

WESTERN REGIONAL WATER COMMISSION BOARD OF TRUSTEES MINUTES

Friday, November 13, 2009

The regular meeting of the Western Regional Water Commission (WRWC) Board of Trustees was held on Friday, November 13, 2009, at Sparks 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 1:30 p.m. There was a quorum present.

Commissioners Present:

Mike Carrigan, Chair
John Breternitz
Steve Cohen
Bob Larkin (left at 1:47 p.m.)
Geno Martini
Ron Smith

Representing:

Truckee Meadows Water Authority (TMWA)
Washoe County
South Truckee Meadows General Improvement District (STMGID)
Truckee Meadows Water Authority (TMWA)
Truckee Meadows Water Reclamation Facility (TMWRF)
City of Sparks

Commissioners Absent:

Dave Aiazzi, Vice-Chair
Bob Cashell
Patricia Lancaster

Representing:

City of Reno
Truckee Meadows Water Authority (TMWA)
Sun Valley General Improvement District (SVGID)

- 2. Pledge of Allegiance**

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

- 3. Approval of Agenda**

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

- 4. Public Comment**

Chairman Carrigan called for public comments. Ginger Pierce referred to the Regional Water Plan, Section 1.3.b, and asked what review process is in place for groundwater recharge. She next asked if there is an analysis of impact based on groundwater recharge and what is being done? John Rhodes, Legal Counsel, agreed to follow up on the questions.

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

- 5. Approval of the Minutes of the October 9, 2009 meeting.**

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

6. Discussion and possible acceptance of a Clean Water Act grant in the amount of \$40,000, to offset funding for the ongoing regional integrated wastewater system planning project; and, if accepted, authorize the Chairman to execute a Subgrant Agreement with the Nevada Division of Environmental Protection (NDEP).

Chairman Carrigan invited Chris Wessel to present this item. Mr. Wessel stated that this item was previously discussed and staff was directed to pursue the \$40,000 grant, which was done. He stated that the request was approved by NDEP and the Subgrant Agreement is ready for signature by the WRWC Chairman. He added that the grant will have no negative impact on the budget and should be considered a budget augmentation.

Mr. Wessel recommended a possible motion “to accept the Clean Water Act grant in the amount of \$40,000, to offset funding for the ongoing regional integrated wastewater system planning project; and authorize the Chairman to execute the Subgrant Agreement with the Nevada Division of Environmental Protection”.

Commissioner Smith asked if the funding has to be used for wastewater treatment, to which Mr. Wessel stated it must be used specifically for water quality projects.

Commissioner Martini made the motion as recommended by staff. Commissioner Smith seconded the motion, which carried unanimously.

7. Discussion and possible approval of the WRWC fiscal year 2008/09 Financial Statements and audit opinion from Schettler, Macy & Silva, LLC.

Chairman Carrigan welcomed Ben Hutchins. Mr. Hutchins thanked and commended the auditors, Schettler, Macy & Silva, LLC, on a good job on the financial statement and audit. Mr. Hutchins gave a brief review of the finances, which as of June 30, 2009 includes:

- \$3.3 million in assets
- \$72,000 in liabilities
- \$3.28 million in net assets
- \$1.35 million in total revenue (Earnings on investment was almost 5%, which is good.)
- \$1.19 million in expenses

Mr. Hutchins summarized that report gives the WRWC a “clean bill of health”. He welcomed questions from commissioners. Commissioner Larkin asked about the “unqualified statement”. Mr. Hutchins stated he believes it is a matter of terminology but offered to clarify with the auditors.

Commissioner Larkin made a motion to accept the auditor’s report, including the clarification he requested. Chairman Carrigan commended the auditors for the ease in reading the financial statements. Commissioner Breternitz seconded the motion, which carried unanimously.

8. Presentation, discussion and possible direction to staff on the Desert Research Institute’s (“DRI”) proposed approach to short and longer term funding for its Truckee-Tahoe Basin Cloud Seeding Program.

Ms. Menard stated that at a recent Board of County Commissioners (BCC) and TMWA Board joint meeting, a recommendation was made to move forward with the DRI cloud seeding program. She reported that DRI staff would provide a brief presentation with a request for \$45,000 from the Regional

Water Management Fund to continue the program for the next year. She introduced Ken Kunkel, Executive Director of Atmospheric Sciences, and Greg Bortolin, Director of Communications for Governmental Affairs.

Mr. Kunkel thanked commissioners for the opportunity. He reported that in looking at long-term support and funding for the cloud seeding program, staff plans to meet with stakeholders such as the ski industry, forestry, and others who benefit from increased precipitation. He reported that Southern Nevada Water Authority recently committed to fund cloud seeding in central Nevada, i.e. Ruby Mountain and Tuscarora regions. He added that partial funding was also committed by the Walker River Irrigation District basin.

