WESTERN REGIONAL WATER COMMISSION ("WRWC")
AGENDA

Wednesday, January 16, 2013
10:30 a.m.
Sparks Council Chambers, Legislative Building
745 Fourth St., Sparks, Nevada

NOTICE OF POSSIBLE QUORUM OF THE BOARD OF DIRECTORS OF THE TRUCKEE MEADOWS WATER AUTHORITY ("TMWA"), BOARD OF COUNTY COMMISSIONERS OF WASHOE COUNTY ("BCC"), AND BOARD OF TRUSTEES OF THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT ("STMGID")

(See 'Notes')

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

1. Roll Call and Determination of presence of a Quorum*
2. Pledge of Allegiance*
3. Public comment — limited to no more than three minutes per speaker*
4. Introduction of and oath of office for newly appointed WRWC Trustees; election of Chairman, Vice-Chairman, Secretary and Treasurer for the 2013 calendar year, Jim Smitherman, WRWC Water Resources Program Manager. (for possible action)
5. Approval of Agenda (for possible action)
6. Approval of the minutes of the September 19, 2012 meeting (for possible action)
7. Report by the Desert Research Institute ("DRI") on its Cloud Seeding Operations for the Truckee River and Lake Tahoe Basins for the past water year and status of its Cloud Seeding Coalition efforts; discussion and possible approval of
funding in an amount not to exceed $100,000 from the Regional Water Management Fund ("RWMF") to support similar Cloud Seeding Operations for the upcoming water year; and, if approved, authorize the chairman to execute an Interlocal Agreement for that purpose, Mark Green, PhD, DRI (for possible action)

8. Status and discussion of Truckee Meadows Regional Planning Agency ("TMRPA") population and employment modeling project and possible approval of a one-year time extension of the existing Interlocal Agreement providing funding from the RWMF for the project; and, if approved, authorize the Chairman to execute an Amendment to the Agreement for that purpose, Jim Smitherman, Kim Robinson, Sienna Reid, and Jeremy Smith, TMRPA; (for possible action)

9. Review and possible approval of the 2011-2012 WRWC audit report and financial statement, Ben Hutchins, Washoe County (for possible action)

10. Discussion and possible designation of The Bullard Macy Group as the WRWC’s external auditors for the Fiscal year 2012-2013 financial statement audit, and possible direction to staff to file required documents with the State of Nevada, Ben Hutchins, (for possible action)

11. Report on legislative activities, including Bill Draft Requests for the 2013 session of the Nevada Legislature that may affect the WRWC / NNWPC, John Rhodes, WRWC Legal Counsel. *

12. Discussion and possible approval of the Memorandum of Legislative Cooperation Among Local Governments, Affected Government Entities, Service Providers, and other Agencies in the Truckee Meadows Region for the 2013 session of the Nevada Legislature; and, if approved, authorize the Chairman to execute the Memorandum, Jim Smitherman, (for possible action)

13. Discussion and possible direction to staff regarding agenda items for the March 20, 2013, meeting and other future meetings (for possible action)

14. Commission Comments*

15. Staff Comments*

16. Public comment — limited to no more than three minutes per speaker*

17. Adjournment (for possible action)
Western Regional Water Commission

STAFF REPORT

DATE: December 12, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Introduction of and oath of office for newly appointed Western Regional Water Commission (“WRWC”) Trustees; election of Chairman, Vice-Chairman, Secretary and Treasurer for the 2013 calendar year.

SUMMARY

Section 26, Chapter 531, Statutes of Nevada 2007, the Western Regional Water Commission Act (the “Act”), provides that each member of the Board shall file an oath of office with the Washoe County Clerk. Newly appointed WRWC members are typically sworn in prior to attending their first meeting; however, this year the timing of some appointments makes it necessary to have oaths of office administered at the beginning of the meeting.

Section 27.1 of the Act provides that “The Board shall elect one of its members as Chairman and one of its members as Vice Chairman, and shall elect a Secretary and a Treasurer, who may be members of the Board. The Secretary and the Treasurer may be the same person. The terms of the officers expire on December 31 of each year.”

PREVIOUS ACTION

On February 10, 2012, the WRWC Board Members elected the following officers:

   Mike Carrigan, Chairman
   Bob Larkin, Vice-Chairman
   Margaret Reinhardt, Secretary
   Steve Cohen, Treasurer

On January 14, 2011, the WRWC Board Members elected the following officers:

   Mike Carrigan, Chairman
   Bob Larkin, Vice-Chairman
   Margaret Reinhardt, Secretary
   Steve Cohen, Treasurer
On January 8, 2010, the WRWC Board Members elected the following officers:

   Mike Carrigan, Chairman
   Bob Larkin, Vice-Chairman
   Patricia Lancaster, Secretary
   Steve Cohen, Treasurer

On January 9, 2009, the WRWC Board Members elected the following officers:

   Mike Carrigan, Chairman
   Dave Aiazzi, Vice-Chairman
   Patricia Lancaster, Secretary
   Steve Cohen, Treasurer

On April 11, 2008, the WRWC Board Members elected the following officers:

   Mike Carrigan, Chairman
   Dave Aiazzi, Vice-Chairman
   Jim Ainsworth, Secretary
   Steve Cohen, Treasurer

JS:jd
The regular meeting of the Western Regional Water Commission ("WRWC") Board of Trustees was held on Wednesday, September 19, 2012, at Sparks Council Chambers, 431 Prater Way, Sparks, Nevada.

1. **Roll Call and Determination of presence of a Quorum** – Chairman Carrigan called the meeting to order at 10:30 a.m. There was a quorum present.

   **Members Present:**
   - Mike Carrigan, Chair
   - Dave Aiazzi, Vice-Chair
   - Steve Cohen
   - Kitty Jung
   - Robert Larkin
   - Geno Martini
   - Margaret Reinhardt
   - Ron Smith

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

   **Members Absent:**
   - Robert Cashell

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

2. **Pledge of Allegiance**

   Chairman Carrigan asked Member Smith to lead the Western Regional Water Commission in the Pledge of Allegiance.

3. **Public Comments**

   Darrin Price, Sun Valley GID General Manager, invited everyone to participate in the great "Truckee River Clean Up", which is scheduled for Saturday, September 29 from 8:00 a.m. to noon. He stated that information on the event could be found at the website of Keep Truckee Meadows Beautiful (www.ktmb.org).

   Chairman Carrigan thanked Mr. Price for his comments.

4. **Approval of the agenda**

   Commissioner Martini made a motion to approve the agenda as submitted. Commissioner Aiazzi seconded the motion, which carried unanimously.
5. Approval of the minutes of the May 17, 2012 meeting (for possible action)

The minutes of the May 17, 2012 meeting were presented for approval. Commissioner Martini made a motion to approve the minutes as submitted. Commissioner Aiazzi seconded the motion, which carried unanimously.

6. Review and possible ratification of staff's approval of an invoice for reimbursement of certain expenses incurred in evaluating and implementing recommendations regarding integration/consolidation of Washoe County’s water utility and (“TMWA”) as per the existing Interlocal Agreement (“ILA”) — Jim Smitherman, WRWC Water Resources Program Manager (for possible action)

Jim Smitherman reported that there is an existing ILA with Washoe County Department of Water Resources (“DWR”) and TMWA to reimburse for some of the consolidation efforts and expenses. He referred to the list of items for reimbursement, of which three items exceed $25,000 (which is over the amount he can approve without WRWC approval). He stated that he reviewed and approved each of the line items with a request for ratification by the WRWC.

Commissioner Martini made a motion to ratify and confirm staff’s approval of the itemized contract payments in excess of $25,000 as eligible reimbursement expenses, as shown in the invoice submitted jointly by TMWA and Washoe County for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation, in accordance with the existing ILA. Commissioner Larkin seconded the motion, which carried unanimously.

7. Review and possible approval of an amendment to the contract with Lombardo & Associates, Inc. for a groundwater management study, to identify strategies and potential funding mechanisms to address regional groundwater quality and quantity issues, including nitrate concentrations related to septic tanks, extending the project completion date for 12 months, and if approved, authorize the Chairman to execute the Amendment — Chris Wessel, WRWC Water Management Planner (for possible action)

Chris Wessel stated that this request is simply for an extension of the contract with no budget or scope changes.

Commissioner Aiazzi made a motion to approve the amendment to the contract with Lombardo & Associates, Inc. for a groundwater management study to identify strategies and potential funding mechanisms to address regional groundwater quality and quantity issues, including nitrate concentrations related to septic tanks, extending the project completion date for 12 months, and if approved, authorize the Chairman to execute the Amendment. Commissioner Martini seconded the motion, which carried unanimously.
8. Report on the Legislative Committee to Oversee the WRWC (“LOC”) meeting of June 28, 2012, and possible designation of a WRWC Legislative Subcommittee for the 2013 session of the Nevada Legislature — Jim Smitherman (for possible action)

Mr. Smitherman reported that the LOC held its final meeting on June 28, 2012. He stated that he included a copy of the meeting agenda in the WRWC packets. He mentioned that one item of interest was a bill draft request (“BDR”) to continue the LOC’s life of overseeing the WRWC beyond the sunset date of July 1, 2013. Also included in the BDR is the potential for the LOC to oversee all of Nevada’s water issues. He stated that the BDR is 144, which is listed on the Legislative Council Bureau (“LCB”) website although at this time no language is presented. He summarized that the WRWC, or its Legislative Subcommittee if the WRWC chooses to form it, should continue to follow the BDR and he offered to provide updates as available.

