



## TRUCKEE MEADOWS WATER AUTHORITY AGENDA

Wednesday, August 20, 2025 at 10:00 a.m.

**Sparks Council Chambers, 745 4<sup>th</sup> Street, Sparks, NV**  
**MEETING VIA TELECONFERENCE & IN-PERSON**

MEMBERS OF THE PUBLIC MAY ATTEND VIA THE WEB LINK, OR  
TELEPHONICALLY BY CALLING THE NUMBER, LISTED BELOW.

**(be sure to keep your phones or microphones on mute, and do not place the call on hold)**

**Please click the link below to join the webinar:**

[https://tmwa.zoom.us/j/89110512999?pwd=9d\\_RtYZbslqIdTYlbUf\\_eHiyLK2VIw.GjiPvgdr9D35cFrr](https://tmwa.zoom.us/j/89110512999?pwd=9d_RtYZbslqIdTYlbUf_eHiyLK2VIw.GjiPvgdr9D35cFrr)

**Passcode: 771487**

**Or call:**

**Phone: (888) 788-0099**

**Webinar ID: 891 1051 2999**

### **Board Members**

Chair Clara Andriola – Washoe County

Vice Chair Paul Anderson – City of Sparks

Naomi Duerr – City of Reno

Alexis Hill – Washoe County

Miguel Martinez – City of Reno

Kathleen Taylor – City of Reno

Dian VanderWell – City of Sparks

### **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. TMWA meetings are streamed online at <https://www.youtube.com/@tmwaboardmeetings6598>.
3. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call (775) 834-8002 at least 24 hours before the meeting date.
4. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at <http://www.tmwa.com/meeting/>. Supporting material is made available to the general public in accordance with NRS 241.020(6).
5. The Board may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
6. Asterisks (\*) denote non-action items.
7. Public comment during the meeting is limited to three minutes and is allowed during the two public comment periods. In addition to the public comment periods, the Chair has the discretion to allow public comment on any individual agenda item, including any item on which action is to be taken, and each action item. 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.
8. Written public comment may be provided by submitting written comments online on TMWA's Public Comment Form ([tmwa.com/PublicComment](http://tmwa.com/PublicComment)) or by email sent to [boardclerk@tmwa.com](mailto:boardclerk@tmwa.com) prior to the Board opening the public comment period during the meeting. In addition, public comments may be provided by leaving a voicemail at (775)834-0255 prior to 4:00 p.m. the day before the scheduled meeting. Voicemail messages received will be noted during the meeting and summarized for entry into the record.
9. In the event the Chair and Vice-Chair are absent, the remaining Board 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**).
10. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.
11. The Board may attend and participate in the meeting by means of remote technology system. Members of the public wishing to attend and/or participate by providing public comment may do so either in person at the physical location of the meeting listed above or virtually. To attend this meeting virtually, please log into the meeting using the link and/or phone number noted above. To request to speak, please use the "raise hand" feature or, if on the phone, press \*9 to "raise your hand" and \*6 to unmute/mute your microphone.

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

1. Roll call\*
2. Pledge of Allegiance\*
3. Public comment — limited to no more than three minutes per speaker\*
4. Possible Board comments or acknowledgements\*
5. Approval of the agenda **(For Possible Action)**
6. Approval of the minutes of the June 18, 2025 meeting of the TMWA Board of Directors **(For Possible Action)**
7. Update regarding TMWA’s hydroelectric facilities and operations — Ryan Dixon and Jason Barnes\* **(10min)**
8. Discussion and possible action on Board authorization for TMWA to enter into a power purchase agreement with Switched On, LLC for the sale of hydroelectric power commencing in May 2028 — Matt Bowman and Ryan Dixon **(For Possible Action) (10min)**
9. Presentation of General Manager goal results for contract year 2024-2025 — John Zimmerman\* **(10min)**
10. Discussion and possible direction from Board regarding the evaluation process for conducting the General Manager’s performance evaluation — Jessica Atkinson and Justina Caviglia **(For Possible Action) (10min)**
11. General Manager’s Report — John Zimmerman\* **(5min)**
12. Public comment — limited to no more than three minutes per speaker\*
13. Board comments and requests for future agenda items\*
14. Adjournment\*

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TRUCKEE MEADOWS WATER AUTHORITY  
**DRAFT** MINUTES OF THE JUNE 18, 2025  
MEETING OF THE BOARD OF DIRECTORS

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The Board of Directors met on Wednesday, June 18, 2025 at Sparks Council Chambers. Chair Duerr called the meeting to order at 10:00 a.m.

1. ROLL CALL

**Directors Present:** Paul Anderson, Clara Andriola, Naomi Duerr, Alexis Hill, Miguel Martinez, Kathleen Taylor, and \*Dian VanderWell.

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Andy Gebhardt, Director of Distribution, Maintenance & Generation.

3. PUBLIC COMMENT

There was no public comment.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS

John Zimmerman, General Manager, recognized Andy Gebhardt, Director of Distribution, Maintenance & Generation, for all his years of service, dedication to the community and staff.

The Board thanked Mr. Gebhardt for being such an icon in the community, his barbecuing skills at the annual picnic and being the voice of TMWA.

Director Anderson read a proclamation from the City of Sparks in recognition of Mr. Gebhardt and his standing in the community, announcing June 18th as Andy Gebhardt day.

5. APPROVAL OF THE AGENDA

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

6. APPROVAL OF THE MINUTES OF THE MAY 22, 2025 MEETING OF THE  
TMWA BOARD OF DIRECTORS

**Upon motion by Director Anderson, second by Director Andriola, which motion duly carried by unanimous consent of the Directors present, the Board approved the May 22, 2025 minutes.**

**7. OVERVIEW OF THE GENERAL MANAGER EMPLOYMENT AGREEMENT AND EVALUATION PROCESS**

Jessica Atkinson, Human Resources Director, presented the staff report.

The Board discussed synchronizing the evaluation process with renewal of the contract (it can be addressed during the renewal of the general manager's contract in spring 2026), providing the average evaluation scores by the Board separate from TMWA leadership, and confirming the FY 2026 budget includes the maximum amount of pay increase. Ms. Atkinson confirmed that is the case.

**8. DISCUSSION AND POSSIBLE AUTHORIZATION TO ENTER INTO SECOND AMENDMENT TO THE JOINT FUNDING AGREEMENT WITH THE STATE OF NEVADA, WASHOE COUNTY, AND THE CITIES OF RENO, SPARKS, AND FERNLEY TO FUND NEVADA'S SHARE OF THE FEDERAL WATER MASTER'S ANNUAL TRUCKEE RIVER OPERATING AGREEMENT (TROA) EXPENSES FOR 2025, 2026, 2027, 2028, AND 2029**

Kara Steeland, Sr. Hydrologist and Watershed Coordinator, presented the second amendment to the TROA Joint Funding Agreement.

**Upon motion by Director Andriola, second by Director Hill, which motion duly carried by unanimous consent of the Directors present, the Board approved the Second Amendment to the Joint Funding Agreement with the State of Nevada, Washoe County, and the Cities of Reno, Sparks, and Fernley to fund Nevada's share of the Federal Water Master's annual Truckee River Operating Agreement (TROA) expenses for 2025, 2026, 2027, 2028, and 2029.**

**9. CUSTOMER SERVICE UPDATE**

Marci Westlake, Customer Service Manager, and Amanda Filut, Field and Meter Service Supervisor, presented the customer service update: Service Line Warranties of America (SLWA) has saved customers almost \$800k to date, 51% of customers are now enrolled in paperless billing saving TMWA almost \$660k annually, and the Automated Metering Infrastructure (AMI) project will be completed this fall 2025, which allows for remote reading of data hourly.

The Board thanked staff for providing the SLWA service saving customers money. Discussion followed regarding the SLWA (which is endorsed by the National League of Cities) mailings and confusion by customers whether it was legitimate and requested to have the vendor include an opt-out option to mail back so they can stop receiving the letters, and restructuring the contract when it is up for renewal.

## 10. PRESENTATION OF RESULTS OF 2025 LEGISLATIVE ACTIVITIES AND BILLS

Stefanie Morris, Outside Counsel, presented the results of the 2025 Legislative Session. Ms. Morris highlighted a few bills: AB 104 (omnibus bill) passed which is setting policy for direct path to direct potable reuse (DPR) benefitting the region; SB36 (groundwater retirement) creates a voluntary market; SB260 (air quality protection from wildfires) likely be exemptions, but tracking for TMWA; and SB276 (reporting unauthorized discharge in the river) agencies need to report to Nevada Department of Environmental Protection (NDEP) who will then notify the tribes.

Chair Duerr inquired if the American Flat project would change from indirect potable reuse (IPR) to DPR. Mr. Zimmerman replied no and Danny Rotter, Assistant General Manager, added that the design is planned for it, but keeping it as IPR for the foreseeable future. Ms. Morris further added that staff is looking at it for ... areas, managing wastewater and benefiting customers.

Director Hill thanked staff for their hard work during the legislative session and she learned a lot.

## 11. DISCUSSION AND ACTION ON NOMINATION AND ELECTION OF CHAIR AND VICE CHAIR AND REQUEST FOR BOARD ADOPTION OF RESOLUTION NO. 336 APPOINTING A CHAIR AND VICE CHAIR FOR FISCAL YEAR 2026

Chair Duerr informed the Board that a new process was established in 2023 to have rotating Chair and Vice Chair representing each jurisdiction, and it was a pleasure to serve as Chair.

Director Hill thanked Chair Duerr for her service and advocating the rotation of Chair and Vice Chair so everyone has an opportunity to serve in a leadership capacity.

Director Anderson thanked Chair Duerr for her leadership and opportunity to serve as Vice Chair.

**Upon motion by Director Duerr, second by Director Hill, which motion duly carried by unanimous consent of the Directors present, the Board adopted Resolution No. 336: A resolution to elect Director Andriola as Chair and Director Anderson as Vice Chair for fiscal year 2026.**

## 12. GENERAL MANAGER'S REPORT

Mr. Zimmerman informed the Board that the July Board meeting is cancelled and staff is looking for feedback from the Board regarding the Draft 2025-2045 Water Resource Plan by July 18<sup>th</sup>, and TMWA's annual picnic is on Saturday, August 2<sup>nd</sup> at the Verdi Hydro Park. He thanked Chair Duerr for her leadership.

## 13. PUBLIC COMMENT

There was no public comment.

14. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

15. ADJOURNMENT

With no further discussion, Chair Duerr adjourned the meeting at 11:40 a.m.

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

Sonia Folsom, Board Clerk.

DRAFT



## STAFF REPORT

**TO:** TMWA Board of Directors  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Matt Bowman, Chief Financial Officer  
Ryan Dixon, Director of Distribution Services  
**DATE:** August 13, 2025  
**SUBJECT:** Discussion and possible action on Board authorization for TMWA to enter into a power purchase agreement with Switched On, LLC for the sale of hydroelectric power commencing in May 2028.

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### Summary

TMWA's three hydroelectric facilities currently operate under Power Purchase Agreements (PPAs) with Sierra Pacific Power Company ("SPPC"). These three PPAs are each expiring in 2028 and 2029. To ensure the continued operation of these facilities, TMWA published a Request for Offers for new PPAs. TMWA received offers from four entities, the best of which was from Switched On, LLC ("Switch"). The key terms are below:

Price: \$120/MWh; 1% annual escalation  
Duration: 20 years

TMWA's current PPAs with SPPC include a current price of approximately \$77.50/MWh, so the proposed PPA with Switch represents a significant increase in revenue which allows for the necessary improvements and ongoing maintenance of these important facilities.

### Background

TMWA has three hydroelectric power facilities: Fleish, Verdi and Washoe. All three facilities are located on the Truckee River, along Interstate 80 west of Reno. These hydroelectric power facilities were constructed in the early 1900s to supply electricity to Virginia City and its mines. Now, more than 100 years old, these run-of-the-river facilities still play an important part in TMWA's operations.

Collectively, TMWA's hydroelectric facilities can produce a maximum of nearly 7.0 megawatts of power. Water for hydropower generation is diverted from the river well upstream of the actual hydropower plant and is transported in flumes or canals along the river at a slope much less than that of the natural river. The water is then piped to a turbine that is connected to an electric

generator. The height of the pipe above the turbines and the flow of water in the pipe provide the force necessary to turn the turbines. Simply stated, the greater the fall and the flow of the water, the more electricity can be produced. In fiscal year 2024, these facilities generated enough clean energy to offset approximately 40 metric tons of CO2 equivalent, or 44 million pounds of coal burned (EPA Greenhouse Gas Equivalency Calculator).

In 2008 and 2009, TMWA took ownership of the three hydroelectric facilities, Washoe, Fleish and Verdi. This marked the beginning of power production and sales to SPPC under the three PPAs. Since that time, TMWA has earned approximately \$53 million in revenue.

The three PPAs for Washoe, Fleish and Verdi expire in May 2028, July 2028 and June 2029, respectively. Over the next five years, TMWA needs to make substantial capital investment in the facilities to ensure reliable operations. Investment includes new turbines and building at Washoe, flume, generator, HVAC and forebay work at Fleish, and canal, piping and valve improvements at Verdi. To ensure payback of these investments, TMWA published a Request for Offers (RFO) for a PPA to commence upon expiration of the existing PPAs in 2028 and 2029. TMWA received offers from NV Energy (SPPC), Switch, Utah Associated Municipal Power Systems (UAMPS), and Google. After substantial discussions with each entity, staff concluded that Switch's offer would be most beneficial to TMWA's rate payers.

A copy of the proposed contract with Switch is attached to this Staff Report. TMWA used its previous PPAs with SPPC as a template for this new contract. Staff finds that this new contract will provide greater operational flexibility along with the additional benefit of higher expected revenue.

### **Recommended Motion**

Move to authorize the General Manager to sign the Power Purchase Agreement with Switch for power produced by TMWA's Washoe, Fleish, and Verdi hydroelectric facilities.

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**LONG-TERM HYDROELECTRIC  
POWER PURCHASE AGREEMENT**

**BETWEEN**

**SWITCHED ON, LLC**

**AND**

**TRUCKEE MEADOWS WATER AUTHORITY**

**AUGUST 20, 2025**

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EXHIBIT 9	PROJECTED 2024/2025 12-MONTH SUPPLY AMOUNT

## **LONG-TERM HYDROELECTRIC POWER PURCHASE AGREEMENT**

This Long-Term Hydroelectric Power Purchase Agreement is made and entered into as of August 20, 2025 (the “Effective Date”) by and between Switched On, LLC, a Nevada corporation organized and existing under the laws of the State of Nevada and having its principal place of business in Las Vegas, Nevada (“Buyer”), and Truckee Meadows Water Authority, a Joint Powers Authority, created pursuant to Nevada Revised Statutes, Title 22 Cooperative Agreements by Public Agencies, Chapter 277, among the cities of Reno, Sparks, and Washoe County, Nevada (“Supplier”). Buyer and Supplier are referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS, Buyer operates data centers in several locations, including Reno and Las Vegas and desires to purchase hydroelectric power from Supplier to help meet its power portfolio needs;

WHEREAS, Supplier operates its Generating Facilities, which are, as of the Effective Date, a Renewable Energy System under Nevada law;

WHEREAS, pursuant to the Renewable Energy Act (as defined in Section 1.1.60), Buyer is entitled to use Portfolio Energy Credits (as defined in Section 1.1.48) to comply with the Portfolio Standard (as defined in Section 1.1.53) as determined by any governmental authority;

WHEREAS, the electricity generated by the Generating Facilities complies with the requirements of the Renewable Energy Act and will satisfy a portion of Buyer’s obligations under the Portfolio Standard to purchase renewable energy;

WHEREAS, Supplier owns and operates the Generating Facilities and desires to sell to Buyer energy generated by the Generating Facilities, the associated Portfolio Energy Credits, and Renewable Energy Benefits; and Buyer wishes to purchase such energy, Portfolio Energy Credits, and Renewable Energy Benefits from Supplier, upon the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the premises and the covenants and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Supplier, intending to be legally bound, hereby agree as follows:

### **1. DEFINITIONS**

- 1.1.1 As used in this Agreement, the following terms shall have the meanings set forth below.
- 1.1.2 “After Tax Basis” means a basis such that any payment received or deemed to have been received by a Party (the “Original Payment”) under the terms of Section 18.1 shall be supplemented by a further payment to such Party so that the sum of the two (2) payments shall equal the Original Payment, after taking into account (a) all Taxes that would result from the receipt or accrual of such payments, if legally required, and (b) any reduction in Taxes that would result from the deduction of the expense indemnified against, if legally permissible, calculated by reference to the highest Federal and Nevada statutory Tax rates applicable to corporations doing business in Nevada and on a net present value basis by reference to the

applicable federal rate then in effect under section 1274(d) of the Internal Revenue Code of 1986, as amended.

