

WESTERN REGIONAL WATER COMMISSION AGENDA

Wednesday, September 18, 2013

10:00 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. Items on this agenda on which action may be taken are followed by the term "for possible action". Non-action items are followed by an asterisk (*).
2. Public comment is limited to three minutes per speaker and is allowed during the public comment periods, and before action is taken on any action item. Comments are to be directed to the Commission as a whole. Persons may not allocate unused time to other speakers. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk.
3. Items on this agenda may be taken out of order, combined with other agenda items for consideration, removed from the agenda, or delayed for discussion at any time. Arrive at the meeting at the posted time to hear item(s) of interest.
4. Supporting material provided to the Commission for items on the agenda is available to members of the public at the Western Regional Water Commission ("WRWC") offices, 4930 Energy Way, Reno, NV, from June Davis, Administrative Secretary, (775) 954-4665, and on the WRWC website at <http://www.wrwc.us>
5. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call 954-4665 no later than 24 hours prior to the meeting.
6. In accordance with NRS 241.020, this agenda has been posted at the following locations: Reno City Hall (1 East First Street), Sparks City Hall (431 Prater Way), Sparks Justice Court (1675 East Prater Way), Sun Valley GID (5000 Sun Valley Blvd.), TMWA (1355 Capital Blvd.), Washoe County Administration Building (1001 E. 9th Street), Second Judicial District Court/Courthouse (75 Court Street), Washoe County Central Library (301 South Center St.), Washoe County Community Services Department (4930 Energy Way), Galena Market (19990 Thomas Creek Rd.), Galena High School (3600 Butch Cassidy Way), South Valleys Library (15650A Wedge Parkway), and the WRWC website: <http://www.wrwc.us>

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 May 16, 2013, meeting. **(For Possible Action)**
6. Update on the Truckee Meadows Regional Storm Water Quality Management Program, including recent community outreach activities and the recent regulatory audit - Terri Svetich, P.E, City of Reno. *

7. Discussion and possible reappointment of Northern Nevada Water Planning Commissioners, Mickey Hazelwood, public at large member to represent environmental, biological, conservation or public concerns and Michael DeMartini, member to represent owners of domestic wells, for a term of three years, April 1, 2013 through March 31, 2016, and possible direction to staff – Jim Smitherman, WRWC Water Resources Program Manager. **(For Possible Action)**
8. Review and discussion of recent reports and ongoing studies on climate change and its possible effects on water supply and demand in the Northern Nevada Water Planning Region, and possible direction to staff – Jim Smitherman. **(For Possible Action)**
9. Discussion and possible approval of funding in an amount not to exceed \$150,000 for the *Phase II: In-depth Analysis of Prioritized Study Areas, Creation of Baseline Data Set, and Risk Assessment*, to continue the Septic Nitrate Baseline Data and Risk Assessment Study for Washoe County; and if approved, authorize the Chairman to execute an Interlocal Agreement with the County for that purpose – Chris Wessel, WRWC Water Management Planner. **(For Possible Action)**
10. Discussion and possible ratification of staff's approval of an invoice for reimbursement of certain expenses incurred in evaluating and implementing recommendations regarding integration/consolidation of public water purveyors in accordance with the existing Interlocal Agreement – Jim Smitherman, **(For Possible Action)**
11. Possible direction to staff regarding agenda items for the November 20, 2013 meeting and other future meetings. **(For Possible Action)**
12. Commission Comments*
13. Staff Comments*
14. Public comment – limited to no more than three minutes per speaker*
15. Adjournment. **(For Possible Action)**

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

Wednesday, May 16, 2013

The regular meeting of the Western Regional Water Commission (WRWC) Board of Trustees was held on Wednesday, May 16, 2013, at Sparks Council Chambers, 431 Prater Way, Sparks, Nevada.

- 1. Roll Call and Determination of presence of a Quorum** – Chairman Carrigan called the meeting to order at 9:30 a.m. There was a quorum present.

