

**CARSON WATER SUBCONSERVANCY DISTRICT
FINANCE COMMITTEE MEETING
March 5, 2018, 8:30 A.M.**

Meeting Minutes

Committee Members Present:

Brad Bonkowski, Carson City
Don Jardine, Alpine County
Barry Penzel, Douglas County
Chuck Roberts, Lyon County
Ernie Schank, Churchill County

Committee Members Not Present:

Ken Gray, Lyon County

Staff Present:

Edwin James, General Manager
Toni Leffler, Secretary

Others Present:

Daniel Bright, USGS
David Bruketta, Carson City Public Works
Craig Burnside, Carson Valley Conservation District (CVCD)
Linda Conlin, River Wranglers
Julie Fair, American Rivers (by teleconference)
Sarah Green, Alpine Watershed Group
Tom Grundy, Carson City Public Works
Mike Hayes, CVCD
Sean Hill, Sierra Nevada Journeys
Rob Holley, Dayton Valley Conservation District (DVCD)
Eleanor Lockwood, Churchill County
Chris Mahannah, for Churchill County
Darcy Phillips, River Wranglers
David Smith, USGS
Christy Sullivan, Lahontan Conservation District (LCD)
Rich Wilkinson, CVCD

The meeting was called to order at 8:30 a.m. by Committee Member Penzel, CWSD Treasurer. The meeting was held in the Conference Room of the Carson Water Subconservancy District, 777 E. William St., #110, Carson City, Nevada. A quorum of the Finance Committee was present.

Item #2 - Public comment. None

Item #3 - Discussion for possible action regarding approval of the minutes from the Finance Committee meeting on August 23, 2017. *It was determined that Committee Member Schank was the only person at this meeting who was present at the August 23, 2017, Finance Committee meeting, so he made the motion to approve the minutes of the Finance Committee meeting on August 23, 2017. The motion was seconded by Committee Member Roberts and approved by Committee Member Schank.*

CWSD Finance Committee
March 5, 2018 Meeting Minutes

Item #3 - Discussion regarding the tentative General Fund FY 2018-19 budget and presentations for proposed projects; the tentative Acquisition/Construction Fund budget; and tentative Floodplain Management Fund FY 2018-19 budget. Ed James explained that the grant requests are greater than the funds available. We also have not been able to put any funds into the Acquisition/Construction Fund for the past three years. He explained that the proposed tentative FY 2018-19 budget is shown in the left column, the FY 2017-18 final budget is the middle column, and the right column reflects the projected actual FY 2017-18 income and expenses. Mr. Penzel requested that the budgets be included with the minutes of this meeting.

GENERAL FUND Income: Mr. James explained that on the budget, the items in blue are grant funding and the items in red are items that may be altered to balance the budget. A pie chart regarding expense allocation was also provided. Mr. James explained that Preliminary Planning serves as a contingency account.

Mr. Bonkowski asked if the budget for legal expenses is going to change with George Benesch's retirement. Mr. James noted that would be discussed later in the meeting; however, it is uncertain at this time, so the legal expense has not been changed.

There is a possibility that the tax amount could change if any one of the counties choose to reallocate the ad valorem tax.

The Investment Pool is currently paying the best interest rate for CWSD investments. Mr. Schank asked about other investment options. Mr. Penzel suggested that Mr. James call Kathy Lewis, Douglas County Treasurer, about the investment advisor they use. Mr. James noted that CWSD needs to maintain the liquidity of its funds.

Mud Lake Water Lease (#5022-00) and Lost Lake Water Lease (#5023) - Carson City is expected to use all of the Mud Lake water lease. No one used the Lost Lakes water last year, so Mr. James didn't include anything in the budget. Lyon County may want to lease it to use in their induction well in the future.

Watershed Coordinator (#5050-12) – The Watershed Coordinator grant covers most of Brenda Hunt's and Shane Fryer's salaries.

The various grants are pass through. River Wranglers will be contracting directly with NDEP in FY 2018-19.

Alpine County Mesa Groundwater Study (#5083-00) - Debbie Neddenriep takes water measurements from several wells in the Mesa area of Alpine County for which Alpine County reimburses CWSD.

