on the analysis does not come from the WRWC. He added that each entity spends in excess of that amount

(according to his backup information). Commissioner Aiazzi asked what remains to be done and how the money is being spent. Mr. Smitherman stated that question would be for the entities to answer.

Commissioner Aiazzi stated that the entities were asked to examine two issues before proceeding, which include South Truckee Meadows General Improvement District (STMGID) and the cost to developers.

Rosemary Menard stated that the entities recently met with the STMGID Local Managing Board and the STMGID Board of Trustees to discuss the possible directions in which to go. She added that quite a bit of progress has been made since January. She stated that the issue with developers is also being examined.

Commissioner Aiazzi asked how much money DWR has set aside in its budget for the consolidation efforts. Ms. Menard stated that the effort was not budgeted; however, the consolidation effort costs are tracked and at the end of the year, documentation of the cost is provided and reimbursed by the WRWC. Chairman Carrigan stated that was the point he made; the funding from the WRWC is to reimburse TMWA and DWR. Ms. Menard agreed that is correct.

Chairman Carrigan thanked Mr. Smitherman for his presentation.

**Commissioner Aiazzi made a motion to adopt and certify the WRWC Final Budget for fiscal year 2012/2013 and direct staff to transmit a copy of it to the Nevada Tax Commission, together with an affidavit of proof of publication of the notice of the public hearing in accordance with law. Commissioner Cohen seconded the motion, which carried unanimously**

**7. Discussion and possible finding that the draft Washoe County consensus population forecast for 2032 can be supported by the sustainable water resources as set forth in the Comprehensive Regional Water Management Plan**

Chairman Carrigan invited Jim Smitherman to present this item. Mr. Smitherman explained that a couple of years ago, the Truckee Meadows Regional Plan was amended to include a review of the Washoe County consensus population forecast with respect to sustainable water resources identified in the Regional Water Plan. He stated that an analysis was performed during the update of the Water Plan in late 2010. He reported that the consensus forecast is updated every two years, which triggers the process for the WRWC to determine that sustainable water resources are available for the updated projections.

Mr. Smitherman referred to the actual certified population estimates for Washoe County (by the State Demographer), which showed a peak in 2008 that declined by approximately 7,000 in 2009. He stated that the population projection and growth rate have decreased so the projection for 2032 is significantly less than previously projected. He requested that based on the population projections decreasing and the same sustainable water resources (or possibly even more than what was identified in 2010) being available, the WRWC find that the sustainable water resources can support the population projections. He added that Shawn Stoddard, TMWA, and he met and agreed that, considering the population projections, no further analysis was necessary.

**Commissioner Aiazzi made a motion to determine that the draft Consensus Forecast population for 2032 is less than the estimated population that can be supported by the sustainable water resources set forth in the RWMP, and direct staff to submit the draft**

**Consensus Forecast, with a finding that the forecasted population can be supported by the sustainable water resources. Commissioner Jung seconded the motion, which carried unanimously.**

- 8. Discussion and possible acceptance of a Clean Water Act grant in the amount of \$40,000, to offset funding for the ongoing regional groundwater management study, including nitrate concentrations related to septic tanks; and, if accepted, authorize the Chairman to execute a Subgrant Agreement with the Nevada Division of Environmental Protection for that purpose**

**Commissioner Martini made a motion to accept the Clean Water Act grant in the amount of \$40,000, to offset funding for the Project; and authorize the Chairman to execute the Subgrant Agreement with NDEP. Commissioner Cashell seconded the motion, which carried unanimously.**

Commissioner Aiazzi commended Mr. Wessel for securing the \$40,000 grant.

- 9. Discussion and possible approval of funding in an amount not to exceed \$250,000 from the Regional Water Management Fund (“RWMF”) for the continuation of technical services by LimnoTech, Inc. (“LTP”) for water quality planning related to the Truckee River total maximum daily load (“TMDL”) and water quality standards (“WQS”) for nutrients; and if approved, authorize the Chairman to execute a Third Amendment to the Interlocal Agreement with the City of Reno for that purpose**

Mr. Smitherman explained that this item is to renew an existing interlocal agreement with the City of Reno for the continuation of technical services provided through contract with LimnoTech associated with reviewing and possibly making changes to the water quality standards for the Truckee River, which benefit the discharge from the Truckee Meadows Water Reclamation Facility (TMWRF). He added that this particular agreement is for the computer modeling. He stated that the City of Reno is the lead on this project under a prior interlocal agreement.

