

Western Regional Water Commission

STAFF REPORT

DATE: October 11, 2018

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

FROM: Jim Smitherman, Water Resources Program Manager, WRWC

SUBJECT: Report on the September 5, 2018, Northern Nevada Water Planning Commission ("NNWPC") workshop, including recommendations, regarding WRWC strategic priorities, annual meeting schedule, administrative and legal services, overhead and non-staff related operating expenses, and possible budget adjustments; discussion and possible adoption, revision, or deferral of any NNWPC recommendations; and, possible direction to staff.

SUMMARY

On September 5, 2018, the NNWPC held a workshop (the "9/5 Workshop") in response to direction from the WRWC to schedule a workshop-style meeting of the NNWPC to discuss and forward possible recommendations to the WRWC regarding WRWC strategic priorities, annual meeting schedule, administrative and legal services, overhead and non-staff related operating expenses, existing contracts, and possible budget adjustments (all from the perspective of achieving potential cost savings and increased efficiency).

In December 2017, the NNWPC held a priority-setting workshop to prepare for the development of the fiscal year ("FY") 2018-2019 WRWC budget. The following February, the NNWPC discussed these priorities at two additional meetings and developed a ranked project list based on the priority-setting process. The ranked project list is reflected in the approved FY 2018-2019 WRWC budget (attached). The results of the priority setting workshop are also attached.

PREVIOUS ACTION

On August 14, 2018, at a concurrent meeting of the WRWC and the NNWPC, the WRWC directed staff to schedule a workshop-style meeting of the NNWPC and prepare an agenda item to provide for discussion and possible recommendations to the WRWC regarding strategic priorities, annual meeting schedule, administrative and legal services, overhead and non-staff related operating expenses, existing contracts, and possible budget adjustments.

BACKGROUND and DISCUSSION

Strategic Priorities: In December 2017, the NNWPC held a priority-setting workshop to prepare for the development of the fiscal year ("FY") 2018-2019 WRWC budget. In February 2018, the NNWPC discussed these priorities at two additional meetings and developed a ranked project list based on the priority-setting process. The ranked project list is reflected in the approved FY 2018-2019 WRWC budget. The results of the priority setting workshop are summarized below and attached in an expanded format. At the 9/5 workshop, the NNWPC confirmed that the priority ranking is still valid and not in need of adjustment.

Table 1. Priorities

Rank	Regional Water Planning Category
1	Reclaimed Water
2	Storm Water
3	Wastewater
4	Water Resources
5	Flood Control
6	Water Conservation

Annual Meeting Schedule:

At the 9/5 Workshop, the NNWPC expressed appreciation for the WRWC's engagement and input at the August 14 concurrent meeting. Consistent with the WRWC's direction, the NNWPC proposed the following annual WRWC meeting schedule, including two concurrent workshops.

Table 2. Meeting Schedule

January:	WRWC/NNWPC workshop to review, discuss and confirm annual priorities
March:	WRWC/NNWPC workshop to review proposed budget
May:	WRWC budget hearing
June:	WRWC meeting to approve project contracts, possible location at tour site
October:	WRWC meeting to approve financial statements and audit, review project progress, milestones, accomplishments, possible location at tour site

Professional and Administrative Staff Services:

WRWC/NNWPC professional and administrative staff services are provided by three full time Washoe County employees who are assigned to the WRWC by way of a Cooperative Agreement. Total wages and benefits costs for those employees have ranged from about \$295,000 in FY 2008-2009 to \$346,000 in FY 2017-2018.

WRWC staff has worked with Washoe County management and finance staff to streamline the Administrative Secretary duties so that the position is now shared approximately 50-50 between the WRWC program and the Washoe County Community Services Department. This should result in an annual savings of about \$40,000.

Overhead provided by Washoe County:

From FY 2008-2009 through FY 2012-13, services that would have been otherwise charged to the WRWC as administrative overhead were provided by the County and to a lesser extent by TMWA, as in-kind services at no cost to the WRWC. That informal arrangement ended in fiscal year 2014. Since that time, Washoe County has charged the WRWC for overhead costs. WRWC and Washoe County finance staff have worked to ensure that overhead costs are charged only for services utilized by the WRWC program. As a result, overhead charges have decreased over time from 42 percent of wages and benefits costs in FY 2013-2014 to 23 percent in FY 2017-2018.