- 1.1.3 “Agreement” means this Long-Term Hydroelectric Power Purchase Agreement together with the Exhibits attached hereto, as such may be amended from time to time.
- 1.1.4 “Billing Period” has the meaning ascribed to that term in Section 7.1.1 (Invoicing and Payment).
- 1.1.5 “Business Day” means any day other than Saturday, Sunday, and any day that is a holiday observed by Supplier.
- 1.1.6 “Buyer” has the meaning set forth in the preamble of this Agreement.
- 1.1.7 “Buyer’s Required Regulatory Approvals” means the approvals, consents, authorizations or permits of, or filing with, or notification to the Governmental Authorities listed in Exhibit 6.
- 1.1.8 “Change in Law” means an enactment, adoption, promulgation, amendment, modification, repeal or change in interpretation by a Governmental Authority of any Applicable Law after the Effective Date that impairs or prevents either Party’s performance of its material obligations under this Agreement or materially increases a Party’s costs to perform its material obligations under this Agreement.
- 1.1.9 “Confidential Information” has the meaning ascribed to that term in Section 32.1 (Confidential Information).
- 1.1.10 “Contract Representative” of a Party means the individual designated by that Party in Exhibit 4 responsible for ensuring effective communication, coordination, and cooperation between the Parties. A Party may change its Contract Representative by providing written notice of such change to the other Party in accordance with the procedures set forth in Section 25 (Notices).
- 1.1.11 “Contract Year” shall mean each year beginning on January 1 and ending on December 31 of such year following the Effective Date; provided, however, that the first Contract Year shall commence on the Effective Date and end on the following December 31.
- 1.1.12 “Control Area” has the meaning set forth in the Open Access Transmission Tariff of the Control Area Operator as follows:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (i) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with

the load within the electric power system(s); (ii) maintain scheduled interchange with the other Control Areas, within the limits of Good Utility Practices; (iii) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practices; and (iv) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practices.

- 1.1.13 “Control Area Operator” means a Person, its agents and successors that are responsible for the operation of the Transmission System and for maintaining reliability of the electrical transmission system(s), including the Transmission System, within the Control Area. At the time of execution of this Agreement, the Control Area Operator is the Transmission Provider.
- 1.1.14 “Cure Period” has the meaning ascribed to that term in Section 21.2.
- 1.1.15 “Defaulting Party” has the meaning ascribed to that term in Section 21.1.
- 1.1.16 “Delivery Points” means the points on the Transmission System as may be mutually agreed upon by the Parties and set forth in Exhibit 5.
- 1.1.17 “Disclosing Party” has the meaning ascribed to that term in Section 32.1 (Confidential Information).
- 1.1.18 “Dispute” has the meaning ascribed to that term in Section 18.1 (Dispute or Claim).
- 1.1.19 “Effective Date” has the meaning ascribed to that term in the preamble of this Agreement.
- 1.1.20 “Emergency” means any circumstance or combination of circumstances or any condition of the Generating Facilities, the Interconnection Facility, the Transmission System, or the transmission system of other electric utilities, which is reasonably likely to endanger life or property and necessitates immediate action to avert injury to persons or serious damage to property or is reasonably likely to adversely affect, degrade or impair Transmission System reliability or transmission system reliability of other electric utilities. An Emergency that is reasonably likely to endanger property includes, but is not limited to, flood, freeze which produces ice on the Truckee River, debris which will damage the Generating Facilities or damage the flumes or any other event that is reasonably likely to endanger the Generating Facilities or compromise the ability to operate the Generating Facilities.
- 1.1.21 “Energy” means electrical energy (measured in MWh) that is generated by the Generating Facilities from and after the Effective Date. Energy shall also mean the capacity intended to be available and/or delivered to Buyer at the specifications and Delivery Point stated herein.

- 1.1.22 “Event of Default” has the meaning ascribed to that term in Section 21.1.
- 1.1.23 “FERC” means the Federal Energy Regulatory Commission and any successor agency thereto.
- 1.1.24 “First Full Contract Year” means the first Contract Year that is a full calendar year.
- 1.1.25 “Force Majeure” has the meaning set forth in Section 17 (Force Majeure).
- 1.1.26 “Generating Facilities” means Supplier’s three hydroelectric power plants, commonly known as its Washoe, Fleish, and Verdi hydroelectric power plants, and including any associated facilities and equipment required to deliver Energy to the Delivery Point, as further described in Exhibits 1 and 5 hereto. This term shall not include any facilities not specifically identified in Exhibits 1 and 5.
- 1.1.27 “Good Utility Practice” means Good Utility Practice as defined in the Tariff and revised from time to time, as applied to generation facilities similar to the Facility.
- 1.1.28 “Governmental Authority” means, with the exception of Supplier, as to any person, any federal, state, local, or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over such Person or its property or operations.
- 1.1.29 “IEEE-SA” means the Institute of Electrical and Electronics Engineers Standards Association and any successor entity thereto.
- 1.1.30 “Indemnified Party” has the meaning provided in Section 15.1 (Third Party Claims).
- 1.1.31 “Indemnifying Party” has the meaning provided in Section 15.1 (Third Party Claims).
- 1.1.32 “Interconnecting Utility” means Sierra Pacific Power Company d/b/a NV Energy or any affiliate, or joint venture partner or successor that owns and operates the transmission lines, Interconnection Facilities (other than the Interconnection Customer Interconnection Facilities) and other equipment and facilities with which the Facility interconnects at the Point of Delivery.
- 1.1.33 “Interconnection Facilities” means the equipment and facilities, including any modifications, additions and upgrades made to such facilities, which are necessary to connect the Generating Facilities to the Transmission System as described in Exhibit 5.

- 1.1.34 “Interconnection Agreement” means the Generator Interconnection Agreement, dated September 27, 2006, and the Interconnecting Utility concerning the Interconnection Facilities and interconnection of the Facility.
- 1.1.35 “Invoice” means the statements described in Section 7.1 (Invoices) setting forth the Delivered Amount, and the associated payment due for the Billing Period or the Contract Year.
- 1.1.36 “Law” means any federal, state, local or other law, common law, treaty, code, rule, ordinance, binding directive, regulation, order, judgment, decree, ruling, determination, permit, certificate, authorization, or approval of a Governmental Authority, which is binding on a Party or any of its property.
- 1.1.37 “Loss” means any and all claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, obligations, payments, recoveries, liabilities, costs, fines, Penalties, sanctions, judgments, damages, losses or expenses, court costs or attorney fees in connection with any claim by a third party against an Indemnified Party, arising out of or resulting from the other Party’s action or failure to meet its obligations under this Agreement (on behalf of the Indemnifying Party), pursuant to Section 15 (Indemnification).
- 1.1.38 “Material Adverse Effect” means, as determined by a Party, a material adverse effect on the ability of such Party to perform its obligations under this Agreement, individually or in the aggregate, or on the business, operations, or financial condition of such Party.
- 1.1.39 “Meter” means any of the physical metering devices, data processing equipment and apparatus associated with the meters owned by Interconnecting Utility, or its designee, required for (i) an accurate determination of the quantities of Delivered Amounts from the Generating Facilities and for recording other related parameters required for the reporting of data to Buyer, (ii) Station Usage, and (iii) the computation of the payment due to Supplier from Buyer. Meters do not include any check meters Supplier may elect to install.
- 1.1.40 “MW” means megawatts of electrical power.
- 1.1.41 “MWh” means megawatt hours of electrical energy.
- 1.1.42 “Net Output” means all energy produced by the Generating Facilities that is delivered to the Point of Delivery in accordance with the provisions of this Agreement.
- 1.1.43 “NERC” means the North American Electric Reliability Council and any successor entity thereto.

- 1.1.44 “NVTREC” means the Nevada Tracks Renewable Energy Credits or its successor.
- 1.1.45 “OATT” or “Tariff” means the Open Access Transmission Service Tariff of the Transmission Provider and associated business practice manuals, as may be revised from time to time.
- 1.1.46 “Operating Representative” of a Party means any of the individuals designated by that Party, as set forth in Exhibit 4, to transmit and receive routine operating and Emergency communications required under this Agreement. A Party may change any of its Operating Representatives by providing notice of the change to the other Party in accordance with the notice procedures set forth in Section 25 (Notices) herein.
- 1.1.47 “Party” or “Parties” means each entity set forth in the preamble of this Agreement and its permitted successor or assigns.
- 1.1.48 “PC” or “Portfolio Energy Credit” means a unit of credit which equals one kilowatt- hour of electricity generated or saved by a portfolio energy system or efficiency measure pursuant to the Renewable Energy Act and the PUCN regulations promulgated thereunder, as such Laws may be amended or superseded.
- 1.1.49 “PC Administrator” means the entity appointed by the PUCN to administer the PC trading program, pursuant to the Portfolio Standard.
- 1.1.50 “Penalties” means any penalties, fines, damages, or sanctions attributable to this Agreement and actually imposed on Buyer pursuant to an order issued by any Governmental Authority.
- 1.1.51 “Person” or “Persons” means any natural person, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization, or Governmental Authority.
- 1.1.52 “Planned Outages” has the meaning ascribed to that term in Section 10 (Planned Outages).
- 1.1.53 “Portfolio Standard” means the amount of electricity that Buyer must generate, acquire, or save from portfolio energy systems or efficiency measures by percentage of the total amount of electricity sold by Buyer to its retail customers in the State of Nevada pursuant to the Renewable Energy Act, as such Laws may be amended or superseded.
- 1.1.54 “Power Quality Standards” means the Power Quality Standards established by NERC, WECC, Buyer, IEEE-SA, National Electric Safety Code, the National Electric Code, or their respective successor organizations or codes as they may be amended from time to time and consistent with Good Utility Practice.

- 1.1.55 “PPT” means Pacific Standard Time or Pacific Daylight Time, which ever is then prevailing.
- 1.1.56 “Product” means (i) all Energy produced by the Generating Facilities, except Station Usage (ii) all PCs and (iii) all Renewable Energy Benefits.
- 1.1.57 “Product Rate” means the rate set forth in Exhibit 3 of this Agreement under “Product Rate.”
- 1.1.58 “PUCN” means the Public Utilities Commission of Nevada and any successor entity thereto.
- 1.1.59 “Receiving Party” has the meaning ascribed to that term in Section 32.1 (Confidential Information).
- 1.1.60 “Renewable Energy Act” means an act of the Nevada Legislature relating to energy and requiring certain providers of electric service to comply with the portfolio standard for renewable energy, and providing for other matters relating thereto, codified as Nevada Revised Statutes, chapter 704, sections 7801 to 7828 (NRS 704.7801 to .7828, inclusive), as such Laws may be amended or superseded.
- 1.1.61 “Renewable Energy Benefits” means any and all renewable energy, environmental, economic, emissions and other credits, offsets, allowances or benefits (i) allocated, assigned, awarded, certified or otherwise transferred or granted to Supplier or Buyer by any Governmental Authority in any jurisdiction in connection with the production of energy from the Generating Facilities or (ii) derived or received by Supplier or Buyer in any manner from the production of energy from the Generating Facilities or based in whole or part on the Generating Facilities’ use of hydro resources for generation or because the Generating Facilities constitutes a renewable energy system or the like or because the Generating Facilities does not produce greenhouse gasses or other emissions, whether any such credits, offsets, allowances or benefits exist now or in the future or whether they arise under existing Law or any future Law or whether such credit, offset, allowance or benefit or any Law, or the nature of such, is foreseeable or unforeseeable, but in all cases shall not mean PCs or Tax Credits. Renewable Energy Benefits includes such credits, offsets, allowance or benefits attributable to Energy sold under this Agreement, and Energy consumed by the Generating Facilities, such as Station Usage (parasitic load).
- 1.1.62 “Renewable Energy System” has the meaning set forth in NRS 704.7815 as of the Effective Date.
- 1.1.63 “Schedule” or “Scheduling” means the actions of Supplier, Buyer, and/or their designated Operating Representatives of notifying, requesting, and confirming to each other the amount of Energy to be delivered on any given day or days at any given hour at the Delivery Point.

- 1.1.64 “Scheduling Coordinator” means the third-party representative designated by Buyer and acting on Buyer’s behalf and at Buyer’s direction to schedule the Net Output from the Delivery Point for the benefit of Buyer.
- 1.1.65 “Station Usage” means all energy usage by Supplier at the Generating Facilities.
- 1.1.66 “Supplier” has the meaning set forth in the preamble of this Agreement.
- 1.1.67 “Supplier’s Required Regulatory Approvals” means the approvals, consents, authorizations or permits of, or filings with or notifications to the Governmental Authorities listed on Exhibit 7.
- 1.1.68 “Supply Amount” means the amount of Energy generated at the delivery points for the Generating Facilities.
- 1.1.69 “Tax” or “Taxes” means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property (including assessments, fees or other charges based on the use or ownership of real property), personal property, transactional, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated tax, or other tax of any kind whatsoever, or any liability for unclaimed property or escheatment under common law principles, including any interest, penalty or addition thereto, whether disputed or not, including any item for which liability arises as a transferee or successor-in-interest.
- 1.1.70 “Tax Credits” means any state, local and/or federal production tax credit, and/or investment tax credit specific to the production of renewable energy and/or investments in renewable energy facilities.
- 1.1.71 “Term” has the meaning ascribed to that term in Section 2.2 (Term).
- 1.1.72 “Transmission Provider” means Sierra Pacific Power Company or any successor operator or owner of the Transmission System.
- 1.1.73 “Transmission System” means the facility used for the transmission of electric energy in interstate commerce, including any modifications or upgrades made to such facility, owned, or operated by the Transmission Provider, except the Interconnection Facility.
- 1.1.74 “WECC” means the Western Electric Coordinating Council (formerly Western System Coordinating Council) and any successor entity thereto.
- 1.1.75 “WREGIS” means the Western Renewable Energy Generation Information System or any successor system.

- 1.1.76 “WREGIS Certificates” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules.
- 1.1.77 “WREGIS Operating Rules” means the rules that describe the operations of WREGIS, as may be amended, which are currently available at [www.wregis.org](http://www.wregis.org).

## 2. **TERM; TERMINATION AND SURVIVAL OF OBLIGATIONS**

- 2.1 **Effective Date.** This Agreement shall become effective on the Effective Date.
- 2.2 **Term.** Supplier’s obligation to deliver Product, and Buyer’s obligation to accept and pay for Product under this Agreement shall commence for each respective facility on the dates reflected on Exhibit 2 (Facility Product Availability Dates), and shall continue until June 30, 2049, subject to earlier termination of this Agreement pursuant to the terms hereof (the “Term”).
  - 2.2.1 **Agreement Renewal:** Upon mutual agreement of the Parties, the Term may be extended for up to four (4) five-year extension periods beyond the initial Term (“Extended Term”).
    - 2.2.1.1 If either Party desires to extend the agreement, such Party shall provide the other Party with written notice of the desire to extend no later than one (1) year prior to the expiration of the then-current Term or Extended Term.
    - 2.2.1.2 Within ninety (90) days after a written notice pursuant to this Section 2.2.1, Supplier will provide Buyer with Supplier’s proposal for a revised price of Energy and PCs for the Extended Term. Buyer and Supplier will then promptly and in good faith negotiate towards agreement on such price or other material terms.
- 2.3 **Termination.**
  - 2.3.1 **Mutual Agreement.** This Agreement may be terminated by written mutual agreement of the Parties.
  - 2.3.2 **For Cause.** This Agreement may be terminated at any time by the Non-Defaulting Party upon fourteen (14) days’ prior notice to the Defaulting Party in the event that an Event of Default has occurred and is continuing after the applicable Cure Period (if any) set forth in Section 21.2 has expired.
- 2.4 **Effect of Termination - Survival of Obligations.** Any default under or termination of this Agreement or expiration of the Term shall not release either Party from any applicable provisions of this Agreement with respect to:

- 2.4.1 The payment of any amounts owed to the other Party arising prior to or resulting from termination of, or on account of breach of, this Agreement;
- 2.4.2 Indemnity obligations contained in Section 15 (Indemnification), which shall survive to the full extent of the statute of limitations period applicable to any third party claim;
- 2.4.3 Limitation of liability provisions contained in Section 16 (Limitation of Liability);
- 2.4.4 For a period of one (1) year after the termination date, the right to submit a payment dispute pursuant to Section 18 (Dispute Resolution);
- 2.4.5 The resolution of any dispute submitted pursuant to Section 18 (Dispute Resolution) prior to, or resulting from, termination; or
- 2.4.6 The obligations under Section 32 (Confidentiality).

### **3. SUPPLY SERVICE OBLIGATIONS**

- 3.1 Supply Amount. Subject to the other provisions of this Agreement, commencing on the dates for each respective facility set forth in Exhibit 2 (Facility Product Availability Dates), Supplier shall deliver the Supply Amount to Buyer at the Delivery Point.
- 3.2 Dedication. All Product shall be dedicated exclusively to Buyer for the Term of this Agreement. Supplier shall not, without Buyer's prior written consent (which Buyer may withhold in its sole discretion), (a) sell, divert, grant, transfer or assign Product to any person other than Buyer or (b) provide Buyer electric energy, PCs, or Renewable Energy Benefits from any source other than the Generating Facilities. This obligation does not commence until the respective dates outlined in Exhibit 2 (Facility Product Availability Dates).
- 3.3 Buyer's Obligation and Delivery. Buyer shall take delivery of the Energy at the Delivery Point in accordance with the terms of this Agreement. Supplier shall be responsible for all costs associated with delivery of the Supply Amount to the Delivery Point. Buyer shall be responsible for arranging the transmission of Energy at and from the Delivery Point and shall Schedule to receive the Energy at the Delivery Point. Notwithstanding anything in this Agreement to the contrary, Buyer shall be obligated to purchase or accept delivery of Energy from the Generating Facilities only if the Generating Facilities is at the time qualified as a Renewable Energy System and Buyer receives the PCs associated with such Energy as contemplated by this Agreement. Supplier shall bear all risk of the curtailment, interruption, or unavailability of transmission service from the Generating Facilities to the Delivery Point for Energy provided under this Agreement. Accordingly, if at any time the transmission service required to transmit Energy to the Delivery Point is curtailed, interrupted or otherwise not available for any reason (including a Force Majeure event), then Buyer shall be relieved from the obligation to purchase and receive the Energy that Supplier does not deliver to the Delivery Point as a result of such curtailment, interruption or unavailability.

