

In this issue

Financial Report to Our Customers:

- The Popular Annual Financial Report Offers Transparency
- Explanation of the Cash Optimization Strategy
- How TMWA Spends by the Dollar
- Capital Improvement Planning



Smart About Water Quick Fact:

How TMWA Spends by the Dollar



\$0.19: EMPLOYEE SALARIES & WAGES

\$0.10: EMPLOYEE BENEFITS

\$0.23: SERVICES & SUPPLIES

\$0.14: PRINCIPAL & INTEREST PAYMENTS (CUSTOMER RELATED DEBT)

\$0.34: REHABILITATIVE CAPITAL SPENDING

TMWA's 2024 Popular Annual Financial Report Recaps Financial Year

With the release of the 2024 Popular Annual Financial Report (PAFR), TMWA continues to make it easier than ever for our customers to access and understand the utility's financial position. The PAFR is a summary of the much longer and more detailed Annual Comprehensive Financial Report (ACFR), which TMWA is required to submit to the State of Nevada each year. Audited by a third party, the ACFR is a formal, highly detailed document that ensures full transparency into TMWA's financial position. The ACFR was approved by TMWA's Board of Directors last month.

Key highlights of the PAFR include important financial events in 2024 and perspective on TMWA's financial milestones. A significant action of fiscal year 2024 was the approval of a rate plan which includes rate increases of 4.5%, 4.0% and 3.5% for fiscal years 2024, 2025 and 2026, respectively. Rate increases at TMWA are scrutinized by not only our staff and leadership, but also by our Board of Directors, which is comprised of elected representatives from the City of Reno, City of Sparks and Washoe County.

"As a community-owned utility, it's important to keep operating costs low and production capabilities robust—while maintaining the delivery of exceptional water quality as our highest priority," explained Matt Bowman, TMWA's Chief Financial Officer. "By reviewing this report online, customers will get insight into how TMWA accomplishes this from a financial perspective."

Please visit tmwa.com/financial-information to access both the ACFR and PAFR.



Cash Optimization Strategy Reduces TMWA's Long-Term Debt; Saving \$12.1 Million

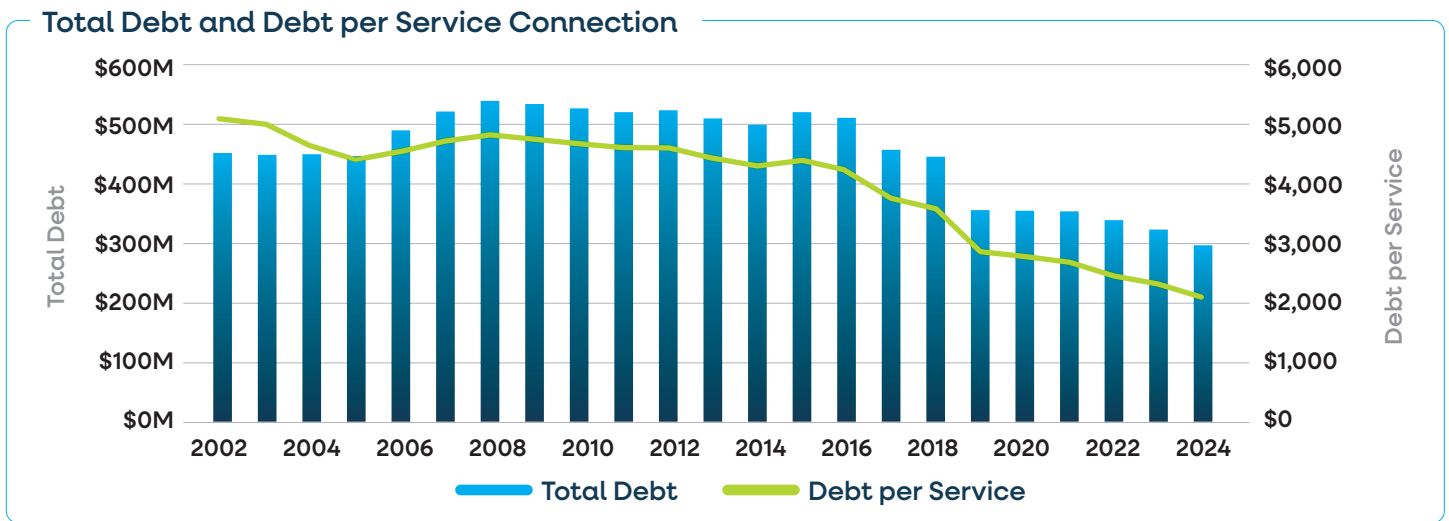
In Fall 2023, TMWA's financial team identified up to \$75M of existing debt at interest rates that could be reduced as a part of TMWA's ongoing debt management strategy. Unlike a refunding of bonds, which occurs instantaneously, this strategy required TMWA to pay off existing debt from cash reserves, then issue new debt at a lower interest rate. This unconventional strategy required two separate transactions because the existing bonds had not reached their repayment date and were not yet callable. Accordingly, the issuance of new debt was carefully timed and executed.

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On December 20, 2023, TMWA successfully repaid \$69.8M in outstanding debt using existing cash reserves. Then on January 4, 2024, TMWA purchased bonds with a principal amount of \$61.5M. Both the timing and pricing were extremely favorable for TMWA, resulting in a \$12.1M reduction of its debt-interest burden.

From a TMWA customer perspective, the debt per service connection has decreased 58.4% since the utility was formed in 2001. The debt per service connection in 2002 was \$5,009; in 2024 it was \$2,084.



TMWA’s Capital Improvements: Planning that Leverages Many Sources and Addresses Many Needs

TMWA funds its Capital Improvement Plan (CIP) through a diverse mix of sources. While system maintenance, repairs and upgrades are primarily based on water sales revenue, capital infrastructure is supported by multiple sources.

For capital infrastructure related to new growth, costs are 100% funded by the developer—i.e. growth pays for growth. Existing customers do not fund new growth of TMWA’s water system. TMWA also has a developer-paid Resource Sustainability Fund dedicated to projects that enhance drought resiliency.

Other forms of funding for TMWA’s infrastructure are the Nevada Drinking Water State Revolving Fund, federal grants and capital contributions or reimbursements from local governments.

TMWA’s capital improvement plan projections are derived from projects within TMWA’s Water System Facility Plan. TMWA’s most recent plan covers 20 years of projected needs and includes asset management for the first time. Asset management is the process of managing the lifecycle of TMWA’s infrastructure to ensure the value of TMWA’s assets is maximized while minimizing costs.

Where to Call

- General Inquiries 775-834-8080
- Emergency Repair 775-834-8090
- Water Conservation 775-834-8005
- Water Quality 775-834-8118
- Water Rights 775-834-8029
- Ombudsman 775-848-0813

Events and Public Meetings

- Board of Directors Meeting**
Feb. 19, 10 a.m. – noon. Sparks City Council Chambers
- President’s Day Holiday: TMWA Offices Closed**
Feb. 17
- Find details for all workshops and meetings at tmwa.com/meeting.



Truckee Meadows Water Authority is a not-for-profit, community-owned water utility, overseen by elected officials and citizen appointees from Reno, Sparks and Washoe County. TMWA employs a highly skilled team who ensure the treatment, delivery and availability of high-quality drinking water around the clock for more than 450,000 residents of the Truckee Meadows.

