WESTERN REGIONAL WATER COMMISSION
BOARD OF TRUSTEES
AGENDA
Friday, March 13, 2009
2:00 p.m.
City of Sparks Legislative Council Chambers
745 Fourth Street, 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"), BOARD OF TRUSTEES OF THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT ("STMGID"), AND NORTHERN NEVADA WATER PLANNING COMMISSION ("NNWPC")

1. Roll Call and Determination of presence of a Quorum*
2. Pledge of Allegiance*
3. Introduction and swearing in of new Trustees John Breternitz and Pat Lancaster — WRWC Chairman Mike Carrigan and Amy Harvey, Washoe County Clerk
4. Public Comment* (Three-minute time limit per person)
5. Approval of Agenda
6. Approval of the minutes of the January 9, 2009 meeting
7. Selection of the WRWC’s external auditor for Fiscal Year ending June 30, 2009 — Ben Hutchins, Washoe County Department of Water Resources ("DWR")
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 — Dan St. John, Director, Washoe County Department of Public Works
9. Update on the TMWA/DRW Integration study, with a focus on the work product of the System Planning and Engineering Team; possible direction to staff — Mark Foree, TMWA, and Rosemary Menard, DWR
10. Discussion and possible direction to staff regarding the RWMF Reserve Policy for Operating Expenses — Jim Smitherman, WRWC Program Manager
11. Discussion and possible direction to staff regarding the RWMF Policy for Travel Expenses — Jim Smitherman
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 — John Rhodes, Legal Counsel
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 — John Rhodes

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

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

16. Commission Comments*

17. Staff Comments*

18. Public Comment* (Three minute time limit per person)

19. Adjournment

*Indicates a non-action item

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, STMGID and the NWWPC may also be in attendance but will not be taking action.

Public comment will be taken on agenda items upon the submittal of a request via submittal of a Speaker Information Card. There is a three-minute time limit per person.

Items on the agenda without a time designation may not necessarily be considered in the order in which they appear. The WRWC may take action on any of the action items listed.

Facilities in which this meeting is being held are accessible to the disabled. Persons with disabilities who require special accommodations or assistance (e.g. sign language interpreters or assisted listening devices) at the meeting should notify the Washoe County Department of Water Resources, at 954-4663, at least 24 hours prior to the meeting.

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), TMWA’s website: http://www.tmh2o.com/about_us/meeting_center, and the WRWC website: http://wrwc.us.
The regular meeting of the Western Regional Water Commission (WRWC) was held on Friday, January 9, 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 1:31 p.m. There was a quorum present.

   **Commissioners Present:**
   - Mike Carrigan, Chair
   - Dave Aiazzi, Vice-Chair
   - Steve Cohen
   - Bob Larkin
   - Geno Martini
   - Ron Smith

   **Representing:**
   - Truckee Meadows Water Authority (TMWA)
   - City of Reno
   - South Truckee Meadows General Improvement District (STMGID)
   - Truckee Meadows Water Authority (TMWA)
   - Truckee Meadows Water Reclamation Facility (TMWRF)
   - City of Sparks

   **Commissioners Absent:**
   - Bob Cashell
   - Bonnie Weber

   **Representing:**
   - Truckee Meadows Water Authority (TMWA)
   - Washoe County

2. **Pledge of Allegiance**

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

3. **Public Comment**

   Chairman Carrigan called for public comments. Darrin Price, Sun Valley General Improvement District (SVGID) General Manager, stated that SVGID’s representative, Jim Ainsworth’s term expired. Mr. Price reported that SVGID’s next meeting is scheduled for January 13, 2009, where new officers will be elected as well as their representative to the WRWC. He added that Mr. Ainsworth also served as secretary to the WRWC and requested that consideration be given to keeping SVGID in that position.

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

4. **Approval of Agenda**

   Commissioner Cohen made a motion to approve the January 9, 2009 WRWC agenda as posted. Commissioner Martini seconded the motion, which carried unanimously.

5. **Approval of the Minutes of the December 12, 2008 meeting.**

   The minutes of the December 12, 2008 Western Regional Water Commission meeting were submitted for approval. Commissioner Larkin made a motion to approve the minutes as submitted. Commissioner Aiazzi seconded the motion, which carried unanimously.
6. Election of Chairman, Vice-Chairman, Secretary and Treasurer for the 2009 calendar year.

Commissioner Larkin nominated Chairman Carrigan to continue in his role as Chairman. Commissioner Martini seconded the motion. Commissioner Smith nominated Vice-Chairman Aiazzi to continue in his role as Vice-Chair. John Rhodes, Legal Counsel, stated that nominations could be taken for all positions in one motion. He mentioned the vacancy for the Secretary position, and pointed out that the representative to be appointed by SVGID could be nominated for Secretary. Commissioner Larkin made a motion to re-appoint Commissioner Cohen as the Treasurer. Commissioner Smith seconded the motion.

Chairman Carrigan clarified that there are motions with seconds on the floor to re-appoint himself as Chair, Mr. Aiazzi as Vice-Chair, Mr. Cohen as Treasurer and the SVGID representative as Secretary. He called for a vote on the motion, which carried unanimously.

7. Review, discussion and possible approval of a four-year cash flow projection for the Western Regional Water Management Fund and descriptions of priorities, and possible direction to staff.

Jim Smitherman referred to the staff report, which includes a four-year “Cash Flow Projection”. He explained that the Northern Nevada Water Planning Commission (NNWPC) recommended it as a high-level projection of money that might be spent from the Western Regional Water Management Fund. He reviewed the sheet and provided explanations. The projection is broken down by quarter and includes revenues and possible expenditures. He clarified that the intent was to show as conservative a picture as possible.

Mr. Smitherman reported that the NNWPC expressed some concern over keeping a certain amount (perhaps one quarter or two quarters in operating expenses) in cash reserve. He stated that if that is the desire, staff can adjust the budget to reflect that.

Mr. Smitherman summarized that the WRWC is not being asked to approve the projection as the “Budget” but perhaps to accept it as a high-level projection to help the NNWPC with addressing its priorities. He added that the projections would be brought back to the WRWC periodically.

Chairman Carrigan thanked Mr. Smitherman and called for questions or comments. Commissioner Larkin asked for an explanation of numbers that show up as negatives. Mr. Smitherman explained that the numbers reflect a worst-case scenario of additional funding that might be necessary for a project. He offered to provide an explanation in the next updated staff report.

Rosemary Menard, Director of Washoe County Department of Water Resources (DWR), explained that the LimnoTech Total Daily Load Maximum (TMDL) work is technical relating to water quality modeling and other analytical work associated with the Truckee River. She stated that recently conditions have occurred that were not included in the scope but will need to be addressed because they involve phosphorous. She stated this is an example of what additional funding could be needed in the future.

Commissioner Aiazz referred to the Center for Collaborative Planning (CCP) contract, which includes funding for an outreach program. Ms. Menard stated that the program would actually establish a technical committee that would hold a water quality summit, which would involve stakeholders from the region. She stated that it is necessary in order to reach agreement on water quality standards. Timing of the project was briefly discussed.

Commissioner Cohen asked if there are any legislatively-mandated tasks that are not addressed in the
projection. Mr. Smitherman stated the only item that is mandated by the law is the Water Management Plan, which is included. Ms. Menard stated that the consolidation study was not included in the projections, which would have cost an estimated $1.5 million; however, that is not the approach being taken. Commissioner Cohen asked if the projected amounts for the Water Plan were based on the timeline for completion, which Mr. Smitherman stated they were.

Commissioner Larkin referred to the Wastewater Facility Planning, which only carries through June 30, 2010. Mr. Smitherman explained that the work would then continue under the Water Management Plan. He stated that in the staff report, he split it out. He explained that the Wastewater Facility Planning would include wastewater plants, collection, interceptors, and disposal. He clarified that the North Valleys Initiative covers regional water systems.

Mr. Smitherman reported that the Statute requires plans for facilities. He stated it would have to be determined how in-depth to go with the facility plans.

Commissioner Larkin asked what assumptions were being used and stated he did not want to see a replay of population figures that were misrepresented and caused problems. Mr. Smitherman agreed.

Ms. Menard stated that the Western Regional Water Commission Act gives the WRWC authority over water, potable water, wastewater, reclaimed water, stormwater, which are all inter-related.

Commissioner Martini made a motion to accept the report. Commissioner Larkin seconded the motion, but suggested further discussing the issue of keeping funds in reserve. Chairman Carrigan suggested scheduling that discussion as a future agenda item. Chairman Carrigan called for a vote on the motion, which carried unanimously.

8. Final review of the 2008 Amendment to update the Comprehensive Regional Water Management Plan, including previous action and public review process, and possible direction to staff.

Mr. Smitherman referred to the staff report which summarizes the changes made to the Amendment per direction from the WRWC. The revisions include the 2030 Consensus Forecast estimate of 620,323 +/- 10%, and the facility cost estimate table now notes that the Truckee River Flood Project local share is expected to be approximately one-half of the total project cost.

Mr. Smitherman reported that four advertisements have been placed in the local newspapers, which announced public hearings and a public workshop. He reported that the Amendment has been on file with the County Clerk’s office for thirty days as required by law. He summarized that no comments have been received and the process is in full compliance with the law.

Chairman Carrigan stated that the next item heard would be number 10, due to the time certainty of the Public Hearing.

9. 2:06 p.m. Public Hearing on the 2008 Amendment to update the Comprehensive Regional Water Management Plan and possible approval of a Resolution adopting the 2008 Amendment, or possible remand to the Northern Nevada Water Planning Commission (NNWPC) with any proposed change or addition.

Chairman Carrigan opened the Public Hearing at 2:06 p.m. He called for Public Comment and hearing none, closed the public comment period.
Commissioner Martini made a motion to approve Resolution No. 2 “Adopting an Amendment to the Comprehensive Regional Water Management Plan”. Commissioner Smith seconded the motion, which carried unanimously.

10. Approval of a Resolution designating Jim Smitherman, WRWC Program Manager, as the person authorized to approve invoices submitted to the WRWC, and approve in-budget expenditures from the Western Regional Water Management Fund not to exceed $25,000 upon recommendation of the NNWPC and to sign contracts for the same, including the authority to authorize routine operational expenditures. (Heard out of order)

John Rhodes stated this Resolution is a formality based on the action taken at the last WRWC meeting. Mr. Rhodes stated that Mr. Smitherman was authorized to approve invoices and expenditures and to sign contracts within budget as approved by the NNWPC. He asked if Mr. Smitherman should have the authority to approve operational expenditures that are not approved by the NNWPC. Mr. Smitherman stated that based on past expenditures, $5,000 would probably be a sufficient maximum amount.

Commissioner Aiazzi stated he thought the budget included travel and suggested if that is not the case, it should be added. Mr. Smitherman explained that even with a travel budget, the way the authorization is worded he would still be required to get permission from the NNWPC.

Ms. Menard reported that at the time the budget was prepared last year, the agreement was that Washoe County’s in-kind services would include providing travel for member agency staffs. She stated that at that time they did not anticipate that the expenditures would include staff from the different entities attending two conferences, one in Florida and one in Las Vegas. She suggested that it should be added to the budget. Commissioner Aiazzi stated it was his belief that the WRWC would not fund travel and suggested making a policy decision.

Commissioner Cohen asked if this should be brought back as an additional agenda item to discuss why the individual entities are not paying for their staff to travel. Mr. Rhodes suggested that the Resolution could be adopted with the deletion of the paragraph being referenced. Chairman Carrigan agreed and suggested revisiting the travel policy at the February meeting.

Commissioner Aiazzi mentioned that he sees nothing stating that the $25,000 is an aggregate amount. Mr. Rhodes offered to clarify the Resolution that it is a per project limit. He suggested bringing back discussion of travel in the context of a budget.

Chairman Carrigan called for Public Comment on this item. Kathy Brandhorst spoke about purchasing, invoices, population and water and sewer.

Chairman Carrigan called for a motion. Commissioner Martini made a motion to approve Resolution No. 3 with the caveat that the paragraph relating to routine operational expenditures be removed. Commissioner Cohen seconded the motion, which carried with four in favor and Chairman Carrigan opposed.

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 staff report. He reported that Bill Draft Request (BDR) 237 was introduced as a resolution to incorporate language suggested by the WRWC. He stated that a discrepancy between what the WRWC recommended and the BDR that was introduced as legislation is that it does not call for a Memorandum of Understanding (MOU).
Mr. Rhodes referred to six new BDRs as follows:

- BDR 22-750 (Assemblywoman Leslie), which requires the Truckee Meadows Regional Planning to include policies that are based on identified and sustainable water resources within Washoe County. Commissioner Aiazzi stated he could support it if “within Washoe County” was deleted.
- 848 (Senate Committee on Natural Resources) – Establishes parity in oversight of regional water authorities.
- 849 (Senate Committee on Natural Resources) – Provides for study of economic impact of water importation projects and development of a sensible water strategy.
- 887 (Assemblyman Bobzien) – Makes various changes concerning the state water policy.
- 924 (Senator Mathews and Assemblywoman Smith) – Requires the fluoridation of public water systems serving Washoe County.

Commissioner Aiazzi referred to BDR 473 (Washoe County) related to public funding for individual septic systems failing. Ms. Menard stated that the intent is to provide tools to assist with conversion from individual septic systems to the municipal system. Commissioner Aiazzi stated it would provide a public benefit to a private property.

Ms. Menard stated that Mayberry Ranch Estates for instance was recently provided with municipal sewer system facilities. She stated that the only available funding currently would be by creating a Special Assessment District (SAD). She stated that the intention is to create opportunities on a smaller scale to loan money to those required to hook up; however, they would repay the full cost. She reported that it is a public health issue when a septic system leaks into the groundwater. Commissioner Aiazzi stated that government determinations need to be made to determine private versus public health issues. He added that Public Health currently requires individuals who impact the public water system to solve the issue. Ms. Menard stated that Commissioner Aiazzi makes good points. She added that the County has been dealing with neighborhoods as opposed to individual property owners. Commissioner Aiazzi stated that could be addressed by SADs. Ms. Menard clarified that SADs only work before a project is built.

Ms. Menard reported that there is a program in California that allows a funding strategy after the project is in place. Commissioner Aiazzi asked if people would then be required to join a SAD, which Ms. Menard stated is correct. Commissioner Aiazzi suggested a bill requiring that on all SADs.

Commissioner Cohen stated that STMGID is dealing with the same type of issues related to domestic well failures where residents are required to hook up to the municipal system. He asked if this BDR could help the domestic well owners with funding. Ms. Menard stated this BDR is related to sewer not water; however, options are being explored.

Commissioner Smith asked if liens would be placed on homes where funding assistance is granted, to which Ms. Menard stated yes.

### 12. Discussion and possible direction to staff regarding agenda items for the February 2009 meeting of the WRWC.

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

- Discussion of the ending fund balance reserve for the “Cash Flow Analysis”
- Chairman Carrigan requested a discussion of BDR 924, which would require fluoridation of the public water system and a cost estimate to do so.
• Commissioner Larkin asked for an update on the TMWA and WCDWR Integration Project. Jack Byrom, TMWA, reported that two teams were continuing their analysis efforts. The Finance team is beginning the Phase II Operational Cost Analysis. The System Planning and Engineering Team will be completing the Phase I System Analysis by the end of the month. He added that the Process Flow Chart and the Master Schedule are being updated. He stated that a project report would be appropriate for the February meeting. Commissioner Larkin asked if there is a need for proposed legislation related to the potential integration of the two agencies. Ms. Menard and Mr. Byrom agreed that they have not identified any significant issues that would require legislation action.

13. Commission Comments

Commissioner Cohen stated that agenda packets have been hand-delivered to him, which he appreciates but stated is not necessary.

14. Staff Comments

None

15. Public Comment

Chairman Carrigan called for public comments. Kathy Brandhorst spoke about problems in Reno including gun control.

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

16. Adjournment

With no further business, the meeting was adjourned at 2:25 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on________________ 2009.

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Mike Carrigan, Chairman

Note: DRAFT Minutes not approved by Board.
Western Regional Water Commission
STAFF REPORT

DATE: March 3, 2009
TO: Chairman and Members, Western Regional Water Commission
FROM: Ben Hutchins, Finance & Customer Services Manager, DWR
SUBJECT: Selection of the WRWC’s external auditor for Fiscal Year ending June 30, 2009

SUMMARY
Fiscal year ending June 30, 2009, is the first full accounting period for the Western Regional Water Commission (WRWC) and an annual audit is required.

PREVIOUS ACTION
None.