- 3.4 Consumption. Supplier is responsible for Station Usage necessary to meet the electrical requirements of the Generating Facilities.
- 3.5 Projected 12-Month Supply Amount. For planning purposes only on or before April 15 of each Contract Year, Supplier shall provide Buyer with schedule of the projected 12-month Supply Amount for the period beginning May 1 of the then current Contract Year to April 30 of the following Contract Year. Each such schedule of the projected 12-month Supply Amount will be provided in a format consistent with Exhibit 9. If during any Contract Year Supplier anticipates material changes in the then current schedule of the projected 12-month Supply Amount, then Supplier shall provide Buyer with a revised schedule prior to the point in time that such material changes are anticipated to occur.
- 3.6 Title and Risk of Loss. Title to and risk of loss with respect to Energy delivered to Buyer by Supplier in accordance with this Agreement shall pass from Supplier to Buyer when such Energy is delivered at the Delivery Point. Until title passes, Supplier shall be deemed in exclusive control of the Energy and shall be responsible for any damage or injury caused thereby. After title to the Energy passes to Buyer, Buyer shall be deemed in exclusive control of such Energy and shall be responsible for any damage or injury caused thereby.

#### **4. PRICE OF PRODUCT**

- 4.1 Product Payments. Supplier shall be paid for the Product and based on the Delivered Amount of Energy, as determined by hourly data from monthly Meter readings (or, if Meter readings are unavailable, based on the hourly data collected by Supplier pursuant to Section 12.2), at the Product Rate set forth in Exhibit 3.
- 4.2 Costs and Charges. Supplier shall be responsible for paying or satisfying when due all costs or charges imposed in connection with the delivery of Net Output up to the Point of Delivery, including line losses and any operation and maintenance charges imposed by Interconnecting Utility or the Transmission Provider for the Interconnection Facilities. Buyer shall be responsible for all costs or charges imposed in connection with the scheduling and transmission of Net Output from and beyond the Point of Delivery, including imbalance charges.

#### **5. PORTFOLIO ENERGY CREDITS/RENEWABLE ENERGY BENEFITS**

- 5.1 Delivery of Portfolio Energy Credits.
  - 5.1.1 Commencing on the applicable dates set forth in Exhibit 2 (Facility Product Availability Dates), all PCs and any benefits derived therefrom are exclusively dedicated to and vested in Buyer. Supplier shall deliver to Buyer all PCs derived from the production of energy from the Generating Facilities and Energy for Station Usage. Supplier shall timely prepare and execute all documents and shall take all actions necessary under Nevada Law, or regulation or other Law to cause the PCs to vest in Buyer, without further compensation, including but not limited to the registration of the Generating Facilities with the PUCN, or other Governmental Authority,

and the provisions of providing periodic production data and quarterly reporting requirements to the PUCN or PC Administrator, or the as applicable, upon Supplier's receipt of written notice of such requirements from Buyer.

5.1.2 Supplier and Buyer agree pursuant to Nevada Administrative Code, chapter 704, section 8927 (NAC 704.8927) that all PCs awarded by the PC Administrator under this Agreement shall be issued in the name of Buyer.

5.1.3 Supplier, as owner or operator of the renewable energy system, must annually attest that the energy represented by the kilowatt-hours used to certify portfolio energy credits: (a) has not been and will not be sold or otherwise exchanged for compensation or used for credit in any other state or jurisdiction; and (b) has not been and will not be included within a blended energy product certified to include a fixed percentage of renewable energy in any other state or jurisdiction, pursuant to Chapter 704 of the Nevada Administrative Code, as such laws may be amended or superseded.

5.1.4 Buyer shall be responsible for all fees and charges associated with securing for and transferring or delivering to secure for and deliver, via NVTREK or WREGIS, the Portfolio Credits and the WREGIS Certificates.

## 5.2 Renewable Energy Benefits.

5.2.1 Commencing on the applicable dates set forth in Exhibit 2 for each facility (Facility Product Availability Dates), all Renewable Energy Benefits shall be exclusively dedicated to and shall be vested in Buyer and Supplier hereby transfers to Buyer all Renewable Energy Benefits. Supplier shall take or cause to be taken all actions and do or cause to be done all things necessary, proper or advisable as reasonably requested by Buyer to qualify for and for Supplier or Buyer to receive all available Renewable Energy Benefits and, if received by Supplier, to transfer Renewable Energy Benefits to Buyer, without further compensation. Supplier shall timely execute all documents and shall timely take all actions necessary under Nevada Law or regulation or other Law to qualify for all available Renewable Energy Benefits and to cause Renewable Energy Benefit(s) to vest in and be delivered to Buyer.

## 6. **PORTFOLIO STANDARD**

6.1 The Parties agree that the PCs will be used by Buyer in meeting its obligations pursuant to the Portfolio Standard and the regulations promulgated thereunder as either may be amended or superseded. Supplier shall cooperate with Buyer in all respects to assist in Buyer's compliance with all applicable requirements set forth in the Portfolio Standard and any regulations promulgated thereunder and shall provide all information reasonably requested by Buyer or otherwise necessary to allow the PUCN to determine compliance with each respective Portfolio Standard and regulations adopted pursuant thereto.

## 7. INVOICING AND PAYMENTS

### 7.1 Invoices.

7.1.1 Invoicing and Payment. On or before the 15th day of each month, Supplier shall send to Buyer an Invoice for the prior month (a “Billing Period”). The Invoice shall be calculated based upon Meter data available to Supplier.

7.1.2 Monthly Invoice Calculation. Supplier shall calculate each monthly Invoice.

7.1.3 Method of Payment. Buyer shall remit the payment amount by wire or electronic fund transfer or otherwise pursuant to the instructions stated in Exhibit 4. Payment will be made on or before the 20th day following the end of each month or ten (10) days from receipt of Invoice during the Term.

7.1.4 Examination and Correction of Invoices. As soon as practicable, but no later than three (3) months after Buyer’s receipt of Supplier’s Invoice, either Party shall notify the other Party in writing of any alleged error in Supplier’s Invoice.

7.1.4.1 If a Party notifies the other Party of an alleged error in Supplier’s Invoice, the Parties agree to make good faith efforts to reconcile the billing and mutually agree on the appropriate remedy, if any.

7.1.4.2 If the Parties determine a correction is required, Supplier shall provide an adjusted Invoice to Buyer. If such error results in an additional payment to Supplier, Buyer shall pay Supplier the amount of the adjusted Invoice within thirty (30) calendar days of the date of the receipt of adjusted Invoice. If such error resulted in a refund owed to Buyer, Supplier shall offset such amount against the Buyer’s next monthly payment to Supplier.

7.2 Overdue Amounts and Refunds. Overdue amounts and refunds of overpayments shall bear interest from and including, the due date or the date of overpayment, as the case may be, to the date of payment of such overdue amounts or refund at the interest rate equal to the effective “Prime Rate” (as specified in the “Money Rates” section of the Wall Street Journal).

7.3 Access to Books and Records. Supplier agrees to make available for inspection upon five (5) days written notice from Buyer its books and records for the purpose of allowing Buyer to verify the information contained within the invoices presented pursuant to this Section 7.

7.4 Taxes. Buyer is responsible for any Taxes imposed on or associated with the Energy or its delivery. Either Party, upon written request of the other Party, shall provide a certificate of exemption or other reasonably satisfactory evidence of exemption if either Party is exempt from Taxes, and shall use reasonable efforts to obtain and

cooperate with the other Party in obtaining any exemption from or reduction of any Tax. Each Party shall hold harmless the other Party from and against Taxes imposed on the other Party as a result of a Party's actions or inactions and that otherwise would not have occurred in the absence of this Agreement in accordance with Section 15 (Indemnification).

- 7.5 Change in Law. In the event of a Change in Law, the Parties shall use good faith efforts to negotiate and agree on modifications to this Agreement in a manner that preserves the respective economic benefits of the Parties under this Agreement as of the Effective Date.
- 7.6 Rates Not Subject to Review. Neither Party shall petition FERC pursuant to the provisions of sections 205 or 206 of the Federal Power Act (16 U.S.C. § 792 et seq.) or any other Governmental Authority to amend this Agreement, or support a petition by any other person seeking to amend this Agreement, absent the consent in writing of the other Party. Further, absent the agreement in writing by both Parties, the standard of review for changes hereto proposed by a Party, a non-party or the FERC acting sua sponte shall be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Corp.*, 350 U.S. 332 (1956) and *Fed. Power Comm'n v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Pub. Util. Dist. No. 1 of Snohomish County*, 554 U.S. 527 (2008) and *NRG Power Mktg., LLC v. Maine Pub. Utils. Comm'n*, 558 U.S. 165 (2009).

## 8. FACILITY OPERATIONS

- 8.1 Operation and Maintenance. Supplier, at all times shall install, operate, maintain and repair the Generating Facilities in accordance with Good Utility Practice and to ensure (i) the Generating Facilities is at all times a Renewable Energy System and (ii) Supplier is at all times in compliance with all requirements of a renewable energy generator set forth in the Renewable Energy Act and any regulations promulgated thereunder. Supplier agrees to (i) to maintain adequate records of all operations of the Generating Facilities, and (ii) to follow such regulations, directions and procedures of Buyer, the Control Area Operator, the Transmission Provider, WECC, NERC and any applicable Governmental Authority to protect and prevent the Transmission System from experiencing any negative impacts resulting from the operation of the Generating Facilities. Each Party shall use all reasonable efforts to avoid any interference with the other's operations. Supplier shall cause the Energy of the Generating Facilities to meet the Power Quality Standards at all times, and shall operate the Generating Facilities consistent with WECC, NERC, Buyer, Control Area Operator and Transmission Provider requirements.

## 9. EMERGENCY

- 9.1 Compliance with Governmental Authority. In the event of an Emergency, Buyer and Supplier shall promptly comply with any applicable requirements of any Governmental Authority, NERC, WECC, Control Area Operator, Transmission

Provider, transmission operator, or any successor of any of them, regarding the reduced or increased generation of the Generating Facilities.

- 9.2 Notification. Each Party shall provide prompt oral and written notification to the other Party of any Emergency. If requested by the other Party, the Party declaring the Emergency shall provide a description in reasonable detail of the Emergency and any steps employed to cure it.
- 9.3 Necessary Actions. In the event of an Emergency, either Party may take reasonable and necessary action to prevent, avoid or mitigate injury, danger, damage or loss to its own equipment and facilities, or to expedite restoration of service; provided, however, that the Party taking such action shall give the other Party prior notice, if practicable, before taking any action. This Section shall not be construed to supersede Sections 9.1 and 9.2.
- 9.4 Planned Outages. In the event of an Emergency, Buyer can request Supplier not to institute a Planned Outage of the Generating Facilities and Supplier agrees to take all commercially reasonable steps to avoid instituting the Planned Outage until such time as the condition of the Emergency has passed.

## **10. PLANNED OUTAGES**

- 10.1 Supplier to Inform. Supplier shall inform Buyer before conducting any non-forced outage of the Generating Facilities or reducing the capability of the Generating Facilities to deliver the Supply Amount (all hereinafter referred to as “Planned Outages”) so as to minimize the impact on the availability of the Generating Facilities.
- 10.2 Schedule for Planned Outages. On or before April 15 of each Contract Year commencing on the dates outlined in Exhibit 2 (Facility Product Availability Dates), Supplier shall provide Buyer with a schedule of proposed Planned Outages for the upcoming Contract Year. The proposed Planned Outages schedule will designate the days and amount (in MWs) in which the Generating Facilities output will be reduced in whole or in part. If the Planned Outages schedule is required to be changed during the year, Supplier shall provide Buyer with such changed schedule at least thirty (30) days in advance of such change. Each proposed schedule shall include all applicable information, including the following: month, day and time of requested outage, facility impacted, duration of outage, purpose of outage, and other relevant information.

## **11. REPORTS**

- 11.1 Copies of Communications. Supplier shall promptly provide Buyer with copies of any orders, decrees, letters or other written communications to or from any Governmental Authority asserting or indicating that Supplier or its Generating Facilities are in violation of Laws that relate to Supplier or operation or maintenance of the Generating Facilities that could have an adverse effect on Buyer. Supplier shall keep Buyer apprised of the status of any such matters.
- 11.2 Notification of Generating Facilities Status. Supplier shall notify Buyer, as soon as practicable, of any changes in the status of the Generating Facilities that would cause

the Generating Facilities to no longer qualify as a Renewable Energy System after the Effective Date of this Agreement.

- 11.3 Notices of Change in Generating Facilities. Supplier shall provide notice to Buyer as soon as practicable prior to any temporary or permanent change to the performance, operating characteristics, or turbine/generators of the Generating Facilities. Such notice shall describe any changes, expected or otherwise, to the total capacity of the Generating Facilities, the rate of production and delivery of Energy, interconnection and transmission issues, and such additional information as may be required by Buyer.

## 12. COMMUNICATIONS

- 12.1 Electronic Access. Supplier shall provide Buyer and Buyer's Scheduling Coordinator with electronic access to all Facility summary data necessary for the Buyer to perform its obligations under this Agreement and to comply with the Tariff, including Facility generation output data as reported by the revenue meter and the Supervisory Control and Data Acquisition ("SCADA") System within the interconnecting substation for the Facility.
- 12.2 Near Real Time Data. Supplier shall, at its sole cost and expense, procure, install, configure, and maintain the necessary means to collect and provide near real time SCADA data regarding its Generating Facilities to Buyer and Buyer's Scheduling Coordinator. Supplier shall provide all near real time data to Buyer and Buyer's Scheduling Coordinator through a Data as a Service (DaaS) platform of Supplier's choosing. Supplier shall ensure that such data is presented to the Buyer through an available Application Programming Interface (API) associated with the DaaS service. Buyer may collect such presented data through its own method and platform for data collection, at its sole cost and expense.
- 12.3 Weekly Scheduling. Supplier shall provide, at minimum, weekly written communication by email to Buyer or its designated energy scheduler to provide a schedule of expected Energy for each day of the following week.
- 12.4 Scheduling Disruptions. Supplier shall notify Buyer or its designated energy scheduler as soon as reasonably possible when Supplier becomes aware of any change of circumstances that may impact the expected Energy of a Generating Facility in a substantial manner.

## 13. COMPLIANCE

- 13.1 Compliance with Relevant Law. Each Party shall comply with all relevant and applicable Laws and regulations and shall, at its sole expense, maintain in full force and effect all relevant permits, authorizations, licenses, and other authorizations material to the maintenance of its facility and the performance of obligations under this Agreement. Each Party and its representatives shall comply with all relevant and applicable requirements of the Control Area Operator, Transmission Provider, and each Governmental Authority to ensure the safety of its employees and the public.

- 13.2 Performance of Obligations. Buyer and Supplier shall perform, or cause to be performed, their obligations under this Agreement in all material respects in accordance with Good Utility Practices and in good faith.
- 13.3 Regulatory Cooperation. Supplier and Buyer shall furnish each other all Generating Facilities-related data available to them in a timely manner when such data is reasonably necessary for each Party to exercise its respective rights or perform its respective obligations under this Agreement or for compliance with requirements of Law.

#### **14. SECURITY**

- 14.1 Security. Supplier hereby waives any and all rights it may have, including rights at law or otherwise, to require Buyer to provide financial assurances or security (including, but not limited to, cash, letters of credit, bonds or other collateral) in respect of its obligations under this Agreement.

#### **15. INDEMNIFICATION**

- 15.1 Third-Party Claims. A Party to this Agreement (the “Indemnifying Party”) shall indemnify, defend and hold harmless, on an After Tax Basis, the other Party, its parent and affiliates, and each of their officers, directors, employees, attorneys, agents and successors and assigns (each an “Indemnified Party”) from and against any and all Losses arising out of, relating to, or resulting from the Indemnifying Party’s breach of, or the performance or non-performance of its obligations under this Agreement; provided, however, that no Party shall be indemnified hereunder for any Loss to the extent resulting from its own negligence, fraud or willful misconduct.
- 15.2 No Negation of Existing Indemnities; Survival. Each Party’s indemnity obligations under this Agreement shall not be construed to negate, abridge, or reduce other indemnity or other rights, obligations, or limitations, which would otherwise exist at Law or in equity. The obligations contained herein shall survive any termination, cancellation, expiration, or suspension of this Agreement to the extent that any third-party claim is commenced during the applicable statute of limitations period.
- 15.3 Indemnification Procedures.
  - 15.3.1 Any Indemnified Party seeking indemnification under this Agreement for any Loss shall give the Indemnifying Party notice in writing of such Loss promptly but in any event on or before thirty (30) days after the Indemnified Party’s actual knowledge of such claim or action. Such notice shall describe the Loss in reasonable detail and shall indicate the amount (estimated if necessary) of the Loss that has been, or may be sustained by, the Indemnified Party. To the extent that the Indemnifying Party will have been actually and materially prejudiced as a result of the failure to provide such notice, the Indemnified Party shall bear all responsibility for any additional costs or expenses incurred by the Indemnifying Party as a result of such failure to provide notice.

