WESTERN REGIONAL WATER COMMISSION ("WRWC")
AGENDA
Thursday, May 17, 2012 @ 9:30 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. Approval of Agenda (for possible action)
5. Approval of the minutes of the February 10, 2012 meeting (for possible action)
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 — Jim Smitherman, WRWC Water Resources Program Manager (for possible action)
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 — Jim Smitherman (for possible action)
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 – Chris Wessel, WRWC Water Planner *(for possible action)*

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 — Jim Smitherman *(for possible action)*

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—Jim Smitherman *(for possible action)*

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 – Jim Smitherman *(for possible action)*

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 *(for possible action)*

13. Discussion and possible direction to staff regarding agenda items for the June 8, 2012 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)*
The regular meeting of the Western Regional Water Commission (WRWC) Board of Trustees was held on Friday, February 10, 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 1:31 p.m. There was a quorum present.

Commissioners Present:
- Mike Carrigan, Chair
- Bob Cashell
- Steve Cohen
- Kitty Jung
- Geno Martini
- Margaret Reinhardt
- Ron Smith

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

Commissioners Absent:
- Dave Aiazzi
- Bob Larkin

Representing:
- City of Reno
- Truckee Meadows Water Authority

2. Pledge of Allegiance

Chairman Carrigan asked Commissioner Smith 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 February 10, 2012 WRWC agenda as posted. Commissioner Smith seconded the motion, which carried unanimously.

5. Approval of the Minutes of the November 16, 2011 meeting.

The minutes of the November 16, 2011 Western Regional Water Commission meeting were submitted for approval. Commissioner Smith made a motion to approve the minutes as submitted. Commissioner Martini seconded the motion, which carried unanimously.

6. Election of Chairman, Vice-Chairman, Secretary and Treasurer for the 2012 calendar year – Jim Smitherman, WRWC Water Resources Program Manager

Commissioner Martini made a motion to nominate the existing Chairman, Vice-Chairman, Secretary and Treasurer to the 2012 calendar year term. Commissioner Cashell seconded the motion, which carried unanimously.
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 with DRI for that purpose

Chairman Carrigan invited Jim Smitherman to present this item. Mr. Smitherman reported that the Northern Nevada Water Planning Commission (NNWPC) recently heard a presentation by DRI and recommended that the WRWC approve continuing the program and funding. He invited Arlen Huggins from DRI, who was present, to answer any questions or provide a brief report.

Dr. Huggins reported that DRI’s main funding was received from the Truckee River Fund in October ($155,000) and the funding from the WRWC would provide the remainder to complete the project through the spring. He stated that to date, there have been very few storms. He reported that DRI’s equipment is in good shape and supplies are available through April. He stated that the water situation for the area is approximately 30% of normal. He summarized that DRI would continue their work.

Chairman Carrigan noted that funding for DRI’s Cloud Seeding program previously was provided by the State and now TMWA and the WRWC provide funding.

Commissioner Cashell made a motion to approve funding in an amount not to exceed $100,000 from the Regional Water Management Fund to support similar Cloud Seeding Operations for the upcoming water year; and to authorize the Chairman to execute an Interlocal Agreement with DRI for that purpose. Commissioner Martini seconded the motion, which carried unanimously.

8. Discussion and possible designation of Schettler, Macy & Silva, LLC as the WRWC’s external auditors for the Fiscal Year 2011-2012 financial statement audit

Ben Hutchins, Finance & Customer Services Manager for Washoe County Department of Water Resources, recommended that the WRWC approve a contract for Schettler, Macy & Silva, LLC as the WRWC’s external auditors for the Fiscal Year 2011-2012 financial statement audit. He added that they are great to work with and have done a great job in the past at a fair fee.

Commissioner Martini made a motion to accept the report. Commissioner Cashell seconded the motion, which carried unanimously.

9. Report on TMWA’s Water Usage Review Program for 2010 and 2011; discussion and possible approval of a funding in the amount of $126,470 from the RWMF for the 2011 and 2012 Water Usage Review Program; and, if approved, authorize the Chairman to execute an Interlocal Agreement with TMWA for the 2012 Program

Mr. Smitherman reported that the NNWPC heard a presentation from Ms. Richards, Administrator of Conservation and Community Education at TMWA, at the last meeting and recommended that the WRWC approve funding to continue TMWA’s Water Usage Review Program for 2012 in the amount of $126,470. He stated that Ms. Richards was present to provide a brief report or answer any questions.

Commissioner Smith made a motion to approve funding in the amount of $126,470 from the RWMF for the 2011 and 2012 Water Usage Review Program; and to authorize the Chairman to
execute an Interlocal Agreement with TMWA for the 2012 Program. Commissioner Martini seconded the motion, which carried unanimously.

10. Report on responses to the Request for Qualifications 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; discussion and possible approval of funding in an amount not to exceed $60,000 from the RWMF for the study; and, if approved, authorize the Chairman to execute an Agreement with the selected consultant for that purpose

Chris Wessel, NNWPC Water Management Planner, reported that this item pertains to a study that was funded by the Regional Water Management Fund for a septic system analysis and risk-based management. The report identified and ranked sixteen areas of high-density septic systems. Washoe County has initiated a phased approach to connect the septic users to the municipal sewer in Spanish Springs with funding assistance from grants (which most likely will not continue into the future). Staff is interested in exploring alternative funding mechanisms.

Mr. Wessel explained that the purpose of the Groundwater Management Study is to identify strategies and potential funding mechanisms to address regional groundwater quality and quantity issues, including nitrate concentrations related to septic tanks that have been successfully done in other areas. The NNWPC approved a scope of work and request for proposals (RFP). He reported that following an open bidding process, the AMEC/Lombardo team was selected as most appropriate for the work.

Mr. Wessel reported that the study was initially proposed for $20,000 in funding; however, the NNWPC and staff thought that number was not sufficient to accomplish the goal and deliverables. He stated that the Clean Water Act (CWA)’s 208 Water Quality Grant is available in the amount of $40,000, which the NNWPC expects to receive. He explained that if received, the money would be used for this study. He added that the WRWC is the CWA’s 208 Water Quality Leader. He summarized that his request is that the WRWC approve an increase in the 208 planning and review budget by $40,000, which would increase the total budget for this project to $60,000, which would be offset by the grant funds if they become available.

Commissioner Cohen made a motion to approve funding in an amount not to exceed $60,000 from the RWMF for the study; and to authorize the Chairman to execute an Agreement with the selected consultant for that purpose. Commissioner Smith seconded the motion, which carried unanimously.

11. Presentation on membership and proposed 2012 meetings of the Legislative Committee to Oversee the WRWC ("LOC"); discussion and possible direction to staff regarding the LOC meeting set for February 24, 2012

Rosemary Menard, Director of Washoe County Department of Water Resources, acknowledged Pat Guinan, Legislative Council Bureau Research Staff, who was present. She mentioned that the members of the LOC include Senator Lee, Senator Schneider, Senator Gustafson, Assemblywoman Benitez-Thompson, Assemblyman Daly, and Assemblyman Goicoechea. The group is planning to meet on February 24 at 9:00 a.m. in Carson City.

Ms. Menard stated that staff has been working on polling members to determine their interests. An overview of the legislation will be proposed along with a history of the previous interim committees. Also included at the meeting will be an update on the TMWA/DWR consolidation; overview of the water
rights transfer process; regional water supply discussion to include the resources, systems, water quality issues; and an update on the Truckee River Flood Project.

Commissioner Martini asked Ms. Menard if she is looking for recommendations from the WRWC to take to the committee. She stated that staff has discussed the issue and found no particular legislative actions proposed for this session.

Commissioner Martini requested that the legislature “do away with this committee and put what’s left to be done under TMWA.” He stated it is a waste of time for us to be meeting.

Mr. Guinan reported that statutorily the Legislative Oversight Committee is set to sunset in 2013.

Commissioner Cashell reiterated that the recommendation is to abolish the WRWC to save costs when the issues could be done under TMWA or the County.

Chairman Carrigan offered to brief the Oversight Committee at the February meeting on the recommendations brought forward by the two mayors.

12. Discussion and possible direction to staff regarding agenda items for the March 9, 2012 meeting and future meetings.

Ms. Menard stated that staff recommended canceling the March 9, 2012 meeting; however, there are a number of items slated for the April meeting, including adoption of the tentative budget for the WRWC and NNWPC. Also scheduled for the meeting will be:

- State review of Truckee River nutrient water quality standards
- Follow-up from February 24 Oversight Committee meeting
- Based on the Washoe County Consensus Forecast, determining if we have adequate water supply for the region – Action will be required by the NNWPC

Chairman Carrigan asked if the WRWC is abolished, what happens to the NNWPC. Ms. Menard stated that generally the commissions are tiered and the NNWPC is the technical advisory committee to the WRWC.

John Rhodes, Legal Counsel, offered a preliminary opinion that any changes or abolishing the WRWC would necessitate changing the duties of the NNWPC or putting those responsibilities in another place. He stated that the issue would most likely focus around the additional duties of the WRWC not related to purveying of municipal water; i.e., flood issues, water quality and other planning issues.

Chairman Carrigan asked Mr. Rhodes and staff to develop a brief opinion of the options. He also mentioned the user fees, which Ms. Menard stated were statutorily set for the Regional Water Management Fund. Ms. Menard added that the scope of the NNWPC and WRWC is more than just drinking water; they are also responsible for wastewater, reclaimed water, flood, storm water and water quality.

Mr. Rhodes agreed to report back on the issue in April. He offered to speak with Chairman Carrigan prior to the meeting on February 24.

13. Commission Comments
Commissioner Cohen stated that he has been receiving phone calls and emails and wished to state publicly that STMGID has been exploring its future for the last couple of years, based on the discussions of TMWA and DWR consolidating. He reported that Washoe County issued a 10% cut for all departments, including DWR, and Ms. Menard felt she could only manage DWR by no longer managing STMGID. The Board of County Commissioners agreed, which effectively eliminated STMGID from the County’s management. He stated that STMGID is currently working on an Interlocal Agreement with the County for a merger to protect STMGID’s water system assets. He stated that the tentative timeframe for the merger of STMGID into DWR is to take place by June 30.

14. Staff Comments

None

15. Public Comment

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

16. Adjournment

With no further business, the meeting was adjourned at 1:52 p.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: May 7, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: PUBLIC HEARING on the Western Regional Water Commission ("WRWC") Tentative Budget for Fiscal Year 2012/2013; discussion and adoption of the WRWC Final Budget for Fiscal Year 2012/2013

________________________________________________________________________

SUMMARY
Staff has developed a tentative fiscal year 2012/2013 budget for the WRWC including revenues, staff and non-staff professional services, and in-kind services. Additional pages include a budget summary and details for professional services related to priority projects and routine operating expenses. On April 4, 2012, the Northern Nevada Water Planning Commission ("NNWPC") reviewed the proposed fiscal year 2012/2013 tentative budget, and recommended it for approval by the WRWC.

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

PREVIOUS ACTION
None

FISCAL IMPACT
The fiscal year 2012/2013 preliminary budget projects $1,344,186 in revenue, $3,577,319 in expenses, and an ending cash balance of approximately $900,000. Budget expenses include a maximum of $2,992,787 for WRWC work plan activities, $481,532 for three full time staff and legal services, and various routine operating expenses in the amount of $103,000.

RECOMMENDATION
Staff recommends that the WRWC 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.
POSSIBLE MOTION
“Move 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.”

