

**BOARD OF TRUSTEES
AND
LOCAL MANAGING BOARD
SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT
WASHOE COUNTY, NEVADA**

TUESDAY

8:30 AM

JANUARY 12, 2010

JOINT MEETING

PRESENT:

**David Humke, Chairman*
Bonnie Weber, Vice Chairperson
Bob Larkin, Trustee*
Kitty Jung, Trustee
John Breternitz, Trustee**

**Steve Cohen, Local Managing Board, Chairman
John Bronder, Local Managing Board, Vice Chairman
E. Sue Saunders, Local Managing Board, Member
Gerald Schumacher, Local Managing Board, Member**

**Amy Harvey, County Clerk
Katy Simon, County Manager
Melanie Foster, Legal Counsel
Rosemary Menard, Water Resources Director**

ABSENT:

Ellen Allman, Local Managing Board, Member

The South Truckee Meadows General Improvement District (STMGID) Board of Trustees and the STMGID Local Managing Board convened at 8:41 a.m. in special session in the Commission Caucus Room, 1001 E. 9th Street, Building A, 2nd Floor, Reno, Nevada, the Clerks called the roll and the Board's conducted the following business:

10-01STM AGENDA ITEM 2 – PUBLIC COMMENT

Agenda Subject: “Public Comment. Comment heard under this item will be limited to two minutes per person and may pertain to matters both on and off the STMGID Joint Meeting agenda. The Boards will also hear public comment during individual action items, with comment limited to two minutes per person. Comments are to be made to the Commission as a whole.”

There was no response to the call for public comment.

10-02STM AGENDA ITEM 3

Agenda Subject: “Discussion regarding the future existence of STMGID due to the anticipated merger of the Washoe County Department of Water Resources’ Water Utility into the Truckee Meadows Water Authority.”

***8:45 a.m.** Trustee Larkin arrived.

Rosemary Menard, Water Resources Director, stated as a result of the contemplated integration of the Department of Water Resources’ (DWR) water utility and the Truckee Meadows Water Authority (TMWA), changes would be needed to the South Truckee Meadows General Improvement District (STMGID). Specifically, the contract services provider needed to be addressed because DWR would not be capable of providing those services once the water utility merged with TMWA. Ms. Menard stated staff had met with the STMGID Local Managing Board (LMB) to discuss different approaches and possible options for considering changes to the contract services provider, as well as a review and discussion of the direction for STMGID.

Steve Cohen, LMB Chairman, remarked the proposed consolidation between DWR’s water utility and TMWA opened up opportunities for STMGID and noted the LMB had discussed various options. However, Chairman Cohen indicated the constituents needed to become involved and suggested workshops to fully explain the available options to STMGID’s customers. He explained a scope-of-work would need to be developed for STMGID, because in the past, the contract with the County did not have much detail. The scope would enable TMWA or other bidders an understanding of how STMGID worked.

John Bronder, LMB Member, commented that STMGID customers were pleased with the service provided, the cost of the service and the quality of the water. He felt public involvement would indicate their continued desire to be a separate water system, which was a top priority for STMGID customers.

Trustee Larkin asked if the LMB had considered creating a separate board, distinct from the Board of Trustees. Chairman Cohen replied STMGID lobbied to be their own trustees during the last two Legislative sessions. He explained previous Boards of Trustees supported that notion and had given the LMB as much power allowed under the current law. However, to make the LMB trustees, STMGID would need to be dissolved and reformed. He noted the City of Reno had some territory within the District and would also need to approve the change, but there was some thought that would not occur.

Trustee Larkin questioned if this Board of Trustees had outlived their usefulness. He explained the County Commission had become the Trustees due to a debt issue with the prior water service company but STMGID had managed itself properly and demonstrated a responsibility to their customers. Chairman Cohen stated under current law, STMGID needed approval from the Trustees, but becoming their own Trustees

could not happen quickly. Trustee Larkin indicated the public process would determine if the customers still wished for the County Commission to be the Trustees.

Ms. Menard distributed possible future options and scenarios for STMGID, which was placed on file with the Clerk.

