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")

(See 'Notes')

1. Roll Call and Determination of presence of a Quorum*
2. Pledge of Allegiance*
3. Approval of Agenda (ACTION)
4. Public Comment* (Three-minute time limit per person)
5. Approval of the minutes of the January 8, 2010 meeting (ACTION)
6. Discussion and possible finding that the draft Washoe County consensus population forecast for 2030 can be supported by the sustainable water resources as set forth in the Comprehensive Regional Water Management Plan — Jim Smitherman, Water Resources Program Manager (ACTION)
7. Review, discussion, and possible approval of the WRWC tentative budget for Fiscal Year 2010-2011; and possible direction to staff regarding the time and place for a public hearing on the tentative budget — Jim Smitherman (ACTION)
8. Discussion and possible ratification the WRWC Program Manager’s designation of Schettler, Macy & Silva, LLC as the WRWC’s external auditors for the Fiscal Year 2010-2011 financial statement audit — Ben Hutchins, Washoe County Department of Water Resources (“DWR”) (ACTION)
9. Discussion and possible direction to staff regarding the July 15, 2010 meeting of the Legislative Committee to Oversee the WRWC — Jim Smitherman (ACTION)
10. Discussion and possible direction to staff regarding agenda items for the Thursday, May 20, 2010 Commission meeting and future meetings (ACTION)
11. Commission Comments*
12. Staff Comments*
13. Public Comment* (Three minute time limit per person)
14. 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 NNWPC 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), and the WRWC website: http://wrwc.us.
The regular meeting of the Western Regional Water Commission (WRWC) Board of Trustees was held on Friday, January 8, 2010, 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
   - Patricia Lancaster
   - Bob Larkin
   - Geno Martini
   - Ron Smith

   **Representing:**
   - Truckee Meadows Water Authority (TMWA)
   - Washoe County
   - South Truckee Meadows General Improvement District (STMGID)
   - Sun Valley General Improvement District (SVGID)
   - Truckee Meadows Water Authority (TMWA)
   - Truckee Meadows Water Reclamation Facility (TMWRF)
   - City of Sparks

   **Commissioners Absent:**
   - Dave Aiazzi, Vice-Chair
   - Bob Cashell

   **Representing:**
   - City of Reno
   - Truckee Meadows Water Authority (TMWA)

2. **Pledge of Allegiance**

   Chairman Carrigan asked Commissioner Martini to lead the Western Regional Water Commission in the Pledge of Allegiance.

3. **Approval of Agenda**

   Commissioner Lancaster made a motion to approve the January 8, 2010 WRWC agenda as posted. Commissioner Cohen seconded the motion, which carried unanimously.

4. **Public Comment**

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

5. **Approval of the Minutes of the November 13, 2009 meeting.**

   The minutes of the November 13, 2009 Western Regional Water Commission meeting were submitted for approval. Commissioner Breternitz made a motion to approve the minutes as submitted. Commissioner Larkin seconded the motion, which carried unanimously.

6. **Election of Chairman, Vice-Chairman, Secretary and Treasurer for the 2010 calendar year.**
Chairman Carrigan called for nominations for Chairman, Vice-Chairman, Secretary and Treasurer for the 2010 calendar year.

Commissioner Martini made a motion for Chairman Carrigan to continue as Chairman. Commissioner Larkin seconded the motion, which carried unanimously.

Commissioner Smith made a motion to appoint Commissioner Larkin as Vice-Chairman. Commissioner Breternitz seconded the motion, which carried unanimously.

Commissioner Breternitz made a motion for Commissioner Lancaster to continue as Secretary. Commissioner Larkin seconded the motion, which carried unanimously.

Commissioner Smith made a motion for Commissioner Cohen to continue as Treasurer. Commissioner Larkin seconded the motion, which carried unanimously.

7. Status report on pending integration/consolidation of the Washoe County Department of Water Resources (“DWR”), and the Truckee Meadows Water Authority (“TMWA”), and possible direction to staff.

Mark Foree, TMWA General Manager, reported that staff from TMWA and DWR have been performing due diligence related to the integration/consolidation. He reported that four workshops have been held by TMWA staff at DWR, one of which focused on the apprentice program. He added that another workshop was focused on Human Resources and TMWA’s benefits, as well as one on TMWA’s business process. He stated that the Operations Plan to operate the two systems as one would be available in the next few months.

Rosemary Menard, DWR Director, stated that the process is going well with a great relationship between the entities. She reported that the revisions to the Joint Powers Agreement (JPA) were moving forward and would be presented to the Attorney General after signatures are obtained. She added that the Interlocal Agreement was unanimously approved by the TMWA Board and Board of County Commissioners on December 9, 2009.

Chairman Carrigan thanked staff for the update and also for the update to the Legislative Oversight Committee (LOC).

8. Review and discussion of the Water Resources portion of the 2011 Comprehensive Regional Water Management Plan, including sections addressing issues relating to sustainable water resources, and possible direction to staff.

Chairman Carrigan invited Jim Smitherman to present this item. Mr. Smitherman stated that he presented this report to the Northern Nevada Water Planning Commission (NNWPC) on January 6, 2010, where he received some comments, which he offered to share. He referred to the staff report and a Power Point presentation, which included the following points:

**Overview of Water Resources**

- Sources of Water
  - Surface Water
  - Groundwater
  - Reclaimed Water for irrigation purposes
• Water Resources Baseline Table – Mr. Smitherman referred to the Draft Water Baseline Table and explained the basins and associated columns and notes. He clarified that the table is intended to show water resources that are quantified adequately for twenty year planning purposes. He added that the commitment numbers came from last year’s Plan Amendment and will be reviewed and updated as needed.
  o Truckee River and Tributary Water Resources
    ▪ TROA, Orr Ditch Decree, Water Rights, State Engineer Decisions
  o Groundwater Resources
    ▪ Perennial Yield Estimate, Water Rights, State Engineer Decisions
  o Reclaimed Water Resources
    ▪ WRF Flows not Committed to Return Requirements

Factors Affecting Water Resource Sustainability
• Sustainability
  o Definition – The Chapter includes one and a half pages explaining “sustainability” in the context of the Water Plan, in relation to science-based perennial yield estimates and legal access to the water. The Chapter also includes the methodology used for compiling the Baseline Table, as well as a purveyor or local government’s ability to accept rights for service or to better land use planning based on independent evaluation of the available water.

Mr. Smitherman referred to page 3 of 21, “In basins where appropriations for municipal and industrial (M/I) uses, or those that may be converted to M/I, are less than the perennial yield estimate, only those water rights actually appropriated are considered to be sustainable.” He stated that a next sentence should be, “In basins where the perennial yield estimate is exceeded by the appropriated water rights, the perennial yield estimates are considered to be sustainable.” He summarized that it is a conservative way to approach the quantification of groundwater in the basins, whereby the smaller number would be used as the sustainable amount for the basin.

Commissioner Larkin asked for clarification that the perennial yield estimates used are those set forth by the State Engineer. Mr. Smitherman confirmed they are the State Engineer’s adopted numbers. Commissioner Larkin asked if the number includes appeals or modified court judgments based on the number. Mr. Smitherman clarified that when the State Engineer adjusts a number, the Water Plan number will be adjusted accordingly. He added that where available, it will be noted if there is a pending appeal.

Commissioner Larkin referred to the paragraph, “Sustainability, in the context of resource planning, is usually defined as the ability to meet present needs while ensuring resource opportunities for future generations that provide optimal economic, social and environmental benefits.” He asked if the statement is consistent with the perennial yield definition as defined by the State Engineer. Mr. Smitherman stated that in his opinion it is. John Rhodes stated that he reviewed the comment and agrees that the statement is consistent with the State Engineer’s definition.

Commissioner Larkin referred to WC-3, the intent of which is to link up “sustainability”, which is undefined in WC-3, with long-term yields and population. He asked if Mr. Smitherman believes this definition complies with the intent of the WC-3 proponents. Mr. Smitherman stated that in his mind, it does. Commissioner Larkin asked if Mr. Smitherman has reviewed the language forwarded to Regional Planning by the Board of County Commissioners (BCC). Mr. Smitherman stated he has and he believes the statements made are consistent with the intention of WC-3.
Mr. Smitherman reported that he received a comment from the NNWPC related to a sentence on page 4 of 21 of the Chapter, “...the local governments and water purveyors may limit such approvals or may take affirmative actions to mitigate the deficits through mechanisms such as artificial recharge and recovery of groundwater, conjunctive use of available resources, or the use of alternative water resources.” The suggestion was that “may limit such approvals” be worded more strongly, such as, “will deny such approvals” or that “the developer would have to bring water”. Commissioner Larkin disagreed with the suggestion because it could become a battle between the Regional Plan and the Water Plan. He stated that using a word such as “deny” is setting a precedent for the Water Plan to dictate to the Regional Plan, rather than ensuring consistency or conformance with one another.

Commissioner Larkin clarified that the Water Plan is intended to serve as a “guide” but not to replace the Regional Plan as the guiding principles. Chairman Carrigan suggested changing “will limit” to “should limit”. Commissioner Larkin suggested “may limit”. He explained that the idea is to not expand growth beyond the sustainable water sources over a long period of time. He added that those sources do not take into account water importation, reinjection, or the use of reclaimed water (purple pipes).

- Proposed Regional Plan Amendments
  - NNWPC and WRWC to compare Consensus Forecast with Sustainable Water Resources – Mr. Smitherman referred to the “Decision Tree – Regional Population Forecast based on Water Sustainability”, which is a procedural flow chart. He reviewed the process based on different scenarios. He stated that the NNWPC and staff would calculate a population number that can be supported by the sustainable water resources for the future. John Erwin and Shawn Stoddard, TMWA, agreed to use a model to provide the calculations. The number will be calculated using the Cities of Reno and Sparks and Washoe County land use assumptions and water demand factors working backward to a population number. He added it would then be up to the WRWC to determine that the numbers are in balance.

Commissioner Larkin stated that the process will only work if the sustainable water approved by this Board is inclusive of all water resources. He clarified that if certain water resource categories are excluded, it will result in vast disparity. He asked what process is envisioned to reconcile or account for those issues. Mr. Smitherman reiterated that the perennial yield estimates used would be those set forth by the State Engineer.

Mr. Smitherman referred to page 5, “The proposed amendments implement the voters’ intent.” He stated that he realizes that the statement is impossible to verify and suggested revising it. He clarified that the proposed amendments have been thoroughly reviewed with citizens in support of WC-3, who requested the Regional Planning Commission to move forward with the proposed amendments.

Commissioner Larkin stated that a particular group should not be singled out and suggested removing the reference to the proponents. Chairman Carrigan agreed.