- 15.3.2 In any action or proceeding brought against an Indemnified Party by reason of any claim indemnifiable hereunder, the Indemnifying Party may, at its sole option, elect to assume the defense at the Indemnifying Party's expense, and shall have the right to control the defense thereof and to determine the settlement or compromise of any such action or proceeding. Notwithstanding the foregoing, an Indemnified Party shall in all cases be entitled to control its own defense in any action if it:
- 15.3.2.1 May result in injunctions or other equitable remedies with respect to the Indemnified Party, which would affect its business or operations;
  - 15.3.2.2 May result in liabilities which may not be fully indemnified hereunder; or
  - 15.3.2.3 May have a significant adverse impact on the business or the financial condition of the Indemnified Party (including an adverse effect on the tax liabilities, earnings, ongoing business relationships or regulation of the Indemnified Party) even if the Indemnifying Party pays all indemnification amounts in full; or
- 15.3.3 Subject to Section 15.3.2, neither Party may settle or compromise any claim for which indemnification is sought under this Agreement without the prior written consent of the other Party; provided, however, said consent shall not be unreasonably withheld or delayed.

## **16. LIMITATION OF LIABILITY**

- 16.1 Responsibility for Damages. Except where caused by the other Party's negligence or willful misconduct, each Party shall be responsible for all physical damage to or destruction of the property, equipment and/or facilities owned by it, and shall not seek recovery or reimbursement from the other Party for such damage.
- 16.2 Limitation on Damages. Supplier will not waive and intends to assert available NRS chapter 41 liability limitations and other liability limitations available at law in all cases. To the fullest extent permitted by Law and notwithstanding other provisions of this Agreement, in no event shall a Party be liable to the other Party, whether in contract, warranty, tort, negligence, strict liability, or otherwise, for special, indirect, incidental, multiple, consequential (including lost profits or revenues, business interruption damages and lost business opportunities), exemplary or punitive damages related to, arising out of, or resulting from performance or nonperformance of this Agreement. In addition, this limitation on damages shall not apply with respect to claims brought by third parties for which a Party is entitled to indemnification under this Agreement.
- 16.3 Survival. The provisions of this Section 16 (Limitation of Liability) shall survive any termination, cancellation, expiration, or suspension of this Agreement.

## 17. **FORCE MAJEURE**

- 17.1 **Definition of Force Majeure.** “Force Majeure” or “an event of Force Majeure” means an event that (a) is not reasonably anticipated as of the date hereof, (b) is not within the reasonable control of the Party affected by the event, (c) is not the result of such Party’s negligence or failure to act, and (d) could not be overcome by the affected Party’s use of due diligence in the circumstances. Force Majeure includes, but is not restricted to, events of the following types (but only to the extent that such an event, in consideration of the circumstances, satisfies the tests set forth in the preceding sentence): fire; severe weather; storms; lightning; explosion; or action or restraint by court order or public or Governmental Authority (as long as the affected Party has not applied for or assisted in the application for, and has opposed to the extent reasonable, such court or government action) any Outage caused by the Transmission Provider or the Interconnecting Utility of the Interconnection Facilities or the System that is itself due a Force Majeure event affecting the Transmission Provider or the Interconnecting Utility; and any act, omission, or failure of performance of Transmission Provider or the Interconnecting Utility under the Interconnection Agreement, respectively. Notwithstanding the foregoing, none of the following constitute Force Majeure: (i) Supplier’s ability to sell, or Buyer’s ability to purchase, Net Output or Portfolio Credits at a more advantageous price than is provided hereunder; (ii) the cost or availability or unavailability of fuel, solar or motive force to operate the Facility; (iii) economic hardship, including lack of money; (iv) delay or failure of Supplier to obtain or perform under any Permit except to the extent caused by an independent event of Force Majeure; or (v) failure of Supplier to take any action, or refrain from taking any action, in accordance with all applicable Permits, including any required environmental mitigation measures, except to the extent caused by an independent event of Force Majeure. Notwithstanding anything to the contrary herein, in no event will the increased cost of electricity, steel, labor, or transportation constitute an event of Force Majeure.
- 17.2 **Suspension of Performance.** If either Party is rendered wholly or in part unable to perform its obligations hereunder because of an event of Force Majeure, both Parties shall be excused from the performance affected by the event of Force Majeure, provided that:
- 17.2.1 the Party affected by the Force Majeure shall give the other Party prompt written notice, without intentional delay, describing the particulars of the event;
  - 17.2.2 the suspension of performance shall be of no greater scope and of no longer duration than is required to remedy the effect of the Force Majeure; and
  - 17.2.3 the affected Party shall use diligent efforts to remedy its inability to perform.
- 17.3 **Force Majeure Does Not Affect Obligations Already Incurred.** No obligations, including payment obligations, of either Party that arose before the event of Force Majeure or that arise after the cessation of the event of Force Majeure shall be excused

by the event of Force Majeure. In the event of a Force Majeure event with respect to Buyer, Supplier may sell all or a portion of the Net Output, associated Portfolio Credits to any other person during the continuation of such event of Force Majeure.

- 17.4 Strikes. Notwithstanding any other provision hereof, neither Party shall be required to settle any strike, walkout, lockout, or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.
- 17.5 Right to Terminate. If a Force Majeure event prevents a Party from substantially performing its obligations hereunder for a period exceeding three hundred sixty-five (365) consecutive days (despite the affected Party's effort to take reasonable steps to remedy the effects of the Force Majeure event), then the Party not claiming to be affected by the Force Majeure event may terminate this Agreement by giving ten (10) days' prior notice to the other Party. Upon such termination, neither Party will have any liability to the other with respect to the period following the effective date of such termination; *provided, however*, that this Agreement will remain in effect with respect to, and to the extent necessary to facilitate the settlement of, all liabilities and obligations arising hereunder before the effective date of such termination.

## 18. DISPUTE RESOLUTION

- 18.1 Dispute or Claim. Any action, claim or dispute which either Party may have against the other arising out of or relating to this Agreement or the transactions contemplated hereunder, or the breach, termination, or validity thereof ("Dispute") shall be submitted promptly in writing to the other Party. The written submission of any Dispute shall include a concise statement of the question or issue in dispute together with a statement listing the relevant facts and documentation that support the claim.
- 18.2 Good Faith Resolution. The Parties agree to cooperate in good faith to expedite the resolution of any Dispute. Pending resolution of a Dispute, the Parties shall proceed diligently with the performance of their obligations under this Agreement.
- 18.3 Negotiations. The Parties shall attempt in good faith to resolve all disputes arising out of, related to or in connection with this Agreement promptly by negotiation, as follows. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Executives of both Parties at levels at least one level above the personnel who have previously been involved in the dispute shall meet at a mutually acceptable time and place within ten (10) days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) days after the referral of the dispute to such senior executives, or if no meeting of such senior executives has taken place within fifteen (15) days after such referral, and this fifteen day time limit has not been extended by mutual agreement, then the Parties may mutually agree to resolve such controversy through arbitration and in the absence of agreement either party may initiate litigation.
- 18.4 Specific Performance. Neither Party shall be entitled to seek and obtain a decree compelling specific performance or granting injunctive relief with respect to, or

enjoining, any actual or threatened breach of any material obligation of the other Party hereunder.

## **19. NATURE OF OBLIGATIONS**

- 19.1 Nature of Relationship. The provisions of this Agreement shall not be construed to create an association, trust, partnership, or joint venture; or impose a trust or partnership duty, obligation, or liability or agency relationship between the Parties.
- 19.2 No Dedication of Facilities. By this Agreement, neither Party dedicates any part of its facilities or the service provided under this Agreement to the public.

## **20. ASSIGNMENT**

- 20.1 Buyer's Request of Assignment. Buyer may request to assign this Agreement, in whole or in part, but in no case shall Buyer assign this Agreement without Supplier's prior written consent, which consent may not be unreasonable withheld. Supplier may (i) without relieving itself from liability hereunder transfer, pledge, encumber, or assign this Agreement or the account, revenues or proceeds hereof in connection with any financing or other financial arrangements for the Generating Facilities and (ii) transfer or assign this Agreement in connection with a transfer of the Generating Facilities; provided, that Supplier provides Buyer prior notice of any such transfer, Buyer consents to the transfer, which consent may not be unreasonably withheld, and, with respect to any transfer Supplier requires an assignment and assumption agreement of this Agreement.
- 20.2 Prior Written Consent. Except as stated above, neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by either Party, including by operation of Law, without the prior written consent of the other Party. Any assignment of this Agreement in violation of the foregoing shall be, at the option of the non-assigning Party, void.
- 20.3 Relief of Liability. A Party's assignment or transfer of rights or obligations pursuant to this Section 20 (Assignment) (other than Section 20.2) of this Agreement shall relieve said Party from any liability and financial responsibility for the performance thereof arising after any such transfer or assignment, provided such transferee enters into an assignment and assumption agreement in form and substance acceptable to the non-assigning Party..
- 20.4 Binding. This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns.

## **21. DEFAULT AND REMEDIES**

- 21.1 Default. Except to the extent excused due to an event of Force Majeure in accordance with Section 17 (Force Majeure), an event of default ("Event of Default") shall be deemed to have occurred with respect to a Party (the "Defaulting Party") upon the occurrence of one or more of the following events:

- 21.1.1 Failure to comply with any material obligations imposed upon it by this Agreement;
  - 21.1.2 Failure to make timely payments due under this Agreement where that failure has not been excused by the Supplier;
  - 21.1.3 Failure to comply with the material requirements of the Control Area Operator, Transmission Provider, Buyer, WECC, PUCN, FERC, or any successor thereto where following such directions is required hereunder;
  - 21.1.4 In the case of Supplier, its failure at any time to qualify the Generating Facilities as a Renewable Energy System or itself as a renewable energy producer or similar status under the Renewable Energy Act or any regulations promulgated thereunder;
  - 21.1.5 In the case of Supplier, its failure to install, operate, maintain or repair the Generating Facilities in accordance with Good Utility Practice;
  - 21.1.6 In the case of Supplier, its failure to comply with the provisions of Section 20 (Assignment); or
  - 21.1.7 In the case of Supplier, its failure to comply with the provisions of Section 24 (Insurance).
  - 21.1.8 In the case of Buyer, it (i) makes a general assignment for the benefit of its creditors; (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (iii) becomes insolvent; or (iv) is unable to pay its debts when due.
- 21.2 Cure Period. Upon the occurrence of an Event of Default, the Defaulting Party shall be entitled to a period of forty-five (45) days from such occurrence (the “Cure Period”) to cure such Event of Default during which time the duties and obligations of the Non-Defaulting Party under this Agreement are suspended. The Cure Period may be extended by successive thirty (30) day periods upon written mutual agreement between the Parties.
- 21.3 Failure to Cure. If an Event of Default is not cured by the Defaulting Party during the Cure Period or a mutually agreed upon 30-day extension of the Cure Period, the Non-Defaulting Party shall be entitled to all legal and equitable remedies that are not expressly prohibited by the terms of this Agreement, including termination of this Agreement as provided in Section 2.3 (Termination) and payment of damages.

## **22. REPRESENTATIONS AND WARRANTIES OF SUPPLIER**

The Supplier represents and warrants to Buyer as follows:

- 22.1 Organization. The Supplier is a Joint Powers Authority, created pursuant to Nevada Revised Statutes, Title 22, Cooperative Agreements by Public Agencies, Chapter 277 among the cities of Reno, Sparks, and Washoe County, Nevada, duly organized, validly existing and in good standing under the laws of the State of Nevada and has all requisite power and authority to own, lease and/or operate its properties and to carry on its business as is now being conducted.
- 22.2 Authority Relative to this Agreement. The Supplier has full authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated herein and has taken all necessary legal actions necessary to authorize the execution, delivery, and performance of this Agreement. No other proceedings or approvals on the part of Supplier are necessary to authorize this Agreement. This Agreement constitutes a legal, valid, and binding obligation of Supplier enforceable in accordance with its terms except as the enforcement thereof may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of rights generally.
- 22.3 Consents and Approvals; No Violation. Other than obtaining Supplier's approvals as set out in Exhibit 7, the execution, delivery and performance of this Agreement by Supplier shall not: (i) conflict with or result in any breach of any provision of the articles of organization (or other similar governing documents) of Supplier; (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except where the failure to obtain such consent, approval, authorization or permit, or to make such filing or notification, could not reasonably be expected to have a material adverse effect; or (iii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation to which Supplier or any of its subsidiaries is a party or by which any of their respective assets may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained.
- 22.4 Permits and Authorizations. Supplier has applied or will apply for the approvals listed in Exhibit 7, and to the best of Supplier's knowledge no other permits, authorizations, licenses, grants, etc. are required by Supplier to operate the Generating Facilities or fulfill its obligations under this Agreement.
- 22.5 Related Agreements. Supplier has entered into or will enter into all necessary and material agreements as listed in Exhibit 8 related to Supplier's obligations under this Agreement.
- 22.6 Certification. As of the Effective Date, the Generating Facilities qualifies as a Renewable Energy System and Supplier has been and is in compliance with all requirements set forth in the Renewable Energy Act and any regulations promulgated thereunder.
- 22.7 Title. Supplier owns all Product attributable to the Generating Facilities and has the right to sell such Product to Buyer. Supplier will convey good title to the Product to Buyer free and clear of any liens or other encumbrances or title defects, including any

which would affect Buyer's ownership of any portion of such Product or prevent the subsequent delivery of any portion of such Product by Buyer to a third party.

## 23. **REPRESENTATIONS AND WARRANTIES OF BUYER**

The Buyer represents and warrants to Supplier as follows:

- 23.1 Organization; Qualification. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to own, lease, and operate its properties and to carry on its business as is now being conducted. The Buyer is duly qualified or licensed to do business as a corporation and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified or licensed and in good standing would not have a material adverse effect.
- 23.2 Authority Relative to this Agreement. Buyer has full corporate authority to execute and deliver this Agreement to which it is a party and to consummate the transactions contemplated herein. The execution and delivery of this Agreement has been duly and validly authorized by Buyer and no other corporate proceedings on the part of Buyer are necessary to authorize this Agreement. This Agreement constitutes a legal, valid, and binding obligation of Buyer enforceable in accordance with its terms except as the enforcement thereof may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of rights generally.
- 23.3 Consents and Approvals; No Violation. The execution, delivery and performance of this Agreement by Buyer shall not (i) conflict with or result in any breach of any provision of the articles of organization (or other similar governing documents) of Buyer; (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except (a) where the failure to obtain such consent, approval, authorization or permit, or to make such filing or notification, could not reasonably be expected to have a material adverse effect or (b) for those consents, authorizations, approvals, permits, filings and notices which become applicable to Buyer as a result of specific regulatory status of Buyer (or any of its affiliates) or as a result of any other facts that specifically relate to the business or activities in which Buyer (or any of its affiliates) is or proposes to be engaged, which consents, approvals, authorizations, permits, filings and notices have been obtained or made by Buyer; or (iii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation to which Buyer or any of its subsidiaries is a party or by which any of their respective assets may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained.
- 23.4 Related Agreements. Buyer warrants that it has entered into or will enter into all necessary and material agreements related to Buyer's obligations under this Agreement.

## 24. INSURANCE

- 24.1 General Requirements. Supplier shall maintain at all times, at its own expense, general/commercial liability, worker's compensation, and other forms of insurance relating to its operations and facility in the manner and amounts set forth herein from the Effective Date of this Agreement. If Supplier makes a business decision to become self-insured, provisions 24.1 through 24.6 will not apply.
- 24.2 Qualified Insurers. Every contract of insurance providing the coverage required herein shall be with an insurer or eligible surplus lines insurer qualified to do business in the State of Nevada and with the equivalent of a "Best Rating" of "A" or better and shall include provisions or endorsements:
- 24.2.1 Stating that such insurance is primary insurance with respect to the interest of Buyer and that any insurance maintained by Buyer is excess and not contributory insurance required hereunder;
  - 24.2.2 Stating that no reduction, cancellation or expiration of the policy shall be effective until ninety (90) days from the date notice thereof is actually received by Buyer; provided, that upon Supplier's receipt of any notice of reduction, cancellation or expiration, Supplier shall immediately provide notice thereof to Buyer; and
  - 24.2.3 Naming Buyer as an additional insured on the general liability insurance policies of Supplier as its interests may appear with respect to this Agreement.
- 24.3 Certificates of Insurance. Within fifteen (15) days of the earliest date outlined in Exhibit 2 (Facility Product Availability Dates), Supplier shall provide to Buyer, and shall continue to provide to Buyer within fifteen (15) days of each anniversary of the Effective Date until the expiration of this Agreement, upon any change in coverage, or at the request of Buyer not to exceed once each year, properly executed and current certificates of insurance with respect to all insurance policies required to be maintained by Supplier under this Agreement. Certificates of insurance shall provide the following information:
- 24.3.1 The name of insurance company, policy number and expiration date;
  - 24.3.2 The coverage required and the limits on each, including the amount of deductibles or self-insured retentions, which shall be for the account of Supplier maintaining such policy; and
  - 24.3.3 A statement indicating that Buyer shall receive at least ninety (90) days prior notice of cancellation or expiration of a policy or of a reduction of liability limits with respect to a policy.
- 24.4 Certified Copies of Insurance Policies. At Buyer's request, in addition to the foregoing certifications, Supplier shall deliver to Buyer a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company.