Commissioner Aiazzi made a motion to form a Legislative Subcommittee for the 2013 Legislative session, to include the Chairman and Vice Chairman and Commissioner Cohen. Commissioner Martini seconded the motion.

Chairman Carrigan mentioned representation on the subcommittee by South Truckee Meadows General Improvement District (STMGID). Commissioner Cohen stated that he would be willing to serve on the subcommittee again if re-elected to the STMGID Local Managing Board (“LMB”) in November. Chairman Carrigan suggested that the motion should include a representative of STMGID, rather than Commissioner Cohen specifically, if that would be agreeable to the maker of the motion and the Commissioner who seconded.

Commissioner Aiazzi offered to include appointment of a STMGID representative to the subcommittee in his motion. Commissioner Martini agreed in his second. Chairman Carrigan called for a vote on the motion, which carried unanimously.

9. Discussion and possible direction to staff regarding agenda items for the October 12, 2012 meeting and other future meetings (for possible action)

Mr. Smitherman stated that the only item that might be scheduled for the October meeting is discussion of continued funding of the cloud seeding program by Desert Research Institute (“DRI”). He stated that he is in discussions with DRI to see if the January meeting would meet DRI’s timeframe and offered to provide an update to the WRWC when available.

Chairman Carrigan thanked Mr. Smitherman for following up and requested that he advise the WRWC as to whether the item could wait.

Mr. Smitherman reported that the January meeting would include:
- Election of officers for the WRWC
- Status updates on projects funded by the WRWC
- Potential discussion of continued funding of the cloud seeding program

10. Commission Comments*

None
11. Staff Comments*

None

12. Public Comment

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

13. Adjournment

With no further business, the meeting was adjourned at 10:50 a.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on _____________ 2012.

_________________________________________
Mike Carrigan, Chairman

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

STAFF REPORT

DATE: September 13, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Report by the Desert Research Institute (“DRI”) on its Cloud Seeding Operations for the Truckee River and Lake Tahoe Basins for the past water year and status of its Cloud Seeding Coalition efforts; discussion and possible approval of funding in an amount not to exceed $100,000 from the Regional Water Management Fund (“RWMF”) to support similar Cloud Seeding Operations for the upcoming water year; and, if approved, authorize the Chairman to execute an Interlocal Agreement for that purpose.

SUMMARY
On October 3, 2012, the Northern Nevada Water Planning Commission (“NNWPC”) received a report from DRI on its cloud seeding operations for the 2011-2012 water year and its efforts to form a cloud seeding coalition to establish broader-based funding and support for the program. DRI also presented a proposal (attached) for the 2012-2013 water year including a request for $100,000 from the RWMF. The NNWPC unanimously approved a motion to recommend that the WRWC approve the budgeted funding ($100,000 from the RWMF) to continue the cloud seeding program.

The DRI cloud seeding budget for the 2012-2013 water year is $275,000. The WRWC budget for FY 2011-2012 includes $100,000 for the cloud seeding program. Late last year, the Truckee Meadows Water Authority (“TMWA”) awarded $175,000 to DRI for the proposed project, having been made aware of the WRWC budget amount.

Dr. Mark Green, Mr. Greg Borlin and Mr. Arlen Huggins, all of DRI, will be available to provide a presentation and answer questions.

BACKGROUND
DRI funding cuts three years ago affected its cloud seeding operations such that outside financing was necessary to continue the program. Beginning in 2009, the RWMF has partially funded DRI cloud seeding operations during water years 2009-2010, 2010-2011 and 2011-2012.

PREVIOUS ACTION
On February 10, 2012, the WRWC unanimously approved an amount not to exceed $100,000 from the RWMF to support cloud seeding operations for the 2011-2012 water year and authorized the Chairman to execute an Interlocal Agreement with DRI for that purpose.
On September 10, 2010, the WRWC unanimously approved an amount not to exceed $100,000 from the RWMF to support cloud seeding operations for the 2010-2011 water year and authorized the Chairman to execute an Interlocal Agreement with DRI for that purpose.

On November 13, 2009, the WRWC unanimously approved funding up to a maximum of $45,000 from the RWMF, which could be reduced by successful efforts of the cloud seeding coalition to raise funds.

**FISCAL IMPACT**
The fiscal impact to the RWMF, should this item be approved, will be $100,000. Budget authority is located in Fund Group 766, Fund 7066, Account Number 710100, Professional Services, Cost Object WP310100.

**RECOMMENDATION**
The NNWPC recommends that the WRWC approve the budgeted funding of $100,000 from the RWMF to continue the cloud seeding program, and authorize the Chairman to execute an Interlocal Agreement with DRI for that purpose.

JS:jd
1) PARTIES

This Interlocal Agreement ("Agreement") is entered into between the Western Regional Water Commission, a political subdivision of the State of Nevada, (the "Commission") and the Board of Regents of the Nevada System of Higher Education on behalf of the Desert Research Institute, Western Regional Climate Center, Division of Atmospheric Sciences ("DRI"), a subdivision of the State of Nevada, collectively, the "Parties" or, as the context requires, “Party”. In consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

2) RECITALS

2.1 The Parties are public agencies as defined in NRS 277.100(1)(a).

2.2 NRS 277.180 provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any public agency, entering into the contract, is authorized to perform.

2.3 On October 3, 2012, the Northern Nevada Water Planning Commission, ("NNWPC"), at its regular meeting held that date, recommended that the Commission approve funding, in an amount not to exceed $100,000 from the Regional Water Management Fund ("RWMF") for DRI’s Cloud Seeding Program in the Tahoe and Truckee River Basins for the 2013 water year (the “Project”).

2.4 On January 16, 2013, the Commission, at a meeting held that date, agreed to and approved funding for the Project, in an amount not to exceed $100,000 from the RWMF, and authorized its Chairman to execute an Interlocal Agreement with DRI for that purpose.

2.5 The Scope of Work and Budget for the Project is attached hereto as Exhibit “A”.

3) RIGHTS & DUTIES

3.1 DRI
3.1.1 DRI shall conduct the Project and will submit invoices to the Commission through its Contract Administrator, on a quarterly basis, as provided in the Scope of Work and Budget attached hereto as Exhibit “A”, and incorporated herein by reference. Work on the Project will progress and be completed within calendar year 2013.

3.1.2 DRI will provide or contract for all services required to complete the Project.

3.1.3 DRI shall, through its designated representative or Contract Administrator, provide to the Commission any information requested by the Commission’s Contract Administrator, relating to any invoice submitted for payment.

3.1.4 DRI shall set up a separate account for the Project, if not already existing, so that check numbers along with copies of cancelled checks for all expenditures can be submitted, as well as an exact itemization of Project expenditures, copies of itemized invoices, and properly documented timesheets.

3.2 The Commission

3.2.1 The Commission’s Water Resources Program Manager, Jim Smitherman, is hereby designated as the Commission’s Contract Administrator.

3.2.2 Upon the submission of an invoice for payment, pursuant to Paragraph 3.1.1 above, the Contract Administrator shall promptly review the invoice, request any further information or documentation required, and process the invoice for payment within thirty (30) days following his approval.

3.2.3 The Commission, at its discretion, may conduct an audit of compliance with this Agreement and the funding provided for herein, relating to performance of this Agreement, compliance with the scope of the Project, and compliance with all applicable State, Federal and local laws, policies and procedures. Such audit shall be at the Commission’s expense.

3.2.4 The total amount of invoices paid pursuant to this Agreement shall not exceed the sum of $100,000 from the RWMF.

3.3 Joint Rights and Responsibilities
3.3.1 Either Party may terminate this Agreement with thirty (30) day advance written notice to the other.

3.3.2 Both Parties agree to coordinate and use their best efforts to complete the Project and to collaborate in a timely manner in order to maximize the efficient use of funding and other resources.

4) INDEMNIFICATION

4.1 Each Party agrees to be responsible for any liability or loss that may be incurred as a result of any claim, demand, cost, or judgment made against that Party arising from any negligent act or negligent failure to act by any of that Party’s employees, agents in connection with the performance of obligations assumed pursuant to this Agreement.

4.2 Each Party further agrees, to the extent allowed by law pursuant to Chapter 41 of the Nevada Revised Statutes (“NRS”), to hold harmless, indemnify and defend the other from all losses, liabilities or expenses of any nature to the person or property of another, to which the indemnified party may be subjected as a result of any claim, demand, action or cause of action arising out of the negligent acts, errors or omissions on the part of employees or agents of the indemnifying party in relation to this Agreement.

5) MISCELLANEOUS PROVISIONS

5.1 This Agreement is binding upon and inures to the benefit of the Parties and their respective heirs, estates, personal representatives, successors and assigns.

5.2 This Agreement is made in, and shall be governed, enforced and construed under the laws of the State of Nevada.

5.3 This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof, and supersedes and replaces all prior understandings and agreements, whether verbal or in writing, with respect to the subject matter hereof.

5.4 This Agreement may not be modified, terminated, or amended in any respect, except pursuant to an instrument in writing duly executed by the Parties.
5.5 In the event the Commission fails to appropriate or budget funds for the purposes as specified in this Agreement, DRI hereby consents to the termination of this Agreement. In such event, the Commission shall notify DRI in writing and the Agreement will terminate on the date specified in the notice. The Parties understand that this funding out provision is required under NRS 244.320 and NRS 354.626.

