TAHOE REGIONAL PLANNING AGENCY
OPERATIONS & GOVERNANCE COMMITTEE

TRPA/Zoom October 22, 2025

Meeting Minutes

CALL TO ORDER AND DETERMINATION OF QUORUM

Ms. Laine called the meeting to order at 8:32 a.m.

Members present: Mr. Aguilar, Mr. Bass, Ms. Gustafson, Ms. Laine, Mr. Rice

I. PUBLIC COMMENT

None.

II. APPROVAL OF AGENDA

Mr. Cox stated that there were no changes to the agenda.
Ms. Laine deemed the agenda approved as posted.

III. APPROVAL OF MINUTES

Ms. Gustafson moved approval of the September 24, 2025 minutes as presented.
Motion carried.

IV. Discussion and possible recommendation for approval of amendment to Rule 16.2 of the TRPA Rules of Procedure regarding the basis by which fees are adjusted annually

TRPA Chief Financial Officer, Mr. Chad Cox, presented the item to bring before the Board a proposed amendment to one of the agency's Rules of Procedure. He explained that Rule 16 (slide 2) dictates how the agency collects and adjusts fees on an annual basis and described how the process is managed.

Mr. Cox noted that Section 16.2 specifically addresses the annual fee adjustment and enables the agency to update fees based on the Western States Consumer Price Index (CPI). He stated that this practice has been in place since 2018, when the rule was first adopted. Initially, the adjustment was tied to the San Francisco CPI; however, in 2023, the agency transitioned to using the Western Region or

Western States CPI, which are used synonymously. He clarified that this index represents most of the states west of the Mississippi River and serves as an economic indicator available online.

Mr. Cox further explained that this benchmark is also referenced in Nevada law governing fee adjustments, aligning TRPA's approach with state practices. He noted, however, that the current rule does not address situations involving deflation, in which the CPI could potentially be negative. Although that is not the case at present, he said such a scenario could occur in the future.

He went on to explain that staff costs do not necessarily move in parallel or in direct proportion with inflation at all times, which presents a concern. Therefore, in the spirit of continuous improvement and to stay ahead of potential challenges, Mr. Cox stated that staff would like to add language to the rule to safeguard the agency's existing policy.

Mr. Cox explained that the language shown on slide two captures the proposed amendment to Rule 16.2. He emphasized that this amendment does not change the way in which fees are updated. It remains a process that staff will bring forward on an annual basis for the Board's consideration and approval. The Board will continue to have the same authority to review and approve fee adjustments as it does under the existing rule, so there is no change in that regard.

He stated that the proposed amendment would add language following the portion that reads, "the fee schedule shall be updated annually based on the Western States Consumer Price Index." The proposed addition reads, "or a minimal annual increase may be applied to maintain administrative continuity and ensure operational stability."

Mr. Cox explained that this change is intended to safeguard the agency in the event of a deflationary environment. The Western States CPI, he noted, measures a basket of goods, and it is possible to experience general deflation while certain costs, such as healthcare, continue to rise. In that case, the agency could face increasing operational expenses even though the CPI is negative.

He added that the agency is currently operating with approximately $1 million more in annual costs than it receives in fee income, so this amendment would provide flexibility to propose a minimal fee increase even during periods of deflation to maintain cost recovery and operational stability.

Mr. Cox stated that the proposed change ensures the agency's fee structure continues to reflect the reasonable cost of providing services. He confirmed that the amendment has been reviewed by TRPA legal counsel and strengthens the agency's ability to update fee schedules appropriately. The administrative amendment went through all required checklists and review processes. Staff and legal counsel examined each applicable threshold area to determine whether there would be any potential impact and concluded that, because the change is administrative in nature, there would be no adverse impact.

He noted that the agency followed the required procedures outlined in the Compact, specifically Article 7, Chapter 3, and Article 6 of the Rules of Procedure, to ensure compliance and document that no adverse impact would result. All relevant materials supporting this determination are included in the meeting packet. Mr. Cox concluded by stating that all requirements have been met from an agency standpoint to provide sufficient rationale for the proposed amendment,

Committee Comments

Ms. Gustafson said that she appreciated the need for flexibility in the agency's fee adjustment process, emphasizing the importance of maintaining assurance that both the Operations and Governance Committee, as well as the Governing Board, would ultimately make the final decision. She noted that this process would consider the current economic climate and the duration of any given conditions, adding that such checks and balances are consistent with the agency's purpose. She expressed her appreciation for the proposal.

