



## STANDING ADVISORY COMMITTEE AGENDA

**Tuesday, April 4, 2023 at 3:00 p.m.**  
**Truckee Meadows Water Authority**  
**Independence Room, 1355 Capital Blvd, Reno, NV**

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### NOTES:

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

1. Roll call\*
2. Public comment — limited to no more than three minutes per speaker\*
3. Approval of the agenda (**For Possible Action**)
4. Approval of the minutes of February 14, 2023 meeting (**For Possible Action**)
5. Water Supply Update — Bill Hauck\*
6. Presentation on bills in the 2023 Legislative Session — Stefanie Morris\*
7. Presentation on the TMWA Tentative Budget for the Fiscal Year ending June 30, 2024 and Draft Capital Improvement Plan for Fiscal Years 2024 through 2028 and possible recommendation to the Board — Matt Bowman and Danny Rotter (**For Possible Action**)

8. Discussion and possible direction to staff regarding agenda items for future meetings (**For Possible Action**)
9. Staff Items\* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
10. Committee Items\* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
11. Public Comment — limited to no more than three minutes per speaker\*
12. Adjournment (**For Possible Action**)



**STANDING ADVISORY COMMITTEE**

**DRAFT** MINUTES

February 14, 2023

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The Standing Advisory Committee (SAC) met at TMWA, 1355 Capital Blvd, Reno, NV. Chair McGuire called the meeting to order at 3:01 p.m.

1. ROLL CALL

**Primary Members and Voting Alternates Present:** Fred Arndt, Jordan Hastings, Colin Hayes, John Krmptotic, Neil McGuire, Ken McNeil, Chris Melton, Alex Talmant and Jerry Wager.

**Alternates Present:** \*Ken Becker, Dale Sanderson, and Jim Smith.

**Primary Members and Alternates Absent:** Kristine Brown-Caliger, Robert Chambers, Karl Katt, Jonnie Pullman, Kevin Ryan, and Ann Silver.

*\*Member Becker arrived at 3:08 p.m.*

**Staff Present:** Matt Bowman, John Enloe, Sophie Cardinal, Robert Charpentier, Sonia Folsom, Andy Gebhardt, Bill Hauck, Shawn Stoddard, John Zimmerman, and Legal Counsel Lucas Foletta (McDonald Carano).

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

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

4. ELECTION OF CHAIR AND VICE CHAIR FOR 2023

Lucas Foletta, TMWA General Counsel, stated the Committee rules stipulate the Chair and Vice Chair both serve one-year terms. The default rule is the Vice Chair moves into the Chair position automatically unless the Committee decides to take alternative action to appoint a Chair and Vice Chair. Mr. Foletta added that Chair McGuire requested to find out if the current vice chair had an interest in being chair.

Vice Chair Hastings commented that he would be happy to serve the Committee in whatever capacity they decide.

Member McNeil noted that the Governing Rules, as written, state that the positions be rotated and would like to see that occur to give all members the opportunity to serve as chair or vice chair.

Member Hayes said he was in favor in keeping the current Chair and Vice Chair the same for 2023 and nominated Chair McGuire to continue as Chair. Chair McGuire has shown to be an effective chair and run the meetings effectively and efficiently.

**Upon motion duly made by Member Hayes and seconded by Member Melton, and carried eight to one with Member McNeil dissenting, the Committee approved Neil McGuire to be Chair for calendar year 2023.**

**Upon motion duly made by Member Hayes and seconded by Member Arndt, and carried eight to one with Member McNeil dissenting, the Committee approved Jordan Hastings to be Vice Chair for calendar year 2023.**

5. APPROVAL OF THE MINUTES OF THE OCTOBER 4, 2022 MEETING

**Upon motion duly made by Member Wager and seconded by Member Melton, and carried by unanimous consent of the members present, the Committee approved the amended October 4, 2022 meeting minutes.**

6. WATER SUPPLY UPDATE

Bill Hauck, TMWA Water Supply Supervisor, presented an update on the water supply in the region: snowpack level is 180% of normal in both Tahoe and Truckee basins; elevation of Lake Tahoe has increased 1.75 feet since December 1, 2022 and is projected to rise at least another two feet by July; anticipate all lakes and reservoirs to fill with the exception of Stampede Reservoir (about 90%) and Lake Tahoe (about two-thirds); normal river flows are projected for the remainder of 2023 and into 2024; and TMWA's upstream reserve reservoir storage is about 58,000-acre feet.

Member Wager inquired about the timeline for the Bureau of Reclamation and Army Corps of Engineers study related to Forecast Informed Reservoir Operations (FIRO). Mr. Hauck replied they will submit the report for review in September by the Army Corps of Engineers.

7. PRESENTATION ON THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR FISCAL YEAR ENDED JUNE 30, 2022

Sophie Cardinal, TMWA Financial Controller, presented the ACFR and noted that the audit resulted in an unqualified audit opinion. The audit also resulted in a significant deficiency (which is a minor finding) related to a change in the presentation of cash and cash equivalents in the Statement of Cash Flows.

Chair McGuire inquired if this finding changed anything in years past. Matt Bowman, TMWA Chief Financial Officer, replied no, it is related to GASB 9 which has been in effect since the 1980's, and TMWA has always classified TMWA's investments as cash equivalents, but since they are subject to interest rate risk, according to GASB 9, they do not meet the definition of cash equivalents.

Member Becker stated that as an accountant and CPA for over 30 years this finding is incredibly minor.

Member McNeil inquired about the very low meter charges as compared to Washoe County and other water utilities, why hasn't TMWA adjusted the rate structure, and what are the formulas used. Mr. Bowman replied TMWA has not adjusted the rate structure in a long time, but has increased rates across the board, but TMWA did not restructure the rate structure for Washoe County after the merger, but adopted their rates. Mr. Bowman added they are beginning the process of evaluating rates and rate structures and TMWA does have formulas it uses, and they can share with Member McNeil.

Shawn Stoddard, TMWA Resource Economist, clarified the customer service charge is geared towards the devices only and built into the tier once water usage and the customer charge is centered around the physical hardware. The Board decided at the beginning of TMWA to capture some of the costs on the commodity side and to keep costs affordable on the metering side, some costs were captured in Tier 1 and others in Tier 2.

#### 8. PRESENTATION OF TMWA'S 2022 POPULAR ANNUAL FINANCIAL REPORT (PAFR)

Mr. Bowman presented the report.

Robert Charpentier, TMWA Communications Specialist, confirmed they have a 48% open rate (very high), which is about 60,000 people.

Members of Committee commended staff on a very well written, readable, and useful presentation of TMWA's financials.

#### 9. CONSIDERATION AND POSSIBLE RECOMMENDATION TO THE TMWA BOARD OF DIRECTORS FOR THE FIRST BUDGET AUGMENTATION AND BUDGET REVISIONS FOR FY 2023

Mr. Bowman presented the first budget augmentation for FY 2023 to the Committee. He noted electric power and water treatment chemical costs increased significantly since the FY23 budget was approved last May. Staff is proposing a \$4.9m increase to these items for FY 2023 and there are no other adjustments proposed for the budget.

**No action taken.**

#### 10. PRESENTATION OF FISCAL YEAR 2023 Q2 YEAR-TO-DATE FINANCIAL RESULTS

Mr. Bowman presented the staff report.

Member McNeil asked if there were three classifications for capital projects. Mr. Bowman replied yes: customer rates, developer contributions and grants.

11. DISCUSSION AND POSSIBLE REQUESTS FOR AGENDA ITEMS FOR FUTURE MEETINGS

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

**Next meeting:**

1. Water Supply Update
2. Presentation of FY2024 Tentative Budget and Draft 2024 – 2027 CIP
3. 2023 Legislative Subcommittee Update

12. STAFF ITEMS

Sonia Folsom, TMWA Executive Assistant, informed the Committee that TMWA's Smart About Water Day is scheduled for Saturday, May 6<sup>th</sup> at the California Building in Idlewild Park.

13. COMMITTEE ITEMS

There were no committee items.

14. PUBLIC COMMENT

There was no public comment

15. ADJOURNMENT

With no further items for discussion, Chair McGuire adjourned the meeting at 4:20 p.m.

Approved by the Standing Advisory Committee in session on \_\_\_\_\_.

Sonia Folsom, Recording Clerk

*\*Member Becker was present for agenda items 4 thru 16 only.*



## Water Supply Update

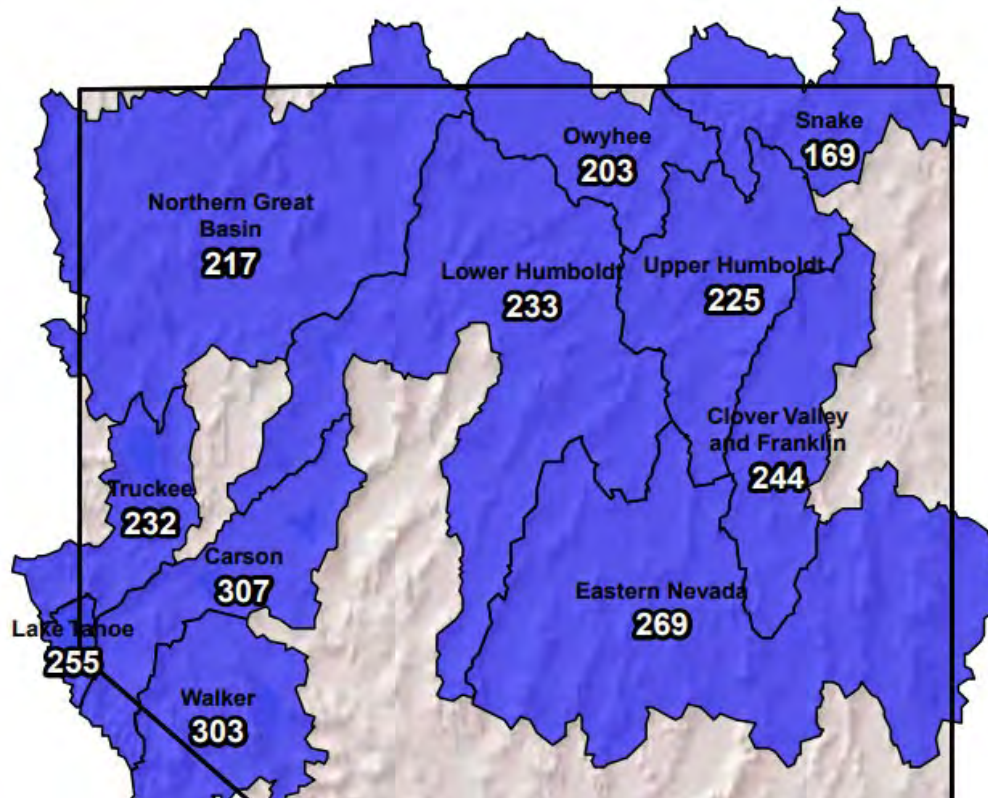
Standing Advisory Committee Meeting

April 4, 2023

13.Mar 2023 09:28:06



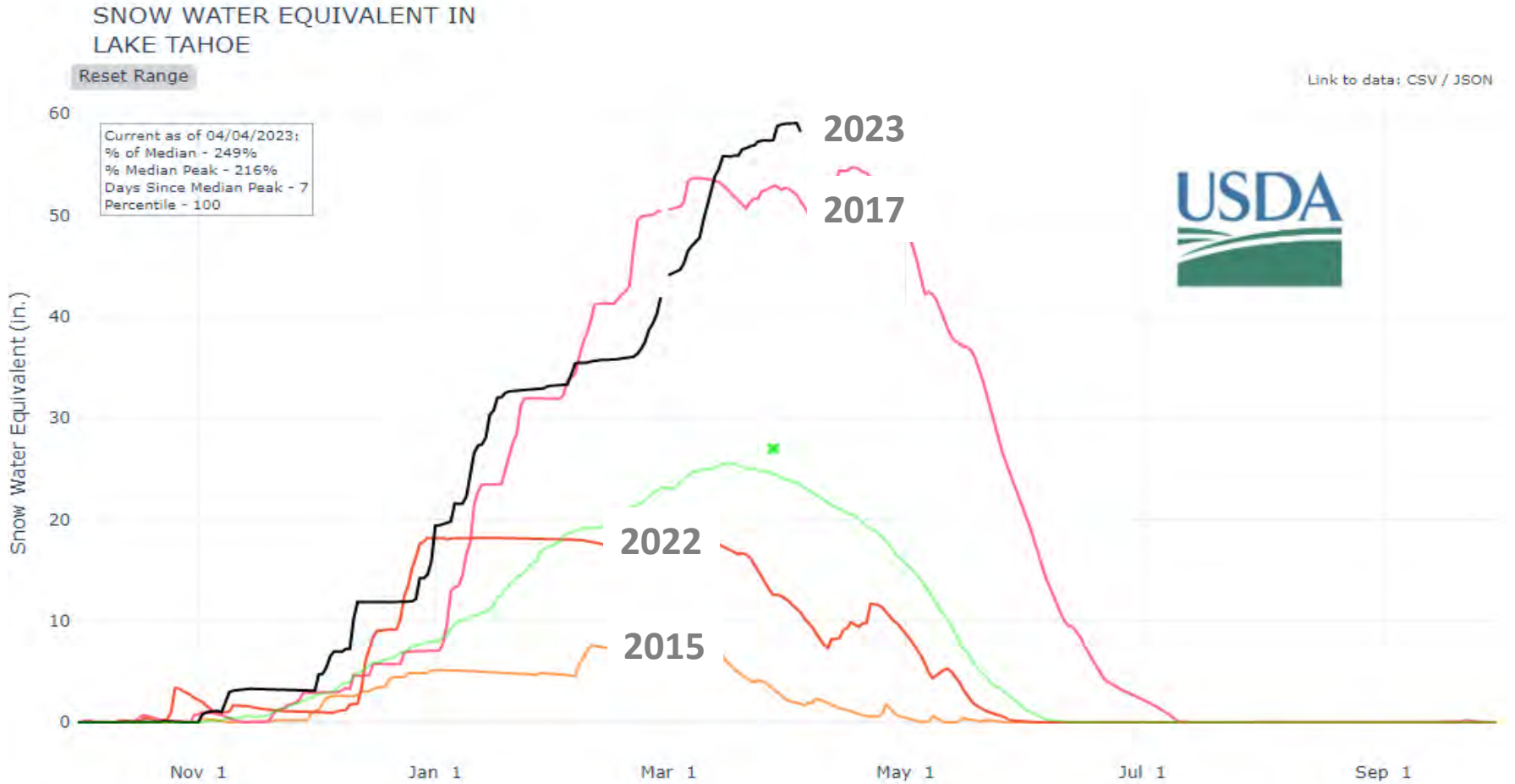




Snow Water Equivalent	<b>NEVADA &amp; EASTERN SIERRA</b> Percent NRCS 1991-2020 Median	April 4, 2023, first of day
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# Lake Tahoe Basin Snowpack Comparison



# April 01, 2023 NRCS Final Streamflow Forecast

- Lake Tahoe Gates Closed Rise (GCR)

3.9' (336% Avg.) 05% COE (Apr-High)

**2.9' (250% Avg.) 50% COE (Apr-High)**

2.2' (190% Avg.) 95% COE (Apr-High)