Commissioner Larkin referred to the Decision Tree, “NNWPC/WRWC staff review draft/updated Consensus Forecast and recommend for or against a finding of consistency with sustainable water resources from RWMP”. He asked if that determination would be based on a mechanical process where gallons per person would be compared to gallons per person on a sustainable perennial yield basis. Mr. Smitherman stated yes, it would be along those lines. He added that the determinations would be made based on current conditions; not projections of possible scenarios, such as conserved water or others.
Commissioner Larkin referred to the next step, “WRWC finds draft/updated Consensus Forecast is consistent with sustainable water resources in RWMP and transmits finding to RPC and affected entities.” He asked if this is a new process where the WRWC would submit directly the RPC, as opposed to the current practice that only the three governing bodies can submit directly to the RPC. Mr. Smitherman confirmed that it is a new step. Commissioner Larkin asked if the change would require legislation to do so. Mr. Rhodes stated he did not believe it would. He added that the step requires a “finding” of whether or not the Consensus Forecast and sustainable water resources are consistent.

Commissioner Larkin asked what process would be used if a finding is made “that no new water resources or demand management strategies are available – the forecasted population able to be supported by sustainable water resources remains unchanged”. Mr. Smitherman stated that the land use planners will need a number so the constrained number would carry through and the land use planning entity would have to decide how to deal with the Consensus Forecast after such a finding. He added that staff would already be developing alternatives and recommendations (such as, using water resources more efficiently) in such a case. Commissioner Larkin stated that staff would see such a scenario in advance and asked if there is a way to incorporate the pre-reconciliation process. He stated that once such a formal process is adopted, it will be very difficult to back away from the constraint. He added that he believes the constrained number would become ipso facto.

Ms. Menard stated that based on the Consensus Forecast number changing every two years (per the Regional Planning Governing Board process), such a 20-year constrained number would only be in place for two years as a worst-case scenario. She added that the WRWC has the authority to direct staff to find new water resources, such as reclaimed water management strategies. Commissioner Larkin stated that while that may be true, the constrained number will dictate to the local entities what the growth potential will be for a particular area. He referred to long-range planning being done by the Regional Transportation Commission (RTC), which sets in motion possible unintended consequences based on growth projections.

Ms. Menard stated that the Consensus Forecast is due out in the next couple of months, which she stated would enable a “test drive” of the process over the next few months. She added that changes could be made as the process moves along.

- Economic Conditions – Mr. Smitherman reported that the economic conditions were well-covered by TMWA’s Draft Water Resources Plan so with TMWA’s permission, the information was used in the Regional Water Plan.
- Laws, Regulations, Decrees, Agreements (Federal, State, Local)
- Source Water Reliability
  - Climate Change and Drought
  - Water Quality
    - Natural and Anthropogenic Influences, Surface Water, Groundwater and Reclaimed Water

Water Management Programs to Protect the Availability and Quality of Water Resources for Municipal and Industrial Use
- Surface Water Programs
  - Truckee River Restoration
Minutes of WRWC Meeting of January 8, 2010

- Watershed-based Water Quality Planning
- Tributary Watershed Assessment and Stream Surveys
- Environmental Control and Pre-treatment
- Coordinated Monitoring Program (MOU)
- Truckee Meadows Regional Storm Water Quality Management Program

- Groundwater Programs
  - Groundwater Recharge
  - Wellhead Protection Plans
  - Central Truckee Meadows Remediation District and Other Contaminated Sites
  - Municipal Well Siting
  - Groundwater Resources Data Center and Domestic Well Mitigation

- Other Programs
  - Low Impact Development
  - Hill Slope Development
  - Cloud Seeding
  - Public Outreach Programs

Mr. Smitherman welcomed any further questions or comments.

9. **Discussion and possible approval of funding not to exceed $49,000 from the Regional Water Management Fund to support a scope of work and Consulting Engineering Agreement with ECO:LOGIC Engineering for technical services related to the development of the 2011 Comprehensive Regional Water Management Plan, and, if approved, authorize the Chairman to execute the Agreement.**

Mr. Smitherman referred to the staff report and stated that the Northern Nevada Water Planning Commission (NNWPC) recommended that the WRWC approve the scope of work for ECO:LOGIC Engineering in an amount not to exceed $49,000. He reported that the scope of work includes technical work on the updated Water Plan, including revisions to facility cost estimates, revisions to the regional water balance, and development of a regional wastewater analysis. He mentioned that ECO:LOGIC decreased their rates 5% from their 2009 rates due to the current economic situation.

Commissioner Breternitz made a motion to approve the contract, including the discount. Commissioner Smith seconded the motion, which carried unanimously. Chairman Carrigan commended ECO:LOGIC for the rate reduction.

10. **Status report on proposed funding sources for existing U.S. Geological Survey stream gauges on Truckee River and tributary gauging stations, and possible direction to staff.**

John Buzzone, DWR, presented a brief overview of the staff report, which included a list of gauge locations and the responsible entity. He reported that there is currently a sort of ad hoc arrangement as to the development of funding strategies. He reported that at present the local agencies participate in funding approximately 20 flow gauges. He added that the responsible entity is based on that receiving the most benefit from the information.

Mr. Buzzone reported that the Flood Project agreed to assume responsibility for the early flood warning program and along with that, the responsibility for funding seven gauges at a cost of $75,020.
Chairman Carrigan asked about the annual cost of the gauges. Mr. Buzzone reported that the total cost is approximately $706,550 per year, of which TMWA pays $101,850, USGS pays $203,330. Chairman Carrigan asked what benefit the gauges are to Reno and Sparks. Mr. Buzzone stated that much of the data is required for various permitting agencies, including permitting for Truckee Meadows Water Reclamation Facility (TMWRF). He added that the Stormwater Permit Coordinating Committee (SPCC) is required to provide the monitoring data to the State. He clarified that the SPCC is evaluating whether the data is absolutely required or if the monitoring requirements could be changed. He stated that he believes the funding amount will be reduced.

Commissioner Breternitz referred to the Fiscal Year 2010 costs and asked what the changes were from 2009. Mr. Buzzone apologized and explained that the 2009 information was to be available but was inadvertently omitted. He reported that there should be a net reduction to the Sparks and Washoe County General Funds in the amount of approximately $74,000 per year. He clarified that the funding burden would be shifted to TMWA and the Flood Project.

Commissioner Larkin mentioned that some of the gauges are operated for different purposes, for instance, the Vista gauge monitors for flood and for water quality.

Chairman Carrigan thanked Mr. Buzzone for his presentation.


Chairman Carrigan invited Tom Porta, Deputy Administrator for Nevada Division of Environmental Protection (NDEP) to present this item in Leo Drozdoff’s absence. Mr. Porta referred to the Memorandum of Understanding (MOU) for the Development and Maintenance of a Truckee River Coordinated Monitoring Program. He stated that the MOU has been signed by all the signatories. He reported that as approved in the legislative session, Senate Concurrent Resolution (SCR) directed NDEP to oversee development of a MOU between the entities engaged in monitoring on the Truckee River.

Mr. Porta reported that shortly after the August 11, 2008 meeting of the Legislative Oversight Committee (LOC) (which oversees the WRWC), NDEP initiated the MOU process. He reported that approximately 20 local agencies were involved in the process, including research and monitoring. He added that a work group was formed to draft the MOU. The final MOU was distributed for signature in June 2009.

Mr. Porta explained that the MOU provides for the development and maintenance of a comprehensive monitoring program, leverages agency resources and minimizes duplication of effort. It also provides for a clearinghouse to make data accessible to other agencies and the public and ensures coordination by establishing requirements. Two working groups were established by the MOU, the Oversight Group and the Monitoring Coordination Group. The Oversight Group’s kickoff meeting is scheduled in February.

Mr. Porta reported that NDEP has provided approximately $65,000 from the 319 Non-Point Source Program funds. City of Reno hired a consultant to assist with development of the plan (if approved by the City Council in February). Mr. Porta emphasized that NDEP and all the signatory entities are committed to working together on the program.

Mr. Porta stated that he provided this same presentation to the LOC on January 7, 2010. He welcomed any questions or comments. Chairman Carrigan thanked Mr. Porta for his update.
12. Discussion and possible direction to staff regarding agenda items for the February 12, 2010 Commission meeting and future meetings.

Ms. Menard stated that currently only three items were scheduled for the February WRWC meeting, none of which are time sensitive. The items include:
- Status report on the first meeting (January 7, 2010) of the LOC
- Briefing on the development of an effluent management strategy
- Status report on the Regional Planning Governing Board’s January 14, 2010 action on the proposed amendments to the Regional Plan concerning WC-3

She stated that if desired, the items could be moved to the March meeting. Chairman Carrigan agreed that it would be good to postpone the items.

Commissioner Larkin stated that he would like a future agenda item to discuss the “purple pipes”, which Chairman Carrigan clarified is on the list.

Chairman Carrigan announced that the February WRWC meeting would be cancelled with the next meeting scheduled for March 12, 2010.

13. Commission Comments

None

14. Staff Comments

None

15. Public Comment

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

16. Adjournment

With no further business, the meeting was adjourned at 2:32 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on ______________ 2010.

____________________________
Mike Carrigan, Chairman

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

Staff Report

DATE: March 31, 2010

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Discussion and possible finding that the draft Washoe County consensus population forecast for 2030 can be supported by the sustainable water resources as set forth in the Comprehensive Regional Water Management Plan

SUMMARY
In January 2010, the Regional Planning Governing Board (“RPGB”) adopted certain amendments to the Truckee Meadows Regional Plan (“Regional Plan”), and the RPGB Regulations on Procedure, designating the Northern Nevada Water Planning Commission (“NNWPC”) and the Western Regional Water Commission (“WRWC”) as the entities to perform a comparison of the draft Washoe County consensus population forecast (“Consensus Forecast”) and the estimated population that can be supported by the sustainable water resources as set forth in the Comprehensive Regional Water Management Plan (“RWMP”) prior to the adoption of the Consensus Forecast.  (See Attachment A, Revisions to the Regional Plan and RPGB Regulations on Procedure.)

According to the amended RPGB Regulations on Procedure, the NNWPC, at its first scheduled meeting in April, will compare the draft Consensus Forecast with the estimated population that can be supported by the sustainable water resources as set forth in the RWMP and advance a recommendation to the WRWC.  The WRWC will then make a determination based on the NNWPC’s recommendation concerning the comparison described above and inform Reno, Sparks, Washoe County, and the Truckee Meadows Regional Planning Agency (“TMRPA”) as to its finding by April 20.  In addition, the RPGB Regulations on Procedure state that if the WRWC determines the draft Consensus Forecast is less than or equal to the estimated population that can be supported by the sustainable water resources identified in the RWMP, the WRWC will submit the draft Consensus Forecast to Reno, Sparks, Washoe County, and TMRPA by May 1 with a finding that the forecasted population can be supported by the sustainable water resources as set forth in the RWMP.

