



TRUCKEE MEADOWS WATER AUTHORITY AGENDA

Wednesday, September 17, 2025 at 10:00 a.m.

Sparks Council Chambers, 745 4th 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_RtYZbsIqIdTYlbUf_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

CLOSED CAPTION & TRANSLATION: Both Zoom & YouTube offer closed captioning and translation into your language by simply clicking on the “CC” icon at the bottom of the screen and selecting your preferred language.

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), and at <http://www.tmwa.com>.
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) or by email sent to 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.

¹ 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 August 20, 2025 meeting of the TMWA Board of Directors **(For Possible Action)**
7. Discussion and action, and possible direction to staff regarding the updated TMWA Draft 2025-2045 Water Resource Plan — Kara Steeland and Eddy Quaglieri **(For Possible Action) (15min)**
8. Informational update on Verdi Meadows Utility Company — Danny Rotter, Eddy Quaglieri, and Justina Caviglia* **(10min)**
9. Required communication from Eide Bailly in regards to TMWA’s annual financial audit — Sophie Cardinal* **(5min)**
10. Presentation of fiscal year 2025 unaudited financial performance — Matt Bowman* **(10min)**
11. Presentation, discussion and possible Board direction regarding TMWA’s Cost of Service and Rate Design Studies — Matt Bowman **(For Possible Action) (15min)**
12. Discussion and action regarding General Manager performance review for contract year 2024/2025 and discussion and action on possible lump sum award and/or other compensation adjustment — Jessica Atkinson **(For Possible Action) (10min)**
13. Discussion and action on request for Board input and acceptance of General Manager performance objectives for contract year 2025-2026 — John Zimmerman **(For Possible Action) (10min)**
14. Discussion and action on Resolution No. 337: A Resolution to approve funding for the projects recommended by the Truckee River Fund Advisory Committee and an authorization for the Community Foundation to fund such projects from Fund proceeds (Resolution may reflect action taken in one or more votes on recommended projects) — Sonia Folsom and Kara Steeland **(For Possible Action) (5min)**
15. Request for Board adoption of updated Administrative Instructions A-03 Prohibited Harassment, Discrimination, and Retaliation Policy, A-06 DOT Drug and Alcohol Testing Policy and notification of changes to A-14 Voluntary Leave Transfer Program Directive — Jessica Atkinson **(For Possible Action) (5min)**
16. General Manager’s Report — John Zimmerman* **(5min)**
17. Public comment — limited to no more than three minutes per speaker*
18. Board comments and requests for future agenda items*
19. Adjournment*

¹. 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.

TRUCKEE MEADOWS WATER AUTHORITY
DRAFT MINUTES OF THE AUGUST 20, 2025
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, August 20, 2025 at Sparks Council Chambers. Chair Andriola called the meeting to order at 10:04 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.

**Director Duerr attended the meeting virtually.*

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Will Raymond, Director of Operations.

3. PUBLIC COMMENT

There was no public comment.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS

There were no Board comments.

5. APPROVAL OF THE AGENDA

Upon motion by Director Anderson, 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 JUNE 18, 2025 MEETING OF THE TMWA BOARD OF DIRECTORS

Upon motion by Director Hill, second by Director Taylor, which motion duly carried by unanimous consent of the Directors present, the Board approved the June 18, 2025 minutes.

7. UPDATE REGARDING TMWA'S HYDROELECTRIC FACILITIES AND OPERATIONS

Ryan Dixon, Director of Distribution, Maintenance & Generation, and Jason Barnes, Hydrogeneration & Facilities Manager, presented the update on TMWA's hydroelectric facilities and operations.

Mr. Barnes explained all three hydro facilities will go offline in late summer or fall 2026 (Fleish and Verdi) and 2027 (Washoe) to do maintenance and upgrades and will return to operations in the following spring, which will result in approximately 50% loss in revenue.

The Board thanked staff and commended them on their hard work and keeping up with energy efficiency practices, which are a Board priority. Also, requesting an update on the upgrades and new construction output of each hydro when available.

8. DISCUSSION AND POSSIBLE ACTION ON BOARD AUTHORIZATION FOR TMWA TO ENTER INTO A POWER PURCHASE AGREEMENT (PPA) WITH SWITCHED ON, LLC FOR THE SALE OF HYDROELECTRIC POWER COMMENCING IN MAY 2028

Mr. Dixon and Matt Bowman, Chief Financial Officer, presented the agenda item.

Director Taylor inquired about how staff determined that the annual escalator on the contract was sufficient. Mr. Bowman replied that TMWA's current contract with NV Energy contains the same 1% annual escalator, and this amount is sufficient based on modeling.

Upon motion by Director Andriola, second by Director Hill, which motion duly carried by unanimous consent of the Directors present, the Board approved authorization for TMWA to enter into a power purchase agreement with Switched On, LLC for the sale of hydroelectric power commencing in May 2028.

9. PRESENTATION OF GENERAL MANAGER GOAL RESULTS FOR CONTRACT YEAR 2024-2025

John Zimmerman, General Manager, presented the goal results for contract year 2024-2025.

At this time Board Members expressed their appreciation for Mr. Zimmerman's work for TMWA and the community, having excellent professional expertise and staff, providing cross-functional department meetings to break down organizational silos, and to reach out to the Board for any support needed.

10. DISCUSSION AND POSSIBLE DIRECTION FROM BOARD REGARDING THE EVALUATION PROCESS FOR CONDUCTING THE GENERAL MANAGER'S PERFORMANCE EVALUATION

Jessica Atkinson, Human Resources Director, presented the agenda item.

Chair Andriola requested a slight modification for Board consideration, which is to add two options to the rating scale, unacceptable/dissatisfied and unable to rate based on not observed.

Upon motion by Director Hill, second by Director Martinez, which motion duly carried by unanimous consent of the Directors present, the Board approved the evaluation process for conducting the General Manager's performance evaluation with the approved amendment to add "unacceptable" and "not applicable" to the rating scale.

11. GENERAL MANAGER'S REPORT

John Zimmerman, General Manager, informed the Board that Bill Hauck, Water Supply Supervisor, has retired and Kara Steeland, Sr. Hydrologist and Watershed Coordinator, will be providing the water supply update going forward. Mr. Zimmerman updated the Board on the Service Line Warranties of America (SLWA) program, and they have agreed to make their logo more prominent in their mailings, reduce the frequency and provide an opt-out option. Finally, Mr. Zimmerman reminded the Board that the October Strategy Session is on October 15th from 10am-2pm at TMWA's corporate office and requested attendance by all members as it is an important meeting.

12. PUBLIC COMMENT

Pamela Baker, River Oaks resident in Verdi, NV, requested the Board to consider helping the residents of River Oaks with Verdi Meadows Utility Company due to their water system constantly failing.

Bev Dummitt, River Oaks resident in Verdi, NV, also provided written comment requesting information from TMWA about connecting to TMWA's system.

13. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Director Hill requested staff to research laws on predatory utilities and pursue information with the Attorney General's office even though this case is going before the Public Utilities Commission (PUC) in October.