5.6 In the event either Party brings any legal action or other proceeding with respect to the breach, interpretation, or enforcement of this Agreement, or with respect to any dispute relating to any transaction covered by this Agreement, the losing Party or Parties in such action or proceeding shall reimburse the prevailing Party or Parties therein for all reasonable costs of litigation, including reasonable attorneys' fees.

5.7 No delay or omission by either Party in exercising any right or power under this Agreement shall impair any such right or power or be construed to be a waiver thereof, unless this Agreement specifies a time limit for the exercise of such right or power or unless such waiver is set forth in a written instrument duly executed by the person granting such waiver. A waiver of any person of any of the covenants, conditions, or agreements hereof to be performed by any other Party shall not be construed as a waiver of any succeeding breach of the same or any other covenants, agreement, restrictions or conditions hereof.

5.8 All notices, demands or other communications required or permitted to be given in connection with this Agreement, shall be in writing, and shall be deemed delivered when personally delivered to a Party or, if mailed, three (3) business days after deposit in the United States mail, postage prepaid, certified or registered mail, addressed to the Parties as follows:
4.9 This Agreement is effective November 1, 2012, regardless of the date each Party signs this Agreement ("Effective Date").

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

WESTERN REGIONAL WATER COMMISSION               DESERT RESEARCH INSTITUTE

Dated this ___ day of _________________ 2013       Dated this ___ day of _________________ 2013

By __________________________                     By ______________________________
Mike Carrigan, Chairman                          Jenny Frayer
                                                  Director, Sponsored Projects

APPROVED AS TO FORM:
Rhodes Law Offices, Ltd.

By ________________________________
John B. Rhodes, Legal Counsel
Proposal and Scope of Work

Cloud Seeding Project for the Tahoe and Truckee Basins for WY2013

Submitted to

Mr. Jim Smitherman
Water Resources Program Manager
Western Regional Water Commission
4930 Energy Way
Reno, NV  89502

By

Desert Research Institute
2215 Raggio Parkway
Reno, NV 89511

Project Contact: Dr. Mark Green
Research Professor
775-674-7118
Mark.Green@dri.edu
Introduction

The goal of this project is to enhance snowfall from winter storms and to increase the snowpack of the Tahoe and Truckee Basins through the application of wintertime cloud seeding technology. Cloud seeding will be conducted from 5-ground based generators for the winter 2012-2013 period at a cost of $275,000. The cost will be shared by the Truckee Meadows Water Authority ($175,000) and the Western Regional Water Commission ($100,000). The enhanced snowfall from cloud seeding is expected to enhance the water supply of the Truckee River System. In spite of a well below normal snowpack for the 2012 water year the Lake Tahoe Water Level of 6226.4’ on September 1, 2012 was above normal due to well above normal snowpack during WY2011. A continuation of the cloud seeding effort will help maintain ample water storage for the entire Truckee River system, a situation that is of benefit now and in the future when snowfall is again below normal. Results from carefully conducted experiments in the Sierra Nevada and other mountainous regions in the western U. S. have shown that snowfall can be increased by 5-15% annually in the specific basins targeted by cloud seeding operations. Past environmental assessments have all indicated that no negative impacts to watersheds are produced by cloud seeding operations.

The primary measureable outcome of the project will be an estimate of the enhancement in snow water computed for each seeded storm period, and for the entire winter season, based on the hours of seeding, the amount of seeding material released, the expected increase in precipitation rate, and the average areal coverage of the fallout from each seeding site. Historical research results from ground-based cloud seeding projects have documented the hourly increases in precipitation rate due to seeding to be in the range of a few hundredths to greater than 2 mm per hour. As a conservative estimate of the effect for the Tahoe-Truckee project a value of 0.25 mm per hour will be used in the enhancement estimates. Prior estimates from the DRI state program yielded snow water increases ranging from 8,000 to 30,000 acre-feet, an annual average of about 14,642 acre-feet over the past 15 seasons. The TRF-sponsored project in WY2011 resulted in an estimated snow water increase of 21,600 acre-feet, about 147% of the past 15 year annual average.

Project location

The WY2012 proposal focuses on a cloud seeding effort for the Tahoe Basin and the Truckee River Basin where DRI conducted seeding for the state of Nevada for more than 25 years. Figure 1 shows the location of the project. The red-shaded region approximately encloses the cloud seeding target area for the two basins. The DRI ground-based cloud seeding generator (CSG) sites used in WY2012 are shown as yellow squares. Trace chemical analyses of snow samples from the northern Carson Range in 2004 and 2005 showed that 34-52% of the samples contained enhanced concentrations of silver (Huggins et al, 2006), indicative of snow frequently being created by cloud seeding with AgI.

Project description
Although the project is being funded by two separate sponsors the work in each phase is the same. The project budget indicates how the funding will be partitioned between the Truckee Meadows Water Authority (TMWA) and the Western Regional Water Commission (WRWC).

The project design and method of operation will be the same as those used for the project conducted in WY2012. Seeding will be conducted from a line of five ground-based CSGs positioned on, or a few miles upwind of, the main Sierra Nevada crest to the west of Lake Tahoe (Fig. 1). The generators have been positioned to take advantage of the generally southwest wind directions in winter storms in the Tahoe area, and are remotely activated by DRI staff when the proper weather and cloud conditions for seeding have been verified.

Ground-based cloud seeding is based on the following sequence of events. The seeding material is silver iodide (AgI). The seeding “generators” burn a solution containing AgI dissolved in acetone. The burning process produces a “smoke” of microscopic AgI particles (about 0.0001 mm is size) that are transported downwind and dispersed into clouds.
over the mountains. Vertical dispersion up to at least 2000 feet above the surface is produced by the turbulence created by wind moving over the uneven terrain. In the presence of cloud droplets existing at temperatures below -5\(^o\) C the silver iodide particles act as ice-forming nuclei and enhance the ice particle concentration in the natural clouds. Once initiated by silver iodide the ice particles grow in size and mass as they move downwind and begin falling to the surface when they have sufficient mass to overcome the upward motion in the clouds. In the time frame of 20 to 30 minutes snowfall within a seeding plume can reach the surface in and around the Tahoe Basin. This “chain-of-events” in the cloud seeding process has been verified by numerous detailed experiments conducted in the Sierra Nevada and other mountainous regions of the western U.S. (Huggins, 2009).

**Modeling in support of cloud seeding operations**

Output from high-resolution meteorological modeling will be used to generate forecast trajectories for silver iodide released at the generator locations. This will aide in determining whether conditions are suitable for seeding operations. By considering the transport conditions affecting each generator separately, it will help in deciding when to turn on or off individual generators. Precipitation start and stop times from modeling results can also help in determining the initial timeout setting for the generators. This is the time set for the generators to shut down in the absence of additional operator instructions and is useful for middle of the night operations and for periods, often during storms, when communications with the generators may be interrupted.

**Phase 1** of the project will include preparation of the five seeding generators at the locations shown in Fig. 1. This will require several weeks. The Barker generator which is always removed in the spring will be reinstalled. Phase 1 also includes refilling the seeding solution tanks, refilling propane tanks, and testing all generator components and communications links. Generators will be filled with a minimum of 100 gallons of solution, which allows for about 250 hours of seeding per unit, or 1250 hours of seeding per season.

The meteorological forecasts and observations needed to conduct the project are available either through the DRI Western Regional Climate Center or through public web-based weather data links. These data links are combined in a special cloud seeding weather web page ([http://www.dri.edu/weather-information](http://www.dri.edu/weather-information)) that will be revised as needed for the 2012-13 season. The DRI cloud seeding web page was redesigned in 2010 to focus on several Nevada projects including the Tahoe-Truckee project. Water year snow conditions and the progress of seeding operations for the Tahoe area can also be monitored throughout the winter at the following site: [http://www.dri.edu/current-operations](http://www.dri.edu/current-operations).

All operational guidelines, safety restrictions and suspension criteria for the project have previously been developed and can also be found on the DRI cloud seeding web site at: [http://cloudseeding.dri.edu/](http://cloudseeding.dri.edu/). These guidelines specify the cloud conditions, wind and temperature conditions in which a seeding operation can be initiated, and also specify certain
hazardous weather conditions (such as potential flooding situations) during which no seeding can be done.

**Phase 2** of the project will involve the actual cloud seeding operations, beginning on or somewhat before 15 November 2012. In Phase 2 the project manager will begin monitoring the weather and making forecasts for seeding events to be expected within three to five days. A second DRI meteorologist will assist the project manager to ensure that 24/7 operations can be conducted. As a storm begins to affect the Tahoe region cloud and weather conditions will be monitored more frequently to determine when seeding criteria are satisfied. When one of the meteorologists determines that conditions for conducting a seeding operation are satisfied, seeding will commence using the remotely controlled CSG communication network. The Tahoe communication links are internet-based and a generator can be started from any computer with internet access. Seeding commences when all pre-established seeding criteria are met, and continues until conditions in the storm fail to meet the criteria. Based on prior experience in the Tahoe region, 15 to 30+ seeding events can be expected during the period from mid-November through mid-April, the 5-month period proposed for Phase 2 of this project. In WY2012 there were a total of 29 separate seeding events. The end date for Phase 2 could occur sooner if generators run out of solution or other expendable supplies. The DRI technical staff will monitor and maintain seeding generators throughout the operational period.

