

MINUTES
NORTHERN NEVADA WATER PLANNING COMMISSION

Wednesday, May 7, 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 (left at 2:22 p.m.), George Ball (arrived at 1:40 p.m.), Michael DeMartini, John Erwin, John Flansberg, Mickey Hazelwood, Neil Krutz, and David Solaro.

Voting Members Absent: Norman Harry, Danielle Henderson, and Jerry Schumacher.

Non-Voting Members Present: Chris Anderson.

Non-Voting Members Absent: Harry Fahnestock, Kim Davis, 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 SOLARO MADE A MOTION TO APPROVE THE AGENDA, SECONDED BY COMMISSIONER PRICE. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) MEMBERS PRESENT.

4. Approval of Minutes from the April 2, 2014, Meeting (For Possible Action)

COMMISSIONER ERWIN MADE A MOTION TO APPROVE THE APRIL 2, 2014, MINUTES, SECONDED BY COMMISSIONER FLANSBERG. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (9) MEMBERS PRESENT.

5. Review draft Western Regional Water Commission ("WRWC") tentative budget for Fiscal Year 2014 – 2015; discussion, possible direction to staff, and possible recommendation to the WRWC – Jim Smitherman, WRWC/NNWPC Water Resources Program Manager. (For Possible Action)

Mr. Smitherman reviewed information included in the staff report regarding the budget for Fiscal Year 2014 – 2015 as follows: The estimated surcharge revenue is a little over 1.5 million dollars, which is a three percent increase over last year. The staff services line item is increased to \$525,500 to include the County overhead. The non-staff operating services are down from about \$103,000 to \$88,000. The total budget amount is almost 2.8 million dollars. The projected cash balance at the end of Fiscal Year 2014 - 2015 will be about \$300,000, which is in compliance with the reserve policy.

COMMISSIONER KRUTZ MADE A MOTION TO RECOMMEND APPROVAL OF THE FISCAL YEAR 2014 - 2015 BUDGET TO THE WRWC, SECONDED BY COMMISSIONER FLANSBERG. THE MOTION CARRIED UNANIMOUSLY WITH EIGHT (8) MEMBERS PRESENT.

6. Discussion regarding a request by the City of Reno for partial funding of a watershed improvement project to reduce storm water flows to the Highland Canal and improve the quality of such flows to the Truckee River; possible direction to staff, and possible recommendation to the WRWC to approve funding in an amount not to exceed \$250,000 for the project from the Regional Water Management Fund (“RWMF”) – Terri Svetich, P.E., Engineering Manager, City of Reno and Glen Daily, P.E., Associate Civil Engineer, City of Reno. (For Possible Action)

Ms. Svetich presented information on the history of the Highland Canal. TMWA has been paying for the design and have said they will take care of the permitting as well. The Truckee River Fund is going to provide the majority of the construction monies for this project. Ms. Svetich stated what they are asking for from the RWMF is the match for the Truckee River Fund.

[Commissioner Ball arrived at 1:40 p.m.]

John Rhodes, Legal Counsel, stated there was a question at the last NNWPC meeting as to whether paying for construction costs for infrastructure like this would be an allowable expenditure from the RWMF. Mr. Rhodes has since done a detailed analysis of the Western Regional Water Commission Act and the WRWC Joint Powers Agreement, and stated his conclusion is that this specific project, as it is presented, does aid in the implementation of the Comprehensive Plan in that it assists in implementing goals, policies, provisions, and elements in the Plan relating to municipal water supply, quality of surface water, storm water drainage, and control of source and non-source pollution. Mr. Rhodes stated his opinion is that this is an appropriate and allowable expenditure for this particular project.

Commissioner Krutz questioned Mr. Smitherman about this Commission’s history of providing construction funds. Mr. Smitherman stated this would be the first project that the NNWPC would recommend approval for expenditures on a capital project.

Chris Anderson, Washoe County Health District, stated he is a non-voting member of the NNWPC and after some discussion at the Washoe County Health District, they feel this is a project worthy of the NNWPC’s support. He added that it does address many of the components consistent with the Water Management Plan including watershed management, storm water quality, and water supply and quality. Mr. Anderson stated this project will help the water supply and quality to Chalk Bluff, which provides forty-nine percent of the water supply and treatment to the TMWA service area.

Commissioner Solaro stated he does not feel he can vote on this item because this is something that would benefit him personally as a department head of Washoe County. Commissioner Solaro stated he would abstain from this vote.