FEMA MAS #7 and #8 (#5098-00 and #6000-00) are in progress. Staff has been gathering information about potential projects for *FEMA MAS #9*, but this program is not included in the budget since CWSD does not have an agreement.

CWSD Finance Committee
March 5, 2018 Meeting Minutes

Watershed Literacy Implementation/Phase 2 (#7429-00) and Phase 3 (#7433-00) will be finishing up.

Nevada Dept. of Agriculture (NDA) Weed Management grant (#7436-00) is a new grant to treat Starthistle in Lyon County and Carson City.

National Fish and Wildlife Foundation (NFWF) Weed Management Grant (#7430-00) is taking longer to collect because NFWF is requiring a National Environmental Policy Act (NEPA) study before making payments. NFWF has now agreed to pay for the NEPA study so that we can use all the grant money for weed treatment.

Expenses:

Administrative budget: Mr. James explained that the increase in *Salaries (#7015-00)* and *Benefits (#7020-00)* are based on the action taken by the Board to allow for merit and COLA increases for employees who qualify. Also, the plan is for the Admin. Position to go from 40 to 35 hrs./wk. on January 1, 2019. We also budget for possible changes to insurance participation. Mr. Penzel asked whether CWSD has health insurance under Carson City, to which Mr. James responded that we do. Mr. Penzel asked if there is a policy about budgeting administrative expenses as a percentage of total income. Mr. James responded that there is not policy, but we try to keep administrative costs under 35%.

Mr. Roberts noted that CWSD needs to have policies for succession planning for the General Manager position. He asked whether the grants are only reimbursable or provide a revenue stream. Mr. James reminded the committee that in the 2017 Strategic Planning Session he went over administrative expenses with and without grants. Mr. James explained that the grants cover staff salaries and indirect cost for federal grants but not for the state. If CWSD loses the grant funding, the number of employees would most likely be reduced by one. Mr. James was asked if CWSD falls under Carson City's policies. He explained that CWSD has its own policies separate from Carson City and that Carson City only handles CWSD's payroll and insurance which is reimbursed by CWSD. Mr. Schank asked Mr. James how much longer he plans to work, to which Mr. James responded he would like to work five to seven more years. Mr. Schank pointed out that succession planning could be grooming someone under Mr. James to move into his position. Mr. Penzel suggested that in three years CWSD might want to hire an assistant who could grow into the General Manager's position.

Workers Comp Insurance (#7021-00) has been going down a little each year.

Postage (#7104-00) has increased a little primarily due to mailing Board packages. It was discussed that Directors might receive their Board packages electronically, but not everyone uses a laptop which they bring to meetings. Currently, only David Griffith receives the Board package only electronically. Mr. Roberts noted that he would be happy to receive the Board package electronically and have a hard copy available at the meeting, which would eliminate postage. It was suggested that the topic of how the Board wants to receive the Board package be put on the March Board meeting agenda.

CWSD Finance Committee
March 5, 2018 Meeting Minutes

Dues & Publications (#7108-00) covers memberships and publication of notices and the budget as required by the Tax Department.

Accounting (#7115-00) – Mr. James mentioned that CWSD may have to do a single audit if federal grants total over \$750,000.

Legal (#7116) – The budget was drafted based on George Benesch continuing to serve as legal counsel. Now that we know he plans to retire soon, we don't know what we want to do for the future. We may do interviews at the April Board meeting. Mr. Schank noted that the legal retainer is kind of high for our needs. Mr. James suggested that CWSD wants an attorney who will help avoid litigation. Mr. Penzel mentioned that most of state offices have an attorney from Attorney General's (AG) office. The counties have their District Attorneys (DA). Each of the General Improvement Districts (GIDs) have their own legal counsel, but if they are sued, the county DA would be involved. If CWSD were sued, wouldn't the State AG's office offer support. Maybe we should petition the AG's office to provide an attorney to attend CWSD meetings once a month.

