

CARSON WATER SUBCONSERVANCY DISTRICT
BOARD OF DIRECTORS AND
CARSON RIVER/ALPINE COUNTY WATER SUBCONSERVANCY
JOINT POWERS AUTHORITY BOARD MEETING
November 15, 2017, 6:30 P.M.
Minutes

(NOTE: The recorder for this meeting was not turned on until the presentation on the FY 2016-17 audit. Based on this, Action Items #6-13 and Item #21 will be presented again for ratification at the CWSD December Board meeting.)

Chairman Abowd called the meeting of the Carson Water Subconservancy District (CWSD) to order at 6:30 p.m. in Room 202 of the NAI Alliance offices, 1000 N. Division St., Carson City, NV. Roll call of the CWSD Board was taken and a quorum was determined to be present.

CWSD Directors present:

Karen Abowd, Chairman
Brad Bonkowski
Carl Erquiaga, Vice Chairman
Don Frensdorff
Ken Gray
Doug Johnson
Barry Penzel
Chuck Roberts
Fred Stodieck
Steve Thaler

Directors not present:

Ernie Schank

Staff present:

George Benesch, Legal Counsel
Edwin James, General Manager
Brenda Hunt, Watershed Program Manager
Toni Leffler, Administrative Assistant/Secretary to the Board
Debbie Neddenriep, Water Resource Specialist II

Also present:

Beth Farley, Kohn & Co.
David Griffith, Alpine County
Austin Osborne, Storey County

The Pledge of Allegiance was led by Director Abowd.

Item #4 – Discussion Only: Public Comment – None.

Item #5 – For Possible Action: Approval of Agenda. *Director Bonkowski made the motion to approve the agenda. The motion was seconded by Director Thaler and unanimously approved by the CWSD Board.*

Item #6 – For Discussion and Possible Action: Approval of the Board Meeting Minutes from October 18, 2017. Mr. James noted that there are two corrections to the Minutes from October 18: 1) The date in the footer should be 10-18-17, and 2) Louise Thompson, AmeriCorps Member, Watershed Tech should be added to staff present. *Director Gray made the motion to approve the minutes of the Board meeting of October 18, 2017, as amended. The motion was seconded by Director Roberts and unanimously approved by the CWSD Board.*

CONSENT AGENDA

Item #7 – For Possible Action: Approval of Treasurer’s Report for October 2017.

Item #8 – For Possible Action: Payment of Bills for October 2017.

Item #9 – For Possible Action: Approval to extend the Interlocal Agreement #2015-1 between CWSD and River Wranglers to conduct the Carson River Watershed Environmental Education Program.

Item #10 – For Possible Action: Approval of Interlocal Agreement #2017-17 between CWSD and River Wranglers to conduct the Carson River Watershed Environmental Education Program in the amount of \$46,900.

There was no public comment. *Director Bonkowski made the motion to approve Items #7-10 of the Consent Agenda. The motion was seconded by Director Stodieck and unanimously approved by the CWSD Board.*

****END OF CONSENT AGENDA****

Directors Frensdorff and Penzel joined the meeting at 6:35 p.m.

RECESS TO CONVENE AS THE CARSON RIVER/ALPINE COUNTY WATER
SUBCONSERVANCY JOINT POWERS AUTHORITY BOARD

Item #11 – Roll Call – Director Abowd convened the Carson River/Alpine County Water Subconservancy Joint Powers Authority (JPA) Board and a roll call was taken.

JPA Directors present:

- All CWSD Board members in previous roll call
- Don Frensdorff
- David Griffith
- Barry Penzel

Directors not present:

- Don Jardine, Treasurer
- Ernie Schank

Item #12 – Discussion Only: Public Comment – None.

Item #13 – For Possible Recommendation: Presentation of the FY 2016-17 audit by Kohn & Company. Mr. James introduced Beth Farley of Kohn & Company who presented the FY 2016-17 audit findings. On page 53 of the Board package is the required communication to the Board which states that there are no uncorrected misstatements and one expected material adjustment to record year end balances for the pension liability. There were no other audit findings or issues brought up as part of the audit. On page 57, the independent auditors' report explains the auditors' responsibility. Page 60 begins the management discussion and analysis with a brief overview of the funds. Page 65 begins the Statement of Net Position. There are two sets of statements: government-wide full accrual and fund balance.