Washoe County has provided a draft Consensus Forecast population figure of 590,533 for the year 2030 (Attachment B).  Staff has prepared the Water Resources Baseline Table (Attachment C) for the RWMP due in January 2011, which identifies estimated sustainable water resources of approximately 183,200 acre feet per year.  In addition, the Truckee Meadows Water Authority (“TMWA”) has prepared population and water demand projections using the draft Consensus Forecast figures.  TMWA’s water demand model projects a need of approximately 142,000 acre-feet to serve the Consensus Forecast 2030 population.
DISCUSSION
Draft Consensus Forecast
Washoe County Department of Community Development provided the draft Consensus Forecast population in February 2010. The population was compiled using data from TMWA, Global Insight, Woods and Poole, and the State Demographer. The draft Consensus Forecast population for 2030 is 590,533, which is 29,790 less than the 2008 Consensus Forecast population for 2030.

Water Resources
The Water Resources Baseline Table provides long-range planning-level estimates for water resources considered to be sustainable using the best available information. The table identifies selected hydrographic basins within the region and quantifies surface water and groundwater in two ways. Appropriations (water rights), including decreed rights and rights permitted or certificated by the State Engineer for municipal and industrial (“M&I”) use and those that may be converted to M&I use, are quantified separately from those that cannot be converted to M&I use. The table acknowledges the Truckee River Operating Agreement’s effect on the availability and sustainability of Truckee River water. The table also shows the quantity of groundwater in each basin consistent with the State Engineer’s estimates of perennial yield. In basins where appropriations for M&I use, or those that may be converted to M&I use, are less than the perennial yield estimate, only those water rights actually appropriated are considered to be sustainable. The table includes basins that may provide M&I water supplies within a 20-year planning timeframe.

Water Demand and Population Projections
TMWA has developed a three-step process to produce a long-range water demand projection for the entire County. The first step was to develop a population projection model based on the fitting of a logistic curve model to past population, and then create a projection of that population to the year 2050. The second step was to develop a countywide inventory of buildings, and then create a projection of new residential dwelling units and commercial buildings as a function of population. The third step was to estimate water demand as a function of building inventories and historic water use coefficients.

The results of steps one and two show that the models fit the historic data well and that the projected values follow a reasonable trend. The projected trend for persons per dwelling unit and persons per developed acre show that the projection will meet the land and building needs of the projected population. TMWA’s methodology is published in its 2010-2030 Water Resource Plan, Appendix I.

TMWA assisted the NNWPC and the WRWC by re-running its model using the draft Consensus Forecast population and producing the building inventory and water demand projections presented in Attachment D.

CONCLUSIONS
The model projects a water demand of approximately 142,000 acre feet to support a population of approximately 590,500 as projected for the year 2030 by the draft Consensus Forecast. Therefore, the estimated sustainable water resources of approximately 183,200 acre feet per year...
are more than adequate to serve the draft Consensus Forecast population for 2030. The model results further show that the estimated population that can be supported by the sustainable water resources is approximately 741,000.

**PREVIOUS ACTION**
None

**BACKGROUND**
In response to Washoe County voters’ concerns that the Regional Plan did not contain policies requiring that local government land use-plans be based upon and in balance with identified and sustainable water resources available within Washoe County, the Washoe County Board of Commissioners (“BCC”) in October 2009, proposed certain amendments to the Regional Plan, which were adopted by the RPGB in January 2010. The amendments provide for a comparison between the draft Consensus Forecast and the estimated population that can be supported by the sustainable water resources as identified in the RWMP. The BCC further proposed, and the RPBG adopted, amendments to the RPGB’s Regulations on Procedure to designate the NNWPC and the WRWC as the entities to perform a comparison prior to the Regional Planning Commission’s (“RPC”) adoption of the draft Consensus Forecast, with the WRWC to make a determination and finding as to whether the forecasted population can be supported by the sustainable water resources as set forth in the RWMP. According to the amended RPGB Regulations on Procedure, if the draft Consensus Forecast is found to be less than or equal to the estimated population that can be supported by the sustainable water resources in the RWMP, the Consensus Forecast is finalized and presented to the RPC for adoption. Once adopted, the final Consensus Forecast is incorporated into the Regional Plan and all local government land use plans must conform to the provisions of the Regional Plan.

**RECOMMENDATION**
The NNWPC recommends that the WRWC make a determination that the draft Consensus Forecast population for 2030 is less than the estimated population that can be supported by the sustainable water resources identified in the RWMP.

**RECOMMENDED MOTION**
Move to determine that the draft Consensus Forecast population for 2030 is less than the estimated population that can be supported by the sustainable water resources identified in the RWMP, and direct staff to submit the draft Consensus Forecast, with a finding that the forecasted population can be supported by the sustainable water resources as set forth in the RWMP, to Reno, Sparks, Washoe County, and TMRPA, by April 20, 2010.

RM:JS:jd
TO: Regional Planning Governing Board  
FROM: Peter Gower, AICP, Senior Planner  
SUBJECT: PUBLIC HEARING - Regional Plan Amendment (RPA 09-022) Consideration and possible action to adopt a resolution (RPGB 10-03) regarding an amendment to the 2007 Regional Plan to implement Washoe County Question #3, which calls for the Regional Plan to be amended to reflect and to include policy or policies requiring that local government master plans be based upon and in balance with identified and sustainable water resources available within Washoe County; and consideration and possible action to adopt amendments to Section XII of the RPGB Regulations on Procedure to clarify that the Consensus Forecast is to be compared with the estimated population that can be supported by the sustainable water resources as identified in the Regional Water Management Plan (AGENDA ITEMS 6.D.1 & 2)

This staff report provides background information and analysis for the Regional Planning Governing Board’s (RPGB) consideration of proposed amendments to the 2007 Regional Plan and RPGB Regulations on Procedure. These amendments are intended to implement Washoe County Question #3 and describe a process for comparing the Consensus Forecast with the population that can be supported by the sustainable water resources identified in the Regional Water Management Plan (RWMP).

BACKGROUND

In July 2008, the Washoe County Registrar of Voters certified an initiative petition titled “Save Our Water.” On November 4, 2008, Washoe County Ballot Question WC #3 passed by a margin of 73% in favor and 26% against with 121,555 voters cast votes in favor. The question read: “Shall the Truckee Meadows Regional Plan be amended to reflect and to include a policy or policies requiring that local government land use plans be based upon and in balance with identified and sustainable water resources available within Washoe County?”

At the January 2009, RPGB meeting, Regional Planning staff presented the RPGB with an action plan for addressing the passage of WC#3. However, due to the introduction of new legislation for
the 2009 Nevada Legislative Session, which mirrored the initiative language in many ways, the RPGB directed staff to postpone any work on the proposed action plan.

At the June 11, 2009, RPGB meeting, staff informed the Board of the failed passage of the assembly bill that was intended to implement WC#3 and requested direction regarding a process to implement WC#3.

Subsequently, at the August 13, 2009, RPGB meeting, in response to the RPGB’s direction at the June 2009 meeting, staff presented a range of options for moving forward with the implementation of WC#3.

The RPGB selected the option to refer the sponsorship of a Regional Plan amendment for the implementation of WC#3 to the Washoe County Board of County Commissioners (BCC).

On October 27, 2009, the Washoe County BCC voted unanimously to authorize the BCC Chairman to execute a resolution (see attachment 1) for the sponsorship of a Regional Plan amendment that implements Washoe County Question #3, and a recommendation that the RPGB Regulations on Procedure be amended to provide a process by which the Consensus Forecast population can be compared to the population that can be supported by the sustainable water resources identified in the RWMP.

The Regional Planning Commission (RPC) voted unanimously on December 9, 2009, to recommend to the RPGB adoption of the proposed amendments to the Regional Plan and RPGB Regulations on Procedure.

PROPOSED REGIONAL PLAN AMENDMENTS

The proposed amendment currently before the RPGB (RPA 09-022) amends several sections of the 2007 Regional Plan - version 8, to address the implementation of Washoe County Question #3. Specifically, this amendment proposes the addition of new language in the Introduction and Module 1 of the Regional Plan.

In the Introduction, new language under the Roles and Responsibilities of the RPC clarifies the responsibility of the RPC to oversee a process for conducting and maintaining a regional population forecast that is consistent with the estimated population that can be supported by the sustainable water resources identified in the RWMP.

Also in the Introduction, new language within the section titled “Relationship to Other Plans,” describes a new process by which the Northern Nevada Water Planning Commission (NNWPC) and Western Regional Water Commission (WRWC) are to compare the Consensus Forecast population to the population that can be supported by the sustainable water resources identified in the RWMP and advance a finding to the RPC. This process is to be carried out pursuant to the RPGB Regulations on Procedure, which are also proposed to be amended to reflect this process (see attachment 2).
On page 1 of Module 1, a new bullet statement will emphasize that the forecasted regional population is consistent with the estimated population that can be supported by the sustainable water resources identified in the RWMP is one of several important objectives to be achieved by the goals and policies in Module 1.

Finally, Policy 1.1.1 will be amended to: 1) require the RPC to adopt a Consensus Forecast that is consistent with the estimated population that can be supported by the sustainable water resources identified in the RWMP, and 2) require that a comparison with the estimated population that can be supported by the sustainable water resources as identified in the RWMP be included as part of the process for updating and maintaining the adopted Consensus Forecast as specified in the RPGB Regulations on Procedure, section XII.

Accordingly, regional planning staff recommend the following Regional Plan amendments to implement WC#3. All text additions are shown in blue, *italics*, underline.

**Text Changes to Introduction - Page 3:**

**ROLES & RESPONSIBILITIES**

The roles and responsibilities are delineated in NRS. Each of the following sections summarizes the roles and responsibilities of each of the entities in regards to the Regional Plan.

**Regional Planning Commission (RPC)**

The RPC has nine members, appointed by their respective governing bodies, including three each from the Reno, Sparks, and Washoe County local planning commissions. The members serve three-year terms and may be re-appointed. The RPC elects a chairperson from among its members to a one-year term, which rotates annually among the three jurisdictions.

NRS 278.0272 directs the RPC to develop a comprehensive Regional Plan for physical development and orderly management of growth in the Region for the next 20 years and hold public hearings. The statute also directs the RPC to review the plan annually, update it not less than every five years and forward its recommendations to the RPGB for final adoption.

