

**NORTHERN NEVADA WATER PLANNING COMMISSION  
MINUTES**

**Wednesday, April 7, 2010**

The regular meeting of the Northern Nevada Water Planning Commission (NNWPC) was held on Wednesday, April 7, 2010 in the Washoe County Commission Chambers, 1001 East Ninth Street, Reno, Nevada.

- 1. Roll Call and determination of presence of a quorum** – Chairman Seidel called the meeting to order at 1:30 p.m. There was a quorum present.

Voting Members Present:

Wayne Seidel, Chairman  
George W. Ball, Jr., Vice-Chairman  
Michael J. DeMartini  
John Erwin (arrived at 1:35 p.m.)  
Mickey Hazelwood  
John Jackson  
Rosemary Menard  
Darrin Price  
Jerry Schumacher  
Stan Shumaker

Voting Members Absent:

John Flansberg

Non-Voting Members Present:

John Bird  
Harry Fahnestock  
Jon Palm

Non-Voting Members Absent:

Kelvin Hickenbottom  
David Noble

Staff Members Present:

Jim Smitherman  
Chris Wessel  
June Davis  
John Rhodes, Legal Counsel

**2. Approval of the agenda.**

Commissioner Price made a motion to approve the April 7, 2010 NNWPC agenda as posted. Commissioner Ball seconded the motion, which carried unanimously.

**3. Approval of the minutes from the January 6, 2010 meeting.**

The minutes of the January 6, 2010 NNWPC meeting were submitted for approval. Commissioner Price made a motion to approve the minutes as submitted. Commissioner Ball seconded the motion, which carried unanimously.

**4. Public Comments.**

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

**5. Election of Chairman and Vice Chairman for the term April 2010 to April 2011, and possible direction to staff.**

Chairman Seidel invited nominations for Chairman and Vice Chairman. Commissioner Menard nominated John Erwin as Chairman and George Ball as Vice Chairman. Chairman Seidel called for

discussion or further nominations. Commissioner Jackson seconded the motion, which carried with five in favor and four opposed. In newly elected Chairman Erwin's absence, Vice Chairman Ball took over the meeting. At 1:35 p.m. Chairman Erwin arrived and assumed the role of Chairman.

**6. Discussion and recommendation to the Western Regional Water Commission (WRWC) regarding comparison of the draft Washoe County consensus population forecast for 2030 and the estimated population that can be supported by the sustainable water resources as set forth in the Comprehensive Regional Water Management Plan.**

Mr. Smitherman gave a brief overview of the staff report along with a PowerPoint presentation, which covered the following:

- Amendments to the Truckee Meadows Regional Plan - Compare the Draft Consensus Population Forecast with the estimated population that can be supported by the sustainable water resources identified in the Regional Water Plan – A “decision tree” was developed and included in the Regional Water Management Plan, which includes:
  - NNWPC reviews draft Consensus Forecast and recommends for or against finding of consistency with sustainable water resources from RWMP
  - WRWC finds draft Consensus Forecast is consistent with sustainable water resources in RWMP and transmits finding to RPC and affected entities
- Draft Consensus Population Forecast – Based on an average population forecasts (provided by four sources), the 2010 population is estimated at 434,519; the 2030 population is estimated at 590,533. Rosanna Coombes, Truckee Meadows Regional Planning Agency (TMRPA), reported that the actual 2010 Census numbers will be available in May 2011.
- Sustainable Water Resources – Mr. Smitherman referred to the Water Resources Baseline, which totals approximately 183,250 acre-feet per year of sustainable water resources. He briefly explained the methodology used for establishing the baseline. He explained that the population forecast includes all of Washoe County; however, the water resources include only those within the basins of the NNWPC planning area (excluding Incline Village, Pyramid Lake and some other basins). He summarized that based on planning; the numbers presented for sustainable water resources are conservative.
- Water Demand Projections – Information was provided by TMWA on Building and Water Use Projections based on the Consensus Forecast Population, which calculates the total water use by 2030 at 141,865 acre-feet. Mr. Smitherman explained the methodology used in the projections. Commissioner Price asked how the numbers compare to the State Demographer's numbers. Chairman Erwin asked Shawn Stoddard, TMWA, to provide a graphic he prepared showing how TMWA's population forecast compares with the State Demographer's comparison to 2030. Mr. Stoddard showed the figures, which are very comparable. He explained the methodology used, which Chairman Erwin stated is available on TMWA's website.