Justina Caviglia, Board Counsel, replied she will work with Mr. Zimmerman and review the docket at the PUC, and provide an update at a future meeting.

Chair Andriola reminded the Board that the October Strategic Planning session is on Wednesday, October 15th from 10am-2pm.

14. ADJOURNMENT

With no further discussion, Chair Andriola adjourned the meeting at 11:12 a.m.

Approved by the TMWA Board of Directors in session on _____.

Sonia Folsom, Board Clerk.



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Kara Steeland, Senior Hydrologist and Watershed Coordinator
Eddy Quaglieri, Natural Resources Manager
DATE: September 8, 2025
SUBJECT: Discussion and action, and possible direction to staff regarding the updated TMWA Draft 2025-2045 Water Resource Plan

Recommendation

Staff recommends that the Board review the edits to the updated Draft 2025-2045 Water Resource Plan (WRP) and the Draft At-A-Glance report and provide feedback prior to staff presenting the final versions in October 2025.

Summary

TMWA held one public webinar and two public workshops in June 2025 to gather public feedback regarding the draft 2025-2045 WRP. Additionally, staff presented the WRP to TMWA's Standing Advisory Committee in June. The WRP and a comment form were available [online](#) from mid-April 2025 until the end of June 2025. Based on Board and public feedback, some edits have been made to the WRP presented to the Board in April 2025 (Attachment A). The updated version of the WRP is available at <https://tmwa.com/wrp2025/>.

The At-A-Glance report was developed to provide a concise version of the WRP (Attachment B). This new addition to the WRP acts as an executive summary and condenses key elements and messages from the WRP.

Recommended Motion

Move to direct staff to make the changes proposed by the Board in this meeting and direct staff to bring a final version to the Board in October for approval.

Attachments

Attachment A: TMWA 2025-2045 Water Resource Plan Edits

Attachment B: Draft At-A-Glance Report

Attachment A

TMWA 2025-2045 Water Resource Plan Edits

Chapter 1

- Updated public presentation schedule based on actual events.

Chapter 2

- Updated APWF diagram.

Chapter 4

- Figure 4-1 updated to include two ways GPCD is calculated (total and consumptive).
- Updated drought response graphics for clarity and consistency.

Chapter 5

- Minor updates to Spanish Springs Valley Nitrate Treatment Facility to list correct wells.

Chapter 7

- Changed “Recommended Action” to “Recommended Strategies” to clarify that the overarching intent of the chapter is to provide strategies to guide TMWA over the next 5 years.
- Created table to show Near-Term Actions (1-5 years) associated with each Water Resource Management Strategy, per TMWA Board feedback in April 2025.

2025-2045

Water Resource Plan

At a glance



**Truckee Meadows
Water Authority**

Quality. Delivered.

DRAFT





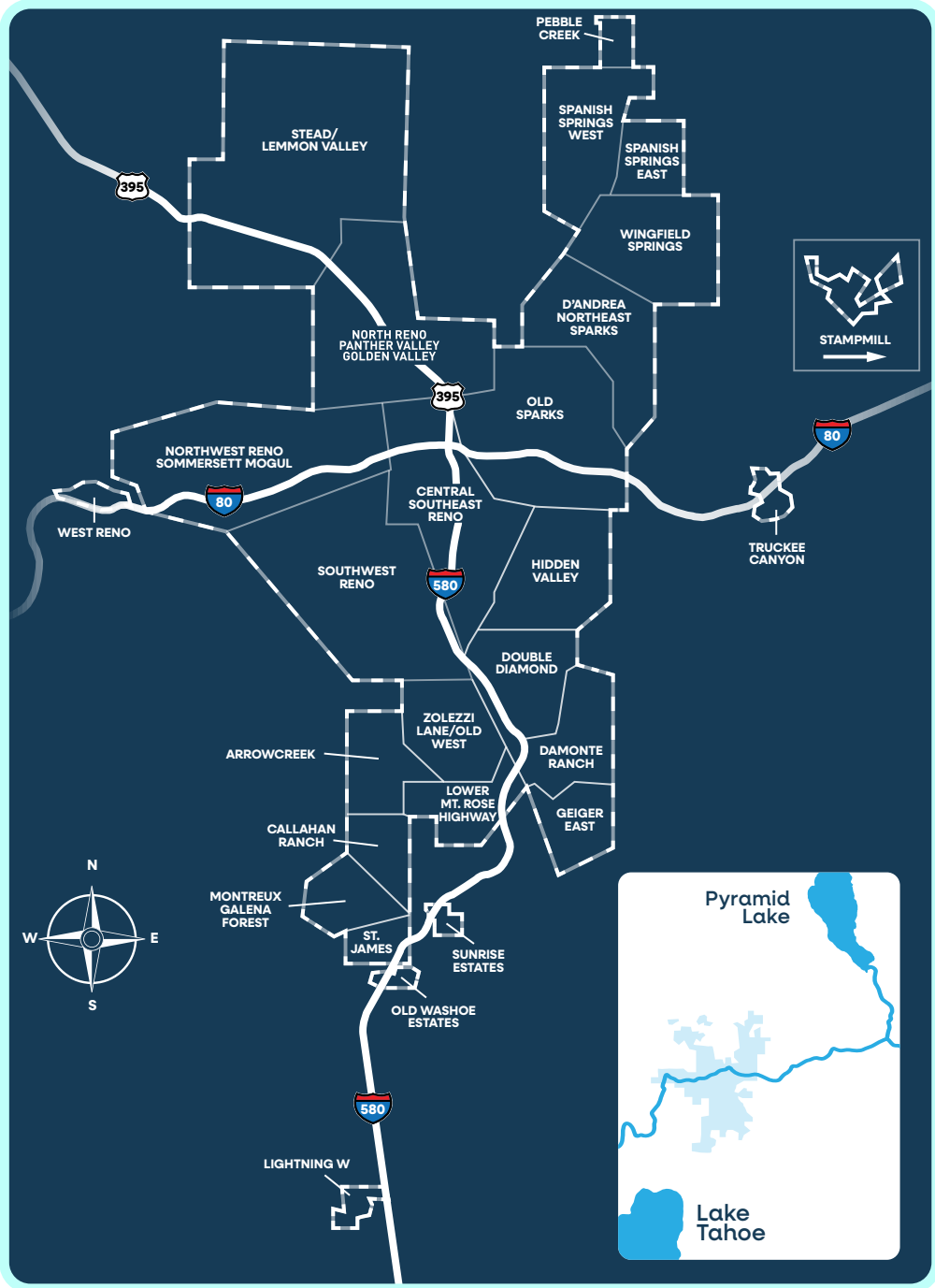
This “At-A-Glance” Report helps summarize the 2045 Water Resource Plan for our customers. The following material broadly addresses questions and concerns about water sustainability in the face of growth and climate conditions.

Water Resource Planning: Comprehensive, Adaptive, and Strategic

As Reno, Sparks, and Washoe County continue to grow and change, Truckee Meadows Water Authority (TMWA) is consistently updating its water management planning to meet customer needs. Every five years, this effort is captured in a Water Resource Plan (WRP) with a 20-year planning horizon. With each plan, the WRP factors in population growth, economic cycles, climate conditions, regulatory changes, and available water supplies.

