



**TRUCKEE MEADOWS WATER AUTHORITY**  
**Board of Directors**

**AGENDA**

**Wednesday, October 19, 2022 at 10:00 a.m.**  
**Independence Room, TMWA, 1355 Capital Blvd., Reno, NV**

**Board Members**

Chair Vaughn Hartung	Vice Chair Kristopher Dahir
Member Paul Anderson	Member Alexis Hill
Member Jenny Brekhus	Member Naomi Duerr

**NOTES:**

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), Sparks City Hall (431 Prater Way, Sparks), 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 (775) 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/>. Supporting material is made available to the general public in accordance with NRS 241.020(6).
4. The Board 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 Board 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**).
8. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.

1. Roll call\*
2. Pledge of allegiance\*
3. Public comment — limited to no more than three minutes per speaker\*
4. Possible Board comments or acknowledgements\*
5. Approval of the agenda (**For Possible Action**)
6. Approval of the minutes of the September 21, 2022 meeting of the TMWA Board of Directors (**For Possible Action**)

<sup>1</sup>The Board may adjourn from the public meeting at any time during the agenda to receive information and conduct labor-oriented discussions in accordance with NRS 288.220 or receive information from legal counsel regarding potential or existing litigation and to deliberate toward a decision on such matters related to litigation or potential litigation.

7. Water supply update — Bill Hauck\*
8. Required communication from Eide Bailly in regards to TMWA's annual financial audit — Sophie Cardinal\*
9. Discussion and action, and possible direction to staff on adoption of:  
Resolution No. 309: A resolution approving the sale of Surplus Properties APN: 016-490-27 and 016-490-32;  
Resolution No. 310: A resolution approving the sale of Surplus Property APN: 016-490-50;  
Resolution No. 311: A resolution approving the sale of Surplus Property APN: 038-730-37; and  
Resolution No. 312: A resolution approving the sale of Surplus Property APN: 140-051-23  
— Heather Edmunson and Stefanie Morris (**For Possible Action**)
10. Presentation of and discussion, and possible direction to staff regarding preliminary funding plan for Fiscal Years 2023 through 2027 — Matt Bowman (**For Possible Action**)
11. Presentation of TMWA's Fiscal Year 2022 Customer Satisfaction Study — Andy Gebhardt\*
12. Presentation of TMWA Goals and Objectives results for Fiscal Year 2022 — John Zimmerman and Sonia Folsom\*
13. Discussion and action, and possible direction to staff on the proposed TMWA Goals and Objectives for Fiscal Year 2023 — John Zimmerman and Sonia Folsom (**For Possible Action**)
14. Discussion and action, and possible direction to staff on the proposed General Manager Goals and Objectives for contract year 2022 - 2023 — John Zimmerman (**For Possible Action**)
15. General Manager's Report\*
16. Public comment — limited to no more than three minutes per speaker\*
17. Board comments and requests for future agenda items\*
18. Adjournment (**For Possible Action**)

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TRUCKEE MEADOWS WATER AUTHORITY  
**DRAFT** MINUTES OF THE SEPTEMBER 21, 2022  
MEETING OF THE BOARD OF DIRECTORS

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The Board of Directors met on Wednesday, September 21, 2022, at Sparks Council Chambers. Chair Hartung called the meeting to order at 10:00 a.m.

**1. ROLL CALL**

**Directors Present:** Paul Anderson, Jenny Brekhus, Kristopher Dahir, \*Naomi Duerr, Vaughn Hartung, and Alexis Hill.

A quorum was present.

***\*Director Duerr left the meeting at 12:06p.m. and virtually attended from 12:10p.m. to adjournment.***

**2. PLEDGE OF ALLEGIANCE**

The pledge of allegiance was led by Neoma Jardon, former TMWA Board Director.

**3. PUBLIC COMMENT**

There was no public comment.

**4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS**

There were no Board comments.

**5. APPROVAL OF THE AGENDA**

**Upon motion by Director Hill, second by Director Dahir, which motion duly carried by unanimous consent of the Directors present, the Board approved the agenda.**

**6. APPROVAL OF THE MINUTES OF THE JULY 26, 2022 MEETING**

**Upon motion by Director Duerr, second by Director Anderson, which motion duly carried by unanimous consent of the Directors present, the Board approved the July 26, 2022 minutes.**

**7. RECOGNITION OF DIRECTOR NEOMA JARDON FOR HER YEARS OF SERVICE ON THE TMWA BOARD OF DIRECTORS**

Chair Hartung expressed his gratitude to Ms. Jardon for being a voice of reason and calm throughout her 10 years serving on the TMWA Board of Directors.

The Board voiced similar sentiments for Ms. Jardon's contribution and professionalism over the years and look forward to working with her in her new position as the Executive Director of the Downtown Reno Partnership.

Mark Foree, TMWA General Manager, agreed it was a pleasure to work with her, she was always very supportive of staff, had the customer's best interests in mind, and congratulated her on her new role.

Ms. Jardon thanked the Board and said it was an honor of her lifetime to serve the public for 10 years and a pleasure to work with TMWA professionals and the Board, especially the incredible work with the most precious resource, water. Recognized the staff for their work on the ground.

#### **8. DISCUSSION AND ACTION ON RESOLUTION NO. 307: A RESOLUTION TO RENAME CONE PEAK TO SUE'S PEAK IN MEMORY OF SUE OLDHAM**

Stefanie Morris, TMWA Director of Legal & Regulatory Affairs, said it was an honor to present the resolution for Board consideration. Ms. Morris stated she had the pleasure of working with Ms. Oldham over the years and highlighted many attributes, including but not limited to the fact, that she was a leader in the community, a mentor, and passionate about securing water resources for the region, who also played a crucial role in negotiations leading up to the adoption of the Truckee River Operating Agreement (TROA), and she was one of the first 100 women admitted to the Nevada Bar.

Steven Oldham, Ms. Oldham's husband, expressed appreciation to the Board for honoring Ms. Oldham's legacy with their support in renaming Cone's Peak to Sue's Peak, especially since they both enjoyed the view of the peak from their home over the years.

The Board expressed their sympathies and condolences upon hearing of Ms. Oldham's passing, many of whom had the pleasure of working with her over the years and understood how passionate she was in securing TROA for the region, and those who did not, knew of her reputation.

Director Brekhus asked if the peak was in California. Mr. Oldham replied no, it is in Nevada and Ms. Morris confirmed it is in the Humboldt-Toiyabe National Forest.

Mr. Foree added he worked with Ms. Oldham for over 30 years and said if not for her, they would still be negotiating TROA and had assisted him, regarding water rights and grants, to secure the agreement.

Vice Chair Dahir offered, if additional support was needed, to bring this item to the Sparks City Council for consideration as well. Mr. Oldham appreciated the offer and informed the Board that he had started this process with the Pyramid Lake Paiute Tribe (PLPT), who are very supportive of this, adding the more local support the better.

Ms. Morris added TMWA supports the name change of the peak but is not part of the process to do so, and staff can update the Board on the process.

**Upon motion by Director Duerr, second by Director Anderson, which motion duly carried by unanimous consent of the Directors present, the Board adopted**

**Resolution No. 307: A Resolution to support renaming Cone Peak to Sue's Peak in memory of Sue Oldham.**

**9. PRESENTATION OF PRELIMINARY FISCAL YEAR 2022 UNAUDITED FINANCIAL PERFORMANCE**

Matt Bowman, TMWA Chief Financial Officer, informed the Board that water sales were very close to budget, (\$500k, or 1%, under budget); started to see impacts from inflation, most notably, in power charges; interest rates are increasing, which impacts TMWA's investment return, but not debt which is at a fixed rate; continued to see high levels of connection fee contributions from developers; had a \$9m positive change in net position; and operating expenses were \$6.6m under budget.

Director Brekhus inquired if TMWA still had any commercial paper would it be advantageous or disadvantageous, if staff could provide an analysis of the different developer contributions in the respective areas to have a better understanding; in relation to GASB, how TMWA records and tracks liabilities, depreciation and maintenance costs. Mr. Bowman replied TMWA no longer has commercial paper and if so, it would've been disadvantageous. He added that developer contributed assets are recognized as capital assets and developer contribution (revenue).

Director Hill asked why the water resource sustainability program was budgeted so low. Mr. Bowman replied it used to be the water meter retrofit fund, which is a percent of development, and it is hard to predict and so they tend to be conservative.

Vice Chair Dahir requested staff, considering the current economic situation of increasing inflation and reconvening of rate increases, that they consider other options to ensure we continue to provide water without charging more than necessary.

Chair Hartung agreed and said, considering the increase in power costs, he was very happy about the Orr Ditch Hydro project at Chalk Bluff and urged staff to consider alternative options to offset costs.

**10. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING TMWA OMBUDSMAN POSITION, STAFF RECOMMENDATION TO ENGAGE KIM MAZERES TO FILL THE POSITION, AND POSSIBLE DIRECTION TO STAFF AND AUTHORIZATION FOR GENERAL MANAGER TO ENTER INTO A CONTRACT TO ENGAGE KIM MAZERES AS TMWA OMBUDSMAN ON THE CONDITIONS DESCRIBED IN THE STAFF REPORT**

Mr. Bowman presented the staff report and staff recommendation for Board consideration.

Members of the Board agreed the Ombudsman has been effective in addressing and resolving disputes, who has a knowledge and understanding of the organization, and Ms. Mazeres is perfect for the position.

Director Hill asked Ms. Mazeres, after she's spent time in the position, to present any changes to policies or improvements to the Board, to ensure the Board is responsive to any issues.

**Upon motion by Director Duerr, second by Director Hill, which motion duly carried by unanimous consent of the Directors present, the Board approved authorization for General Manager to enter into a contract to engage Kim Mazeres as TMWA ombudsman on the conditions described in the staff report.**

**11. DISCUSSION AND ACTION ON RESOLUTION NO. 308: A RESOLUTION TO APPROVE FUNDING FOR THE PROJECTS RECOMMENDED BY THE TRUCKEE RIVER FUND ADVISORY COMMITTEE AND AN AUTHORIZATION FOR THE COMMUNITY FOUNDATION TO FUND SUCH PROJECTS FROM FUND PROCEEDS**

Sonia Folsom, TMWA Executive Assistant, presented the resolution for Board consideration.

Vice Chair Dahir inquired about the project that was not approved. Ms. Folsom replied the Truckee Meadows Parks Foundation, was asking for almost \$87k for signage at the Rosewood Nature Study Area.

Director Duerr added extra support for the Brodhead Park restoration since it is part of the City of Reno Parks & Recreation Master Plan, where one of the recommendations is to create a park, which includes about 10-12 parks, in the 11-mile stretch of the river corridor, and Brodhead Park is one of them.

**Upon motion by Director Duerr, second by Director Dahir, which motion duly carried by unanimous consent of the Directors present, the Board adopted Resolution No. 308: A resolution to approve funding for the projects recommended by the Truckee River Fund Advisory Committee, as listed in the staff report, and an authorization for the Community Foundation to fund such projects from Fund proceeds.**

**12. PRESENTATION OF GENERAL MANAGER PERFORMANCE FOR CONTRACT YEAR 2021/2022**

Mr. Foree informed the Board that the accomplishments focus on expanding reclaim use and the A+ Demonstration Project, secured an agreement with City of Reno at American Flat, completed the Mt. Rose Water Treatment Plant, which will help continue to stabilize the groundwater table, and in the process of obtaining permits for another 27 wells for active groundwater recharge. Mr. Foree added that none of the credit goes to him, rather the staff that work so well, and fortunate in having talented staff that think outside of the box to accomplish so much.

**13. RECOGNITION OF MARK FOREE FOR HIS YEARS OF SERVICE TO TMWA AS GENERAL MANAGER**

Chair Hartung recited the many accomplishments of Mr. Foree starting with Water Source in 1980, joining Sierra Pacific Power Company in 1985 and moving up to Water Distribution & Maintenance Manager and then Water Planning & Engineering Manager. In 2001, when TMWA was formed he was hired as Planning & Engineering Manager, then promoted to Director of Operations and finally, upon the

departure of Lori Williams as General Manager in 2008, where the Board appointed him as interim General Manager and formally General Manager in 2009.

The Board thanked and commended Mr. Foree for his leadership, steady and calm approach with the organization, where the performance and stability is evident, and instilling a culture that makes TMWA successful. Mr. Foree will be missed.

John Zimmerman, TMWA's incoming General Manager, thanked Mr. Foree for his friendship and mentorship over the years, acknowledged he has dedicated his life work to the community, and over the last few months especially, always looked out for what is best for TMWA.

Danny Rotter, TMWA Director of Engineering, shared that Mr. Foree sets an example of acknowledging staff when things are going well, provide staff the freedom and support to get the work done, and does not hesitate to jump in when things are not going well.

Andy Gebhardt, TMWA Director of Distribution, Maintenance & Hydro Generation, said he has worked with Mr. Foree for 30 years, and worked well together despite him not being an engineer. He is fortunate to consider him a very great friend.

Chair Hartung read into the record public comment provided by TMWA's former General Counsel, Michael Pagni.

Mr. Foree thanked everyone for their kind words, he worked with Mr. Oldham during the sales process of forming TMWA, and everyone can all agree that it was the best thing that the community got TMWA and its water resources; from that point on the Board has been fantastic for TMWA over the years; the structure allows for the organization to be nimble and responsive to customers and accomplish things quickly; the Board has supported them in salary and benefits and because of their support, are able to recruit the best-of-the-best; and appreciated the Board's work over the years and their support.

#### 14. GENERAL MANAGER'S REPORT

Director Brekhus inquired about the storms in August and the impact up at Mt. Rose-Galena. Mr. Foree said the storms impacted the Whites Creek watershed, damaging it in areas creating a tremendous amount of sediment, but not the water treatment plant. However, the plant is currently offline to make some minor improvements.

Director Brekhus requested an update on the Mt. Rose Water Treatment Plant at a future meeting.

#### 15. PUBLIC COMMENT

There was no public comment.

#### 16. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Vice Chair Dahir requested a status update on the Orr Ditch Hydro Power Plant at a future meeting.

Chair Hartung called for a recess at 11:16 a.m.

Chair Hartung reconvened the meeting at 11:23 a.m.

**17. HEARING ON APPEAL BY ST. JAMES'S VILLAGE, INC. OF DECISION OF HEARING OFFICER IN CHALLENGE OF WATER AUTHORITY DISCOVERY INVOLVING CONSTRUCTION AND DEDICATION OF WATER DISTRIBUTION FACILITIES FOR UNIMPROVED LOTS IN THE ST. JAMES'S VILLAGE DEVELOPMENT NEAR JOY LAKE ROAD AND LOCATED IN AREA 15 OF TMWA'S SERVICE TERRITORY (ANNEXATION 1H- 2C; PLL #21-8275)**

Paul Lipparelli, TMWA Special Counsel, provided an overview of the guidelines and processes to the Board based on TMWA's Rule 8 prior to hearing the appeal by St. James Village.

Director Brekhus disclosed her husband, Armando Ornelas Jr., City of Sparks Director of Community Services supervises o Michael Drinkwater, Treatment Plant Manager, who is married to Bonnie Drinkwater. Ms. Drinkwater served as the Hearing Officer for TMWA during an earlier stage of the proceeding. Director Brekhus stated she has not discussed this issue, item #17, with her husband, Mr. Ornelas, Mr. Drinkwater, or Ms. Drinkwater nor did she have any involvement in the hiring of Ms. Drinkwater. As result, she does not have, a conflict of interest in participating in the discussion and action on item #17.

Chair Hartung disclosed that he was contacted early on by the applicant's representative, Argentum Group. He informed Argentum Group that the TMWA Board is acting in a quasi-judicial capacity and he did not have any conversations about this item

Both St. James Village and TMWA were given an initial time of 15 minutes each to present their evidence, stopping the time to allow for a question-and-answer period. Chair Hartung allowed each side an additional 5 minutes.

After closing arguments, the Board deliberated.

The appeal hearing was transcribed by a certified court report.

**Upon motion by Director Brekhus, second by Director Dahir, which motion duly carried by unanimous consent of the Directors present, the Board affirm the Hearing Officer's decision in its entirety because it was not in error, not arbitrary and based on substantial evidence in the record that was in turn delivered to the Board; also like to make findings by the body with respect to the reversion of acreage the Board acknowledges it occurred but did not find it of any support to appeal claims; 2. The discovery process was not flawed and the determination that the 7 in-fill lots were not part of it because the owners that did not sign ownership affidavits is a determination of the body; 3. TMWA did not overstep authority in the discovery process in taking over state engineer office powers.**



**18. ADJOURNMENT**

With no further discussion, Chair Hartung adjourned the meeting at 1:17 p.m.

Approved by the TMWA Board of Directors in session on \_\_\_\_\_.

Sonia Folsom, Board Clerk.

***\*Director Duerr was virtually present for part of agenda item 17 thru 18 only.***

DRAFT



# Water Supply Update

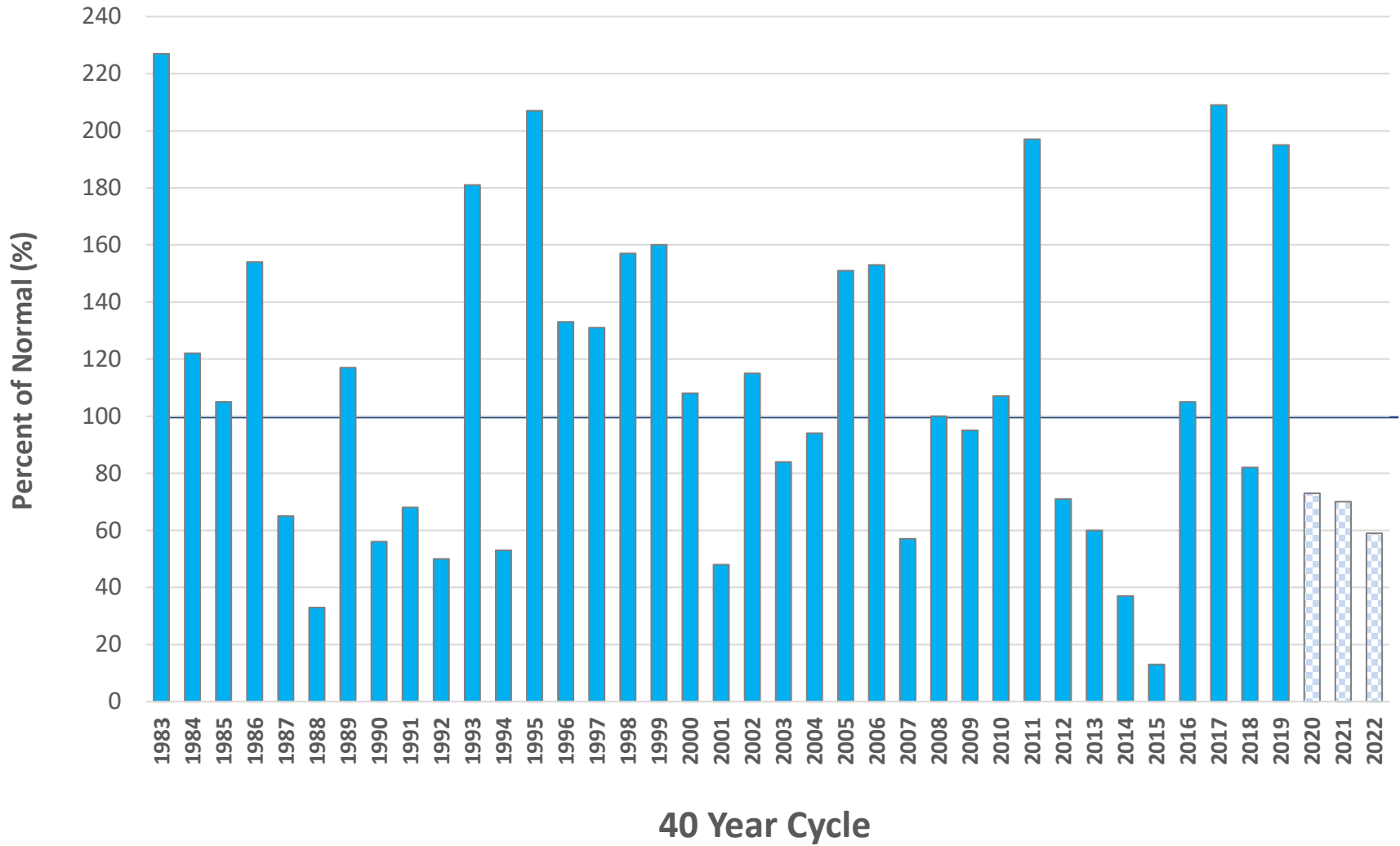
Board of Directors Meeting

October 19, 2022

- Just finished three drought years in a row
- Normal river flows are projected through the end of October
- No drought reserves were required to meet customer demand in 2022
- TMWA's upstream reserve reservoir storage is still in excellent shape with more water in place than ever before (> 66KAF)
- The elevation of Lake Tahoe will fall below the rim in coming weeks
- Heading into this winter with little or no carry-over storage upstream, so river flows next summer entirely dependent on this winter's snowpack
- Long term, this drought is just part of the highly variable hydrological cycle of the Sierra Nevada, and TMWA will continue to meet the water needs of our customers in Northern Nevada regardless of the water supply situation

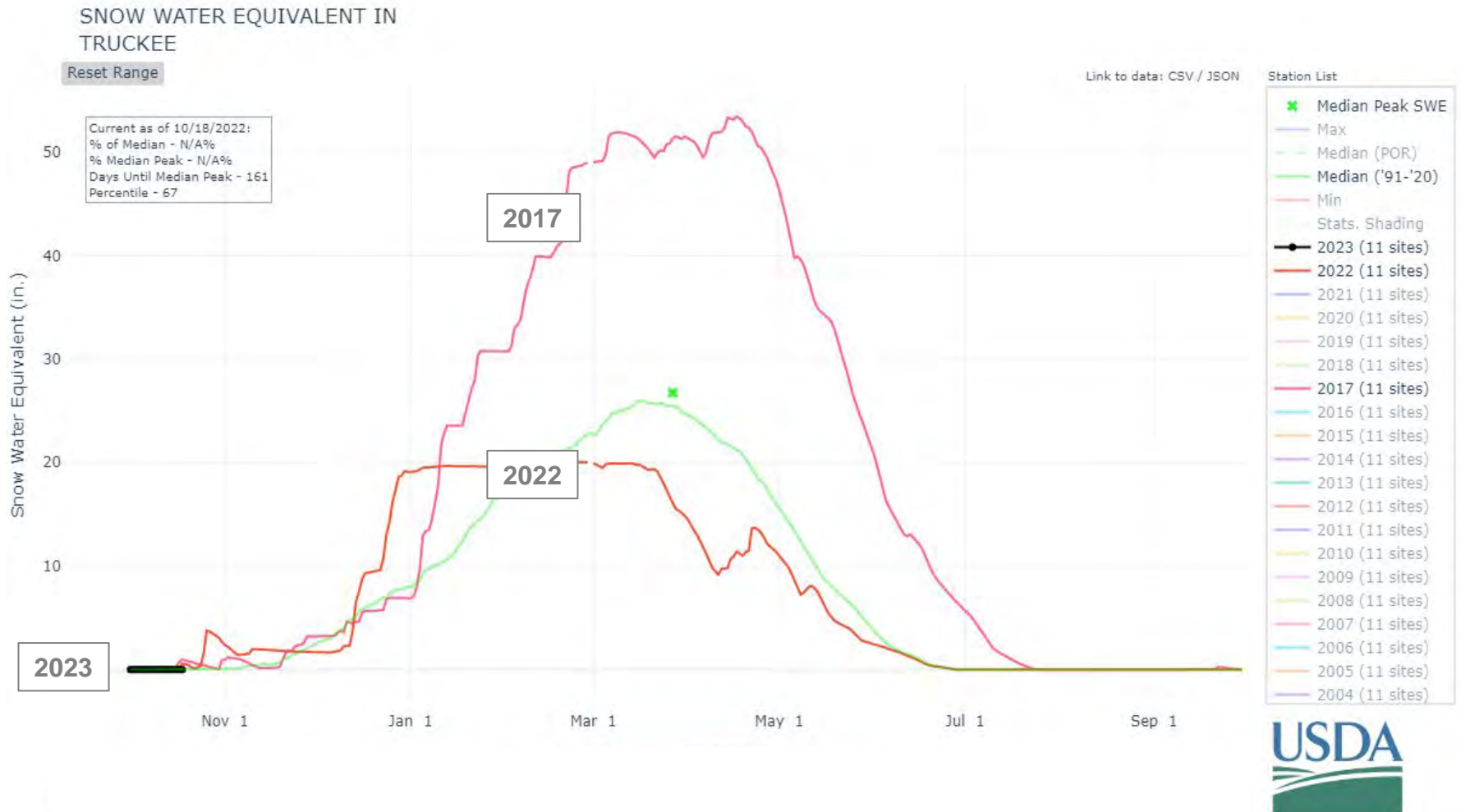
# Historical April 1 Truckee River Basin Snowpack

10-19-22 BOARD Agenda Item 7



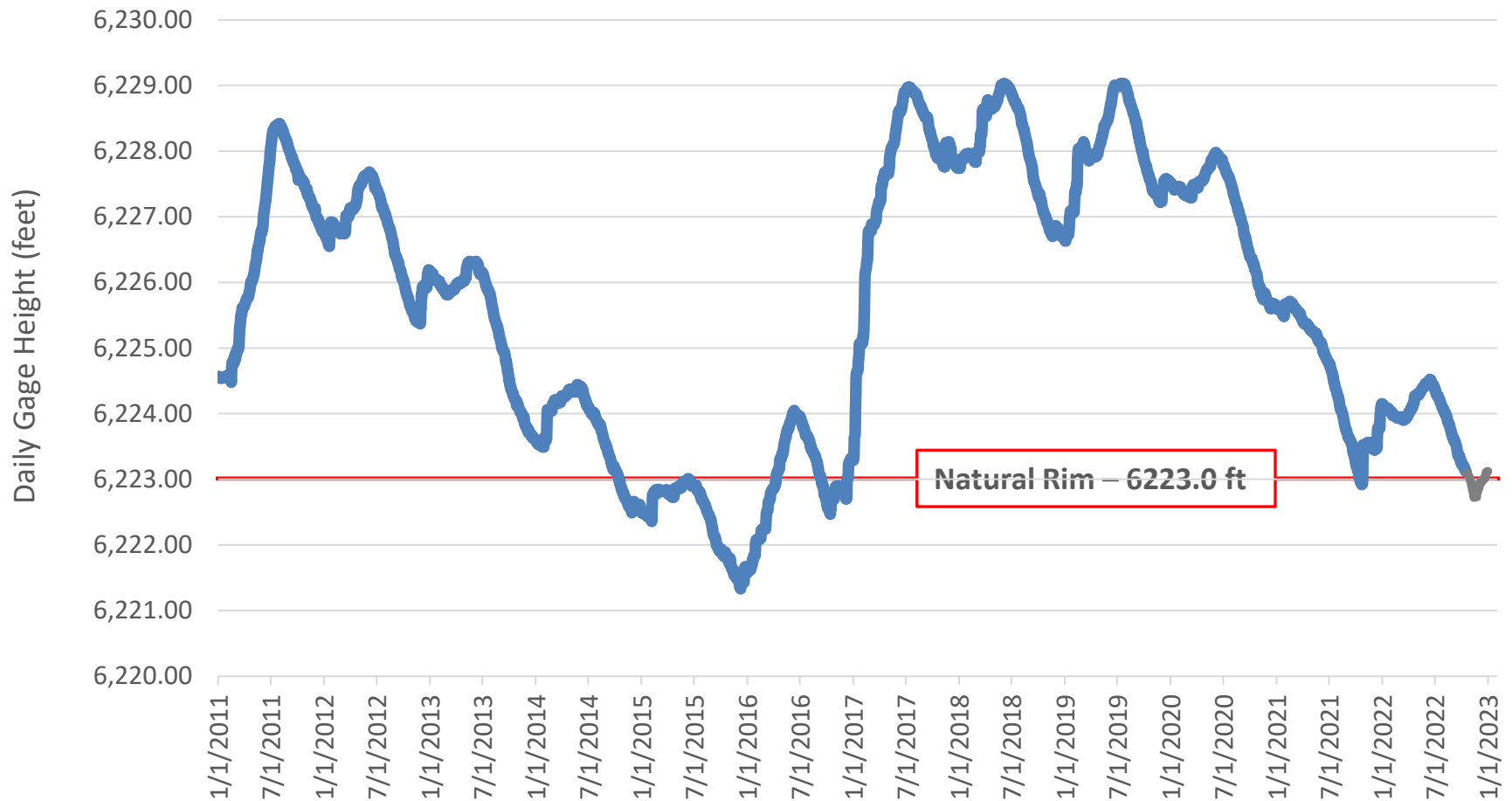
# Truckee Basin Snowpack (snow water equivalent)

