



STANDING ADVISORY COMMITTEE AGENDA

Tuesday, April 2, 2019 at 3:00 p.m.
Truckee Meadows Water Authority
Independence Meeting Room
1355 Capital Boulevard, Reno, NV 89502

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), Reno City Hall (1 E. First St., Reno), Sparks City Hall (431 Prater Way, Sparks), Sparks Justice Court (1675 E. Prater Way, Sparks), Washoe County Courthouse (75 Court St., Reno), Washoe County Central Library (301 South Center St., Reno), Washoe County Administration (1001 East Ninth St., Reno), at <http://www.tmwa.com>, and State of Nevada Public Notice Website, <https://notice.nv.gov/>.
2. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call 834-8002 at least 24 hours before the meeting date.
3. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at <http://www.tmwa.com/meeting/> or you can contact Sonia Folsom at (775) 835-8002. Supporting material is made available to the general public in accordance with NRS 241.020(6).
4. The Committee may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
5. Asterisks (*) denote non-action items.
6. Public comment is limited to three minutes and is allowed during the public comment periods. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk. In addition to the public comment periods, the Chairman has the discretion to allow public comment on any agenda item, including any item on which action is to be taken.
7. In the event the Chairman and Vice-Chairman are absent, the remaining SAC members may elect a temporary presiding officer to preside over the meeting until the Chairman or Vice-Chairman are present (**Standing Item of Possible Action**).

1. Roll call*
2. Public comment — limited to no more than three minutes per speaker*
3. Approval of the agenda (**For Possible Action**)
4. Approval of the minutes of March 5, 2019 meeting (**For Possible Action**)
5. Discussion and possible recommendation regarding bills in the 2019 Legislative Session that may affect TMWA — John Zimmerman and Steve Walker (**For Possible Action**)
6. Water Supply Update — Bill Hauck*

7. Presentation on the TMWA Tentative Budget for the Fiscal Year ending June 30, 2020 and Draft Capital Improvement Plan for Fiscal Years 2020 through 2024 — Matt Bowman and Joe Petrelli **(For Possible Action)**
8. Report on status of West Reno Water System acquisition — John Zimmerman*
9. Report on status of Stonegate Development — Scott Estes*
10. Update on the Mt. Rose Water Treatment Plant — Danny Rotter*
11. Discussion and possible direction to staff regarding agenda items for future meetings **(For Possible Action)**
12. Staff Items* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
13. Committee Items* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
14. Public Comment — limited to no more than three minutes per speaker*
15. Adjournment **(For Possible Action)**



STANDING ADVISORY COMMITTEE

DRAFT MINUTES

March 5, 2019

The Standing Advisory Committee (SAC) met at Truckee Meadows Water Authority (TMWA) in the Independence Room, 1355 Capital Blvd., Reno, Nevada. Chair McGuire called the meeting to order at 3:01 p.m.

1. ROLL CALL

Primary Members and Voting Alternates Present: Bob Chambers, Harry Culbert, Jordan Hastings, Colin Hayes, Don Kowitz, Carol Litster, Neil McGuire, Ken McNeil, Mike Pidlypchak, Mike Schulewitch, Fred Schmidt, *Ann Silver and Jerry Wager.

Alternates Present: Fred Arndt, Ken Becker, Bruce Gescheider, Karl Katt, and Dale Sanderson.

Primary Members and Alternates Absent: Bill Hughes, Scot Munns, Jonnie Pullman and Jim Smith.

Staff Present: Matt Bowman, Robert Charpentier, John Enloe, Scott Estes, Sonia Folsom, Mark Foree, Bill Hauck, Shawn Stoddard, John Zimmerman, Legal Counsel Debbie Leonard, and Steve Walker, Walker & Associates.

**Member Silver arrived at 3:10 p.m.*

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Upon motion duly made by Member Hayes, and seconded by Member Kowitz, and carried by unanimous consent of the members present, the Committee approved the agenda.

4. APPROVAL OF THE MINUTES OF THE NOVEMBER 6, 2018 MEETING

Upon motion duly made by Member Schulewitch and seconded by Member Wager, and carried by unanimous consent of the members present, the Committee approved the November 6, 2018 meeting minutes.

5. DISCUSSION AND POSSIBLE RECOMMENDATION REGARDING BILLS IN THE 2019 LEGISLATIVE SESSION THAT MAY AFFECT TMWA

John Zimmerman, TMWA Water Resources Manager, and Steve Walker, TMWA Lobbyist, presented on the status of the bills being monitored by the TMWA Board and Legislative Subcommittee.

No action taken.

6. WATER SUPPLY UPDATE

Bill Hauck, TMWA Senior Hydrologist, reported the snowpack is at 173% and 169% of median peak for the Truckee River Basin and Lake Tahoe Basin, respectively; Lake Tahoe is approximately one foot below the natural rim; the Federal Water Master will be releasing water at Lake Tahoe early in preparation for snowmelt runoff; the Truckee River will be above 1,000 cubic feet per second (CFS) flows until mid July; and even with the high levels of snowpack, it is not at the level of 2017 as there is still space in the reservoirs to fill.

7. PRESENTATION ON THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2018

Matt Bowman, TMWA Financial Controller, presented the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2018. The audit was completed by Eide Bailly, dealt with a few new GASB 75 (OPEB) and 82 (pension), and new disclosures; audit went well with no findings or adjustments.

Mr. Bowman also informed the Committee that the TMWA Board approved extending the contract with Eide Bailly for the next three fiscal years, 2019, 2020, and 2021.

8. PRESENTATION OF FINANCIAL PERFORMANCE FOR FIRST HALF FISCAL YEAR 2019

Mr. Bowman informed the Committee the change in net position was \$9.0m more than budget and due to capital contributions; cash position was \$207.7m or \$14.3m higher than at the beginning of the fiscal year; operating revenue was \$1.6m higher than budget, and water sales was 8% higher over the prior year (3% due to rate increase and 5% due to services added and increased water use); total operating expenses are \$2.1m under budget, but \$3.8m more than prior year due to increases in salaries and wages and as well as increasing employee headcount by approximately 10%; non-operating expense are \$1.1m lower than budget in the current fiscal year, and lower than prior year by \$0.9m; capital contributions were \$4.2m more than budget and \$3.2m more than first half FY19, which are growth related; and total capital spend is estimated to be between \$35m and \$40m for the full fiscal year. The hydro sales were down due to the rehabilitation of the Fleish flume.

9. PRESENTATION ON NEW DEVELOPMENT AT TRI CENTER

John Enloe, TMWA Director of Natural Resources and Planning, informed the Committee that the Cities of Reno and Sparks are providing the TRI Center with 4,000 acre feet (AF) of reclaimed water to be used for industrial purposes; all parties involved are working with consultants to design a 24 inch pipeline from the Truckee Meadows Water Reclamation Facility (TMWRF) to TRI Center; and Switch and Google are hiring outside consultants to design and build an advanced water treatment plant for up to 10 million gallons per day (MGD) as well as a 2,000 AF storage reservoir.

Discussion followed regarding the total cost for providing reclaimed water to TRI Center (still being determined); TRI Center has around 5,700 AF of groundwater rights and six or more wells, providing approximately 10,000 AF of resources combined; the reclaimed water pipeline is a benefit to the cities as it won't cost as much to improve TMWRF since less water will be treated to a high standard for river discharge (benefit to the customers); and the Pyramid Lake Paiute Tribe generally supports the effort.

10. PRESENTATION OF APPLICATIONS TO FILL TWO VACANCIES ON THE STANDING ADVISORY COMMITTEE, AND POSSIBLE RECOMMENDATION TO THE BOARD

Sonia Folsom, TMWA Standing Advisory Committee Liaison, presented on this agenda item.

Upon motion duly made by Member Schmidt and seconded by Member Hayes, and carried by unanimous consent of the members present, the Committee approved Karl Katt to switch to the Senior Citizen Customer Class Alternate and Susan Hoog as the At-Large 2 Alternate representatives, pending Board approval.

11. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING AGENDA ITEMS FOR FUTURE MEETINGS**April meeting:**

1. Water supply update
2. Presentation on the legislative subcommittee
3. Presentation on the tentative FY 2020 budget and draft FY 2020-24 Capital Improvement Plan (CIP)
4. Update on West Reno Water Company water system acquisition
5. Update on the Stonegate development
6. Update on the Mt. Rose Water Treatment Plant

Upon motion duly made by Member Schmidt and seconded by Member Wager, and carried by unanimous consent of the members present, the Committee approved the agenda items for future meetings.

12. STAFF ITEMS

Mr. Bowman updated the Committee on the Board's decision at its December meeting to close the Other Post-Retirement Employee Benefit (OPEB) program to future employees and they also deferred phases 3-5 of the 2.5% rate increase to FY2020, 2021 and 2022.

Mr. Zimmerman informed the Committee that the Board approved changing the meter retrofit fee to the water sustainability fee at its January meeting and decreased the fee amount from \$1,830/acre-foot of demand to \$1,600/acre-foot of demand.

13. COMMITTEE ITEMS

Chair McGuire welcomed the Committee new member appointed by the Reno-Sparks Chamber, Ann Silver.

14. PUBLIC COMMENT

There was no public comment.

15. ADJOURNMENT

With no further items for discussion, Chair McGuire adjourned the meeting at 4:14 p.m.

Approved by the Standing Advisory Committee in session on _____.

Sonia Folsom, Recording Secretary

**Member Silver was present for agenda items 5 thru 15 only.*



TO: TMWA Standing Advisory Committee
FROM: John R. Zimmerman, Manager, Water Resources
DATE: March 27, 2019
SUBJECT: Discussion and possible recommendation regarding bills pending before the 2019 Nevada Legislature that may impact TMWA

TMWA staff, General Counsel, and lobbyist are reviewing and monitoring bills as they are introduced at the Legislature this session. Attachment 1 is a list of all bills that have been introduced since the last SAC meeting and on which the TMWA Board or Legislative Subcommittee has adopted a position. TMWA lobbyist Steve Walker will provide a brief overview of potentially significant bills and answer any questions regarding the legislative process or specific bills.

2019 Legislative Deadlines:

February 4-----Session Begins
February 11----Legislators' BDR Requests
March 18-----Legislators' Bill Introductions
March 25-----Committees' Bill Introductions
April 12-----Committee Passage (1st House)
April 23-----First House Passage
May 17-----Committee Passage (2nd House)
May 24-----Second House Passage
June 3-----Session Ends