The 2025-2045 WRP (2045 WRP) is a detailed assessment of how TMWA will meet the drinking water supply needs of current and future customers in the Truckee Meadows through 2045. Climate modeling goes even further, looking out toward the end of the century. This includes projections of population growth, re-occurrences of extreme drought, and greenhouse emission scenarios.

Want more in-depth reading? Download and explore the complete Water Resource Plan →



Overview of service area



Lake Tahoe Dam

Inception of TMWA: Local Government Collaboration Secured the Region’s Water Future

TMWA was created in January of 2001 through a joint-powers agreement (JPA) among the City of Reno, City of Sparks, and Washoe County, with the intent to purchase the water rights and system assets of Sierra Pacific Power Company.

By initiating the JPA, the jurisdictions purchased a reliable, high-quality water system for the region. This action secured local control over the future of drinking water for the Truckee Meadows.

TMWA officially began operating in June 2001. The utility is overseen by a seven-member board of directors from each jurisdiction: three from City of Reno, two from City of Sparks, and two from Washoe County. One of the main purposes in creating TMWA, as described in the JPA, is to meet the “common interest in assuring that water resources be developed and managed to fulfill the present and future water needs of the greater Truckee Meadows community.”

Twenty-five years later, TMWA now serves approximately 475,000 Truckee Meadows residents, representing over 90% of the population that lives in Washoe County.

2015

A Big Year in Water Resource Management



Passed after decades of negotiation, the **Truckee River Operating Agreement (TROA)** fundamentally changed Truckee River operations. The modifications benefit water users, protect threatened and endangered fish, and allow TMWA to increase upstream reserves during drought years.

Additional milestones of 2015 include:

Water Utility Consolidation: TMWA merged with the Washoe County Department of Water Resources (WDWR) and South Truckee Meadows General Improvement District (STMGID). This regional water utility consolidations and associated water rights furthered the sustainable management of groundwater and surface water and increased water supply reliability in the Truckee Meadows.

Metered Rates: Transition from flat rates to metered water rates was completed. Billing that allowed customers to understand usage resulted in lower consumption and bolstered TMWA’s conservation initiatives.

Drought Response: The lowest snowpack and runoff in recorded history occurred; TMWA asked customers to reduce their usage by 10% and customers responded by reducing water usage by 9-16%. The severity of this drought led to additional drought and climate modeling in subsequent planning efforts.

Truckee River Operating Agreement Signatories:					
State of California	State of Nevada	Pyramid Lake Paiute Tribe	US Department of the Interior	Truckee Meadows Water Authority	

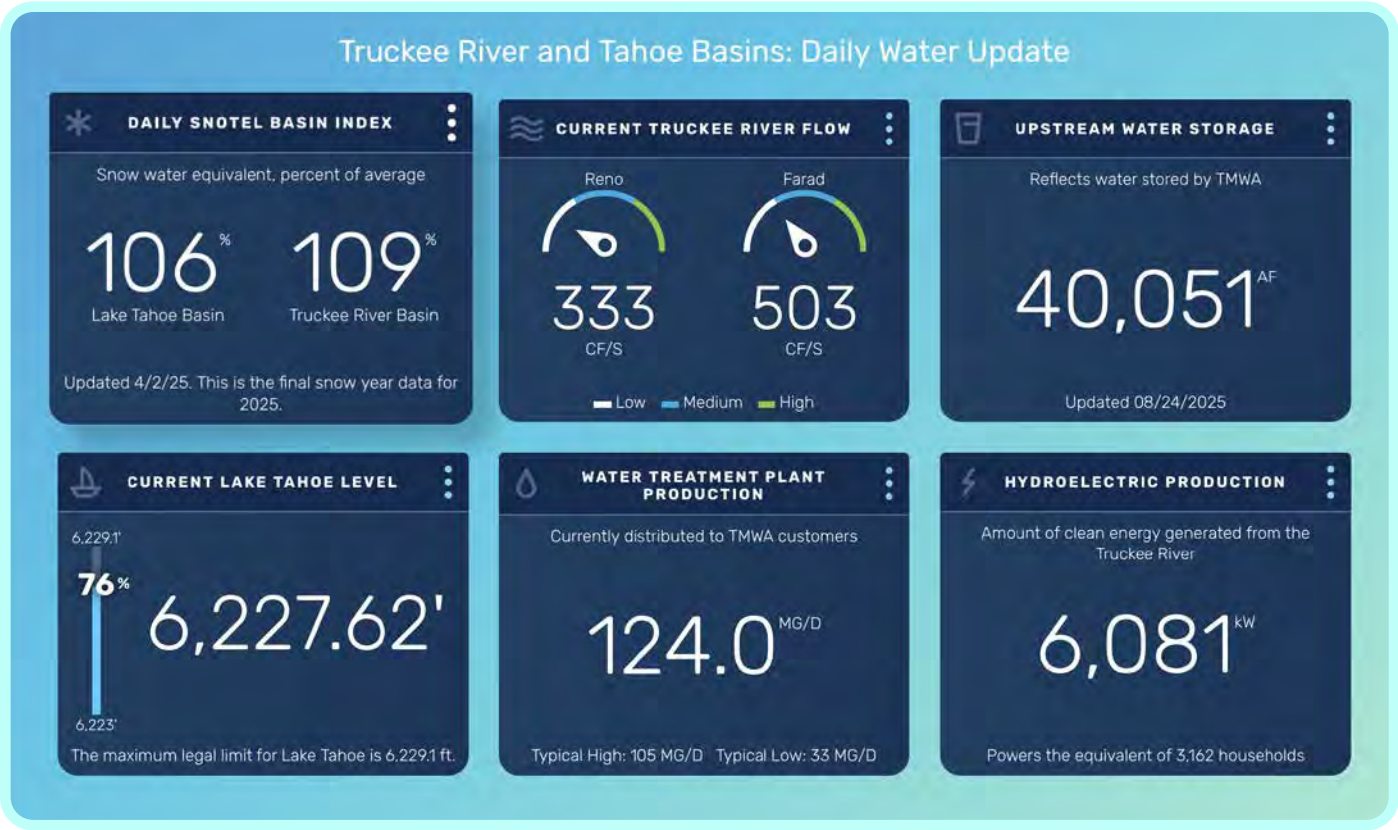
The Truckee River is a Managed Water System

The Truckee River Operating Agreement (TROA) governs all reservoirs on the Truckee River system. The Lake Tahoe Dam and the dams at Stampede, Boca, and Prosser Reservoirs are managed by the Federal Water Master who is appointed by the US District Court for Nevada. TMWA owns and operates the dams at both Independence and Donner Lakes.

The Truckee River is Lake Tahoe’s only outlet and its flows are highly dependent on the lake’s water levels. In fact, Tahoe’s surface elevation is considered the best indicator regarding the region’s water-supply health.