JS:jd

Attachment: WRWC Fiscal Year 2012/2013 Tentative Budget
## Western Regional Water Commission

**Fiscal Year July 1, 2012 - June 30, 2013**

### Budget Summary Worksheet

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>1.5% WMF</th>
<th>NOTE</th>
<th>Washoe County</th>
<th>NOTE</th>
<th>TMWA</th>
<th>NOTE</th>
<th>SVGID</th>
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<td>Staff Services (Page 3)</td>
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<td>Non-Staff Services (Page 3)</td>
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<td>Total Professional Services/Supplies</td>
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| Total Expenses                       | 3,577,319| 159,866| 28,400        | 1,500 |

### Net Decrease in Cash Reserves (\$2,233,134)

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<th>Cash Balance as of 7/1/11</th>
<th>$3,842,207</th>
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<td>Estimated 2010/2011 Revenue (Cash Flow)</td>
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<td>Estimated 2010/2011 expenditure (Page 4)</td>
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<td>Net Decrease in Cash Reserves</td>
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<td>Estimated cash balance as of 6/30/13</td>
<td>$1,266,709</td>
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### NOTES:

1. Proposed budget provides legal spending authority for projects yet to be approved by the WRWC upon recommendations provided by the NNWPC. Specific per project scope and cost yet to be developed and approved by the WRWC.
2. Proposed budget provides legal spending authority for contract staff services previously approved by the WRWC.
3. Washoe County estimate for labor overhead: 1.5% fund management, accounting, purchasing, human resources, information technology, routine/administrative and GIS/drafting services.
4. TMWA estimate to perform administrative tasks such as drafting and posting agendas, producing staff reports, delivering agenda packets, contracts to provide WRWC minutes and website postings and updates.
5. TMWA estimate for supplies to produce agendas, staff reports and agenda packets.
6. Washoe County estimate for services and supplies overhead: office space, utilities, computer hardware, software, copier, supplies.
7. TMWA estimate for office space, copier, computer expenditures.
8. Cost for various SVGID overhead related to providing staff resources.
9. Budget expenses exceed revenues by \$2,233,134 which reduces projected cash balance to approximately \$1,267,000 at 6/30/13.
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<th>Professional Services Project Name</th>
<th>2012/2013 1st Quarter Budget</th>
<th>2012/2013 2nd Quarter Budget</th>
<th>2012/2013 3rd Quarter Budget</th>
<th>2012/2013 4th Quarter Budget</th>
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<td>$85,197</td>
<td>$85,197</td>
<td>$340,787</td>
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<tr>
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<td>$745,072</td>
<td>$745,072</td>
<td>$757,572</td>
<td>$2,992,787</td>
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<tr>
<td>----------------</td>
<td>-------------------------------</td>
<td>-------------------------------</td>
<td>-------------------------------</td>
<td>-------------------------------</td>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Staff Services</td>
<td>WRWC Employees</td>
<td>$83,633</td>
<td>$83,633</td>
<td>$83,633</td>
<td>$334,532</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mileage Expenses</td>
<td>$600</td>
<td>$600</td>
<td>$600</td>
<td>$2,400</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Legal Services</td>
<td>$36,000</td>
<td>$36,000</td>
<td>$36,000</td>
<td>$144,000</td>
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<tr>
<td></td>
<td>Lobbing Registration</td>
<td>$0</td>
<td>$0</td>
<td>$600</td>
<td>$600</td>
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<tr>
<td>Staff Services Subtotal</td>
<td>$120,233</td>
<td>$120,233</td>
<td>$120,833</td>
<td>$120,233</td>
<td>$481,532</td>
<td></td>
</tr>
<tr>
<td>Minutes</td>
<td></td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$20,000</td>
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<tr>
<td>Website</td>
<td></td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$20,000</td>
<td></td>
</tr>
<tr>
<td>Video Coverage</td>
<td></td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>CAFR &amp; Audit</td>
<td></td>
<td>$23,000</td>
<td>$0</td>
<td>$0</td>
<td>$23,000</td>
<td></td>
</tr>
<tr>
<td>Regional Training</td>
<td>$750</td>
<td>$750</td>
<td>$750</td>
<td>$750</td>
<td>$3,000</td>
<td></td>
</tr>
<tr>
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<td></td>
<td>$1,750</td>
<td>$1,750</td>
<td>$1,750</td>
<td>$7,000</td>
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<td>Advertising</td>
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<td>$1,250</td>
<td>$1,250</td>
<td>$1,250</td>
<td>$5,000</td>
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<tr>
<td>Misc. Operating</td>
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<td>$3,750</td>
<td>$3,750</td>
<td>$3,750</td>
<td>$15,000</td>
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<tr>
<td>Non-Staff Services Subtotal</td>
<td>$43,000</td>
<td>$20,000</td>
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<td>$20,000</td>
<td>$103,000</td>
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<tr>
<td>Totals</td>
<td></td>
<td>$163,233</td>
<td>$140,233</td>
<td>$140,833</td>
<td>$140,233</td>
<td>$584,532</td>
</tr>
</tbody>
</table>

Expense Description/Example

- **WRWC Employees**: Cost for Support Staff services as defined by employee services contract entered into between Washoe County and WRWC.
- **Mileage Expenses**: Annual routine daily vehicle mileage expenses.
- **Legal Services**: Cost for Legal Counsel services as defined by contract as entered into between John Rhodes and WRWC.
- **Lobbing Registration**: Cost for registration for staff members as state lobbyists.
- **Minutes**: Annual service contract to provide for recording of meetings and transcription of minutes.
- **Website**: Such as; website content and design services; annual website updating, maintenance, and hosting; specialized programming services; digital library development and updating; hosting, development and maintenance of databases; licensing fees, software and software updates, training/programming reference materials.
- **Video Coverage**: Annual Expense for video coverage of WRWC and NNWPC Meetings.
- **CAFR & Audit**: Annual Expense for CAFR development and Financial Audit.
- **Regional Training**: Cost of travel and training for staff members not covered by in-kind services including transportation services, mileage reimbursement, lodging, meals, registration and other miscellaneous cost such as reference materials, parking meters, field trips, etc.
- **Regional Travel**: Cost of travel and training for staff members not covered by in-kind services including transportation services, mileage reimbursement, lodging, meals, registration and other miscellaneous cost such as reference materials, parking meters, field trips, etc.
- **Advertising**: Such as Advertising and Legal Notices.
- **Misc. Operating**: Such as: printing & reproduction, publications, and public notices, refreshments for volunteer boards/commissions, GIS and other in-house member agency support (not covered by in-kind services), equipment & supplies (i.e. computers, computer related supplies such as CDs, DVDs, etc.), projectors, printers, CD label machine, poster board, reproduction services, software licensing and fees, labels, business cards, periodicals, subscriptions, books, postage & mailing, promotion and public materials, miscellaneous equipment rental, insurances, general overhead expenses.
- **Expiration of In-Kind Services (TMWA/DWR/SVGID)**: Currently all in-kind service costs are covered by member agencies as specified by interlocal agreement.
### Estimated Expenditures Fiscal Year 2011/2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Quarter Ending</th>
<th>2010/2011 Estimate to Complete</th>
<th>Total Estimated Fiscal 2011/2012 Expenditure as of 6/30/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>WRWC Employees</td>
<td></td>
<td>334,532</td>
<td>334,532</td>
</tr>
<tr>
<td>Mileage Expenses</td>
<td></td>
<td>2,400</td>
<td>2,400</td>
</tr>
<tr>
<td>Legal Services</td>
<td></td>
<td>145,000</td>
<td>145,000</td>
</tr>
<tr>
<td>Lobbying Services</td>
<td></td>
<td>600</td>
<td>600</td>
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<tr>
<td><strong>Service Contract Subtotal</strong></td>
<td></td>
<td><strong>482,532</strong></td>
<td><strong>482,532</strong></td>
</tr>
<tr>
<td>Minutes</td>
<td></td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Website</td>
<td></td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Invision/G3</td>
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<td>4,500</td>
<td>4,500</td>
</tr>
<tr>
<td>CAFR &amp; Audit</td>
<td></td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Regional Training</td>
<td></td>
<td>0</td>
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</tr>
<tr>
<td>Regional Travel</td>
<td></td>
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<tr>
<td>Advertising</td>
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</tr>
<tr>
<td>Misc. Operating</td>
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<td>3,527</td>
<td>3,527</td>
</tr>
<tr>
<td>Expiration of In-Kind Services (TMWA/DWR/SVGID)</td>
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<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Non-Service Related Routine Operating Subtotal</strong></td>
<td></td>
<td><strong>27,027</strong></td>
<td><strong>30,027</strong></td>
</tr>
<tr>
<td><strong>Routine Operating Expense Subtotals</strong></td>
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<td><strong>509,559</strong></td>
<td><strong>512,559</strong></td>
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<tr>
<td>DWR / TMWA Consolidation</td>
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<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>TROA 6700 AF Water Rights Requirement</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>208 Plan Review and Update</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Regional Water Planning</strong></td>
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<td><strong>0</strong></td>
<td><strong>300,000</strong></td>
</tr>
<tr>
<td>DRI Cloud Seeding</td>
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<td>90,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Washoe ET Project</td>
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<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Water Usage Review Program</td>
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<td>63,235</td>
<td>63,235</td>
</tr>
<tr>
<td>Certified Landscape Technician Program</td>
<td></td>
<td>19,230</td>
<td>19,230</td>
</tr>
<tr>
<td>Conservation, Sustainability, Climate Change</td>
<td></td>
<td><strong>176,465</strong></td>
<td><strong>176,465</strong></td>
</tr>
<tr>
<td>North Valley's Initiative (COR)</td>
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<td>0</td>
</tr>
<tr>
<td>Regional Reclaim Water Planning Projects</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NPDES Storm Water Quality Management Program</td>
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<td>262,500</td>
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<tr>
<td>Regional Storm Water Planning Projects</td>
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<td><strong>262,500</strong></td>
<td><strong>262,500</strong></td>
</tr>
<tr>
<td>Regional Flood Control Planning Projects</td>
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</tr>
<tr>
<td>Water Quality Standard and TMDL Review</td>
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<td>319,000</td>
<td>319,000</td>
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<tr>
<td>Septic Alternatives Analysis</td>
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<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Regional Wastewater Planning Projects</td>
<td></td>
<td><strong>339,000</strong></td>
<td><strong>339,000</strong></td>
</tr>
<tr>
<td>Plan Development Services</td>
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<td>0</td>
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<tr>
<td>TMRPA GIS Population Model</td>
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<td>66,200</td>
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<tr>
<td>DWR GIS Services</td>
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<tr>
<td>Water Management Plan</td>
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<td><strong>68,200</strong></td>
<td><strong>68,200</strong></td>
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<tr>
<td><strong>Project Subtotal</strong></td>
<td></td>
<td><strong>846,165</strong></td>
<td><strong>1,146,165</strong></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>1,355,724</strong></td>
<td><strong>1,658,724</strong></td>
</tr>
</tbody>
</table>
Western Regional Water Commission herewith submits the (TENTATIVE) budget for the fiscal year ending June 30, 2013

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

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

This budget contains 1 governmental fund types with estimated expenditures of $3,577,319 and 0 proprietary funds with estimated expenses of $0

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

CERTIFICATION

[Signature]
Ben Hutchins
(Printed Name)
Finance & Customer Service Manager
(Title)
certify that all applicable funds and financial operations of this Local Government are listed herein

Signed: ____________________________

Dated: ____________________________

SCHEDULED PUBLIC HEARING:

Date and Time 5/17/12 9:00 AM
Publication Date

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

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL PRIOR YEAR 6/30/2011</th>
<th>ESTIMATED CURRENT YEAR ENDING 06/30/12</th>
<th>BUDGET YEAR ENDING 06/30/13</th>
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<tr>
<td>General Government</td>
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<tr>
<td>Judicial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL GENERAL GOVERNMENT</strong></td>
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<td></td>
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<tr>
<td>Utilities</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Hospitals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit Systems</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Airports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

### POPULATION (AS OF JULY 1)

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

<table>
<thead>
<tr>
<th>TAX RATE</th>
<th>ACTUAL</th>
<th>ESTIMATED</th>
<th>BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
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</tr>
<tr>
<td>Special Revenue Funds</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects Funds</td>
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<td></td>
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</tr>
<tr>
<td>Debt Service Funds</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL TAX RATE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Western Regional Water Commission  
(Local Government)

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

Budget For Fiscal Year Ending June 30, 2013

<table>
<thead>
<tr>
<th>GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUNDS</th>
<th>BEGINNING FUND BALANCES (1)</th>
<th>CONSOLIDATED TAX REVENUE (2)</th>
<th>PROPERTY TAX REQUIRED (3)</th>
<th>TAX RATE (4)</th>
<th>OTHER REVENUE OTHER THAN TRANSFERS IN (5)</th>
<th>OPERATING TRANSFERS IN (7)</th>
<th>TOTAL (8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>3,133,351</td>
<td></td>
<td></td>
<td></td>
<td>1,344,186</td>
<td></td>
<td>4,477,537</td>
</tr>
<tr>
<td>Debit Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal Governmental Fund Types, Expendable Trust Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROPRIETARY FUNDS</td>
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<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
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<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
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<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
</tr>
<tr>
<td>Subtotal Proprietary Funds</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
</tr>
<tr>
<td>TOTAL ALL FUNDS</td>
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<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
<td>XXXXXXXX</td>
</tr>
</tbody>
</table>

Page: 3

Form 5

3/28/2012
<table>
<thead>
<tr>
<th>REVENUES</th>
<th>(1) ACTUAL PRIOR YEAR ENDING 6/30/2011</th>
<th>(2) ESTIMATED CURRENT YEAR ENDING 6/30/2012</th>
<th>(3) TENTATIVE APPROVED</th>
<th>(4) FINAL APPROVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5% Regional Water Management Fees</td>
<td>1,315,587</td>
<td>1,284,980</td>
<td>1,322,988</td>
<td>1,322,988</td>
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<tr>
<td>Investment Earnings</td>
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<td>31,380</td>
<td>21,198</td>
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</tr>
<tr>
<td>Subtotal</td>
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<td>1,316,360</td>
<td>1,344,186</td>
<td>1,344,186</td>
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</tbody>
</table>

**OTHER FINANCING SOURCES:**
Operating Transfers In (Schedule T)

**BEGINNING FUND BALANCE**
Reserved
Unreserved | 3,484,602 | 3,475,715 | 3,133,351 | 3,133,351 |

**TOTAL BEGINNING FUND BALANCE**
Prior Period Adjustment(s)
Residual Equity Transfers

**TOTAL RESOURCES** | 4,865,007 | 4,792,075 | 4,477,537 | 4,477,537 |

**EXPENDITURES**
Wages & Salaries
Benefit Expense
Professional Services & Supplies | 1,389,292 | 1,658,724 | 3,577,319 | 3,577,319 |

Subtotal | 1,389,292 | 1,658,724 | 3,577,319 | 3,577,319 |

**OTHER USES**
CONTINGENCY (not to exceed 3% of total expenditures)
Operating Transfers Out (Schedule T) | 0 | 0 | 0 | 0 |

**ENDING FUND BALANCE**
Reserved
Unreserved | 3,475,715 | 3,133,351 | 900,218 | 900,218 |

**TOTAL ENDING FUND BALANCE** | 3,475,715 | 3,133,351 | 900,218 | 900,218 |

**TOTAL COMMITMENTS & FUND BALANCE** | 4,865,007 | 4,792,075 | 4,477,537 | 4,477,537 |

---

Western Regional Water Commission  
(Local Government)  
**SCHEDULE B**  
**FUND** 766
LOBBYING EXPENSE ESTIMATE

Pursuant to NRS 354.600 (3), each (emphasis added) local government budget must obtain a separate statement of anticipated expenses relating to activities designed to influence the passage or defeat of legislation in an upcoming legislative session.

Nevada Legislature: 77th Session; February 4, 2013 to June 4, 2013

1. Activity: **NONE**

2. Funding Source:

3. Transportation $ ____________

4. Lodging and meals $ ____________

5. Salaries and Wages $ ____________

6. Compensation to lobbyists $ ____________

7. Entertainment $ ____________

8. Supplies, equipment & facilities; other personnel and services spent in Carson City $ ____________

Total $ ____________

Entity: Western Regional Water Commission

Budget Year 2012-2013

Page: 5

Form 30
12/8/2011

Form 30
5/11/2012
### Schedule of Existing Contracts

**Budget Year 2012-2013**

**Local Government:** Western Regional Water Commission  
**Contact:** Jim Smitherman  
**E-mail Address:** ismitherman@washoecounty.us  
**Daytime Telephone:** 775-954-4657  
**Total Number of Existing Contracts:** 17

<table>
<thead>
<tr>
<th>Line</th>
<th>Vendor</th>
<th>Effective Date of Contract</th>
<th>Termination Date of Contract</th>
<th>Proposed Expenditure FY 2012-13</th>
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Additional Explanations (Reference Line Number and Vendor):

Form 31
1-12-11
## Schedule of Privatization Contracts

**Budget Year 2012-2013**

**Local Government:** Western Regional Water Commission

**Contact:** Jim Smitherman

**E-mail Address:** jsmitherman@washoecounty.us

**Daytime Telephone:** 775-954-4657

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<th>Line</th>
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Attach additional sheets if necessary.
Western Regional Water Commission

STAFF REPORT

DATE: May 7, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

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

SUMMARY

Nevada State Demographer (“NSD”) estimates show that the population in Washoe County peaked in 2008 and then dropped by about 7,200 persons between July 2008 and July 2009. Further, NSD estimates show that, in spite of modest growth, the population has not yet recovered to 2008 levels. As the NSD’s 2009 estimate was published after the last Consensus Forecast was compiled, that Forecast did not reflect the population decrease. The draft Consensus Forecast compiled earlier this year, however, reflects both the 2009 decrease in population and the generally slow economic conditions in Washoe County by incorporating a decrease in the population growth rate.

Staff consulted with Truckee Meadows Water Authority (“TMWA”) staff who confirmed that TMWA’s 20-year population projections are also running lower than two years ago. TMWA staff also indicated that 2011 water production was about 13 percent below what they projected in their 2010 Water Resource Plan. After discussing the level of effort required to produce the regional water demand estimate two years ago, staff determined not to request that TMWA create a new model this year.

It is clear that, since the current draft Consensus Forecast uses a lower initial population estimate and a lower growth rate, a corresponding 20-year water demand estimate would certainly be lower than the projection done two years ago. It follows that, if the potential sustainable water resources identified in the 2011-2030 Comprehensive Regional Water Management Plan (“RWMP”) were determined to be capable of supporting a population greater than the 2030 population projected by the Consensus Forecast in 2010, those same water resources would support a lesser population as projected for the year 2032 in this year’s draft Consensus Forecast.

DISCUSSION

Population Trend from 2000 to 2011

The NSD’s certified population estimates for Washoe County from 2000 to 2008 reflect an annual average growth rate of nearly 3.4 percent. The 2009 estimate, however shows a 1.7 percent population drop; or a decrease of 7,200 persons. Washoe County then gained an estimated 4,961 people from 2009 to 2011, an increase of 0.6 percent.
Draft Consensus Forecast
The Washoe County Department of Community Services (“DCS”, formerly Department of Community Development) provided the draft 2012 Consensus Forecast in February of this year. The population was compiled using data from TMWA, Global Insight, Woods and Poole, and the NSD. The draft Consensus Forecast population projection for 2032 is 560,772, which is 29,718 less than the 2010 Consensus Forecast population for 2030 (see table 1).

Water Resources
The Water Resources Baseline Table set forth in the RWMP has not been revised since the adoption of the Plan in January 2011. The estimate of potentially available, sustainable water resources therefore remains unchanged at approximately 183,200 acre feet per year.

Water Demand and Population Projections
TMWA’s long-range water demand projection for Washoe County also remains unchanged. The model projected a water demand of approximately 142,000 acre feet to support a population of approximately 590,500 as projected for the year 2030 by the 2010 Consensus Forecast. The model results further showed that the estimated population that can be supported by the identified sustainable water resources is approximately 741,000.

CONCLUSIONS
Therefore, the estimated sustainable water resources of approximately 183,200 acre feet per year are more than adequate to serve the draft Consensus Forecast population for 2032.

PREVIOUS ACTION
On April 9, 2010, the WRWC approved a motion to determine that the draft Consensus Forecast population for 2030 is less than the estimated population that can be supported by the sustainable water resources identified in the RWMP, and to direct staff to submit the draft Consensus Forecast, with a finding that the forecasted population can be supported by the sustainable water resources as set forth in the RWMP, to Reno, Sparks, Washoe County, and TMRPA, by April 20, 2010.

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

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

**RECOMMENDATION**
The NNWPC recommends that the WRWC make a determination 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.

**RECOMMENDED MOTION**
Move 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 set forth in the RWMP, to Reno, Sparks, Washoe County, and TMRPA.

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Western Regional Water Commission

STAFF REPORT

DATE: May 7, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Chris Wessel, Water Management Planner
Jim Smitherman, Water Resources Program Manager

SUBJECT: 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

SUMMARY

In February 2012, the Western Regional Water Commission ("WRWC") directed staff to apply for a Clean Water Act grant from the Nevada Division of Environmental Protection ("NDEP") in the amount of $40,000, to offset the funding for the $60,000 regional groundwater management study, including nitrate concentrations related to septic tanks (the "Project"), which is presently funded through the Regional Water Management Fund ("RWMF"). NDEP is prepared and committed to award the grant by way of the attached Subgrant Agreement.

BACKGROUND

In early 2011, NDEP informed staff of the possibility that approximately $40,000 in federal grant funding under the Clean Water Act (the "Act") may be made available to the local Agency designated under Section 208 of the Act. On June 8, 2009, the Governor designated the WRWC as the Washoe County 208 Agency, clearing the way for the WRWC to apply for and receive these kinds of grants. Staff prepared and submitted a grant application specifying the Project and the intent to use the $40,000 in grant funding to offset the $60,000 RWMF funding otherwise committed to the Project. NDEP approved the application and prepared a Subgrant Agreement for execution by the WRWC.

The Western Regional Water Commission Act, Section 30(9), authorizes the WRWC to apply for and receive grants from public sources for the exercise of its powers.

PREVIOUS ACTION

On February 10, 2012, the WRWC approved a motion directing staff to apply for a Clean Water Act grant in the amount of $40,000, when it becomes available, to offset the funding for the Project.

FISCAL IMPACT

The fiscal impact to the Regional Water Management Fund will be a revenue increase of $40,000. Budget authority is located in Fund Group 766, Fund 7066, Account Number 710100, Professional Services, Cost Object WP310500.
RECOMMENDATION
Staff recommends that the WRWC 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 the Nevada Division of Environmental Protection

POSSIBLE MOTION
"Move 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."

