



STANDING ADVISORY COMMITTEE

AGENDA

**Tuesday, April 1, 2025 at 3:00 p.m.
Truckee Meadows Water Authority
Independence Room, 1355 Capital Blvd., Reno, NV**

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 Chair and Vice-Chair are absent, the remaining SAC members may elect a temporary presiding officer to preside over the meeting until the Chair or Vice-Chair 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 4, 2025 meeting (**For Possible Action**)
5. Water supply update — Bill Hauck*
6. Presentation regarding TMWA public fire hydrant maintenance program — Dave Mothershead and Ryan Dixon*
7. Presentation of Fiscal Year 2024 Q2 Year-to-Date Financial Results — Matt Bowman*

8. Presentation on the TMWA Tentative Budget for the Fiscal Year ending June 30, 2026 and Draft Capital Improvement Plan for Fiscal Years 2026 through 2030 and possible recommendation to the Board — Matt Bowman and David Diegle **(For Possible Action)**
9. Discussion and possible direction to staff regarding agenda items for future meetings **(For Possible Action)**

NEXT REGULAR SAC MEETING: June 3, 2025

10. Staff Items* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
11. Committee Items* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
12. Public Comment — limited to no more than three minutes per speaker*
13. Adjournment **(For Possible Action)**

**TRUCKEE MEADOWS WATER AUTHORITY
STANDING ADVISORY COMMITTEE**

DRAFT MINUTES

February 4, 2025

The Standing Advisory Committee (SAC) met at TMWA, 1355 Capital Blvd, Reno, NV. Chair Krmpotic called the meeting to order at 3:04 p.m.

1. ROLL CALL

Primary Members and Voting Alternates Present: Fred Arndt, Jordan Hastings, John Krmpotic, Justin McDougal, Neil McGuire, Chris Melton, Connor Naisbitt, Jonnie Pullman, Kevin Ryan, Dale Sanderson and Alex Talmant.

Primary Members and Alternates Absent: Brian Bosma, Ryan Greenhalgh, Colin Hayes, Ken McNeil, and Jerry Wager.

Staff Present: Jason Barnes, Matt Bowman, Sophie Cardinal, Robert Charpentier, Andy Gebhardt, Bill Hauck, Dan Nubel, Eddy Quaglieri, Danny Rotter, Shawn Stoddard, Sandra Tozi, Marci Westlake, John Zimmerman, and Legal Counsel Justina Caviglia (PBL).

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

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

4. APPROVAL OF THE MINUTES OF OCTOBER 1, 2024 MEETING

Upon motion duly made by Member Melton, and seconded by Member Pullman, and carried by unanimous consent of the members present, the Committee approved the minutes of October 1, 2024.

5. WATER SUPPLY UPDATE

Bill Hauck, Water Supply Supervisor, informed the Committee that the Lake Tahoe Basin snowpack is at 63% of median, Lake Tahoe is above the natural rim and normal river flows are expected through 2025.

6. PRESENTATION ON THE ORR DITCH HYDRO PROJECT

Jason Barnes, Generation and Facilities Manager, provided an update on the Orr Ditch Hydro project which will be completed by fall 2025.

The Committee inquired what the return on investment is (about 10 years), the reason for the project (to power our treatment plant directly), and what water rights will be used to ensure downstream water rights holders are not impacted (non-consumptive Farad water rights).

7. PRESENTATION ON TMWA'S FISCAL YEAR 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Sophie Cardinal, Finance Controller, presented the report. Ms. Cardinal informed the Committee TMWA received an unqualified (clean) audit opinion, indicating a fair presentation of financial statements, despite receiving two error corrections related to updates in standards, and a single audit was performed, confirming compliance with federal grant requirements. Ms. Cardinal added that TMWA's net position was \$936.6m, an increase of \$46.1m from the prior year, cash on hand totaled \$20.2m, debt service coverage ratio was 1.42, indicating strong financial health, and operating expenses were \$121.0m, staying within the approved budget of \$125.0m.

8. UPDATE ON THE COST-OF-SERVICE STUDY

Matt Bowman, Chief Financial Officer, introduced Catherine Hansford, Hansford Economic Consulting, who is supporting staff on the Cost of Service Study.

Member Pullman asked if staff had found any anomalies to merge the different rates and expressed concern about fires. Mr. Bowman replied the study is preliminary and they have not found any anomalies, and TMWA's system is equipped to fight urban, not wild, fires.

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

Upon motion duly made by Member McGuire and seconded by Member Melton, and carried by unanimous consent of the members present, the Committee approved the request for future agenda items.

Next meeting:

1. Water supply update
2. Presentation on FY2025 Q2 Financials.
3. Tentative FY2026 Budget and Fy 2026-2030 CIP
4. Presentation on TMWA's Hydrant Maintenance Program

10. STAFF ITEMS

John Zimmerman, General Manager, stated that there was a joint meeting between Cities of Reno and Sparks and Washoe County regarding the California wildfires. TMWA staff has worked, and continues to work, with all three agencies and NV Energy.

11. COMMITTEE ITEMS

Member McGuire mentioned that he advised his friends in California, who work in the utilities, the need to communicate (much as TMWA does) with each other before a crisis.

12. PUBLIC COMMENT

There was no public comment.

13. ADJOURNMENT

With no further items for discussion, Chair Krmpotic adjourned the meeting at 4:19 p.m.

Approved by the Standing Advisory Committee in session on _____.

Sonia Folsom, Recording Clerk

DRAFT

Water Supply Update

Standing Advisory Committee Meeting

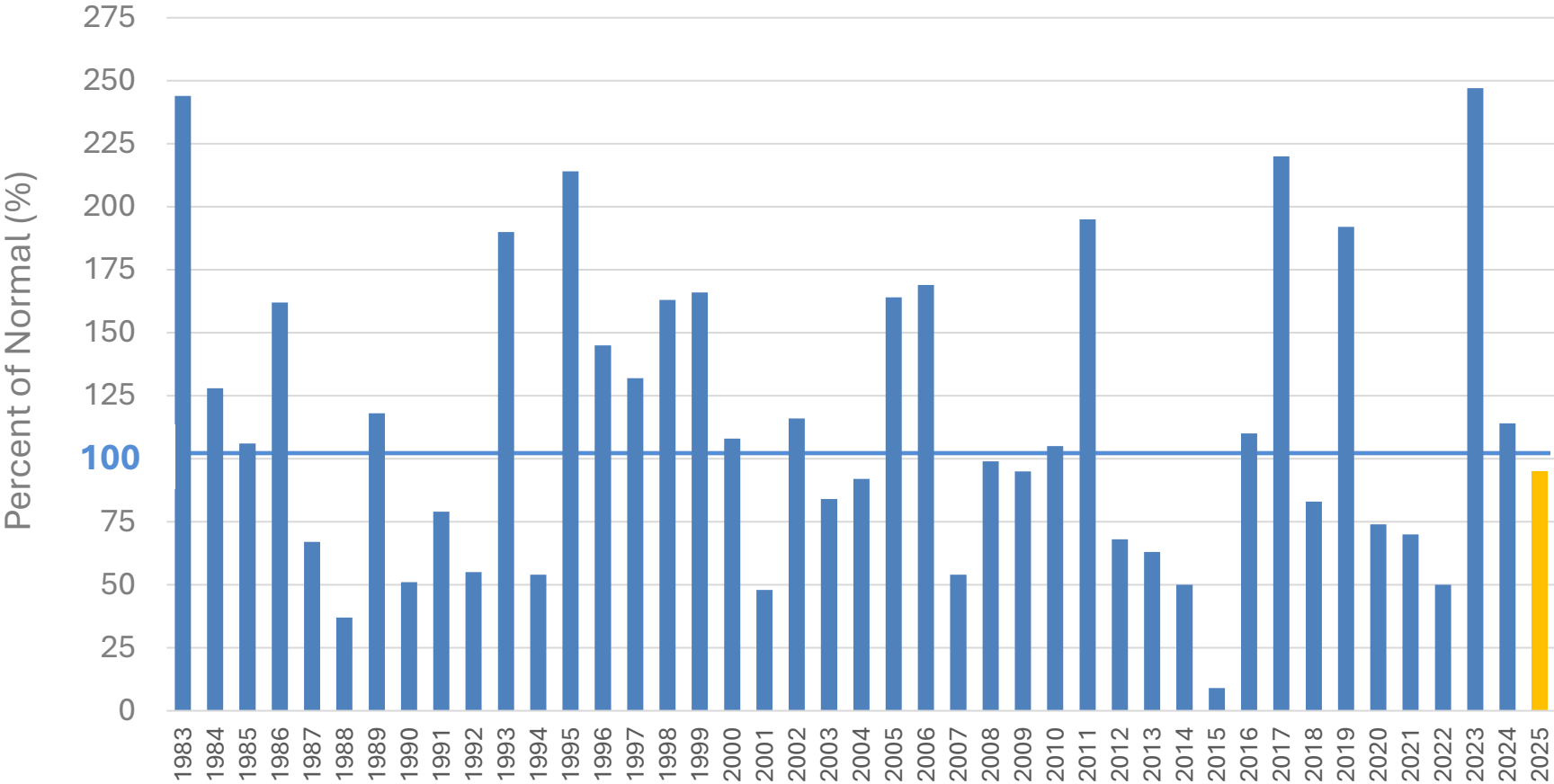
April 01, 2025



**Truckee Meadows
Water Authority**

Quality. Delivered.

April 01 Lake Tahoe Basin Snow Water Equivalent (NRCS)

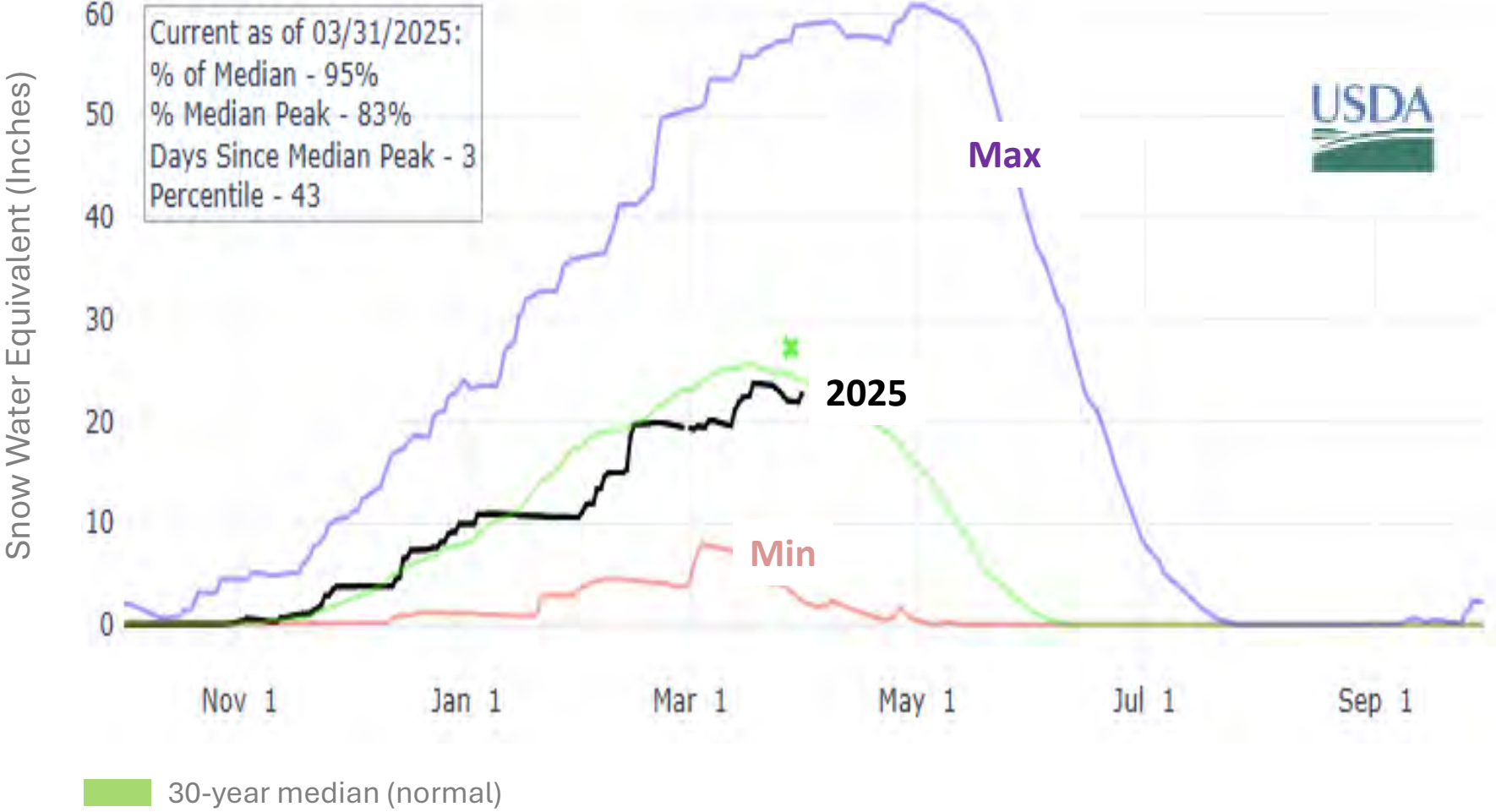


as of March 31, 2025



DANGER
DROWNING HAZARD
UNMOUNTAIN & STRONG CURRENT
NO SWIMMING OR BOATING
BOATING OR FISHING

Lake Tahoe Basin Snowpack Comparison (SWE)



NRCS Projected Streamflow Forecast (as of 3/21/25)