One of the functions of the RPC is to review Projects of Regional Significance (PRS). The RPC adopts guidelines for determining whether a particular project is a PRS and, before a city or the County gives final approval to a PRS, must find it in conformance with the Regional Plan. The RPC also reviews master plans, facilities plans, and other similar plans of local governments and affected entities to determine whether they conform to the Regional Plan. In addition, the RPC reviews plans and plan amendments of state agencies and of public utilities regulated by the Public Utilities Commission of Nevada (PUCN) and offers suggestions regarding their conformance with the Regional Plan. The RPC also reviews for conformance the transportation plan prepared by the Regional Transportation Commission and for consistency the water plan prepared by the Northern Nevada Water Planning Commission. Finally, by interlocal agreement, the RPC serves as the annexation commission for involuntary annexation proposals in the region.
Pursuant to the RPGB Regulations on Procedure, the RPC shall oversee processes for conducting and maintaining a regional population forecast for conformance review, and TMSA allocation. The adopted regional population forecast must be consistent with the estimated population that can be supported by the sustainable water resources identified in the Regional Water Management Plan.

[Amended 9/11/08; Amended 1/15/09, Amended xx/xx/xx ]

Text Changes to Introduction - Pages 4-5:

RELATIONSHIP TO OTHER PLANS

As described in Chapter 278 of the Nevada Revised Statutes (NRS) the master plans, facilities plans, and other similar plans of local governments and affected entities must be found in conformance with the comprehensive Regional Plan.

In addition to the Truckee Meadows Regional Planning Agency, two other entities within the region are designated with planning for region-wide facilities, infrastructure or resources; the Northern Nevada Water Planning Commission, and the Regional Transportation Commission.

Regional Water Planning

The Northern Nevada Water Planning Commission (NNWPC) established pursuant to Chapter 531 Statutes of Nevada 2007 of the Nevada Special Acts is required to develop a plan for:

- quality of surface water
- quality of groundwater
- supply of surface water
- supply of underground water
- control of floods and drainage of storm water, as it relates to surface water
- control of floods and drainage of storm water, as it relates to underground water
- cost and financing related to facilities, sources of water, or other requirements of the plan

Chapter 531 Statutes of Nevada 2007 requires that the Regional Water Management Plan (RWMP), developed by the NNWPC and adopted by the Western Regional Water Commission, must also be found to be consistent with the comprehensive Regional Plan. For goals and policies related to these topics please see the adopted Washoe County Regional Water Management Plan.

[Amended 9/11/08]

For the purpose of determining consistency, the RPC shall utilize the adopted conformance review methodology pursuant to the conformance policies contained in the Regional Plan.

[Amended 1/15/09]
Pursuant to the RPGB Regulations on Procedure that establish processes for conducting and maintaining a regional population forecast for conformance review and TMSA allocation, the NNWPC and WRWC will make findings, and forward those findings to the RPC, regarding comparison of the regional population forecast to the population estimate that can be supported by the sustainable water resources identified in the RWMP.

[Amended xx/xx/xx]

Text Changes to Module 1 - Page 1:

MODULE #1:

REGIONAL FORM AND DEVELOPMENT PATTERNS

INTRODUCTION

The goals and policies associated with Module #1, along with related goals and policies listed under the other modules, will address a number of the following important objectives within the Truckee Meadows region:

- Promote sustainable growth and efficient growth patterns through a defined area within which municipal services and infrastructure will be provided;
- Ensure that the population forecast prescribed in the Regional Plan is consistent with the estimated population that can be supported by the sustainable water resources as identified in the Regional Water Management Plan; [Amended xx/xx/xx]

Text Changes to Goal 1.1 in Module 1 - Page 9:

GOAL 1.1

Between 2007 and 2030, at least 99% of the region’s population growth and 99% of the region’s jobs growth will be located in the Truckee Meadows Service Areas (TMSA).

Policy 1.1.1

To conform with the Regional Plan, the master plans, facilities plans, and other similar plans of local governments and affected entities must utilize the adopted Consensus Forecast for determining future regional population estimates for the formulation of goals, policies, and service plans. [Amended xx/xx/xx]

The Regional Plan recognizes that some affected entities due to service area size or targeted services need to utilize additional or supplementary population data. If these affected entities utilize additional or supplementary population data, the source and methodology must be clearly described in master plans, facilities plans, and other similar plans. These plans must clearly relate back to the adopted Consensus Forecast.

The RPC shall adopt a Consensus Forecast that is consistent with the estimated population that can be supported by the sustainable water resources as identified in the Regional Water Management Plan. [Amended xx/xx/xx]
The adopted *RPGB Regulations on Procedure*, section XII, shall be used to update and maintain the Consensus Forecast including *comparison with the estimated population that can be supported by the sustainable water resources as identified in the Regional Water Management Plan*, jurisdictional splits and the allocation of population to smaller geographic units of the region.

[Amended 12/13/07; Amended xx/xx/xx]

In addition to the proposed Regional Plan amendments, Section XII of the *RPGB Regulations on Procedure* will be amended to include a process for comparing the Consensus Forecast to the estimated population that can be supported by the sustainable water resources identified in the RWMP. The amendments to the *RPGB Regulations on Procedure* are provided as attachment 2. Text additions are shown in blue *underlined* *italics* and text subtractions are shown in red *strikethrough*.

Collectively, these amendments to the Regional Plan and *RPGB Regulation on Procedure* are intended to implement Washoe County Question #3 as approved by voters in November 2008.

**DISCUSSION AND ANALYSIS**

The RPGB is required to consider Policy 4.3.6 when considering an amendment to the Regional Plan.

*Policy 4.3.6*

The Regional Planning Commission and Regional Planning Governing Board shall consider, at a minimum, the following criteria during consideration of a proposed amendment to the Regional Plan pursuant to NRS 278.0272:

1. Regional form and pattern, including open space;
2. Housing;
3. Jobs/housing balance;
4. Availability, timing and phasing of infrastructure;
5. Public service levels and fiscal impacts; and
6. Natural resource constraints.

Regional Planning staff have reviewed the criteria in Policy 4.3.6 and offer the following comments:

- **Regional form and pattern, including open space:** The proposed amendment is not anticipated to affect regional form and pattern. As described in the proposed amendments to the *RPGB Regulations on Procedure*, one possible outcome of the comparison of the Consensus Forecast population to the population that can be supported by the sustainable water resources identified in the RWMP is the RPC initiation of a Regional Plan amendment to address regional form and pattern. However, in no way is the current amendment intended to affect regional form and pattern.

- **Housing:** The proposed amendments will not affect housing.

- **Jobs/Housing balance:** This amendment proposes no impact to jobs/housing balance.

- **Availability, timing and phasing of infrastructure:** The proposed amendment will not have an affect on the availability, timing or phasing of infrastructure.
- **Public service levels and fiscal impacts:** The proposed amendment will neither affect public service provision nor result in any fiscal impacts.

- **Natural resource constraints:** The proposed amendments reinforce existing Regional Plan objectives intended to preserve and sustain the region’s water resources.

**VOTING REQUIREMENTS**

Pursuant to NRS 278.0276, the adoption of an amendment to the Regional Plan must be by resolution of the governing board carried by a simple majority of its total membership. Therefore, six (6) affirmative votes will be required to adopt the proposed Regional Plan amendment.

**RECOMMENDATION**

Staff recommend the RPGB consider the Regional Plan amendments described in this staff report and approve RPGB Resolution 10-03 (*Attachment 3*) to adopt the proposed amendments.

*Recommended Motion:*
I move to approve RPGB Resolution 10-03 to adopt amendments to the 2007 Regional Plan and *RPGB Regulations on Procedure* that implement Washoe County Question #3.

Please do not hesitate to contact Peter Gower at 775/321-8391 if you have any questions or comments on this agenda item.

*Attachment #1 - Washoe County Resolution*
*Attachment #2 - Amendments to the RPGB Regulations on Procedure*
*Attachment #3 - RPGB Resolution 10-03*
TRUCKEE MEADOWS REGIONAL PLANNING AGENCY

REGIONAL PLANNING GOVERNING BOARD
REGULATIONS ON PROCEDURE

Adopted November 14, 2002
Amended February 12, 2004
Amended February 10, 2005
Amended February 9, 2006
Amended July 19, 2007
Amended September 13, 2007
Amended November 8, 2007
Amended January XX, 2010
(Version 10) (Version 11)
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XII. POPULATION FORECASTING

1. Applicability. The purpose of these rules is to establish processes for conducting and maintaining a regional population forecast for conformance review and Truckee Meadows Services Area allocation. These rules outline major components in the preparation and maintenance of a locally developed consensus population forecast, and describe a process that requires the consensus forecast to be compared against the estimated population that can be supported by the sustainable water resources in the region, and consider an alternative methodology if the consensus population forecast is not maintained according to the agreement or exceeds the estimated population that can be supported by sustainable water resources in the region.

2. 2008 Interim data for forecasting. Until the process established in Section 3 or 4 below is completed the following table will be utilized for population forecasting:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Population forecast horizon (year)</th>
<th>Population forecast by jurisdiction to the horizon (‘#-people’)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reno</td>
<td>2030</td>
<td>319,200</td>
</tr>
<tr>
<td>Sparks</td>
<td>2030</td>
<td>133,600</td>
</tr>
<tr>
<td>Unincorporated Washoe County</td>
<td>2020</td>
<td>418,800</td>
</tr>
</tbody>
</table>

*Population horizons and forecasts for each jurisdiction are based on the last conforming master plan.

2. Establishment of a regional population forecast based on water sustainability

a. As illustrated in Figure 1 and outlined in the following sections, the Regional Plan and these Regulations on Procedure dictate the procedures for developing, updating, and utilizing a regional population forecast. The Regional Water Management Plan (RWMP) identifies the quantity of sustainable water resources and an estimate of the future population that can be supported by the sustainable water resources.