Commissioner Menard asked Ms. Coombes to describe how the Consensus Forecast is created. Ms. Coombes stated that the question could be better answered by Washoe County staff (who prepares the forecast); however, she stated that the forecast is created by averaging forecasts from other sources (national, local, TMWA).
- Estimated Population that can be supported by Sustainable Water Resources – Mr. Smitherman stated that based on an estimated population at 2030 of approximately 590,533, needing 141,865 acre-feet of water per year, the estimated sustainable water resources of 183,250 are adequate.
- Recommended Action by Commission

Mr. Smitherman stated that the conclusion is that the draft Consensus Population Forecast for 2030 is less than the estimated population that can be supported by the sustainable water resources identified in the Regional Water Plan. He summarized that the TMRPA and the Regional Planning Governing Board

designate the NNWPC and WRWC as entities to compare the draft Consensus Forecast and sustainable water resources.

Mr. Smitherman reported that the WRWC would hear this item at their meeting on April 9, 2010, at which time they will be asked to transmit their findings to the TMRPA, Reno, Sparks and Washoe County.

Commissioner Price asked if this information would also be forwarded to the Legislative Oversight Committee (LOC). Mr. Smitherman stated that the agenda for next LOC meeting has not been distributed; however, he assumes at some time the information will be provided. John Rhodes, Legal Counsel, stated that the Statute creating the LOC does not require a report; however, they may ask for updates on certain topics.

Commissioner DeMartini stated that it looks to him that there is no consideration for the source of available water compared to where it might be needed and whether it could be used. Mr. Smitherman agreed that is a consideration; however, it is not part of this process. Commissioner DeMartini added that there would never be 100% efficiency. Mr. Smitherman agreed but added that the water baseline and Consensus Forecast have a comparable degree of uncertainty.

Chairman Erwin referred to the total number of acre-feet of sustainable water and asked whether or not it includes effluent resources. Mr. Smitherman stated the number does not include effluent resources, thereby contributing to the conservative numbers.

Commissioner Price made a motion to "Recommend to the WRWC that it determine that the draft Consensus Population Forecast for 2030 is less than the estimated population that can be supported by the sustainable water resources identified in the Regional Water Plan". Commissioner Seidel seconded the motion, which carried unanimously.

#### **7. Status report on development of the 2011 Comprehensive Regional Water Management Plan, including outline, timeline and contractual services, and possible direction to staff.**

Mr. Smitherman provided a report on progress to date on the update of the Regional Water Management Plan, which include:

- Chapter 1 – Policies and Criteria – This chapter will be reviewed or updated after other chapters are complete.
- Chapter 2 – Water Resources – The chapter has been written and will be reviewed (with figures and graphics added) in the near future.
- Chapter 3 – Water Purveyors – Writing of this chapter is underway. Mr. Wessel is awaiting some information from purveyors and assistance is needed from the consultant. The chapter will include reclaimed water purveyor information.
- Chapter 4 – Wastewater – Work is being performed by the consultant, ECO:LOGIC Engineering. The chapter is in progress.
- Chapter 5 – Flood Control / Storm Drainage – The Truckee River Flood Project and Public Works will review and provide input on the chapter, which is approximately 50% complete.
- Chapter 6 – Population Forecast and Projections of Water and Wastewater Demands and Flows – Mr. Smitherman reported that the previous agenda item covered most of the information that would comprise this chapter. ECO:LOGIC is working with service providers on agreement of the methodology used to project wastewater flows.
- Chapter 7 – Water Conservation – This chapter needs some minor updates, including updated information on the drought definition and the three-day per week watering schedule for TMWA customers.
- Chapter 8 – Issues Identification and Proposed Alternatives – The NNWPC will need to work on this chapter to review the Water Plan and identify issues to be addressed or advanced. Mr. Smitherman

stated that this discussion could be initiated in May.