**Phase 3** of the project will begin on about 1 May and includes the documentation of weather events to verify that seeding occurred during optimal time periods. Each period will be evaluated and a seedability factor will be applied to quantify the fraction of time when seeding was potentially effective. The estimates of snow water enhancement will be made and adjusted by the seedability factor. A report on project operations, including the measureable outcome, will be completed during Phase 3. In addition two to three case studies will be included to document the performance of the high-resolution meteorological model. Phase 3 also includes the removal of seeding units as dictated by some of the Forest Service special use permits. Removal of generators is only possible after snow has melted and the roads to the sites become useable. In some years this can be mid- to late July (as occurred in 2011). Phase 3 will be extended to 30 September 2013 to allow time for all generators to be checked for problems, and repaired as needed either in the field or at the Stead, Nevada Cloud Seeding Facility. Based on the amount of expendable supplies used during the season, a new order for cloud seeding chemicals will be placed to prepare for operations in WY2014.

**Principals involved**

The project will be managed by faculty in the Division of Atmospheric Sciences at DRI. Program continuity will be assured with the part-time support by Mr. Arlen Huggins, who is phasing in his retirement over the next year. Mr. Huggins has managed the Nevada Program for 13 years and has worked in the field of weather modification research and
operations for more than 30 years. A transition team consisting of Dr. Mark Green and Dr. David Mitchell has been working with Mr. Huggins over the past year, assuming operational aspects of the program, and will continue to support the program during water year 2013 with guidance provided by Mr. Huggins. Dr. John Mejia will provide modeling support to aid in determining optimal seeding times. Field operations and maintenance support will be provided by three technicians that are jointly supported by this and other DRI cloud seeding projects.

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**Schedule**

**Start Phase 1**: 1 Oct 2012, or as soon as a contract with TMWA is signed. Delay could preclude some equipment installations due to early snowfall making roads impassable.

**End Phase 1**: 1-15 Nov 2012. All seeding generators are installed, tested and ready for use. Bad weather could produce delays, but testing and other work can be done if units have been installed. All web-based computer products are prepared for use in Phase 2.

**Start Phase 2**: 15 Nov 2012. Cloud seeding occurs as storm conditions dictate. Cloud seeding equipment is monitored and maintained as needed. A log of seeding operations is maintained and the weather data needed to assess operations are archived. The cloud seeding update page is revised on a weekly basis.

**End Phase 2**: 15 April 2013. This is the approximate end of the operational cloud seeding period.

**Start Phase 3**: 1 May 2013. Weather data are analyzed to assess the seeding operations. Estimates of water augmentation from seeding operations are made. A report on operations is completed by 10 July 2013.

**End Phase 3**: 30 Sept 2013. All seeding equipment has been checked and repaired as needed. The Final Report is submitted in the latter part of September 2013.

---

**Budget discussion:**
The budget for WY2013 is $275,000. The details of the budget are presented in the spreadsheet on the following page. As indicated the costs for the WY2013 project are split between TMWA ($175,000) and the Western Regional Water Commission ($100,000).
## Desert Research Institute

**Title:** Cloud seeding project for Tahoe and Truckee Basins for WY2013

**Sponsors:** Truckee Meadows Water Authority and Western Regional Water Commission

<table>
<thead>
<tr>
<th></th>
<th>TWMA Budget</th>
<th>WRWC Budget</th>
<th>Total Project Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Huggins, A.</td>
<td>$126.81</td>
<td>82</td>
<td>$10,398</td>
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<td>Green, M.</td>
<td>$189.94</td>
<td>106</td>
<td>$20,134</td>
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<tr>
<td>Mitchell, D.</td>
<td>$154.25</td>
<td>70</td>
<td>$10,798</td>
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<tr>
<td>Mejia, J.</td>
<td>$106.57</td>
<td>60</td>
<td>$6,394</td>
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<tr>
<td>Swafford, T.</td>
<td>$108.64</td>
<td>315</td>
<td>$34,189</td>
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<tr>
<td>Dean, J.</td>
<td>$33.89</td>
<td>350</td>
<td>$29,363</td>
</tr>
<tr>
<td>Orr, J.</td>
<td>$53.49</td>
<td>350</td>
<td>$18,721</td>
</tr>
<tr>
<td><strong>Total Labor</strong></td>
<td>$129,997</td>
<td></td>
<td>$99,105</td>
</tr>
<tr>
<td><strong>Operating Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRI 4x4 vehicle expenses (per day)</td>
<td>$90</td>
<td>50</td>
<td>$4,500</td>
</tr>
<tr>
<td>Cloud Seeding Solution (100 gallons)</td>
<td>$5,800</td>
<td>5</td>
<td>$29,000</td>
</tr>
<tr>
<td>Propane and nitrogen</td>
<td>$94.00</td>
<td>5</td>
<td>$4,700</td>
</tr>
<tr>
<td>ATT - Verizon data lines</td>
<td>$36.46</td>
<td>36</td>
<td>$1,260</td>
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<tr>
<td>Generator Parts</td>
<td>$500.00</td>
<td>5</td>
<td>$2,500</td>
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<tr>
<td>Snowmobile expenses</td>
<td>$300.00</td>
<td>2</td>
<td>$600.00</td>
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<tr>
<td>Shop equipment expenses</td>
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<td>$1,450.00</td>
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<tr>
<td><strong>Total Operating Costs</strong></td>
<td>$44,010.00</td>
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<td>$44,010.00</td>
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<tr>
<td><strong>Other Direct Costs</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>General supplies</td>
<td>$300.00</td>
<td></td>
<td>$500.00</td>
</tr>
<tr>
<td>Coping/Communications</td>
<td>$192.00</td>
<td></td>
<td>$393.00</td>
</tr>
<tr>
<td><strong>Total Other Direct Costs</strong></td>
<td>$992.00</td>
<td></td>
<td>$993.00</td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td>$174,999.00</td>
<td>$99,999.00</td>
<td>$274,998.00</td>
</tr>
</tbody>
</table>
Western Regional Water Commission

STAFF REPORT

DATE: December 12, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Status and discussion of Truckee Meadows Regional Planning Agency (“TMRPA”) population and employment modeling project and possible approval of a one-year time extension to the existing Interlocal Agreement (“ILA”) providing funding from the RWMF for the project; and, if approved, authorize the Chairman to execute an Amendment to the ILA for that purpose.

SUMMARY
An existing ILA between the Truckee Meadows Regional Planning Governing Board (“RPGB”) and the Western Regional Water Commission (“WRWC”) provides partial funding through June 30, 2013, for the Regional Data Development and Analytical Program, a parcel-based population and employment modeling project being conducted by TMRPA. The scope of work is divided into two phases and tasks for Phase One are essentially finished except for some data acquisition and data set refinement. Completion of Phase One has taken longer than anticipated, in part because of WRWC staff setbacks in early 2012 unrelated to work, and in part because of TMRPA personnel changes. Since project initiation in 2011, the TMRPA project manager, GIS specialist and agency director positions have turned over. Staff is now stable for the foreseeable future and Phase Two has been initiated with an industrial lands needs analysis, currently in progress and expected to be completed in mid-2013.

Completion of the industrial lands needs analysis will lead to regional scenario planning tasks, also included in Phase Two and expected to commence in 2013. It is anticipated, however, that scenario planning activities will not be finished by June 30, 2013. The Northern Nevada Water Planning Commission has therefore recommended that the WRWC approve a one-year time extension to the ILA to allow for completion of the scope of work. No additional funding is necessary.

Next steps:
- Acquire and refine data sets.
- Develop an industrial land needs analysis focused on target industries identified in the Economic Development Authority of Western Nevada’s Strategic Plan. Criteria pertinent to the WRWC’s mission include infrastructure and water resource needs of the target industry sectors.
- Retain professional services for Phase Two regional scenario planning, including development of a regional scenario planning program and outreach
to regional stakeholders to engage in the program. Phase Two is planned to commence after the industrial land analysis project is finished.

**BACKGROUND**
In 2011, the WRWC entered into an ILA with the RPGB to assist in funding the development of regional data to enhance the ongoing TMRPA Population and Employment Modeling program. The Agreement commits up to $486,000 from the Regional Water Management Fund (“RWMF”) and up to $224,000 in in-kind services, (i.e. staff time) over fiscal years 2010-11, 2011-12 and 2012-13. Billings to date total $133,908, against the RWMF budget, leaving a $352,092 balance.

The Regional Transportation Commission is also providing partial funding for the project.

**PREVIOUS ACTION**
The ILA for this project was approved by the WRWC on March 11, 2011.

**FISCAL IMPACT**
There will be no fiscal impact to the RWMF.

**RECOMMENDATION**
The NNWPC recommends that the WRWC approve a First Amendment to the Interlocal Agreement for a one-year extension of the project completion date, and authorize the Chairman to execute the Amendment.

JS:jd
FIRST AMENDMENT
TO
INTERLOCAL AGREEMENT

THE INTERLOCAL AGREEMENT (the “Agreement”), effective January 1, 2011, entered into between the Western Regional Water Commission, a political subdivision of the State of Nevada (the “Commission”) and the Truckee Meadows Regional Planning Governing Board, a political subdivision of the State of Nevada (the “RPGB”), collectively the “Parties”, is hereby amended as follows:

WHEREAS, the Commission, at a meeting held January 16, 2013, approved extending the term of the Agreement by one year,

ARTICLE 4 - TIME SCHEDULE FOR COMPLETION is hereby amended to provide that all Services shall be completed no later than June 30, 2014.

The Agreement as amended to include the revision set forth above is incorporated herein by reference, and all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment.

WESTERN REGIONAL WATER COMMISSION: REGIONAL PLANNING GOVERNING BOARD:

Dated this ___ day of ______________, 2013 Dated this ___ day of ______________, 2013

By _________________________________ By _________________________________
Mike Carrigan, Chairman Bonnie Weber, Chairman

APPROVED AS TO FORM:
Rhodes Law Offices, Ltd.