Legal Services:

Legal services for the WRWC/NNWPC are provided through an Agreement with Rhodes Law Offices, Ltd., for a flat fee retainer of \$12,000 per month for all required legal services exclusive of litigation. That retainer includes an approximate 10% increase in compensation approved by

the WRWC in October 2017, effective November 1, 2017, to reinstate voluntary reductions in compensation proposed and taken by Mr. Rhodes to track compensation reductions imposed on Washoe County employees during the course of the recent recession and resulting local government budget constraints. Prior to approval of the current contract, Mr. Rhodes had offered to extend his previous contract, upon the same terms and conditions, including continuation of the 10% reduction, through June 30, 2020, and he is now offering to discuss and reinstate that reduction, or an alternative reduction in compensation, on terms and conditions to be negotiated.

Mr. Rhodes has provided a broad scope of legal services required by the WRWC and the NNWPC, including: working closely with staff to ensure that all meeting agendas and staff reports comply with Nevada Open Meeting law and other legal requirements; providing legal representation at all public meetings of the WRWC, and its subcommittees, and the NNWPC; drafting legal documents such as interlocal agreements and contracts with planning consultants and other service providers; addressing specific Open Meeting Law and other statutory compliance issues; evaluating the propriety of proposed expenditures from the Regional Water Management Fund; coordinating and collaborating with the Truckee Meadows Regional Planning Agency (“TMRPA”) on issues involving both land use and water resource planning; assessing potential liability from a risk management perspective; advising/representing the WRWC and the NNWPC on federal, state, and local legislative issues; providing services as a registered lobbyist at the Nevada Legislature; and, providing continuing review to assure that both the WRWC and the NNWPC comply, at all times, with all mandates and provisions of the Western Regional Water Commission Act, Chapter 531, Statutes of Nevada 2007. Mr. Rhodes will provide additional information at the meeting relating to services provided, time required, and possible revisions of both.

To provide context for the cost of legal services, staff compiled and compared fiscal year 2018-2019 budgeted legal costs for other regional agencies in Washoe County, including the WRWC, Truckee River Flood Management Authority (“TRFMA”), and the Truckee Meadows Regional Planning Agency (“TMRPA”). In addition, reasonably comparable costs for similar services were provided to staff by the Truckee Meadows Water Authority (“TMWA”). After discussion at the 9/5 Workshop, the NNWPC did not provide a recommendation concerning legal services, following comments by individual members that any negotiations relating to possible revisions of the existing Agreement should be conducted by the WRWC, not the NNWPC. The last formal action taken by the NNWPC was made on October 4, 2017, with a recommendation to the WRWC to extend the prior Agreement through June 2020 on the same terms and conditions.

Table 3. Legal Services Cost Comparison

WRWC	WRWC	TRFMA	TMRPA	TMWA
FY18 Actual	FY19 Budget	FY19 Budget	FY19 Budget	
139,200	144,000	143,500	117,300	132,000

WRWC: Past 11 months, 48 to 82 hours/month, monthly average 59.5 hours, average billing rate \$206 per hour

TRFMA: Fulltime Counsel (total cost \$197,400/year), 70% of time (\$143,500/year) used for services similar to services provided to WRWC

TMRPA: Actual retainer \$9,775/month plus copies, includes litigation

TMWA: Hours for general legal matters including board meetings, operations and land matters average approximately 40/month, \$275/hour, \$11,000 per month

Other Administrative Services Contracts:

The budget amount for minutes transcription is \$15,000, actual costs typically do not exceed \$5,000/year.

The budget amount for video coverage of meetings is \$5,000; actual costs typically do not exceed that amount.

Budget Adjustments

The NNWPC, at the 9/5 Workshop, recommended two policy changes, the first of which is to establish a Project Reserve Account, the amount of which has yet to be determined. The second recommendation was to adopt a policy to avoid funding construction projects.

Budget adjustments recommended by staff include:

Table 4. Recommended Budget Adjustments

	FY 2019 Budget	FY 2020 Budget	Savings
Mileage Expenses	2,400	500	1,900
Legal Services	144,000	129,600	14,400
Minutes	15,000	5,000	10,000
Website (rename I.T.)	25,000	12,500	12,500
Misc. Operating	20,000	10,000	10,000
TOTAL			48,800

FISCAL IMPACT

No immediate fiscal impact.