3. Development of the draft/updated consensus forecast. The method for the development of the draft consensus forecast is described below:

a. The data sets that will be used for the consensus forecast shall be the most current published or available data from: the State Demographer, Woods & Poole, Global Insight, NPA Data Sources and Truckee Meadows Water Authority (TMWA), and shall not be more than two (2) years old at the time the information is used to derive the population forecast.
b. The County shall collect or purchase the data and prepare a preliminary consensus forecast for distribution to Reno, Sparks, and TMRPA by January 15\textsuperscript{th} of even numbered years for review and comment, including at a minimum conducting one (1) collaborative meeting of all parties.

c. The County will prepare a \textit{draft} county-wide forecast for distribution and comment to Reno, Sparks, \textit{and} TMRPA, by February 1\textsuperscript{st} of even numbered years.

d. \textit{This forecast shall then be forwarded to the Northern Nevada Water Planning Commission (NNWPC) by March 1\textsuperscript{st}.}

4. \textbf{Alternative to the consensus forecast.} \textit{In the event Washoe County does not complete a draft/updated consensus forecast document according to the procedures in Section 3.a-c, the following describes the process is to be used instead if Section 3 has not been completed.}

a. If the \textit{draft/updated} consensus forecast has not been submitted to Reno, Sparks, and TMRPA by February 1\textsuperscript{st} of an even numbered year, the RPC for adoption as described in Section 3, above, the Regional Planning Commission (RPC) may adopt and utilize the most current, published State Demographer’s Forecast data when exercising its duties under NRS and the Regional Plan.

b. As the State Demographer only produces a county-wide population forecast, the following methods will be used to develop jurisdictional splits to be applied to the State Demographer’s forecast.

i. If a previous consensus forecast, developed pursuant to section 3.d.i., above, established jurisdictional splits approved by all local governments and TMRPA, it will continue to be used for the first alternate forecast.

ii. If no previous consensus forecast has established jurisdictional splits, as described in section 4.b.c.i, or if it appears for a second consecutive forecast period that the alternate forecast will be used, then the RPC may choose to develop a method and implementation plan for jurisdictional splits. The TMRPA shall convene a staff team, made up of at least one member from each jurisdiction and the TMRPA, to advise the RPC on this process.

c. \textit{The State Demographer’s Forecast shall be acquired by Washoe County and forwarded to Reno, Sparks and TMRPA forecast for distribution and comment. This alternative forecast shall be used in place of the consensus forecast.}

d. \textit{The Demographer’s forecast shall then be forwarded to the NNWPC by March 1\textsuperscript{st}.}

5. \textbf{Comparison of draft consensus forecast population or Demographer’s population forecast (hereinafter referred to interchangeably as “population forecast”) with estimated population that can be supported by sustainable water resources.}
a. At its first scheduled meeting in April, the NNWPC shall compare the draft population forecast with the estimated population that can be supported by the sustainable water resources as set forth in the RWMP. The NNWPC shall advance a recommendation to the Western Regional Water Commission (WRWC), which will be considered at the first WRWC meeting in April.

b. The WRWC shall compare the draft population forecast with the estimated population that can be supported by the sustainable water resources as identified in the RWMP and make a final determination as to whether the draft population forecast can be supported by the sustainable water resources set forth in the RWMP.

i. If the WRWC determines the draft population forecast is less than or equal to the estimated population that can be supported by the sustainable water resources identified in the RWMP, the process will proceed according to Section 6, below.

ii. If the WRWC determines the draft population forecast is greater than the estimated population that can be supported by the sustainable water resources identified in the RWMP, the process will proceed according to Section 7, below.

c. Regardless of the finding made by the WRWC in Section 5.b, the WRWC shall inform Reno, Sparks, Washoe County, and TMRPA as to its finding by April 20.

6. Population forecast is less than or equal to the estimated population that can be supported by the sustainable water resources in the RWMP

a. If the WRWC determines the draft population forecast is less than or equal to the estimated population that can be supported by the sustainable water resources identified in the RWMP, the WRWC will submit the draft population forecast to Reno, Sparks, Washoe County, and TMRPA by May 1 with a finding that the forecasted population can be supported by the sustainable water resources as set forth in the RWMP.

b. The process for preparing jurisdictional splits will proceed according to Section 8, below.

7. Population forecast is greater than the estimated population that can be supported by the sustainable water resources in the RWMP. If the WRWC determines the draft population forecast is greater than the estimated population that can be supported by the sustainable water resources identified in the RWMP:

a. The WRWC shall inform Reno, Sparks, Washoe County, and TMRPA of its finding and the magnitude of the difference by May 1, and may initiate an investigation to determine whether the regional population able to be supported by the sustainable water resources identified in the RWMP can be increased through the reduction in per capita consumption or an increase in the available supply of water resources or by other technically appropriate means.
b. The results of the investigation may be considered by the NNWPC and forwarded with a recommendation to the WRWC.

c. The WRWC may review the results of the investigation and the recommendation from the NNWPC and issue one of the following findings:

   i. The population that can be supported by sustainable water resources should be increased based on the results of the investigation; or

   ii. There are no opportunities to increase the sustainable water resources or reduce the per capita water demand.

d. In the case of 7.c.i. above, the WRWC may initiate an amendment to the RWMP. The amended population that can be supported by sustainable water resources will then be compared with the most recent population forecast according to the process described in Section 5.

   i. In the event that a new population forecast is being developed and is imminent at the time the RWMP is amended to reflect the revised population that can be supported by water resources, the NNWPC and WRWC shall wait until receipt of the latest population forecast to perform the comparison specified in Section 5.

e. In the case of 7.c.ii above, the WRWC shall advance a finding to the RPC for consideration; in which case the RPC shall:

   i. Consider a motion to retain the existing population forecast or return the population forecast as constrained by available sustainable water resources to Reno, Sparks, Washoe County, and TMRPA by June 1 for preparation of a final population forecast with jurisdictional splits per Section 8 below; and/or

   ii. Based on the recommendation received from the WRWC, consider the initiation of a process to amend the Regional Plan.

8. Preparation of a final consensus forecast with jurisdictional splits.

   a. The draft population forecast shall be used by Washoe County in conjunction with Reno, Sparks and TMRPA to prepare jurisdictional splits of the regional forecasted population. Prior to submission final adoption to the RPC, The final county-wide consensus population forecast must include including jurisdictional splits shall be developed in the based on one of the following manner:

      i. To develop a method and implementation plan for jurisdictional splits the TMRPA shall convene a staff team made up of at least one member from each jurisdiction and the TMRPA. Once consensus has been reached the method and implementation plan shall be reviewed and approved by each local jurisdiction and TMRPA.
b. The method established in \textit{83.d.a.i} shall be reviewed, and potentially modified by \textit{May March} 1 of even numbered years in conjunction with each update of the consensus forecast.

c. The final population forecast with jurisdictional splits will be prepared within four (4) weeks and submitted to the RPC for final adoption by April 1 in even numbered years. If the draft forecast is not received by the RPC by the due date, the RPC may consider adoption of an alternative population forecast as described in Section 4.

\textbf{9. RPC review of final population forecast.} The RPC shall review and consider adoption of the final population forecast with jurisdictional splits prepared according to sub-section 8.a above.

a. The RPC may adopt the population forecast with jurisdictional splits prepared according to sub-section 6.a. In this case, the forecast will contain the same forecasted population as the draft document originally prepared by Washoe County.

b. The RPC may adopt a population forecast with jurisdictional splits prepared according to sub-section 7.a above and that is modified so as to not exceed the sustainable water resources set forth in the RWMP.

c. The RPC may decide not to adopt the consensus forecast, in which case the RPC shall state on the record its reasoning for not adopting the consensus forecast and may initiate an amendment to the Regional Plan.

\textbf{10. Establishment of a process to disaggregation of population into smaller geographic units.} The following process shall be used to disaggregate the final population forecast by into small area geographic units, consistent with the goals and policies of the Regional Plan.

a. Following the adoption of the final population Consensus forecast by the RPC, TMRPA in conjunction with Reno, Sparks, and Washoe County each local government shall allocate their respective use an agreed upon methodology to disaggregate the population forecast, consistent with the goals and policies of the Regional Plan, to traffic analysis zones (TAZs) provided by Regional Transportation Commission staff small area geographic units.

\textbf{11. Distribution of disaggregated population data}

a. TMRPA shall make available the disaggregated population data to each local government and affected entity for the purposes of master planning, facilities planning, and other similar planning activities.*

b. No later than September 1, once the task identified in Section 6.a. is complete, the tabular data and GIS data will be provided to the TMRPA for use in exercising duties outlined in NRS, the Regional Plan, or the RPGB adopted work program.—

*\textit{Note: Water resources are only evaluated at the county-wide population forecast level and are not disaggregated to sub-jurisdictional planning units.}
c. The TMRPA may aggregate the TAZ level forecasts small area geographic information to create a forecast for other geographic units for planning or conformance review purposes.

12. Conformance review of local government and affected entity planning documents

a. The RPC shall conduct reviews of conformance with the Regional Plan consistent with State Law.

13. Maintenance and update of the consensus forecast. The consensus forecast will be prepared by the County every even-numbered year, not less often than every two years, beginning with the next publication in 2008.
Figure 1: Decision Tree: Regional Population Forecast based on Water Sustainability

Regional Planning Governing Board
Regulations on Procedures, November 8, 2007, January XX, 2010
Subject: Preliminary 2010 Washoe County Consensus Forecast Population Figures.

To Our Partners in the Consensus Forecast:

Washoe County Community Development Department staff has recently obtained population forecast data from Global Insight, Truckee Meadows Water Authority, and Woods and Poole as well as the 2008 State Demographer’s Forecast. NPA Data Services is no longer in business and is unavailable as a data source for the 2010 Consensus Forecast. For reference, Figure A below shows the 2008 Washoe County Consensus Forecast population by forecast source (2008 and 2030 figures) while Figure B shows the preliminary 2010 Washoe County population by forecast source (2010 and 2030 figures). Please keep in mind that recent trends can have a significant impact on the 2030 forecast and that individual forecast sources use different methodologies to develop the forecasts (that is part of the richness of the Consensus Forecast approach).

Figure A

<table>
<thead>
<tr>
<th>Forecast Source</th>
<th>2008 Population</th>
<th>2030 Population</th>
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</thead>
<tbody>
<tr>
<td>Global Insight</td>
<td>414,900</td>
<td>649,710</td>
</tr>
<tr>
<td>NPA Data Services, Inc.</td>
<td>417,440</td>
<td>665,150</td>
</tr>
<tr>
<td>Truckee Meadows Water Authority (TMWA)</td>
<td>428,780</td>
<td>625,285</td>
</tr>
<tr>
<td>Woods and Poole</td>
<td>408,510</td>
<td>539,220</td>
</tr>
<tr>
<td>*2006 State Demographer’s Forecast (adjusted)</td>
<td>425,554</td>
<td>622,252</td>
</tr>
<tr>
<td>Consensus Forecast (Five Sources)</td>
<td>419,037</td>
<td>620,323</td>
</tr>
</tbody>
</table>

Source: Washoe County, Global Insight, NPA, Woods and Poole, TMWA, and 2006 State Demographer’s Forecast (Adjusted).