By _________________________________
John B. Rhodes, Legal Counsel
Western Regional Water Commission

STAFF REPORT

DATE: December 17, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Ben Hutchins, Finance & Administration Division Director, Washoe County Community Services Department (“CSD”)

SUBJECT: Discussion and possible approval of the WRWC fiscal year 2011/12 Financial Statements and audit opinion from Schettler, Macy & Silva, LLC

SUMMARY
The attached report presents the Western Regional Water Commission’s (“WRWC”) Financial Statements for the year ended June 30, 2012, and the auditor’s opinion thereof. It is the auditor’s expressed opinion that the Financial Statements present fairly, in all material respects, the financial position of the WRWC as of June 30, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. The report is being presented for consideration, discussion and approval.

PREVIOUS ACTION
On February 10, 2012, the WRWC selected Schettler, Macy & Silva, LLC as the external auditor of record for fiscal year ending June 30, 2012.

On February 11, 2011, the WRWC selected Schettler, Macy & Silva, LLC as the external auditor of record for fiscal year ending June 30, 2011.

On April 9, 2010, the WRWC ratified the Program Manager’s designation of Schettler, Macy & Silva, LLC as the external auditors for Fiscal year ending June 30, 2010.

On March 13, 2009, the WRWC selected Schettler, Macy & Silva, LLC as the external auditor of record for fiscal year ending June 30, 2009.

BACKGROUND
Pursuant to NRS 354.624, each local government shall provide for an annual audit of its financial statements. In keeping with this statute, the WRWC engaged Schettler, Macy & Silva, LLC to provide the audit services of its Financial Statements for the year ending June 30, 2012. The audit results and findings of the auditor must be presented at a meeting of the governing body and thereafter filed as a public record and submitted to the Department of Taxation by the end of December. Since the WRWC did not hold a meeting in time to meet this deadline, staff requested an extension of time to file with the Department of Taxation; this extension was approved.
**FISCAL IMPACT**
None.

**RECOMMENDATION**
Washoe County CSD, Finance & Administration Division Director recommends that the WRWC approve the Financial Statements and audit opinion from Schettler, Macy & Silva, LLC for fiscal year 2011/12.

**POSSIBLE MOTION**
Should the Commission agree with the above noted recommendation, a suggested motion is: “Move to approve the Financial Statements and audit opinion from Schettler, Macy & Silva, LLC for fiscal year 2011/12.”

Attachments
WESTERN REGIONAL
WATER COMMISSION

Financial Statements

JUNE 30, 2012
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**WESTERN REGIONAL WATER COMMISSION**

**JUNE 30, 2012**

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<td>3</td>
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<td>FINANCIAL STATEMENTS</td>
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<td>Government-Wide Financial Statements:</td>
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<td>Statement of Net Assets</td>
<td>8</td>
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<td>Statement of Activities</td>
<td>9</td>
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<tr>
<td>Fund Financial Statements:</td>
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<td>Balance Sheet - Governmental Fund</td>
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<td>Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets</td>
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<td>Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund</td>
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<td>Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities</td>
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<td>Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund</td>
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<tr>
<td>Auditors' Comments</td>
<td>24</td>
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</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Board of Trustees of the
Western Regional Water Commission
Reno, Nevada

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Western Regional Water Commission (Commission) as of and for the year ended June 30, 2012, which collectively comprise the Commission’s basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Commission’s management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the Western Regional Water Commission as of June 30, 2012, and the changes in its financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 4, 2012, on our consideration of the Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Bullard Macy Group

Reno, Nevada
September 4, 2012
As management of the Western Regional Water Commission (Commission), we offer readers of the Commission’s financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2012. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Commission’s financial statements, which follow this narrative.

The Commission was created on April 1, 2008 upon passage of 2007 Nevada Legislature Senate Bill 487 to improve water resource planning at the regional level and facilitate coordinated resource management among the four public water purveyors of Washoe County (Truckee Meadows Water Authority, Washoe County Water Resources, Sun Valley General Improvement District and South Truckee Meadows General Improvement District).

A cooperative agreement was entered into upon the creation of the Commission by the following member agencies: the cities of Reno and Sparks, the South Truckee Meadows General Improvement District, the Sun Valley General Improvement District, the Truckee Meadows Water Authority, and Washoe County, to form a Joint Powers Authority to operate the Commission. The Commission is directed by a Board of Trustees composed of members from each of the governing agencies.

Financial Highlights

- Government-wide net assets increased by nearly $191 thousand to $3.65 million.
- The Commission’s General Fund reported an increase in fund balance of nearly $185 thousand.

Governmental Activities:

- General revenues increased by nearly $121 thousand or 9% from the prior year.
- Expenses decreased by nearly $71 thousand or 5% from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission’s basic financial statements. The Commission’s basic financial statements consist of three components; the 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the financial statements.
Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Commission’s finances, similar in format to a financial statement of a private-sector business.

The Statement of Net Assets presents information on all of the Commission’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Activities presents information showing how the Commission’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Nevada Revised Statutes (NRS) and the Commission’s regulations.

Unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The Commission’s General Fund is a governmental fund. Governmental funds focus on how assets can be readily converted into cash, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Commission’s programs.
Notes to Financial Statements

The notes to the financial statements provide additional information which is essential for a full understanding of the information provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The following is a summary of the Commission’s government-wide Statement of Net Assets as of June 30, 2012 and 2011:

<table>
<thead>
<tr>
<th>WESTERN REGIONAL WATER COMMISSION NET ASSETS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$ 4,156,751</td>
<td>$ 4,108,935</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
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<tr>
<td>Current liabilities</td>
<td>493,393</td>
<td>631,120</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>13,332</td>
<td>18,399</td>
</tr>
<tr>
<td></td>
<td>506,725</td>
<td>649,519</td>
</tr>
<tr>
<td>Net Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$ 3,650,026</td>
<td>$ 3,459,416</td>
</tr>
</tbody>
</table>
Governmental Activities

The Commission’s governmental activities for the years ended June 30, 2012 and 2011 are presented in the following table:

**WESTERN REGIONAL WATER COMMISSION**
**CHANGES IN NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>$ 16,777</td>
<td>$ -</td>
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<tr>
<td>General revenues:</td>
<td></td>
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<tr>
<td>Water surcharge fees</td>
<td>1,391,648</td>
<td>1,316,487</td>
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<tr>
<td>Earnings on investments</td>
<td>110,660</td>
<td>64,818</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,519,085</td>
<td>1,381,305</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and supplies</td>
<td>1,328,475</td>
<td>1,399,409</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,328,475</td>
<td>1,399,409</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>190,610</td>
<td>(18,104)</td>
</tr>
<tr>
<td><strong>Net Assets, July 1</strong></td>
<td>3,459,416</td>
<td>3,477,520</td>
</tr>
<tr>
<td><strong>Net Assets, June 30</strong></td>
<td>$ 3,650,026</td>
<td>$ 3,459,416</td>
</tr>
</tbody>
</table>

**Economic Factors / Next Year’s Budget / Other Significant Matters**

Despite an economic downturn, increased revenues were the result of increased water consumption due to an unusually warm and dry winter and spring, and user rate increases by member purveyors. In the opinion of management, revenues will continue to be stable since member purveyors regularly monitor water rates to insure an acceptable level of cash flow for operations. As a result, a consistent and stable source of revenues should continue to provide sufficient financial resources for the Commission to achieve its desired goals and objectives.
Unrestricted net assets as of June 30, 2012 were $3.65 million, whereas operating expenses in the June 30, 2013 budget are only $585 thousand, or 16% of the total budget. All other budgeted expenses relate to projects and can be managed in a way that aligns with remaining resources and expected future revenues.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Commission’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Western Regional Water Commission
c/o Washoe County Community Services Department
4930 Energy Way
Reno, NV 89502
FINANCIAL STATEMENTS
WESTERN REGIONAL WATER COMMISSION

STATEMENT OF NET ASSETS
JUNE 30, 2012
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2011)

GOVERNMENTAL ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$3,833,392</td>
<td>$3,842,207</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>294,162</td>
<td>249,004</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>17,112</td>
<td>-</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>12,085</td>
<td>17,724</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>4,156,751</td>
<td>4,108,935</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

Current Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>21,752</td>
<td>19,519</td>
</tr>
<tr>
<td>Accrued salaries payable</td>
<td>10,811</td>
<td>9,307</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>460,830</td>
<td>602,294</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>493,393</td>
<td>631,120</td>
</tr>
</tbody>
</table>

Accrued Compensated Absences

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,332</td>
<td></td>
<td>18,399</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>506,725</td>
<td>649,519</td>
</tr>
</tbody>
</table>

Net Assets, Unrestricted

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,650,026</td>
<td></td>
<td>$3,459,416</td>
</tr>
</tbody>
</table>

See accompanying notes.
WESTERN REGIONAL WATER COMMISSION

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and supplies</td>
<td>$1,328,475</td>
<td>$1,399,409</td>
</tr>
<tr>
<td><strong>Program Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grants</td>
<td>16,777</td>
<td>-</td>
</tr>
<tr>
<td>Net program revenues (expenses)</td>
<td>(1,311,698)</td>
<td>(1,399,409)</td>
</tr>
<tr>
<td><strong>General Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water surcharge fees</td>
<td>1,391,648</td>
<td>1,316,487</td>
</tr>
<tr>
<td>Unrestricted investment earnings</td>
<td>110,660</td>
<td>64,818</td>
</tr>
<tr>
<td>Total General revenues</td>
<td>1,502,308</td>
<td>1,381,305</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>190,610</td>
<td>(18,104)</td>
</tr>
<tr>
<td><strong>Net Assets - July 1</strong></td>
<td>3,459,416</td>
<td>3,477,520</td>
</tr>
<tr>
<td><strong>Net Assets - June 30</strong></td>
<td>$3,650,026</td>
<td>$3,459,416</td>
</tr>
</tbody>
</table>