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|---|---|--|--|-----------------|-----------------------------|
| AB2 | Committee on Commerce and Labor | Revises provisions governing the employment of certain professionals on public works projects. (BDR 54-487) | | | Public Works | WATCH |
| AB29 | Committee on Commerce and Labor | Repeals certain provisions relating to general building contractors. (BDR 54-241) | Assembly Committee on Commerce and Labor 2/13/2019 1:30 PM Heard | Assembly Committee on Commerce and Labor - Work Session Item 3/29/2019 12:30 PM | Public Works | WATCH |
| AB84 | Committee on Ways and Means | Provides for the issuance of state general obligation bonds to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State of Nevada. (BDR S-326) | Senate Committee on Government Affairs 3/15/2019 1:00 PM Mentioned No Jurisdiction | | Property | SUPPORT |
| AB90 | Committee on Commerce and Labor | Provides certain employees with the right to use sick leave to assist certain family members with medical needs. (BDR 53-169) | Assembly Committee on Commerce and Labor 3/11/2019 1:30 PM Amend, and do pass as amended | | Human Resources | WATCH |
| AB136 | Frierson, Benitez-Thompson, Carlton, McCurdy, Daly, Assefa, Backus, Bilbray-Axelrod, Carrillo, Cohen, Duran, Flores, Fumo, Gorelow, Jauregui, Martinez, Miller, Monroe-Moreno, Munk, Neal, Nguyen, Peters, Spiegel, Sprinkle, Swank, Thompson, Torres, Watts and Yeager | Makes various changes relating to public construction. (BDR 28-145) | Assembly Committee on Government Affairs 3/20/2019 8:30 AM Mentioned no jurisdiction | Assembly Committee on Ways and Means 4/1/2019 8:00 AM | Public Works | OPPOSE |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|---|---|--|--------------|-----------------|-----------------------------|
| AB138 | Sprinkle, Carrillo, Flores, Monroe-Moreno, Frierson, Assefa, Backus, Benitez-Thompson, Bilbray-Axelrod, Cohen, Daly, Duran, Fumo, Gorelow, Martinez, Miller, Munk, Neal, Nguyen, Peters, Swank and Yeager | Revises provisions governing workers' compensation. (BDR 53-708) | | | Human Resources | OPPOSE |
| AB90 | Committee on Commerce and Labor | Provides certain employees with the right to use sick leave to assist certain family members with medical needs. (BDR 53-169) | Assembly Committee on Commerce and Labor 3/11/2019 1:30 PM Amend, and do pass as amended | | Human Resources | WATCH |
| AB146 | Miller, Assefa, Bilbray-Axelrod, Daly, Duran, Fumo, Gorelow, Munk and Peters | Creates the Nevada Office of the Inspector General. (BDR 18-2) | | | Governance | WATCH |
| AB162 | Assemblymen Daly, Benitez-Thompson, Fumo, Jauregui and Monroe-Moreno; Senator Cannizzaro | Revises various provisions relating to governmental administration. (BDR 18-777) | | | Governance | WATCH |
| AB170 | Spiegel and Carlton | Revises provisions relating to health insurance coverage. (BDR 57-278) | Assembly Committee on Commerce and Labor 3/20/2019 1:30 PM Heard | | Human Resources | WATCH |
| AB179 | Swank, Bilbray-Axelrod, Cohen, Daly, Ellison, Flores, Kramer, McCurdy, Peters, Roberts and Torres | Revises provisions relating to public works. (BDR 28-622) | | | Public Works | WATCH |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|---|--|---|--------------|-----------------|-----------------------------|
| AB181 | Assemblymen Assefa, McCurdy, Fumo, Backus, Bilbray-Axelrod, Carlton, Carrillo, Cohen, Duran, Flores, Gorelow, Jauregui, Martinez, Miller, Monroe-Moreno, Munk, Nguyen, Spiegel, Sprinkle, Thompson, Torres, Watts and Yeager; Senator Harris | Revises provisions governing employment attendance practices. (BDR 53-833) | Assembly Committee on Commerce and Labor 3/25/2019 1:30 PM | | Human Resources | WATCH |
| | | | Amend, and do pass as amended | | | |
| AB185 | Spiegel, Bilbray-Axelrod, Benitez-Thompson, Cohen, Duran, Fumo, Jauregui, McCurdy, Monroe-Moreno, Munk, Swank, Thompson and Watts | Revises provisions relating to insurance coverage of prescription drugs. (BDR 57-277) | Assembly Committee on Commerce and Labor 3/15/2019 1:30 PM | | Human Resources | WATCH |
| | | | Heard | | | |
| AB190 | Assemblymen Daly, McCurdy, Carrillo, Fumo, Flores, Assefa, Backus, Benitez-Thompson, Bilbray-Axelrod, Carlton, Cohen, Duran, Frierson, Gorelow, Jauregui, Martinez, Miller, Monroe-Moreno, Munk, Nguyen, Peters, Spiegel, Sprinkle, Swank, Thompson, Torres, Watts and Yeager; Senators Parks, Ohrenschall, Cancela and Denis | Revises provisions relating to certain construction. (BDR 28-637) | Assembly Committee on Government Affairs 3/20/2019 8:30 AM | | Public Works | WATCH |
| | | | Heard | | | |
| AB198 | Assemblymen Leavitt, Roberts, Hansen and Hardy; Senators Hardy and Hammond | Revises provisions governing the use and ownership of certain governmental real property. (BDR 20-953) | Assembly Committee on Government Affairs 3/19/2019 9:00 AM | | Property | WATCH |
| | | | Heard | | | |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|---|---|--|--------------|---|-----------------------------|
| AB206 | McCurdy, Carrillo and Fumo | Revises provisions relating to emergency management. (BDR 36-864) | Assembly Committee on Government Affairs 3/22/2019 8:30 AM Do pass | | Emergency Mgmt, Safety, Motor Vehicles | WATCH |
| AB220 | Committee on Ways and Means | Requires the issuance of bonds for environmental improvement projects in the Lake Tahoe Basin. (BDR S-435) | Assembly Committee on Government Affairs 3/22/2019 8:30 AM Do pass | | Financial, Risk Management, Water Quality (NDEP), Water Rights (WR-rights, resources, conservation) | SUPPORT |
| AB233 | Assemblymen Kramer, Hardy and Hafen; Senators Goicoechea, Parks and Settelmeyer | Revises provisions related to water. (BDR 48-45) | Assembly Committee on Natural Resources, Agriculture, and Mining 3/27/2019 4:00 PM Heard | | Property, Water Rights (WR-rights, resources, conservation) | WATCH |
| AB240 | Assemblymen Daly, Sprinkle, Peters, Benitez-Thompson, Kramer, Krasner and Tolles; Senators Ratti and Kieckhefer | Requires certain counties to meet jointly and prepare reports addressing the orderly management of growth in their region. (BDR S-1043) | Assembly Committee on Government Affairs 3/15/2019 8:30 AM Amend, and do pass as | | Water Rights (WR-rights, resources, conservation) | WATCH |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|--|---|---|---|---|-----------------------------|
| AB245 | Assemblymen Edwards, Wheeler, Roberts, Ellison and Leavitt; Senators Parks and Hardy | Requires the waiver of certain fees for certain veteran-owned businesses. (BDR 7-124) | Assembly Committee on Government Affairs 3/22/2019 8:30 AM | | Financial, Risk Management | WATCH |
| | | | Heard | | | |
| AB249 | Watts | Provides for the creation of land banks. (BDR 22-799) | Assembly Committee on Government Affairs 3/21/2019 8:30 AM | | Governance, Property | WATCH |
| | | | Heard | | | |
| AB264 | Assemblymen Peters, Flores, Fumo and Neal; Senator Scheible | Makes various changes relating to relations between state agencies and Indian nations or tribes. (BDR 18-671) | | | Governance | WATCH |
| AB265 | Assemblymen Peters, Swank and Watts; Senators Brooks, Goicoechea and Scheible | Requires the Desert Research Institute to conduct a study concerning water treatment and recycling. (BDR S-901) | Assembly Committee on Natural Resources, Agriculture, and Mining 3/27/2019 4:00 PM | | Water Quality (NDEP), Water Rights (WR-rights, resources, conservation) | WATCH |
| | | | Heard | | | |
| AB266 | Bilbray-Axelrod | Revises provisions governing the sealing of records relating to evictions. (BDR 3-809) | Assembly Committee on Judiciary 3/22/2019 8:00 AM | | Governance, Open Meeting, Records, Boards, Elections | WATCH |
| | | | Amend, and do pass as amended | | | |
| AB271 | Peters | Revises provisions relating to call centers. (BDR 53-900) | | Assembly Committee on Commerce and Labor 3/29/2019 1:30 PM | Governance | WATCH |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|---|---|---|--------------|--|-----------------------------|
| AB274 | Neal, Torres and Watts | Revises provisions relating to governmental administration. (BDR 18-86) | Assembly Committee on Government Affairs 3/27/2019 8:30 AM | | Governance, Human Resources | WATCH |
| | | | Heard | | | |
| AB280 | Flores | Revises provisions governing document preparation services. (BDR 19-254) | | | Governance, Open Meeting, Records, Boards, Elections | WATCH |
| AB296 | Edwards | Revises provisions relating to governmental administration. (BDR 31-557) | | | Governance | WATCH |
| AB344 | Carlton | Makes various changes to modernize the provision of cellular coverage. (BDR 58-838) | | | Information Tech | WATCH |
| AB359 | Assemblymen Hafen, Leavitt, Tolles, Kramer and Hardy; Senator Hammond | Revises provisions relating to work-based learning programs. (BDR 34-853) | | | Human Resources | WATCH |
| AB369 | Jauregui | Revises provisions relating to common-interest communities. (BDR 10-284) | | | Water Rights (WR-rights, resources, conservation) | WATCH |
| AB370 | Daly | Revises provisions relating to workers' compensation. (BDR 53-6) | | | Human Resources | WATCH |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|---------|---|-------------------------|---|---|-----------------------------|
| AB371 | Daly | Revises provisions governing public records. (BDR 19-16) | | | Open Meeting, Records, Boards, Elections | OPPOSE |
| AB379 | Daly | Revises provisions relating to local governments. (BDR 20-638) | | Assembly Committee on Government Affairs 4/2/2019 8:30 AM | Governance | WATCH |
| AB384 | McCurdy | Revises provisions relating to employment practices. (BDR 53-869) | | | Emergency Mgmt, Safety, Motor Vehicles, Governance, Human Resources | WATCH |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|--|--|---|--------------|---|-----------------------------|
| SB47 | Committee on Natural Resources | Revises provisions relating to state lands. (BDR 26-216) | | | Property, Water Rights (WR-rights, resources, conservation) | WATCH |
| SB61 | Committee on Revenue and Economic Development | Authorizes the imposition of a tax on diesel fuel by certain incorporated cities in this State. (BDR 32-463) | Senate Committee on Revenue and Economic Development 2/28/2019 1:30 PM | | Financial, Risk Management | WATCH |
| | | Mentioned Not Agendized | | | | |
| SB135 | Committee on Government Affairs | Provides for collective bargaining by state employees. (BDR 23-650) | | | Human Resources | WATCH |
| SB141 | Seevers Gansert, Hardy, Pickard, Hammond and Settlemeyer | Revises provisions relating to the Nevada Equal Rights Commission. (BDR S-249) | Senate Committee on Government Affairs 2/20/2019 1:00 PM Heard, No Action | | Human Resources | WATCH |
| SB157 | Hansen | Requires contractors and subcontractors on a public work to use E-Verify to verify eligibility for employment for workers on the public work. (BDR 28-772) | | | Public Works | WATCH |
| SB162 | Kieckhefer | Revises provisions relating to electronic transactions. (BDR 59-876) | Senate Committee on Revenue and Economic Development 3/12/2019 1:30 PM | | Information Tech | WATCH |
| | | Mentioned No Jurisdiction | | | | |
| SB176 | Settlemeyer | Revises provisions relating to workers' compensation. (BDR 53-179) | | | Human Resources | WATCH |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|---|---|--|--------------|--|-----------------------------|
| SB177 | Cancela, Spearman, Parks, Atkinson, Brooks, Cannizzaro, Denis, Dondero Loop, Harris, Ohrenschall, Ratti, Scheible and Woodhouse | Revises provisions relating to employment practices. (BDR 53-723) | | | Human Resources | WATCH |
| SB180 | Settelmeyer | Requires certain contractors to post a performance bond before being awarded by a governmental entity certain contracts related to information technology. (BDR 27-739) | | | Financial, Risk Management, Information Tech | WATCH |
| SB183 | Seevers Gansert, Hardy, Hammond, Goicoechea and Settelmeyer | Makes various changes relating to governmental administration. (BDR 19-537) | Senate Committee on Government Affairs 3/20/2019 1:00 PM Do pass | | Open Meeting, Records, Boards, Elections | WATCH |
| SB196 | Cannizzaro, Parks, Spearman, Brooks, Atkinson and Woodhouse | Revises provisions relating to preferences in bidding for certain contracts for businesses based in this State. (BDR 28-66) | | | Public Works | WATCH |
| SB205 | Dondero Loop, Parks, Ratti, Spearman, Atkinson, Brooks, Cancela, Cannizzaro, Denis, Harris, Ohrenschall, Scheible and Woodhouse | Requires the Office of Grant Procurement, Coordination and Management of the Department of Administration to create a pilot program to award grants of money to certain governmental and nonprofit organizations. (BDR S-807) | Senate Committee on Finance 3/25/2019 8:00 AM | | Financial, Risk Management | WATCH |
| | | | Heard, No Action | | | |
| SB207 | Atkinson, Denis, Cannizzaro, Brooks, Cancela, Dondero Loop, Harris, Ohrenschall, Parks, Ratti, Scheible, Spearman and Woodhouse | Revises provisions governing apprentices. (BDR 28-740) | | | Human Resources, Public Works | WATCH |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|---|--|--|--------------|---|-----------------------------|
| SB210 | Denis, Spearman, Brooks, Parks, Atkinson, Cancela, Cannizzaro, Dondero Loop, Ohrenschall, Ratti, Scheible and Woodhouse | Revises provisions relating to energy. (BDR 58-307) | Assembly Committee on Growth and Infrastructure 3/14/2019 1:30 PM | | Energy | WATCH |
| | | | Mentioned no jurisdiction | | | |
| SB217 | Senator Hardy; Assemblymen Leavitt and Hardy | Revises provisions relating to renewable energy. (BDR 58-76) | | | Energy | WATCH |
| SB221 | Settelmeyer | Revises provisions governing warnings against trespassing. (BDR 15-17) | Senate Committee on Judiciary 3/14/2019 8:00 AM | | Property | WATCH |
| | | | Do pass | | | |
| SB224 | Ratti, Parks and Woodhouse | Provides for the confidentiality of certain information in the records and files of public employee retirement systems. (BDR 19-598) | Senate Committee on Government Affairs 3/27/2019 1:00 PM | | Human Resources, Information Tech, PERS, PEBS | WATCH |
| | | | Do pass | | | |
| SB226 | Spearman, Parks and Harris | Makes various changes relating to health insurance. (BDR 38-549) | | | Human Resources | WATCH |
| SB231 | Brooks, Cannizzaro, Parks, Atkinson, Cancela, Denis, Harris, Ohrenschall, Ratti, Scheible and Woodhouse | Revises provisions relating to certain construction. (BDR 28-910) | | | Financial, Risk Management, Public Works | OPPOSE |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|--|--|--|--------------|---|-----------------------------|
| SB232 | Settelmeyer | Revises certain provisions related to irrigation districts. (BDR 48-644) | Senate Committee on Natural Resources 3/26/2019 4:00 PM | | Governance, Water Rights (WR-rights, resources, conservation) | WATCH |
| | | | Do pass | | | |
| SB235 | Committee on Health and Human Services | Revises provisions relating to health insurance coverage. (BDR 57-734) | Senate Committee on Health and Human Services 3/20/2019 6:00 PM | | Financial, Risk Management, Human Resources | WATCH |
| | | | Amend, and do pass as amended | | | |
| SB236 | Goicoechea, Brooks and Hansen | Revises provisions relating to a change in the place of diversion of water. (BDR 48-635) | Senate Committee on Natural Resources 3/19/2019 4:00 PM | | Water Rights (WR-rights, resources, conservation) | SUPPORT |
| | | | Heard, No Action | | | |
| SB243 | Hardy | Revises provisions relating to prevailing wages. (BDR 28-768) | Assembly Committee on Government Affairs 3/8/2019 8:30 AM | | Human Resources, Public Works | WATCH |
| | | | Mentioned no jurisdiction | | | |
| SB245 | | Revises provisions relating to civil actions. (BDR 3-965) | Senate Committee on Judiciary 3/11/2019 8:00 AM | | Financial, Risk Management, Governance | OPPOSE |
| | | | Heard, No Action | | | |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|--|---|--|--------------|---|-----------------------------|
| SB250 | Settelmeyer, Goicoechea, Hardy, Hansen and Seevers Gansert | Revises provisions relating to the dedication of water rights. (BDR 48-664) | | | Water Rights (WR-rights, resources, conservation) | SUPPORT IF AMENDED |
| SB280 | Settelmeyer, Kieckhefer and Goicoechea | Revises provisions relating to state lands. (BDR 26-975) | | | Property, Water Rights (WR-rights, resources, conservation) | OPPOSE (as written) |
| SB287 | Parks, Hansen, Spearman, Denis and Woodhouse | Revises provisions governing public records. (BDR 19-648) | | | Governance, Open Meeting, Records, Boards, Elections | WATCH |
| SB290 | Hardy | Requires network plans to reimburse out-of-network providers of health care for certain services. (BDR 57-72) | | | Financial, Risk Management, Human Resources | WATCH |
| SB300 | Brooks | Requires electric utilities to share a portion of their earnings with customers under certain circumstances. (BDR 58-302) | Senate Committee on Growth and Infrastructure 3/21/2019 1:30 PM Heard, No Action | | Energy, Financial, Risk Management | WATCH |
| SB302 | Seevers Gansert | Revises provisions relating to personal information collected by governmental agencies. (BDR 52-547) | Senate Committee on Commerce and Labor 3/27/2019 1:00 PM Heard, No Action | | Information Tech | WATCH |
| SB327 | Kieckhefer | Revises provisions relating to land use planning. (BDR 22-883) | | | Property | WATCH |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|--|---|-------------------------|--------------|--|-----------------------------|
| SB334 | Senator Cannizzaro; Assemblywoman Bilbray-Axelrod | Establishes provisions relating to net neutrality. (BDR 27-68) | | | Financial, Risk Management, Governance, Information Tech | OPPOSE |
| SB337 | Ohrenschall | Adopts a majority-of-the-votes-cast standard for determining the winner of certain elections conducted by the Local Government Employee-Management Relations Board. (BDR 23-1020) | | | Human Resources | WATCH |
| SB339 | Denis | Revises provisions relating to public records. (BDR 19-821) | | | Open Meeting, Records, Boards, Elections | WATCH |
| SB340 | Dondero Loop, Parks, Brooks, Cancela, Cannizzaro, Ratti and Woodhouse | Revises provisions relating to public works. (BDR 28-808) | | | Public Works | OPPOSE |
| SB358 | Brooks, Cannizzaro and Denis | Revises provisions relating to the renewable energy portfolio standard. (BDR 58-301) | | | Energy | WATCH |
| SB359 | Senators Pickard, Hardy, Settlemeyer; Assemblymen Hardy, Kramer, Edwards, Ellison, Leavitt and Roberts | Provides for continued coverage for health care for certain chronic health conditions. (BDR 57-627) | | | Human Resources | WATCH |
| SB365 | Dondero Loop, Parks, Woodhouse and Brooks | Revises provisions relating to health insurance. (BDR 57-684) | | | Human Resources | WATCH |