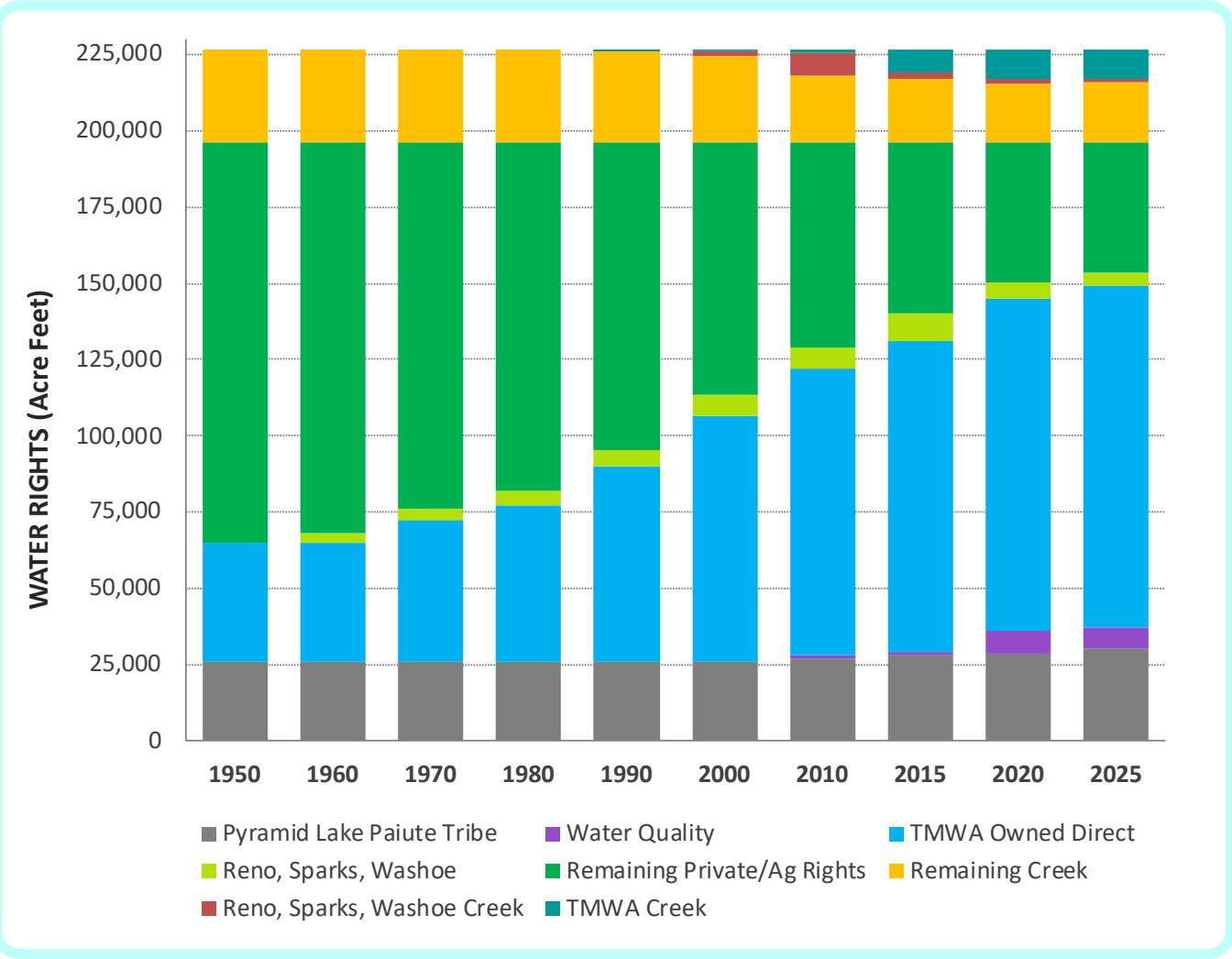
The amount of water released from Lake Tahoe and other upstream reservoirs by the Federal Water Master is regulated to maintain Truckee River flow rates at the California/Nevada state line. These are known as “Floriston Rates.”

If Lake Tahoe falls beneath its natural rim, water no longer flows into the Truckee River through the Lake Tahoe Dam. When this happens, TMWA can choose to release water from upstream reservoirs to maintain drinking water supplies.



Updated information about Lake Tahoe elevation levels, Truckee River flows, and TMWA’s water storage can be found at smartaboutwater.com

More about the Truckee River System [WRP, page 22] →



Approximately 82,000 AF of Truckee River decreed water rights have been converted to TMWA for water service. Presently, TMWA estimates there are about 42,000 AF of mainstem Truckee River rights remaining. Most of these rights are currently allotted for agricultural use.

Truckee River Water Rights and TMWA

After a series of judicial challenges, in 1944 the Orr Ditch Decree established the total number of water rights on the Truckee River and its tributaries. With this decree, water rights were legally set at approximately 226,000 AF annually.

While the number of water rights cannot be changed, their designated use can. As an example, in the 1950s, agriculture accounted for most of the water used in the Truckee Meadows. Over time as the region became more urbanized, many agricultural water rights have been converted into municipal water rights to serve a growing community.

How much is an Acre Foot (AF) of Water?

An acre foot is approximately 326,000 gallons, which is enough water to cover an acre of land (about the size of a football field) to a depth of one foot. An average single-family home uses about ½ acre foot of water per year.

