

**NORTHERN NEVADA WATER PLANNING COMMISSION
MINUTES**

Wednesday, April 4, 2012

The regular meeting of the Northern Nevada Water Planning Commission (“NNWPC”) was held on Wednesday, April 4, 2012, in the Washoe County Commission Chambers, 1001 East Ninth Street, Reno, Nevada.

- 1. Roll Call and determination of presence of a quorum** – Chairman Ball called the meeting to order at 1:32 p.m. There was a quorum present.

Voting Members Present:

George W. Ball, Jr., Chairman
Neil Krutz, Vice Chairman
John Buzzone
Michael DeMartini (arrived at 1:36 p.m.)
Mickey Hazelwood
John Jackson
Jerry Schumacher (arrived at 1:34 p.m.)
Stan Shumaker

Voting Members Absent:

John Erwin
John Flansberg
Darrin Price

Non-Voting Members Present:

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John Bird
David Boland
Harry Fahnestock
Kelvin Hickenbottom
My-Linh Nguyen
Janelle Thomas

Staff Members Present:

Jim Smitherman
June Davis
John Rhodes, Legal Counsel

2. Public Comments.

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

3. Approval of the agenda.

Commissioner Buzzone made a motion to approve the April 4, 2012, meeting agenda as posted. Commissioner Shumaker seconded the motion, which carried unanimously.

4. Approval of minutes from the March 7, 2012 meeting.

Commissioner Buzzone made a motion to approve the minutes of the March 7, 2012, meeting as submitted. Commissioner Shumaker seconded the motion, which carried unanimously.

5. Selection of Chairman and Vice Chairman for the term April 2012 to April 2013, and possible direction to staff.

John Rhodes stated that staff and he reviewed the applicable statute and the NNWPC Administrative Policies and Procedures for electing officers. He stated his opinion that rotation of the chairmanship is to

be among the “members” designated by the statute (e.e., Washoe County, Reno, Sparks, etc.), not the individuals representing those members. He referred to the list of previous members with representatives having served as chairman, as follows:

- 2008 Sun Valley General Improvement District (“SVGID”) General Manager, Chairman Darrin Price; Vice Chairman Wayne Seidel
- 2009 Sparks Public Works Director, Chairman Wayne Seidel; Vice Chairman George Ball
- 2010 Truckee Meadows Water Authority (“TMWA”) General Manager’s Designee, Chairman John Erwin; Vice Chairman Jerry Schumacher
- 2011 Washoe County Conservation District, Chairman George Ball; Vice Chairman Neil Krutz

Chairman Ball clarified that the new chairman should be representative of a member agency not listed above. He called for nominations.

Commissioner Schumacher nominated Mickey Hazelwood. Commissioner Hazelwood agreed to serve if appointed. Commissioner Shumaker seconded the motion, which carried unanimously.

Chairman Hazelwood assumed chairmanship at this point.

Chairman Hazelwood called for nominations for vice-chairman. Commissioner Shumaker nominated Commissioner Buzzone as vice-chairman. Commissioner Schumacher seconded the motion, which carried unanimously.

6. Review Tentative Budget for fiscal year 2012 – 2013 and possible recommendation to the Western Regional Water Commission (“WRWC”) to approve the budget, and possible direction to staff, Jim Smitherman, NNWPC Water Resources Program Manager.

Jim Smitherman referred to the Budget Summary, for which he credited Chris Wessel for preparing the work sheets. Mr. Smitherman reported that the projected budget for fiscal year (FY) 2012-2013 is \$1,344,186 (up by ~\$28,000 from last year) in revenue; \$3,577,319 in expenses (down almost \$100,000); leaving an ending cash balance of approximately \$300,000. He explained that staff and non-staff operating budgets remain the same as last year. Budget expenses include a maximum of \$2,992,787 for Western Regional Water Commission (“WRWC”) work plan activities.

Mr. Smitherman stated that wastewater planning projects are increased by ~\$100,000. The budget for the Regional Water Management Plan was increased by approximately \$150,000 in order to complete the modeling effort with the Truckee Meadows Regional Planning Agency (“TMRPA”). The budget for water conservation was increased by approximately \$63,000 and water planning was increased by ~\$330,000 (which includes 6 months operating reserve). He explained that amount includes purchase of water rights and administration of the rights.