Chair Laine then asked for clarification regarding the terminology used in the rule, specifically whether "Western States" and "Western Region" refer to the same index. Mr. Cox responded that he and TRPA Board Member Ms. Shelly Aldean had discussed this matter previously. He explained that on the official website, the index is listed as the "Western Region," and although the language in the rule refers to "Western States," the two terms are used synonymously. He noted that the Western States collectively make up the Western Region.

Mr. Cox added that it would be important to maintain consistency in terminology throughout agency documents so that the public could easily reference the correct index. He mentioned that he and TRPA Legal Counsel Mr. Graham St. Michel had discussed this point and confirmed that they intentionally kept the wording consistent with the rule as written in 2023 to avoid discrepancies.

Mr. Rice began by acknowledging one of the frequent criticisms or comments he receives from the public, that the cost of doing business with TRPA often makes construction projects nearly cost-prohibitive for those wishing to improve or build something within the Basin. He expressed concern about ensuring adequate oversight to prevent further escalation of these costs. Mr. Rice emphasized the need to remain mindful of the fees and expenses imposed on the public, particularly for those attempting to undertake improvement projects.

Mr. Cody Bass commented that he thought it was a good idea.

Motions

Ms. Gustafson made a motion to approve the required findings as described in Attachment A, including a finding of no significant effect for adoption of the proposed amendments to the rules of procedure.

Ayes: Mr. Bass, Ms. Aguilar, Ms. Gustafson, Mr. Rice, Ms. Laine

Motion passed.

Ms. Gustafson made a motion to recommend approval to adopt Resolution 2025-xxx to amend the Rules of Procedure as shown in Attachment B.

Ayes: Mr. Bass, Ms. Aguilar, Ms. Gustafson, Mr. Rice, Ms. Laine

Motion passed.

V. Discussion and possible recommendation for approval of Inflation Adjustment to TRPA Application Filing Fee Schedule, Mobility Mitigation Fees, and the Rental Vehicle Mitigation Fees

Mr. Cox, TRPA Chief Financial Officer, began his presentation by explaining that, similar to the previous year, staff was bringing forward the annual adjustment for board consideration. He stated that this represented the first half of the rule discussed earlier in the meeting. Mr. Cox noted that, as of August, the Western States Consumer Price Index (CPI) showed a year-over-year inflation rate of 3.2 percent. Accordingly, staff was recommending a 3.2 percent increase to the application filing fees, mobility mitigation fees, and rental vehicle mitigation fees.

Mr. Cox explained that TRPA had budgeted for approximately 3 percent inflation when preparing the Fiscal Year 2026 budget, noting that the 2–3 percent assumption had proven accurate. He confirmed that the proposed adjustment was consistent with the budget and that the agency's fee revenues remained on target. He stated that additional financial context would be provided later in the meeting when reviewing the September year-to-date financials.

Mr. Cox reiterated that the recommendation was to continue using the Western States CPI Index as the basis for annual fee adjustments and to apply the 3.2 percent increase across the three categories. He added that the rental vehicle mitigation fee would increase by 20 cents, bringing the total to $6.33 per day per vehicle rental. He clarified that the fee applied only to visitors and not to local residents and that the revenue from these fees was transferred to the Tahoe Transportation District (TTD) to support operational costs.

Mr. Cox stated that the program had generated approximately $80,000 per year over the past several years. He also referenced a historical summary of application fees included in the packet (slide 6), noting that the proposed 3.2 percent adjustment was in line with recent averages, aside from the larger increase in 2018, which had been implemented after fees had remained unchanged for 15 years. He added that 2022 had seen a significant increase due to high inflation rates. Mr. Cox concluded by confirming that TRPA had followed the Western States Consumer Price Index in 2023, 2024, and 2025, and that the current proposal was consistent with that approach.

Committee Comments

Mr. Aguilar commented that the report indicated application fees did not fully cover the costs and overhead of the Permitting and Compliance Department, and he asked for clarification regarding the percentage currently covered and the reason for the shortfall.

Mr. Cox responded that approximately seventy-five percent of costs were currently covered. He explained that there remained an opportunity for improvement and that the team had been focused on implementing process efficiencies. He noted that, in the past, cost coverage had been even lower, but that through a combination of fee adjustments and internal improvements, TRPA had increased the proportion of costs recovered through fees. Despite this progress, there remained an approximate one-million-dollar gap to achieve full cost recovery.

Mr. Aguilar asked how that gap was being funded, Mr. Cox replied that it was currently supported through the agency's general fund.