Commissioner Smith asked if funding was previously provided by DRI. Mr. Kunkel stated it was; however, the program budget was cut by 15%. Commissioner Smith asked if the funding request is a temporary thing. Mr. Bortolin stated that the honest answer is that additional funding will probably be needed for the long-term. Mr. Kunkel gave a brief overview of how and where the seeding occurs.

Commissioner Breternitz stated that he supports the program. He added that Ms. Menard mentioned forming a coalition. He asked if today's funding request is for a maximum of \$45,000 with the idea that funds raised by the coalition could reduce the commitment from the WRWC. Mr. Bortolin stated he believes that is a potential. He added that Dr. Steve Wells, DRI President, has been in communication with possible stakeholders all over Nevada, which include the Cattlemen's Association of eastern Nevada, Squaw Valley and other ski resorts and Las Vegas stakeholders. He summarized that the coalition would be statewide.

Commissioner Cohen asked if there have been studies on the program results. Mr. Kunkel stated that studies indicate that seeding increases the extraction by approximately 15%. Chairman Carrigan stated that if additional funding past this year is to be requested, he would like to see some empirical data that the program provides a benefit. He added that he has received comments from some that the program does not work. Mr. Kunkel stated that many studies have been conducted in the past and perhaps a summary of the findings is warranted.

Commissioner Breternitz suggested that if a motion is approved for funding today, a public education process should be implemented. He added that such a process needs to include a summary of the results of the program.

Ms. Menard stated that at the recent joint meeting, direction was given that the WRWC would become the point of contact for the cloud seeding program coordination. Commissioner Breternitz agreed that it is appropriate for the WRWC to be the leader of the program and made a motion as such. Commissioner Smith seconded the motion, which carried unanimously. Commissioner Cohen stated that he agrees with the motion but mentioned that at the joint meeting, Commissioner Humke stated that he did not think the WRWC should fund the program unless it is beneficial to all in the region.

9. Discussion and possible approval of a request by DRI for funding in the amount of \$45,000 from the Regional Water Management Fund to support its Cloud Seeding Program for current season; and, if approved, authorize the Chairman to execute an Interlocal Agreement with DRI.

Chairman Carrigan reported that City of Reno pledged \$10,000 to the program and asked for clarification that if the WRWC approves \$45,000 in funding, Reno would not have to pay. Ms. Menard stated that is correct. Chairman Carrigan stated he appreciates Reno offering but added that money could probably be better spent by the City. Ms. Menard suggested that if a motion for funding is made that it be based on an amount "up to \$45,000" in case other funding is raised by the coalition.

Commissioner Breternitz made a motion to approve funding up to a maximum of \$45,000, which could be reduced by successful efforts of the coalition to raise funds. Commissioner Smith seconded the motion, which carried unanimously.

10. Status report on development of the 2011 Comprehensive Regional Water Management Plan, including outline and timeline, and possible direction to staff.

Chairman Carrigan invited Mr. Wessel to present this item. Mr. Wessel referred to the staff report, which included an outline of the proposed schedule and contents of the new Regional Water Plan. He stated that direction was received to “not reinvent the wheel”. He reviewed the outline, which includes reorganizing the Plan to be easier to read and understood. Some additions to the Plan include an Executive Summary and a section on water sustainability (based on the outcome of Washoe County (WC) #3 ballot question).

Mr. Wessel reviewed the outline and briefly explained what each chapter would include along with the timeline for completion. Commissioner Carrigan suggested providing the public with a better understanding of water use versus supply and the availability of water rights. Mr. Wessel stated those issues would be addressed under Chapter 2. Ms. Menard suggested the issue be addressed in the Executive Summary, which could be developed as a stand-alone document and broadly distributed.

Mr. Wessel reported that staff is working with other agencies to ensure consistency in population and other numbers (i.e. TMWA’s Water Resource Plan). He reported that the Draft Water Plan is scheduled for review by the NNWPC on August 10, 2010. The schedule includes a WRWC Public Hearing on the Water Plan on December 10, 2010 in order to have an approved Water Plan by January 1, 2011 as required by the Act.

Commissioner Martini made a motion to approve staff’s recommendation to move forward with development of the 2011 Comprehensive Regional Water Management Plan. Commissioner Breternitz seconded the motion, which carried unanimously.

11. Status Report on “State of the Science” for the Central Truckee Meadows (Groundwater) Remediation District.

Ms. Menard introduced Chris Benedict, Central Truckee Meadows Remediation District (CTMRD) Program Manager, to present this item. Mr. Benedict thanked commissioners and provided a PowerPoint presentation that included the history of the program, the areas of tetrachloroethene (PCE) groundwater contamination, and the treatment program. He stressed the need to treat PCE as near the source as possible. He added that once contamination reaches the wellhead, it is estimated to cost \$100 per teaspoon of water treatment. (*Note: The PowerPoint presentation is available upon request.*) Some of the highlights include:

- The CTMRD program was created in 1995 and is implemented by Washoe County Department of Water Resources (DWR) on behalf of the BCC and in coordination with a stakeholder group that includes NDEP, Reno, Sparks, TMWA, DWR and the Washoe County Health District (WCHD).
- Principal goals of the project are to prevent, protect, and mitigate PCE contamination in accordance with the Remediation Management Plan (RMP), which includes:
 - Protect and treat the resource needed to meet municipal water demands
 - Ongoing groundwater monitoring and investigations
 - PCE source management and potential source area investigations

- Update the RMP to reflect new information and ways to work with stakeholders to better prevent, protect, and mitigate PCE contamination.

