

**SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT
WASHOE COUNTY, NEVADA**

TUESDAY

2:00 P.M.

OCTOBER 28, 2003

PRESENT:

David Humke, Chairman

Jim Shaw, Vice Chairman

Jim Galloway, Trustee

Pete Sferrazza, Trustee

Bonnie Weber, Trustee

Amy Harvey, County Clerk

Katy Singlaub, County Manager

Madelyn Shipman, Assistant District Attorney

Paul Orphan, Utility Division

The Board met in regular session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada, and conducted the following business:

03-36STM AGENDA

In accordance with the Open Meeting Law, on motion by Commissioner Sferrazza, seconded by Commissioner Weber, which motion duly carried, Chairman Humke ordered that the agenda for the October 28, 2003 meeting be approved.

03-37STM MINUTES

On motion by Commissioner Shaw, seconded by Commissioner Galloway, which motion duly carried, Chairman Humke ordered that the minutes of the regular meeting of July 22, 2003 be approved.

03-38STM MINUTES

On motion by Commissioner Shaw, seconded by Commissioner Galloway, which motion duly carried, Chairman Humke ordered that the minutes of the regular meeting of August 26, 2003 be approved.

**03-39STM REQUEST TO DEDICATE WHITE'S CREEK WATER RIGHTS –
SIERRA SUMMIT PROJECT**

Paul Orphan, Engineering Manager, Utility Division, provided a document containing a list of the South Truckee Meadows General Improvement District's

(STMGID) surface water rights dedications, which was requested by Commissioner Galloway.

Chairman Humke noted the recommendation outlined in the staff memorandum is for a ratio of two acre-feet of White's Creek water rights for every one acre-foot of actual demand, and the STMGID Local Managing Board voted for a ratio of three to one. At the request of County Manager Singlaub, Mr. Orphan stated he believed the Local Managing Board's rationale for requesting a three to one ratio was based on the monetary value of the Truckee River rights versus groundwater in the South Truckee Meadows. He explained that in the past some surface water rights had been dedicated at a three to one ratio, but those were in exchange for groundwater; and this dedication proposal is not for an exchange of groundwater but for actual service from these rights.

Chairman Humke noted the staff report contains a recommendation by the District Attorney's office that the amount of water rights to be dedicated should be based on yield and not on monetary value. Mr. Orphan provided additional information concerning the dedication ratio in response to questions asked by Board members.

John Frankovich, representing JDJ Development, reviewed the water needs for the Sierra Summit Project and advised they believe the acceptance of the White's Creek water in exchange for service by STMGID is consistent with and part of the implementation of the facilities plan that has been adopted by the County. He stated they do not agree with the Local Managing Board's recommendation and believe a two to one ratio is a conservative approach given the status and reliability of these water rights. He said the Local Managing Board's recommendation was not based on any engineering analysis or analysis of the Creek and noted a three to one ratio would result in a 50 percent reduction of the water resources available for the South Truckee Meadows.

Bob Firth, Water Resources Consultant, stated he is concerned about the Local Managing Board recommendation and said it does not seem to have any scientific or technical backing. He requested the Board support staff's recommendation for a two to one ratio.

Mike Buschelman, County resident, advised he is a past member of the Regional Water Planning Commission and the Technical Advisory Committee (TAC) of the former Regional Water Board. He stated the TAC and the Regional Water Planning Commission were charged to develop a Regional Water Plan for Washoe County. He said one of the main criteria of the Plan was to try to maximize the amount of water resources for the benefit of the County, and to establish an arbitrary ratio based on a dollar value would be contrary to that whole process. He said science and data is the best way to establish these ratios.

Commissioner Galloway stated there have been some questions concerning whether stream rights should be accepted at all, but those issues seem to revolve around who should run the water plant and what role STMGID and Washoe

County should have relative to the water plant. He said he believes those issues could be dealt with separately and the two to one ratio is adequate.

On motion by Commissioner Galloway, seconded by Commissioner Shaw, which motion duly carried, Chairman Humke ordered that the request of JDJ Development to dedicate White's Creek water rights for service to the Sierra Summit project be approved, subject to the following conditions:

1. The required dedication amounts be two (2) acre-feet of White's Creek water rights for every one (1) acre-foot of actual demand plus one (1) acre-foot of tail water rights, subject to approval by the State Engineer.
2. The project use reclaimed water irrigation.
3. This dedication is only acceptable with the current land use.
4. These conditions are to be assumed by any buyer, heirs, etc.

03-40STM PRESENTATION – HISTORY OF THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT

4:55 p.m. Chairman Humke said he had a prior commitment and temporarily left the meeting. Vice Chairman Shaw assumed the gavel.

John Collins, Manager, Utility Services Division, provided written documentation and discussed the history of the South Truckee Meadows General Improvement District (STMGID). He said staff does not proclaim they have the only perspective on this history. They will be meeting with the Protect Our Water Group this week, and their comments will be incorporated into the historical information. He reviewed the reasons why STMGID was formed and for its governance structure, displaying maps and graphs on the overhead camera. He advised that, after the County was approached by the homeowners in the Virginia Foothills area for assistance to deal with their arsenic situation, STMGID was formed on November 10, 1981 to acquire the assets of the Trans Sierra Water Service Company and provide financing to bring the water system into compliance with the Safe Drinking Water Act. The homeowners then organized to move forth this effort. STMGID originally consisted of 719 people with an assessed value of \$18-million and today has 2,300 customers with an assessed valuation of over \$325-million, and the ad valorem tax rate has dropped from \$1.26 to 11 cents. He stated STMGID has worked, and next month the last payment will be made on their debt.

The Board members thanked Mr. Collins for his presentation.

Jerry Torvinen, County resident, said he was a member of the formation committee and served as Chairman for the first eight years of the Local Managing Board. He gave accolades to the people of the District who started the entire project, advising the formation committee had to solicit funds from the homeowners to hire an attorney and an

engineer to do all the work and had to solicit the homeowners again for the \$3-million of bond money.

03-41STM MANAGEMENT REPORT – OCTOBER, 2003

Mr. Orphan provided and reviewed a copy of the approved minutes for the Local Managing Board’s August 18, 2003 meeting to replace the draft minutes included in the Management Report.

On motion by Commissioner Sferrazza, seconded by Commissioner Galloway, which motion duly carried with Chairman Humke temporarily absent, Vice Chairman Shaw ordered that receipt of the District's management and financial reports for October, 2003 be approved.

5:20 p.m. Chairman Humke returned to the meeting and resumed the gavel.

PUBLIC COMMENTS

There was no response to the call for public comments.

BOARD AND STAFF COMMENTS

Commissioner Galloway disclosed he previously spoke with Mr. Frankovich and Bob Sader on the White’s Creek water rights dedication item. Chairman Humke disclosed he also met ex parte with Mr. Frankovich and Mr. Sader concerning that issue. Commissioner Weber said she met with one of the attorneys.

Chairman Humke introduced Birnie McGavin, new member of the Local Managing Board.

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There being no further business to come before the Board, the meeting adjourned.

DAVID E. HUMKE, Chairman
South Truckee Meadows General
Improvement District

ATTEST:

AMY HARVEY, Washoe County Clerk
and Ex Officio Secretary, South Truckee
Meadows General Improvement District

*Minutes Prepared By
Barbara Trow, Deputy County Clerk*