Mr. Aguilar then asked why the agency did not aim for one hundred percent cost recovery. Mr. Cox responded that TRPA was working toward that goal but explained that reaching full recovery would require a roughly twenty-five percent fee increase, which he did not believe would be reasonable at this time. He stated that the agency preferred to continue focusing on process improvements to increase efficiency while allowing fees to rise gradually with inflation, which would close the gap over time.

Mr. Aguilar observed that allocating one million dollars from the general fund could otherwise support mitigation efforts, such as improving lake clarity, rather than subsidizing "somebody else's personal gain." Mr. Cox acknowledged the point and agreed that reducing the subsidy was positive progress. He noted that prior to his tenure as Finance Lead, TRPA had already begun implementing improvements to better measure costs and fees by specific item.

He added that, in the future, staff intended to return to the committee with more tactical recommendations, possibly proposing targeted adjustments in areas where fees remained substantially below cost, rather than broad, across-the-board increases. Mr. Aguilar remarked that a one-million-dollar allocation toward improvements on State Route 28 would be valuable.

Chair Laine asked what geographical area the rental car mitigation fee covered. Mr. Cox responded that the fee applied to rental car companies operating within the Tahoe Basin, noting that there were not many such businesses. Chair Laine then referred to Mr. Cox's earlier comment that the fee did not affect local residents and asked for clarification, suggesting that if a local resident rented a car within the basin, they would still be charged the fee. Mr. Cox replied that local residents could present their driver's license to verify residency, and in such cases, the fee would not be added to the rental bill.

Mr. Cox clarified that there were two motions to consider. He explained that the reason for this was that the rental vehicle mitigation fee would take effect on January 1, while the other fee adjustments would begin later in the month, on January 20. He noted that this distinction was articulated in the staff report, which was why two separate motions were required, as each had a different effective date.

Mr. Cody Bass then asked whether the rental vehicle mitigation fee might apply to vehicles rented outside the Tahoe Basin, such as from the Reno airport, if those vehicles were then driven into Tahoe. Mr. Cox replied that they did not have a mechanism to track where rental vehicles traveled after leaving the rental location and that the fee applied only to vehicles rented within the basin. He added that it would not be feasible to know where each vehicle ultimately went.

Motions

Ms. Gustafson made a motion to recommend approval of the attached Resolution 2025-__, as shown in Attachment A, and its Exhibit 1, amending the TRPA filing fee schedule and Mobility Mitigation Fee

Ayes: Mr. Aguilar, Mr. Bass, Ms. Hill, Ms. Gustafson, Mr. Rice, Ms. Laine

Motion passed.

Ms. Gustafson made a motion to recommend approval the attached Resolution 2025-__, as shown in Attachment B, amending the Rental Vehicle Mitigation Fee.

Ayes: Mr. Aguilar, Mr. Bass, Ms. Gustafson, Ms. Hill, Mr. Rice, Ms. Laine
Motion carried.

Motion passed.

VI. Discussion and possible recommendation for approval of September Financials

Mr. Cox began by addressing the potential impact of a federal government shutdown. He noted that while the situation was unsettling, the agency was currently experiencing limited impact. He explained that TRPA maintains multiple grants with federal agencies, and the feedback received so far indicated that operations were not "business as usual," but that there was no expectation of any reduction in grant amounts or risk of nonpayment. The primary concern, he said, was the potential for delays in the timing of grant reimbursements.

Mr. Cox informed the board that TRPA had received a letter from the U.S. Forest Service confirming its intent to continue honoring existing financial commitments on a timely basis, which he described as encouraging. He reiterated that, despite the uncertainty surrounding the shutdown, the overall impact to TRPA's finances remained minimal, though it was understandably unsettling for staff and the finance team.

In response to a question from Mr. Aguilar, Mr. Cox confirmed that TRPA could use existing cash on hand to cover commitments temporarily. He explained that because TRPA receives state appropriations at the beginning of the fiscal year, the agency was currently in a solid financial position. The area of potential concern, he said, would be during active grant implementation when TRPA pays contractors before receiving reimbursement from federal agencies. Should payment delays occur, the agency could find itself temporarily "upside down," but he was confident that there were sufficient operating funds available to bridge any short-term gaps. Mr. Aguilar asked if there was any possibility that the grants themselves could be canceled. Mr. Cox replied that he had heard of no such risk.

Mr. Bass asked whether there had been any indication that Federal Transit Administration (FTA) funds, including transit and operations funds that flow through TRPA but are primarily managed by the Tahoe Transportation District (TTD), might be affected by the potential government shutdown.

