

**CARSON WATER SUBCONSERVANCY DISTRICT AND
CARSON RIVER/ALPINE COUNTY WATER SUBCONSERVANCY
JOINT POWERS AUTHORITY BOARD
FINANCE COMMITTEE MEETING
August 23, 2017, 9:00 A.M.**

Meeting Minutes

The meeting of the Carson Water Subconservancy District (CWSD) Finance Committee was called to order at 9:00 a.m. by Director Schank. The meeting was held in the Conference Room of the Carson Water Subconservancy District, 777 E. William St., #110, Carson City, Nevada. Roll call was taken.

Directors Present:

Steve Thaler, Douglas County
Ernie Schank, Churchill County

Directors Not Present:

Brad Bonkowski, Carson City
Ken Gray, Lyon County

Staff Present:

Edwin James, General Manager
Toni Leffler, Secretary

Others Present:

Don Jardine, Alpine County

Item #3 - Public comment. None

Item #4 – For Discussion and Possible Action: Approval of the minutes from the Finance Committee meeting on February 28, 2017. Director Schank made the motion to approve the minutes of the Finance Committee meeting on February 28, 2017, as handed out. Since Director Schank was the only Director currently present who was present at the February 28 meeting, the motion was not seconded but was approved.

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

Item #5 – Roll call for the Carson River/Alpine County Water Subconservancy Joint Powers Authority (JPA) Board. The JPA Board was convened and roll call was taken, with a quorum.

Directors Present:

Don Jardine, Alpine County
Steve Thaler, Douglas County
Ernie Schank, Churchill County

Directors Not Present:

Brad Bonkowski, Carson City
Ken Gray, Lyon County

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Item #6 – Discussion Only: Public comment. None

Item #7 – For Discussion and Possible Action: Review of the proposed draft five-year budget for future planning purposes. Mr. James reminded the committee that at the Strategic Planning Session on 5/17/17, the Board was asked to prioritize CWSD activities and staff was tasked with creating a proposed five-year budget following the Board's priorities. Mr. James went over draft budgets with and without grant funding.

With grants, income is estimated at a 2.5% increase per year. Director Schank asked about an estimate of Storey County ad valorem if they join CWSD. Mr. James estimated that it would be less than \$100,000, but no funding from Storey County is included in the budget calculations.

Mr. James explained that income from lease of Mud Lake and Lost Lakes water is hit or miss depending on need and water demands, but perhaps in the future other entities besides Carson City will want to use the water. He noted that interest rates going up so our income from investments is expected to be more. The analysis reflected only the net grant income from grants which covers staff time. The Alpine County Mesa Groundwater Study will phase out over the next two years. We anticipate FEMA MAS and Watershed Literacy grants to continue over the next five years. Weed grants will likely continue.

In this five-year draft budget for the General Fund with grants, there is an estimated 3% increase in income in FY 2018-19, a 2.9% increase in FY 2019-20, a 2.8% increase in FY 2020-21, a 2.8% increase in FY 2021-22, and a 2.9% increase in FY 2022-23.

Administrative Expenditures: For budgeting purposes Mr. James estimated a 4% increase in salaries and wages and a 5.6% increase in benefits. General administration includes accounting, office rent, copiers, conferences, etc. The increase in the Administration Budget is estimated to increase by 1.7 % in FY 2018-19, 2.5 % in FY 2019-20, and 3.9 % for the following three years.

Projects Expenses: The budget for outside professional services is increased from \$10,000 to \$20,000/yr. Lost Lakes and Mud Lake costs are increased by 5%. Integrated watershed planning under Brenda's purview is a Board priority so \$5,000/yr. has been added to future budgets. Watershed Tour, Sierra Nevada Journeys which is community outreach, and noxious weed control is expected to be the same over the five years. USGS programs, including all the stream gages contracts and water quality and groundwater collection data, are expected to have a 5% increase/yr. over the five years.