JS:jd

Attachment: Subgrant Agreement
SUBGRANT AGREEMENT

A Subgrant awarded by:

Department of Conservation and Natural Resources, Division of Environmental Protection
901 S. Stewart Street, Carson City, NV 89701-5249
Phone: (775) 687-4670 Fax: (775) 687-5856

and awarded to Subgrantee:

Western Regional Water Commission
c/o Washoe County Department of Water Resources
hereinafter the “Subgrantee”
4930 Energy Way,
Reno, NV 89502

WHEREAS, 40 CFR Part 31.37, NRS 445A.265 and NRS 445A.450 authorize the Division of Environmental Protection to award subgrants of federal financial assistance to local governments for the purposes set forth in authorizing statutes; and
WHEREAS, it is deemed that the project purposes hereinafter set forth are consistent with the federal grant agreement that provides support of the subgrant;
NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This Subgrant shall not become effective until and unless approved by appropriate official action of the governing body of each party.
2. DEFINITIONS. “State” means the State of Nevada and any state agency identified herein, its officers, employees and immune contractors as defined in NRS 41.0307.
3. SUBGRANT TERM. This Subgrant shall be effective from Nevada Division of Environmental Protection, Administrator’s approval to June 30, 2013, unless sooner terminated by either party as set forth in this Subgrant.
4. TERMINATION. This Subgrant may be terminated by either party prior to the date set forth in paragraph (3), provided that a termination shall not be effective until 30 days after a party has served written notice upon the other party. This Subgrant may be terminated by mutual consent of both parties or unilaterally by either party without cause. The parties expressly agree that this Subgrant shall be terminated immediately if for any reason State and/or federal funding ability to satisfy this Subgrant is withdrawn, limited, or impaired.
5. NOTICE. All notices or other communications required or permitted to be given under this Subgrant shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth above.
6. INCORPORATED DOCUMENTS. The parties agree that the services to be performed shall be specifically described; this Subgrant incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT A: SCOPE OF WORK (consisting of 5 pages)
ATTACHMENT B: ADDITIONAL AGENCY TERMS & CONDITIONS (consisting of 3 pages)

7. CONSIDERATION. Subgrantee agrees to provide the services set forth in paragraph (6) at a cost of $N/A per N/A with the total Subgrant or installments payable: Quarterly not exceeding $40,000.00. In addition, the State does not agree to reimburse Subgrantee for expenses unless otherwise specified in the incorporated documents. Any intervening end to an annual or biennial appropriation period shall be deemed an automatic renewal (not changing the overall Subgrant term) or a termination as the results of legislative appropriation may require.
8. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this Subgrant are also specifically a part of this Subgrant and are limited only by their respective order of precedence and any limitations expressly provided.

9. INSPECTION & AUDIT.
   a. Books and Records. Each party agrees to keep and maintain under general accepted accounting principles full, true and complete records, agreements, books, and documents as are necessary to fully disclose to the other party, the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with any applicable regulations and statutes.
   b. Inspection & Audit. Each party agrees that the relevant books, records (written, electronic, computer related or otherwise), including but not limited to relevant accounting procedures and practices of the party, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location where such records may be found, with or without notice by the other party, the State Auditor, Employment Security, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives.
   c. Period of Retention. All books, records, reports, and statements relevant to this Subgrant must be retained by each party for a minimum of three years from the date of final payment by the State to the Subgrantee, and all other pending matters are closed. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. BREACH; REMEDIES. Failure of either party to perform any obligation of this Subgrant shall be deemed a breach. Except as otherwise provided for by law or this Subgrant, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including but not limited to actual damages. If the court awards reasonable attorney's fees to the prevailing party, reasonable shall be deemed $125 per hour.

11. LIMITED LIABILITY. The parties will not waive and intend to assert available NRS chapter 41 liability limitations in all cases. Subgrant liability of both parties shall not be subject to punitive damages. To the extent applicable, actual Subgrant damages for any breach shall be limited by NRS 353.260 and NRS 354.626.

12. FORCE MAJEURE. Neither party shall be deemed to be in violation of this Subgrant if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Subgrant after the intervening cause ceases.

13. INDEMNIFICATION. Neither party waives any right or defense to indemnification that may exist in law or equity.

14. INDEPENDENT PUBLIC AGENCIES. The parties are associated with each other only for the purposes and to the extent set forth in this Subgrant, and in respect to performance of services pursuant to this Subgrant, each party is and shall be a Subgrantee separate and distinct from the other party and, subject only to the terms of this Subgrant, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Subgrant. Nothing contained in this Subgrant shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other party.

15. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Subgrant or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.
16. **SEVERABILITY.** If any provision contained in this Subgrant is held to be unenforceable by a court of law or equity, this Subgrant shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Subgrant unenforceable.

17. **ASSIGNMENT.** Neither party shall assign, transfer or delegate any rights, obligations or duties under this Subgrant without the prior written consent of the other party.

18. **OWNERSHIP OF PROPRIETARY INFORMATION.** Unless otherwise provided by law or this Subgrant, any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under this Subgrant), or any other documents or drawings, prepared or in the course of preparation by either party in performance of its obligations under this Subgrant shall be the joint property of both parties.

19. **PUBLIC RECORDS.** Pursuant to NRS 239.010, information or documents may be open to public inspection and copying. The parties will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests.

20. **CONFIDENTIALITY.** Each party shall keep confidential all information, in whatever form, produced, prepared, observed or received by that party to the extent that such information is confidential by law or otherwise required by this Subgrant.

21. **PROPER AUTHORITY.** The parties hereto represent and warrant that the person executing this Subgrant on behalf of each party has full power and authority to enter into this Subgrant and that the parties are authorized by law to perform the services set forth in paragraph (6).

22. **GOVERNING LAW; JURISDICTION.** This Subgrant and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the jurisdiction of the Nevada district courts for enforcement of this Subgrant.

23. **ENTIRE AGREEMENT AND MODIFICATION.** This Subgrant and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Subgrant specifically displays a mutual intent to amend a particular part of this Subgrant, general conflicts in language between any such attachment and this Subgrant shall be construed consistent with the terms of this Subgrant. Unless otherwise expressly authorized by the terms of this Subgrant, no modification or amendment to this Subgrant shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.
IN WITNESS WHEREOF, the parties hereto have caused this Subgrant to be signed and intend to be legally bound thereby.

SUBGRANTEE

By: 
Signature – Western Regional Water Commission

Name: Mike Carrigan

Title: Chairman Date: 

DIVISION

By: 
Signature

Name: Colleen Cripps, Ph.D.

Title: Administrator Date: 

BUREAU

By: 
Signature

Name: Sondra L. Neudauer

Title: Contract Manager Date: 

Subgrant Control Number: DEP-S 12-043
Grant Number: C6-97965912
Division Number: 56
Grant Expiration Date: 06/30/13
CFDA Number: 66.454
ATTACHMENT “A”
Scope of Work and Budget
DEP-S 12-043

Project Title – Septic Systems Alternative Study

SUBGRANTEE ORGANIZATION: Western Regional Water Commission
DUNS#: 

PROJECT BUDGET PROJECTION:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>106 funds awarded</td>
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<tr>
<td>Match funds</td>
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</tr>
<tr>
<td>Total Project Cost</td>
<td>$40,000.00</td>
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</tbody>
</table>

Subgrant Term: NDEP Subgrant Approval – June 30, 2013

SUBGRANTEE CONTACT PERSONS:

MAILING ADDRESS: Western Regional Water Commission
c/o Washoe County Department of Water Resources
4930 Energy Way
Reno, NV 89502

PROJECT COORDINATOR: Chris Wessel, Water Management Planner
PHONE NUMBER: (775) 954-4682
E-MAIL: cwessel@washoecounty.us

NDEP CONTACT PERSONS:

PROJECT COORDINATOR: Randy Pahl, P.E.
Special Projects/TMDLs
PHONE NUMBER: (775) 687-9453
E-MAIL: rpahl@ndep.nv.gov

NDEP CONTRACT MANAGER: Sondra Neudauer
Management Analyst
PHONE NUMBER: (775) 687-9452
E-MAIL: sneudauer@ndep.nv.gov

NDEP MAILING ADDRESS: Nevada Division of Environmental Protection
Bureau of Water Quality Planning
901 South Stewart Street, Suite 4001
Carson City, Nevada 89701
Attachment “A” – Scope of Services and Schedule

An evaluation of applicable alternatives to address wastewater contamination of groundwater concerns in Washoe County, NV is to be performed for the Western Regional Water Commission and Northern Nevada Water Planning Commission (both hereinafter referred to as “Commission”). The goal of this evaluation is to identify feasible alternatives for reducing the nitrate load and other septic system contaminants to the receiving groundwater aquifers in Washoe County. The local economic, social, soil and environmental conditions will be considered in this analysis.

To accomplish these objectives, the following scope of work and schedule is proposed. The evaluation is to be performed by Lombardo Associates, Inc. as the prime contractor (hereinafter referred to as “Consultant”), and AMEC as the subcontractor with the general performance of the work as presented in Schedule B.

SCOPE OF WORK

Task 1. Review of Existing and Projected Conditions

Consultant will review:

- December 7, 2007 Regional Water Planning Commission Septic Nitrate Baseline Data and Risk Assessment Study For Washoe County Phase I: Prioritization Of Study Areas & Assessment Of Data Needs to understand the context in which nitrogen management options will be evaluated.

Task 2. Technical & Economic Evaluation of Nitrogen Removal Alternatives

Consultant will identify and evaluate the full range of wastewater nitrogen removal alternatives and perform a preliminary screening of the technical viability of each alternative’s use in the Study Area. The range of options are expected to consist of:

- Source Separation – via urine diversion toilets and composting toilets
- Individual, single family nitrogen removal systems and the various levels on N removal associated with the options
- Neighborhood / small community (cluster) wastewater collection, treatment and disposal/reuse systems
- Connection to existing, centralized treatment facility
- Connection to new, centralized treatment facility
- In-situ groundwater treatment
- Ex-situ groundwater treatment

Consultant will describe the pros, cons and considerations associated with each option, including scalability and relevant, comparable locations where these options have been implemented.

For each treatment option, the following costs will be developed based upon Consultant’s experience, with consideration of local cost factors:
i. Total capital costs (including design, construction, land acquisition, etc., as appropriate);
ii. Annual operating, maintenance, repair, replacement costs;
iii. Life cycle cost analysis;
iv. Anticipated levels of nitrogen reduction (near-term and long-term); and
v. Cost/pound of nitrogen reduction/year.

Draft Task Report will be submitted for Commission review after which the Task Report will be revised and finalized.

**Task 3. Financing Alternatives**

Consultant will identify and briefly discuss:

a. Practical grant and loan funding sources will be identified and briefly described. These funding sources include USDA and State Revolving Fund (SRF) Program, as well as 319 grants and congressional authorizations. State of Nevada specific funding sources will be identified in concert with the Commission.


c. Fee collection mechanisms. Alternative mechanisms will be addressed including property assessments, betterments, sales tax and user fees. This subtask will be the major emphasis of this task.

d. The financial sustainability of a Responsible Management Entity (RME) that would manage On-site Wastewater Treatment and Disposal/Reuse Systems (OSTDS) with attention to the initial capital cost, operating and maintenance costs and repair/replacement costs. To address this issue Consultant will apply its financial pro forma program to illustrate the economic sustainability of a RME responsible for OSTDS management.

