

# WESTERN REGIONAL WATER COMMISSION MINUTES

Friday, December 12, 2008

The regular meeting of the Western Regional Water Commission (WRWC) was held on Friday, December 12, 2008, at City of Sparks Legislative 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 1:35 p.m. There was a quorum present.

Commissioners Present:

Mike Carrigan, Chair  
Dave Aiazzi, Vice-Chair  
Steve Cohen  
Jim Ainsworth  
Geno Martini  
Ron Smith

Representing:

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

Commissioners Absent:

Bob Cashell  
Bob Larkin  
Bonnie Weber

Representing:

Truckee Meadows Water Authority (TMWA)  
Truckee Meadows Water Authority (TMWA)  
Washoe County

- 2. Pledge of Allegiance**

Commissioner Smith led 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 Ainsworth made a motion to approve the December 12, 2008 WRWC agenda as posted. Commissioner Cohen seconded the motion, which carried unanimously.

- 5. Approval of the Minutes of the November 7, 2008 meeting.**

The minutes of the November 7, 2008 Western Regional Water Commission meeting were submitted for approval. Commissioner Martini made a motion to approve the minutes as submitted. Commissioner Smith seconded the motion, which carried unanimously.

- 6. Informational presentation on the MXU remote technology for water meter reading used by STMGID.**

Chairman Carrigan invited Arthur Burns, Sensus Metering Systems, and Barney Arneson, Western Nevada Supply, to give a presentation.

Mr. Burns reviewed a brief PowerPoint presentation that explained the FlexNet system, which is in use by Washoe County Department of Water Resources (DWR). He provided a brief overview of the equipment and technology, which provide remote data collection of water use throughout the county. The information is transmitted every hour, which assists with leak detection.

Mr. Burns reported that the frequent meter reads that are provided to the utility enable initial and final readings without having to send a person to the site. He stated that the system also assists with dispute resolution because water customers can see the volume of water used during specific timeframes. He reported that water use can also be measured in relation restricted watering days.

Mr. Burns referred to slides showing the transmissions from the meters to the Regional Network Interface (RNI) in Washoe County and one in Redwood City. He stated that the Meter Data Management Software (MDMS) serves as an interface between the RNI and the end-user billing software.

Mr. Burns concluded his presentation and welcomed questions or comments from commissioners. Commissioner Aiazzi asked if customers could see their own data. Mr. Burns stated it is possible if it is set up by customers or utilities in that manner. Commissioner Aiazzi asked how much the meters cost. Mr. Burns stated the cost varies by meter type but approximately \$200, with no monthly charge. He added that the network is typically owned by the utility, for which an annual support cost is charged.

Commissioner Cohen complimented the system, which is used by South Truckee Meadows General Improvement District (STMGID), and stated it has been very useful in leak detection.

Commissioner Smith asked if Redwood City customers were mandated to use the meters. Mr. Burns stated that irrigation customers were and added that Redwood City felt it was incumbent to show customers their water usage if they were to be charged tiered rates. He added that Redwood City purchased the network and the transmitter system.

Chairman Carrigan asked about the frequencies used, which Mr. Burns explained. Chairman Carrigan asked how easy it is to tamper with the system. Mr. Burns explained that it is not easy. He added that the systems are set up securely to detect any tampering or cut wires. He summarized that the system is very secure. He added that the participating purveyors have their own secure server so information can not be accessed by others.

Commissioner Aiazzi asked if any purveyors have utilized the information to disseminate water use at a particular time of day resulting in a different water cost. Mr. Burns stated that "time of use" billing has been implemented for electricity; however, he has not seen it used for water yet but most likely that will occur. Chairman Carrigan stated that would be a good use for the system since TMWA customers do have set watering days and hours.

Chairman Carrigan thanked Mr. Burns and Mr. Arneson for their presentation.

**7. Discussion and possible designation of persons authorized to approve invoices to the Western Regional Water Commission (WRWC), and approve within budget expenditures from the Western Regional Water Management Fund (WRWMF) up to certain specified amounts.**

Rosemary Menard, DWR Director, reported that Washoe County is responsible for the administrative details related to Western Regional Water Management Fund (WRWMF) although they do not have an authorized signer. She stated that staff's recommendation is to authorize Jim Smitherman, Program Manager, to approve invoices and small contracts (up to \$25,000). She added that previously the Board of County Commissioners (BCC) delegated that authority to the Director of the DWR.

Commissioner Aiazzi asked approximately how many invoices would fall between \$10,000 and \$25,000. Ms. Menard stated that the next two agenda items fall into that category.

Jim Smitherman reported that contract amounts range up to \$1.5 million and not many are under \$10,000. He stated that some of the smaller contracts cover general operating procedures, such as preparation of minutes and televising meetings.

Ms. Menard stated that commissioners could set a lower amount if desired. Chairman Carrigan stated he would be more comfortable with a \$10,000 limit based on City of Sparks Manager having a limit of \$25,000. Commissioner Martini stated he is comfortable with a \$25,000 limit.

