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## Washoe County, TMWA officials want to merge water utilities

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An agreement spelling out a merger of operations for the Truckee Meadows' two biggest water utilities by next summer and a complete merger within in the next decade is expected to be voted on by Washoe County officials this fall.

County commissioners and the Truckee Meadows Water Authority board voted unanimously Monday to have their administrators and lawyers keep working on an agreement, including include escape clauses.

The agreement is expected get a final vote in October and November. Operations are planned to be merged by the July 1 start of the fiscal year. The full merger would occur after some county bonds are paid off and covenants that would prohibit the merger expire.

Jeff Tissier, TMWA chief financial officer, said he expects the merger will not produce immediate bill reductions for customers. He said the savings will come in planning, building and operating new water lines, water tanks and water plants for the region rather than for two separate water districts.

Formed eight years ago, TMWA is the main water purveyor in the Truckee Meadows. The two boards Monday followed the recommendations of the Western Water Regional Commission created by the Legislature in 2007 to look at consolidating water utilities.

The merger must produce \$2 million in operating savings to help pay off county debt, Tissier said.

The county sold \$65 million in water and sewer bonds, based on connection fees paying 80 percent of the debt service. But lack of growth nearly eliminated new connection fees. About \$40 million of the bond money has not been spent because a planned water plant in South Meadows won't be needed after the merger, said Rosemary Menard, county water director. That money is being invested.

Covenants for county and TMWA bond debt prohibit an immediate merger. Some of those covenants or requirements must be re-negotiated.

The recent refinancing of \$370 million in TMWA bonds would cost ratepayers significantly if refinanced again before 2016, Tissier said. Tissier and Menard said the intent is for TMWA ratepayers and county ratepayers to continue to cover their shares of the debt load.

In July, Washoe County commissioners raised water rates by 27 percent over five years but agreed to reconsider the rates early next year. Chairman Dave Humke said Monday he expects those rates to remain in place and are very similar to TMWA's rates.

Humke said the chief benefits of the merger will be a reduced number of employees and a greater efficiency. The workforce would be reduced as employees retire. New labor agreements would have to be approved by involved employee unions, for water works workers, planners and engineers.

Reno Councilman Dave Aiazzi, TMWA chairman, said one operation would mean the same watering rules, the same rules for property owners to donate water rights and savings in capital costs.

In east Spanish Springs, for example, the county has one water tank on one hill and TMWA has another on a nearby hill, said Sparks Councilman Mike Carrigan, a TMWA board member.

Under a merger operation, one larger water tank would have been built. Carrigan said the political will to merge did not exist when TMWA was created. But with eight years of experience, Aiazzi said TMWA has shown it can remaining financially stable with only is gradual rate increases.

### Additional Facts A CLOSER LOOK

Truckee Meadows Water Authority  
Employees: 170 approved positions  
Revenues: \$74 million in annual billings.  
Customers: 90,000 plus 3,000 fire service connections  
Outstanding debt: \$535,549,000

Washoe County water utility  
Employees: 80 employees. Revenues: \$13,242,000 in annual billings  
Customers: 17,000  
Water and sewer debt: \$115,734,000