Draft Task Report will be submitted for Commission review after which the Task Report will be revised and finalized.

**Task 4. Institutional and Management Alternatives**

Consultant will identify and discuss options for institutional ownership and program management of the permitting, operations and maintenance of privately-owned and publicly-owned decentralized wastewater management systems including:

a. Responsibilities and service levels, such as for EPA Management Levels 4 and 5;

b. Projected annual costs;

c. Pros, cons and considerations regarding each management option, including relevant, comparable locations where these options have been implemented and/or are proposed.

Draft Task Report will be submitted for Commission review after which the Task Report will be revised and finalized.
Task 5. Case Studies

Consultant will prepare up to five (5) case studies of communities addressing septic system nitrogen removal requirements. Case studies will span the spectrum of communities that implemented solutions, to those debating/struggling with gaining consensus on solution(s).

The case studies will focus on a brief description of the problem being addressed, technology selection, financing and management structure. Key successes and failures will be included.

Candidate Case Studies include:

- Suffolk County, NY that uses a sales tax subsidy
- Maryland Bay Restoration program that collects annual fees from all users and subsidizes WWTP upgrades and individual denitrifying septic systems
- Leon County FL - debating establishing a RME for 50,000 septic systems that would fund required nitrogen removal systems and provide "insurance" for septic system failure to all users.
- Southern Nevada Water Authority – fee on private well owners
- Pennsylvania

Draft Task Report will be submitted for Commission review after which the Task Report will be revised and finalized.

Task 6. Project Meetings and Presentations

Consultant will attend up to two (2) project meetings in Washoe County for the purpose of presenting and discussing Project Reports and for meeting with Commissioners. Consultant will participate in conference calls, as needed, to review project activities.

Task 7. Final Report

A Final Report will be prepared that contains an Executive Summary of the project and incorporates all Task Reports.
**SCHEDULE**

Consultant proposes to perform the Scope of Services, described above on a best efforts basis according to the following schedule:

<table>
<thead>
<tr>
<th>Task #</th>
<th>Task Description</th>
<th>Completion Date Assuming Start Date of March 1, 2012</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>March</td>
</tr>
<tr>
<td>Task 1</td>
<td>Review of Existing and Projected Conditions</td>
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<tr>
<td>1.1</td>
<td>Review Master Plan Report</td>
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<td>1.2</td>
<td>Task 1 Report</td>
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<td>Task 2</td>
<td>Evaluation of Technically Viable Nitrogen Removal Alternatives</td>
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<td>2.1</td>
<td>Technology Overview</td>
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<td>Task 3</td>
<td>Financing Options</td>
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<td>3.1</td>
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<tr>
<td>3.2</td>
<td>Task 3 Report</td>
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<tr>
<td>Task 4</td>
<td>Management Options</td>
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<td>4.2</td>
<td>Task 4 Report</td>
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<tr>
<td>Task 5</td>
<td>Case Studies</td>
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<td>5.2</td>
<td>Task 5 Report</td>
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<td>Task 6</td>
<td>Meetings and Presentations</td>
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<td>Meetings and Presentations</td>
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<tr>
<td>Task 7</td>
<td>Final Report</td>
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**BUDGET**

The total cost for this project is set at $49,984. Of this total, NDEP will pass through $40,000 from its 604(b) Water Quality Planning fund to partially cover the consultant fees.

<table>
<thead>
<tr>
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<td>Total</td>
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</table>
ATTACHMENT B:
ADDITIONAL AGENCY TERMS & CONDITIONS
SUBGRANT CONTROL #DEP-S 12-043, Western Regional Water Commission

1. The Nevada Division of Environmental Protection shall pay no more compensation that the federal Executive Service Level 4 (U.S. Code) daily rate (exclusive of fringe benefits) for individual consultants retained by the Subgrantee or by the Subgrantee’s contractors or subcontractors. This limitation applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. The current Level 4 rate is $74.50 per hour.

2. **NDEP shall only reimburse the Subgrantee for actual cash disbursed.** Original invoices (facsimiles are not acceptable) must be received by NDEP no later than forty (40) calendar days after the end of a month or quarter except at the end of the fiscal year of the State of Nevada (June 30th), at the expiration date of the grant, or the effective date of the revocation of the Subgrant, at which times original invoices must be received by NDEP no later than thirty-five (35) calendar days after this date. Failure of the Subgrantee to submit billings according to the prescribed timeframes authorizes NDEP, in its sole discretion, to collect or withhold a penalty of ten percent (10%) of the amount being requested for each week or portion of a week that the billing is late. The Subgrantee shall provide with each invoice a detailed fiscal summary that includes the approved Subgrant budget, expenditures for the current period, cumulative expenditures to date, and balance remaining for each budget category. If match is required pursuant to paragraph 3 below, a similar fiscal summary of match expenditures must accompany each invoice. The Subgrantee shall obtain prior approval to transfer funds between budget categories if the funds to be transferred are greater than ten percent (10%) cumulative of the total Subgrant amount.

3. The Subgrantee shall, as part of its approved scope of work and budget under this Subgrant, provide third party match funds of not less than: N/A. If match funds are required, the Subgrantee shall comply with additional record-keeping requirements as specified in 40 CFR 31.24 and Attachment N/A (Third Party Match Record-Keeping Requirements) which is attached hereto and by this reference is incorporated herein and made part of this Subgrant.

4. Unless otherwise provided in Attachment A (Scope of Work), the Subgrantee shall submit quarterly reports or other deliverables within ten (10) calendar days after the end of each quarter.

5. All payments under this Subgrant are contingent upon the receipt by NDEP of sufficient funds, necessary to carry out the purposes of this Subgrant, from either the Nevada Legislature or an agency of the United States. NDEP shall determine if it has received the specific funding necessary for this Subgrant. If funds are not received from either source for the specific purposes of this Subgrant, NDEP is under no obligation to supply funding for this Subgrant. The receipt of sufficient funds as determined by NDEP is a condition precedent to NDEP’s obligation to make payments under this Subgrant. Nothing in this Subgrant shall be construed to provide the Subgrantee with a right of payment over any other entity. If any payments that are otherwise due to the Subgrantee under this Subgrant are deferred because of the unavailability of sufficient funds, such payments will promptly be made to the Subgrantee if sufficient funds later become available.

6. Notwithstanding the terms of paragraph 5, at the sole discretion of NDEP, payments will not be made by NDEP unless all required reports or deliverables have been submitted to and approved by NDEP within the schedule stated in Attachment A.

7. Any funds obligated by NDEP under this Subgrant that are not expended by the Subgrantee shall automatically revert back to NDEP upon the completion, termination or cancellation of this Subgrant. NDEP shall not have any obligation to re-award or to provide, in any manner, such unexpended funds to the Subgrantee. The Subgrantee shall have no claim of any sort to such unexpended funds.

8. The Subgrantee shall ensure, to the fullest extent possible, that at least the “fair share” percentages as stated below for prime contracts for construction, services, supplies or equipment are made available to organizations owned or controlled by socially and economically disadvantaged individuals (Minority Business Enterprise (MBE) or Small Business Enterprise (SBE)), women (Women Business Enterprise (WBE)) and historically black colleges and universities.
The Subgrantee agrees and is required to utilize the following seven affirmative steps:

a. Include in its bid documents applicable “fair share” percentages as stated above and require all of its prime contractors to include in their bid documents for subcontracts the “fair share” percentages;

b. Include qualified Small Business Enterprises (SBEs) Minority Business Enterprises (MBEs), and Women Business Enterprises (WBEs) on solicitation lists;

c. Assure that SBEs, MBEs, and WBEs are solicited whenever they are potential sources;

d. Divide total requirements, when economically feasible, into small tasks or quantities to e. permit maximum participation of SBEs, MBEs, and WBEs;

e. Establish delivery schedules, where the requirements of the work permit, which will encourage participation by SBEs, MBEs, and WBEs;

f. Use the services and assistance of the Small Business Administration and the Minority Business Development Agency, U.S. Department of commerce as appropriate; and

g. If a subcontractor awards contracts/procurements, require the subcontractor to take the affirmative steps in subparagraphs a. through e. of this condition.

9. The Subgrantee shall complete and submit to NDEP a Minority Business Enterprise/Woman Business Enterprise (MBE/WBE) Utilization Report (Standard Form 334) within fifteen (15) calendar days after the end of each federal fiscal year (September 30th) for each year this Subgrant is in effect and within fifteen (15) calendar days after the termination date of this Subgrant.

10. The books, records, documents and accounting procedures and practices of the Subgrantee or any subcontractor relevant to this Subgrant shall be subject to inspection, examination and audit by the State of Nevada, the Division of Environmental Protection, the Attorney General of Nevada, the Nevada State Legislative Auditor, the federal or other funding agency, the Comptroller General of the United States or any authorized representative of those entities.

11. All books, reports, studies, photographs, negatives, annual reports or other documents, data, materials or drawings prepared by or supplied to the Subgrantee in the performance of its obligations under this Subgrant shall be the joint property of both parties. Such items must be retained by the Subgrantee for a minimum of three years from the date of final payment by NDEP to the Subgrantee, and all other pending matters are closed. If requested by NDEP at any time within the retention period, any such materials shall be remitted and delivered by the Subgrantee, at the Subgrantee’s expense, to NDEP. NDEP does not warrant or assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, report or product of any kind that the Subgrantee may disclose or use for purposes other than the performance of the Subgrantee’s obligations under this Subgrant. For any work outside the obligations of this Subgrant, the Subgrantee must include a disclaimer that the information, report or products are the views and opinions of the Subgrantee and do not necessarily state or reflect those of NDEP nor bind NDEP.

12. Unless otherwise provided in Attachment A, when issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with funds provided under this Subgrant, the Subgrantee shall clearly state that funding for the project or program was provided by the Nevada Division of Environmental Protection and, if applicable, the U.S. Environmental Protection Agency. The Subgrantee will insure that NDEP is given credit in all official publications relative to this specific project and that the content of such publications will be coordinated with NDEP prior to being published.

13. Unless otherwise provided in Attachment A, all property purchased with funds provided pursuant to this Subgrant is the property of NDEP and shall, if NDEP elects within four (4) years after the completion, termination or cancellation of this Subgrant or after the conclusion of the use of the property for the purposes of this Subgrant during its term, be returned to NDEP at the Subgrantee’s expense.

<table>
<thead>
<tr>
<th>MBE/SBE</th>
<th>WBE</th>
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</thead>
<tbody>
<tr>
<td>Construction</td>
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<tr>
<td>Services</td>
<td>07%</td>
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<tr>
<td>Supplies</td>
<td>13%</td>
</tr>
<tr>
<td>Equipment</td>
<td>11%</td>
</tr>
</tbody>
</table>
Such property includes but is not limited to vehicles, computers, software, modems, calculators, radios, and analytical and safety equipment. The Subgrantee shall use all purchased property in accordance with local, state and federal law, and shall use the property only for Subgrant purposes unless otherwise agreed to in writing by NDEP.

For any unauthorized use of such property by the Subgrantee, NDEP may elect to terminate the Subgrant and to have the property immediately returned to NDEP by the Subgrantee at the Subgrantee’s expense. To the extent authorized by law, the Subgrantee shall indemnify and save and hold the State of Nevada and NDEP harmless from any and all claims, causes of action or liability arising from any use or custody of the property by the Subgrantee or the Subgrantee’s agents or employees or any subcontractor or their agents or employees.

14. The Subgrantee shall use recycled paper for all reports that are prepared as part of this Subgrant and delivered to NDEP. This requirement does not apply to standard forms.

