

CARSON TRUCKEE WATER CONSERVANCY DISTRICT

Annual Board Meeting
November 12, 2013

DIRECTORS:

Mike Nevin
Ed James
Greg Dennis
Ron Penrose
Todd Westergard
Chuck Roberts
John Capurro

OTHERS PRESENT:

Leo Bergin, Attorney
Lori Williams, Engineer/Consultant
Dave Wathen, FWM office
Mike Hayes, CVCD
Stephanie Berggren, Muckel Anderson

ABSENT:

Barbara Byington
Gwen Washburn
Ernest Schank

Acting Chair Westergard called the meeting to order at 10:00 a.m.

PUBLIC COMMENT - NONE

APPROVAL OF MINUTES AND CHECKS WRITTEN –

Director Capurro made a motion to approve the minutes for September and checks written on Bank of America #9165- #9173 and Nevada State Bank #2451 - #2456. Motion seconded by Director James, motion carries.

FEDERAL WATERMASTER'S REPORT -

Dave presented the water report, a copy of which is included in Minutes book. The Floriston rate as of November 1st is 300 cfs. Tahoe elevation is below 6225.25. Truckee River at Farad is 382 cfs, 80 cfs is fish water coming from Stampede for the lower river and 2 cfs is cap from Donner for TCID. Truckee River at Reno 346 cfs, Tracy 390 cfs, below Derby Dam is 85 cfs the target is the 82 cfs. Going into canal at head 321 cfs, canal at Wadsworth 278 cfs and at Nixon is 99 cfs. East Fork at Gardnerville is 44 cfs, West Fork 14 cfs, Carson City 49cfs and starting to see some water at Fort Churchill 24 cfs.

Tahoe elevation is 6224.04 with release of 111 cfs. Boca storage is 10,458 AF releasing 200 cfs 80 of which is fish water. Stampede is 120,882 AF with release of 70 cfs, Prosser storage is 6574 AF releasing 22 cfs dropping down to 11 cfs. Donner storage is 3336 AF passing inflow of 3 cfs. Independence is 14305 AF releasing 2 cfs, Martis is at the dead pool 839 AF releasing 5 cfs. Lahontan is coming up 24,060 AF gained 524 overnight, releasing 3 cfs.

There is an ARC storm scenario meeting going on today, how they would manage a massive storm Director James stated there was a huge storm in 1861 where it flooded Central Valley, bankrupted the State of California, Sacramento was an island for about three months, fresh water was in the bay. There was not much in Nevada as there weren't many people here. Warm moisture came up and it rained for approximately 40 days. There is a study of what the impact will be on this side of the mountain.

Acting Chair Westergard skipped item 5 for now, moved item to item 6

6. DISCUSS & APPROVE ANNUAL AUDIT 2012-2013 (FOR POSSIBLE ACTION) –

Stephanie Berggren, a manager of Muckel Anderson stated she was here to give a quick synopsis of the Financial Statement. Carson Truckee received a clean opinion which is the highest assurance we

can give. A report issued on page 23 – Internal Control and compliance of the auditing standards as well as the Independent Accountants’ report on page 25 in accordance with Nevada Revised Statute 354.624 (wherein they did not find any issues this year). New things in the Financials this year due to the passing of GASB 63 there are changes in wording – basically, the Net Assets have now been changed to Net Position. Note under their opinion, they do not audit the Management Analysis and Discussion but they review it for the accuracy of the numbers. Ms. Berggren stated the audit went smooth this year as Gwyn is always well prepared.

Director James referred to page 17 item 5, under uninsured FDIC, is this uninsured amount a concern or not a big issue. Ms. Berggren stated they see this all a lot in their audits, we are looking at exactly \$650 because the limit is per financial institution. There are different ways to go about cyber spying the money; it is the types of investments that may not be insured.

Director Westergard asked Ms. Berggren about the NRS 354.6113 as noted on page 26 of the audit, regarding no funds created under above NRS. Ms. Berggren stated this is if you were to create a new fund for capital expenditures there are certain requirements you would have to file with the Department of Taxation. You would have to do this prior to Budget approval and deal with Department of Taxation.

Motion to accept the Annual Audit made by Director James, seconded by Director Dennis, motion carried.

5. PRESENTATION FROM CARSON VALLEY CONSERVATION DISTRICT on completed project – Mike Hayes

Mr. Hayes wished to thank the District for the \$30,000 grant and report on the completion of this year’s project. They actually had a very good season with eradication of 821 acres of noxious weeds. The Department of Agriculture is very pleased with the program and using the Douglas County work as a model for local government and landowners to go after the specific noxious weeds. Hoping the work done will have contained and controlled the damage.

Mike informed the Board Medusa Head is the largest perennial grass, a horrible weed with thousands of acres in Paradise Valley. They have eradicated all the Medusa Head off the Stewart Indian Reservation and one site at the south end of the county is coming along. Mike gave a list of all the noxious weeds within the county. They acquired a chemical from Aqua side which was used on three hundred feet of ditch to clear Mayweed Chamomile at a cost of about \$300 to clear the 300 feet. Chamomile grows in waterways and is very evasive; it however, does not grow under bridges. Therefore, they are looking into a trap scenario along ditches, to see if this will eradicate the chamomile.