**Commissioner Aiazzi made a motion to approve funding in an amount not to exceed \$250,000 from the Regional Water Management Fund (“RWMF”) for the continuation of technical services by LimnoTech, Inc. (“LTP”) for water quality planning related to the Truckee River total maximum daily load (“TMDL”) and water quality standards (“WQS”) for nutrients; and if approved, authorize the Chairman to execute a Third Amendment to the Interlocal Agreement with the City of Reno, extending the term for 12 months. Commissioner Jung seconded the motion, which carried unanimously.**

- 10. Discussion and possible approval of Amendment No. 3 to the Attorney-Client Fee Contract with Somach Simmons & Dunn, to extend the expiration date to June 30, 2013, for specialized legal services required in connection with the Truckee River TMDL and WQS process; and, if approved, authorize the Chairman to execute the Amendment**

Mr. Smitherman explained that this contract is for specialized legal services for work on the Truckee River total maximum daily load (TMDL). He clarified that this amendment is for a time extension of the contract. He added that approximately \$38,000 (of the \$50,000) contract remains, which should cover the cost of the needed work.

**Commissioner Cashell made a motion to approve the proposed Amendment No. 3 to the Attorney-Client Fee Contract with Somach Simmons & Dunn, to extend the expiration date to June 30, 2013, for specialized legal services required in connection with the Truckee River TMDL process, and authorize the Chairman to execute the Amendment. Commissioner Martini seconded the motion, which carried unanimously.**

**11. Discussion and possible approval of funding in an amount not to exceed \$262,500 from the RWMF to support the Truckee Meadows Storm Water Quality Management Program, and activities related to the implementation of the water quality and storm water drainage provisions of the Comprehensive Regional Water Management Plan; and, if approved, authorize the Chairman to execute a First Amendment to the Interlocal Agreement with the City of Reno for that purpose**

Mr. Smitherman reported that this item is to continue funding for the Truckee Meadows Storm Water Quality Management Program. He explained that the U.S. Environmental Protection Agency requires a program for stormwater discharge that is administered by the Nevada Division of Environmental Protection (NDEP). He added that the historic budget amount is \$262,500, which was shared by the City of Reno, City of Sparks and Washoe County; however, last year the WRWC recommended funding from the Regional Water Management Fund. He stated that the scope of work is being finalized currently.

**Commissioner Martini made a motion to approve funding in an amount not to exceed \$262,500 from the RWMF, and authorize the Chairman to execute the proposed Amendment. Commissioner Cashell seconded the motion, which carried unanimously.**

**12. Discussion and possible approval of a Second Amendment to the Interlocal Agreement among the Western Regional Water Commission ("WRWC"), the Truckee Meadows Water Authority ("TMWA") and Washoe County (the "County") for reimbursement of certain expenses, not to exceed \$300,000, incurred in evaluating and implementing recommendations regarding integration/consolidation of the County's Department of Water Resources and TMWA; and, if approved, authorize the Chairman to execute the Second Amendment**

Chairman Carrigan stated this item was previously discussed under approval of the budget. He invited any questions or comments.

**Commissioner Cashell made a motion to approve the proposed Second Amendment to 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 Amendment. Commissioner Martini seconded the motion, which carried unanimously.**

**13. Discussion and possible direction to staff regarding agenda items for the June 8, 2012 meeting and future meetings**

Mr. Smitherman stated that all of the time sensitive agenda items have been heard and suggested possibly cancelling the June WRWC meeting. Chairman Carrigan agreed to cancel the meeting.

**14. Commission Comments**

None

**15. Staff Comments**

None

**16. Public Comment**

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

**17. Adjournment**

With no further business, the meeting was adjourned at 9:55 a.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on \_\_\_\_\_ 2012.