More about Water Rights
[WRP, page 32] →

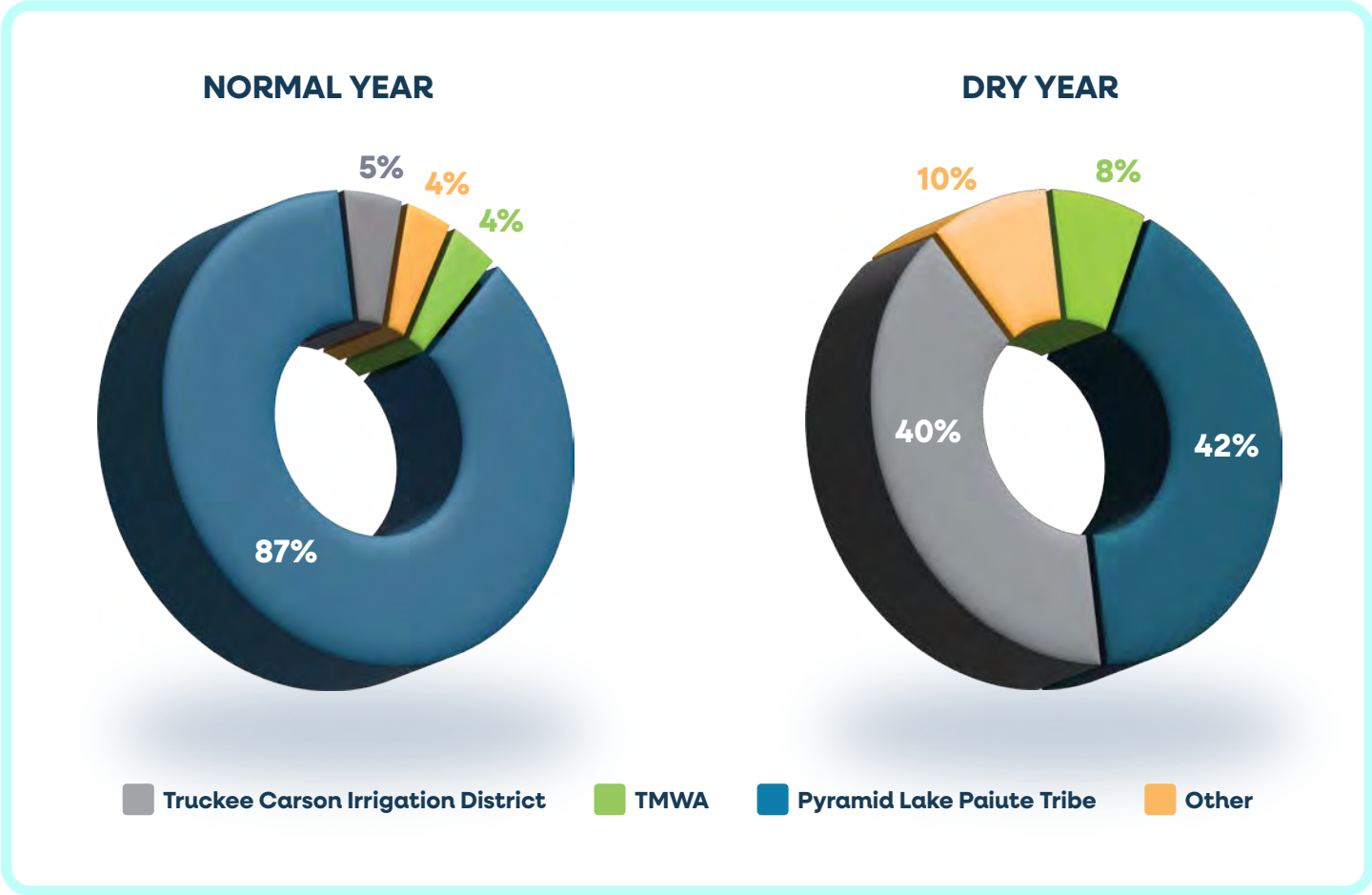
Understanding Drought and Water Supply Resiliency

TMWA’s ability to manage through drought vastly improved with the implementation of TROA in 2015.

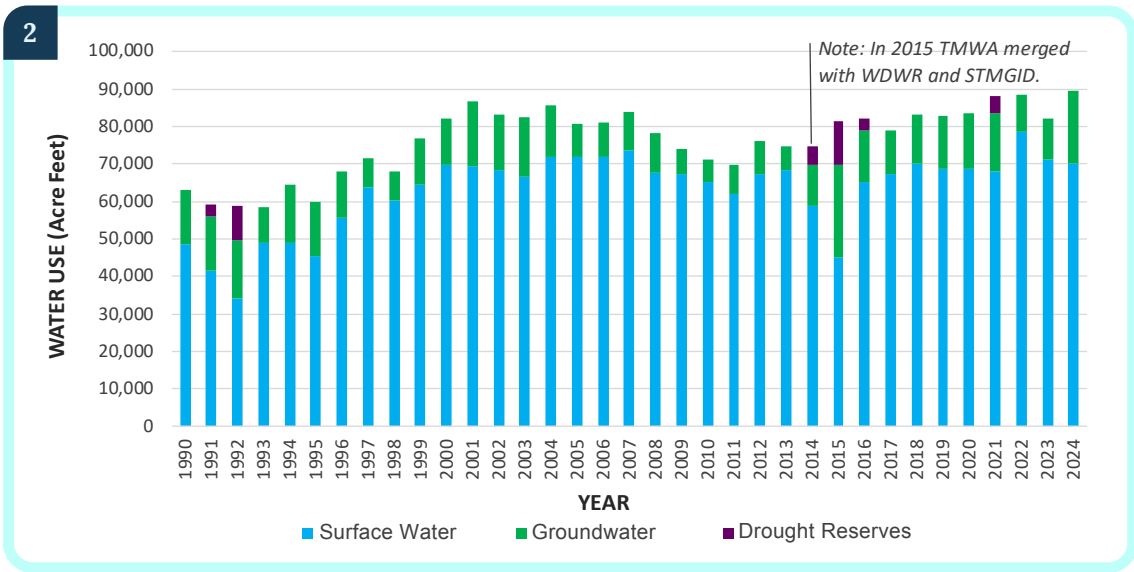
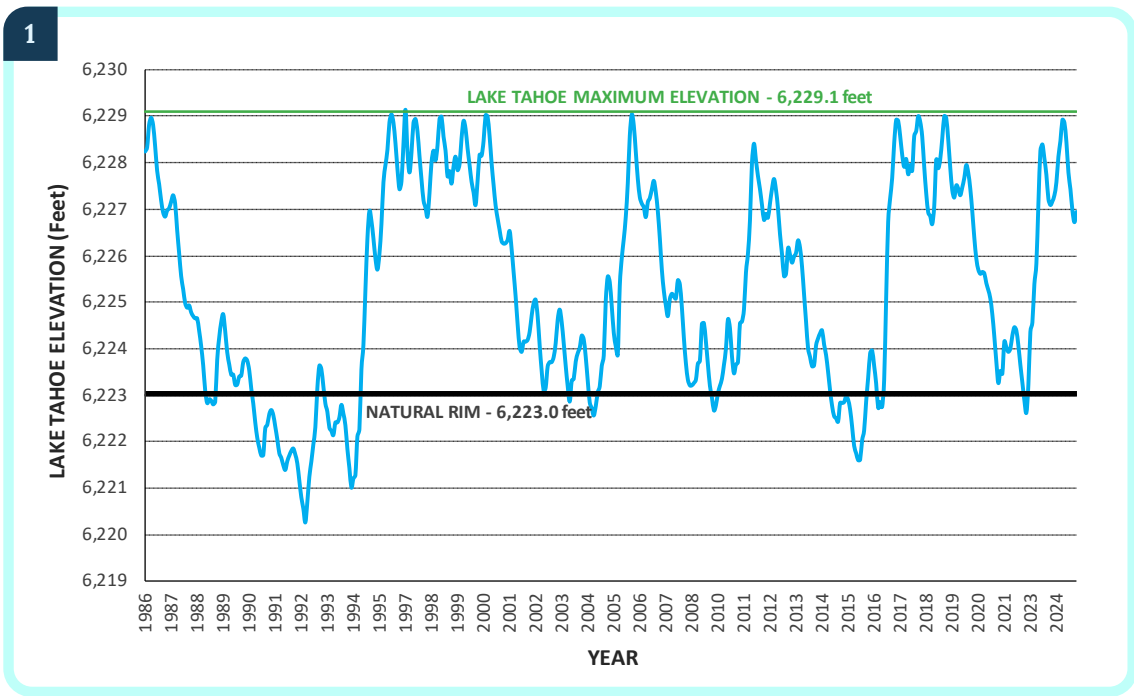
During prolonged drought periods TROA allows TMWA to accumulate significant reserves by storing water that was previously required to be released. If a drought persists over multiple years, TROA also allows TMWA to carry-over unused drought reserves from the prior year until the drought is over.