Commissioners Present:

Mike Carrigan, Chair
Sandra Ainsworth
Steve Cohen
Neoma Jardon
Geno Martini
Ron Smith

Representing:

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

Commissioners Absent:

Jenny Brekhus
Vaughn Hartung
Kitty Jung

Representing:

City of Reno
Washoe County
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 (for possible action)

Commissioner Martini made a motion to approve the agenda. Commissioner Cohen seconded the motion, which carried unanimously.

5. Approval of the minutes of the March 20, 2012 meeting (for possible action)

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

6. PUBLIC HEARING on the WRWC Tentative Budget for Fiscal Year (FY) 2013/2014; discussion and adoption of the WRWC Final Budget for Fiscal Year 2013/2014 - Jim Smitherman, WRWC Water Resources Program Manager (For Possible Action)

Chairman Carrigan opened the Public Hearing on the FY 2013/2014 Budget. Mr. Smitherman reported that the tentative budget was presented at the last WRWC meeting. Since that time, the budget was sent to the Department of Taxation and found in compliance. He added that a public notice was published in the newspapers, as required by law.

Mr. Smitherman reported that the draft FY 2013/2014 tentative budget projects \$1.45 million in total revenue, a little over \$5 million in expenses, with the difference coming from cash reserves in the amount of approximately \$3.575 million. He explained that the budget expenses include a maximum of \$4.4 million for technical services and activities related to regional water management planning, including

contracts with local governments and private enterprise. He added that approximately \$481,000 pays for three full-time staff, legal services and varying operating expenses. Non-staff related expenses are approximately \$103,000. He summarized those costs are unchanged for the past several years.

Mr. Smitherman offered to provide a presentation or answer any questions. Chairman Carrigan called for questions from commissioners.

Commissioner Smith asked if the budget includes the cloud seeding program by Desert Research Institute (DRI). Mr. Smitherman stated it does include \$100,000 for DRI's program.

Chairman Carrigan called for further questions from Commissioners or the public. Hearing no public comment, Chairman Carrigan closed the Public Hearing.

Commissioner Cohen made a motion to approve the budget as presented. Commissioner Smith seconded the motion, which carried unanimously.

7. Discussion and possible approval of extending three ongoing Interlocal Agreements for a period of one year, as follows:

7- A. Third 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 public water purveyors;

Mr. Smitherman stated that this project has been ongoing for four years in the interest of consolidation of the water purveyors. He explained that the requested amount is \$300,000, which is the same amount as the last two years. The Interlocal Agreement is for the WRWC to reimburse TMWA and DWR for their consolidation-related expenses.

7-B. Fourth Amendment to the Interlocal Agreement with the City of Reno, in an amount not to exceed \$300,000, 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

Mr. Smitherman reported that this is an Interlocal Agreement with City of Reno for technical services provided by LimnoTech, Inc. (a private enterprise based in Michigan) for water quality planning, modeling and work in relation to the TMDLs and WQS. He explained that LimnoTech developed the computer model and performs updates and maintenance. The model predicts water quality based on different sources of pollution into the river. He stated that the work is very important in relation to the discharge from Truckee Meadows Water Reclamation Facility ("TMWRF"). The ongoing work will be to verify the most recent water quality data from sampling and compare it to the model. He added that LimnoTech is also working with the Nevada Division of Environmental Protection ("NDEP"), the Pyramid Lake Paiute Tribe and other stakeholders. He summarized that the requested amount is \$300,000 for an extension of the agreement, as budgeted.

7-C. Second Amendment to the Interlocal Agreement with the City of Reno, in an amount not to exceed \$262,500, 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 the foregoing Amendments – Jim Smitherman. (For Possible Action)

Mr. Smitherman reported this item is an Amendment to the Interlocal Agreement with City of Reno to support the Truckee Meadows Storm Water Quality Management Program. Mr. Smitherman explained

that the program is federally required to meet the discharge permit. He summarized that the WRWC has funded the program for the past two years in the amount of not-to-exceed \$262,500 per year.