15. The Subgrantee, to the extent provided by Nevada law, shall indemnify and save and hold the State of Nevada, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this Subgrant by the Subgrantee or the Subgrantee’s agents or employees or any subcontractor or their agents or employees. NDEP, to the extent provided by Nevada law, shall indemnify and save and hold the Subgrantee, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this Subgrant by NDEP or NDEP’s agents or employees.

16. The Subgrantee and its subcontractors shall obtain any necessary permission needed, before entering private or public property, to conduct activities related to the work plan (Attachment A). The property owner will be informed of the program, the type of data to be gathered, and the reason for the requested access to the property.

17. This Subgrant shall be construed and interpreted according to the laws of the State of Nevada and conditions established in OMB Circular A-102. Nothing in this Subgrant shall be construed as a waiver of sovereign immunity by the State of Nevada. Any action brought to enforce this Subgrant shall be brought in the First Judicial District Court of the State of Nevada. The Subgrantee and any of its subcontractors shall comply with all applicable local, state and federal laws in carrying out the obligations of this Subgrant, including all federal and state accounting procedures and requirements established in OMB Circular A-87 and A-133. The Subgrantee and any of its subcontractors shall also comply with the following:

   a. 40 CFR Part 7 - Nondiscrimination In Programs Receiving Federal Assistance From EPA
   b. 40 CFR Part 29 - Intergovernmental Review Of EPA Programs And Activities.
   c. 40 CFR Part 31 - Uniform Administrative Requirements For Grants And Cooperative Agreements To State and Local Governments;
   d. 40 CFR Part 32 - Governmentwide Debarment And Suspension (Nonprocurement) And Governmentwide Requirements For Drug-Free Workplace (Grants);
   e. 40 CFR Part 34 - Lobbying Activities;
   f. 40 CFR Part 35, Subpart O - Cooperative Agreements And Superfund State Contracts For Superfund Response Actions (Superfund Only); and
   g. The Hotel And Motel Fire Safety Act of 1990.

18. The Subgrantee shall neither assign, transfer nor delegate any rights, obligations or duties under this Subgrant without the prior written consent of NDEP.
Western Regional Water Commission

STAFF REPORT

DATE: May 8, 2012
TO: Chairman and Members, Western Regional Water Commission
FROM: Jim Smitherman, Water Resources Program Manager
SUBJECT: 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

SUMMARY
Since July 2008, the Western Regional Water Commission (“WRWC”) has supported a collaborative, multi-year, phased effort among Reno, Sparks, Washoe County and Truckee Meadows Water Authority staff, to use a watershed-based water quality planning approach in the third-party review and possible development of revised Truckee River WQS and TMDL for nutrients (the "Project"). The multi-agency working group has engaged the Nevada Division of Environmental Protection (“NDEP”) and other stakeholders in the planning process. The RWMF has been the source of revenue for the technical and legal assistance required for this effort.

Since 2008, and the coordinated effort has been managed and administered by way of an Interlocal Agreement (amended in 2009 and 2010) between the WRWC and the City of Reno. The project staff working group recommends using LTI for fiscal year 2012-2013 by amending the existing agreement with Reno to authorize additional expenditures in an amount not to exceed $250,000 and extend the term for an additional 12 months. The Scope of Work for the Project will be revised to reflect tasks completed and to provide a cost per task estimate for ongoing and additional work. The approved RWMF budget for fiscal year 2012/2013 includes this project.

BACKGROUND:
The watershed-based water quality planning and Truckee River third-party review of WQS and TMDL project is a phased effort for assessing Truckee River water quality regarding both river health and the discharge of effluent from the Truckee Meadows Water Reclamation Facility (“TMWRF”) that was approved by the Northern Nevada Water Planning Commission (“NNWPC”) and the WRWC in July and August 2008, respectively. The approved work scope outlines an approach for a phased, multi-track effort that moves the WQS and TMDL process forward to completion while concurrently building understanding and planning for other important and complimentary physical and biological river improvement strategies. The Phase I work scope provides for the needed core educational components and furthers research elements requested by NDEP. The tasks required to successfully review and possibly revise the Truckee River WQS and TMDL, and obtain acceptance and approval are varied, and include complex technical work requiring specialized scientific and engineering skills, and other items needing professional facilitation or specialized legal expertise.
The City of Reno and the City of Sparks have been working with NDEP for a number of years to review and conceivably modify the Truckee River TMDL for nutrients. One objective of past work has been to develop updated modeling tools and compile applicable data for a new TMDL that is protective of the Truckee River, and provides TMWRF with additional operational flexibility.

**PREVIOUS ACTION**
On July 15, 2010, the WRWC approved the Second Amendment to the existing agreement to extend the project term for an additional two years for the continuation of technical services provided by LTI, and execution of the Second Amendment to the Agreement with the City of Reno, to include the same scope of work and no additional funding.

On July 10, 2009, the WRWC approved the First Amendment providing additional funding, with total funding not to exceed $400,000 from the RWMF for the continuation of technical services provided by LTI, and execution of the First Amendment to the Agreement with the City of Reno, to include the expanded scope of work and additional funding.

On June 13, 2008, the WRWC approved $197,500 from the RWMF and a scope of work for LTI to provide technical services concerning the watershed-based water quality planning and Truckee River third-party TMDL project; and on July 11, 2008, the WRWC authorized execution of the Interlocal Agreement with the City of Reno for the Project.

**FISCAL IMPACT**
The fiscal impact to the RWMF, should this item be approved, will be $250,000. Budget authority is located in Fund Group 766, Fund 7066, Account Number 710100, Professional Services, Cost Object WP310500

**RECOMMENDATION**
Staff recommends that the WRWC 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.

**POSSIBLE MOTION**
Move 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.

JS:jd

Attachment: Third Amendment
THIRD AMENDMENT
To
INTERLOCAL AGREEMENT

THE INTERLOCAL AGREEMENT (the “Agreement”), dated July 16, 2008, entered into between the Western Regional Water Commission, a political subdivision of the State of Nevada (the “Commission”), and the City of Reno (“Reno”), collectively the “Parties”, is hereby amended as follows:

ARTICLE 2 - RECITALS

New Sub-paragraph 2.8 is added as follows:

The WRWC, at a meeting held May 17, 2012 approved additional funding in an amount not to exceed $250,000 from the Regional Water Management Fund ("RWMF") to fund continuing additional work pursuant to the contract between Reno and LimnoTech, Inc. (the “Contractor”).

ARTICLE 3 – RIGHTS & DUTIES

[Sub-paragraph 3.1.1 was Amended on July 17, 2009, by providing additional funding for the Project; adding additional services to the Scope of Work; and, extending the term of the Agreement by twelve months. Sub-paragraph 3.1.1 was amended for a second time on July 15, 2010, extending the term of the Agreement by an additional twenty-four (24) months.] Sub-paragraph 3.1.1 is hereby further amended to provide as follows:

Reno shall amend or augment its contract with the Contractor to provide for the continuing additional work funded by this Amendment. The Contractor will conduct the Project and submit invoices to Reno on a monthly basis for the continuing additional work to be negotiated by Reno, in an amount not to exceed $250,000 from the RWMF, and described in the Scope of Work attached hereto as Exhibit “AAA”. Reno will review and verify the Contractor’s invoices. Reno will then submit invoices for reimbursement to the Commission through its contract
administrator on a monthly basis. Work on the Project will progress and be completed no later than
twelve (12) months after the effective date of this Amendment.

Sub-paragraph 3.2.4 is revised as follows:

The total amount of invoices paid pursuant to this Agreement shall not exceed the
sum of $847,500 from the RWMF.

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

This Amendment is effective July 1, 2012, regardless of the respective dates of execution by
the Parties ("Effective Date").

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

WESTERN REGIONAL WATER COMMISSION

Dated this ___ day of May, 2012

By ________________________________
Mike Carrigan, Chairman

CITY OF RENO

Dated this ___ day of __________, 2012

By_______________________________
Robert A. Cashell, Sr., Mayor

APPROVED AS TO FORM:
Rhodes Law Offices, Ltd.

By ________________________________
John B. Rhodes, Legal Counsel

ATTEST:

_______________________________
Lynnette Jones
Reno City Clerk

APPROVED AS TO FORM:

_______________________________
Deputy City Attorney
Western Regional Water Commission

STAFF REPORT

DATE: May 8, 2012

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: 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 total maximum daily load ("TMDL") and water quality standards ("WQS") process; and, if approved, authorize the Chairman to execute the Amendment

SUMMARY
In March 2009, the Western Regional Water Commission ("WRWC") approved an Attorney-Client Fee Contract (the "Contract") with Somach Simmons & Dunn, LLP for specialized legal services in connection with the Truckee River third party TMDL process. The Contract was amended in May 2010 for an additional $50,000 to cover legal services during fiscal year 2010-2011, and again in June 2011 to extend the term through June 2012. The TMDL staff working group recommends a third amendment to extend the Contract through fiscal year 2012-2013. Additional funding is not required at this time, as approximately $38,000 remains available from fiscal year 2011-2012. The approved Regional Water Management Fund ("RWMF") budget for fiscal year 2012-2013 includes this project.

BACKGROUND
Chapter 531, Statutes of Nevada 2007, Section 30, provides the WRWC with the powers to prepare, adopt, update and oversee the implementation of the Comprehensive Regional Water Management Plan (the "Plan"). Section 42 requires the Plan to, among other things, address the quality of surface water including compliance with water quality standards, locations and capacities of wastewater treatment plants, intended quantity and quality of discharge from those plants and programs to attain protection from pollution by both concentrated and diffuse sources.

Somach Simmons & Dunn is a California law firm that has considerable expertise and experience in Clean Water Act issues. The firm currently provides legal services to the Cities of Reno and Sparks with regard to the Truckee Meadows Water Reclamation Facility’s permit with the State.

As has previously been described for the Commission, an effort is now underway to review and possibly revise the nutrient WQS and TMDL for nitrate and phosphate in the Truckee River. This effort is being undertaken jointly by Reno, Sparks, Washoe County, and the Truckee Meadows Water Authority (sometimes referred to as the “Third Parties,” i.e., not regulators).
Because of the complexity of the Truckee River system, the TMDL development process presents many unique issues. Staff has concluded that continuing to engage Somach Simmons & Dunn to provide legal services in connection with the TMDL process will be a necessary and cost-effective step to ensure that the Third Parties and the WRWC are proceeding in a direction consistent with the constraints and requirements of the Clean Water Act.

Amendment No. 1 to the Contract: designated Terri Svetich as the WRWC liaison; broadened the scope of representation to include beneficial use designations and WQS revisions; and, provided for an additional $50,000 in funding with a 5% credit on all legal fees billed.

Amendment No. 2 extended the expiration date of the Contract to provide for services in fiscal year 2011-2012. The budget for the TMDL process for the 2011-2012 fiscal year was adequate to cover this amendment.

**PREVIOUS ACTION**
On June 6, 2011, the WRWC approved Amendment No. 2 to the Attorney-Client Fee Contract with Somach Simmons & Dunn, to extend the expiration date to June 30, 2012, at no additional cost.

On May 20, 2010, the WRWC approved Amendment No. 1 to the Contract with Somach Simmons & Dunn, in an additional amount not to exceed $50,000 from the RWMF to cover services during fiscal year 2010-2011.

On March 13, 2009, the WRWC approved a Contract in an amount not to exceed $50,000 from the RWMF with Somach Simmons & Dunn, LLP for specialized legal services in connection with the Truckee River third party TMDL process.