\_\_\_\_\_  
Mike Carrigan, Chairman

Note: DRAFT Minutes not approved by Board.

# Western Regional Water Commission

## STAFF REPORT

DATE: September 6, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Review and possible ratification of staff's approval of an invoice for reimbursement of certain expenses incurred in evaluating and implementing recommendations regarding integration/consolidation of Washoe County's water utility and TMWA as per the existing Interlocal Agreement

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### **SUMMARY**

The existing Interlocal Agreement ("ILA") with TMWA and Washoe County to partially reimburse them for necessary integration/consolidation related costs, as amended on June 2, 2011, approved funding in an amount not to exceed \$300,000 for fiscal year 2011/2012. As required by Section 3.1.1 of the ILA, TMWA and Washoe County jointly submitted an invoice for their respective requested reimbursable expenses for the 2011/2012 fiscal year. Section 3.1.2 of the ILA requires either prior WRWC approval or ratification and confirmation for reimbursement of expenses for contracts in excess of \$25,000. Ratification is appropriate to confirm and approve payments as eligible reimbursement expenses if prior approval and authorization are not practicable due to scheduling constraints. Timely processing of the invoice did not allow for prior WRWC approval, therefore staff is requesting ratification of staff's approval and confirmation of certain contract payments in excess of \$25,000 as eligible reimbursement expenses.

The requested ratification is for reimbursement of TMWA contract expenses for:

Legal Services	\$38,243.80
Economic Consulting	\$48,205.00
Financial Consulting	\$27,080.67

### **BACKGROUND:**

Since September 2008, TMWA and DWR staff have, at the request of the WRWC, engaged in a process including a multi-part analysis, evaluation, planning, recommendations, and preliminary implementation of integration/consolidation of the two water utilities. Certain contracted services, and considerable staff time and resources have been, and will be, required to complete these efforts. The analysis, evaluation, and recommendations are a required element of the Comprehensive Regional Water Management Plan (the "Plan").

The ILA provided for a two-year, \$550,000 funding agreement with TMWA and DWR to partially reimburse them for necessary integration/consolidation related costs. That agreement was amended in 2011 and provides for funding not to exceed \$300,000 for the 2011/2012 fiscal year. TMWA and DWR will continue to incur consolidation-related costs in the current fiscal year.

Section 42(9) of the Western Regional Water Commission Act (the "Act") requires the Plan to include: "Evaluation and recommendations regarding the consolidation of public purveyors in the planning area, which must include costs and benefits of consolidation, the feasibility of various consolidation options, analysis of water supplies operations, facilities, human resources, assets, liabilities, bond covenants, and legal and financial impediments to consolidation and methods, if any for addressing such impediments."

In furtherance of the requirements of Section 42(9) of the Act, the WRWC, at its September 12, 2008 meeting, requested staff from TMWA and DWR to "Conduct a focused financial analysis to assess the feasibility of some form of utility integration using their joint bond counsel and financial advisors, Swendseid & Stern and PFM, respectively".

After nearly a year of extensive study and review, staff presented their conclusions to the WRWC. On August 14, 2009, the WRWC made a formal recommendation to the governing boards of TMWA and the County to proceed with the development of an interlocal agreement to implement the integration/consolidation of the functions of TMWA and DWR. The governing boards of both TMWA and the County subsequently approved the recommendation, and are proceeding accordingly.

Both TMWA and the County have incurred considerable expense, in contracted services and dedicated staff time, in the analysis, evaluation, planning, recommendations, and preliminary implementation of the requirements of Section 42(9) of the Act.

The WRWC has realized considerable cost savings by utilizing the expertise available from the respective staff of TMWA and the County, as opposed to contracting with additional outside consultants for the required services.

Both TMWA and the County have requested the WRWC, and the WRWC has agreed, through the ILA and its amendments described below, to partially reimburse them for consulting services and staff time and services that have been required and paid for, and that will be required, on an ongoing basis, in the consolidation process, in a collective amount not to exceed \$300,000 for the 2009/2010 fiscal year, a collective amount not to exceed \$250,000 for the 2010/2011 fiscal year, and a collective amount not to exceed \$300,000 for each of the 2011/2012 and 2012/2013 fiscal years.