Chairman Carrigan called for questions and hearing none, invited a motion.

Commissioner Smith made a motion to approve the Interlocal Agreement for consolidation efforts. Commissioner Martini seconded the motion, which carried unanimously.

Commissioner Jardon made a motion to approve the Amendment to the Interlocal Agreement with the City of Reno for LimnoTech. Commissioner Martini seconded the motion, which carried unanimously.

Commissioner Jardon made a motion to approve the Amendment to the Interlocal Agreement with the City of Reno for the Truckee Meadows Storm Water Quality Management Program. Commissioner Martini seconded the motion, which carried unanimously.

8. Discussion and possible approval of an Interlocal Agreement with TMWA, in an amount not to exceed \$2,700,000, for the acquisition of water quality water rights to partially satisfy the 6,700 acre-feet water rights requirement in the Truckee River Operating Agreement (“TROA”), and if approved, authorize the Chairman to execute the Agreement – Jim Smitherman. (For Possible Action)

Mr. Smitherman stated that funding in the cash reserves for water rights acquisition related to the 6,700 acre-feet of water rights has been earmarked for the past three years. He reported that a draft agreement was developed with TMWA to perform the acquisition on behalf of Reno, Sparks and Washoe County, as required under TROA. He explained that \$2.7 million is available in the cash reserves. He added that he believes that approximately 3,000 acre-feet still need to be acquired.

Chairman Carrigan asked for example, if TMWA purchased 1,000 acre-feet for \$2,700 per acre-foot and that comes off the top (to reduce the total water rights required by TROA), how the funding would be divided between the entities, i.e., would the percentages previously used for the split among the entities be used for what is left over (the balance of water rights required by TROA). Mr. Smitherman stated that his understanding would be to do so. He added that the agreement does not allocate the funding among the three entities.

Chairman Carrigan stated that he believes this is a good use of funding because the entities do not have funding budgeted for the purchase.

Mr. Smitherman reported that the Agreement contemplates extensions so funding could continue in subsequent years as available.

Commissioner Martini made a motion to approve the Interlocal Agreement. Commissioner Jardon seconded the motion, which carried unanimously.

9. Discussion and possible direction to staff regarding agenda items for the September 18, 2013 meeting and other future meetings (for possible action)

Mr. Smitherman reported that there is no need to meet until September. He added that the next meeting is tentatively scheduled for September 18, 2013. He stated that the agenda items would include:

- Review and approve the financial statements and the annual financial audit
- Report on any significant legislative issues

10. Commission Comments

None

11. Staff Comments

None

12. Public Comment

Chairman Carrigan called for public comments.

Terri Svetich, Engineering Manager for City of Reno Public Works and Coordinator of the Truckee Meadows Storm Water Quality Management Program for Reno, Sparks and Washoe County, thanked the WRWC for approving the amendment to fund the Regional Storm Water Program. She added that the entities are all in the program together. She reported that the last Program audit by the Environmental Protection Agency (“EPA”) was performed in 2002, which resulted in direction to improve the program, implement construction site inspection programs and industrial site inspection programs, which have been in place since 2003.

Ms. Svetich stated that the entities have diligently implemented the program. She added that the EPA and NDEP are scheduled to audit the program in June 2013. She stated that staff anticipates the audit going smoothly with all entities working together. She reiterated her appreciation of the funding approval.

Commissioner Jardon asked what triggers an EPA audit. Ms. Svetich stated that it is a routine audit and added that typically NDEP is responsible for conducting audits, which was last performed in 2008. She stated that since it has been over ten years, EPA is conducting a routine audit.

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

13. Adjournment

With no further business, the meeting was adjourned at 9:45 a.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on _____ 2013.

Mike Carrigan, Chairman

Note: DRAFT Minutes not approved by Board.