Chairman Drinkwater stated the project is being presented today in an urgent manner – this is something that we need to take action on quickly in order to prevent possible water pollution. That statement is belied by the inaction of both Washoe County and the City of Reno and the utility for the better part of two decades. Chairman Drinkwater referred to Ms. Svetich’s statement that the Highland Canal was never meant to convey storm water. Chairman Drinkwater stated he would argue that the Highland Canal was originally an irrigation ditch and that perhaps it was never intended to convey influent to a water treatment plant. Chairman Drinkwater also asked what condition the Highland Canal was in when TMWA took ownership. Chairman Drinkwater stated every entity has a Capital Improvement Program (“CIP”) and in that CIP all of the projects are risk ranked against likelihood of failure or the need and then the impact if that need is not met. If the NNWPC is going to make a habit of making recommendations to the WRWC to fund construction, there needs to be a more formal process

where they can see the needs of the community and make the appropriate decision and not just fund the first thing to the table.

Commissioner Flansberg stated it is correct that when the City of Reno does their capital programming they are looking at those with the highest risk and those areas with the greatest concerns. Commissioner Flansberg stated this body is not being asked to fund the entire project and they have looked into other funding sources. Through the Truckee River Fund and through the money that TMWA has spent, that portion has gone in so this request is asking for the match funding that is needed for the Truckee River Funds. Commissioner Flansberg stated this project has been worked on for several years and there have been other projects that have been implemented earlier on. There is still an issue during high flows where water can get into the Highland Canal and cause problems that TMWA could identify here.

Glen Daily, City of Reno, stated it is his understanding that the Highland Canal was originally constructed as a water supply canal. It served the Highland Reservoir, which now serves as a storage facility, and was the first domestic water supply system for Reno and Sparks. At that time the urbanized area of Reno and Sparks sat below the Reservoir and it was a gravity system. Mr. Daily stated he does not believe it was originally constructed as an irrigation facility.

COMMISSIONER ERWIN MADE A MOTION TO RECOMMEND TO THE WRWC TO APPROVE FUNDING IN AN AMOUNT NOT TO EXCEED \$250,000 TO FUND THIS PROJECT FOR FISCAL YEAR 2014 – 2015, SECONDED BY COMMISSIONER DeMARTINI.

Commissioner Price stated he sees this as a twenty-five percent match on a grant and it is based on an engineer's estimate. He added that if the twenty-five percent was based on the actual cost, he would be willing to support it. Commissioner Price requested that the motion be changed from not to exceed \$250,000 to twenty-five percent of the actual cost.

Commissioner Erwin asked Ms. Svetich and Ron Penrose if Commissioner Price's request would work for the project. Ms. Svetich stated they need to demonstrate that they have the twenty-five percent match to the Truckee River Fund and at the moment \$250,000 would be the required match.

Mr. Rhodes stated the motion has to include not to exceed \$250,000 because that is the way the agenda item is written. The motion could state twenty-five percent of actual cost but not to exceed \$250,000.

Ron Penrose, Project Manager for TMWA, stated the way the Truckee River Fund works is that in order for dollars to be released from the Fund to the grantee, they must demonstrate that they have the twenty-five percent match. Mr. Penrose suggested that the motion stay as stated for \$250,000, knowing that there may be some money coming back if the construction costs are less.

Commissioner Erwin asked for clarification of Commissioner Price's request. Commissioner Price stated he does not want to fund a construction project but he can support a grant match. Mr. Penrose stated there is a danger that the Fund Advisors or the Fund itself will not release the match money if the twenty-five percent, based on the estimated cost, is not provided.

Commissioner Erwin stated he would let the motion stand.

THE MOTION CARRIED WITH FIVE (5) IN FAVOR, THREE (3) OPPOSITIONS BY COMMISSIONERS DRINKWATER, KRUTZ, AND PRICE, AND ONE (1) ABSTENTION BY COMMISSIONER SOLARO.

Mr. Rhodes stated for the record that Legal Counsel did advise Commissioner Solaro that he was not required to abstain, but has the right to do so.

7. Report on the Truckee Meadows Regional Planning Agency (“TMRPA”) parcel-based population and employment modeling project – Jim Smitherman.

Mr. Smitherman stated the first phase of this project is complete. The core of the project that was completed about a year ago was the completion of the population and employment model. Mr. Smitherman stated there has been interest in the project and co-funding by the Regional Transportation Commission (“RTC”). There has recently been interest in cooperation expressed by the Washoe County School District in doing some of their school forecasting. Mr. Smitherman stated they are now working on developing a request for qualifications to retain technical assistance for scenario planning. The value of the upcoming planning effort would be to have the ability to forecast or predict what water demands might be on a parcel level. Mr. Smitherman stated the end game for the project would be to get the model populated to the point where they can run water and wastewater flow predictions and also be able to run scenarios of what the growth rates might be in the area.