NOTE: It was determined that the meeting wasn't being recorded prior to this time in the meeting.

Director Penzel asked about deferred inflows of resources and Ms. Farley explained that it has to do with PERS. Deferred outflows are expenses for PERS in the future, based on changes that can happen in the future. The Nevada Revised Statutes (NRS) designate a PERS rate and each government entity contributes to that. If PERS is underfunded, the rates will go up. CWSD is .0015% of the total PERS unfunded liability.

Pages 67 and 68 show reconciliations. Pages 70-80 are notes explaining various details. Page 82 shows a positive increase over what was budgeted. Page 84 is a note on budgets and budgetary accounting. Page 87 reflects information about the Acquisition/Construction Fund. Page 89 is the independent auditors' report and reflects an unmodified clean report which is in compliance with NRS.

Director Roberts asked whether the budget is reconciled at year end. Ms. Farley responded that Toni Leffler is given adjustments to make in QuickBooks after the audit. The adjustments are created by Mr. James and will be reviewed and entered at his discretion.

Director Griffith made the motion that the Carson River/Alpine County Water Subconservancy Joint Powers Board recommend CWSD Board approval of the FY 2016-17 audit by Kohn & Company. The motion was seconded by Director Roberts and unanimously approved by the Carson River/Alpine County Water Subconservancy Joint Powers Board.

Item #14 – For Possible Recommendation: Consider an alternative structure to involve Alpine County in the Carson River Watershed process with CWSD. Mr. James explained that he had met with Director Roberts and George Benesch to discuss alternative ways to include Alpine County in CWSD meetings. The results of that meeting were then taken to the Administrative Committee. On page 98 of the Board package is the proposal to create a Carson River Watershed Committee with appointees as desired. The Administrative Committee supported creation of this committee. Mr. Benesch pointed out that instituting this change does not lose any ground.

Director Bonkowski clarified that Alpine County would still not be voting CWSD Board members. Director Roberts noted that it broadens what Alpine County can have input on, which is all CWSD processes. Director Griffith stated that he understood what Director Bonkowski said but most of the funding to CWSD comes from Nevada counties, so Alpine County doesn't have right to equal

choice in what happens to the CWSD budget. Austin Osborne noted that this structure could allow Storey County to participate without any vote, so nothing would be changed. He did inquire about the possibility of Storey County and CWSD entering a similar process in the future.

Director Thaler made the motion for the Carson River/Alpine County Water Subconservancy Joint Powers Board recommend that CWSD create the Carson River Watershed Committee to involve Alpine County in the Carson River Watershed process at CWSD meetings. The motion was seconded by Director Griffith and unanimously approved by the Carson River/Alpine County Water Subconservancy Joint Powers Board.

Item #15 – For Possible Recommendation: Review proposed Memorandum of Understanding to allow CWSD to receive funds from Alpine County and for CWSD to reimburse Alpine County for the cost of their representatives attending CWSD Board and Committee meetings.

Mr. James explained that this Memorandum of Understanding (MOU) is proposed by the Alpine County District Attorney. It allows Alpine County to contribute funds to CWSD and CWSD to pay for Alpine County representatives to receive payment for participation.

Director Griffith mentioned that #5 of the MOU is not clear whether the Alpine County representatives would get compensated for attending the meetings. He recommended removing the word “specifically.”. Director Roberts noted that in #2 the word “contribute” would be more appropriate than “pay.” It was noted that there is no end date to the MOU. Director Gray suggested adding a clause to review the MOU every three years. Director Griffith noted that any party can review at any time and give 90-day notice should they want to terminate the MOU. Mr. James mentioned that he has not heard back from alpine County, and they may have other changes.

Director Thaler made the motion that the Carson River/Alpine County Water Subconservancy Joint Powers Board recommend that the CWSD Board approve the Memorandum of Understanding to allow CWSD to receive funds from Alpine County and for CWSD to reimburse Alpine County for the cost of their representatives attending CWSD Board and Committee meetings, including modifications as discussed. The motion was seconded by Director Gray and unanimously approved by the Carson River/Alpine County Water Subconservancy Joint Powers Board.

Item #16 – For Possible Recommendation: Approval of Agreement #2017-18 and Scope of Work with Robert G. Loveberg to develop Floodplain Ordinances for Alpine County and Update Floodplain Ordinances for Douglas County, Carson City, and Lyon County in the amount of \$33,000.