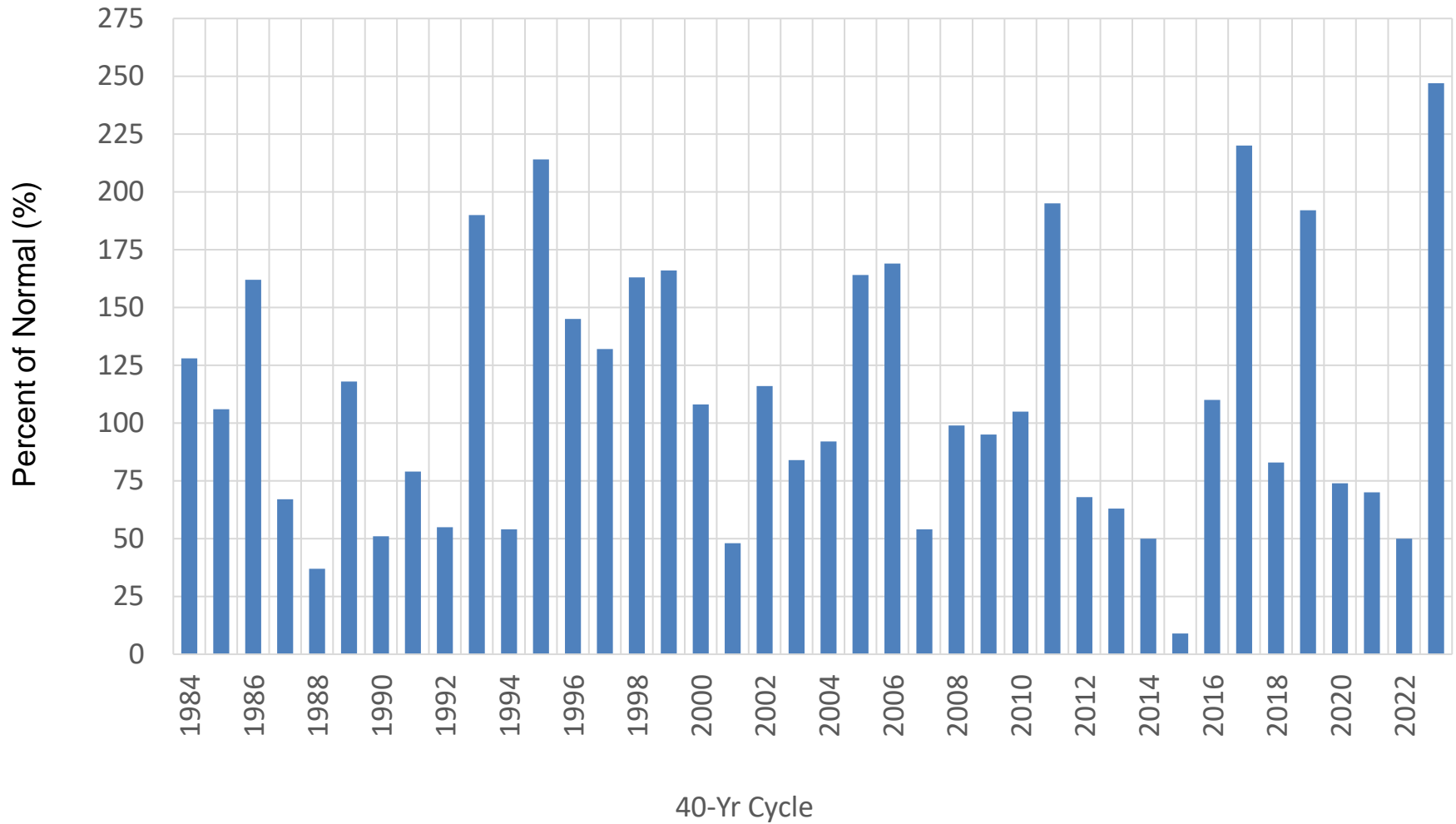
- Truckee River at Farad, CA (A-J)

675 KAF (300% Avg.) 05% COE (Apr-Jul)

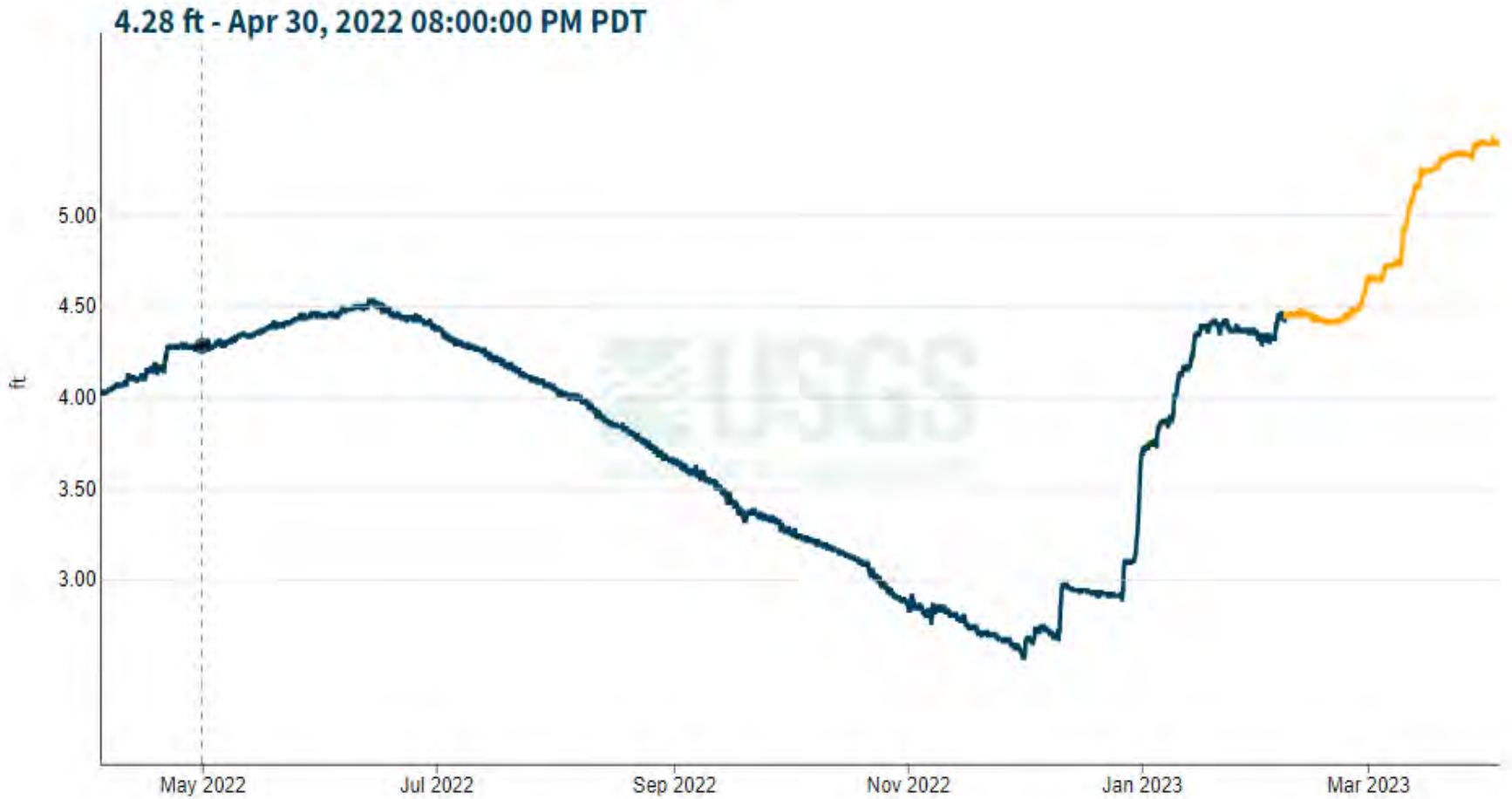
**560 KAF (249% Avg.) 50% COE (Apr-Jul)**

460 KAF (204% Avg.) 95% COE (Apr-Jul)

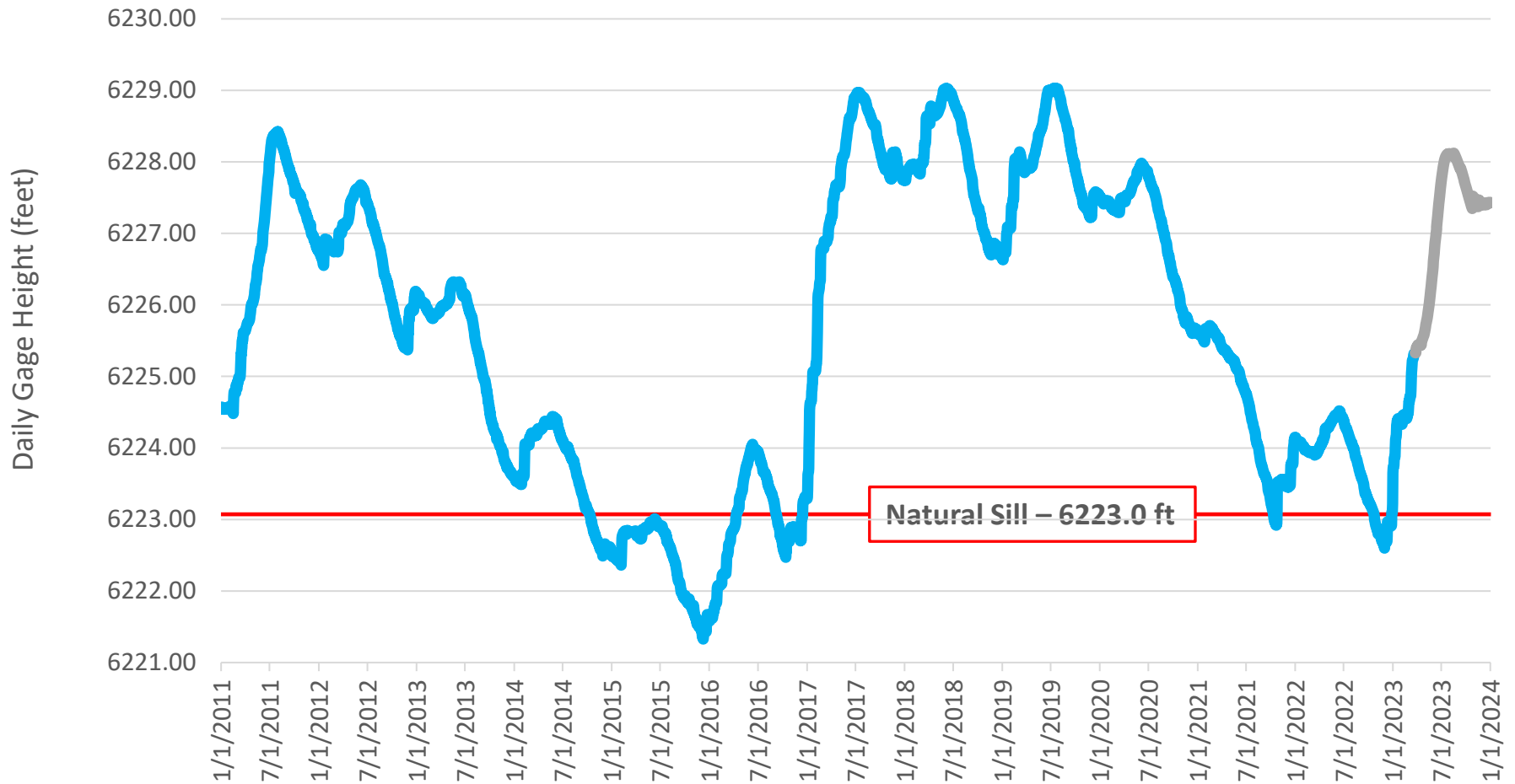
# April 1 Lake Tahoe Basin Snowpack (last 40 years)



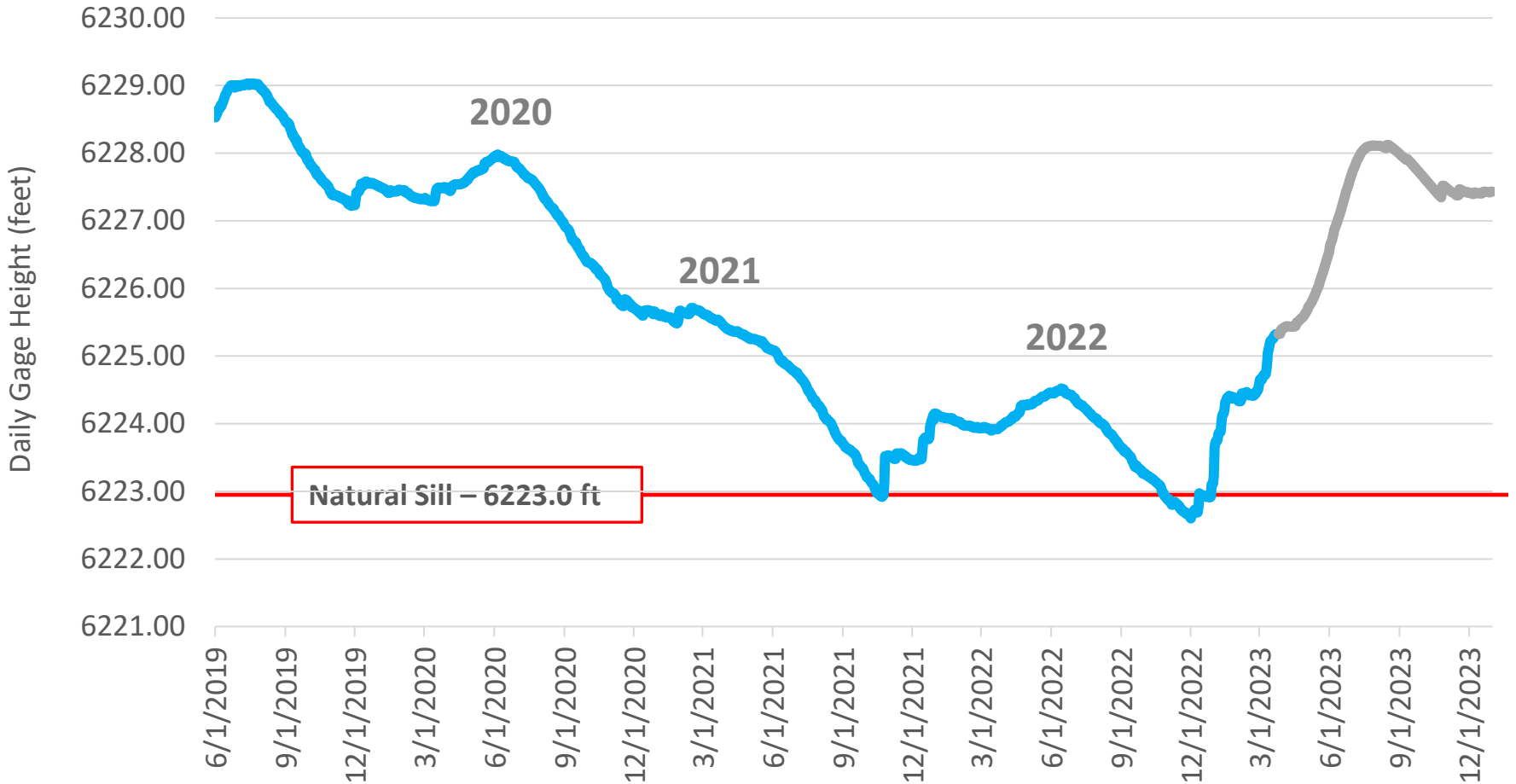
# Lake Tahoe at Tahoe City, CA - 10337000