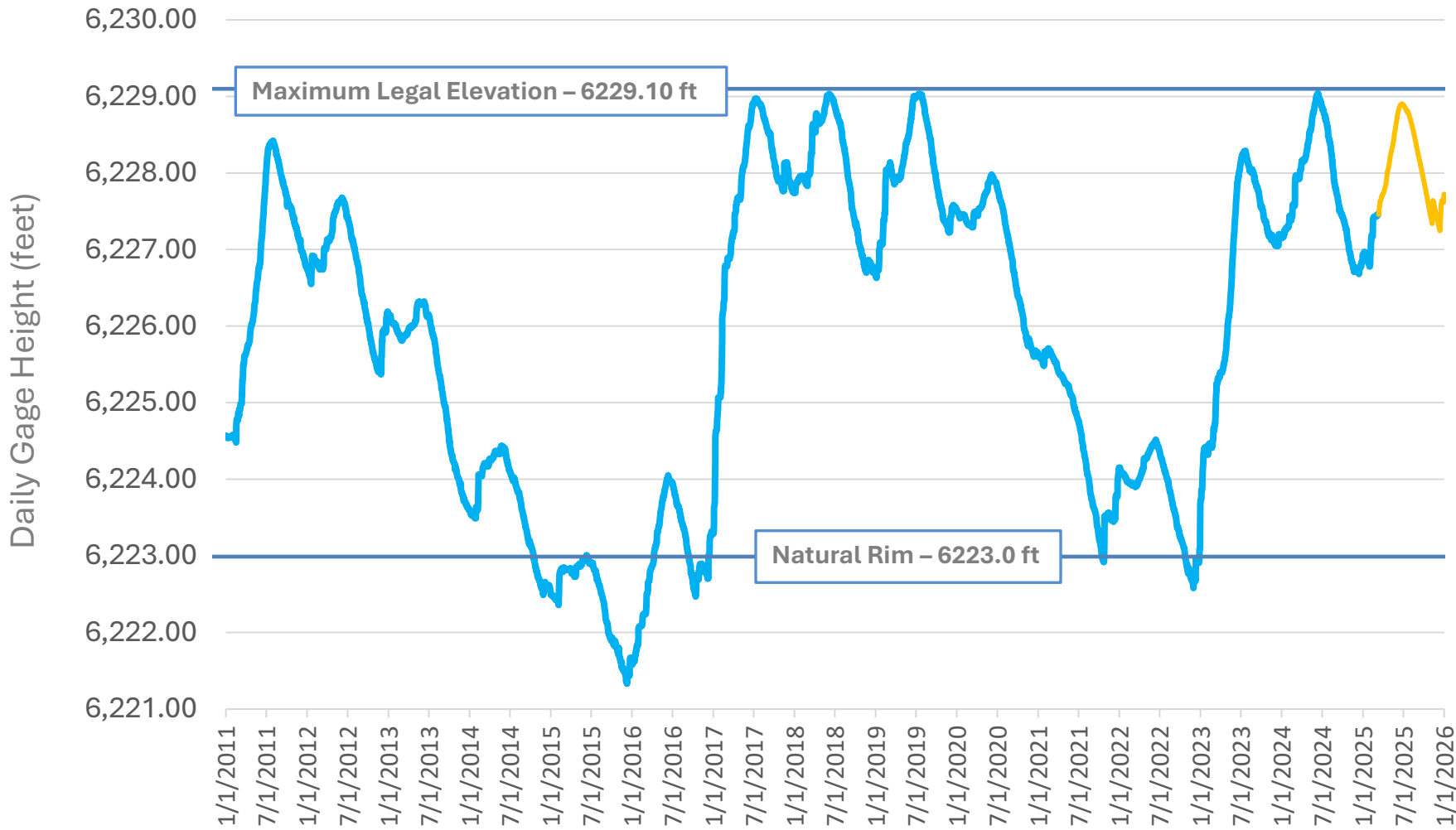
- Lake Tahoe Gates Closed Rise (30-yr median GCR = 1.16’):

1.80’ (158% Avg.) 05% COE (Apr-High)
1.10’ (96% Avg.) 50% COE (Apr-High)
0.60’ (53% Avg.) 95% COE (Apr-High)

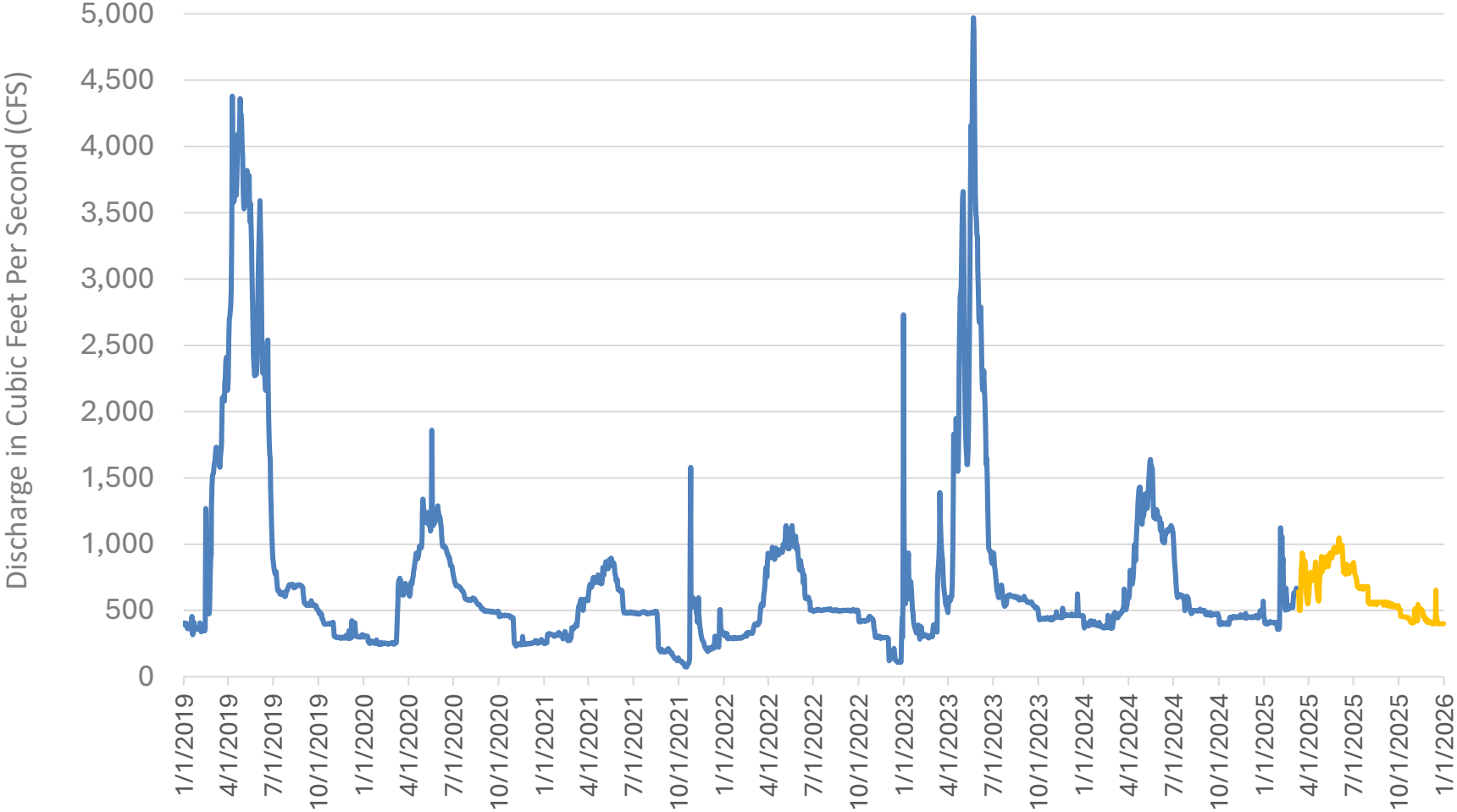
- Truckee River at Farad, CA (30-yr median A-J = 225 KAF):

305 KAF (136% Avg.) 05% COE (Apr-Jul)
230 KAF (102% Avg.) 50% COE (Apr-Jul)
164 KAF (73% Avg.) 95% COE (Apr-Jul)

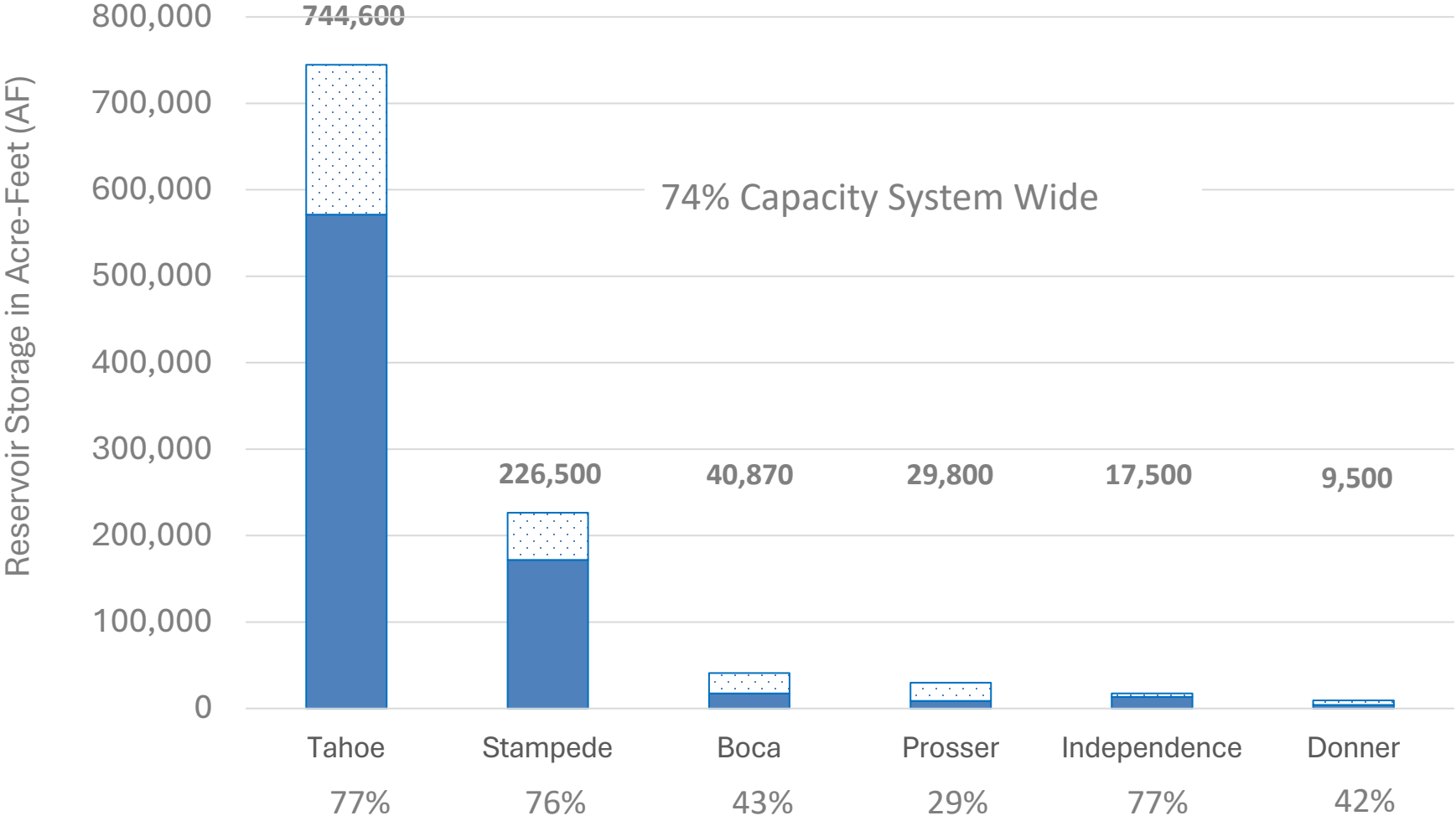
Lake Tahoe Elevation Actual and Projected (2011-2025)



Actual and Projected Truckee River Flow through 2025 @ CA/NV State Line



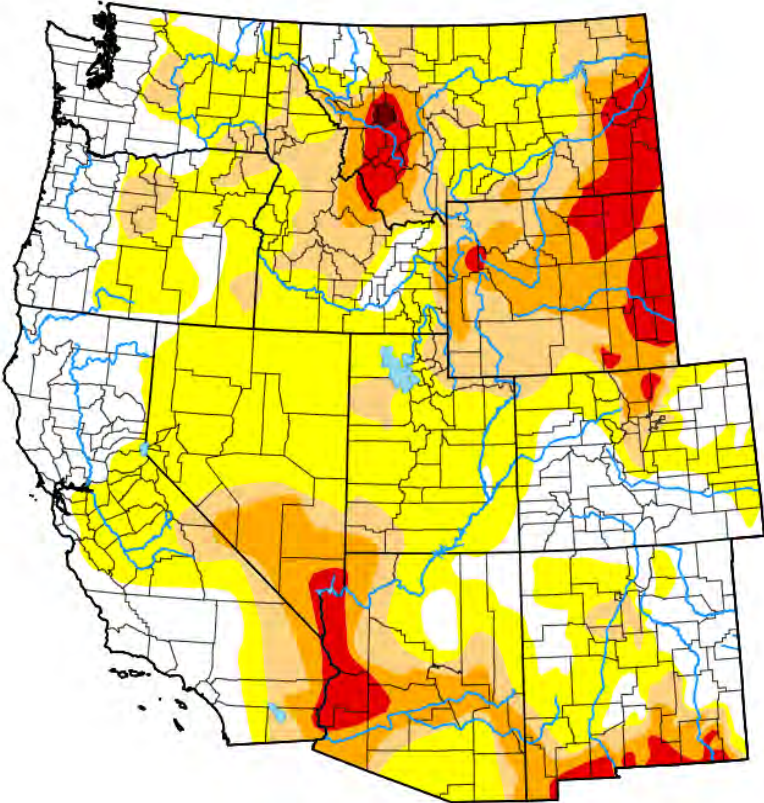
Truckee River System Storage (Mar 31, 2025)