- Chapter 9 – Cost and Financing Analysis – ECO:LOGIC will update information they provided in the 2009 Water Plan Amendment using information from service providers, including Capital Improvement Projects (CIPs) and facility plans.
- Chapter 10 – Action Plan – This chapter will outline issues and alternatives based on the updated Water Plan.

Mr. Smitherman referred to the timeline for each of the chapters that was distributed in the agenda packets. He reported that ECO:LOGIC is under contract to assist with the Water Plan Update. Washoe County Water Resources Geographic Information System (GIS) program is also under contract. He stated that two proposals were received from individuals or firms to assist with formatting and production of the Plan, including a PDF document.

Commissioner Price referred to Chapter 6, Section 4 which states “needs beyond twenty-year plan horizon”, and asked if staff was developing the chapter. Mr. Smitherman reported that as in the last Plan update, projections were made past the twenty-year timeframe. Commissioner Price asked if it is a requirement. Mr. Smitherman stated that it is not required but is allowed. He added that if Commissioners do not wish to do so, it does not have to be done.

Commissioner Price referred to Chapter 7 and asked from where the drought factor comes. Mr. Smitherman stated that the drought factor is based on TMWA’s most recent Water Plan. Commissioner Price stated that in the past there has been some disagreement on the drought factor and asked if the factor used in the Water Plan is not TMWA’s number, if TMWA would change their Plan. Mr. Smitherman stated that if that were the case, the WRWC would make the decision on what goes into the Comprehensive Water Plan.

Commissioner Price asked if Chapter 8.3 was considered for deletion only because it is covered elsewhere in the Plan, to which Mr. Smitherman stated yes. Commissioner Price referred to Chapter 9.5 – Public Water Purveyor Consolidation, and asked why it was included in the Plan. Mr. Smitherman stated that it is required by law. Commissioner Price stated that the law calls for taking “a look” at water purveyor consolidation and again asked why it is included in the Water Plan. Commissioner Menard stated that the law requires an evaluation of consolidation of public purveyors to be included in the Plan. Mr. Rhodes referred to Section 42 – Elements of the Comprehensive Water Plan, which states that the Plan “must include the following elements; Subsection 9 – “Recommendations regarding the consolidation of public purveyors”.

Commissioner Schumacher asked Mr. Smitherman to expand on Chapter 3 and what is anticipated from the purveyors. Mr. Smitherman stated that the law calls for information from purveyors related to peaking factors and how the needs would be met by each purveyor. Mr. Wessel stated that he sent individual requests for updated information, including what was previously included in the Water Plan, plus the new required elements, including peaking factors, storage requirements and a few others. He stated that it is his understanding that the information for South Truckee Meadows General Improvement District (STMGID) would be provided by the lead engineer from Washoe County Department of Water Resources (DWR).

Mr. Smitherman stated that Section 9.5 regarding consolidation is focused on costs and financing only. Commissioner Price asked if it would be comprehensive enough to include items such as bond payoffs and the associated costs. Mr. Smitherman stated he does not think that level of detail would be included; it is more related to facility costs. Commissioner Price asked about the level of analysis and whether it might include bonds and negative costs and potential negative impacts to customers. Commissioner Menard stated that the Phase 1 work associated with consolidation produced a number of staff reports that have been presented. She suggested creating an appendix that includes the content and summarizes it in

the Plan chapter.