This increase in the ability to store water allows for more sustainable supply management during prolonged droughts, compared to what was allowed prior to 2015.

[More about Surface Water Resources \[WRP, page 23\]](#) →



During normal years, TMWA uses about 4% of the river. During drought years this increases to about 8% because there is proportionally less water available in the river.



Surface Water is Supplemented by Groundwater

With 86 active production wells in nine distinct hydrographic basins, groundwater provides 15-20% of TMWA's water supply. By supplementing Truckee River water, groundwater helps TMWA meet increased demand during the warmer months when customers are watering lawns and irrigating gardens.

Sustainable groundwater management includes active and passive groundwater recharge. One form of active recharge is TMWA's Aquifer Storage and Recovery (ASR) program, which pumps treated surface water into aquifers through a network of injection wells. This improves groundwater levels, benefits water quality, and stores water for later use.

Managing groundwater and surface water together is called conjunctive use, which allows TMWA to meet customer demands during wet years and dry years.

- 1 **Lake Tahoe Level Fluctuations:** The blue line shows Tahoe's surface elevation. When this elevation dipped beneath the natural rim, no water was flowing into the Truckee River from Tahoe.
- 2 **Resiliency Beyond River Flows:** This chart shows how much surface or groundwater was used each year. Note that groundwater and stored water use increase when surface water is less available—during droughts.

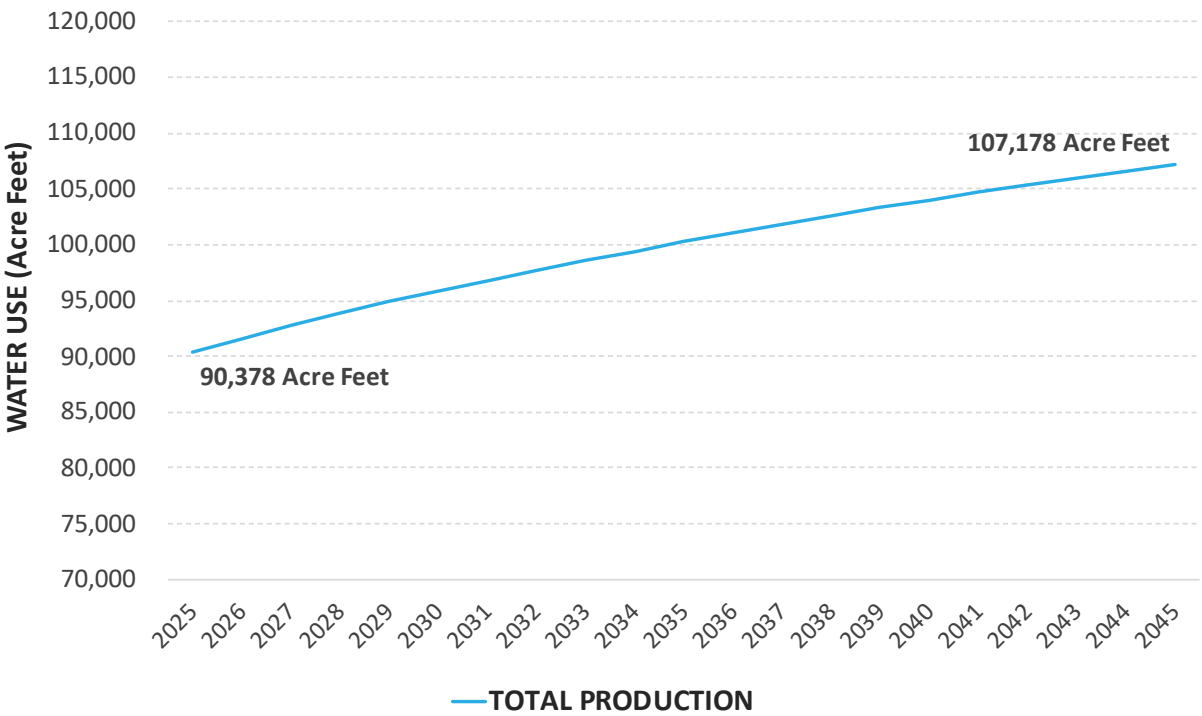
[More about Groundwater Resources \[WRP, page 30\]](#) →

Water Demand and Growth

Population growth projections inform TMWA’s estimates for future annual water demand in the Truckee Meadows. The WRP is required to look at a 20-year demand projection to ensure sufficient water resources are available over that timeframe. The objective is to clearly understand who will be using the water, how they will use it, and how much they will need.

Water and Growth

Over the next two decades, TMWA’s water demand is projected to rise by 1.8% annually. To meet the water needs for new growth, developers must dedicate necessary water rights to TMWA, plus an additional 11% to be used as drought reserves. Additionally, developers are responsible for funding any new water infrastructure, which is then deeded to TMWA upon completion.



Total water production projection for the next 20 years.

[More about Future Water Demand Projections](#)
[WRP, page 40] →

Assessing Future Water Supply Scenarios

While the Truckee Meadows has a history of extreme wet and dry years, changing climatic conditions may prove more challenging for water supply reliability in the future. Temperature trends are expected to continue warming, which could alter the timing of snowpack release and increase losses through evaporation.

TMWA's 2045 WRP incorporates the best available regional climate change information into the planning process. Using multiple global climate models downscaled to the northern Sierra Nevada, TMWA studied a range of future conditions. The modeling incorporates future water demands based on projected population and economic growth in the area through 2098.