10-19-22 BOARD Agenda Item 7



# Actual and Projected Lake Tahoe Elevation through 2022

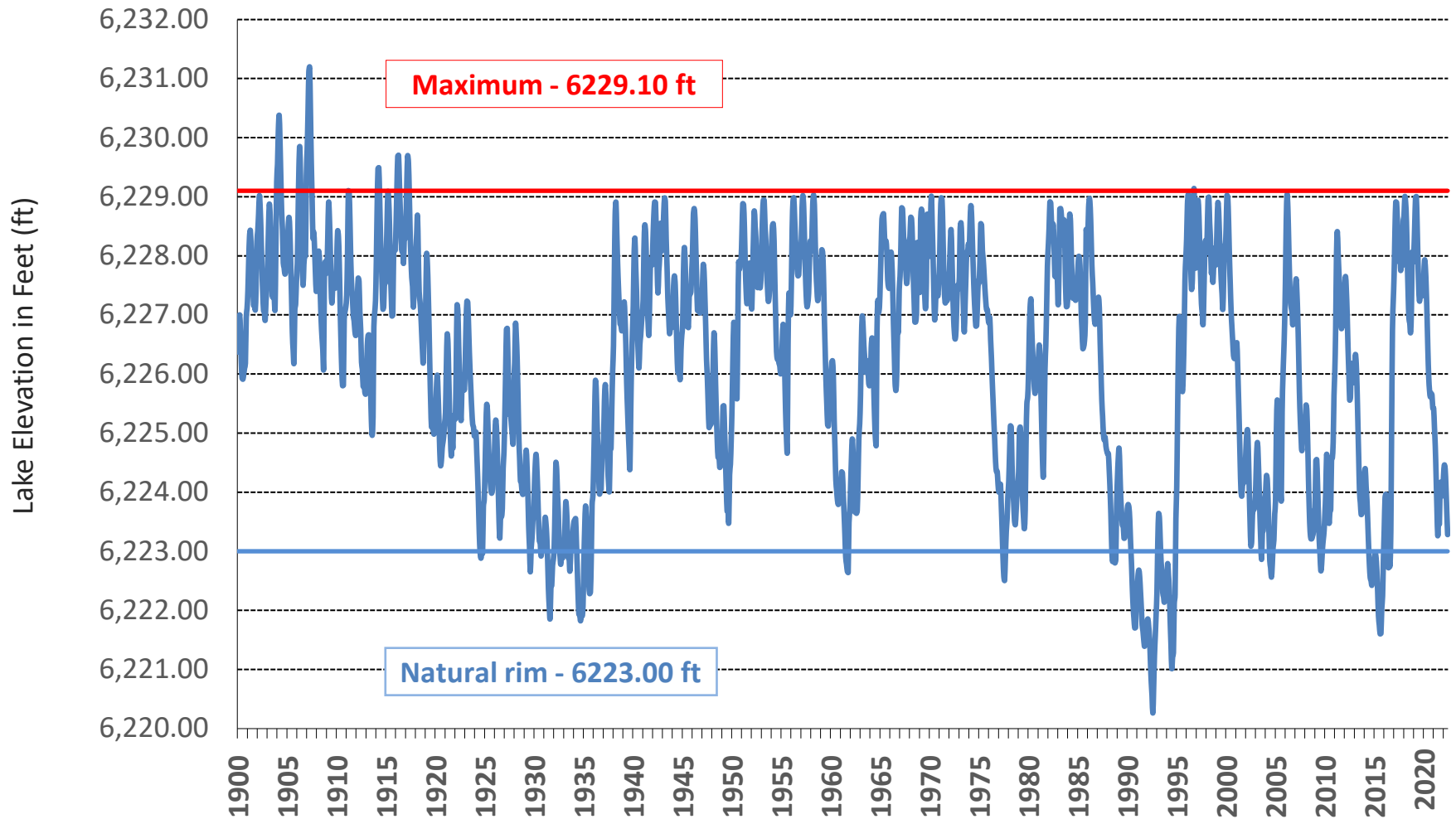
10-19-22 BOARD Agenda Item 7







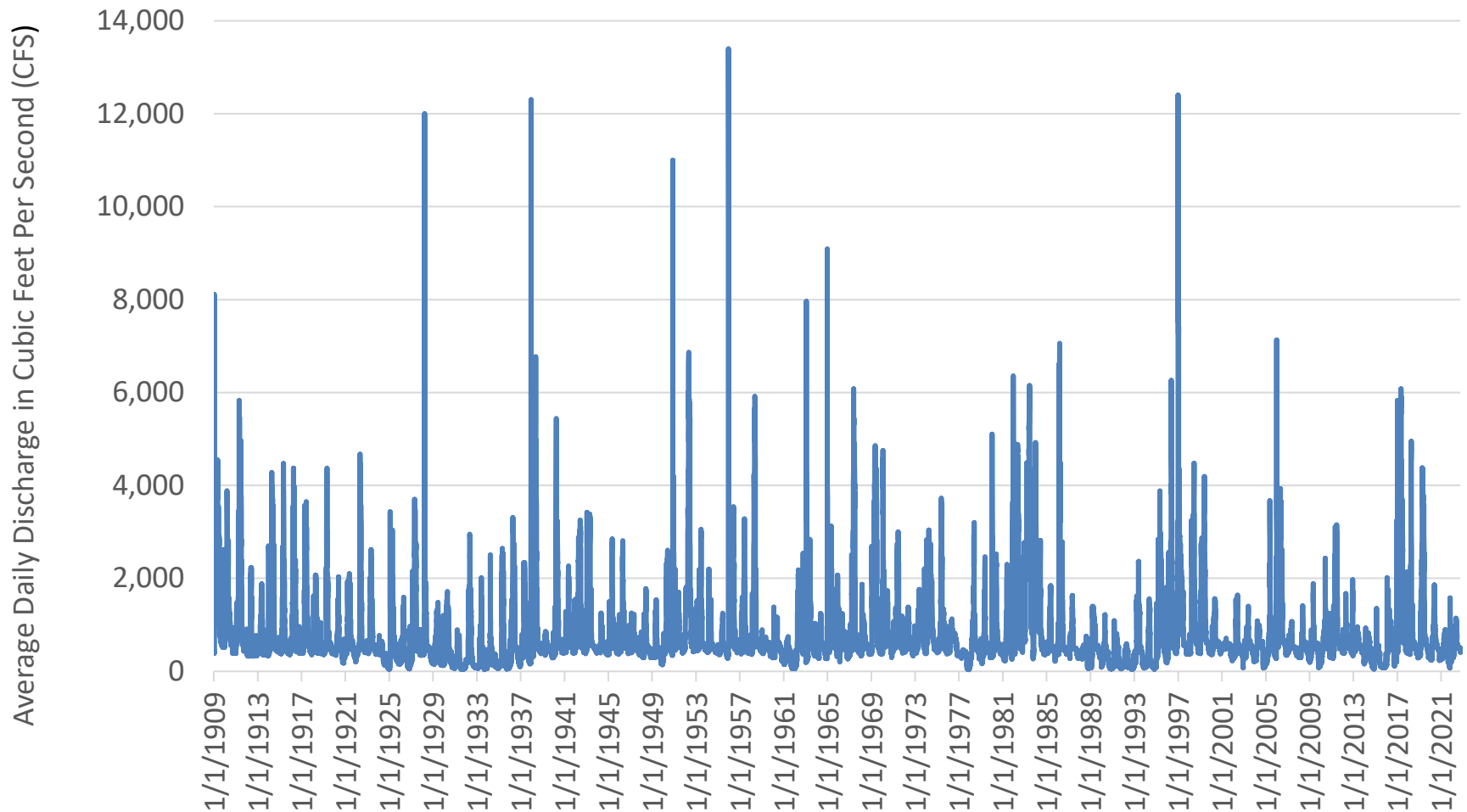
# Historical Lake Tahoe End of Month Elevations (1900-2022)





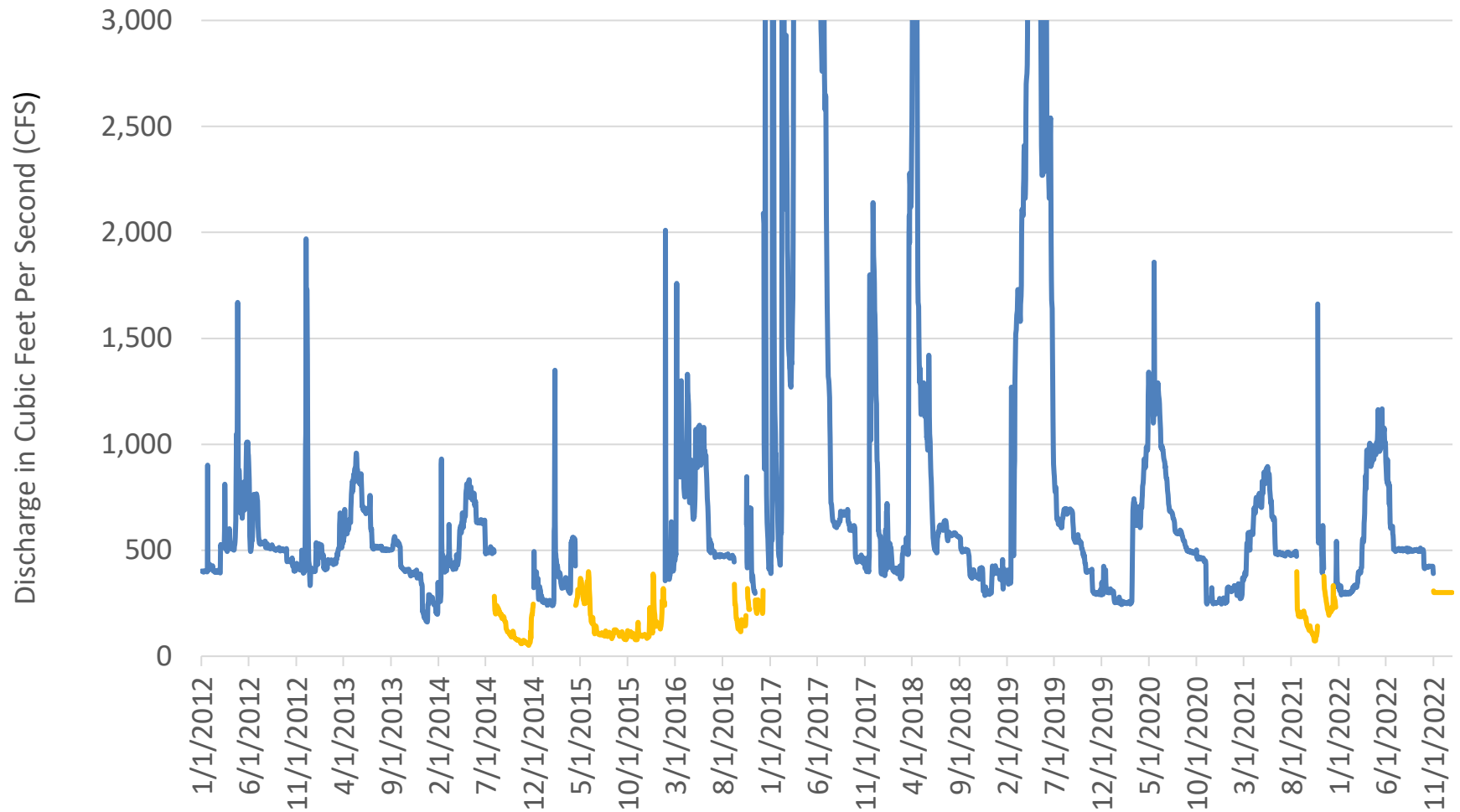
# Historical Truckee River Flows @ CA/NV State Line (1909-2022)

10-19-22 BOARD Agenda Item 7

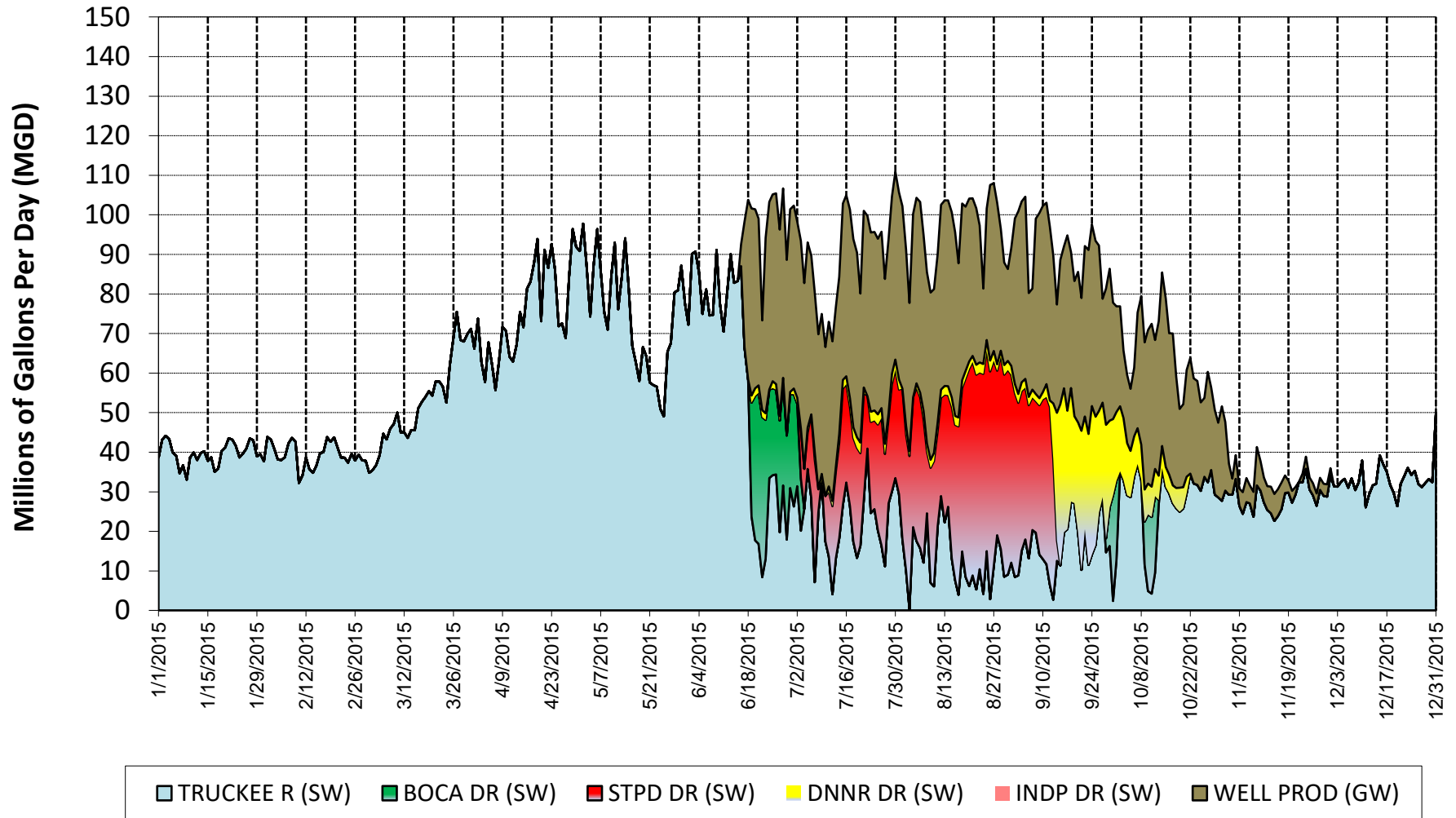


# Periods of Insufficient River Flows @ CA/NV State Line

10-19-22 BOARD Agenda Item 7

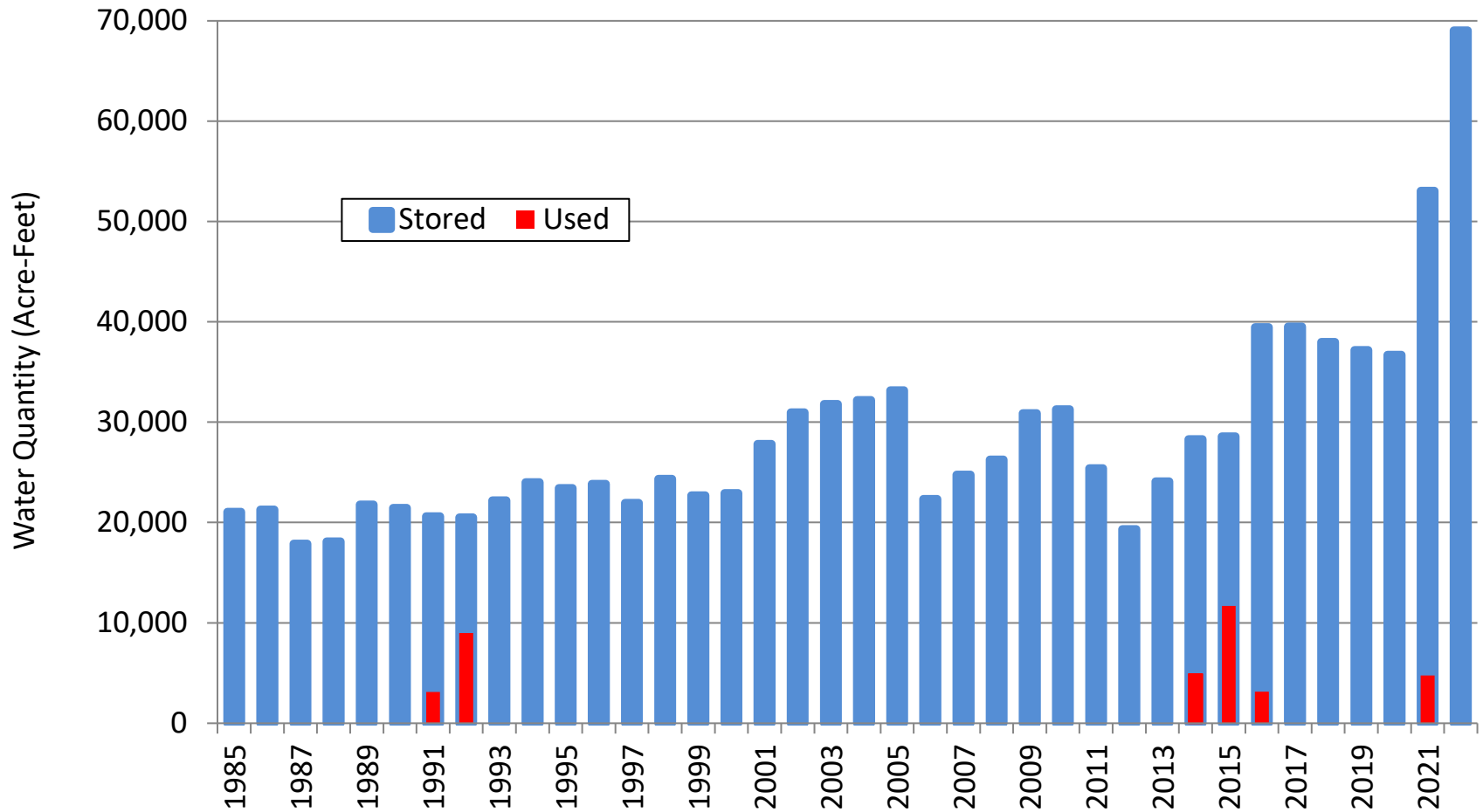


# 2015 TMWA Actual Sources of Supply



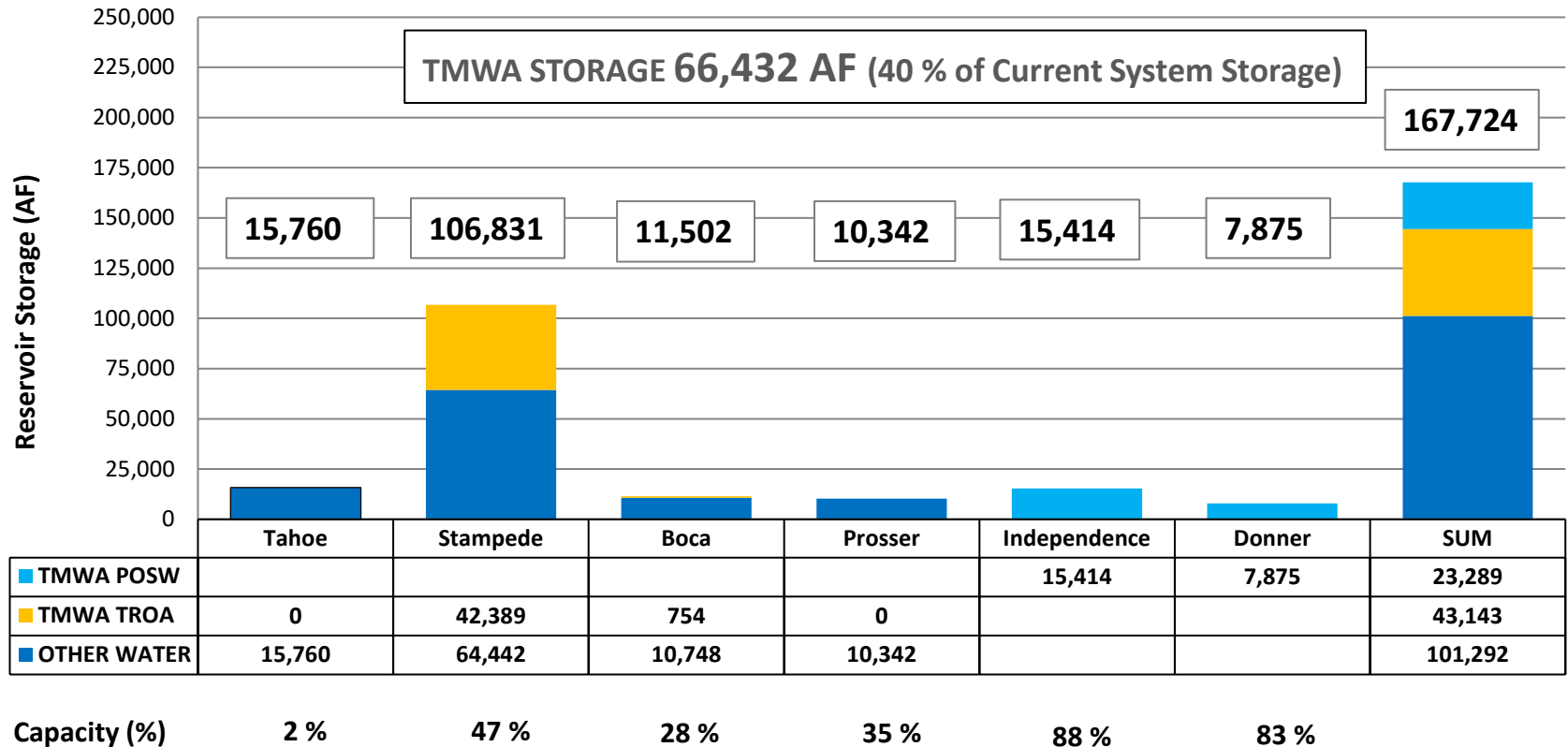
# TMWA Upstream Storage (maximum EOM and Use)

10-19-22 BOARD Agenda Item 7



# Truckee River System Storage (Oct 17, 2022)

10-19-22 BOARD Agenda Item 7



MAX SYSTEM CAPACITY 1,068,270 AF

CURRENT STORAGE 167,724 (16 % Capacity)

# Truckee River System

10-19-22 BOARD Agenda Item 7

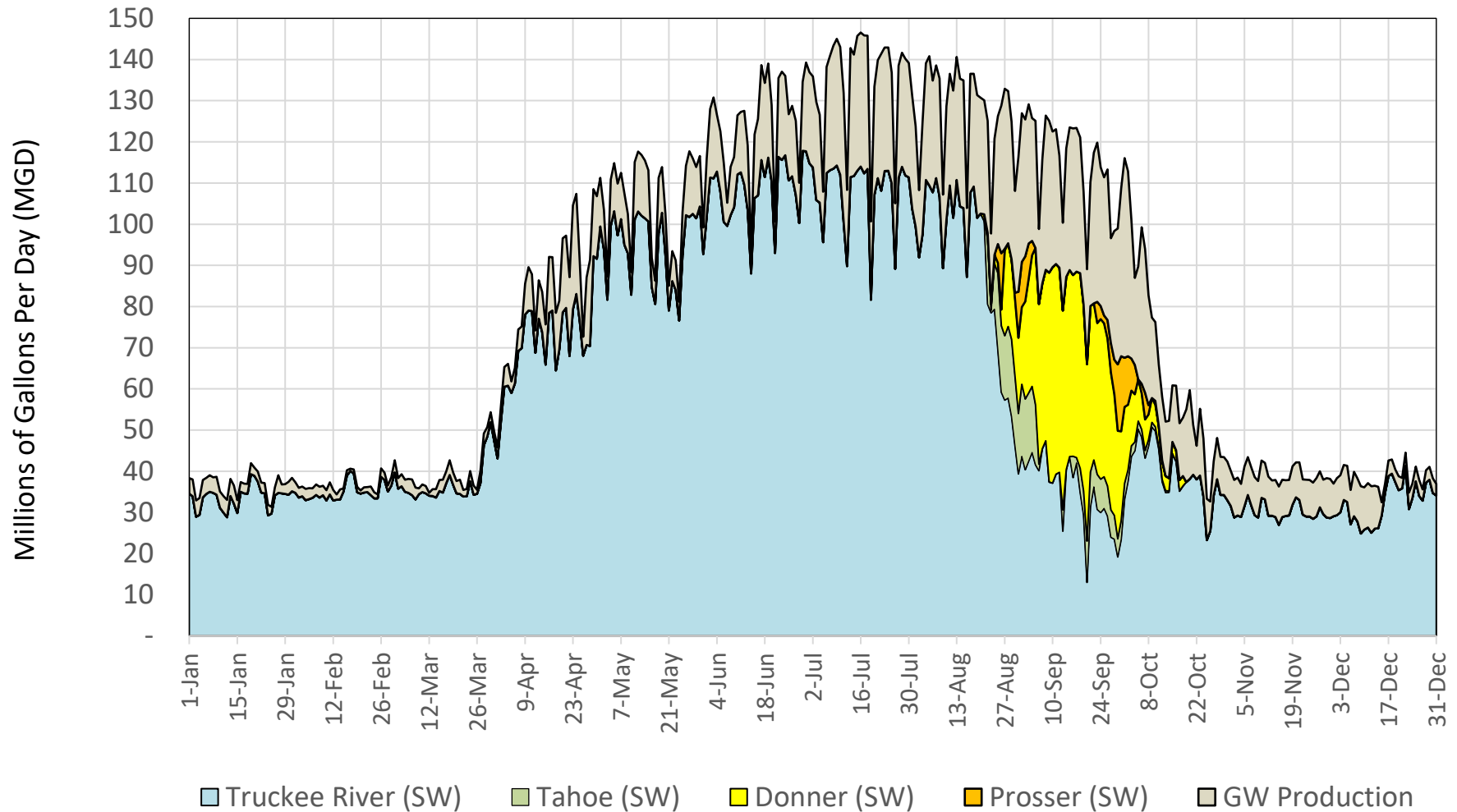


# TRONA

## TRUCKEE RIVER OPERATING AGREEMENT

# 2021 TMWA Actual Sources of Supply

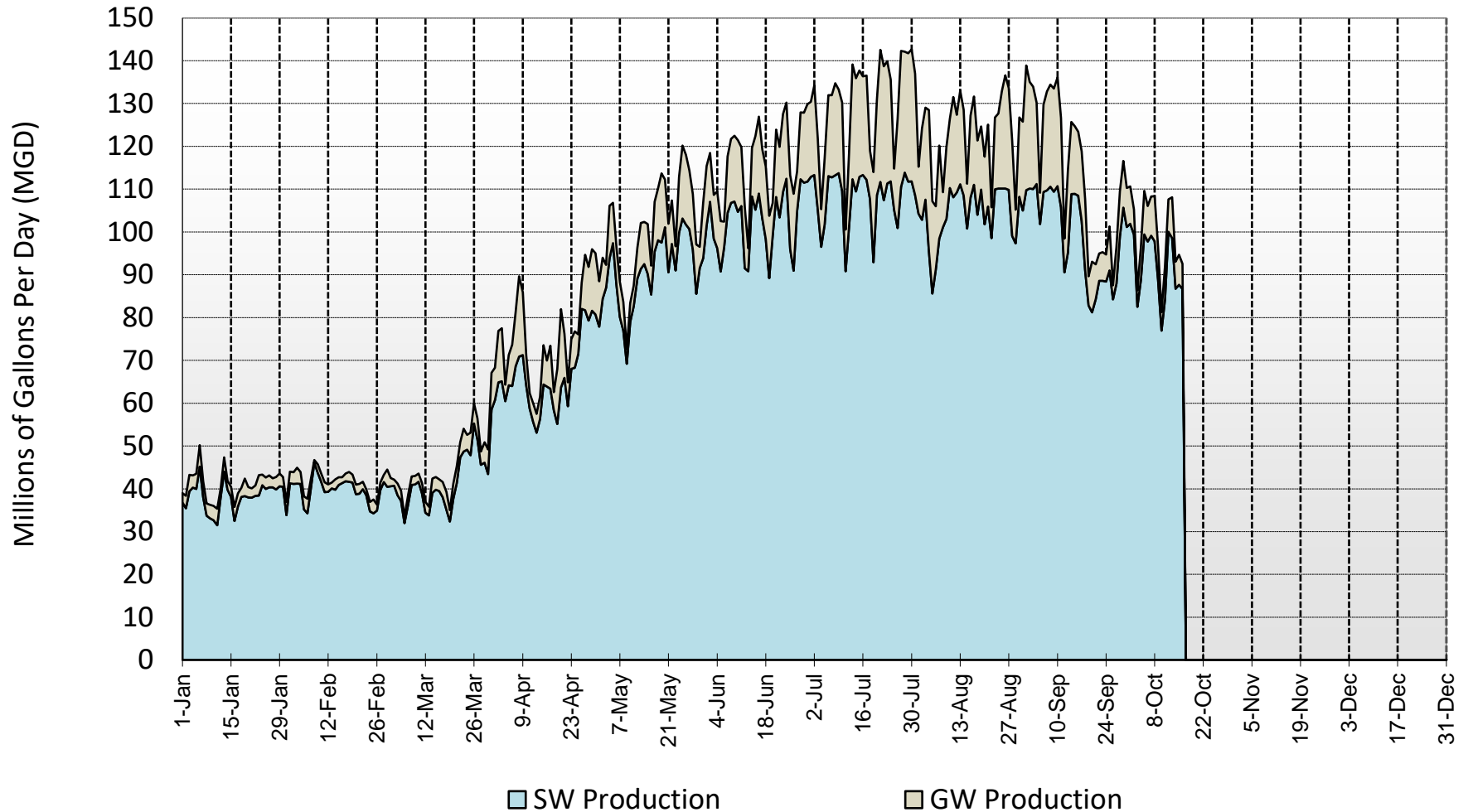
10-19-22 BOARD Agenda Item 7



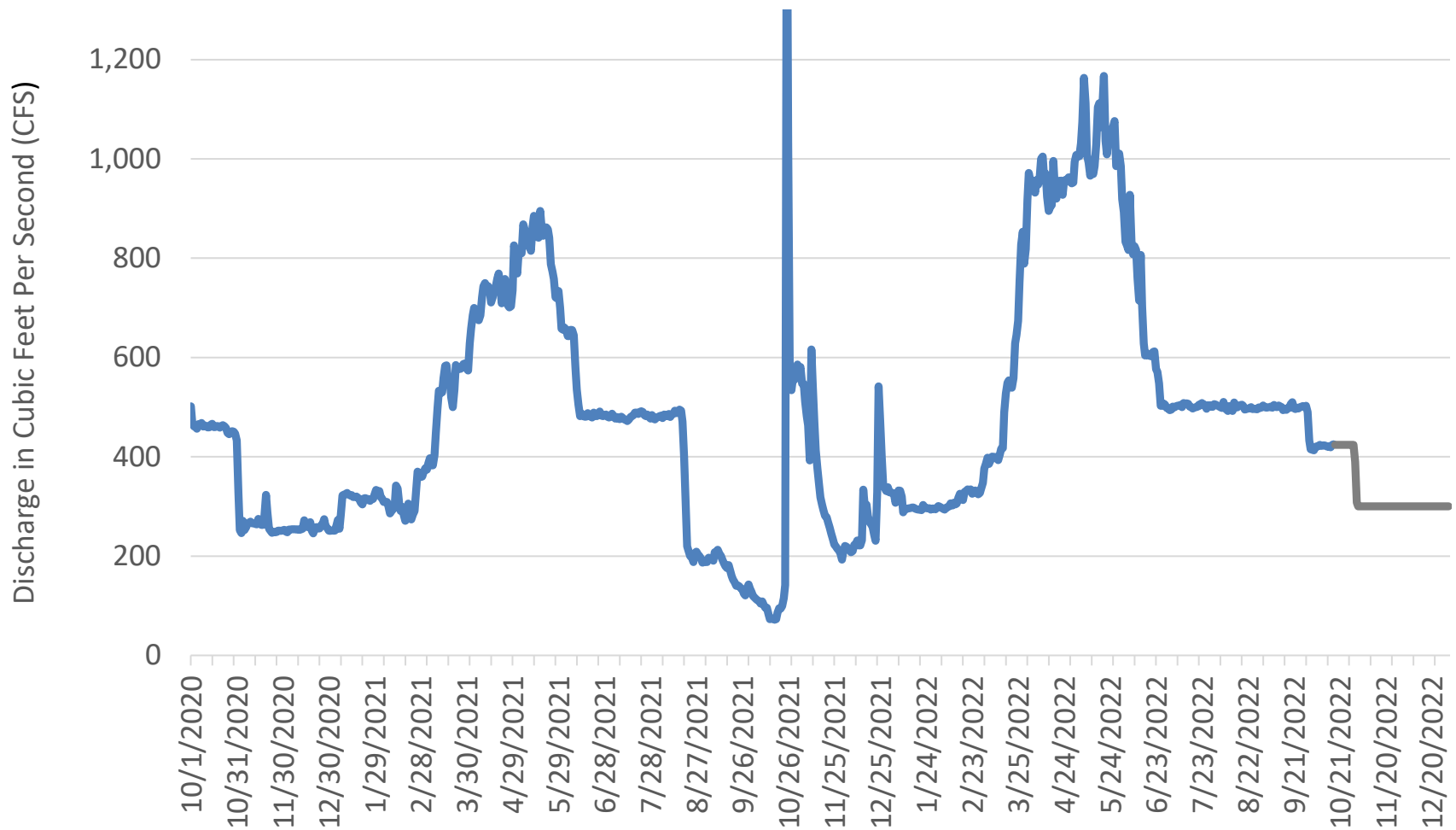


# 2022 TMWA Actual Sources of Supply

10-19-22 BOARD Agenda Item 7



# Actual and Projected Truckee River Flow through 2022 @ CA/NV State Line











# Thank you!

## Questions?

Bill Hauck, Water Supply Supervisor  
Email: [bhauck@tmwa.com](mailto:bhauck@tmwa.com)  
O: (775) 834-8111 M: (775) 250-1333



## STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** John Zimmerman, General Manager  
**FROM:** Sophia Cardinal, Financial Controller  
**DATE:** October 11, 2022  
**SUBJECT:** **Required Communication from EideBailly regarding TMWA's Annual Financial Audit**

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### Summary

The attached written communication from TMWA's external auditors, EideBailly, sets forth expectations for conducting and completing the audit of TMWA's financial statements and related disclosures for the fiscal year ended June 30, 2022. The EideBailly communication also defines the roles and responsibilities of TMWA's management, EideBailly, and the TMWA Board of Directors.



