

**WESTERN REGIONAL WATER COMMISSION
BOARD OF TRUSTEES
MINUTES**

Thursday, May 17, 2012

The regular meeting of the Western Regional Water Commission (WRWC) Board of Trustees was held on Thursday, May 17, 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 9:34 a.m. There was a quorum present.

Commissioners Present:

Mike Carrigan, Chair
Dave Aiazzi
Bob Cashell
Steve Cohen
Kitty Jung
Geno Martini

Representing:

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

Commissioners Absent:

Bob Larkin
Margaret Reinhardt
Ron Smith

Representing:

Washoe County
Sun Valley General Improvement District (SVGID)
City of Sparks

2. Pledge of Allegiance

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

3. Public Comment

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

4. Approval of Agenda

Commissioner Martini made a motion to approve the May 17, 2012 WRWC agenda as posted. Commissioner Aiazzi seconded the motion, which carried unanimously.

5. Approval of the Minutes of the February 10, 2012 meeting

The minutes of the February 10, 2012 Western Regional Water Commission meeting were submitted for approval.

Commissioner Aiazzi made a motion to approve the minutes as submitted. Commissioner Martini seconded the motion, which carried unanimously.

6. PUBLIC HEARING on the WRWC Tentative Budget for Fiscal Year 2012/2013; discussion and adoption of the WRWC Final Budget for Fiscal Year 2012/2013

Chairman Carrigan opened the Public Hearing and invited comments from the public on the budget. Hearing none, he turned the presentation over to Jim Smitherman.

Mr. Smitherman referred to the items in the packet, which include all of the budget forms required by the Nevada Department of Taxation. He explained that the Northern Nevada Water Planning Commission approved the tentative budget at its April 4, 2012 meeting and recommended approval by the WRWC.

Mr. Smitherman stated that the fiscal year (FY) 2012/2013 budget projects \$1,344,186 in revenue (up about 2% from last year), and \$3,577,319 in expenses (down approximately \$100,000 from last year). He added that as in past years, the entire budget might not be spent. If it were, the net decrease in the fund would be \$2,992,787, with an ending fund balance of approximately \$900,000. Chairman Carrigan stated that amount is different from the worksheet ending cash balance of \$1.3 million. Mr. Smitherman explained the difference is due to the worksheet showing a “cash balance”, which begins at a different point. He added that Ben Hutchins, Finance and Customer Service Manager for Washoe County, was not present to explain the worksheets.

Chairman Carrigan clarified for commissioners that if the budget is adopted, the estimated cash balance as of 6/30/13 would be \$1.2 million. Mr. Smitherman agreed and added that the expenditures include estimated professional services, staff services and non-staff services. He explained that the largest expenditure is for “Regional Water Planning Projects”, which includes \$1,350,000 for acquisition of 6,700 acre-feet of water rights as required by the Truckee River Operating Agreement (TROA). He added that the purchase would be contingent on receiving approximately \$15 million from the federal government. He stated that the budget item has been carried forward for a few years.

Mr. Smitherman stated that \$300,000 is set aside in the budget to reimburse Truckee Meadows Water Authority (TMWA) and Washoe County Department of Water Resources (DWR) for consolidation analysis and efforts. He summarized that Regional Water Planning Projects total \$1,670,000.

Mr. Smitherman reviewed the other budget items, which include:

- Regional Water Conservation = \$219,500
- Regional Reclaimed Water Planning Projects = \$50,000
- Regional Storm Water Planning Projects = \$262,500
- Regional Wastewater Planning Projects = \$450,000
- Comprehensive Plan = \$340,787
- Total (including Regional Water Planning Projects) = \$2,992,787

Mr. Smitherman briefly reviewed the routine operating expenses, which includes staff and non-staff services. He summarized that the operating budget has not changed significantly from the past year.

Commissioner Aiazzi asked if \$300,000 would actually be spent on the feasibility analysis of consolidation. Mr. Smitherman stated that a few years ago \$250,000 was spent and the last two years, \$300,000 per year has been spent. Commissioner Aiazzi asked if the funding was in addition to TMWA and DWR each spending \$300,000. Mr. Smitherman stated that all of the money spent on the analysis does not come from the WRWC. He added that each entity spends in excess of that amount

(according to his backup information). Commissioner Aiazzi asked what remains to be done and how the money is being spent. Mr. Smitherman stated that question would be for the entities to answer.