Mr. Smitherman reported that staff and legal services are budgeted at \$481,532; and various routine operating expenses are budgeted for \$103,000.

Mr. Smitherman explained that if the NNWPC forwards a recommendation to the WRWC to accept the budget, it will be presented to the WRWC on April 13. If approved by the WRWC, a public hearing on the budget will be scheduled for May 17.

Chairman Hazelwood invited questions or comments.

Commissioner Schumacher asked from where the interest income comes. Mr. Smitherman reported that the fund reserves are invested as part of the County's investment pool by agreement.

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

7. Report on status of the Nevada Division of Environmental Protection's review of the Truckee River water quality standards for nutrients, Jim Smitherman.

In Terri Svetich's absence, Mr. Smitherman provided a brief update. He stated that last November Ms. Svetich, along with Laura Weintraub (LimnoTech) provided a thorough update on the status of the nutrient water quality standards review to this Commission and to the WRWC. He added that the water quality standards are currently under review by the Nevada Division of Environmental Protection (NDEP). A group of stakeholders was assembled for education on the water quality models and the modeling results.

Mr. Smitherman reported that in January, NDEP held a workshop on water quality standards (WQS). NDEP stated that the WQS review needs to occur prior to review of the total maximum daily load (TMDL). NDEP stated that the WQS review on the Truckee River would have to include consideration of Lahontan Reservoir's WQS based on the connection by the Truckee Canal of the two water bodies. NDEP expressed concerns over Lahontan's phosphorus standard, upon which NDEP intends to focus for the next four years.

Mr. Smitherman added that NDEP did state that they were open to a concurrent WQS review of the Truckee River and Lahontan. A couple of attempts to schedule a meeting of the third parties have been made but to no avail. He expects a meeting to be scheduled within the next month or so.

Mr. Smitherman summarized that the Lahontan review would cause at least a two-year delay (up to possibly four years). He added that the spending rate on the subconsultant contracts will slow.

Commissioner Ball asked who the third parties include. Mr. Smitherman stated that included are City of Reno, City of Sparks, Washoe County and TMWA.

Chairman Hazelwood asked if any cost increases are anticipated based on the increased timeline. Mr. Smitherman stated he does not anticipate an increase; however, if a few years pass, there would be an associated cost of bringing the participants back up to speed. He added that the modeling work would not change.

Commissioner Ball asked if City of Fernley, Truckee Canal Irrigation District ("TCID") and Fallon are interested parties. Mr. Smitherman stated yes and added that they all participate in the stakeholders group, which met twice. He added that the stakeholders would be asked if they wish to continue meeting to keep up the momentum.

8. Discussion and possible recommendation to the WRWC that Washoe County's Draft Consensus Population Forecast for 2032 can be supported by the sustainable water resources set forth in the Comprehensive Regional Water Management Plan, Jim Smitherman.

Chairman Hazelwood invited Jim Smitherman to present this item. Mr. Smitherman referred to a PowerPoint presentation. He reminded members that in 2010, as part of the development of the Regional Water Management Plan, the NNWPC compared the potentially available sustainable water resources in Washoe County with the estimate of the amount of water needed to support the projected 2030 population. He reported that the Water Plan identified estimated sustainable water resources of approximately 183,200 acre-feet per year. The Water Plan, which was adopted in 2011, estimates a

demand of approximately 142,000 acre-feet based on the projected 2030 population of 590,500. He summarized that the projected water demand is well below what is potentially available, with which the WRWC previously agreed.

Mr. Smitherman referred to State Demographer estimates showing that Washoe County lost about 7,200 persons between July 2008 and July 2009 because of the recession and housing market collapse.

Mr. Smitherman stated that Washoe County Community Services Department provided the draft 2012 Consensus Forecast in February 2012. The information used in the forecast comes from TMWA, Global Insight, Woods and Poole, and the Nevada State Demographer.