Mr. James explained that this ordinance review and update is part of the FEMA MAS #7 grant. This agreement hires Robert Loveberg to help create or update Floodplain Ordinances. Director Penzel noted that we keep adding ordinances but are not stopping the flow. He feels we should be doing floodplain prevention. Mr. James responded that proposed mitigation was done in an earlier grant which will be incorporated in the ordinances. The consultant will work with county staffs to update ordinances for each county to create commonality between the ordinances of the various counties. We now have the model to run scenarios of flooding along the Carson River. Director Roberts noted that this is building on previous work done. Mr. James mentioned that FEMA is coming out with new flood maps, so the ordinances need to be reviewed. The counties must have an ordinance to meet FEMA criteria in order to keep flood insurance.

Mr. Osborne asked if Storey County can pay into this project to keep their ordinances in line with the rest of the watershed. He mentioned that Storey County is in the process of updating their Flood

Ordinances and would be interested in possibly hiring Mr. Loveberg to help them with their ordinance.

Director Griffith asked if Alpine County Community Development has reviewed this. Mr. James responded that Brian Peters has been very involved since the beginning. Director Griffith suggested an indemnity clause for \$1 million. Indemnification and hold harmless. Director Gray asked how Mr. Loveberg was decided on. Mr. James responded that a Request for Qualifications (RFQ) was sent out to all the Carson River Coalition members and posted on the CWSD website. CWSD only received one proposal. He added that Rob Loveberg did the original work on creating standard language for floodplain ordinances.

Director Thaler made the motion that the Carson River/Alpine County Water Subconservancy Joint Powers Board recommend that CWSD approve Agreement #2017-18 with Robert G. Loveberg, Scope of Work, and fee schedule to develop Floodplain Ordinances for Alpine County and Update Floodplain Ordinances for Douglas County, Carson City, and Lyon County in the amount not to exceed \$33,000, with amendment as discussed. The motion was seconded by Director Roberts and unanimously approved by the Carson River/Alpine County Water Subconservancy Joint Powers Board.

Item #17 – For Discussion Only: Review the Carson River Watershed Adaptive Stewardship Plan Update 2017. *(Due to technical difficulties, the PowerPoint Brenda Hunt, Watershed Program Manager had prepared, was unable to be presented.)* Brenda Hunt explained that after several years of work, the Stewardship Plan Update has been approved by NDEP/EPA for the Nevada portion of the Carson River Watershed. She will put the updated plan on the CWSD website and send the Board a private link for review prior to bringing it back to the Board for adoption.

In 2007, the EPA and NDEP recognized the original 2007 Stewardship Plan as meeting the nine elements to be considered an EPA watershed plan and was eligible to receive a greater portion of Non-Point Source (NPS) funding. Director Penzel brought to Brenda's attention that the acknowledgements in the draft document needed to change from "I would like to thank..." to "CWSD would like to thank..." as no one will know who the "I" was referring to in the document. Without an NDEP/EPA Watershed Plan, a watershed only qualifies for 25% of the State's 319 funding; but with a Plan, qualification is increased to 100%.

Currently, there are only three Watershed Plans in Nevada: the Tahoe Basin, Las Vegas Wash, and the Carson River Watershed. There is a Watershed Plan in the process for portions of the Truckee River. The objective of the draft Stewardship Plan Update is to implement projects that will improve riparian habitat and water quality in the Carson River and tributaries over the long term. Several reaches of the Carson River are on the Clean Water Act 303(d) list of impaired waters based on NDEP and the Lahontan Water Quality Control Board (LWQCB) standards as approved by EPA.

Although the 2007 Carson River Watershed Adaptive Stewardship Plan is EPA-qualified as Watershed Plan and certified by NDEP as a qualified Watershed Plan, California has apparently never recognized it for the California portion of the Watershed. This was not known by CWSD until Brenda began the Stewardship Plan Update. CWSD is seeking to have the Stewardship Plan update recognized in both Nevada and California. The California State EPA representative, Jacque Landy and LWQCB have reviewed the plan update and are in the process of commenting; however,

CWSD has yet to see those comments. They plan to meet with the NPS Lahontan Committee in Sacramento next week to discuss what CWSD needs to change to meet California requirements. There are no approved certified Watershed Plans in California; CWSD's plan would be the first. California has funded 319 projects based on whether a Total Maximum Daily Load (TMDL) is in place rather than whether there is a certified Watershed Plan. As the Carson River has no TMDL's in the Alpine/California portion of the watershed [there are TMDL's on some tributaries and on Indian Creek Reservoir.], no 319 funds have been allocated in this location. If the updated plan is certified in the California portion, it may allow 319 funding to be allocated to this area, despite there being no TMDLs.