Western Regional Water Commission

STAFF REPORT

DATE: September 12, 2013

TO: Chairman and Members, Western Regional Water Commission

FROM: Terri Svetich, P.E. City of Reno

SUBJECT: Update on the Truckee Meadows Regional Storm Water Quality Management Program, including recent community outreach activities and the recent regulatory audit - Terri Svetich, P.E, City of Reno

SUMMARY:

The Cities of Reno and Sparks, and Washoe County have been implementing a Storm Water Quality Management Program ("SWMP") since 2002. The National Pollution Discharge Elimination System ("NPDES") permit for storm water is renewed on a five year basis and was most recently re-issued May 26, 2010. With each rendition of the permit there are new or modified requirements. The fundamental elements that must be included in the SWMP are; inspections for construction and industry, management and identification of illicit discharges, structural controls to treat storm water from new development and redevelopment, a program of monitoring to determine the impacts of urban runoff on local water ways, municipal operations best management practices, and public outreach education.

A recently launched outreach campaign to draw awareness to the dangers of pollutants in our storms drains and Truckee River has drawn attention across the Country and world! The campaign portrays storm drains as the mouth of the river. As in, we wouldn't put radiator fluid, oil, or glass in our mouths, so we shouldn't put them in the river's mouth. The campaign has been kicked off with a video "Public Art Fights Pollution" The link is <http://youtu.be/-obqC450nc8>

In June 2013, the United States Environmental Protection Agency ("USEPA") in conjunction with Nevada Division of Environmental Protection ("NDEP") conducted a comprehensive audit of the Truckee Meadows Storm Water Management Program over a four day period. The regulatory staff met with representatives of each jurisdiction independently and collectively. Visits were made to maintenance yards, construction sites and industrial sites. While we do not have a formal report yet, we have been advised that the elements for the industrial program will likely need to be enhanced to be considered in compliance. On the positive side, our public outreach program was regarded as "Hitting a home run".

BACKGROUND:

In 1990, the Cities of Reno, Sparks and Washoe County were identified as an urbanized area subject to the federal Clean Water Act stormwater management requirements. Consequently, the NDEP issued a NPDES permit for the Truckee Meadows with the Cities of Reno and 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 5 years. To manage the multiple agency permit, an interlocal agreement between the parties was

developed in 1990 and amended in 2004. This interlocal agreement establishes the Storm Water Permit Coordinating Committee ("SWPCC") and outlines the intergovernmental responsibilities to implement the requirements of the NPDES permit. The SWPCC is comprised of two representatives from each of the permitted agencies. The City of Reno serves as the lead agency on the permit.

Western Regional Water Commission

STAFF REPORT

DATE: September 12, 2013

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Discussion and possible reappointment of Northern Nevada Water Planning Commissioners, Mickey Hazelwood, public at large member to represent environmental, biological, conservation or public concerns and Michael DeMartini, member to represent owners of domestic wells

SUMMARY

The Western Regional Water Commission (“WRWC”) Act (the “Act”), Section 36, requires the WRWC to appoint two members to the Northern Nevada Water Planning Commission (“NNWPC”): one member to represent domestic well owners, and one public at large member to represent environmental, biological, conservation or public concerns. The positions had initial terms of two years and subsequent terms of three years. Both terms expired in April 2013.

On April 11, 2008, the WRWC appointed Michael DeMartini as the member to represent domestic well owners. In addition, on October 9, 2009 the WRWC appointed Mickey Hazelwood as the public at large member to fill a vacancy for the remainder of the unexpired term. Both appointments were renewed by the WRWC in May 2010.

Both Mr. DeMartini and Mr. Hazelwood have indicated to staff that they are willing and able to serve another term. Section 36(2) of the Act states that a member may be reappointed.

PREVIOUS ACTION

On May 20, 2010, the WRWC reappointed Michael DeMartini as the member to represent domestic well owners and Mickey Hazelwood as the public at large member to represent environmental, biological, conservation or public concerns.

On October 9, 2009 the WRWC appointed Mickey Hazelwood as the public at large member to represent environmental, biological, conservation or public concerns.

On April 11, 2008, the WRWC appointed Michael DeMartini as the member to represent domestic well owners.

FISCAL IMPACT

No fiscal impact.