# Actual and Projected Lake Tahoe Elevation through 2023



# Actual and Projected Lake Tahoe Elevation through 2023

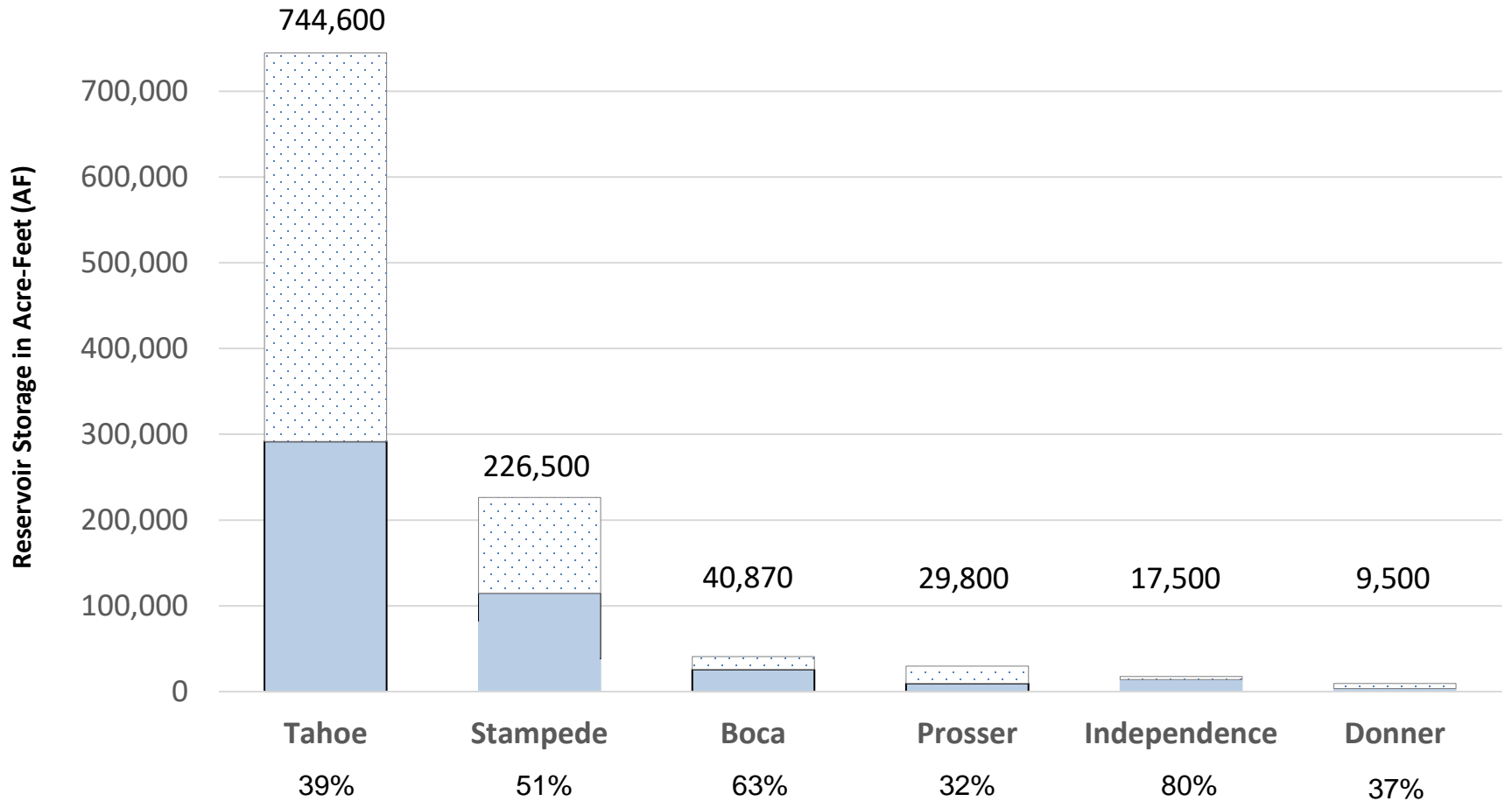


# Truckee River System

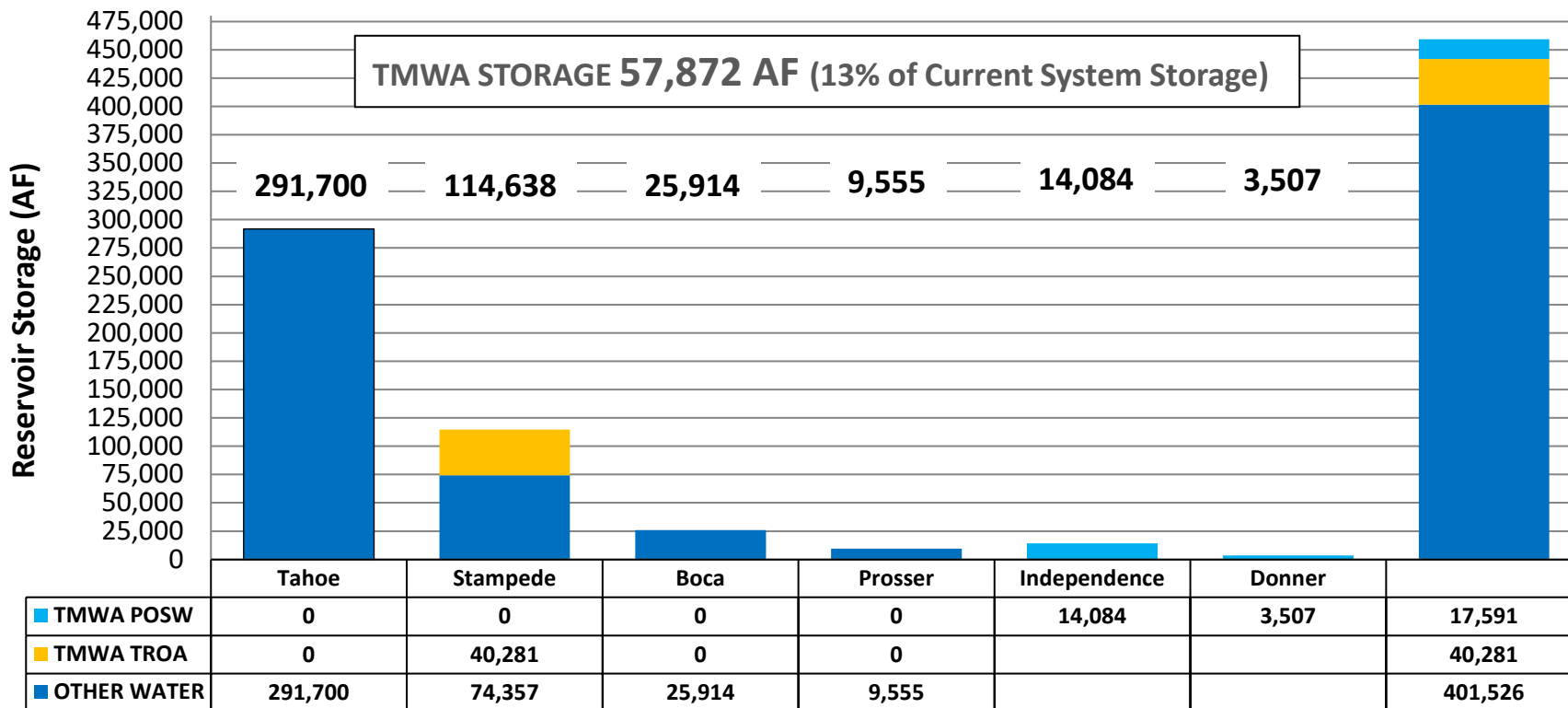




# Truckee River System Storage (Apr 04, 2023)



# TMWA System Storage (Apr 04, 2023)



Capacity (%)

39 %

51 %

63 %

32 %

80 %

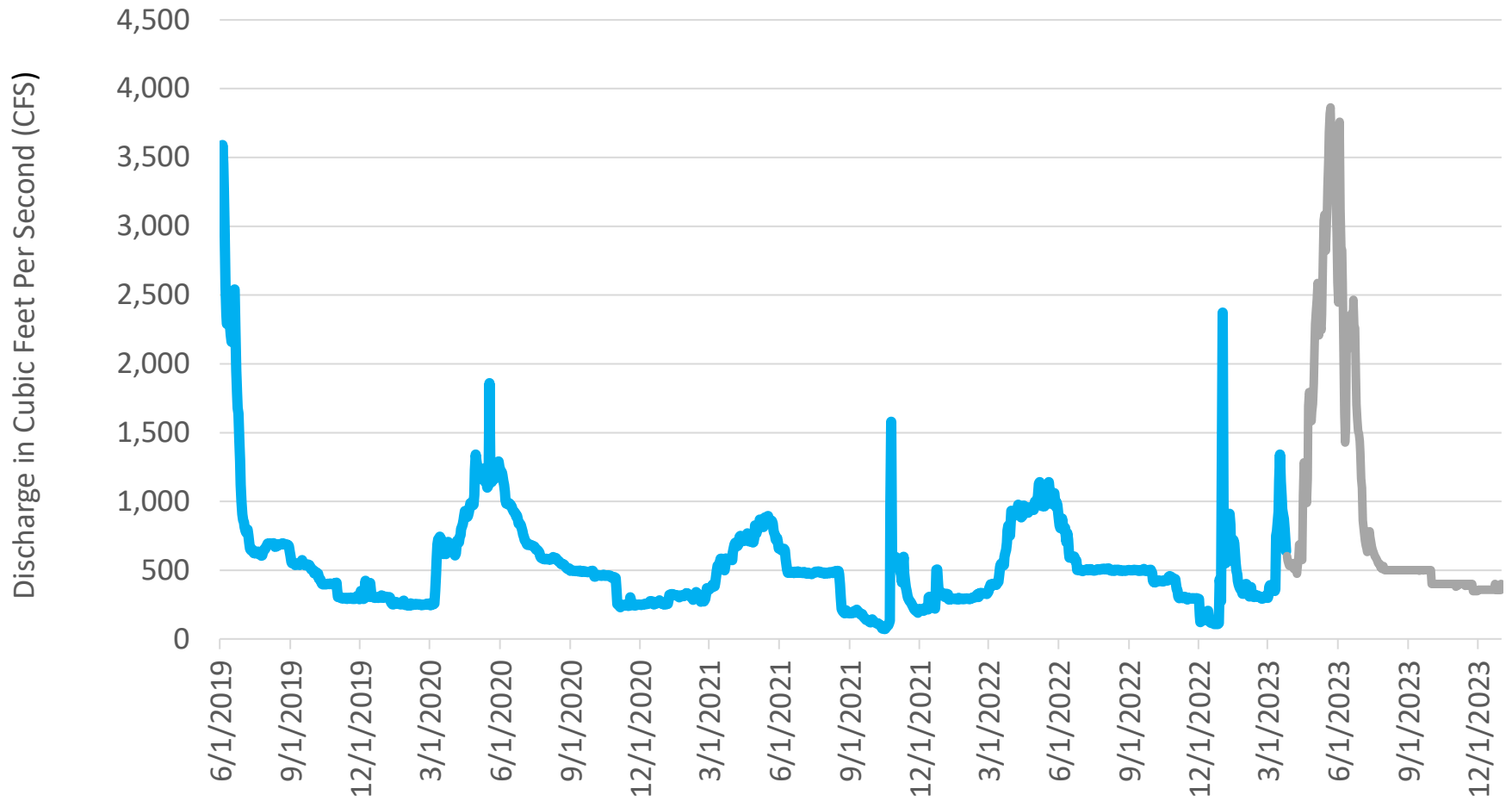
37%

459,398

MAX SYSTEM CAPACITY 1,068,270 AF

CURRENT STORAGE 459,398 (43% Capacity)

# Actual and Projected Flow through 2023 @ CA/NV State Line



## Key Points

- 2023 is going to end up being one of the biggest snowpack years on record
- Water content currently >230% of normal in both Tahoe and Truckee basins
- Significantly AA streamflow runoff projections this spring (~200% normal)
- Elevation of Tahoe has already increased ~2.83 feet since low on 12/1/22
- Projected to rise another 2.9' or so by July
- All other upstream reservoirs expected to completely fill and spill in 2023
- Expect normal river flows through 2023, 2024, and well into 2025
- Looking more likely that Lake Tahoe does end up filling this year
- Water supply outlook for our region is excellent for foreseeable future

# 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:** TMWA Standing Advisory Committee  
**FROM:** Stefanie Morris, Director of Legal & Regulatory Affairs  
**DATE:** March 27, 2023  
**SUBJECT:** Presentation on bills in the 2023 Legislative Session

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### SUMMARY

The 2023 Session began on February 6 and the TMWA legislative subcommittee, lobbyist Leo Drozdoff, and staff have been reviewing bills as they are released by the Legislative Counsel Bureau (LCB). All bills have not yet been publicly released. At the SAC meeting, staff and Leo Drozdoff will provide an update regarding the Session and a summary of all significant bills.

Detailed below are key deadlines for this session.