U.S. Drought Monitor

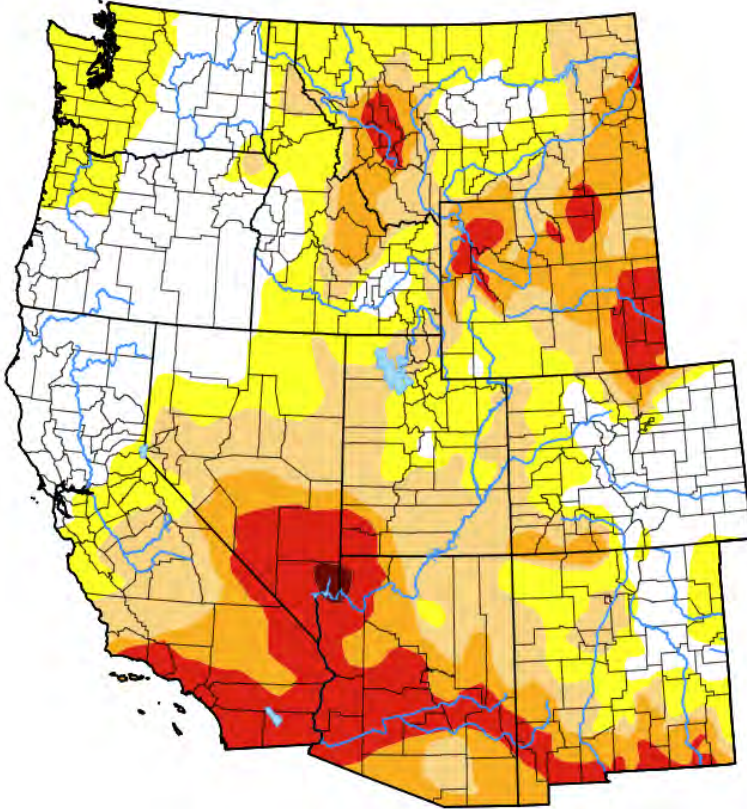
Map released: Weds. November 27, 2024

Data valid: November 26, 2024 at 7 a.m. EST



Map released: Thurs. February 6, 2025

Data valid: February 4, 2025 at 7 a.m. EST



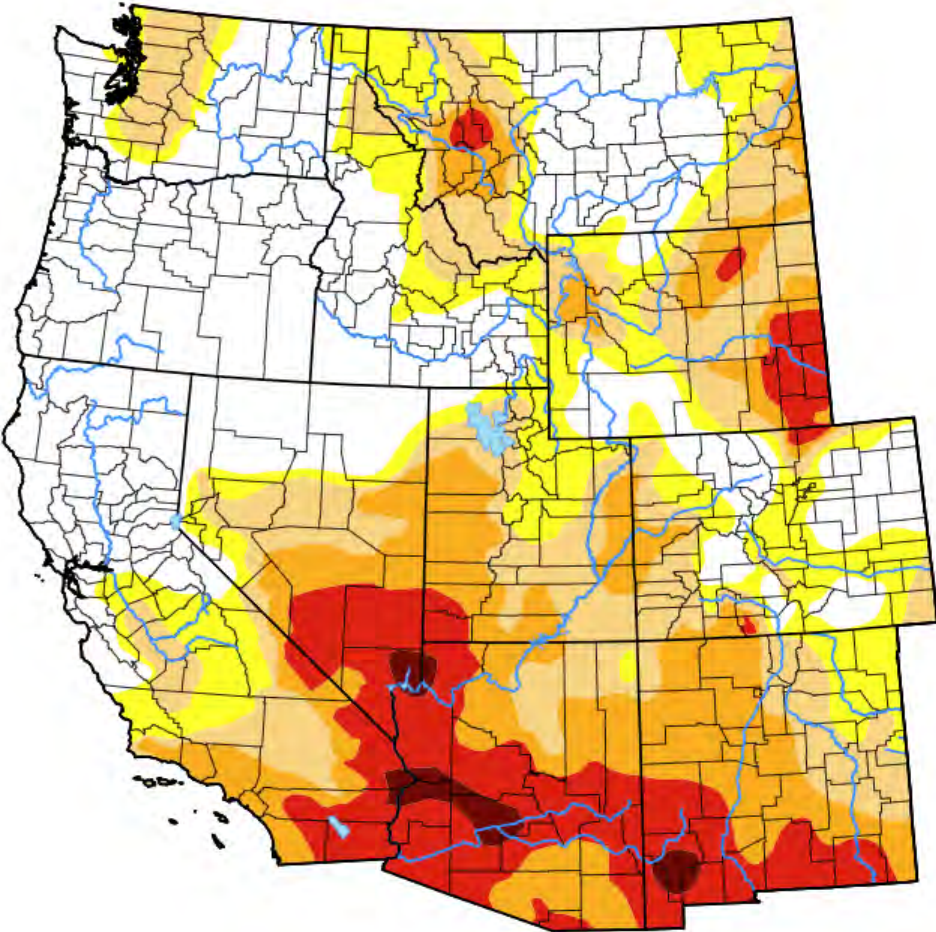
U.S. Drought Monitor





Map released: Thurs. March 27, 2025

Data valid: March 25, 2025 at 8 a.m. EDT

Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data



The U.S. Drought Monitor is produced through a partnership between the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture and the National Oceanic and Atmospheric Administration.

National Drought Mitigation Center
University of Nebraska-Lincoln

NOAA Precipitation Outlook

Precipitation (in)
during the period:

???, 31 MAR 2025 at 00Z

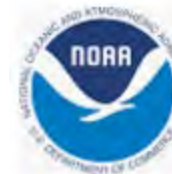
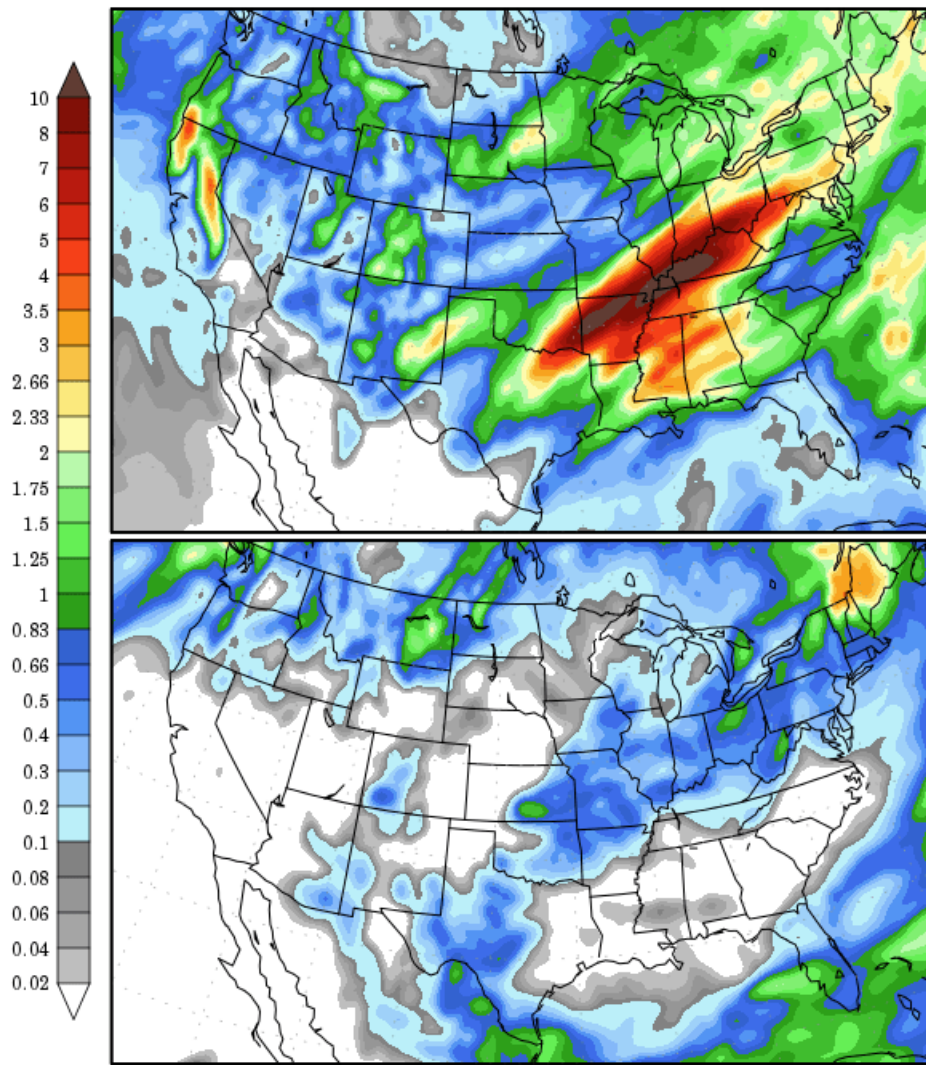
-to-

???, 08 APR 2025 at 00Z

???, 08 APR 2025 at 00Z

-to-

???, 16 APR 2025 at 00Z



Truckee River System





Thank you!
Questions?

Bill Hauck, Water Supply Supervisor
Email: bhauck@tmwa.com
O: (775) 834-8111 M: (775) 516-0601

TMWA Hydrant Maintenance

February 19, 2025



**Truckee Meadows
Water Authority**

Quality. Delivered.

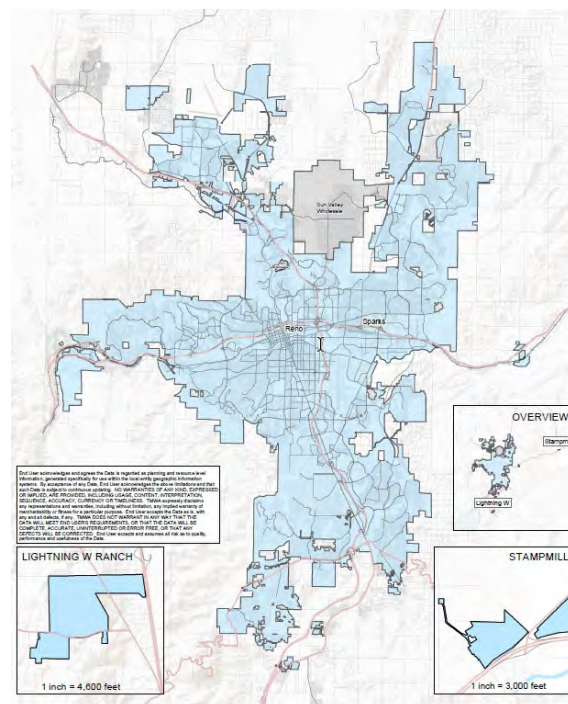
Hydrant Maintenance Overview

- TMWA System
- Hydrant Maintenance History
- Public vs. Private Hydrants
- Hydrant Maintenance and Replacement
- Hydrant Maintenance Steps
- Color Coding of Hydrant
- Hydrant Repair



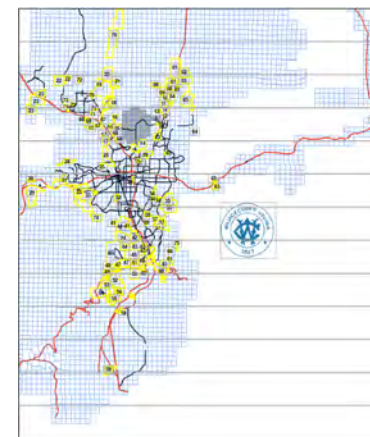
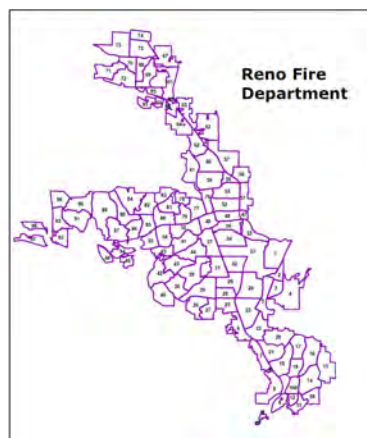
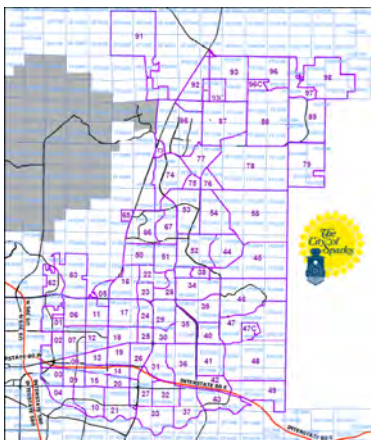
TMWA SYSTEM

- 5 treatment plants, 2 storage basins, 97 tanks (123 MG).
- 118 pump stations, 387 regulator stations.
- 2,129 miles of 4”- 42” main.
- 10,332 Public hydrants (Reno, Sparks, Washoe County).
- 39,525 system valves.



HYDRANT MAINTENANCE HISTORY

- TMWA began fire hydrant maintenance:
 - City of Sparks in August of 2007
 - City of Reno in September of 2016
 - Washoe County in November of 2023



PUBLIC VS PRIVATE HYDRANTS

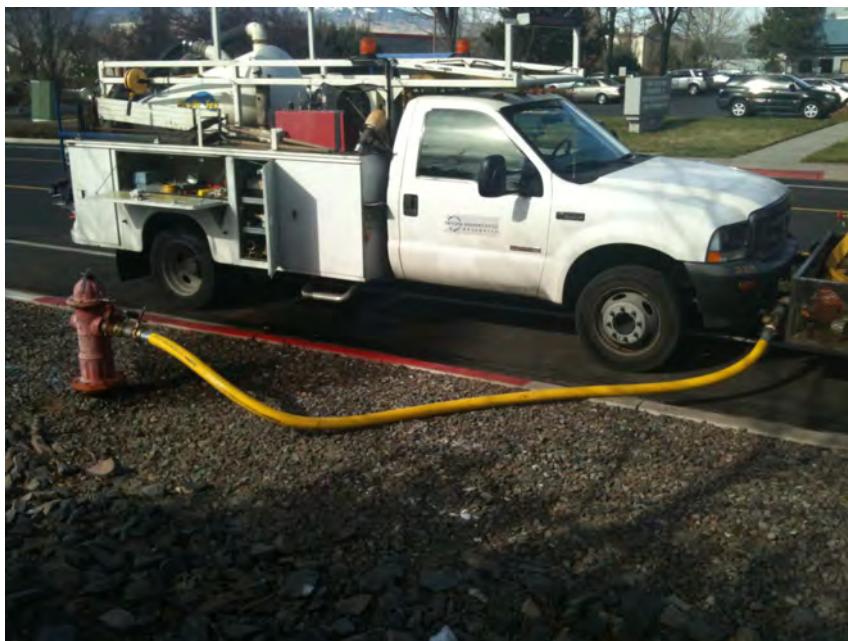
- Public hydrants are adjacent to a public right of way and originates from a TMWA owned facility.
- Maintenance of public hydrants are performed by TMWA every 2 years per the maintenance agreement.
- Private hydrants are supplied by a private mains and are not in the public right of way.
- Private communities need to have their hydrants tested every 5 years per the National Fire Protection Association.

HYDRANT MAINTENANCE AND REPLACEMENT

- Since 2015 TMWA has replaced 101 hydrants and repaired 542 hydrants.
- TMWA's annual investment into the maintenance program for labor is approximately \$2,200,000.
- There are eight, two person crews and eight vehicles dedicated to the hydrant maintenance program.



HYDRANT MAINTENANCE STEPS



- Record obstructions that hinder access or obstruct hydrants from view (code violations are reported to the fire departments).
- Remove and clean all caps.
- Check oil levels and fill as needed.
- Flush drain outlet.
- Pressure test hydrant with system pressure.