Mr. Smitherman referred to graphs of the population from 2010 to 2012. He stated that the available water resources for the region have not decreased. Two years ago, TMWA's water demand projection for 2030 was 142,000 acre-feet. The model also projects that the sustainable water resources of approximately 183,200 acre-feet per year could support a population of approximately 741,000, which is *not* anticipated.

Mr. Smitherman reported that Shawn Stoddard from TMWA and he concluded that further analysis is not warranted based on the potentially available water resources for the 2030 population two years ago, which are still potentially available to support the 2032 forecast. He stated that if a recommendation is provided to the WRWC, and the WRWC approves, the information would then be forwarded to Reno, Sparks, Washoe County, and the Truckee Meadows Regional Planning Agency ("TMRPA") (which will forward the information to the Regional Planning Commission, who reviews and finalizes the Consensus Forecast).

Commissioner Schumacher made a motion to recommend to the WRWC that they make a determination that the draft Consensus Forecast population of 2032 is less than the estimated population that can be supported by the sustainable water resources set forth in the Regional Water Management Plan. Commissioner Buzzone asked if water consumption has held constant throughout the time period; i.e., was the water used per capita today the same as at build-out. Mr. Smitherman stated that the water use factors are the same. Commissioner DeMartini referred to decreasing population and asked if analysis has been done on the water use per capita based on less people living in homes. Mr. Smitherman stated that since 2008 water use per connection for TMWA and Washoe County has been decreasing. He added that water conservation is occurring and connections are down.

Chairman Hazelwood called for further comment. Commissioner Krutz seconded the motion, which carried unanimously.

9. Monthly update on the Truckee Meadows Regional Planning Agency's parcel-based population and employment modeling program, Jim Smitherman.

Mr. Smitherman stated that he has been promising to show the model's GIS coverage and the related water development suitability factors; however, the model is very close but not ready for presentation today. He offered to describe how the suitability factors are comprised as follows:

- Wastewater – water reclamation facility capacity and the ratio of the 2030 flows as projected by the Water Plan to the 2030 disposal of effluent capacity for each facility – Commissioner Krutz asked how the capacity for each facility was forecasted for twenty years from now. Mr. Smitherman stated that if facility expansion plans are in place, each was estimated for the expected maximum capacity.
- Collection System Capacity – sub-areas by each utility and ranked as to capacity to serve growth
- Water – Each utility uses a similar methodology to project improvements needed to serve planned growth.

- Each water utility provided some breakout of their service areas by area of benefit for facility planning (Capital Improvement Plan [CIP] improvements).
- TMWA has established connection fees by area
- Water Resources Suitability – Areas will be broken into three general ranking categories
 - Truckee River water resources
 - Groundwater (imported, or very limited local sources)
 - Existing groundwater in the area – such as some areas in South Truckee Meadows where it would not be feasible to pump surface water to some of the higher elevations

Mr. Smitherman reported that the project is still on track to pass on the GIS data sets in June for use in model runs to be forwarded to the Regional Transportation Commission (RTC) for inclusion in their updated Regional Transportation Plan.

Mr. Smitherman added the long-range plans are to acquire training on scenario planning to actually employ the model to run development scenarios and engage decision makers and planning agencies based on the model.

Chairman Hazelwood thanked Mr. Smitherman and stated that action or direction on this item is not necessary.

10. Report on activities at the February meeting of the Legislative Committee to Oversee the WRWC, Jim Smitherman.

Mr. Smitherman referred to a copy of the February 24 agenda for the Legislative Committee to Oversee the WRWC (LOC). He stated that after the opening comments were made, Senator Gustafson from Northern Nevada was elected chairman and Assemblyman Goicoechea was elected vice-chairman. Other members of the LOC include Senator Lee, Senator Schneider, Assemblywoman Benitez-Thompson and Assemblyman Daly.

Mr. Smitherman stated that the LOC was provided a lot of background information on the WRWC. Mr. Smitherman provided an overview of what the two interim committees had done and reported on the Regional Water Management Plan.