Figure B

<table>
<thead>
<tr>
<th>Forecast Source</th>
<th>2010 Population</th>
<th>2030 Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Insight</td>
<td>426,740</td>
<td>622,660</td>
</tr>
<tr>
<td>NPA Data Services (N/A)</td>
<td></td>
<td></td>
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<tr>
<td>Truckee Meadows Water Authority (TMWA)</td>
<td>440,081</td>
<td>570,511</td>
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<tr>
<td>Woods and Poole</td>
<td>425,927</td>
<td>585,178</td>
</tr>
<tr>
<td>*2008 State Demographer’s Forecast</td>
<td>445,329</td>
<td>583,781</td>
</tr>
<tr>
<td>Consensus Forecast (Four Sources)</td>
<td>434,519</td>
<td>590,533</td>
</tr>
</tbody>
</table>

Source: Washoe County, Global Insight, Woods and Poole, 2008 State Demographer’s Forecast (Adjusted) and TMWA.
*Note – The latest version (2009) of the Nevada State Demographer’s Forecast is not available at this time. The number of new persons added for each year 2008 to 2028 was averaged (7,205) and applied to this existing forecast in order to extend the population figures to 2030.

While adhering to the Truckee Meadows Regional Planning Agency January 15 date of initial discussion of these preliminary Consensus Forecast figures I would like to set up a meeting as soon as possible with all of our partners to discuss these preliminary figures and will be in contact with each of you to organize an acceptable meeting date. If you require any additional information or background material, please contact me, phone: 328.3632, or email: dmorehouse@washoecounty.us.

Sincerely,

Don Morehouse
Planner

Enclosures

xc:
## Water Resources Baseline Table

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<th>Estimated Sustainable Water Resources</th>
<th>Estimated Impacted Supplies</th>
<th>Estimated M&amp;I commitments</th>
<th>Conversion</th>
<th>Estimated Recharge and Water Allocation (10)</th>
<th>Description of Water Rights</th>
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<td>Perennial Groundwater</td>
<td>8090</td>
<td>11500</td>
<td>8090</td>
<td>(1)</td>
<td>180</td>
<td>C-1</td>
</tr>
<tr>
<td>84 WARM SPRINGS V.</td>
<td>Perennial Groundwater</td>
<td>7090</td>
<td>3000</td>
<td>3000</td>
<td>(1)</td>
<td>90</td>
<td>C-1</td>
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<tr>
<td>85 SPANISH SPRINGS V.</td>
<td>Perennial Groundwater</td>
<td>6450</td>
<td>1000</td>
<td>1000</td>
<td>(1)</td>
<td>5370</td>
<td>C-1</td>
</tr>
<tr>
<td>86 SUN V.</td>
<td>Truckee River Allocation</td>
<td>20</td>
<td>25</td>
<td>25</td>
<td>(2)</td>
<td>3520</td>
<td>C-1</td>
</tr>
</tbody>
</table>
| 87/88 TRUCKEE MEADOWS/PLEASANT V. | Perennial Groundwater | 77370 | 32000 | 32000 | (1) | 23530 | C-1 | 2450 | Irri gation (9100 afa) and industrial (293 afa) groundwater rights conversion subject to reduction. Environmental groundwater rights of 486 afa are not available for conversion. Groundwater rights issued for WPA5679 (010 afa) and other (2400 afa) may have significant encumbrances making them unavailable for conversion to M&I or subject to conversion reduction. Per TROA operations, estimated Truckee River surface supply will produce 11,000 afa which includes 10,830 afa groundwater. 

NOTES:
- Water rights include temporary rights, supplemental rights, nonconvertible rights and rights subject to reduction upon conversion based on State Policy and local policy.
- Water right claims listed in table are based on State Engineer’s estimate of water rights, subject to reduction (Tracy Segment ruling currently under appeal).
- Perennial groundwater availability based on State Engineer’s estimate of Perennial Yield subject to final determination. (Tracy segment ruling currently under appeal).
- Importation of TMWA’s resources.
- No data.
- Groundwater availability for the Truckee Meadows and Pleasant Valley Hydrobasins combined based on State Engineer’s estimate of Perennial yield which could be used for M&I.
- Porter of TROA 11,000 afa water supply dedicated to supply demand is the Truckee-Meadows, excluding 10,890 afa of groundwater production permitted by State Engineer’s Office.
- No State Engineer estimate of perennial yield which could be used for M&I.
- Combined State Engineer’s estimate of perennial yield for Lemon Valley West and East.
- Groundwater from the south trend.
- Combined State Engineer’s estimate of perennial yield for Cold Spring Valley and Long Valley Sub area.
- Total Estimated Sustainable Water Resources: 183,250. (9) Based on Washoe County Department of Water Resources GIS database count using Washoe County Assessor’s records and State Engineer’s Well Log database, allocation assumes 1 afa per well. Water rights based on 46a af of STMWRF and 300 afa from TMWRF. Estimated yield based on 2006 TMWRF and 5800 afa from STMWRF. (10) Based on State Engineer’s Manor of Use Records for 2006 and Utilities Inc. water budget for Cold Springs. Not amended to account for supplemental rights. |

COMMENTS ON COMMITMENTS:
- Groundwater dedicatedly by Washoe County to serve customers as reported in the January 24, 2007 Four-Quarter report to the State Engineer’s Office. Not amended to account for supplemental rights.
- Groundwater dedicatedly by Washoe County to serve customers as reported in the January 24, 2007 Four-Quarter report to the State Engineer’s Office. Not amended to account for supplemental rights.
- Groundwater dedicatedly by Washoe County to serve customers as reported in the January 24, 2007 Four-Quarter report to the State Engineer’s Office. Not amended to account for supplemental rights.
- No supplemental water applications and approved for export from Truckee-Meadows to the State Engineer’s approval. |
## 2010 - 2030 Consensus Forecast Population and Building and Water Use Projections

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Domestic Well Dwelling Units</th>
<th>Single Family Dwelling Units</th>
<th>Multi Family Dwelling Units</th>
<th>Total Dwelling Units</th>
<th>Commercial Buildings</th>
<th>Domestic Well Use</th>
<th>Single Family Use</th>
<th>Multi Family Use</th>
<th>Commercial Use</th>
<th>Metered Irrigation Use</th>
<th>Total Water Use</th>
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<tbody>
<tr>
<td>2010</td>
<td>434,519</td>
<td>8,370</td>
<td>116,159</td>
<td>52,102</td>
<td>176,631</td>
<td>10,253</td>
<td>8,370</td>
<td>57,326</td>
<td>7,187</td>
<td>14,346</td>
<td>11,349</td>
<td>98,579</td>
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<td>8,555</td>
<td>119,905</td>
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<td>180,378</td>
<td>10,374</td>
<td>8,555</td>
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<td>7,161</td>
<td>14,516</td>
<td>11,498</td>
<td>100,905</td>
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<td>8,738</td>
<td>122,773</td>
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<td>8,738</td>
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<td>7,233</td>
<td>14,759</td>
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<td>103,177</td>
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<td>128,600</td>
<td>53,632</td>
<td>191,256</td>
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<td>9,024</td>
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<td>7,398</td>
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<td>9,049</td>
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<td>54,447</td>
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<td>9,049</td>
<td>64,114</td>
<td>7,510</td>
<td>15,490</td>
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<td>132,242</td>
<td>55,669</td>
<td>197,043</td>
<td>11,208</td>
<td>9,132</td>
<td>65,263</td>
<td>7,679</td>
<td>15,683</td>
<td>13,445</td>
<td>111,202</td>
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<td>9,431</td>
<td>138,874</td>
<td>57,343</td>
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<td>11,523</td>
<td>9,431</td>
<td>68,536</td>
<td>7,910</td>
<td>16,123</td>
<td>14,227</td>
<td>116,227</td>
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<tr>
<td>2019</td>
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<td>9,564</td>
<td>141,400</td>
<td>57,808</td>
<td>208,772</td>
<td>11,699</td>
<td>9,564</td>
<td>69,783</td>
<td>7,974</td>
<td>16,370</td>
<td>14,578</td>
<td>118,268</td>
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<tr>
<td>2020</td>
<td>512,138</td>
<td>9,678</td>
<td>143,908</td>
<td>58,504</td>
<td>212,090</td>
<td>11,871</td>
<td>9,678</td>
<td>71,021</td>
<td>8,070</td>
<td>16,610</td>
<td>14,965</td>
<td>120,344</td>
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<tr>
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<td>146,500</td>
<td>59,384</td>
<td>215,665</td>
<td>12,028</td>
<td>9,781</td>
<td>72,300</td>
<td>8,191</td>
<td>16,830</td>
<td>15,364</td>
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<tr>
<td>2022</td>
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<td>9,888</td>
<td>149,072</td>
<td>60,140</td>
<td>219,100</td>
<td>12,184</td>
<td>9,888</td>
<td>73,569</td>
<td>8,295</td>
<td>17,048</td>
<td>15,738</td>
<td>124,539</td>
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<tr>
<td>2023</td>
<td>535,538</td>
<td>10,000</td>
<td>151,804</td>
<td>61,055</td>
<td>222,859</td>
<td>12,345</td>
<td>10,000</td>
<td>74,917</td>
<td>8,422</td>
<td>17,274</td>
<td>16,148</td>
<td>126,761</td>
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<tr>
<td>2024</td>
<td>543,242</td>
<td>10,123</td>
<td>154,610</td>
<td>61,831</td>
<td>226,654</td>
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<td>10,123</td>
<td>76,302</td>
<td>8,529</td>
<td>17,502</td>
<td>16,537</td>
<td>128,992</td>
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<tr>
<td>2025</td>
<td>551,013</td>
<td>10,242</td>
<td>157,314</td>
<td>62,489</td>
<td>230,045</td>
<td>12,673</td>
<td>10,242</td>
<td>77,637</td>
<td>8,619</td>
<td>17,733</td>
<td>16,906</td>
<td>131,137</td>
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<tr>
<td>2026</td>
<td>558,625</td>
<td>10,355</td>
<td>159,949</td>
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<td>233,531</td>
<td>12,838</td>
<td>10,355</td>
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<td>8,721</td>
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<td>17,291</td>
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<td>162,555</td>
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<td>236,967</td>
<td>12,999</td>
<td>10,466</td>
<td>80,223</td>
<td>8,820</td>
<td>18,189</td>
<td>17,666</td>
<td>135,364</td>
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<tr>
<td>2028</td>
<td>574,047</td>
<td>10,576</td>
<td>165,190</td>
<td>64,707</td>
<td>240,473</td>
<td>13,159</td>
<td>10,576</td>
<td>81,524</td>
<td>8,925</td>
<td>18,413</td>
<td>18,047</td>
<td>137,484</td>
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<tr>
<td>2029</td>
<td>582,287</td>
<td>10,687</td>
<td>167,901</td>
<td>65,515</td>
<td>244,103</td>
<td>13,321</td>
<td>10,687</td>
<td>82,861</td>
<td>9,037</td>
<td>18,639</td>
<td>18,439</td>
<td>139,664</td>
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<tr>
<td>2030</td>
<td>590,533</td>
<td>10,808</td>
<td>170,675</td>
<td>66,244</td>
<td>247,727</td>
<td>13,485</td>
<td>10,808</td>
<td>84,230</td>
<td>9,137</td>
<td>18,869</td>
<td>18,820</td>
<td>141,865</td>
</tr>
</tbody>
</table>
Introduction