HYDRANT MAINTENANCE PROCESS - CONTINUED

- Flush hydrant.
- Check hydrant valve for leakage.
- Exercise service valve.
- Check for proper hydrant drainage.
- Clean and/or paint hydrant as needed.
- Complete field inspection report.
- Note repairs needed.
- Tag hydrant if unusable with “Out of Service” hydrant ring. Notify proper agency.



COLOR CODING OF HYDRANTS

- Sparks Fire Department:
 - YELLOW = Public
 - RED = Private
 - White top = non-draining hydrant, needs to be pumped out after use to prevent freezing
- Reno Fire Department:
 - RED = Public/Private
 - White pumper nozzle = non-draining
- Washoe County:
 - RED = Public/Private
 - White pumper nozzle = non-draining

HYDRANT REPAIR

- Repairs and replacement of Hydrants or Hydrant Facilities are the sole responsibility of Reno Fire Department, Sparks Fire Department and Washoe County.
- The hydrant owner shall retain sole discretion over procuring contracts for other work and shall be responsible for prioritizing such other work.



Thank you!
Questions?

David Mothershead, Distribution Ops Supervisor
Email: dmothershead@tmwa.com
O: (775) 834-8145 M: (775) 531-6951



TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer
BY: Sandra Tozi, Principal Financial Analyst
DATE: February 7, 2025
SUBJECT: Presentation of fiscal year 2025 Q2 year-to-date financial results

Summary

Please refer to Attachments A-1 and A-2 for full Statements of Revenues, Expenses and Changes in Net Position for both actual to budget and year-over-year comparisons as discussed in the report below.

Budget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
CHANGE IN NET POSITION	\$ 47,031,897	\$ 29,123,728	\$ 17,908,169	61 %

Change in net position was \$17.9m or 61% higher than budget through Q2 2025. This was driven by higher operating income due to lower operating expenses, higher investment earnings and higher capital contributions.

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
CHANGE IN NET POSITION	\$ 47,031,897	\$ 37,082,465	\$ 9,949,432	27 %

Change in net position was \$9.9m or 27% higher than the prior year. This was also caused by higher operating income due to lower operating expenses, higher investment earnings and higher capital contributions.

Revenue

Budget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	74,280,231	74,870,380	(590,149)	(1)%
Hydroelectric Sales	2,049,074	1,297,469	751,605	58 %
Other Operating Sales	2,594,917	1,800,188	794,729	44 %
Total Operating Revenues	78,924,222	77,968,037	956,185	1 %

Operating revenue was \$1.0m or 1% higher than budget through Q2 2025. Water sales were within 1% of budget, hydroelectric revenue was 58% higher than budget and other operating sales were 44% higher than budget. Hydroelectric revenue exceeded budget due to strong river flows and less maintenance downtime than budgeted. Other operating sales were higher than budget due mostly to higher new business related inspection fees. The volume of these fees has increased in recent years.

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	74,280,231	65,942,274	8,337,957	13 %
Hydroelectric Sales	2,049,074	2,105,271	(56,197)	(3)%
Other Operating Sales	2,594,917	2,623,421	(28,504)	(1)%
Total Operating Revenues	78,924,222	70,670,966	8,253,256	12 %

Year over year, operating revenues were higher by \$8.3m or 12% due primarily to higher water sales. Water consumption was significantly lower in 2024 due to higher than normal precipitation and lower temperatures through the summer and into fall.

Operating Expenses

Budget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
OPERATING EXPENSES				
Salaries and Wages	17,441,962	18,224,633	(782,671)	(4)%
Employee Benefits	7,382,017	8,763,545	(1,381,528)	(16)%
Services and Supplies	22,337,728	24,564,883	(2,227,155)	(9)%
Total Operating Expenses Before Depreciation	47,161,707	51,553,061	(4,391,354)	(9)%
Depreciation	18,072,209	17,795,282	276,927	2 %
Total Operating Expenses	65,233,916	69,348,343	(4,114,427)	(6)%

Total operating expenses were \$4.1m or 6% lower than budget through Q2 2025. Salaries and wages and employee benefits were lower due primarily due to position vacancies. Services and supplies were lower due to various expense categories. Two of the larger variances are electrical power costs, which were lower by approximately \$430,000 and facilities and site maintenance costs lower by approximately \$500,000 although much of which is timing related, meaning these costs will increase in the second half of the year.

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
OPERATING EXPENSES				
Salaries and Wages	17,441,962	15,140,153	2,301,809	15 %
Employee Benefits	7,382,017	6,575,265	806,752	12 %
Services and Supplies	22,337,728	20,980,150	1,357,578	6 %
Total Operating Expenses Before Depreciation	47,161,707	42,695,568	4,466,139	10 %
Depreciation	18,072,209	17,757,478	314,731	2 %
Total Operating Expenses	65,233,916	60,453,046	4,780,870	8 %

Year over year operating expenses were \$4.8m or 8% higher compared to the prior year. Salaries and wages and benefits are higher than prior year to due to Labor Market Index (LMI) increases, step increases, and additions to staff during the first half of FY 2025.

Non-Operating Expenses

Budget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	3,118,588	2,668,922	449,666	17 %
Net Increase (Decrease) in FV of Investments	1,749,505	—	1,749,505	— %
Gain (Loss) on Disposal of Assets	(136,821)	(721,400)	584,579	(81)%
Amortization of Bond/note Issuance Costs	(250)	—	(250)	— %
Interest Expense	(4,453,802)	(4,439,158)	(14,644)	— %
Total Nonoperating Revenues (Expenses)	277,220	(2,491,636)	2,768,856	(111) %

Nonoperating revenues/expenses were \$2.8m or 111% better than budget through Q2 2025. There was a net increase in the fair value of investments as market interest rates continue to drop. This trend will continue if rates continue to fall in 2025.

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	3,118,588	(1,417,432)	4,536,020	(320)%
Net Increase (Decrease) in FV of Investments	1,749,505	6,713,533	(4,964,028)	(74)%
Gain (Loss) on Disposal of Assets	(136,821)	(38,154)	(98,667)	259 %
Amortization of Bond/note Issuance Costs	(250)	(72,000)	71,750	(100)%
Interest Expense	(4,453,802)	(5,548,208)	1,094,406	(20)%
Total Nonoperating Revenues (Expenses)	277,220	(362,261)	639,481	(177)%

Nonoperating expenses were lower than prior year by \$0.6m or 177%, due to the same reasons discussed above. Additionally, interest expense is lower than prior year following the cash optimization refinancing occurring in FY 2024.

Capital Contributions

Budget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
CAPITAL CONTRIBUTIONS				
Grants	241,157	1,549,250	(1,308,093)	(84)%
Water Resource Sustainability Program	304,096	484,838	(180,742)	(37)%
Developer Infrastructure Contributions	9,536,983	7,409,590	2,127,393	29 %
Developer Will-serve Contributions (Net of Refunds)	10,632,287	2,616,000	8,016,287	306 %
Developer Capital Contributions - Other	4,265,379	—	4,265,379	— %
Developer Facility Charges (Net of Refunds)	6,466,347	8,053,070	(1,586,723)	(20)%
Contributions from Others	90,688	32,922	57,766	175 %
Contributions from Other Governments	1,527,434	2,850,000	(1,322,566)	(46)%
Net Capital Contributions	33,064,371	22,995,670	10,068,701	44 %

Capital contributions were \$10.1m or 44% higher than budget. The largest driver of this increase was the recognition of a \$9.0m credit to will serve revenue resulting from a resource exchange agreement with TRIGID and TRIC related to the effluent pipeline to TRIGID. TMWA received the cash in 2021, but held it on deposit until effluent was delivered via the pipeline, per the terms of the agreement. This occurred in the first quarter at which point \$9.0m was recognized as will serve revenue.

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
CAPITAL CONTRIBUTIONS				
Grants	241,157	7,043,553	(6,802,396)	(97)%
Water Resource Sustainability Program	304,096	486,816	(182,720)	(38)%
Developer Infrastructure Contributions	9,536,983	5,389,519	4,147,464	77 %
Developer Will-serve Contributions (Net of Refunds)	10,632,287	2,626,671	8,005,616	305 %
Developer Capital Contributions - Other	4,265,379	3,404,611	860,768	25 %
Developer Facility Charges (Net of Refunds)	6,466,347	6,452,103	14,244	— %
Contributions from Others	90,688	—	90,688	— %
Contributions from Other Governments	1,527,434	1,823,533	(296,099)	(16)%
Net Capital Contributions	33,064,371	27,226,806	5,837,565	21 %

Year over year, capital contributions are \$5.8m or 21% higher than the prior year primarily due to the resource exchange credit discussed above. Additionally, grant revenue is lower due to the recognition of ARPA related funding for TMWA's AMI project in the first half of the prior year.

Capital Spending

Cash spent on capital outlays and construction projects through Q2 2025 was approximately \$23.2m. Total budgeted capital spend for fiscal year 2025 is \$111.2m, which included \$8.0m and \$11.0m for the American Flat APW facility and Orr Ditch pump station and hydro facility, respectively. Spending on the top three projects during the first half of the fiscal year is listed below:

Orr Ditch Pump Station and Hydro Facility	\$ 4.4m
AMI Meter Replacements	\$ 3.1m
American Flat APW facility	\$ 2.3m

Cash Position

At December 31, 2024 total cash and investments was \$188.7m or \$0.9m higher than at the beginning of the fiscal year. Of the total cash and investments, \$132.8m was unrestricted to be used to meet upcoming and future operating and maintenance expenses, principal and interest payments and construction project payments. The remaining \$55.9m was restricted to pay for scheduled bond principal and interest payments as well as maintaining required reserves as stipulated in our bond covenants.

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the second quarter ended December 31, 2024

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	\$ 74,280,231	\$ 74,870,380	\$ (590,149)	(1)%
Hydroelectric Sales	2,049,074	1,297,469	751,605	58 %
Other Operating Sales	2,594,917	1,800,188	794,729	44 %
Total Operating Revenues	78,924,222	77,968,037	956,185	1 %
OPERATING EXPENSES				
Salaries and Wages	17,441,962	18,224,633	(782,671)	(4)%
Employee Benefits	7,382,017	8,763,545	(1,381,528)	(16)%
Services and Supplies	22,337,728	24,564,883	(2,227,155)	(9)%
Total Operating Expenses Before Depreciation	47,161,707	51,553,061	(4,391,354)	(9)%
Depreciation	18,072,209	17,795,282	276,927	2 %
Total Operating Expenses	65,233,916	69,348,343	(4,114,427)	(6)%
OPERATING INCOME	13,690,306	8,619,694	5,070,612	59 %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	3,118,588	2,668,922	449,666	17 %
Net Increase (Decrease) in FV of Investments	1,749,505	—	1,749,505	— %
Gain (Loss) on Disposal of Assets	(136,821)	(721,400)	584,579	(81)%
Amortization of Bond/note Issuance Costs	(250)	—	(250)	— %
Interest Expense	(4,453,802)	(4,439,158)	(14,644)	— %
Total Nonoperating Revenues (Expenses)	277,220	(2,491,636)	2,768,856	(111) %
Gain (Loss) Before Capital Contributions	13,967,526	6,128,058	7,839,468	128 %
CAPITAL CONTRIBUTIONS				
Grants	241,157	1,549,250	(1,308,093)	(84)%
Water Resource Sustainability Program	304,096	484,838	(180,742)	(37)%
Developer Infrastructure Contributions	9,536,983	7,409,590	2,127,393	29 %
Developer Will-serve Contributions (Net of Refunds)	10,632,287	2,616,000	8,016,287	306 %
Developer Capital Contributions - Other	4,265,379	—	4,265,379	— %
Developer Facility Charges (Net of Refunds)	6,466,347	8,053,070	(1,586,723)	(20)%
Contributions from Others	90,688	32,922	57,766	175 %
Contributions from Other Governments	1,527,434	2,850,000	(1,322,566)	(46)%
Net Capital Contributions	33,064,371	22,995,670	10,068,701	44 %
CHANGE IN NET POSITION	\$ 47,031,897	\$ 29,123,728	\$ 17,908,169	61 %

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the second quarter ended December 31, 2024

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	\$ 74,280,231	\$ 65,942,274	\$ 8,337,957	13 %
Hydroelectric Sales	2,049,074	2,105,271	(56,197)	(3)%
Other Operating Sales	2,594,917	2,623,421	(28,504)	(1)%
Total Operating Revenues	78,924,222	70,670,966	8,253,256	12 %
OPERATING EXPENSES				
Salaries and Wages	17,441,962	15,140,153	2,301,809	15 %
Employee Benefits	7,382,017	6,575,265	806,752	12 %
Services and Supplies	22,337,728	20,980,150	1,357,578	6 %
Total Operating Expenses Before Depreciation	47,161,707	42,695,568	4,466,139	10 %
Depreciation	18,072,209	17,757,478	314,731	2 %
Total Operating Expenses	65,233,916	60,453,046	4,780,870	8 %
OPERATING INCOME	13,690,306	10,217,920	3,472,386	34 %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	3,118,588	(1,417,432)	4,536,020	(320)%
Net Increase (Decrease) in FV of Investments	1,749,505	6,713,533	(4,964,028)	(74)%
Gain (Loss) on Disposal of Assets	(136,821)	(38,154)	(98,667)	259 %
Amortization of Bond/note Issuance Costs	(250)	(72,000)	71,750	(100)%
Interest Expense	(4,453,802)	(5,548,208)	1,094,406	(20)%
Total Nonoperating Revenues (Expenses)	277,220	(362,261)	639,481	(177)%
Gain (Loss) Before Capital Contributions	13,967,526	9,855,659	4,111,867	42 %
CAPITAL CONTRIBUTIONS				
Grants	241,157	7,043,553	(6,802,396)	(97)%
Water Resource Sustainability Program	304,096	486,816	(182,720)	(38)%
Developer Infrastructure Contributions	9,536,983	5,389,519	4,147,464	77 %
Developer Will-serve Contributions (Net of Refunds)	10,632,287	2,626,671	8,005,616	305 %
Developer Capital Contributions - Other	4,265,379	3,404,611	860,768	25 %
Developer Facility Charges (Net of Refunds)	6,466,347	6,452,103	14,244	— %
Contributions from Others	90,688	—	90,688	— %
Contributions from Other Governments	1,527,434	1,823,533	(296,099)	(16)%
Net Capital Contributions	33,064,371	27,226,806	5,837,565	21 %
CHANGE IN NET POSITION	\$ 47,031,897	\$ 37,082,465	\$ 9,949,432	27 %



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer
David Diegle, Engineering Manager
DATE: March 10, 2025
SUBJECT: Discussion and possible action on the TMWA Tentative Budget for the Fiscal Year ending June 30, 2026 and Draft Capital Improvement Plan for Fiscal Years 2026 through 2030

Recommendation

Staff recommends the TMWA Board and Standing Advisory Committee (SAC) review the tentative budget report for the fiscal year ending June 30, 2026 and preliminary Five-Year Capital Improvement Plan 2026-2030 (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 2025 Board meeting. The tentative budget will be filed with the Nevada Department of Taxation by April 15, 2025 in compliance with statutory requirements.