October 7, 2022

To the Board of Directors  
Truckee Meadows Water Authority  
Reno, Nevada

This letter is provided in connection with our engagement to audit the financial statements and to audit compliance over major federal award programs of Truckee Meadows Water Authority as of and for the year ended June 30, 2022. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit, the compliance audit, and the planned scope and timing of our audits, including significant risks we have identified.

### **Our Responsibilities**

As stated in our engagement letter dated March 29, 2022, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), *Government Auditing Standards* of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended; and the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for the purpose of forming and expressing opinions on the financial statements and on major federal award program compliance. Our audits do not relieve you or management of your respective responsibilities.

Our responsibility as it relates to the schedule of expenditures of federal awards is to evaluate its presentation for the purpose of forming and expressing an opinion as to whether it is presented fairly in all material respects in relation to the financial statements as a whole.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in the entity's annual report includes only the information identified in our report. We have no responsibility for determining whether the introductory section or statistical section are properly stated. We require that we receive the final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report, or if that is not possible as soon as practicable and, in any case, prior to the Truckee Meadows Water Authority's issuance of such information.

### **Planned Scope of the Audit**

Our audits will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

**What inspires you, inspires us. Let's talk. | [eidebailly.com](http://eidebailly.com)**

5441 Kietzke Ln., Ste. 150 | Reno, NV 89511-2094 | T 775.689.9100 | F 775.689.9299 | EOE



Our audit procedures will also include determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or material noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards* of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended; and the provisions of the Uniform Guidance.

Our audits will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements, the risk of material noncompliance in the major federal award programs, and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit, any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views related to qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks." Although we are currently in the planning stage of our audit, we have preliminarily identified the following significant risks that require special audit consideration.

- **Management Override of Controls** – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management may have the ability to override controls that the entity has implemented through policies and procedures.
- **Improper Revenue Recognition** – Professional standards include a presumptive risk of revenue recognition. Accordingly, we identified revenue recognition related to certain revenues, primarily related to charges for services, as a significant risk to address the possibility that revenue is not recorded appropriately.

- Significant Estimates: Allocation of Indirect Administrative Costs to Capital Assets, Valuation of Developer Dedicated Infrastructure and Other Donated Capital Assets, Delivered but Unbilled Water Sales Revenue, Public Employee Retirement System (PERS), and Other Post-employment Benefit (OPEB) Related Amounts – The allocation of indirect administrative costs to capital assets, valuation of developer dedicated infrastructure and other donated capital assets, delivered but unbilled water sales revenue, PERS, and OPEB related amounts are subject to significant estimation and allocation to the entity and have complex disclosures and financial reporting. Accordingly, we have identified the significant estimates of the allocation of indirect administrative costs to capital assets, valuation of developer dedicated infrastructure and other donated capital assets, delivered but unbilled water sales revenue, PERS, and OPEB related amounts as significant risks.

We expect to begin our audit in October 2022 and issue our report by November 30, 2022.

This information is intended solely for the information and use of the Board of Directors and management of Truckee Meadows Water Authority and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada



### STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Stefanie Morris, Director of Legal and Regulatory Affairs and Heather Edmunson, Lands Administrator  
**DATE:** October 19, 2022  
**SUBJECT:** **Discussion and action, and possible direction to staff on adoption of:**  
**Resolution No. 309: A resolution approving the sale of Surplus Properties APN: 016-490-27 and 016-490-32;**  
**Resolution No. 310: A resolution approving the sale of Surplus Property APN: 016-490-50;**  
**Resolution No. 311: A resolution approving the sale of Surplus Property APN: 038-730-37; and**  
**Resolution No. 312: A resolution approving the sale of Surplus Property APN: 140-051-23**

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### SUMMARY

Staff has determined that these vacant properties are not needed for water system operations and maintenance.

### DISCUSSION

Vacant properties can be a liability and often increase TMWA staff time to maintain and secure vacant lots. For this reason, staff reviews parcels that are not required for TMWA's operations and maintenance and recommends to the Board that they be disposed of to reduce liability and staff time necessary for maintenance.

Prior to making this recommendation, TMWA staff inquired with the representatives of the City of Reno, City of Sparks and Washoe County, to determine if those agencies had a need for the properties. Each agency has declined the need for these vacant properties for any of their agency needs.

In accordance with NRS 268.050 through 268.063 and TMWA's Surplus Property Resolution, appraisers were selected from the City of Reno's list of qualified appraisers for property disposal purposes. Exhibit 5 provides a summary of the appraisals. Staff has obtained two (2) appraisals and a review appraisal for each of these properties to establish the following fair market values:

Parcel Information	Parcel Acreage	Recommended Minimum Bid	Exhibit Map
14746 Pine Knolls Lane (APN: 016-490-27)	0.29 Acres	\$ 75,000.00	*1
0 Virginia Foothills Drive (APN: 016-490-32)	0.19 Acres	\$ 75,000.00	*1
14785 Pine Knolls Lane (APN: 016-490-50)	1.786 Acres	\$175,000.00	2
0 Cliff View Drive (APN: 038-730-37)	2.651 Acres	\$435,000.00	3
9675 Western Skies Drive (APN: 140-051-23)	3.509 Acres	\$425,000.00	4

(\*1 Two Properties sold together as one lot)

If the Board adopts these resolutions and determines selling the surplus properties is in TMWA's best interest, staff will advertise the sale, solicit bids and return to the Board at the January 18, 2023 meeting to open the sealed bids, receive any oral bids and designate the successful buyers.

### **RECOMMENDATION**

Staff recommends the Board determine that the sale of these vacant properties is in the best interest of TMWA and adopt Resolution Nos. 309, 310, 311, and 312.

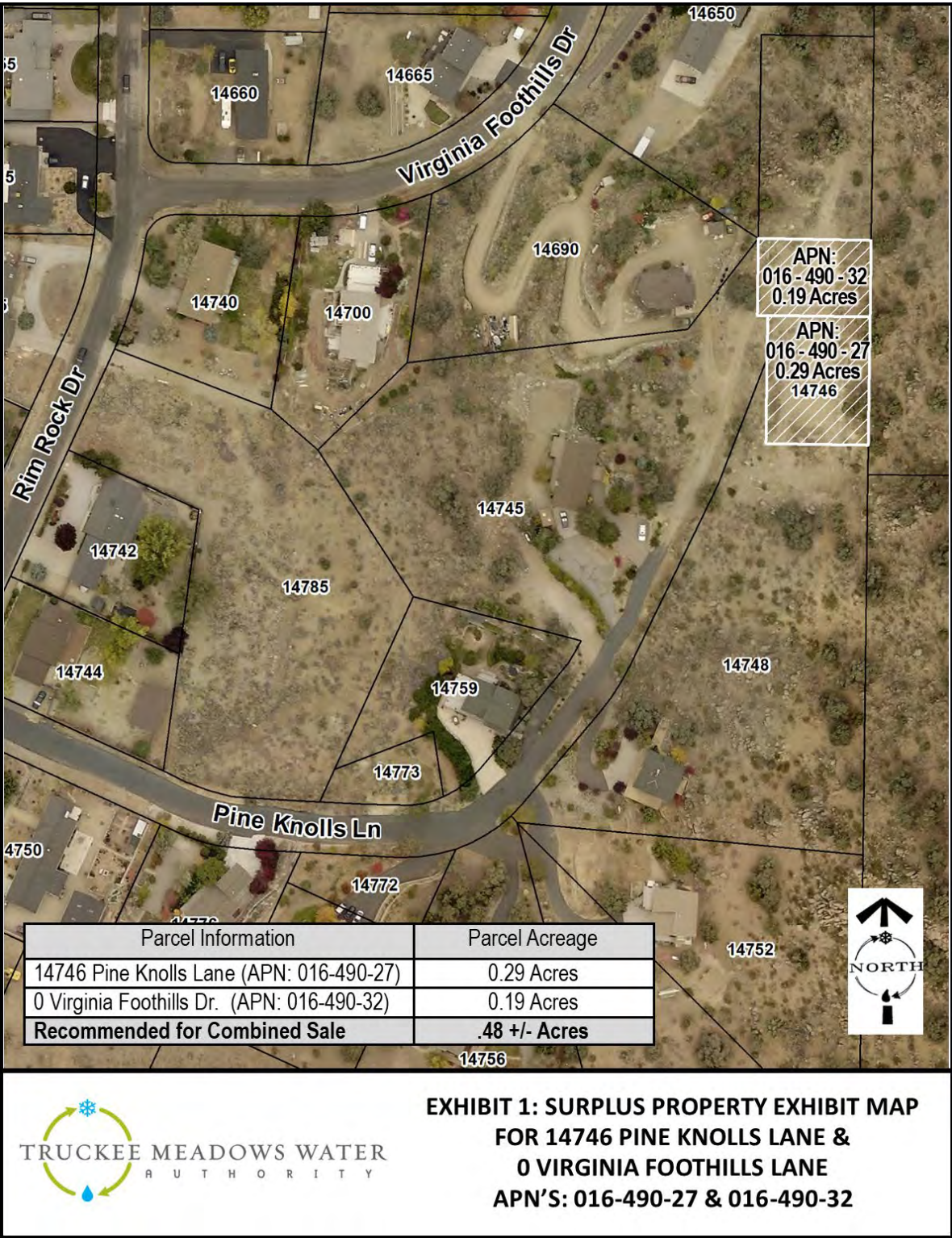
Attachments:

Exhibit Maps 1, 2, 3 & 4

GM Certification

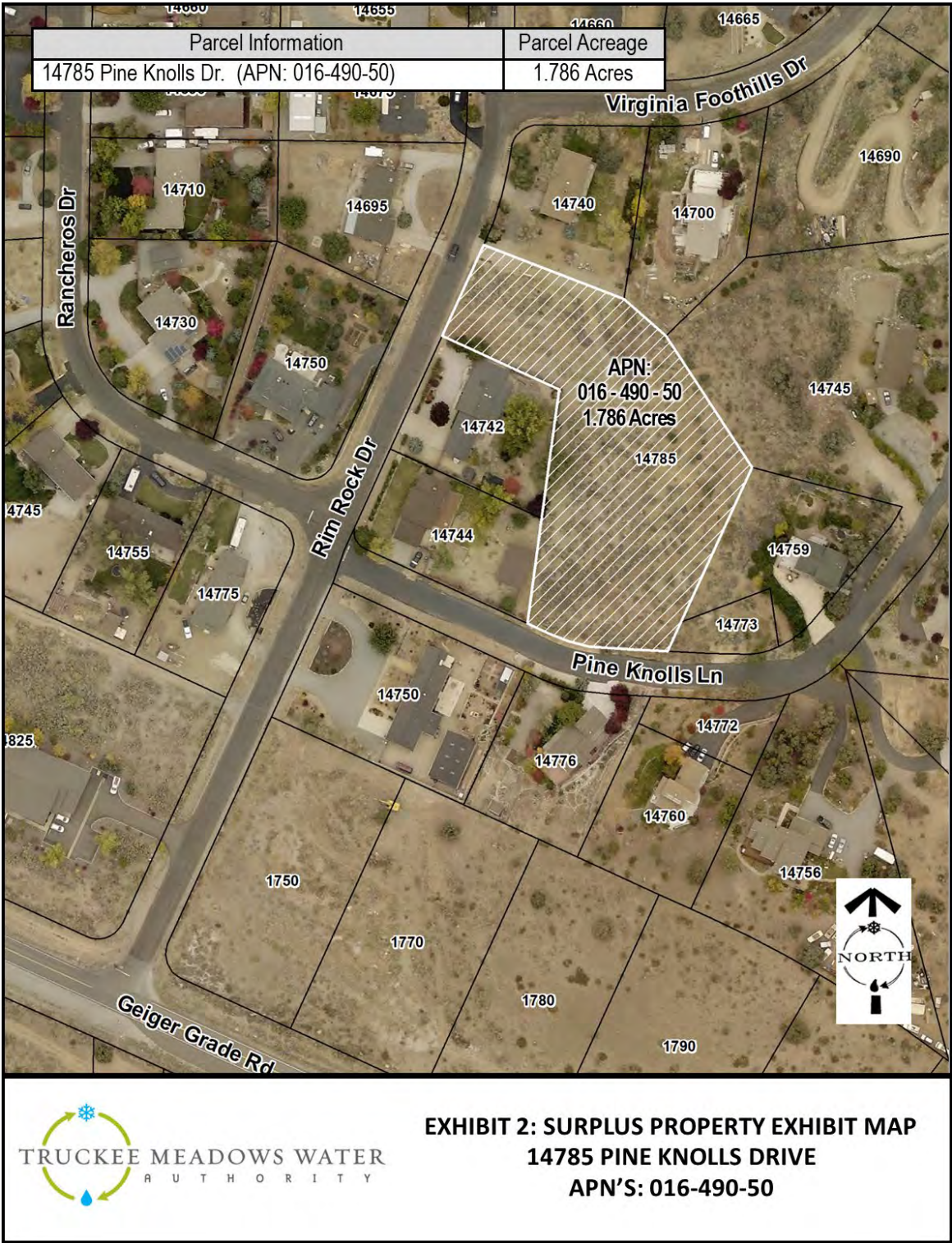
Resolution #309, 310, 311, & 312

Exhibit 1: Pine Knolls former STMGID tank sites  
APN: 016-490-27 & 32 (Combined 0.48 +/- Acres)





*Exhibit 2: Pine Knolls – Formerly used for the STMGID tank overflow and drainage  
APN: 016-490-50 (1.786± Acres)*





*Exhibit 3: Cliff View – Mogul Expansion Site-determined not necessary.  
APN: 038-730-37 (2.651± Acres)*





*Exhibit 4: Western Skies - Former Washoe County Truck Fill Site.  
APN: 140-051-23 (3.509± acres)*





Appraisal Information	Parcel Acreage	Recommended Minimum Bid	Exhibit Map
14746 Pine Knolls Lane (APN: 016-490-27)	0.29 Acres	\$ 75,000.00	*1
0 Virginia Foothills Drive (APN: 016-490-32) <ul style="list-style-type: none"> <li>●John Wright &amp; Associates (4/9/22) \$245,000</li> <li>●Carter-Ott Appraisal Ltd (4/12/22) \$75,000</li> <li>●Johnson Perkins Review Appraisal (8/22/22)</li> </ul> confirmed the Carter-Ott appraised value was more accurate due to no natural gas or sewer availability in this neighborhood which affected the comps. The development of 1 SFR would require septic and propane. <ul style="list-style-type: none"> <li>●Carter-Ott confirmed no change in valuation on 8/31/22.</li> </ul>	0.19 Acres		*1
14785 Pine Knolls Lane (APN: 016-490-50) <ul style="list-style-type: none"> <li>●John Wright &amp; Associates (4/8/22) \$210,000</li> <li>●Carter-Ott Appraisal Ltd (4/12/22) \$175,000</li> <li>●Johnson Perkins Review Appraisal (8/23/22)</li> </ul> confirmed the Carter-Ott appraised value was more accurate due to no natural gas or sewer availability in this neighborhood which affected the comps. The development of 1 SFR would require septic and propane. <ul style="list-style-type: none"> <li>●Carter-Ott confirmed no change in valuation on 8/31/22.</li> </ul>	1.786 Acres	\$175,000.00	2
0 Cliff View Drive (APN: 038-730-37) <ul style="list-style-type: none"> <li>●Valbridge Appraisal (4/6/22) \$280,000</li> <li>●Anthony Wren &amp; Associates (3/10/22) \$450,000</li> <li>●Carter-Ott Review Appraisal (7/6/22) concluded the Wren appraisal is more reflective of the market value and noted this property is very marketable and the lot could be developed with one large home or subdivided into 2 parcels.</li> <li>●Anthony Wren renewed the appraisal (9/10/2022) to reflect market value of \$435,000</li> </ul>	2.651 Acres	\$435,000.00	3
9675 Western Skies Drive (APN: 140-051-23) <ul style="list-style-type: none"> <li>●Valbridge Appraisal (4/6/22) \$44,000</li> <li>●Johnson Perkins Appraisers (5/6/22) \$425,000</li> <li>●Carter-Ott Review Appraisal (6/23/22) stated that the Johnson Perkins appraisal was more reflective of market value given that the properties master plan designation would allow for a zone change to allow a medium density single family residential development.</li> <li>●Johnson Perkins confirmed there was no change in valuation on (8/29/22)</li> <li>●This property previously appraised for \$350,000 in 2018 when Washoe County wanted to buy it back for a construction water site. Although, they canceled the purchase plans.</li> </ul>	3.509 Acres	\$425,000.00	4

(\*1 Two Properties sold together as one lot)



## STAFF REPORT

**TO:** Chairman and Board Members  
**FROM:** John R. Zimmerman, General Manager  
**DATE:** October 19, 2022  
**SUBJECT:** **Certification Pursuant to Surplus Property Disposal Policy –**  
**APN's: 016-490-27; 016-490-32; 016-490-50; 038-730-37 & 140-051-23**

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The General Manager hereby certifies to the Board of the Truckee Meadows Water Authority that the real properties listed below, and more further described in the attached Exhibits A, B, C, D, and E, are not useful or necessary for the efficient operation of the water system and may be considered surplus properties for purposes of the TMWA disposal policy. This certification is made for the purpose of facilitating a transfer of the subject properties in accordance with the foregoing policy to the successful bidders.

EXHIBIT A - APN: 016-490-27 (14746 Pine Knolls Lane) .29 acres  
EXHIBIT B - APN: 016-490-32 (14746 Pine Knolls Lane) .19 acres  
EXHIBIT C - APN: 016-490-50 (14785 Pine Knolls Lane) 1.786 acres  
EXHIBIT D - APN: 038-730-37 (0 Cliff View Drive) 2.651 acres  
EXHIBIT E - APN: 140-051-23 (9675 Western Skies Drive) 3.509 acres

Dated: October 19, 2022

By: John R. Zimmerman  
John R. Zimmerman, General Manager

EXHIBIT A

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

All that real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B.&M., described as follows:

PARCEL 1:

Beginning at a point on the East line of said Section 27, Township 18 North, Range 20 East, M.D.B. & M., from whence the southeast corner of said Section 27 bears South 0°14'19" West, 1,374.54 feet distant; thence North 89°55'41" West, 100 feet; thence North 0°04'19" East 125.00 feet; thence South 89°55'41" East 100.00 feet to a point on said East line of Section 27; thence South 0°14'19" West, 125.00 feet along the last mentioned line to the place of beginning.

PARCEL 1-A:

A right of way easement for a water line described as being a strip of land ten feet on each side of the following described centerline:

Begin at a point from whence the Southeast corner of Section 27, Township 18 North, Range 20 East, M.D.B. & M., bears South 45°30' East 1334.36 feet distant, thence North 23°51'21" East 541.07 feet; thence South 89°08' East 170.67 feet; thence South 89°53'20" East, 197.16 feet; thence North 76°43' East 102.15 feet; thence North 88°42' East 185.53 feet to the point of ending of this easement. Excepting therefrom any portion thereof lying within the lines of the property owned by E. P. Sawyers, Clide H. and Mary G. Bond.

PARCEL 1-B:

A non-exclusive easement thirty (30) feet wide, measured at right angles over a portion of the East one-half of the Southeast one quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M., for purposes of ingress and egress to a tank site, described in a deed from Nevada Title Guaranty Co. to Nevada National Bank, Filing No. 165321, Official Records of Washoe County, the centerline of said nonexclusive easement described as beginning at a point on the Easterly line of Rim Rock Drive, from which point of beginning, the Southeast corner of said Section 27 bears South 38°57'39" East, 1417.22 feet distant; thence along said easement centerline the following seven (7) courses and distances: South 66°08'39" East, 297.74 feet; North 60°41' East, 183.97 feet; North 43°40' East 169.13 feet; North 57°15' East, 189.26 feet; North 20°36' East 156.29 feet; North 14°09' East 58.77 feet, South 0°14'19" East 100.00 feet to the point of ending of said non-exclusive easement centerline, from whence said Southeast corner of Section 27 bears South 4°37'35" East 1404.24 feet distant.

PARCEL 1-C:

An easement for roadway to water tanks over that portion of the East half of the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B.&M., in the County of Washoe, State of Nevada, described as follows:

Starting at the intersection of the center lines of Rim Rock Drive and Rancheros Drive as shown on the map of Virginia Foothills Subdivision Number One; thence North  $23^{\circ}51'21''$  East 5.0 feet; thence South  $66^{\circ}08'39''$  East 25.0 feet, to the place of beginning for this description; thence Southerly on a curve concave Easterly having a radius of 20.00 feet from a tangent bearing of South  $23^{\circ}51'21''$  West through a central angle of  $90^{\circ}00'$ , an arc distance of 31.42 feet; thence South  $66^{\circ}08'39''$  East 231.25 feet to the beginning of a tangent curve concave Northeasterly having a radius of 125.00 feet; thence Easterly along said curve through a central angle of  $21^{\circ}41'51''$ , an arc distance of 47.34 feet; thence South  $87^{\circ}50'30''$  East 148.78 feet to the beginning of a curve concave Northwesterly having a radius of 100.00 feet; thence Easterly and Northeasterly along said curve through a central angle of  $52^{\circ}44'20''$ , an arc distance of 92.05 feet; thence North  $39^{\circ}25'10''$  East 115.26 feet to the beginning of a curve concave Northwesterly having a radius of 175.00 feet; thence Northeasterly along said curve through a central angle of  $14^{\circ}13'$ , an arc distance of 43.42 feet; thence North  $25^{\circ}12'10''$  East 194.42 feet; thence North  $15^{\circ}27'10''$  East 123.58 feet to the Southerly boundary line of the land described in deed to Richard E. Hoy, et al, recorded on December 29, 1972 as instrument No. 270567 in Book 697, Page 235 of Official Records in the office of the County Recorder of said County; thence along said boundary line North  $26^{\circ}57'50''$  East 113.79 feet to the Northwesterly corner of the land described in deed to Trans-Sierra Water Service, Inc. recorded on December 29, 1972 as instrument No. 270374 in Book 696, Page 575 of said Official Records; thence along the Westerly and Southerly lines of said land described in deed to Trans-Sierra Water Service, Inc. South  $0^{\circ}04'19''$  West 75.0 feet; and South  $89^{\circ}55'41''$  East 10.0 feet to the Northwesterly corner of the land described as fee parcel in deed to Trans-Sierra Water Service, Inc. recorded on November 16, 1970 as instruments No. 190134 in Book 503, Page 223 of said Official Records: thence along the Westerly line of said last mentioned land described as fee parcel to Trans-Sierra Water Service, Inc. South  $0^{\circ}04'19''$  West 42.81 feet; thence South  $21^{\circ}34'30''$  West 131.80 feet; thence South  $25^{\circ}12'10''$  West 196.0 feet to the beginning of a curve concave Northwesterly having a radius of 225.00 feet; thence Southwesterly along said curve through a central angle of  $14^{\circ}13'$ , an arc distance of 55.83 feet; thence South  $39^{\circ}25'10''$  West 115.26 feet to the beginning of a curve concave Northerly having a radius of 150.00 feet; thence Southwesterly and Westerly along said curve through a central angle of  $52^{\circ}44'20''$ , an arc distance of 138.07 feet; thence a North  $87^{\circ}50'30''$  West, 148.78 feet to the beginning of a curve concave Northeasterly having a radius of 175.00 feet; thence Northwesterly along said curve through a central angle of  $21^{\circ}41'51''$ , an arc distance of 66.27 feet; thence North  $66^{\circ}08'39''$  West 251.25 feet to the Easterly line of said Rim Rock Drive; thence along said Easterly line North  $23^{\circ}51'21''$  East 70.0 feet to the place of beginning.

NOTE: The above metes and bounds description appeared previously in that certain Grant, Bargain and Sale Deed and Bill of Sale (Fee Title Property) recorded in the office of the County Recorder of Washoe County, Nevada on February 20, 2015, as Document No. 4437803 Official Records.

**APN: 016-490-27**

EXHIBIT B

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

All that real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B. & M., described as follows:

Starting at the Southeast corner of Lot 15, Block I as shown on the map of VIRGINIA FOOTHILLS SUBDIVISION, UNIT NO. 3, thence South 0° 04' 19" West, 323.87 feet to the point of beginning for this description, thence South 0° 04' 19" West 75.0 feet; thence North 89° 55' 41" West 110.0 feet; thence North 0° 04' 19" East 75.0 feet; thence South 89° 55' 41" East 110.0 feet to the point of beginning. Situate in the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M.

TOGETHER WITH an easement for roadway to water tanks over that portion of the East half of the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M., in the County of Washoe, State of Nevada, described as follows:

Starting at the intersection of the center lines of Rim Rock Drive and Rancheros Drive as shown on the map of Virginia Foothills Subdivision Number One; thence North 23° 51' 21" East 5.0 feet; thence South 66° 08' 39" East 25.0 feet, to the place of beginning for this description; thence Southerly on a curve concave Easterly having a radius of 20.00 feet from a tangent bearing of South 23° 51' 21" West through a central angle of 90° 00', an arc distance of 31.42 feet; thence South 66° 08' 39" East 231.25 feet to the beginning of a tangent curve concave Northeasterly having a radius of 125.00 feet; thence Easterly along said curve through a central angle of 21° 41' 51", an arc distance of 47.34 feet; thence South 87° 50' 30" East 148.78 feet to the beginning of a curve concave Northwesterly having a radius of 100.00 feet; thence Easterly and Northeasterly along said curve through a central angle of 52° 44' 20", an arc distance of 92.05 feet; thence North 39° 25' 10" East 115.26 feet to the beginning of a curve concave Northwesterly having a radius of 175.00 feet; thence Northeasterly along said curve through a central angle of 14° 13', an arc distance of 43.42 feet; thence North 25° 12' 10" East 194.42 feet; thence North 15° 27' 10" East 123.58 feet to the Southerly boundary line of the land described in deed to Richard E. Hoy, et al, recorded on December 29, 1972 as instrument No. 270567 in Book 697, Page 235 of Official Records in the office of the County Recorder of said County; thence along said boundary line North 26° 57' 50" East 113.79 feet to the Northwesterly corner of the land described in deed to Trans-Sierra Water Service, Inc. recorded on December 29, 1972 as instrument No. 270374 in Book 696, Page 575 of said Official Records; thence along the Westerly and Southerly lines of said land described in deed to Trans-Sierra Water Service, Inc. South 0° 04' 19" West 75.0 feet; and South 89° 55' 41" East 10.0 feet to the Northwesterly corner of the land described as fee parcel in deed to Trans-Sierra Water Service, Inc. recorded on November 16, 1970 as instruments No. 190134 in Book 503, Page 223 of said Official Records: thence along the Westerly line of said last mentioned land described as fee parcel to Trans-Sierra Water Service, Inc. South 0° 04' 19" West 42.81 feet; thence South 21° 34' 30" West 131.80 feet; thence South 25° 12' 10" West 196.0 feet

to the beginning of a curve concave Northwesterly having a radius of 225.00 feet; thence Southwesterly along said curve through a central angle of  $14^{\circ} 13'$ , an arc distance of 55.83 feet; thence South  $39^{\circ} 25' 10''$  West 115.26 feet to the beginning of a curve concave Northerly having a radius of 150.00 feet; thence Southwesterly and Westerly along said curve through a central angle of  $52^{\circ} 44' 20''$ , an arc distance of 138.07 feet; thence a North  $87^{\circ} 50' 30''$  West, 148.78 feet to the beginning of a curve concave Northeasterly having a radius of 175.00 feet; thence Northwesterly along said curve through a central angle of  $21^{\circ} 41' 51''$ , an arc distance of 66.27 feet; thence North  $66^{\circ} 08' 39''$  West 251.25 feet to the Easterly line of said Rim Rock Drive; thence along said Easterly line North  $23^{\circ} 51' 21''$  East 70.0 feet to the place of beginning.