- Amendments to the Truckee Meadows Regional Plan
- Draft Consensus Population Forecast
- Sustainable Water Resources
- Water Demand Projections
- Estimated Population that can be supported by Sustainable Water Resources
- Recommended Action by Commission
Amendments to the Truckee Meadows Regional Plan

Compare the Draft Consensus Population Forecast with the estimated population that can be supported by the sustainable water resources identified in the Regional Water Plan

Attachment A
Amendments to the Truckee Meadows Regional Plan

NNWPC reviews draft Consensus Forecast and recommends for or against finding of consistency with sustainable water resources from RWMP

WRWC finds draft Consensus Forecast is consistent with sustainable water resources in RWMP and transmits finding to RPC and affected entities

Y N
### Draft Consensus Population Forecast

<table>
<thead>
<tr>
<th>2010 Population</th>
<th>2030 Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>434,519</td>
<td>590,533</td>
</tr>
</tbody>
</table>

Attachment B
Sustainable Water Resources

183,250 acre feet

Truckee River System
Groundwater Basins

Attachment C
## Water Resources Baseline Table

### Draft Water Resources Baseline Table

<table>
<thead>
<tr>
<th>Water Right</th>
<th>Description of Water Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Water</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Groundwater</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Irrigation</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Domestic Use</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Municipal Use</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Industrial Use</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Navigation</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Fish and Wildlife</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
</tbody>
</table>

### Total Consumed Sustainable Water Resources

<table>
<thead>
<tr>
<th>Water Right</th>
<th>Description of Water Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Water</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Groundwater</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Irrigation</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Domestic Use</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Municipal Use</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Industrial Use</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Navigation</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
<tr>
<td>Fish and Wildlife</td>
<td>Waterright held by Palos Verdes Peninsula Water District (WTRP) to construct and operate water treatment plant and pipeline for direct diversion to City of Los Angeles from Upper Owens River.</td>
</tr>
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</table>

**Total Consumed Sustainable Water Resources:** 183,250
# Water Use Projection

## Consensus Forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030</td>
<td>Population</td>
<td>590,500</td>
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</tbody>
</table>

## Water Use Projection

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030</td>
<td>Water Use Projection</td>
<td>142,000 acre feet</td>
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</table>

Attachment D
### Summary

<table>
<thead>
<tr>
<th>2030 Consensus Population Forecast</th>
<th>2030 Water Use Projection</th>
<th>Sustainable Water Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>590,500 acre feet</td>
<td>142,000 acre feet</td>
<td>183,250 acre feet</td>
</tr>
</tbody>
</table>
Conclusions

The draft Consensus Population Forecast for 2030 is less than the estimated population that can be supported by the sustainable water resources identified in the Regional Water Plan.
Recommended Action

The Northern Nevada Water Planning Commission Recommends that the WRWC determine that the draft Consensus Population Forecast for 2030 is less than the estimated population that can be supported by the sustainable water resources identified in the Regional Water Plan.
Questions?
Western Regional Water Commission

Staff Report

DATE: March 12, 2010

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Review, discussion and possible approval of the Western Regional Water Commission (“WRWC”) tentative budget for Fiscal Year 2010 – 2011, and possible direction to staff regarding the time and place for a public hearing on the tentative budget

SUMMARY
Staff has developed a tentative fiscal year 2010-2011 budget for the WRWC including revenues, staff and non-staff professional services, and in-kind services. Additional pages include a five-year cash flow projection and budget details for professional services related to priority projects and routine operating expenses. On April 7, 2010, the Northern Nevada Water Planning Commission (“NNWPC”) reviewed the proposed fiscal year 2010-2011 budget and made a recommendation to the WRWC.

BACKGROUND
The WRWC is required to submit a tentative budget to the Nevada Department of Taxation on or before April 15, and a final budget after holding a public hearing on the third Thursday or Friday in May. The attached tentative budget is provided for WRWC review, discussion, possible approval and possible direction to staff.

PREVIOUS ACTION
None

FISCAL IMPACT
The fiscal year 2010-2011 budget recommendation provides for $1,400,852 in revenues, $2,470,632 in expenses, an ending fund balance of approximately $2,580,691 and estimated cash balance of approximately $2,375,269. Budget expenses include a maximum of $1,886,700 for Work Plan activities, $480,932 for three full time staff and a WRWC attorney, and various routine operating expenses in the amount of $103,000.

RECOMMENDATION
Staff recommends that the WRWC approve the WRWC tentative budget for Fiscal Year 2010-2011, and direct staff to file the tentative budget with the State Department of Taxation and establish May 20, 2010, at 10:00 am as the time for the public hearing on the tentative budget.
POSSIBLE MOTION
Move to approve the WRWC tentative budget for Fiscal Year 2010-2011, and direct staff to file the tentative budget with the State Department of Taxation, and provide notice, as required by law, for the public hearing on the tentative budget on May 20, 2010, at 10:00 am.

JS:jd

Attachment: WRWC Fiscal Year 2010 – 2011 Tentative Budget
Western Regional Water Commission
July 1, 2010 - June 30, 2011
Budget - Draft

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>1.5% RWMF</th>
<th>NOTE</th>
<th>Washoe County In-Kind</th>
<th>NOTE</th>
<th>TMWA In-Kind</th>
<th>NOTE</th>
<th>SVGID In-Kind</th>
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<td>Amount</td>
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<td>Estimated Water Surcharge Revenues</td>
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<td>PROFESSIONAL SERVICES/SUPPLIES</td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
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<tr>
<td>Estimated Professional Services</td>
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<td>1,200</td>
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<td>Total Professional Services/Supplies</td>
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<td>62,629</td>
<td>3</td>
<td>25,200</td>
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<td>OTHER EXPENSES</td>
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<td></td>
<td>Amount</td>
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<td>Amount</td>
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<td>1,500</td>
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Net Decrease in Cash Reserves ($1,069,780) 9

NOTES:
1. Proposed budget for the 1.5% Regional Water Management Fund (1.5% RWMF) provides legal spending authority for projects yet to be approved by the WRWC upon recommendations provided by the NNWPC. Specific per project scope and cost yet to be developed and approved by the WRWC.
2. Proposed budget provides legal spending authority for contract staff services previously approved by the WRWC.
3. Washoe County estimate for labor overhead: 1.5% RWMF management, accounting, purchasing, human resources, information technology, routine/administrative and GIS/drafting services.
4. TMWA estimate to perform administrative tasks such as drafting and posting agendas, producing staff reports, delivering agenda packets, contracts to provide WRWC minutes and website postings and updates.
5. TMWA estimate for supplies to produce agendas, staff reports and agenda packets.
6. Washoe County estimate for services and supplies overhead: office space, utilities, computer hardware, software, copier, supplies.
7. TMWA estimate for office space, copier, computer expenditures.
8. Cost for various SVGID overhead related to providing staff resources.
9. Budget expenses exceed revenues by $1,069,780, which reduces projected cash revenues to approximately $2.62 million at 6/30/11.
## Western Regional Water Commission
### Cash Flow Projections
#### December 31, 2009 - June 30, 2014

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<th>Total Operating Expenses&lt;sup&gt;1&lt;/sup&gt;</th>
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<th>Conservation, Sustainability, Climate Change</th>
<th>Regional Reclaimed Water Planning Projects</th>
<th>Regional Stormwater Water Planning Projects</th>
<th>Regional Flood Control Water Planning Projects</th>
<th>Regional Wastewater Planning Projects&lt;sup&gt;2&lt;/sup&gt;</th>
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**Notes:**

1. Operating expenses include: employees, legal counsel, minutes, web site, travel & training, annual audit and miscellaneous expenses (i.e. SNCAT, printing & reproduction, publications, periodicals and public notices). Based on projected quarterly operating expenditures, WRWC mandated (WRWC Meeting 3/13/09) a six month operating reserve be maintained in the budget at all times which requires a minimum cash reserve of $286,400. Assumes continuation of in-kind service contributions.

2. Cost is for regional planning element. Assumes majority of funding to be provided by wastewater purveyors.

**TOTALS:**

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**Western Regional Water Commission**

**Fiscal Year 2010-2011 Routine Operating Budget Detail**

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**Expense Description/Example**

- **WRWC Employees**: Cost for Support Staff services as defined by employee services contract entered into between Washoe County and WRWC.
- **Mileage Expenses**: Annual routine daily vehicle mileage expenses.
- **Legal Counsel**: Cost for Legal Counsel services as defined by contract as entered into between John Rhodes and WRWC.
- **Minutes**: Annual service contract to provide for recording of meetings and transcription of minutes.
- **Website**: Contract for initial website development; website content and design services; annual website updating, maintenance, and hosting; specialized programming services; digital library development and updating; hosting, development and maintenance of SharePoint site; licensing fees, software and software updates; training/programming reference materials; hosting of TRIG server.
- **Video Coverage**: Annual Expense for video coverage of WRWC and NNWPC Meetings.
- **CAFR & Audit**: Annual Expense for CAFR development and Financial Audit.
- **Regional Training**: Cost of travel and training for staff members not covered by in-kind services including transportation services, mileage reimbursement, lodging, meals, registration and other miscellaneous cost such as reference materials, parking meters, field trips, etc.
- **Regional Travel**: Cost of travel and training for staff members not covered by in-kind services including transportation services, mileage reimbursement, lodging, meals, registration and other miscellaneous cost such as reference materials, parking meters, field trips, etc.
- **Advertising**: Printing & reproduction, publications, and public notices, refreshments for volunteer boards/commissions, GIS and other in-house member agency support (not covered by in-kind services), equipment & supplies (i.e. computers, computer related supplies such as CDs, DVDs, etc.), projectors, printers, CD label machine, poster board, reproduction services, software licensing and fees, advertising, labels, business cards, periodicals, subscriptions, books, postage & mailing, promotion and public materials, miscellaneous equipment rental.
- **Expiration of In-Kind Services (TMWA/DWR/SVGID)**: Currently all in-kind service costs are covered by member agencies as specified by interlocal agreement.
Western Regional Water Commission herewith submits the (TENTATIVE) budget for the fiscal year ending June 30, 2011

This budget contains 0 funds, including Debt Service, requiring property tax revenues totaling $ 0 _______________

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed 0 _______________ If the final computation requires, the tax rate will be lowered.

This budget contains 1 governmental fund types with estimated expenditures of $ 2,470,632 _______________ and 0 proprietary funds with estimated expenses of $ 0 _______________

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local Government Budget and Finance Act).