| Bill | Sponsor | Description | Last Meeting and Action | Next Meeting | Tags | Board/Subcommittee Position |
|-----------------------|-------------|---|-------------------------|--------------|---|-----------------------------|
| SB377 | Harris | Revises provisions relating to workers' compensation. (BDR 53-1025) | | | Financial, Risk Management, Human Resources | WATCH |
| SB381 | Cannizzaro | Revises provisions relating to workers' compensation. (BDR 53-1157) | | | Human Resources | WATCH |
| SB382 | Cannizzaro | Revises provisions relating to real property. (BDR 9-1067) | | | Property | WATCH |
| SB388 | Denis | Revises provisions relating to public records. (BDR 19-827) | | | Open Meeting, Records, Boards, Elections | WATCH |
| SB398 | Ratti | Revises provisions relating to affordable housing. (BDR 20-1074) | | | Governance | WATCH |
| SB422 | Ohrenschall | Revises provisions relating to industrial insurance. (BDR 53-1085) | | | Human Resources | WATCH |



Northern Nevada Water Supply Outlook

TMWA Standing Advisory Committee Meeting

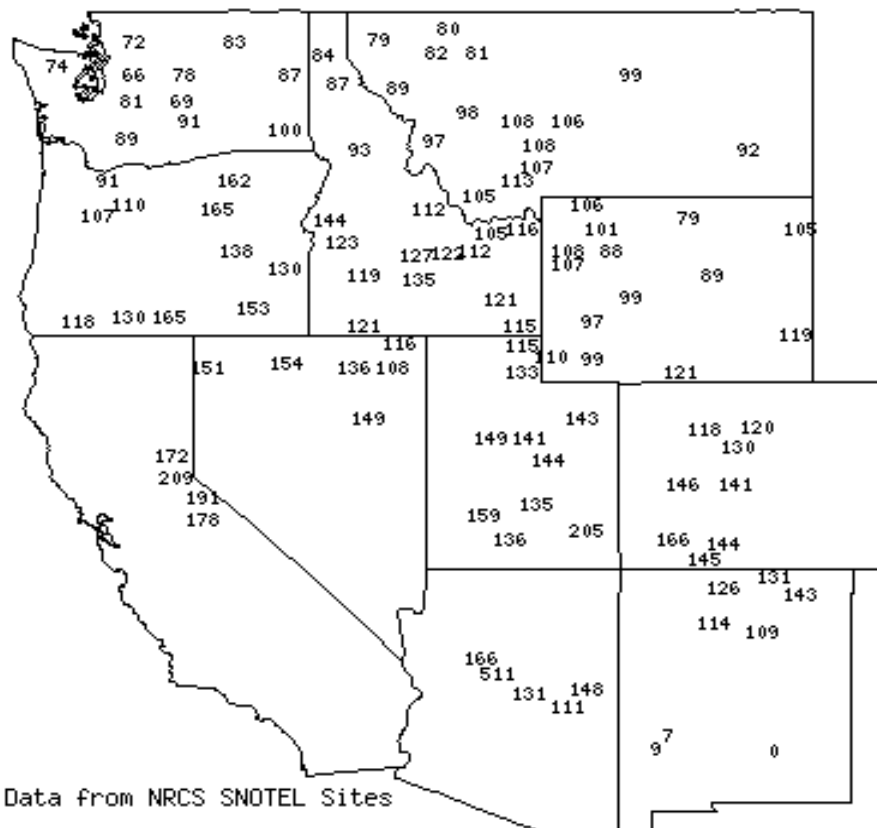
Bill Hauck, Senior Hydrologist

April 02, 2019



NRCS River Basin Snow Water Content

Basin Average Snow Water Content. (% of Average.)