Commissioner Aiazzi stated that the entities were asked to examine two issues before proceeding, which include South Truckee Meadows General Improvement District (STMGID) and the cost to developers.

Rosemary Menard stated that the entities recently met with the STMGID Local Managing Board and the STMGID Board of Trustees to discuss the possible directions in which to go. She added that quite a bit of progress has been made since January. She stated that the issue with developers is also being examined.

Commissioner Aiazzi asked how much money DWR has set aside in its budget for the consolidation efforts. Ms. Menard stated that the effort was not budgeted; however, the consolidation effort costs are tracked and at the end of the year, documentation of the cost is provided and reimbursed by the WRWC. Chairman Carrigan stated that was the point he made; the funding from the WRWC is to reimburse TMWA and DWR. Ms. Menard agreed that is correct.

Chairman Carrigan thanked Mr. Smitherman for his presentation.

Commissioner Aiazzi made a motion to adopt and certify the WRWC Final Budget for fiscal year 2012/2013 and direct staff to transmit a copy of it to the Nevada Tax Commission, together with an affidavit of proof of publication of the notice of the public hearing in accordance with law. Commissioner Cohen seconded the motion, which carried unanimously

7. Discussion and possible finding that the draft Washoe County consensus population forecast for 2032 can be supported by the sustainable water resources as set forth in the Comprehensive Regional Water Management Plan

Chairman Carrigan invited Jim Smitherman to present this item. Mr. Smitherman explained that a couple of years ago, the Truckee Meadows Regional Plan was amended to include a review of the Washoe County consensus population forecast with respect to sustainable water resources identified in the Regional Water Plan. He stated that an analysis was performed during the update of the Water Plan in late 2010. He reported that the consensus forecast is updated every two years, which triggers the process for the WRWC to determine that sustainable water resources are available for the updated projections.

Mr. Smitherman referred to the actual certified population estimates for Washoe County (by the State Demographer), which showed a peak in 2008 that declined by approximately 7,000 in 2009. He stated that the population projection and growth rate have decreased so the projection for 2032 is significantly less than previously projected. He requested that based on the population projections decreasing and the same sustainable water resources (or possibly even more than what was identified in 2010) being available, the WRWC find that the sustainable water resources can support the population projections. He added that Shawn Stoddard, TMWA, and he met and agreed that, considering the population projections, no further analysis was necessary.

Commissioner Aiazzi made a motion to determine that the draft Consensus Forecast population for 2032 is less than the estimated population that can be supported by the sustainable water resources set forth in the RWMP, and direct staff to submit the draft

Consensus Forecast, with a finding that the forecasted population can be supported by the sustainable water resources. Commissioner Jung seconded the motion, which carried unanimously.

- 8. Discussion and possible acceptance of a Clean Water Act grant in the amount of \$40,000, to offset funding for the ongoing regional groundwater management study, including nitrate concentrations related to septic tanks; and, if accepted, authorize the Chairman to execute a Subgrant Agreement with the Nevada Division of Environmental Protection for that purpose**

Commissioner Martini made a motion to accept the Clean Water Act grant in the amount of \$40,000, to offset funding for the Project; and authorize the Chairman to execute the Subgrant Agreement with NDEP. Commissioner Cashell seconded the motion, which carried unanimously.

Commissioner Aiazzi commended Mr. Wessel for securing the \$40,000 grant.

- 9. Discussion and possible approval of funding in an amount not to exceed \$250,000 from the Regional Water Management Fund ("RWMF") for the continuation of technical services by LimnoTech, Inc. ("LTI") for water quality planning related to the Truckee River total maximum daily load ("TMDL") and water quality standards ("WQS") for nutrients; and if approved, authorize the Chairman to execute a Third Amendment to the Interlocal Agreement with the City of Reno for that purpose**

Mr. Smitherman explained that this item is to renew an existing interlocal agreement with the City of Reno for the continuation of technical services provided through contract with LimnoTech associated with reviewing and possibly making changes to the water quality standards for the Truckee River, which benefit the discharge from the Truckee Meadows Water Reclamation Facility (TMWRF). He added that this particular agreement is for the computer modeling. He stated that the City of Reno is the lead on this project under a prior interlocal agreement.