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

Operating Revenues

Water demands are projected based on historical average water usage per service type and by service size. This methodology projects water sales revenue at \$127.5 million for FY 2026. This is an increase from the FY 2025 budget of \$3.8 million or 3%. The FY 2026 water sales include the Board approved 4.0% rate increase in May 2025. The increase scheduled for May 2025 was presented to the Board along with the five-year funding plan at the October 2024 Board meeting. The FY 2026 budget anticipates an increase in service connections of approximately 1.2%.

Hydroelectric revenues are expected to be \$3.0 million in FY 2026. This is consistent with the FY 2025 budget. Based on the current snowpack we expect normal river flows during the year, allowing for continuous hydroelectric power generation. There will be occasional downtime for routine maintenance at each facility along with a longer outage at the Verdi power plant for a series of larger maintenance projects.

Other operating revenues are estimated at \$4.6 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 be higher or lower construction water and inspection fees than projected. The FY 2026 budget is approximately \$1.0 million higher than FY 2025 due to an increase for inspection fees which was underbudgeted in prior years.

Operating Expenses

Total operating expenses are expected to increase by \$5.0 million or 4% from the FY 2025 budget. This change consists of an increase of \$4.7 million in operating expenses before depreciation, and a \$0.3 million increase in depreciation. Comprising the change from the FY 2025 budget in operating expenses before depreciation, is an increase in salaries and wages of \$2.3 million (7%), employee benefits of \$1.8 million (11%), and services and supplies of \$0.6 million (1%).

Salaries and wages expense are expected to increase by \$2.3 million or 7% from the FY25 budget. Total headcount is budgeted to increase to 305 employees. TMWA leaders are challenged to operate their departments in the most efficient way possible, with minimum headcount. Staff additions are only made when necessary. Headcount additions for FY 2026 include seven staff among the Technology, Security and Human Resources departments and seven staff between the Engineering and Distribution departments.

Employee benefits are expected to increase by \$1.8 million or 11% from the FY 2025 budget. This increase in employee benefits is more than the increase in salaries and wages due to the increase in PERS contribution rate which will be effective July 1, 2025. PERS increased the contribution rate for non-police and fire contributors by 10%. This comes on the heels of a previous increase on July 1, 2023 of 12%.

Services and supplies are increasing by approximately \$0.7 million or 1% from the FY 2025 budget. TMWA departments spend a significant amount of time each year to determine the budget for services and supplies. This involves reviewing prior year budgets and actual costs to determine the best estimate for the upcoming year. Department managers are challenged each year to identify savings and consider the best use of TMWA's funds with regards to ongoing services and supplies costs. 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 remain flat year over year due to slightly higher interest rates offset by slightly lower cash balances.

Interest expense is expected to remain flat in FY 2025. In FY 2026, as shown in ***Attachment B***, we expect to pay down \$16.3 million of total debt.

Capital Contributions

Grant revenue of \$12.1 million consists mainly of the TMWA share of grants related to the Advanced Purified Water Facility at American Flat. These grants are from the Bureau of Reclamation and EPA.

Cash related developer contributions are expected to decrease from the FY 2024 budget by \$3.2 million or 14%. These projections assume a minimal slowdown in new projects in the TMWA service territory. However, 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 APW facility. These contributions may vary depending on timing and progress of construction in FY 2026. The related capital assets are included in TMWA's 2026-2030 Capital Improvement Plan.

Cash Position and Coverage Ratios

TMWA expects to begin FY 2026 with approximately \$177 million in total cash and investments and end the fiscal year with \$167 million, for an estimated cash decrease of \$10 million. These projections can be found in *Attachment B*.

TMWA's senior lien debt coverage ratio, excluding system development charges, is budgeted to be 1.45x by the end of FY 2026. Due to the conservative nature of the operating budget, TMWA expects to exceed 1.50x coverage for FY 2026. TMWA's senior lien bond covenants require a minimum coverage ratio of 1.25x.

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 2026-2030

TMWA plans to spend \$625.2 million over the next five years on a variety of construction projects and capital outlays of which \$122.2 million is planned in fiscal year 2026 and \$197.4 million in fiscal year 2027.

Of the total \$122.2 million in capital spending in fiscal year 2026, Raw Water accounts for \$33.9 million (28%) with \$30.0 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. This project includes \$39.0 million in grant funding which will also be split 70% City of Reno and 30% TMWA.

Ground Water Supply Improvements account for \$12.2 million (10%) with \$2.0 million comprising Boomtown 13 Well; \$1.5 million in Boomtown Water System Improvements; \$1.3 million for Stampmill Well PFAS Treatment and \$1.2 million for Sunrise Estates Well 4 Drilling.

Treatment Plant Improvements account for \$12.1 million (10%) with \$7.3 million comprising of various improvements at the Chalk Bluff Treatment Plant.

Pressure Improvements account for \$19.1 million (16%) with \$4.0 million and \$3.7 million comprising Lazy 5 Head Pump Station and Mains and Talus Valley Booster Station, respectively.

Water Main Distribution System Improvements are \$12.9 million (11%), comprising several distribution system improvements, including Pyramid Way Main Replacements totaling \$2.5 million to replace approximately 2,865 linear feet of water main; South Virginia Street Main Replacement totaling \$2.0 million to replace approximately 2,200 linear feet of water main and West 4th Street Main Replacement totaling \$1.6 million to replace approximately 3,400 linear feet of water main.

Potable Water Storage Improvements are \$7.7 million (6%) with \$3.6 million start of the construction of US 40 tank and feeder main.

Hydroelectric Improvements are \$6.5 million (5%) with \$3.7 million in improvements to Fleish Plant and Flume Improvements.

Customer Service Outlays account for \$3.1 million (3%) with \$2.7 million for the installation of Automated Meter Infrastructure.

Administrative Outlays account for \$12.3 million (10%) with \$3.5 million for Glendale Office Expansion, \$2.5 million for Financial Building Retrofit and \$2.0 million for new crew trucks and vehicles.

Increases in this year's CIP from prior year are driven primarily by increased spending on raw water for the American Flat APW facility, main replacements and storage tank improvements.

Recommended Motion

Move to approve the Tentative Budget for the fiscal year ending June 30, 2026, and Draft Capital Improvement Plan for fiscal years 2026 through 2030.

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

	Tent. Budget FY 2026	Final Budget FY 2025	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	\$ 127,528,326	\$ 123,715,379	\$ 3,812,947	3%
Hydroelectric Sales	2,984,098	2,963,889	20,209	1%
Other Operating Sales	4,583,935	3,600,377	983,558	27%
Total Operating Revenues	135,096,359	130,279,645	4,816,714	4%
OPERATING EXPENSES				
Salaries and Wages	37,421,684	35,083,573	2,338,111	7%
Employee Benefits	17,616,728	15,835,901	1,780,827	11%
Services and Supplies	46,732,236	46,074,717	657,519	1%
Total Operating Expenses Before Depreciation	101,770,649	96,994,191	4,776,458	5%
Depreciation	35,769,401	35,590,563	178,838	1%
Total Operating Expenses	137,540,050	132,584,754	4,955,296	4%
OPERATING INCOME	(2,443,691)	(2,305,109)	(138,582)	6%
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	4,955,558	5,103,838	(148,280)	-3%
Loss on Disposal of Assets	(1,500,000)	(1,442,800)	(57,200)	4%
Interest Expense	(8,914,244)	(8,878,315)	(35,929)	0%
Total Nonoperating Revenues (Expenses)	(5,458,686)	(5,217,277)	(241,409)	5%
Gain (Loss) Before Capital Contributions	(7,902,377)	(7,522,386)	(379,991)	5%
CAPITAL CONTRIBUTIONS				
Grants	12,134,829	3,098,500	9,036,329	292%
Water Resource Sustainability Program	616,507	969,677	(353,170)	-36%
Developer Infrastructure Contributions	12,951,222	14,819,179	(1,867,957)	-13%
Developer Will-serve Contributions (Net of Refunds)	3,353,400	5,232,000	(1,878,600)	-36%
Developer Facility Charges (Net of Refunds)	15,116,829	16,106,141	(989,312)	-6%
Contributions from Others	136,500	65,845	70,655	107%
Contributions from Other Governments	21,100,000	5,700,000	15,400,000	270%
Net Capital Contributions	65,409,286	45,991,341	19,417,945	42%
CHANGE IN NET POSITION	57,506,909	38,468,955	19,037,954	49%

TRUCKEE MEADOWS WATER AUTHORITY

Statements of Cash Flows

Tentative Budget

	Tent. Budget FY 2026	Final Budget FY 2025	Variance \$	Variance %
OPERATING ACTIVITIES				
Cash Received From Customers	\$ 135,096,359	\$ 130,279,645	\$ 4,816,714	4%
Cash Paid to Employees	(51,185,724)	(50,919,474)	(266,250)	1%
Cash Paid to Suppliers	(46,732,236)	(46,074,717)	(657,519)	1%
Net Cash From Operating Activities	37,178,399	33,285,454	3,892,945	12%
CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition & Construction of Capital Assets	(75,501,000)	(63,842,500)	(11,658,500)	18%
Interest Paid on Financing	(13,217,088)	(13,830,452)	613,364	-4%
Principal Paid on Financing	(16,299,237)	(17,958,730)	1,659,493	-9%
Proceeds From Debt Issuance	1,662,000	-	1,662,000	0%
Grants	12,568,247	4,067,300	8,500,947	209%
Contributions for Water Resource Sustainability Program	616,507	969,677	(353,170)	-36%
Contributions From Developers-Will-Serve Letters	3,353,400	5,232,000	(1,878,600)	-36%
Contributions from Developers - Facility Charges	15,116,829	16,106,141	(989,312)	-6%
Contributions from Others	136,500	65,845	70,655	107%
Contributions from Other Governments	21,100,000	5,700,000	15,400,000	270%
Net Cash Used For Capital & Relating Financing Activities	(50,463,842)	(63,490,720)	13,026,877	-21%
INVESTING ACTIVITIES				
Interest Received	4,955,558	5,103,838	(148,280)	-3%
Net Cash From Investing Activities	4,955,558	5,103,838	(148,280)	-3%
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,329,886)	(25,101,428)	16,771,542	-67%
CASH AND CASH EQUIVALENTS, BEGINNING PERIOD	177,009,131	187,806,633	(10,797,502)	-6%
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 168,679,246	\$ 162,705,205	\$ 5,974,041	4%

TRUCKEE MEADOWS WATER AUTHORITY
 FY26 vs FY25 Budget ~ Changes by Expense Element

Expense Element	FY26	FY25	Variance \$	Variance %
Contracted Services	\$ 11,701,528	\$ 10,693,160	\$ 1,008,368	9%
Hardware/Software	3,685,022	2,986,705	698,317	23%
Internet/Other Utility	1,259,846	922,630	337,216	37%
Street Repairs	650,250	315,000	335,250	106%
Employee Related/Training	953,180	797,700	155,480	19%
Project Related	1,381,000	1,231,000	150,000	12%
Land/Leases/Permitting	1,187,025	1,117,883	69,142	6%
Overhead Allocations	(732,126)	(762,305)	30,178	-4%
Resource Fees	1,314,500	1,291,500	23,000	2%
Bank/Investment Fees	39,000	29,000	10,000	34%
Miscellaneous Expenses	27,800	23,700	4,100	17%
Property Taxes	752,500	752,500	-	0%
Agency Reimbursements	(409,625)	(407,500)	(2,125)	1%
Sponsorships/Community	971,500	980,500	(9,000)	-1%
Chemicals	4,015,568	4,076,998	(61,430)	-2%
Supplies/Equipment Rental	5,508,962	5,650,690	(141,728)	-3%
Postage/Printing	738,600	889,075	(150,475)	-17%
Insurance/Claims	1,567,914	1,891,851	(323,937)	-17%
Professional Services	3,176,102	3,695,800	(519,698)	-14%
Electric Power	8,943,690	9,898,830	(955,140)	-10%
Total	\$ 46,732,236	\$ 46,074,717	\$ 657,518	1%
	\$ -	\$ -	\$ -	

A
 B
 C
 D

Notes:

A - The increase in budget noted here is due to several factors. Primarily, service costs have increased due to price increases across nearly all departments. Scale and scope of services required has not changed significantly.

B - The increase in hardware and software costs are due to multiple softwares used across the company increasing in price plus the addition of a backflow compliance tracking system. The backflow compliance system is in progress and may end up less than the estimated budget amount.

C - This category is increased due to higher cell phone charges following TMWA's roll out of company-owned mobile devices. This was done to mitigate cybersecurity risks and was required to maintain cybersecurity insurance coverage.

D - Street repair costs are trending higher in FY 2025 and will end up higher than budget. More leaks coupled with higher asphalt patching costs have driven these expenses higher.