- 24.5 Inspection of Insurance Policies. Buyer shall have the right to inspect the original policies of insurance applicable to this Agreement at Supplier's place of business during regular business hours.
- 24.6 Supplier's Minimum Insurance Requirements.
- 24.6.1 Worker's Compensation. Worker's compensation insurance, in accordance with statutory requirements.
- 24.6.2 General Liability. General liability insurance including bodily injury, property damage, products/completed operations, contractual and personal injury liability with a combined single limit of two million dollars (\$2,000,000) per occurrence and two million dollars (\$2,000,000) annual aggregate.
- 24.6.3 Automobile Liability. Automobile liability insurance including owned, non-owned and hired automobiles with combined bodily injury and property damage limits of at least two million dollars (\$2,000,000) per occurrence and at least two million dollars (\$2,000,000) aggregate.
- 24.6.4 Failure to Comply. If Supplier fails to comply with the provisions of this Section 24 (Insurance), Supplier shall save harmless and indemnify Buyer from any direct or indirect loss and liability, including attorneys' fees and other costs of litigation, resulting from the injury or death of any person or damage to any property if Buyer would have been protected had Supplier complied with the requirements of this Section 24 (Insurance), in accordance with Section 15 (Indemnification).

## 25. NOTICES

- 25.1 All notices hereunder shall, unless expressly specified otherwise, be in writing and shall be addressed, except as otherwise stated herein, to the Parties' Contract Representatives as set forth in Exhibit 4 or as modified from time to time by the receiving Party by notice to the other Party. Any changes to Exhibit 4 shall not constitute an amendment to this Agreement.
- 25.2 All notices or submittals required by this Agreement shall be sent either by hand-delivery, regular first class U.S. mail, registered or certified U.S. mail postage paid return receipt requested, overnight courier delivery, electronic mail with read receipt or facsimile transmission. Such notices or submittals will be effective upon receipt by the addressee, except that notices or submittals transmitted by electronic mail or facsimile transmission shall be deemed to have been validly and effectively given on the day (if a Business Day and, if not, on the next following Business Day) on which it is transmitted if transmitted before 4:00 p.m. PPT, and if transmitted after that time, on the following Business Day; provided, however, that if any notice or submittal is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

- 25.3 All oral notifications required under this Agreement shall be made to the receiving Party's Operating Representative and shall promptly be followed by notice as provided in the other provisions of this Section 25 (Notices).
- 25.4 Notices of Force Majeure or an Event of Default pursuant to Section 17 (Force Majeure) or pursuant to Section 21 (Default and Remedies), respectively and notices of a change to Exhibit 4 shall be sent either by hand delivery, registered or certified U.S. mail (postage paid return receipt requested), overnight courier delivery, electronic mail with read receipt or facsimile transmission. Such notices will be effective upon receipt by the addressee; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender.
- 25.5 Any payments required to be made under this Agreement shall be made pursuant to the instructions in Exhibit 4 as such instructions may be changed by my Party from time to time by notice.

## **26. MERGER**

- 26.1 This Agreement and its integrated attachment(s) constitute the entire agreement of the Parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Agreement specifically displays a mutual intent to amend a particular part of this Agreement, general conflicts in language between any such attachment and this Agreement shall be construed consistent with the terms of this Agreement. Unless otherwise expressly authorized by the terms of this Agreement, no modification or amendment to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

## **27. COUNTERPARTS AND INTERPRETATION**

- 27.1 This Agreement may be executed in two (2) counterparts, both of which shall be deemed an original.
- 27.2 Each term hereof shall be construed according to its fair meaning and not strictly for or against either Party. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of authorship of any of the provisions of this Agreement.
- 27.3 Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.
- 27.4 The words "include," "includes," and "including" in this Agreement shall not be limiting and shall be deemed in all instances to be followed by the phrase "without limitation."

- 27.5 References to Articles and Sections herein are cross-references to Articles and Sections, respectively, in this Agreement, unless otherwise stated.
- 27.6 The headings or section titles contained in this Agreement are inserted solely for convenience and do not constitute a part of this Agreement between the Parties, nor should they be used to aid in any manner in the construction of this Agreement.
- 27.7 Terms used in this Agreement but not specifically defined in this Section 1 shall have meanings as commonly used in the English language and, where applicable, in Good Utility Practices. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used in accordance with such recognized meanings. Unless otherwise required by the context in which any term appears, (a) the singular includes the plural and vice versa; (b) references to “Articles,” “Sections,” “Schedules,” “Annexes,” “Appendices” or “Exhibits” are to articles, sections, schedules, annexes, appendices or exhibits hereof; (c) all references to a particular entity or an electricity market price index include a reference to such entity’s or index’s successors; (d) “herein,” “hereof” and “hereunder” refer to this Agreement as a whole; (e) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied; (f) the masculine includes the feminine and neutral and vice versa; (g) all references to a particular tariff, law or statute mean that tariff, law or statute as amended from time to time; and (h) any reference to a “person” or “entity” shall be deemed to include any individual, corporation, company, voluntary association, partnership, joint venture, trust, limited liability company, unincorporated organization or Governmental Authority.
- 27.8 Example calculations and other Examples set forth herein are for purposes of illustration only and to manifest subjective “intent” and are not intended to constitute a representation, warranty or covenant concerning the Example itself or the matters assumed for purposes of such Example. If there is a conflict between an Example and the text hereof, the text shall control.

## **28. SEVERABILITY**

- 28.1 If any term, provision or condition of this Agreement is held to be invalid, void or unenforceable by a Governmental Authority and such holding is subject to no further appeal or judicial review, then such invalid, void, or unenforceable term, provision or condition shall be deemed severed from this Agreement and all remaining terms, provisions and conditions of this Agreement shall continue in full force and effect.
- 28.2 The Parties shall endeavor in good faith to replace such invalid, void, or unenforceable provisions with valid and enforceable provisions, which achieve the purpose, intended by the Parties to the greatest extent permitted by law.

## **29. WAIVERS: REMEDIES CUMULATIVE**

- 29.1 No failure or delay on the part of a Party in exercising any of its rights under this Agreement or in insisting upon strict performance of provisions of this Agreement, no partial exercise by either Party of any of its rights under this Agreement, and no course

of dealing between the Parties shall constitute a waiver of the rights of either Party under this Agreement. Any waiver shall be effective only by a written instrument signed by the Party granting such waiver, and such shall not operate as a waiver of, or estoppel with respect to, any subsequent failure to comply therewith. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

### **30. AMENDMENTS**

- 30.1 Amendments to this Agreement shall be mutually agreed upon by the Parties, produced in writing and shall be executed by an authorized representative of each Party.
- 30.2 The Parties agree that if the Laws, regulations or regulatory decisions that govern this Agreement are amended or superseded such that a change in Law causes a Material Adverse Effect, the disadvantaged Party is entitled to provide written notice to the other Party requesting that the Parties convene and discuss in good faith ways to mitigate the Material Adverse Effect but without any obligation to amend this Agreement.

### **31. TIME IS OF THE ESSENCE**

- 31.1 Time is of the essence to this Agreement and in the performance of all of the covenants, obligations and conditions hereof.

### **32. CONFIDENTIALITY**

- 32.1 Confidential Information. “Confidential Information” means information provided by one Party (the “Disclosing Party”) to the other (the “Receiving Party”) in connection with the negotiation or performance of this Agreement that is clearly labeled or designated by the Disclosing Party as “confidential” or “proprietary” or with words of like meaning or, if disclosed orally, clearly identified as confidential with that status confirmed promptly thereafter in writing, excluding, however, information excluded as provided in Section 32.3 (Excluded Information).
- 32.2 Treatment of Confidential Information. The Receiving Party shall treat any Confidential Information with at least the same degree of care regarding its secrecy and confidentiality as the Receiving Party’s similar information is treated within the Receiving Party’s organization. The Receiving Party shall keep confidential and not disclose the Confidential Information of the Disclosing Party to third parties (except as stated hereinafter) nor use it for any purpose other than the performance under this Agreement, without the express prior written consent of the Disclosing Party. The Receiving Party further agrees that it shall restrict disclosure of Confidential Information as follows:
  - 32.2.1 Disclosure shall be restricted solely, in each case after advising the relevant person or entity of its obligations under this Section, to (i) its agents as may be necessary to enforce the terms of this Agreement, (ii) its Affiliates, shareholders, directors, officers, employees, advisors, lenders and representatives as necessary, (iii) any Governmental Authority in

connection with seeking any required regulatory approval, (iv) to the extent required by applicable Law, (v) in the case of Buyer only, potential transferees of Energy or PCs obtained by Buyer and (vi) potential assignees of this Agreement (together with their agents, advisors and representatives), as may be necessary in connection with any such assignment (which assignment or transfer shall be in compliance with Section 23 (Assignment) in each case after advising those agents of their obligations under this Section.

32.2.2 In the event that the Receiving Party is required by applicable Law to disclose any Confidential Information, the Receiving Party shall provide the Disclosing Party with prompt notice of such request or requirement in order to enable Disclosing Party to seek an appropriate protective order or other remedy and to consult with Disclosing Party with respect to Disclosing Party taking steps to resist or narrow the scope of such request or legal process. The Receiving Party agrees not to oppose any action by the Disclosing Party to obtain a protective order or other appropriate remedy. In the absence of such protective order, and provided that the Receiving Party is advised by its counsel that it is compelled to disclose the Confidential Information, the Receiving Party shall:

- 32.2.2.1 Furnish only that portion of the Confidential Information which the Receiving Party is advised by counsel is legally required; and
- 32.2.2.2 Use its commercially reasonable efforts, at the expense of the Disclosing Party, to ensure that all Confidential Information so disclosed will be accorded confidential treatment.

This Section 32.2.2 shall not apply to information disclosed as contemplated by 32.2.1 (iii).

32.3 Excluded Information. Confidential Information shall be deemed not to include the following:

- 32.3.1 Information that is required to be disclosed pursuant to Law as defined in this Agreement as determined solely by Supplier. The Supplier shall not make any such disclosure without ten (10) business days prior written notice to the Buyer.
- 32.3.2 Information which is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party;
- 32.3.3 Information which was available to the Receiving Party on a non-confidential basis prior to its disclosure by the Disclosing Party; and
- 32.3.4 Information which becomes available to the Receiving Party on a non-confidential basis from a person other than the Disclosing Party or its representative who is not otherwise bound by a confidentiality agreement with Disclosing Party or its agent or is otherwise not under any obligation

to Disclosing Party or its agent not to disclose the information to the Receiving Party.

32.4 Injunctive Relief Due to Breach. The Parties agree that remedies at Law may be inadequate to protect each other in the event of a breach of this Section, and the Receiving Party hereby in advance agrees that the Disclosing Party shall be entitled to seek without proof of actual damages, temporary, preliminary and permanent injunctive relief from any Governmental Authority of competent jurisdiction restraining the Receiving Party from committing or continuing any breach of this Section.

32.5 Public Statements. The Parties shall consult with each other prior to issuing any public announcement, statement or other disclosure with respect to this Agreement or the transactions contemplated hereby and the Parties shall not issue any such public announcement, statement or other disclosure without having first received the written consent of the other Party, except as may be required by Law.

### **33. CHOICE OF LAW**

33.1 This Agreement and the rights and obligations of the Parties shall be construed and governed by the Laws of the State of Nevada without resort to Conflicts of Law. Venue and jurisdiction of any suit brought to enforce the provisions of this Agreement shall lie exclusively in Washoe County, Nevada. For all purposes, this Agreement shall be deemed to have been negotiated and executed in Reno, Washoe County, Nevada. The Parties hereby waive any and all objections to venue and jurisdiction of any dispute hereunder lying in Washoe County, Nevada, and hereby consents to exclusive personal jurisdiction within Washoe County, Nevada. In any litigation relating to this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees and costs.

### **34. FURTHER ASSURANCES**

34.1 The Parties hereto agree to execute and deliver promptly, at the expense of the Party requesting such action, any and all other and further instruments, documents and information which a Party, may request and which are reasonably necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

### **35. NO THIRD-PARTY BENEFICIARY**

35.1 Except with respect to the rights of the Indemnified Party in Section 15.1 (Third- Party Claims), (i) nothing in this Agreement nor any action taken hereunder shall be construed to create any duty, liability or standard of care to any third party, (ii) no third party shall have any rights or interest, direct or indirect, in this Agreement or the services to be provided hereunder, and (iii) this Agreement is intended solely for the benefit of the Parties, and the Parties expressly disclaim any intent to create any rights in any third party as a third-party beneficiary to this Agreement or the services to be provided hereunder.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representative on the date first stated above.

**BUYER:**

**SWITCHED ON, LLC**

By: Alise Porto  
Name: Alise Porto  
Title: SVP of Energy and Sustainability

  
\_\_\_\_\_  
Legal

**SUPPLIER:**

**TRUCKEE MEADOWS WATER  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

## **EXHIBIT 1**

### **DESCRIPTION OF GENERATING FACILITIES**

#### **Fleish**

1. Name of Facility: Fleish
2. Location: Truckee River in Sierra County, CA and Washoe County, Nevada
3. Owner: Truckee Meadows Water Authority
4. Operator: Truckee Meadows Water Authority
5. Equipment: Water diversion, flume, hydroelectric generation, and associated water conveyance and operating facility
6. Type of Facility: Hydroelectric Power
7. Capacity: 2.4 MW, subject to change

#### **Verdi**

1. Name of Facility: Verdi
2. Location: Truckee River in Washoe County, Nevada
3. Owner: Truckee Meadows Water Authority
4. Operator: Truckee Meadows Water Authority
5. Equipment: Water diversion, flume, hydroelectric generation, and associated water conveyance and operating facility
6. Type of Facility: Hydroelectric Power
7. Capacity: 2.3 MW, subject to change

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Washoe

1. Name of Facility: Washoe
2. Location: Truckee River in Washoe County, Nevada
3. Owner: Truckee Meadows Water Authority
4. Operator: Truckee Meadows Water Authority
5. Equipment: Water diversion, flume, hydroelectric generation, and associated water conveyance and operating facility
6. Type of Facility: Hydroelectric Power
7. Capacity: 2.0 MW, subject to change

**EXHIBIT 2**

**FACILITY PRODUCT AVAILABILITY DATES**

Washoe: May 17, 2028

Fleish: July 26, 2028

Verdi: June 10, 2029

### **EXHIBIT 3**

#### **PRODUCT RATE**

The Product Rate for the Term shall be \$120.00 per MWh for the first Contract Year (“Initial Product Rate”) in which Product is supplied to Buyer, escalated by 1% per year thereafter.

#### **ESCALATION CALCULATION:**

The Product Rate shall be increased at the beginning of each Contract Year following the first Contract Year in which Product is supplied to Buyer, by an amount equal to one percent (1%) of the Product Rate for the previous Contract Year, for the duration of the Term of this Agreement.