See accompanying notes.
WESTERN REGIONAL WATER COMMISSION

GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2012
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2011)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$3,833,392</td>
<td>$3,842,207</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>294,162</td>
<td>249,004</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>17,112</td>
<td>-</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>12,085</td>
<td>17,724</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$4,156,751</td>
<td>$4,108,935</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$21,752</td>
<td>$19,519</td>
</tr>
<tr>
<td>Accrued salaries payable</td>
<td>10,811</td>
<td>9,307</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>460,830</td>
<td>602,294</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,412</td>
<td>2,100</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>495,805</td>
<td>633,220</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUND BALANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assigned to subsequent year's budget</td>
<td>2,233,133</td>
<td>2,352,672</td>
</tr>
<tr>
<td>Unassigned</td>
<td>1,427,813</td>
<td>1,123,043</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td>3,660,946</td>
<td>3,475,715</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balance</strong></td>
<td>$4,156,751</td>
<td>$4,108,935</td>
</tr>
</tbody>
</table>

See accompanying notes.
Fund Balance - Governmental Fund $3,660,946

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Accrued compensated absences reported in the Statement of Net Assets are not due and payable in the current period and therefore are not reported in the governmental fund. (13,332)

Certain revenues are not available to pay for current period expenditures and therefore are reported as deferred revenue in the governmental fund. 2,412

Net Assets - Governmental Activities $3,650,026
WESTERN REGIONAL WATER COMMISSION

GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

<table>
<thead>
<tr>
<th>GENERAL FUND</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water surcharge fees</td>
<td>$ 1,391,336</td>
<td>$ 1,315,587</td>
</tr>
<tr>
<td>Grant revenue</td>
<td>16,777</td>
<td>-</td>
</tr>
<tr>
<td>Earnings on investments</td>
<td>110,660</td>
<td>64,818</td>
</tr>
<tr>
<td></td>
<td>1,518,773</td>
<td>1,380,405</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and supplies</td>
<td>1,333,542</td>
<td>1,389,292</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>185,231</td>
<td>(8,887)</td>
</tr>
<tr>
<td>FUND BALANCE, July 1</td>
<td>3,475,715</td>
<td>3,484,602</td>
</tr>
<tr>
<td>FUND BALANCE, June 30</td>
<td>$ 3,660,946</td>
<td>$ 3,475,715</td>
</tr>
</tbody>
</table>

See accompanying notes.
Net Change in Fund Balance - Governmental Fund  $ 185,231

Amounts reported for governmental activities in the Statement of Activities are different because:

The change in accrued compensated absences is reported in the Statement of Activities. This does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental fund.  5,067

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund.  312

Change in Net Assets of Governmental Activities  $ 190,610

See accompanying notes.
### WESTERN REGIONAL WATER COMMISSION

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED JUNE 30, 2012**

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011)

<table>
<thead>
<tr>
<th></th>
<th>Original And Final Budget</th>
<th>2012</th>
<th>Variance To Final Budget</th>
<th>2011</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water surcharge fees</td>
<td>$ 1,284,980</td>
<td>$ 1,391,336</td>
<td>$ 106,356</td>
<td>$ 1,315,587</td>
<td></td>
</tr>
<tr>
<td>Grant revenue</td>
<td>-</td>
<td>16,777</td>
<td>16,777</td>
<td>-</td>
<td>64,818</td>
</tr>
<tr>
<td>Earnings on investments</td>
<td>31,380</td>
<td>110,660</td>
<td>79,280</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>1,316,360</strong></td>
<td><strong>1,518,773</strong></td>
<td><strong>202,413</strong></td>
<td><strong>1,380,405</strong></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and supplies</td>
<td>3,669,032</td>
<td>1,333,542</td>
<td>2,335,490</td>
<td>1,389,292</td>
<td></td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues</td>
<td>(2,352,672)</td>
<td>185,231</td>
<td>2,537,903</td>
<td>(8,887)</td>
<td></td>
</tr>
<tr>
<td>Over (Under) Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUND BALANCE, July 1</strong></td>
<td>3,518,833</td>
<td>3,475,715</td>
<td>(43,118)</td>
<td>3,484,602</td>
<td></td>
</tr>
<tr>
<td><strong>FUND BALANCE, June 30</strong></td>
<td><strong>$ 1,166,161</strong></td>
<td><strong>$ 3,660,946</strong></td>
<td><strong>$ 2,494,785</strong></td>
<td><strong>$ 3,475,715</strong></td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Western Regional Water Commission (Commission) was created on April 1, 2008 upon passage of 2007 Nevada Legislature Senate Bill 487 to improve water resource planning at the regional level and facilitate coordinated resource management among the four public water purveyors of Washoe County (Truckee Meadows Water Authority, Washoe County Water Resources, Sun Valley General Improvement District and South Truckee Meadows General Improvement District).

A cooperative agreement was entered into upon the creation of the Commission by the following member agencies: the cities of Reno and Sparks, the South Truckee Meadows General Improvement District, the Sun Valley General Improvement District, the Truckee Meadows Water Authority, and Washoe County, to form a Joint Powers Authority to operate the Commission. The Commission is directed by a Board of Trustees comprised of members from each of the governing agencies.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The basic financial statements include both government-wide and fund financial statements.

Government-Wide Statements

The government-wide Statement of Net Assets is presented on a full accrual, economic resource basis that recognizes all long-term assets as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the Commission’s functions. The functions are also supported by the general government revenues. The Statement of Activities reduces gross expenses by related program revenues and operating grants. The Statement of Activities is also presented on a full accrual basis where revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place.
Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available (susceptible to accrual). Interest and surcharges are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measureable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures are recorded only when payment is due.

The General Fund is the Commission’s sole fund; therefore, it accounts for all financial resources of the general government.

Accounts Receivable

Accounts receivable arise from water surcharge fees. No allowance for doubtful accounts is required as all receivables are considered to be fully collectible (Also see Note 6).

Compensated Absences

As described in Note 6, the Commission entered into an agreement with Washoe County on November 8, 2008 to retain the services of certain assigned County employees to perform duties of the Commission. The Commission interprets this agreement to obligate the Commission to pay any applicable accrued vacation and sick pay for its assigned employees upon their termination. Accordingly, since the payroll reimbursement payments from the Commission to the County are exclusive of these termination payments, the Commission’s policy is to provide for this obligation in their financial statements in the same manner as if the assigned employees were deemed to be actual employees of the Commission.

Earned vacation and compensatory time may each be accumulated up to a maximum of 240 hours. The earned vacation and compensatory time is payable upon termination and the liability is reported at the employees’ current rate of pay.

Sick leave is only applicable for payout after 10 years of employment. Personnel are paid sick leave upon termination on half of the total accumulated hours in excess of 300 hours up to a maximum of 600 hours.
Revenue

The Commission is funded by imposing a 1.5% surcharge fee on all customer water bills within the planning area. The surcharge fee is collected by each public water purveyor and supplier of water within Washoe County and remitted to the Commission.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Prior Year Information

The basic financial statements include certain prior-year summarized information but which is not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Commission’s financial statements for the year ended June 30, 2011, from which the summarized information was derived. Certain amounts presented in the prior year data may be reclassified to be consistent with the current year’s presentation.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

The Commission adheres to the Local Government Budget and Finance Act incorporated within the statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data which is reflected in these financial statements:

1. Prior to April 15, the Commission’s Board of Trustees (the “Board”) files a tentative budget with the Nevada Department of Taxation for the fiscal year beginning the following July 1. The tentative budget includes proposed expenditures and the means of financing them.

2. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the Board’s members.
3. The Water Resources Program Manager is authorized to transfer appropriations between accounts within the Water Management Fund, if amounts do not exceed the original budget, subject to subsequent Board approval. Augmentations in excess of the original budget require approval from the Board.

4. Formal budgetary integration is employed as a management control device for the Commission’s General Fund. The budget is legally adopted, and its annual appropriations lapse at year-end.

5. Budgeted appropriations may not be exceeded by actual expenditures of the various programs in the budgeted governmental fund (the General Fund).

6. All budgets are adopted on a basis consistent with GAAP. The accompanying financial statements reflect the Original Budget and the Final Budget in one columnar presentation as there were no adjustments made to the Original Budget.

NOTE 3 – CASH IN COUNTY TREASURY

Cash at June 30, 2012 consisted of the following:

| Cash in County Treasury | $3,833,392 |

The Commission maintains all of its cash and investments with the Washoe County Treasurer in an investment pool. The Treasurer allocates interest to participants based upon their average balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County’s financial statements. The Washoe County financial statements may be obtained by contacting the Office of the Comptroller at 1001 E. Ninth Street, Room D-120, Reno, NV 89512. The Investment Committee oversees the Washoe County Treasurer’s investments and policies.

Investments held in the County’s investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value. The fair value of the Commission’s position in the pool equals the value of the pool shares.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Interest Rate Risk – Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits bankers’ acceptances to 180 days maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. In accordance with Nevada Revised Statutes, the Commission limits its investment instruments by their credit risk. The Washoe County Investment Pool is an unrated external investment pool.

