

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

Wednesday, October 17, 2018

The regular meeting of the Western Regional Water Commission (“WRWC”) Board of Trustees was held on Wednesday, October 17, 2018, at Truckee Meadows Water Authority, 1355 Capital Blvd., Reno, Nevada.

1. Roll Call and Determination of Presence of a Quorum

Chair Hartung called the meeting to order at 8:30 a.m. There was a quorum present.

<u>Commissioners Present:</u>	<u>Appointed by:</u>
Vaughn Hartung	Washoe County
Donald Abbott	TMWRF
Sandra Ainsworth (<i>present at 10:04</i>)	Sun Valley General Improvement District (“SVGID”)
Kristopher Dahir	City of Sparks
Naomi Duerr (<i>present at 9:14</i>)	City of Reno
Jeanne Herman (STMGID Successor)	Truckee Meadows Water Authority (“TMWA”)
Neoma Jardon (<i>present at 8:38</i>)	TMWA (Reno)
Bob Lucey (<i>present at 8:38</i>)	TMWA (Washoe County)
Ron Smith	TMWA (Sparks)

<u>Commissioners Absent:</u>	<u>Appointed by:</u>
None	

2. Pledge of Allegiance

The Pledge of Allegiance was led by Lydia Peri.

3. Public Comment

None

4. Approval of Agenda (For Possible Action)

COMMISSIONER DAHIR MADE A MOTION TO APPROVE THE AGENDA, SECONDED BY COMMISSIONER SMITH. THE MOTION CARRIED UNANIMOUSLY WITH FIVE (5) COMMISSIONERS PRESENT.

5. Approval of the Minutes for Meetings of October 18, 2017, July 18, 2018, and August 14, 2018 (For Possible Action)

It was noted that only the October 18, 2017 meeting minutes are ready for approval and included in the meeting packet.

COMMISSIONER ABBOTT MADE A MOTION TO APPROVE THE OCTOBER 18, 2017 MINUTES, SECONDED BY COMMISSIONER HERMAN. THE MOTION CARRIED UNANIMOUSLY WITH FIVE (5) COMMISSIONERS PRESENT.

6. Discussion and possible approval of the fiscal year 2017 - 2018 WRWC financial statements and audit opinion, and possible direction to staff - Ben Hutchins, Director, Finance & Administration Division, Washoe County Community Services Department, and Zeth Macy, Schettler Macy & Associates, LLC. (For Possible Action)

Zeth Macy, Schettler Macy & Associates, presented the financial report. It is the auditor's expressed opinion that the financial statements present fairly, in all material respects, the financial position of the WRWC as of June 30, 2018, and the changes in its financial position and budgetary comparison for the year then ended in conformity with accounting principles generally accepted in the United States of America.

COMMISSIONER SMITH MADE A MOTION TO APPROVE THE WRWC FINANCIAL STATEMENTS AND AUDIT OPINION FROM SCHESSLER MACY & ASSOCIATES, LLC FOR FISCAL YEAR 2017 - 2018, AND DIRECT STAFF TO FILE THE SAME AS A PUBLIC RECORD, AS REQUIRED BY LAW, SECONDED BY COMMISSIONER HERMAN. THE MOTION CARRIED UNANIMOUSLY WITH FIVE (5) COMMISSIONERS PRESENT.

7. Discussion and possible designation of Schettler Macy & Associates, LLC as the external auditors for the fiscal year 2018 - 2019 WRWC financial statement audit; and, if approved, authorize the Chairman to execute the related Engagement Letter, and direct staff to file the required documents with the State of Nevada - Ben Hutchins. (For Possible Action)

Ben Hutchins, Director, Finance & Administration Division, Washoe County Services Department, presented the staff report. Staff is recommending that the WRWC designate Schettler Macy & Associates, LLC, as the auditors for fiscal year 2018 - 2019, approve the related Engagement Letter, and direct staff to report this designation to the State of Nevada by the March 30, 2019 deadline.

(Commissioner Jardon present at 8:38 a.m.)

COMMISSIONER DAHIR MADE A MOTION TO DESIGNATE SCHESSLER MACY & ASSOCIATES, LLC AS THE WRWC'S EXTERNAL AUDITORS FOR THE FISCAL YEAR ENDING JUNE 30, 2019, AUTHORIZE THE CHAIRMAN TO EXECUTE THE RELATED ENGAGEMENT LETTER, AND DIRECT STAFF TO REPORT THE DESIGNATION TO THE STATE OF NEVADA BY THE STATUTORY DEADLINE, SECONDED BY COMMISSIONER HERMAN. THE MOTION CARRIED UNANIMOUSLY WITH SIX (6) COMMISSIONERS PRESENT.