#### Key 2023 Legislative Deadlines:

February 6	Session Begins
February 13	Legislators' BDR Requests
March 20	Legislators' Bill Introductions
March 27	Committees' Bill Introductions
April 14	Committee Passage (1 <sup>st</sup> House)
April 25	First House Passage
May 19	Committee Passage (2 <sup>nd</sup> House)
May 26	Second House Passage
June 5	Session Ends

Truckee Meadows Water Authority - Legislation Tracker							
Bill	Description	Sponsor(s)	Status	Past Meetings	Past Action	Future Meetings	Leg. Subcommittee Recommendations
AB14	Revises provisions relating to the state business portal. (BDR 7-405)	Committee on Judiciary	Judiciary	Assembly Committee on Judiciary 2/21/2023 8:00 AM	Heard		Watch
AB19	Revises provisions relating to water. (BDR 48-233)	Committee on Natural Resources	Natural Resources	Assembly Committee on Natural Resources 3/13/2023 4:00 PM	Do pass		Watch
AB20	Revises provisions relating to water. (BDR 40-227)	Committee on Natural Resources	Natural Resources, Agriculture, and Mining	Assembly Committee on Natural Resources 3/22/2023 4:00 PM	Heard		Support
AB27	Revises provisions relating to contractors who provide management and counseling services on construction projects. (BDR 54-269)	Committee on Commerce and Labor	Commerce and Labor	Assembly Committee on Commerce and Labor 3/22/2023 1:30 PM	Amend, and do pass as amended		Watch
AB31	Makes Juneteenth a legal holiday in this State. (BDR 19-413)	Committee on Government Affairs	Government Affairs	Assembly Committee on Government Affairs 2/16/2023 9:00 AM	Mentioned not agendized		Watch
AB34	Revises provisions relating to water. (BDR 48-235)	Committee on Natural Resources	Natural Resources, Agriculture, and Mining	Assembly Committee on Natural Resources 2/22/2023 4:00 PM	Heard		Watch
AB52	Makes various changes to the Open Meeting Law. (BDR 19-416)	Committee on Government Affairs	Government Affairs	Assembly Committee on Government Affairs 3/6/2023 10:00 AM	Heard		Watch
AB66	Revises provisions relating to ethics in government. (BDR 23-264)	Committee on Legislative Operations and Elections	Legislative Operations and Elections	Assembly Committee on Legislative Operations and Elections 2/21/2023 4:00 PM	Heard		Watch
AB71	Requires the Division of Environmental Protection of the State Department of Conservation and Natural Resources to conduct an interim study concerning environmental justice. (BDR S-347)	Committee on Natural Resources	Natural Resources, Agriculture, and Mining	Assembly Committee on Natural Resources 3/6/2023 4:00 PM	Heard		Watch
AB89	Revises provisions relating to public works. (BDR 28-510)	O'Neill, Dickman, Hansen, DeLong and Gurr	Judiciary				Watch
AB90	Revises provisions relating to water. (BDR 48-717)	Gurr	Natural Resources, Agriculture, and Mining				Watch
AB91	Revises provisions governing water. (BDR 48-696)	DeLong	Natural Resources, Agriculture, and Mining	Assembly Committee on Natural Resources 3/22/2023 4:00 PM	Heard		Watch
AB98	Revises provisions governing economic development. (BDR 18-760)	Nguyen	Taxation	Assembly Committee on Revenue 3/2/2023 4:00 PM	Heard	Assembly Committee on Revenue - Work Session Item 3/23/2023 4:00 PM	Watch

Truckee Meadows Water Authority - Legislation Tracker							
Bill	Description	Sponsor(s)	Status	Past Meetings	Past Action	Future Meetings	Leg. Subcommittee Recommendations
AB103	Revises provisions relating to states of emergency or declarations of disaster proclaimed by the Governor. (BDR 36-92)	Assemblywoman Dickman; Senator Titus	Government Affairs				Watch
AB105	Revises provisions related to broadband Internet. (BDR 10-712)	Watts	Growth and Infrastructure	Assembly Committee on Growth and Infrastructure 3/2/2023 1:30 PM	Heard		Watch
AB106	Revises provisions governing contractors. (BDR 54-771)	Gallant	Commerce and Labor				Watch
AB109	Establishes provisions relating to soil health. (BDR 49-571)	La Rue Hatch, Orentlicher, Peters, Thomas, Watts, Anderson and González	Natural Resources, Agriculture, and Mining	Assembly Committee on Natural Resources 3/13/2023 4:00 PM	Amend, and do pass as amended		Watch
AB139	Revises provisions governing certain demographic information collected by governmental agencies. (BDR 19-122)	Assemblymen Brittney Miller, D'Silva, González, Mosca, Nguyen and Torres; Senator Nguyen	Government Affairs				Watch
AB140	Makes Juneteenth Day a legal holiday in this State. (BDR 19-63)	Assemblymen Thomas, Cameron Miller, Monroe-Moreno, Marzola, Torres, Anderson, Bilbray-Axelrod, Brown-May, Carter, Cohen, Considine, D'Silva, Duran, González, Gorelow, Jauregui, Kasama, Koenig, Brittney Miller, Mosca, Newby, Nguyen, Orentlicher, Peters, Summers-Armstrong, Taylor, Watts and Yeager; Senators Spearman, Neal, Krasner, Cannizzaro, Nguyen and Lange	Government Affairs	Assembly Committee on Government Affairs 3/15/2023 8:00 AM	Amend, and do pass as amended		Watch
AB163	Revises provisions governing employment. (BDR 53-834)	Assemblymen González, Considine, Thomas, Anderson, Brown-May, Dickman, Duran, Gray, Hardy, La Rue Hatch, Newby, Nguyen, O'Neill, Orentlicher and Watts; Senators Spearman, Neal, Harris, Ohrenschall and Scheible	General File	Assembly Committee on Commerce and Labor 3/15/2023 1:30 PM	Do pass		Watch
AB171	Revises provisions governing public works. (BDR 28-179)	Duran, Torres, Anderson, González, Bilbray-Axelrod, Brown-May, Carter, Cohen, Considine and Thomas	Government Affairs	Assembly Committee on Government Affairs 3/16/2023 8:00 AM	Heard		Watch
AB172	Revises provisions governing collective bargaining for local government employees. (BDR 23-700)	Assemblymen Anderson, Duran, Carter, Considine and Thomas; Senator Daly	Government Affairs	Assembly Committee on Government Affairs 3/2/2023 9:00 AM	Heard		Watch
AB173	Revises provisions governing public works. (BDR 28-735)	Assemblymen Gray, O'Neill, DeLong, Dickman, Gallant, Gurr and Hibbetts; Senators Daly, SeEVERS Gansert and Stone	Government Affairs	Assembly Committee on Government Affairs 3/2/2023 9:00 AM	Heard		Watch
AB177	Revises provisions governing parcel datasets. (BDR 20-715)	Gurr, DeLong, Dickman, Gallant, Gray, Hibbetts, Kasama, McArthur and O'Neill	Government Affairs	Assembly Committee on Government Affairs 3/21/2023 9:00 AM	Amend, and do pass as amended		Watch



Truckee Meadows Water Authority - Legislation Tracker							
Bill	Description	Sponsor(s)	Status	Past Meetings	Past Action	Future Meetings	Leg. Subcommittee Recommendations
AB186	Establishes requirements relating to the provision of drinking water at food establishments. (BDR 40-454)	Kasama	Health and Human Services				Watch
AB191	Revises provisions relating to water conservation. (BDR 48-697)	DeLong, Dickman, Gallant and Gurr	Natural Resources, Agriculture, and Mining				Watch
AB200	Revises provisions governing legislative measures that may be requested for a regular legislative session. (BDR 17-103)	McArthur	Legislative Operations and Elections	Assembly Committee on Legislative Operations and Elections 3/21/2023 4:00 PM	Heard		Watch
AB210	Revises provisions governing public works. (BDR 28-832)	Duran, Torres, González, Carter, Gorelow, La Rue Hatch, Marzola, Newby, Nguyen and Thomas	Government Affairs	Assembly Committee on Government Affairs 3/16/2023 8:00 AM	Heard		Watch
AB213	Revises provisions governing residential zoning. (BDR 22-250)	Jauregui	Commerce and Labor				Watch
AB219	Makes various changes to the Open Meeting Law. (BDR 19-781)	Considine	Government Affairs	Assembly Committee on Government Affairs 3/15/2023 8:00 AM	Heard		Watch
AB220	Revises provisions relating to water conservation. (BDR 40-337)	Committee on Natural Resources	Natural Resources, Agriculture, and Mining	Assembly Committee on Natural Resources 3/13/2023 4:00 PM	Heard		Watch
AB235	Revises provisions governing public works projects. (BDR 28-176)	Monroe-Moreno	Government Affairs	Assembly Committee on Government Affairs 3/16/2023 8:00 AM	Heard		Watch
AB261	Revises provisions relating to water. (BDR 18-470)	Committee on Natural Resources	Taxation	Assembly Committee on Natural Resources 3/6/2023 4:00 PM	Discussed as BDR	Assembly Committee on Revenue 3/23/2023 4:00 PM	Support
AB262	Enacts provisions relating to the transmission of Legionnaires' disease by building water systems in certain health care facilities. (BDR 40-125)	Watts	Health and Human Services			Assembly Committee on Health and Human Services 3/24/2023 1:30 PM	Watch
AB263	Requires the Public Employees' Retirement Board to consider certain Nevada-based investments. (BDR 23-731)	Orentlicher	Government Affairs				Watch
AB264	Revises provisions governing public works. (BDR 28-112)	Monroe-Moreno and Considine	Government Affairs				Watch
AB265	Establishes provisions relating to environmental justice. (BDR 40-157)	Peters	Government Affairs				Watch
AB266	Revises provisions relating to mining reclamation. (BDR 46-590)	Peters	Natural Resources, Agriculture, and Mining				Watch
AB267	Revises provisions relating to water. (BDR 48-338)	Committee on Natural Resources	Printer	Assembly Committee on Natural Resources 3/22/2023 4:00 PM	Discussed as BDR		Watch
AJR3	Proposes to amend the Nevada Constitution to establish certain rights relating to the environment. (BDR C-156)	Assemblymen Peters, Watts and Thomas; Senators Doñate and Scheible	Legislative Operations and Elections	Assembly Committee on Legislative Operations and Elections 3/9/2023 4:00 PM	Heard		Watch

Truckee Meadows Water Authority - Legislation Tracker							
Bill	Description	Sponsor(s)	Status	Past Meetings	Past Action	Future Meetings	Leg. Subcommittee Recommendations
SB10	Revises provisions related to the Nevada State Infrastructure Bank. (BDR 35-358)	Committee on Growth and Infrastructure	Growth and Infrastructure	Senate Committee on Growth and Infrastructure 2/22/2023 3:30 PM	Heard, No Action		Watch
SB11	Requires the Department of Public Safety to adopt regulations authorizing a public agency to use unmanned aerial vehicles for certain purposes. (BDR 44-370)	Committee on Growth and Infrastructure	Growth and Infrastructure	Assembly Committee on Government Affairs 2/10/2023 9:00 AM	Mentioned no jurisdiction		Watch
SB12	Makes various changes to the Charter of the City of Reno. (BDR S-354)	Committee on Government Affairs	Government Affairs	Senate Committee on Government Affairs 3/13/2023 3:30 PM	Heard, No Action		Watch
SB22	Revises provisions relating to the publication of legal notices. (BDR 19-390)	Committee on Government Affairs	Government Affairs	Senate Committee on Government Affairs 3/1/2023 3:30 PM	Heard, No Action		Watch
SB27	Revises provisions relating to excavations in areas containing subsurface installations. (BDR 40-224)	Committee on Health and Human Services	Growth and Infrastructure	Senate Committee on Growth and Infrastructure 3/15/2023 3:30 PM	Heard, No Action		Watch
SB49	Revises provisions relating to the control of emissions. (BDR 40-230)	Committee on Natural Resources	Natural Resources				Watch
SB76	Establishes provisions governing certain products that contain intentionally added perfluoroalkyl and polyfluoroalkyl substances. (BDR 40-291)	Neal	Natural Resources	Senate Committee on Natural Resources 3/9/2023 3:30 PM	Amend, and do pass as amended		Watch
SB81	Revises provisions governing regional planning. (BDR S-536)	Daly	Government Affairs	Senate Committee on Government Affairs 3/1/2023 3:30 PM	Heard, No Action		Watch
SB82	Revises provisions related to public works. (BDR 28-535)	Daly	Government Affairs				Watch
SB88	Requires the Joint Interim Committee on Natural Resources to conduct an interim study of certain state agencies. (BDR S-345)	Committee on Natural Resources	Natural Resources	Senate Committee on Natural Resources 2/16/2023 3:30 PM	Heard, No Action		Watch
SB99	Makes an appropriation to the Desert Research Institute of the Nevada System of Higher Education to support the Nevada State Cloud Seeding Program. (BDR S-592)	Goicoechea	Finance				Watch
SB102	Makes an appropriation to the Division of Water Resources of the State Department of Conservation and Natural Resources to award grants of money for the development and maintenance of water resource plans. (BDR S-599)	Goicoechea	Finance				Watch
SB111	Revises provisions relating to public works. (BDR 28-78)	Senator Goicoechea; Assemblyman Gurr	Government Affairs				Watch
SB112	Revises provisions governing groundwater basin assessments. (BDR 48-600)	Goicoechea and Titus	Natural Resources			Senate Committee on Natural Resources 3/23/2023 3:30 PM	Watch
SB113	Revises provisions relating to groundwater management plans. (BDR 48-595)	Goicoechea, Titus, Buck, Hansen, Stone and Krasner	Natural Resources	Senate Committee on Natural Resources 3/2/2023 3:30 PM	Heard, No Action		Watch

Truckee Meadows Water Authority - Legislation Tracker							
Bill	Description	Sponsor(s)	Status	Past Meetings	Past Action	Future Meetings	Leg. Subcommittee Recommendations
SB130	Revises provisions relating to the emergency powers of the Governor. (BDR 36-514)	Titus, Buck, Krasner, Hansen and Stone	Government Affairs				Watch
SB136	Revises provisions relating to states of emergency or declarations of disaster proclaimed by the Governor. (BDR 36-520)	Krasner, Goicoechea, Titus, Buck, Hansen, Seevers Gansert and Stone	Government Affairs				Watch
SB145	Revises provisions related to employee misclassification. (BDR 53-159)	Lange, Doñate, Daly and Ohrenschall	Commerce and Labor	Senate Committee on Commerce and Labor 3/6/2023 9:00 AM	Heard, No Action		Watch
SB147	Makes changes relating to employment. (BDR 53-463)	Lange, Cannizzaro, Daly, Doñate and Flores	Commerce and Labor	Senate Committee on Commerce and Labor 2/22/2023 8:00 AM	Heard, No Action		Watch
SB156	Revises the Open Meeting Law. (BDR 19-884)	Ohrenschall	Government Affairs				Watch
SB163	Requires certain health insurance to cover treatment of certain conditions relating to gender dysphoria, gender incongruence and other disorders of sexual development. (BDR 57-129)	Senators Scheible, Harris and Spearman; Assemblywoman González	Commerce and Labor	Senate Committee on Commerce and Labor 3/15/2023 8:00 AM	Heard, No Action		Watch
SB165	Revises provisions relating to businesses engaged in the development of emerging technologies. (BDR 18-878)	Spearman, Krasner, Doñate, Lange and Nguyen	Government Affairs	Senate Committee on Government Affairs 3/8/2023 3:30 PM	Heard, No Action		Watch
SB169	Revises provisions governing master plans. (BDR 22-346)	Committee on Government Affairs	Government Affairs	Senate Committee on Government Affairs 3/13/2023 3:30 PM	Heard, No Action		Watch
SB176	Establishes provisions relating to the conservation of groundwater. (BDR 48-79)	Goicoechea	Natural Resources			Senate Committee on Natural Resources 3/23/2023 3:30 PM	Watch
SB180	Revises provisions relating to groundwater boards. (BDR 48-597)	Goicoechea	Natural Resources	Senate Committee on Natural Resources 3/21/2023 3:30 PM	Heard, No Action		Watch
SB185	Establishes provisions relating to businesses. (BDR 18-35)	Neal	Government Affairs	Senate Committee on Government Affairs 3/15/2023 3:30 PM	Heard, No Action		Watch
SB207	Revises provisions relating to ethics in government. (BDR 23-875)	Senators Spearman, Neal and Seevers Gansert; Assemblymen O'Neill, Brown-May, Considine and Monroe-Moreno	Legislative Operations and Elections				Watch
SB208	Authorizes counties and cities to enact certain ordinances relating to battery-charged fences. (BDR 20-853)	Flores, Stone, Goicoechea, Daly, Krasner and Ohrenschall	Government Affairs	Senate Committee on Government Affairs 3/22/2023 3:30 PM	Heard, No Action		Watch
SB226	Revises provisions governing public works. (BDR 28-494)	Senator Cannizzaro; Assemblyman Yeager	Government Affairs				Watch
SB228	Revises provisions relating to governmental financial administration. (BDR 23-945)	Buck, Hansen, Stone and Titus	Government Affairs				Watch