Commissioner Price asked if the original intent of the RTC portion is complete. Mr. Smitherman stated the RTC’s portion was the delivery of the results of the population employment model last summer for their transportation planning. Whether or not the RTC is interested in participating in something like residential land needs analysis remains to be seen.

Commissioner Price asked if there was an original cost estimate and completion date for this project, other than the NNWPC contract. Mr. Smitherman stated he has not seen an original cost estimate or completion date for this project. It was more conceptual than that, envisioned as a valuable tool for both regional land use planning and regional water planning, and it has evolved since then.

Commissioner DeMartini asked if there are provisions in the model to automatically adjust as new occupancy permits are issued. Mr. Smitherman stated it does not have the ability to do dynamic adjustments along the way.

Commissioner Erwin asked about what additional technical assistance would be needed if much of that technical assistance resides in the various agencies represented here. Mr. Smitherman stated he believes it is the methodology to conduct the needs assessment, for which a consulting firm out of the Northwest was used to do the industrial analysis. Mr. Smitherman further commented that whether or not we have the expertise is a question worth asking and pursuing. Commissioner Erwin asked that when Mr. Smitherman next meets with his team that they talk about that. Commissioner Erwin stated he would like to see the scope refined so that work is not being duplicated that is already being undertaken by the jurisdictions.

8. Report on the Bureau of Reclamation’s Truckee River basin study – Jim Smitherman.

[Commissioner Price left at 2:22 p.m.]

Mr. Smitherman stated he spoke with the project manager for an update on this item. He added that last June and August there were two web-based seminars held with interested parties and stakeholders where they gathered information regarding water supply and water demand. Mr. Smitherman said after the water demand workshop, they circulated storylines that they wanted comments on that they will be using for projections or scenarios. There was to be another web-based workshop dealing with risk and reliability analysis sometime this quarter that has been postponed until later in the year. Mr. Smitherman stated Arlan Nickel, Project Manager with the Bureau of Reclamation, said the next thing we could expect to see would be a mid-summer workshop where they can present the information on the data they have compiled so far on water demand, water supply, and the scenarios.

9. Report on the pending consolidation of Washoe County's Water Utility and the South Truckee Meadows General Improvement District with the Truckee Meadows Water Authority ("TMWA") – Jim Smitherman.

Mr. Smitherman stated things are moving forward and meetings among the three water utilities, based on the actions of their respective boards, are favorable in moving forward with the consolidation. Personnel transfers and benefits are among the topics being discussed.

Commissioner Solaro stated on March 19 TMWA and the Board of County Commissioners met in a joint meeting and gave management the go ahead to enact this merger by the end of this calendar year.

10. 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 RWWF
- C. Informational report from the NNWPC representative on the TMWA Standing Advisory Committee ("TMWA SAC")

Mr. Smitherman stated the staff report includes items that are typically present in the Program Manager's Report and offered to answer any questions.

11. Discussion regarding possible agenda items for the June 4, 2014, NNWPC meeting, and other future meetings, and possible direction to staff – Jim Smitherman. (For Possible Action)

Mr. Smitherman reviewed possible future agenda items, which include: a report back on the WRWC budget hearing and contract renewals for on-going projects; approval of the Routine Operating Budget; contract for the Washoe ET Project for additional weather stations; contract for the Nevada Landscape Association's Certified Landscape Technician Program; and long-term project funding projections.

Commissioner Erwin stated the update of the Regional Water Management Plan is due January 2016 and requested information at a future meeting on what the scope or magnitude of required revisions in the Plan will be and the amount of lead time that will be needed to meet that calendar.

12. Commission Comments

Chairman Drinkwater expressed appreciation that his request to update the Commission Membership on the web page was handled very promptly.

13. Staff Comments

Mr. Smitherman stated the WRWC did act favorably on the request from the Truckee River Flood Management Authority ("TRFMA") to create a seat on this panel for representation and they appointed Danielle Henderson.

14. Public Comment

Mr. Penrose stated TMWA is conducting an open house of the Chalk Bluff Treatment Facility tonight as part of National Drinking Water Week. Mr. Penrose stated they could do a personalized tour of the Plant and a field trip to look at the Highland Canal system in the future for the NNWPC and staff.

Commissioner Erwin recommended a personalized tour for the Glendale Plant as well because the operation control room has been updated.

15. Adjournment

COMMISSIONER FLANSBERG MADE A MOTION TO ADJOURN AT 2:33 PM, SECONDED BY COMMISSIONER KRUTZ. 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.