

WESTERN REGIONAL WATER COMMISSION BOARD OF TRUSTEES MINUTES

Friday, March 13, 2009

The regular meeting of the Western Regional Water Commission (WRWC) was held on Friday, March 13, 2009, 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 2:05 p.m. There was a quorum present.

Commissioners Present:

Mike Carrigan, Chair
John Breternitz
Steve Cohen
Patricia Lancaster
Bob Larkin (arrived at 2:07 p.m.)
Geno Martini

Representing:

Truckee Meadows Water Authority (TMWA)
Washoe County
South Truckee Meadows General Improvement District (STMGID)
Sun Valley General Improvement District (SVGID)
Truckee Meadows Water Authority (TMWA)
Truckee Meadows Water Reclamation Facility (TMWRF)

Commissioners Absent:

Dave Aiazzi, Vice-Chair
Bob Cashell
Ron Smith

Representing:

City of Reno
Truckee Meadows Water Authority (TMWA)
City of Sparks

- 2. Pledge of Allegiance**

Commissioner Martini led the Western Regional Water Commission in the Pledge of Allegiance.

- 3. Introduction and swearing in of new Trustees John Breternitz and Pat Lancaster.**

Chairman Carrigan introduced new Trustees John Breternitz (representing Washoe County) and Pat Lancaster (representing Sun Valley GID). Chairman Carrigan welcomed Amy Harvey, Washoe County Clerk, to administer the Oath to Commissioners Breternitz and Lancaster. Ms. Harvey administered the Oath and swore in the new commissioners. WRWC Commissioners welcomed the new commissioners to the Board.

- 4. Public Comment**

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

- 5. Approval of Agenda**

Commissioner Cohen made a motion to approve the March 13, 2009 WRWC agenda as posted. Commissioner Martini seconded the motion, which carried unanimously.

6. Approval of the Minutes of the January 9, 2009 meeting.

The minutes of the January 9, 2009 Western Regional Water Commission meeting were submitted for approval. Commissioner Larkin made a motion to approve the minutes as submitted. Commissioner Martini seconded the motion, which carried unanimously.

7. Selection of the WRWC's external auditor for Fiscal Year ending June 30, 2009.

Chairman Carrigan welcomed Ben Hutchins, Washoe County Finance and Customer Services Manager for Department of Water Resources (DWR), to present the item. Mr. Hutchins referred to the staff report, which provides recommendations for an external auditor. He explained that an annual audit of the WRWC is required for the Fiscal Year ending June 30, 2009.

Mr. Hutchins reported that two proposals were received. The proposal from Solari and Sturmer, LLC estimated the total fee between \$14,000 and \$15,300. A proposal was also received from Schettler, Macy and Silva, LLC with a non-to-exceed fee of \$7,800. Mr. Hutchins stated that both firms are well-qualified to perform the audit.

Commissioners briefly discussed the price differences. Commissioner Breternitz made a motion to accept the proposal from Schettler, Macy and Silva, LLC in an amount not-to-exceed \$7,800. Commissioner Martini seconded the motion, which carried unanimously.

8. Discussion and possible approval of an Interlocal Agreement with Washoe County in an amount not to exceed \$50,000 from the Regional Water Management Fund (RWMF) for a hydrologic and hydraulic analysis for a tributary watershed to Swan Lake; and if approved, authorize the Chairman to execute the Agreement.

Chairman Carrigan invited Jim Smitherman to present this item. Mr. Smitherman reported that the Northern Nevada Water Planning Commission (NNWPC) heard a presentation by Dan St. John, Washoe County Public Works Director, on this project and recommended approval and funding. Mr. Smitherman stated that the project is consistent with the Work Plan item of developing an integrated water resource management plan for the North Valleys. He reported that the Board of County Commissioners approved an Interlocal Agreement for the project on February 24, 2009. He added that Walt West, Public Works, was present to answer technical questions.

Commissioner Cohen made a motion to approve staff's recommendation. Commissioner Lancaster seconded the motion, which carried unanimously.