Mr. James explained that there is not enough income to fund all the project requests this year. He is proposing a transfer \$50,000 to the *Floodplain Fund (#8009-00)* to replenish the fund after what was spent on 2017 flood repairs. No transfer is proposed to the Acquisition/Construction Fund for FY 2018-19. Mr. James has already notified the groups making project requests that there is a shortfall in the CWSD budget this year and urged the group to consider what the minimum amount would be with which they could still conduct their projects.

Multi-Year and Ongoing Projects:

Professional Outside Services (#7114-00) – This account covers CWSD web and internet services and other unknown projects that may come up over the next fiscal year. The FY 2018-19 budget for this account is flexible at a proposed \$20,000. If we do utilize those funds, staff must bring the expenditure before the Board before it is made.

Lost Lakes and Mud Lake Expenses (#7117-00 & #7118-00) – Lost Lakes expenses are increased for anticipated dam fees. Mud Lake always provides an income source with few expenses.

Integrated Watershed Projects (#7120-00, -07, -25) - Most of these projects are pass-through grants. The watershed bus tour expense is covered by the fee and sponsors.

Environmental Education Coordinator Program (#7125-00) - Mr. James explained that River Wranglers has applied directly to NDEP for this grant for FY 2018-19. River Wranglers has requested a grant from CWSD, and Linda Conlin will give a presentation on it later in the meeting.

Noxious Weeds Control (#7404-00) - Mr. James pointed out that budgeting \$75,000 would give each county \$15,000 for noxious weed control. There is some flexibility in the budgeted amount for this account, but CWSD money is used as match for federal grants.

NV Dept. of Agriculture Weed Grant (#7436-00, -01, and -02) – This new one-year pass-through grant from NDA is to treat Starthistle in Carson City and Lyon County. The FY 2018-19 budget is \$11,500.

CWSD Finance Committee
March 5, 2018 Meeting Minutes

FEMA MAS #7 (#7432-00, -01, -02, 03, and -04) – This round of approved FEMA-funded projects include Voltaire Canyon, Johnson Lane ADMP, Flood Awareness Week public outreach, and Discovery/Floodplain Management Plan Update. In FY 2018-19, \$70,693 has been budgeted for this a pass-through grant.

FEMA MAS #8 (#7434-00, -01, -02, -03, and -04) - The newest FEMA-funded projects include the Dayton Valley ADMP, updating Floodplain Ordinances with the counties, Flood Awareness Week public outreach, and school outreach by the River Wranglers. The FY 2018-19 budget is \$226,162 for this pass-through grant.

MAS #9 – CWSD is planning on submitting a funding request for the next round of Cooperative Technical Partner (CTP) funding. This is not included in the budget since there is no guarantee we will get the grant.

Watershed Literacy Implementation – Phase II (#7429-00) – A continuation of the Watershed Literacy Program, this phase refined the survey results, created a Spanish version of the printed Watershed Map, and will reconfigure the online interactive Watershed Map. It is anticipated that only \$1,465.59 will remain in FY 2018-19 to complete this grant.

Watershed Literacy Implementation-Phase III (#7433-00) – This third phase of the Watershed Literacy grant which includes funding for Neon Agency to complete the Healthy Watershed Campaign There will also be components for putting an interactive version of the Spanish Watershed Map on the CWSD website and hiring a consultant to create a Geomorphology 101 class for county staff and elected officials.

Alpine County CASGEM (#7600-09) - The California Statewide Groundwater Elevation Monitoring (CASGEM) is a program that California has initiated to monitor groundwater levels. Staff gathers and prepares the data and Alpine County reimburses CWSD for its time.

Mesa Groundwater Measurement Project (#7600-10) – CWSD staff has been taking groundwater measurements in the Mesa area of Alpine County. CWSD's costs are just for copies.

Regional Pipeline Payment to Douglas County (#7610-10) - Mr. James explained that CWSD committed \$125,000/yr. for 20 years to both Douglas County and Carson City toward the debt service on the Douglas County/Carson City Regional Pipeline Intertie. CWSD paid for upsizing the system. Public entities may use the additional capacity without cost, but if a private entity wants to use it, CWSD would recuperate its investment.