BACKGROUND
NRS requires the selection of external auditors to be made and communicated to the State no later than March 31 of each year. In keeping with this deadline, Washoe County’s Department of Water Resources (DWR) secured engagement letters and price proposals from the following local auditing firms for consideration by the Commission:

- Solari and Sturmer, LLC
- Schettler, Macy & Silva, LLC

FISCAL IMPACT
The proposal received from Solari and Sturmer, LLC indicates that audit services would be billed based on their standard hourly rates, plus out-of-pocket costs, with an estimated total fee ranging between $14,000 and $15,300.

The proposal received from Schettler, Macy & Silva, LLC indicates that audit services would be billed based on their standard hourly rates, plus out-of-pocket costs, with a not-to-exceed total fee of $7,800.

RECOMMENDATION
Washoe County’s DWR Finance and Customer Services Manager recommends that the WRWC selects Solari and Sturmer, LLC, or Schettler, Macy & Silva, LLC, to provide audit services for the period ending June 30, 2009.

POSSIBLE MOTION
Should the Commission agree with the above noted recommendation, a suggested motion is: “Move to approve the Letter of Engagement for audit services from (firm desired) for the financial statements of the Western Regional Water Commission for the year ending June 30, 2009.”
February 9, 2009

To the Commissioners
Western Regional Water Commission
Reno, Nevada

Dear Gentlemen and Ladies:

We are pleased to confirm our understanding of the services we are to provide the Western Regional Water Commission ("Commission") for the year ended June 30, 2009. We will audit the basic financial statements of the Commission as of and for the year ended June 30, 2009. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the Commission's basic financial statements. As part of our engagement, we will apply certain limited procedures to the Commission's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis

Supplementary information other than RSI also accompanies the Commission’s basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. The budgetary comparisons
2. Other supplementary information

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor’s report will disclaim an opinion:

1. The information required by NRS 354.624(c)

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to above when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Commission and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or
grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the Commission is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the financial position and the changes in financial position and cash flows, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, gran tors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management’s views on our current findings, conclusions, and recommendations, as well as your planned corrective actions.
Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Commission’s compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

Audit Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these
service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that Washoe County employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Commission; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Solari and Sturmer, LLC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to regulators or their designees, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Solari and Sturmer, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by regulators. If we are aware that a federal awarding agency or audittee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on or about August 15, 2009 and to issue our reports no later than November 30, 2009.

Noémi (Amy) Allen is the engagement partner and is responsible for supervising the engagement and signing the report. Ms. Allen has twenty-four years of public accounting experience in the areas of auditing, taxation and management consulting. She has extensive background in governmental and nonprofit accounting and auditing, including engagements for many local Nevada counties, school districts and boards. Amy has also served on or advised governing boards throughout her career. She is a member of the American Institute of Certified Public Accountants and the Nevada Society of Certified Public Accountants. Your engagement team will also be staffed with an audit manager and a staff accountant with the requisite experience.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). We anticipate the total fee will range between $14,000 and $15,300. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account
becomes thirty (30) days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

_Government Auditing Standards_ require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2006 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Commission and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

[Signature]

Noémi O. Allen, CPA
Solarand Sturmer, LLC

RESPONSE:
This letter correctly sets forth the understanding of the Western Regional Water Commission:

By:

Title:

Date:

________________________________________

By:

Title:

Date:

________________________________________
March 3, 2009

Mr. Ted Rolfs
Western Regional Water Commission
c/o Washoe County Department of Water Resources
4930 Energy Way
Reno, NV 89502

Dear Ted:

We are pleased to confirm our understanding of the services we are to provide to the Western Regional Water Commission (WRWC) for the year ended June 30, 2009. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the WRWC as of and for the year ended June 30, 2009. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to accompany the basic financial statements. As part of our engagement, we will apply certain limited procedures to the WRWC’s RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management’s Discussion and Analysis.
2) Budgetary Comparison Schedule (as may be applicable)

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) and will include tests of the accounting records of the WRWC and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.
Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the WRWC and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the WRWC involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.
Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the WRWC’s compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information.
Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

David E. Silva is the engagement partner and is responsible for supervising the engagement and signing the report. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $7,800. However, we understand that the WRWC was formed by SB 487 in the 2007 Legislature and that the financial reporting requirements may ultimately vary from those contemplated in this engagement letter. Should that be the case, we will reevaluate our proposed fee immediately upon this determination. If necessary, we will prepare an amendment to this engagement letter for your approval. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report.

You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the WRWC and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Thank you.

Very truly yours,

SCHETTLER, MACY & SILVA, LLC

David E. Silva, CPA
Partner
March 3, 2009
Page 5

RESPONSE:

This letter correctly sets forth the understanding of the Western Regional Water Commission (WRWC).

By: ________________

Title: ________________

Date: ________________
DATE: March 3, 2009
TO: Chairman and Members, Western Regional Water Commission
FROM: Jim Smitherman, Water Resources Program Manager
SUBJECT: 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

SUMMARY:

On January 7, 2009, the Northern Nevada Water Planning Commission (NNWPC) voted to recommend approval of an expenditure not to exceed $50,000 from the Regional Water Management Fund (RWMF) to support a hydrologic and hydraulic analysis for a tributary watershed to Swan Lake. The Washoe County Department of Public Works proposed the project to the NNWPC as an important element of an integrated water resources management plan for the north valleys. The County intends to retain Manhard Consulting Ltd. to conduct the project.

Staff prepared an Interlocal Agreement after the NNWPC’s approval, which the Board of County Commissioners approved on February 24, 2009.

BACKGROUND:

The Western Regional Water Commission has adopted priorities for the North Valleys including, “Develop an integrated water resources management plan for the North Valleys including water supply, wastewater, reclaimed water, storm water and flood control; and plan for the expansion and regional integration of reclaimed water systems and analyze legal and procedural barriers to expanded uses of reclaimed water.

A detailed hydrologic and hydraulic analysis for a tributary drainage contributing to Swan Lake is the first step towards developing storm water conveyance solutions necessary to alleviate flooding during significant storm events. With refinement of existing broad scale hydrologic and hydraulic models, a detailed study will be developed in coordination with parallel efforts in the watershed enabling the design of structural improvements within the Marlin and Lemmon Drive channel corridors. This proposal is consistent with work plan priorities set by the Northern Nevada Water Planning Commission.

The Marlin Drain and Lemmon Drive Drainage channel have a history of flooding during significant flood events with the latest occurrence in December 2005. The Marlin Channel receives drainage from developed properties including a large contribution from a detention pond.
constructed with the North Valley’s high school. The Lemmon Drive channel receives drainage from the Marlin Channel and other contributing watersheds totaling an estimated area of 10 square miles. These channels convey flood waters from a significant portion of the 40 square miles of contributing area draining to Swan Lake.

This study will yield a more refined and integrated hydrologic model of Golden Valley and Lemmon Valley. Applications of the model will allow focused studies related to stormwater volume and flow rates associated with extreme precipitation events. Outputs will provide recommendations to Washoe County for modifications needed to the existing drainage system to better pass flood waters through the developments to Swan Lake. A future study which may be deemed important by the Water Commission is the determination of sediment loading to Swan Lake. Sediment loading has a direct impact to water quality and reduces existing flood storage volume in the playa. While the scope of services for this proposal is limited to maximizing floodwater conveyance, the resulting modeling effort will be a valuable beginning point which can be built upon by the Water Commission to complete its prioritized goal of establishing an integrated water resources management plan for the North Valleys.

**PREVIOUS ACTION**
No previous action.

**FISCAL IMPACT**
The fiscal impact to the Regional Water Management Fund would not exceed $50,000. Budget authority is located in Fund Group 766, Fund 7066, Account Number 710100, Professional Services, Cost Object 310400.

**RECOMMENDATION**
The NNWPC recommends that the WRWC approve an expenditure from the Regional Water Management Fund in an amount not to exceed $50,000 to support a hydrologic and hydraulic analysis for a tributary watershed to Swan Lake and, if approved, authorize the Chairman to execute an Interlocal Agreement with Washoe County to initiate the project.

**POSSIBLE MOTION**
Move to approve an expenditure from the Regional Water Management Fund in an amount not to exceed $50,000 to support a hydrologic and hydraulic analysis for a tributary watershed to Swan Lake and authorize the Chairman to execute an Interlocal Agreement with Washoe County to initiate the project.

JS:jd

attachments: Vicinity Map
Manhard Proposal and Scope of Work
Exhibit A - Vicinity Map
Marlin Channel and Lemon Drive Channel
Hydrology and Hydraulic Study

Scale: 1" = 6000'

December 2008
January 23 2009

Mr. Dan St. John, PE
Director
Washoe County Department of Public Works
1001 E. Ninth St.
Reno, NV 89520-0027

RE: MARLIN AND LEMMON CHANNELS STORMWATER AND FLOODING ANALYSES
WASHOE COUNTY, NEVADA

Dear Mr. St. John:

Manhard Consulting, Ltd. (Manhard) is pleased to provide the Washoe County Department of Public Works (County) the following scope of work for the above referenced Water Resource Engineering Services. We have coordinated with Mr. Walt West to discuss our proposed scope of work, additional areas and conditions to analyze, and ways in which we could economically incorporate this effort into ongoing Manhard modeling efforts from our calibrated City of Reno (C.O.R.) Regional Hydrologic Model for the Truckee River watershed and other recent study efforts in the region. In addition, we will incorporate data and results from our 2006 HEC-HMS Swan Lake Hydrology Study to develop a better understanding of its backwater impacts to the Lemmon Channel. With these adjustments in mind, Manhard offers to provide the following services in accordance with our 2009 Schedule of Time and Materials Rates ( Exhibit A) as detailed below.

SCOPE OF WORK

Task 1 – Marlin Channel Hydrologic and Hydraulic Analysis

Manhard will prepare required hydrologic and hydraulic analyses for a segment or reach of the Marlin Channel situated between Winchester Drive and Colt Drive in Golden Valley. This 2000-ft channel reach begins at the upstream entrance to the Estates Road culvert and terminates at the City of Reno corporate limits west of Marlin Drive and includes three roadway crossings (culverts). For clarification, our scope includes analysis with and without the County’s new/proposed channel improvements at the confluence of this channel and an unnamed channel at the described downstream terminus of the reach. The purpose of these analyses is to evaluate the 100-year runoff depths and inundation limits for this channel reach and to estimate the channel’s safe stormwater conveyance capacity. These analyses will include:

- Current conditions 100-year event hydrologic analysis for the definable watershed contributing flow to the subject reach of the Marlin Channel. For this analysis, the collection and conveyance capabilities of major stormwater and flood control facilities within the areas upstream of the subject channel reach, including the stormwater management facilities constructed with the Golden Valley High School, will be included in the analysis.
• Current conditions 100-year event hydraulic analysis of the subject channel reach and its culverts/bridges, including two analysis scenarios with and without the County’s new channel confluence improvements (described above). For this analysis, the maximum flow depths and inundation limits will be estimated and mapped for the 100-year event. A dynamic flow model will be developed for this analysis using the stormwater hydrograph from the hydrologic modeling results. From this effort, 100-year flow conveyance deficiencies will be determined for the channel reach and associated crossings.

• Based on the results from the above modeling efforts and the assumption that this channel reach is inadequate to convey the 100-year runoff, the safe channel capacity and the maximum channel capacity will be estimated for current channel conditions. Safe channel capacity refers to the peak channel flow acceptable under Washoe County’s published channel freeboard and culvert/bridge performance standards. Maximum channel capacity refers to the peak flow just prior to channel bank or culvert overtopping — i.e., maximum contained flow without freeboard. Different rainfall-runoff events will be hydrologic and hydraulic modeled to determine these capacity estimates. These events include the 10-year, 25-year, and 50-year recurrence intervals. The results from this analysis will be presented illustratively for the County’s use in evaluating levels of risk for the current channel conditions and potential facility improvements.

For this analysis, Manhard will rely on GIS data (orthophotometric and topographic) and supplemental field surveying provided by the County for the subject watershed and channel reach. The field surveying may include channel section, culverts, and other stormwater management facilities within located within the watershed required by Manhard to evaluate the watershed and channel. In addition, NOAA Atlas 14 rainfall record data will be utilized for the precipitation component of the hydrologic modeling for the return periods of interest.

Task 2 – Marlin Channel Improvement Alternatives

Based on the results from Task 1, Manhard will develop up to two improvement alternatives for the Marlin Channel reach under consideration. The alternatives will be conceptually designed and analyzed for adequate conveyance of up to two design storm events as selected by the County. Both alternatives will include an analysis scenario for each design storm with and without the County’s new channel confluence improvements (described above). Preliminary Opinions of Probable Cost will be prepared for each alternative and scenario. The alternatives will be presented illustratively for the County’s use in evaluating levels of risk and potential facility improvements.

Task 3 – Lemmon Channel Hydrologic and Hydraulic Analysis

Manhard will prepare required hydrologic and hydraulic analyses for a segment or reach of the Lemmon Channel situated adjacent to and between the north/south travel lanes of Lemmon Drive. This 9,000-ft channel reach begins at Military Road and extends upstream (northeasterly) to Palace Drive and includes nine roadway crossings (culverts or bridges). The purpose of the Lemmon Channel analyses is to evaluate the 100-year runoff depths and inundation limits for this channel reach, including the crossings, and to estimate the channel’s safe stormwater conveyance capacity. These analyses will include:

• Current conditions 100-year event hydrologic analysis for the definable watershed contributing flow to the subject reach of the Lemmon Channel - including the Lemmon Valley Estates tributary area. For this analysis, the collection and conveyance capabilities of major stormwater and flood control facilities within the areas upstream of the subject channel reach, including the stormwater management facilities associated with the railroad and US 395 crossings, will be included in the analysis.
• Current conditions 100-year event hydraulic analysis of the subject channel reach and its culverts/bridges. For this analysis, the maximum flow depths and inundation limits will be estimated and mapped for the 100-year event. A dynamic flow model will be developed for this analysis using the stormwater hydrograph from the hydrologic modeling results. Backwater influences from Swan Lake will be included in the model to assess impacts to the flow conveyance capacity and flow depths of channel. From this effort, 100-year flow conveyance deficiencies will be determined for the channel reach and associated crossings.

• Based on the results from the above modeling efforts and the assumption that this channel reach is inadequate to convey the 100-year runoff, the safe channel capacity and the maximum channel capacity will be estimated for current channel conditions. Safe channel capacity and maximum channel capacity are defined above for Task 1. Different rainfall-runoff events will be hydrologic and hydraulic modeled to determine these capacity estimates. These events include 10-year, 25-year, and 50-year recurrence intervals. The results from this analysis will be presented illustratively for the County’s use in evaluating levels of risk for the current channel conditions and potential facility improvements.

For this analysis, Manhard will rely on GIS data (orthophotometric and topographic) and supplemental field surveying provided by the County for the subject watershed and channel reach. The field surveying may include channel section, culverts, and other stormwater management facilities located within the watershed required by Manhard to evaluate the watershed, channel reach, and its culvert/bridge crossings. In addition, NOAA Atlas 14 record rainfall data will be utilized for the precipitation component of the hydrologic modeling for the return periods of interest.

Task 4 – Lemmon Channel Improvement Alternatives

Based on the results from Task 3, Manhard will develop up to two improvement alternatives for the Lemmon Channel reach under consideration. The alternatives will be conceptually designed and analyzed for adequate conveyance of the 10-year, 25-year, 50-year, and 100-year storm events. Included with the alternatives assessment will be the proposed 6,000-ft pedestrian corridor/path and a possible parallel flood control channel along the east/southeast edge of Lemmon Drive for roughly one-half this length, from approximately Surge Street north to E. Patrician Drive. Preliminary Opinions of Probable Cost will be prepared for each alternative. The alternatives will be presented illustratively for the County’s use in evaluating levels of risk and potential facility improvements.

For this analysis, Manhard will need access to and use of recent topographic survey information obtained by the County for the pedestrian corridor described above.

Task 5 – Hydrology and Hydraulics Report and Presentation

Manhard will prepare and submit a Hydrology and Hydraulics Report summarizing the analyses, conceptual improvement alternatives, illustrative exhibits, and Opinions of Probable Costs developed in Tasks 1 through 4. The fee estimate for this task includes the following Schedule of Deliverables, up to two meetings with the County to discuss project progress, and an informal presentation of the final results.