SUMMARY OF RECOMMENDATIONS

At the 9/5 Workshop, the NNWPC made the following recommendations to the WRWC:

- Affirm the strategic priorities as shown in Table 1;
- Approve the annual meeting schedule shown in Table 2;
- Consider adopting policies to avoid funding construction projects with the Regional Water Management Fund; and,
- Create a project reserve account.

Staff further recommends the budget adjustments shown in Table 4.

POSSIBLE MOTION

“Move to adopt (revise, or defer) the recommendations proposed by the NNWPC and by staff.”

Attachment

JS:jp

Priority by Category

Category	Total Votes*	Number of Projects	Votes Per Project
Regional Reclaim Planning	28	6	4.7
Regional Storm Water Planning	25	6	4.2
Regional Wastewater Planning	14	4	3.5
Regional Water Planning	11	5	2.2
Regional Flood Planning	7	1	7.0
Regional Conservation Planning	6	5	1.2

Priority by Project

Projects	Total Votes*
Integrated Wastewater and Reclaimed Water Master Planning	9
Regional Wastewater Flow Projections	7
Flooding From Ditches	7
Integrated Source Water Protection Program	6.5
Climate Variability Data Assessment	6
NPDES Storm Water Quality Management Program	6
Bedell Flat Infiltration Project	5
Regional Effluent Management Strategy Team	5
Water Innovations Campus	5
Storm Water GIS Mapping	5
Water Usage Review Program	4
N & P Reduction in watershed	4
Watershed Management Plan Update	3.5
NPDES Storm Water Permit Update	3
Indirect Potable Reuse Planning	2
Advanced Water Treatment Demonstration	2
Modeling for Water Quality Standards and TMDL Compliance	2
TMRPA Sustainability Study	2
Regional Water Management Plan Update	2
Washoe ET Project	1
Certified Landscape Technician Program	1
One Truckee River	1
Septic System Mitigation Planning	1
Regional Plan Update Coordination	1
Precipitation "Can" Gauge Monitoring	0
Water For the Seasons	0
Cloud Seeding Monitoring	0
Cloud Seeding	0
NNWPC/WRWC Website Update/GIS Mapping	0

* Ranking Criteria

Priority by Category and Project

Category/Projects	Total Votes* (T)	Number of Projects (N)	Votes per Project (T/N)
Regional Reclaim Planning	28	6	4.7
<i>Integrated Wastewater and Reclaimed Water Master Planning</i>	9		
<i>Bedell Flat Infiltration Project</i>	5		
<i>Regional Effluent Management Strategy Team</i>	5		
<i>Water Innovations Campus</i>	5		
<i>Advanced Water Treatment Demonstration</i>	2		
<i>Indirect Potable Reuse Planning</i>	2		
Regional Storm Water Planning	25	6	4.2
<i>Integrated Source Water Protection Program</i>	6.5		
<i>NPDES Storm Water Quality Management Program</i>	6		
<i>Storm Water GIS Mapping</i>	5		
<i>Watershed Management Plan Update</i>	3.5		
<i>NPDES Storm Water Permit Update</i>	3		
<i>One Truckee River</i>	1		
Regional Wastewater Planning	14	4	3.5
<i>Regional Wastewater Flow Projections</i>	7		
<i>N & P Reduction in watershed</i>	4		
<i>Modeling for Water Quality Standards and TMDL Compliance</i>	2		
<i>Septic System Mitigation Planning</i>	1		
Regional Water Planning	11	5	2.2
<i>Climate Variability Analysis</i>	6		
<i>TMRPA Sustainability Study</i>	2		
<i>Regional Water Management Plan Update</i>	2		
<i>Regional Plan Update Coordination</i>	1		
<i>NNWPC/WRWC Website Update/GIS Mapping</i>	0		
Regional Flood Planning	7	1	7.0
<i>Flooding From Ditches</i>	7		
Regional Conservation Planning	6	5	1.2
<i>Water Usage Review Program</i>	4		
<i>Washoe ET Project</i>	1		
<i>Certified Landscape Technician Program</i>	1		
<i>Cloud Seeding Monitoring</i>	0		
<i>Cloud Seeding</i>	0		

* Ranking Criteria