8. Discussion and possible approval of a scope of work, and funding in an amount not to exceed \$150,000 from Regional Water Management Fund ("RWMF"), to complete the update of the Truckee Meadows Watershed Management and Protection Plan for Tributaries to the Truckee River (the "Plan"); if approved, authorize the Chairman to execute a First Amendment to the Interlocal Agreement ("IA") with the City of Reno for that purpose; and possible direction to staff. (For Possible Action)

(Commissioner Lucey present at 8:38 a.m.)

Chris Wessel, WRWC Water Management Planner, presented the staff report. The Truckee Meadows Storm Water Permit Coordinating Committee (“SWPCC”) recently completed a gap analysis as part of the initial update to the Plan. The current Plan includes some, but not all, components of nine elements required by the Environmental Protection Agency (“EPA”) for grant funding under (Clean Water Act) Section 319. Based on information identified in the initial gap analysis, the SWPCC is requesting funding in the amount \$150,000 to complete the Plan update. The SWPCC approved the hiring of NCE Consulting, Inc. to complete this final phase of the Plan update. The proposal has been recommended for approval by the Northern Nevada Water Planning Commission (“NNWPC”).

Theresa Jones, SWPCC Coordinator for the City of Reno, answered questions regarding the funding request and tributaries that are included in the Plan.

Public Comment:

Birgit Widgren, Nevada Division of Environmental Protection (“NDEP”), spoke in support of this funding to continue with the next phase in the Plan update.

COMMISSIONER ABBOTT MADE A MOTION TO APPROVE THE PROPOSED SCOPE OF WORK, AND FUNDING IN AN AMOUNT NOT TO EXCEED \$150,000 FROM THE RWMF, TO COMPLETE THE PLAN UPDATE; AND AUTHORIZE THE CHAIRMAN TO EXECUTE A FIRST AMENDMENT TO THE IA WITH THE CITY OF RENO FOR THAT PURPOSE, SECONDED BY COMMISSIONER HERMAN. THE MOTION CARRIED UNANIMOUSLY WITH SEVEN (7) COMMISSIONERS PRESENT.

9. Report by the Desert Research Institute (“DRI”) on last winter’s cloud seeding operations for the Truckee River and Lake Tahoe Basins; discussion and possible approval of a scope of work, and funding in an amount not to exceed \$50,000 from the RWMF, to augment State funded operations for the upcoming winter; if approved, authorize the Chairman to execute an IA with DRI for that purpose; and, possible direction to staff - Frank McDonough, Associate Research Scientist, DRI, and Chris Wessel, WRWC Water Management Planner. (For Possible Action)

Frank McDonough, DRI, gave a presentation on last winter’s cloud seeding operations for water year 2017-2018, and the proposed scope of work for the upcoming winter, water year 2018-2019. DRI secured partial funding for the 2018-2019 Program from the State of Nevada during the previous legislative session. State funding will cover the cost of forecasting as well as the operation and maintenance of five of seven existing cloud seeding generators for the upcoming winter. Mr. McDonough answered questions regarding the proposed scope of work and technical details of cloud seeding.

Commissioner Dahir suggested that the WRWC provide some kind of official document expressing support for this program that can be brought to the state when requesting funding.

Chair Hartung stated that ongoing support of this program is necessary regardless of having a good water year.

Commissioner Lucey also spoke in support of the program stating that the data has shown the effectiveness of these snow sites and what they mean to our Tahoe Basin.

COMMISSIONER LUCEY MADE A MOTION TO APPROVE THE PROPOSED SCOPE OF WORK, AND FUNDING IN AN AMOUNT NOT TO EXCEED \$50,000 FROM THE RWMF, TO AUGMENT STATE FUNDING AND PARTIALLY SUPPORT DRI'S CLOUD SEEDING PROGRAM FOR THE UPCOMING WATER YEAR; AND AUTHORIZE THE CHAIRMAN TO EXECUTE AN IA WITH DRI FOR THAT PURPOSE, SECONDED BY COMMISSIONER DAHIR. THE MOTION CARRIED UNANIMOUSLY WITH SEVEN (7) COMMISSIONERS PRESENT.

10. Report on the development of outreach strategies, messages, materials and information dissemination methods related to regional effluent management planning (the "Project") provided by Data Instincts Public Outreach Consultants ("Data Instincts"); discussion and possible approval of a scope of work, and funding in an amount not to exceed \$100,000 from the RWMF, to continue the Project; if approved, authorize the Chairman to execute a First Amendment to the Agreement with Data Instincts for that purpose; and, possible direction to staff - Jim Smitherman, WRWC Water Resources Program Manager. (For Possible Action)

Rick Warner, Washoe County Community Services Department, presented a summary of current activities and answered questions regarding the feasibility study.

(Commissioner Duerr present at 9:14 a.m.)

Lydia Peri, Washoe County Engineering and Capital Projects Division, presented information and answered questions on details of the project focusing on the public outreach component of the feasibility study.