Schedule Of Deliverables

As a function of the services outlined herein, Manhard will deliver the following items to the Washoe County Department of Public Works:

A. One (1) draft hard copy of the Hydrology and Hydraulics Report with Opinions of Probable Costs for review and comment;
B. Two (2) final hard copies of the Hydrology and Hydraulics Report with Opinions of Probable Costs for County’s use; and

Upon review and comment from the County, Manhard will furnish the following items to the Western Regional Water Commission:

A. One (1) final hard copy of the Hydrology and Hydraulics Report with Opinions of Probable Costs;

B. One (1) electronic version of the final Hydrology and Hydraulics Report with Opinions of Probable Costs (all documents) in the current version of Adobe Acrobat PDF file format inclusive of all text and graphic work product. The file will be indexed and capable of text recognition using Adobe Reader and will be provided at a minimum resolution of 300 dots-per-inch;

C. One (1) copy of each deliverable element in its current native file format. Native formats for deliverables will be provided as follows: Text in Microsoft Word format; Spreadsheets in Excel format; Databases in Microsoft Access format; graphics in AutoCAD or GIS format, all native pre-modeling and post-modeling files and Geographic Information Systems (GIS) data in ESRI ArcMap/Arcinfo compatible file formats.

FEE ESTIMATE

The time and materials fee estimate for Tasks 1 through 5 is $48,000. Manhard will not exceed this fee estimate without written authorization from the County. The fee breakdown is as follows:

    Task 1 – Marlin Channel Hydrologic and Hydraulic Analysis: $8,500
    Task 2 – Marlin Channel Improvement Alternatives: $5,000
    Task 3 – Lemmon Channel Hydrologic and Hydraulic Analysis: $19,000
    Task 4 – Lemmon Channel Improvement Alternatives: $9,000
    Task 5 – Hydrology and Hydraulics Report and Presentation: $6,500

Again, thank you for the opportunity to submit this proposal. Should you have any questions, please do not hesitate to contact me at 775.690.3869 (cell) or 775.332.4720 (office).

Sincerely,

Manhard Consulting, Ltd.

Denny Peters, PE, PH
West Region Director of Water Resources
Professional Hydrologist
### EXHIBIT A

**SCHEDULE OF TIME AND MATERIAL RATES FOR 2009**

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<tr>
<th>CATEGORY</th>
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<td>President/Executive Vice-President</td>
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<td>Expert Testimony &amp; Depositions</td>
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**SF RATES**

- Printing – Paper: $0.15
- Printing – Vellum: $1.75
- Printing – Mylar, Film, Clear Acetate: $2.60
Western Regional Water Commission
STAFF REPORT

DATE: March 3, 2009
TO: Chairman and Members, Western Regional Water Commission
FROM: Mark Foree, TMWA Interim General Manager
Rosemary Menard, Director, Washoe County Department of Water Resources
SUBJECT: Status Report on the activities of the Integration Project

Discussion:
The staffs of TMWA and WCDWR continue to cooperatively investigate the various options and scenarios that may lead to some form of the integration of functions or activities that will ultimately benefit the utility customers in the Truckee Meadows service area.

Activities since our Last Report:

1) Finance Team: Held a meeting to discuss the initiation of the Phase II analysis and to discuss the due diligence data request submitted by TMWA. The Phase II financial analysis will evaluate each entity’s operating costs. This operating cost data will be used to populate a financial model that will compare the cost of service as stand alone entities and to compare various scenarios of integrated functions.

2) System Planning and Engineering Team: This team has completed the Phase I report, which evaluates opportunities for making better use of currently available infrastructure as well as considering what planned future investments in infrastructure might be eliminated or deferred as a result of operating WCDWR and TMWA’s water utilities as one system. The Phase I staff report is attached.

3) Operations Team: The Operations team held their first meeting on Feb. 25th. This team will be reviewing and evaluating the opportunities to reduce the cost of treatment, water quality, distribution and maintenance activities through some form of integrated operation.

4) Water Resources Team: The Team held their first meeting on March 5th. This team will be reviewing all the issues associated with water supply, water rights, surface water use, ground water use, and water planning.

5) Human Resources Team: A strategic level meeting was held to discuss potential issues and timeframes for more detailed analyses.

6) Other: Issues are now being identified that overlap with the system planning, water resource planning, and operations planning analysis. The issues are becoming interdependent and will be reviewed concurrently in the future.
**Next Steps:**

1) Continue the Phase II Operational Cost Analysis
2) Continue Phase II of the System Planning and Engineering Team – Assessment of the New Business Processes & Rules
3) Continue Water Resources Team activities
4) Continue Operations Team activities
5) Continue Human Resource activities

**Attachments:**
- System Planning & Engineering staff report and attachment
- Integration Master Schedule
Western Regional Water Commission
STAFF REPORT

DATE: March 3, 2009
TO: Chairman and Members, Western Regional Water Commission
FROM: Mark Foree/Scott Estes/Jack Byrom, Truckee Meadows Water Authority
Rosemary Menard/Rick Warner, Washoe County Department of Water Resources
SUBJECT: TMWA/WCDWR Integration Evaluation - Discussion and possible direction
to staff regarding the Preliminary Assessment Report prepared by the
System Planning & Engineering Team

SUMMARY

At its December 11, 2008 meeting, the Western Regional Water Commission (WRWC) directed
staffs from the Truckee Meadows Water Authority (TMWA) and the Washoe County
Department of Water Resources (WCDWR) to implement a phased approach for evaluating the
opportunities and constraints of integration. One of the initial evaluation efforts identified in the
phased approach was an assessment of the potential benefits of integrated operation of TMWA
and WCDWR water system facilities. This report summarizes the conclusions contained in the
Preliminary Assessment Report (PAR) of the Planning & Engineering Team (see Attachment A).

Please refer to Attachment “A” for a definition of the purpose, scope and limitations of the
evaluation.

The Planning & Engineering Team’s preliminary assessment concludes that integrated planning
and operation of water system facilities would produce improved reliability, water quality and
service levels for customers; and potentially result in decreased operating and/or capital costs as
compared to stand-alone water systems.

The opportunity scorecards in the PAR are a useful method of providing an “at a glance”
comparison of the potential benefits that may be possible in each of the study areas (South
Truckee Meadows, Spanish Springs and North Valleys). This comparison reveals that there are
more opportunities for beneficial results in the South Truckee Meadows than currently exist in
the other two study areas. It is anticipated that the potential benefits identified in the assessment
could be realized through something other than full consolidation or integration including some
form of interlocal operating agreement.

Savings created by the deferral of capital projects where funding has already been secured (i.e.
bonds have been issued) may not be realized unless the debt already incurred can be reallocated
to other projects or defeased. If neither of these outcomes can be achieved, bond proceeds do
produce investment income and O&M savings can result from deferring CIP projects that
involve extensive energy use and/or chemical purchases.
This situation applies to the construction of WCDWR’s planned South Truckee Meadows Water Treatment Plant (STMWTP), for which bonds have been sold but construction has not begun. The annual O&M cost savings of not operating the new water treatment plant is estimated to be on the order of $500,000 based on a proration of actual O&M costs at TMWA’s Glendale WTP.

Assuming that growth stimulates economic activity and assuming economic stimulation is good for the community, probably the biggest potential benefit of integrated operations would be implementing conjunctive use of groundwater and surface water supplies. A conjunctive use plan that uses surface water as a base load supply and compresses the delivery of groundwater resources into the peak summer months optimizes the total water demand that can be satisfied from the available pool of resources. Therefore, what resources are currently available may be able to support more growth than under a non-conjunctive use scenario. At the time of writing of the PAR, accurate estimates of WCDWR’s build-out demands and groundwater source capacity by pressure zone were not available to determine the long-term viability of a conjunctive use plan. The completion of WCDWR’s area facility plans with updated build-out demands should provide the source and demand data that the Resource and Engineering teams can use to determine the overall supply vs. demand and develop realistic conjunctive use scenarios for the integrated systems.

Additional operational cost savings might be realized through a reduction in annual pumping costs. Assuming that a conjunctive use program is viable, shutting down wells in the winter months to avoid electric demand and facility charges and energy consumption costs may produce cost savings that exceed the cost of additional pumping in the summer months. Conversion of WCDWR’s wells to NV Energy’s Optional Time-of-Use (TOU) tariffs might also result in cost savings. A cursory calculation for WCDWR’s wells in the Double Diamond area based on extensive assumptions and simplifications yields a maximum theoretical cost savings of perhaps $100,000 per year. (WCDWR is in process of making the transition to time of use pumping at this time and is estimating that system-wide energy savings will be in the range of $200,000 to $300,000 compared to its current operating scenario.)

Currently, TMWA realizes significant cost savings from shutting down its Glendale WTP during the winter months. For at least the immediate future, WCDWR’s Longley treatment plant could also be shut down in the winter months under an integrated operational scenario. At some point in the future (dictated by system demand) a seasonal shut down of the Glendale plant will not be possible. Whether or not this event would be accelerated by integration (and thus increase operating costs earlier than anticipated) is unknown at this time.

**Phase 2 Work:**

The System Planning & Engineering Team has also been tasked with reviewing new business practices and procedures of both water purveyors and to determine the feasibility of a “one-stop-shop” desired by area developers. It is anticipated that this work will begin around the end of March 2009.
DATE: February 17, 2009

TO: Jack Byrom
    Rosemary Menard

FROM: Scott Estes
      Rick Warner

RE: TMWA-DWR Integration Analysis
    Planning & Engineering Preliminary Assessment Report

Integration Study Purpose and Mission:
To explore opportunities whereby TMWA and WCDWR may, through joint operation of water
system facilities and management of water resources, produce quantifiable benefits for
TMWA and WCDWR customers and the community as a whole.

System Planning and Engineering Team Purpose and Scope:
The System Planning and Engineering Team was charged with identifying and evaluating the
opportunities to achieve improved service levels; reduce system operating costs; reduce
facility capital costs; eliminate unnecessary or redundant facilities; increase system reliability;
increase water quality; and maximize conjunctive use of limited groundwater and surface
water resources through implementation of operating and capital planning strategies based
on the assumption that the DWR and TMWA water facilities and systems are one rather than
two separate systems.

Methodology and Approach to the Evaluation:
It was determined that the most effective approach to the evaluation would be to focus on
specific pressure zones located at the boundaries between the distribution systems in the
South Truckee Meadows, Spanish Springs and the North Valleys. Initial discussions were
facilitated through an exchange of area assessment worksheets that identified system
deficiencies and/or operational concerns/constraints along with the capital improvement
plans (if any) to address those issues. This allowed each purveyor to determine if there were
opportunities to utilize existing facilities and/or excess capacity to potentially replace or delay
expenditures planned by the other entity.

Following high level introductory discussions of each study area by the full teams during the
first two meetings, it was decided to break into sub-teams to allow those most knowledgeable
and experienced in each geographical study area to determine if and how the adjacent water
systems could be physically integrated and to quantify the benefits. The sub-team analyses
included combined water system computer model simulations when possible to analyze
service levels and to provide a more detailed evaluation of conjunctive use scenarios with
integrated operation.
Summary:
The Planning and Engineering Team concluded that integration efforts could produce one or more of the following benefits in each of the study areas: improved service levels; reduced operating costs; reduced capital costs and/or facility charges; elimination of unnecessary redundant facilities; and improved water quality. Each of the study areas is discussed in greater detail in the report sections to follow.

South Truckee Meadows:
The South Truckee Meadows (STM) area presents opportunities for successful integration and/or joint operation of water system facilities. Based on very limited and cursory analyses, the opportunity scorecard for the STM area is presented below:

<table>
<thead>
<tr>
<th>Will DWR/TMWA System Integration…</th>
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<th>Improve WQ?</th>
<th>Improve Service Levels?</th>
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<tr>
<td>Potentially</td>
<td>Yes</td>
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**Reliability:** DWR Storage would increase reliability for TMWA customers. The radial configuration of TMWA’s South Virginia system would be eliminated by looping with DWR’s Double Diamond (DD) system, which would increase the reliability of supply to TMWA’s Zolezzi system. Replacing 1-2 wholesale take points with several connections would increase reliability to DWR’s DD system.

**Water Quality:** A conjunctive use operating approach with a base load surface water supply would provide a more effective method to manage the potential future impacts from arsenic that would require either blending or treatment to meet running annual average (RAA) criteria in the DD area. Conjunctive use may allow DWR to rest the DD aquifer in the winter months, which may possibly slow the migration of arsenic and/or boron into the capture zones of DWR wells.

**Service Levels:** TMWA could lower service pressures in the E. Huffaker area. Suction pressure to TMWA’s Zolezzi pumping system and the South Virginia area would be stabilized and increased. Fire flow capacity would increase to TMWA’s South Virginia corridor.

**Operating Costs:** TMWA may be able to reduce operating costs by eliminating seasonal continuous pumping at the Longley pump station during electric on-peak periods and by decreasing required pump horsepower. DWR may be able to reduce pumping costs by not operating DD wells in the winter/shoulder months. DWR should be able to shut down the Longley GWTP in the winter months.

**Capital Expenditures:** TMWA could eliminate the Longley Tank project ($4.7M). DWR may be able to delay the STM WTP project ($38M) as well as defer expansion of the Longley GWTP ($4.4M).
DWR’s primary objectives in the STM area include deferring construction of their treatment plant and insuring compliance with arsenic standards. TMWA’s primary objectives in the STM involve increasing system reliability. TMWA’s existing facilities are capable of delivering up to 5400 GPM of surface water to the DD area. Up to 7400 GPM can be delivered to the STM area with construction of additional TMWA facilities at a cost of about $2.8 Million. Construction of those facilities might be deferred or possibly eliminated if additional TMWA surface water could be delivered to the STM area via DWR’s existing 16-inch transmission main from Hidden Valley.

Spanish Springs:
The Spanish Springs (SS) area presents very limited opportunities for physical integration of water system facilities. Based on very limited and cursory analyses, the opportunity scorecard for the SS area is presented below:

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Reliability: DWR groundwater capacity would increase reliability for TMWA customers if there was a break on a major transmission main. However, the existing pressure zones are too disparate to achieve completely open and integrated distribution systems. The six existing interties could be utilized more effectively and additional interties constructed as necessary to maximize the capacity of existing facilities and increase system reliability and service levels.

Water Quality: A conjunctive use operating approach including providing an off-peak base load surface water supply would provide a more effective method to manage arsenic blending and meet RAA criteria in DWR’s system.

Service Levels: Because existing pressure zones and boundaries would likely endure, service levels should be unaffected. Existing service levels are considered generally good.

Operating Costs: DWR may be able to reduce pumping costs by not operating SS wells in the winter months.

Capital Expenditures: DWR’s commitment to limit GW pumping to 1800 AFA (reflecting over-appropriation of the SS basin), prohibits sharing excess GW capacity with TMWA during the summer peak period. Therefore, it is unlikely that TMWA will be able to delay or downsize planned capital improvements.
DWR’s primary objectives in the SS area include arsenic compliance and reducing annual groundwater pumping in the basin. TMWA’s challenges in the SS area involve scheduling construction of capacity improvements as necessary to maintain service levels in the northern extents of the TMWA gravity zone during peak periods. The ability of TMWA’s system to deliver surface water to the SS area is limited by hydraulic constraints resulting from the extreme distance between source of supply (Glendale WTP) and the Spanish Springs Valley. The effect of distance cannot be cost effectively overcome with larger transmission mains; therefore, long-term facility plans to meet future peak demands include the development of a low-head pump zone between TMWA’s current Sparks Gravity zone and Spanish Springs pumping system. Select future phases of TMWA’s Sparks Feeder Main project could be delayed or perhaps downsized only with development of significant new peaking water sources north of Satellite Hills. Since groundwater resources in the hydrographic basin are apparently over appropriated now, it is likely that significant additional municipal well capacity can only be developed in the region with large scale conversion of single domestic wells to municipal supply, or possibly implementing an extensive aquifer storage and recovery (ASR) program. A conjunctive use plan maximizing the current TMWA wholesale delivery rate of 4200 gpm (the maximum contract rate) plus 1800 AFA of DWR groundwater was presented in DWR’s 2007 SS water facility plan update. The analysis indicates that this conjunctive use plan could supply a DWR demand of up to 6250 AFA, but does not result in excess on-peak groundwater capacity that could be made available to the TMWA system. However, recent TMWA planning efforts reflecting revised operating plans, including on-peak support from its Hawkings Court well, indicate the TMWA system may be capable of peak period deliveries in excess of 2000 gpm at the Lazy 5 wholesale delivery point, depending on ultimate demand on the TMWA system.