NOTE 4 – LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the Commission for the year ended June 30, 2012:

<table>
<thead>
<tr>
<th></th>
<th>July 1, 2011</th>
<th>Additions</th>
<th>Reductions</th>
<th>June 30, 2012</th>
<th>Amount Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>$18,399</td>
<td>$-</td>
<td>$5,067</td>
<td>$13,332</td>
<td>$-</td>
</tr>
</tbody>
</table>

NOTE 5 – NET ASSETS AND FUND BALANCE

Net Assets

Equity is classified as net assets in the government-wide financial statements. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

Net assets are reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors or laws or regulations of other governments.
As of June 30, 2012, the Commission’s net assets were comprised of:

- Unrestricted Net Assets – Net assets of the Commission which are not restricted for any project or other purpose.

**Fund Balance**

The Commission has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The Commission reports the following classifications:

Non-spendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision making authority for the Commission. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board’s adopted policy, only the Board may assign amounts for specific purposes.

Appropriated assigned fund balance is an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

Unassigned – the residual classification for the General Fund.
WESTERN REGIONAL WATER COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

When both restricted and unrestricted resources are available for use, it is the Board’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – as needed, unless the Board has provided for otherwise in its commitment or assignment actions.

NOTE 6 – RELATED PARTY TRANSACTIONS

On November 8, 2008, the Commission entered into an agreement with Washoe County ("County") whereby the County will provide to the Commission, on a contractual and reimbursable basis, services of employees from the County’s Department of Water Resources (assigned employees), who have historically been fully dedicated to supporting and performing the duties associated with planning and implementation of regional water matters. Assigned employees retain all rights and status of Washoe County employees.

The Commission reimburses the County for all actual costs for the services provided by the assigned employees, including wages, hours, compensatory time, sick leave, special sick leave, annual leave, insurance premiums, worker’s compensation insurance, and all other benefits the County currently provides or may provide in the future. Reimbursable future obligations of the Commission include compensated absences, but do not include postemployment benefits other than pensions. Total costs reimbursed by the Commission to the County for these services were $270,711 for the year ended June 30, 2012.

In addition to the services provided by the assigned employees, routine and general administrative activities in support of the Commission’s mission are provided by other personnel of the County Department of Water Resources. The County does not charge the Commission for these routine and general administrative services.

As discussed in Note 1, the Commission derives its revenue from a surcharge on customer water bills within the region collected by water purveyors in Washoe County. Some members of the governing bodies of the purveyors are also members of the Commission’s Board of Trustees. Total water surcharge revenues for the year ended June 30, 2012 were $1,391,336, which includes accounts receivable of $294,162.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 4, 2012 the date the financial statements were available to be issued. The Organization has determined there are no material transactions that have not been disclosed.
COMPLIANCE SECTION
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of the
Western Regional Water Commission
Reno, Nevada

We have audited the financial statements of the governmental activities and the General Fund of
the Western Regional Water Commission (the Commission) as of and for the year ended
June 30, 2012, which collectively comprise the Commission’s basic financial statements and have
issued our report thereon dated September 4, 2012. We conducted our audit in accordance with
auditing standards generally accepted in the United States of America and the standards
applicable to financial audits contained in Government Auditing Standards, issued by the
Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Commission is responsible for establishing and maintaining effective internal
control over financial reporting. In planning and performing our audit, we considered the
Commission’s internal control over financial reporting as a basis for designing our auditing
procedures for the purpose of expressing our opinions on the financial statements, but not for the
purpose of expressing an opinion on the effectiveness of the Commission’s internal control over
financial reporting. Accordingly, we do not express an opinion on the effectiveness of the
Commission’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow
management or employees, in the normal course of performing their assigned functions, to
prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency,
or a combination of deficiencies, in internal control such that there is a reasonable possibility that a
material misstatement of the financial statements will not be prevented, or detected and corrected
on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose
described in the first paragraph of this section and was not designed to identify all deficiencies in
internal control over financial reporting that might be deficiencies, significant deficiencies, or
material weaknesses. We did not identify any deficiencies in internal control over financial
reporting that we consider to be material weaknesses, as defined above.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Trustees, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

The Ballard Macy Group

Reno, Nevada
September 4, 2012
WESTERN REGIONAL WATER COMMISSION

AUDITORS' COMMENTS
JUNE 30, 2012

STATUTE COMPLIANCE

Current Year

The Commission complied with all significant statutory constraints on its financial administration during the year.

Prior Year

During the prior year, the Commission complied with all significant statutory constraints on its financial administration.

AUDIT RECOMMENDATIONS

Current Year

We did not note any financial weaknesses of a magnitude to justify inclusion within our report.

Prior Year

There were no prior year recommendations related to financial statement weaknesses of a magnitude to justify inclusion within the audit report.
Western Regional Water Commission

Staff Report

DATE: January 16, 2013

TO: Chairman and Members, Western Regional Water Commission

FROM: Ben Hutchins, Finance & Administrative Division Director, Washoe County Community Services Department

SUBJECT: Discussion and possible designation of The Bullard Macy Group, as the WRWC’s external auditors for the Fiscal Year 2012/13 financial statement audit; and, if approved, authorize the Chairman to execute the related Engagement Letter, and direct staff to file required documents with the state of Nevada.

SUMMARY
The Bullard Macy Group (Bullard Schettler, Macy & Silva, LLC) has performed the Western Regional Water Commission (“WRWC”) audit for the past four fiscal years. Staff is recommending that WRWC designate The Bullard Macy Group, as the auditor for fiscal year 2012/13, approve the engagement letter, and direct staff to report this designation to the State of Nevada by the March 31, 2013 deadline.

PREVIOUS ACTION
On February 10, 2012 the Commission selected Schettler, Macy & Silva, LLC as the external auditors for fiscal year ended June 30, 2012.

On February 11, 2011 the Commission selected Schettler, Macy & Silva, LLC as the external auditors for fiscal year ended June 30, 2011.

On April 9, 2010 the Commission ratified the WRWC Program Manager’s designation of Schettler, Macy & Silva, LLC as the external auditors for fiscal year ended June 30, 2010.

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 31 of each year. In keeping with this deadline, Washoe County’s Community Services Department secured an engagement letter and price proposal from The Bullard Macy Group. The proposed audit fee is $8,300, which is the same as last fiscal year.

FISCAL IMPACT
The proposal received from The Bullard Macy Group 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 $8,300.
RECOMMENDATION
Staff recommends that the WRWC designate The Bullard Macy Group as the external auditors for fiscal year ending June 30, 2013, authorize the Chairman to execute the related Engagement Letter, and direct staff to report the designation to the State by the statutory deadline.

POSSIBLE MOTION
Should the Commission agree with the above noted recommendation, a suggested motion is: “Move to designate The Bullard Macy Group as the WRWC’s external auditors for fiscal year ending June 30, 2013, authorize the Chairman to execute the related engagement letter, and direct staff to report the designation to the State by the statutory deadline.”
Western Regional Water Commission

DATE: January 10, 2013
TO: Chairman and Members, Northern Nevada Water Planning Commission
FROM: John Rhodes, Legal Counsel
SUBJECT: Report on legislative activities, including Bill Draft Requests and Bills pending in the 2013 Nevada Legislature that may affect the Western Regional Water Commission (“WRWC”) / Northern Nevada Water Planning Commission (“NNWPC”)

The following staff report lists Bill Draft Requests ("BDR's") and Bills pending in the 2013 Nevada Legislature, as of January 9, 2013, that may affect or are of interest to the WRWC and NNWPC. No additional language is available for the BDR's at this time. Pending Bills are noted with an Assembly ("AB") or Senate ("SB") designation, and the complete language of each Bill is available by clicking on the corresponding link contained in the electronic version of this report. WRWC staff and the WRWC Legislative Subcommittee will track these BDR's and Bills, recommend positions to be taken, and provide periodic updates to the WRWC/NNWPC.

**Bill Drafts Requested**

**Water Issues**

126 **Assemblywoman Carlton**
Revises provisions relating to wastewater (6/27/12)

17--144 **Legislative committee to Oversee the Western Regional Water Commission (SB 487,2007)**
Provides for an ongoing study of water issues in Nevada (6/28/12)

439 **Assemblywoman Carlton**
Provides for the development of a statewide water plan (9/4/12)

442 **Assembly Goicoechea**
Makes appropriation to the Humboldt River Basin Water Authority for cloud seeding project (9/4/12)

481 **Senator Roberson**
Provides for oversight and transparency of the Southern Nevada Water Authority (9/4/12)

48--543 **Assemblyman Goicoechea**
**Joint Requester: Assemblyman Ellison**
Revises provisions governing the transfer of water rights. (10/30/12)

48--565 **Assemblyman Wheeler**
Enacts the Municipal Water Users Equity Act of 2013. (11/14/12)
48-631 **Senator Goicoechea**  
Includes participation by local governments in monitoring, management and mitigation of water resources (12/3/12)

634 **Senator Goicoechea**  
Includes participation by local governments in monitoring, management and mitigation of water resources (12/03/12)

763 **Assemblyman Bobzien**  
Revises provisions governing the waters of this State (12/10/12)

807 **Assemblyman Oscarson**  
Directs the Legislative committee on Public Lands to study and make recommendations on alternative water sources for Nevada communities during the 2013-2014 interim. (12/10/12)

864 **Senator Settelmeyer**  
Revises provisions relating to water (12/10/12)