Truckee Meadows Water Authority - Legislation Tracker							
Bill	Description	Sponsor(s)	Status	Past Meetings	Past Action	Future Meetings	Leg. Subcommittee Recommendations
SB242	Revises provisions relating to certain controlled substances. (BDR 40-39)	Senators Nguyen and Doñate; Assemblymen Carter and Marzola	Health and Human Services			Senate Committee on Health and Human Services 3/23/2023 3:30 PM	Watch
SB247	Revises provisions relating to regional planning. (BDR 22-684)	Committee on Government Affairs	Government Affairs	Senate Committee on Government Affairs 3/22/2023 3:30 PM	Heard, No Action		Watch
SB258	Revises provisions relating to water. (BDR 48-889)	Ohrenschall	Natural Resources			Senate Committee on Natural Resources 3/30/2023 3:30 PM	Watch
SB261	Revises provisions relating to local governments. (BDR 19-793)	Neal	Government Affairs	Senate Committee on Government Affairs 3/20/2023 3:30 PM	Heard, No Action		Watch
SB272	Revises provisions relating to governmental administration. (BDR 27-876)	Spearman, Doñate, Daly, Dondero Loop, Harris, Lange, Nguyen and Pazina	Government Affairs				Watch
SB301	Revises provisions governing public works. (BDR 28-967)	Senators Lange, Doñate, Spearman, Daly, Flores, Harris, Neal, Nguyen, Ohrenschall, Pazina and Scheible; Assemblywoman Gorelow	Government Affairs				Watch
SB334	Revises provisions relating to renewable energy. (BDR 58-30)	Spearman, Krasner, Hammond, Pazina, Stone and Hansen	Growth and Infrastructure				Watch
SB353	Revises provisions governing energy efficiency and conservation programs. (BDR 58-558)	Pazina	Growth and Infrastructure				Watch
SJR1	Proposes to amend the Nevada Constitution to revise provisions relating to elections involving incumbent justices or judges who are unopposed. (BDR C-515)	Titus	Legislative Operations and Elections				Watch
SJR3	Urges the United States Bureau of Reclamation to consider certain actions, alternatives and measures for the protection and management of the Colorado River. (BDR R-349)	Committee on Natural Resources	Natural Resources			Senate Committee on Natural Resources 3/23/2023 3:30 PM	Watch
SJR4	Urges the Federal Government to use Yucca Mountain for the development and storage of renewable energy. (BDR R-888)	Ohrenschall	Natural Resources			Senate Committee on Natural Resources 3/28/2023 3:30 PM	Watch



## STAFF REPORT

**TO:** TMWA Board of Directors  
**THRU:** John Zimmerman, General Manager  
**FROM:** Matt Bowman, Chief Financial Officer  
Danny Rotter, Director of Engineering  
**DATE:** March 8, 2023  
**SUBJECT:** Discussion and possible action on the TMWA Tentative Budget for the Fiscal Year ending June 30, 2024 and Draft Capital Improvement Plan for Fiscal Years 2024 through 2028

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### **Recommendation**

Staff recommends the TMWA Board and SAC review the tentative budget report for the fiscal year ending June 30, 2024 and preliminary Five-Year Capital Improvement Plan 2024-2028 (CIP). This allows the Board and SAC to provide input and direction to TMWA management in advance of the public hearing on the budget and CIP at the May 2023 Board meeting. The tentative budget will be filed with the Nevada Department of Taxation by April 15, 2023 in compliance with statutory requirements.

### **Schedule of Revenues, Expenses and Changes in Net Position- See Attachment A**

#### ***Operating Revenues***

Water demands have been projected based on historical average water usage per service type and by service size. This methodology projects water sales revenue at \$116.7 million for FY 2024. This is an increase from the FY 2022 budget of \$3.5 million or 3%. The FY 2024 water sales includes the Board approved 2.5% rate increase in June 2023. The increase scheduled for June 2023 was presented to the Board along with the five-year funding plan at the October 2022 Board meeting. The FY 2024 budget anticipates an increase in service connections of approximately 1.5%.

Hydroelectric revenues are expected to be \$2.8 million in FY 2024. This is an increase from the FY 2023 budget of approximately \$0.4 million or 18%. Based on the current snowpack we expect normal river flows during the year, allowing for continuous hydroelectric power generation. There are periods of downtime planned and budgeted during the year for maintenance of the facilities.

Other operating revenues are estimated at \$3.3 million. This line item primarily consists of new business inspection services, late payment fees, turn-on and turn-off fees, construction water sales, and cell phone tower lease revenues. Depending on the pace of residential/commercial

construction there could higher or lower construction water and inspection fees than projected. The FY 2024 budget is approximately \$0.5 million lower than FY 2023 due to expected decreases in new business inspection services and construction water sales.

***Operating Expenses***

Total operating expenses are expected to increase by \$9.4 million or 8% from the FY 2023 augmented budget. This change consists of an increase of \$8.7 million in operating expenses before depreciation, and a \$0.8 million increase in depreciation. Comprising the change from the FY 2023 augmented budget in operating expenses before depreciation, is an increase in salaries and wages of \$2.0 million (7%), employee benefits of \$1.0 million (8%), and services and supplies are up \$5.5 million (14%).

Salaries and wages expense is expected to increase from budget by 7% in FY 2024 compared to FY 2023. Total headcount is budgeted to increase to 273 employees.

Below is a listing of headcount additions by position -

Position	Group	Additional Headcount
Systems Analyst	MPAT	1
Database Administrator	MPAT	1
Security and Emergency Management Coordinator	MPAT	1
Chemist (lead & copper)	MPAT	2
Operations/Maintenance Mechanic	IBEW	1
Engineering Manager	MPAT	1
Helper (hydrant maintenance)	IBEW	2
Light Foreman (hydrant maintenance)	IBEW	2
Equipment Operator	IBEW	1
<b>Total headcount additions</b>		<b>12</b>

Employee benefits are expected to increase by \$1.0 million or 8% from the FY 2023 budget. The increase in PERS contribution rate from 29.75% to 33.5% has a significant impact on employee benefit costs for TMWA and is the primary driver of the overall benefits expense increase.

Included in the headcount additions is one overstaff pending an expected retirement, two chemists to comply with the EPA’s revised Lead and Copper Rule, and four employees to perform maintenance on all public hydrants in TMWA’s service area that are within Washoe County’s jurisdiction. TMWA performs maintenance on public hydrants within Sparks and Reno jurisdictions under contracts approved by the Board in 2007 and 2016, respectively. The maintenance under all contracts is performed without reimbursement from the respective jurisdictions. Staff will bring a County hydrant maintenance agreement to the Board for a decision after it has been approved by the County Commission.

Services and supplies are increasing by approximately \$5.5 million or 14% from the FY 2023 augmented budget due to several factors, but primarily due to increases in cost related to inflation. Inflation is impacting TMWA's service contracts and supplies across the board. A summary of costs by expense item is included at *Attachment C*, where the most notable changes are discussed.

### ***Nonoperating Revenues and Expenses***

Investment income is expected to increase by \$1.8 million due to higher returns following continued increases in interest rates.

Interest expense is expected to decrease by \$0.5 million in FY 2024 due primarily to principal reductions in debt. During FY 2023 TMWA will have reduced outstanding debt principal by \$16.5 million. In FY 2024, as shown in *Attachment B*, we expect to pay down \$17.2 million of DWSRF, other direct borrowings and Senior Lien debt. TMWA's total debt outstanding as of June 30, 2024 is expected to be \$330.0 million.

### ***Capital Contributions***

Grant revenue of \$2.7 million consists of two grants from the EPA and two FEMA projects. One of the EPA grants is \$1.5 million related to the Spanish Springs Nitrate Facility and the other is \$0.9 million for the American Flat APW Facility (total grant is \$3.0 million, TMWA's portion is 30%, per ILA with City of Reno). The FEMA projects total \$0.3 million and consist of one project remaining from the 2017 flood and one project related to COVID-19 costs incurred during the pandemic.

Cash related developer contributions are expected to decrease from the FY 2023 budget by \$11.1 million or 32%. These projections are based on an expected cool down of construction in TMWA's service territory. Through the first half of FY 2023 these contributions were approximately 15% lower than budget. The pace of development is difficult to predict and is contingent on external factors such as the broader economy, including interest rates, cost of construction, etc.

Contributions from other governments includes City of Reno's contributions towards the expected construction of the American Flat Advanced Purified Water (APW) facility. These contributions may vary depending on timing and progress of construction in FY 2024. The related capital assets are included in TMWA's 2024-2028 Capital Improvement Plan.

### **Cash Position and Coverage Ratios**

TMWA expects to begin FY 2024 with approximately \$219.8 million in total cash and investments and end the fiscal year with \$193.5 million, for an estimated cash decrease of \$26.3 million. These projections can be found in *Attachment B*.

To begin FY 2024, TMWA's Rate Stabilization Reserve will be \$10.6 million which is fully funded at 3% of three years' expected revenue.

TMWA's senior lien debt coverage ratio (DSC ratio), excluding system development charges, is estimated to be 1.35x by the end of FY 2024. TMWA's senior lien bond covenants require a minimum coverage ratio of 1.25x. TMWA's financial goals adopted in August 2003 established a debt coverage goal of approximately 1.50x (excluding developer fees). Increases in services and supplies costs as discussed above, have caused the projected DSC ratio to drop below TMWA's

financial goal of 1.50x. Staff is optimistic that assumptions used in the budget may prove to be conservative and that price decreases will be realized in FY 2024, which would lead to an actual DSC ratio to exceed 1.50x. Further, staff is developing a long-term rate plan which considers rising costs.

TMWA has maintained its credit ratings from Standard and Poor's of AA+, outlook Stable, Moody's Aa2, outlook Stable, and Fitch AAA, outlook Positive.

### **Draft Capital Improvement Plan for Fiscal Years 2024-2028**

TMWA plans to spend \$442.4 million over the next five years on a variety of construction projects and capital outlays of which \$108.0 million is expected to be spent in fiscal year 2024 and \$149.5 million in fiscal year 2025. Capital spending funded by customer rates has increased \$39.6 million since the prior funding plan and totals \$247.8 million over the five years.

Of the total \$108.0 million in capital spending in fiscal year 2024, Raw Water accounts for \$21.0 million (19%) with \$20.0 million for the American Flat APW facility. In accordance with an Interlocal Agreement with City of Reno (approved by the TMWA board in December 2021), it is expected that the project will move forward in which City of Reno will be contributing 70% of the total project costs. The full cost of the project is included in TMWA's CIP as TMWA will ultimately own most of the assets. Treatment Plant Improvements account for \$29.5 million (27%) with \$19.8 million comprising the construction phase of the Orr Ditch Pump Station Rehab and Hydroelectric facility.

Pressure Improvements account for \$16.4 million (15%) with \$3.6 million and \$3.0 million comprising of 7<sup>th</sup> Street High & Low Booster Pump Station Replacement and Silver Hills Booster Pump Station, respectively.

Water Main Distribution System Improvements are \$15.0 million (14%), comprising several distribution system improvements, including Yori & E. University Main replacements totaling \$2.5 million to replace approximately 5,000 linear feet of water main; Booth, Sharon Way, Monroe 24" Main Replacements totaling \$2.0 million to replace approximately 3,100 linear feet of water main; Kate Smith Area Main Replacement totaling \$1.9 million to replace approximately 4,000 linear feet of water main and Kate Smith Sparks Feed Main totaling \$1.5 million to replace 1,500 linear feet of water main.

Potable Water Storage Improvements are \$10.9 million (10%) with \$6.0 million for storage tank recoats.

Customer Service Outlays account for \$3.2 million (3%) with \$2.7 million for the installation of Automated Meter Infrastructure.

Administrative Outlays account for \$2.9 million (3%) with \$950 thousand for new crew trucks and vehicles.

Increases in this year's CIP from prior year are driven primarily by increased spending on main replacements, storage tank improvements and increased costs for the Orr Ditch booster pump station.



**Recommended Motion**

Move to approve the Tentative Budget for the fiscal year ending June 30, 2024, and Draft Capital Improvement Plan for fiscal years 2024 through 2028.

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

	Tent. Budget FY 2024	Final Budget FY 2023	Variance \$	Variance %
<b>OPERATING REVENUES</b>				
Charges for Water Sales	\$ 116,653,419	\$ 113,142,185	\$ 3,511,234	3%
Hydroelectric Sales	2,845,576	2,407,214	438,362	18%
Other Operating Sales	3,322,025	3,861,065	(539,040)	-14%
Total Operating Revenues	122,821,020	119,410,464	3,410,556	7%
<b>OPERATING EXPENSES</b>				
Salaries and Wages	31,654,292	29,656,188	1,998,104	7%
Employee Benefits	13,865,891	12,842,853	1,023,038	8%
Services and Supplies	44,116,855	38,572,515	5,544,340	14%
Total Operating Expenses Before Depreciation	89,637,038	81,071,556	8,565,482	11%
Depreciation	35,460,610	34,628,346	832,264	2%
Total Operating Expenses	125,097,648	115,699,902	9,397,746	8%
<b>OPERATING INCOME</b>	(2,276,628)	3,710,562	(5,987,190)	-161%
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings	4,870,030	3,064,024	1,806,006	59%
Loss on Disposal of Assets	(1,643,000)	(1,700,000)	57,000	-3%
Interest Expense	(11,028,721)	(11,499,699)	470,978	-4%
Total Nonoperating Revenues (Expenses)	(7,801,691)	(10,135,675)	2,333,984	-23%
Gain (Loss) Before Capital Contributions	(10,078,319)	(6,425,113)	(3,653,206)	57%
<b>CAPITAL CONTRIBUTIONS</b>				
Grants	2,687,700	3,585,635	(897,935)	-25%
Water Resource Sustainability Program	1,128,328	2,840,000	(1,711,672)	-60%
Developer Infrastructure Contributions	15,344,792	21,903,168	(6,558,376)	-30%
Developer Will-serve Contributions (Net of Refunds)	5,214,000	7,245,700	(2,031,700)	-28%
Developer Capital Contributions - Other	8,905,657	11,044,199	(2,138,542)	-19%
Developer Facility Charges (Net of Refunds)	7,946,883	13,186,258	(5,239,375)	-40%
Contributions from Others	-	94,924	(94,924)	-100%
Contributions from Other Governments	14,100,000	21,100,000	(7,000,000)	-33%
Net Capital Contributions	55,327,360	80,999,884	(25,672,524)	-32%
<b>CHANGE IN NET POSITION</b>	45,249,040	74,574,771	(29,325,731)	-39%
<b>NET POSITION, BEGINNING PERIOD</b>	923,089,911	848,515,140		
<b>NET POSITION, END OF PERIOD</b>	\$ 968,338,951	\$ 923,089,911		

