

**NORTHERN NEVADA WATER PLANNING COMMISSION
MINUTES**

Wednesday, March 4, 2009

The regular meeting of the Northern Nevada Water Planning Commission (NNWPC) was held on Wednesday, March 4, 2009 in the Reno City Council Chambers, One East First Street, Reno, Nevada.

- 1. Roll Call and determination of presence of a quorum** – Chairman Price called the meeting to order at 1:36 p.m. There was a quorum present.

Voting Members Present:

George W. Ball, Jr.
Greg Dennis
Michael Cameron
Michael J. DeMartini
Darrin Price
Jerry Schumacher
Wayne Seidel

Voting Members Absent:

John Erwin
John Jackson
Neil Mann
Rosemary Menard

Non-Voting Members Present:

John Bird

Non-Voting Members Absent:

Ray Davis
Harry Fahnestock
Kelvin Hickenbottom
David Noble
Jon Palm

Staff Members Present:

Jim Smitherman
Chris Wessel
June Davis
John Rhodes, Legal Counsel

2. Approval of the agenda.

Commissioner Seidel made a motion to approve the March 4, 2009 NNWPC agenda as posted. Commissioner Cameron seconded the motion, which carried unanimously.

3. Approval of the minutes from the February 4, 2009 meeting.

The minutes of the February 4, 2009 NNWPC meeting were submitted for approval. Commissioner Cameron noted a correction to page 3 of 6, item 7, third paragraph, which should read, "Commissioner Cameron reported projections are being made of a 10% reduction in *precipitation* in the *southwest* United States." Commissioner Seidel made a motion to approve the minutes as revised. Commissioner Dennis seconded the motion, which carried unanimously. Commissioners Ball and Schumacher abstained.

4. Public Comments.

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

5. Discussion and possible recommendation to the Western Regional Water Commission (WRWC) regarding a scope of work and funding request in the amount of \$64,100 from the Regional Water Management Fund for the Truckee Meadows Water Authority (TMWA) 2009 Water Usage Review Program, and possible direction to staff.

Chairman Price welcomed Lora Richards, TMWA, to present this item. Ms. Richards stated that she is requesting continued funding in the amount of \$64,100 for TMWA's 2009 Water Usage Review Program.

She stated that last year she requested and received funding for the program. Ms. Richards stated that she is requesting continuation of the program, which has been very successful. She introduced Karl Katt, TMWA Water Auditor, and welcomed questions or comments from Commissioners.

Commissioner Dennis asked under which line item this program is included in the budget. Jim Smitherman reported it is included in Professional Services and Conservation.

Commissioner Ball asked how much time an average audit takes. Ms. Richards reported that an audit can normally be done in 20 to 30 minutes; however, more involved audits take more time.

Commissioner Dennis asked if there is proof of water savings based on the audit. Ms. Richards stated that the before and after water bill normally results in savings. She added that she does not have quantified numbers.

Commissioner Dennis made a motion to approve funding in the amount of \$64,100 and to grant TMWA the ability to shift funding between line items if costs necessitate a transfer of funds. Commissioner Ball seconded the motion. Commissioner Cameron referred to Commissioner Dennis' earlier comment and requested that when numbers are available on water savings, they be presented to the NNWPC. Ms. Richards stated that the quantifiable numbers are difficult because some audits are based on an unusual monthly bill so it might be on a monthly basis. She offered to examine the issue.

Chairman Price asked if TWMA is considering increasing the number of audits in Washoe County. Ms. Richards stated that currently most of the audits are for TMWA customers, which represent about 85% of the region. She stated that if the program was expanded, it would require increased resources and program costs.

Chairman Price called for a vote on the motion, which carried unanimously. He thanked Ms. Richards for her presentation.

6. Presentation on the newly formed Truckee Meadows Community Forestry Coalition, which promotes efficient, responsible water use for trees in the community's irrigated landscapes, and possible direction to staff.

Lora Richards gave a PowerPoint presentation about the recently created Truckee Meadows Community Forestry Coalition (TMCFC). The presentation covered the following topics:

- Background
- What is the TMCFC?
- Who is the TMCFC?
- The "Problem" with Trees
- Benefits of Trees
- Investing in the TMCFC
- TMWA/TMCFC 2009 Work Plan
- Dynamic Partnerships
- Long-Term Strategy
- TMCFC Meetings

Chairman Price asked if TMWA is funding the TMCFC, to which Ms. Richards stated yes for this calendar year. She added that at this time she is unsure how the project will be funded in the future, although grant possibilities are being explored.

Ms. Richards welcomed questions or input from commissioners. Chairman Price thanked Ms. Richards for her presentation.

7. Discussion and possible recommendation to the WRWC concerning: 1) the acceptance of a possible Clean Water Act Grant for Section 208 Water Quality Planning Activities from the Nevada Division of Environmental Protection in the amount of approximately \$40,000; and 2)

approval of an Amendment to an Interlocal Agreement with the City of Reno to include the grant funds and a scope of work for regional integrated wastewater system planning, and possible direction to staff.