RECOMMENDATION

Staff recommends that the WRWC reappoint Michael DeMartini as the member to represent domestic well owners, and reappoint Mickey Hazelwood as the public at large member to

represent environmental, biological, conservation or public concerns, or provide other direction concerning these appointments to staff.

POSSIBLE MOTION

Should the WRWC wish to renew the appointments, a possible motion might be: Move to reappoint Michael DeMartini to the NNWPC as the member to represent domestic well owners, and reappoint Mickey Hazelwood to the NNWPC as the public at large member to represent environmental, biological, conservation or public concerns, for terms effective April 1, 2013 through March 31, 2016.

JS:jd

Western Regional Water Commission

STAFF REPORT

DATE: September 12, 2013

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Review and discussion of recent reports and ongoing studies on climate change and its possible effects on water supply and demand in the Northern Nevada Water Planning Region, and possible direction to staff

SUMMARY

As a first step to opening discussion among the Western Regional Water Commission (“WRWC”) concerning the study of climate change, staff has compiled brief descriptions of the following three recently completed reports and one ongoing study.

Recent Reports:

1. In 2006, and again in 2009, the Truckee Meadows Water Authority (“TMWA”) partnered with the Desert Research Institute (“DRI”) to research the possibility of climate change affecting the Truckee Meadows water supply. In 2009, TMWA compiled the results of these studies into a report which is attached as Appendix B to the *Truckee Meadows Water Authority 2010-2030 Water Resource Plan*. The appendix contains three reports:

Potential Climate Change and Impacts on Water Resources, July 2006, Mark Stone, Ph.D., Division of Hydrologic Sciences, Desert Research Institute and Hilary Lopez, Ph.D., Truckee Meadows Water Authority;

Hydrologic Trend Analyses for the Truckee Meadows Region, July 2006, Mark Stone, Ph.D. and Hilary Lopez, Ph.D.

Preliminary Evaluation of Climatic Data in Truckee Meadows Region, 2009.

Potential Climate Change and Impacts on Water Resources (2006) summarized the state of the science in general and focused on potential impacts to water resources. *Hydrologic Trend Analyses for the Truckee Meadows Region* (2006) presents extensive analyses of datasets, including GIS-based linear regression and double-mass analyses using local temperature, precipitation, snow water equivalent, stream flow and reservoir volume datasets, and looks for climate change effects within the region. Conclusions are published in TMWA’s 2010-2030 Water Resource Plan.

Preliminary Evaluation of Climatic Data in Truckee Meadows Region (2009), updates the 2006 state-of-the-science literature review and expands the analysis of local climate and hydrologic data using gridded datasets to evaluate spatial patterns. Two geospatial models are used to process single-point data into spatially gridded data. The report also presents a cursory analysis of existing climate change scenarios that have been downscaled for the Truckee River basin to provide an overview of expected trends and uncertainty and to make

an assessment of climatic changes in the Truckee Meadows and changes that the community should be prepared to expect in the future.

Conclusions in 2009 include:

Annual precipitation has increased over the last 100 years.

Winter precipitation has decreased, while summer and fall precipitation have increased; high elevations are affected the most.

Reduced snowpack has resulted in reduced stream flow and reduced inflow to water bodies. Snow water equivalent has increased between October and December, and decreased on April 1.

Temperatures have increased across the region over the last 100 years.

Climate models project decreases in annual precipitation suggesting decreases in all seasons under every greenhouse gas emission scenario. This, however, is inconsistent with outputs from the geospatial models, which show increased summer and fall precipitation. This may be a result of climate model limitations to account for topography in geographically smaller, mountainous regions.