NOTE: The above metes and bounds description appeared previously in that certain Grant, Bargain and Sale Deed recorded in the office of the County Recorder of Washoe County, Nevada on February 15, 1984, as Document No. 907248 of Official Records.

**APN: 016-490-32**

EXHIBIT C

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

All that certain tract, piece or parcel of land situate, lying and being in the Southeast one quarter (SE 1/4) of Section 27, T.18N., R.20E., M.D.B. & M. and being more particularly described as follows, to-wit:

Commencing at the street intersection Rancheros Drive and Rim Rock Drive as identified on the Official Plat for Virginia Foothills Subdivision Unit No. 1, Document No. 366807 and filed September 16, 1962 in the office of the Washoe County Recorder, Reno, Nevada; thence N 23° 51' 21" E along the centerline of Rim Rock Drive a distance of 339.67 feet to a point of curvature to the left; thence S 66° 08' 39" E a distance of 25.00 feet to the easterly right of way of Rim Rock Drive of the aforementioned subdivision and the TRUE POINT OF BEGINNING; thence S 23° 51' 21" W along the easterly right of way of Rim Rock Drive a distance of 108.64 feet to a point; thence S 66° 08' 39" E a distance of 140.00 feet to a point; thence S 6° 56' 43" W a distance of 257.15 feet to a point on the northerly side of a 50.00 foot wide access easement; thence S 66° 08' 39" E along the aforementioned access easement a distance of 36.45 feet to a point of curvature to the left, concave northerly, having a radius of 125.00 feet, and a central angle of 21° 41' 51"; thence along the curve and the northerly side of the said access easement a distance of 47.34 feet to a point; thence S 87° 50' 30" E and continuing along said northerly side of the 50 foot wide access a distance of 73.90 feet to the southwest corner of Parcel 3 as identified in Document No. 550047, and filed August 8, 1978 in the office of the Washoe County Recorder, Reno, Nevada; thence N 23° 51' 21" E a distance of 220.00 feet to a point; thence N 33° 55' 02" W a distance of 170.98 feet to a point; thence N 49° 35' 27" W a distance of 61.00 feet to a point; thence N 69° 40' 35" W a distance of 163.33 feet to the TRUE POINT OF BEGINNING.

NOTE: The above metes and bounds description appeared previously in that certain Grant, Bargain and Sale Deed recorded in the office of the County Recorder of Washoe County, Nevada on February 15, 1984, in Book 1976, Page 207 as Document No. 907249 of Official Records.

**APN: 016-490-50**

EXHIBIT D

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

All that real property being a portion of the Northwest one-quarter (NW 1/4) of Section 14, Township 19 North, Range 18 East, MDM, shown as Parcel 2 on the 4th Parcel Map for Sierra Pacific Power Company, a Nevada corporation, recorded as File No. 1986179 on April 16, 1996 in the Official Records of Washoe County, Nevada.

**APN: 038-730-37**



EXHIBIT E

All that certain real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B. &M, described as follows:

Commencing at the North quarter corner of said Section 27; thence South 0° 11' 49" West along the North-South centerline 1343.20 feet; thence South 89° 28' 27" West 2033.13 feet to the true point of beginning; thence South 62° 48' 17" West, 685.21 feet to the West line of said Section 27; thence along said West line South 0° 08' 43" East, 611.66 feet; thence South 56° 57' East, 119.11 feet; thence North 0° 08' 43" West, 559.34 feet; thence North 62° 48' 17" East, 574.55 feet; thence North 0° 31' 33" West, 167.86 feet to the True Point of Beginning.

NOTE: The above metes and bounds description appeared previously in that certain Deed recorded in the office of the County Recorder of Washoe County, Nevada on February 15, 1984, as Document No. 907248 of Official Records.

**APN: 140-051-23**

**TRUCKEE MEADOWS WATER AUTHORITY**

**RESOLUTION NO. 309**

**A RESOLUTION THAT THE TRANSFER OF .476± ACRES OF REAL PROPERTY APN: 016-490-27 & 016-490-32  
LOCATED IN RENO, NEVADA IS IN TMWA'S BEST INTEREST**

**WHEREAS**, Authority owns certain real property located in Reno, Nevada, and which is more particularly described on the attached Exhibit A ("Property.") The Authority has determined that this Property is not useful or necessary for the efficient operation of the water system and may be considered surplus property for purposes of the Authority's disposal policy.

**WHEREAS**, pursuant to the Authority's surplus property disposal policy, the General Manager or its designee is authorized to sell, transfer and convey real property that is not otherwise necessary for the operation of the Water System if it is in the best interest of the Authority.

**WHEREAS**, the General Manager has certified in writing to the Board that the Property is not useful and is not necessary for the efficient operation of the water system.

**WHEREAS**, the Authority intends to transfer the Property to the successful bidder for the minimum amount of \$75,000.00.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TRUCKEE MEADOWS WATER AUTHORITY DOES RESOLVE:**

1. The Property is not useful or necessary for the efficient operation of the water system and may be considered surplus property for purposes of the TMWA disposal policy.
2. The transfer of the Property to the successful bidder is in the best interest of Authority and is appropriate and justified;
3. The transfer of the Property to the successful bidder for a minimum amount of \$75,000.00 is hereby approved.
4. Property is as described on the attached Exhibit A.
5. Notice of the sale shall be published once a week for three consecutive weeks.
6. Sealed bids will be opened and considered at the January 18, 2023 TMWA Board meeting at the Sparks Council Chambers located at 745 4th Street, Sparks, Nevada.

Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was passed and adopted this \_\_\_\_th day of October, 2022, by the following vote of the Board:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstain: \_\_\_\_\_ Absent: \_\_\_\_\_

Approved this \_\_\_\_th day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Chairman

## **EXHIBIT A**

### **REAL PROPERTY DESCRIPTION**

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

All that real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B.&M., described as follows:

#### **PARCEL 1:**

Beginning at a point on the East line of said Section 27, Township 18 North, Range 20 East, M.D.B. & M., from whence the southeast corner of said Section 27 bears South 0°14'19" West, 1,374.54 feet distant; thence North 89°55'41" West, 100 feet; thence North 0°04'19" East 125.00 feet; thence South 89°55'41" East 100.00 feet to a point on said East line of Section 27; thence South 0°14'19" West, 125.00 feet along the last mentioned line to the place of beginning.

#### **PARCEL 1-A:**

A right of way easement for a water line described as being a strip of land ten feet on each side of the following described centerline:

Begin at a point from whence the Southeast corner of Section 27, Township 18 North, Range 20 East, M.D.B. & M., bears South 45°30' East 1334.36 feet distant, thence North 23°51'21" East 541.07 feet; thence South 89°08' East 170.67 feet; thence South 89°53'20" East, 197.16 feet; thence North 76°43' East 102.15 feet; thence North 88°42' East 185.53 feet to the point of ending of this easement. Excepting therefrom any portion thereof lying within the lines of the property owned by E. P. Sawyers, Clide H. and Mary G. Bond.

#### **PARCEL 1-B:**

A non-exclusive easement thirty (30) feet wide, measured at right angles over a portion of the East one-half of the Southeast one quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M., for purposes of ingress and egress to a tank site, described in a deed from Nevada Title Guaranty Co. to Nevada National Bank, Filing No. 165321, Official Records of Washoe County, the centerline of said nonexclusive easement described as beginning at a point on the Easterly line of Rim Rock Drive, from which point of beginning, the Southeast corner of said Section 27 bears South 38°57'39" East, 1417.22 feet distant; thence along said easement centerline the following seven (7) courses and distances: South 66°08'39" East, 297.74 feet; North 60°41' East, 183.97 feet; North 43°40' East 169.13 feet; North 57°15' East, 189.26 feet; North 20°36' East 156.29 feet; North 14°09' East 58.77 feet, South 0°14'19" East 100.00 feet to the point of ending of said non-exclusive easement centerline, from whence said Southeast corner of Section 27 bears South 4°37'35" East 1404.24 feet distant.

#### **PARCEL 1-C:**

An easement for roadway to water tanks over that portion of the East half of the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B.&M., in the County of Washoe, State of Nevada, described as follows:

Starting at the intersection of the center lines of Rim Rock Drive and Rancheros Drive as shown on the map of Virginia Foothills Subdivision Number One; thence North 23°51'21" East 5.0 feet; thence South

66°08'39" East 25.0 feet, to the place of beginning for this description; thence Southerly on a curve concave Easterly having a radius of 20.00 feet from a tangent bearing of South 23°51'21" West through a central angle of 90°00', an arc distance of 31.42 feet; thence South 66°08'39" East 231.25 feet to the beginning of a tangent curve concave Northeasterly having a radius of 125.00 feet; thence Easterly along said curve through a central angle of 21°41'51", an arc distance of 47.34 feet; thence South 87°50'30" East 148.78 feet to the beginning of a curve concave Northwesterly having a radius of 100.00 feet; thence Easterly and Northeasterly along said curve through a central angle of 52°44'20", an arc distance of 92.05 feet; thence North 39°25'10" East 115.26 feet to the beginning of a curve concave Northwesterly having a radius of 175.00 feet; thence Northeasterly along said curve through a central angle of 14°13', an arc distance of 43.42 feet; thence North 25°12'10" East 194.42 feet; thence North 15°27'10" East 123.58 feet to the Southerly boundary line of the land described in deed to Richard E. Hoy, et al, recorded on December 29, 1972 as instrument No. 270567 in Book 697, Page 235 of Official Records in the office of the County Recorder of said County; thence along said boundary line North 26°57'50" East 113.79 feet to the Northwesterly corner of the land described in deed to Trans-Sierra Water Service, Inc. recorded on December 29, 1972 as instrument No. 270374 in Book 696, Page 575 of said Official Records; thence along the Westerly and Southerly lines of said land described in deed to Trans-Sierra Water Service, Inc. South 0°04'19" West 75.0 feet; and South 89°55'41" East 10.0 feet to the Northwesterly corner of the land described as fee parcel in deed to Trans-Sierra Water Service, Inc. recorded on November 16, 1970 as instruments No. 190134 in Book 503, Page 223 of said Official Records: thence along the Westerly line of said last mentioned land described as fee parcel to Trans-Sierra Water Service, Inc. South 0°04'19" West 42.81 feet; thence South 21°34'30" West 131.80 feet; thence South 25°12'10" West 196.0 feet to the beginning of a curve concave Northwesterly having a radius of 225.00 feet; thence Southwesterly along said curve through a central angle of 14°13', an arc distance of 55.83 feet; thence South 39°25'10" West 115.26 feet to the beginning of a curve concave Northerly having a radius of 150.00 feet; thence Southwesterly and Westerly along said curve through a central angle of 52°44'20", an arc distance of 138.07 feet; thence a North 87°50'30" West, 148.78 feet to the beginning of a curve concave Northeasterly having a radius of 175.00 feet; thence Northwesterly along said curve through a central angle of 21°41'51", an arc distance of 66.27 feet; thence North 66°08'39" West 251.25 feet to the Easterly line of said Rim Rock Drive; thence along said Easterly line North 23°51'21" East 70.0 feet to the place of beginning.

NOTE: The above metes and bounds description appeared previously in that certain Grant, Bargain and Sale Deed and Bill of Sale (Fee Title Property) recorded in the office of the County Recorder of Washoe County, Nevada on February 20, 2015, as Document No. 4437803 Official Records.

**APN: 016-490-27**

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

All that real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B. & M., described as follows:

Starting at the Southeast corner of Lot 15, Block I as shown on the map of VIRGINIA FOOTHILLS SUBDIVISION, UNIT NO. 3, thence South 0° 04' 19" West, 323.87 feet to the point of beginning for this description, thence South 0° 04' 19" West 75.0 feet; thence North 89° 55' 41" West 110.0 feet; thence North 0° 04' 19" East 75.0 feet; thence South 89° 55' 41" East 110.0 feet to the point of beginning. Situate in the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M.

TOGETHER WITH an easement for roadway to water tanks over that portion of the East half of the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M., in the County of Washoe, State of Nevada, described as follows:

Starting at the intersection of the center lines of Rim Rock Drive and Rancheros Drive as shown on the map of Virginia Foothills Subdivision Number One; thence North  $23^{\circ} 51' 21''$  East 5.0 feet; thence South  $66^{\circ} 08' 39''$  East 25.0 feet, to the place of beginning for this description; thence Southerly on a curve concave Easterly having a radius of 20.00 feet from a tangent bearing of South  $23^{\circ} 51' 21''$  West through a central angle of  $90^{\circ} 00'$ , an arc distance of 31.42 feet; thence South  $66^{\circ} 08' 39''$  East 231.25 feet to the beginning of a tangent curve concave Northeasterly having a radius of 125.00 feet; thence Easterly along said curve through a central angle of  $21^{\circ} 41' 51''$ , an arc distance of 47.34 feet; thence South  $87^{\circ} 50' 30''$  East 148.78 feet to the beginning of a curve concave Northwesterly having a radius of 100.00 feet; thence Easterly and Northeasterly along said curve through a central angle of  $52^{\circ} 44' 20''$ , an arc distance of 92.05 feet; thence North  $39^{\circ} 25' 10''$  East 115.26 feet to the beginning of a curve concave Northwesterly having a radius of 175.00 feet; thence Northeasterly along said curve through a central angle of  $14^{\circ} 13'$ , an arc distance of 43.42 feet; thence North  $25^{\circ} 12' 10''$  East 194.42 feet; thence North  $15^{\circ} 27' 10''$  East 123.58 feet to the Southerly boundary line of the land described in deed to Richard E. Hoy, et al, recorded on December 29, 1972 as instrument No. 270567 in Book 697, Page 235 of Official Records in the office of the County Recorder of said County; thence along said boundary line North  $26^{\circ} 57' 50''$  East 113.79 feet to the Northwesterly corner of the land described in deed to Trans-Sierra Water Service, Inc. recorded on December 29, 1972 as instrument No. 270374 in Book 696, Page 575 of said Official Records; thence along the Westerly and Southerly lines of said land described in deed to Trans-Sierra Water Service, Inc. South  $0^{\circ} 04' 19''$  West 75.0 feet; and South  $89^{\circ} 55' 41''$  East 10.0 feet to the Northwesterly corner of the land described as fee parcel in deed to Trans-Sierra Water Service, Inc. recorded on November 16, 1970 as instruments No. 190134 in Book 503, Page 223 of said Official Records; thence along the Westerly line of said last mentioned land described as fee parcel to Trans-Sierra Water Service, Inc. South  $0^{\circ} 04' 19''$  West 42.81 feet; thence South  $21^{\circ} 34' 30''$  West 131.80 feet; thence South  $25^{\circ} 12' 10''$  West 196.0 feet to the beginning of a curve concave Northwesterly having a radius of 225.00 feet; thence Southwesterly along said curve through a central angle of  $14^{\circ} 13'$ , an arc distance of 55.83 feet; thence South  $39^{\circ} 25' 10''$  West 115.26 feet to the beginning of a curve concave Northerly having a radius of 150.00 feet; thence Southwesterly and Westerly along said curve through a central angle of  $52^{\circ} 44' 20''$ , an arc distance of 138.07 feet; thence a North  $87^{\circ} 50' 30''$  West, 148.78 feet to the beginning of a curve concave Northeasterly having a radius of 175.00 feet; thence Northwesterly along said curve through a central angle of  $21^{\circ} 41' 51''$ , an arc distance of 66.27 feet; thence North  $66^{\circ} 08' 39''$  West 251.25 feet to the Easterly line of said Rim Rock Drive; thence along said Easterly line North  $23^{\circ} 51' 21''$  East 70.0 feet to the place of beginning.

NOTE: The above metes and bounds description appeared previously in that certain Grant, Bargain and Sale Deed recorded in the office of the County Recorder of Washoe County, Nevada on February 15, 1984, as Document No. 907248 of Official Records.

**APN: 016-490-32**

**TRUCKEE MEADOWS WATER AUTHORITY**

**RESOLUTION NO. 310**

**A RESOLUTION THAT THE TRANSFER OF 1.786± ACRES OF REAL PROPERTY APN: 016-490-50  
LOCATED IN RENO, NEVADA IS IN TMWA'S BEST INTEREST**

**WHEREAS**, Authority owns certain real property located in Reno, Nevada, and which is more-particularly described on the attached Exhibit A (Property). The Authority has determined that this Property is not useful or necessary for the efficient operation of the water system and may be considered surplus property for purposes of the Authority's disposal policy.

**WHEREAS**, pursuant to the Authority's surplus property disposal policy, the General Manager or its designee is authorized to sell, transfer and convey real property that is not otherwise necessary for the operation of the Water System if it is in the best interest of the Authority.

**WHEREAS**, the General Manager has certified in writing to the Board that the Property is not useful and is not necessary for the efficient operation of the water system.

**WHEREAS**, the Authority intends to transfer the Property to the successful bidder for a minimum amount of \$175,000.00.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TRUCKEE MEADOWS WATER AUTHORITY DOES RESOLVE:**

1. The Property is not useful or necessary for the efficient operation of the water system and may be considered surplus property for purposes of the TMWA disposal policy.
2. The transfer of the Property to the successful bidder is in the best interest of Authority and is appropriate and justified;
3. The transfer of the Property to the successful bidder for a minimum amount of \$175,000.00 is hereby approved.
4. Property is as described on the attached Exhibit A.
5. Notice of the sale shall be published once a week for three consecutive weeks.
6. Sealed bids will be opened and considered at the January 18, 2023 TMWA Board meeting at the Sparks Council Chambers located at 745 4th Street, Sparks, Nevada.

Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was passed and adopted this \_\_\_\_th day of October, 2022, by the following vote of the Board:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstain: \_\_\_\_\_ Absent: \_\_\_\_\_

Approved this \_\_\_\_th day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Chairman

## **EXHIBIT A**

### **REAL PROPERTY DESCRIPTION**

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

All that certain tract, piece or parcel of land situate, lying and being in the Southeast one quarter (SE 1/4) of Section 27, T.18N., R.20E., M.D.B. & M. and being more particularly described as follows, to-wit:

Commencing at the street intersection Rancheros Drive and Rim Rock Drive as identified on the Official Plat for Virginia Foothills Subdivision Unit No. 1, Document No. 366807 and filed September 16, 1962 in the office of the Washoe County Recorder, Reno, Nevada; thence N 23° 51' 21" E along the centerline of Rim Rock Drive a distance of 339.67 feet to a point of curvature to the left; thence S 66° 08' 39" E a distance of 25.00 feet to the easterly right of way of Rim Rock Drive of the aforementioned subdivision and the TRUE POINT OF BEGINNING; thence S 23° 51' 21" W along the easterly right of way of Rim Rock Drive a distance of 108.64 feet to a point; thence S 66° 08' 39" E a distance of 140.00 feet to a point; thence S 6° 56' 43" W a distance of 257.15 feet to a point on the northerly side of a 50.00 foot wide access easement; thence S 66° 08' 39" E along the aforementioned access easement a distance of 36.45 feet to a point of curvature to the left, concave northerly, having a radius of 125.00 feet, and a central angle of 21° 41' 51"; thence along the curve and the northerly side of the said access easement a distance of 47.34 feet to a point; thence S 87° 50' 30" E and continuing along said northerly side of the 50 foot wide access a distance of 73.90 feet to the southwest corner of Parcel 3 as identified in Document No. 550047, and filed August 8, 1978 in the office of the Washoe County Recorder, Reno, Nevada; thence N 23° 51' 21" E a distance of 220.00 feet to a point; thence N 33° 55' 02" W a distance of 170.98 feet to a point; thence N 49° 35' 27" W a distance of 61.00 feet to a point; thence N 69° 40' 35" W a distance of 163.33 feet to the TRUE POINT OF BEGINNING.

NOTE: The above metes and bounds description appeared previously in that certain Grant, Bargain and Sale Deed recorded in the office of the County Recorder of Washoe County, Nevada on February 15, 1984, in Book 1976, Page 207 as Document No. 907249 of Official Records.

**APN: 016-490-50**

**TRUCKEE MEADOWS WATER AUTHORITY**

**RESOLUTION NO. 311**

**A RESOLUTION THAT THE TRANSFER OF 2.651± ACRES OF REAL PROPERTY APN: 038-730-37 LOCATED IN RENO, NEVADA IS IN TMWA'S BEST INTEREST**

**WHEREAS**, Authority owns certain real property located in Reno, Nevada, and which is more particularly described on the attached Exhibit A (Property). The Authority has determined that this Property is not useful or necessary for the efficient operation of the water system and may be considered surplus property for purposes of the Authority's disposal policy.

**WHEREAS**, pursuant to the Authority's surplus property disposal policy, the General Manager or its designee is authorized to sell, transfer and convey real property that is not otherwise necessary for the operation of the Water System if it is in the best interest of the Authority.

**WHEREAS**, the General Manager has certified in writing to the Board that the Property is not useful and is not necessary for the efficient operation of the water system.

**WHEREAS**, the Authority intends to transfer the Property to the successful bidder for the minimum amount of \$435,000.00.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TRUCKEE MEADOWS WATER AUTHORITY DOES RESOLVE:**

1. The Property is not useful or necessary for the efficient operation of the water system and may be considered surplus property for purposes of the TMWA disposal policy.
2. The transfer of the Property to the successful bidder is in the best interest of Authority and is appropriate and justified;
3. The transfer of the Property to the successful bidder for a minimum amount of \$435,000.00 is hereby approved.
4. Property is as described on the attached Exhibit A.
5. Notice of the sale shall be published once a week for three consecutive weeks.
6. Sealed bids will be opened and considered at the January 18, 2023 TMWA Board meeting at the Sparks Council Chambers located at 745 4th Street, Sparks, Nevada.

Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was passed and adopted this \_\_\_\_th day of October, 2022, by the following vote of the Board:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstain: \_\_\_\_\_ Absent: \_\_\_\_\_

Approved this \_\_\_\_th day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Chairman



Truckee Meadows Water Authority  
Resolution No. 311 (continued)

EXHIBIT A

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

All that real property being a portion of the Northwest one-quarter (NW 1/4) of Section 14, Township 19 North, Range 18 East, MDM, shown as Parcel 2 on the 4th Parcel Map for Sierra Pacific Power Company, a Nevada corporation, recorded as File No. 1986179 on April 16, 1996 in the Official Records of Washoe County, Nevada.

**APN: 038-730-37**

**TRUCKEE MEADOWS WATER AUTHORITY**

**RESOLUTION NO. 312**

**A RESOLUTION THAT THE TRANSFER OF 3.509± ACRES OF REAL PROPERTY APN: 140-051-23 LOCATED IN RENO, NEVADA IS IN TMWA'S BEST INTEREST**

**WHEREAS**, Authority owns certain real property located in Reno, Nevada, and which is more particularly described on the attached Exhibit A (Property). The Authority has determined that this Property is not useful or necessary for the efficient operation of the water system and may be considered surplus property for purposes of the Authority's disposal policy.

**WHEREAS**, pursuant to the Authority's surplus property disposal policy, the General Manager or its designee is authorized to sell, transfer and convey real property that is not otherwise necessary for the operation of the Water System if it is in the best interest of the Authority.

**WHEREAS**, the General Manager has certified in writing to the Board that the Property is not useful and is not necessary for the efficient operation of the water system.

**WHEREAS**, the Authority intends to transfer the Property to the successful bidder for the minimum amount of \$425,000.00.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TRUCKEE MEADOWS WATER AUTHORITY DOES RESOLVE:**

1. The Property is not useful or necessary for the efficient operation of the water system and may be considered surplus property for purposes of the TMWA disposal policy.
2. The transfer of the Property to the successful bidder is in the best interest of Authority and is appropriate and justified;
3. The transfer of the Property to the successful bidder for a minimum amount of \$425,000.00 is hereby approved.
4. Property is as described on the attached Exhibit A.
5. Notice of the sale shall be published once a week for three consecutive weeks.
6. Sealed bids will be opened and considered at the January 18, 2023 TMWA Board meeting at the Sparks Council Chambers located at 745 4th Street, Sparks, Nevada.

Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was passed and adopted this \_\_\_\_th day of October, 2022, by the following vote of the Board:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstain: \_\_\_\_\_ Absent: \_\_\_\_\_

Approved this \_\_\_\_th day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Chairman

Truckee Meadows Water Authority  
Resolution No. 312 (continued)

**EXHIBIT A**

**REAL PROPERTY DESCRIPTION**

All that certain real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B. &M, described as follows:

Commencing at the North quarter corner of said Section 27; thence South 0° 11' 49" West along the North-South centerline 1343.20 feet; thence South 89° 28' 27" West 2033.13 feet to the true point of beginning; thence South 62° 48' 17" West, 685.21 feet to the West line of said Section 27; thence along said West line South 0° 08' 43" East, 611.66 feet; thence South 56° 57' East, 119.11 feet; thence North 0° 08' 43" West, 559.34 feet; thence North 62° 48' 17" East, 574.55 feet; thence North 0° 31' 33" West, 167.86 feet to the True Point of Beginning.

NOTE: The above metes and bounds description appeared previously in that certain Deed recorded in the office of the County Recorder of Washoe County, Nevada on February 15, 1984, as Document No. 907248 of Official Records.

**APN: 140-051-23**



## STAFF REPORT

**TO:** TMWA Standing Advisory Committee  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Matt Bowman, Chief Financial Officer/Treasurer  
**DATE:** October 10, 2022  
**SUBJECT:** **Presentation and discussion, possible action and possible direction to staff regarding preliminary funding plan for Fiscal Years 2023 through 2027**

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### Recommendation

Recommendation to accept the five-year funding plan as presented. Staff recommends TMWA SAC and Board authorize the previously approved 2.5% rate increase to be implemented in June 2023. The SAC and the Board will continue to monitor the closing of the funding gap between recurring revenues and the cost of servicing TMWA customers, based on the funding plan annually.

### Summary

At the April 2017 TMWA Board meeting, the TMWA Board approved Resolution No. 250 which included rate increases of 3% in May 2017 and May 2018 and additional rate increases of 2.5% in May 2019 through 2021 to be brought for reconsideration to the SAC and Board before they are implemented. Principal payments on Senior Lien debt were deferred in the 2016 Bond Refunding to give TMWA time to bring rates in line with cost of service. Annual principal payments averaging \$11m annually resumed in 2020, and should be covered by recurring revenue, which is mainly water sales. Rate increases of 3% in May of 2017 and 2018 were implemented, and the 2.5% rate increase scheduled for May 2019 was deferred. The three remaining approved increases were deferred until May 2021, June 2022, and June 2023 at the August 2020 Board meeting, due to uncertainties related to the pandemic. In May 2021 and June 2022 the first two of three 2.5% rate increases were implemented.

The draft funding plan (*Attachment A*) reflects only the final, scheduled rate increase in June 2023, and no subsequent rate increases. Staff is in process of developing a rate plan for years beyond 2023. This will be brought back to the SAC and Board for review and approval. For discussion purposes, a scenario is also presented which assumes continued 2.5% rate increases in fiscal years 2024 through 2027. In this scenario, TMWA's Senior Lien Debt Service coverage ratio increases from 1.66 to 2.00 by the end of 2027. Additionally, the funding gap is reduced by approximately \$20m from \$68m to \$48m.

The funding plan is based on detailed financial projections. Assumptions used in these financial projections can be found in **Attachment B**. The funding plan is different from the budget. When staff prepares the annual budget we ensure that we have enough expenses projected to cover all reasonable scenarios. Since the funding plan is used to determine whether rate increases are necessary, it is typically less conservative in projecting operating expenses and capital spending. In this report we have focused on how TMWA's original projections from 2018 compared to actual results (the last five years), and what we project in the 2023-2027 funding plan (the next five years).

### **Discussion**

Critical financial goals for TMWA that need to be considered in these funding plans are as follows:

- Maintain recurring revenues sufficient to cover the cost to serve customers.
- Maintain a senior lien coverage (DSC) ratio that not only meets bond covenants of 1.25x, but also meets the board designated goal of 1.5x.
- Maintain sufficient cash balances to facilitate the payment for rehabilitative capital projects on a pay-go basis.
- Maintain high investment grade credit ratings to effectively access credit markets.