Section 30(2) of the Act specifically authorizes the WRWC to enter into agreements with the County and TMWA to accomplish the purposes of the Act.

### **PREVIOUS ACTION**

On May 17, 2012, the WRWC approved the Second Amendment to the Interlocal Agreement among the WRWC, TMWA, and Washoe County for up to \$300,000 in fiscal year 2012/2013 from the RWMF, for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation of TMWA and DWR, and authorized the Chairman to execute the Amendment. (This action is unrelated to the staff recommendation.)

On June 2, 2011, the WRWC approved the First Amendment to the Interlocal Agreement among the WRWC, TMWA, and Washoe County for up to \$300,000 in fiscal year

2011/2012 from the RWMF, for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation of TMWA and DWR, and authorized the Chairman to execute the Amendment. (This action authorizes the staff recommendation.)

On May 20, 2010, the WRWC approved an Interlocal Agreement among the WRWC, TMWA, and Washoe County, for up to \$300,000 in fiscal year 2009-2010 and \$250,000 in fiscal year 2010/2011 from the RWMF, for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation of TMWA and DWR.

**FISCAL IMPACT**

The fiscal impact to the RWMF is \$279,920.09 against the authorized not-to-exceed amount of \$300,000 for fiscal year 2011/2012. Budget authority for \$300,000 is located in Fund Group 766, Fund 7066, Account Number 710100, Professional Services, and Cost Object WP310600.

**RECOMMENDATION**

Staff recommends that the WRWC ratify and confirm staff's approval of contract payments in excess of \$25,000 (as itemized above) as eligible reimbursement expenses, as shown in the invoice submitted jointly by TMWA and Washoe County for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation, in accordance with the existing ILA.

**POSSIBLE MOTION**

Move to ratify and confirm staff's approval of the itemized contract payments in excess of \$25,000 as eligible reimbursement expenses, as shown in the invoice submitted jointly by TMWA and Washoe County for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation, in accordance with the existing ILA.

JS:jd

# Western Regional Water Commission

## STAFF REPORT

**DATE:** September 6, 2012

**TO:** Chairman and Members, Western Regional Water Commission ("WRWC")

**FROM:** Chris Wessel, Water Management Planner

**SUBJECT:** Review and possible approval of an amendment to the contract with Lombardo & Associates, Inc. for a groundwater management study to identify strategies and potential funding mechanisms to address regional groundwater quality and quantity issues, including nitrate concentrations related to septic tanks, extending the project completion date for 12 months, and if approved, authorize the Chairman to execute the Amendment

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### **SUMMARY**

The Western Regional Water Commission has contracted with Lombardo & Associates, Inc. (in association with AMEC) to provide a study to identify management alternatives for high density septic systems which have been recognized as contributing to nitrate contamination of groundwater and may require mitigation within the Truckee Meadows and adjacent areas. The amount of funds authorized for the contract is \$60,000. The amount is to be offset by a 208 grant from the state in the amount of \$40,000.

The original contract time frame anticipated the project completion on June 30, 2012, at the end of FY 2011-12. However the project schedule was moved up to accommodate delays in obtaining the grant funding authorization. For this reason, staff requests the WRWC extend the contract completion date to June 30, 2013 to allow sufficient time to complete the project scope of work as originally intended.

### **BACKGROUND**

The proposed project involves research to identify and summarize various ways in which communities elsewhere in the United States have developed management and/or mitigation solutions to septic system contamination of groundwater. At present, the only solution employed locally to solve septic system groundwater contamination problems has been conversion of septic systems to sanitary sewer, which, while effective, is extremely costly. The intended outcome of this effort is to identify programmatic, technical and cost-effective solutions to mitigate groundwater contamination by high density septic system clusters in the community. The desired deliverables include a compilation of technologies and strategic approaches along with funding mechanisms that are suited to local conditions.

### **FISCAL IMPACT**

Action on this item will have no fiscal impact on the Water Management Fund.