9. Update on the TMWA/DWR Integration study, with a focus on the work product of the System Planning and Engineering Team; possible direction to staff.

Chairman Carrigan welcomed Rosemary Menard, DWR Director, and Mark Foree, TMWA Interim General Manager to present this item. Ms. Menard referred to the staff report, which provides an overview of the current activities related to the TMWA/DWR Integration study. She reported that the first product of the study is the "Preliminary Assessment Report" completed by the System Planning and Engineering Team, which was included in the packet. Ms. Menard introduced Rick Warner, DWR, and Scott Estes, TMWA, who are the team leaders.

Mr. Estes referred to the Preliminary Assessment Report, which is a high-level study of the TMWA and DWR water systems and the potential benefits integration would provide. He referred to "score cards" of possible benefits for the areas of South Truckee Meadows, Spanish Springs and the North Valleys.

Mr. Warner reported that TMWA and DWR already interface in many areas and therefore engineering and staff efforts were concentrated on the largest areas. Staff examined benefits related to reliability, delayed infrastructure costs, and water quality. He added that the areas studied already provide opportunities to share resources, such as Spanish Springs, which is why integration probably would not provide additional benefits in many areas because they are already being implemented.

Commissioner Larkin referred to the “score card” for Spanish Springs and asked if there are other factors to be considered in addition to those listed. Mr. Warner stated that reliability and water quality are the biggest concerns and reiterated that those issues in Spanish Springs are already very well-planned by TMWA and DWR. Commissioner Larkin mentioned the issue of TMWA and DWR both providing operations and the potential to decrease costs (i.e., he has seen both TMWA and DWR trucks in the Spanish Springs area). Mr. Warner stated that in some areas pumping costs to meet peak demands could be decreased by integration. He added that a detailed analysis would be provided in the future.

Ms. Menard addressed Commissioner Larkin’s comment and stated that operational benefits would be explored by the operations teams in the next phase. She clarified that the current phase examined planning and engineering only.

Commissioner Cohen referred to the work that is already being done jointly by TMWA and DWR and asked if that work could be expanded to other areas without consolidation. Mr. Estes stated that all the benefits could be realized without a full consolidation; perhaps by an Interlocal Operating Agreement. Mr. Warner stated that staff is also studying the best use of overall regional resources, which could provide benefits such as delaying the expansion of South Truckee Meadows Water Reclamation Facility and delaying construction of the South Truckee Meadows Water Treatment Facility if TMWA wholesale water was available to the County.

Commissioner Breternitz asked if anything is “off the table” related to the Integration of TWMA and DWR. Chairman Carrigan stated that consideration of full “consolidation” of the two entities revealed that based on the outstanding bonds of both utilities, full consolidation would be difficult. Mr. Warner reported that the team began examining integration of facilities. Commissioner Larkin reiterated that Bond Counsel advised not to explore full consolidation at this time.

Commissioner Larkin referred to the North Valleys and Vidler Water Company’s Fish Springs Water Supply and asked staff to elaborate on the opportunities. He asked if the Truckee River Operating Agreement (TROA) would negatively affect use of the Fish Springs Water by not allowing water from outside the Truckee Meadows to flow to the Truckee River. Mr. Warner summarized that the Fish Springs project benefits the new growth areas by providing 8,000 acre-feet annually. He added that treated wastewater return flow to the Truckee River is not an issue because the Vidler water would be seweraged to the Reno-Stead Water Reclamation Facility.

Mr. Estes reported that one opportunity to reduce capital costs associated with integrating the Vidler resource included a water main improvement required by both TMWA and DWR along Old Virginia Road between Stead Boulevard and Lemmon Drive. Chairman Carrigan asked if the cost of the Vidler resource had been included in the analysis. Mr. Estes stated that they did not consider resource costs; however, recognizing that there are plans to construct facilities to integrate the new resource into the DWR system, TWMA and DWR are exploring benefits of working together on such facilities. Mr. Warner added that new growth would pay the fees to access the water.

Commissioner Larkin referred to the third bullet under “Recommendations, Limitation & Additional Studies”, and the statement, “Based on various regional planning efforts and population projections...”