2. In 2012, the Water Research Foundation published *Groundwater Sustainability Under Climate Change: A Literature and Research Review*, Report #4325. The publication reviews climate information including climate models, assessing climate model output, downscaling methodologies and model uncertainty. Recommendations include understanding the groundwater system including aquifer properties, recharge, discharge, surface water interactions, extractions, water quality; long term monitoring and assessing how the groundwater system has responded to historic climate variability; understanding the uncertainties in climate projections, downscaling and how groundwater systems will respond. The study concludes with a recommendation for a flexible planning approach and the adoption of adaptation strategies that make sense regardless if climate change is an issue. The report asserts that the uncertainties inherent in climate change projections should not be a barrier to taking such actions.

3. In 2008, the Nevada System of Higher Education received an award of \$15 million from the National Science Foundation EPSCoR program. The five-year award funded science, education, and outreach infrastructure at UNR, UNLV, DRI, Nevada State College, and Nevada's community colleges for the study of climate change and its effects on Nevada.

The goal of the program for Climate Change Science, Education and Outreach was to create a statewide interdisciplinary program that stimulates transformative research, education and outreach on the effects of regional climate change on ecosystem resources and support use of this knowledge by policy makers. The project built capacity to model regional climate change, evaluated methods to downscale model output, provided for understanding and quantified key ecological and hydrological processes, translated climate change science into formats usable by decision-makers, integrated models and data, and transformed how students learn about climate change. Various intermediate and final reports and other resources are available at the program website: <http://epscorspo.nevada.edu/nsf/climate1>.

Ongoing Study:

In 2010, the federal Bureau of Reclamation ("BOR") initiated the Truckee River Basin Study, one of 17 basin studies funded since 2009. A BOR fact sheet states that the study will specifically identify potential climate change impacts to the Truckee River hydrology that

relate to agricultural and urban water supply and demand; flood control; hydroelectric power generation; recreation; fish, wildlife, and their habitats (including endangered species issues); water quality; flow and water dependent ecological systems. It is envisioned that the Basin Study will accomplish the following objectives:

- Achieve broad consensus to identify a set of climate change scenarios to consider for the Truckee Basin within the context of addressing water supply and demand risks, reliability, and other resource issues;
- Provide potential revised inputs to the Truckee River RiverWare hydrologic modeling for the overall Truckee Basin including the Lake Tahoe sub-basin and Truckee Meadows areas; and,
- Prioritization of identified strategies and options and recommendations for potential future actions.

The Bureau of Reclamation has held two webinar workshops with the Truckee Basin Study Technical Advisory Group, on June 24, 2013 concerning water supply and August 26, 2013 on water demand. These were the first of multiple technical workshops planned to introduce and discuss the technical assessments being performed for the Truckee Basin Study and focused on approaches for estimating water supply availability in the Truckee River Basin under both current and future conditions, especially considering climate change impacts. The next workshop, on risk and reliability, is planned for the first quarter of 2014 and the final report is planned for the fourth quarter of 2014.

BACKGROUND:

On August 7, 2013, staff presented this report to the Northern Nevada Water Planning Commission in response to a request from the Commission.

PREVIOUS ACTION

There has been no previous action.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Staff recommends that the WRWC accept this report and provide direction, if any, to staff as appropriate.

POSSIBLE MOTION

Move to accept the report.

JS:jd

Western Regional Water Commission

STAFF REPORT

DATE: September 12, 2013

TO: Chairman and Members, Western Regional Water Commission

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

SUBJECT: Discussion and possible approval of funding in an amount not to exceed \$150,000 for the *Phase II: In-depth Analysis of Prioritized Study Areas, Creation of Baseline Data Set, and Risk Assessment*, to continue the Septic Nitrate Baseline Data and Risk Assessment Study for Washoe County; and if approved, authorize the Chairman to execute an Interlocal Agreement with the County for that purpose.

SUMMARY

This Proposal represents a follow up to the initial report completed in 2007 as part of the Septic Nitrate Baseline Data and Risk Assessment Study for Washoe County titled *Phase I: Prioritization of Study Areas & Assessment of Data Needs*, which was funded by the Regional Water Management Fund. The study identified areas of historic high density septic system clusters and attempted to rank them based on their potential for nitrate contamination of groundwater. The Phase I report acknowledged data gaps for several of the high density septic system areas identified. The proposed Phase II study is designed to provide the data that is needed to complete the risk analysis of the areas in question.