Mr. Benedict reported that the WCHD Air Quality Division is proposing a ban on PCE use that will be heard in December.

Commissioner Cohen thanked Mr. Benedict for the very informative report and asked what the program costs. Mr. Benedict stated that to date, the program has cost approximately \$26 million, and that the annual CTMRD budget is approximately \$2.5 million, which includes treatment. He added that the average cost to remediate a former dry cleaner site is \$400,000. He stated that the PCE focus is on dry cleaners; however, they are not the only source.

Commissioner Cohen asked how PCE compares with Arsenic. Mr. Benedict stated that Arsenic is a naturally-occurring substance while PCE is not. He added that the drinking water standard for Arsenic is 10 micrograms per liter; PCE is 5 micrograms per liter. He stated that PCE contamination is fairly easy to clean up.

Chairman Carrigan thanked Mr. Benedict for his presentation.

12. Status Report on the proposed amendment to the Truckee Meadows Regional Plan, sponsored by Washoe County, regarding sustainability of water resources.

Ms. Menard reported that at the August 12, 2009 Regional Planning Governing Board (RPGGB) meeting, the issue of WC #3 was sent to the BCC for consideration of sponsoring an amendment to the Regional Plan to address the sustainability issue based on population and available water. She stated that between that time and the October 27, 2009 BCC meeting, staff developed a proposed amendment, which was adopted by the BCC and sent back to the RPGGB. She stated that the staff report includes the BCC process and welcomed questions. Chairman Carrigan thanked Ms. Menard for her update.

13. Status report on pending integration/consolidation of TMWA and DWR.

Ms. Menard and Jeff Tissier provided an update on the progress of the pending integration/consolidation of TMWA and DWR. Ms. Menard stated that a joint meeting of the TMWA Board and the BCC was held on October 27, 2009. At the meeting an overview of the Interlocal Agreement (ILA) was provided. She added that the two Boards would have another joint meeting on December 9, 2009. She stated that the due diligence process is underway.

Mr. Tissier reported that this week a schedule for the due diligence process was developed, which will focus on operations, hydraulic modeling, engineering, financial aspects and other issues. He stated that TMWA and DWR staff met to review the schedule and provide input. He stated that the Engineering and Operating Plan is a key development, which will lead to the development of a work plan and budget.

Ms. Menard reported that a memo was provided to DWR staff last week to identify the preliminary list of DWR positions that would be affected by consolidation, which includes 35 of the 85 DWR employees. She summarized that much work and coordination is occurring with employees and supporting the process.

Mr. Tissier reported he has been working with John Sherman and bond counsel on restructuring DWR debt. He stated that discussions will be initiated with the State Treasurer to discuss the financial issues associated with integration/consolidation.

Ms. Menard reported that the BCC acted on the recommended changes to the Joint Powers Agreement (JPA) to change the governing structure of the TMWA Board to add an additional representative of Washoe County. She added that Reno City Council will discuss the issue on November 18, 2009. Wayne Seidel reported that Sparks City Council will discuss the issue at their meeting on December 14, 2009. Chairman Carrigan thanked Ms. Menard and Mr. Tissier for the update.

14. Discussion and possible direction to staff regarding agenda items for the December 11, 2009 Commission meeting and future meetings

Chairman Carrigan asked about the next meeting of the WRWC. Ms. Menard stated that upcoming agenda items for the December 11, 2009 meeting include:

- Status of funding for stream gages
- Possible recommendation from the NNWPC concerning the DRI cloud seeding program, formation of a coalition, long-term funding, and direction to staff – The NNWPC will hear a technical presentation by DRI.
- Status report on SCR 2 and Cooperative Monitoring Program memorandum of understanding (MOU) – requested by NDEP

Ms. Menard reiterated that staff plans to bring the Draft Water Resources chapter and definition of sustainable water resources, and possible direction to staff to the January 8, 2010 WRWC meeting. She reported that the Legislative Oversight Committee (LOC) will convene in December or January and offered to provide updates as appropriate. Chairman Carrigan thanked Ms. Menard.

15. Commission Comments

None

16. Staff Comments

None

17. Public Comment

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

18. Adjournment

With no further business, the meeting was adjourned at 3:00 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on January 8, 2010.

Mike Carrigan, Chairman