County and River Project Expenses: The budget for Carson River Work Days, River Wranglers' program for outreach and education, stays the same throughout the five years, as does grants to the Alpine Watershed Group. The budget for Carson River restoration projects will remain at \$240,000 for the next two years, then increase to \$250,000 for the next four years. Douglas County and Carson City Regional Pipeline payments are fixed amounts at \$125,000/yr. each. Churchill County water quality and groundwater level measurements will continue but CWSD may want to drop the Dixie Valley study as reflected by a reduction in the budget for the last four years.

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As shown in the draft General Fund budget with grants, there is a 1.7% increase in expenses for FY 2018-19, a 0.6% increase for FY 2019-20, a 2.3% increase for FY 2020-21, a 2.3% increase for FY 2021-22, and a 2.3% increase for FY 2022-23. Preliminary Planning is essentially reserve funds and remains constant.

Transfer from General Fund to Floodplain Management Fund is a stated Board priority, so funds are allocated each year. These funds will replenish the Floodplain Management Fund account. No funds are proposed to be transferred to the Acquisition/Construction Fund.

Director Schank suggested having a workshop with the Naval Air Station-Fallon and Fish and Wildlife to discuss storage options, including the possibility of raising Lahontan Dam. Mr. James mentioned that one of the top priorities of the Board was to evaluate potential storage.

In the five-year budget without grants the first three columns are the same as with grants because our current grant funding is through 2020. From 2020-21 on, income would drop, as would some of the expenses. Most notably salaries/wages and employee benefits expenses would decrease. This is based on the assumption that without grant funding CWSD's work load would decrease and thus the number of employees would decrease. Other outreach programs would be reduced or eliminated.

Director Schank noted that in 2020, if Storey County joined CWSD, the additional \$100,000 in ad valorem taxes would change the picture too. Setting budget priorities could impact projects to fund and make anticipation of what we can and cannot do more realistic. The five-year budget allocation is a streamline view of the percentage of funding going to each category. It firms up funding for streambank rehabilitation/stabilization.

Mr. James went over the current salary allocations on a pie chart based on FY 2016-17. CWSD general administration was 36.7%, regional watershed programs were 23.6%, floodplain management was 20.4%, water quality and quantity was 10.1%, streambank stabilization was 5.1%, and invasive species was 4.1%. Director Schank requested a projected five-year pie chart. Mr. James noted that a pie chart without grant funding would also change staff time. Most of the staff time not allocated to the general administration is either reimbursed and used as match toward the grants.

Director Schank asked how much grants would change without Alpine County. Mr. James responded that the NDEP grants are for Nevada only. Being a bi-state and multi-county organization adds points for federal grants. CWSD provides services for Alpine County and/or started programs that are now taken over by Alpine Watershed Group.

Mr. James asked whether the Finance Committee felt that his explanation of the five-year budget is adequate for the Board. He would like to take it to the Board in October. Director Schank suggested ranking the categories (highest to lowest).

In a discussion about river restoration projects it was noted that the worst erosion this year was because banks got so saturated that they just sluffed off creating vertical banks. Director Schank asked with the early rains and flows in January, did we see a lot of erosion during first two storms or later? Mr. James responded that in October the rain saturated the ground. The flood events in

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January and February impacted some areas but the high spring runoff had a larger impact on stream banks.

Director Thaler made the motion that the Carson River/Alpine County Subconservancy District Joint Powers Authority recommend board approval of the draft five year-budget as outlined and presented. Director Jardine seconded the motion which was unanimously approved by the Joint Powers Authority Board.

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

Item #9 – For Discussion and Possible Action: Review of the proposed draft five-year budget for future planning purposes.

Director Thaler made the motion that the CWSD Finance Committee recommend to the CWSD Board acceptance of the Joint Powers Authority recommendation regarding the draft five-year budget. The motion was seconded by Director Schank and unanimously approved by the CWSD Finance Committee.

Item #10 – Discussion Only: Public Comment. None.

There being no further business to come before the Finance Committee, Director Thaler made a motion to adjourn and the meeting was adjourned at 9:47 p.m.

Respectfully submitted,

Toni Leffler
Secretary