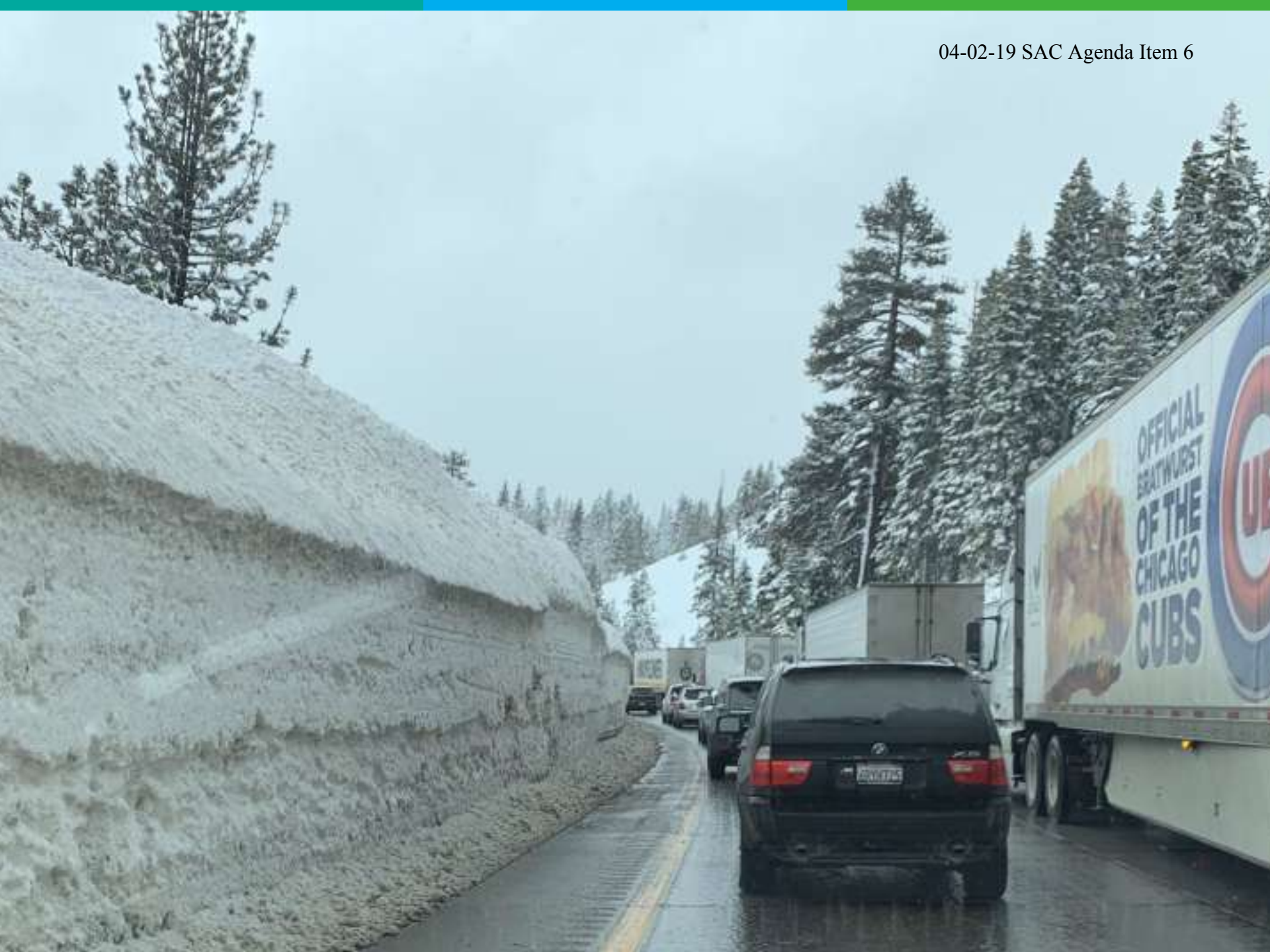
Report Date:

APRIL 2 , 2019

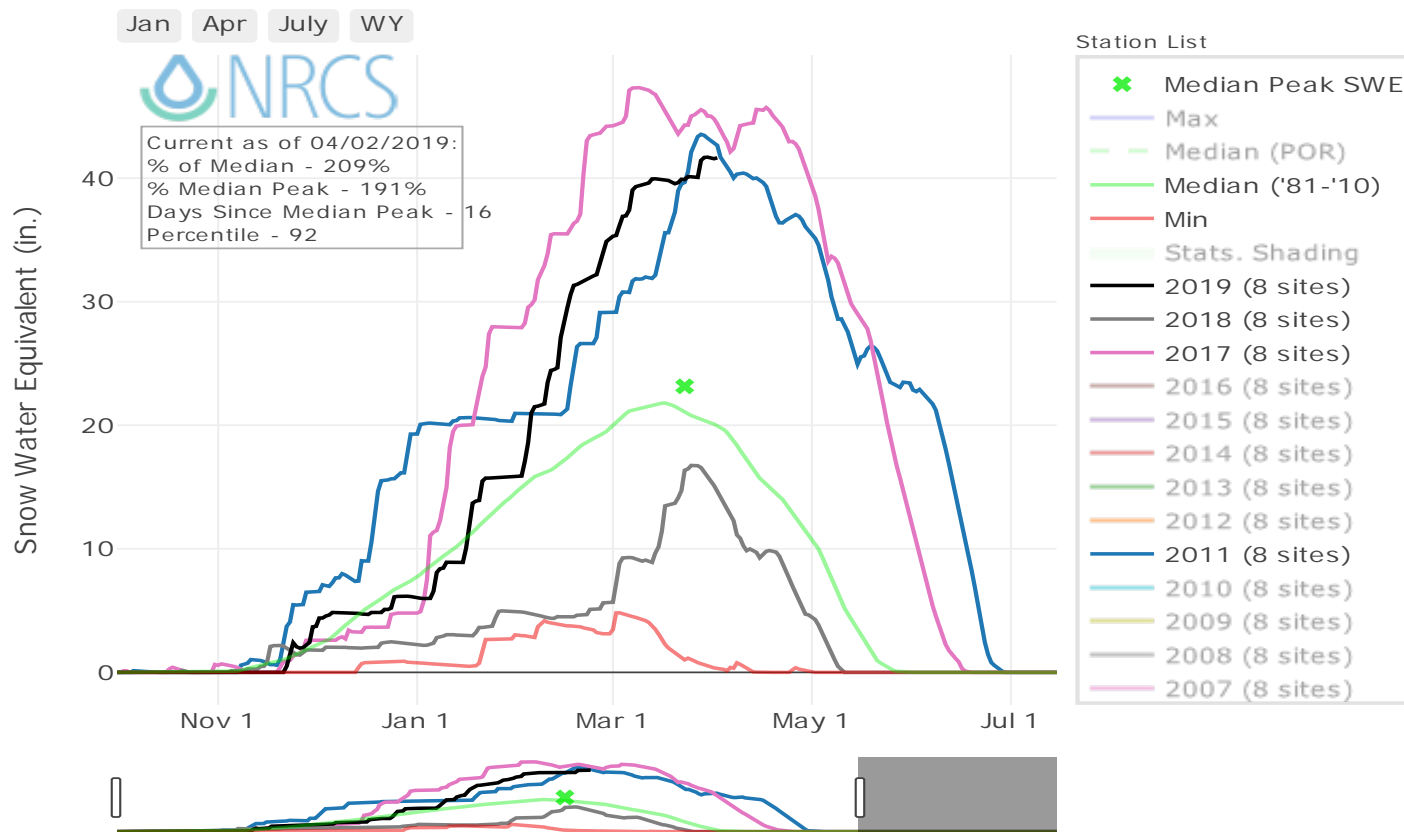
Provisional Data
Based on Mountain Data from NRCS SNOTEL Sites

Data provided by
Water and Climate Center
Natural Resources Conservation Service
Portland, Oregon

Western Regional Climate Center
Desert Research Institute
Reno, Nevada



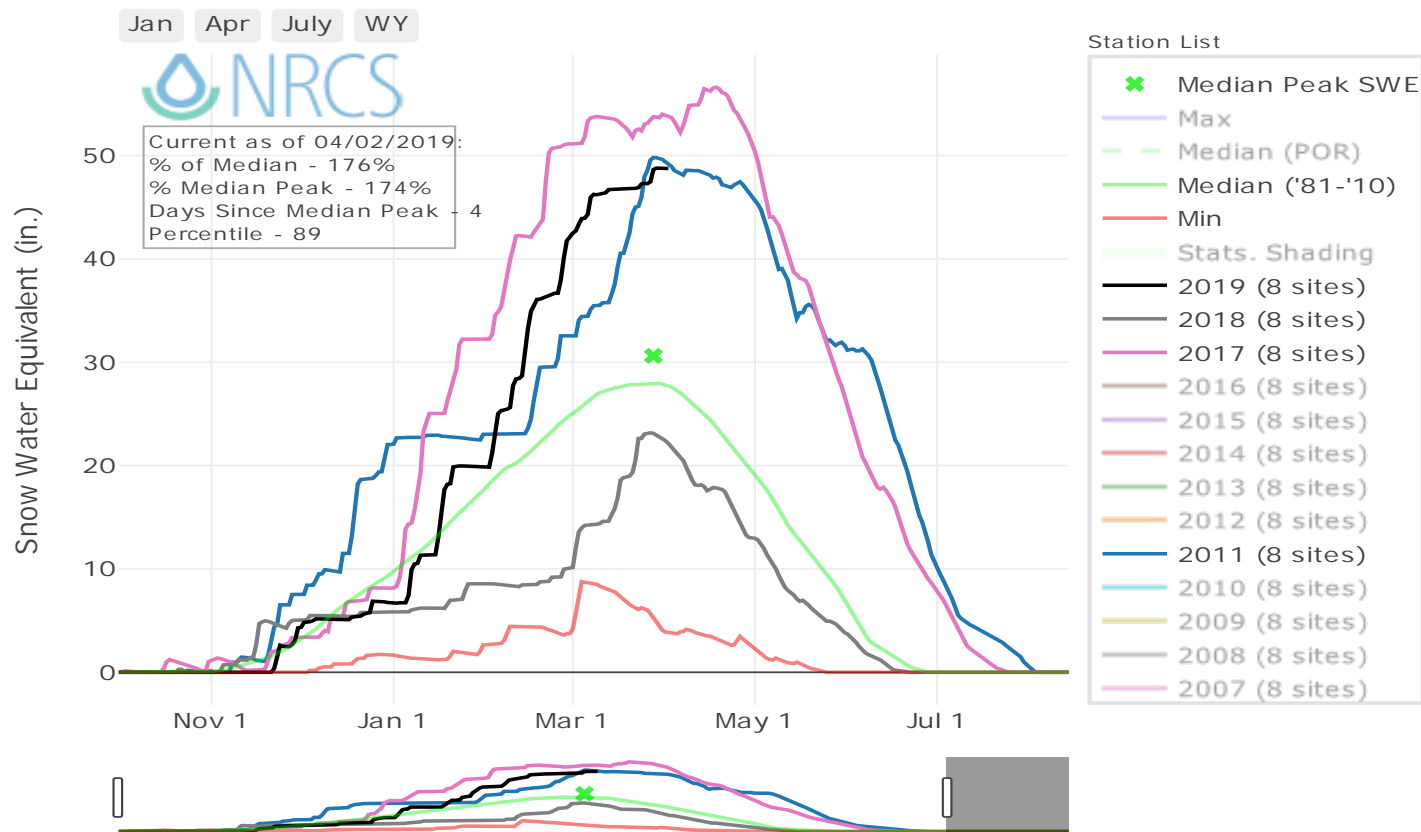
Lake Tahoe Basin Snow Water Equivalent



Statistical shading breaks at 10th, 30th, 50th, 70th, and 90th Percentiles.

