



February 7, 2006

South Truckee
Meadows
General
Improvement
District
(STMGID)

Local
Managing
Board

Steve Cohen
Chairman

Gerald Schumacher
Vice Chairman

Ellen Allman
Secretary

Lisa Cady
Member

Birnie McGavin
Member

Administration
c/o Washoe County
Dept. of
Water Resources
4930 Energy Way
Reno, NV 89502
(775) 954-4600
FAX 954-4610

Board of Trustees
South Truckee Meadows General Improvement District

Bob Larkin, Chairman
Bonnie Weber, Vice Chairman
Jim Galloway
David Humke
Pete Sferrazza

Subject: STMGID Local Managing Board recommendation to STMGID Board
of Trustees regarding a public entity to implement regional water
resource acquisition, management and conservation

Dear Trustees:

On February 9, 2006 you will have a special meeting as the Washoe County Board of Commissioners to discuss possible models for a public entity to implement regional water resource acquisition, management and conservation in Washoe County. The STMGID Local Managing Board (LMB) feels this public entity could impact STMGID, and given your position as the STMGID Board of Trustees, the LMB would like to provide you a recommendation on the proposed public entity.

On February 7, 2006 the LMB held a special meeting for the primary purpose of discussing and preparing a formal statement on the proposed public entity. At the meeting there was discussion on whether or not there is a need for the proposed public entity, but the LMB understands that the SCR 26 Subcommittee requested at its last meeting (January 19, 2006) that local governments in Washoe County involved with the provision of water service (i.e., STMGID) provide the Subcommittee recommendations concerning the structure, governance and funding of a public entity to implement regional water resource acquisition, management and conservation in Washoe County.

At the February 7 meeting all LMB members present (Steve Cohen, Gerald Schumacher, Lisa Cady and Birnie McGavin) recommended the LMB provide the Washoe County Board of Commissioners a letter stating its concerns regarding a public entity to implement regional water resource acquisition, management and conservation. Also, the LMB members at the February 7 meeting unanimously approved a recommendation on the form and function of the new entity.

EXHIBIT B Washoe Document consists of 6 pages

- ☒ Entire document provided.
☐ Due to size limitations, pages _____ provided.

A copy of the complete document is available through the Research Library
(775/684-6827 or e-mail library@lcb.state.nv.us). Meeting Date: February 13, 2006

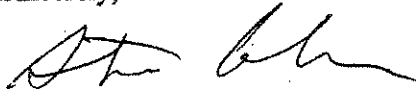
The LMB's concerns regarding the public entity are as follows:

1. The primary purpose of the new entity is to bring water to southern Washoe County for growth and development. The LMB feels growth should pay the growth-related costs associated with the new entity (i.e., infrastructure, operation, etc.), and the costs to existing water customers should be minimal (e.g., conservation).
2. The LMB feels water rights held by purveyors should stay with the purveyor of record; that is, the new entity should not be allowed to take water rights away from a purveyor.
3. The LMB feels any conservation activity by the new entity, including developing policies, should include direct participation by the LMB.

Regarding the LMB's recommendation on the form and function of the new entity, the following was recommended by the LMB:

1. The LMB supports the January 26, 2006 Sun Valley General Improvement District resolution on SCR 26 (attached).
2. The LMB supports Management Alternative B.2. described in the Washoe County Department of Water Resources document entitled "Summary of Alternatives for Regional Water Supply Entity." This document is attached.

Sincerely,



Steve Cohen
Chairman

SC

c: Members of the STMGID LMB
Members of the SCR 26 Subcommittee
Melanie Foster, Assistant District Attorney, Washoe County
John Rhodes, Deputy District Attorney, Washoe County
Katy Singlaub, County Manager
Steve Bradhurst, Director, Department of Water Resources
Diana Langs, Sun Valley General Improvement District

RESOLUTION

RE: SCR 26

SUN VALLEY GENERAL IMPROVEMENT DISTRICT

January 26, 2006

WHEREAS, the Nevada State Legislature did in the 2005 Session pass Senate Concurrent Resolution 26, establishing a special interim subcommittee of the Nevada State Senate and Nevada State Assembly to hold hearings in Northern Nevada on the subject of increasing concerns as to expense of and management of water rights and water in the Northeastern Nevada region; and

WHEREAS, Sun Valley General Improvement District (hereafter "Sun Valley GID") has been a purveyor of water service since 1967 to its current approximately 20,000 residents within its current boundaries, obtaining such water under a wholesale water service contract with first Sierra Pacific Power Company and now Truckee Meadows Water Authority, and serving such water to its customers by its fully owned system of water tanks and transmission/distribution mains, measuring all such usage by a water meter at each residence or business; and

WHEREAS, Sun Valley GID therefor has a great interest in the goals set forth in SCR 26 and has, either through its elected Trustees or staff members/legal counsel, attended all SCR 26 hearings with area elected representatives and all pre-hearing meetings involving other water purveyor staff and/or a selection of the elected representatives on the subject SCR 26 subcommittee; and

WHEREAS, having given careful consideration to all information obtained at all such hearings, investigations made by its staff, and historical background it has obtained from the operation of a fully metered water utility for the last 39 years in Washoe County, and considering all experience in these matters that it has gained from working for 39 years with Washoe County, City of Sparks, City of Reno, and Truckee Meadows Water Authority and its predecessors, Sun Valley GID, through its elected Board of Trustees, did adopt at its Board of Trustees meeting of January 26, 2006 its preferred approach to attaining the laudable goals set forth in SCR 26.

