

Summary of Key Activities TMWA and DWR Water Utility Consolidation Process

Overview of the Process:

- Preliminary Assessment and Feasibility Analysis – September 2008 to July 2009
- Western Regional Water Commission recommendation the Truckee Meadows Water Authority Board (TMWA Board) and the Washoe County Commission (County Commission) to proceed with more detailed analysis – August 2009
- Joint meeting of TMWA Board and County Commission with unanimous decision by both bodies to direct staff to develop an Inter-Local Agreement (ILA) to guide further planning for consolidation – September 2009
- Joint meeting of TMWA Board and County Commission with unanimous action to approve the proposed ILA – December 2009
- Implementation of the ILA – January 2010 to Present:
 - Information exchange and due diligence process –
 - DWR Water System Site Assessments – Completed Spring 2010
 - Information Exchange and evaluation of status of DWR lands and easements, water rights, contracts and commitments, facility plans, customer services policies, procedures and systems, and employment and compensation practices – Completed Fall 2010
 - Preparation of operating plans and short and long term capital improvement programs for an integrated water utility – Initiated Summer 2010 with work ongoing
 - Joint review of TMWA Rules of service and DWR Ordinances and Policies to align and harmonize business practices – Initiated Spring 2010 with work ongoing
 - Collaborative evaluation of opportunities for increased conjunctive use of surface and ground water resources – Initiated Spring 2010 with work ongoing
 - Initiation of independent financial analysis of TMWA and DWR as stand alone utilities and of a consolidated utility – Initiated Winter 2011 with work ongoing
 - Initiation of work with the South Truckee Meadows General Improvement District (STMGID) to evaluate possible futures should DWR cease to be in a position to be STMGID's contracted service provider due to consolidation
 - Implement a community engagement process to advise STMGID's Local Managing Board and Board of Trustees during the alternative development and evaluation process – Initiated Winter 2010 with work ongoing
 - Conduct workshop with Local Managing Board – Winter 2010
 - Conduct customer survey – Summer 2010
 - Conduct Focus Groups – Winter 2011
 - Conduct a qualitative and quantitative analysis of possible future options for STMGID – Initiated Fall 2010 with work ongoing

January 2011

Talking Points
Truckee Meadows Water Authority (TMWA) and
Washoe County Department of Water Resources (DWR)
Water Utility Consolidation Process

- Washoe County and the Truckee Meadows Water Authority have made considerable progress towards consolidating the two largest water providers in the Truckee Meadows region (see reverse for summary of key activities).
- Major benefits expected from consolidation are expected to include:
 - Increased conjunctive use of surface and groundwater supplies that will result in increased water system resiliency in the face of uncertainty and improved sustainability in the management of critical water resources;
 - Improved performance in planning for and managing water system infrastructure, including making better use of existing infrastructure before new infrastructure is developed;
 - Reduced potential for investing in assets that become stranded due to two agencies with adjacent service areas planning for and investing in infrastructure to meet new growth in those adjacent service areas
 - Improved efficiency and effectiveness in operations due to economies of scale, opportunities for cross-training of staff and for optimizing operations to minimize costs; and
 - Increased ability to keep user rates and development fees down over the long run due to improved infrastructure management and planning and increased operational efficiencies.
- County and TMWA staff and boards are working to position the two agencies to implement a full merger of the two water utilities when financial and other key criteria for success are achieved. The economic climate in Northern Nevada is creating some challenges in moving towards consolidations because it is impacting the financial condition of both utilities. Staff and elected officials, however, continue to aggressively work to establish and maintain momentum and look for creative solutions that will allow the merger to move forward.
- Key next steps in the process include:
 - Completing the Financial Analysis of alternatives – Late Winter 2011
 - Preparing the Addendum described in the Inter-Local Agreement and negotiating the agreement laying out the final terms, conditions, and time frame for consolidation – Late Spring 2011
 - Finalizing the evaluation of alternatives for how service will be provided to customers of the South Truckee Meadows General Improvement District should DWR's water utility function be consolidated into TMWA – Late Spring 2011
 - Resolving several issues related to DWR's current debt as needed to allow for the transfer of DWR's water utility assets to TMWA – Ongoing

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