**EXHIBIT 4**

**NOTICES, BILLING AND PAYMENT INSTRUCTIONS**

**Supplier's Representatives:**

Operating Representative

Jason Barnes  
Generations and Facilities Manager – Truckee Meadows Water Authority  
PO Box 30013  
Reno, NV 89520  
(775) 834-8286  
[jbarnes@tmwa.com](mailto:jbarnes@tmwa.com)

Contract Representative

Ryan Dixon  
Director of Distribution – Truckee Meadows Water Authority  
PO Box 30013  
Reno, NV 89520  
(775) 834-8034  
[rdixon@tmwa.com](mailto:rdixon@tmwa.com)

**Buyer's Representatives:**

Operating Representative

Alise Porto  
SVP of Energy and Sustainability  
7135 S Decatur Blvd  
Las Vegas, NV 89118  
[alise@switch.com](mailto:alise@switch.com)

Contract Representative

Switched On, LLC  
7135 S. Decatur Blvd.  
Las Vegas, NV 89118  
Attn: Office of General Counsel  
Email: [policy@switch.com](mailto:policy@switch.com)  
Telephone: (702) 444-4111

**Invoice**

Pursuant to Section 7.2 of this Agreement, on or before the 15th day of each month or within 7 days of receipt of hourly data pursuant to Section 4.1 of this Agreement, whichever is later, Supplier shall send to Buyer an Invoice for the prior month to the following address:

**Switch, Ltd c/o Accounts Payable**

**7135 S Decatur Blvd**

**Las Vegas, NV 89118**

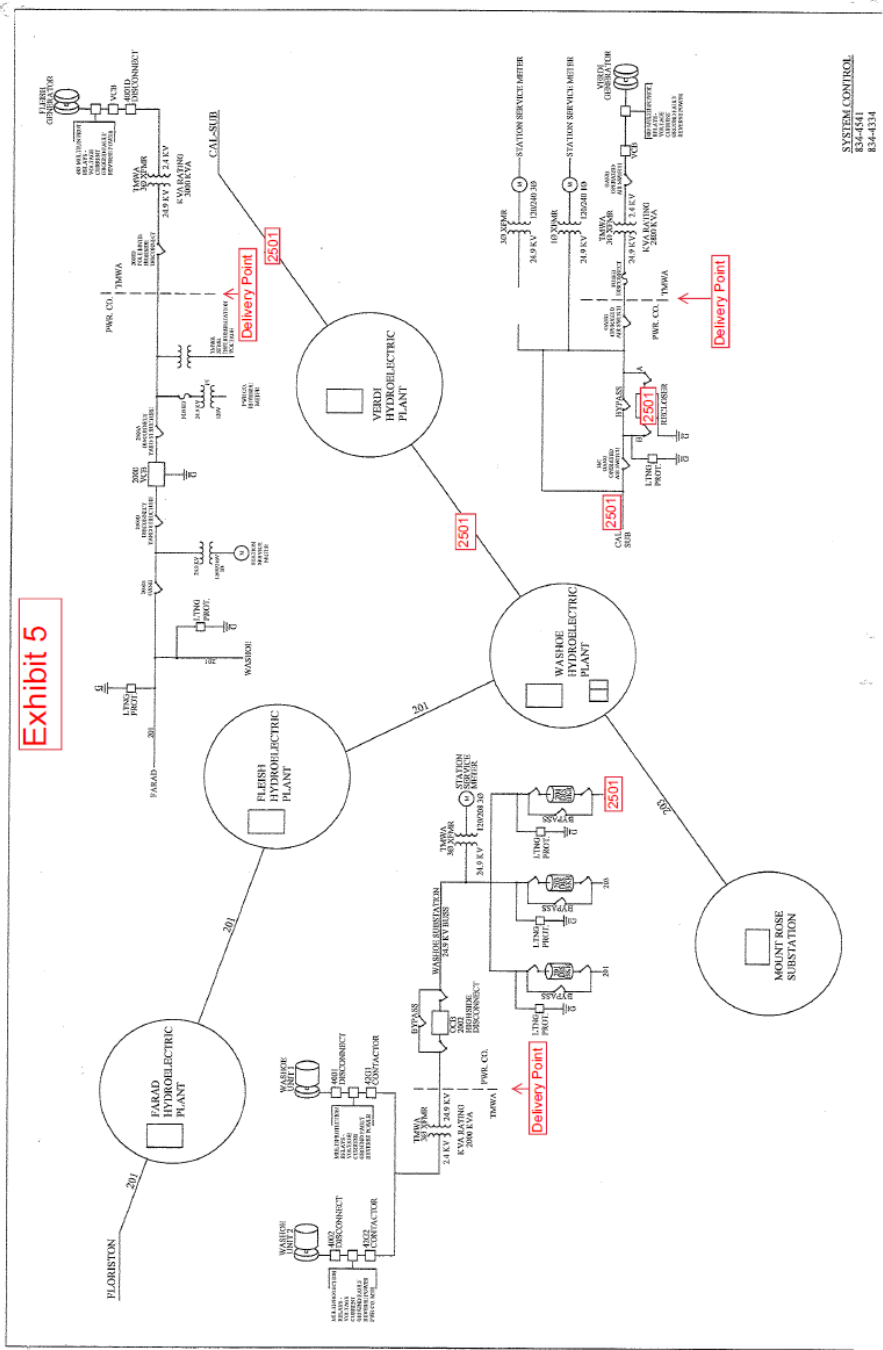
**Payment Check**

Buyer shall make its required payment to the following address:

Truckee Meadows Water Authority  
Finance Department  
PO Box 30013  
Reno, NV 89520

**EXHIBIT 5**

**ONE-LINE DIAGRAM OF GENERATING FACILITIES AND INTERCONNECTION FACILITY**



**EXHIBIT 6**

**Switch is an approved 704B customer**

**EXHIBIT 7**

**SUPPLIER'S REQUIRED REGULATORY APPROVALS**

1. PUCN certification of the Generating Facilities as a Renewable Energy System.

**EXHIBIT 8**

**SUPPLIER'S REQUIRED AGREEMENTS**

1. IOA

**EXHIBIT 9****PROJECTED 2024/2025 12-MONTH SUPPLY AMOUNT FOR GENERATING FACILITIES**

<b>Verdi Hydroelectric Plant Projected 12-Month Supply Amount (2024-2025):</b>				
Month		85% of Supply Amount (kWh)	100% of Supply Amount (kWh)	105% of Supply Amount (kWh)
May-24		1,415,505	1,665,300	1,748,565
Jun-24		1,415,505	1,665,300	1,748,565
Jul-24		1,415,505	1,665,300	1,748,565
Aug-24		0	0	0
Sep-24		0	0	0
Oct-24		0	0	0
Nov-24		0	0	0
Dec-24		562,238	661,456	694,529
Jan-25		968,299	1,139,175	1,196,134
Feb-25		968,299	1,139,175	1,196,134
Mar-25		1,415,505	1,665,300	1,748,565
Apr-25		1,415,505	1,665,300	1,748,565
Totals	KWh	9,576,360	11,266,306	11,829,621
	MWh	<b>9,576</b>	<b>11,266</b>	<b>11,830</b>
<b>Notes:</b>				
<sup>a</sup> Capital improvement and maintenance activities are projected to start August 2, 2024 and last for 19 weeks to December 13, 2024				

<b>Fleish Hydroelectric Plant Projected 12-Month Supply Amount (2024-2025):</b>				
Month		85% of Supply Amount (kWh)	100% of Supply Amount (kWh)	105% of Supply Amount (kWh)
May-24		1,586,610	1,866,600	1,959,930
Jun-24		1,586,610	1,866,600	1,959,930
Jul-24		1,586,610	1,866,600	1,959,930
Aug-24		1,586,610	1,866,600	1,959,930
Sep-24		1,586,610	1,866,600	1,959,930
Oct-24		312,605	367,771	386,160
Nov-24		1,081,073	1,271,850	1,335,443
Dec-24		1,081,073	1,271,850	1,335,443
Jan-25		1,081,073	1,271,850	1,335,443
Feb-25		1,081,073	1,271,850	1,335,443
Mar-25		1,586,610	1,866,600	1,959,930
Apr-25		1,586,610	1,866,600	1,959,930
Totals	KWh	15,743,167	18,521,371	19,447,440
	MWh	<b>15,743</b>	<b>18,521</b>	<b>19,447</b>
<b>Notes:</b>				
<sup>3</sup> Maintenance is projected to start on September 30, 2024 and last for 24 calendar days until October 24, 2024				

Washoe Hydroelectric Plant Projected 12-Month Supply Amount (2024-2025):

Month		85% of Supply Amount (kWh)	100% of Supply Amount (kWh)	105% of Supply Amount (kWh)
May-24		1,182,180	1,390,800	1,460,340
Jun-24		1,182,180	1,390,800	1,460,340
Jul-24		1,182,180	1,390,800	1,460,340
Aug-24		1,147,443	1,349,933	1,417,430
Sep-24		1,147,443	1,349,933	1,417,430
Oct-24		915,929	1,077,563	1,131,441
Nov-24		568,657	669,008	702,458
Dec-24		568,657	669,008	702,458
Jan-25		568,657	669,008	702,458
Feb-25		568,657	669,008	702,458
Mar-25		740,286	870,925	914,471
Apr-25		1,182,180	1,390,800	1,460,340
Totals	KWh	10,954,448	12,887,586	13,531,965
	MWh	10,954	12,888	13,532

Notes:

<sup>a</sup> Maintenance is projected to start March 3, 2025 and last for 11 calendar days to March 14,2025



# Truckee Meadows Water Authority

## STAFF REPORT

**TO:** Chair and Board Members  
**FROM:** John R. Zimmerman, General Manager  
**DATE:** August 4, 2025  
**SUBJECT:** Presentation of General Manager’s goal results for contract year 2024-2025

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### RECOMMENDATION

The TMWA Board review the General Manager’s performance results for the past contract year.

### DISCUSSION

In October 2024, the Board adopted the following specific objectives that the General Manager would be working to accomplish during the contract year and that the Board would use to evaluate the performance of the General Manager. The following is a summary of the results.

GENERAL OBJECTIVES RESULTS	
<b>A</b>	<b>Direct the preparation of and propose financial plans, investment strategies, funding plans and adjustments to rates and charges that will continue to keep TMWA in long term financial stability; including preparation of budgets and Capital Improvement Plans and financial reporting that comply with Nevada Revised Statutes and the Securities and Exchange Commission (SEC).</b>
	Staff prepared and presented fiscal budgets, including the Capital Improvement Plan, to the Board for preliminary and final approval. Staff also regularly presented updates regarding TMWA’s financial status and investments. In FY 2025, Staff presented an updated funding plan showing the need to continue with the series of rate increases approved in FY 2024. These rate increases are necessary to keep TMWA on solid financial ground over the long-term while balancing water affordability.
<b>B</b>	<b>Develop proactive communications plans to address upcoming issues (e.g., topics affecting water supply, drought planning, regional water issues, utility water system consolidation and rate changes) and to keep all stakeholders including the Board, the employees, and the customers informed through a variety of mediums. Respond to media inquiries and provide informational interviews.</b>
	To ensure stakeholders remained informed on key water issues, TMWA’s communications team delivered timely, proactive messaging across multiple channels, including broadcast interviews, community presentations, bill inserts and messaging, the monthly e-newsletter, workshops, and special events. Outreach efforts focused on water supply, conservation, and water quality, while maintaining clear communication around day-to-day operations, internal updates, and regional collaboration through the Water Leadership program. Notably, TMWA’s communications team worked closely with OneWater Nevada partners to advance public outreach for the Advanced Purified Water Facility (APWF) and collaborated with City of Reno staff to support the design process for the APWF Education Center. Media inquiries were handled promptly, and communications were consistently aligned with emerging regional topics such as, emergency preparedness and long-term water resource planning.

C	<p><b>Continue having and improve on a community presence for TMWA through the Water Leadership program and participation in community committees, boards, and networking organizations and by providing presentations and information to these groups; offer Truckee River, Chalk Bluff Plant and/or other informational tours to the community.</b></p>
	<p>TMWA staff continues to participate in a multitude of organizations including Rotary, Reno-Sparks Chamber of Commerce, WaterStart, EDAWN, Nevada Water Resources Association (NWRA), Nevada Water Innovation Institute (NWII), Desert Research Institute (DRI), Washoe County School District and participated in multiple community events. Staff continued with both virtual and in person presentations to schools and organizations such as American Public Works Association, Water Education Foundation, WateReuse, Truckee Meadows Tomorrow, Rotary, the Builders Association of Northern Nevada (BANN), and homeowner's associations (HOA's) and have touched on many topics including water supply and resources, watershed protection, water reuse, drought planning, conservation, development/growth and more.</p> <p>TMWA held another successful Smart About Water (SAW) Day where almost 300 people attended, hosted an Open House during National Drinking Water Week (40 attendees) and provides weekly public tours in September of both the Chalk Bluff WTP and the Verdi Hydroelectric Plant. For the 2025-2045 Water Resource Plan, many public meetings and outreach events were held in various locations to gather input from the public.</p>
D	<p><b>Continue to create a highly productive work environment and a highly motivated employee team by developing, training, retaining and recruiting the highest quality employees.</b></p>
	<p>In FY 2025, TMWA made significant progress in fostering a productive and motivated workforce. Nine internal employees were promoted into leadership roles, and five advanced along their technical career tracks, demonstrating the organization's commitment to internal growth and development. Leadership training was a key focus, with all Directors, Managers, and Supervisors participating in sessions led by Kristopher Dahir, and additional employees attending Jeff Benjamin's leadership classes.</p> <p>TMWA also continued to enhance cross-departmental collaboration through the formation and use of cross-functional teams addressing operational challenges. Communication across all levels of the organization was strengthened through regular one-on-one meetings with the General Manager, monthly leadership meetings, quarterly all-employee meetings, quarterly lunch and learns and senior leadership strategy sessions. These efforts have cultivated a culture of openness, engagement, and shared purpose.</p>
E	<p><b>Strive for continuous improvements in processes and operations targeting initiatives that will enhance revenues and/or reduce operating costs thus keeping customer rates as low as possible.</b></p>
	<p>TMWA's Operating Margin (Operating Revenue minus Expenses) ended up \$5.6m higher than budget, while capital spend was approximately \$47.2, (42%) under budget (these numbers may change slightly following year-end adjustments for ACFR presentation). Through strategic planning and agility, TMWA's hydroelectric team was able to optimize generation in FY 2025 resulting in \$4.2m of hydro revenue, which was only about \$10 thousand less than FY 2024's record revenue. On the cost side, TMWA's leadership regularly reviews operating costs compared to budget to help develop cost-saving measures. Total operating expenses in FY 2025 ended up \$4.3m (3%) lower than budget.</p>

ONGOING OPERATIONAL OBJECTIVES RESULTS	
<b>a</b>	<b>Monitor federal legislation for opportunities to obtain funding for a variety of TMWA projects.</b>
	Staff worked with our federal lobbyists to meet with federal legislative staff to describe TMWA's priorities and to seek federal funding. TMWA has been successful in receiving federal funding for several important projects to help with water reliability and sustainability and to reduce the cost of these important projects to our customers. Staff met with Congressman Amodei and federal legislative staff from Senator Rosen and Senator Cortez Masto during the combined Association of Metropolitan Water Agencies and the American Water Works Association's water week on Capitol Hill. Staff also participated in the Western Urban Water Coalition (WUWC) meetings regarding federal legislation, regulation development and funding. Through WUWC staff participated in drafting comment letters on regulations that may impact TMWA such as federal environmental regulations, PFAS and implementation of federal regulations such as the Clean Water Act. Staff continues to work closely with Nevada Department of Environmental Protection to optimize funding for various projects, including Principal Forgiveness and 1% SRF loans for APWF at American Flat.
<b>b</b>	<b>Carefully analyze opportunities to acquire water rights and resources in the market in consideration of current inventory and financial constraints. Ensure adequate resources are available through TMWA's Rule 7 as directed by the Board.</b>
	Staff had the opportunity to purchase 215 acre-feet to increase Rule 7 inventory. Staff has worked diligently and in collaboration with the Pyramid Lake Paiute Tribe (PLPT) on obtaining changes to water rights to satisfy the return flow requirements for current TMWRF treated effluent reuse and TRIGID reuse. Staff has been diligently working with community partners like WCSO, WCCSO and NDOT on planning future resources and putting them to the best use for the community. Additionally, TMWA staff continue to aggressively pursue water rights purchases.
<b>c</b>	<b>Provide staff support to the SAC, the Truckee River Fund (TRF) Advisors, and One Truckee River and ensure communications regarding TRF projects.</b>
	This was done.
<b>d</b>	<b>Manage and direct activities related to legal issues, keeping the Board informed on all such matters.</b>
	This was done.
<b>e</b>	<b>Minimize cost impacts to customers by maximizing investment and hydroelectric income, pursuing revenue enhancement and collection opportunities, pursuing process improvements and projects that drive savings in TMWA expenses, and actively pursuing grant/low-interest loan funding for projects.</b>
	TMWA generated \$4.2 million in hydroelectric revenue this fiscal year and plant availability was at 100%. TMWA meets regularly with investment managers to optimize investment returns while ensuring compliance with TMWA's investment policy. TMWA pursued and was awarded \$1.3m in funding for the Orr Ditch Hydroelectric project from the Nevada Department of Conservation and Natural Resources. Additionally, TMWA engaged Eide Bailly to assist with an application for direct-pay renewable energy credits related to the Orr Ditch Hydroelectric project anticipated to be worth between \$3 and \$5 million. These two awards will solidify the projects' substantial future benefit to TMWA rate payers.