Regional Pipeline Payment to Carson City (#7620-11) – This is the on-going debt service payment to Carson City for the Douglas County/Carson City pipeline intertie.

Dixie Valley Water Level Measurement Program (#7640-16) – Project Proposal #1 – This is an agreement CWSD entered with Churchill County in July of 2016. The agreement ends June 30, 2019.

CWSD Finance Committee
March 5, 2018 Meeting Minutes

USGS Stream Gages (#7500-00) – Project Proposal #2 – David Smith and Daniel Bright explained that the USGS surface water monitoring program consists of ten gaging stations in the Carson Basin, including the Dayton gage. In FY 2018-19, \$78,405 is budgeted. This is the second year of a two-year contract.

USGS – Douglas County Groundwater Collection Data (#7508-00) – Project Proposal #3 – Mr. Smith noted that the USGS measures 100 groundwater wells quarterly and 10 annually to determine many factors, such as nitrates and water level. In FY 2018-19, \$16,890 is budgeted.

USGS – Eagle/Dayton/Churchill Basins (#7526-00) – Project Proposal #4 - \$27,600 – This is a multi-year contract with USGS to collect water level data in the middle Carson River watershed.

Carson River Projects:

Carson Valley Conservation District (CVCD) - Carson Valley Streambank Bioengineering and Erosion Control Project (#7337-15) - Project Proposal #7 - Mike Hayes explained that CVCD is active in river restoration and repairs. The flooding caused a lot of damage and producers need to repair their structures. The bioengineering he does helps him go up and down the river from Ruhensroth Dam to Cradlebaugh. Both the East and West Forks took a lot of damage and capacity. The work he does helps producers get their structures fixed and hold the streambank back. It also helps him know what's going on in the river. His crew harvests willows locally. He reported that the existing willow plantings held up in the flooding and provides habitat for the birds and shade for the water. A request of \$50,000 is the lowest he can go to accomplish what is needed. It's difficult to keep a crew together if he can't keep them working year-round. This year there is a carryover because of a paperwork snafu. Rich Wilkinson noted there are two months outstanding to submit to CWSD for payment, so there is less to carry over. There have been some permitting problems. Mr. Roberts asked whether the project will be killed if all the five income sources that CVCD anticipates don't come through. Mr. Hayes said he will do as much work as he can do with whatever money they receive. He stressed that the projects they do are in the river with direct benefit. Mr. Wilkinson mentioned that CWSD's money is used as match money for getting the other grants. Mr. Penzel noted that Douglas County really needs these projects which will affect everyone downstream.

River Wranglers - Carson River Work Days & Vegetation Management (#7332-00) - Project Proposal #5 – Linda Conlin introduced Darcy Phillips, the new Executive Director for River Wranglers. Ms. Conlin explained that River Wranglers work with the conservation districts, county departments, and private contributors to conduct the Carson River Work Days. The program pairs two-to-five fourth and fifth grade elementary school students with a high school student. The grant request would allow for \$2,500 per county for Work Days, and the remaining money is spent on conservation district needs that don't easily get covered in typical conservation group grants. Ms. Conlin requested that the program be granted at least as much as the \$26,000 they received last year.

Alpine Watershed Group – Upper Carson River Watershed Programs (#7600-05) – Project Proposal #6 – Sarah Green requested \$25,000 and explained that funding from CWSD is at the core of the Alpine Watershed Group (AWG) program and used as leverage for bigger grants. AWG's four primary programs are water monitoring, water quality, youth education, and community

CWSD Finance Committee
March 5, 2018 Meeting Minutes

outreach, mostly focused in the Carson River watershed. Markleeville Creek Day is the largest work day and has received an outpouring of volunteer support. The Hope Valley Restoration Project is completing this year, but another reach has been identified for work between two restored areas. AWG is working with a broad spectrum of partnerships. CWSD's grant funding is critical to their program infrastructure/general program management. When asked their minimum amount to function, Sarah responded that they needed at least the same \$22,000 as this year. In 2017, AWG had 150 volunteers participate in 40 monitoring and restoration projects, contributing over 780 volunteer hours on 130 acres of land in Alpine County. Projects included clean up at Grover Hot Springs, partnering with the Forest Service for an ADA accessible path, and Markleevillage Fuels Project.