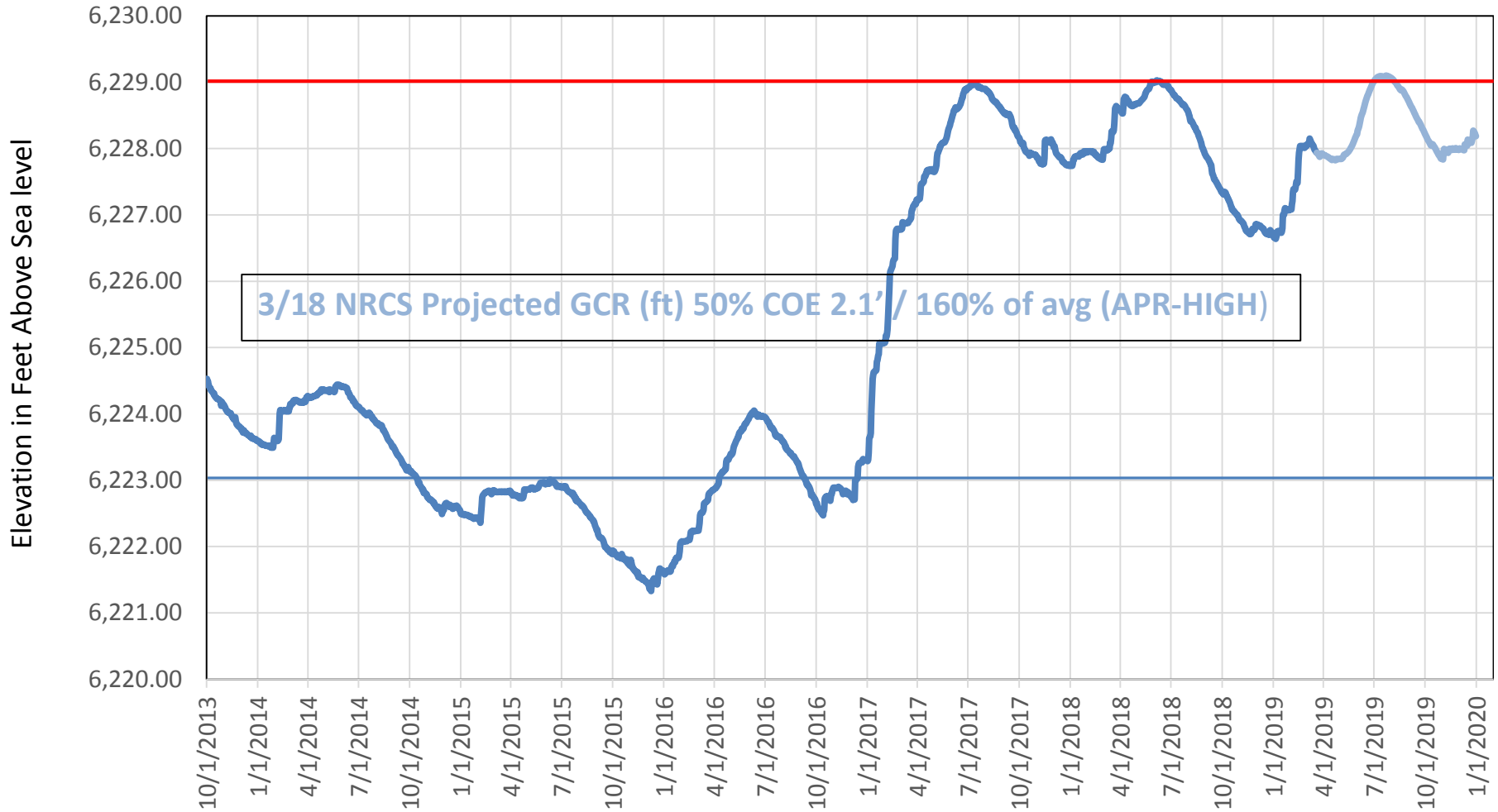
For more information visit: [30 year normals calculation description](#).

Truckee River Basin Snow Water Equivalent

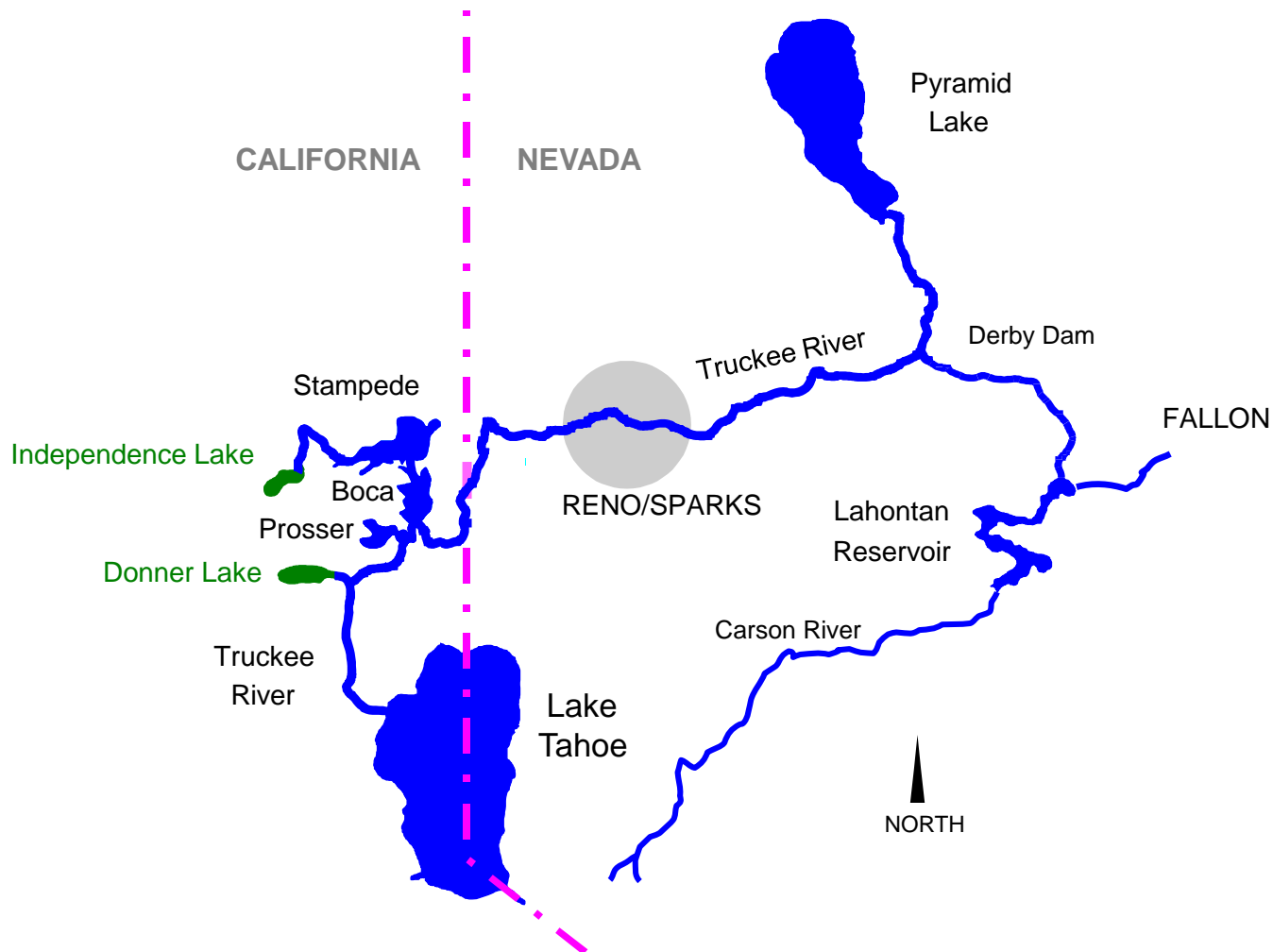




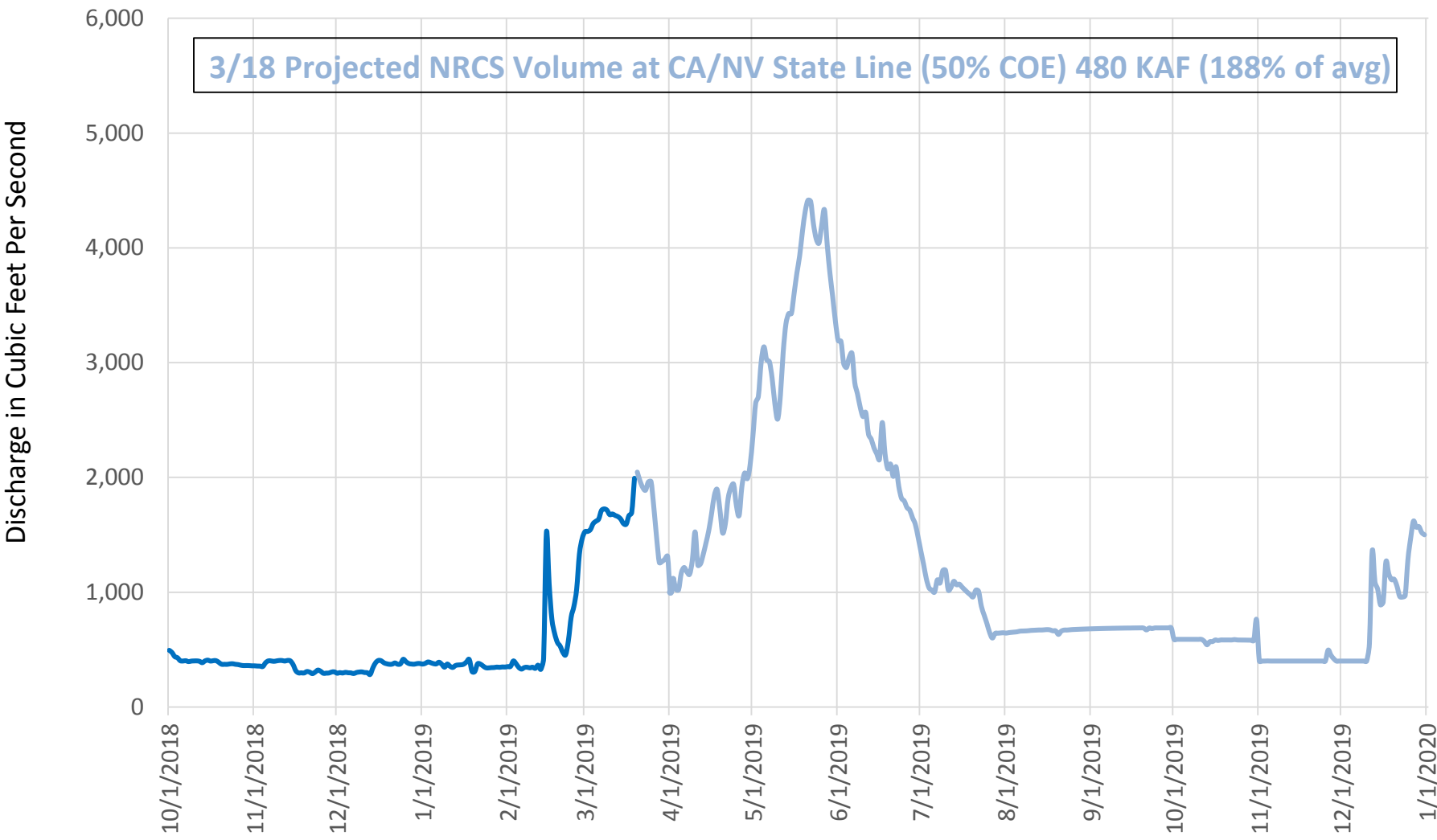
Lake Tahoe Elevation (actual and projected through 2019)



The Truckee River System



Truckee River at Farad (actual and projected through 2019)









Thank you!
Questions?

Bill Hauck, Senior Hydrologist
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O: (775) 834-8111 M: (775) 250-1333



STAFF REPORT

TO: TMWA Board of Directors
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, Chief Financial Officer/Treasurer
Matt Bowman, Financial Controller
Joe Petrelli, Principal Financial Analyst
DATE: March 12, 2019
SUBJECT: **Discussion and action on the TMWA Tentative Budget for the Fiscal Year ending June 30, 2020 and Draft Capital Improvement Plan for Fiscal Years 2020 through 2024**

Recommendation

Staff recommends the TMWA Board and SAC review the tentative budget report for the fiscal year ending June 30, 2020 and preliminary Five Year Capital Improvement Plan 2020-2024 (CIP). This allows the Board and SAC to provide input and direction to TMWA management in advance of the public hearing on the budget and CIP on Wednesday, May 23, 2019. The tentative budget will be filed with the Nevada Department of Taxation by April 15, 2019 in compliance with statutory requirements.

Schedule of Revenues and Expenses Summary- See Attachment A

Operating Revenues

Water demands have been projected based on an average of calendar year 2016 to 2018 water usage per service type and by service size. This methodology projects water sales revenue at \$102.5 million for Fiscal Year 2020. This is an increase from the FY 2019 budget of \$1.9 million and 2%. The FY 2020 budget is less than 1% higher than the FY 2020 projection used in the most recent five year funding plan, presented to the BOD in the December 2018 board meeting. As approved by the BOD in the December 2018 meeting, the FY 2020 water sales includes no assumed rate increase in May 2019. Further, conservatively, no rate increase is assumed in May 2020. Should this rate increase be implemented, FY 2020 revenue would be approximately \$0.5 million more than what is currently proposed in the budget. The fiscal year 2019 budget anticipates the addition of 2,557 service connections over the course of the year.

Hydroelectric revenues are expected to be \$3.3 million in FY 2020. This is an increase of \$531 thousand or 19% from the FY 2019 budget. Given the current snowpack, river flows are

expected to be available throughout the year for maximum utilization by each plant. Additionally, we have no major maintenance expected in FY 2020, so the plants should remain operational for most of the year.