Truckee Meadows Water Authority				FY	FY	FY	FY	FY	Five Year
Five Year Capital Improvement Plan				2026	2027	2028	2029	2030	CIP Total
Fiscal Year 2026-2030									
Line	Priority	Funding Source	TMWA 5 Year Draft Capital Plan Summary						
1			Raw Water Supply Improvements						
2	3	Customer Rates	Highland Canal-Upgrades-Downstream	-	225	225	225	-	675
3	1	Customer Rates	Highland Canal Risk and Capacity Analysis	800	500	1,500	1,500	2,500	6,800
4	1	Customer Rates	Highland Siphon Replacement	800	200	1,000	4,000	-	6,000
5	1	Customer Rates	UPRR Highland Land Purchase	500	-	-	-	-	500
6	2	Customer Rates	Donner Lake Dam Generator	100	-	-	-	-	100
7	1	Customer Rates	Highland/Washoe Intake Access Bridge	1,500	1,500	1,500	-	-	4,500
8	2	Customer Rates	Highland Canal Upgrades- CB Gate to McCarran	-	-	-	-	600	600
9	1	Developer Fees / Sustainability Fees / Grants/ Reimbursements	Advanced Purified Water Facility at American Flat	30,000	110,000	80,000	15,000	-	235,000
10	2	Customer Rates	Washoe Lake System Improvements	100	-	-	-	-	100
11	1	Customer Rates	Independence Lake Communication Improvements	100	-	-	-	-	100
12			Total Raw Water	33,900	112,425	84,225	20,725	3,100	254,375
13			Ground Water Supply Improvements						
14	1	Customer Rates	Well Rehabilitation Improvements	200	200	200	200	200	1,000
15	2	Customer Rates	Air Guard Well Replacement Equipping	-	-	-	-	2,000	2,000
16	2	Customer Rates	Lemmon Valley Well 6 and 7 Abandonment	200	-	-	-	-	200
17	2	Customer Rates	Lemmon Valley Well 8 Replacement	-	800	-	2,500	-	3,300
18	1	Customer Rates	Well Fix and Finish	350	350	350	350	350	1,750
19	1	Customer Rates	Brush Well Replacement	200	-	-	-	-	200
20	1	Customer Rates	Spring Creek 8 Well Equipping	500	2,000	1,500	-	-	4,000
21	1	Customer Rates / Sustainability Fees	Well Head TTHM Mitigation	300	300	300	-	-	900
22	1	Developer Fees	Spring Creek Well 10 - Donovan	500	1,500	500	-	-	2,500
23	2	Customer	Fish Springs Ranch Geophysics/Drilling Project	200	-	-	-	-	200
24	1	Customer Rates	STMGID Well 1 Re-Drill and Equipping	700	1,200	-	-	-	1,900
25	1	Customer Rates	STMGID Well 5 Re-Drill and Equipping	700	1,500	-	-	-	2,200
26	3	Customer Rates	Boomtown 13 Well	2,000	-	-	-	-	2,000
27	2	Developer Fees	Boomtown Water System Improvements	1,500	-	-	-	-	1,500
28	1	Customer Rates	Lightning W 2 Re-drill and Equipping	-	-	800	-	3,000	3,800
29	2	Customer Rates	South Truckee Meadows Recharge Valve	250	-	-	-	-	250
30	3	Customer Rates	STMGID 6 Well Re-drill	-	1,500	-	-	-	1,500
31	2	Customer Rates	Stampmill 3 Well	-	-	1,000	-	-	1,000
32	2	Customer Rates	Well Site Fencing	300	-	-	-	-	300
33	2	Customer Rates	DWR Well House HVAC Upgrades	300	300	300	300	300	1,500
34	1	Customer Rates	Mt. Rose 6 Well HVAC Upgrade	200	-	-	-	-	200
35	1	Customer Rates	Mt. Rose 5 Well Generator	200	-	-	-	-	200
36	2	Customer Rates	Lakeside Master BPS & Plumas Consolidation Project	500	-	1,000	4,500	4,000	10,000
37	1	Customer Rates	Old Washoe Well 4 Rebuild	250	500	-	-	-	750
38	1	Customer Rates	Sunrise Estates Well 4 Drilling	1,200	-	-	-	-	1,200
39	1	Customer Rates	Sunrise Estates Well 4 Equipping	-	150	-	-	-	150
40	1	Customer Rates	Downhole Control Valve Boomtown 12	300	-	-	-	-	300
41	1	Grants	Stampmill Wells PFAS Treatment	1,250	1,500	1,000	-	-	3,750
42	1	Customer Rates	PFAS Treatment Pilot	100	-	-	-	-	100
43			Total Ground Water	12,200	11,800	6,950	7,850	9,850	48,650
44			Treatment Plant Improvements						
45	1	Customer Rates	Chalk Bluff Treatment Plant Improvements	350	525	425	425	740	2,465
46	3	Customer Rates	Chalk Bluff Sedimentation Rehabilitation	-	800	-	-	-	800
47	1	Customer Rates	Chalk Bluff Clearwell 2 Rehabilitation	500	-	-	-	-	500
48	2	Customer Rates	Chalk Bluff HVAC Improvements	1,000	-	-	-	4,000	5,000
49	1	Customer Rates	Chalk Bluff 25K Power Reliability and Safety Improvements	1,000	-	-	-	-	1,000
50	2	Customer Rates	Chalk Bluff Soda Ash Reliability Upgrade	-	350	-	-	-	350
51	1	Customer Rates	Glendale Treatment Plant Improvements	325	405	360	455	485	2,030
52	1	Customer Rates	Glendale HVAC Improvements	1,500	-	-	-	-	1,500
53	2	Customer Rates	Mt Rose Treatment Plant Efficiency Improvements	-	100	1,000	-	-	1,100
54	2	Customer Rates	Glendale Filter Underdrains	250	500	1,750	1,500	-	4,000
55	1	Customer Rates	Orr Ditch Pump Station Rehabilitation and Hydro Facility	1,500	-	-	-	-	1,500
56	3	Customer Rates	Truckee Canyon Water Treatment Improvements	10	10	20	60	-	100
57	3	Customer Rates	Lightning W Treatment Improvements	10	10	10	165	-	195
58	1	Customer Rates	SCADA Rehabilitation / Plant Operating Software	1,000	750	750	750	-	3,250
59	1	Customer Rates	Spanish Springs Nitrate Treatment Facility	200	-	-	-	-	200
60	1	Customer Rates	Chalk Bluff Effluent Reservoir Outlet Repairs	1,700	-	-	-	-	1,700
61	1	Customer Rates	Chalk Bluff Screening Facility Rehabilitation and Upgrades	1,000	-	-	-	-	1,000
62	1	Customer Rates	Chalk Bluff Clearwells Roofing Rehabilitation	1,000	-	-	-	-	1,000
63	2	Customer Rates	Chalk Bluff Site Water Recovery Project	750	-	-	-	-	750
64	2	Customer Rates	CB Lighting and Camera Project Phase 2 (East)	-	-	650	-	-	650
65			Total Treatment Plant Improvements	12,095	3,450	4,965	3,355	5,225	29,090
66			Pressure Improvements						
67	1	Customer Rates	Pressure Regulators Rehabilitation	2,200	1,000	750	750	750	5,450
68	1	Customer Rates	Land Acquisitions	400	400	150	150	150	1,250
69	3	Customer Rates	Desert Fox BPS Standby Generator	-	150	-	-	-	150
70	2	Developer Fees	Anselmo BPS & Mains	-	-	-	-	1,000	1,000
71	3	Customer Rates	Pump Station Oversizing	250	250	250	250	250	1,250

Line	Priority	Funding Source	TMWA 5 Year Draft Capital Plan Summary	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Five Year CIP Total
72	1	Customer Rates	Pump Station Rebuilds, Rehabilitations	1,400	1,500	1,500	1,500	1,500	7,400
73	2	Developer Fees	Sullivan 2 Booster Pump Station Replacement	-	250	2,750	-	-	3,000
74	1	Customer Rates	PSOM Standby Generator Additions	1,600	1,200	1,000	1,000	1,000	5,800
75	2	Customer Rates	Idlewild Booster Pump Station Relocation	-	-	400	1,200	1,800	3,400
76	3	Developer Fees	Raleigh to Fish Springs Booster Pump Station	-	-	300	2,750	-	3,050
77	2	Developer Fees	STMGID Tank 4/5 Booster Pump Station / Transmission Line	-	250	100	5,000	-	5,350
78	1	Developer Fees	Wildwood 2 Pressure Regulating Station SCADA Control	100	-	-	-	-	100
79	3	Customer Rates	Sierra Summit-Kohl's Zone Consolidation	-	400	400	-	-	800
80	3	Customer Rates	Wild Mustang Regulated Pressure Zone	-	50	400	-	-	450
81	2	Customer Rates	Thomas Creek 4 Pressure Regulating Station	300	-	-	-	-	300
82	2	Customer Rates	Kings Row 2 Booster Pump Station	-	200	500	2,300	-	3,000
83	1	Developer Fees	Spring Creek Tanks 3 and 4 Booster Pump Station Modifications	300	1,200	-	-	-	1,500
84	1	Developer Fees	Lazy 5 Low Head Pump Station and Mains	4,000	250	-	-	-	4,250
85	1	Customer Rates	Broken Hills Booster Pump Station (South Hills BPS Replacement)	500	2,500	2,500	-	-	5,500
86	2	Developer Fees	Damonte Ranch BPS & Mains	-	-	-	600	5,500	6,100
87	2	Customer Rates	Sierra Highlands Pressure Regulating Station	250	-	-	-	-	250
88	2	Customer Rates	STMGID NAC Deficiencies - Upper Toll	-	600	2,500	-	-	3,100
89	1	Reimbursements	Verdi 1 Booster Pump Station	700	-	-	-	-	700
90	1	Reimbursements	Santerra Quilici 2 Booster Pump Station	200	3,000	-	-	-	3,200
91	2	Reimbursements	Silver Hills Booster Pump Station	-	3,000	-	-	-	3,000
92	1	Reimbursements	Desert Ridge Booster Pump Station (Ascente)	1,500	-	-	-	-	1,500
93	1	Developer Fees/Reimbursements	Talus Valley Booster Pump Station	3,700	-	-	-	-	3,700
94	2	Customer Rates	Tappan 2 Pressure Regulating Station	300	-	-	-	-	300
95	1	Customer Rates	Caughlin Train A Improvements	300	-	-	-	-	300
96	1	Customer Rates	Idlewild Irrigation Pump Station Improvements and Repair	300	-	-	-	-	300
97	2	Customer Rates	Fish Springs BPS HVAC Upgrades	-	80	1,000	2,000	-	3,080
98	2	Customer Rates	Desert Springs 2 BPS	-	750	2,250	2,000	-	5,000
99	1	Customer Rates	Generator Manual Transfer Switch Improvements	150	300	150	150	150	900
100	1	Customer Rates	Prater MOV Relocation/Rehab Project	400	1,000	-	-	-	1,400
101	1	Customer Rates	NW High School BPS HVAC and Starters	200	-	-	-	-	200
102	2	Customer Rates	NW High School BPS Replacement	-	1,000	1,500	-	-	2,500
103	2	Customer Rates	Saddlehorn 2 PRS SCADA Control	-	120	-	-	-	120
104	2	Customer Rates	Stead To Raleigh BPS	-	-	-	-	500	500
105			Total Pressure Improvements	19,050	19,450	18,400	19,650	12,600	89,150
106			Water Main-Distribution-Service Line Improvements						
107	1	Customer Rates	Street and Highway Main Replacements	1,500	2,000	5,000	5,000	5,000	18,500
108	2	Customer Rates	Goldeneye Parkway Main and Check Valve Tie	150	-	-	-	-	150
109	1	Customer Rates	Kate Smith Water Main Replacement Phase 2	1,000	-	-	-	-	1,000
110	2	Customer Rates	Rivermount Main Replacements Phase 1 and 2	1,170	2,730	-	-	-	3,900
111	1	Customer Rates	S. Virginia St Main Replacement (Moana To Peppermill)	2,000	-	-	-	-	2,000
112	2	Developer Fees	North-East Sparks Tank Feeder Main Relocation	975	-	-	-	-	975
113	2	Developer Fees	North-East Sparks Transmission Mains Ph 6	-	-	-	-	600	600
114	2	Developer Fees	Trademark 14" Main Tie	-	-	-	-	505	505
115	1	Customer Rates	Mount Rose Tank 1 Fire Flow Improvements	400	570	-	-	-	970
116	2	Developer Fees	Stead Golf Course Main Replacement	-	400	3,800	-	-	4,200
117	2	Developer Fees	North-East Sparks Feeder Main Phase 8	50	2,550	-	-	-	2,600
118	2	Developer Fees	Sullivan 1 Main Tie and Pressure Regulating Station	-	100	650	-	-	750
119	1	Customer Rates	Montreux High Pressure ACP Replacement	100	250	1,850	-	-	2,200
120	2	Customer Rates	2nd Galena Creek Main Crossing	40	560	-	-	-	600
121	2	Customer Rates	Off-River Supply Improvements - South Truckee Meadows	-	50	1,050	-	-	1,100
122	1	Customer Rates	Highland NVS Bypass	100	500	500	-	-	1,100
123	2	Customer Rates	Somersett 6 Main Tie and Pressure Regulating Station	-	-	-	400	-	400
124	2	Customer Rates	2025 Fire Flow Improvements - Gravity <1,000 GPM	-	550	-	-	-	550
125	2	Customer Rates	2025 Fire Flow Improvements - North Valleys <1,000 GPM	-	950	-	-	-	950
126	2	Developer Fees	Deluchi to Airway Main Tie	-	-	-	-	520	520
127	2	Developer Fees	South-East Sparks Feeder Main Phase 1	-	-	-	-	400	400
128	2	Customer Rates	Plumas from Urban to Moana	-	-	450	3,200	-	3,650
129	2	Developer Fees	South-East Sparks Feeder Main Phase 2	-	-	-	-	1,000	1,000
130	1	Customer Rates/Developer Fees	Beaumont Tank to Las Brisas Zone Main	-	1,000	-	-	-	1,000
131	3	Developer Fees	Goldeneye Parkway Main Tie and Check Valve	150	-	-	-	-	150
132	1	Customer Rates	West 4th Street Main Replacement (Stoker to Keystone)	1,600	-	-	-	-	1,600
133	2	Customer Rates	West 4th Street Main Replacement (Keystone to Vine)	420	-	-	-	-	420
134	2	Customer Rates	Mountain View Cemetery Fire and Service Relocation	-	-	-	1,200	-	1,200
135	1	Customer Rates	Pyramid Way Main Replacement	2,500	-	-	-	-	2,500
136	2	Customer Rates	Prater Way Main Replacement	200	2,000	-	-	-	2,200
137	1	Customer Rates	Lemmon Drive 24" Offset/Relocation	200	1,500	-	-	-	1,700
138	2	Customer Rates	Keystone Main Replacement	150	1,040	-	-	-	1,190
139	2	Customer Rates	6th St Main Replacement	150	720	-	-	-	870
140	2	Customer Rates	Surge and Turbine Main Replacement	-	150	1,550	-	-	1,700
141	1	Customer Rates	Sierra Street Bridge Main Replacement	-	500	-	-	-	500
142			Total Water Main-Distribution-Service Line Improvements	12,855	18,120	14,850	9,800	8,025	63,650
143			Potable Water Storage Improvements						
144	1	Customer Rates	Sun Valley 2 Tank, BPS, & Mains	600	4,100	5,000	2,600	-	12,300
145	1	Customer Rates	Storage Tank Rehabilitation and Improvements	500	5,000	5,000	5,000	5,000	20,500
146	1	Customer Rates	Storage Tank Site Improvements	700	600	600	600	600	3,100
147	2	Developer Fees	Highland Reservoir Tank	-	700	1,300	5,000	-	7,000