Commissioner Cohen stated he did not have a problem with either amount; however, he asked if the next two agenda items would fall under this category. Mr. Smitherman stated that if authorization to \$25,000 is granted, the next two agenda items would be covered. He added that the WRWC would still see the contracts as informational items; however, they would not have to take action.

Commissioner Smith made a motion to approve staff's recommendation that the "WRWC designate Jim Smitherman, Water Resources Program Manager, as the person authorized to approve invoices submitted to the WRWC, and approve in-budget expenditures from the WRWMF not to exceed \$25,000, upon recommendation of the Northern Nevada Water Planning Commission, including the authority to authorize routine operational expenditures."

Ms. Menard reported that staff has been working on a cash flow projection for the next few years. She added that the document will be presented at the January meeting.

Commissioner Aiazzi asked for clarification that the \$25,000 applies to cumulative contracts as well. He clarified that for instance monthly contracts in the amount of \$5,000 can not be approved if they exceed the \$25,000 limit.

Commissioner Cohen seconded the motion, which carried with four in favor and one (Chairman Carrigan) opposed.

**8. Discussion and possible approval of funding in the amount of \$25,000 from the WRWMF to support the Conservation Practitioner Certification Program and, if approved, authorize the Chairman to execute, upon receipt, an Agreement for such funding in support of the program, and a letter in support of the Program.**

Commissioner Cohen asked what the benefit is to the WRWC by approving funding for this item and the next. Mr. Smitherman reported that the Conservation Practitioner Certification Program targets the utility workers and provides for a standard level of knowledge for those completing the training and certification. The goal is to provide a common base of knowledge among all the water conservation practitioners from the various entities. He added that there are multiple contributors to the program.

Commissioner Cohen asked for clarification that it is not a private sector program, which Mr. Smitherman stated it is not. Darrin Price reported that the three general managers of the largest regional purveyors have multiple certifications. He added that the conservation certification is valuable.

Commissioner Aiazzi asked if this \$25,000 funding would be in lieu of the individual entities having to provide funding. Mr. Price stated that is correct. He added that there are three levels of training and certification. Commissioner Ainsworth asked if there is a requirement that participants have a Grade 1 or Grade 2 Water Operator Certification. Mr. Price stated no, it is a separate certification.

No action was taken as this now falls within Mr. Smitherman's signing authority.

**9. Discussion and possible approval of funding in the amount of \$8,120 from the WRWMF for continued support of the Certified Landscape Technician (CLT) Exam Program and, if approved, authorize Chairman to execute, upon receipt, an Agreement for such funding in support of the Program.**

Commissioner Cohen again asked if this is a private certification program. Mr. Smitherman stated that this program targets the private landscape companies, particularly installation and maintenance of irrigation systems. He added there is a need to bring the landscapers up to a standard level of knowledge.

Commissioner Cohen asked if the certification is a requirement for landscapers. Mr. Smitherman stated it is not currently; however, some landscape companies require it in order to bring a higher level of service to their customers. Mr. Smitherman reported that Jason Perry and Jim Stanhouse from Nevada Landscape Association (NLA) were present to answer questions if desired.

Mr. Smitherman stated that the NNWPC sees great value in this program and has funded the program since 2003 (previously as the Regional Water Planning Commission (RWPC)).

Commissioner Aiuzzi asked if government should require such certification when accepting bids. He suggested that perhaps certification should be required. Mr. Smitherman reported that it is being explored in the public sector.

Neil Mann, City of Reno and member of the NNWPC, reported that currently there are only approximately 45 CLTs in the Truckee Meadows. He explained that the NNWPC urged the NLA to become self-sufficient in funding the program, which they are progressing toward. He added that the funding level requested (\$8,120) has decreased from prior requests. He stated that until more landscapers become certified, public agencies can not require such certification.

Mr. Mann reported that individual costs for the examination and certification are approximately \$275. He added that the NLA provides funding and implementation of the program.

No action was taken as this now falls within Mr. Smitherman's signing authority.

**10. Discussion and possible adoption of a proposed policy for WRWC interactions with the 2009 Nevada Legislature.**

Ms. Menard stated that this item is to solicit input as to how commissioners would like the WRWC to be represented in the 2009 Nevada Legislature. She stated there a handful of bill draft requests (BDRs) that might affect the WRWC or NNWPC. She referred to the "Proposed Policy for WRWC interactions with the 2009 Legislature". She explained that the proposed approaches for four tiers are as follows:

- Bill Tracking – The suggestion is that John Rhodes, Legal Counsel, track the BDRs that may have an impact or be of interest to the WRWC or NNWPC.
- Interaction with legislative staff or legislators
- Technical testimony on legislation or WRWC activities
- Policy testimony on legislation or WRWC activities

Chairman Carrigan stated that he does not want staff to get cornered by legislators. He proposed designating a couple of members of the WRWC to work with the legislators with the technical assistance

of staff as appropriate.