He cautioned that the Regional Planning Governing Board's Regional Plan is the only valid document that should be referenced to avoid future conflicts. Staff agreed that is a good point.

Chairman Carrigan thanked staff for their presentation and commended them on their efforts.

Commissioner Martini made a motion to accept the report. Commissioner Larkin seconded the motion, which carried unanimously. Commissioner Larkin asked for clarification that the next step would be to move forward with Phase 2. Ms. Menard stated yes and added that Phase 2 would include "Assessment of the New Business Processes and Rules".

10. Discussion and possible direction to staff regarding the RWMF Reserve Policy for Operating Expenses.

Chairman Carrigan welcomed Mr. Smitherman to present this item. Mr. Smitherman reported that there was discussion at the January WRWC meeting related to the amount from the budget that should be held in reserve for operating expenses. He stated that staff's recommendation was to hold two quarters of the budget for operating expenses.

Chairman Carrigan stated that the amount is more than the Cities and County hold and recommended holding one quarter in reserve. Mr. Smitherman agreed that is an option.

Commissioner Martini made a motion to approve (staff's recommendation). Commissioner Larkin seconded the motion, which carried unanimously.

11. Discussion and possible direction to staff regarding the RWMF Policy for Travel Expenses.

Mr. Smitherman reported that last year the WRWC approved funding for travel for two conferences that were attended by WRWC staff members. He stated that staff's recommendation is that the WRWC approve a travel budget in the amount of \$10,000. He added that staff would report back to the WRWC on any conference attended. He stated that currently there is no travel or conference scheduled; however, an example would be a National Reclaimed Water Federation conference that would benefit the WRWC.

Commissioner Lancaster made a motion to approve staff's recommendation. Commissioner Breternitz seconded the motion. He asked if consideration should be given to the review of travel on a case by case basis. Chairman Carrigan stated that Mr. Smitherman was previously authorized to sign contracts up to \$25,000, which he opposed, and asked why this issue is even being considered.

Commissioner Cohen stated that he previously asked why member agencies were not asked to pay for such travel on their own. He suggested that travel should only be approved if a regional benefit is provided. Mr. Smitherman clarified that he, Chris Wessel and June Davis provide staff services to the WRWC as part of the contract services provided by Washoe County. He added that as such, his travel (if any) would be handled by Washoe County.

Chairman Carrigan reiterated his comment that this is a moot point since Mr. Smitherman already has the authority to approve expenditures to \$25,000. Mr. Smitherman clarified that the budget still needs to reflect a line item for travel.

Chairman Carrigan called for a vote on the motion, which carried with five in favor and one (Commissioner Breternitz) opposed.

12. Report on legislative activities, including Bills introduced in the 2009 Nevada Legislature and Bill Draft Requests that may affect the WRWC / NNWPC; discussion, possible ratification of Legislative Subcommittee recommendations, and possible direction to staff.

Chairman Carrigan welcomed John Rhodes, Legal Counsel, to present this item. Mr. Rhodes referred to the staff report, which lists the bills introduced to date that may affect the WRWC or NNWPC. He reported that the WRWC representatives on the Legislative Subcommittee include Chairman Carrigan and Commissioners Aiazzi and Cohen. He stated that a Legislative Subcommittee meeting was held today, which resulted in the following:

- Senate Bill (SB) 175, which makes various changes to provisions governing flood control districts. The Subcommittee supports the Bill.
- SB 66, related to Douglas County and revises provisions relating to water permits and water right credits to allow more time to work and apply water to beneficial use. The Subcommittee is neutral on the Bill.
- Assembly Bill (AB) 119 by Assemblywoman Leslie, which requires the Truckee Meadows Regional Plan to include policies that are based on identified and sustainable water resources within Washoe County (based on the approval of Washoe County Ballot Question 3). Representatives of the local governments have provided Amendments to the Bill. The Subcommittee supports the Amendments.
- AB 276, which revises provisions relating to the filing of a protest to an application to appropriate water. The Subcommittee is neutral on the Bill.
- AB 236, which revises provisions governing grants for water conservation and capital improvements to certain water systems. The Subcommittee is neutral on the Bill.
- SB 204, which revises provision governing notification of applications for permits to appropriate water. Currently notification must be provided to domestic well owners within 2,500 feet of the proposed point of diversion. The Bill would change the requirement for notification to domestic well owners within 2,500 feet of the parcel boundary where the proposed domestic well is located. The Subcommittee is neutral and will continue to watch the Bill.