**RECOMMENDATION**

Staff requests that the WRWC approve the amendment to the contract with Lombardo & Associates, Inc. for a groundwater management study to identify strategies and potential funding mechanisms to address regional groundwater quality and quantity issues, including nitrate concentrations related to septic tanks, extending the project completion date for 12 months, and if approved, authorize the Chairman to execute the Amendment

CW:jd

Attachment

**FIRST AMENDMENT  
TO  
AGREEMENT FOR CONSULTING SERVICES**

THE AGREEMENT FOR CONSULTING SERVICES (the "Agreement"), dated March 1, 2012, entered into between the Western Regional Water Commission, a political subdivision of the State of Nevada (the "Commission") and Lombardo Associates, Inc., ("Consultant"), collectively the "Parties", is hereby amended as follows:

WHEREAS, the Commission, at a meeting held September 19, 2012, approved extending the term of the Agreement by twelve months,

ARTICLE 4 - TIME SCHEDULE FOR COMPLETION is hereby amended to provide that all Services shall be completed no later than June 30, 2013.

The Agreement as amended to include the revisions set forth above is incorporated herein by reference, and all other terms and conditions of the Agreement shall remain in full force and effect.

This Amendment is effective July 1, 2012, regardless of the dates of execution by the Parties ("Effective Date").

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Agreement.

WESTERN REGIONAL WATER COMMISSION:

CONSULTANT:

Dated this \_\_\_ day of \_\_\_\_\_, 2012

Dated this \_\_\_ day of \_\_\_\_\_, 2012

By \_\_\_\_\_  
Mike Carrigan, Chairman

By \_\_\_\_\_  
Name and Title of  
Corporate Officer

APPROVED AS TO FORM:  
Rhodes Law Offices, Ltd.

By \_\_\_\_\_  
John B. Rhodes, Legal Counsel

# Western Regional Water Commission

## STAFF REPORT

DATE: September 6, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Report on the Legislative Committee to Oversee the WRWC meeting of June 28, 2012, and possible designation of a WRWC Legislative Subcommittee for the 2013 session of the Nevada Legislature

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### **SUMMARY**

On June 28, 2012, the Legislative Oversight Committee (“LOC”) held its second and final meeting of the 2011-2012 interim. As no recommendations for discussion were received by LOC staff, no work session was held. The LOC agenda is attached for reference.

Agenda items IV through VII were essentially informational reports provided to the LOC. Item VIII “Discussion of Possible Bill Draft to Continue the Legislative Committee to Oversee the Western Regional Water Commission” was the only item on which the LOC took action.

Discussion included comments from each LOC member present, who acknowledged that the LOC expires by limitation on July 1, 2013. They also acknowledged a number of statewide water issues and the need to study them. Finally, they agreed that if the 2013 Legislature might want to expand the authority of the LOC to include the entire State and study statewide water issues beyond the expiration date, the only way to know would be to forward a bill draft request (“BDR”). A motion to that effect was passed unanimously and staff was directed to prepare a BDR accordingly. Meeting minutes are available for viewing at <http://leg.state.nv.us/Interim/76th2011/Minutes/OverseeWRWC//IM-OverseeWRWC-062812-10567.pdf>

Following the meeting, the Legislative Counsel Bureau published a summary of the LOC’s recommendation: “Submit a BDR to extend the life of the Committee indefinitely and expand the Committee’s authority so that it may study water issues across the State”.

In addition, on June 28, 2012, the following was posted to the BDR list for the 77<sup>th</sup> (2013) Nevada Legislative session: “144 Legislative Committee to Oversee the Western Regional Water Commission (SB 487, 2007) Provides for an ongoing study of water issues in Nevada”.

### **BACKGROUND:**

In 2007, the Nevada Legislature created the WRWC, the NNWPC, and the LOC. The LOC is directed to review the programs and activities of the WRWC, including analyses of the potential consolidation of the retail distribution systems and facilities of all public water

purveyors in the planning area as defined in the enabling legislation. The LOC sunsets on July 1, 2013. Membership for the 2011-2012 interim includes the following Legislators:

- Senator Don Gustavson, Chair
- Assemblyman Pete Goicoechea, Vice Chair
- Senator John J. Lee
- Senator Michael A. Schneider
- Assemblywoman Teresa Benitez-Thompson
- Assemblyman Richard (Skip) Daly

**PREVIOUS ACTION**

Since the WRWC was created in 2008, it has formed a Legislative Subcommittee prior to sessions of the Nevada Legislature. The last Legislative Subcommittee was formed on January 14, 2011, with membership consisting of Chairman Carrigan, Commissioner Aiazzi and Commissioner Cohen.