**FISCAL IMPACT**
There is no fiscal impact.

**RECOMMENDATION**
Staff recommends that the WRWC approve the proposed Amendment No. 3 to the Contract with Somach Simmons & Dunn.

**POSSIBLE MOTION**
Move 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.

JS:jd

Attachment: Amendment No. 3 to Attorney-Client Fee Contract
April 26, 2012

Roberta Larson, Attorney at Law  
Somach Simmons & Dunn  
500 Capitol Mall, Suite 1000  
Sacramento, CA  95814

Re: Amendment No. 3 to Attorney-Client Fee Contract

Dear Ms. Larson:

The WRWC desires to extend your existing Contract through fiscal year 2012-2013. Please indicate your consent and agreement by signing this letter below and returning it to me. Please retain the enclosed duplicate original letter for your records.

The undersigned parties agree that Paragraphs 3 and 4 of Amendment No. 1 to their Attorney-Client Fee Contract are hereby modified to provide that the Contract, and the 5 percent credit on legal fees, will remain in effect until June 30, 2013 unless extended by further modification.

All other terms and conditions of the original Attorney-Client Fee Contract, and Amendments No. 1 and No. 2, shall remain in full force and effect.

Sincerely,

Jim Smitherman  
Water Resources Program Manager

______________________________  ________________________________
APPROVED AND AGREED: 

Somach Simmons & Dunn 

Date: ___________________________  By: _______________________________
Roberta Larson

______________________________  ________________________________
APPROVED AND AGREED: 

Western Regional Water Commission 

Date: ___________________________  By: _______________________________
Mike Carrigan, Chairman
Western Regional Water Commission

STAFF REPORT

DATE: June 6, 2011

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Discussion and possible approval of funding in an amount not to exceed $262,500 from the Regional Water Management Fund (“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

SUMMARY
In January 2011, the Western Regional Water Commission (“WRWC”) directed staff to include $262,500 from the RWMF in the fiscal year 2011/2012 budget, to support the Truckee Meadows Storm Water Management Program, and Storm Water Permit Coordinating Committee (“SWPCC”) activities related to the implementation of the storm water drainage provisions of the Comprehensive Regional Water Management Plan. The SWPCC has indicated that for the past five years the total annual budget for the SWPCC has been $262,500, with the City of Reno, the City of Sparks and Washoe County contributing $87,500 each.

This Report requests approval of the previously budgeted funding, and a proposed First Amendment to the existing Interlocal Agreement with the City of Reno for the above purpose. The approved RWMF budget for fiscal year 2012-2013 includes this project.

BACKGROUND:
The SWPCC is charged with implementing the requirements of the National Pollutant Discharge Elimination System (“NPDES”) permit issued jointly to the City of Reno, the City of Sparks, and Washoe County for storm water discharges to the Truckee River and its tributaries.

In 1990, the City of Reno, the City of Sparks and Washoe County were identified collectively as an urbanized area subject to the federal Clean Water Act storm water management requirements. Consequently, the Nevada Division of Environmental Protection ("NDEP") issued a NPDES permit for the Truckee Meadows with Reno, Sparks and Washoe County as co-permittees. The NPDES permit is to manage the quality of storm water discharges to the Truckee River and its tributaries and has a term of five years. To manage the multiple agency permit, the Agreement Regarding National Pollutant Discharge Elimination Storm Water Permit Implementation (“Storm Water ILA”), was developed and executed among the parties in 1990 and amended in 2004. The Storm Water ILA establishes the SWPCC and outlines the intergovernmental
responsibilities, including cost sharing, to implement the requirements of the NPDES permit. The SWPCC is staffed by two representatives from each of the permitted agencies. The City of Reno serves as the lead agency on the permit; therefore, consultant agreements and interlocal agreements are presented only to the City of Reno’s governing body.

Per the existing Storm Water ILA, the SWPCC has the responsibility to prepare an annual work program and budget. For the past five years, the annual budget from each entity has been $87,500 for a total SWPCC annual budget of $262,500. The Storm Water ILA also provides that each co-permittee will budget shared costs for each fiscal year and ensuing fiscal years with their respective governing bodies. Approval of the requested funding and proposed First Amendment to the Interlocal Agreement will provide Reno, Sparks and Washoe County an alternative to the practice of funding the storm water program from each entity’s annual budget, but will not relieve any of those entities from their respective duties and responsibilities under the Storm Water ILA. The SWPCC is prepared to come before the WRWC to provide regular program updates, and formally request additional annual funding.

**PREVIOUS ACTION**
On June 6, 2011, the WRWC approved funding in an amount not to exceed $262,500 from the RWMF to support the Truckee Meadows Storm Water Management Program, and activities related to the implementation of the storm water drainage provisions of the Comprehensive Regional Water Management Plan, and authorized the Chairman to execute an Interlocal Agreement with the City of Reno for that purpose.

On January 14, 2011, the WRWC approved an increase in funding from $75,000 to an amount not to exceed $218,000 from the RWMF for fiscal year 2010-2011 to reimburse expenses of the SWPCC, including consultant services to update the Truckee Meadows Storm Water Management Program and other expenses as described in the Storm Water ILA, and directed staff to include in the fiscal year 2011-2012 WRWC budget, $262,500 from the RWMF to support the Truckee Meadows Storm Water Management Program, and SWPCC activities related to the implementation of the storm water drainage provisions of the Comprehensive Regional Water Management Plan.

On November 12, 2010 the WRWC approved funding in an amount not to exceed $75,000 from the RWMF for consultant services to assist in updating the Storm Water Management Program, and authorized the Chairman to execute an Interlocal Agreement with the City of Reno for that purpose. The action also included direction to staff to bring an agenda item back to request the remainder of funding from the RWMF.

**FISCAL IMPACT**
The fiscal impact to the RWMF will not exceed the amount of $262,500 for fiscal year 2012-2013. Budget authority is located in Fund Group 766, Fund 7066, Account Number 710100, Professional Services, and Cost Object WP310300.3.

**RECOMMENDATION**
It is recommended that the WRWC approve funding in an amount not to exceed $262,500 from the RWMF to support the Truckee Meadows Storm Water Management Program, and activities related to the implementation of the storm water drainage provisions of the Comprehensive
Regional Water Management Plan; and if approved, authorize the Chairman to execute the First Amendment to the Interlocal Agreement with the City of Reno for that purpose.

POSSIBLE MOTION
Move to approve funding in an amount not to exceed $262,500 from the RWMF, and authorize the Chairman to execute the proposed Amendment.
FIRST AMENDMENT
To
INTERLOCAL AGREEMENT

THE INTERLOCAL AGREEMENT (the “Agreement”), dated July 1, 2011, entered into between the Western Regional Water Commission, a political subdivision of the State of Nevada (the “Commission”), and the City of Reno (“Reno”), collectively the “Parties”, is hereby amended as follows:

ARTICLE 2 - RECITALS

New Sub-paragraph 2.6 is added as follows:

The WRWC, at a meeting held May 17, 2012, approved additional funding in an amount not to exceed $262,500 from the Regional Water Management Fund ("RWMF") to fund continuing additional work on the Project for the 2012/2013 fiscal year. The continuing additional work will be performed pursuant to and consistent with the Scope of Work attached hereto as Exhibit “AA”.

ARTICLE 3 – RIGHTS & DUTIES

Sub-paragraph 3.1.1 is hereby amended to provide as follows:

Work on the Project will progress and be completed by June 30, 2013.

Sub-paragraph 3.2.5 is hereby amended to provide as follows:

The total amount of invoices paid pursuant to this Agreement shall not exceed the sum of $525,000 from the RWMF.

The Interlocal Agreement as amended to include the revisions set forth above is incorporated herein by reference with all other terms and conditions of the Interlocal Agreement, which shall remain in full force and effect.
This Amendment is effective July 1, 2012, regardless of the respective dates of execution by the Parties ("Effective Date").

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

WESTERN REGIONAL WATER COMMISSION  CITY OF RENO

Dated this ___ day of May, 2012  Dated this ___ day of __________, 2012

By _________________________________  By _________________________________
Mike Carrigan, Chairman  Robert A. Cashell, Sr., Mayor

APPROVED AS TO FORM:  ATTEST:
Rhodes Law Offices, Ltd.  Lynnette Jones

By _________________________________  ______________________________________
John B. Rhodes, Legal Counsel  Reno City Clerk

APPROVED AS TO FORM:

____________________________________
Deputy City Attorney
Western Regional Water Commission

STAFF REPORT

DATE: June 2, 2011

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: 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

SUMMARY
Since September 2008, TMWA and DWR staff have, at the request of the WRWC, engaged in a process including a multi-part analysis, evaluation, planning, recommendations, and preliminary implementation of integration/consolidation of the two water utilities. Certain contracted services, and considerable staff time and resources have been, and will be, required to complete these efforts. The analysis, evaluation, and recommendations are a required element of the Comprehensive Regional Water Management Plan (the “Plan”).

The WRWC entered into a two-year, $550,000 funding agreement with TMWA and DWR to partially reimburse them for necessary integration/consolidation related costs. That agreement was amended in 2011 and expires on June 30, 2012; however, TMWA and DWR will continue to incur consolidation-related costs into the next fiscal year.

In March 2012, the Northern Nevada Water Planning Commission recommended approval of the WRWC budget for fiscal year 2012/2013, including up to $300,000, so that partial reimbursements of integration/consolidation related costs could be made in the coming fiscal year. The approved Regional Water Management Fund (“RWMF”) budget for fiscal year 2012/2013 includes this project.

The proposed Second Amendment to the existing Interlocal Agreement provides for up to $300,000 from the RWMF for reimbursement of necessary integration/consolidation related costs incurred by TMWA and DWR in fiscal year 2012/2013.

BACKGROUND
Section 42(9) of the Act requires the Plan to include: “Evaluation and recommendations regarding the consolidation of public purveyors in the planning area, which must include costs and benefits of consolidation, the feasibility of various consolidation options, analysis of water
supplies operations, facilities, human resources, assets, liabilities, bond covenants, and legal and financial impediments to consolidation and methods, if any for addressing such impediments.”

In furtherance of the requirements of Section 42(9) of the Act, the WRWC, at its September 12, 2008 meeting, requested staff from TMWA and DWR to “Conduct a focused financial analysis to assess the feasibility of some form of utility integration using their joint bond counsel and financial advisors, Swendseid & Stern and PFM, respectively”.

After nearly a year of extensive study and review, staff presented their conclusions to the WRWC. On August 14, 2009, the WRWC made a formal recommendation to the governing boards of TMWA and the County to proceed with the development of an interlocal agreement to implement the integration/consolidation of the functions of TMWA and DWR. The governing boards of both TMWA and the County subsequently approved the recommendation, and are proceeding accordingly.

Both TMWA and the County have incurred considerable expense, in contracted services and dedicated staff time, in the analysis, evaluation, planning, recommendations, and preliminary implementation of the requirements of Section 42(9) of the Act.

The WRWC has realized considerable cost savings by utilizing the expertise available from the respective staff of TMWA and the County, as opposed to contracting with additional outside consultants for the required services.

Both TMWA and the County have requested the WRWC to partially reimburse them for consulting services and staff time and services that have been required and paid for, and that will be required, on an ongoing basis, in the consolidation process, in a collective amount not to exceed $300,000 for the 2009/2010 fiscal year, a collective amount not to exceed $250,000 for the 2010/2011 fiscal year, and a collective amount not to exceed $300,000 for each of the 2011/2012 and 2012/2013 fiscal years.