Carson Valley Conservation District (CVCD) – Cradlebaugh Bank Stabilization Phase #1 (#7337-17) – Project Proposal #8 - Mr. Wilkinson explained that the project is east of Cradlebaugh Bridge and is identified as a Suggested Action in the Stewardship Plan. This is a heavy construction project on 550' of bank with an average bank height of 20'. The goal for the project has changed. Mr. Wilkinson asked for \$175,000 in funding from NDEP and only received \$85,500, so CVCD had to cut their scope of work. If CWSD gives less than the funds requested, CVCD will have to cut further. The project will re-establish vegetation, trap sediment, and improve wildlife. Mr. Roberts asked if this is independent of the previous application, to which Mr. Wilkinson responded that it is stand alone. Mr. Penzel asked if CVCD is asking for any money from Douglas County. Mr. Wilkinson responded that they didn't plan to but will need to now. The permitting process has not started yet. CVCD does have right of entry permits from the state. Mr. Penzel asked how much they would need from the county. Mr. Wilkinson responded that it will depend on how much CWSD funds. CVCD would probably need about \$30,000-50,000 for this project. This project effects more than the inconvenience of a lot of people but also emergency service and commerce.

Dayton Valley Conservation District – Post-flood repairs MCR 002, 030, 046, 111C, and 010C (#7337-33) – Project Proposal #9 – Rob Holley explained that Dayton Valley Conservation District (DVCD) was requesting \$75,000 for three bank stabilization projects which sustained significant damage during the 2017 floods and subsequent spring runoff. The areas include the Empey (Casey) Ranch, Barnes, Morse, and Lehman properties. Last year's flooding changed their project focus. The Minors put in a temporary diversion to get their water. DVCD wants to re-establish the original channel to restore the streamflow and keep flow to the Minor Ranch, as well as sequester mercury-laden soil. Lyon County withdrew the county's request to CWSD for the Cardelli Ranch, but DVCD will coordinate with the county on that project.

Lahontan Conservation District – Lower Carson River Clearing and Snagging (#7337-04) - Project Proposal #10 – Christy Sullivan asked for \$20,000 for Clearing and Snagging projects in the lower Carson River from below the Diversion Dam to Pioneer Way. The fund request already takes into consideration the minimum LCD needs to complete their project. Mr. Schank asked if there was any money left over from last year. Christy responded that there was some but she still has to bill CWSD for Snapshot Day.

A short break was taken at 10:35 a.m. The meeting resumed at 10:40 a.m.

CWSD Finance Committee
March 5, 2018 Meeting Minutes

USGS and County Projects

Carson City – Reclaimed Water Project (new project) – Project Proposal #13 – David Bruketta, Utility Manager, explained that Brunswick Reservoir is where Carson City stores reclaimed water when it is not being used for irrigation. The reservoir is unlined, so Carson City loses 500 AF to 2,500 AF each year. There are three springs which are permitted. Some of the water ends up in the Carson River through groundwater. Carson City wants to help quantify how much of the loss is going to various places for current and future flows of the river. Also, the information would be used in a higher-level planning document for future use. The value of water and quality can be different depending on where the water comes out. Mr. James noted the water lost from the reservoir could be a potential source of water, possibly by drawing through an induction well on the other side of the river to tie into the Carson City water system and for Lyon County. The total capacity of the reservoir is 3,500 AF, but it reaches about 60% capacity annually. The water is reused on the golf courses from reservoir through a purple pipeline. Mr. Roberts suggested that this is Carson City operations issue which should be paid for by the rate payers. Mr. Burketta noted that it does benefit the river. Mr. James pointed out that it is a benefit to water supply and this study could help determine how much water is physically there which could be utilized in the Lyon County area in the future. If you can tie an induction well to the springs, it can be used for water downstream. Mr. James noted that part of what CWSD does is identify potential water sources upstream, and we have funded other studies. Mr. Schank asked what has changed from the past. Mr. James responded that Carson City has a discharge permit into the river because it is unlined. Mr. Schank agreed with Mr. Roberts that this is Carson City's responsibility. Mr. Roberts asked if there are environmental issues. Mr. Burketta responded that Carson City is trying to quantify the benefits to the river.