Ms. Hunt has been informed that at the beginning of January there will be a management-level meeting of the Water Quality Board in California to discuss Watershed Plans and Total Maximum Daily Loads (TMDLs) in general, and how to certify watershed plans and incorporate them into the California's 319 process. It is not known how long it will take for California to certify the Plan, nor what changes they will require based on the aforementioned meetings.

Director Griffith asked if Ms. Hunt has talked with the Lahontan Water Quality Control Board about their visioning process. Ms. Hunt responded that she did speak with them about their visioning for the West Fork of the Carson River. LWQCB staff would like to use the work done on the plan update to create an "alternative TMDL" process. After the November and January meetings in Sacramento, Ms. Hunt will talk with EPA and the LWQCB representatives to determine next steps. Ms. Hunt mentioned that if it looks like it may take California several months to approve the Watershed Plan, she would recommend that CWSD adopt the updated Stewardship Plan for the Nevada section of the watershed and then bring it back to the Board after the California portion is finalized. Director Griffith agreed that it is important to adopt the Nevada portion now to qualify for 319 funds, then work on the California part once more information on their process is determined.

Ms. Hunt asked the Board to review the Stewardship Plan Update with a focus on Chapter 8, which is the new section of the plan. The rest is updated information from the original 2007 Plan. She stressed that this is an adaptive document, and can be updated and changed as needed.

No action was required for this item; receive and file.

Item #18 – For Discussion Only: 2017 Water Year Update and Future Water Issues. Mr.

James began his presentation on page 134 of the Board package, explaining that he met with all the water purveyors in the watershed. He will give this presentation to all the water purveyor boards over the next couple of months. The two flood events this year are estimated to be 20-year or so events, slightly smaller than in 2005-06 flood and half of the 1997 event. It wasn't a huge flood event but the total amount of water that flowed down the Carson River was a new record amount. Director Penzel pointed out that there was a lot of work done in the river prior to the flooding which helped minimize the damage. Douglas County experienced good floodwater spreading.

The current water situation for surface water includes:

- The Carson River is administered through Alpine Decree.
- The river is fully appropriated with about 95% allocated to agriculture
- Flood waters are allocated to Stillwater, but Stillwater did not get all the water they wanted this year because the system to Stillwater wasn't big enough.

- There is no large upstream storage.
- There are water quality problems.
- Future growth.

Mr. James then discussed groundwater issues, including the fact that there are arsenic issues in some areas. Mr. James showed several slides regarding historic groundwater pumping.

In the Carson Valley groundwater basin, the major water users are agriculture, municipal (M&I), and all other uses. When the river flows are high there is less pumping for agriculture, and pumping goes up with lower river flows. The trend around the watershed is that municipalities are pumping less today than in the past because of water conservation.

In the Silver Springs area, M&I, agriculture, and domestic well use are the biggest water users in that area. Domestic well use is estimated at 1 AF per house, although domestic wells are allowed to use up to 2 AF.

In the Churchill Valley groundwater basin, domestic well use is the biggest water user, followed by quasi-municipal use and stock watering. Mr. James used a chart to explain wet water vs. paper water and how much water is committed per category of agriculture, industrial, and M&I. With a perennial yield of 1,600 AF, that basin is not only over appropriated at 9,399 AF but over pumped using 2,399 AF in 2015. The State Engineer suggested holding off on doing new perennial yield studies since there is a lot of litigation in other watersheds and it would be better to wait until resolution of that litigation.

Silver Springs is our canary in the watershed. Mr. James explained that the Silver Springs water level fluctuates with the Lahontan Reservoir water level.