Line	Priority	Funding Source	TMWA 5 Year Draft Capital Plan Summary	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Five Year CIP Total
148	2	Customer Rates / Developer Fees	STMGID Tank East Zone 11 Tank	-	-	175	2,900	-	3,075
149	1	Customer Rates / Reimbursements / Developer Fees	US 40 Tank and Feeder Main	3,550	3,550	-	-	-	7,100
150	3	Customer Rates / Developer Fees	Spanish Springs Altitude Valves (SC6 and DS3)	-	-	100	400	-	500
151	1	Customer Rates	Spring Creek 5B Tank (0.25 MG)	-	-	-	625	-	625
152	3	Customer Rates	Hidden Valley Tank Altitude Valve	-	350	-	-	-	350
153	1	Customer Rates	Hidden Valley Tank 4 Fire Flow Improvements	1,500	-	-	-	-	1,500
154	1	Customer Rates	Hunter Creek Reservoir Rehabilitation	-	100	3,000	1,500	-	4,600
155	1	Customer Rates	Terminal Tank CO2 Delivery Road Improvements	400	-	-	-	-	400
156	2	Customer Rates	STMGID 6 New Tank	-	-	400	-	-	400
157	1	Customer Rates	Rattle Snake Tank Replacement	-	500	3,000	-	3,000	6,500
158	2	Customer Rates	Pyramid Tank Cathodic Protection Investigation	15	-	100	-	-	115
159	2	Customer Rates	Hunter Creek Fencing - Phase 2	-	-	450	-	-	450
160	2	Customer Rates	Highland Fencing - Phase 2	-	-	500	-	-	500
161	1	Customer Rates	Mt. Rose 4 Fire Restoration	400	-	-	-	-	400
162			Total Potable Water Storage Improvements	7,665	14,900	19,625	18,625	8,600	69,415
163			Hydroelectric Improvements						
164	1	Hydroelectric	Flume Rehabilitation changes to Fleish Intake Improvements	800	200	-	-	-	1,000
165	1	Hydroelectric	Fleish Flume Improvements (Boxes 1-65 & 143-175)	1,000	1,500	-	-	-	2,500
166	2	Hydroelectric	Fleish Plant Improvements changes to Fleish Forebay & Flume (Boxes 343-434)	1,500	3,500	-	-	-	5,000
167	2	Hydroelectric	Fleish Powerhouse Improvements	500	-	-	-	-	500
168	2	Hydroelectric	Fleish Generator Rewind	650	-	-	-	-	650
169	2	Hydroelectric	Verdi Sandgate Improvements	500	-	-	-	-	500
170	2	Hydroelectric	Verdi Bypass Valve Improvements changes to Verdi Powerhouse Improvements	850	-	-	-	-	850
171	2	Hydroelectric	Verdi Conveyance Improvements	50	500	-	-	-	550
172	2	Hydroelectric	Washoe Plant Improvements to Washoe Hydroturbine Facility Reconstruction	600	2,000	5,000	5,000	2,000	14,600
173			Total Hydroelectric Improvements	6,450	7,700	5,000	5,000	2,000	26,150
174			Customer Service Outlays						
175	1	Developer Fees	New Business Meters	100	100	100	100	100	500
176	3	Customer Rates	Mueller Pit Replacements former Washoe County	125	125	125	125	125	625
177	1	Customer Rates	Galvanized / Poly Service Line Replacements	250	250	250	250	250	1,250
178	1	Customer Rates	Automated Meter Infrastructure (AMI)	2,650	-	-	-	-	2,650
179			Total Customer Service Outlays	3,125	475	475	475	475	5,025
180			Administrative Outlays						
181	1	Customer Rates	GIS / GPS System Mapping Equipment	20	20	20	20	-	80
182	1	Customer Rates	IT Server Hardware and Equipment	20	20	-	-	-	40
183	1	Customer Rates	IT Network Security Upgrades	10	10	-	-	-	20
184	1	Customer Rates	IT Physical Access Security Upgrades	10	10	-	-	-	20
185	1	Customer Rates	IT Firewall Infrastructure Enhancements	110	-	-	-	-	110
186	1	Customer Rates	Printer / Scanner Replacement	10	10	-	-	-	20
187	1	Customer Rates	Crew Trucks / Vehicles	2,000	1,500	1,500	1,500	2,000	8,500
188	1	Customer Rates	Replacement HCM System	700	700	-	-	-	1,400
189	2	Customer Rates	Replacement ERP System	500	500	-	-	-	1,000
190	2	Customer Rates	Corporate Office Parking Rehabilitation	230	-	500	-	-	730
191	2	Customer Rates	Radio Redundancy Purchase	250	250	250	250	250	1,250
192	2	Customer Rates	Mobile Pro Security Camera Trailers	65	65	-	-	-	130
193	2	Customer Rates	Security Surveillance Storage Resiliency Purchase	150	-	-	-	-	150
194	1	Customer Rates/Grants	Mobile Generator Purchase	1,550	-	-	-	-	1,550
195	2	Customer Rates	Capital Fleet Mechanics Shop	100	-	-	-	-	100
196	1	Customer Rates	Financial Building Retrofit	2,500	2,100	1,000	-	-	5,600
197	1	Customer Rates	Lab Equipment	265	-	-	-	-	265
198	1	Customer Rates	Glendale Office Expansion	3,500	1,000	-	-	-	4,500
199	2	Customer Rates	Physical Site Security Fencing Improvements	350	350	350	350	350	1,750
200			Total Administrative Outlays	12,340	6,535	3,620	2,120	2,600	27,215
201			Total Capital Spending Outlays	119,680	194,855	158,110	87,600	52,475	612,720
202			Special Projects Funded by Development						
203	3	Developer Fees	Water Right Purchases	2,500	2,500	2,500	2,500	2,500	12,500
204			Total Special Projects Funded by Development	2,500	2,500	2,500	2,500	2,500	12,500
205			Total Projected Capital Spending Including Projects Funded By Development	122,180	197,355	160,610	90,100	54,975	625,220
				FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Five Year CIP Total
			Customer Rates	63,843	59,732	68,944	54,130	40,850	287,499
			Hydroelectric	6,450	7,700	5,000	5,000	2,000	26,150
			Developer Fees	13,138	32,363	21,836	19,030	12,125	98,492
			Reimbursements	11,195	85,350	56,000	10,500	-	163,045
			Sustainability	682	10,710	7,830	1,440	-	20,662
			Grants	26,872	1,500	1,000	-	-	29,372
			Total	122,180	197,355	160,610	90,100	54,975	625,220

TMWA Fiscal Year 2026 (Tentative) Budget

FY 26 Operating Budget and FY 26-30 CIP

*Presentation by Truckee Meadows Water Authority
March 19, 2025*

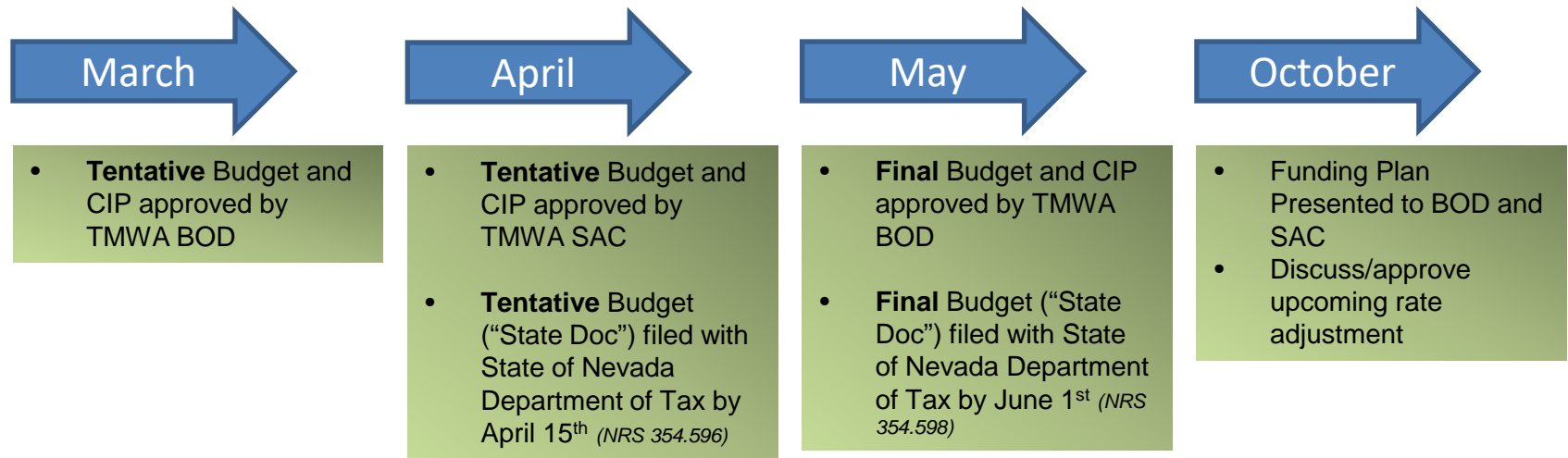


**Truckee Meadows
Water Authority**

Truckee Meadows Water Authority (TMWA)

FY 2026 (Tentative) Budget *(amounts in millions)*

Fiscal Planning Timeline



Truckee Meadows Water Authority (TMWA)

FY 2026 (Tentative) Operating Budget *(amounts in millions)*

Summary – Year over Year Budgets

	FY 2026	FY 2025	Change \$	Change %
Operating Revenue	135.1	130.3	4.8	3.7%
Operating Expense	137.5	132.6	4.9	3.7%
Operating Income	(2.4)	(2.3)	(0.1)	4.3%
Nonoperating Revenues (Expenses)	(5.5)	(5.2)	(0.3)	5.8%
Capital Contributions	65.4	46.0	19.4	42.2%
Change in Net Position	57.5	38.5	19.0	49.4%
Net Change in Cash	(8.3)	(25.1)	16.8	-66.9%

- Change in Operating Income year over year is consistent with prior year due to stabilizing inflation, cost reductions and increased revenue.
- Net change in cash more favorable due to more cash from operations, grant proceeds and capital contributions related to the APW facility at American Flat.

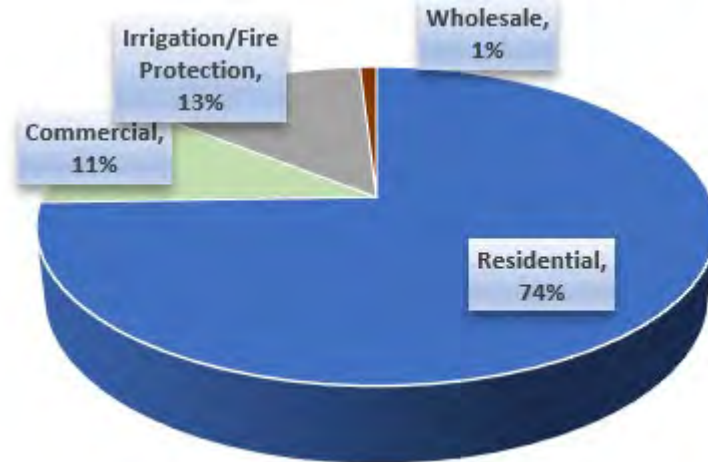
Truckee Meadows Water Authority (TMWA)

FY 2026 (Tentative) Operating Budget *(amounts in millions)*

Operating Revenue

	FY 2026	FY 2025	Change \$	Change %
Charges for Water Sales	127.5	123.7	3.8	3.1%
Hydroelectric Sales	3.0	2.9	0.1	3.4%
Other Operating Sales	4.6	3.6	1.0	27.8%
Total Operating Revenue	135.1	130.2	4.9	3.8%

- Water sales model assumptions
 - Rate increases of 4.5% in May 2024 and 4.0% in May 2025
 - Average weather year with all history/data available
 - Growth of ~1.2%



Truckee Meadows Water Authority (TMWA)

FY 2026 (Tentative) Operating Budget *(amounts in millions)*

Operating Expenses

	FY 2026	FY 2025	Change \$	Change %
Salaries and Wages	37.4	35.1	2.3	6.6%
Employee Benefits	17.6	15.8	1.8	11.4%
Services and Supplies	46.7	46.1	0.6	1.3%
Operating Expenses Before Depreciation	101.7	97.0	4.7	4.8%
Depreciation	35.8	35.5	0.3	0.8%
Total Operating Expenses	137.5	132.5	5.0	3.8%

- Headcount additions include 14 employees (5% increase)
 - 7 employees added among the Technology, Security and HR departments
 - 7 employees added among the Engineering and Distribution departments
 - 6 additions have been postponed
- Employee benefits include a 10% increase in PERS expense.
 - \$1.2m impact
- TMWA staff scrutinized budgets to identify savings, prevent increases. Identified savings ~\$500k.

