

WESTERN REGIONAL WATER COMMISSION BOARD OF TRUSTEES MINUTES

Friday, February 11, 2011

The regular meeting of the Western Regional Water Commission (WRWC) Board of Trustees was held on Friday, February 11, 2011, 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 1:30 p.m. There was a quorum present.

Commissioners Present:

Mike Carrigan, Chair
Bob Larkin, Vice-Chair
John Breternitz
Steve Cohen
Geno Martini
Margaret Reinhardt
Ron Smith

Representing:

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

Commissioners Absent:

Dave Aiazzi
Bob Cashell

Representing:

City of Reno
Truckee Meadows Water Authority

- 2. Pledge of Allegiance**

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

- 3. Approval of Agenda**

Commissioner Martini made a motion to approve the February 11, 2011 WRWC agenda as posted. Commissioner Smith seconded the motion, which carried unanimously.

- 4. Public Comment**

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

- 5. Approval of the Minutes of the January 14, 2011 meeting.**

The minutes of the January 14, 2011 Western Regional Water Commission meeting were submitted for approval. Commissioner Cohen made a motion to approve the minutes as submitted. Commissioner Martini seconded the motion, which carried unanimously.

- 6. Discussion and possible designation of Schettler, Macy & Silva, LLC as the WRWC's external auditors for the Fiscal Year 2010-2011 financial statement audit.**

Chairman Carrigan invited Ben Hutchins, Washoe County Department of Water Resources Finance Manager, to present this item. Mr. Hutchins reported that staff is recommending that the WRWC designate Schettler, Macy & Silva, LLC as the external auditor for Fiscal Year (FY) 2010-2011. He stated that the firm performed audits for the fiscal years ended June 30, 2009 and June 30, 2010 and has done a great job. He stated that the firm requested an increase in their fee from \$7,800 to \$8,000, which is very reasonable based on proposals received from other firms in 2008. He summarized that he is requesting approval by the WRWC to accept staff's recommendation.

Chairman Carrigan called for questions or comments. Commissioner Smith made a motion to "Designate Schettler, Macy & Silva, LLC as the WRWC's external auditors for the Fiscal Year 2010-2011 financial statement audit, approve the related Engagement Letter, and direct staff to report the designation to the State by the statutory deadline". Commissioner Martini seconded the motion, which carried unanimously.

7. Presentation of potential strategies to protect Regional Water Management Fund cash reserves, including: a) Proposed funding for certain Truckee Meadows Regional Planning Agency activities, programs, and studies related to or impacting regional water planning, and; b) Proposed purchase of Truckee River water rights to support certain aspects of the Truckee River Operating Agreement requiring acquisition of 6,700 acre-feet; discussion and possible direction to staff.

Chairman Carrigan invited Rosemary Menard, Director of Washoe County Department of Water Resources, to present this item. Ms. Menard reported that she had two items to present, one of which was continued from the last meeting. She stated at the December WRWC meeting a request was made for staff to examine the potential of working with the Truckee Meadows Regional Planning Agency (TMRPA) on activities of mutual benefit. She stated that part of the work that would be done would be to clean up the database for demand forecasting so that the agencies would be using the same parcel base when forecasting for water demands, transportation demands and other related services. She reported that another portion of the work would be in support of developing decision support tools that would take advantage of the parcel-based planning and database in determining where future growth might occur.

Ms. Menard referred to the staff report, which included a proposal of the project components and associated funding. She welcomed input from commissioners and stated that they could choose to approve or not approve either, both or part of either component.

Ms. Menard reported that staff met with TMRPA staff twice and developed a collaborative funding proposal for the WRWC's consideration. She stated that the proposal involves providing \$700,000 in funding for the project to cover the remainder of this fiscal year and the next two fiscal years. She explained that the commitment would be for \$146,000 in the current fiscal year; and \$564,000 over the next two fiscal years, which includes in-kind services. She added that part of the in-kind services would include a portion of Jim Smitherman's salary.

Ms. Menard stated that the second part of her presentation relates to the possibility of purchasing Truckee River water rights to support certain aspects of the Truckee River Operating Agreement (TROA) that requires acquisition of 6,700 acre-feet of water. She explained that staff identified two alternatives for the purchase, one being the use of part of the unrestricted cash balance, which would further the goal of protecting cash reserves; however, only a limited number of water rights could be purchased with the available funds. She stated that the other alternative would be to use a portion of the Regional Water Management Fund (RWMF) annual reserves to reimburse TMWA, or other member agencies, for financing the proposed water rights purchases either by bonding or other low interest borrowing.