CERTIFICATION

I

Ben Hutchins

(Printed Name)

Finance & Customer Service Manager

>Title)

certify that all applicable funds and financial operations of this Local Government are listed herein

Signed: ____________________

Dated: ____________________

APPROVED BY THE GOVERNING BOARD

SCHEDULED PUBLIC HEARING:

Date and Time 5/20/10 10:00 AM Publication Date

Place: City of Sparks Legislative Council Chambers, 745 Fourth Street, Sparks, Nevada
### FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL PRIOR YEAR ENDING 06/30/09</th>
<th>ESTIMATED CURRENT YEAR ENDING 06/30/10</th>
<th>BUDGET YEAR ENDING 06/30/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Judicial</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Public Safety</td>
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<tr>
<td>Public Works</td>
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<tr>
<td>Sanitation</td>
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<td></td>
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<tr>
<td>Health</td>
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<tr>
<td>Welfare</td>
<td></td>
<td></td>
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<tr>
<td>Culture and Recreation</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Community Support</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>TOTAL GENERAL GOVERNMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Hospitals</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Transit Systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Personnel support services are provided to the Commission pursuant to an interlocal agreement with Washoe County Department of Water Resources.**

### POPULATION (AS OF JULY 1)

<table>
<thead>
<tr>
<th>SOURCE OF POPULATION ESTIMATE*</th>
<th>06/30/09</th>
<th>06/30/10</th>
<th>06/30/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed Valuation (Secured and Unsecured Only)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Proceeds of Mines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSESSED VALUE</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**TAX RATE**

<table>
<thead>
<tr>
<th></th>
<th>06/30/09</th>
<th>06/30/10</th>
<th>06/30/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL TAX RATE</strong></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

* Use the population certified by the state in March each year. Small districts may use a number developed per the instructions (page 6) or the best information available.

Western Regional Water Commission
(Local Government)

SCHEDULE S-2 - STATISTICAL DATA
# SCHEDULE A - ESTIMATED REVENUES & OTHER RESOURCES - GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS & TAX SUPPORTED PROPRIETARY FUND TYPES

**Budget For Fiscal Year Ending June 30, 2011**

<table>
<thead>
<tr>
<th>GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUNDS</th>
<th>BEGINNING FUND BALANCES (1)</th>
<th>CONSOLIDATED TAX REVENUE (2)</th>
<th>PROPERTY TAX REQUIRED (3)</th>
<th>TAX RATE (4)</th>
<th>OTHER REVENUE SOURCES OTHER THAN TRANSFERS IN (5)</th>
<th>TOTAL OPERATING TRANSFERS IN (7)</th>
<th>TOTAL (8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>3,650,471</td>
<td>1,400,852</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,051,323</td>
</tr>
</tbody>
</table>

**DEBT SERVICE**

Subtotal Governmental Fund Types, Expendable Trust Funds

<table>
<thead>
<tr>
<th>PROPRIETARY FUNDS</th>
<th>BEGINNING FUND BALANCES (1)</th>
<th>CONSOLIDATED TAX REVENUE (2)</th>
<th>PROPERTY TAX REQUIRED (3)</th>
<th>TAX RATE (4)</th>
<th>OTHER REVENUE SOURCES OTHER THAN TRANSFERS IN (5)</th>
<th>TOTAL OPERATING TRANSFERS IN (7)</th>
<th>TOTAL (8)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Subtotal Proprietary Funds

|                   |                             |                              |                           |             |                                                 |                                 |           |

TOTAL ALL FUNDS

<p>| | | | | | | | |
|                   |                             |                              |                           |             |                                                 |                                 |           |</p>
<table>
<thead>
<tr>
<th></th>
<th>(1) Actual Prior Year Ending 6/30/09</th>
<th>(2) Estimated Current Year Ending 6/30/2010</th>
<th>(3) Tentative Approved</th>
<th>(4) Final Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5% Regional Water Management Fees</td>
<td>1,198,225</td>
<td>1,294,293</td>
<td>1,367,000</td>
<td></td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>153,653</td>
<td>60,691</td>
<td>33,852</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1,351,878</td>
<td>1,354,984</td>
<td>1,400,852</td>
<td></td>
</tr>
<tr>
<td><strong>Other Financing Sources:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers In (Schedule T)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserved</td>
<td>3,128,835</td>
<td>3,288,783</td>
<td>3,650,471</td>
<td></td>
</tr>
<tr>
<td>Unreserved</td>
<td>3,128,835</td>
<td>3,288,783</td>
<td>3,650,471</td>
<td></td>
</tr>
<tr>
<td><strong>Total Beginning Fund Balance</strong></td>
<td>3,128,835</td>
<td>3,288,783</td>
<td>3,650,471</td>
<td></td>
</tr>
<tr>
<td>Prior Period Adjustment(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residual Equity Transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>4,480,713</td>
<td>4,643,767</td>
<td>5,051,323</td>
<td></td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages &amp; Salaries</td>
<td>1,191,930</td>
<td>993,296</td>
<td>2,470,632</td>
<td></td>
</tr>
<tr>
<td>Benefit Expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services &amp; Supplies</td>
<td>1,191,930</td>
<td>993,296</td>
<td>2,470,632</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1,191,930</td>
<td>993,296</td>
<td>2,470,632</td>
<td></td>
</tr>
<tr>
<td><strong>Other Uses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingency (not to exceed 3% of total expenditures)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Operating Transfers Out (Schedule T)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>3,288,783</td>
<td>3,650,471</td>
<td>2,580,691</td>
<td></td>
</tr>
<tr>
<td>Reserved</td>
<td>3,288,783</td>
<td>3,650,471</td>
<td>2,580,691</td>
<td></td>
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<tr>
<td>Unreserved</td>
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<td>3,650,471</td>
<td>2,580,691</td>
<td></td>
</tr>
<tr>
<td><strong>Total Ending Fund Balance</strong></td>
<td>3,288,783</td>
<td>3,650,471</td>
<td>2,580,691</td>
<td></td>
</tr>
<tr>
<td><strong>Total Commitments &amp; Fund Balance</strong></td>
<td>4,480,713</td>
<td>4,643,767</td>
<td>5,051,323</td>
<td></td>
</tr>
</tbody>
</table>

Western Regional Water Commission  
(Local Government)  
SCHEDULE B  
FUND 766
Western Regional Water Commission

Staff Report

DATE: March 31, 2010

TO: Chairman and Members, Western Regional Water Commission

FROM: Ben Hutchins, Finance & Customer Services Manager,
Washoe County Department of Water Resources

SUBJECT: Discussion and possible ratification the WRWC Program Manager’s designation of Schettler, Macy & Silva, LLC as the WRWC’s external auditors for the Fiscal Year 2010-2011 financial statement audit.

SUMMARY
Schettler, Macy & Silva, LLC performed the Western Regional Water Commission (WRWC) audit for fiscal year ended June 30, 2009; this was the first full accounting period for the WRWC. The Program Manager designated Schettler, Macy & Silva, LLC as the external auditors for fiscal year ending June 30, 2010, meeting the March 31, 2010 deadline to notify the State of Nevada, and is requesting ratification of this decision from the Commission.

PREVIOUS ACTION
On March 13, 2009 the Commission selected Schettler, Macy & Silva, LLC as the external auditors for fiscal year ended June 30, 2009.

BACKGROUND
NRS requires the selection of external auditors to be made and communicated to the State no later than March 31st of each year. In keeping with this deadline, Washoe County’s Department of Water Resources (DWR) secured an engagement letter and price proposal from Schettler, Macy & Silva, LLC since they performed the audit for fiscal year ended June 30, 2009.

Schettler, Macy & Silva, LLC did not propose a fee increase from the prior year ($7,800), and their proposal was much lower than another audit firm that submitted a proposal for the 2008/09 audit ($14,000 - $15,300). Since they performed the audit for fiscal year 2008/09 in a professional and cost effective manner, and did not propose a fee increase for the 2009/10 audit, the WRWC Program Manager designated Schettler, Macy & Silva, LLC as the external auditors for fiscal year ending June 30, 2010 because of WRWC meeting cancellations and to adhere to the State of Nevada’s auditor notification deadline.

FISCAL IMPACT
The proposal received from Schettler, Macy & Silva, LLC indicates 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
Staff recommends that the WRWC ratify the decision to designate Schettler, Macy & Silva, LLC as the external auditors for fiscal year ending June 30, 2010.

POSSIBLE MOTION
Should the Commission agree with the above noted recommendation, a suggested motion is: “Move to ratify the WRWC Program Manager’s designation of Schettler, Macy & Silva, LLC as the WRWC’s external auditors for the Fiscal Year 2010-2011 financial statement audit, and approve the related Letter of Engagement.”
February 12, 2010

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

Dear Ben:

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, 2010. 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, 2010. 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

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.

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 WRWC 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 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, contracts, agreements, and grants and 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 financial audits, attestation engagements, performance audits or other 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, attestation engagements, performance audits, or other studies. You are also responsible for providing management’s views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

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 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 in our report on compliance issued pursuant to Government Auditing Standards.

Audit Administration, Fees, and Other

We understand that your 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 WRWC; 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 Schettler, Macy & Silva, 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 the State of Nevada or its designee, 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 Schettler, Macy & Silva, 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 the State of Nevada.

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. 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

RESPONSE:

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

By: ____________________
Title: ____________________
Date: ____________________
Western Regional Water Commission

STAFF REPORT

DATE: March 31, 2010

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Discussion and possible direction to staff regarding the July 15, 2010 meeting of the Legislative Committee to Oversee the Western Regional Water Commission (“WRWC”)

SUMMARY
This item is to advise the Commissioners that the Legislative Committee to Oversee the WRWC has cancelled its April 15, 2010, meeting; and to allow direction to staff concerning the next scheduled meeting on July 15, 2010. Neither an agenda for July 15, nor minutes for the Committee’s January 7, 2001, meeting have been posted.
Western Regional Water Commission

Staff Report

DATE: April 1, 2010

TO: Chairman and Members, Western Regional Water Commission

FROM: Rosemary Menard, Director, Washoe County Water Resources

SUBJECT: Discussion and possible direction to staff regarding agenda items for the Thursday, May 20, 2010 Commission meeting and future meetings

1. Required public hearing on the Western Regional Water Commission budget for Fiscal Year 2011.

2. Contract amendment with Somach Simmons and Dunn for Total Maximum Daily Load for nutrients to the Truckee River and Clean Water Act related legal work.

3. Interlocal agreement(s) between TMWA and WRWC, and Washoe County and WRWC, regarding Regional Water Management Fund funding for integration work.