Other miscellaneous operating revenues are estimated at \$3.5 million. This line item consists of late payment fees, turn-on and turn-off fees, construction water sales, cell phone tower rents, inspection services on new business and interruptible water sales. Depending on the pace of residential/commercial construction there could be more or less construction water sales and inspection fees than projected.

Operating Expenses

Total operating expenses are expected to increase by \$6.4 million or 7% from the fiscal year 2019 budget. This change consists of an increase of \$7.2 million in operating expenses before depreciation, offset by a decrease in depreciation of \$0.7 million. Within the increase to operating expenses before depreciation, salaries and wages are up \$2.1 million (10%), employee benefits are up \$2.2 million (22%), and services and supplies are up \$2.9 million (10%).

Wages and salaries costs are expected to increase due to increases in salaries of \$1.2 million (5.9%) from contract negotiated increases of 3.0% and increases in employees working through steps and apprenticeships of 2.9%. Staffing is expected to increase from 221 full time equivalents (FTEs) in FY 2019 budget to 231 FTEs in FY 2020 budget. Increases in staff include 6 MPAT employees and 4 IBEW employees for a total increase of \$0.9 million (4.1%).

| | | |
|---|---|------|
| Helper - Overstaff | 1 | IBEW |
| Meter Specialist Customer Service - Overstaff | 1 | IBEW |
| Supervisor Distribution Maint - Overstaff | 1 | MPAT |
| Equipment Operator | 2 | IBEW |
| Electrical Engineer | 1 | MPAT |
| Network Analyst | 1 | MPAT |
| Associate MIS Analyst | 1 | MPAT |
| GIS Analyst | 1 | MPAT |
| Potable Reuse Administrator | 1 | MPAT |

Three of the additional headcount are to prepare for retirements in the next 3 years. Also, growth in the service territory has led to the need to hire individuals for positions that have been outsourced in the past including a network analyst and electrical engineer. The remainder of the additional employees will be added due to growth and the changing responsibilities TMWA continues to address. In FY 2019, IBEW employees were hired to begin apprenticeships to backfill retiring IBEW employees. Due to the addition of 2 Water Operators in the prior year, TMWA should begin experiencing savings in overtime in FY 2020. However, overtime for SCADA technicians and Inspectors has increased due to expansion in the service territory. SCADA technician overtime should also decrease when employees hired in the last two years are finished with apprenticeships (which are 4 years) in FY 2021-FY 2022.

Employee benefits are expected to increase \$2.2 million (21.7%) for FY 2020. Benefits expense increased significantly more than wages expense mainly due to noncash amortization of deferred outflows for PERS benefits.

Services and supplies are increasing due to several factors. A summary of costs by expense item is included at **Attachment C**. This increase is made up several factors, the largest of which are listed below –

- \$1.0 million is included as an estimate for implementing TMWA's new Customer Information System (CIS). This amount represents the non-capitalizable costs of the project.
- \$0.9 million in higher general maintenance and repair costs. These costs have steadily increased as TWMA facilities age and the service territory grows.
- \$0.5 million in additional power costs due to the utilization of Fish Springs groundwater which is expected to run for the full year.
- \$0.5 million increase is due to several less impactful increases including increased software costs, increase in the estimate to repair the diversion at the Glendale Water Treatment Plant, and implementation of Automated Meter Infrastructure system.

As mentioned above, included in the services and supplies budget is estimated repair costs for the Glendale Water Treatment Plant diversion. These costs are carried forward from FY 2019, as the project was delayed due to a longer than anticipated permitting process. Total estimated costs for this project are \$3.2 million in FY 2020, with half of the costs capitalizable and half non-capitalizable. TMWA has applied for FEMA funding to recoup a portion of these costs.

Nonoperating Revenues and Expenses

Investment income is expected to increase \$0.6 million due to higher rates of return on some investments made in FY 2019, and higher cash balances.

Interest expense is expected to fall slightly in FY 2020 due to principal reductions in debt. During FY 2019 TMWA will have reduced outstanding debt principal by \$9.2 million, of which \$6.5 million was commercial paper. As shown in **Attachment B** we expect to pay down another \$2.8 million of DWSRF and Senior Lien debt plus \$5.0 million of commercial paper for a total debt reduction of \$7.8 million. Of note, immediately following FY 2020, on July 1, 2020, we begin making annual principal payments on our Series 2017 refunding notes, the first of which is \$10.5 million.

Capital Contributions

There are two FEMA grants we are expecting to be reimbursed for, one is the repair at the Glendale diversion as discussed above, the second is related to repairs on the access road to Fish Springs. The total expected reimbursement of these two projects is \$1.9 million.

The estimated resource sustainability contributions are expected to be \$0.9 million, higher than the FY 2019 budget but consistent with projected FY 2019 actual.

For the first time, TMWA is budgeting for non-cash developer contributed assets. Although this number is difficult to predict and has historically fluctuated substantially, we believe we can make a reasonable estimate such that our end of year actual financials are more closely aligned to the budget. The budgeted amount of \$15.8 million reflects a 5% increase from FY 2018 as this item is reflective of growth and development in the area.

Developer will-serve, capital and facility contributions are estimated at a total of \$20.3 million and are based on historical averages and assumed continued growth.

Draft Capital Improvement Plan for Fiscal Years 2020-2024

TMWA plans to spend \$213.4 million over the next five years on a variety of construction projects and capital outlays of which \$56.2 million is expected to be spent in fiscal year 2020 and \$45.9 million in fiscal year 2021. Please refer to *Attachment D*.

Of the total \$56.2 million in capital spending in fiscal year 2020, \$11.4 million (20%), will be for a number of distribution system improvements. The Spanish Springs Main Replacement project totaling \$1.2 million is to replace 5,200 linear feet of Schedule 40 PVC pipe on various streets in the Spanish Springs Valley. The California – Marsh 24” Main Replacement, totaling \$1.2 million is scheduled ahead of the City of Reno Neighborhood Street Rehabilitation project. The Boomtown Water System has recently been acquired by TMWA. The following projects are all associated with the Verdi Area expansion: Completion of the Verdi Main \$0.5 million, Boomtown Water System Connection to TMWA \$0.7 million and Boomtown Water System Improvements \$2.6 million.

Treatment plant Improvements account for \$15.5 million (28%) with \$11.0 million comprising the major construction phase of the Mt. Rose/Galena Fan Water Treatment Facility which began in fiscal year 2019.

Potable Water Storage Improvements account for \$5.2 million (9%) with \$3.1 million comprising the construction of the STMGID East Zone 11 Tank.

Pressure Improvements account for \$8.9 million (16%) with \$2.2 million and \$2.3 million comprising the Kings Row Booster Pump Station and Common (Stonegate) Booster Pump Station, respectively.

Customer Service Outlays account for \$2.4 million (4%) with \$1.8 million comprising the installation of Automated Meter Infrastructure.

Administrative Outlays account for \$3.5 million (6%) with \$1.4 million comprising the implementation of a new Customer Information System for customer billing, dispatch and a customer portal.

For FY 2021 - 2024 capital spending at a reduced, but relatively level scale as compared to FY 2020, will include a combination of rehabilitation construction projects and construction to expand water system capacity to accommodate growth in the community. Total spending on water system rehabilitation projects (funded by customer water sales) is expected to be \$145.3

million over five years. This is slightly lower than prior year's five year plan which included \$149 million in rehabilitative projects, which helps keep the five year capital spending consistent for customer rate planning. The bulk of the remaining balance of project spending will be for water system expansion. After board input TMWA staff will finalize and present a final comprehensive CIP at the May 23, 2019 public hearing.

Cash Position and Coverage Ratios

At this time, TMWA expects to begin fiscal year 2020 with approximately \$207.0 million in total cash and investments, and end the fiscal year with \$194.3 million based upon planned spending levels. These projections can be found in *Attachment C*.

This is a projected decrease in cash of \$12.7 million, and includes pay down of Commercial Paper notes by \$5.0 million. Of the total ending cash and investments estimated at the end of FY 2019, \$55.5 million will be restricted for debt service payments and reserve requirements under TMWA's bond indentures and \$151.5 million will be unrestricted to be used for future operating expenses, capital improvements and any other necessary outlays. This unrestricted cash includes \$21.5 million in flood insurance settlements related to the Farad facility, and \$10 million in settlements related to bank delivery agreements. These unusual nonoperating transactions have helped strengthen TMWA's cash reserves.

TMWA's senior lien debt coverage ratio (DSC ratio), excluding system development charges, is estimated to be 2.62x by the end of fiscal year 2020. This level of debt service coverage preserves the ability to access senior lien capital markets, if necessary, under favorable terms. TMWA's senior lien bond covenants require a minimum coverage ratio of 1.25x. TMWA's financial goals adopted in August 2003 established a debt coverage goal of approximately 1.50x (excluding developer fees) to maintain mid-level to higher level investment grade credit ratings and pay-as-you-go funding for water system rehabilitation construction projects. TMWA has maintained its credit ratings from Standard and Poor's and Moody's of AA+ and Aa2, respectively.

TRUCKEE MEADOWS WATER AUTHORITY
Comparative Statements of Revenues, Expenses and Changes in Net Position

| | Tentative Budget 2020 | Final Budget 2019 | Variance \$ | Variance % |
|---|----------------------------------|--------------------------|--------------------|-------------------|
| OPERATING REVENUES | | | | |
| Charges for Water Sales | \$ 102,508,086 | \$ 100,626,513 | \$ 1,881,573 | 2% |
| Hydroelectric Sales | 3,343,517 | 2,812,568 | 530,949 | 19% |
| Other Operating Sales | 3,518,950 | 3,404,500 | 114,450 | 3% |
| Total Operating Revenues | 109,370,553 | 106,843,581 | 2,526,972 | 2% |
| OPERATING EXPENSES | | | | |
| Salaries and Wages | 23,183,489 | 21,078,273 | 2,105,216 | 10% |
| Employee Benefits | 12,324,771 | 10,125,916 | 2,198,855 | 22% |
| Services and Supplies | 31,125,499 | 28,268,124 | 2,857,375 | 10% |
| Total Operating Expenses Before Depreciation | 66,633,759 | 59,472,313 | 7,161,446 | 12% |
| Depreciation | 33,136,227 | 33,862,476 | (726,249) | -2% |
| Total Operating Expenses | 99,769,986 | 93,334,789 | 6,435,197 | 7% |
| OPERATING INCOME | 9,600,567 | 13,508,792 | (3,908,225) | -29% |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment Earnings | 3,409,815 | 2,833,548 | 576,267 | 20% |
| Net Increase (Decrease) in FV of Investments | - | - | 0 | - |
| Gain (Loss) on Disposal of Assets | - | - | 0 | - |
| Amortization of Bond/note Issuance Costs | (190,800) | (215,748) | 24,948 | -12% |
| Interest Expense | (13,052,442) | (13,436,520) | 384,078 | -3% |
| Other Nonoperating Revenue | - | - | 0 | - |
| Other Nonoperating Expense | - | - | 0 | - |
| Total Nonoperating Revenues (Expenses) | (9,833,427) | (10,818,720) | 985,293 | -9% |
| Gain (Loss) Before Capital Contributions | (232,860) | 2,690,072 | (2,922,932) | -109% |
| CAPITAL CONTRIBUTIONS | | | | |
| Grants | 1,937,500 | 1,700,000 | 237,500 | 14% |
| Resource Sustainability/Water Meter Retrofit | 926,425 | 676,020 | 250,405 | 37% |
| Developer Infrastructure Contributions | 15,768,318 | - | 15,768,318 | - |
| Developer Will-serve Contributions (Net of Refunds) | 5,067,536 | 3,470,232 | 1,597,304 | 46% |
| Developer Capital Contributions - Other | 6,697,000 | 5,922,000 | 775,000 | 13% |
| Developer Facility Charges (Net of Refunds) | 8,517,248 | 4,950,708 | 3,566,540 | 72% |
| Contributions from Others | - | - | 0 | - |
| Net Capital Contributions | 38,914,027 | 16,718,960 | 22,195,067 | 133% |
| CHANGE IN NET POSITION | 38,681,167 | 19,409,032 | 19,272,135 | 99% |
| NET POSITION, BEGINNING PERIOD | 620,493,077 | 602,342,294 | 18,150,783 | 3% |
| NET POSITION, END OF PERIOD | 659,174,244 | 621,751,326 | 37,422,918 | 6% |