North Valleys:
The North Valleys (NV) areas (Lemmon Valley, Stead and Silver Lake) present limited opportunities for successful integration and joint operation of water system facilities. Based on limited/cursory analyses, the opportunity scorecard for the NV area is presented below:

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| Reliability: DWR groundwater capacity would increase reliability for TMWA customers if there was a break on the North Virginia-Stead transmission main. In theory, Fish Springs groundwater could provide short-term drought protection for the TMWA system. Strategic interties could increase overall reliability for DWR customers in case of main breaks or disruption of normal supply.

Water Quality: Short term use of Fish Springs water by both systems would likely alleviate current pH problems caused by the reduced turnover (low demand) in the lengthy transmission system (long term WQ issues are not anticipated).
issues from iron, manganese and nitrate levels in some Lemmon Valley wells could be minimized by limiting the use of those groundwater sources, or possibly blending groundwater and surface water sources.

**Service Levels:** No significant improvement in service levels is anticipated as a result of integrated operations.

**Operating Costs:** Short term seasonal pumping costs may be avoided in one or both systems if a conjunctive use operating scheme can be implemented and depending upon which resource is utilized for base load purposes.

**Capital Expenditures:** Differences in system pressures complicate matters, but it may be possible to avoid duplicate water main facilities in Old Virginia Road by ultimately converting the use of a single new pipeline from one pressure zone/entity to another (approx. $3.5M).

DWR’s primary objectives in the NV area include construction of facilities to integrate and utilize the Fish Springs groundwater source and to manage the local groundwater basin. TMWA’s challenges in the NV area involve timely replacement of aging infrastructure and the management of its west Lemmon Valley groundwater sources. Water resources allocated to the original Stead-Silver Lake retail water service area include 4.25 MGD of Truckee River rights and an additional 2-3 MGD (620 AF mid-May through mid-September) of local groundwater. Surface water deliveries to the Lemmon Valley-Stead-Silver Lake area in excess of that original 4.25 MGD are considered to be an inter-basin transfer or export. Therefore, any new demand served by Truckee River rights requires an additional “return flow” water resource dedication (equal to 50% of the consumptive demand) to replace the amount of water that would normally return to the river system if the resource had been used in the Truckee Meadows. Obviously this is not a desirable use of limited Truckee River resources; therefore, TMWA has not planned to expand its existing service area beyond what can be supported with existing resources.

The Fish Springs groundwater importation project was constructed to provide a water supply for future growth in the area. Effluent disposal issues notwithstanding, long-term growth projections for the North Valleys indicate a water supply deficit even with full utilization of all available resources (Truckee River, Fish Springs and local basin groundwater). Long term displacement of Truckee River rights with Fish Springs water makes sense only if the river rights can be resold for use elsewhere in the Truckee Meadows at a price that exceeds the cost of the Fish Springs resource. However, as previously mentioned, this concept could also potentially limit overall growth in the North Valleys. In the short term, the Fish Springs resource could provide drought protection and allow TMWA to delay use of its water stored in upstream reservoirs during drought conditions. In addition, Fish Springs water could also be used to remediate the local groundwater basin through passive or active ASR programs.

Full integration of the Fish Springs resource into DWR’s system requires the construction of major transmission mains from the termination of the Fish Springs project in the north to the North Virginia corridor in the south and ultimately to storage in DWR’s Horizon Hills system. TMWA must also construct a transmission main in Old North Virginia to replace the existing Stead main between Golden Valley Road and the Stead Tanks. A single, appropriately sized pipe in Old Virginia between Lemmon Drive and the Stead Tanks would suffice if the main is ultimately operated as part of the Fish Springs conveyance system. Under this scenario, TMWA would deliver its Stead surface water supply to DWR’s Lemmon Valley system near
PRELIMINARY ASSESSMENT REPORT
DWR-TMWA INTEGRATION STUDY

the intersection of Lemmon Drive and North Virginia; and DWR would deliver the same
offsetting amount of Fish Springs water to TMWA’s Stead system on Old Virginia Road west
of Stead Boulevard. This plan also takes advantage of the higher Fish Springs/Horizon Hills
hydraulic grade line (HGL) which would be able to serve elevations along the Old Virginia
corridor above those that could be served from the TMWA/Raleigh Heights HGL. In the short
term, the 1000 gpm TMWA wholesale capacity requested by DWR and short-term excess
capacity inherent to TMWA’s new North Virginia-Stead pumping system could be used to
defer construction of a portion of the Fish Springs integration facilities.

TMWA’s “golf course” main provides a major transmission tie between its storage facilities at
the south end of Stead Boulevard and the northern extents of the distribution system
adjacent to the airport. The existing steel pipe was originally installed in the 1940’s and is
scheduled for replacement as part of TMWA’s CIP. A main replacement in this particular
corridor provides an opportunity to move significant volumes of Fish Springs water from the
north to the south; however, TMWA also needs additional north to south capacity to fully
utilize its local groundwater supplies. The two uses are not compatible based on respective
system pressures; however, additional study may identify alternate scenarios that might
work. In general, disparate pressure zones complicate system and facility integration. Very
close cooperation and joint planning between TMWA and DWR will be required to develop
unique solutions and insure that potential benefits are ultimately realized.

Recommendations, Limitations & Additional Studies:
This preliminary assessment relies primarily upon the professional judgment of engineers
most familiar with the water systems in each study area. The “scorecards” and brief
explanations for each area present the potential benefits of integrated operation based on
expert opinion without detailed or rigorous engineering analysis. Some of the issues that
need to be considered or that require further study and development include the following:

- This analysis does not consider what type of integration (as opposed to full
  consolidation) may be implemented. Facility integration would be more efficient if
  existing wholesale meter facilities were physically bypassed and additional
  connections and interties constructed. If both entities continue to control their own
  assets and revenues, accounting of “wholesale” deliveries would be problematic.
- Additional study and discussion will be required to address issues associated with the
  current agreement between DWR and STMGID in the STM including joint use of
  facilities, water sources, joint operations and costs.
- Based on various regional planning efforts and population projections, it is apparent
  that the long-term projected demand will exceed the existing supply at some point in
  the future. This analysis does not consider demands beyond 2030, which may
  exceed the current pool of available resources. It is noted that as recently as 2007,
  TMWA’s maximum day demand (MDD) in the year 2030 was estimated to be on the
  order of 195 million gallons per day (MGD). New growth projections developed
  subsequent to the beginning of the economic slowdown predict a 169 MGD maximum
day demand for TMWA’s system in 2030.
- The Resource Team will need to quantify groundwater and surface water resources
  and determine the feasibility of conjunctive use programs on an annual and ongoing
  basis including the yield of the combined resources during extended drought periods.
- Where it was possible to model integrated systems, the analysis utilized system
  “build-out” models which may contain future facilities that may not be available in the
  short-term to facilitate system integration. Detailed engineering analysis should be
  performed to determine if additional facilities are required to implement integration
and to estimate the cost of those facilities. In addition, average day, peak hour, fire flow and operational storage utilization/recovery scenarios need to be evaluated.

- Changes to existing operating procedures need to be established and evaluated. For example, it may become necessary to operate the Glendale WTP on a year-round basis; or integrated operation may require pumping in electric on-peak periods, etc.
- Potential operating and capital cost savings identified herein need to be further analyzed, refined and measured.
- DWR is in the process of updating its water facility plans for the STM, SS and NV areas. When available, these facility plans should be reviewed and the recommended improvements incorporated into this analysis. It is anticipated that the updated facility plans will include revised future demand projections by individual pressure zone. This information will be very helpful in developing more detailed potential conjunctive use operating scenarios.

cc: TMWA
Mark Foree
John Erwin
Jeff Tissier

DWR
Ben Hutchins

Engineering/Planning Team Members:

**TMWA**
Scott Estes (lead)
Scott Benedict
Holly Flores
Tiffany Bowling
Keith Ristinen
John Erwin

**DWR**
Rick Warner (lead)
Alan Jones
John Buzzone
Joe Howard
Scott Smilley
Vahid Behmaram
Dwayne Smith
Western Regional Water Commission
STAFF REPORT

DATE: March 3, 2009
TO: Chairman and Members, Western Regional Water Commission
FROM: Jim Smitherman, Water Resources Program Manager
SUBJECT: Discussion and possible direction to staff regarding the Regional Water Management Fund Reserve Policy for Operating Expenses

SUMMARY
On January 9, 2008, the Western Regional Water Commission (WRWC) directed staff to schedule an agenda item to discuss cash reserves with respect to the Regional Water Management Fund (RWMF). The possibility of holding cash in reserve to cover three to six month’s operating expenses came up during the WRWC’s discussion of a four-year cash projection for the RWMF, which was recommended by the Northern Nevada Water Planning Commission.

Staff is preparing a proposed fiscal year 2009-2010 RWMF budget that includes estimated total operating expenses of approximately $573,000, or an average of about $143,200 per quarter.

PREVIOUS ACTION
On January 9, 2008, the WRWC accepted a four-year cash flow projection for the RWMF and directed staff to schedule a discussion concerning a cash reserve fund.

FISCAL IMPACT
Approval of the recommendation would reserve approximately $286,400 for fiscal year 2009-2010.

RECOMMENDATION
It is recommended that the WRWC establish a Regional Water Management Fund cash reserve policy to set aside six-month’s operating expenses as part of each annual budget, starting with fiscal year 2009-2010.

POSSIBLE MOTION
Move to approve the recommendation to establish a Regional Water Management Fund cash reserve policy to set aside six-month’s operating expenses as part of each annual budget, starting with fiscal year 2009-2010.

JS:jd
DATE: March 4, 2009
TO: Chairman and Members, Western Regional Water Commission
FROM: Jim Smitherman, Water Resources Program Manager
SUBJECT: Discussion and possible direction to staff regarding the RWMF Policy for Travel Expenses

SUMMARY
On January 9, 2008, the Western Regional Water Commission’s (WRWC) directed staff to schedule an agenda item to discuss travel expenses with respect to the Regional Water Management Fund (RWMF). The topic came up during the WRWC’s discussion of a resolution authorizing the Program Manager to approve invoices submitted to the WRWC, and approve in-budget expenditures and sign contracts not to exceed $25,000 upon recommendation of the Northern Nevada Water Planning Commission (NNWPC).

The WRWC has approved staff recommendations to cover travel expenses related to two events: the August 2008 StormCon conference in Orlando, Florida ($3,000, July approval), and the October 2008 WaterSmart conference in Las Vegas ($10,000, September approval). Both conferences had direct applicability to WRWC priorities and benefited multiple member agencies by building technical capacity.

It is probable that future conferences or other events will address WRWC priorities and provide needed technical capacity for member agencies. The establishment of a policy that provides for an annual travel budget, criteria for evaluating such opportunities and approval of travel expenses would avoid a WRWC agenda item for approval of a staff request.

It is important to note that Washoe County will cover travel expenses for the WRWC’s staff members whose services are provided by way of the November 2008 Agreement for Professional and Administrative Staff Services.

PREVIOUS ACTION
On January 9, 2008, the WRWC approved a resolution designating Jim Smitherman, WRWC Program Manager, as the person authorized to approve invoices submitted to the WRWC, and approve in-budget expenditures from the Western Regional Water Management Fund not to exceed $25,000 upon recommendation of the NNWPC and to sign contracts.

FISCAL IMPACT
Approval of the recommendation would identify $10,000 in the fiscal year 2009-2010 budget to support travel.
**RECOMMENDATION**
It is recommended that the WRWC establish a Regional Water Management Fund Policy for Travel Expenses that provides for an annual travel budget, and approval of travel expenses if the travel is to an event that is directly applicable to a WRWC priority and builds technical capacity of member agencies. The recommended annual budget amount is $10,000.

**POSSIBLE MOTION**
Move to approve the recommendation to establish a Regional Water Management Fund Policy for Travel Expenses that provides for a $10,000 annual travel budget and approval of travel expenses if the travel is to an event that is directly applicable to a WRWC priority and builds technical capacity of member agencies.

JS:jd
DATE: March 13, 2009
TO: Chairman and Members, Legislative Subcommittee
FROM: John B. Rhodes, Legal Counsel
SUBJECT: Report on Legislative Activities

The following staff report lists Bills introduced in the 2009 Nevada Legislature, and Bill Draft Requests, as of March 9, 2009, which affect or are of interest to the WRWC.

**Bills Introduced**

**SCR2**  Legislative Committee to Oversee the Western Regional Water Commission
Encourages entities that are engaged in water quality monitoring to coordinate certain activities.  (BDR 237, 8/13/2008)

Subcommittee Position:  (Support)
Spokesperson:  ?

**SB111**  Legislative Committee to Oversee the Western Regional Water Commission
Makes various changes to provisions governing the Western Regional Water Commission.  (BDR 240, 8/13/2008)

Subcommittee Position:  (Support)
Spokesperson:  ?

**SB175**  Legislative Committee to Oversee the Western Regional Water Commission
Makes various changes to provisions governing flood control districts.  (BDR 20-239, 8/13/2008)

Subcommittee Position:  ?
Spokesperson:  ?

**SB37**  Conservation and Natural Resources, State Department of
Establishes authority to award subgrants from the Drinking Water State Revolving Fund, Wellhead Protection and Clean Water Act Nonpoint Source programs.  (BDR 360, 8/22/2008)

Subcommittee Position:  (Neutral)
Spokesperson:  ?

**AB18**  Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System (NRS 218.53871)
Authorizes the issuance of bonds for environmental improvement projects for Lake Tahoe for 2009-2019.  (BDR 375, 8/26/2008)

Subcommittee Position:  (Neutral)
Spokesperson:  ?

**SB126**  Senator Care
Prohibits certain restrictions on the use of gray water.  (BDR 394, 8/28/2008) This Bill may be withdrawn.

Subcommittee Position:  (None)
Spokesperson:  ?
AB54  Washoe County
Authorizes counties to prohibit use of private water or septic systems where available public water or sewer systems exist and provide a program to mitigate the costs of connection to the public system. (BDR 473, 8/29/2008)

Intent of BDR: To clarify use of public funds for the public purpose of assisting with paying connection fees for public water/sewer systems where individual systems are failing and are failing or degrading water sources; specifically: amend of Chapter 244 of NRS to authorize the Board of County Commissioners to order a person with an individual sewage disposal system to connect to reasonably available municipal sewer if the property owner's system is failing or the system is demonstrably degrading a source of drinking water or increasing the costs of treating drinking water; and further, to authorize the County to use grants, gifts or water department funds to pay for the connection fees of those ordered to connect.

SB105  Legislative Committee on Public Lands (NRS 218.5363)
Revises provisions governing the awarding of grants to certain purveyors of water. (BDR 502, 9/1/2008)

SB66  Douglas County
Revises provisions relating to water permits and water right credits, to allow more time to complete work and apply water to beneficial use for certain municipal uses. (BDR 48—618, 8/29/2008)

AB119  Assemblywoman Leslie
Requires the Truckee Meadows Regional Plan to include policies that are based on identified and sustainable water resources within Washoe County. (BDR 22-750, 12/11/2008)

AB276  Assemblyman Goedhart
Revises provisions relating to the filing of a protest to an application to appropriate water. (BDR 48—1041, 2/9/2009)

AB236  Assemblyman Grady
Revises provisions governing grants for water conservation and capital improvements to certain water systems. (BDR 1049, 2/9/2009) (By Request)
887 Assemblyman Bobzien
Makes various changes concerning the state water policy. 12/15/2008

924 Senator Mathews
Joint Requester: Assemblywoman Smith
Requires the fluoridation of public water systems serving Washoe County. 12/15/2008

R--984 Senator Rhoads
SJR: Urges Congress to preserve the traditional power of states over land and water use. 2/02/2009

1041 Assemblyman Goedhart
Revises provisions relating to the filing of a protest to an application to appropriate water. 2/09/2009

1086 Senator Rhoads
Revises provisions governing notification of applications for permits to appropriate water. 2/09/2009

1087 Assemblywoman Leslie
Provides for the use of gray water for residential landscapes. 2/09/2009

1161 Assembly Committee on Government Affairs
Increases the fee that is authorized to be imposed for intercounty and interstate transfers of groundwater. 2/20/2009
Bill Draft Requests

SB204 Senator Rhoads
Revises provisions governing notification of applications for permits to appropriate water. *(BDR 48-1086, 2/9/2009)*

209 Assembly Committee on Government Affairs
Revises provisions governing the organization and accountability of certain local governmental entities that manage water resources.

238 Legislative Committee to Oversee the Western Regional Water Commission
Makes an appropriation to the Truckee River Flood Project to support ecosystem restoration activities.

246 Assemblywoman Kirkpatrick
Makes various changes relating to planning and zoning.

359 Conservation and Natural Resources, State Department of
Clarifies provisions governing the Board for Financing Water Projects.