## TRUCKEE MEADOWS WATER AUTHORITY

### Statements of Cash Flows

Tentative Budget

	Tent. Budget FY 2024	Final Budget FY 2023	Variance \$	Variance %
<b>OPERATING ACTIVITIES</b>				
Cash Received From Customers	\$ 122,821,020	\$ 119,410,464	\$ 3,410,556	3%
Cash Paid to Employees	(45,520,183)	(42,499,041)	(3,021,142)	7%
Cash Paid to Suppliers	(44,116,855)	(38,572,515)	(5,544,340)	14%
<b>Net Cash From Operating Activities</b>	<b>33,183,982</b>	<b>38,338,908</b>	<b>(5,154,926)</b>	<b>-13%</b>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition & Construction of Capital Assets	(72,346,000)	(83,875,000)	11,529,000	-14%
Interest Paid on Financing	(15,149,934)	(15,829,559)	679,625	-4%
Principal Paid on Financing	(17,200,578)	(16,494,081)	(706,497)	4%
Grants	3,002,600	3,669,308	(666,708)	-18%
Contributions for Water Resource Sustainability Program	1,128,328	2,840,000	(1,711,672)	-60%
Contributions From Developers-Will-Serve Letters	5,214,000	7,245,700	(2,031,700)	-28%
Contributions from Developers - Other	8,905,657	11,044,199	(2,138,542)	-19%
Contributions from Developers - Facility Charges	7,946,883	13,186,258	(5,239,375)	-40%
Contributions from Others	-	94,924	(94,924)	-100%
Contributions from Other Governments	14,100,000	21,100,000	(7,000,000)	-33%
<b>Net Cash Used For Capital &amp; Relating Financing Activities</b>	<b>(64,399,044)</b>	<b>(57,018,251)</b>	<b>(7,380,793)</b>	<b>13%</b>
<b>INVESTING ACTIVITIES</b>				
Interest Received	4,870,030	3,064,024	1,806,006	59%
<b>Net Cash From Investing Activities</b>	<b>4,870,030</b>	<b>3,064,024</b>	<b>1,806,006</b>	<b>59%</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(26,345,032)</b>	<b>(15,615,319)</b>	<b>(10,729,713)</b>	<b>69%</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING PERIOD</b>	<b>219,800,000</b>	<b>216,227,461</b>	<b>3,572,539</b>	<b>2%</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 193,454,968</b>	<b>\$ 200,612,142</b>	<b>\$ (7,157,174)</b>	<b>-4%</b>

**Truckee Meadows Water Authority**    03-15-23 BOARD Agenda Item 10  
**Summary of Changes by Expense Element**    Attachment C  
**FY24 vs FY23 Budget**

<b>Expense Element</b>	<b>FY24</b>	<b>FY23</b>	<b>Variance \$</b>	<b>Variance %</b>
Contracted Services	\$ 9,310,750	\$ 7,674,900	\$ 1,635,850	21%
Supplies/Equipment Rental	5,088,400	4,003,990	1,084,410	27%
Professional Services	3,652,530	2,939,500	713,030	24%
Electric Power	8,594,900	8,072,004	522,896	6%
Project Related	1,786,000	1,326,000	460,000	35%
Hardware/Software	2,940,513	2,486,995	453,518	18%
Insurance/Claims	1,655,372	1,395,000	260,372	19%
Employee Related/Training	776,710	582,600	194,110	33%
Internet/Other Utility	967,500	795,500	172,000	22%
Land/Leases/Permitting	1,034,700	942,100	92,600	10%
Street Repairs	350,000	270,000	80,000	30%
Property Taxes	802,500	752,500	50,000	7%
Chemicals	4,921,988	4,911,988	10,000	0%
Miscellaneous Expenses	6,500	-	6,500	0%
Agency Reimbursements	(261,419)	(267,509)	6,090	-2%
Resource Fees	1,049,000	1,044,500	4,500	0%
Bank/Investment Fees	29,000	50,000	(21,000)	-42%
Postage/Printing	841,251	864,100	(22,849)	-3%
Sponsorships/Community	1,261,300	1,326,500	(65,200)	-5%
Overhead Allocations	(690,640)	(581,413)	(109,227)	19%
<b>Total</b>	<b>\$ 44,116,855</b>	<b>\$ 38,589,255</b>	<b>\$ 5,527,600</b>	<b>14%</b>

**Notes:**

**A** - The increase in budget noted here is primarily from security (physical and cyber), street patching, and landscape maintenance. TMWA has added additional physical security services to improve monitoring and response effectiveness across the service territory. TMWA has also invested in cybersecurity network monitoring, endpoint monitoring, and incident preparedness and response. Further, as TMWA's infrastructure ages, more street patching will be needed to respond to leaks. Finally, landscape maintenance services will soon be up for bid, and TMWA expects to see a price increase.

**B** - The addition in budget noted here is mostly attributable to a general increase in the cost of supplies. However, this line item also includes a large increase related to generator rentals for when NV Energy engages in public safety outages to reduce the risk of wildfire. TMWA budgeted for three months of rentals in FY23 but budgeted for six months of rentals in FY24.

**C** - The budget for Professional Services was increased in FY24 to account for Arc Flash (breaker) testing and the development of water tank design standards.

**D** - In the last 12 months, NV Energy has instituted several rate increases, including quarterly Base Tariff Energy Rate (BTER) increases, Deferred Energy Accounting Adjustment (DEAA) increases, and a general rate increase. The BTER and DEAA increases occur each quarter and reflect changes in fuel and purchased power costs incurred by NV Energy. Quarterly increases have totaled approximately 35% since April 1, 2022, with the largest on January 1, 2023 at 15%. An additional 8% increase is expected on April 1, 2023. TMWA budgeted another 8% increase for July 1, 2023 and then assumed flat rates after that. The General Rate Case increase is broader and reflects general business operation and infrastructure needs. This increase was effective January 1, 2023 and was approximately 14% for TMWA.

**E** - This line item relates to well head TTHM mitigation, well rehab and testing, and system-wide asphalt rehabilitation and varies from year-to-year based on project scope.

**F** - There aren't many large, notable additions to the Computer Hardware/Software budget. The increase here is mainly resulting from price increases and the addition of new or upgrades to existing software. The largest expenses in this category are related to Microsoft Office, enQuesta, Sensus, Cisco, and Cityworks/PLL, which are all systems and software TMWA uses to operate its business.

**G** - This budget increase in insurance is mainly related to property coverage. Over the last five years, the property insurance market has experienced significant losses which has driven premiums up across the country.

**Truckee Meadows Water Authority**

Five Year Capital Improvement Plan

Fiscal Year 2024 - 2028

				FY	FY	FY	FY	FY	Five Year
				2024	2025	2026	2027	2028	CIP Total
<b>TMWA 5 Year Draft Capital Plan Summary</b>									
<b>Line</b>	<b>Priority</b>	<b>Funding</b>	<b>Raw Water Supply Improvements</b>						
1	3	CR	Highland Canal-Upgrades-Downstream	225	225	225	225	225	1,125
2	1	CR	Highland Canal-Upgrades-Diversion to Chalk Bluff	500	2,500	100	100	100	3,300
3	1	CR	TROA Drought Storage / Implementation	100	100	100	100	100	500
4	2	CR	Donner Lake Outlet Improvements Phase 2	-	250	-	-	-	250
5	2	DF, G, R, SF	Advanced Purified Water Facility at American Flat	20,000	61,000	31,000	-	-	112,000
6	1	CR	Washoe Lake System Improvements	150	250	250	250	250	1,150
7			<b>Total Raw Water</b>	<b>20,975</b>	<b>64,325</b>	<b>31,675</b>	<b>675</b>	<b>675</b>	<b>118,325</b>
8									
9			<b>Ground Water Supply Improvements</b>						
10	1	CR	Well Rehabilitation Improvements	200	200	200	200	200	1,000
11	2	DF	Double Diamond #5 and Equipping	450	-	-	-	60	1,650
12	2	DF	Callamont Well South Equipping	-	60	1,140	-	-	1,200
13	2	CR	Air Guard Well Replacement Equipping	-	-	-	1,100	-	1,100
14	1	CR	Lemmon Valley Well #8 Replacement	-	250	1,000	-	-	1,250
15	1	CR	Well Fix & Finish	350	350	350	350	350	1,750
16	1	CR	Brush Well and Spring Creek 8	342	-	-	1,500	-	1,842
17	1	CR & SF	Well Head TTHM Mitigation	-	500	-	500	-	1,000
18	2	DF	Callamont Well North Equipping	60	1,140	-	-	-	1,200
19	1	DF	Spring Creek Well #10 - Donovan	1,000	2,700	-	-	-	3,700
20	1	CR	Fish Springs Ranch TDS Monitoring Wells	250	-	-	-	-	250
21	1	CR	Spring Creek Well 9 (Spring Creek 4 Replacement)	1,700	2,800	-	-	-	4,500
22	1	CR	Spring Creek Well pH Adjustment - ph2	650	-	-	-	-	650
23	2	CR	STMGID Well #1 Re Drill and Equipping	-	-	-	1,000	1,000	2,000
24			<b>Total Ground Water</b>	<b>5,002</b>	<b>8,000</b>	<b>2,690</b>	<b>4,650</b>	<b>1,610</b>	<b>21,952</b>
25									
26			<b>Treatment Plant Improvements</b>						
27	1	CR	Chalk Bluff Plant Improvements	365	360	350	525	425	2,025
28	1	CR	Chalk Bluff Electrical System Upgrades	150	-	-	-	-	150
29	1	CR	Chalk Bluff Sedimentation Rehab	620	-	-	-	-	620
30	1	CR	Chalk Bluff Filter Underdrains	1,000	1,000	-	-	-	2,000
31	3	CR	Chalk Bluff Lighting Upgrade	350	-	-	-	-	350
32	2	CR	Chalk Bluff Clearwell1 Rehab	854	-	-	-	-	854
33	1	CR	Glendale Treatment Plant Improvements	1,000	375	325	405	360	2,465
34	1	CR	Glendale WTP Flocculator Rehab	590	-	-	-	-	590
35	1	CR	Glendale Filter Underdrains	500	500	500	500	500	2,500
36	1	CR	Glendale Expansion	300	1,750	-	-	-	2,050
37	1	CR	Mt Rose Treatment Efficiency Improvements	492	-	-	-	-	492
38	1	CR & IS	Orr Ditch Pump Station Rehab and Hydro Facility	19,800	8,250	-	-	-	28,050
39	1	CR	Truckee Canyon Water Treatment Improvements	100	20	10	10	20	160
40	1	CR	Lightning W Treatment Improvements	20	150	10	10	10	200
41	1	CR	SCADA Rehab / Plant Operating Software	1,000	1,000	1,000	750	750	4,500
42	2	CR	Longley WTP Retrofit	250	500	3,500	1,500	-	5,750
43	2	CR	Spanish Springs Nitrate Treatment Facility	2,100	7,700	4,200	-	-	14,000
44			<b>Total Treatment Plant Improvements</b>	<b>29,491</b>	<b>21,605</b>	<b>9,895</b>	<b>3,700</b>	<b>2,065</b>	<b>66,756</b>
45									
46			<b>Pressure Improvements</b>						
47	1	CR	Pressure Regulators Rehabilitation	1,200	500	500	500	500	3,200
48	2	CR	Land Acquisitions	150	150	150	150	250	850
49	2	CR	Desert Fox Standby Generator	150	-	-	-	-	150
50	1	DF	Longley Booster Pump Station / Double R Capacity Increase	250	1,000	-	-	-	1,250
51	3	CR	Pump Station Oversizing	100	100	100	100	100	500
52	1	CR	Pump Station Rebuilds, Rehabilitations	150	150	150	150	250	850
53	2	CR & DF	Sullivan #2 Booster Pump Station Replacement	-	-	-	80	1,150	1,230
54	2	CR	Mount Rose Well #3 Pump Station Improvements	-	250	-	-	-	250
55	3	CR	Standby Generator Improvements	50	50	50	50	150	350
56	1	CR	PSOM Standby Generator Additions	-	2,100	2,100	-	-	4,200
57	1	CR	Idlewild Booster Pump Station Improvements	1,200	-	-	-	-	1,200
58	2	DF	Raleigh to Fish Springs Booster Pump Station	-	-	-	300	1,600	1,900
59	2	CR & DF	Southwest Pump Zone Consolidation Phase 1	-	-	-	330	3,660	3,990
60	2	DF	STMGID Tank #4 Booster Pump Station / Transmission Line	-	300	1,000	250	1,000	2,550
61	2	DF	Wildwood 2 Pressure Regulating Station SCADA Control	-	100	-	-	-	100
62	2	CR & DF	South-West Pump Zone Consolidation Phase 2	-	-	-	50	990	1,040
63	2	CR	Sierra Summit-Kohl's Zone Consolidation	-	-	-	380	400	780
64	2	CR	Wild Mustang Regulated Pressure Zone	-	-	-	50	380	430
65	2	CR	Thomas Creek #4 PRS	-	170	-	-	-	170
66	2	CR	Kings Row 2 Booster Pump Station	-	-	150	150	1,500	1,800
67	2	DF	Spring Creek Tanks #3&4 Booster Pump Station Modifications	-	-	200	900	-	1,100
68	1	DF	Lazy 5 Low Head Pump Station & Mains	1,900	800	-	-	-	2,700
69	1	R	Common (Stonegate) Booster Pump Station	-	1,100	1,100	1,100	-	3,300
70	1	CR	South Hills BPS Replacement	-	70	2,750	1,500	-	4,320
71	2	CR	Sierra Highlands PRS	-	210	-	-	-	210
72	1	CR	7th Street High & Low BPS Replacement	3,650	-	-	-	-	3,650
73	1	CR	STMGID NAC Deficiencies - Upper Toll	-	600	2,500	-	-	3,100
74	1	R	Verdi 1 BPS	2,500	-	-	-	-	2,500
75	1	R	Santerra Quillici 1 BPS	450	-	-	-	-	450
76	1	R	Silver Hills BPS	3,000	-	-	-	-	3,000
77	1	R	Ascente BPS	-	2,100	-	-	-	2,100
78	2	CR	Tappan 2 PRS	250	-	-	-	-	250
79	1	CR	STMGID Conjunctive Use Facilities - Arrowcreek BPS	400	-	-	-	-	400
80	1	CR	STMGID Conjunctive Use Facilities - Whites Creek Ln	1,000	-	-	-	-	1,000
81			<b>Total Pressure Improvements</b>	<b>16,400</b>	<b>9,750</b>	<b>10,750</b>	<b>6,040</b>	<b>11,930</b>	<b>54,870</b>
82									
83			<b>Water Main-Distribution-Service Line Improvements</b>						
84	1	CR	Street & Highway Main Replacements	1,000	4,000	5,000	5,000	5,000	20,000
85	1	CR	Golden Parkway Main & CV Tie	180	-	-	-	-	180
86	1	CR	McCarran/Greenbrae SS Relocations	400	-	-	-	-	400
87	1	CR	Boise Drive Main Replacement	20	-	-	-	-	20

