

MINUTES
NORTHERN NEVADA WATER PLANNING COMMISSION

Wednesday, September 10, 2014

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, Mickey Hazelwood, Danielle Henderson, Neil Krutz (arrived at 1:32) and David Solaro.

Voting Members Absent: George Ball, John Flansberg and Jerry Schumacher.

Non-Voting Members Present: None

Non-Voting Members Absent: Chris Anderson, Kim Davis, 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 ERWIN MADE A MOTION TO APPROVE THE AGENDA, SECONDED BY COMMISSIONER SOLARO. THE MOTION CARRIED UNANIMOUSLY WITH SEVEN (7) MEMBERS PRESENT.

4. Approval of the Minutes from the August 6, 2014, Meeting (For Possible Action)

COMMISSIONER ERWIN MADE A MOTION TO APPROVE THE AUGUST 6, 2014, MINUTES, SECONDED BY COMMISSIONER PRICE. THE MOTION CARRIED UNANIMOUSLY WITH SEVEN (7) MEMBERS PRESENT.

[Commissioner Krutz arrived at 1:32 p.m.]

5. Review and possible approval of a request from the City of Reno on behalf of Reno, Sparks and Washoe County for an amount not to exceed \$20,000 from the Regional Water Management Fund ("RWMF") to reimburse Reno for approximately half the cost of a study to evaluate an intertie connection between the Truckee Meadows Water Reclamation Facility ("TMWRF")'s reclaimed water system and Washoe County's Huffaker Reservoir, and associated effluent management alternatives; and, if approved, authorize the NNWPC Program Manager to execute an interlocal agreement with the City of Reno for that purpose – David Kershaw, P.E., City of Reno, and Jim Smitherman, NNWPC Water Resources Program Manager. (For Possible Action)

Mr. Kershaw reviewed information included in the meeting packet regarding the request for funding including a brief history on how the scope of work originated. The primary intent of the scope of work is to evaluate the regional and seasonal benefits of connecting the TMWRF effluent reuse system to the Huffaker Reservoir. Mr. Kershaw reviewed some of the potential benefits of this interconnection.

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

6. **Discussion regarding the proposal by The Nature Conservancy (“TNC”) for “Optimizing Restoration Investments in the Truckee [River] Watershed”, and possible recommendation to the Western Regional Water Commission (“WRWC”) to approve funding for the project not to exceed \$57,787 from the RWMF for fiscal years 2014-2015 and 2015-2016 (continued from August 6, 2014) – Mickey Hazelwood, TNC. (For Possible Action)**

Commissioner Hazelwood reported that he has provided the information that was requested at the last NNWPC meeting for this item.

Chairman Drinkwater stated that he requested the information and thanked Commissioner Hazelwood for the report. Chairman Drinkwater expressed interest in finding out if the results of this project can be used in a year or two to identify areas of investigation to mitigate some of TMWRF’s discharge.

COMMISSIONER KRUTZ MADE A MOTION TO APPROVE, SECONDED BY COMMISSIONER SOLARO. THE MOTION CARRIED WITH SEVEN (7) IN FAVOR AND ONE (1) ABSTENTION BY COMMISSIONER HAZELWOOD.

7. **Discussion and possible recommendation to the WRWC to make a determination that the draft consensus population forecast for 2034 prepared by the Truckee Meadows Regional Planning Agency (“TMRPA”) can be supported by the sustainable water resources set forth in the Comprehensive Regional Water Management Plan – Jim Smitherman. (For Possible Action)**

Mr. Smitherman stated that the consensus forecast for population in Washoe County is done every two years and this is the first version done by the TMRPA. There are four data sources including the State Demographer, Truckee Meadows Water Authority (“TMWA”), Woods & Poole, and Global Insight. The forecasts from the data sources are averaged to come up with the consensus forecast.

Mr. Smitherman stated that the NNWPC’s task is to compare the 20-year population forecast for the County with the sustainable water resources as set forth in the Regional Water Management Plan (“RWMP”) and make a recommendation to the WRWC as to whether the projected population can be supported by the sustainable water resources. He recalled that in the year 2010, TMWA provided a twenty year water demand forecast calibrated to the consensus forecast done that year, and that the consensus forecast population for the year 2030 was 590,500 persons. Mr. Smitherman explained that, in comparison, what is shown for the year 2034 in this year’s draft consensus forecast is significantly lower. Mr. Smitherman stated the water demand associated with the 590,500 population projection was about 140,000 acre feet (per year) and that the sustainable water resources in the RWMP are estimated at about 183,000 acre feet (per year). Therefore, the water resources identified as sustainable using the State Engineer’s numbers and Truckee River Operating Agreement (“TROA”) are sufficient to support the twenty year population forecast.

Mr. Smitherman indicated that two years ago, based on the NNWPC’s recommendation, the WRWC determined that the sustainable water resources in the RWMP could support the projected population, and that is what he is recommending today.

There was some discussion regarding the difference between the forecasts from the outside sources and the forecasts from TMWA and the State Demographer.

Commissioner Erwin asked Jeremy Smith of TMRPA, why money is spent on the forecasts from outside sources when generally a mean between the State Demographer and TMWA forecasts is used. Mr. Smith stated the Regional Planning Governing Board (“RPGB”) Regulations on Procedure have been changed recently so that outside sources can be limited to only one source. Mr. Smith discussed the importance of having a forecast from an outside source to consider and stated that it does not necessarily have to be from Woods & Poole or Global Insight.