503 Legislative Committee on Public Lands (NRS 218.5363)
Makes an appropriation to the State Engineer to develop a hydrologic database for water basins in Nevada.

534 Senator Beers
Revises requirements for individual water meters in mobile home parks.

680 Assemblyman Hogan
Revises provisions relating to conservation of water.

693 Assemblyman Goevdhart
Revises provisions relating to the rates of smaller public utilities that furnish water or services for sewage.

732 Assemblyman Goicoechea
Requires the completion of an inventory of an entire water basin before consideration of an interbasin transfer.

848 Senate Committee on Natural Resources
Establishes parity in oversight of regional water authorities.

849 Senate Committee on Natural Resources
Provides for study of economic impact of water importation projects and development of a sensible water strategy.
SB66

Introduced in the Senate on Dec 09, 2008.
By: Natural Resources

Allows for longer periods to complete work and apply water to a beneficial use for certain municipal and quasi-municipal uses. (BDR 48-618)

Fiscal Notes
Effect on Local Government: No.
Effect on State: No.

Most Recent History
Read first time. To committee.

Action:
(See full list below)

Upcoming Hearings

Past Hearings
Senate Government Affairs  Feb. 11, 2009  01:30 PM  No Action.

Votes

Bill Text  As Introduced

Bill History
Dec 09, 2008
• Prefiled. Referred to Committee on Government Affairs. To printer.
Dec 10, 2008
• From printer.
Feb 02, 2009
• Read first time. To committee.
SENATE BILL NO. 66—COMMITTEE ON NATURAL RESOURCES

(ON BEHALF OF DOUGLAS COUNTY)

PREFILED DECEMBER 9, 2008

Referred to Committee on Government Affairs

SUMMARY—Allows for longer periods to complete work and apply water to a beneficial use for certain municipal and quasi-municipal uses. (BDR 48-618)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to water; allowing longer periods for the completion of work and the application of water to a beneficial use for certain municipal and quasi-municipal uses; authorizing the State Engineer to grant extensions of time for not more than a certain period to complete the work or apply the water to those uses; revising the circumstances under which the fee for filing an application for an extension of time must be paid; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires an applicant for water rights to complete construction of work and put water to beneficial use within specified periods, with extensions of time allowed under certain circumstances. (NRS 533.380) Section 1 of this bill allows for more time to complete the work associated with certain municipal and quasi-municipal uses of water and to file proof of beneficial use of the water. Section 1 also allows the State Engineer to approve extensions of up to 5 years to complete the work or file that proof.

Existing law sets forth the fee for filing an application for an extension of time to file a proof of completion of work or proof of beneficial use. (NRS 533.435) Section 2 of this bill specifies that the fee must be paid for each year for which an extension of time is sought.
THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 533.380 is hereby amended to read as follows:

533.380 1. Except as otherwise provided in subsections 2, 3 and 7, in his endorsement of approval upon any
application, the State Engineer shall:
(a) Set a time before which the construction of the work must be
completed, which must be within 5 years after the date of approval.
(b) [Except as otherwise provided in this paragraph, set] Set a
time before which the complete application of water to a beneficial
use must be made, which must not exceed 10 years after the date of
[the] approval.

2. The time set under [this paragraph respecting an application
for a permit to apply water to] paragraph (a) of subsection 1 for the
completion of construction of the work must be within 10 years
after the date of approval for a municipal or quasi-municipal use on
any land:

(a) For which a final subdivision map has been
recorded pursuant to chapter 278 of NRS;
(b) For which a plan for the development of a project
has been approved by the local government pursuant to NRS
278.010 to 278.460, inclusive; or
(c) For which a plan for the development of a planned unit
development has been recorded pursuant to chapter 278A of NRS.

3. The time set under paragraph (b) of subsection 1 with
regard to an application for a permit to apply water to a municipal
or quasi-municipal use on any land referred to in subsection 2
must not be less than 5 years
[—2—] or more than 20 years.

4. The State Engineer may limit the applicant to a smaller
quantity of water, to a shorter time for the completion of the work
and, except as otherwise provided in paragraph (b) of subsection
subsection 3, to a shorter time for the perfecting of the
application than named in the application.

5. Except as otherwise provided in subsection 4 and
NRS 533.395 and 533.4377, the State Engineer may, for good cause
shown, extend the time within which construction work must be
completed, or water must be applied to a beneficial use under any
permit therefor issued by him, but an application for the extension
must in all cases be:
(a) Made within 30 days following notice by registered or certified mail that proof of the work is due as provided for in NRS 533.390 and 533.410; and

(b) Accompanied by proof and evidence of the reasonable diligence with which the applicant is pursuing the perfection of the application.

The State Engineer shall not grant an extension of time unless he determines from the proof and evidence so submitted that the applicant is proceeding in good faith and with reasonable diligence to perfect the application. The failure to provide the proof and evidence required pursuant to this subsection is prima facie evidence that the holder is not proceeding in good faith and with reasonable diligence to perfect the application.

{4.} Except as otherwise provided in subsection {5} 7 and NRS 533.395, whenever the holder of a permit issued for any municipal or quasi-municipal use of water on any land referred to in paragraph (b) of subsection 1, subsections 2 and 3, or for any use which may be served by a county, city, town, public water district or public water company, requests an extension of time to complete construction of the work or to apply the water to a beneficial use, the State Engineer shall, in determining whether to grant or deny the extension, consider, among other factors:

(a) Whether the holder has shown good cause for not having made a complete application of the water to a beneficial use;

(b) The number of parcels and commercial or residential units which are contained in or planned for the land being developed or the area being served by the county, city, town, public water district or public water company;

(c) Any economic conditions which affect the ability of the holder to make a complete application of the water to a beneficial use;

(d) Any delays in the development of the land or the area being served by the county, city, town, public water district or public water company which were caused by unanticipated natural conditions; and

(e) The period contemplated in the:

(1) Plan for the development of a project approved by the local government pursuant to NRS 278.010 to 278.460, inclusive; or

(2) Plan for the development of a planned unit development recorded pursuant to chapter 278A of NRS,

Each extension of time granted to a holder of a permit pursuant to this subsection must not exceed 5 years after the holder was required to complete construction of the work or to apply the water to a beneficial use, or after the time to which the
period for completion of construction or application to beneficial use has been previously extended.

7. The provisions of subsections 1 and 6 do not apply to an environmental permit.

8. For the purposes of this section, the measure of reasonable diligence is the steady application of effort to perfect the application in a reasonably expedient and efficient manner under all the facts and circumstances. When a project or integrated system is composed of several features, work on one feature of the project or system may be considered in finding that reasonable diligence has been shown in the development of water rights for all features of the entire project or system.

Sec. 2. NRS 533.435 is hereby amended to read as follows:

533.435 1. The State Engineer shall collect the following fees:

For examining and filing an application for a permit to appropriate water..........................$250.00

This fee includes the cost of publication, which is $50.

For examining and acting upon plans and specifications for construction of a dam...............500.00

For examining and filing an application for each permit to change the point of diversion, manner of use or place of use of an existing right..................150.00

This fee includes the cost of the publication of the application, which is $50.

For issuing and recording each permit to appropriate water for any purpose, except for generating hydroelectric power which results in nonconsumptive use of the water or watering livestock or wildlife purposes.............................150.00

plus $2 per acre-foot approved or fraction thereof.

For issuing and recording each permit to change an existing right whether temporary or permanent for any purpose, except for generating hydroelectric power which results in nonconsumptive use of the water, for watering livestock or wildlife purposes which change the point of diversion or place of use only, or for irrigational purposes which change the point of diversion or place of use only............................100.00

plus $2 per acre-foot approved or fraction thereof.
For issuing and recording each permit to change
the point of diversion or place of use only of an
existing right whether temporary or permanent
for irrigational purposes....................................$200.00
For issuing and recording each permit to
appropriate or change the point of diversion or
place of use of an existing right only whether
temporary or permanent for watering livestock
or wildlife purposes for each second-foot of
water approved or fraction thereof..........................50.00
For issuing and recording each permit to
appropriate or change an existing right whether
temporary or permanent for water for
generating hydroelectric power which results in
nonconsumptive use of the water for each
second-foot of water approved or fraction
thereof..............................................................100.00
This fee must not exceed $1,000.
For filing a secondary application under a reservoir
permit...............................................................200.00
For approving and recording a secondary permit
under a reservoir permit.......................................200.00
For reviewing each tentative subdivision map...........150.00
plus $1 per lot.
For storage approved under a dam permit for
privately owned nonagricultural dams which
store more than 50 acre-feet..................................100.00
plus $1 per acre-foot storage capacity. This
fee includes the cost of inspection and
must be paid annually.
For filing proof of completion of work ..................10.00
For filing proof of beneficial use .......................50.00
For filing any protest..........................................25.00
For filing any application for extension of time
within which to file proofs, for each year for
which the extension of time is sought..................100.00
For examining and filing a report of conveyance
filed pursuant to paragraph (a) of subsection 1
of NRS 533.384 ..................................................25.00
plus $10 per conveyance document
For filing any other instrument ..........................1.00
For making a copy of any document recorded or
filed in his office, for the first page .......................1.00
For each additional page .................................. .20
For certifying to copies of documents, records or
maps, for each certificate .................................. $1.00

For each blueprint copy of any drawing or map, per
square foot .......................................................... .50

The minimum charge for a blueprint copy, per print ........ 3.00

2. When fees are not specified in subsection 1 for work
required of his office, the State Engineer shall collect the actual cost
of the work.

3. Except as otherwise provided in this subsection, all fees
collected by the State Engineer under the provisions of this section
must be deposited in the State Treasury for credit to the State
General Fund. All fees received for blueprint copies of any drawing
or map must be kept by him and used only to pay the costs of
printing, replacement and maintenance of printing equipment. Any
publication fees received which are not used by him for publication
expenses must be returned to the persons who paid the fees. If, after
exercising due diligence, the State Engineer is unable to make the
refunds, he shall deposit the fees in the State Treasury for credit to
the State General Fund. The State Engineer may maintain, with the
approval of the State Board of Examiners, a checking account in any
bank or credit union qualified to handle state money to carry out the
provisions of this subsection. The account must be secured by a
depository bond satisfactory to the State Board of Examiners to the
extent the account is not insured by the Federal Deposit Insurance
Corporation, the National Credit Union Share Insurance Fund or a
private insurer approved pursuant to NRS 678.755.

Sec. 3. This act becomes effective on July 1, 2009.
DRAFT AB 119 AMENDMENTS

A.B. 119

ASSEMBLY BILL NO. 119—ASSEMBLYWOMAN LESLIE

PREFILED JANUARY 27, 2009

Referred to Committee on Government Affairs

SUMMARY— Requires the comprehensive regional plan in certain counties to include provisions concerning the identification and sustainability of certain supplies of water. (BDR 22-750)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

EXPLANATION — Matter in bold italics is new; matter between brackets [omitted material] is material to be omitted. Green bold italics text is additional new language; matter between brackets [omitted material] is additional material to be omitted; bolded italics strikethrough is new text to be omitted.

AN ACT relating to planning; requiring the comprehensive regional plan in certain counties to include provisions concerning the identification and sustainability of certain supplies of water; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:
Existing law requires the regional planning commission of a county whose population is 100,000 or more but less than 400,000 (currently Washoe County) to develop a comprehensive regional plan for the physical development and orderly growth of the region. (NRS 278.0272) The comprehensive regional plan must include goals, policies, maps and other documents relating to population, conservation, limitation of premature expansion, land use, transportation, public facilities and services, annexation, intergovernmental coordination and certain utility projects. (NRS 278.0274) This bill requires the comprehensive regional plan to include several provisions concerning the availability of water for growth and development, including a statement setting forth the total population of the county that may be supported by the identified and sustainable supply of water in the county as determined by the water planning commission of the county.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 278.026 is hereby amended to read as follows: 278.026 As used in NRS 278.026 to 278.029, inclusive, unless the context otherwise requires:
1. "Affected entity" means a public utility, franchise holder, local or regional agency, or any other entity having responsibility for planning or providing public facilities relating to transportation, solid waste, energy generation and transmission, conventions and the promotion of tourism, air quality or public education. The term does not include:
   (a) A state agency;
   (b) A public utility which is subject to regulation by the Public Utilities Commission of Nevada.

2. "Facilities plan" means a plan for the development of public facilities which will have a regional impact or which will aid in accomplishing regional goals relating to transportation, solid waste, energy generation and transmission, conventions and the promotion of tourism, air quality or public education. The term does not include a plan for the development of a specific site or regulations adopted by an affected entity to implement the comprehensive regional plan.

3. "Governing board" means the governing board for regional planning created pursuant to NRS 278.0264.

4. "Joint planning area" means an area that is the subject of common study and planning by the governing body of a county and one or more cities.

5. "Project of regional significance," with respect to a project proposed by any person other than a public utility, means a project which:
   (a) Has been identified in the guidelines of the regional planning commission as a project which will result in the loss or significant degradation of a designated historic, archeological, cultural or scenic resource;
   (b) Has been identified in the guidelines of the regional planning commission as a project which will result in the creation of significant new geothermal or mining operations;
   (c) Has been identified in the guidelines of the regional planning commission as a project which will have a significant effect on the natural resources, public services, public facilities, including, without limitation, schools, or the adopted regional form of the region; or
   (d) Will require a change in zoning, a special use permit, an amendment to a master plan, a tentative map or other approval for the use of land which, if approved, will have an effect on the region of increasing:
      (1) Employment by not less than 938 employees;
      (2) Housing by not less than 625 units;
      (3) Hotel accommodations by not less than 625 rooms;
      (4) Sewage by not less than 187,500 gallons per day;
      (5) Water usage by not less than 625 acre feet per year; or
      (6) Traffic by not less than an average of 6,250 trips daily.

The term does not include any project for which a request for an amendment to a master plan, a change in zoning, a tentative map or a special use permit has been approved by the local planning commission before June 17, 1989.
DRAFT AB 119 AMENDMENTS

6. "Project of regional significance," with respect to a project proposed by a utility, includes:
   (a) An electric substation;
   (b) A transmission line that carries 60 kilovolts or more;
   (c) A facility that generates electricity greater than 5 megawatts;
   (d) Natural gas storage and peak shaving facilities; and
   (e) Gas regulator stations and mains that operate over 100 pounds per square inch.

7. "Sphere of influence" means, except as otherwise provided in NRS 278.0274, an area into which a city plans to expand as designated in the comprehensive regional plan within the time designated in the comprehensive regional plan.

Sec. 2. NRS 278.0274 is hereby amended to read as follows: 278.0274 The comprehensive regional plan must include goals, policies, maps and other documents relating to:

1. Population, including a projection of population growth in the region and the resources that will be necessary to support that population. This portion of the plan must set forth the total population of the county region that may be supported by the identified and sustainable supply of water water resources in the county as determined by the water planning commission of the county identified by the comprehensive plan prepared pursuant to Chapter 531 Statutes of Nevada 2007 of the Nevada Special Act if applicable to the region.

2. Conservation, including policies relating to the use and protection of air, land, water and other natural resources, ambient air quality, natural recharge areas, floodplains and wetlands, and a map showing the areas that are best suited for development based on those policies.

3. The limitation of the premature expansion of development into undeveloped areas, preservation of neighborhoods and revitalization of urban areas, including, without limitation, policies that relate to the interspersion of new housing and businesses in established neighborhoods and set forth principles by which growth will be directed to older urban areas.

4. Land use and transportation, including the classification of future land uses by density or intensity of development based upon the projected necessity and availability of public facilities, including, without limitation, schools, and services and natural resources, and the compatibility of development in one area with that of other areas in the region. This portion of the plan must:
   (a) Address, if applicable:
       (1) Mixed-use development, transit-oriented development, master-planned communities and gaming enterprise districts; and
       (2) The coordination and compatibility of land uses with each military installation in the region, taking into account the location, purpose and stated mission of the military installation;
   (b) Allow for a variety of uses;
   (c) Identify a development pattern consistent with the total population capable of being supported by the sustainable water resources as identified in subsection 1—Estimate the amount of water required for those future uses.
(d) Describe the transportation facilities that will be necessary to satisfy the requirements created by those future uses; and
(e) Be based upon the policies and map relating to conservation that are developed pursuant to subsection 2, surveys, studies and data relating to the area, the amount of land required to accommodate planned growth, the population of the area projected pursuant to subsection 1, and the characteristics of undeveloped land in the area; and
(f) Set forth policies that require, as a condition of the approval of any land use, proof of the availability of water as determined by the water planning commission of the county in accordance with subsection 1;
(g) Include the estimated area of potential development of the region that is supported by the identified and sustainable supply of water determined pursuant to subsection 1;
(h) Include the amount of water required to support all development that is approved but is not yet built; and
(i) Set forth policies and criteria, including, without limitation, any required amendment to a master plan of a local government, that may be used to terminate any approval of land use for which water is not committed.