***8:56 a.m.** Chairman Humke arrived.

Ms. Menard remarked one scenario had STMGID hiring their own staff, building their own facility and operating independently. However, knowledge of the integration of the two systems was needed and she explained how the County system in the STMGID area and the STMGID system were intertwined. She stated from a water supply management and effectiveness point of view, an independent operations strategy was not the option to be considered first. Ms. Menard emphasized the goal was to manage water resources in the most effective way and felt having them operated by an independent operator was not the best way to continue.

Chairman Cohen remarked he did not see an issue with STMGID being managed by TMWA in the short-term until a long-term option was decided. Nevertheless, all of the possibilities needed to be reviewed for the constituents.

Trustee Breternitz asked if STMGID's water quality was any different than TMWA's water quality. Chairman Cohen replied STMGID was a groundwater only system and all of the water came from wells. He indicated all systems met the standards, but he had never seen side-by-side comparisons. Trustee Breternitz commented the real issues were the cost of the service and cost of the structure.

Vice Chairperson Weber asked if DWR agreed with the comments made by the LMB. Ms. Menard stated she agreed with the basic statements. She discussed and explained the range of options that could be used to find an approach to make a decision. Ms. Menard commented early efforts were to engage the community and to understand that the vision and value of those communities could be used as criteria for evaluating the various options or other options that may be identified. She felt comments made during the January LMB meeting concerning placing the information more broadly to STMGID customers to engage the community in the conversation were beneficial.

Ms. Menard indicated they had approximately one year to make a major change. She stated staff was working on scopes of services and perhaps a way to change the structure of the current contract, which could provide for a smooth transition from DWR to TMWA operating the system. However, most challenging would be the mechanism for supporting STMGID, the LMB and the Board of Trustees administratively and how those could potentially be separated. Ms. Menard felt some approaches had been laid out that contemplated both policy and programmatic review of options, as well as potentially technical evaluations.

Member Schumacher commented at the present time there was not a proposal to integrate the Sun Valley General Improvement District (SVGID) or STMGID into the consolidation of TMWA and DWR.

Mark Foree, TMWA General Manager, said allowing the same people to continue to operate the system would be beneficial. He said with that, and TMWA's resources, the skills and expertise to continue to provide the service would be present. He agreed the service had been good and felt it could continue at a reasonable cost and efficiency. Mr. Foree said TMWA would meet with the County and work on an agreement to accommodate all parties. He said much of the same benefits being discussed concerning the integration of TMWA and DWR held for operating STMGID as part of the system and noted STMGID would remain autonomous in that scenario. He felt many of the same benefits existed, but with the proposed integration and the different rate structures it was difficult to arrive there, so a more conjunctive use of water resources was needed until it was integrated. Mr. Foree hoped for a system that was efficient and would benefit everyone.

Chairman Humke asked if the handouts provided by Ms. Menard had been previously shared with the LMB. Ms. Menard replied the LMB discussed the content of those handouts during their January meeting. She felt there was interest to continue those discussions and she would attend the citizen workshops. Chairman Humke stated it was essential to go to the rate-payers and felt workshops for those conversations would be productive. Ms. Menard agreed and remarked structuring workshops to provide those opportunities for citizens was essential.

In response to the call for public comment, Jerry Gamroth said there was a need to educate the rate-payers and the stakeholders about STMGID and all the proposed options.

There was no action taken on this item.

10-03STM AGENDA ITEM 4

Agenda Subject: "Trustees, LMB, and Staff Comments (limited to announcements, requests for information, statements relating to items not on the agenda or issues for future agendas.)"

Steve Cohen, Local Managing Board (LMB) Chairman, indicated the South Truckee Meadows General Improvement District (STMGID) was continuing to work on brand recognition and stated the new logo would be on the current invoices.

Chairman Humke commented rate-payer education was an important point and needed to be continued and explored.

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ADJOURNMENT

9:14 a.m. On motion by Chairman Humke, seconded by Trustee Larkin, which motion duly carried, it was ordered that the meeting be adjourned.

ATTEST:

DAVID HUMKE, Chairman
South Truckee Meadows General
Improvement District Meadows

AMY HARVEY, County Clerk and
Ex-Officio Secretary, South Truckee
General Improvement District

ATTEST:

STEVE COHEN, Chairman
Local Managing Board

GERALD SCHUMACHER
Secretary
Local Managing Board

*Minutes Prepared by:
Stacy Gonzales
Deputy County Clerk*