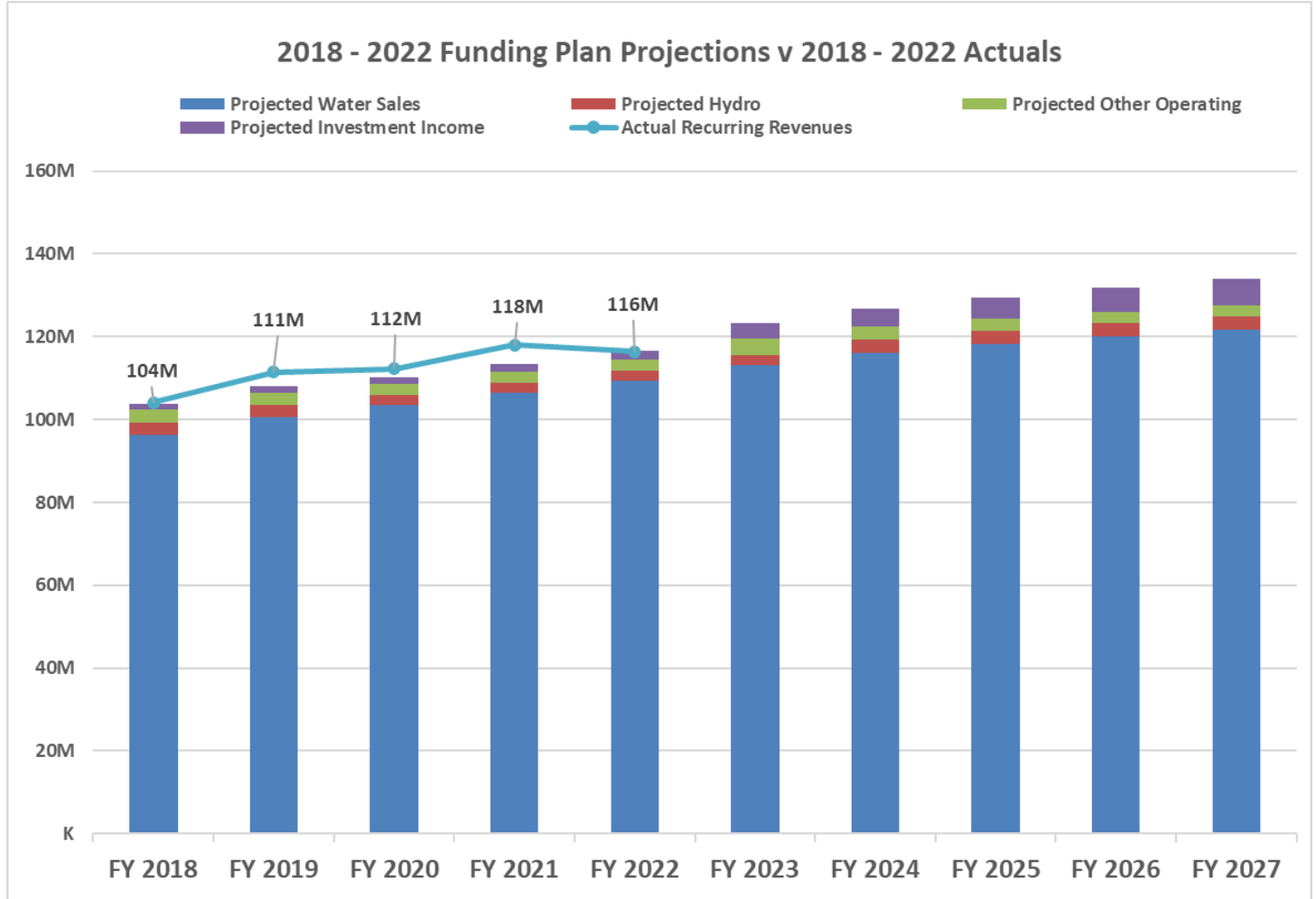
The funding plan analyzes the ability of TMWA to fund the cost to serve customers which includes operating expenses, principal and interest payments on current outstanding debt related to customers, and all capital improvements presented in the TMWA Capital Improvement Plan (CIP) that relate to maintaining service for current customers from recurring revenues. Recurring revenues are comprised of water sales, hydroelectric revenues, other miscellaneous operating revenues and investment income with water sales making up between 90% and 95% of recurring revenues. If recurring revenues are less than the cost to serve customers this is referred to as a funding gap.

Critical Risks for TMWA to consider related to this funding plan include:

- The last of five rate increases approved by the Board will be implemented in June 2022. Any recommendations for future rate increases will be brought to the SAC and Board for approval.
- This funding plan does not predict any conservation that may occur due to possible drought conditions, and it assumes that there will be sufficient river flows to operate hydroelectric plants in 2023-2027.
- Growth is assumed to slow between FY 2023 and FY 2027. This results in a decrease in cash proceeds from connection fees of approximately \$14m between 2023 and 2027. If growth slows at a greater rate, cash balances would be impacted.
- High inflation is affecting TMWA and is projected to continue through FY 2024 before returning to normal levels.

## RECURRING REVENUES

The following graph compares the original projections for recurring revenue presented in the funding plan in fiscal year 2018 to actual results in 2018-2022 and shows projections in the funding plan for 2023-2027.



### Water Sales Revenue

The 2023-2027 funding plan is based on average usage per connection over the last 5 years. Growth in connections over the next five years uses projections from the Washoe County Consensus Forecast which forecasts Washoe County population over the next twenty years. Water sales is based on two factors, water rates and consumption. While water rates are a known variable, consumption is unknown and varies year to year based on the region's weather. Generally, hot and dry weather causes customers to use more water for irrigation which increases water revenue. Conversely, periods of cool weather with increased precipitation causes customers to use less water which lowers water revenue. These variables are most impactful during the spring and fall.

## Hydroelectric Revenue

Hydroelectric revenues during 2023-2027 assume sufficient Truckee River flows to operate the hydro plants, with occasional shutdowns for maintenance. This could change depending on weather patterns.

## Other Operating Revenue

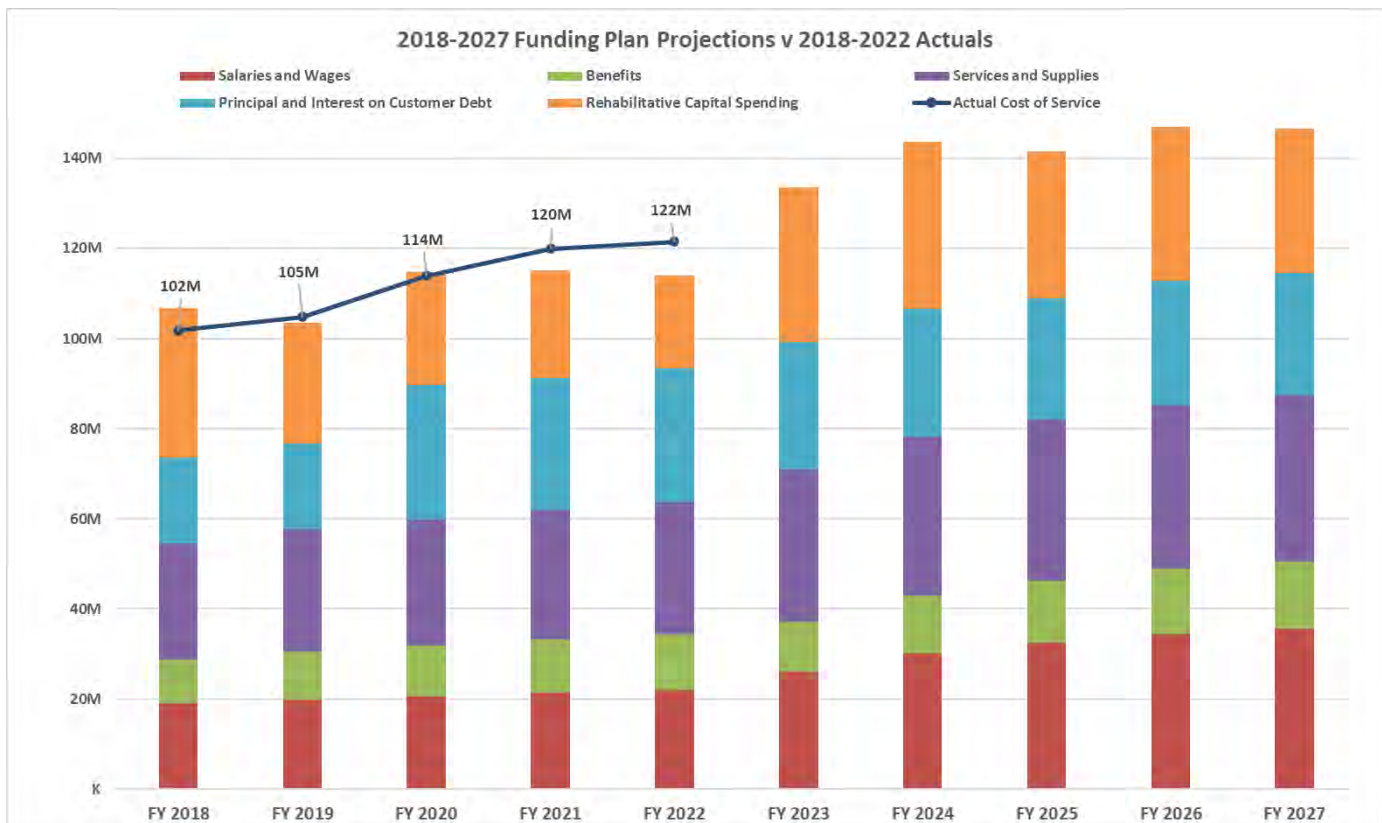
The largest components of other operating revenue are inspection fees, service call charges, late fees, and construction water sales. These revenues tend to move independent of water revenue as they are not based on water consumption.

## Investment Income

In accordance with TMWA's investment policy and NRS requirements, TMWA invests cash balances in fixed rate, long-term investments, typically maturing between three and five years. TMWA's investment strategy is based on cash needs and a laddering approach which aims to schedule maturing investments at a consistent rate throughout the year.

## COST OF SERVICE

The following graph compares the projections for cost of service presented in the funding plan in fiscal year 2018 to actual results in 2018-2022 and shows projections in the funding plan for 2023-2027.



**Salaries and Benefits**

Salaries in the 2023-2027 funding plan includes increases to staffing across several departments. Staffing projections are higher than in previous years due to increased workload and identification of areas of risk or lack of redundancies. Larger increases in Operations, Technology and Engineering departments are forecasted to sustain adequate support for both external and internal customers. These increases assume continued growth and new development in the area. Should growth slow, many of these increases in staffing would likely be delayed due to budgetary constraints. The Board will be able to approve each year's annual budget including all actual increases in headcount and salaries.

**Services and Supplies**

Services and Supplies are expected to increase over the next five years due primarily to rising costs of materials, electric power and contracted services. Electric power costs continue to be TMWA's largest single expense, estimated to be \$6.5m in FY23. This is an increase of \$1.5m from FY21 or 30%. Inflation has had a significant impact on NV Energy's base tariff rates since the end of the pandemic, with these "pass through" rates increasing by as much as 20% over the last four quarters.

**Principal and Interest on Debt**

In June 2021, TMWA refunded the last \$13m of commercial paper, eliminating the last of TMWA's variable rate debt. TMWA's total outstanding principal, including unamortized premiums of \$34m, is \$372m as of June 30, 2022. TMWA has no plans to issue new debt in the 2023-2027 funding plan. TMWA could refund its 2015 Series A Refunding Bonds in 2025 if interest rates are lower than the effective rate on that debt.

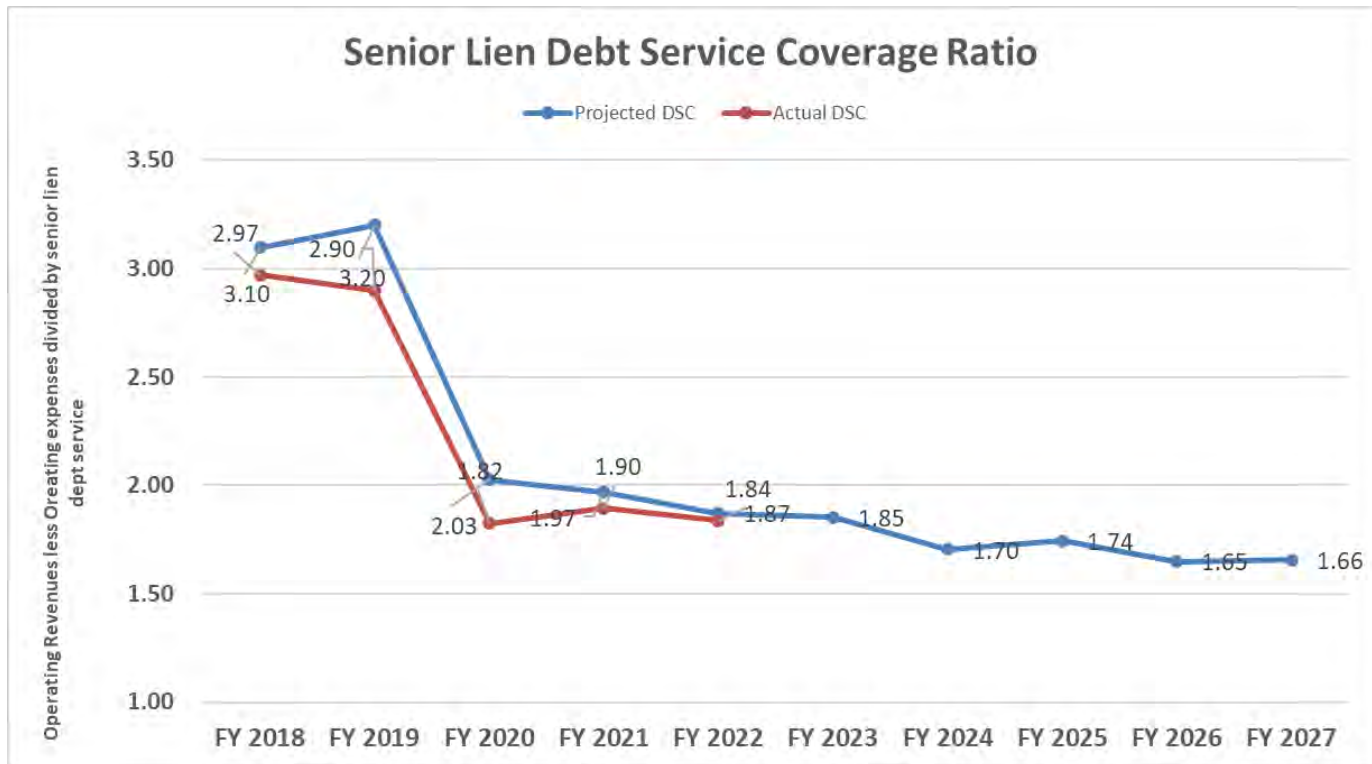
**Rehabilitative Capital Spending**

Capital Spending related to maintaining the water system should be covered by customer revenue. TMWA estimates a total of \$170m in customer rate funded capital over the next five years.



## DEBT SERVICE COVERAGE RATIO

The debt service coverage (DSC) ratio is an important ratio that is watched by rating agencies, banks, and investors. This ratio uses the net operating income (operating revenue less operating expenses) divided by senior lien debt service. TMWA's debt covenants require that we maintain a DSC ratio of 1.25x. The Board has set a goal of 1.5x. The following graph shows the projected DSC ratio from the funding plan compared to the actual DSC ratio experienced in 2018 – 2022, and what is projected 2023-2027.



The graph shows that the TMWA DSC ratio was very close to what was anticipated and dropped dramatically when debt principal payments of \$11m annually resumed in FY 2020. In the new funding plan DSC begins at 1.85x, and stays above that in the five-year period, ending at 1.66x in FY 2027.

## **CASH BALANCES**

Maintaining sufficient cash balances is critical to maintaining the financial health of TMWA and is a key factor in maintaining TMWA's credit ratings. TMWA's credit ratings are currently AA+, outlook stable from Standard and Poor's, Aa2, outlook stable from Moody's and AAA, outlook positive from Fitch. These are strong ratings and require careful planning to maintain. When the Board voted to increase the rate stabilization fund in September of 2018, it was part of a financial policy adopted by Resolution 266 to ensure that TMWA maintains adequate cash balances, both restricted and unrestricted. As shown in Attachment A, beginning in fiscal year 2025, TMWA's unrestricted cash balance falls below the required balance per Resolution 266.

Page 1 of 1

## **2023-2027 Draft Funding Plan Assumptions**

### **Operational Assumptions**

1. Reliance on surface water will continue with groundwater supplies augmenting the surface water treatment plants.
2. Orr ditch hydro will supply power to the Chalk Bluff treatment plant beginning in fiscal year 2024.
3. American Flat APW facility in service in second half FY 2026.

### **Revenue/Capital Contribution Assumptions**

1. Growth and increase to service counts projected based on Washoe County Consensus Forecast. Over five years, between FY 2023 and FY 2027, total population growth of 8.3% is used.
2. Hydroelectric sales projections are based on sufficient river flows in 2023 through 2027. Downtime for construction and maintenance of hydro plants is considered.
3. Weighted average yield on investable cash is estimated to be 1.7% in fiscal year 2023 rising to 3.7% in fiscal year 2027.
4. Will-serve sales are projected to be \$14.9 million.
5. Facility fees, supply and treatment and area fees are projected to be \$71.2 million.

### **Operating Expense Assumptions**

1. Projected headcount increases due to expected retirements (overstaffing), increased focus on preventative maintenance and technology.
2. Public Employee Retirement System contribution rates are assumed to remain at 29.75% through 2026.
3. Health care premiums and life insurance premiums are assumed to increase 2% annually, with change to employer/employee allocation of costs.
4. Funding for the Truckee River Fund is \$850k in each year presented.
5. TMWA's anticipated share of TROA administration expenses is approximately \$360k annually.
6. Inflation of 5% is assumed between FY 23 and FY 24, then 1%, thereafter.

### **Debt Management Assumptions**

1. No new debt is assumed to be issued during fiscal years 2023-2027.
2. Debt service on developer related funding is assumed to be funded by developer fees.

### **Treasury Assumptions**

1. Total cash and investments at the beginning of fiscal year 2023 are \$228.6 million. Of this total \$169.2 million is unrestricted.
2. Restricted reserves that were transferred from the South Truckee Meadows General Improvement District (STMGID) will be depleted by the end of fiscal year 2023.
3. Customer funded capital spending from the five-year CIP is assumed to be spent at 80% of amounts reported in the 2023-2027 CIP.

# TMWA

## Draft Funding Plan 2023-2027

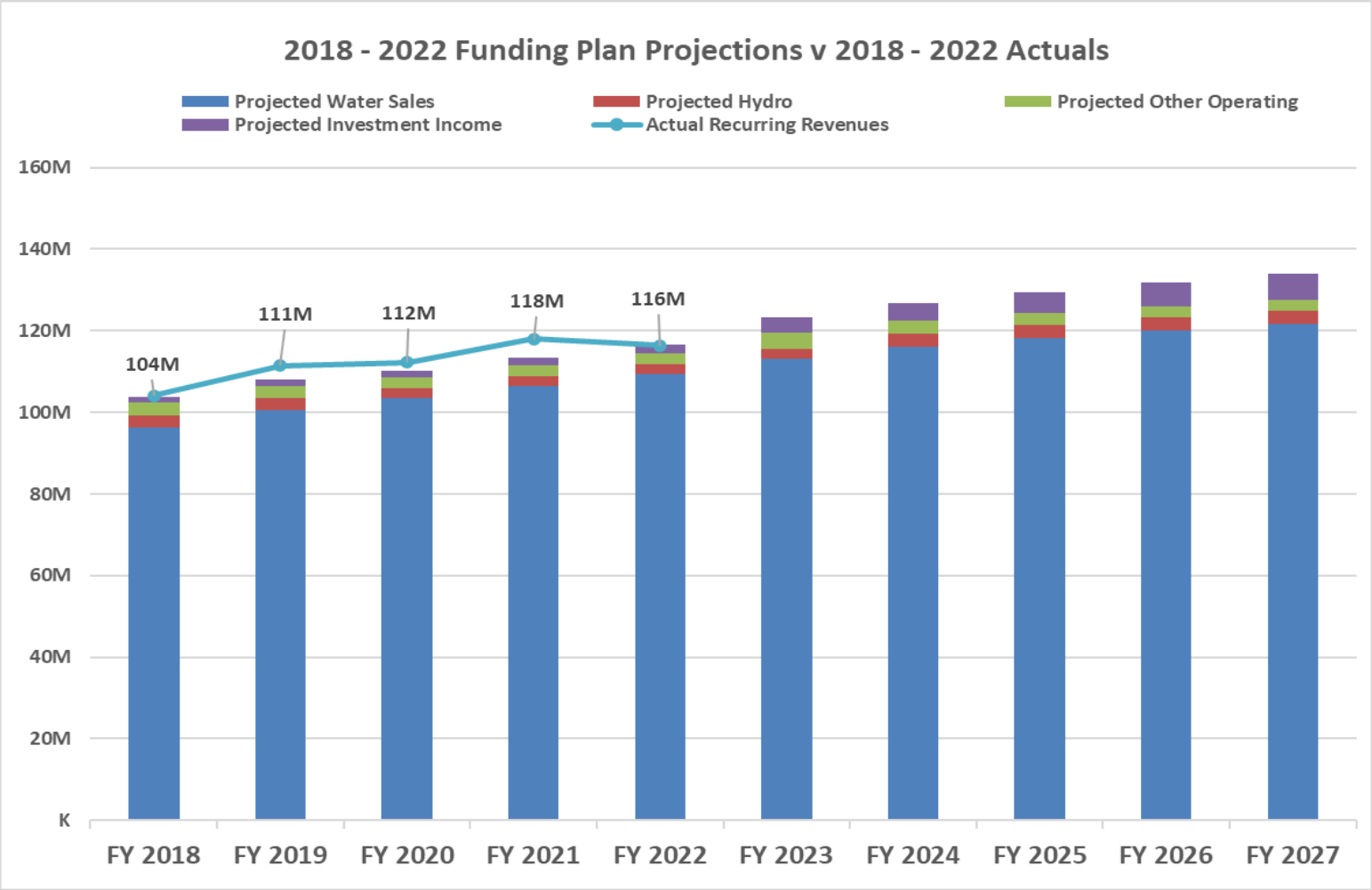


## **Staff recommends to accept the FY 2023-2027 Funding Plan as presented.**

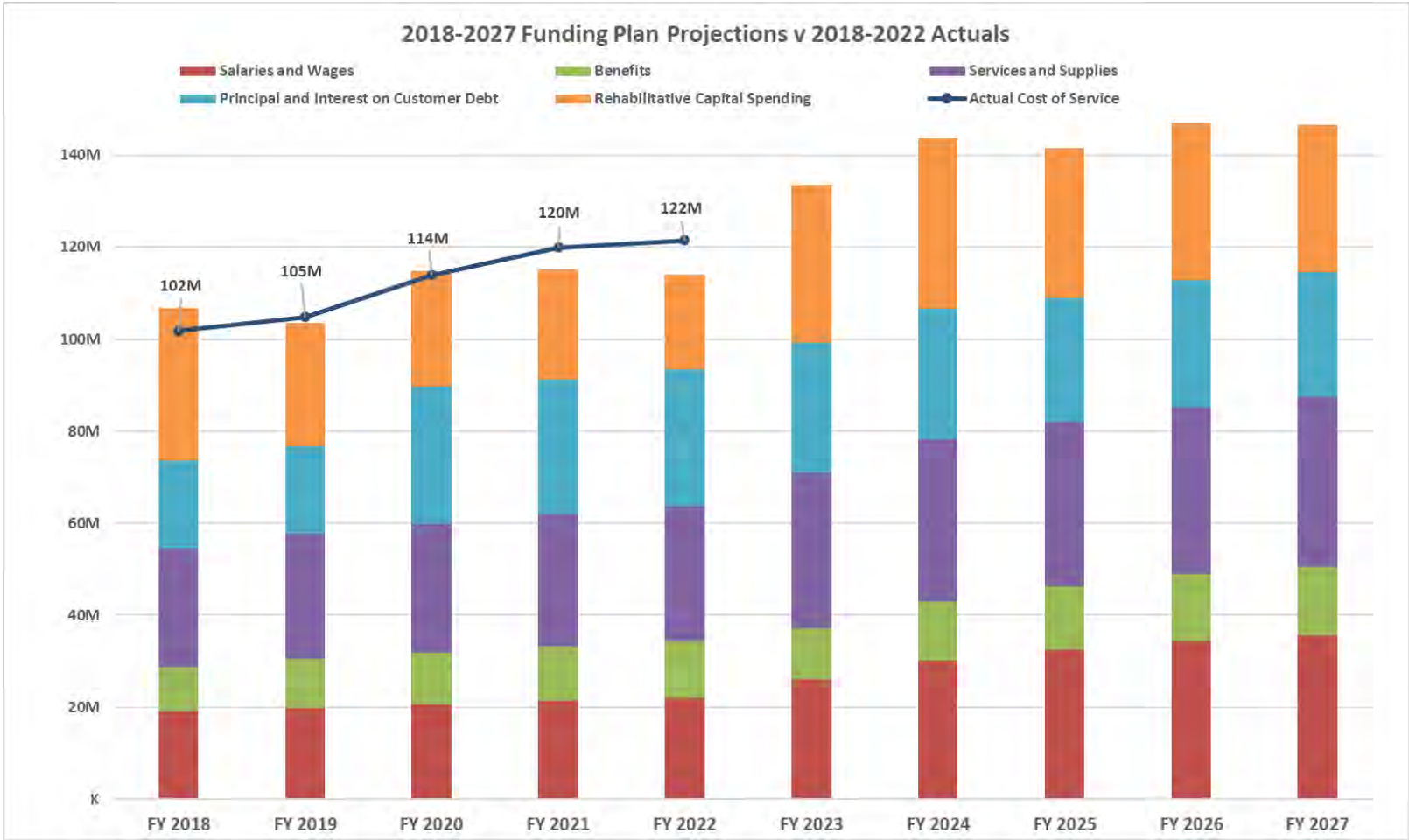
- Includes 2.5% rate increase (as scheduled and approved) in FY 2023
- No additional rate increases included
- Increases to revenue requirement due to inflation and staff increases
- Projecting a slow down in connection fees beginning in FY 2024
- *Upcoming...consideration of future rate increases*



## Revenue

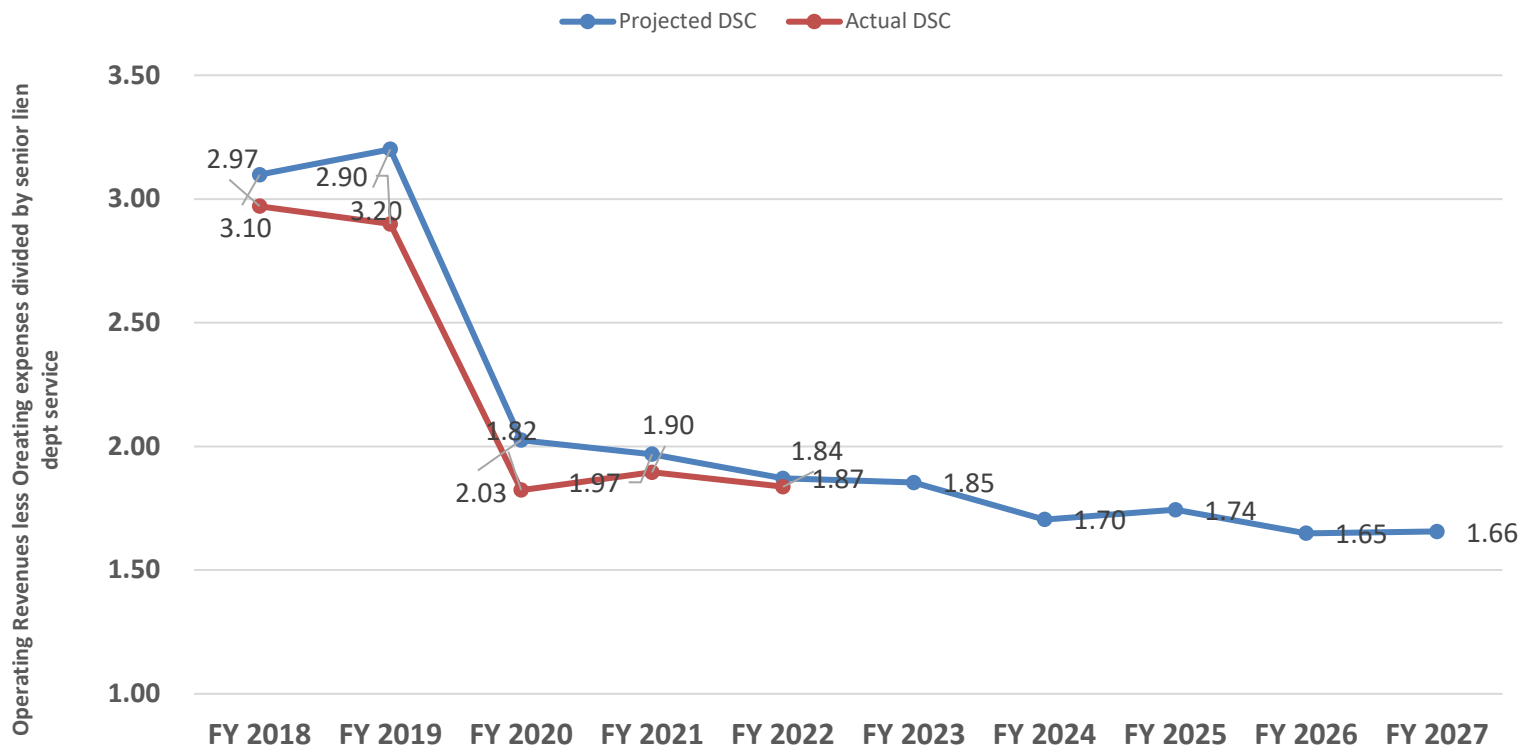


## Cost of Service

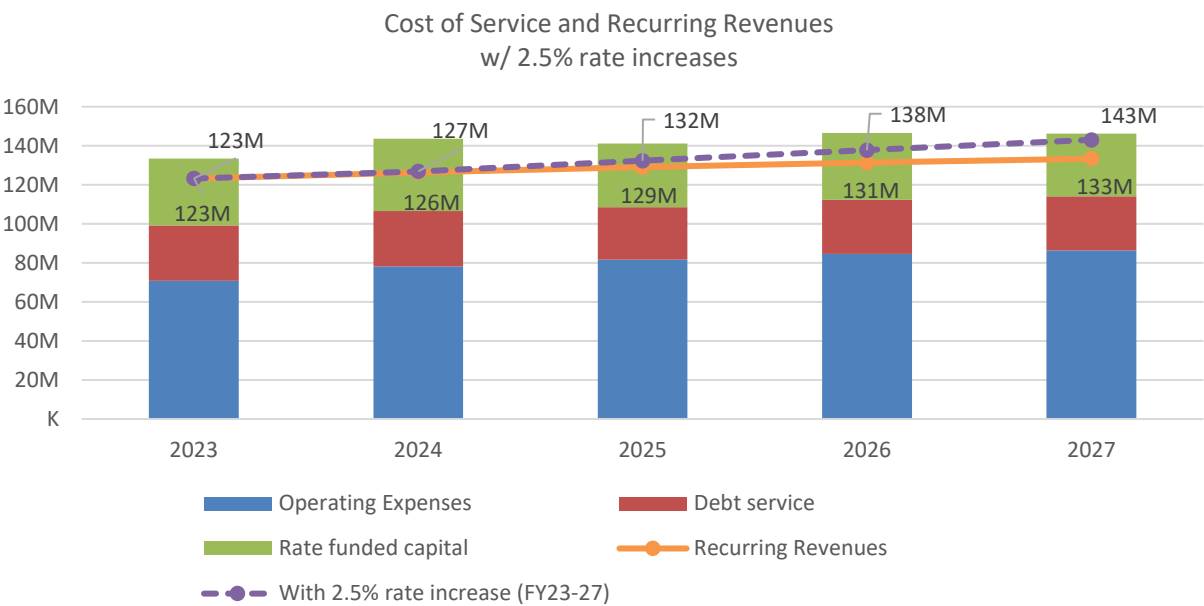
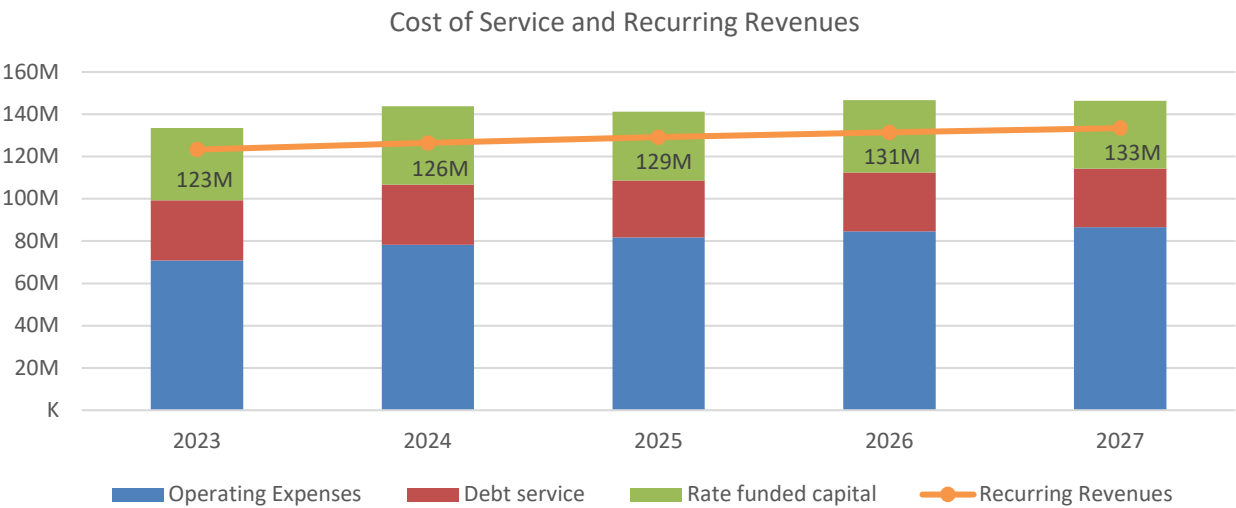