(f) Set forth policies that require local government master plans be in balance with the development pattern and population as identified in paragraph (c) of subsection 4.

5. Public facilities and services, including provisions relating to sanitary sewer facilities, solid waste, flood control, potable water and groundwater aquifer recharge which are correlated with principles and guidelines for future land uses, and which specify ways to satisfy the requirements created by those future uses. This portion of the plan must:
(a) Describe the problems and needs of the area relating to public facilities and services and the general facilities that will be required for their solution and satisfaction;
(b) Identify the providers of public services within the region and the area within which each must serve, including service territories set by the Public Utilities Commission of Nevada for public utilities;
(c) Establish the time within which those public facilities and services necessary to support the development relating to land use and transportation must be made available to satisfy the requirements created by that development; and
(d) Contain a summary prepared by the regional planning commission regarding the plans for capital improvements that:
   (1) Are required to be prepared by each local government in the region pursuant to NRS 278.0226; and
   (2) May be prepared by the water planning commission of the county, the regional transportation commission and the county school district.

6. Annexation, including the identification of spheres of influence for each unit of local government, improvement district or other service district and specifying standards and policies for changing the boundaries of a sphere of influence and procedures for the review of development within each sphere of influence. As used in this subsection, “sphere of influence” means an area into which a political subdivision may expand in the foreseeable future and which is within the estimated area of potential development of the region specified in paragraph (g) of subsection 4.

7. Intergovernmental coordination, including the establishment of guidelines for determining whether local master plans and facilities plans conform with the comprehensive regional plan.
DRAFT AB 119 AMENDMENTS

8. Any utility project required to be reported pursuant to NRS 278.145.
AB276

Introduced in the Assembly on Mar 10, 2009.

By: (Bolded name indicates primary sponsorship)
Goedhart, Carpenter, Christensen, Cobb, Gansert, Goicoechea, Grady, Hambrick, Hardy, Settelmeyer, Stewart, Woodbury

Revises provisions relating to the filing of a protest to an application to appropriate water. (BDR 48-1041)

Fiscal Notes
Effect on Local Government: No.
Effect on State: No.

Most Recent History
From printer. To committee.

Action:
(See full list below)

Upcoming Hearings

Past Hearings

Votes

Bill Text  As introduced

Bill History
Mar 10, 2009
- Read first time. Referred to Committee on Government Affairs. To printer.

Mar 11, 2009
- From printer. To committee.
A.B. 276

ASSEMBLY BILL NO. 276—ASSEMBLYMEN GOEDHART; CARPENTER, CHRISTENSEN, COBB, GANSERT, GOICOECHEA, GRADY, HAMBICK, HARDY, SETTELMeyer, STEWART AND WOODBURY

MARCH 10, 2009

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the filing of a protest to an application to appropriate water. (BDR 48-1041)


EXPLANATION—Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to water; prohibiting the State Engineer from considering a protest to an application to appropriate water that is filed by a governmental agency or political subdivision of a government unless the protest is approved and signed by the person in charge of the agency or political subdivision; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes any person to file a written protest with the State Engineer to protest against the State Engineer granting an application for a permit to appropriate water or to change the place of diversion, manner of use or place of use of water already appropriated. (NRS 533.325, 533.365) As used in chapter 533 of NRS, the term “person” is defined to include the United States and this State. (NRS 533.010) Existing law also requires the State Engineer to consider each protest that is filed with his office. (NRS 533.365) The State Engineer may hold hearings and require certain evidence to be filed in order for him to gain a full understanding of the water rights involved in the protest. (NRS 533.365)

Section 1 of this bill prohibits the State Engineer from considering a protest that is filed by a governmental agency or political subdivision of a government unless the protest is approved and signed by the director, administrator, chief, head or other person in charge of that agency or political subdivision.

Section 2 of this bill imposes a similar prohibition on the State Engineer when considering an application for a project to recharge, store and recover groundwater.
THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 533.365 is hereby amended to read as follows:
533.365 1. Any person interested may, within 30 days after
the date of last publication of the notice of application, file with the
State Engineer a written protest against the granting of the
application, setting forth with reasonable certainty the grounds of
such the protest, which must be verified by the affidavit of the
protestant, his agent or attorney.
2. On receipt of a protest, the State Engineer shall advise the
applicant whose application has been protested of the fact that the
protest has been filed with him, which advice must be sent by
certified mail.
3. Except as otherwise provided in subsection 5, the
State Engineer shall consider the protest, and may in his
discretion hold hearings and require the filing of such evidence as
he may deem necessary to a full understanding of the rights
involved. The State Engineer shall give notice of the hearing by
certified mail to both the applicant and the protestant. The notice
must state the time and place at which the hearing is to be held and
must be mailed at least 15 days before the date set for the hearing.
4. Each applicant and each protestant shall, in accordance with
a schedule established by the State Engineer, provide to the State
Engineer and to each protestant and each applicant information
required by the State Engineer relating to the application or protest.
5. The State Engineer shall not consider a protest that is filed
by a governmental agency or political subdivision of a government
unless the protest:
(a) Except as otherwise provided in paragraph (b), is approved
and signed by the director, administrator, chief, head or other
person in charge of the governmental agency or political
subdivision; or
(b) If the governmental agency or political subdivision is a
division or other part of a department, is approved and signed by
the director or other person in charge of that department,
including, without limitation:
(1) The Secretary of Agriculture, if the protest is filed by
the United States Forest Service;
(2) The Secretary of the Interior, if the protest is filed by the
Bureau of Land Management or the United States Fish and
Wildlife Service;
(3) The Director of the State Department of Conservation
and Natural Resources, if the protest is filed by any division of
that Department; or
(4) The chairman of the board of county commissioners of
a county, if the protest is filed by a county.

6. The provisions of subsection 5 apply only to a right to
appropriate water that is vested or perfected before July 1, 2009.

7. If the State Engineer holds a hearing pursuant to subsection
3, the State Engineer shall render a decision on each application not
later than 240 days after the later of:
(a) The date all transcripts of the hearing become available to
the State Engineer; or
(b) The date specified by the State Engineer for the filing of any
additional information, evidence, studies or compilations requested
by the State Engineer. The State Engineer may, for good cause
shown, extend any applicable period.

§6. The State Engineer shall adopt rules of practice
regarding the conduct of a hearing held pursuant to subsection 3.
The rules of practice must be adopted in accordance with the
provisions of NRS 233B.040 to 233B.120, inclusive, and codified in
the Nevada Administrative Code. The technical rules of evidence do
not apply at such a hearing.

§7. The provisions of this section do not prohibit the
noticing of a new period of 45 days in which a person may file with
the State Engineer a written protest against the granting of the
application, if such notification is required to be given pursuant to
subsection 8 of NRS 533.370.

Sec. 2. NRS 534.270 is hereby amended to read as follows:

534.270 1. Upon receipt of an application for a permit to
operate a project, the State Engineer shall endorse on the application
the date it was received and keep a record of the application. He
shall conduct an initial review of the application within 45 days after
receipt of the application. If the State Engineer determines in the
initial review that the application is incomplete, he shall notify the
applicant. The application is incomplete until the applicant files all
the information requested in the application. The State Engineer
shall determine whether the application is correct within 180 days
after receipt of a complete application. The State Engineer may
request additional information from the applicant. The State
Engineer may conduct such independent investigations as are
necessary to determine whether the application should be approved
or rejected.

2. If the application is determined to be complete and correct,
the State Engineer, within 30 days after such a determination or a
longer period if requested by the applicant, shall cause notice of the
application to be given once each week for 2 consecutive weeks in a
newspaper of general circulation in the county or counties in which
persons reside who could reasonably be expected to be affected by
the project. The notice must state:
   (a) The legal description of the location of the proposed project;
   (b) A brief description of the proposed project including its
capacity;
   (c) That any person who may be adversely affected by the
project may file a written protest with the State Engineer within 30
days after the last publication of the notice;
   (d) The date of the last publication;
   (e) That the grounds for protesting the project are limited to
whether the project would be in compliance with subsection 2 of
NRS 534.250;
   (f) The name of the applicant; and
   (g) That a protest must:
      (1) State the name and mailing address of the protester;
      (2) Clearly set forth the reason why the permit should not be
issued; and
      (3) Be signed by the protester or the protester’s agent or
attorney $\downarrow$ or, if the protester is a governmental agency or
political subdivision of a government, be approved and signed in
the manner specified in subsection 6.

3. A protest to a proposed project:
   (a) May be made by any person who may be adversely affected
by the project;
   (b) Must be in writing;
   (c) Must be filed with the State Engineer within 30 days after
the last publication of the notice;
   (d) Must be upon a ground listed in subsection 2 of
NRS 534.250;
   (e) Must state the name and mailing address of the protester;
   (f) Must clearly set forth the reason why the permit should not
be issued; and
   (g) Must be signed by the protester or the protester’s agent or
attorney $\downarrow$ or, if the protester is a governmental agency or
political subdivision of a government, must be approved and
signed in the manner specified in subsection 6.

4. Upon receipt of a protest, the State Engineer shall advise the
applicant by certified mail that a protest has been filed.

5. Except as otherwise provided in subsection 6, upon
receipt of a protest, or upon his own motion, the State Engineer may
hold a hearing. Not less than 30 days before the hearing, the State
Engineer shall send by certified mail notice of the hearing to the
applicant and any person who filed a protest.
6. The State Engineer shall not consider a protest that is filed by a governmental agency or political subdivision of a government unless the protest:
   (a) Except as otherwise provided in paragraph (b), is approved and signed by the director, administrator, chief, head or other person in charge of the governmental agency or political subdivision; or
   (b) If the governmental agency or political subdivision is a division or other part of a department, is approved and signed by the director or other person in charge of that department, including, without limitation:
       (1) The Secretary of Agriculture, if the protest is filed by the United States Forest Service;
       (2) The Secretary of the Interior, if the protest is filed by the Bureau of Land Management or the United States Fish and Wildlife Service;
       (3) The Director of the State Department of Conservation and Natural Resources, if the protest is filed by any division of that Department; or
       (4) The chairman of the board of county commissioners of a county, if the protest is filed by a county.

7. The provisions of subsection 6 apply only to a project for which the proposed source of water is vested or perfected before July 1, 2009.

8. The State Engineer shall approve or deny each application within 1 year after the final date for filing a protest, unless he has received a written request from the applicant to postpone his decision or, in the case of a protested application, from both the protester and the applicant. The State Engineer may delay action on the application pursuant to paragraph (c) of subsection 2 of NRS 533.370.

9. Any person aggrieved by any decision of the State Engineer made pursuant to subsection 8 may appeal that decision to the district court pursuant to NRS 533.450.

Sec. 3. This act becomes effective on July 1, 2009.
SB204

Introduced in the Senate on Mar 11, 2009.

By: (Bolded name indicates primary sponsorship)

Rhoads

Revises provisions governing notice of an application for a permit to appropriate water.

(BDR 48-1086)

Fiscal Notes

Effect on Local Government: No.
Effect on State: No.

Most Recent History

From printer. To committee.

Action:

(See full list below)

Upcoming Hearings

Past Hearings

Votes

Bill Text As Introduced

Bill History

Mar 11, 2009

- Read first time. Referred to Committee on Natural Resources. To printer.

Mar 12, 2009

- From printer. To committee.
Senate Bill No. 204—Senator Rhoads

March 11, 2009

Referred to Committee on Natural Resources

Summary—Revises provisions governing notice of an application for a permit to appropriate water. (BDR 48-1086)

Fiscal Note: Effect on Local Government: No. Effect on the State: No.

Explanation—Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

An act relating to water; revising provisions governing notice of an application for a permit to appropriate water; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:
Existing law requires the State Engineer to publish notice of an application for a permit to appropriate water in the county where the water is sought to be appropriated. (NRS 533.360) This bill requires the State Engineer to publish the notice of the application in: (1) the county in which the water is sought to be appropriated; and (2) each other county within the area of hydrologic effect. In addition, this bill requires certain applicants for a permit for a proposed well to mail a copy of the notice of application to certain owners of real property that is within 2,500 feet of the boundary of the parcel of real property that contains the proposed well.

The people of the state of Nevada, represented in Senate and Assembly, do enact as follows:

Section 1. NRS 533.360 is hereby amended to read as follows: 533.360 1. Except as otherwise provided in subsection 4, 3 NRS 533.345 and subsection 5 of NRS 533.370, when an 4 application is filed in compliance with this chapter, the State 5 Engineer shall, within 30 days, publish or cause to be published 6 once a week for 4 consecutive weeks in a newspaper of general 7 circulation and printed and published in the county where the water 8 is sought to be appropriated, a notice of the application. [Which 9 sets] The notice must:
(a) Be published once a week for 4 consecutive weeks in:

1. A newspaper of general circulation that is printed and
2. published in the county in which the water is sought to be
3. appropriated.

2. A newspaper of general circulation that is printed and
3. published in each other county within the area of hydrologic
4. effect.

(b) Set forth:

1. [(a)] (1) That the application has been filed.
2. [(b)] (2) The date of the filing.
3. [(c)] (3) The name and address of the applicant.
4. [(d)] (4) The name of the source from which the appropriation is
5. to be made.
6. [(e)] (5) The location of the place of diversion, described by
7. legal subdivision or metes and bounds and by a physical description
8. of that place of diversion.
9. [(f)] (6) The purpose for which the water is to be appropriated.
10. The publisher shall add thereto the
11. (7) The date of the first publication and the date of the last
12. publication of the notice.

2. Except as otherwise provided in subsection 4, proof of
3. publication must be filed within 30 days after the final day of
4. publication. The State Engineer shall pay for the publication from
5. the application fee. If the application is cancelled for any reason
6. before publication, the State Engineer shall return to the applicant
7. that portion of the application fee collected for publication.

3. If the application is for a proposed well:

(a) For municipal, quasi-municipal or industrial use; and

(b) Whose reasonably expected rate of diversion is one-half

the applicant shall mail a copy of the notice of application to each

owner of real property containing a domestic well that is within

2,500 feet of the boundary of the parcel of real property that

contains the proposed well, to his address as shown in the latest

records of the county assessor. If there are not more than six such

owners, notices must be sent to each owner by certified

mail, return receipt requested. If there are more than six such

owners, at least six notices must be sent to owners by

certified mail, return receipt requested. The return receipts from

these notices must be filed with the State Engineer before he may

consider the application.

4. The provisions of this section do not apply to an

environmental permit.
Sec. 2. This act becomes effective on July 1, 2009.
SB175

Introduced in the Senate on Mar 05, 2009.
By: Government Affairs

Enacts provisions governing flood management projects. (BDR 20-239)

Fiscal Notes
Effect on Local Government: No.
Effect on State: No.

Most Recent History
From printer. To committee.

Action:
(See full list below)

Upcoming Hearings
Senate Government Affairs Mar. 11, 2009 01:30 PM Agenda

Past Hearings

Votes

Bill Text   As Introduced

Bill History
Mar 05, 2009
• Read first time. Referred to Committee on Government Affairs. To printer.

Mar 06, 2009
• From printer. To committee.
S.B. 175

SENATE BILL NO. 175—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE LEGISLATIVE COMMITTEE TO OVERSEE THE
WESTERN REGIONAL WATER COMMISSION)

MARCH 5, 2009

Referred to Committee on Government Affairs

SUMMARY—Enacts provisions governing flood management projects. (BDR 20-239)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

EXPLANATION – Matter in bolded italics is new; matter between brackets [omitted-material] is material to be omitted.