Churchill County - Lahontan Valley Water Level Measurement Program (#7640-09) – Project Proposal #11 – and *USGS Water Level and Water Quality in Churchill County (#7524-02)* – Project Proposal #12 – Since there is a commonality between this study and Churchill County's Lahontan Valley Water Level Measurement Program, elements of both were discussed together. David Smith from USGS explained the differences between what the USGS measures and Churchill County measures. The USGS has 67 monitoring wells, 42 in shallow aquifers and 12 in intermediate aquifer near Rattlesnake Hill which is a fractured aquifer that provides a lot of water to the city. There are also 14 wells in the basalt aquifer. Chris Mahannah explained that Churchill County's network of 30 wells are in the intermediate aquifer and are Churchill County's municipal wells. Mr. Smith explained that the USGS wells are for measurements, not pumping, so they can show more seasonal changes. He discussed some information about recharge and reduced pumping. The USGS also collects water quality information. Mr. Penzel noted that the USGS is funded by the federal government with our tax dollars, so why does CWSD have to contribute. Daniel Bright responded that federal government contributes, but they are required to get at least a 50% match with reimbursable partnerships. Most of the funding in Nevada comes from funding from partnerships. Mr. Penzel noted that we are making a four-year commitment on this project. Mr. Schank asked for a list of the locations of the wells. Mr. Smith pointed out the map included in the proposal and noted that some of the wells are nested to monitor different depth wells. The USGS is asking for \$56,030 and Churchill County is asking for \$18,000.

USGS – Arsenic Study in Carson Valley (New Project) – Project Proposal #14 – Daniel Bright, Deputy Director for USGS in Nevada, gave an overview of the arsenic study in Carson Valley.

CWSD Finance Committee
March 5, 2018 Meeting Minutes

USGS compiled existing information on arsenic last year which showed that the deeper the wells, the increase in arsenic. When Douglas County wells are turn on and there is increased pumping, the arsenic increases. When the pumping is level, the arsenic remains level. Different forms of arsenic needs to be studied to figure out why arsenic concentrations are increasing in a well when pumping increases. USGS is working with Douglas County to choose three observation wells in different directions from a county well and at different depths which should tell about aquifer conditions to answer why the arsenic increases. This will be a one-year study starting in the fall of 2018. The total cost to CWSD is \$29,000 and to USGS is \$16,000. Letters of support were sent to CWSD for this study. Mr. Bright explained the importance of understanding the process to determine why the increase is occurring. Utilities need to know to determine their pumping and what the options are. The concern of the communities is how they can do a treatment in the future if the water is above arsenic standard. Mr. Schank pointed out that this study is for the use of the utilities.

USGS – Monitoring Mercury, Arsenic, Lead, and Suspended Sediment in the Carson River (new project) – Project Proposal #15 – Mr. Bright explained that the USGS and EPA had monitoring sites established above and below Lahontan which were discontinued in 2013 when EPA quit their investigation. They are now working on feasibility report and mitigation report. USGS would like to resume monitoring at the existing sites. They plan to do monitoring annually, during weather events, and during irrigation season. USGS has analyzed the EPA datasets and reported to Churchill County over the last year. Mr. Schank suggested that EPA, NDEP, and BOR should be participating in the funding of this project and not so much CWSD. Mr. Bright reported that he received a call that on 3/23/18, EPA will be able to contribute \$15,000. The other partnerships are starting to get developed. Mr. Schank ask whether USGS could work with CWSD funding a portion of what was requested, pending USGS getting commitment from other sources. Mr. Bright responded that seed money from CWSD is important, and USGS will continue to seek out other partnerships for funding.