| Expense Element | Budget | Budget | Variance \$ | Variance % |
|---------------------------|---------------|---------------|--------------|------------|
| | FY 2020 | FY 2019 | | |
| Professional Services | 3,671,642 | 2,536,440 | 1,135,202 | 45% A |
| Contracted Services | 9,529,083 | 8,480,760 | 1,048,323 | 12% B |
| Electric Power | 5,688,120 | 4,878,820 | 809,300 | 17% |
| Postage/Printing | 975,780 | 828,840 | 146,940 | 18% |
| Supplies/Equipment Rental | 3,026,134 | 2,893,984 | 132,150 | 5% |
| Hardware/Software | 1,505,000 | 1,376,040 | 128,960 | 9% |
| Phone/Other Utility | 607,400 | 543,960 | 63,440 | 12% |
| Bank Fees | 30,000 | 0 | 30,000 | 0% |
| Resource Fees | 835,000 | 805,440 | 29,560 | 4% |
| Sponsorships/Community | 908,000 | 884,920 | 23,080 | 3% |
| Land | 60,000 | 50,040 | 9,960 | 20% |
| Employee Related | 459,040 | 453,000 | 6,040 | 1% |
| Permits/Licenses | 764,525 | 809,160 | (44,635) | -6% |
| Insurance/Claims | 688,000 | 770,040 | (82,040) | -11% |
| Property Taxes | 652,400 | 735,000 | (82,600) | -11% |
| Agency Reimbursements | (222,000) | (33,120) | (188,880) | 570% |
| Street Repairs | 175,200 | 215,160 | (39,960) | -19% |
| Chemicals | 2,255,918 | 2,530,080 | (274,162) | -11% |
| Overhead Allocations | (483,742.77) | (490,440.00) | 6,697.23 | -1% |
| | 31,125,498.99 | 28,268,124.00 | 2,857,374.99 | 10% |

A) This increase is driven primarily by support required to implement a new CIS system.

B) This increase is driven by several factors, but mostly due to higher third party maintenance costs at TMWA facilities including buildings, landscape, well, pump and plant maintenance.

TRUCKEE MEADOWS WATER AUTHORITY
Statements of Cash Flows

| | Tentative Budget 2020 | Final Budget 2019 | Variance \$ | Variance % |
|---|----------------------------------|--------------------------|--------------------|-------------------|
| OPERATING ACTIVITIES | | | | |
| Cash Received From Customers | \$ 109,370,553 | \$ 106,843,581 | \$ 2,526,972 | 2% |
| Cash Paid to Employees | (35,508,260) | (31,204,190) | (4,304,070) | 14% |
| Cash Paid to Suppliers | (31,125,499) | (28,268,124) | (2,857,375) | 10% |
| Net Cash From Operating Activities | 42,736,794 | 47,371,267 | (4,634,473) | -10% |
| CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition & Construction of Capital Assets | (56,181,000) | (48,441,000) | (7,740,000) | 16% |
| Interest Paid on Financing | (17,765,145) | (17,103,819) | (661,326) | 4% |
| Principal Paid on Financing | (2,829,056) | (2,738,723) | (90,333) | 3% |
| Proceeds from Capital Debt Issuance | - | - | - | - |
| Redemptions of Commercial Paper Notes | (5,000,000) | (5,000,000) | - | 0% |
| Proceeds from Refunding Bonds | - | - | - | - |
| Proceeds Transferred to Refunding/Redemption Escrow | - | - | - | - |
| Proceeds (Spending) from (on) Capital Asset Disposal | - | - | - | - |
| Contributions for Water Meter Retrofit Program | 926,425 | 676,020 | 250,405 | 37% |
| Contributions From Developers-Will-Serve Letters | 5,067,536 | 3,470,232 | 1,597,304 | 46% |
| Contributions from Developers - Other | 6,697,000 | 5,922,000 | 775,000 | 13% |
| Contributions from Developers - Facility Charges | 8,517,248 | 4,950,708 | 3,566,540 | 72% |
| Grants | 1,937,500 | 1,700,000 | 237,500 | 14% |
| Bond/Note Issuance Costs | (190,800) | (215,748) | 24,948 | -12% |
| Net Cash Used For Capital & Relating Financing Activities | (58,820,292) | (56,780,330) | (2,039,962) | 4% |
| INVESTING ACTIVITIES | | | | |
| Interest Received | 3,409,815 | 2,833,548 | 576,267 | 20% |
| Net Cash From Investing Activities | 3,409,815 | 2,833,548 | 576,267 | 20% |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (12,673,683) | (6,575,515) | (6,098,168) | 93% |
| CASH AND CASH EQUIVALENTS, BEGINNING PERIOD | 207,000,000 | 180,000,000 | 27,000,000 | 15% |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | 194,326,317 | 173,424,485 | 20,901,832 | 12% |

TMWA Draft Captial Improvement Schedule FY 2020 - FY 2024

| Funding Source | TMWA 5 Year Draft Capital Plan Summary | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Proposed Five Year CIP Total |
|----------------|--|---------------|--------------|--------------|---------------|--------------|------------------------------|
| | Raw Water Supply Improvements | | | | | | |
| CR | Highland Canal-Upgrades-Downstream | 225 | 225 | 225 | 225 | | 900 |
| CR & SF | Indirect Potable Reuse | 200 | 200 | 200 | 200 | 200 | 1,000 |
| CR | Highland Canal-Upgrades-Diversion to Chalk Bluff | 100 | 1,000 | 100 | 100 | | 1,300 |
| CR | TROA Drought Storage / Implementation | 100 | 50 | 50 | 50 | 50 | 300 |
| CR | Donner Lake Outlet Improvements Phase 2 | 200 | 200 | | | | 400 |
| CR | Independence Lake Permitting Study | 50 | | | | | 50 |
| | Total Raw Water | 875 | 1,675 | 575 | 575 | 250 | 3,950 |
| | Ground Water Supply Improvements | | | | | | |
| CR & SF | Bedell Flat Water Bank | 500 | 500 | 500 | 250 | 250 | 2,000 |
| CR & SF | Well Head TTHM Mitigation | 500 | 500 | 500 | 500 | 500 | 2,500 |
| CR | Truckee Canyon Well 3 Site Modifications | 50 | | | | | 50 |
| CR & SF | Spring Creek Well #7 Recharge | 425 | | | | | 425 |
| CR | NDEP Monitoring Wells | 100 | 100 | | | | 200 |
| CR | Well Rehabilitation Improvements | 400 | 400 | 400 | 400 | 400 | 2,000 |
| CR | Kietzke, High, Morrill PCE Treatment | 500 | | | | | 500 |
| DF | Campello Capacity Increase | 70 | | | | | 70 |
| DF | STMGID 6 Generator | 281 | | | | | 281 |
| DF | Spring Creek Well #8 - Donovan | | | 30 | 910 | 1,060 | 2,000 |
| CR | Well Fix & Finish | 200 | 200 | 200 | 200 | 200 | 1,000 |
| DF | Double Diamond #5 and Equipping | 50 | 450 | | 60 | 1,140 | 1,700 |
| CR | Thomas Creek Well Replacement and Spring Creek SC5 | 1,250 | 1,250 | | | | 2,500 |
| CR | Sunrise Well #3 Replacement | 100 | | | | | 100 |
| CR | Callamont Well South Equipping | | | 60 | 1,140 | | 1,200 |
| CR | Air Guard Well Replacement Equipping | | | | 1,100 | | 1,100 |
| CR | Well Plugging / Conversion | | 110 | | | | 110 |
| CR | Callamont Well North Equipping | | | | 60 | 1,140 | 1,200 |
| CR & DF | Lemmon Valley Well #8 Replacement | | | | | 1,000 | 1,000 |
| | Total Ground Water | 4,426 | 3,510 | 1,690 | 4,620 | 5,690 | 19,936 |
| | Treatment Plant Improvements | | | | | | |
| CR | Chalk Bluff Treatment Plant Fix & Finish | 600 | 450 | 350 | 350 | 350 | 2,100 |
| CR | Chalk Bluff Filter Underdrains | 500 | 1,000 | 1,000 | 1,000 | 1,000 | 4,500 |
| CR | Glendale Treatment Plant Fix and Finish | 400 | 400 | 100 | 100 | 1,000 | 2,000 |
| CR | SCADA Rehab / Plant Operating Software | 1,000 | 800 | 500 | 500 | | 2,800 |
| CR & DF | Mount Rose Surface Water Treatment Plant | 11,000 | 2,000 | | | | 13,000 |
| GR | Glendale Diversion Emergency Flood Repairs (FEMA) | 1,600 | | | | | 1,600 |
| CR & DF | Spanish Springs Nitrate Treatment Facility | 200 | 500 | 3,000 | 3,000 | | 6,700 |
| CR | Orr Ditch Pump Station Rehab | 100 | 500 | 500 | 500 | | 1,600 |
| CR | Truckee Canyon Water Treatment Improvements | 60 | 60 | 35 | 20 | 20 | 195 |
| CR | Lightning W Treatment Improvements | 10 | 60 | 20 | 20 | 20 | 130 |
| CR | Longley Plant HV 3 and HV 4 Treatment Improvements | 40 | 500 | 800 | | | 1,340 |
| CR | Glendale Lighting Upgrade | | 250 | | | | 250 |
| CR | Chalk Bluff Lighting Upgrade | | | 350 | | | 350 |
| | Total Treatment Plant Improvements | 15,510 | 6,520 | 6,655 | 5,490 | 2,390 | 36,565 |
| | Pressure Improvements | | | | | | |
| CR | Pressure Regulators Rehabilitation | 500 | 500 | 500 | 500 | 500 | 2,500 |
| CR | Kings Row 1 Booster Pump Station | 2,200 | | | | | 2,200 |
| CR | Twin Lakes Booster Pump Station | 400 | | | | | 400 |
| CR | Chalk Bluff Additional Backup Generator | 700 | | | | | 700 |
| CR | Pressure Reducing Valve (Roll Seal) Removal | 400 | 400 | 400 | 400 | 400 | 2,000 |
| CR | Land Acquisitions | 500 | 500 | 250 | 250 | 250 | 1,750 |
| DF | Longley Booster Pump Station / Double R Capacity Increase | 425 | | | | | 425 |
| CR | Pump Station Oversizing | 100 | 100 | 100 | 100 | 100 | 500 |
| CR | Pump Station Rebuilds, Rehabilitations | 500 | 1,500 | 1,000 | 1,000 | 1,000 | 5,000 |
| CR | Mount Rose Well #3 Pump Station Improvements | | 250 | | | | 250 |
| CR | Standby Generator Improvements | 150 | 150 | 150 | 150 | 150 | 750 |
| CR | Spanish Springs #1 Pump Zone Intertie | 600 | | | | | 600 |
| DF | STMGID Tank #4 Booster Pump Station / Transmission Line | 150 | 2,300 | 550 | | | 3,000 |
| CR | Idlewild Booster Pump Station Improvements | | 100 | 1,200 | | | 1,300 |
| CR | Desert Fox Standby Generator | | 150 | | | | 150 |
| DF | Disc Drive Low Head Pump Station and Mains | | 130 | 3,170 | | | 3,300 |
| CR & DF | Sullivan #2 Booster Pump Station Replacement | | 80 | 1,150 | | | 1,230 |
| CR & DF | Southwest Pump Zone Consolidation Phase 1 | | | 330 | 6,330 | | 6,660 |
| DF | Raleigh to Fish Springs Booster Pump Station | | | 300 | 1,600 | | 1,900 |
| CR & DF | Southwest Pump Zone Consolidation Phase 2 | | | | 50 | 990 | 1,040 |
| CR | Sierra Summit-Kohl's Zone Consolidation | | | | 50 | 400 | 450 |
| CR | Wild Mustang Regulated Pressure Zone | | | | 50 | 380 | 430 |
| CR | Thomas Creek #4 PRS | | | | | 170 | 170 |
| DF | Spring Creek Tanks #3&4 Booster Pump Station Modifications | | | | | 600 | 600 |
| DF | Lazy 5 Low Head Pump Station & Mains | | | | | 150 | 150 |
| DF | Wildwood Pressure Regulating Station Scada Control | | | | 50 | | 50 |
| DF | Common (Stonegate) Booster Pump Station | 2,250 | | | | | 2,250 |
| | Total Pressure Improvements | 8,875 | 6,160 | 9,100 | 10,530 | 5,090 | 39,755 |
| | Water Main-Distribution-Service Line Improvements | | | | | | |
| CR | Street & Highway Main Replacements | 3,000 | 5,000 | 5,000 | 5,000 | 5,000 | 23,000 |
| CR | California-Marsh 24" Main Replacement | 1,150 | | | | | 1,150 |
| DF & GR | Verdi Main Extension | 500 | | | | | 500 |
| DF | Verdi Elementary Main Oversizing | 200 | | | | | 200 |
| DF | Boomtown Water System Improvements | 2,550 | | | | | 2,550 |
| DF | Boomtown to TMWA Connection | 650 | 1,200 | | | | 1,850 |
| CR | Spring Creek South Zone Conversion | 850 | 750 | | | | 1,600 |
| DF | Trademark 14" Main Tie | 50 | 200 | | | | 250 |
| DF | Mount Rose 5 Distribution / Pressure Improvements | 400 | | | | | 400 |
| CR | Booth, Sharon Way, Monroe 24" Main Replacements | 100 | 1,800 | 1,100 | 2,200 | | 5,200 |
| DF | South Virginia 24" Main (Kumle to Peckham) | | 900 | | | | 900 |
| CR | North East Sparks Feeder Main Relocation | 50 | 950 | | | | 1,000 |