### Open Meeting Issues

17-49 **Assemblyman Hickey**  
Revises provisions governing the applicability of the Open Meeting Law to the Legislature (3/26/12)

19-402 **Attorney General**  
**AB65** Makes various changes to the Open Meeting Law (8/31/12)

730 **Assemblywoman Spiegel**  
Revises provisions relating to public notices (12/10/12)

### Contracts and Ethics Issues

85 **Assembly Ellison**  
Revises provisions governing contracts for services entered into by certain public employers (6/21/12)

19-159 **Assemblyman Hansen**  
Requires contact information for members of state and local committees to be provided to the public upon request (7/25/12)

23--445 **Senator Parks**  
Revises provisions relating to ethics in government (9/4/12)

103 **Senator Hardy**  
Makes various changes concerning ethics in government. (6/26/12)
111 Assemblyman Conklin  
Revises provisions governing ethics in government. (6/26/11)

815 Assembly Committee on Legislative Operations and Elections  
Makes various changes relating to ethics in government (12/10/12)

769 Senator Spearman  
Revises provisions relating to the use of technology by public agencies  
(12/10/12)

812 Assemblyman Healey  
Revises provisions governing the membership of certain regional boards  
(12/10/12)

Public Records Issues

185 Assembly Atkinson  
Revises provisions governing public records (8/17/12)

19—211 Attorney General  
AB31 Revises provisions governing public records requests. (8/30/12)

19--248 Assemblyman Grady  
Revises provisions governing public records. (8/30/12)

40-832 Senator Hardy  
Makes various changes relating to public records (12/10/12)

19-603 Senator Segerblom  
Revises provisions relating to public records (11/28/12)

19-259 Nevada League of Cities and Municipalities  
AB4 Revises provisions governing publication of informational reports,  
duplicative information and notices required to be mailed (8/30/13)

Other Issues of Interest

20-174 Nevada Association of Counties  
Revises provisions governing powers of local governments (8/10/12)
Western Regional Water Commission

STAFF REPORT

DATE: January 7, 2013

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Discussion and possible approval of the Memorandum of Legislative Cooperation Among Local Governments, Affected Government Entities, Service Providers, and other Agencies in the Truckee Meadows Region for the 2013 session of the Nevada Legislature; and, if approved, authorize the Chairman to execute the Memorandum

SUMMARY

In anticipation of the upcoming legislative session, the Regional Planning Governing Board ("RPGB") has invited the Western Regional Water Commission to participate in its Memorandum of Legislative Cooperation for the 2013 Legislative Session. The purpose of the MOU is to present a cooperative and unified effort to achieve desired results in Nevada's Legislature, with the understanding that respective interests may differ on some issues.

The MOU directs signatories to present bill draft requests, identify and discuss differences, disclose positions, provide assistance and information, inform, and actively solicit support. The Memorandum requires the parties to communicate on all legislative positions, testimony and bill drafts, and work to resolve differences so that the agencies in the region may present a common position at the Legislature to the extent possible.

The Memorandum is attached for your review and possible approval. The only change from last session was the addition of language on page 2, Section 5 to clarify that any legislation possibly having an impact on the mandatory provisions of the regional plan must be submitted to the RPGB 60 days prior to submittal to the Legislative Counsel Bureau.

BACKGROUND:

Over the past 10 years, the RPGB has adopted a Memorandum of Legislative Cooperation for each legislative session in conjunction with Washoe County, the City of Reno, the City of Sparks, the Washoe County School District and the Regional Transportation Commission. For the 2005 legislative session, the Truckee Meadows Water Authority and the Washoe County District Health Department were included as participants. For the 2009 session, the Reno- Sparks Convention and Visitors Authority was also added.

The parties to the 2011 Legislative Memorandum were:

- Regional Planning Governing Board
- City of Reno
- City of Sparks
- Washoe County
- Regional Transportation Commission
• Washoe County School District
• Washoe County Health District
• Truckee Meadows Water Authority
• Reno-Sparks Convention and Visitors Authority
• Sun Valley General Improvement District
• South Truckee Meadows General Improvement District
• Western Regional Water Commission
• Incline Village General Improvement District

Last legislative session, the following invited parties declined to participate:
• Reno-Tahoe Airport
• Gerlach General Improvement District
• Palomino Valley Improvement District

**PREVIOUS ACTION**
No previous action

**FISCAL IMPACT**
No fiscal impact.

**RECOMMENDATION**
Staff recommends that the WRWC approve the Memorandum of Legislative Cooperation for the 2012-2013 Legislative Session and authorize the Chairman to execute the Memorandum.

**POSSIBLE MOTION**
“Move to approve the Memorandum of Legislative Cooperation for the 2012 - 2013 Legislative Session and authorize the Chairman to execute the Memorandum.”

JS:jd
MEMORANDUM OF LEGISLATIVE COOPERATION
BY AND AMONG THE
LOCAL GOVERNMENTS, AFFECTED GOVERNMENT ENTITIES, SERVICE PROVIDERS AND OTHER AGENCIES IN THE TRUCKEE MEADOWS REGION

2012 - 2013

WHEREAS, the Regional Planning Governing Board (RPGB) established pursuant to Nevada Revised Statutes (NRS) 278.0264, local governments, affected entities, service providers, and other agencies in the Truckee Meadows region have numerous mutual areas of interest, including, but not limited to, master planning, facilities planning, regional planning, delivery of services, tax policy, governance, natural resources, human resources, economic development, and others; and

WHEREAS, a cooperative approach to intergovernmental relations and a unified effort within the region best serves the interests of the residents of the Truckee Meadows in achieving desired results in Nevada's Legislature; and

WHEREAS, local governments, affected entities, service providers and other agencies wish to work together to present, to the extent possible, a unified, cooperative, legislative effort for the 2013 session of Nevada's Legislature; and

WHEREAS, local governments, affected entities, service providers and other agencies understand that their respective interests may differ on some issues considered by, or presented to, Nevada's Legislature during its 2013 session;

NOW, THEREFORE, the RPGB, and the governing bodies of local governments, affected entities, service providers and other agencies (herein after identified as "the parties") make the following findings and declarations regarding the 2013 session of Nevada's Legislature:

1. Employees and contract lobbyists representing the parties will present their bill draft requests to each other at an informal meeting prior to the start of the session, in order to provide information and be available to ask and answer questions with regard to proposed legislation that affects the parties, directly or indirectly.

2. Employees and lobbyists representing the parties will meet and confer regularly during the session with regard to proposed legislation that affects the parties, directly or indirectly. Also, these employees and lobbyists will use this meet and confer mechanism as an initial forum for conflict resolution, should conflicts arise.

3. Employees and lobbyists representing the parties will make every effort to identify and communicate a unified, cooperative position on proposed
legislation, especially in light of the limited number of bill draft requests available to government agencies and legislators.

4. The parties and their representatives will identify and discuss their differences regarding proposed legislation, and determine whether there are other options, inside or outside the legislative process, which would resolve those differences.

5. Each of the parties commits to disclose to the employees and lobbyists of the other parties the position it has taken, or intends to take, regarding legislative measures of mutual interest. Also, as required by subsection 2 of NRS 278.0286, the cities of Reno and Sparks, Washoe County, and affected entities will file all relevant information with the RPGB before submitting a recommendation for proposed legislation relating to the mandatory provisions of the Truckee Meadows Regional Plan. The parties will file such information 60 days prior to submittal to the Legislative Council Bureau in accordance with the deadlines established in regulations adopted by the RPGB.

6. Employees and lobbyists representing the parties will provide assistance and information to each other, to individual legislators, and to standing legislative committees for the purpose of advancing measures in which there is a mutual interest.

7. Employees and lobbyists representing the parties will inform individual legislators and standing legislative committees whether opinions they express on a given matter represent a unified regional position or a singular position taken by the party.

8. The parties will actively solicit support for the unified, cooperative legislative approach from business, institutional, and other interest groups.

IN WITNESS THEREOF, the parties hereto have executed this memorandum on the dates signified:

REGIONAL PLANNING GOVERNING BOARD (NRS 278.0264),
by and through its board

Bonnie Weber, Chair  Date
CITY OF RENO, a municipal corporation
by and through its council

________________________________    ________________
Robert A. Cashell, Sr., Mayor    Date
CITY OF SPARKS, a municipal corporation
by and through its council

_____________________________    _________________
Geno R. Martini, Mayor     Date
WASHOE COUNTY,
by and through its commission

_____________________________    _________________

, Chair                        Date
REGIONAL TRANSPORTATION COMMISSION of Washoe County,
by and through its board

_____________________________    _________________

, Chair                           Date
WASHOE COUNTY SCHOOL DISTRICT,
by and through its board

_____________________________    _________________

, President                          Date
WASHOE COUNTY HEALTH DISTRICT,
by and through its board

___________________________________    ____________________
                                         , Chair                             Date
TRUCKEE MEADOWS WATER AUTHORITY,
by and through its board

______________________________    ____________________

, Chair                      Date
WESTERN REGIONAL WATER COMMISSION,
by and through its board

__________________________  _____________________
Mike Carrigan, Chair               Date
SUN VALLEY GENERAL IMPROVEMENT DISTRICT,  
by and through its board

__________________________    _____________________
                                    , Chair         Date
SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT

_________________________________    _____________    _________________________________ ______________

Date         Date

Chairman, Board of Trustees         Chairman, Local Managing Board

Date
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
by and through its board

___________________________________    _________________
, Chair                                  Date