A Supervisor, 3 man crew, spray rig, chemical and trucks cost about \$735 per day to carry out the work accomplished this year. The crews have worked on large parcels of land/pasture where hay is being grown to be certified as weed free hay. Men have been mapping via GPS all the areas worked and watching for regrowth.

Director James thanked Mike Hayes for a job well done in Douglas County.

7. DISCUSS UNINSURED FUNDS PLACEMENT

Ms. Bergin stated the District is technically only guaranteed the \$250,000 the banks are insured for. There are some options: if our money is invested in CDs, in other banks through Nevada State Bank is one way to diversify and get additional coverage of insurance for our funds. This would have to be verified with our bank representative. There is also the option of having different bank accounts. All banks and CD’s will be subject to the \$250,000 limit.

Director James mentioned it is very tough to find places with good interest rates, it is a small risk. If the bank were failing, as they were three or four years ago, he would really be concerned. The District is also going to be spending these funds down, so we will not be that exposed.

Ms. Bergin stated we could look at moving money to other banks; she had to reinvest a Washoe

County District CD at First Independent last month and will be receiving .5000%

There was discussion with regard to the Local Government Investment Pool, moving funds into individual banks where our funds would be insured and whether or not Ms. Bergin could move funds from bank to bank in her position as Secretary/Treasurer. No action was taken.

8. DISCUSS REQUEST FOR FUNDING grants process in the future

Ms. Bergin stated this was put on the agenda in order to decide what needs to be done for the fiscal year 2014-2015.

Director Penrose asked if everyone was familiar with the Truckee River Fund which is funded by Truckee Meadows Water Authority. Truckee River Fund handles a semi-annual process where they post a RFP on the website and proposals are received at two annual meetings where the projects are reviewed, prioritized and determined if the project is valid. This process is something we may use which could improve our projects in the future.

Director James stated we do have an annual process was going to be implemented this next fiscal year. The question is do we have the money to actually accept any grant requests.

Director Dennis wondered if we do in fact need to make a statement that there is not going to be any grant funding this year.

Attorney Bergin stated we do not have to advise; however, as a matter of courtesy we should write to the entire past grant applicants a letter stating there will be no grant funding for 2014-2015.

Director Dennis referred back to page 19 of the Auditors report; wherein it states "The District Board has adopted, via resolution passed by the Board of Directors, a policy regarding the fund balance -general fund. The policy calls for a minimum unassigned general fund balance equivalent to \$350,000 for use in emergency situations or when required spending exceeds current year funding."

How much money would we need if we had an emergency, we wanted to be able to access immediately versus cashing in a CD and losing interest on same.

Director James would like grant recipients to go through the process and make them aware funding is very tight. All conservation districts funding are being cut now and he expects to see some large requests come before his board.

Attorney Bergin stated it is hard to have an entity go out and do all the work of preparing a grant request when we know at this time we will not be making any grants at the beginning of the year.

Director Penrose thinks we should consider having the Board submit a Grant Request to the Truckee River Fund every year. This is TMWA funds for projects which are set aside to improve the quality of the river, improve the water shed and improve the water resource benefit to the river system itself and to the Truckee Meadows Water Authority treatment operations. They just had a Request for funds in October. There will be a funding cycle in February/March and another one in August. Once the Board knows the shoaling removal and the culvert at Idlewild are projects that actually fit within the context of the Truckee River Fund. This would definitely help with some of our projects.

More discussion regarding where funding came from, what the District is actually responsible for, mainly the Truckee River due to the Martis Creek Agreement from the State Line to the Glendale Bridge. The District does not have a contract for the Carson River.

Director Dennis stated to get back on track, the question before the Board was do we give notification of grant funding constraints for the fiscal year 2014-2015 and not to expect funding of specific grants for those two years.

Director Westergard stated it is appropriate to advise those we have funded in the past and even those news entities we are aware of and have not funded, we should advise them there will not be funding this year; however, we may revisit grants in the future.

9. NOMINATE AND ELECT – CHAIRMAN/BOARD PRESIDENT, VICE CHAIRMAN

AND/OR SECRETARY/TREASURER

Acting Chair Westergard asked for nominations. Director Capurro nominated Todd Westergard for Chairman, nomination seconded by Director Roberts, motion carried.

The current Vice Chair is Todd; therefore, a nomination for a new vice chair is required. Attorney Bergin stated Director Schank has been on the board the longest and knows the ends and outs of the District and represents TCID.

Director Capurro nominated Ernest Schank as Vice Chairman and Gwyn Bergin as Secretary/Treasurer. Nomination seconded by Director Roberts, motion carried.

10. DISCUSS THE USE OF EMERGENCY RESERVE FUNDS to cover Engineer's fees over and above regular monthly fees. Discuss the Debris Removal Project status and contract. Discuss Status of USACE Inspection, Martis Creek Agreement revision, related matters and action plan –

Engineer Williams provided a Budget Estimate for 2013-2014 for the work going forward, some thought has gone into the estimates; however, she still is not sure exactly how long each item will actually take. The modeling for the HEC RAS may come in the next few months and the cash flow may be a problem if we were to use the revenues on a monthly basis.