General water issues include

- There are infrastructure needs of new water lines, replacement of old water lines, more storage tanks, and more wells. Infrastructure needs will be critical in all areas. As economy is doing better, all the costs are going up so higher than when budgeted. Water use impacts county revenue.
- Water use for most water purveyors has been going down over the past 10 years. Water levels are not decreasing so we are not over-mining the groundwater.
- Potential water law changes.
- Limited water supply east of Dayton.
- Need for more induction wells. The advantage of induction wells is pulling river water which doesn't need to be treated. Buying ag surface water rights for induction wells
- Water quality concerns.
- There is a need for upstream storage, not by building a dam but to look at groundwater storage. CWSD has budgeted to study groundwater storage next year.

Mr. James reported that CWSD will be organizing a Water Summit on January 30, 2018, to include the State Engineer and other professionals to plan for the future.

Mr. James will give this presentation to all the Boards and send it to the CWSD Board.

No action was required for this item; receive and file.

Item #19 – Discussion Only: Public Comment. None.

**ADJOURN TO RECONVENE AS THE
CARSON WATER SUBCONSERVANCY DISTRICT BOARD OF DIRECTORS**

Item #20 – For Possible Action: Approval of an alternative structure to involve Alpine County in the Carson River Watershed process with CWSD. This item was discussed earlier in the meeting under Item #14. There was no further Board or public comment.

Item #21 – For Possible Action: Approval of proposed CWSD’s Carson River Watershed Committee Policy. With the Board’s approval of Item #20, this item is the policy to create a Carson River Committee.

Item #22 – For Possible Action: Approval of the Memorandum of Understanding to allow CWSD to receive funds from Alpine County and for CWSD to reimburse Alpine County for the cost of their representatives attending CWSD Board and Committee meetings. This topic was discussed earlier in the meeting under Item #15. There was no further Board or public comment.

Item #23 – For Possible Action: Approval of the FY 2016-17 audit by Kohn & Company. This topic was discussed earlier in the meeting under Item #13. There was no further Board or public comment.

Item #24 – For Possible Action: Approval of Agreement #2017-18 and Scope of Work with Robert G. Loveberg to develop Floodplain Ordinances for Alpine County and Update Floodplain Ordinances for Douglas County, Carson City, and Lyon County in the amount of \$33,000. This topic was discussed earlier in the meeting under Item #16. There was no further Board or public comment.

Director Penzel made the motion to approve all items together, as amended. Director Thaler seconded the motion. Director Bonkowski pointed out that Item #21 wasn’t included in the former discussion and the wrong policy was included in the board package.

Director Penzel amended his motion to approve Items #20 and #22-24, as amended. Director Thaler, as second, agreed to the amendment. The motion was unanimously approved by the CWSD Board.

Director Gray made the motion to table Item #21 to next meeting. The motion was seconded by Director Penzel and unanimously approved by the CWSD Board.

Item #25 –Discussion Only: Staff Reports

General Manager - Mr. James reported:

- He had a meeting with State Engineer, Lyon County, and the Lyon County engineer about Lyon County groundwater basin. Possibly extend the pipeline from Mound House to Silver Springs. Careful to talk about wet water rather than paper water.

- The Board Christmas party will be at NAI on December 13 and will be catered by LA Bakery. Toni Leffler will be in touch with the Board to get a headcount.
- California is looking at instream flows for water quality issues on the East and West Forks of the Carson River in Alpine County.
- CWSD, Lyon County and Storey County reviewed the consultant qualifications submitted for the Dayton Area Drainage Master Plan and selected JE Fuller.

Legal –Mr. Benesch had nothing to report.

Item #26- Discussion Only: Directors' Reports

Director Bonkowski reported that Carson City recently had the ribbon cutting on the \$11 million Phase 1 improvements to the Wastewater Treatment Facility. The project came in under budget and a year earlier than scheduled.

Item #27 – Discussion Only: Update on activities in Alpine County. Director Griffith reported that the Alpine Watershed Group will be sampling the wastewater from the South Tahoe Wastewater Plant for pharmaceuticals and personal care products. Some of the Alpine County residents are concerned about these constituents.

Item #28 – Discussion Only: Update on activities in Storey County. Mr. Osborne reported that Storey County is about a third of the way with sewer line replacement and all is going well. Ames Construction is the contractor.

Item #29 – Discussion Only: Public Comment. None

There being no further business to come before the Board and the meeting was adjourned at 8:20 p.m.

Respectfully submitted,

Toni Leffler
Secretary