TMWA Draft Captial Improvement Schedule FY 2020 - FY 2024

| | | FY | FY | FY | FY | FY | Proposed |
|---|--|--------|--------|--------|--------|--------|---------------------|
| Funding Source | TMWA 5 Year Draft Capital Plan Summary | 2020 | 2021 | 2022 | 2023 | 2024 | Five Year CIP Total |
| | | | | | | | |
| Water Main-Distribution-Service Line Improvements | | | | | | | |
| DF | South Truckee Meadows Capacity Improvements | 350 | | | | | 350 |
| DF | General Waterline Extensions | 300 | 100 | 100 | 100 | 100 | 700 |
| CR | Spanish Springs Main Replacement | 1,200 | | | | | 1,200 |
| CR | Goldeneye Parkway Main & CV Tie | | 180 | | | | 180 |
| CR | Mt Rose Tank 1 Fire Flow Improvements | | 400 | 570 | | | 970 |
| CR | NE Sparks Feeder Main Ph. 8 | | | 50 | 2,050 | | 2,100 |
| CR & DF | Stead Golf Course Main Replacement | | | | 170 | 2,300 | 2,470 |
| DF | Goldenrod Main | | | 50 | 1,200 | | 1,250 |
| DF | Wildwood 2 PRS SCADA Control | | | | 100 | | 100 |
| CR & DF | Sullivan #1 Main Tie & PRS | | | | 620 | | 620 |
| CR | Montreux High Pressure ACP Replacement | | | | | 520 | 520 |
| CR | Galena Creek Main Crossing | | | | | 40 | 40 |
| CR | Off-River Supply Improvements - STM | | | | | 50 | 50 |
| CR | Off-River Supply Improvements - NVS Pump Station | | | | | 400 | 400 |
| CR | Somerset #6 Main Tie & PRS | | | | | 280 | 280 |
| CR | Lemmon Valley Sand Yard | | 530 | | | | 530 |
| Total Water Main-Distribution-Service Line Improvements | | 11,350 | 12,010 | 6,870 | 11,440 | 8,690 | 50,360 |
| | | | | | | | |
| Potable Water Storage Improvements | | | | | | | |
| CR & GR | Tank Access Road Flood Repairs (FEMA) | 350 | | | | | 350 |
| CR | STMGID Tank East Zone 11 Tank | 3,075 | | | | | 3,075 |
| CR | Lightning W Tank 2 | 360 | | | | | 360 |
| CR & DF | Sun Valley #2 Tank | 420 | 2,980 | | | | 3,400 |
| CR | Storage Tank Recoats; Access; Drainage Improvements | 900 | 900 | 900 | 900 | 900 | 4,500 |
| DF | Rattlesnake Ring Addition | 100 | 800 | | | | 900 |
| CR & DF | Highland Reservoir Tank | | 100 | 5,000 | 700 | | 5,800 |
| CR & DF | US 40 Tank & Feeder Main | | | 170 | 300 | 2,730 | 3,200 |
| CR & DF | Spanish Springs Altitude Valves (SC6 & DS#5) | | | | 300 | | 300 |
| DF | Lemmon Valley Tank #4 | | | | 200 | 2,000 | 2,200 |
| DF | Fish Springs Ranch 2 Tank | | | | | 160 | 160 |
| Total Potable Water Storage Improvements | | 5,205 | 4,780 | 6,070 | 2,400 | 5,790 | 24,245 |
| | | | | | | | |
| Hydroelectric Improvements | | | | | | | |
| CR | Washoe Flume Reconstruction Design | 250 | 2,200 | | | | 2,450 |
| CR | Forebay, Diversion, and Canal Improvements | 100 | 100 | 100 | 100 | 100 | 500 |
| CR | Hydro Plant Generator Rewinds | 650 | 650 | 650 | | | 1,950 |
| CR | Orr Ditch Hydro Facility | 50 | | | | | 50 |
| CR | Flume Rehabilitation | | 350 | 350 | | | 700 |
| Hydroelectric Improvements | | 1,050 | 3,300 | 1,100 | 100 | 100 | 5,650 |
| | | | | | | | |
| Customer Service Outlays | | | | | | | |
| CR | Galvanized / Poly Service Line Replacements | 250 | 250 | 250 | 250 | 250 | 1,250 |
| DF | New Business Meters | 175 | 100 | 100 | 100 | 100 | 575 |
| CR | AMI Automated Meter Infrastructure | 1,750 | 2,100 | 2,100 | 2,100 | 2,100 | 10,150 |
| CR | Mueller Pit Replacements former Washoe County | 125 | 125 | 125 | 125 | 125 | 625 |
| CR | Meter Reading Equipment | 100 | | 60 | | 75 | 235 |
| Total Customer Service Outlays | | 2,400 | 2,575 | 2,635 | 2,575 | 2,650 | 12,835 |
| | | | | | | | |
| Administrative Outlays | | | | | | | |
| CR | GIS / GPS System Mapping Equipment | 60 | | 20 | | 20 | 100 |
| CR | Computers | | | | | | 0 |
| CR | IT Server Hardware | 370 | 180 | 30 | 45 | 30 | 655 |
| CR | IT Network Security Upgrades | 30 | 45 | 160 | 70 | 10 | 315 |
| CR | IT Physical Access Security Upgrades | 60 | 60 | 60 | 60 | 60 | 300 |
| CR | Printer / Scanner Replacement | 40 | 40 | 50 | | 100 | 230 |
| CR | CIS System Replacement | 1,400 | 600 | | | | 2,000 |
| CR | Crew Trucks / Vehicles | 585 | 650 | 750 | 750 | 850 | 3,585 |
| CR | Emergency Response Projects | 150 | 150 | 150 | 150 | 150 | 750 |
| CR | System Wide Asphalt Rehabilitation | 200 | 200 | 200 | 200 | 200 | 1,000 |
| CR | Emergency Operations Annex Design / Construction | | | 250 | 250 | 1,500 | 2,000 |
| CR | TMWA Refueling Facility | 500 | | | | | 500 |
| CR | Physical Access Control System Upgrade | 75 | 200 | | | | 275 |
| Total Administrative Outlays | | 3,470 | 2,125 | 1,670 | 1,525 | 2,920 | 11,710 |
| Total Capital Spending Outlays | | 53,161 | 42,655 | 36,365 | 39,255 | 33,570 | 205,006 |
| | | | | | | | |
| Special Projects Funded by Development | | | | | | | |
| MR | Water Meter Retrofits | 100 | 100 | 100 | 100 | 100 | 500 |
| DF | Water Right Purchases | 150 | 150 | 150 | 300 | 300 | 1,050 |
| Total Special Projects Funded by Development | | 250 | 250 | 250 | 400 | 400 | 1,550 |
| Total Projected Capital Spending Including Projects Funded By Development | | 53,411 | 42,905 | 36,615 | 39,655 | 33,970 | 206,556 |
| | | | | | | | |
| Former STMGID System Improvements | | | | | | | |
| STMGID | STMGID Roll Seal Replacements | | | | | | |
| STMGID | STMGID Conjunctive Use Facilities | 1,500 | 600 | | | | 2,100 |
| STMGID | STMGID Well Bypass & Chlorine Room Improvements Phase 2 | 350 | | | | | 350 |
| STMGID | STMGID NAC Deficiencies - Saddlehorn, Upper Toll, STMGID East | 360 | 1,653 | 350 | | | 2,363 |
| STMGID | STMGID NAC Deficiencies Ph2 - Sioux Trail, Geiger Grade, Westwind Cr | 360 | 347 | | | | 707 |
| STMGID | STMGID Well Fix & Finish | 150 | 150 | 150 | 150 | 150 | 750 |
| STMGID | STMGID Tank Recoats | | 220 | | 300 | | 520 |
| STMGID | STMGID Mueller Pit Replacements | 50 | 50 | | | | 100 |
| Total Former STMGID Capital Spending - Allocated Funding | | 2,770 | 3,020 | 500 | 450 | 150 | 6,890 |
| Total Projected Capital Spending Including STMGID - Allocated Funding | | 56,181 | 45,925 | 37,115 | 40,105 | 34,120 | 213,446 |
| | | | | | | | |
| Funding Source Summary | | | | | | | |
| Customer Rates (CR) | | 32,438 | | | | | |
| New Development (DF) | | 17,973 | | | | | |
| STMGID Reserve Funds (STMGID) | | 2,770 | | | | | |
| Water Meter Retrofit Reserves / Water Rights Purchases (MR/DF) | | 250 | | | | | |
| Sustainability (SF) | | 813 | | | | | |
| Grants (GR) | | 1,938 | | | | | |
| Total | | 56,181 | | | | | |



TO: TMWA Standing Advisory Committee
FROM: John R. Zimmerman, Manager, Water Resources
DATE: March 27, 2019
SUBJECT: **Report on status of West Reno Water System acquisition**

SUMMARY

TMWA closed the West Reno water system acquisition on March 20th. Under the amended purchase agreement, the other parties must complete certain work to the Boomtown Hotel/Casino private water facilities and line a stormwater detention basin next to a production well by May 14, 2019 or they will have to pay TMWA the amounts remaining in escrow for that work as liquidated damages.

Staff will present an overview of the system at the SAC meeting. The system is very basic and includes five production wells and two water storage tanks (capable of storing two million gallons in total). TMWA also acquired Boomtown's interest in a river casing under the Truckee River that will be used to connect the West Reno water system to TMWA's surface water supply in the next few years.

There are three main commercial customers (Boomtown properties, Dermody warehouses, and Cabela's) and currently 24 single-family residential customers within the Meridian 120 North Village 1 subdivision. TMWA also annex into its service area the other Meridian 120 North subdivisions (villages 2 and 3), five vacant SJP Reno Property, LLC parcels, and six BT South, LLC parcels south of I-80.