Section 30(2) of the Act specifically authorizes the WRWC to enter into agreements with the County and TMWA to accomplish the purposes of the Act.

**PREVIOUS ACTION**

On June 2, 2011, the WRWC approved the First Amendment to the Interlocal Agreement among the WRWC, TMWA, and Washoe County for up to $300,000 in fiscal year 2011/2012 from the RWMF, for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation of TMWA and DWR, and authorized the Chairman to execute the Amendment.

On May 20, 2010, the WRWC approved an Interlocal Agreement among the WRWC, TMWA, and Washoe County, for up to $300,000 in fiscal year 2009-2010 and $250,000 in fiscal year 2010/2011 from the RWMF, for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation of TMWA and DWR.
FISCAL IMPACT
The fiscal impact to the RWMF will not exceed the amount of $300,000 for fiscal year 2012/2013. Budget authority for $300,000 is located in Fund Group 766, Fund 7066, Account Number 710100, Professional Services, and Cost Object WP310600.

RECOMMENDATION
Staff recommends that the WRWC approve the proposed Amendment to the Interlocal Agreement among the WRWC, TMWA and the County for the purposes stated above.

POSSIBLE MOTION
Move 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.

Attachment: Proposed Second Amendment to Interlocal Agreement
Interlocal Agreement
INTERLOCAL AGREEMENT

1) PARTIES

This Interlocal Agreement ("Agreement") is entered into among the Western Regional Water Commission (the "Commission"), a Joint Powers Authority and political subdivision of the State of Nevada created pursuant Chapter 531, Statutes of Nevada 2007, the Western Regional Water Commission Act (the "Act") and cooperative agreement under Chapter 277, Nevada Revised Statutes ("NRS"), the Truckee Meadows Water Authority ("TMWA"), a Joint Powers Authority created under Chapter 277, Nevada Revised Statutes, and Washoe County ("the County"), a political subdivision of the State of Nevada, on behalf of its Department of Water Resources ("DWR"), collectively the "Parties", or, as 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 Section 30(2) of the Act specifically authorizes the Commission to enter into agreements with the County and TMWA to accomplish the purposes of the Act.

2.4 Section 42(9) of the Act requires the Comprehensive Regional Water Management Plan to include: “Evaluation and recommendations regarding the consolidation of public purveyors in the planning area, which must include costs and benefits of consolidation, the feasibility of various consolidation options, analysis of water supplies operations, facilities, human resources, assets, liabilities, bond covenants,
and legal and financial impediments to consolidation and methods, if any for addressing such impediments.”

2.5 In furtherance of the requirements of Section 42(9) of the Act, the Commission, at its September 12, 2008 meeting, requested staff from TMWA and DWR to “Conduct a focused financial analysis to assess the feasibility of some form of utility integration using their joint bond counsel and financial advisors, Swendseid & Stern and PFM, respectively”.

2.6 After nearly a year of extensive study and review, staff presented their conclusions to the Commission. On August 14, 2009, the WRWC made a formal recommendation to the governing boards of TMWA and the County to proceed with the development of an interlocal agreement to implement the integration/consolidation of the functions of TMWA and DWR. The governing boards of both TMWA and the County subsequently approved the recommendation, and are proceeding accordingly.

2.7 Both TMWA and the County have incurred, and will continue to incur significant expense, for consulting services, and staff time and services, in the analysis, evaluation, planning, recommendations, and preliminary implementation of the requirements of Section 42(9) of the Act (the “Consolidation Process”).

2.8 The Commission has realized significant cost savings by utilizing the expertise available from the respective staff of TMWA and the County, as opposed to contracting with additional outside consultants for the required services.

2.9 Both TMWA and the County have requested the Commission to reimburse them for certain respective expenses for consulting services, and staff time and services, including the cost of benefits, that have been required and paid for, and that will be required, on an ongoing basis, directly related to the Consolidation Process (“Reimbursable Expenses”), in a collective amount not to exceed $300,000 for the 2009/2010 fiscal year, and a collective amount not to exceed $250,000 for the 2010/2011
fiscal year. The Commission has agreed to do so, upon the following terms and conditions.

3) **RIGHTS & DUTIES**

3.1 **TMWA and the County**

3.1.1 TMWA and the County shall, within forty-five (45) days of the end of the 2009/2010 fiscal year, jointly submit an itemized invoice, with detailed supporting documentation, to the Commission’s contract administrator, for their respective requested Reimbursable Expenses for the 2009/2010 fiscal year. The jointly submitted itemized invoice shall be agreed upon between and signed by TMWA’s General Manager and the County’s Director of DWR.

3.1.2 During the 2010/2011 fiscal year, prior to either Party’s entering into any contract in excess of $25,000 for which either Party intends to claim Reimbursable Expenses and prior to either Party’s making any payment on any existing contract which would exceed a cumulative amount in excess of $25,000 for which either Party intends to claim Reimbursable Expenses, TMWA and the County shall jointly seek and obtain prior approval and authorization from the Commission. If prior approval and authorization is not practicable due to scheduling constraints, any such contract shall be presented to the Commission as soon as possible for ratification, and confirmation of contract payments as eligible Reimbursable Expenses.

3.1.3 During the 2010/2011 fiscal year, TMWA and the County shall, within thirty (30) days of the end of each quarter, jointly submit an itemized invoice, with detailed supporting documentation, to the Commission’s contract administrator, for their respective requested Reimbursable Expenses for the preceding quarter. The jointly submitted itemized invoice shall be agreed upon between and signed by TMWA’s General Manager the County’s Director of DWR.
3.1.4 TMWA and the County shall, through their respective designated representatives or contract administrators, provide to the Commission any information requested by the Commission’s contract administrator, relating to any invoice submitted for payment. TMWA’s and the County’s respective designated representatives or contract administrators shall keep the Commission’s contract administrator reasonably advised as to the status of the Consolidation Process at all times.

3.1.5 To the extent authorized by Nevada law, TMWA and the County shall save, hold harmless, defend, and indemnify the Commission from and against any and all claims and liability arising out of the activities for which expenses are reimbursed.

3.2 The Commission

3.2.1 The Commission’s Water Resources Program Manager is hereby designated as the Commission’s contract administrator.

3.2.2 Upon the submission of an invoice for payment, pursuant to Section 3.1 above, the Commission’s contract administrator will 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 total amount of invoices paid from the Regional Water Management Fund pursuant to the terms of this Agreement shall not exceed the sum of $300,000 for the 2009/2010 fiscal year, and $250,000 for the 2010/2011 fiscal year.

3.3 Joint Rights and Responsibilities

3.3.1 Any Party may terminate this Agreement with thirty (30) days advance written notice to the other Parties.

3.3.2 The Parties agree to coordinate and use their best efforts to complete the Consolidation Process and to collaborate in a timely manner in order to maximize the efficient use of funding and other resources.
4) MISCELLANEOUS PROVISIONS

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

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

4.3 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.

4.4 This Agreement may not be modified, or amended in any respect, except pursuant to an instrument in writing duly executed by the Parties.

4.5 In the event the Commission fails to appropriate or budget funds for the purposes as specified in this Agreement, TMWA and the County hereby consent to the termination of this Agreement. In such event, the Commission shall notify TMWA and the County in writing and the Agreement shall 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.

4.6 In the event any 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 prevailing Party or Parties in such action or proceeding shall be entitled to recover all reasonable costs of litigation, including reasonable attorneys' fees.

4.7 No delay or omission by either Party in exercising any right or power hereunder 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 by any Party 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.

4.8 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 (by personal delivery to an officer or authorized representative of a corporate 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:

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

To TMWA: Mark Foree, General Manager
1355 Capital Blvd.
Reno, NV 89502

To County: Rosemary Menard, Director
Department of Water Resources
4930 Energy Way
Reno, NV 89502

4.9 This Agreement shall be effective May 20, 2010 ("Effective Date"), regardless of the date each Party signs it.
IN WITNESS WHEREOF, the Parties have executed this Agreement.

Western Regional Water Commission
Dated this 20th day of May 2010
By Mike Carrigan, Chairman
Board of Trustees

Truckee Meadows Water Authority
Dated this 20th day of May 2010
By Mike Carrigan, Chairman
Board of Trustees

APPROVED AS TO FORM:
Rhodes Law Offices, Ltd.
By John B. Rhodes, Legal Counsel

Washoe County
Dated this 23rd day of June 2010
By David Humke, Chair
Board of Commissioners

APPROVED AS TO FORM:
Peter C. Simeoni, Deputy District Attorney

Sylvia Harrison, Legal Counsel
SECOND AMENDMENT TO INTERLOCAL AGREEMENT

The INTERLOCAL AGREEMENT (the “Agreement”), dated May 20, 2010, entered into among the Western Regional Water Commission (the "Commission"), the Truckee Meadows Water Authority ("TMWA"), and Washoe County (the “County”), is hereby amended by adding thereto the following subsection:

2.11 Both TMWA and the County have requested the Commission to reimburse them for Reimbursable Expenses, as defined in subsection 2.9 above, in a collective amount not to exceed $300,000 for the 2012/2013 fiscal year. The Commission has agreed to do so, upon the following terms and conditions.

The following subsections are hereby amended to provide as follows:

3.1.2 During the 2010/2011, 2011/2012 and 2012/2013 fiscal years, TMWA and the County will, prior to either Party’s entering into any contract in excess of $25,000 for which either Party intends to claim Reimbursable Expenses and prior to either Party's making any payment on any existing contract which would exceed a cumulative amount in excess of $25,000 for which either Party intends to claim Reimbursable Expenses, TMWA and the County shall jointly seek and obtain prior approval and authorization from the Commission. If prior approval and authorization is not practicable due to scheduling constraints, any such contract shall be presented to the Commission as soon as possible for ratification, and confirmation of contract payments as eligible Reimbursable Expenses.

3.1.3 During the 2010/2011, 2011/2012 and 2012/2013 fiscal years, TMWA and the County shall, within thirty (30) days of the end of each quarter, jointly submit an itemized invoice, with detailed supporting documentation, to the Commission’s contract administrator, for their
respective requested Reimbursable Expenses for the preceding quarter. The jointly submitted itemized invoice shall be agreed upon between and signed by TMWA’s General Manager and the County’s Director of DWR.

3.2.3 The total amount of invoices paid from the Regional Water Management Fund pursuant to the terms of this Agreement shall not exceed the sum of $300,000 for the 2009/2010 fiscal year, $250,000 for the 2010/2011 fiscal year, $300,000 for the 2011/2012 fiscal year, and $300,000 for the 2012/2013 fiscal year.

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

This Amendment is effective July 1, 2012, regardless of the dates of execution by the Parties ("Effective Date").

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

Western Regional Water Commission
Dated this ___ day of May 2012
By _________________________________
        Mike Carrigan, Chairman
        Board of Trustees

Truckee Meadows Water Authority
Dated this ___ day of May 2012
By _________________________________
        Dave Aiazzi, Vice Chairman
        Board of Directors

APPROVED AS TO FORM:
Rhodes Law Offices, Ltd.

By _________________________________
        John B. Rhodes, Legal Counsel

APPROVED AS TO FORM:

By _________________________________
        Michael Pagni, Legal Counsel
Washoe County

Dated this ___ day of ___________ 2012

By ________________________________

Robert Larkin, Chairman
Board of Commissioners

APPROVED AS TO FORM:

_______________________________
Peter C. Simeoni, Deputy District Attorney