



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

BOARD MEETING DATE: July 9, 2019

**DATE:** June 7, 2019

**TO:** Board of County Commissioners

**FROM:** Vahid Behmaram, Water Management Planner Coordinator,  
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**THROUGH:** Dave Solaro, Arch., P.E., Assistant County Manager

**SUBJECT:** Recommendation to approve a Joint Funding Agreement between Washoe County, the State of Nevada, Truckee Meadows Water Authority, the City of Reno, the City of Sparks and the City of Fernley for the administration of the Truckee River Operating Agreement from the date of execution through October 1, 2022 [in the estimated annual amount of \$60,000]. (All Commission Districts.)

### SUMMARY

The Joint Funding Agreement is intended to fund Nevada's share of the cost associated with the administration of the Truckee River Operating Agreement (TROA) by the Federal Water Master as authorized and required by the United States District Court for Nevada (The Orr Ditch Court). The Agreement is between the State of Nevada, Department of Conservation and Natural Resources, Division of Water Resources and the parties that benefit from the implementation of TROA, which are Washoe County, the, the Truckee Meadows Water Authority (TMWA), City of Reno, City of Sparks, and the City of Fernley. A summary of these costs are as follows:

<u>Party</u>	<u>Percent of Total</u>	<u>2019-2020</u>	<u>2020-2021</u>
TMWA	60%	\$360,000	\$360,000
Washoe County	10%	\$ 60,000	\$ 60,000
Reno	10%	\$ 60,000	\$ 60,000
Sparks	10%	\$ 60,000	\$ 60,000
Fernley	10%	\$ 60,000	\$ 60,000
<b>Total:</b>	<b>100%</b>	<b>\$600,000</b>	<b>\$600,000</b>

Washoe County Strategic Objective supported by this item: Stewardship of our community.

### PREVIOUS ACTION

There are many previous actions by the Board of County Commissioners (Board) in regard to the Water Quality Settlement Agreement (WQSA) and Agreements to meet obligations arising from section 1.E.4 of the TROA (1.E.4). The water rights associated with the WQSA and 1.E.4 are a component of TROA to improve the water quality within

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the Truckee River System, which water rights are to be administered by the Federal Water Master as part of the implementation of TROA. The three most notable Board actions in regards WQSA and 1.E.4 are as follows:

On March 27, 2018, the Board approved the Fourth Amended Interlocal Agreement Regarding the Purchase of Water Rights Pursuant to the Truckee River Water Quality Settlement Agreement between Washoe County, the City of Reno, and the City of Sparks for the purpose of using interest earnings in the Water Quality Settlement Agreement account in the approximate sum of \$725,226.11, to make the one-time payment to Truckee-Carson Irrigation District pursuant to the terms of the Water Rights Operations & Maintenance Assessment Agreement, in the sum of \$682,231.48, and to pay any remaining Water Quality Settlement program costs, and to disburse the remaining funds, if any, to the parties of the Interlocal Agreement.

On September 27, 2016, the Board approved the Contract for Storage of Non-Project Water among the United States and Washoe County Water Conservation District, the City of Reno, the City of Sparks and the County of Washoe.

On September 9, 2008, the Board approved a Resolution authorizing the Chairman of the Board of County Commissioners to execute the Truckee River Operating Agreement.

## **BACKGROUND**

Each of Nevada, TMWA, Washoe County, Reno, Sparks, and Fernley is a party to the Truckee River Operating Agreement dated September 6, 2008 (TROA). One of the principal purposes of the TROA is to provide for the operation of Truckee River Reservoirs in a flexible and coordinated manner to meet multiple water use objectives, including reliable water supply and drought protection for municipal and industrial uses, instream flows for fish and wildlife, water quality, and recreation. Section 2.C.2 of TROA provides for the apportionment of the expenses of administration of the TROA among the United States, California, and Nevada. Pursuant to Section 2.C.2(c), Nevada's share of the expenses of administration of the TROA is 40% of the total (the "Nevada Share"). Nevada's 40% share equals approximately \$600,000.00 per year. At the present time, the State of Nevada requires that certain expenses associated with administration of interstate river systems be paid by the beneficiaries of those expenses. TMWA, Washoe County, Reno, Sparks, and Fernley are beneficiaries of that operation and management of Truckee River Reservoirs.

The Joint Funding Agreement under consideration herein provides the share of each party who is to benefit from the implementation of TROA with each party responsible for a percentage of the "Nevada Share" of administration cost.

The term of this agreement is for three years. The administrator, being the Federal Water Master, has provided tentative budgets for the first two fiscal years totaling \$1,500,000.00, of which the "Nevada Share" is 40% or \$600,000.00 per year. The budget for the third fiscal is not determined, but is anticipated to be equal or less than the first two fiscal year budgets.

The agreement provides for a binding arbitration process by the Truckee River Special Hearing Officer if the parties to the Joint Funding Agreement disagree with the third

year's budget. Prior to the termination of this Joint Funding Agreement, the parties are to negotiate and arrive at a new Joint Funding Agreement on or before June 30, 2022 for the future administration costs.

**FISCAL IMPACT**

FY 20 has sufficient budget authority for the Joint Funding Agreement in Community Services Administration (105000), Payments to Other Agencies (710400).

**RECOMMENDATION**

It is recommended the Board of County Commissioners approve a Joint Funding Agreement between Washoe County, the State of Nevada, Truckee Meadows Water Authority, the City of Reno, the City of Sparks and the City of Fernley for the administration of the Truckee River Operating Agreement from the date of execution through October 1, 2022 [in the estimated annual amount of \$60,000].

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve a Joint Funding Agreement between Washoe County, the State of Nevada, Truckee Meadows Water Authority, the City of Reno, the City of Sparks and the City of Fernley for the administration of the Truckee River Operating Agreement from the date of execution through October 1, 2022 [in the estimated annual amount of \$60,000]."