Chairman Price turned over the presentation to Jim Smitherman. Mr. Smitherman referred to the staff report and stated that he recently spoke with Randy Pahl, Nevada Division of Environmental Protection (NDEP) and Gretchen Eykelbosh, Truckee Meadows Regional Planning Agency (TMRPA) about the possibility that approximately \$40,000 in federal economic stimulus funding may be made available to the local 208 Agency. Mr. Smitherman stated that a recommendation has been made to the Governor to switch the 208 Local Agency from TMRPA to the Western Regional Water Commission (WRWC).

Mr. Smitherman reported that in speaking with Commissioners (who provide wastewater service), it was agreed that a good use for the funding would be to move forward on regional integrated wastewater system planning. He explained that the concept is to amend an Interlocal Agreement with the City of Reno for ECO:LOGIC Engineering to begin the high-level facility planning. He reported that John Enloe, ECO:LOGIC, provided a scope of work for the project, which he briefly reviewed.

Mr. Smitherman stated that in speaking with Mr. Enloe, a more detailed scope of work and project could be provided if additional funding is available from the Regional Water Management Fund. He clarified that he requested that Mr. Enloe tailor the initial scope of work to the \$40,000 limit.

Chairman Price asked Mr. Smitherman to clarify staff's recommendation. Mr. Smitherman stated that the recommendation is that, "The NNWPC made a recommendation to the WRWC that it apply for and accept the grant from the State and approve an amendment to the existing Interlocal Agreement with the City of Reno to include additional funding in the same amount as the grant funds and a scope of work for regional integrated wastewater system planning to be completed by ECO:LOGIC Engineering."

Chairman Price asked if there is any indication of when the Governor may act on designating the WRWC as the Local 208 Agency. Mr. Smitherman stated he has not heard anything. Chairman Price stated he spoke with John Rhodes, Legal Counsel, about this issue and that a recommendation would be contingent on the Governor approving the designation change. Mr. Smitherman stated that his understanding is that if the Regional Planning Governing Board (RPGB) requests that the WRWC do the work on their behalf, the project and funding would be acceptable.

Commissioner Dennis commented that he appreciates Mr. Smitherman moving forward on this project, which optimizes available funding to provide a basis to evaluate the wastewater treatment plants in Cold Springs, Stead, Lemmon Valley, South Truckee Meadows, and Central Truckee Meadows. He added that mass balances, effluent and other wastewater issues need to be re-evaluated.

Commissioner Ball asked if there is the potential to provide additional funding from the Regional Water Management Fund and if staff has an idea of what might be desirable or feasible. Mr. Smitherman stated that staff is seeking input from Commissioners and added that he does not have a list of potential additions at this time. Commissioner Ball stated he would like to see such a list developed by the wastewater providers (Commissioners Seidel, Mann, and Menard).

Mr. Rhodes clarified that he believes the project can be funded via Interlocal Agreement or a Memorandum of Understanding (MOU) that the work would be done on behalf of the RPGB as the current Local 208 Agency.

Commissioner Seidel made a motion to approve staff's recommendation. He asked if the motion needs to be made conditional upon acceptance by the State designating the WRWC as the Local 208 Agency. Mr. Rhodes reiterated he does not think that is necessary and that the Interlocal Agreement in place could be amended on behalf of the RPGB. Mr. Seidel amended his motion to include Mr. Rhodes' comments. Commissioner Ball seconded the motion, which carried unanimously.

8. Review and possible recommendation to the WRWC of the Regional Water Management Fund

preliminary budget for the fiscal year 2009-2010, and possible direction to staff.

Chairman Price invited Mr. Smitherman to speak on this item. Mr. Smitherman briefly reviewed the Staff Report and reported that the WRWC is required to submit a budget to the Nevada Department of Taxation. He explained that the WRWC would be asked to approve the budget.

Mr. Smitherman stated that Chris Wessel assisted with compiling the budget, which includes color-coding to make it easier to understand. Mr. Smitherman provided a brief overview of the budget numbers as follows:

- Cash Balance as of 12/31/08 \$3,228,635
- Estimated Accounts Receivable \$756,072
- Estimated Expenditures (\$485,934)
- Estimated Cash Balance as of 7/1/09 \$3,498,773
- Net Decrease in Cash Reserves (\$1,056,835)
- Estimated Cash Balance as of 6/30/10 \$2,441,938

Commissioner Seidel referred to projected salary increases of 3% and mentioned that he believes all the local jurisdictions are looking at flat salaries and asked if that escalation should be removed. Mr. Smitherman agreed. Chairman Price mentioned that there are many line items that have an annual expense and commended staff on not spending the entire budget amount for every item. He added that staff to the NNWPC and WRWC are funded via the Regional Water Management Fund and not as County employees.