				FY	FY	FY	FY	FY	Five Year
				2024	2025	2026	2027	2028	CIP Total
<b>TMWA 5 Year Draft Capital Plan Summary</b>									
88	1	CR	Holcomb Ave Main Replacements	20	-	-	-	-	20
89	1	CR	Oddie-Sullivan Crossing	150	-	-	-	-	150
90	1	CR	1st and Arlington Main Replacement	87	-	-	-	-	87
91	1	CR	2150 Victorian Ave Service Relocation	100	-	-	-	-	100
92	1	CR	1st and Sierra St. Main Replacement	250	-	-	-	-	250
93	1	CR	Yori & E. University Main Replacement	2,500	-	-	-	-	2,500
94	1	CR	Kate Smith Area Main Replacement-6"	1,900	1,900	1,900	-	-	5,700
95	1	CR	Kate Smith Sparks Feeder Main-36"	1,500	-	-	-	-	1,500
96	1	CR	CDBG Phase 2 and 3 Main Replacement	700	-	-	-	-	700
97	1	CR	Mill Street CP Analysis	300	-	-	-	-	300
98	1	CR	Thomas Jefferson Area Main Replacements	150	3,800	-	-	-	3,950
99	1	CR	Thomas Jefferson - Saron 24" Main Replacement	150	3,100	-	-	-	3,250
100	1	CR	N. Virginia Street 6" Main Retirement	100	-	-	-	-	100
101	1	CR	S. Virginia Street 18" Main Replacement	150	-	-	-	-	150
102	1	CR	S. Virginia Rapid Transit Main Replacement	-	150	-	-	-	150
103	1	CR	5th, 6th & 7th St. Water Main Replacements	20	-	-	-	-	20
104	1	CR	Wright Way, E St, 5th, 6th & 7th Replacements	20	-	-	-	-	20
105	1	CR	Oddie Wells Main Replacement	20	-	-	-	-	20
106	2	CR	Spring Creek South Zone Conversion	200	-	-	-	-	200
107	2	CR	Booth, Sharon Way, Monroe 24" Main Replacements	2,000	2,000	1,000	-	-	5,000
108	2	CR	North East Sparks Tank Feeder Main Relocation	-	-	975	-	-	975
109	2	DF	Trademark 14" Main Tie	470	-	-	-	-	470
110	2	CR	Mount Rose Tank 1 Fire Flow Improvements	-	-	400	570	-	970
111	2	CR & DF	Stead Golf Course Main Replacement	-	-	170	2,400	-	2,570
112	1	DF	North-East Sparks Feeder Main Ph. 8	-	50	2,050	-	-	2,100
113	1	DF	Mount Rose 5 Distribution / Pressure Improvements	750	-	-	-	-	750
114	2	DF	Goldenrod Main	100	1,200	-	-	-	1,300
115	1	DF	Boomtown Water System Improvements	500	1,750	-	-	-	2,250
116	1	CR & DF	Boomtown System Improvements Ph 4 - Boomtown Tank	445	-	-	-	-	445
117	2	CR & DF	Sullivan #1 Main Tie & PRS	-	-	-	100	650	750
118	2	CR	Montreux High Pressure ACP Replacement	-	-	520	1,060	-	1,580
119	2	CR	2nd Galena Creek Main Crossing	-	40	560	-	-	600
120	2	CR	Off-River Supply Improvements - STM	-	-	-	50	1,050	1,100
121	2	CR	Off-River Supply Improvements - NVS Pump Station	-	-	400	-	-	400
122	2	CR	Somersett #6 Main Tie & PRS	-	280	-	-	-	280
123	1	CR	2025 Fire Flow Improvements - Gravity <1,000 GPM	-	-	-	550	-	550
124	1	CR	2025 Fire Flow Improvements - North Valleys <1,000 GPM	-	-	-	940	-	940
125	2	DF	Deluchi to Airway Main Tie	-	-	-	440	-	440
126	1	DF	SE Sparks Feeder Main Phase 1	-	-	-	50	4,450	4,500
127	1	DF	South Truckee Meadows Capacity Improvements	800	-	-	-	-	800
128			<b>Total Water Main-Distribution-Service Line Improvements</b>	<b>14,982</b>	<b>18,270</b>	<b>12,975</b>	<b>11,160</b>	<b>11,150</b>	<b>68,537</b>
129									
130			<b>Potable Water Storage Improvements</b>						
131	1	CR & DF	Sun Valley #2 Tank	-	420	2,980	-	-	3,400
132	2	DF	Fish Springs Terminal Tank #2	-	-	-	40	2,160	2,200
133	1	CR	Storage Tank Recoats; Access; Drainage Improvements	6,000	4,500	4,500	5,000	5,000	25,000
134	1	CR	Caughlin 2 Tanks	-	500	1,000	1,500	-	3,000
135	2	CR & DF	Highland Reservoir Tank	-	2,000	4,700	-	-	6,700
136	1	CR & DF	STMGID Tank East Zone 11 Tank	-	-	175	2,900	-	3,075
137	1	CR, R, DF	US 40 Tank & Feeder Main	2,150	2,530	-	-	-	4,680
138	2	CR & DF	Spanish Springs Altitude Valves (SC6 & DS3)	300	-	-	-	-	300
139	2	CR	Hidden Valley Tank Altitude Valve	350	-	-	-	-	350
140	1	CR	Lemmon Valley Tank #1 Replacement and Patrician PRS	1,850	-	-	-	-	1,850
141	1	CR	Hidden Valley Tank #4 Outage Improvements	250	-	-	-	-	250
142			<b>Total Potable Water Storage Improvements</b>	<b>10,900</b>	<b>9,950</b>	<b>13,355</b>	<b>9,440</b>	<b>7,160</b>	<b>50,805</b>
143									
144			<b>Hydroelectric Improvements</b>						
145	2	CR	Forebay, Diversion, and Canal Improvements	100	100	100	100	100	500
146	3	CR	Flume Rehabilitation	-	150	150	-	-	300
147	3	CR	Fleish Generator Rewind	20	20	650	-	-	690
148	1	CR	Fleish Flume Replacement	-	200	5,500	-	-	5,700
149	2	CR	Fleish Powerhouse Building Forebay and Radial Gate Improvements	-	300	2,500	-	-	2,800
150	3	CR	Verdi Powerhouse Building Improvements	100	-	-	-	-	100
151	2	CR	Verdi Penstock Repairs	200	-	-	-	-	200
152	1	CR	Verdi Canal Sandgate Improvements	250	-	-	-	-	250
153	1	CR	Verdi Bypass Valve Replacement	500	-	-	-	-	500
154	1	CR	Washoe Plant Turbine Rebuild and Rebuild/Replacement Unit 1	200	2,750	-	-	-	2,950
155	2	CR	Washoe Plant Turbine Rebuild and Rebuild/Replacement Unit 2	200	2,750	-	-	-	2,950
156	3	CR	Washoe Powerhouse Building Improvements	100	500	-	-	-	600
157	2	CR	Washoe Transformer Replacement	-	150	-	-	-	150
158			<b>Hydroelectric Improvements</b>	<b>1,670</b>	<b>6,920</b>	<b>8,900</b>	<b>100</b>	<b>100</b>	<b>17,690</b>
159									
160			<b>Customer Service Outlays</b>						
161	3	CR	Meter Reading Equipment	75	-	-	-	-	75
162	2	DF	New Business Meters	100	100	100	100	-	400
163	1	CR	Mueller Pit Replacements former Washoe County	125	125	125	125	-	500
164	2	CR	Galvanized / Poly Service Line Replacements	250	250	250	250	-	1,000
165	1	CR & MR	Automated Meter Infrastructure (AMI)	2,650	2,650	2,650	2,650	2,650	13,250
166			<b>Total Customer Service Outlays</b>	<b>3,200</b>	<b>3,125</b>	<b>3,125</b>	<b>3,125</b>	<b>2,650</b>	<b>15,225</b>
167									
168			<b>Administrative Outlays</b>						
169	2	CR	GIS / GPS System Mapping Equipment	20	-	-	-	-	20
170	2	CR	IT Server Hardware and Equipment	230	-	-	-	-	230
171	2	CR	IT Network Security Upgrades	10	-	-	-	-	10
172	2	CR	IT Physical Access Security Upgrades	60	-	-	-	-	60
173	2	CR	Printer / Scanner Replacement	100	-	-	-	-	100
174	3	CR	Crew Trucks / Vehicles	950	950	1,000	1,100	1,200	5,200
175	1	CR	Replacement HCM System (Ceridian Dayforce)	100	-	-	-	-	100
176	1	CR	Corporate Office Expansion	500	3,000	-	-	-	3,500
177	1	CR	Emergency Management Projects	150	150	150	150	150	750
178	1	CR	Emergency Operations Annex Design / Construction	-	250	250	2,000	-	2,500
179	2	CR	System Wide Asphalt Rehabilitation	200	200	200	200	200	1,000
180	1	CR	Physical Site Security Improvements	550	500	500	350	350	2,250
181			<b>Total Administrative Outlays</b>	<b>2,870</b>	<b>5,050</b>	<b>2,100</b>	<b>3,800</b>	<b>1,900</b>	<b>15,720</b>

			FY	FY	FY	FY	FY	Five Year	
			2024	2025	2026	2027	2028	CIP Total	
182			<b>TMWA 5 Year Draft Capital Plan Summary</b>						
183									
184			<b>105,490</b>	<b>146,995</b>	<b>95,465</b>	<b>42,690</b>	<b>39,240</b>	<b>429,880</b>	
185			<b>Special Projects Funded by Development</b>						
186	3	DF	2,500	2,500	2,500	2,500	2,500	<b>12,500</b>	
187			<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>12,500</b>	
188									
189			<b>107,990</b>	<b>149,495</b>	<b>97,965</b>	<b>45,190</b>	<b>41,740</b>	<b>442,380</b>	

	FY	FY	FY	FY	FY	Five Year
	2024	2025	2026	2027	2028	CIP Total
<b>Customer Rates</b>	62,972	63,834	56,050	36,303	28,674	247,833
<b>Developer Fees</b>	13,356	26,021	16,139	7,537	13,066	76,119
<b>Reimbursements</b>	18,580	46,760	22,800	1,100	0	89,240
<b>Water Meter Retrofit / Developer Fees</b>	2,000	3,211	0	0	0	5,211
<b>Sustainability</b>	1,632	6,106	2,976	250	0	10,964
<b>Farad Insurance Settlement - Applied to Orr Ditch Hydro project</b>	4,950	2,063	0	0	0	7,013
<b>Grants</b>	4,500	1,500	0	0	0	6,000
<b>Total</b>	<b>107,990</b>	<b>149,495</b>	<b>97,965</b>	<b>45,190</b>	<b>41,740</b>	<b>442,380</b>

# TMWA Fiscal Year 2024 (Tentative) Budget

FY 24 Operating Budget and FY 24-28 CIP

*Presentation by Truckee Meadows Water Authority  
March 15, 2023*

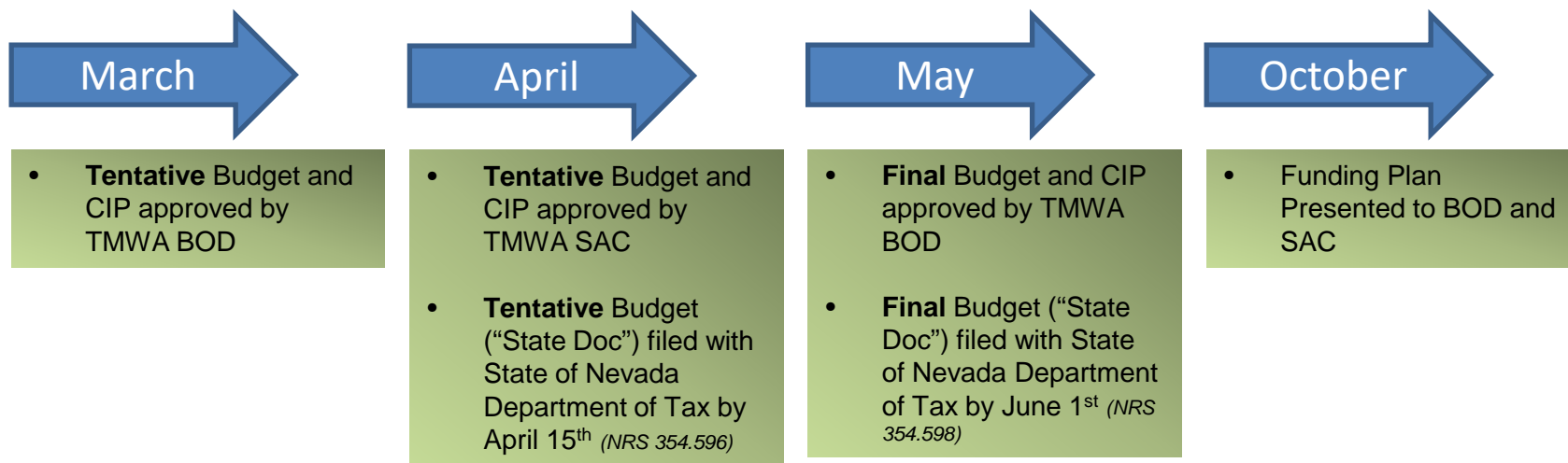




# Truckee Meadows Water Authority (TMWA)

## FY 2024 (Tentative) Budget *(amounts in millions)*

### Fiscal Planning Timeline



# Truckee Meadows Water Authority (TMWA)

## FY 2024 (Tentative) Operating Budget *(amounts in millions)*

### Summary – Year over Year Budgets

	FY 2024	FY 2023	Change \$	Change %
Operating Revenue	122.8	119.4	3.4	2.8%
Operating Expense	125.1	115.7	9.4	8.1%
Operating Income	(2.3)	3.7	(6.0)	-162.2%
Nonoperating Revenues (Expenses)	(7.8)	(10.1)	2.3	-22.8%
Capital Contributions	55.3	81.0	(25.7)	-31.7%
Change in Net Position	45.2	74.6	(29.4)	-39.4%
Net Change in Cash	(26.3)	(15.6)	(10.7)	68.6%

- Change in Operating Income year over year is due to higher operating expenses caused by inflation.
- Capital contributions are less due to lower developer contributions due to a projected slowing in development and lower rate of spend on the American Flat APW Facility.

# Truckee Meadows Water Authority (TMWA)

## FY 2024 (Tentative) Operating Budget *(amounts in millions)*

### Operating Revenue

	FY 2024	FY 2023	Change \$	Change %
Charges for Water Sales	116.7	113.1	3.6	3.2%
Hydroelectric Sales	2.8	2.4	0.4	16.7%
Other Operating Sales	3.3	4.0	(0.7)	-17.5%
<b>Total Operating Revenue</b>	<b>122.8</b>	<b>119.5</b>	<b>3.3</b>	<b>2.8%</b>

- Water sales model assumes rate increases in June 2023 of 2.5% and no subsequent increases.
  - Staff is in the process of a long-term rate plan; expected to be complete in Fall 2023
- Water sales model assumptions
  - Average weather year with all history/data available
  - Growth of ~1.5%
  - Weather impacts could affect revenue ~2% (>\$2m)

# Truckee Meadows Water Authority (TMWA)

## FY 2024 (Tentative) Operating Budget *(amounts in millions)*

### Operating Expenses

	FY 2024	FY 2023	Change \$	Change %
Salaries and Wages	31.6	29.7	1.9	6.4%
Employee Benefits	13.9	12.8	1.1	8.6%
Services and Supplies	44.1	38.6	5.5	14.2%
Operating Expenses Before Depreciation	89.6	81.1	8.5	10.5%
Depreciation	35.6	34.7	0.9	2.6%
Total Operating Expenses	125.2	115.8	9.4	8.1%