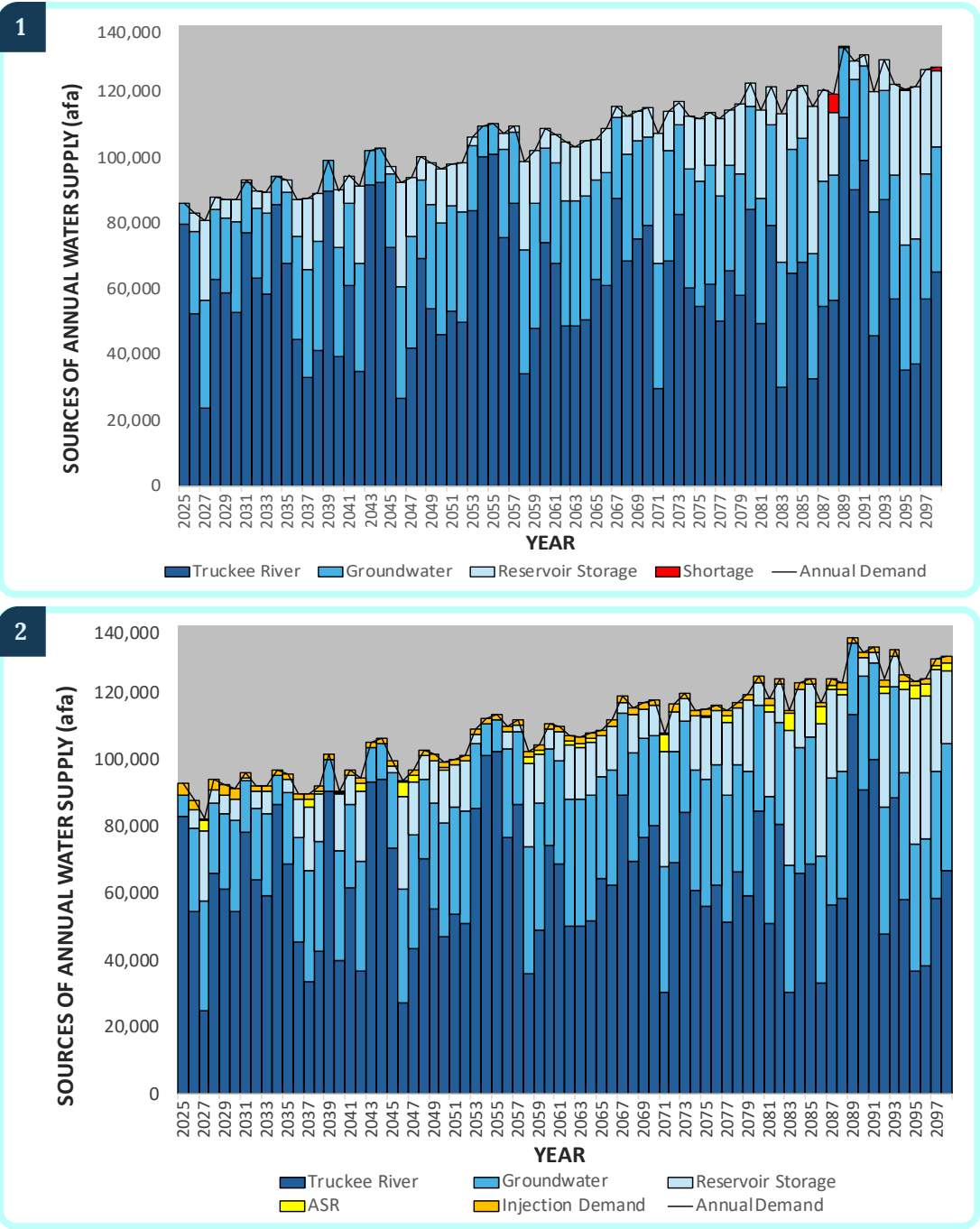
The modeling shows the Truckee Meadows has a secure water supply future due to decades of comprehensive planning. Even with potentially warmer and drier conditions, TMWA has a diverse water resources portfolio that will help the region adjust to more variable climate patterns.

A key take-a-way from the modeling: TMWA needs to continue investing in off-river resources to bolster future resource sustainability, such as by expanding its Aquifer Storage and Recovery (ASR) program to increase groundwater resources.

Moderate Climate Change Scenario Through 2098

- 1
- Future Water Supply without Expanded Aquifer Storage and Recovery Program.
- 2
- Future Water Supply with Expanded Aquifer Storage and Recovery Program.

More about Future Water Demand Scenarios
[WRP, page 47] →



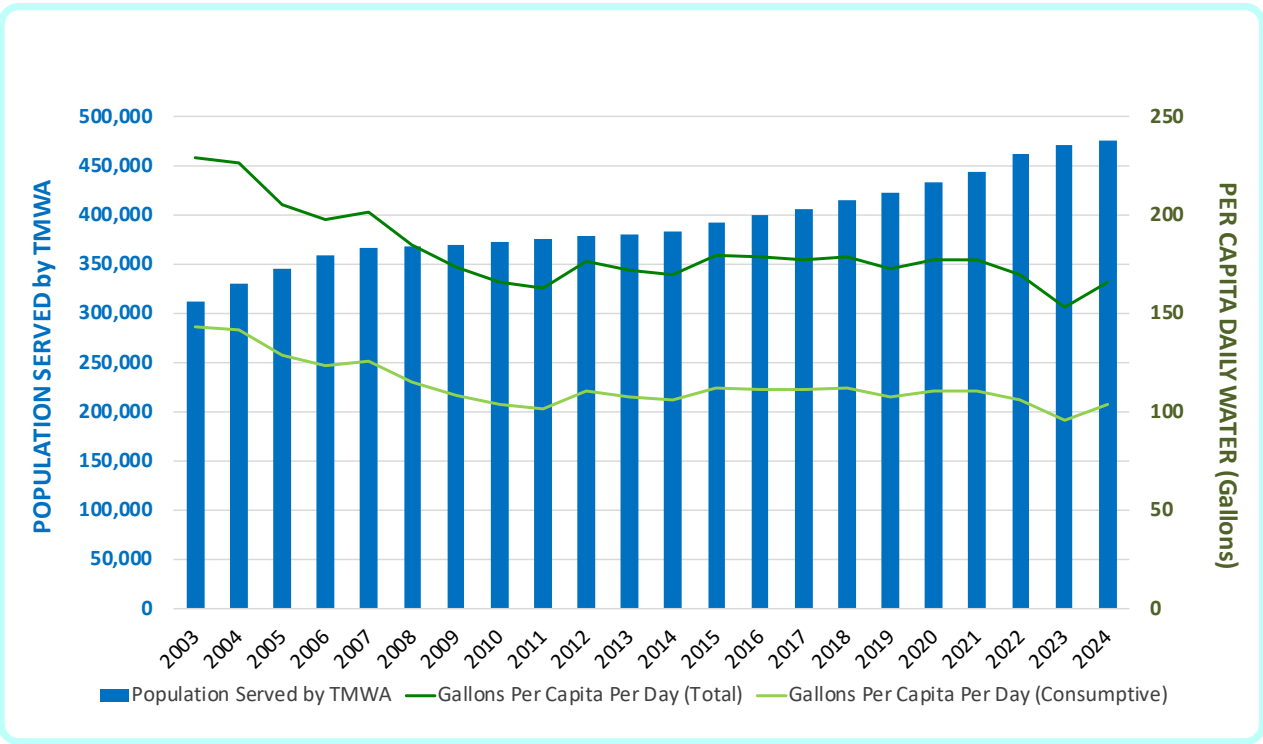
Ongoing Conservation and Per Capita Water-Use Reductions

Conservation programs have been in place in the Truckee Meadows since the mid-1980s, when Assigned-Day Watering began. While many people know about this effective program, TMWA uses several other strategies to meet water-saving goals. These include:

- **Tiered Rate Structure:** When customers use more water, they may pay more based on TMWA's pricing structure.
- **Water Efficiency Codes:** Customers who waste water or have unaddressed leaks are notified. Fee-based penalties are in place for rare instances of repeat violations.
- **Irrigation Workshops:** In-person and on-line sessions to help customers start up and shut down irrigation systems.

Developments with smaller lot sizes and water efficient landscaping have played a role in regional conservation outcomes as well, with per capita usage declines by almost 30% over the last 20 years. This represents a per-day usage reduction in consumptive use of 143 gallons per customer in 2003 to 104 gallons per customer in 2024.