Chairman Price welcomed comments from the public. Cathy Brandhorst made numerous comments about water and the budget.

Commissioner Schumacher asked if consideration is being given to increasing the 1.5% Regional Water Management Fee that is paid by all water customers. Chairman Price stated that the WRWC has previously discussed the potential of raising that issue to the legislature; however, he did not think the NNWPC has discussed the issue.

Commissioner Seidel made a motion to approve the budget as outlined by staff, with the clarification that the salary increases would be shown as zero to match what the County is doing. He added that all the local utilities are reviewing cost control measures and mentioned that the 1.5% fund is generating less than anticipated based on the number of vacant homes and decreased water use.

Commissioner Ball seconded the motion, which carried unanimously.

9. Informational report regarding Truckee Meadows Water Authority Standing Advisory Committee.

Chairman Price invited Barry Winzeler, NNWPC Representative to the Truckee Meadows Water Authority (TMWA) Standing Advisory Committee (SAC) to provide an informational update on the meetings. Mr. Winzeler reported that a meeting was held March 3, 2009. He stated that topics of the meeting included:

- Discussion of the financial results of the six-month period ending 12/31/08 for investments. He reported there was a loss in developer funds and approximately 3,800 homes in the TMWA service territory are vacant. He added that the total operating revenues were down 4.4%.
- Discussion of additional meetings to address upcoming rate increases, which will be addressed by the TMWA Board of Directors in April. Mr. Winzeler reported that he has heard of possible increases of 6 to 10% for private residents and 20 to 40% increases for commercial users.

Chairman Price asked if there was discussion of whether rate increases would be phased in or all at once. Mr. Winzeler stated that issue was not discussed. Chairman Price thanked Mr. Winzeler for his report.

10. Program Manager's Report

Mr. Smitherman reported that he included updates on the following topics as requested or that he thought would be of interest to Commissioners. He stated that the purpose of this agenda item is for Commissioners to review the information included in the agenda packets and to feel free to ask questions, make comments,

or request additional information.

a. Status report on projects and Work Plan supported by the Regional Water Management Fund

b. Financial report on the Regional Water Management Fund

c. Update on Bill Draft Requests (BDRs) that may affect the NNWPC

Mr. Smitherman referred to list of BDRs, which includes bill language as available.

d. Truckee River Flood Management Project status report

Mr. Smitherman reported that a status update on the Truckee River Flood Project was included as an informational item.

Mr. Smitherman welcomed questions or comments from Commissioners. Commissioner Ball referred to the BDR requesting revisions to Chapter 540 regarding the use of gray water, which he clarified is not reclaimed water. He asked what Commissioners and staff think about the issue. Mr. Rhodes stated he had heard many similar concerns. He added that his understanding is that Senator Care withdrew the BDR. He stated that Assemblywoman Leslie was submitting a different bill related to gray water use although the language is not yet available. Chairman Price stated he was present during the discussion. Commissioner Seidel stated that the regulatory agencies would have to be in compliance prior to any such ordinance change.

Chairman Price thanked Mr. Smitherman for his update.

11. Discussion and possible direction to staff regarding agenda items for the April 1, 2009, Commission meeting and future meetings.

Mr. Smitherman referred to the list of agenda items for the April 1, 2009 NNWPC Agenda that was included in Commissioner's packets. The potential items include:

1. Election of Chairman and Vice Chairman for the term April 2009 to April 2010.
2. Review and possible recommendation to the Western Regional Water Commission (WRWC) for the acceptance of the final report on River Restoration Best Management Practices (BMPs) Handbook - Kennedy Jenks Consultants.
3. Program Manager's Report:
 - a. Status of projects and Work Plan supported by the Regional Water Management Fund
 - b. Financial report on the Regional Water Management Fund
 - c. BDR's affecting the NNWPC
 - d. Truckee River Flood Management Project status report
4. Informational report regarding Truckee Meadows Water Authority Standing Advisory Committee – Barry Winzeler
5. Other Informational Items

Chairman Price requested an update on the progress of the designation of the WRWC as the Local 208 Agency. Mr. Smitherman agreed to add that item to the agenda.

12. Commission Comments.

Commissioner Dennis reiterated the request for a quantifiable value of TMWA's Water Usage program. He suggested that in the future, staff reports include benefits from the previous year.

13. Staff Comments.

Mr. Smitherman reported that WRWC's next meeting is scheduled for Friday, March 13th at 2:00 p.m. (rather than 1:30 p.m.).

Mr. Smitherman stated that the WRWC's Legislative Sub-Committee would hold a joint meeting with TWMA's Legislative Sub-Committee on Friday, March 6th at 2:00 p.m. (*Note: The meeting was since cancelled.*)

14. Public Comments.

Chairman Price called for public comments. Cathy Brandhorst made additional comments not related to

water.

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

15. Adjournment.

With no further business, the meeting was adjourned at 2:47 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on _____ 2009.

Darrin Price, Chairman