

MINUTES
NORTHERN NEVADA WATER PLANNING COMMISSION

Wednesday, June 4, 2014, 1:30 p.m.

The regular meeting of the Northern Nevada Water Planning Commission ("NNWPC") was held in the Washoe County Commission Chambers, 1001 East Ninth Street, Reno, Nevada and conducted the following business:

The meeting was called to order by Chairman Drinkwater at 1:30 p.m.

1. Roll Call and Determination of Presence of a Quorum

Voting Members Present: Michael Drinkwater, Darrin Price, Michael DeMartini, John Erwin, John Flansberg, Mickey Hazelwood, Danielle Henderson, and Jerry Schumacher.

Voting Members Absent: George Ball, Norman Harry, Neil Krutz, and David Solaro.

Non-Voting Members Present: Kim Davis.

Non-Voting Members Absent: Chris Anderson, Harry Fahnestock, My-Linh Nguyen, and Edmund Quaglieri.

Staff Members Present: Jim Smitherman; Chris Wessel; June Davis; and John Rhodes, Legal Counsel.

2. Public Comment

None

3. Approval of the Agenda (For Possible Action)

COMMISSIONER FLANSBERG MADE A MOTION TO APPROVE THE AGENDA, SECONDED BY COMMISSIONER PRICE. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) MEMBERS PRESENT.

4. Approval of the Minutes from the May 7, 2014, Meeting (For Possible Action)

COMMISSIONER FLANSBERG MADE A MOTION TO APPROVE THE MAY 7, 2014, MINUTES, SECONDED BY COMMISSIONER PRICE. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) MEMBERS PRESENT.

5. Review and possible approval of the Western Regional Water Commission ("WRWC") Routine Operating Budget for non-staff services for Fiscal Year 2014 – 2015, and possible direction to staff - Jim Smitherman, WRWC/NNWPC Water Resources Program Manager. (For Possible Action)

Mr. Smitherman reported that the WRWC did approve the tentative budget as recommended by the NNWPC with no changes. Mr. Smitherman stated the Routine Operating Budget for non-staff services is now before the NNWPC for approval so that he is able to authorize the expenditures listed on that budget without bringing back individual items on the NNWPC agenda.

COMMISSIONER PRICE MADE A MOTION TO APPROVE, SECONDED BY COMMISSIONER FLANSBERG.

Commissioner Erwin asked why this action is required if the WRWC has already given authorization to the Program Manager in Resolution No. 3. John Rhodes, Legal Counsel, stated the Resolution authorizes the Program Manager to enter into contracts up to \$25,000 with approval by the NNWPC.

THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) MEMBERS PRESENT.

6. **Discussion regarding Washoe Evapotranspiration Project funding from the Regional Water Management Fund (“RWMF”) for Fiscal Year 2014 – 2015: A) possible recommendation to the WRWC to approve a First Amendment to the Interlocal Agreement with the Desert Research Institute (“DRI”) to add \$29,050 in funding for upgrades and installation of weather stations; and, B) authorize the expenditure by staff of up to \$10,950 for services provided by other vendors for work related to the installation of weather stations – Chris Wessel, WRWC/NNWPC Water Management Planner. (For Possible Action)**

Mr. Wessel stated the pending program enhancements have been discussed in previous meetings in associate with the annual budget. Mr. Wessel stated \$40,000 was approved in the annual budget for upgrades.

Commissioner Flansberg requested confirmation that this is the \$40,000 that the NNWPC recommended to the WRWC for approval and this action is an administrative matter regarding how that \$40,000 is going to be split between the two portions of the work. Mr. Wessel responded that is correct.

COMMISSIONER FLANSBERG MADE A MOTION TO APPROVE, SECONDED BY COMMISSIONER ERWIN. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) MEMBERS PRESENT.