New Projects

Sierra Nevada Journeys (SNJ) Family Night (#7404-00) - Project proposal #16 – Sean Hill presented Sierra Nevada Journey’s (SNJ) funding request and explained that he oversees the educational programs to teach kids about outdoor sciences. Also, their mission is to get kids to think critically--how to think, not what to think. They conduct family science nights with stations for stormwater and groundwater models. Regarding funding and sustainability, they charge a small program fee to the schools, but this funding request is for background support for five family nights. The request is for \$3,800, but they could do four events for \$3,000. Last year’s four events had 575 participants (students and families).

American Rivers – Beaver Education in the Carson River Watershed (new project) – Project Proposal #17 - \$10,000 – Julie Fair went over American Rivers’ goals and purpose for their Beaver Education in the Carson River Watershed project. She said it is to provide education about beavers in the watershed. Perceptions about beavers are changing in California and in the Sierra. The goal is for education with landowners and downstream water users that beavers can be beneficial. Another audience is agencies, like USFS, to present new state-of-the-science research on the benefits of improved beaver management, greater support working with beaver in the upper watershed, and engage some regional and national experts from NOAA and University of Utah to integrate knowledge.

CWSD Finance Committee
March 5, 2018 Meeting Minutes

CWSD – Upstream Storage Evaluation (new project) – Project Proposal #18 – Mr. James explained that staff had submitted a \$50,000 request to do an upstream storage evaluation. Mr. Schank mentioned that even though this was a Strategic Planning topic, funding the projects should come first. Mr. Penzel asked if it is possible to evaluate upstream storage that already has a permit. Mr. Schank asked whether funding upstream storage evaluation would be worth the litigation on water rights that it could cause. Mr. James responded that we are talking about small reservoirs and groundwater storage sites.

The Committee continued the discussion during lunch at 12:27 p.m.

Acquisition/Construction Budget for FY 2018-19 – Mr. James explained that the Acquisition/Construction Fund is for regional projects. There is not a lot of activity in this fund; it is more for identifying and holding funds for projects. There are no expenses today, but a regional pipeline to Dayton could be an expense in the future. In the past, \$1.5 million in projects have been identified.

Floodplain Management Funds Budget for FY 2018-19. Mr. James explained that with all the flood damage that has occurred, it is anticipated there will be requests for funding assistance from the Floodplain Management Fund. He proposed transferring \$50,000 to help replenish the fund. Mr. Schank asked whether it will be more helpful to move funding to prepare for flood repair requests or leave funding in the General Fund for current project requests. He proposed that if income is more than anticipated, the extra could be moved to the Floodplain Management Fund. Mr. Penzel suggested getting through the other items first.

Item #6 - Discussion for possible action regarding recommendations for the tentative General Fund, Acquisition/Construction Fund, and Floodplain Management Fund FY 2018-19 budgets. Needing to cut the proposed budget by at least \$141,000, the Finance Committee agreed to the following changes to the proposed General Fund budget:

Reductions:

- Outside Professional Services (#7114-00) –from \$20,000 to \$10,000 = (\$10,000)
- Sierra Nevada Journeys-Family Nights (#7215-00) –from \$3,800 to \$3,000 = (\$800)
- USGS-Mercury Study –from \$53,210 to \$15,000 = (\$38,210)
- USGS-Water Level & Quality-Churchill County – from \$24,000 to \$5,630 = (\$18,370)

Eliminations:

- CWSD-Upstream Storage Evaluation – from \$50,000 to \$0 = (\$50,000)
- CC-Brunswick Reservoir – from \$50,000 to \$0 = (\$50,000)
- American Rivers-Beavers – from \$10,000 to \$0 = (\$10,000)

It was proposed that \$35,000 be transferred to the Acquisition/Construction Fund and that the Upstream Storage Evaluation could come out of this fund.

The net reduction in the General Fund is \$142,380.00.

CWSD Finance Committee
March 5, 2018 Meeting Minutes

Committee Member Schank made the motion that the Finance Committee recommend that the tentative budgets for the General Fund, the Acquisition/Construction Fund, and Flood Management Fund be approved as adjusted above. Committee Member Jardine seconded the motion which was unanimously approved by the Finance Committee.

No public comment. There being no further business to come before the Finance Committee, Committee Member Penzel declared the meeting adjourned at 12:55 p.m.

Respectfully submitted,

Toni Leffler
Secretary