**FISCAL IMPACT**

There is no fiscal impact.

**RECOMMENDATION**

Staff recommends that the WRWC consider forming a Legislative Subcommittee for the 2013 Legislative session, either on September 19, 2012, or at the January 2013 meeting.

**POSSIBLE MOTION**

Should the WRWC choose to for a subcommittee on September 19, 2012, a possible motion is: “move to form a Legislative Subcommittee for the 2013 Legislative session, to include the following members...”.

JS:jd

Attachment: June 28, 2012 Agenda

**REVISED**  
**MEETING NOTICE AND AGENDA**

Name of Organization: Legislative Committee to Oversee the Western Regional Water Commission (Senate Bill 487, Chapter 531, *Statutes of Nevada 2007*)

Date and Time of Meeting: Thursday, June 28, 2012  
9 a.m.

Place of Meeting: Legislative Building, Room 3138  
401 South Carson Street  
Carson City, Nevada

Note: Some members of the Committee may be attending the meeting and other persons may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following location: Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada.

*If you cannot attend the meeting, you can listen or view it live over the Internet. The address for the Nevada Legislature website is <http://www.leg.state.nv.us>. Click on the link "Live Meetings – Listen or View."*

Note: Minutes of this meeting will be produced in summary format. Please provide the secretary with electronic or written copies of testimony and visual presentations if you wish to have complete versions included as exhibits with the minutes.

**Note: Items on this agenda may be taken in a different order than listed. Two or more agenda items may be combined for consideration. An item may be removed from this agenda or discussion relating to an item on this agenda may be delayed at any time.**

I. Opening Remarks  
Senator Don Gustavson, Chair

II. Public Comment  
(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

III. Approval of Minutes of the Meeting Held on February 24, 2012, in Carson City, Nevada

*For  
Possible  
Action*

- For Possible Action* IV. Status Update on the Consolidation of Washoe County’s Water Utility With the Truckee Meadows Water Authority (TMWA)  
Rosemary Menard, Director, Washoe County Department of Water Resources (DWR)  
Jeff Tissier, Chief Financial Officer, TMWA
- For Possible Action* V. Presentation on Washoe County Groundwater Management Issues and Mt. Rose-Galena Fan Domestic Well Mitigation Program  
Rosemary Menard, Director, Washoe County DWR
- For Possible Action* VI. Status Update on the Truckee River Water Supply  
John A. Erwin, Director, Natural Resources Planning and Management, TMWA
- For Possible Action* VII. Update on the Truckee River Flood Management Authority’s (TRFMA’s) Five-Year Plan and Timeline, Set Up of the Joint Powers Authority, and Overview of the Current and Potential Future Funding Sources  
Jay Aldean, P.E., Executive Director, TRFMA
- For Possible Action* VIII. Discussion of Possible Bill Draft to Continue the Legislative Committee to Oversee the Western Regional Water Commission
- IX. Public Comment  
**(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)**
- X. Adjournment

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Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Research Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, 401 South Carson Street, Carson City, Nevada 89701-4747, or call the Research Division at (775) 684-6825 as soon as possible.

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Notice of this meeting was posted in the following Carson City, Nevada, locations: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; City Hall, 201 North Carson Street; Legislative Building, 401 South Carson Street; and Nevada State Library, 100 North Stewart Street. Notice of this meeting was faxed and e-mailed for posting to the following Las Vegas, Nevada, locations: Clark County Government Center, 500 South Grand Central Parkway; and Capitol Police, Grant Sawyer State Office Building, 555 East Washington Avenue. Notice of this meeting was posted on the Internet through the Nevada Legislature’s website at [www.leg.state.nv.us](http://www.leg.state.nv.us).