Commissioner Price asked about a time constraint if this item is not approved today. Mr. Smitherman stated the time constraints were lifted in the last amendments to the RPGB’s Regulations on Procedure, however it would hold up the progression of final approval of the draft consensus forecast, which is scheduled to go to the Regional Planning Commission on September 24, 2014.

Commissioner Price stated there are several documents referenced but not included with the staff report and expressed interest in delaying this item to the next meeting in order to have an opportunity to review some of the reports referenced. Mr. Smith stated the table included in the staff report is from the section of the draft consensus forecast describing the population increase. He also pointed out there was no change to the population methodology and the jurisdictional splits are identical in percentage.

Mr. Smitherman stated the task at hand for the NNWPC is to take the sustainable water resources estimate identified in the RWMP adopted in 2011 and compare it to the draft consensus forecast number, and not to dwell on how TMRPA arrived on that number. The sustainable water resources inventory has not changed substantially from four years ago when the population forecast was higher. Mr. Smitherman reported that Chris Wessel, NNWPC Water Management Planner, did a status check with the State Engineer’s records and it looks like there will be slightly more water in the inventory when the RWMP is updated next year.

There was some discussion regarding the suggested recommendation and the language used in the staff report.

[Commissioner Krutz left at 1:50 p.m.]

John Rhodes, Legal Counsel, stated the language in the staff report for the recommendation is from the RPGB and the TMRPA regulations. The WRWC makes a final determination as to whether the projected population can be served by the identified sustainable water resources. Mr. Rhodes advised the WRWC that, as a technical legal matter, those regulations cannot mandate or require the WRWC to perform that function, but the WRWC made the decision, in the spirit of interagency cooperation, to go ahead and provide such a finding, so that this issue is raised on a regular basis every two years to assure the public that this issue is being looked at so that land use planning approvals don't get ahead of available water resources.

Chairman Drinkwater asked how the information regarding the number of people the identified sustainable water resources can support was established. Mr. Smitherman stated the information was provided by the water demand model that TMWA used in 2010 for their Water Resources Plan.

Commissioner Erwin stated this process was used in the last RWMP and there was quite a bit of debate on the population forecast, with the numbers being significantly higher than what we see under the 2012 column in the staff report, so it is a reasonable estimate of the population going forward. Commissioner Erwin stated that he finds it is appropriate to accept staff’s

recommendation that the population for 2034 is less than the estimated population that can be supported by the sustainable resources, which was already determined in the last RWMP.

COMMISSIONER ERWIN MADE A MOTION TO APPROVE, SECONDED BY COMMISSIONER SOLARO. THE MOTION CARRIED UNANIMOUSLY WITH SEVEN (7) MEMBERS PRESENT.

[Commissioner Krutz returned at 1:54 p.m.]

8. Status report on the Bureau of Reclamation's "Truckee Basin Study" – Jim Smitherman. (For Possible Action)

Mr. Smitherman stated that he attended a Technical Advisory Group workshop on July 14, 2014. The purpose of the workshop was to update the group on progress to date. Water supply scenarios and demand scenarios were also reviewed. Mr. Smitherman stated the next event will be a webinar workshop on November 10, 2014, to report on what will be included in the final draft report. By the end of the year, the report is expected to be submitted for internal review at the Bureau of Reclamation and should go to the Bureau of Reclamation's Commissioner in Washington DC in March or April of 2015.

Commissioner Erwin asked if it is too early to tell whether there would be any suggestion coming from the study that would alter the sustainable resources addressed in the previous agenda item. Mr. Smitherman stated it is too early to say.

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 acquisition of water rights, consistent with the existing interlocal agreement between the Truckee Meadows Water Authority ("TMWA") and the WRWC, to partially satisfy the 6700 acre-feed water rights requirement in the Truckee River Operating Agreement
- d. Report on the TMRPA's parcel-based population and employment modeling project
- e. Informational report from the NNWPC representative on the TMWA Standing Advisory Committee ("TMWA SAC")

Mr. Smitherman stated staff reports are provided for items typically included in the Program Manager's report. Mr. Smitherman reviewed information included in the staff report for item 9.c stating that about 381 acre feet of water rights have been purchased so far. The net average cost per acre foot is \$5,488 and there is a balance remaining of about \$600,000 in the contract.

Commissioner Erwin stated since Tesla will be coming to the area, he anticipates there will be some upward pressure on the water rights prices. There is buying activity currently going on, including purchasing water rights to improve water quality and to partially comply with the Truckee River Operating Agreement ("TROA"), which is another source of upward pressure on the prices. Commissioner Erwin stated a third source of upward pressure is that there has been a recent grant to the Pyramid Lake Piute Tribe of about ten million dollars and they will also be looking to acquire more water rights.

10. Discussion regarding possible agenda items for the October 1, 2014, NNWPC meeting, and other future meetings, and possible direction to staff – Jim Smitherman. (For Possible Action)

Mr. Smitherman stated future agenda items will include: a status report on the septic system and groundwater quality project that is underway; a report on drought water supply management from Mr. Hauck at TMWA; a report on the consolidation efforts of public purveyors;; and, a scope and level of effort for the RWMP update.

Commissioner Edwin asked if there was an interest in including a look at the population forecasting. Commissioner Price expressed interest in seeing additional information on that.

11. Commission Comments

None

12. Staff Comments

None

13. Public Comment

None

14. Adjournment (For Possible Action)

COMMISSIONER ERWIN MADE A MOTION TO ADJOURN AT 2:01 PM, SECONDED BY COMMISSIONER SOLARO. 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.