NOW, THEREFOR, BE IT RESOLVED:

1. That Sun Valley GID does support the creation of a new joint powers authority modeled after the successful Southern Nevada Water Authority, including but not limited to the requirement that General Improvement Districts be included with a seat and a vote on the governing board of such new authority, and that the model for voting shall be that of the Southern Nevada Water Authority, as explained in the brief overview thereof attached hereto.

2. That Sun Valley GID does appoint Fred Hillerby, as chief liaison, with the assistance of Fred Schmidt, Esq. or his appropriate staff in his absence, as spokespersons for the Board of Trustees of Sun Valley GID, to obtain the creation of such a new authority consistent with this Resolution.

Dated: 1/26/2006

SUN VALLEY GENERAL IMPROVEMENT DISTRICT

By 

Jim Ainsworth,
Chairman



**Washoe County
Department of
Water Resources**

4930 Energy Way
Reno, NV 89502-4106
Tel: (775) 954-4600
Fax: (775) 954-4610

[http://www.washoecounty.us
/water](http://www.washoecounty.us/water)

Summary of Alternatives for Regional Water Supply Entity

Nevada State Senator Mark Amodei, Chairman of SCR 26 Subcommittee to Study the Feasibility and Advisability of Consolidating the Water-Related Services in Washoe County made a request in the first meeting of the Subcommittee on November 30. The request was for the water entities/purveyors to submit their recommendations concerning management models for an entity to implement regional water resource acquisition, management and conservation in Washoe County. Staff submits the following for consideration by the Board of County Commissioners:

A. Goals for such an entity:

1. Identify, develop, acquire and manage new water resources (such as purchase programs or importation projects) for southern Washoe County in support of the Regional Water Management Plan.
2. Make water rights and resources available to the purveying utilities for water supply commitments in conformance with NRS 278, NRS 533 and NRS 534.
3. Develop a regional water conservation program in support of the Regional Water Management Plan.
4. Maximize available reliable water resources, including reclaimed water.
5. Stabilize the water supply market.

B. Management Alternatives

The Washoe County Board of County Commissioners may wish to consider the following options:

1. Regional Water Resource Acquisition, Management, and Conservation

Agency

- a. Establish governance, roles, and duties of the agency by interlocal agreement.
- b. Governing board to have equal representation from each public water utility and city (Washoe County utilities, STMGID, TMWA, SVGID, Reno and Sparks) and shall be composed of knowledgeable water expert appointees.
- c. Decisions of board are made by consensus (consistent with the successful Truckee River Flood Project Coordinating Committee governance model).
- d. Member entities would have the right to approve all decisions impacting the costs, water conservation, and water supply to the members.
- e. Utilizes the taxing authority (i.e., region wide sales taxes, transfer taxes, impact fees, property taxes, etc.) and bonding capacity of Washoe County.
- f. Decisions would be forwarded to the County Commission for consent (consistent with the successful Truckee River Flood Project Coordinating Committee governance model).
- g. Day-to-day administrative services provided by Washoe County (i.e., human resources, purchasing, legal, etc.).

Department of



Water Resources

- h. Potential funding sources for resource acquisitions, infrastructure, administration, etc. could include regional hookup fees, sales tax, legislation and bond financing.

ADVANTAGES

Consensus governance
Regional authority to act
Model that works locally
Adequate financing/bonding authority
Region-wide taxing authority

DISADVANTAGES

May be inconsistent with objectives of others

2. New Authority like Southern Nevada Water Authority

- a. Establish Authority for water resource acquisition, management and conservation by Joint Powers Agreement.
- b. Governance by board with equal representation from each public water utility and city (Washoe County utilities, STMGID, TMWA, SVGID, Reno and Sparks).
- c. Decisions of board are made by majority vote for most items. Decisions impacting the costs, assessments, conservation, or supply available to members require the affirmative vote of all impacted members.
- d. The governing boards of the impacted member entities shall approve all decisions impacting the costs, assessments, water conservation and water supply to the members.
- e. Financing/bonding to be provided by the new Authority.
- f. Potential funding sources for resource acquisitions and startup costs could include regional hookup fees and legislature.

ADVANTAGES

Consensus governance
Regional authority to act
Model implemented in Southern Nevada
Financing authority

DISADVANTAGES

New entity
Limited initial credit rating
Questionable taxing authority
Requires separate staff, equipment and office space

3. New Authority/Partnership with Professional Management Board

- a. Establish new authority/partnership for water resource acquisition, management and conservation with its governance, roles, and duties defined by an interlocal agreement of the member water purveyors.
- b. Managing board to consist of three professionals with expertise in water resource planning, management, or utility operations appointed by the governing bodies of the member water purveyors (Washoe County, STMGID, TMWA, and SVGID).
- c. Specific method of selecting and appoint the managing board remains to be determined.
- d. Member entities would have the right to approve all decisions impacting the costs, water conservation, and water supply to the members.
- e. Washoe County, STMGID, SVGID and TMWA would provide staff services to the new authority to implement the resource acquisition, management and conservation functions of the authority.

- f. The New Authority would provide regional services to the member entities relating to resource acquisition, management and conservation in support of the Regional Water Management Plan.
- g. The Regional Water Planning Commission would continue in its role of providing planning and coordination of water supply, wastewater treatment, flood control, storm water and groundwater remediation.
- h. Member entities would have the right to approve all decisions impacting the costs, water conservation, and water supply to the members.
- i. Member entities would continue to exist and be governed by their existing management structures.
- j. Potential funding sources for resource acquisitions, infrastructure, administration, etc. could include regional hookup fees, regional use fees, sales tax, legislation and bond financing.

ADVANTAGES

Partnership to accomplish common goals
 Retains successful approach to
 coordinated water planning
 May have financing capabilities

DISADVANTAGES

Governance may not be responsive