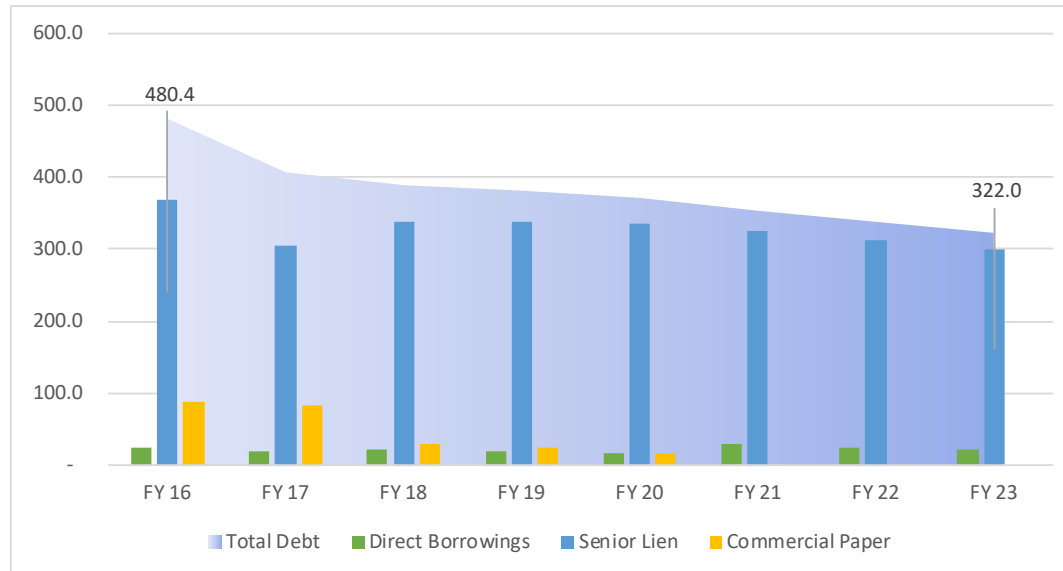
- Headcount additions include 12 employees
  - 2 EE's for compliance with the EPA's revised lead & copper rule
  - 4 EE's for fire hydrant maintenance (Washoe County hydrants, ILA not complete)
  - 1 EE is an overstaff for a pending retirement
  - Remaining 5 are for physical and cyber security, system maintenance, engineering and an equipment operator
  - 2 additions have been postponed, these may be brought forward if budget allows in FY 2024
- Expecting continued price increases during FY 2024. Notable items include:
  - Generally, price increases across the board
    - Supplies, electric power, contracts, etc.
  - Increased spending on security, both cyber and physical
  - Insurance is expected to renew at ~19% higher than budget
  - **Approximately \$1.8m cut following first draft**

# Truckee Meadows Water Authority (TMWA)

## FY 2024 (Tentative) Operating Budget *(amounts in millions)*

### Nonoperating Revenues and Expenses

	FY 2024	FY 2023	Change \$	Change %
Investment Earnings	4.9	3.1	1.8	58.1%
Loss on Disposal of Assets	(1.6)	(1.7)	0.1	-5.9%
Interest Expense	(11.0)	(11.5)	0.5	-4.3%
<b>Nonoperating Expenses</b>	<b>(7.7)</b>	<b>(10.1)</b>	<b>2.4</b>	<b>-23.8%</b>

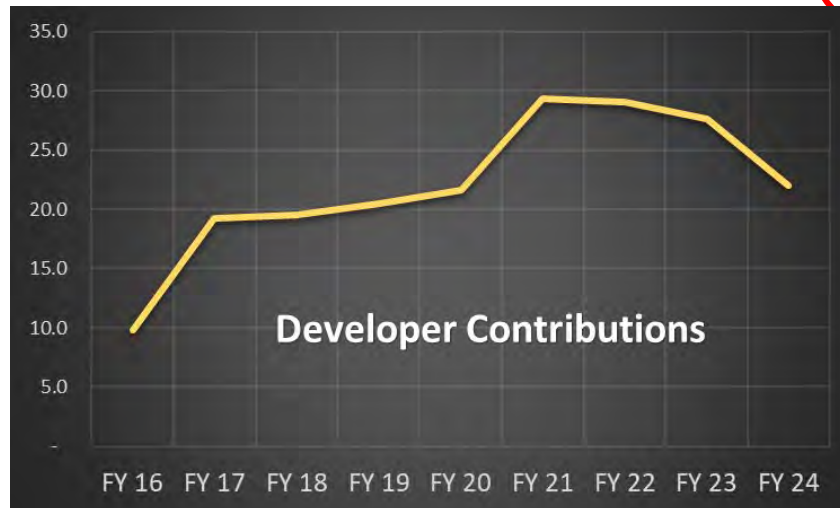


# Truckee Meadows Water Authority (TMWA)

## FY 2024 (Tentative) Operating Budget *(amounts in millions)*

### Capital Contributions

	FY 2024	FY 2023	Change \$	Change %
Grants	2.7	3.6	(0.9)	-25.0%
Water Resource Sustainability Program	1.1	2.8	(1.7)	-60.7%
Developer Infrastructure Contributions	15.3	21.9	(6.6)	-30.1%
Developer Will-serve Contributions	5.2	7.2	(2.0)	-27.8%
Developer Capital Contributions - Other	8.9	11.0	(2.1)	-19.1%
Developer Facility Charges	7.9	13.2	(5.3)	-40.2%
Contributions from Other Governments	14.1	21.1	(7.0)	-33.2%
<b>Total Capital Contributions</b>	<b>55.2</b>	<b>80.8</b>	<b>(25.6)</b>	<b>-31.7%</b>

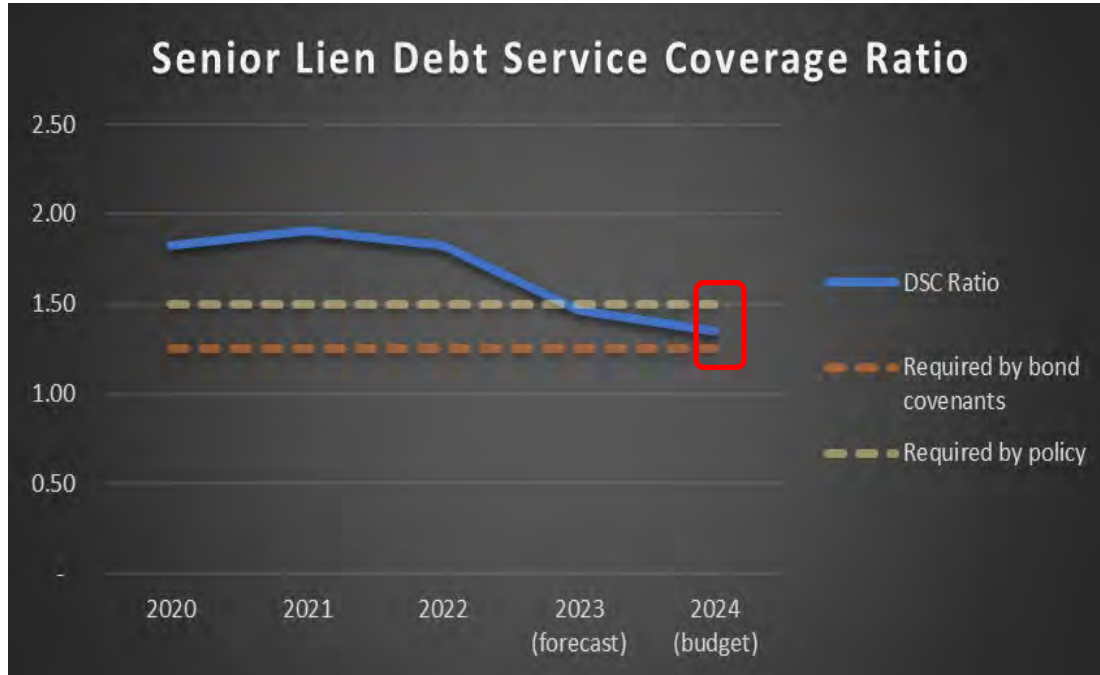


*Includes contribution from City of Reno for 70% of construction costs for APW Facility at American Flat expected during FY 24.*

# Truckee Meadows Water Authority (TMWA)

## FY 2024 (Tentative) Operating Budget *(amounts in millions)*

### Debt Service Coverage Ratio



### Calculation of DSC Ratio

(+) *Operating Revenues*

(-) *Operating Expenses*

(=) *Net Revenues*

(/) *Sr. Lien Debt Service*

(=) *Sr. Lien DSC Ratio*

### Senior Lien DSC Ratio FY

2024 Budget = 1.35x

- Services and supplies expense + 14% YoY
- Risks
  - Continued rising inflation
  - Lower than budgeted water sales
- Upside
  - Inflation relief (mid-FY 24?)
  - Higher than budgeted water sales

# Truckee Meadows Water Authority (TMWA)

## FY 2024 (Tentative) Operating Budget *(amounts in millions)*

### Cash Flows

	FY 2024	FY 2023	Change \$	Change %
Cash Flow from Operations	33.2	38.3	(5.1)	-13.3%
Cash Flow from Capital and Financing	(64.4)	(57.0)	(7.4)	13.0%
Cash Flow from Investing	4.9	3.1	1.8	58.1%
<b>Net Change in Cash</b>	<b>(26.3)</b>	<b>(15.6)</b>	<b>(10.7)</b>	<b>68.6%</b>



Cash balance at FYE 2024 projected to be \$193.5m; total cash required by policy\* is \$180.4m

\*Restricted cash + Rate Stabilization Fund + Unrestricted Reserve = Total cash required by policy



# Truckee Meadows Water Authority (TMWA)

## Capital Improvement Plan FY 2024 – 2028 (tentative) *(amounts in millions)*

Summary of Funding Sources	2024	2025	2026	2027	2028	Total	CIP Total	PY CIP	CIP Total	Change \$	Change %
Customer Rates	63.0	63.8	56.1	36.3	28.7	247.8	56.0%	208.2	53.0%	39.6	19%
Developer Fees	13.4	26.0	16.1	7.5	13.1	76.1	17.2%	66.1	16.8%	10.1	15%
Reimbursements	18.6	44.7	22.8	1.1	-	87.1	19.7%	87.8	22.3%	(0.7)	-1%
STMGID Reserve Funds	-	2.1	-	-	-	2.1	0.5%	2.7	0.7%	(0.6)	-22%
Water Meter Retrofit / Developer Fees	2.0	3.2	-	-	-	5.2	1.2%	5.7	1.5%	(0.5)	-9%
Sustainability	1.6	6.1	3.0	0.3	-	11.0	2.5%	14.7	3.7%	(3.8)	-26%
Farad Insurance Settlement (Orr Ditch Hydro)	5.0	2.1	-	-	-	7.0	1.6%	5.0	1.3%	2.0	40%
Grants	4.5	1.5	-	-	-	6.0	1.4%	3.0	0.8%	3.0	0%
<b>Total</b>	<b>108.0</b>	<b>149.5</b>	<b>98.0</b>	<b>45.2</b>	<b>41.7</b>	<b>442.4</b>	<b>100.0%</b>	<b>393.2</b>	<b>100.0%</b>	<b>49.1</b>	<b>12%</b>

### Developer Fees

- Spring Creek Well #10 - \$3.7m
- Lazy 5 Low Head Pump Station and Mains - \$2.7m

### Reimbursements

- APWF at American Flat - \$20.0m in 2024, \$112.0m total
- Verdi 1 Booster Pump Station - \$2.5m
- Silver Hills Booster Pump Station - \$3.0m
- US 40 Tank & Feeder Main (mixed funding) - \$4.7m

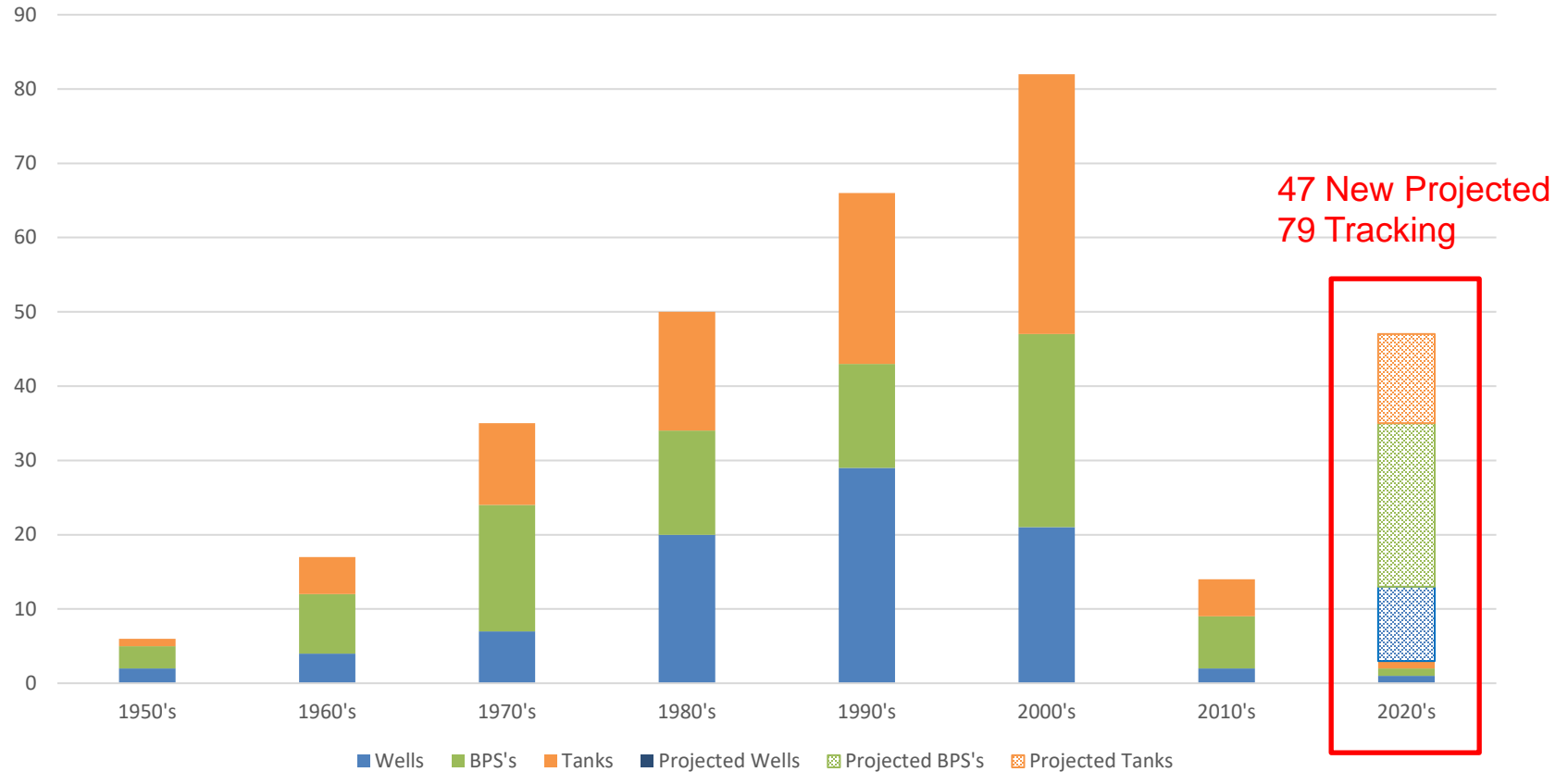
### Farad Insurance Settlement

- Orr Ditch Hydro (and pump station) \$7.0m hydro, \$21.1m pump station

# Truckee Meadows Water Authority (TMWA)

Capital Improvement Plan FY 2024 – 2028 (tentative) *(amounts in millions)*







Tanks / Wells / BPS's By Decade



# Truckee Meadows Water Authority (TMWA)

## FY 2024 (Tentative) Budget *(amounts in millions)*

### Summary/Take-aways

- Water Sales 
  - 1.5% increased services
  - 2.5% rate increase
- Operating Expenses 
  - Increase to employee headcount
  - Step increases
  - Significant inflationary price impacts
- Nonoperating Expenses 
- Capital Contributions 
  - Projected slow down of new projects/growth
- Net Change in Cash 
  - Lower operating income, lower capital contributions
- 5 Year Capital Spending 
  - Developer funded projects (pump stations)
  - American Flat APW Facility

**Thank you!**  
Questions?