Attorney Bergin stated the estimate given may also be for projects coming out of the 2014-2015 Budget. Ms. Williams stated she will also put together an estimate for next year when the Budget is discussed. This could include getting permits and doing the shoaling work or it may not be an issue and we won't do the work. Even some of the SWIF estimates could be less.

Director Nevin asked if the estimate is based on worst case scenario. Lori stated worst case is Regulatory hoops we have to jump through; this is assuming we have none of those. Director Westergard said this is based on what we know today.

Director James wondered if we could push the Flood Authority to run some of the modeling for us, this could save some money. Lori informed the Board the TRFMA folks have asked their consultant to run the 14,000 cfs model. TRFMA wants to see if the instability still exists if the model is run at 14,000 cfs, if it does not exist then they will give same to us. They have been running at a much higher rate. TRFMA also have issues with some survey data received from another project and they need to correct the data and/or go back out and resurvey some of the points. This may give us the information with regard to the shoaling

Director Dennis moved to use the \$81,150 estimated expense as budget expenditure for this fiscal year and the Emergency Funds are to be available for payment of the estimated costs. Attorney Bergin asked if we actually wanted to take these fees out of the Emergency Funds. Director James stated we should use the unassigned funds.

Director Dennis corrected his motion to use the \$81,150 as a budget expenditure for this fiscal year from the unassigned revenue first, if needed, we will take from Emergency Funds. Budget may be augmented for State purposes later this fiscal year. Director Nevin seconded said motion, motion carried.

Ms. Williams informed the Board Todd Westergard has signed the Debris Removal project Contract and will deliver to the contractor later today. Expecting to hear back from the State in the next day or two, the State Lands Entry Authorization Agreement also was executed by Director Westergard. The State Lands Administrator expects to sign same this week. Will discuss with Contractor actual start date, still has a couple of REO permits to get signed. Waste Management has now decided to correct/edit the REO and will try and get it approved.

Director Penrose stated basically Lori's pre-construction discussion with contractor today. The bid from RTC came in at under \$100,000 for both segments; thereby, giving us a little leeway in the work. Lori stated we are pretty much good to go on the project, just waiting for the State Lands Permit and the Waste Management REO.

Director Westergard asked about the status of the Inspection Report. Ms. Williams stated there

is really nothing new on the USACE position. Although, we are moving the project along; Lori has referred to the TRFMA model which we are waiting on. City of Reno is also ready to perform debris removal as soon as the State Lands Permit is received.

11. ENGINEER/CONSULTANT REPORT -

Ms. Williams stated we received the Virginia Street Bridge application for Encroachment Permit last week from City of Reno. This is going to be placed on the Agenda as a standing item not that we will have action on it every month. So we can keep tabs on the progress. Started doing the Engineer work up on the application and a complete packet was sent to USACE. At the meeting in August with USACE, City of Reno, Superintendent Penrose and Ms. Williams; we specifically talked about the Virginia Street Bridge project. Kerri Lanza, City of Reno had brought artist drawings of the bridge project. We were told at that time there would be a 60 day review by the USACE and specifically we were informed the CTWCD should not issue an Encroachment Permit until we have specific authorization from USACE.

In the past, we potentially never or maybe a couple of times have we received anything back from the USACE for project supplemental. Our approach has been to send them a letter stating we have looked at the project, its fine and we will issue the permit if we do not hear from USACE in so many days. USACE has advised us NOT to do this on projects going forward. They have stated it will be more than 60 days as this will be a 408 Permit process which is substantially changing or modifying the flood control project. USACE will be looking at the step down plaza the City is planning on building (ice rink plaza) going to river bank, as well as the new bridge structure. The project will actually have to go beyond the Sacramento USACE branch due to the 408 review.

Director Penrose asked if City of Reno was going to be providing access to the river. Ms. Williams has informed Kerri Lanza how this Board is very interested in having equipment access to the river. The current plan has some small walking ramps that do not appear to be wide enough for equipment and has a tiered step down from the plaza elevation down to river.

12. LEGAL COUNSEL REPORT –

Attorney Bergin has nothing to report at this time.

13. PUBLIC COMMENT - NONE

14. BOARD COMMENTS and/or REQUEST FOR AGENDA ITEMS –

Director Dennis stated he thought the Board did well with the ideal of spending and grants.

Director Penrose wanted to thank Lori on all of her work and coordination with City staff, she provides tremendous value with relationships and with regulators securing permits, going out and getting permits from individual property owners. Ron stated a job well done by Ms. Williams.

Director Westergard thanked Ron for his review of the different documents and his institutional knowledge. Also, advised the Board he was before the Carson City Board of Supervisor's last week and they did re-appoint him to serve for the District.

There being no further business, Chair Westergard asked for a motion to adjourn the meeting at 12:05p.m. Director Capurro moved to adjourn, Director James, seconded said motion, motion carried. Announced the next meeting will be held Tuesday, December 10, 2013.

Todd Westergard
Chairman

Gwyn S. Bergin,
Secretary/Treasurer