### SPECIFIC OBJECTIVES RESULTS

1	<p><b>Develop customer communications for 2025, including conservation communication, water supply planning, and detailed public/customer communications/outreach plan - present to the SAC for their recommendation and Board for approval no later than the April Board Meeting.</b></p>
	<p>The communication plan was developed prior to the irrigation season and presented to the Board at their April 16 meeting. The communication plan used a customer-journey centric approach to identifying key touchpoints within TMWA's key outreach pillars. These included Water Quality, Conservation, Water Leadership and Customer Experience. Throughout the year.</p> <p>After the third above average winter in a row with full upstream storage, the messaging for this summer was once again focused on standard water conservation protocols, as normal river flows are anticipated for at least the next two years. Drought reserves will not be necessary anytime soon. Standard water conservation protocols were enforced this summer, the most important of which is assigned day watering. Through a variety of public outreach methods, this summer's campaign reinforced the importance of only taking what you need, watering responsibly, not wasting water, and following your assigned day schedule.</p>
2	<p><b>Continue working with city and county staff and WRWC regarding regional water issues (including wastewater, effluent management, stormwater, etc.), water quality data, regional economic development initiatives, etc. including the OneWater Nevada initiative that includes advancing the American Flat Project, continued pilot testing and analysis related to infiltrating or injecting highly treated wastewater into the ground for later use, assistance with TMWRF return flow obligations, etc.</b></p>
	<p>TMWA staff has continued to work extensively with the cities and Tahoe Reno Industrial General Improvement District (TRIGID), regarding the delivery of reclaimed water to the TRIGID system for industrial use, with a focus on water rights and the return flow management agreement. Staff has executed a settlement agreement with the PLPT regarding the necessary water rights to make up instream flows from treated effluent reuse in the Truckee Meadows and treated effluent reused at TRIGID. Necessary permits have been obtained for effluent to go to TRIGID per the settlement with the Tribe. TMWA is also assisting in the additional NDOT water rights contribution to TRIGID as part of the RFMA. TMWA continues in a leadership role along with Reno, OneWater Nevada and UNR to advance the design, funding and permitting of groundwater augmentation using Category A+ advanced purified water at American Flat. The feasibility and cost effectiveness of irrigating with recycled water and recharging potable water in Palomino Valley remains under consideration, although the property is currently for sale. TMWA continues to collaborate with local water stakeholders regarding surface water and groundwater for source water protection awareness.</p> <p>Staff routinely meet to discuss contingencies and operating plans with our local regulatory agencies to maintain suitable water supply availability and identify protection efforts. TMWA staff continues to provide technical support to the Regional Effluent Management Team (made up of staff from Reno, Sparks, Washoe County, UNR and WRWC) in evaluating various effluent management strategies, including working with staff from southern Nevada and NDEP on future regulations to allow for Direct Potable Reuse. Working with WRWC and stakeholders on the wastewater regionalization study.</p>
3	<p><b>Continue analyzing water supply options related to fringe area development where private systems exist, make recommendations to Board and follow Board direction regarding same.</b></p>
	<p>Staff engaged in ongoing coordination with Great Basin Water Company (GBWC) in Cold Springs and Spanish Springs Valley, including potential GBWC participation in a nitrate groundwater treatment facility in Spanish Springs. Staff has also been communicating with Verdi Meadows Utility Company that provides water to the River Oak subdivision in Verdi regarding options for TMWA water supply to the subdivision. Staff has also met with members of the River Oak HOA and monitored the filings related to the water utility with the Nevada Public Utilities Commission. Staff continues to analyze water supply options related to fringe area development where private systems exist and will bring any recommendations to the Board when they arise.</p>

**SPECIFIC OBJECTIVES RESULTS (continued)**

<b>4</b>	<b>Monitor and participate in Legislative activities during the 2025 Legislative Session, prepare and deliver presentations to Legislative Committees as requested, schedule meetings with staff, Board legislative committee members, lobbyists and legislators, keep the Board updated and informed regarding legislative matters, and pursue Board direction regarding Legislative issues. Facilitate open communications between legislators and the TMWA Board.</b>
	Staff monitored legislative activities and worked closely with TMWA legal counsel and lobbyists, to update TMWA's Legislative Subcommittee. TMWA staff and lobbyists met with legislators regarding TMWA's priorities, infrastructure funding, water supply, and watershed protection. TMWA continues to monitor regulatory actions and continues to meet with NDEP to address analyzing improvements to the Central Truckee Meadows Remediation District program. Staff is working closely with the Nevada Division of Environmental Protection regarding the EPA's national lead and copper service line inventory rule as well as monitoring the proposed PFAS rule and assessing its impact on TMWA operations.
<b>5</b>	<b>Update the 5-year Funding Plan and present to the SAC and the Board. Propose Board actions based on the results of the planning cycle updates. Implement Board direction with regard to funding plan outcomes.</b>
	This was done at the Board Strategic Planning Workshop in October 2024.
<b>6</b>	<b>Analyze the need for any necessary rule changes, rate adjustments, water facility charge adjustments, including customer service process improvements, and report results of analysis to the SAC and Board of Directors and follow Board direction regarding same.</b>
	During the fiscal year, staff presented the second of three rate adjustments (4.0% for FY 2025), to SAC and the Board, which was ultimately confirmed. The 4.0% adjustment and subsequent 3.5% adjustment planned for FY 2026 were required to maintain financial stability, meet board goals and bond covenants. Additionally, staff proposed changes to the TMWA Water Rules to streamline and, in some cases, modernize the Rules to deal with new issues that have arisen since the Rules were first adopted. These proposed changes included amendments to Rules 5, 6, 8, and 10. The Board unanimously approved a resolution adopting the proposed Rule changes at the Board's March 19, 2025.
<b>7</b>	<b>Continue to develop/refine strategies to optimize conjunctive use of surface water and groundwater resources; further develop/refine drought supply operational strategies; and implement plans.</b>
	TMWA continues to recharge groundwater to support water quality, sustainability and pumping goals. TMWA is continuously working on increasing active and passive recharge efforts through existing wells and the development of new wells as necessary and economically appropriate. Long-term ASR goals are to recharge up to 5,500 AFY; where 1,200 AFY is recharged in South Truckee Meadows and Pleasant Valley, 300 AFY in the Central Truckee Meadows, 1,700 AFY in the Spanish Springs Valley and 2,300 AFY in Lemmon Valley with American Flat Advanced Purified Water (APW). Through conjunctive use, groundwater pumping was reduced by about 2,500 acre-feet between the Mt. Rose, Spanish Springs, Lemmon Valley and former STMGID areas, 653 acre-feet was recharged system-wide, and groundwater production made up a total of 24% of our total water supply during FY 2025.

<b>SPECIFIC OBJECTIVES RESULTS (continued)</b>	
<b>8</b>	<b>Continue to implement strategies to mitigate pre-merger groundwater conditions on the Mt. Rose fan by maximizing operation of the Mt. Rose Water Treatment Plant and expanding aquifer storage and recovery (ASR) in that area. Encourage workforce development by providing training opportunities and tours.</b>
	TMWA has continued the practice of conjunctive managing our water resources in the Mt. Rose fan area by resting production wells whenever possible and using other sources of supply to meet customer demand. TMWA continues to actively recharge three existing production wells located on the Mt. Rose Fan, whenever possible. This passive and active groundwater recharge will assist in sustainable groundwater management for the Mt. Rose fan area. Ongoing enhancements to operations will continue to increase annual water production targets.
<b>9</b>	<b>Update succession plan and continue to implement the succession/staffing plan to address and fill vacancies created by retirements. Continue staff development in support of TMWA's succession plan with a focus on leadership and critical position succession. Increase employee communication and input regarding succession planning, workforce development requirements and foster more collaboration.</b>
	TMWA continued to prioritize succession planning and workforce development in FY 2025. The management team held regular meetings to assess key business drivers and staffing needs, with outcomes communicated to supervisors and employees to ensure alignment and transparency. Succession planning efforts were supported by targeted leadership development and internal promotions, ensuring continuity in critical roles.  Quarterly all-employee meetings featured departmental presentations and examples of teamwork, fostering organizational awareness and collaboration. Employee input was actively encouraged through open forums and direct engagement with leadership, reinforcing a shared commitment to TMWA's long-term staffing and development goals.
<b>10</b>	<b>Continue working under the terms of the MOU with Carson City and Storey County, to determine surplus water availability to TMWA from the Marlette Lake Water System (MLWS).</b>
	Both Carson City and Storey County have updated their future water demand needs and are working towards their long-term wholesale agreements with the MLWS based on those demands. TMWA on behalf of the State filed a temporary water right permit to test out the use of MLWS for in-stream use on the Truckee River to satisfy return flow requirements for reuse from TMWRF. Due to protests TMWA withdrew the permit. TMWA has also entered into an agreement to assist MLWS with updating the State Engineer water right permits and file a Claim of Vested Right, which was completed in FY 2025. If approved, this should address the temporary water right permit protest issues and allow TMWA to use MLWS water in the future.
<b>11</b>	<b>Continue the CMAR design phase for the Advanced Purified Water Project at American Flat. Continue working on operations plan and seeking grant monies to offset costs. Provide periodic updates to the Board at appropriate milestones.</b>
	AECOM completed the 90% design in May 2025. TMWA applied for the Bureau of Reclamation Title XVI grant in Fall 2023 and was notified of the successful application in June 2024. TMWA received notification of award for the \$3M Community Fund Grant in July 2025 and should receive the funds this fiscal year. TMWA and City of Reno staff have prepared an operating agreement for approval by the TMWA Board and Reno City Council along with the Guaranteed Maximum Price (GMP) in Spring of 2026.

SPECIFIC OBJECTIVES RESULTS (continued)	
12	<p><b>Continue working on collecting additional information based on the results from the feasibility study of Palomino Farms, and recommend whether or not to move forward with an option agreement involving Palomino Farms, Reno, Sparks and Washoe County.</b></p> <p>The project remains feasible, however, current conditions and implementation considerations are challenging and will require considerable time, effort and regional collaboration to work through. Staff will continue to analyze options for including this project within TMWA's water resource portfolio and for use as a treated effluent disposal location and update the Board as new information is available. Staff will continue to investigate the project and compare it with potential alternative solutions.</p>
13	<p><b>Continue analyzing opportunities to increase water conservation for drought resiliency and mitigate impacts to the upstream watershed to protect water quality and reservoirs, use best available science to evaluate global climate change models applicable to this region, and advise the Board.</b></p> <p>Staff is routinely monitoring for changes in hydrological trends in the Truckee River Basin and stays current with the latest publications and peer-reviewed journal articles related to climate science, as well as new developments in climate change modeling and/or ways to improve upon the scenario-based methods utilized in the 2020-2040 Water Resource Plan. The draft 2025-2045 Water Resource Plan was presented to the Board in April 2025. This version of the WRP incorporates scenario-based climate modeling and also analyzes a 500-year paleohydrologic study of the Truckee River. Staff has continued to work with stakeholders in the Truckee River watershed on fire mitigation strategies such as the Ladybug fuels reduction project near Stampede Reservoir and other projects identified by the Middle Truckee River Watershed Forest Partnership. Staff has also continued to work with the Bureau of Reclamation and Federal Water Master's office regarding reservoir re-operation.</p>
14	<p><b>Continue working with Nevada Division of Environmental Protection and Central Truckee Meadows Remediation District to explore ways to optimize PCE remediation.</b></p> <p>TMWA continues to work with the CTMRD and NDEP regarding an update to Plan of Remediation to be completed by end of FY 2025/26. TMWA completed a basin scale PCE contaminant transport model for use in the Plan update. Continue to work with Washoe County to better define future funding requirements as well as County / TMWA roles and responsibilities.</p>
15	<p><b>NEW: Draft the 2025-2045 Water Resource Plan (WRP) based on Board feedback from the August 19, 2024 WRP Policy Workshop and present to the Board of Directors in spring 2025, conduct public outreach, and finalize draft for Board approval in September or October 2025.</b></p> <p>The draft 2025-2045 Water Resource Plan (WRP) was presented to the Board in April 2025. A public webinar and in-person workshops were held in May and June 2025. Using public and Board feedback, proposed edits will be made to the draft WRP and presented to the Board in September 2025. A shortened "At-A-Glance" version of the plan will also be presented to the Board at that time. Additional comments and feedback will be incorporated, and a final version of the 2025-2045 WRP will be brought to the Board for approval in October 2025.</p>



## STAFF REPORT

**TO:** Board of Directors  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Jessica Atkinson, Human Resources Director  
**DATE:** August 20, 2025  
**SUBJECT:** Discussion and possible direction from Board regarding the evaluation process for conducting the General Manager's performance evaluation

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### **Recommendation**

The Board approve implementing the updated General Manager (GM) performance feedback survey (attached) and approve the proposed evaluation process and timeline outlined below, and provide direction regarding the same.

### **Discussion**

The current GM contract between the Board and John Zimmerman, dated July 2022, requires an annual performance evaluation. Each year, the Board reviews and approves the survey instrument and process used to conduct this evaluation.

The attached GM Performance feedback survey has seven performance categories:

- Organizational Leadership
- Relations with Board/Governance
- Communication Skills
- Relations with Community and Stakeholders
- Management of Staff
- Personal Effectiveness
- Overall Rating and General Comments

Each category includes a rating scale with the following options:

Exceeds Expectations, Meets Expectations, Area for Growth, and Not Applicable. Each rating is followed by an open comment field.

This year's survey is largely consistent with the version approved last year, with two minor updates.

1. Role Identification: Respondents can now indicate whether they are a TMWA Board member or a direct report of the GM. This will allow staff to present results segmented by role.
2. Goal Results Link: A link to the GM's FY2025 Goal Results will be embedded in the survey for reference.

The survey will be distributed via SurveyMonkey to all Board members and senior leadership. Results will be compiled and included in the Board packet for the September meeting, during which the Board will conduct Mr. Zimmerman's annual performance evaluation.

While the survey does not request respondent names, SurveyMonkey offers the ability to track responses should formal tracking be necessary.

Proposed 2025 GM Performance Evaluation timelines:

- 08/20/2025 – Presentation of FY2025 GM Goal Results
- 08/20/2025 – Presentation of FY2025 process, form, and timeline
- 08/21/2025 - Distribute GM Performance Feedback Survey via SurveyMonkey
- 09/05/2025 – Deadline to submit survey responses (16-day response window)
- 09/17/2025 – Presentation of survey responses, Board conducts performance evaluation of Mr. Zimmerman for the contract year 2024/2025, presentation of GM compensation and consideration of possible performance-based compensation adjustments, and GM presentation of proposed GM Goals for FY2025/2026.

**Attachments**

1. GM Performance Feedback Survey for FY2025



## Copy of General Manager Performance Feedback for FY2025

### Introduction

The General Manager's performance evaluation consists of an annual appraisal by the Board of Directors, as provided for in the General Manager's employment agreement.

The purpose of the evaluation process is to maintain a strong Board/Manager team by ensuring open and productive communication on an annual basis. During this formal review process, there is an opportunity to identify areas of satisfaction and areas for growth or needing change as identified by the Board.

For your reference, the General Manager's report related to performance on the goals set by the board for FY2025 can be accessed by [CLICKING HERE](#).

The evaluation will be conducted during the September Board meeting.

The Executive Team and Department Heads reporting to the General Manager have also been invited to participate in this performance review process.

The Human Resources Director is the facilitator for this process, and will gather feedback from the feedback survey completed by each of the above-referenced individuals. A staff report and the summary results from the survey will be provided as supporting materials for the public meeting at which the TMWA Board reviews the annual performance of the General Manager.

### **Rating Criteria:**

For each performance criteria, please use the following rating scale:

E – Exceeds your expectations

M – Meets your expectations

AG - Areas for growth

NA – Not applicable

1. Which of the following best describes your role?

☐ Member of the TMWA Board of Directors

☐ Direct Report of the General Manager



## Copy of General Manager Performance Feedback for FY2025

### Organizational Leadership

*Consider the following when assessing the General Manager's organizational leadership performance:*

- Anticipates and clearly communicates risks and changes in market conditions and other factors affecting TMWA's fulfillment of its Vision and Business Objectives;
- Participates with Board and Staff in strategic planning;
- Clearly articulates and advances the strategic priorities to be addressed over the next 3-5 years;
- Sets and communicates clear operational priorities for the organization;
- Implements new programs and services growing out of the strategic planning process;
- Creates and maintains a high performing culture in the organization including strong employee morale, accountability, and cohesiveness;
- Performs as the leading role model, setting high professional work standards and pursues goals with honesty, respect, determination, and initiative;
- Handles emergencies and crisis situations in an effective, efficient, and professional manner;
- Directs the utilization of TMWA resources effectively.

#### 2. **Organizational Leadership - Feedback Rating:**

- ☐ Exceeds your expectations      ☐ Area for growth
- ☐ Meets your expectations      ☐ Not Applicable

Use the space below to provide any additional comments you may have for this rating category.



## Copy of General Manager Performance Feedback for FY2025

### Relations with Board/Governance

*Consider the following when assessing the General Manager's relations with the Board:*

- Communicates necessary information openly and honestly in a timely and organized fashion;
- Establishes and maintains positive and effective working relationships with each member of the Board;
- Has been consistently available to individual Board members whenever necessary;
- Conforms to Board policies and directives;
- Demonstrates a respectful understanding of the Board's governance role and has supported the Board in its oversight of the organization;
- Contributes significant information and important agenda topics for discussion at Board level;
- Synthesizes information and frames issues and questions in a manner for the Board to make appropriate decisions;
- Makes periodic reports to the Board regarding important aspects of TMWA's functions and operations, highlighting both achievements and areas of concern;

#### 3. **Relations with Board/Governance - Feedback Rating:**

- ☐ Exceeds your expectations      ☐ Area for growth
- ☐ Meets your expectations      ☐ Not Applicable

Use the space below to provide any additional comments you may have for this rating category.