Chairman Erwin asked if the Draft Plan Update should be presented to the NNWPC for review as a whole or on a chapter by chapter basis as they are ready. Mr. Smitherman suggested bringing the chapters forward as available. He added that a compilation of some chapters (2, 3 6 and 7) could be available as early as the May 5 NNWPC meeting. Chairman Erwin suggested that some of the meetings should focus only on the Plan update review due to the time involved.

Commissioner DeMartini asked if the PDF document would be searchable by key words. Mr. Smitherman stated that it would.

Commissioner Menard made a motion to bring forward the items as directed at today's meeting. Commissioner DeMartini seconded the motion, which carried unanimously.

**8. Review of the Western Regional Water Commission ("WRWC") tentative budget for fiscal year 2010-2011, and possible recommendation to the WRWC.**

Mr. Smitherman reported that the WRWC is required to submit the Fiscal Year (FY) 2010-2011 budget in May 2010. He explained that the budget is first presented to the NNWPC for a recommendation to move forward to the WRWC.

Mr. Smitherman pointed out a couple of corrections to the staff report; including the "ending fund balance" should be "ending cash balance"; and the balance should be "approximately \$2,375,268" (versus \$2,625,000). He reported that a revised "Cash Flow Projections" handout was distributed to Commissioners.

Mr. Smitherman reviewed the revenues, expenditures and ending balance. He briefly reviewed the list of professional service budget items. He summarized that the total expenditures is approximately \$2.47 million with a net decrease in cash reserves of just over \$1 million. He explained that the expenditures budget for the next couple of years would exceed the revenues, which is possible because of the cash reserve.

Commissioner Schumacher asked if there is a possibility that the 1.5% Regional Water Management Fee might discontinue. Mr. Smitherman stated that he has not heard any comments and that decision would have to be made by the legislature. Commissioner Price stated that the legislature will hold two sessions (2011 and 2013) prior to the time the fund would fall below the allowed fund balance. Mr. Smitherman stated that adjustments to expenditures for professional services could be made prior to that time if desired.

Commissioner Menard stated that in speaking with Ben Hutchins, Finance Director for DWR, she was told that the WRWC rarely spends what is budgeted for professional services. Commissioner DeMartini agreed that historically the professional services costs have rarely met or exceeded the budget amount, which has resulted in the fund balance.

Vice Chairman Ball stated that the projected negative fund balance bothers him and he encouraged the NNWPC to find cost cutting measures sooner than later.

Commissioner Price asked if the budget would come back to the NNWPC prior to being submitted to the State. Mr. Smitherman explained the process, which is for the WRWC to approve the tentative budget on April 9 and then to hold a budget hearing May 20, 2010 to approve the final budget. Discussion ensued over the tentative versus final budget.

Commissioner Menard made a motion, stating that the NNWPC reviewed the tentative budget for fiscal

year 2010-2011 and is forwarding a recommendation to the WRWC for approval. Commissioner Seidel seconded the motion. He stated he agrees with Commissioner Ball on cutting costs where possible, including staff salary reductions in line with Washoe County. Mr. Smitherman agreed and added that staff took a 2.5% salary reduction last year and that another reduction is under discussion currently. Mr. Rhodes stated that he too took a cut to his salary in line with County employees.

Chairman Erwin called for a vote on the motion, which carried unanimously.

#### **9. Update on the activities of the Legislative Committee to Oversee the Western Regional Water Commission**

Mr. Smitherman reported that the Legislative Oversight Committee (LOC) cancelled the April 15, 2010 meeting; the next meeting is scheduled for July 15, 2010. He added that the agenda has not yet been posted. He reported that minutes for the January 2010 meeting have not been posted. He stated that at the meeting Assemblyman Bobzien was elected Chair and Senator Reedy as Vice Chair. He reported that Legislative Counsel Bureau (LCB) staff reviewed legislation from the 2009 Session.

Mr. Smitherman reported that he, Mark Foree, Commissioner Menard and Rosanna Coombes presented an overview of the WRWC's activities. They also provided an update on Washoe County Ballot Question 3 activities, as well as the consolidation of TMWA and DWR. A report was also provided on the Coordinated Monitoring Program.