7. **Review, discussion and possible approval of a proposal from the Desert Research Institute (“DRI”) for supplementary precipitation gauges to quantify cloud seeding results in the Lake Tahoe and Truckee River basins; and, if approved, possible direction to staff to execute an Interlocal Agreement with DRI for phase one of the project in an amount not to exceed \$25,000 from the RWMF for Fiscal Year 2014 – 2015 – Chris Wessel. (For Possible Action)**

Mr. Wessel stated this project has a multi-phase approach and staff is seeking approval to install a portion of the rain gauges this year for the first phase. Mr. Wessel reviewed the two project phases proposed in Budget A and Budget B, which are included in the meeting packet. Budget A is for the purchase and installation of two new rain gauges. Budget B is for refurbishing and installing the four rain gauges already owned by Washoe County.

Commissioner Price asked if easements from the property owners where the rain gauges will be installed had been secured. Mr. Wessel responded he does not know where DRI will place the rain gauges.

Commissioner Price questioned the need for the money right now if they are still in the planning process and do not know where the rain gauges will be installed. Mr. Wessel stated they are hoping to install the gauges by the end of the summer. Commissioner Flansberg asked what the overall plan is for the total number of rain gauge sites. Mr. Wessel stated they plan to install a total of six rain gauges. Mr. Wessel explained that if it is determined that the four existing gauges will not be able to be refurbished in time for installation this year, they will purchase two new gauges to be installation this year and save the four existing gauges for installation next year. Mr. Wessel stated this is a two-phase project with one phase being done this year and one phase next year.

Commissioner Price asked if there would be any detriment in waiting to approve this until there is information on what it will take to refurbish the four existing rain gauges. Mr. Wessel stated the detriment would be that they may not get any rain gauges installed this year. Mr. Wessel

explained that staff would evaluate which proposed budget would be better for the first phase and that either way, both of the proposed budgets would eventually be required in order to accomplish the goal.

Commissioner Price expressed concern that the money is being requested at this time with so many unanswered questions with regard to the number of gauges, where they will be installed, and what it will take to refurbish the existing gauges. Mr. Wessel stated that staff is asking for approval to enter into the contracts at the appropriate time. If staff does not feel it is appropriate or the timing or the proposals are not right, that will be an administrative matter for staff to resolve. Mr. Wessel stated if the Commission would like more information before approving, staff can have Mr. Tilley, DRI, come back and discuss it further.

Commissioner Price stated he would be more comfortable approving this with assurances from staff. Mr. Smitherman stated Mr. Tilley would be able to answer some of the questions and concerns expressed but he was not available to attend the meeting today. Mr. Smitherman stated Mr. Tilley has said they are preparing to do the seeding program for next year and if we want to get a couple of gauges deployed this year, the money needs to be made available during the summer. Mr. Smitherman explained the original proposal, requested by the NNWPC, was for three phases with two new gauges installed each year over three years at \$25,000 per year for a total of \$75,000. Mr. Smitherman stated he and Mr. Wessel suggested the possibility of saving money by refurbishing the four existing gauges. Mr. Smitherman clarified that staff is asking for the discretion to evaluate the existing gauges to determine if they are usable and able to be refurbished in a timely fashion.

Chairman Drinkwater expressed concerned regarding the possibility of approving the budget option to refurbish the existing gauges only to discover that they are not useable and ending up without enough money to go to the budget option to purchase two new gauges. Mr. Wessel stated that is part of the discretion that staff will take into consideration. Mr. Wessel stated he will retrieve the existing gauges, DRI will assess them, and staff would proceed from there to enter into the contract that works best for the project.

Chairman Drinkwater asked about what would happen if the existing gauges are not able to be used. Mr. Wessel stated they would then go forward with the phase to purchase and install two new gauges this year and two more in each of the following two years. Mr. Wessel stated it would be a worthwhile effort to spend a little bit of staff's time to retrieve the existing gauges and find out whether they are useable. Mr. Wessel stated if they are found to not be useable, it would not cost anything because no work would be done on them.

Chairman Drinkwater stated he would support funding a modest investment for the effort to recover and evaluate the existing gauges and then have a discussion with better data, knowing whether or not the four existing gauges can be fixed. Mr. Wessel replied that in that case, he would suggest approving Budget A to purchase and install two new gauges this year and come back with an evaluation of the four existing gauges.