Senior Lien Debt Service Coverage Ratio (DSC)

Senior Lien Debt Service Coverage Ratio



## Recurring Revenues/Cost of Service



## Funding Plan Summary

<i>In millions</i>	FY23	FY24	FY25	FY26	FY27	Total FY 23-27
<b>Revenue Sufficiency</b>						
<b>Revenue Requirement (expenditures)</b>						
Operating Expenses (excluding depreciation)	70.9	78.2	81.6	84.7	86.5	401.9
Principal and Interest on customer related debt	28.4	28.4	27.0	27.7	27.7	139.3
Rehabilitative Capital Spending	34.2	37.0	32.5	34.3	32.1	170.1
<b>Total Revenue Requirement</b>	<b>133.5</b>	<b>143.7</b>	<b>141.1</b>	<b>146.7</b>	<b>146.3</b>	<b>711.3</b>
<b>Recurring Revenues</b>						
Water Sales Revenues	113.1	116.1	118.1	119.9	121.6	589.0
Hydroelectric Sales	2.4	2.8	2.9	2.9	2.8	13.8
Other Operating Sales	3.9	3.1	2.9	2.7	2.7	15.2
Investment Income	3.9	4.4	5.2	5.9	6.4	25.8
<b>Total Recurring Revenues</b>	<b>123.3</b>	<b>126.4</b>	<b>129.1</b>	<b>131.4</b>	<b>133.5</b>	<b>643.6</b>
<b>Surplus (Deficiency)</b>	<b>(10.2)</b>	<b>(17.3)</b>	<b>(12.1)</b>	<b>(15.3)</b>	<b>(12.8)</b>	<b>(67.7)</b>
<b>Surplus (Deficiency) w/ 2.5% continuous</b>	<b>(10.2)</b>	<b>(16.8)</b>	<b>(8.7)</b>	<b>(8.8)</b>	<b>(3.2)</b>	<b>(47.7)</b>
<b>Debt Service Coverage (DSC)</b>						
Total Revenue	123.3	126.4	129.1	131.4	133.5	
Operating Expenses	(70.9)	(78.2)	(81.6)	(84.7)	(86.5)	
Net Revenue	52.4	48.2	47.4	46.7	47.0	
Senior Lien Debt Service	28.3	28.3	27.2	28.3	28.4	
<b>Senior Lien DSC</b>	<b>1.85</b>	<b>1.70</b>	<b>1.74</b>	<b>1.65</b>	<b>1.66</b>	
<b>Senior Lien DSC w/ 2.5% continuous</b>	<b>1.85</b>	<b>1.72</b>	<b>1.87</b>	<b>1.88</b>	<b>2.00</b>	
<b>Total Cash</b>						
Restricted Cash	66.9	59.5	61.8	67.8	70.0	
Rate Stabilization Fund	10.4	10.6	10.8	10.9	11.1	
Unrestricted Cash	140.6	122.5	100.1	83.6	71.5	
<b>Total Cash</b>	<b>217.8</b>	<b>192.6</b>	<b>172.7</b>	<b>162.4</b>	<b>152.5</b>	
<b>Unrestricted Cash Required by BOD Resolution 266</b>	<b>104.4</b>	<b>110.0</b>	<b>106.3</b>	<b>106.7</b>	<b>106.1</b>	
<b>Total Unrestricted Cash w/ 2.5% continuous</b>	<b>140.6</b>	<b>123.0</b>	<b>103.9</b>	<b>93.9</b>	<b>91.4</b>	

# Thank you!

## Questions?

Matt Bowman, CFO  
Email: [mbowman@tmwa.com](mailto:mbowman@tmwa.com)



## STAFF REPORT

**TO:** Board of Directors  
**FROM:** Andy Gebhardt, Director Distribution Maintenance & Generation  
**DATE:** October 19, 2022  
**SUBJECT:** Presentation of TMWA's Fiscal Year 2022 Customer Satisfaction Survey

---

### Background:

Beginning in 2002, InfoSearch International has conducted a customer satisfaction survey on behalf of TMWA in order to assess customers' overall level of satisfaction and attitudes toward water-related issues. Topics include water quality, sufficiency and security. This survey was a telephone survey. In 2022, TMWA and InfoSearch International worked to transition from a telephone survey to an online version.

### Discussion:

In discussions with InfoSearch International, it became evident that telephone surveys were becoming increasingly difficult. It was hard to get a sufficient number of customers to answer their phones to make it a statistically valid survey as more and more people do not answer their phones if the number is unknown to them. It was decided that the time had come to change over from a phone survey to an online survey. Since we were changing the survey format, we took that opportunity to reevaluate the questions we were asking to see if they were still valid, or if they truly zeroed in on what we wanted to hear about from a customer perspective.

This new survey is a bi-annual survey versus the previous quarterly survey and is not directly comparable to the old survey. As the efforts to transition survey formats took most of the year, we were not able to send out the survey in the fall. However, we were able to initiate an initial wave in June, with the results of that first wave attached.





# Online Customer Satisfaction Study Wave 1 – June 2022



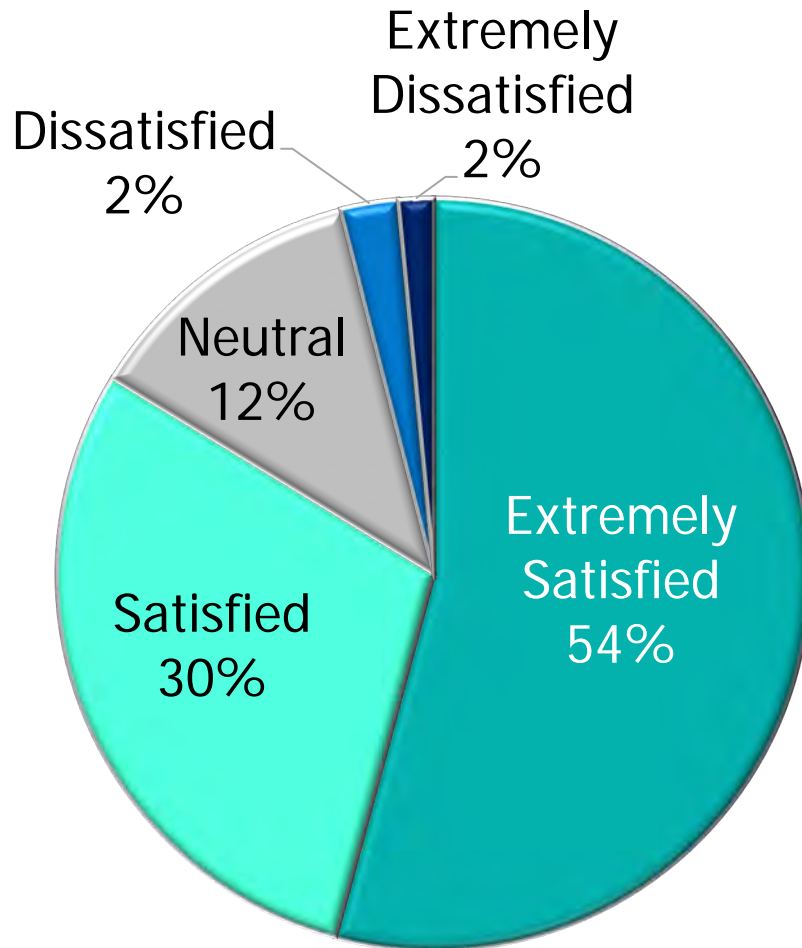
# TMWA Satisfaction Study: Change in Survey Mode

- Truckee Meadows Water Authority (TMWA) created a new, bi-annual, online Customer Satisfaction Study in 2022. This replaces – and is not directly comparable to – the former telephone-based Satisfaction Study conducted from 2002 to 2021.
- The main reason for switching from a phone-based survey to an online survey was the increasing difficulty of getting respondents to answer a phone call from a third-party research company.
- The change in methodology also provided an opportunity to rethink and streamline the survey, with the goal of making the questions even more actionable.
- The rating scale also changed from a 0-10 scale in the telephone based study to a 5-star scale in the online study.
- According to a Pew Research Center study (2015): Differences in responses between a phone and web-based survey are “typically not large,” with a median difference of 5 percentage points. In general, respondents who interact with a phone interviewer are slightly more likely to portray themselves and/or their community in a positive light.

# Current Online Methodology

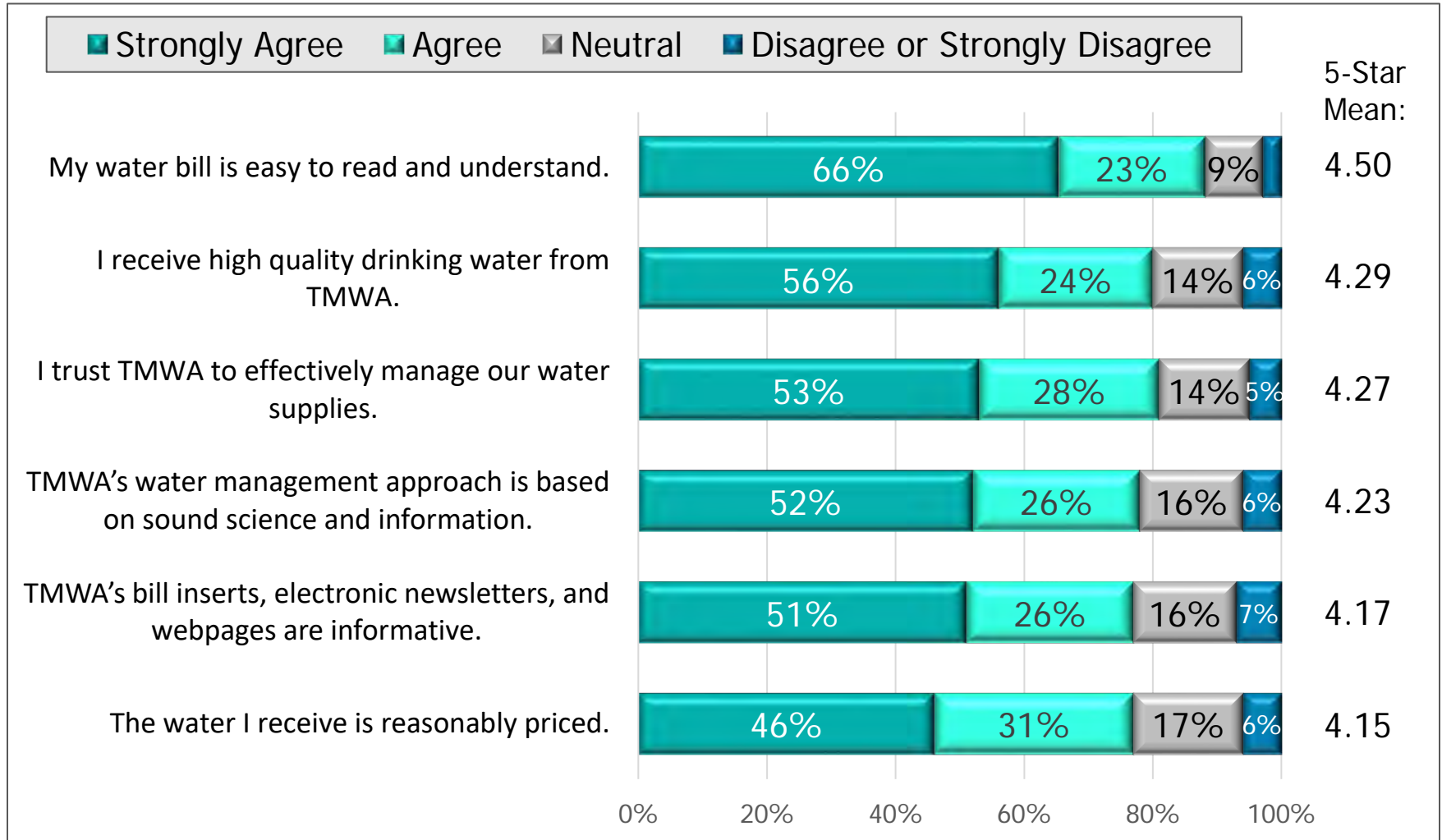
- The primary objectives of the current Satisfaction Study were to obtain Customers' feedback regarding their:
  - (1) Overall satisfaction with TMWA,
  - (2) Confidence in TMWA's water quality, stewardship, and infrastructure,
  - (3) Usage of the online account platform, and
  - (4) Views about water conservation and the water supply.
- This first wave of the TMWA Satisfaction Study:
  - ✓ Was in the field from June 20-28, 2022,
  - ✓ Had 810 respondents,
  - ✓ Was offered in both English (n=805) and Spanish (n=5), and
  - ✓ Had 69 respondents (8.5%) who requested to be contacted by TMWA.

# TMWA Satisfaction Study: Overall Satisfaction with TMWA

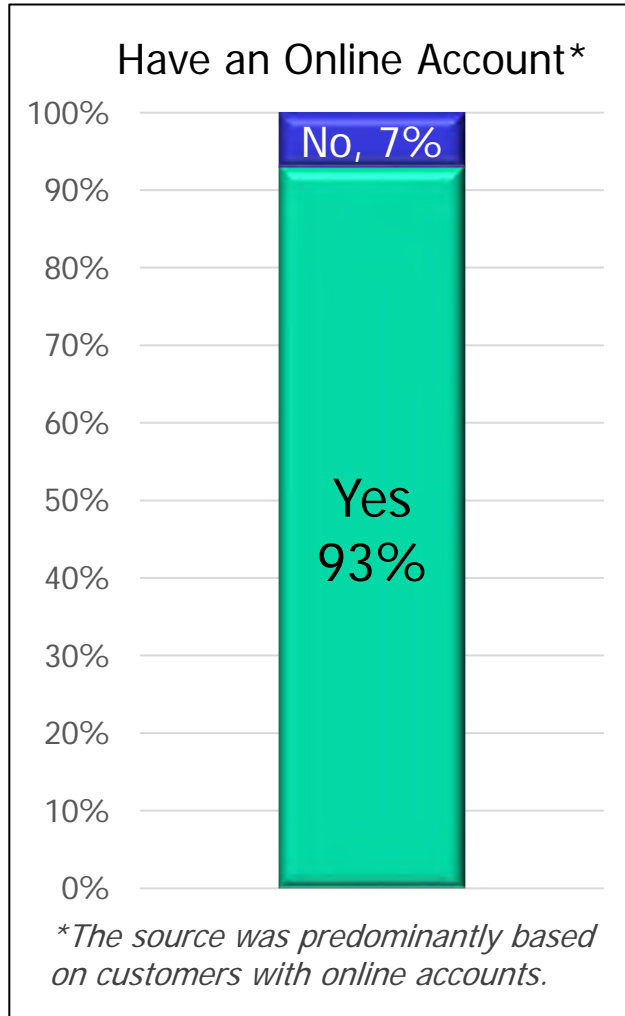


Overall, five out of six respondents (84%) were satisfied with TMWA, including over half (54%) who were "extremely satisfied." Additionally, 12% were neutral, and only 4% were dissatisfied.

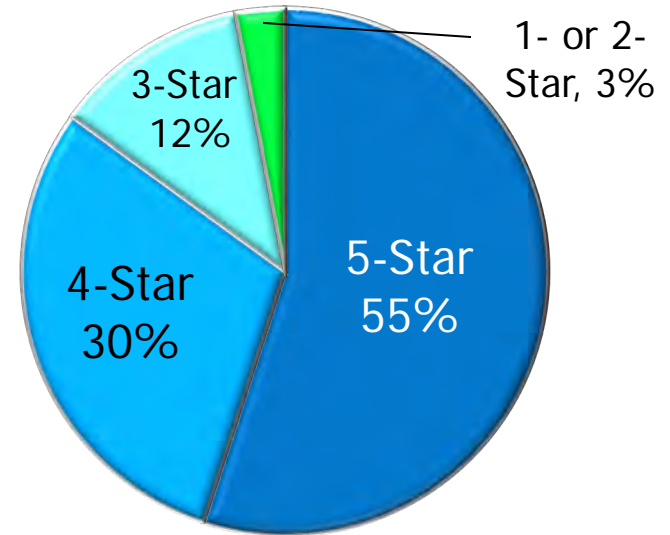
# TMWA Satisfaction Study: Level of Agreement



# TMWA Satisfaction Study: Online TMWA Account



If Yes,  
Ease of Use



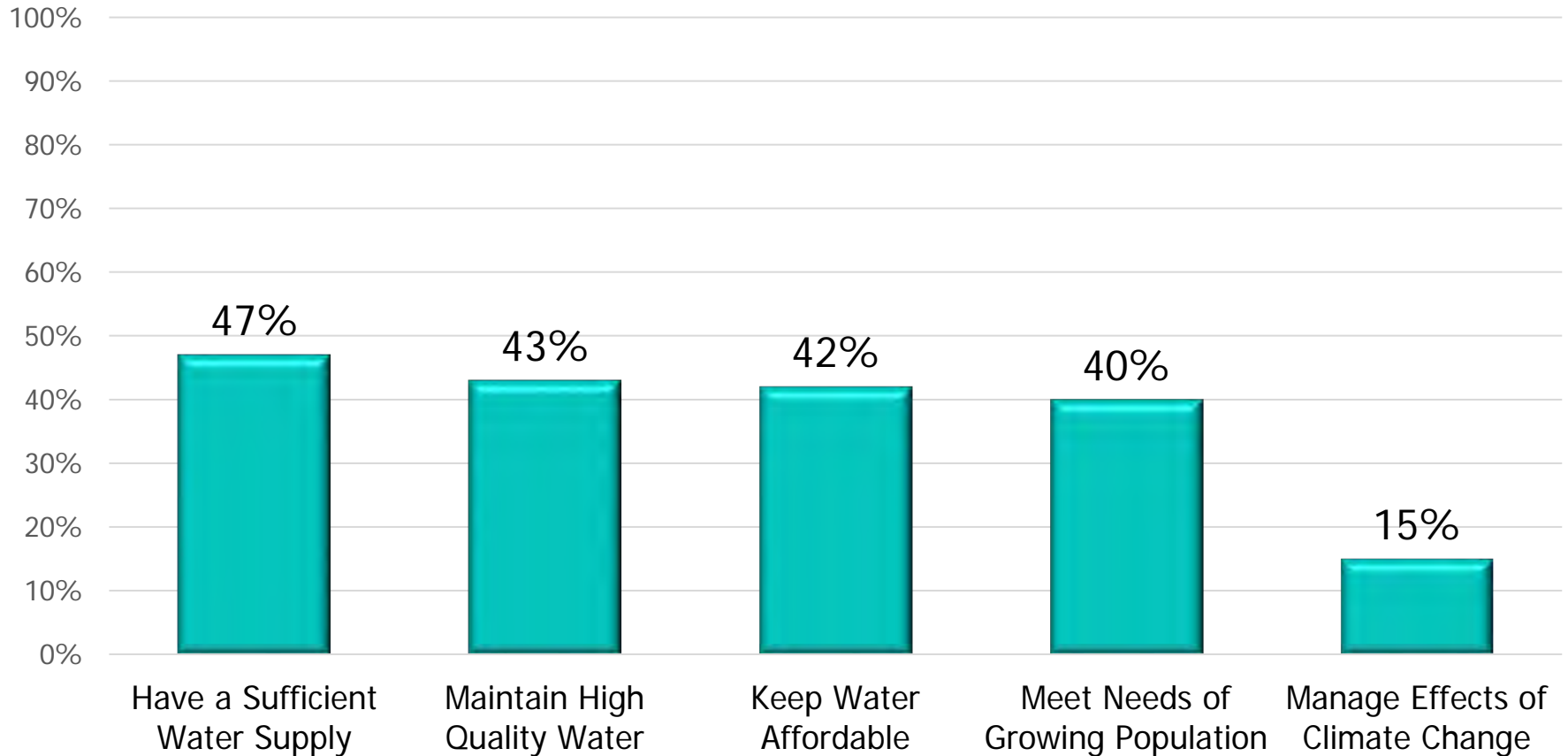
If No, Main Reasons Why Not:

- Don't want an online account (27%)
- Don't like doing business online (23%)
- Trying to reduce screen time (11%)
- Other (37%)

# TMWA Satisfaction Study:

## Main Interests for TMWA in Future

*(Percentage of Total with Up to Two Selections Allowed)*

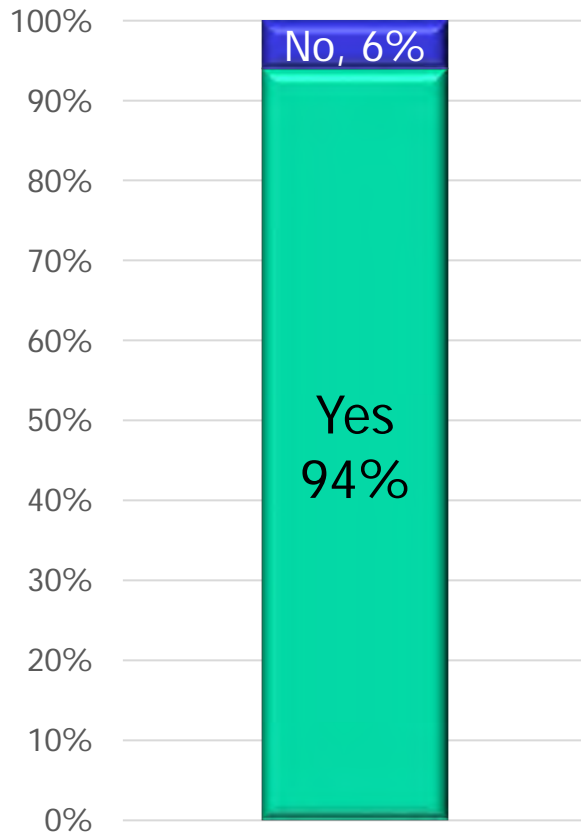


*\*Excludes the 1% each who selected "No Interest," "Other," or "No Answer."*

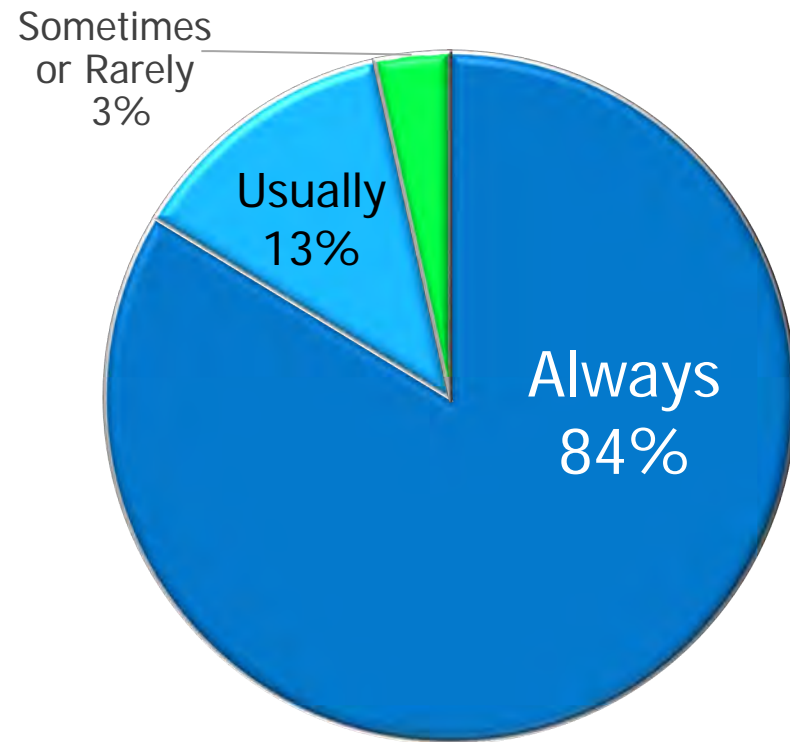


# TMWA Satisfaction Study: Assigned Day Watering

Aware of Assigned  
Day Watering Program



If Aware and Have a Lawn, How Often  
Do You Follow the Assigned Day Watering  
Program When Watering Your Lawn?\*

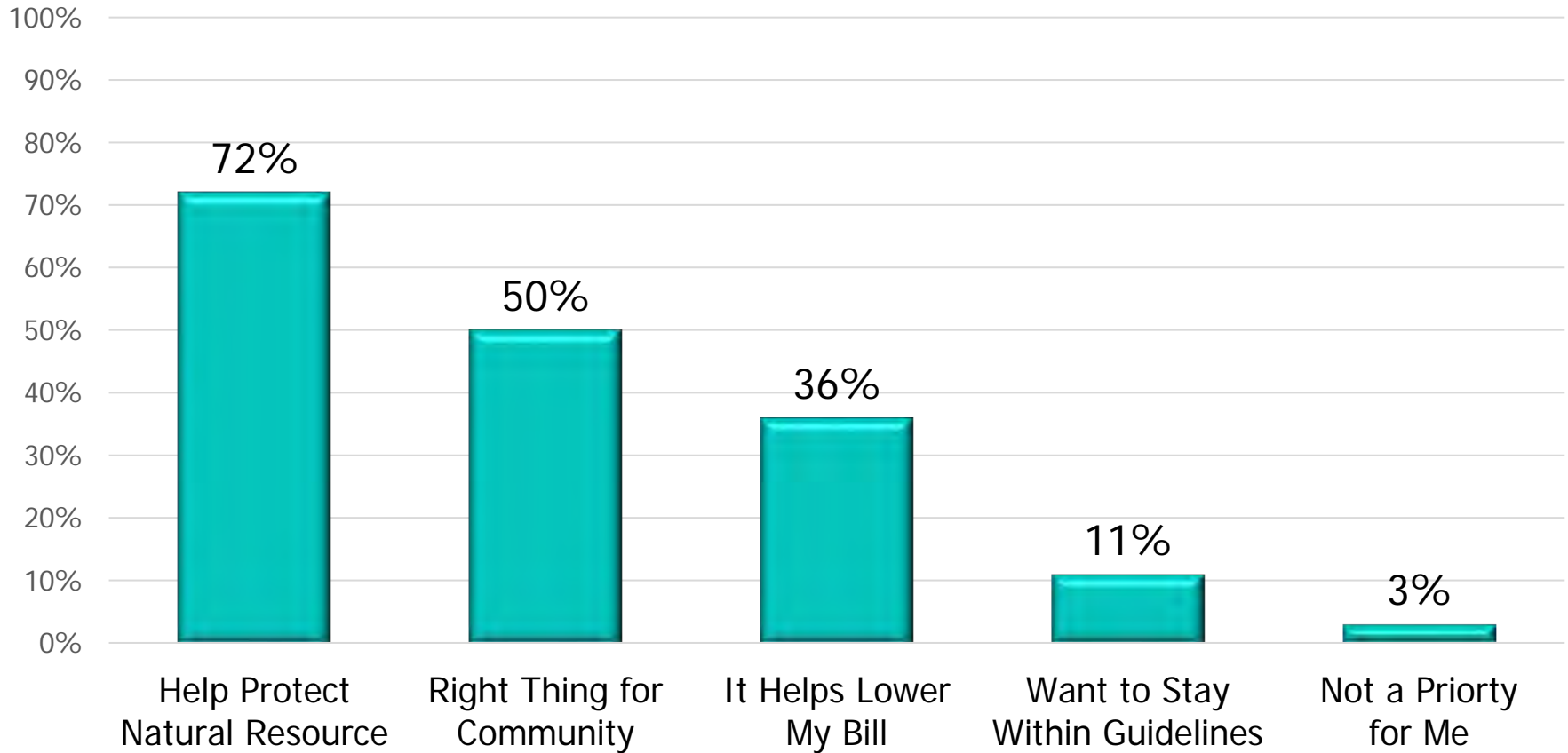


*\*Excludes the 15% of respondents who are aware of the program but don't have a lawn.*