Mr. Smitherman agreed to provide information as available on the July LOC meeting.

#### **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 for Commissioners to ask questions, make comments, or request additional information.

##### **a. Status Report of Projects and Work Plan supported by the Regional Water Management Fund**

The updated Status Report of Projects was provided in the agenda packets.

##### **b. Financial report on the Regional Water Management Fund**

The updated Status Report of Projects was provided in the agenda packets.

##### **c. 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.

##### **d. Informational report from the NNWPC representative on the Truckee Meadows Water Authority Standing Advisory Committee (SAC)**

Mr. Smitherman reported that Barry Winzeler was present at the SAC meeting. Mr. Winzeler reported that the SAC met on April 6, 2010 and discussed the following:

- Discussion ensued over the integration of TMWA and DWR related to land easement assessments, which will take "a long time".
- A possible increase in revenue of 4.4% in June was briefly discussed.
- The SAC raised questions regarding today's NNWPC item 6 and requested an update by Chairman Erwin.

#### **11. Discussion and possible direction to staff regarding agenda items for the May 5, 2010,**

**Commission meeting and future meetings.**

Mr. Smitherman stated that the next regularly scheduled NNWPC meeting would be May 5, 2010. Agenda items for the meeting include:

- Status report and activity update for the Central Truckee Meadows (Groundwater) Remediation District Program (CTMRD), Chris Benedict, Washoe County Department of Water Resources – Commissioner Price asked staff to provide information on this item. Commissioner Menard stated that the CTMRD update is scheduled for the Board of County Commissioners (BCC) next week, which is an annual process where boundaries are discussed and public hearings are scheduled. She added that there are no current plans to change the boundaries. She added that the Environmental Protection Agency (EPA) expressed possible interest in examining the PCE / TCE standards (where standards could be changed to “detectable” levels).
- Status report on the third party Truckee River total maximum daily load for nutrients (“TMDL”) work plan for the total maximum nutrients on the Truckee River, and possible direction to staff, John Buzzone, Washoe County and Terri Svetich, City of Reno.
- Status report on WRWC and NNWPC websites, and possible direction to staff, Chris Wessel, Water Management Planner.
- Review updated Policies and Procedures including procedures for meeting cancellations, John Rhodes, Legal Counsel, and possible direction to staff. Commissioner Price requested a full copy of the current Policies and Procedures.
- Status report on development of the 2011 Comprehensive Regional Water Management Plan, including outline, timeline and contractual services, and possible direction to staff, Jim Smitherman, Water Resources Program Manager.
- Program Manager’s Report, Jim Smitherman
  - Status Report of Projects and Work Plan supported by the Regional Water Management Fund
  - Financial report on the Regional Water Management Fund
  - Status report on pending integration/consolidation of the Washoe County Department of Water Resources and the Truckee Meadows Water Authority
  - Truckee River Flood Management Project status report
  - Informational report from the NNWPC representative on the Truckee Meadows Water Authority Standing Advisory Committee
- Discussion and possible direction to staff regarding agenda items for the June 2, 2010, Commission meeting and future meetings, Jim Smitherman.
- Other Informational Items

Mr. Smitherman stated that in addition to the above items for the May meeting, review of some Water Plan chapters could be added. He stated that TMWA might also be ready to provide an update with a request for continued funding for the Water Audit Program.

Chairman Erwin suggested including the revised chapters provided in the agenda packet for May to provide review time prior to the June meeting. Commissioner Price agreed that more time was needed.

Commissioner Price made a motion to approve the above agenda items for the May meeting with direction as provided. Commissioner Seidel seconded the motion, which carried unanimously.

**12. Commission Comments.**

None.

**13. Staff Comments.**

None.

**14. Public Comments.**

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

**15. Adjournment.**

With no further business, the meeting was adjourned at 2:55 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on \_\_\_\_\_ 2010.

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John Erwin, Chairman

APPROVED