Commissioner Schumacher asked about possible liability issues related to the project. Mr. Rhodes stated DRI would enter into an agreement with the land owners and under our agreement with DRI, they are required to hold us harmless.

COMMISSIONER DeMARTINI MADE A MOTION TO RECOMMEND APPROVAL FOR BOTH BUDGET A AND BUDGET B, WITH THE CONDITION THAT STAFF COMES BACK WITH INFORMATION REGARDING WHETHER BUDGET B WILL BE VIABLE OR NOT.

Mr. Wessel clarified this action needs to be either Budget A or Budget B because there is not money in the budget this year to do both phases. Mr. Wessel stated if the \$25,000 expenditure is approved, staff will evaluate which phase can be done this year and go forward with that.

COMMISSIONER DeMARTINI MODIFIED THE MOTION TO APPROVE THE \$25,000 AS REQUESTED BY STAFF, WITH DIRECTION TO STAFF TO USE THEIR JUDGMENT TO DETERMINE WHETHER BUDGET A OR BUDGET B IS APPROPRIATE, SECONDED BY COMMISSIONER ERWIN. THE MOTION CARRIED WITH SIX (6) IN FAVOR AND TWO (2) OPPOSITIONS BY COMMISSIONERS DRINKWATER AND SCHUMACHER.

8. Report and discussion concerning RWMF revenue and expenditure planning for future fiscal years and possible direction to staff - Jim Smitherman. (For Possible Action)

Mr. Smitherman stated the purpose for this item is to provide a brief report on the revenue and expenditure projections staff has been working on beyond the coming fiscal year. Mr. Smitherman stated the budget has included expenses since 2008 that exceed the annual revenue and every year a decrease in cash reserves is approved. Mr. Smitherman stated those cash reserves are expected to be depleted to the minimum cash balance allowed by policy at the end of fiscal year 2014-2015. Mr. Smitherman reviewed information from the Five Year Cash Flow Summary Table included in the meeting packet.

Commissioner Price asked for confirmation that the Regional Water Management Plan ("RWMP") is required by law. Mr. Smitherman responded that is correct.

Commissioner Price asked if any of the other items in the Summary Table are required by law. Mr. Smitherman responded no and stated they are to implement sections of the RWMP. Mr. Rhodes stated the preparation of the RWMP is required by statute and the other items need to be in furtherance of the RWMP as adopted, and toward the implementation and administration of the RWMP.

Commissioner Price asked what would happen to the Storm Water Plan if this Commission did not continue to fund it. Mr. Smitherman stated the program would fall back to the City of Reno, the City of Sparks, and Washoe County to fund.

Commissioner Price asked what others could potentially fall back to the entities to fund. Mr. Smitherman stated the Commission cost shares the Water Usage Review Program with Truckee Meadows Water Authority ("TMWA") so they would either have to scale back the program or fund it themselves. Mr. Smitherman stated the Commission has been funding the cloud seeding program at \$100,000 a year so that would either be scaled back or it would fall to other entities to fund. Mr. Smitherman stated another category would be water quality standards and total maximum daily load and that body of work would probably fall back to the wastewater service providers.

Commissioner Price asked for confirmation that the 2.7 million for the water rights purchase is phased. Mr. Smitherman confirmed it is not obligated for one year and it will roll over year by year until the balance is expended or more is added to the agreement.

Commissioner Price asked what would happen if the balance goes below the minimum \$300,000 cash reserve. Mr. Smitherman stated the cash reserve amount is a WRWC policy and is a self-imposed safety net. Mr. Smitherman stated if it looked like they were going to go below that amount, he could try going back to the WRWC to request that the requirement be relaxed.

Commissioner Price asked if staff is suggesting scaling back some of the ancillary programs now. Mr. Smitherman stated he does not see the need to scale back now. Mr. Smitherman

suggested moving through the RWMP update process and looking at what priorities come out of that, then start making priority decisions.