# TMWA Satisfaction Study:

## Main Motivations to Conserve Water

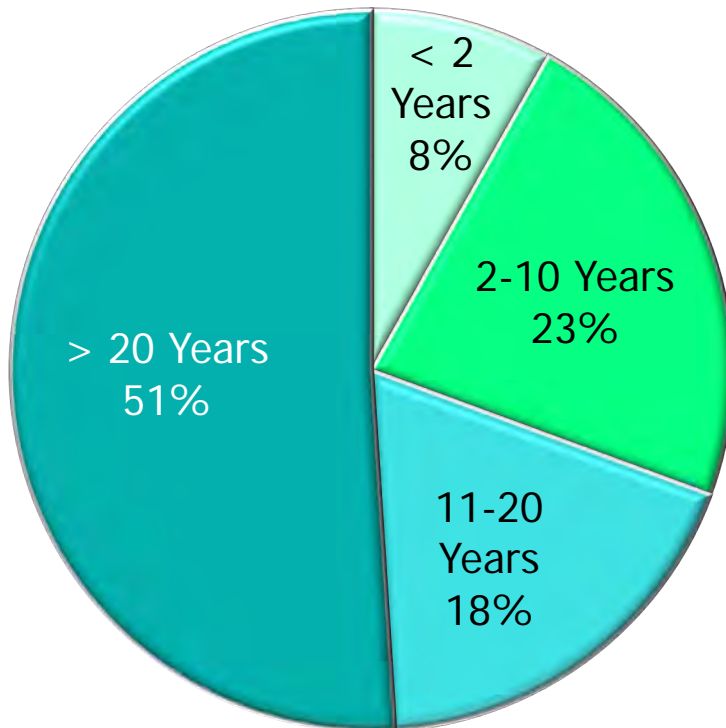
*(Percentage of Total with Up to Two Selections Allowed\*)*



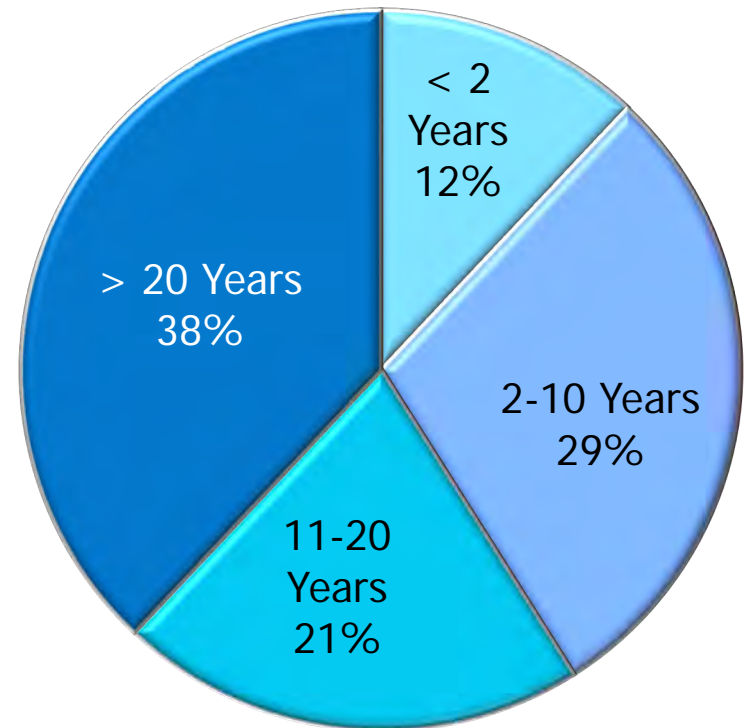
*\*Excludes the 1% who selected "Other."*

# TMWA Satisfaction Study: Years of Residency and as a Customer

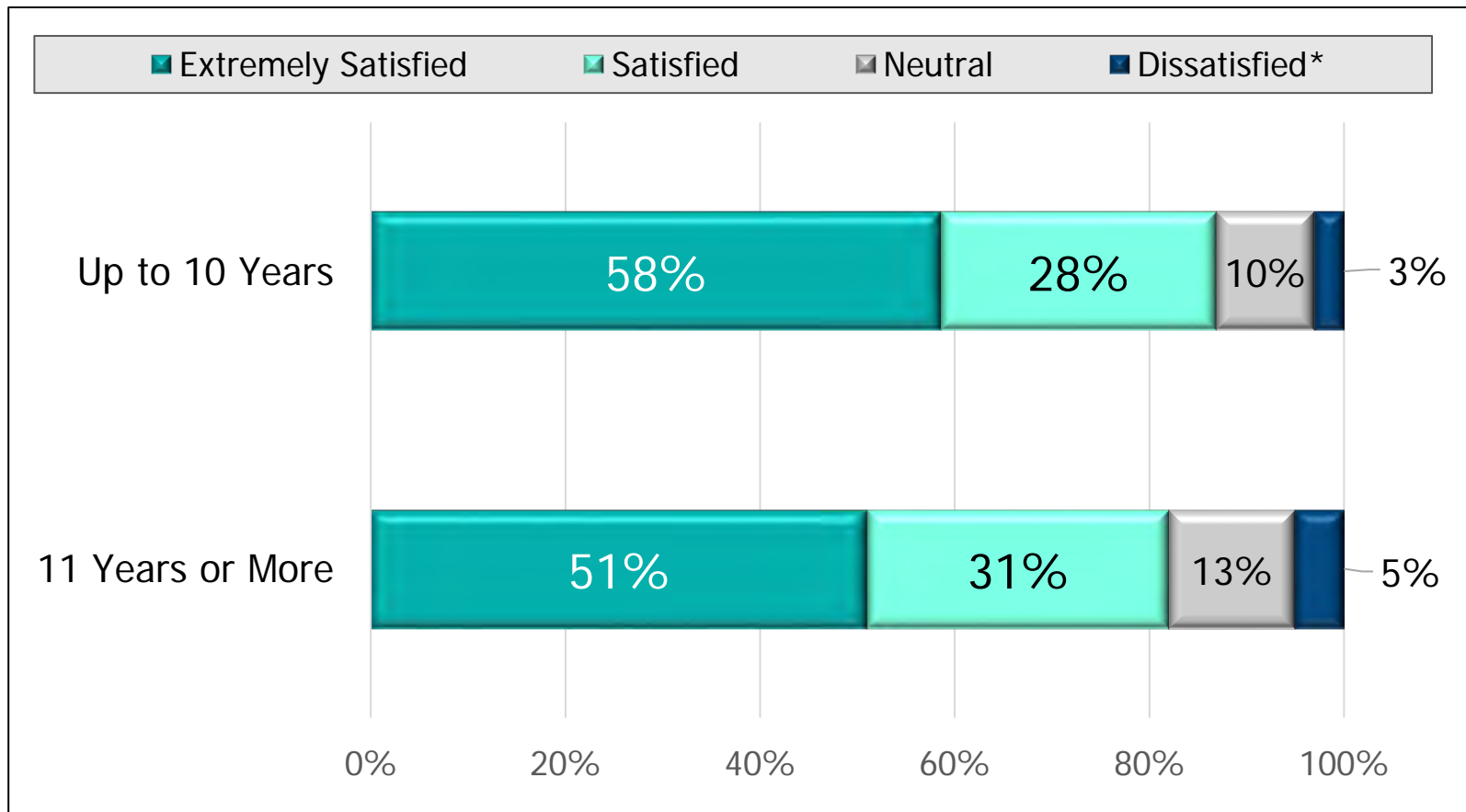
Years of Residency



Years as a TMWA Customer



# TMWA Satisfaction Study: Difference in Overall Satisfaction by Years as a TMWA Customer



*\*Dissatisfied category includes both "Dissatisfied" and "Extremely Dissatisfied."*

# TMWA

## FY 2022

### Goals & Objectives

### Results



## Contents

GOALS & OBJECTIVES .....	2
ORGANIZATION .....	2
CUSTOMER SATISFACTION .....	2
EFFICIENCY .....	2
SAFETY .....	3
FINANCE .....	4
NATURAL RESOURCES .....	5
DEPARTMENT .....	7
TREATMENT .....	7
DISTRIBUTION .....	7
OPERATIONS .....	8
BUSINESS INFORMATION SYSTEMS .....	8
CUSTOMER SERVICE .....	9
HUMAN RESOURCES .....	10
FINANCIAL .....	10
NATURAL RESOURCES .....	11
ENGINEERING & NEW BUSINESS .....	12

# GOALS & OBJECTIVES

## ORGANIZATION

### CUSTOMER SATISFACTION

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Residential Customers Totally or Mostly Satisfied.	71%-81% = Good 82%-86% = Excellent 86% + = Outstanding	% of residential customer's satisfaction	86%	84%
2	Commercial Customers Totally or Mostly Satisfied.	77%-87% = Good 88%-90% = Excellent 90% + = Outstanding	% of commercial customer satisfaction	90%	N/A
3	Meet the Faneuil contract requirement of calls answered within average of 35 seconds.		average call answered within 35 seconds	35 seconds	41 seconds
4	Track all efforts and assistance with local agencies related to the homeless issue and water quality.		# of projects/programs		2

#### Notes:

**Goals #1 & 2:** Customer Satisfaction Survey was changed mid-year therefore the numbers do not coincide with how it was tracked previously, and Commercial Customers will now be combined with residential customers surveyed.

**Goal #3:** Average calls answered were higher than the target due to the implementation of the new CIS which impacted speed of answer early in the fiscal year.

#### Goal #4:

1. John Champion Portland Loo along the Truckee River corridor – One Truckee River.
2. Allowed the use of our 4th Street Well property as a construction trailer and parking area for the new HOPES campus contractors.

## EFFICIENCY

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track customer accounts per employee and compare to national benchmark.	75 <sup>th</sup> Percentile = 581 Median = 462 25 <sup>th</sup> Percentile = 381	# of accounts per employee	Top quartile	577
2	Track average MGD delivered per employee and compare to national benchmark.	75 <sup>th</sup> Percentile = 0.25 Median = 0.19 25 <sup>th</sup> Percentile = 0.14	Average MGD delivered per employee	Top quartile	0.32

#### Calculations:

**Objective 1:**  $\frac{135,539 \text{ (# of Customer Accounts)}}{235 \text{ (# of Employees)}}$

**Objective 2:**  $\frac{75.8 \text{ (Average MGD)}}{235 \text{ (# of Employees)}}$

**Objective 1 Note:** We were close to the top quartile of at least 581, with a result of 568, customer accounts per employee.



## SAFETY

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Maintain a safety incident rate below the Industry Standard Bureau of Labor Statistics, 2019.	5.0 Average Incident Rate for Water Supply & Irrigation Systems – Local Government	Incident rate	≤ 5.0	2.2
2	Track Collisions Per Million Miles (CPMM) and compare against Network of Employers for Traffic Safety Fleet Safety Benchmark Report (Reporting for North America Only, All Vehicles), 2020.	5.09 per 1,000,000 miles driven.	# of collisions per 1,000,000 miles driven	≤ 5.09	6.37

**Calculations:**

**Objective 1:**  $5 \text{ (# of accidents)} \times 200,000 \text{ manhours}$   
 $451,605.50 \text{ (Total manhours)}$

**Objective 2:**  $9 \text{ (# of collisions)} \times 1,000,000 \text{ miles}$   
 $1,412,351.3 \text{ (Total mileage)}$

**Notes:**

**Objective 2:** The preventable vehicle accidents had a result of 6.37 accidents per 1,000,000 miles driven, which is above the industry average of 5.09; we had 9 minor accidents with little damage and all vehicles were back in service very soon. TMWA's 360° walk-around continues to be a useful tool.

## FINANCE

OBJECTIVES		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Meet all bond covenants.		# of bond covenants met	100%	100%
2	Update the 5-year funding plan.		Update completed	100%	100%
3	Preserve or improve TMWA's excellent credit ratings by the three major credit rating bureaus S&P (AA+ stable), Moody's (Aa2 stable) and Fitch (AA+)		Maintain or improve credit ratings of High Grade	AA+ /Aa2 - stable or better	AA+/Aa2/AAA/Stable
4	Maintain a low debt ratio.	75 <sup>th</sup> Percentile = 25% Median = 37% 25 <sup>th</sup> Percentile = 51%	Debt ratio	Median	33%
5	Sustain a minimum of 484 days of cash reserve.	75 <sup>th</sup> Percentile = 484 Median = 338 25 <sup>th</sup> Percentile = 196	# of days of cash reserve	Top quartile	949 days
6	Maintain a debt-service coverage ratio of 1.5.	75 <sup>th</sup> Percentile = 3.49 Median = 2.52 25 <sup>th</sup> Percentile = 1.70	Debt-service coverage ratio	1.5 or better	1.82
7	Maintain high level of utility's financial effectiveness	75 <sup>th</sup> Percentile: 3.5% Median: 2.4% 25 <sup>th</sup> Percentile: 1.6%	% return on assets	Median	3.5%

**Calculations:**

**Objective 4:** 
$$\frac{(\$434\text{m}) \text{ Total liabilities}}{(\$1,300\text{m}) \text{ Total assets}}$$

**Objective 5:** 
$$\frac{(\$169\text{m}) \text{ Undesignated cash reserves}}{(\$65\text{m}) \text{ Total annual operations \& maintenance costs} / 365 \text{ days}}$$

**Objective 6:** 
$$\frac{(\$115\text{m}) \text{ Total operating revenue} - (\$65\text{m}) \text{ Total O\&M costs} + (\$2\text{m}) \text{ investment income}}{(\$28\text{m}) \text{ Total debt service}}$$

**Objective 7:** 
$$\frac{(\$46\text{m}) \text{ Net income}}{(\$1,300\text{m}) \text{ Total assets}}$$

**Notes:**

**Objective 4:** The goal to maintain a low debt ratio result was 33%, which is between the median and top percentile. We improved the result by 4% compared to last fiscal year.

## NATURAL RESOURCES

	OBJECTIVES	MEASURE	TARGET	RESULTS
1	Maximize benefit of the Truckee River Operating Agreement (TROA) implementation.	Maximize upstream storage under TROA within hydrological and operational constraints. Continue to cooperate with TROA stakeholders to develop opportunities to improve reservoir operations and efficient use of water resources.	100%	100%
2	Manage aquifer storage and recovery (ASR) and passive recharge capabilities and operations.	Analyze effectiveness of ASR and passive recharge on a well-by-well basis within each basin. Complete semi-annual report describing ASR and passive recharge goals and results	100%	100%
3	Work with stakeholders to implement return flow management agreement.	Update Board on progress of implementation	100%	100%
4	Collaborate with City of Reno on the A+ Advanced Purified Water Demonstration Project at American Flat.	Bring forth local agreement(s) between TMWA and City of Reno.	100%	100%
5	<b>NEW:</b> Palomino Valley Feasibility Study: Complete hydrogeologic feasibility investigation, investigate right of way and state engineer permitting issues. Prepare draft option agreement for Board consideration including ILA with City of Reno, City of Sparks and Washoe County.	% complete	100%	80%

**Notes:**

**Objective 1:** As of June 30, 2022, total upstream Truckee River reservoir storage was 35% of capacity after three straight years of drought. The elevation of Lake Tahoe was 1.39' above the rim, with 168,800 AF (acre feet) of storage behind the dam. Tahoe is projected to fall below the rim by mid-October. Truckee River flows are expected to fall off by the end of October as there will be no more Floriston Rate water in storage in any reservoir. Drought reserves will not be required to meet customer demand in 2022 as normal river flows are expected to be maintained beyond TMWA's peak demand season. With over 67,000 AF of water in storage right now between Donner and Independence lakes, and the water we have stored under the terms of TROA, we are in solid shape from a reserve storage perspective. Our region will go into this upcoming winter with little or no carry-over storage on the Truckee River system however and will unfortunately, be completely dependent upon this winter's precipitation and snowpack for Floriston Rate supported river flows in 2023. Regardless of the water supply situation, TMWA will continue to use the provisions of TROA in order to maximize upstream storage opportunities for our community and make the most efficient use of our water resources.

**Objective 2:** TMWA continues to recharge groundwater to support water quality improvement goals. TMWA is working with the Nevada Division of Water Resources and the Nevada Division of Environmental Protection for permit coverage on 27 additional wells. Three existing production wells on the Mt. Rose Fan area were equipped and began recharging last year. Through conjunctive use, groundwater pumping was reduced by about 2,900 AF between the Mt. Rose, Spanish Springs, Lemmon Valley and former STMGID areas, and 1,018 AF was recharged system-wide during FY 2022.

**Natural Resources Objectives Notes (continued):**

**Objective 3:** TMWA Board of Directors approved the return flow will-serve agreement for Truckee-Reno Industrial General Improvement District (TRIGID).

**Objective 4:** Staff successfully negotiated an ILA with the City of Reno for the design and cost sharing of a 2 MGD \$100 million+ advanced purified water treatment facility at American Flat.

**Objective 5:** Assessments of the hydrogeologic feasibility of irrigating with recycled water and recharging potable water in Palomino Valley continues.

## DEPARTMENT TREATMENT

GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1 Meet the treatment costs set according to anticipated production.	If production is at or near: • 28,000 MG • 29,000 MG • 30,000 MG	TMWA cost: • \$605.72/MG • \$584.84/MG • \$565.34/MG	Achieve \$/MG in the respective production category  28kMG=\$605.72/MG 29kMG=\$584.84/MG 30kMG=\$565.34/MG	\$551.68/MG
2 Meet the benchmark of 0 (Zero) MCL violations.	0 (Zero) MCL violations	# of MCL violations	0	0
3 Maintain Chalk Bluff and Glendale finished water turbidity 95% of the time.	At less than: • 0.30 NTU = EPA Standard • 0.20 NTU = Good; • 0.15 NTU = Excellent; • 0.10 NTU is Outstanding	NTU's	≤ 0.10 NTU	100% < 0.1 NTU

### Calculation:

**Goal 1:** 28,640 of MG produced at a cost of \$15,800,168.76/MG

## DISTRIBUTION

GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1 Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. <b>&lt; 4 hours</b>	75 <sup>th</sup> Percentile = 0.12 Median = 0.54 25 <sup>th</sup> Percentile = 1.77	# of planned outages/1,000 customers	Median or better	0.16
2 Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. <b>4 – 12 hours</b>	75 <sup>th</sup> Percentile = 0.10 Median = 0.26 25 <sup>th</sup> Percentile = 0.52	# of planned outages/1,000 customers	Median or better	0.08
3 Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. <b>&lt; 4 hours</b>	75 <sup>th</sup> Percentile = 0.30 Median = 0.95 25 <sup>th</sup> Percentile = 1.99	# of unplanned outages/1,000 customers	Median or better	0.07
4 Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. <b>4 – 12 hours</b>	75 <sup>th</sup> Percentile = 0.04 Median = 0.12 25 <sup>th</sup> Percentile = 0.53	# of unplanned outages/1,000 customers	Median or better	0.11
5 Maintain 95% Hydro Plant Generation availability when river flow is available for generation (excluding planned maintenance and rehab, weather limitations and catastrophic failures).		% hydro generation availability	95%	99%

### Distribution Calculations:

**Pre-calculation:** 135,539 (# of customers) / 1,000 = 135.5

**Goal 1:** 22/135.5

**Goal 2:** 11/135.5

**Goal 3:** 9/135.5

**Goal 4:** 15/135.5

**Goal 5:** Hydro generation was maintained at 99%, and TMWA produced \$2.6 million in revenue during the fiscal year.

## OPERATIONS

	GOALS	MEASURE	TARGET	RESULTS
1	Achieve 100% backflow testing compliance for all new construction and TMWA-owned devices, as well as 100% continued notification for backflow testing compliance for all existing customers.	% of backflow testing for new construction, TMWA-owned devices & existing customers	100%	100%
2	Perform 175 backflow retrofits.	# of backflow retrofits	≥ 175	163
3	Convert 45 of the remaining-field sites and stations that contain SCADA control used in a Legacy H.M.I. (Human Machine Interface) platform to operate within a supported and modern OMI (Operations Machine Interface) platform.	# of sites & stations converted to OMI	45	37
4	Maintain a 96% level uptime of the OMI (Operations Machine Interface) platform and underlying infrastructure within TMWA's direct purview within a 24 hour, 7 day a week, 365 day operational period.	Cumulative system uptime is not to fall below target percentage within the operational period	96%	96%

## Notes:

**Goal 3:** A large portion of Operations Maintenance staffing was assigned to Mt Rose WTP efficiency upgrades and plant control optimizations, leaving a smaller pool to work on site conversions for the year.

## BUSINESS INFORMATION SYSTEMS

	GOALS	MEASURE	TARGET	RESULTS
1	Complete the mapping of New Business 'as-built' drawings within 7 days or less.	# of days mapping of 'as-built' drawings of 'redline' drawing submittal	≤ 7 days	2 days
2	Close helpdesk tickets within 48 hours or less.	Average # of hours between the creation and closing of Helpdesk tickets	≤ 48-hrs	53-hrs
3	Develop processes and tools necessary to further leverage GIS as TMWA's primary asset database.	% Implementation of processes and tools necessary to track and update "intradoc" assets	100%	100%
4	<b>NEW:</b> Formalize Customer Information System and Meter-to-Cash operations by process flow mapping each process and task.	Begin mapping processes by 6/30/2022	100%	100%
5	<b>NEW:</b> Work with Field & Meter Services to successfully begin the Meter Replacement Project	Begin project by 6/30/2022	100%	100%

## Notes:

**Goal 2:** Although a miss, 53 hours is impressive given the increase in helpdesk tickets (2764). Project has been identified to replace the current helpdesk system.

**Goal 3:** Asset Inventory App was released in June to IT for Security Review, released to Engineering for final testing and feedback in August.

**Goal 4:** 8 value mapping sessions have been conducted as of 6/30/2022 focusing on Billing Edits, Meter Reading, Validation Estimation and Editing (VEE) & Meter Data Management (MDM) Automation.

**Goal 5:** Despite challenges with supply chain, F&MS is actively deploying AMI meters, MIS continues to support when needed.

## CUSTOMER SERVICE

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Customer Call Center will have an average call handle time of 5 minutes, or less per call.		Average handle time per call	≤ 5 min	4.52
2	The fiscal year average for disconnect for non-payment service orders to active accounts will be 0.30% or less.		% average of disconnects for non-payment	≤ 0.30%	0.05%
3	The write off to revenue will be 0.25% or less at fiscal year-end.		% of write off to revenue	≤ 0.25%	0.13%
4	Hold a minimum of 30 public workshops, tours and/or presentations with a primary focus on responsible water use and education, including Water Leadership workshops and open houses.		# of public workshops and/or tours	≥ 30	49
5	Maintain a high level of billing accuracy.	75 <sup>th</sup> Percentile = 3.5 Median = 9.4 25 <sup>th</sup> Percentile = 24.0	Billing accuracy rate	Median	3.3
6	Track percentage of total accounts delinquent at fiscal year-end.	75 <sup>th</sup> Percentile: 3.2% Median: 9.0% 25 <sup>th</sup> Percentile: 14.6%	% of delinquent accounts	Median	11%
7	Maintain high level of stakeholder outreach activities.	75 <sup>th</sup> Percentile: 90% Median: 75% 25 <sup>th</sup> Percentile: 50%	Stakeholder outreach engagement	90%	90%
8	Track the number of customer service complaints (complaints/population served).	75 <sup>th</sup> Percentile: 0.1 Median: 0.3 25 <sup>th</sup> Percentile: 0.9	# of customer complaints	Median or better	0.25
9	Track the percentage of bills issued that were estimated for both residential and commercial customers.	<b>Residential:</b> 75 <sup>th</sup> Percentile: 0.1% Median: 0.5% 25 <sup>th</sup> Percentile: 2.0% <b>Commercial:</b> 75 <sup>th</sup> Percentile: 0.0% Median: 0.2% 25 <sup>th</sup> Percentile: 0.9%	% of estimated bills issued	0.1% (Combined total)	0.1%

**Calculations:**

**Goal 5:** 
$$\frac{349 \text{ (# of error-driven billing adjustments)} \times 10,000}{1,068,942 \text{ (# of bills generated)}}$$

**Goal 8:** 
$$\frac{111 \text{ (# of complaints)} \times 1,000}{442k \text{ (Population served)}}$$

**Notes:**

**Goal 6:** The percentage of delinquent accounts is slightly higher than the median due to relaxed collection policies following the pandemic. Along with general economic hardships, this caused more accounts to move into delinquent status.



## HUMAN RESOURCES

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track continuous training for full-time equivalents (FTEs) employees.	75 <sup>th</sup> Percentile: 30.7 Median: 20.6 25 <sup>th</sup> Percentile: 12.7	# of continuous training hours per employee	Median or better	20.3
2	Track the number of annual employee FTEs departures per year.	75 <sup>th</sup> Percentile: 5.7% Median: 9.6% 25 <sup>th</sup> Percentile: 13.3%	# of FTEs departed per year	Median or better	8.1%
3	Track the number of FTEs eligible for retirement.	75 <sup>th</sup> Percentile: 12.7% Median: 25.4% 25 <sup>th</sup> Percentile: 33.2%	#of FTEs eligible for retirement	Median or better	19.1%

**Calculations:**

**Goal 1:**  $\frac{4764.75 \text{ (training hours)}}{235 \text{ (\# of employees)}}$

**Goal 2:**  $\frac{19 \text{ (\# of employees departed)}}{235 \text{ (\# of employees)}}$

**Goal 3:**  $\frac{45 \text{ (\# of FTEs eligible for retirement)}}{235 \text{ (\# of employees)}}$

## FINANCIAL

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Meet or underspend Capital Commitments as approved by the Board.		\$ spent	Met or underspent	32% underspent
2	Meet or underspend O&M Budget Commitments.		\$ spent	Met or underspent	8% underspent
3	Maintain a lean operating ratio.	75 <sup>th</sup> Percentile: 46% Median: 56% 25 <sup>th</sup> Percentile: 69%	% operating ratio	Median	57%
4	Reduce TMWA's debt per capita based on industry standards.	Benchmark: \$500-\$550	TMWA's debt per capita	Work toward industry standards	\$766
5	Maintain ratio of capital cost to total budgeted costs based on industry standards.	Benchmark: 25% - 50%	% of capital cost to total budgeted costs	25%	23%

**Calculations:**

**Goal 3:**  $\frac{\$65\text{m (Total O\&M costs)}}{\$115\text{m (Total operating revenue)}}$

**Goal 4:**  $\frac{\$338\text{m (Total debt)}}{442\text{k (Population served)}}$

**Goal 5:**  $\frac{\$29\text{m (CIP)}}{\$126\text{m (Cost of service)}}$

**Goal 4 Note:** Improved from \$812 in prior year. Trending toward benchmark as expected.

**Goal 5 Note:** Improved from 21% in prior year. Trending toward benchmark as expected.

## NATURAL RESOURCES

	GOALS	MEASURE	TARGET	RESULTS
1	Increase community awareness and understanding of TROA and its benefit to our area's municipal water supply.	Continue giving presentations to customer/industry groups on TMWA's overall water resource management strategies, including the benefits of TROA, ASR, conservation, and A+ Reclaimed Water feasibility to the area's municipal water supply.	≥ 5 presentations	24
2	Review, monitor, and advise the Board regarding issues and activities of the interim 2021 legislative session that may affect TMWA. Continue monitoring and stay updated on statewide water law issues.	As necessary, advise the Board regarding issues or activities that may affect TMWA.	100%	100%
3	Continue an active role in maintaining sufficient water rights inventory, analyze purchase opportunities.	Maintain sufficient water rights inventory.	Monthly Board reports	100%
4	Turn around new business application water rights work within 5 business days.	# of days turnaround new business application	≤ 5 days	Water rights team met or exceeded this goal.
5	Remain actively involved with UNR's Nevada Water Innovation Institute projects.	Report activities to the Board	100%	100%
6	Respond to customer water usage audit requests within 3-5 business days and provide monthly conservation report to the Board.	# of days between receiving request and completing a water audit	≤ 5 days	2-3 days
7	<b>NEW:</b> Analyze opportunities to increase water conservation for drought resiliency, use best available science to evaluate global climate change models applicable to this region, and advise the Board.	Complete the analyses and update the Board	100%	100%

**Notes:**

**Goal 1:** Staff exceeded this goal with more than 24 water resource management strategy presentations given (Re: supply, TROA, Conservation, ASR, and A+ Reclaimed water feasibility).

**Goal 2:** Actively participate in trade group to track, comment and advocate in federal and state legislative matters. Participate in stakeholder processes regarding water rights and water quality regulatory changes. Update the Board through the legislative subcommittee.

**Goal 3:** Staff developed a water right purchasing strategy to identify opportunities to purchase water rights. Developed a strategy for pricing to help maintain a stable water market and maintain Rule 7 inventory. Staff entered into leases, options and several water purchases agreements.

**Goal 5:** Conducting several NWII projects, A+ piloting, ASR, sewer collection system source control. Participated in NWII strategic planning session and 5-year celebration.

**Goal 6:** Water Conservation staff exceeded this goal as the majority of water audits were completed within 2-3 business days.

**Goal 7:** Began process to update climate change assumptions for upcoming water resource planning documents. Evaluated and participate in upstream watershed protection for wildfire mitigation considering fire behavior changes from climate change. Look for opportunities to reoperate upstream reservoirs given climate change impacts and explore increased groundwater banking to account for possible changes in snowpack.

## ENGINEERING &amp; NEW BUSINESS

GOALS		MEASURE		TARGET	RESULTS
1	Continue cooperative coordination with Agencies and complete projects on schedule. Survey agency satisfaction with utility coordination effort.	1 = Unacceptable 2 = Needs Improvement 3 = Good 4 = Commendable 5 = Outstanding	Average response rate	≥ 4 rating	4.6 rating
2	Deliver required in-service dates for major capital projects on/under budget.	<ul style="list-style-type: none"><li>Prater Tank Rehab May 2022 \$1,400,000</li><li>Orr Ditch Hydro May 2023 FY22 (\$2.5M)/BPS (\$4.4M) \$6,900,000</li><li>Disc Drive BPS April 2022 \$3,800,000</li><li>South Virginia 24” Main Kumle to Peckham April 2022 \$700,000</li></ul>	\$12,800,000	Met or underspent	\$10.9M
3	Continue to measure and report new business turnaround times.  <u>Project Category</u> A) Commercial with Main B) Commercial Service C) Subdivision	Number of Projects and turnaround times:  75% ≤ 30 days	% turnaround in ≤ 30 days	75%	A) 75%
					B) 99%
		100% ≤ 60 days	% turnaround in ≤ 60 days	100%	C) 91%
					A)100%
					B)100%
					C)100%
4	NEW: Participate in regional permitting discussions and look for opportunities to integrate or streamline the permitting process.		% complete	100%	50%

## Goal 2: Project Highlights

PROJECT		SCHEDULE	BUDGET	EXPENDED
Prater Tank Rehab		May 2022	\$1,400,000	\$2,619,000
*Orr Ditch Hydro		May 2023. Now Summer 2024	\$6,900,000	\$1,614,000
Disc Drive BPS		April 2022	\$3,800,000	\$4,700,000
South Virginia 24" Main		Kumle to Peckham April 2022	\$700,000	\$1,988,000
<b>TOTAL:</b>			<b>\$12,800,000</b>	<b>\$10,900,000</b>

\* The delay, and subsequent much lower funds expended, was due to preparation of CMAR documents and pausing the design schedule to get the CMAR on board; as well as overall lead times on equipment/turbine procurement.