COMMISSIONER LUCEY MADE A MOTION TO APPROVE THE PROPOSED SCOPE OF WORK, AND FUNDING IN AN AMOUNT NOT TO EXCEED \$100,000 FROM THE RWMF, TO CONTINUE THE PROJECT; AND AUTHORIZE THE CHAIRMAN TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH DATA INSTINCTS FOR THAT PURPOSE, SECONDED BY COMMISSIONER SMITH. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) COMMISSIONERS PRESENT.

11. 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 - Jim Smitherman. (For Possible Action)

Jim Smitherman, WRWC Water Resources Program Manager, presented the staff report. On September 5, 2018, the NNWPC held a workshop in response to direction from the WRWC 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. Mr. Smitherman presented results from the workshop for each of these topics. Details of those results are provided in the written staff report.

(Sandra Ainsworth present at 10:04 a.m.)

John Rhodes, WRWC legal counsel, distributed a proposal to amend the existing Agreement for Legal Services, and stated that the staff report indicated he would provide additional information at the meeting. He explained that when the Agreement was amended last year, he anticipated that a substantial amount of legal work would be required during the 2019 Legislative session, which would justify and support the monthly retainer fee on an overall basis. This assumption was based on numerous prior discussions by WRWC Board members indicating a desire to either dissolve the WRWC, or transfer many of its responsibilities to other regional bodies. This assumption did not change until the August 14 meeting. Now there are no legislative changes anticipated, allowing the proposed fee reductions: Option 1, all services in the existing Agreement for a flat monthly retainer of \$9,500; and Option 2, for \$8,500 per month, which includes the following cost-cutting measures. The legislative subcommittee would be eliminated, review of staff reports and minutes would be reduced or eliminated, and staff meetings would be reduced to once a month.

Several WRWC Trustees discussed details of the Legal Services Contract, the Proposal, and the desire to prepare an RFP for legal services.

(Commissioner Herman absent at 10:10 a.m.)

COMMISSIONER LUCEY MADE A MOTION TO AFFIRM THE MEETING SCHEDULE AS PROPOSED IN TABLE 2, AND AFFIRM THE PRIORITIES AS PROPOSED IN TABLE 1 OF THE STAFF REPORT, SECONDED BY COMMISSIONER SMITH. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) COMMISSIONERS PRESENT.

COMMISSIONER DUERR MADE A MOTION TO DIRECT STAFF TO BRING BACK A SCOPE OF WORK FOR LEGAL SERVICES AT THE NEXT WRWC MEETING.

Commissioner Lucey discussed the options provided in the proposal to amend the Agreement for Legal Services, and expressed support for proposed Option 2.

Commissioner Duerr expressed support for Option 1, to keep the status quo with the services currently being provided while having some immediate savings.

COMMISSIONER DUERR AMENDED THE MOTION TO ALSO INCORPORATE OPTION 1 EFFECTIVE NOVEMBER 1, 2018, SECONDED BY COMMISSIONER JARDON.

Chair Hartung expressed support for Option 2.

THE MOTION FAILED WITH FOUR (4) IN FAVOR AND FOUR (4) OPPOSITIONS BY COMMISSIONERS DAHIR, HARTUNG, LUCEY, AND SMITH.

COMMISSIONER LUCEY MADE A MOTION TO MOVE FORWARD WITH DISCUSSION OF AN RFP PROCESS AT THE NEXT REGULARLY SCHEDULED MEETING, AND ENTERTAIN LEGAL SERVICES OPTION 2, SECONDED BY COMMISSIONER DAHIR.

John Rhodes, Legal Counsel, pointed out that there is only a difference of about \$1,000 a month between the two options. He stated that he is willing to amend the contract effective November 1, 2018 for a monthly flat fee retainer of \$9,000.00, and continue providing all current services. That would result in a reduction of \$3,000.00 a month for legal services, and an immediate savings of 25% for legal costs going forward.

COMMISSIONER LUCEY AMENDED THE MOTION TO MOVE FORWARD WITH DISCUSSION OF AN RFP PROCESS AT THE NEXT REGULARLY SCHEDULED MEETING, AND AMEND THE LEGAL SERVICES CONTRACT, EFFECTIVE NOVEMBER 1, 2018, TO A \$9,000.00 MONTHLY FLAT FEE RETAINER, SECONDED BY COMMISSIONER DAHIR. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) COMMISSIONERS PRESENT.

12. Discussion and possible direction to staff regarding agenda items and dates for future WRWC meetings - Jim Smitherman. (For Possible Action)

The next regularly scheduled WRWC meeting will be December 19, 2018.

13. Commission Comments

None

14. Staff Comments

None

15. Public Comment

None

16. Adjournment (For Possible Action)

The meeting was adjourned at 10:18 a.m.

Respectfully submitted by,
Christine Birmingham, Recording Secretary

Approved by Commission in session on _____ 2018.

Chair Vaughn Hartung