The proposed study is broken down into the following tasks:

Task I – Project Planning

- Overall project planning
 - Scheduling
 - Budgeting
 - Team development and meetings

Task II – Baseline Dataset Creation

- Fill data gaps, more intense records search or field work
 - Well log database queries
 - Water quality sampling – groundwater and/or surface water
 - Water levels
 - Geology
 - Septic design review
- Public outreach to obtain volunteers for well sampling

Task III – In-Depth Analysis

- Organization and database creation
 - Data collected from Phase I
 - Additional data collected in Task II above
- Modeling
 - Groundwater gradients
 - Vadose zone modeling
 - Mass balance modeling

Task IV – Risk Assessment

- Development of tables and maps based on all data collected above
- Comparison to areas of known contamination: Spanish Springs, Lemmon Valley, Washoe Valley
- Identification of areas of potential risk

Task V – Report Preparation and Presentation

- Preparation of a report divided by Study Area and a Presentation
 - Background
 - History of septic systems in the Study Area
 - Data findings
 - Modeling results
 - Risk assessment
 - Recommendations

Upon completion of the study, the findings and recommendation will be presented to the Western Regional Water Commission ("WRWC") and the Northern Nevada Water Planning Commission ("NNWPC").

BACKGROUND

In 2007, the Regional Water Planning Commission, the predecessor of the NNWPC, embarked on a Septic Nitrate Baseline Data and Risk Assessment Study for Washoe County. As a result of this effort, two studies have now been completed as part of a phased approach to understanding the potential risk from septic system discharges within the County. The initial study was the *Phase I: Prioritization of Study Areas & Assessment of Data Needs* which revealed sixteen historic high-density septic system developments which the study attempted to rank based on risk of their potential to contaminate groundwater. The study recognized numerous data gaps during the analysis and recommended a second phase to mitigate the data deficiencies.

Prior to beginning the second phase of the study, the WRWC approved and funded a study to identify and summarize various ways in which communities elsewhere in the United States have developed management or mitigation solutions to septic system pollution of groundwater. At present, the only solution employed locally to solve septic system groundwater contamination problems has been conversion of septic systems to sanitary sewer, which, while effective, is extremely costly. The report was completed in March, 2013 and identifies community based technical, financial and management alternatives for mitigating contamination from septic systems.

FISCAL IMPACT

The project cost is within the \$150,000 budgeted for Fiscal Year 2013-2014

RECOMMENDATION

Staff recommends that the WRWC approve the budgeted funding not to exceed \$150,000 from the Regional Water Management Fund ("RWMF"), for the *Phase II: In-depth Analysis of Prioritized Study Areas, Creation of Baseline Data Set, and Risk Assessment*, to continue the Septic Nitrate Study for Washoe County, and authorize the Chairman to execute an Interlocal Agreement with the County for that purpose.

POSSIBLE MOTION

Should the Commission agree with the above recommendation, a possible motion is:
"Move to approve budgeted funding not to exceed \$150,000 from the RWMF, for the *Phase II: In-depth Analysis of Prioritized Study Areas, Creation of Baseline Data Set, and Risk Assessment*, to continue the Septic Nitrate Study for Washoe County, and authorize the Chairman to execute an Interlocal Agreement with the County for that purpose."

CW:jd

Attachment

Western Regional Water Commission

STAFF REPORT

DATE: September 12, 2013

TO: Chairman and Members, Western Regional Water Commission

FROM: Jim Smitherman, Water Resources Program Manager

SUBJECT: Review and possible ratification of staff's approval of an invoice for reimbursement of certain expenses incurred in evaluating and implementing recommendations regarding integration/consolidation of public water purveyors in accordance with the existing Interlocal Agreement