Chairman Carrigan called for questions or comments from commissioners. He stated that he has no problem with using funds from the RWMF as long as the projects are for water. He added that he does not support entering into a 20-year bond for water rights purchase, although he does not think it is a bad idea to spend *some* money on water rights. He asked how much is available in the RWMF. Ms. Menard stated that approximately \$3 million is available in the accumulated reserves.

Chairman Carrigan asked what the price of water rights is currently. Mark Foree, General Manager of TMWA, stated that their water rights are selling for \$11,700 per acre-foot; although others are charging \$5,000 to \$7,000 per acre-foot.

Ms. Menard reported that staff from member agencies has discussed this issue and stated if desired they could further define a proposal for consideration at a future meeting. She added that other funding sources could be explored and clarified that the option of bonding will not be considered. Commissioner Martini agreed with Chairman Carrigan that he does not wish to enter into any bonding agreements. Commissioner Breternitz agreed and stated that during the presentation at the Regional Planning Agency meeting yesterday, there was good discussion about working on collaborative projects that benefit both TMRPA and the WRWC. He added that purchase of some water rights might be a good idea at some point.

Ms. Menard stated that she has clear direction on bringing back a more developed proposal for the purchase of water rights. She asked commissioners what their pleasure is on the proposal to provide funding to TMRPA for collaborative projects.

Commissioner Breternitz made a motion to “Approve the proposed collaborative funding plan for work with the TMRPA and the Regional Planning Governing Board-approved Regional Data Development and Analytical Program and direct staff to develop an interlocal agreement with the TMRPA to commit funding and related resources to the effort”. Commissioner Smith seconded the motion, which carried unanimously.

8. Update on the WRWC Legislative Subcommittee and report on legislative activities, including bill draft requests in the 2011 Nevada legislature that may affect the WRWC.

John Rhodes, Legal Counsel, referred to the Staff Report, which included a summary of bill draft requests (BDRs) that may affect the WRWC and NNWPC. Mr. Rhodes reported that at the last meeting, the WRWC appointed designated representatives to its Legislative Subcommittee. He added that the members were the same as last year, which include Chairman Carrigan, Commissioner Aiazzi and Commissioner Cohen.

Mr. Rhodes stated that a summary of the BDRs is available on the WRWC website, as well as the Legislative Council Bureau website. He added that by clicking on the hyperlink to a Bill number, language of the Bill is available. He stated that the past history of the WRWC subcommittee has been to maintain a neutral position on BDRs and Bills, unless they directly affect the workings of the WRWC or NNWPC, and added that he expects the process to remain the same.

Mr. Rhodes reported that as the session progresses, he will provide an update at every meeting on any BDR or Bill that may affect or be of interest to this Commission.

Chairman Carrigan thanked Mr. Rhodes for his update.

9. Discussion and possible direction to staff regarding agenda items for the March 11, 2011 meeting and future meetings.

Chairman Carrigan called for any suggestions for items for the March WRWC meeting. Commissioner Larkin asked about an update on the report by the Legislative Committee to Oversee the WRWC. Ms. Menard stated that in the agenda packet she provided a link to the report, to which she made a few edits. Commissioner Larkin referred to the comment related to testimony at a 2010 meeting, which indicated that groundwater resources are currently estimated at 183,250 acre-feet of available water; while the consensus forecast for the year 2030 estimates *590,500 acre-feet of water* and an estimated requirement of 142,000 acre-feet. He clarified that *590,500* should be population, not water. Ms. Menard agreed and apologized for missing the error.

Commissioner Larkin referred to another comment in the report related to the WRWC providing financing for persons to connect to the public water or sewer system in certain counties and also the BDR to allow issuance of County bank bonds for refinancing bonds previously issued to an entity other than the County bond bank. Mr. Rhodes stated that it is his understanding that the bills will be submitted by the Legislative Committee to Oversee the WRWC. Ms. Menard added that the purpose of Senate Bill (SB) 487 is to change some of the language of Assembly Bill (AB) 54.

Ms. Menard offered to bring back a more defined proposal for the water rights purchase, as discussed earlier in the meeting.

Commissioner Larkin requested an update and timeline for the consolidation of Department of Water Resources and TMWA.

10. Commission Comments

Chairman Carrigan apologized for the brevity of this meeting and added that many of the members participated in a three-hour meeting earlier in the day.

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 1:48 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on March 11, 2011.

Mike Carrigan, Chairman