Updates were provided on the following:

- TMWA/Department of Water Resources (DWR) consolidation – presented by Mark Foree, Jeff Tissier and Rosemary Menard
- Regional water supply discussion to include the resources, systems, water quality issues – presented by John Erwin
- Outline of facilities and systems in the region – presented by Mark Foree, Terri Svetich and Darrin Price
- Safe Drinking Water – presented by Rosemary Menard
- Wastewater effluent issues and opportunities – presented by John Buzzone
- Stormwater management issues – presented by Terri Svetich
- Overview of irrigation water transfer processes (mostly focused on interbasin transfer issues in Southern Nevada) – presented by Kelvin Hickenbottom
- Update on the Truckee River Flood Project – presented by Danielle Henderson

Mr. Smitherman reported that the LOC was interested in the Flood Project, as well as efforts at examining septic systems and densities and the associated impacts. He stated it did not appear that the group was gearing up to write Bill Draft Requests (BDRs); however, that remains to be seen. He added there would

probably be one more work session and meeting of the LOC probably in July/August. If the statute remains unchanged in the next legislative session, the LOC will sunset in 2013.

11. Program Manager's Report

- a. Status report of projects and Work Plan supported by the Regional Water Management Fund**
- b. Financial report on the Regional Water Management Fund**
- c. Informational report from the NNWPC representative on the Truckee Meadows Water Authority Standing Advisory Committee ("TMWA SAC")**

Mr. Smitherman reported that the items included in the agenda packet are provided as informational items.

Barry Winzeler (NNWPC representative to the TMWA SAC) reported that the Committee met the previous day. He reported that the topics included:

- Increased rates were discussed.
- The number of vacant homes in the TWMA system has decreased some; however, there are currently 3,667 vacant homes but they are hoping for a gradual build up.
- The County is in the process of merging South Truckee Meadows General Improvement District (STMGID) into the County system. An action being discussed is that TMWA would take over STMGID and Mr. Winzeler believes the County would let them. He was asked to provide a report at the next SAC meeting on the STMGID situation.

Commissioner Ball asked if DWR or STMGID would have to approve TMWA assimilating the STMGID system. Mr. Winzeler stated that STMGID customers believe they should approve such an action because they paid the money; however, the County does not think STMGID has a say.

Chairman Hazelwood thanked Mr. Winzeler for his update.

12. Discussion regarding agenda items for the May 2, 2012, NNWPC meeting, and other future meetings, and possible direction to staff, Jim Smitherman.

Mr. Smitherman reported that the May NNWPC meeting would include the following agenda items:

- Update on the Truckee River Operating Agreement (TROA) by John Erwin
- In May or June, RTC will be invited to provide an update on the SouthEast Connector
- Discussion and update of the TMRPA modeling process
- Report on status of the National Pollutant Discharge Elimination System (NPDES) Permit for Truckee Meadows Water Reclamation Facility (TMWRF)
- 208 Water Quality Plan update
- Program Manager's Report

Mr. Smitherman stated that in June, after the WRWC approves the budget, staff will bring back a revised Work Plan for the next fiscal year. He will also bring back an operating budget, including a list of contracts (under \$25,000) needing renewal, for which he is authorized to sign.

Commissioner Buzzone stated that under TROA, 6,700 acre-feet of water rights must be purchased. He requested an update on the identification of water rights under the streets and potential paths forward in acquiring the water rights.

Commissioner Ball mentioned the update on the Flood Project. Mr. Smitherman stated he did not have an update today. Commissioner Ball stated that he represents the Washoe County Conservation District, which operates and maintains Boca Reservoir. He was asked by the director about the status of the Flood

Project. He asked if a status update from Director Aldean would be appropriate at this time, based on the political issues, such as consensus voting.

Commissioner Ball requested an update from Rosemary Menard on the new consolidated County department and how it would operate. Commissioner Buzzzone stated he thinks the timing is appropriate.

Commissioner Ball also requested an update on STMGID.

13. Commission Comments.

None

14. Staff Comments.

None

15. Public Comments.

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

16. Adjournment.

With no further business, the meeting was adjourned at 2:30 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by Commission in session on _____ 2012.

Mickey Hazelwood, Chairman