## Copy of General Manager Performance Feedback for FY2025

### Communication Skills

*Consider the following when assessing the General Manager's Communication skills:*

- Negotiates effectively and is able to handle difficult situations;
- Is concise and persuasive orally and in writing;
- Listens to what is said and is sensitive to the impact on others;
- Demonstrates empathy regarding others and exhibits concern for everyone as individuals;
- Exercises good judgement in dealing with sensitive issues between individuals or between groups;
- Effectively delivers presentations and engages with the media;
- Communicates effectively with Board Leadership and Board Members;

#### 4. **Communication Skills - Feedback Rating:**

- |   |                                       |
|---|---------------------------------------|
| <input type="radio"/> Exceeds your expectations | <input type="radio"/> Area for growth |
| <input type="radio"/> Meets your expectations   | <input type="radio"/> Not Applicable  |

Use the space below to provide any additional comments you may have for this rating category.



## Copy of General Manager Performance Feedback for FY2025

### Relations with Community and Stakeholders

*Consider the following when assessing the General Manager's relations within the community and with stakeholders:*

- Ability to relate well to others and to make people feel at ease, even in difficult situations;
- Ability to gain the trust and confidence of the public;
- Fosters contact and cooperation among citizens, community organizations and other government agencies;
- Understands and embraces the concept of inter-local cooperation when appropriate;
- Fosters cooperative communications and working relationships within the community to ensure that TMWA remains a significant partner within the community;
- Maintains affiliation with professional associations relevant and beneficial to the successful operation of TMWA.

#### 5. **Relations with Community/Stakeholders - Feedback Rating:**

- ☐ Exceeds your expectations      ☐ Area for growth
- ☐ Meets your expectations      ☐ Not Applicable

Use the space below to provide any additional comments you may have for this rating category.



## Copy of General Manager Performance Feedback for FY2025

### Management of Staff

*Consider the following when assessing the General Manager's performance in management of staff:*

- Sets organizational tone that attracts, retains, motivates and develops highly skilled employees;
- Establishes and maintains open and collaborative relationships throughout the organization;
- Models behaviors and attitudes which promote individual responsibility, programmatic and professional excellence and creative initiative;
- Ensures the development and implementation of succession plans and professional development programs;
- Encourages innovative thinking and solutions and effectively incorporates the ideas and contributions of others;
- Nurtures a culture of engagement and collaboration that focuses on fulfilling TMWA's vision and business objectives;
- Appropriately delegates authority, granting proper authority at proper times;
- Is open and responsive to employee feedback;
- Encourages and rewards initiative;
- Recruits and develops a cohesive leadership team to implement organizational goals and objectives.

#### 6. Management of Staff - Feedback Rating:

- |   |                                       |
|---|---------------------------------------|
| <input type="radio"/> Exceeds your expectations | <input type="radio"/> Area for growth |
| <input type="radio"/> Meets your expectations   | <input type="radio"/> Not Applicable  |

Use the space below to provide any additional comments you may have for this rating category.



## Copy of General Manager Performance Feedback for FY2025

### Personal Effectiveness

*Consider the following when assessing the General Manager's personal effectiveness:*

- Maintains a professional image that reflects positively on the organization and builds trust and support from all stakeholders;
- Demonstrates empathy regarding others and exhibits concern for everyone as individuals;
- Skillfully analyzes and addresses problems, challenges and conflicts while comfortably navigating ambiguity and complexity;
- Adapts quickly and is flexible to new demands and changes;
- Performs at a very high standard of ethics and integrity;
- Ensures that the organization, its staff and its programs operate in compliance with all applicable local, state, and federal laws and regulations;
- Pursued professional development resulting in increased capabilities and potential;

#### 7. **Personal Effectiveness - Feedback Rating:**

- |   |                                       |
|---|---------------------------------------|
| <input type="radio"/> Exceeds your expectations | <input type="radio"/> Area for growth |
| <input type="radio"/> Meets your expectations   | <input type="radio"/> Not Applicable  |

Use the space below to provide any additional comments you may have for this rating category.



## Copy of General Manager Performance Feedback for FY2025

### Overall Rating and General Comments

8. Overall, and keeping unanticipated challenges and timeframes in mind, the General Manager has achieved the goals and business objectives outlined for this appraisal period.

- |   |                                       |
|---|---------------------------------------|
| <input type="radio"/> Exceeds your expectations | <input type="radio"/> Area for growth |
| <input type="radio"/> Meets your expectations   | <input type="radio"/> Not Applicable  |

Any additional comments?

9. Please identify any future performance objectives you may have for the General Manager.



## STAFF REPORT

**TO:** Board of Directors  
**FROM:** John R. Zimmerman, General Manager  
**DATE:** August 11, 2025  
**SUBJECT:** General Manager's Report

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

Also, we received very positive feedback regarding Kirk Nordmeyer and his team for their outstanding work (*Attachment I*). We received a second thank you from a customer to one of our call center representatives, Dianna, who sent the customer a condolence card upon the passing of her father.

Finally, listed below are news clippings from June 11, 2025 through August 6, 2025:

- 06/12/25 KRNV [City of Reno hosts community meeting on proposed sewer rate hike](#)
- 06/12/25 DRI [Spring Runoff is Older Than You Think](#)
- 06/12/25 DRI [New Study Analyzes Air Quality Impacts of Wildfire Smoke](#)
- 06/14/25 Nevada Independent [Officials Brace for Fire Season as Nevada is Abnormally Dry](#)
- 06/16/25 KRNV [Lake Tahoe clarity stabilizes but shows no improvement, report finds](#)
- 06/16/25 KTVN [Reno Fire tells people to stay out of Truckee River near Arlington bridges construction](#)
- 06/18/25 ThisisReno [Cool: Check out our news cube ad style of our summer campaign on the front page](#)
- 06/19/25 Western Water Notes [Water and a Plan to Sell of Public Land](#)
- 06/23/25 CIRES [Wildfires Threaten Water Quality Years After They Burn](#)
- 06/24/25 ThisisReno [Consultant Calls for Washoe County Management Reset](#)
- 06/25/25 Smart Water Magazine [Droughts will be 35% more costly by 2035, warns latest OECD report](#)
- 06/26/25 Nevada Independent [Nevada officials respond to talks of unified federal firefighting plan](#)
- 06/29/25 KRCA [Lake Tahoe Bolsters Water Infrastructure Wildfires](#)
- 07/01/25 UNR [Northern Nevada Heat Summit draws experts from across the region](#)
- 07/08/25 KRNV [TMWA Releases the Annual Water Quality Report](#)
- 07-08-25 Nevada Appeal [A Close Up Look at Merlette Lake Dam Project](#)
- 07/15/25 UC Davis [Mapping Lake Tahoe's Algae by Drone](#)
- 07/17/25 UC Davis [State of the Lake Released by Tahoe Environmental Research Center](#)
- 07/29/24 KTVN [TMWA 'Water Watchers' work to ensure homeowners conserve water](#)
- 07/29/25 NPR [Report: Mountain West states need policies to meet energy, water demands of data centers](#)



DEAR MANAGEMENT,

ON Thursday JUNE 26, 2025  
your crew came to Wilkinson Ave  
to fix a water leak.

I am here to tell you that  
the crew, headed by Kirk were  
very friendly and courteous to  
all my neighbors and myself. You  
should be proud of the outstanding  
men that fixed the road here on  
Wilkinson Ave.

It was a very positive  
group of young men. Just wanted  
you to know that you are very  
fortunate to have them working  
for Truckee Meadows Water Authority

Respectfully yours.

Paul Oliveira





## STAFF REPORT

**TO:** Board of Directors  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Kara Steeland, Sr. Hydrologist & Watershed Coordinator  
**DATE:** August 6, 2025  
**SUBJECT:** August 2025 Water Operations Report

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### Summary

- The water supply outlook for the region is still excellent.
- Truckee River reservoir storage is at 77% of maximum capacity system wide.
- There will be normal Truckee River flows through 2025 and into 2026.
- Hydroelectric generation for the month of July was \$388,416 (5,015 MWh).

### Water Supply

**River Flows** – Truckee River discharge at the CA/NV state line was 549 on the morning of August 6, 2025.

**Reservoir Storage** - Overall, Truckee River reservoir storage is 77% of capacity. The elevation of Lake Tahoe is currently 6,227.9 feet which is 1.2 feet below the maximum legal elevation of 6,229.1 feet. Storage values for each reservoir as of August 6, 2025 are as follows:

<b>Reservoir</b>	<b>Current Storage (Acre-Feet)</b>	<b>% Capacity</b>
Tahoe	592,098	79%
Boca	33,503	82%
Stampede	154,628	68%
Prosser	22,827	76%
Donner	8,439	89%
Independence	16,954	97%

In addition to the 25,393 acre-feet of storage between Donner and Independence Reservoirs, TMWA also has 14,969 acre-feet of water stored in Stampede and Boca Reservoirs under the terms of TROA. TMWA's total combined upstream reservoir storage as of June 6, 2025 is approximately 40,362 acre-feet.

**Outlook** – Normal Truckee River flows are projected for the remainder of 2025 and well into 2026.

### **Water Production**

**Demand** - Customer demand averaged about 135 MGD at the end of July and beginning of August. Surface water made up about 79% of overall supply and groundwater pumping the other 21%. The peak demand day for the year to date was 147.3 MGD on July 15, 2025.

### **Hydroelectric Production**

**Generation** - The median Truckee River flow at Farad (CA/NV state line) for the month of July was 675 cubic feet per second. All three of TMWA's hydropower plants were online and 100% available during the month.

<b>Plant</b>	<b>Generation Days</b>	<b>% Availability</b>	<b>Generation (Megawatt Hours)</b>	<b>Revenue (Dollars)</b>	<b>Revenue (Dollars/Day)</b>
Fleish	31	100%	1,842	\$143,188	\$4,618
Verdi	31	100%	1,707	\$131,513	\$4,242
Washoe	31	100%	1,466	\$113,715	\$3,668
<b>Totals</b>	<b>-</b>	<b>-</b>	<b>5,015</b>	<b>\$388,416</b>	<b>\$12,528</b>



## STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Eddy Quaglieri, Natural Resources Manager  
**DATE:** August 4, 2025  
**SUBJECT:** **Water Resources and Annexation Activity Report**

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### **RULE 7**

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

Beginning Balance		3,163.86 AF
Purchases of water rights	1.40 AF	
Refunds	0.00 AF	
Sales	-7.08 AF	
Adjustments	0.00 AF	
Ending Balance		3,158.18 AF

Price per acre foot at report date: \$8,300 per AF

### **FISH SPRINGS RANCH, LLC GROUNDWATER RESOURCES**

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

Beginning Balance		7,341.95 AF
Committed water rights	0.64 AF	
Ending Balance		7,341.31 AF

Price per acre foot at report date: \$47,218 (SFR and MFR); \$40,960 (for all other services)<sup>1</sup>

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

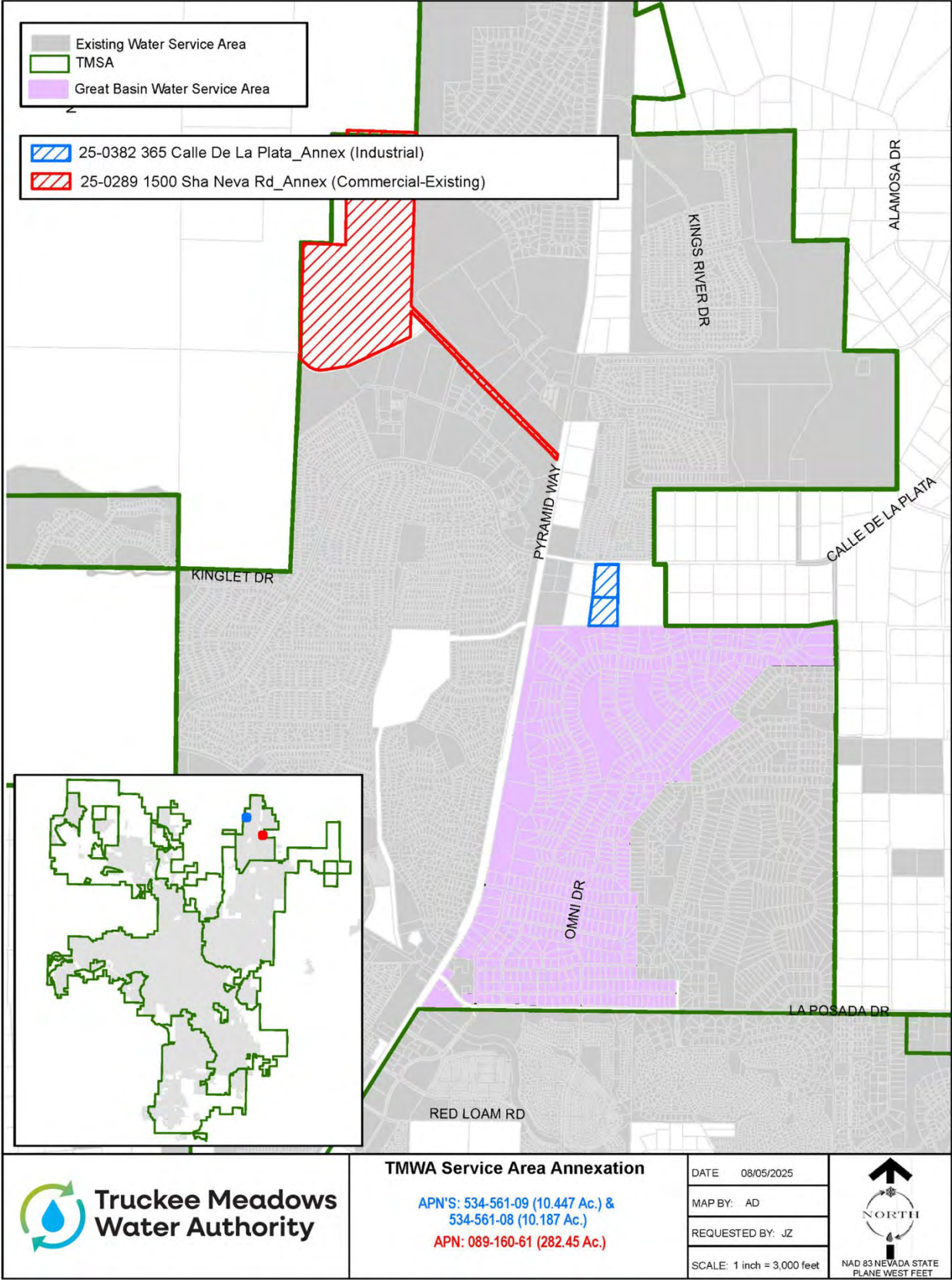
**WATER SERVICE AREA ANNEXATIONS**

Since the date of the last report, there have been 303.08 acres annexed into TMWA's service area.

**INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE**

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

EXHIBIT "A"





## STAFF REPORT

**TO:** Board of Directors  
**THRU:** John R. Zimmerman, General Manager  
**FROM:** Marci Westlake, Manager Customer Service  
**DATE:** August 20, 2025  
**SUBJECT:** **June Customer Service Report**

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The following is a summary of Customer Service activity for June 2025

### **Ombudsman Report – Kim Mazeres**

- High bill due to a leak. Customer wants to know if there is any relief TMWA can provide for the bill. Referred to Senior Customer Service Representative, who called customer to advise of possible adjustment to the bill.

### **Communications – Public Outreach – June**

- Kara Steeland, Eddy Quaglieri, and Sonia Folsom had a zoom meeting for Draft 2025-45 Water Resource Plan (WRP) and 2 people attended.
- Kara Steeland, Eddy Quaglieri, Greg Pohll, Robert Charpentier, Sonia Folsom, and John Zimmerman had an open house at Sparks High School for Draft 2025-45 WRP and 2 people attended.
- Kara Steeland, Eddy Quaglieri, Nick White, Robert Charpentier, Sonia Folsom, and John Zimmerman had an open house at the South Valley's Library for Draft 2025-45 WRP, and 1 person attended.
- Kara Steeland, John Zimmerman, John Stewart, Jake Trujillo and Jason McDaniel held a tour of the Verdi hydroelectric facility and provided an overview of TMWA and the Middle Truckee River Watershed Forest Partnership and Verdi Tour for The Nature Conservancy and twenty people attended.

### **Conservation (2025 Calendar year)**

- 1,087 Water Usage Reviews
- 1,402 Water Watcher Contacts

### **Customer Calls – June**

- 7,565 phone calls handled.
- The average handling time is 5 minutes 20 seconds per call.
- Average speed of answer :20 seconds per call.

**Billing – June**

- 139,417 bills issued.
- 71,803 customers (51%) have signed up for paperless billing to date, which equates to an annual savings of \$560,063.40

**Remittance – June**

- 13,811 Mailed-in payments.
- 20,034 Electronic payments.
- 55,812 Payments via AutoPay (EFT)
- 16,363 One-time bank account payments.
- 737 Pay by Text
- 4,531 IVR Payments.
- 737 Reno office Payments.
- 49 Kiosk Payments.

**Collections – June**

- 13,685 accounts received a late charge.
- 3,103 Mailed delinquent notices, 0.02% of accounts.
- 687 accounts eligible for disconnect.
- 570 accounts were disconnected. (Including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.12% write-off to revenue.

**Meter Statistics – Fiscal Year to Date**

- 248 Meter exchanges completed.
- 139 New business meter sets completed.

**Service Line Warranties of America Statistics**

- 13,177 Policies
- 10,196 Customers
- 512 Jobs Completed
- \$826,726. Customer Savings