SUMMARY

The Second Amendment to the existing Interlocal Agreement ("ILA") with the Truckee Meadows Water Authority ("TMWA") and Washoe County to partially reimburse them for necessary integration/consolidation related costs approved funding in an amount not to exceed \$300,000 for fiscal year 2012/2013. As required by Section 3.1.1 of the ILA, TMWA and Washoe County jointly submitted an invoice for their respective requested reimbursable expenses for the 2012/2013 fiscal year. Section 3.1.2 of the ILA requires either prior WRWC approval or ratification and confirmation for reimbursement of expenses for contracts in excess of \$25,000. Ratification is appropriate to confirm and approve payments as eligible reimbursable expenses if prior approval and authorization are not practicable due to scheduling constraints. Timely processing of the invoice did not allow for prior WRWC approval, therefore staff is requesting ratification of staff's approval and confirmation of certain contract payments in excess of \$25,000 as eligible reimbursable expenses. The requested ratification is for reimbursement of TMWA contract expenses for:

| | |
|--------|--------------------------------|
| Vertex | \$57,531.25 -- Consulting fees |
|--------|--------------------------------|

And Washoe County contract expenses for:

| | |
|----------------|--------------------------------|
| Lewis and Roca | \$31,934.50 -- Legal fees |
| CH2MHill | \$38,476.89 -- Consulting fees |

BACKGROUND:

Since September 2008, TMWA and Washoe County 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. In 2012, the Second Amendment to the ILA allowed for reimbursement of expenses related to the evaluation of the consolidation of TMWA and the South Truckee Meadows General Improvement District ("STMGID"). 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 ILA provided for a two-year, \$550,000 funding agreement with TMWA and Washoe County to partially reimburse them for necessary integration/consolidation related costs. That agreement was amended in 2011, and again in 2012, providing for funding not to

exceed \$300,000 for each of the 2011/2012 and 2012/2013 fiscal years. TMWA and Washoe County will continue to incur consolidation-related costs in the current fiscal year.

Section 42(9) of the Western Regional Water Commission Act (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 Washoe County 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 Washoe County's water utility. The governing boards of TMWA and the County subsequently approved the recommendation, and are proceeding accordingly. In December 2012 STMGID proposed to TMWA terms for a TMWA-STMGID merger. The TMWA Board directed its staff to conduct due diligence of feasibility of STMGID's proposal. TMWA staff completed and delivered a report in June 2013.

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, and the WRWC has agreed, through the ILA and its amendments described below, 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, 2012/2013 and 2013/2014 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 May 17, 2013, the WRWC approved the Third Amendment to the Interlocal Agreement among the WRWC, TMWA, and Washoe County for up to \$300,000 in fiscal year 2013/2014 from the RWMF, for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation of TMWA,

Washoe County's water utility and STMGID, and authorized the Chairman to execute the Amendment. (This action is unrelated to the staff recommendation.)

On September 19, 2012, the WRWC ratified staff's approval of an invoice for reimbursement of contract expenses in excess of \$25,000 incurred during fiscal year 2011/2012, in evaluating and implementing recommendations regarding integration/consolidation of Washoe County's water utility and TMWA as per the First Amendment to the Interlocal Agreement.

On May 17, 2012, the WRWC approved the Second Amendment to the Interlocal Agreement among the WRWC, TMWA, and Washoe County for up to \$300,000 in fiscal year 2012/2013 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. (This action authorizes the staff recommendation.)

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 Washoe County's water utility.

FISCAL IMPACT

The fiscal impact to the RWMF is \$260,056.62 against the authorized not-to-exceed 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 ratify and confirm staff's approval of contract payments in excess of \$25,000 (as itemized above) as eligible reimbursable expenses, as shown in the invoice submitted jointly by TMWA and Washoe County for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation, in accordance with the existing ILA.

POSSIBLE MOTION

Move to ratify and confirm staff's approval of the itemized contract payments in excess of \$25,000 as eligible reimbursable expenses, as shown in the invoice submitted jointly by TMWA and Washoe County for reimbursement of certain expenses incurred in evaluating and implementing the recommendations regarding integration/consolidation, in accordance with the existing ILA.

JS:jd