Mr. Cox responded that he had not seen any sign of slowdown. He explained that TRPA's first-quarter grant invoicing had gone out in October, as the agency invoices on a quarterly basis, and that no feedback of concern had been received. He added that it was still

somewhat early to gauge any possible impacts, given that the first-quarter invoices had only just been submitted. Mr. Cox said the finance team would monitor the agency's balance sheet closely, particularly accounts receivable, to track whether payments began to age beyond normal timelines.

Transitioning to a financial overview (slide 10), Mr. Cox reported that TRPA's total revenue stood at $9.8 million, which was on track. He noted that planning fees had increased in August and September compared to July. While slightly down from the prior year, the current levels were still consistent with the average of the past several years.

On the expenditure side, Mr. Cox reported total spending of $3.8 million, or approximately 12% of the annual budget. He confirmed that all state revenues had been invoiced and received, which was essential for the agency's ability to operate. TRPA receives its state appropriations up front and spends those funds down over the course of the year.

Addressing earlier questions raised by Ms. Laine regarding grant management, Mr. Cox shared that several hundred thousand dollars in grant invoices had already been issued in September and that the finance team was working to ensure that all remaining invoices were sent out during October. He noted that one member of the grants analyst team had recently gone on maternity leave, and the team was redistributing her workload to ensure continuity. Mr. Cox stated that he did not foresee any issues with grants and that the agency would provide the committee with full first-quarter invoicing data in October.

Mr. Cox added that local revenues had been invoiced and that all counties had acknowledged receipt and committed to processing payments in their regular cycles, meaning those revenues would likely appear in next month's report.

Mr. Cox went on to report that rent revenue was on track and that other revenue was primarily generated through interest income from investments. He highlighted that TRPA's primary investment account, held in the Local Agency Investment Fund (LAIF) with the State of California, had earned over $200,000 in interest in September alone. Once that amount was recorded in October, interest income would reach approximately 25% of the annual projection, aligned with the end of the first fiscal quarter. He concluded that TRPA was in good financial standing overall.

Mr. Cox proceeded to review TRPA's expenses (slide 11), noting that the primary drivers were compensation and contracts. He stated that compensation was on track with the budget and that contracts were currently at approximately 6% of the annual budget. Mr. Cox reminded the group that contract spending typically ramps up as the agency begins to implement its grants.

Moving to financing, reporting that TRPA had received its invoice from Zions Bank and was in the process of completing payment. He explained that this payment occurs twice annually, once around mid-November and again in the spring.

Mr. Cox continued by noting that the remaining major expense category included facility-related projects. He remarked that, upon arrival, members might have noticed visible improvements to the building, including completed exterior staining and forest health work. He stated that significant progress had been made under the direction of TRPA's facilities

manager, and that the agency would continue to advance facility upgrades as appropriate.

Moving to cash flow (slide 12), Mr. Cox reported that, cumulatively, TRPA had generated $7 million in cash flow year-to-date, largely driven by state appropriations. He reiterated that those appropriations would be drawn down over the coming months. Referring to the graph slide 12, he noted that the agency's financial position appeared strong, and that TRPA maintained a healthy cash cushion to manage any potential delays in federal reimbursements.

Motion

Mr. Bass made a motion to recommend approval of the September Financials

Ayes: Mr. Aguilar, Mr. Bass, Ms. Hill, Mr. Rice, Ms. Gustafson, Ms. Laine

VII. Quarterly Treasurer's Report

TRPA Chief Financial Officer, Mr. Cox presented the quarterly Treasurer's Report (slide 15), noting that total investment balances had increased to $45.5 million, reflecting the recent deposit of state appropriations. He explained that TRPA places California appropriations into the Local Agency Investment Fund (LAIF) and Nevada appropriations into the Local Government Investment Pool (LGIP). These funds are then drawn down gradually as operating needs arise, which accounts for the increase since the previous quarter.

Mr. Cox next discussed changes in the federal funds rate, noting that on September 17 it was reduced by 25 basis points, the first such movement since December 2024. He remarked that while additional rate cuts were being discussed, they remained speculative. Corresponding to this adjustment, Treasury yields across all maturities decreased by roughly 0.2% to 0.3%. As of the end of September, one-year Treasuries were yielding 3.8%, six-month Treasuries 4.1%, and one- and two-year Treasuries 3.5% and 3.6%, respectively.

He emphasized that TRPA continues to take a conservative investment approach, maintaining liquidity and low risk. Approximately 73% of the agency's portfolio is held in state investment pools, which can be accessed within 24 hours. Another 18% is invested in U.S. Treasuries, and the remaining 9%, or $4.3 million, is held in corporate securities that offer slightly higher yields but remain well within policy limits.