AN ACT relating to floods; authorizing a board of county commissioners to acquire, improve, equip, operate and maintain a flood management project in certain counties; authorizing any revenues derived from such a flood management project to be pledged for the payment of certain bonds; authorizing the governing body of a municipality in certain counties to acquire, improve, equip, operate and maintain a flood management project under certain circumstances; revising provisions governing the acquisition of bonds issued by a flood management authority; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes a board of county commissioners to acquire and maintain within the county various projects, including building projects, drainage and flood control projects, lending projects, off-street parking projects, overpass projects, park projects, sewerage projects, street projects and water projects. In connection with those projects, a board of county commissioners may issue general obligation bonds to support and defray the cost of the project and take certain other related actions concerning the project. (NRS 244A.011-244A.065) Existing law confers similar authority upon the governing body of a municipality. (NRS 268.672-268.740) Sections 3-15 of this bill expand the authority of a board of county commissioners in a county whose population is 100,000 or more but less than 400,000 (currently Washoe County) by authorizing the board to acquire and maintain a flood management project in the same manner as any other project.
authorized under existing law. Sections 16-22 of this bill provide similar provisions for a governing body of a municipality within such a county. Sections 24-27 of this bill revise the provisions of existing law governing the making of loans and the issuance of state securities by this State to assist municipalities in the construction of public improvements by including within those provisions a flood management authority.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The Legislature hereby declares that flood management projects provide a benefit to residents and owners of property by:
1. Preventing the loss of life and property;
2. Preventing the disruption of essential services for the safety of the public and the disruption of commerce, transportation, communication and essential services which have adverse economic impacts;
3. Preventing the waste of water resulting from floods;
4. Providing for the conservation, development, use and disposal of water and improved quality of water;
5. Providing for ecosystem restoration and enhanced recreational facilities; and
6. Providing for the safeguarding of the public health.

Sec. 2. Chapter 244A of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this act.

Sec. 3. “Flood management authority” means any entity that is created by cooperative agreement pursuant to chapter 277 of NRS, the functions of which include the acquisition, construction, improvement, operation and maintenance of a flood management project.

Sec. 4. “Flood management project” or any phrase of similar import, means a project or improvement that is located within or without a county whose population is 100,000 or more but less than 400,000 and is established for the control or management of any flood or storm waters of the county or any flood or storm waters of a stream of which the source is located outside of the county. The term includes, without limitation:
1. A drainage and flood control project;
2. A project to construct, repair or restore an ecosystem;
3. A project to mitigate any adverse effect of flooding or flood management activity or improvement;
4. A project to conserve any flood or storm waters for any beneficial and useful purpose by spreading, storing, reusing or
retaining those waters or causing those waters to percolate into the
ground to improve water quality;
5. A project that alters or diverts or proposes to alter or divert
a natural watercourse, including any improvement for the passage
of fish;
6. A park project that is related to a flood management
project;
7. Any landscaping or similar amenity that is constructed:
   (a) To increase the usefulness of a flood management project
to any community or to provide aesthetic compatibility with any
surrounding community; or
   (b) To mitigate any adverse effect on the environment relating
to a flood management project;
8. A project to relocate or replace a utility, transmission line,
   conduit, bridge or similar feature or structure that exacerbates any
   flooding or is located in an area that is susceptible to flooding;
9. A project to protect and manage a floodplain;
10. A project that is designed to improve the quality of any
    flood or storm waters or the operation of any flood management
    system, including, without limitation, any monitoring,
    measurement or assessment of that system; and
11. Any real property or interest in real property that is
    acquired to support the carrying out of a flood management
    project, including, without limitation, any property that may
    become flooded because of any improvement for flood
    management,
    or any combination thereof and any other structure, fixture,
equipment or property required for a flood management project.
Sec. 5. NRS 244A.011 is hereby amended to read as follows:
   244A.011 NRS 244A.011 to 244A.065, inclusive, [shall] and
   sections 3 and 4 of this act may be [known] cited as the County
   Bond Law.
Sec. 6. NRS 244A.013 is hereby amended to read as follows:
   244A.013 Except where the context otherwise requires, the
   definitions in NRS 244A.015 to 244A.056, inclusive, and sections 3
   and 4 of this act govern the construction hereof.
Sec. 7. NRS 244A.025 is hereby amended to read as follows:
   244A.025 “County” means any county in [the] this State. For
   the purposes of NRS 244A.011 to 244A.065, inclusive, and sections
   3 and 4 of this act, Carson City is considered as a county.
Sec. 8. NRS 244A.027 is hereby amended to read as follows:
   244A.027 “Drainage and flood control project” means any
   natural and artificial water facilities for the collection,
   transportation, impoundment and disposal of rainfall, storm, flood
   or surface drainage waters, including, without limitation, ditches,
lakes, reservoirs, revetments, levees, dikes, walls, embankments, bridges, sewers, culverts, inlets, connections, laterals, collection lines, outfalls, outfall sewers, trunk sewers, intercepting sewers, transmission lines, conduits, syphons, sluices, flumes, canals, ditches, natural and artificial watercourses, ponds, dams, retarding basins, and other water diversion and storage facilities, pumping stations, stream gauges, rain gauges, meters, flood warning service and appurtenant telephone, telegraph, radio and television service, engines, valves, pumps, apparatus, fixtures, structures and buildings, or any combination thereof, and all appurtenances and incidentals necessary, useful or desirable for any such facilities, including, without limitation, all types of property therefor. The term includes a flood management project.

Sec. 9. NRS 244A.034 is hereby amended to read as follows:

244A.034 “Infrastructure project” means:

1. A capital improvement for fire protection, a library, a building, a park or police protection that a municipality is authorized to improve, acquire or equip pursuant to a law other than the County Bond Law; or

2. For a water authority, wastewater authority, flood management authority or any municipality whose governing body is composed of only the members of the board, a capital improvement for [a] :

(a) A water system;

(b) A water reclamation system;

(c) A flood management project; or

(d) A sanitary sewer,

that the municipality is authorized to improve, acquire or equip pursuant to a law other than the County Bond Law.

Sec. 10. NRS 244A.0345 is hereby amended to read as follows:

244A.0345 “Municipal securities” means notes, warrants, interim debentures, bonds and temporary bonds issued by a municipality pursuant to a law other than the County Bond Law which are:

1. General obligations payable from ad valorem taxes that are approved by the voters of the municipality issued for a capital improvement of a library or park;

2. General obligations payable from ad valorem taxes that are approved by the voters of the municipality or are approved pursuant to subsection 3 of NRS 350.020 issued for a capital improvement of an infrastructure project other than a library or park;

3. Revenue obligations of a water authority that are payable from revenues of:

(a) The water system of the water authority;
(b) One or more of the municipalities that are members of the water authority; or
(c) Any combination of the entities described in paragraphs (a) and (b); {or}
4. Revenue obligations of a wastewater authority that are payable from revenues of:
   (a) The water reclamation system of the wastewater authority;
   (b) One or more of the municipalities that are members of the wastewater authority; or
(c) Any combination of the entities described in paragraphs (a) and (b); {or}
5. Revenue obligations of a flood management authority that are payable from the revenues of:
   (a) A flood management project of the flood management authority;
   (b) One or more of the municipalities that are members of the flood management authority; or
   (c) Any combination of the entities described in paragraphs (a) and (b).

Sec. 11. NRS 244A.0347 is hereby amended to read as follows:
244A.0347 “Municipality” means any city, town, school district, library district, consolidated library district, fire protection district, district for a fire department, park district, general improvement district organized pursuant to chapter 318 of NRS, wastewater authority, flood management authority, water district organized pursuant to a special act or water authority organized as a political subdivision created by cooperative agreement.

Sec. 12. NRS 244A.057 is hereby amended to read as follows:
244A.057 Any board, upon behalf of the county and in its name, may acquire, improve, equip, operate and maintain, within the county:
1. A building project;
2. A drainage and flood control project;
3. A flood management project;
4. A lending project if the county has adopted an ordinance pursuant to subsection 3 of NRS 244A.064;
4. 5. An off-street parking project;
4. 6. An overpass project;
4. 7. A park project;
4. 8. A sewerage project;
4. 9. A street project;
4. 10. An underpass project; and
4. 11. A water project.
Sec. 13. NRS 244A.061 is hereby amended to read as follows:

244A.061 The payment of any bonds issued hereunder may be additionally secured by a pledge of all or part of any revenues derived from any:

1. The operation of any project herein authorized and from any other income-producing project of the county;

2. A flood management project;

3. Any license or other excise taxes levied for revenue and available for such a pledge, or any combination thereof.

Sec. 14. NRS 244A.063 is hereby amended to read as follows:

244A.063 In order to acquire, improve, equip, operate and maintain a project specified in NRS 244A.057 and to ensure the payment, wholly or in part, of the general obligation bonds or revenue bonds of the county the payment of which bonds is additionally secured by a pledge of the revenues derived from any such income-producing project, flood management project or excise taxes, or any combination thereof, the board may establish and maintain, and the board may from time to time revise, a schedule or schedules of fees, rates and charges for services or facilities, or both services and facilities, rendered by or through the income-producing project or flood management project, within the corporate limits of the county, and a schedule or schedules of license or other excise taxes, in an amount sufficient for that purpose and also sufficient to discharge any covenant in the proceedings of the board authorizing the issuance of any of such bonds, including any covenant for the establishment of reasonable reserve funds.

Sec. 15. NRS 244A.065 is hereby amended to read as follows:

244A.065 No other act or law with regard to the authorization of bonds that requires an approval, or in any way impedes or restricts the carrying out of the acts herein authorized to be done, shall be construed as applying to any proceedings taken hereunder or acts done pursuant hereto, except as herein otherwise provided.

2. The powers conferred by NRS 244A.011 to 244A.065, inclusive, and sections 3 and 4 of this act are in addition and supplemental to, and not in substitution for, and the limitations imposed by NRS 244A.011 to 244A.065, inclusive, and sections 3 and 4 of this act do not affect the powers conferred by, any other law.

3. No part of NRS 244A.011 to 244A.065, inclusive, and sections 3 and 4 of this act repeals or affects any other law or part thereof, it being intended that NRS 244A.011
to 244A.065, inclusive, \[\text{shall}\] and sections 3 and 4 of this act must provide a separate method of accomplishing its objectives, and not an exclusive one, \[\text{shall}\] and NRS 244A.011 to 244A.065, inclusive, \[\text{shall}\] and sections 3 and 4 of this act must not be construed as repealing, amending or changing any such other law.

Sec. 16. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

“Flood management project” or any phrase of similar import, means a project or improvement that is located within or without a city in a county whose population is 100,000 or more but less than 400,000 and is established for the control or management of any flood or storm waters of the city or any flood or storm waters of a stream of which the source is located outside of the city. The term includes, without limitation:

1. A drainage project or flood control project;
2. A project to construct, repair or restore an ecosystem;
3. A project to mitigate any adverse effect of flooding or flood management activity or improvement;
4. A project to conserve any flood or storm waters for any beneficial and useful purpose by spreading, storing, reusing or retaining those waters or causing those waters to percolate into the ground to improve water quality;
5. A project that alters or diverts or proposes to alter or divert a natural watercourse, including any improvement for the passage of fish;
6. A recreational project that is related to a flood management project;
7. Any landscaping or similar amenity that is constructed;
   (a) To increase the usefulness of a flood management project to any community or to provide aesthetic compatibility with any surrounding community; or
   (b) To mitigate any adverse effect on the environment relating to a flood management project;
8. A project to relocate or replace a utility, transmission line, conduit, bridge or similar feature or structure that exacerbates any flooding or is located in an area that is susceptible to flooding;
9. A project to protect and manage a floodplain;
10. A project that is designed to improve the quality of any flood or storm waters or the operation of any flood management system, including, without limitation, any monitoring, measurement or assessment of that system; and
11. The acquisition of any real property or interest in real property to support the carrying out of a flood management project, including, without limitation, any property that may
become flooded because of any improvement for flood management,
not any combination thereof and any other structure, fixture, equipment or property required for a flood management project.

Sec. 17. NRS 268.672 is hereby amended to read as follows:
268.672 NRS 268.672 to 268.740, inclusive, and section 16 of this act may be cited as the City Bond Law.

Sec. 18. NRS 268.674 is hereby amended to read as follows:
268.674 Except as otherwise provided in NRS 268.672 to
268.740, inclusive, and section 16 of this act, the terms used or referred to herein are as defined in the Local Government Securities Law, but the definitions in NRS 268.676 to 268.728, inclusive, and section 16 of this act, except where the context otherwise requires, govern the construction hereof.

Sec. 19. NRS 268.682 is hereby amended to read as follows:
268.682 “Drainage project” or “flood control project,” or any phrase of similar import, means any natural and artificial water facilities for the collection, channeling, impoundment and disposal of rainfall, other surface and subsurface drainage waters, and storm and floodwaters, including, without limitation ditches, ponds, dams, spillways, retarding basins, detention basins, lakes, reservoirs, canals, channels, levees, revetments, dikes, walls, embankments, bridges, inlets, outlets, connections, laterals, other collection lines, intercepting sewers, outfalls, outfall sewers, trunk sewers, force mains, sub mains, water lines, sluices, flumes, syphons, sewer lines, pipes, conduits, culverts, other transmission lines, pumping stations, gauging stations, ventilating facilities, stream gauges, rain gauges, engines, valves, pumps, meters, junction boxes, manholes, other inlet and outlet structures, bucket machines, inlet and outlet cleaners, backhoes, draglines, graders, other equipment, apparatus, fixtures, structures and buildings, flood warning service and appurtenant telephone, telegraph, radio and television apparatus and other water diversion, drainage and flood control facilities, or any combination thereof. The term includes a flood management project.

Sec. 20. NRS 268.730 is hereby amended to read as follows:
268.730 Except as otherwise provided in NRS 268.086 and
268.088, any governing body of a municipality, upon its behalf and in its name, may at any time or from time to time acquire, improve, equip, operate and maintain, within or without or both within and without the municipality:
1. A building project;
2. A cemetery project;
3. A communications project;
4. A drainage project or flood control project;
5. An electric project;
6. A fire protection project;
7. A flood management project;
8. An off-street parking project;
9. An overpass project;
10. A park project;
11. A recreational project;
12. A refuse project;
13. A sewerage project;
14. A sidewalk project;
15. A street project;
16. A transportation project;
17. An underpass project; and
18. A water project.

Sec. 21. NRS 268.738 is hereby amended to read as follows:

268.738 In order to acquire, improve, equip, operate and maintain a project specified in NRS 268.730 and to ensure the payment, wholly or in part, of the general obligation securities or revenue securities of the municipality the payment of which bonds is additionally secured by a pledge of the revenues derived from any such income-producing project [and from any such] flood management project or excise taxes, or any combination thereof, the governing body of the municipality may establish and maintain, and the governing body may from time to time revise, a schedule or schedules of fees, rates and charges for services or facilities, or both services and facilities, rendered by or through the income-producing project or flood management project and a schedule or schedules of license or other excise taxes, in an amount sufficient for that purpose and also sufficient to discharge any covenant in the proceedings of the governing body authorizing the issuance of any of such bonds, including any covenant for the establishment of reasonable reserve funds.

Sec. 22. NRS 268.740 is hereby amended to read as follows:

268.740 1. No other act or law with regard to the authorization or issuance of bonds that requires an approval, or in any way impedes or restricts the carrying out of the acts herein authorized to be done, shall be construed as applying to any proceedings taken hereunder or acts done pursuant hereto, except as herein otherwise provided.
2. The powers conferred by NRS 268.672 to 268.740, inclusive, shall be and section 16 of this act are in addition and supplemental to, and not in substitution for, and the limitations imposed by NRS 268.672 to 268.740, inclusive, shall and section 16 of this act do not affect the powers conferred by, any other law.
3. No part of NRS 268.672 to 268.740, inclusive, shall repeal or affect, and section 16 of this act repeals or affects any other law or part thereof, it being intended that NRS 268.672 to 268.740, inclusive, shall and section 16 of this act must provide a separate method of accomplishing its objectives, and not an exclusive one, and NRS 268.672 to 268.740, inclusive, shall and section 16 of this act must not be construed as repealing, amending or changing any such other law.

Sec. 23. NRS 271A.050 is hereby amended to read as follows:

271A.050 “Project” means:

1. With respect to a county whose population is 400,000 or more:
   (a) An art project, as defined in NRS 271.037;
   (b) A tourism and entertainment project, as defined in NRS 271.234; or
   (c) A sports stadium which can be used for the home games of a Major League Baseball or National Football League team and for other purposes, including structures, buildings and other improvements and equipment therefor, parking facilities, and all other appurtenances necessary, useful or desirable for a Major League Baseball or National Football League stadium, including, without limitation, all types of property therefor and immediately adjacent facilities for retail sales, dining and entertainment.

2. With respect to a city in a county whose population is 400,000 or more:
   (a) A project described in paragraph (a), (b) or (c) of subsection 1; or
   (b) A recreational project, as defined in NRS 268.710.

3. With respect to a municipality other than a municipality described in subsection 1 or 2, any project that the municipality is authorized to acquire, improve, equip, operate and maintain pursuant to subsections 1, 2, 3 and 4 to 10, inclusive, of NRS 244A.057 or NRS 268.730 or 271.265, as applicable.