Commissioner Cohen agreed and suggested the representatives be the Chairman and Vice-Chairman. Chairman Carrigan agreed and suggested setting a meeting schedule, possibly in conjunction with the TMWA Board meetings, due to the duplication of members. Commissioner Aiazzi stated he agreed and suggested that STMGID be represented as well.

Ms. Menard summarized that bill tracking would be performed by Mr. Rhodes. She added that the Chairman, Vice-Chairman and STMGID representative would serve as a “clearing house” for the other issues.

Commissioner Aiazzi made a motion to form a sub-committee to include the Chair, Vice-Chair and STMGID representative to agendaize meetings to provide direction on legislative issues. Commissioner Martini seconded the motion, which carried unanimously.

**11. Informational Report on Bill Draft Requests for the 2009 Nevada Legislature that may affect the WRWC / NNWPC; discussion and possible direction to staff.**

Mr. Rhodes referred to the informational staff report on the BDRs for the 2009 Legislature. He stated that the intention is to add an update on BDRs as a standing action agenda item through the close of the 2009 session. Chairman Carrigan thanked Mr. Rhodes for his update.

**12. Status Report and possible direction to staff on work relating to possible integration of TMWA and WCDWR.**

Mark Foree, TMWA Interim General Manager, reported that he, Jack Byrom and Jeff Tissier were present from TMWA to speak on this item or answer questions. Mr. Foree stated that an in-depth staff report was included in the agenda packets to commissioners. He reported that Mr. Tissier would provide an overview of the financial analysis. He added that the next step for the finance team would be analysis of the operational finances. He stated that TMWA and DWR are currently working on multi-year funding plans that will determine the financial requirements moving forward if they were to remain separate. He added that the plans should be completed in early 2009.

Mr. Tissier provided a brief overview of the fund and legal analyses. He reported that the legal analysis examined two general ideas; one being total consolidation with the acquired entity having their bonds included with the other entity, which would operate the water system. Another option would be to leave the existing debt in place and enter into an operational agreement. He clarified that based on current economics, it would be too expensive (\$15 to \$17 million in interest) for TMWA to pay off bonds. He added there would be significant additional costs associated with paying off DWR’s bonds as well. He stated that if or when the market conditions improve, there may be a possibility of defeasing the bonds.

Mr. Tissier explained that if a mutually accepted operational agreement were entered into, the managing entity would enter into possible new bonds in the future. Current bonds would be defeased as the market conditions allow. Mr. Tissier suggested that the market be tested from time to time in order to reevaluate the possibilities. He welcomed questions or comments.

Ms. Menard referred to the staff report, in particular the proposed TMWA-DWR Integration Working Teams. She reported that TMWA and DWR staffs are examining opportunities, including deferred costs by making better use of existing infrastructure by managing the system as a whole, deferred capital expenditures, and better use of existing available resources.

Ms. Menard referred to the “Conceptual Flow Diagram for a Phased Approach to Decision-Making” and the “Preliminary Schedule”. She explained that steps would be taken based on findings as the analysis occurs.

Ms. Menard welcomed input or questions. Commissioner Aiazzi stated that one of the most important issues would be involvement by the employee groups. He suggested their inclusion as an initial step because if they do not agree, integration can not move forward. Ms. Menard stated that she has spoken with representatives of the Washoe County Employees Association (WCEA) regarding the proposal. She explained that the WCEA is the bargaining unit that represents most of the Washoe County employees. She clarified that the members of the analysis team have not yet been named; however, Human Resources would be included.

Chairman Carrigan called for questions or comments from commissioners. Commissioner Aiazzi made a motion that the WRWC move forward with the staff recommendation to continue examination of a joint contract. Commissioner Martini seconded the motion, which carried unanimously. Ms. Menard stated that staff would continue to provide updates as appropriate.

### **13. Discussion and possible direction to staff regarding agenda items for the January 2009 meeting of the WRWC.**

Chairman Carrigan suggested canceling the January WRWC meeting if there are no agenda items.

Ms. Menard stated that the Public Hearing on the Water Plan Amendment would be scheduled for the January meeting. She added that the NNWPC held its Public Hearing on December 3, 2008. She stated that a public workshop was also held for the public to review the Plan Amendment at DWR.

Ms. Menard stated that the “Cash Flow Analysis” would also be presented at the January meeting.

### **14. Commission Comments**

Commissioner Ainsworth stated this would be his last meeting as a commissioner on the WRWC. He added it has been a pleasure to be a part of this group. He stated that the WRWC got off to a rocky start but has made significant progress in serving its constituency.

Chairman Carrigan read from a plaque of appreciation presented to Commissioner Ainsworth from the WRWC. Members thanked and applauded Commissioner Ainsworth for his work on the WRWC.

### **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 2:35 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on January 9, 2009.

---

Mike Carrigan, Chairman