Commissioner Erwin asked Mr. Smitherman to remind the audience what the source of revenue is that comes to the WRWC. Mr. Smitherman stated the revenue is a 1.5 percent surcharge on all retail water bills.

Commissioner Erwin asked who those retail water purveyors are. Mr. Smitherman stated the public water purveyors are TMWA, Washoe County Community Services Department, Sun Valley General Improvement District (“SVGID”), and South Truckee Meadows General Improvement District (“STMGID”). Mr. Smitherman stated there are also a handful of smaller privately owned purveyors.

9. Program Manager’s Report – Jim Smitherman.

- A. Report on the Status of Projects and Work Plan supported by the RWMF
- B. Financial report on the RWMF
- C. Report on the Truckee Meadows Regional Planning Agency (“TMRPA”) parcel-based population and employment modeling project
- D. Report on the pending consolidation of the South Truckee Meadows General Improvement District, Truckee Meadows Water Authority and Washoe County Water Utility
- E. Informational report from the NNWPC representative on the TMWA Standing Advisory Committee (“TMWA SAC”)

Mr. Smitherman stated there is nothing out of the ordinary in the Program Manager’s Report and offered to answer any questions. There were no questions from the Commissioners.

10. Discussion regarding possible agenda items for the July 2, 2014, NNWPC meeting, and other future meetings, and possible direction to staff – Jim Smitherman. (For Possible Action)

COMMISSIONER ERWIN MADE A MOTION TO CANCEL THE JULY 2, 2014, NNWPC MEETING, SECONDED BY COMMISSIONER PRICE. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) MEMBERS PRESENT.

Mr. Smitherman stated the next NNWPC meeting will be August 6, 2014.

Commissioner Schumacher requested a future agenda item to discuss the effect of the consolidation of STMGID, TMWA, and Washoe County Water Utility and its impact on this Commission and the WRWC. Mr. Smitherman stated the WRWC requested that Legal Counsel bring back a report to their September meeting on that topic. Mr. Smitherman suggested that when that report is prepared it can be brought to the NNWPC as well.

Commissioner Schumacher also requested an update on the status of the water system for Old Washoe Estates and stated they have expressed a desire to buy their own water system and not be part of the consolidation.

Commissioner Erwin stated both of the topics mentioned by Commissioner Schumacher have been brought to the attention of the merger activity teams.

11. Commission Comments

Commissioner Flansberg stated Terri Svetich will be retiring from the City of Reno on June 26, 2014, and that flyers were distributed to the Commission members for a retirement celebration in her honor. Commissioner Flansberg expressed appreciation for Ms. Svetich for her years of service and dedicated leadership.

Commissioner Price agreed with Commissioner Flansberg's comments and stated Ms. Svetich will be missed. Commissioner Price asked if staff is preparing a plaque or certificate for Ms. Svetich. Mr. Smitherman stated staff will provide whatever the Commission would like as recognition for Ms. Svetich.

Mr. Rhodes stated that no action can be taken on this under Commission Comments and suggested re-opening the future agenda items portion of the meeting to address this.

Chairman Drinkwater reopened Agenda Item 10.

Commissioner Price requested a future agenda item for recognition in appreciation of Terri Svetich for her service to this Commission.

12. Staff Comments

Mr. Smitherman also agreed with the comments regarding Ms. Svetich's retirement and stated that she will be missed.

Mr. Wessel expressed appreciation for Ms. Svetich and stated she has been extremely fundamental in the success of the storm water group.

13. Public Comment

Ginger Pierce expressed concern regarding the lack of public awareness about the consolidation of water purveyors.

Mike Spray expressed an interest in finding out how to get more information on the acquisition of water in Old Washoe Estates.

14. Adjournment

COMMISSIONER PRICE MADE A MOTION TO ADJOURN AT 2:16 PM, SECONDED BY CHAIRMAN DRINKWATER. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) MEMBERS PRESENT.

Respectfully submitted by Christine Birmingham.

Approved by:

Michael Drinkwater, Chairman

APPROVED BY COMMISSION IN SESSION ON _____, 2014.