Mr. Rhodes reported that the Subcommittee voted not to appoint spokespersons for the WRWC on the individual bills unless the WRWC takes a position to oppose a Bill, which they have not to date. He stated that if the WRWC wishes to make a motion, he suggested that it be to ratify the recommendations made by the Subcommittee. Commissioner Martini made a motion per Mr. Rhodes suggestion. Commissioner Larkin seconded the motion, which carried unanimously.

13. Discussion and possible approval of a contract with Somach Simmons & Dunn in an amount not to exceed \$50,000 from the RWMF for specialized legal services required in connection with the Truckee River Total Maximum Daily Load (TMDL) process; and, if approved, authorize the Chairman to execute the Contract.

Mr. Rhodes stated that this request is being made in relation to a previous approval made by the WRWC to hire LimnoTech and California State University, Sacramento (CSUS) for the Truckee River TMDL effort. He reported that the effort has reached critical mass to the point where some very important technical and legal decisions need to be made. He added that the firm of Somach Simmons & Dunn is currently doing work for the City of Reno and City of Sparks and come highly recommended for TMDL issues. He stated that the contract discloses that representation asks for acknowledgement of potential conflicts of interest, which do not exist at this point.

Commissioner Larkin asked why this contract should be entered into. Chairman Carrigan asked if Reno, Sparks and the WRWC are on the same side, who is on the other side? Greg Dennis, Deputy Public Works Director for City of Reno, stated that Reno has worked with Somach Simmons & Dunn for the past eight or nine years regarding water quality issues related to upstream discharges and he is impressed with the firm's expertise.

Ms. Menard explained that the nature of the work to be covered by the contract is a regulatory strategy, which would examine what has happened elsewhere related to TMDL issues. She stated that the firm would provide suggestions for working with Nevada Division of Environmental Protection (NDEP) and the Environmental Protection Agency (EPA) on regulatory strategies. She stated that it is a low probability that the entities within the Truckee Meadows would have a conflict. Commissioner Larkin stated he does not want to see five different strategies come forward. Ms. Menard stated that is not the intent and added that the entities are working very collaboratively to recognize that the water quality issues of the river are heavily related to water quantity issues and to move forward together.

Commissioner Larkin made a motion to approve the contract with Somach Simmons & Dunn in an amount not to exceed \$50,000 and authorize the Chairman to sign the contract. Commissioner Breternitz seconded the motion, which carried unanimously.

14. Confirmation of May 2009 WRWC meeting date to include a public hearing and adoption of the WRWC budget for Fiscal Year 2010.

Chairman Carrigan stated that the WRWC budget public hearing and adoption must be scheduled for the third Friday of May and therefore the May meeting will be scheduled on the 15th at 1:30 p.m.

15. Discussion and possible direction to staff regarding agenda items for the April 2009 meeting of the WRWC.

Chairman Carrigan reported that items for the April meeting would include:

- Review and discussion of the preliminary budget

Commissioner Cohen stated that within STMGID, parks and schools are using groundwater for irrigation purposes and he feels that reclaimed water should be used as available. He asked what other areas have done in similar situations to address the water right issues. He stated he would like to see the groundwater made available for other uses. Chairman Carrigan stated that in Sparks, when reclaimed water is available for golf courses, the water rights have been sold back to the purveyor (in this case TMWA). He agreed that the WRWC could discuss the issue at a future meeting.

16. Commission Comments

None

17. Staff Comments

None

18. Public Comment

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

19. Adjournment

With no further business, the meeting was adjourned at 3:05 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on April 10, 2009.

Mike Carrigan, Chairman