Mr. Cox confirmed that there have been no credit rating changes among the corporate securities, which are reviewed monthly for potential risk adjustments.

He also noted that TRPA's investment advisor, Mr. Eric Lee, had recently extended the average maturity of the agency's holdings. Prior to the September rate cut, the agency purchased several additional five-year Treasuries to lock in higher rates. The average maturity of the principal investment pool now stands at approximately 32 months, enabling TRPA to maintain a yield of just over 4% across much of the portfolio.

Mr. Cox concluded his report by noting that this item was for information.

Mr. Aguilar inquired about the investment firm managing TRPA's portfolio. TRPA staff confirmed that the investments are managed by Principal. Mr. Aguilar then asked about the firm's fee structure. Mr. Cox replied that the fee is based on assets under management and is assessed on a monthly basis. He further noted that representatives from Principal had previously been presented to the Board in early spring of the prior year, and similar presentations are typically held annually.

Ms. Laine asked about TRPA's policy regarding corporate securities, specifically whether there is a maximum allowable percentage that can be allocated to that category. Mr. Cox responded that the limits are percentage-based and that, while the exact figure would need to be confirmed, it may be around 10%. He added that the agency monitors its portfolio each month to ensure compliance with these limits, maintaining a balance among Treasuries, corporate securities, and money market holdings.

Mr. Cox noted that TRPA's Investment Policy was updated in the prior year, though no changes were made to the allocation thresholds at that time. He added that the policy is consistently followed and that the Principal investment team ensures all purchases remain within approved parameters, leaving margin for flexibility.

Ms. Laine suggested that, given recent market fluctuations and the relatively stable performance of corporate securities, it might be worth considering a shift toward the higher end of the allowable range for that category. Mr. Cox agreed that yields have been favorable, noting that both the LAIF and LGIP accounts have recently yielded between 4.0% and 4.25%.

Chair Alexis Hill inquired when TRPA last conducted a Request for Proposals (RFP) for its investment firm. Mr. Cox responded that, following the previous discussion on this topic, they had reviewed the agency's records and determined that there was no indication an RFP had been issued for the current investment management services. He acknowledged that this is an item that should be evaluated, both to understand the historical rationale for the existing arrangement and to consider whether a new RFP should be undertaken.

Ms. Hill noted that Washoe County had recently completed an RFP process for its own investment management, which resulted in significant cost savings and provided new investment opportunities. She clarified that her intent was not to raise a concern with the current firm, but rather to ensure that TRPA is receiving the best overall value.

Mr. Cox agreed that it represented an area of opportunity and confirmed that it would be appropriate to add the investment management RFP to TRPA's list of pending procurement actions and initiate that process in the future.

VIII. UPCOMING TOPICS

Mr. Cox reported that the finance team is currently occupied with the annual audit. He noted that Mr. Jeff Ball, a partner at Davis Farr, had been on-site the previous week along with three of his staff members. TRPA staff and the audit team worked collaboratively throughout the week to complete the final audit process.

Mr. Cox said that the audit is progressing well and remains on schedule. The goal is to have a first draft of the financial statements ready for internal review in early November, after which the team will incorporate the figures into the Management Discussion and Analysis (MD&A) section. The final audit report is expected to be completed and presented in December, which would be one month earlier than last year's completion date.

He added that there is a possibility the report could be finalized as early as November, though the team intends to ensure sufficient time for quality review. Mr. Cox also mentioned that he is revising and updating the MD&A to make it more concise and effective.

Looking ahead, Mr. Cox stated that the agency will continue to present monthly financial reports and will bring the annual audit to the committee in December. In 2026, TRPA will provide another Aquatic Invasive Species (AIS) fee update, continue its regular monthly and quarterly financial and treasurer's reports, and enter budget season shortly thereafter.

He emphasized that the team is working diligently and reiterated that the audit will be brought forward in December. Mr. Cox also noted that the Principal investment group will be invited back for a presentation at a future meeting when appropriate.

IX. COMMITTEE MEMBER COMMENTS

None.

X. PUBLIC INTEREST COMMENTS

None.

XI. ADJOURNMENT

Ms. Gustafson called to adjourn at 9:14 a.m.

Respectfully Submitted,

Tracy Campbell

Tracy Campbell
Executive Assistant

The above meeting was recorded in its entirety. Anyone wishing to listen to the recording of the above mentioned meeting may find it at https://www.trpa.gov/meeting-materials/. In addition, written documents submitted at the meeting are available for review. If you require assistance locating this information, please contact the TRPA at (775) 588-4547 or virtualmeetinghelp@trpa.gov.