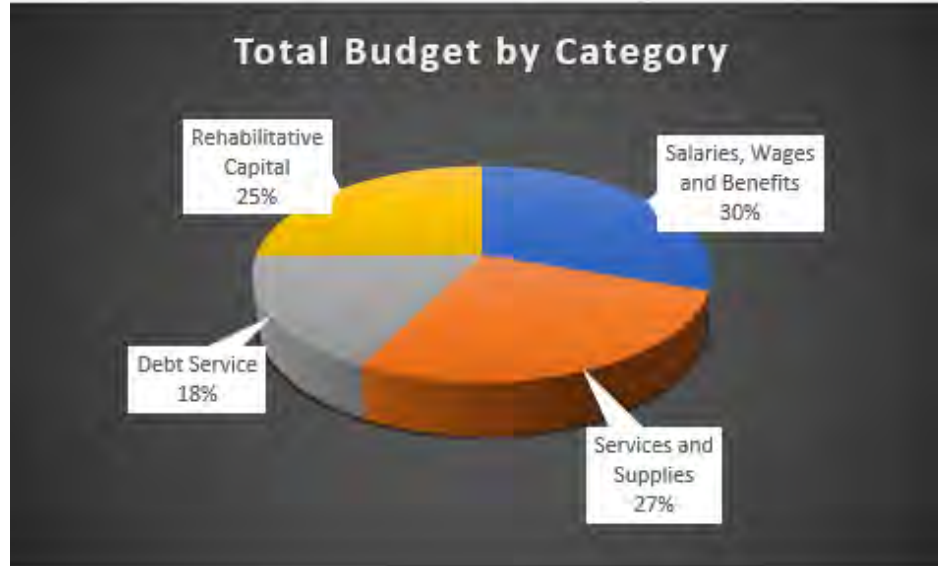
Truckee Meadows Water Authority (TMWA)

FY 2026 (Tentative) Operating Budget *(amounts in millions)*

Nonoperating Revenues and Expenses

	FY 2026	FY 2025	Change \$	Change %
Investment Earnings	5.0	5.0	-	0.0%
Loss on Disposal of Assets	(1.5)	(1.4)	(0.1)	7.1%
Interest Expense	(8.9)	(8.9)	-	0.0%
Nonoperating Expenses	(5.4)	(5.3)	(0.1)	1.9%

Budget Breakdown



Category	Amount	Percent
Salaries, Wages and Benefits	50.9	30%
Services and Supplies	45.6	27%
Debt Service	29.3	17%
Rehabilitative Capital	42.4	25%
Total	168.2	100%

Truckee Meadows Water Authority (TMWA)

FY 2026 (Tentative) Operating Budget *(amounts in millions)*

Capital Contributions

	FY 2026	FY 2025	Change \$	Change %
Grants	12.1	3.1	9.0	290.3%
Water Resource Sustainability Program	0.6	1.0	(0.4)	-40.0%
Developer Infrastructure Contributions	13.0	14.8	(1.8)	-12.2%
Developer Will-serve Contributions	3.4	5.2	(1.8)	-34.6%
Developer Facility Charges	15.1	16.1	(1.0)	-6.2%
Contributions from Other Governments	21.1	5.7	15.4	270.2%
Total Capital Contributions	65.3	45.9	19.4	42.3%



Includes TMWA's share of...

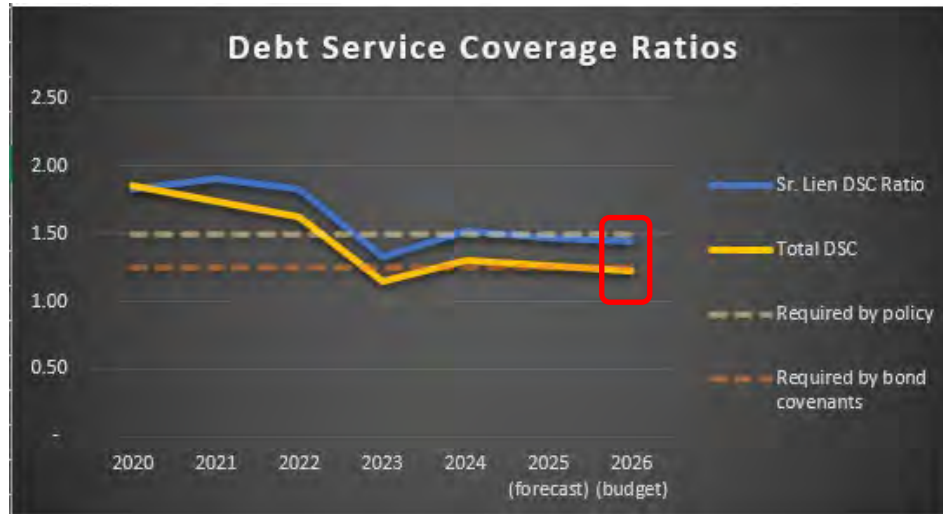
- BOR Title XVI grant for \$9.0m
- EPA Community Grant for \$0.9m
- SRF Principal Forgiveness – PFAS for \$2.0m

Includes contribution from City of Reno for 70% of construction costs for APW Facility at American Flat expected during FY 26.

Truckee Meadows Water Authority (TMWA)

FY 2026 (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

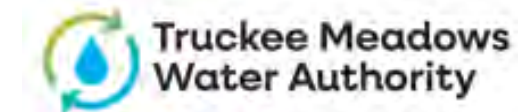
Senior Lien DSC Ratio FY 2026

Budget = 1.45x

- Consistent with recent funding plan projections
- Risks
 - Price increases (general inflation, tariffs)
 - Lower than budgeted water sales
- Upside
 - Higher than budgeted water sales

Bond Rating			Rating Category
FITCH	MOODY'S	S&P	
AAA	Aaa	AAA	PRIME
AA+	Aa1	AA+	HIGH GRADE
AA	Aa2	AA	
AA-	Aa3	AA-	UPPER MEDIUM GRADE
A+	A1	A+	
A	A2	A	
A-	A3	B	LOWER MEDIUM GRADE
B +/-	Baa 1 2 3	BBB +/-	

Bond ratings are expressed as letters ranging from "AAA" or "Aaa" which is the highest grade, to "D" ("junk"), which is the lowest grade. Different rating services use the same letter grades but use various combinations of uppercase and lowercase letters to differentiate themselves.

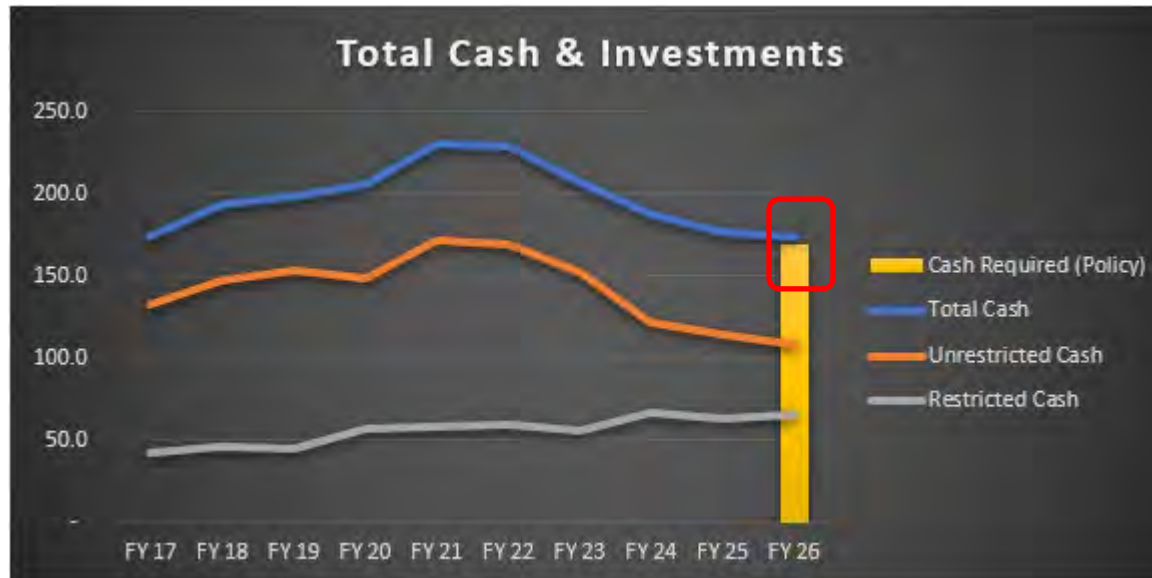


Truckee Meadows Water Authority (TMWA)

FY 2026 (Tentative) Operating Budget *(amounts in millions)*

Cash Flows

	FY 2026	FY 2025	Change \$	Change %
Cash Flow from Operations	37.2	33.3	3.9	11.7%
Cash Flow from Capital and Financing	(50.5)	(63.5)	13.0	-20.5%
Cash Flow from Investing	5.0	5.1	(0.1)	-2.0%
Net Change in Cash	(8.3)	(25.1)	16.8	-66.9%



Cash balance at FYE 2026 projected to be \$174.0m; total cash required by policy* is \$169.6m

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

Truckee Meadows Water Authority (TMWA)

Capital Improvement Plan FY 2026 – 2030 (tentative) *(amounts in millions)*

Summary of Funding Sources	2026	2027	2028	2029	2030	CIP		Change Change			
						Total	CIP %	PY CIP	CIP %	\$	%
Customer Rates	63.8	59.7	68.9	54.1	40.9	287.5	46%	303.4	48%	(15.85)	-5%
Hydroelectric	6.5	7.7	5.0	5.0	2.0	26.2	4%	24.7	4%	1.42	6%
Developer Fees	13.1	32.4	21.8	19.0	12.1	98.5	16%	103.9	16%	(5.44)	-5%
Reimbursements	11.2	85.4	56.0	10.5	-	163.0	26%	167.3	26%	(4.26)	-3%
Sustainability	0.7	10.7	7.8	1.4	-	20.7	3%	21.0	3%	(0.30)	-1%
Grants	26.9	1.5	1.0	-	-	29.4	5%	12.1	2%	17.31	144%
Total	122.2	197.4	160.6	90.1	55.0	625.2	100%	632.3	100%	(7.12)	-1%

Customer Rates

Tank Rehabilitation and Improvements - \$20.5m
Sun Valley 2 Tank, BPS, & Mains - \$12.3m
Treatment Plant Rehabilitations - \$12.1m
Lakeside Master BPS & Plumas Consolidation Project - \$10m
Pump Station Rebuilds, Rehabilitations - \$7.4m

Reimbursements

APWF at American Flat - \$147.4m, \$235m total*
Santerra Quilici 2 Booster Pump Station \$3.2m
Silver Hills Booster Pump Station - \$3m
Talus Valley Booster Pump Station - \$2.5m
US 40 Tank and Feeder Main - \$2.4m

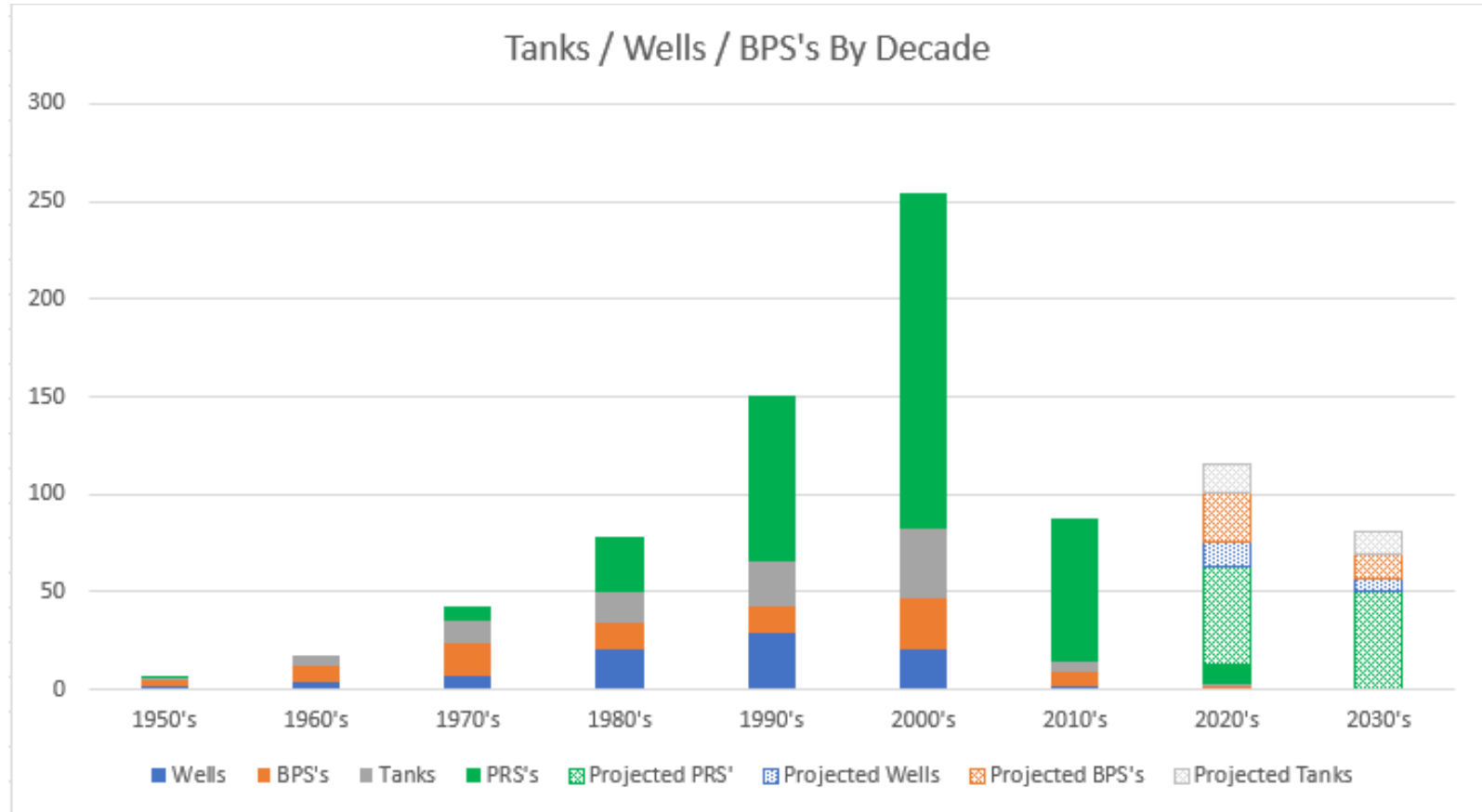
Developer Fees

Water Right Purchases - \$12.5m
Damonte Ranch BPS & Mains - \$6.1m
STMGID Tank 4/5 Booster Pump Station / Transmission Line - \$5.4m
Lazy 5 Low Head Pump Station and Mains - \$4.3m
Raleigh to Fish Springs Booster Pump Station - \$3.1m

**Project is funded through an ILA with City of Reno. TMWA's portion is 30% - of that, 63% is Reimbursements, 18% is Developer Fee Funded, 10% is Grant Funded and 9% is Sustainability.*

Truckee Meadows Water Authority (TMWA)



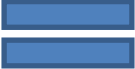



Capital Improvement Plan FY 2026 – 2030 (tentative) *(amounts in millions)*



Truckee Meadows Water Authority (TMWA)

FY 2026 (Tentative) Budget *(amounts in millions)*

Summary/Take-aways

- Water Sales 
 - 1.2% increased services
 - 4.0% rate increase
- Operating Expenses 
 - Increase to employee headcount
 - Step increases
- Nonoperating Expenses 
- Capital Contributions 
 - Higher grant revenue and contributions related to American Flat APW
 - Offset by slightly lower connection fee revenue
- Net Change in Cash 
 - Higher grant proceeds and lower net capital spend
- 5 Year Capital Spending 
 - Project prioritization

Thank you!
Questions?