4. Any real or personal property suitable for retail, tourism or entertainment purposes.

5. Any real or personal property necessary, useful or desirable in connection with any of the projects set forth in this section.

6. Any combination of the projects set forth in this section.

Sec. 24. Chapter 350A of NRS is hereby amended by adding thereto a new section to read as follows:

“Flood management authority” means any entity that is created by cooperative agreement pursuant to chapter 277 of NRS, the functions of which include the acquisition, construction, improvement, operation and maintenance of a flood management project.
Sec. 25. NRS 350A.020 is hereby amended to read as follows:

350A.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 350A.025 to 350A.125, inclusive, and section 24 of this act have the meanings ascribed to them in those sections.

Sec. 26. NRS 350A.070 is hereby amended to read as follows:

350A.070 "Municipal securities" means notes, warrants, interim debentures, bonds and temporary bonds validly issued as obligations for a purpose related to natural resources which are payable:

1. From taxes whether or not additionally secured by any municipal revenues available therefor;
2. For bonds issued by an irrigation district, from assessments against real property;
3. For bonds issued by a water authority organized as a political subdivision created by cooperative agreement, from revenues of the water system of the water authority or one or more of the water purveyors who are members of the water authority or any combination thereof;
4. For bonds issued by a wastewater authority, from revenues of the water reclamation system of the wastewater authority or one or more of the municipalities that are members of the wastewater authority, or any combination thereof;
5. For bonds issued by a flood management authority, from revenues of the flood management authority or one or more of the municipalities that are members of the flood management authority, or any combination thereof.

Sec. 27. NRS 350A.080 is hereby amended to read as follows:

350A.080 "Municipality" means any county, city, town, wastewater authority, flood management authority, water authority organized as a political subdivision created by cooperative agreement, school district, general improvement district or other district, including an irrigation district.

Sec. 28. This act becomes effective upon passage and approval.
AB236

Introduced in the Assembly on Mar 04, 2009.

By: (Bolded name indicates primary sponsorship) Grady, Gansert, Goedhart, Goicoechea, Settelmeyer, Amodei

Revises provisions governing grants of money for water conservation and capital improvements to certain water systems. (BDR 30-1049)

Fiscal Notes
Effect on Local Government: No.
Effect on State: No.

Most Recent History From printer. To committee.
Action:
(See full list below)

Upcoming Hearings

Past Hearings

Votes

Bill Text As Introduced

Bill History
Mar 04, 2009
- Read first time. Referred to Committee on Government Affairs. To printer.
Mar 05, 2009
- From printer. To committee.
A.B. 236

ASSEMBLY BILL NO. 236—ASSEMBLYMEN GRADY; GANSERT, GOEDHART, GOICOECHEA AND SETTELMEYER (BY REQUEST)

MARCH 4, 2009

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JOINT SPONSOR: SENATOR AMODEI

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Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing grants of money for water conservation and capital improvements to certain water systems. (BDR 30-1049)

FISCAL NOTE: Effect on Local Government: No. 
Effect on the State: No.

__________________________

EXPLANATION – Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

__________________________

AN ACT relating to water conservation; revising the provisions governing grants of money for water conservation and capital improvements to certain water systems to include a nonprofit association or nonprofit cooperative corporation that provides water service only to its members; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law (1) establishes a program to provide grants of money to purveyors of water and eligible recipients to pay for the costs of capital improvements to certain publicly owned water systems made necessary by federal law and to pay for the cost of improvements to conserve water, and (2) defines “eligible recipient” for the purposes of the program to mean a political subdivision of the State. (NRS 349.981) This bill expands the definition of “eligible recipient” to include a nonprofit association or nonprofit cooperative corporation that provides water service only to its members.
THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 349.981 is hereby amended to read as follows:
349.981 There is hereby established a program to provide
grants of money to:
(a) A purveyor of water to pay for costs of capital improvements
in publicly owned community water systems and publicly owned
nontransient water systems required or made necessary by the State
Environmental Commission pursuant to NRS 445A.800 to
445A.955, inclusive, or made necessary by the Safe Drinking Water
Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant
tereto.
(b) An eligible recipient to pay for the cost of improvements to
conserve water, including, without limitation:
(1) Piping or lining of an irrigation canal;
(2) Recovery or recycling of wastewater or tailwater;
(3) Scheduling of irrigation;
(4) Measurement or metering of the use of water;
(5) Improving the efficiency of irrigation operations; and
(6) Improving the efficiency of the operation of a facility for
the storage of water, including, without limitation, efficiency in
diverting water to such a facility.
(c) An eligible recipient to pay the following costs associated
with connecting a domestic well or well with a temporary permit to
a municipal water system, if the well was in existence on or before
October 1, 1999, and the well is located in an area designated by the
State Engineer pursuant to NRS 534.120 as an area where the
groundwater basin is being depleted:
(1) Any local or regional fee for connection to the municipal
water system.
(2) The cost of any capital improvement that is required to
comply with a decision or regulation of the State Engineer.
(d) An eligible recipient to pay the following costs associated
with abandoning an individual sewage disposal system and
connecting the property formerly served by the abandoned
individual sewage disposal system to a community sewage disposal
system, if the Division of Environmental Protection requires the
individual sewage disposal system to be abandoned and the property
upon which the individual sewage disposal system was located to be
connected to a community sewage disposal system pursuant to the
provisions of NRS 445A.300 to 445A.730, inclusive, or any
regulations adopted pursuant thereto:
(1) Any local or regional fee for connection to the
community sewage disposal system.
(2) The cost of any capital improvement that is required to comply with a statute of this State or a decision, directive, order or regulation of the Division of Environmental Protection.

(e) An eligible recipient to pay the following costs associated with connecting a well to a municipal water system, if the quality of the water of the well fails to comply with the standards of the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto:

(1) Any local or regional fee for connection to the municipal water system.

(2) The cost of any capital improvement that is required for the water quality in the area where the well is located to comply with the standards of the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto.

2. Except as otherwise provided in NRS 349.983, the determination of who is to receive a grant is solely within the discretion of the Board.

3. As used in this section, “eligible recipient” means

(a) A political subdivision of this State, including, without limitation, a city, county, unincorporated town, water authority, conservation district, irrigation district, water district or water conservancy district.

(b) A nonprofit association or nonprofit cooperative corporation that provides water service only to its members.

Sec. 2. This act becomes effective upon passage and approval.
Western Regional Water Commission  
STAFF REPORT  

DATE: March 11, 2009  
TO: Chairman and Members, Western Regional Water Commission  
FROM: John B. Rhodes, Legal Counsel  
SUBJECT: 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  

Recommendation:  
Staff recommends the proposed contract with Somach Simmons & Dunn be approved.  

Background:  
Chapter 531 Statutes of Nevada 2007, Section 30, provides the WRWC with the powers to prepare, adopt update and oversee the implementation of the Comprehensive Regional Water management Plan. Section 42 requires the Comprehensive Plan to, among other things, address the quality of surface water including compliance with water quality standards, locations and capacities of wastewater treatment plants, intended quantity and quality of discharge from those plants and programs to attain protection from pollution by both concentrated and diffuse sources.  

Discussion:  
Somach Simmons & Dunn, LLP (“SSD”) is a California law firm that has considerable expertise and experience in Clean Water Act issues. The firm currently provides legal services to the Cities of Reno and Sparks with regard to the Truckee Meadows Water Reclamation Facility’s permit with the State.  

As has previously been described for the Commission, an effort is now underway to revise the nutrient standards and “total maximum daily load” or “TMDL” for nitrate and phosphate on the Truckee River. This effort is being undertaken jointly by Reno, Sparks, Washoe County, and the Truckee Meadows Water Authority (sometimes referred to as the “third parties,” i.e., not regulators). In July of 2008, this Commission approved agreements with Linnotech and with California State University Sacramento for support services for this effort.  

Because of the complexity of the Truckee River system, the development of this TMDL presents many unique issues. Staff has concluded that engaging Somach Simmons & Dunn to provide legal services in connection with the TMDL process will be a necessary and cost-effective step to ensure the third parties and the WRWC are proceeding in a direction consistent with the constraints and requirements of the Clean Water Act. Because of the current relationship with
the TMWRF parties, the contract discloses potential conflicts and requires acknowledgement of the existing relationship. The City Councils of Reno and Sparks will be requested to make the same acknowledgement and consent to the representation of the WRWC by SSD. Counsel for WRWC and for the third parties have reviewed the contract and have no objection to its terms.

The contract will be funded from the Water Management Fund, and will not exceed $50,000 without further direction and approval from the WRWC. The budget for the TMDL process for the current fiscal year is adequate to cover this amount.

**Fiscal Impact:**

The fiscal impact to the Regional Water Management Fund will not exceed the initial amount of $50,000. Budget authority is located in Fund Group 766, Fund 7066, Account Number 710120, Legal Fees, and Cost Object WP310700.5.

**Possible Motion:**

Should the WRWC agree with the staff recommendation, a possible motion is: “Move to approve the 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.”
March 11, 2009

Mike Carrigan
Chair
Western Regional Water Commission

Re: Attorney-Client Fee Contract

Dear Mr. Carrigan:

This document (“agreement”) is the written fee contract that California law requires lawyers to have with their clients, pursuant to Cal. Business and Professions Code, section 6148. Somach Simmons & Dunn, A Professional Corporation (“we” or “the Firm”), will provide services to the Western Regional Water Commission (the “Commission” or “you”) on the terms set forth below.

1. CONDITIONS. This agreement will not take effect, and the Firm will have no obligation to provide any services, until you return a signed copy of this agreement.

2. SCOPE OF SERVICES. You are hiring us as your attorneys, to represent and advise you in connection with development and revision of Total Maximum Daily Loads for the Truckee River. We will provide those legal services reasonably required and requested to represent and advise you on the described matter. We will take reasonable steps to keep you informed of progress and to respond to your inquiries. We will communicate and to the Commission through Greg Dennis on behalf of the proponents of the TMDL unless we are instructed otherwise. Roberta L. Larson will be the principal attorney in charge of your matter, and Cassie Aw-yang will assist. From time to time other attorneys in this firm will support our efforts. Unless you and we make a different agreement in writing, this agreement will govern all future services we may perform for you.

3. AMENDMENTS: The term and scope of this agreement may be modified by mutual agreement of the parties. Any modification shall be in writing and signed by both parties.

4. CLIENT’S DUTIES. You agree to cooperate with us and be reasonably available to confer with us upon request, to keep us informed of developments and to disclose to us all facts and circumstances of which
you are aware which may bear upon our handling of the matter. You agree to provide us with such documents and information as you may possess relating to the matter, to abide by this agreement, to pay our bills on time, and to keep us advised of your address, telephone number and whereabouts.

5. LEGAL FEES AND BILLING PRACTICES. You agree to pay by the hour at our prevailing rates for time spent on your matter by our legal personnel. We record our time, and will bill you, to the nearest one-tenth hour. Our current hourly rates for legal personnel (and other billing rates) are set forth on the attached Schedule of Rates. These rates are reviewed and adjusted periodically, but not more frequently than annually. We will send you a proposed revision to our rates before effectuating any adjustment. The revised schedule of rates will apply after each adjustment. Total professional fees expended for the services of Somach Simmons & Dunn under this agreement shall not exceed $50,000.00 without prior written authorization from the Commission.

We will charge you for the time we spend on telephone calls relating to your matter. The legal personnel assigned to your matter will confer among themselves about the substantive legal, tactical, and strategic issues pertaining to the matter, and with consultants and other persons who may have information regarding your matter, as required. When they do confer, each of the legal personnel will charge for the time expended. Similarly, if more than one of our legal personnel attends a meeting, court hearing, or other proceeding, each will charge for the time spent. We will charge for waiting time in court and elsewhere and for travel time, both local and out of town.

6. COSTS AND OTHER CHARGES. We will incur various costs and expenses in performing legal services under this agreement. The cost of normal photocopying, long distance telephone calls, postage and other small miscellaneous expenses as to which individual itemization is impractical are covered and included within the monthly retainer.

All other costs, such as airfare, mileage at the IRS reimbursement rate, lodging, meals, computerized legal research, unusual photocopying and staff overtime, if and to the extent required, are billed directly on a pass-through basis as a cost advanced by us. We generally do not pass through our secretarial overtime costs unless the overtime is required due to unanticipated time constraints or other urgencies that arise in the matter.

7. BILLING STATEMENTS. Our billings are calculated and submitted on a monthly basis. The billings are accompanied by a computer-generated statement setting forth a description of the services performed, the date of the work, the amount of time spent, and the identity of the person
performing the work. Each statement will be due and payable upon presentation, and overdue thirty (30) days after the date of billing. Your account is considered current when payment is made within thirty (30) days of the billing date. We will send the original monthly statement to you at the address above, unless you instruct us otherwise.

If your account becomes delinquent, we have established collection procedures, which may include stopping all legal services of a non-emergency nature. Contrary to our anticipation, if that situation should arise and exist for a period of sixty (60) days, we will ask you for, and you agree to execute, a stipulation allowing us to withdraw as your counsel of record.

8. DISCHARGE AND WITHDRAWAL. You may discharge us at any time, and without cause, by giving us written notice of termination. We may withdraw with your advance written consent, or at any time after having given you written notice and a reasonable period within which to retain the services of other counsel.

When our services conclude, all unpaid charges will become due and payable immediately. After our services conclude, we will, on your request, deliver your file to you, along with any funds or property of yours in our possession.

9. DISCLAIMER OF GUARANTEE. Nothing in this agreement and nothing in our statements to you will be construed as a promise or guarantee about the outcome of your matter. We make no such promises or guarantees. Our comments about the outcome of your matter are expressions of opinion only.

10. OTHER REPRESENTATION, WAIVER OF EXISTING AND FUTURE CONFLICTS, AND AGREEMENT TO UTILIZE SEPARATE COUNSEL IN THE EVENT OF DIFFERENCES WITH THE CITY OF RENO CONCERNING THE SUBJECT MATTER OF THE REPRESENTATION. You acknowledge that Somach, Simmons & Dunn has disclosed that it represents other parties whose interests are, or may be adverse to the Commission and that it may represent parties in the future whose interests are, or may be, adverse to the Commission. Somach, Simmons & Dunn represents that it does not have conflicts of interests with respect to services and matters that are specifically identified within the scope of this agreement. As to any and all other matters, you agree that Somach, Simmons & Dunn’s representation of the Commission on this matter shall not affect
Somach, Simmons & Dunn’s representation of any other party having interests adverse to the Commission, and you waive or will waive any and all conflicts of interest associated with representation of such other party or parties, and consent to the representation of such other party or parties.

With respect to the subject matter of this agreement, we will advise and represent the Commission and all of its members jointly. However, should the Commission and the City of Reno and the City of Sparks elect to pursue different actions or strategies as to the subject matter of the representation, such that Somach, Simmons & Dunn’s continued representation of both the Commission and the City of Reno and the City of Sparks is unlawful, impractical, inconsistent with rules of professional conduct, or objected to by the City of Reno and the City of Sparks, you will utilize other counsel, and consent to Somach, Simmons & Dunn’s continued representation of the City of Reno and the City of Sparks in such circumstances.

11. GOVERNING LAW: This agreement shall be governed by, construed and enforced in accordance with the laws of the State of Nevada.

12. COMMUNICATIONS. We encourage you to contact us at any time you have any question whatsoever concerning our representation of you.

14. EFFECTIVE DATE. This agreement will take effect when you have performed the conditions stated in Paragraph 1, but its effective date will be retroactive to the date we first performed services. The date at the beginning of this agreement is for reference only. Even if this agreement does not take effect, you will be obligated to pay us the reasonable value of any services we may have performed for you.

SOMACH SIMMONS & DUNN
A Professional Corporation

By____________________________
Roberta L. Larson
Re: Attorney-Client Fee Contract
March ___, 2009
Page 5

I have read and understood the foregoing terms and those set forth in this Agreement and hereby agree to them, as of the date Somach Simmons & Dunn, A Professional Corporation, first provided services Western Regional Water Commission

By ______________________________

ATTACHMENT

SCHEDULE OF RATES

Key Personnel

Roberta L. Larson………………………….. $290.00
Cassie N. Aw-yang………………………….$205.00

Additional Personnel

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NOTE: The Schedule of Rates will be reviewed and may be modified. Clients will receive 30 days notice of any modification in the Schedule of Rates. Rates for new attorneys will be forwarded to the client within a reasonable time after the new attorney begins work under this contract. All out-of-pocket costs and expenses will be billed to clients at our cost. An interest charge will be added to all bills that are unpaid in excess of 30 days.