Commissioner Aiazzi made a motion to approve funding in an amount not to exceed \$250,000 from the Regional Water Management Fund ("RWMF") for the continuation of technical services by LimnoTech, Inc. ("LTI") for water quality planning related to the Truckee River total maximum daily load ("TMDL") and water quality standards ("WQS") for nutrients; and if approved, authorize the Chairman to execute a Third Amendment to the Interlocal Agreement with the City of Reno, extending the term for 12 months. Commissioner Jung seconded the motion, which carried unanimously.

- 10. Discussion and possible approval of Amendment No. 3 to the Attorney-Client Fee Contract with Somach Simmons & Dunn, to extend the expiration date to June 30, 2013, for specialized legal services required in connection with the Truckee River TMDL and WQS process; and, if approved, authorize the Chairman to execute the Amendment**

Mr. Smitherman explained that this contract is for specialized legal services for work on the Truckee River total maximum daily load (TMDL). He clarified that this amendment is for a time extension of the contract. He added that approximately \$38,000 (of the \$50,000) contract remains, which should cover the cost of the needed work.

Commissioner Cashell made a motion to approve the proposed Amendment No. 3 to the Attorney-Client Fee Contract with Somach Simmons & Dunn, to extend the expiration date to June 30, 2013, for specialized legal services required in connection with the Truckee River TMDL process, and authorize the Chairman to execute the Amendment. Commissioner Martini seconded the motion, which carried unanimously.

11. Discussion and possible approval of funding in an amount not to exceed \$262,500 from the RWMF to support the Truckee Meadows Storm Water Quality Management Program, and activities related to the implementation of the water quality and storm water drainage provisions of the Comprehensive Regional Water Management Plan; and, if approved, authorize the Chairman to execute a First Amendment to the Interlocal Agreement with the City of Reno for that purpose

Mr. Smitherman reported that this item is to continue funding for the Truckee Meadows Storm Water Quality Management Program. He explained that the U.S. Environmental Protection Agency requires a program for stormwater discharge that is administered by the Nevada Division of Environmental Protection (NDEP). He added that the historic budget amount is \$262,500, which was shared by the City of Reno, City of Sparks and Washoe County; however, last year the WRWC recommended funding from the Regional Water Management Fund. He stated that the scope of work is being finalized currently.

Commissioner Martini made a motion to approve funding in an amount not to exceed \$262,500 from the RWMF, and authorize the Chairman to execute the proposed Amendment. Commissioner Cashell seconded the motion, which carried unanimously.

12. Discussion and possible approval of a Second Amendment to the Interlocal Agreement among the Western Regional Water Commission ("WRWC"), the Truckee Meadows Water Authority ("TMWA") and Washoe County (the "County") for reimbursement of certain expenses, not to exceed \$300,000, incurred in evaluating and implementing recommendations regarding integration/consolidation of the County's Department of Water Resources and TMWA; and, if approved, authorize the Chairman to execute the Second Amendment

Chairman Carrigan stated this item was previously discussed under approval of the budget. He invited any questions or comments.

Commissioner Cashell made a motion to approve the proposed Second Amendment to the interlocal Agreement among the WRWC, TMWA, and Washoe County for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation of TMWA and DWR, and authorize the Chairman to execute the Amendment. Commissioner Martini seconded the motion, which carried unanimously.

13. Discussion and possible direction to staff regarding agenda items for the June 8, 2012 meeting and future meetings

Mr. Smitherman stated that all of the time sensitive agenda items have been heard and suggested possibly cancelling the June WRWC meeting. Chairman Carrigan agreed to cancel the meeting.

14. Commission Comments

None

15. Staff Comments

None

16. Public Comment

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

17. Adjournment

With no further business, the meeting was adjourned at 9:55 a.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on September 19, 2012.

Mike Carrigan, Chairman