## Goal 3: # of calendar days from application to first red-line review completed.

Project Category		# Projects	Avg. Days	≤30 days	≤60 days
A	Comm w/Main	49	22.6	75%	100%
B	Comm Services	89	12.9	99%	100%
C	Subdivision	48	23.6	91%	100%

**Goal 4:** A few small improvements were made to the Project Portal. The 'help us improve' page, targeted communication to developer community and layout enhancements. Integration with regional systems has not been further explored.

# TMWA

## FY 2023

### Proposed

### Goals & Objectives



Contents

GOALS & OBJECTIVES..... 1

ORGANIZATION ..... 1

    CUSTOMER SATISFACTION..... 1

    EFFICIENCY ..... 1

    SAFETY..... 1

    FINANCE ..... 1

    FINANCE (continued) ..... 2

    NATURAL RESOURCES..... 2

DEPARTMENT ..... 3

    TREATMENT ..... 3

    DISTRIBUTION ..... 3

    OPERATIONS ..... 4

    CUSTOMER SERVICE..... 4

    BUSINESS INFORMATION SYSTEMS ..... 5

    HUMAN RESOURCES ..... 5

    FINANCIAL ..... 5

    NATURAL RESOURCES..... 6

    ENGINEERING & NEW BUSINESS..... 6

# GOALS & OBJECTIVES

## ORGANIZATION

OBJECTIVES		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
CUSTOMER SATISFACTION				
1	Residential Customers Totally or Mostly Satisfied.	71%-81% = Good 82%-86% = Excellent 86% + = Outstanding	% of residential customer's satisfaction	86%
2	Commercial Customers Totally or Mostly Satisfied.	77%-87% = Good 88%-90% = Excellent 90% + = Outstanding	% of commercial customer satisfaction	90%
3	Meet the Faneuil contract requirement of calls answered within average of 35 seconds.		average call answered within 35 seconds	35 seconds
4	Track all efforts and assistance with local agencies related to the homeless issue and water quality.		# of projects/programs	
EFFICIENCY				
1	Track customer accounts per employee and compare to national benchmark.	75 <sup>th</sup> Percentile = 547 Median = 421 25 <sup>th</sup> Percentile = 346	# of accounts per employee	Top quartile
2	Track average MGD delivered per employee and compare to national benchmark.	75 <sup>th</sup> Percentile = 0.25 Median = 0.17 25 <sup>th</sup> Percentile = 0.14	Average MGD delivered per employee	Top quartile
SAFETY				
1	Maintain a safety incident rate below the Industry Standard Bureau of Labor Statistics, 2020	3.5 Average Incident Rate for Water & sewer line and related structure construction (NAICS237110) – Local Government	Incident rate	≤ 3.5
2	Track Collisions Per Million Miles (CPMM) and compare against Network of Employers for Traffic Safety Fleet Safety Benchmark Report (Reporting for North America Only, All Vehicles), 2021.	5.09 per 1,000,000 miles driven.	# of collisions per 1,000,000 miles driven	≤ 5.09
FINANCE				
1	Meet all bond covenants.		# of bond covenants met	100%
2	Update the 5-year funding plan.		Update completed	100%
3	Preserve or improve TMWA's excellent credit ratings by the three major credit rating bureaus S&P (AA+ stable), Moody's (Aa2 stable) and Fitch (AA+)		Maintain or improve credit ratings of High Grade	AA+ /Aa2 - stable or better

OBJECTIVES		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
FINANCE (CONTINUED)				
4	Maintain a low debt ratio.	75 <sup>th</sup> Percentile = 23% Median = 35% 25 <sup>th</sup> Percentile = 46%	Debt ratio	Median
5	Sustain a minimum of 470 days of cash reserve.	75 <sup>th</sup> Percentile = 470 Median = 315 25 <sup>th</sup> Percentile = 210	# of days of cash reserve	Top quartile
6	Maintain a debt-service coverage ratio of 1.5.	75 <sup>th</sup> Percentile = 3.35 Median = 2.50 25 <sup>th</sup> Percentile = 1.85	Debt-service coverage ratio	1.5 or better
7	Maintain high level of utility's financial effectiveness	75 <sup>th</sup> Percentile: 3.7% Median: 2.8% 25 <sup>th</sup> Percentile: 1.8%	% return on assets	Median
NATURAL RESOURCES				
1	Maximize benefit of TROA implementation.	Maximize upstream storage under TROA within hydrological and operational constraints. Continue to cooperate with TROA stakeholders to develop opportunities to improve reservoir operations and efficient use of water resources.		100%
2	Manage aquifer storage and recovery (ASR) and passive recharge capabilities and operations.	Analyze effectiveness of ASR and passive recharge on a well-by-well basis within each basin. Complete semi-annual report describing ASR and passive recharge goals and results		100%
3	Work with stakeholders to implement return flow management agreement.	Update Board on progress of implementation		100%
4	Collaborate with City of Reno on the A+ Advanced Purified Water Demonstration Project at American Flat.	Bring forth local agreement(s) between TMWA and City of Reno.		100%
5	Palomino Valley Feasibility Study: Complete hydrogeologic feasibility investigation, investigate right of way and state engineer permitting issues. Prepare draft option agreement for Board consideration including ILA with City of Reno, City of Sparks and Washoe County.	% complete		100%



## DEPARTMENT

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD		MEASURE	TARGET
TREATMENT					
1	Meet the treatment costs set according to anticipated production.	If production is at or near: <ul style="list-style-type: none"><li>• 28,000 MG</li><li>• 29,000 MG</li><li>• 30,000 MG</li></ul>	TMWA cost: <ul style="list-style-type: none"><li>• \$605.72/MG</li><li>• \$584.84/MG</li><li>• \$565.34/MG</li></ul>	Achieve \$/MG in the respective production category	28kMG=\$605.72/MG 29kMG=\$584.84/MG 30kMG=\$565.34/MG
2	Meet the benchmark of 0 (Zero) MCL violations.	0 (Zero) MCL violations		# of MCL violations	0
3	Maintain Chalk Bluff and Glendale finished water turbidity 95% of the time.	At less than: <ul style="list-style-type: none"><li>• 0.30 NTU = EPA Standard</li><li>• 0.20 NTU = Good;</li><li>• 0.15 NTU = Excellent;</li><li>• 0.10 NTU is Outstanding</li></ul>		NTU’s	≤ 0.10 NTU
DISTRIBUTION					
1	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. <b>&lt; 4 hours</b>	75 <sup>th</sup> Percentile = 0.15 Median = 0.56 25 <sup>th</sup> Percentile = 1.50		# of planned outages/1,000 customers	Median or better
2	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. <b>4 – 12 hours</b>	75 <sup>th</sup> Percentile = 0.12 Median = 0.36 25 <sup>th</sup> Percentile = 0.66		# of planned outages/1,000 customers	Median or better
3	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. <b>&lt; 4 hours</b>	75 <sup>th</sup> Percentile = 0.25 Median = 1.03 25 <sup>th</sup> Percentile = 2.00		# of unplanned outages/1,000 customers	Median or better
4	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. <b>4 – 12 hours</b>	75 <sup>th</sup> Percentile = 0.11 Median = 0.20 25 <sup>th</sup> Percentile = 0.51		# of unplanned outages/1,000 customers	Median or better
5	Maintain 95% Hydro Plant Generation availability when river flow is available for generation (excluding planned maintenance and rehab, weather limitations and catastrophic failures).			% hydro generation availability	95%

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
OPERATIONS				
1	Achieve 100% backflow testing compliance for all new construction and TMWA-owned devices, as well as 100% continued notification for backflow testing compliance for all existing customers.		% of backflow testing for new construction, TMWA-owned devices & existing customers	100%
2	Perform 150 backflow retrofits.		# of backflow retrofits	≥ 150
3	Convert 8 of the remaining-field sites and stations that contain SCADA control used in a Legacy H.M.I. (Human Machine Interface) platform to operate within a supported and modern OMI (Operations Machine Interface) platform.		# of sites & stations converted to OMI	8
4	Maintain a 96% level uptime of the OMI (Operations Machine Interface) platform and underlying infrastructure within TMWA's direct purview within a 24 hour, 7 day a week, 365 day operational period.		Cumulative system uptime is not to fall below target percentage within the operational period	96%
CUSTOMER SERVICE				
1	Customer Call Center will have an average call handle time of 5 minutes, or less per call.		Average handle time per call	≤ 5 min
2	The fiscal year average for disconnect for non-payment service orders to active accounts will be 0.30% or less.		% average of disconnects for non-payment	≤ 0.30%
3	The write off to revenue will be 0.25% or less at fiscal year-end.		% of write off to revenue	≤ 0.25%
4	Hold a minimum of 30 public workshops, tours and/or presentations with a primary focus on responsible water use and education, including Water Leadership workshops and open houses.		# of public workshops and/or tours	≥ 30
5	Maintain a high level of billing accuracy.	75 <sup>th</sup> Percentile = 0.8 Median = 9.5 25 <sup>th</sup> Percentile = 26.6	Billing accuracy rate	Median
6	Track percentage of total accounts delinquent.	75 <sup>th</sup> Percentile: 3.23% Median: 9.0% 25 <sup>th</sup> Percentile: 17.1%	% of delinquent accounts	Median
7	Maintain high level of stakeholder outreach activities.	75 <sup>th</sup> Percentile: 83% Median: 67% 25 <sup>th</sup> Percentile: 50%	Stakeholder outreach engagement	90%
8	Track the number of customer service complaints (complaints/population served).	75 <sup>th</sup> Percentile: 0.2 Median: 0.4 25 <sup>th</sup> Percentile: 0.8	# of customer complaints	Median or better
9	Track the percentage of bills issued that were estimated for both residential and commercial customers.	<b>Residential:</b> 75 <sup>th</sup> Percentile: 1.0% Median: 0.2% 25 <sup>th</sup> Percentile: 0.0% <b>Commercial:</b> 75 <sup>th</sup> Percentile: 0.9% Median: 0.1% 25 <sup>th</sup> Percentile: 0.0%	% of estimated bills issued	0.1% (Combined total)

GOALS		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
BUSINESS INFORMATION SYSTEMS				
1	Complete the mapping of New Business 'as-built' drawings within 7 days or less.		# of days mapping of 'as-built' drawings of 'redline' drawing submittal	≤ 7 days
2	Close helpdesk tickets within 48 hours or less.		Average # of hours between the creation and closing of Helpdesk tickets	≤ 48 hours
3	Develop processes and tools necessary to further leverage Geographic Information System (GIS) as TMWA's primary asset database.		% implementation of processes and tools	100%
4	<b>NEW:</b> Develop processes and tools necessary to further leverage TMWA's financial system.		% implementation of processes and tools	100%
5	<b>NEW:</b> Begin Human Capital Management (HCM) Project to replace TMWA's current payroll and HR applications.		Begin project by 6/30/2023	100%
6	<b>NEW:</b> Make software selection and begin IT HelpDesk replacement project.		Begin project by 6/30/2023	100%
HUMAN RESOURCES				
1	Track continuous training for full-time equivalents (FTEs) employees.	75 <sup>th</sup> Percentile: 20.0 Median: 8.8 25 <sup>th</sup> Percentile: 5.8	# of continuous training hours per employee	Median or better
2	Track the number of annual employee FTEs departures per year.	75 <sup>th</sup> Percentile: 5.3% Median: 6.9% 25 <sup>th</sup> Percentile: 9.6%	# of FTEs departed per year	Median or better
3	Track the number of FTEs eligible for retirement.	75 <sup>th</sup> Percentile: 15.2% Median: 20.8% 25 <sup>th</sup> Percentile: 37.5%	#of FTEs eligible for retirement	Median or better
FINANCIAL				
1	Meet or underspend Capital Commitments as approved by the Board.		\$ spent	Met or underspent
2	Meet or underspend O&M Budget Commitments.		\$ spent	Met or underspent
3	Maintain a lean operating ratio.	75 <sup>th</sup> Percentile: 42% Median: 52% 25 <sup>th</sup> Percentile: 65%	% operating ratio	Median
4	Reduce TMWA's debt per capita based on industry standards.	Benchmark: \$500-\$550	TMWA's debt per capita	Work toward industry standards
5	Maintain ratio of capital cost to total budgeted costs based on industry standards.	Benchmark: 25% - 50%	% of capital cost to total budgeted costs	25%

GOALS		MEASURE		TARGET
NATURAL RESOURCES				
1	Increase community awareness and understanding of TROA and its benefit to our area’s municipal water supply.	Continue giving presentations to customer/industry groups on TMWA’s overall water resource management strategies, including the benefits of TROA, ASR, conservation, and A+ Reclaimed Water feasibility to the area’s municipal water supply.		≥ 5 presentations
2	Review, monitor, and advise the Board regarding issues and activities of the 2023 legislative session that may affect TMWA. Continue monitoring and stay updated on statewide water law issues.	As necessary, advise the Board regarding issues or activities that may affect TMWA.		100%
3	Continue an active role in maintaining sufficient water rights inventory, analyze purchase opportunities.	Maintain sufficient water rights inventory.		Monthly Board reports
4	Turn around new business application water rights work within 5 business days.	# of days turnaround new business application		≤ 5 days
5	Remain actively involved with UNR’s Nevada Water Innovation Institute projects.	Report activities to the Board		100%
6	Respond to customer water usage audit requests within 3-5 business days and provide monthly conservation report to the Board.	# of days between receiving request and completing a water audit		≤ 5 days
7	Analyze opportunities to increase water conservation for drought resiliency, use best available science to evaluate global climate change models applicable to this region, and advise the Board.	# of opportunities identified to increase water conservation for drought resiliency		3
ENGINEERING & NEW BUSINESS				
1	Continue cooperative coordination with Agencies and complete projects on schedule. Survey agency satisfaction with utility coordination effort.	1 = Unacceptable 2 = Needs Improvement 3 = Good 4 = Commendable 5 = Outstanding	Average response rate	≥ 4 rating
2	Deliver required in-service dates for major capital projects on/under budget.	<ul style="list-style-type: none"><li>Orr Ditch Hydro / Pump Station FY 23 spend \$15,000,000 in service June 2024</li><li>APWF at American Flat FY 23 spend \$5,000,000, 30% GMP Estimate April 2023, In Service Spring 2025</li><li>Arrowcreek BPS (STMGID Conjunctive Use) \$3,450,000 in service June 2023</li></ul>	\$23.45M	Met or underspent
3	Continue to measure and report new business turnaround times.  <b>Project Category</b> A) Commercial with Main B) Commercial Service C) Subdivision	Number of Projects and turnaround times:	% turnaround in ≤ 30 days	75%
		75% ≤ 30 days  100% ≤ 60 days	% turnaround in ≤ 60 days	100%
4	<b>NEW:</b> With BIS support, identify a digital plan handling platform that will streamline plan intake time and further develop the digital permitting process.		% complete	100%

GOALS		MEASURE		TARGET
ENGINEERING & NEW BUSINESS (CONTINUED)				
5	<b>NEW:</b> Update New Business Process Mapping and Identify 3 Process Improvements.		% complete	100%
6	<b>NEW:</b> Update Water Facility Plan.	Complete by 10/1/2023	% complete	100%



## STAFF REPORT

**TO:** Chairman and Board Members  
**FROM:** John Zimmerman, General Manager  
**DATE:** October 3, 2022  
**SUBJECT:** Discussion and action on request for Board input and acceptance of General Manager performance objectives for contract year 2022-2023

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### RECOMMENDATION

The TMWA Board review the objectives proposed herein, provide input to the proposed objectives, and approve the objectives as amended by the Board discussion.

### DISCUSSION

Under the Employment Agreement with the TMWA General Manager, the Board has an opportunity to discuss and approve specific objectives and criteria that the General Manager would be working to accomplish during the current fiscal year. These objectives and criteria would be used to evaluate the performance of the General Manager at the end of the contract year. Below are suggestions for the Board's discussion and input:

2022-2023 GENERAL MANAGER	
GENERAL OBJECTIVES	
<b>A</b>	Direct the preparation of and propose financial plans, investment strategies, funding plans and adjustments to rates and charges that will continue to keep TMWA in long term financial stability; including preparation of budgets and Capital Improvement Plans and financial reporting that comply with Nevada Revised Statutes and the Securities and Exchange Commission (SEC).
<b>B</b>	Develop proactive communications plans to address upcoming issues (e.g., topics affecting water supply, drought planning, regional water issues, utility water system consolidation and rate changes) and to keep all stakeholders including the Board, the employees, and the customers informed through a variety of mediums. Respond to media inquiries and provide informational interviews.

## 2022-2023 GENERAL MANAGER

### GENERAL OBJECTIVES (continued)

<b>C</b>	Continue having and improve on a community presence for TMWA through the Water Leadership program and participation in community committees, boards, and networking organizations and by providing presentations and information to these groups; offer Truckee River, Chalk Bluff Plant and/or other informational tours to the community.
<b>D</b>	Continue to create a highly productive work environment and a highly motivated employee team by developing, training, retaining and recruiting the highest quality employees.
<b>E</b>	Strive for continuous improvements in processes and operations targeting initiatives that will enhance revenues and/or reduce operating costs thus keeping customer rates as low as possible.

### ONGOING OPERATIONAL OBJECTIVES

<b>a</b>	Monitor federal legislation for opportunities to obtain funding for a variety of TMWA projects.
<b>b</b>	Carefully analyze opportunities to acquire water rights and resources in the market in consideration of current inventory and financial constraints. Ensure adequate resources are available through TMWA's Rule 7 as directed by the Board.
<b>c</b>	Provide staff support to the SAC, the Truckee River Fund (TRF) Advisors, and One Truckee River and ensure communications regarding TRF projects.
<b>d</b>	Manage and direct activities relative to legal issues, keeping the Board informed on all such matters.
<b>e</b>	Update TMWA Administrative Instructions as required to ensure they are compliant with applicable laws and current practices. Deliver updates to the Board and employees, and implement the changes.
<b>f</b>	Minimize cost impacts to customers by maximizing investment and hydroelectric income, pursuing revenue enhancement and collection opportunities, pursuing process improvements and projects that drive savings in TMWA expenses, and actively pursuing grant/low-interest loan funding for projects.

### SPECIFIC OBJECTIVES

<b>1</b>	Develop customer communications plan for FY2023, including conservation communication, water supply planning, and detailed public/customer communications/outreach plan - present to the SAC for their recommendation and Board for approval no later than the April Board Meeting.
<b>2</b>	Continue working with city and county staff and WRWC regarding regional water issues (including wastewater, effluent management, stormwater, etc.), regional economic development initiatives, etc. including the OneWater Nevada initiative that includes advancing the American Flat Project, continued pilot testing and analysis related to infiltrating or injecting highly treated wastewater into the ground for later use, assistance with TMWRF return flow obligations, etc.
<b>3</b>	Continue analyzing water supply options related to fringe area development where private systems exist, make recommendations to Board and follow Board direction regarding same.

## 2022-2023 GENERAL MANAGER

### SPECIFIC OBJECTIVES (continued)

4	Monitor and participate in Legislative activities during the 2023 Legislative Session, prepare and deliver presentations to Legislative Committees as requested, schedule meetings with staff, Board legislative committee members, lobbyists and legislators, keep the Board updated and informed regarding legislative matters, and pursue Board direction regarding Legislative issues. Facilitate open communications between legislators and the TMWA Board.
5	Update the 5-year Funding Plan and present to the SAC and the Board. Propose Board actions based on the results of the planning cycle updates. Implement Board direction with regard to funding plan outcomes.
6	Analyze the need for any necessary rule changes, rate adjustments, water facility charge adjustments, etc. and report results of analysis to the SAC and Board of Directors and follow Board direction regarding same.
7	Continue to develop/refine strategies to optimize conjunctive use of surface water and groundwater resources; further develop/refine drought supply operational strategies; and implement plans.
8	Continue to develop, refine and implement strategies to mitigate pre-merger groundwater conditions on the Mt. Rose fan including integrating operation of the Mt. Rose Water Treatment Plant and expanding aquifer storage and recovery (ASR) in that area.
9	Update succession plan and continue to implement the succession/staffing plan to address and fill vacancies created by retirements. Continue staff development in support of TMWA's succession plan with a focus on leadership and critical position succession. Increase employee communication and input regarding succession planning, workforce development requirements and foster more collaboration.
10	Continue working under the terms of the MOU with Carson City and Storey County, to determine surplus water availability to TMWA from the Marlette Lake Water System.
11	Begin the CMAR design phase for the Advanced Purified Water Project at American Flat. Continue working on operations plan and seeking grant monies to offset costs. Provide periodic updates to the Board at appropriate milestones.
12	Continue working on collecting additional information based on the results from the feasibility study of Palomino Farms, and recommend whether or not to move forward with an option agreement involving Palomino Farms, Reno, Sparks and Washoe County.
13	Continue analyzing opportunities to increase water conservation for drought resiliency and mitigate impacts to the upstream watershed to protect water quality and reservoirs, use best available science to evaluate global climate change models applicable to this region, and advise the Board.
14	Complete negotiations on a labor contract with the International Brotherhood of Electrical Workers (IBEW) Local 1245 and present to Board for approval.
15	<b>NEW:</b> Work with Nevada Division of Environmental Protection and Central Truckee Meadows Remediation District to explore ways to optimize PCE remediation.
16	<b>NEW:</b> Update Water Facility Plan and analyze the need for any necessary water facility charge adjustments, report results of analysis to the SAC and Board of Directors and follow Board direction regarding same.





## STAFF REPORT

**TO:** Board of Directors  
**FROM:** John R. Zimmerman, General Manager  
**DATE:** October 10, 2022  
**SUBJECT:** General Manager's Report

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Attached please find the written reports from the Management team including the Operations Report (*Attachment A*), the Water Resource and the Annexation Activity Report (*Attachment B*), and the Customer Services Report (*Attachment C*).

Included in your agenda packet are press clippings from September 15, 2022 through October 12, 2022.



## STAFF REPORT

**TO:** Board of Directors  
**THRU:** John Zimmerman, General Manager  
**FROM:** John Enloe, Director Natural Resources  
**BY:** Bill Hauck, Water Supply Supervisor  
**DATE:** October 11, 2022  
**SUBJECT:** **October 2022 Operations Report**

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### SUMMARY

- Lake Tahoe storage is at 3% of capacity, and is virtually at its natural rim
- Normal river flows are projected through the end of the month
- No drought reserves were required to meet customer demand (like they were in 2021)
- TMWA's upstream reserve storage is still in particularly good shape (after 3 years of drought), with more water in place than ever before between Donner and Independence reservoirs and water stored under the terms of TROA (~66,400 AF)
- Combined, total upstream Truckee River reservoir storage is ~17% of capacity
- Customer demand averaged 101 MGD over the first full week of October
- Estimated hydroelectric generation in September was 3,962 MWh with a projected revenue of \$297,882

### **(A) Water Supply**

- **River Flows** - Truckee River discharge at the CA/NV state line was 424 cubic feet per second (CFS) this morning. This is about normal for this time of the year, as the 113-year median flow for this day at Farad is 411 CFS.
- **Reservoir Storage** - Overall Truckee River reservoir storage is ~17% of capacity. The elevation of Lake Tahoe is 6223.19 feet. Storage values for each reservoir as of October 11<sup>th</sup> are as follows:

<b>Reservoir</b>	<b>Current Storage (Acre-Feet)</b>	<b>% Capacity (Percent)</b>
Tahoe	23,080	3%
Boca	13,829	34%
Stampede	108,284	48%
Prosser	10,644	36%
Donner	7,942	84%
Independence	15,482	88%

In addition to the 24,184 acre-feet of storage between Donner, Independence, and Boca reservoirs, TMWA also has 42,256 acre-feet of water stored in Stampede reservoir under the terms of TROA. TMWA's total combined upstream reservoir storage as of this writing is 66,440 acre-feet.

- **Outlook** - Despite overall upstream reservoir storage at just 17% of capacity and Lake Tahoe hovering at its natural rim, no drought reserves were required to meet customer demand this year like they were in 2021. Normal river flows are still projected through the end of this month, which gets us past our peak customer demand season. It appears extremely likely that we will be going into the winter of 2022-2023 with little to no carry over storage in the Truckee River system, besides TMWA's reserve storage and the Pyramid Lake Paiute Tribe's fish water. So, our region will once again be completely dependent upon this upcoming winter for Floriston Rate supported river flows in 2023. Regardless of how long this current drought lasts, TMWA with TROA in place, and its integrative approach to water resources management will continue providing our customers with the same reliable, high quality, supply of drinking water that they have come to expect from us.

## **(B) Water Production**

- **Demand** - TMWA's customer demand averaged 101 million gallons per day (MGD) over the first full week of October. Overall, surface water made up ~82% of our supply and groundwater the other ~18%.

## **(C) Hydro Production**

**Generation** - Truckee River flows at Farad (CA/NV state line) for the month of September averaged 500 CFS. All plants were on-line for 30 days and 100% available.

Statistics for the month are as follows:

<b>Plant</b>	<b>Generation Days</b>	<b>% Availability</b>	<b>Generation (Megawatt Hours)</b>	<b>Revenue (Dollars)</b>	<b>Revenue (Dollars/Day)</b>
Fleish	30	100%	1,756	\$132,438	\$ 4,415
Verdi	30	100%	1,497	\$111,886	\$ 3,730
Washoe	30	100%	709	\$ 53,558	\$ 1,785
<b>Totals</b>	<b>90</b>	<b>-</b>	<b>3,962</b>	<b>\$297,882</b>	<b>\$ 9,930</b>



## STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** John Zimmerman, General Manager  
**FROM:** Stefanie Morris, Director, Legal and Regulatory Affairs  
**DATE:** October 10, 2022  
**SUBJECT:** Report Water Resources and Annexation Activity

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### RULE 7

Rule 7 water resource purchases and will-serve commitment sales against purchased water resources through this reporting period:

Beginning Balance		2,835.93 AF
Purchases of water rights	230.83 AF	
Refunds	0.00 AF	
Sales	-30.21 AF	
Adjustments	0.00 AF	
Ending Balance		3,036.55 AF

Price per acre foot at report date: \$7,800

### FISH SPRINGS RANCH, LLC GROUNDWATER RESOURCES

Through the merger of Washoe County's water utility, TMWA assumed a Water Banking and Trust Agreement with Fish Springs Ranch, LLC, a subsidiary of Vidler. Under the Agreement, TMWA holds record title to the groundwater rights for the benefit of Fish Springs. Fish Springs may sell and assign its interest in these groundwater rights to third parties for dedication to TMWA for a will-serve commitment in Areas where TMWA can deliver groundwater from the Fish Springs groundwater basin. Currently, TMWA can deliver Fish Springs groundwater to Area 10 only (Stead-Silver Lake-Lemmon Valley). The following is a summary of Fish Springs' resources.

Beginning Balance		7,529.63 AF
Committed water rights	— 0.00 AF	
Ending Balance		7,529.63 AF

Price per acre foot at report date: \$45,753.75 (SFR and MFR); \$39,690 (for all other services)<sup>1</sup>

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<sup>1</sup> Price reflects avoided cost of Truckee River water right related fees and TMWA Supply & Treatment WSF charge.

**WATER SERVICE AREA ANNEXATIONS**

Since the date of the last report, there have been no new annexations into TMWA's service area.

**INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE**

No new ILVNPS customers have been added during this reporting period.



## **STAFF REPORT**

**TO:** Board of Directors  
**THRU:** John Zimmerman, General Manager  
**FROM:** Marci Westlake, Manager Customer Service  
**DATE:** October 19, 2022  
**SUBJECT:** **September Customer Service Report**

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The following is a summary of Customer Service activity for September 2022

### **Ombudsman**

- No calls for September

### **Communications- Public Outreach**

- Will Raymond had a Tour of Chalk Bluff on 9/6/22 and 13 people attended.
- Will Raymond had a Tour of Chalk Bluff on 9/13/22 and 12 people attended.
- Will Raymond had a Tour of Chalk Bluff on 9/20/22 and 18 people attended.
- Will Raymond had a Tour of Chalk Bluff on 9/24/22 and 15 people attended.
- Lee Good and John Stewart had a Verdi Hydro Tour on 9/10/22 and 12 people attended.
- Lee Good and John Stewart had a Verdi Hydro Tour on 9/14/22 and 16 people attended.
- Lee Good and John Stewart had a Verdi Hydro Tour on 9/21/22 and 15 people attended.
- Lydia Teel held Staff tours of North Valleys advanced purified water pilot project and Reno-Sparks Water Reclamation Facility on 9/19, 9/20, and 9/22 and a total of 16 people attended.
- Kara Steeland and Sonia Folsom did a presentation for Watershed, Conservation and Water Supply on 9/15/22 at Van Gorder ES and 26 children attended.
- Kara Steeland had a presentation for Source Water Protection for Nevada Water Resources Association and 50 people attended.
- Kara Steeland had a presentation for Source Water, Water Supply, Conservation and WRP for Truckee Meadows Regional Planning Agency on 9/24/22 and 75 people attended.
- Kara Steeland and Stef Morris had a presentation for Middle Truckee River Watershed Forest Partnership for CA Wildlife & Forest Resilience Task Force on 9/27/22 and 50 people attended.

**Conservation (2022 Calendar year)**

- 1,284 Water Usage Reviews
- 7,001 Water Watcher Contacts

**Customer Calls – September**

- 7,756 phone calls handled
- Average handling time 5 minutes 54 seconds per call.
- Average speed of answer :33 seconds per call.

**Billing – September**

- 135,240 bills issued.
- 39,894 customers (29%) have signed up for paperless billing to date.

**Remittance – September**

- 17,279 Mailed-in payments
- 24,204 Electronic payments
- 47,363 Payments via AutoPay (EFT)
- 15,363 One-time bank account payments
- 123 Store payments
- 492 Pay by Text
- 5,102 IVR Payments
- 964 Reno office Payments
- 33 Kiosk Payments

**Collections – September**

- 12,943 accounts received a late charge
- 3,966 Mailed delinquent notices, 0.03% of accounts
- 556 accounts eligible for disconnect
- 331 accounts were disconnected (including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.10 % write-off to revenue

**Meter Statistics – Fiscal Year to Date**

- 2,264 Meter exchanges completed
- 620 New business meter sets completed
- 134,854 Meters currently installed