More about TMWA's Conservation Programs →
[WRP, page 56]



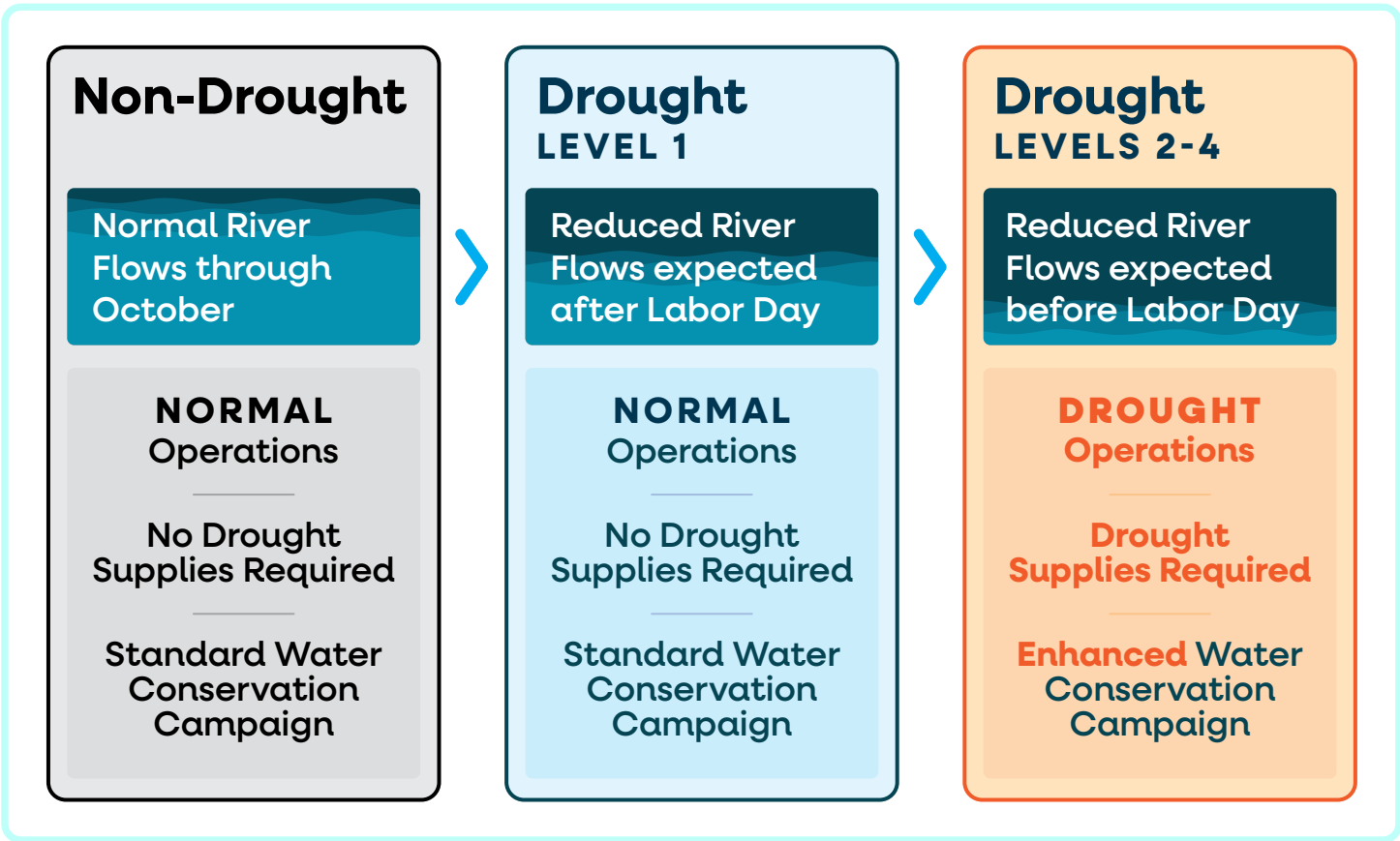
Population Served By TMWA Total And Consumptive Residential Per Capita Daily Water Use (Upper Green Line Is Total Water Use And Lower Line Is Consumptive Water Use)

Smart Meters

TMWA has also upgraded all customers to Advanced Metering Infrastructure (AMI), providing the ability to monitor water use by the hour and set up leak alerts to detect water waste. AMI meters will also give TMWA better insight to identify water loss throughout the distribution system.

Water Conservation During Droughts

TMWA implements enhanced conservation measures during droughts based on available Truckee River flows.



TMWA Drought Severity Response Flowchart



Enhanced conservation includes:

- Expanded public education campaigns
- No lawn watering between 11 a.m. – 7 p.m.
- Increased Conservation Consultant staffing for the Water Watchers program
- Temporary cutbacks on usage may be requested
- Drought rates or increased fines may be implemented

More about TMWA's Drought Plan [WRP, page 64] →

Protecting Source Water and Water Quality through Community Partnerships

TMWA works with many organizations and agencies throughout the Truckee River watershed to protect and improve the community’s drinking water sources. Since TMWA does not own most of the land around its groundwater and surface water supplies, multiple partnerships and collaborative projects are essential to help maintain the region’s water supply sources.

- 1 *Truckee River Fund contributes to Keep Truckee Meadows Beautiful in support of Truckee River Cleanup Day.*
- 2 *Operational area for MTRWFP’s 10-year Vegetation Management Plan*

More about the Truckee River Fund →
[WRP, page 87]

Truckee River Fund

Established by TMWA in 2004, the Truckee River Fund (TRF) works to protect and enhance the water quality and resources of the Truckee River and its watershed. Since its inception the TRF has approved 220 projects, providing nearly \$17 million to qualifying projects with over \$26.5 million in matching funds. To date, over \$43 million has been invested in projects to protect the Truckee River watershed. Example projects include riparian cleanups, river restoration, forest management, watershed-based youth education, and invasive species removal efforts.



Middle Truckee River Watershed Forest Partnership (MTRWFP)

Large wildfires could potentially have major impacts on TMWA’s source water quality and infrastructure. To help prevent this, TMWA entered into a formal partnership in 2022 with the US Forest Service- Tahoe National Forest, Truckee River Watershed Council, National Forest Foundation, and The Nature Conservancy to form the MTRWFP. The goal is to restore forest health and resilience by completing forest thinning and fuels reduction on approximately 60,000 acres of US Forest Service land by 2033.



Advanced Purified Water: Creating a New Local Resource

After more than 15 years of research, pilot testing, and demonstration projects, TMWA and the City of Reno have developed a sophisticated process for producing A+ Advanced Purified Water.

In 2026 they will begin construction of the Advanced Purified Water Facility (APWF) at American Flat, with the goal of adding this new resource to the region’s water portfolio.

The APWF will use recycled water from the Reno-Stead Water Reclamation Facility as its source—the same category of water currently used for irrigating local parks, schools, and golf courses. At the APWF, the recycled water will undergo additional purification through rigorous, multi-barrier technologies, including:

- **Ozonation** to break down contaminants,
- **Coagulation and Flocculation** to bind and remove tiny particles,
- **Biologically Activated Carbon Filtration (BACF)** for natural and engineered cleaning,
- **Granular Activated Carbon (GAC)** for removing trace compounds like PFAS, and
- **Ultraviolet (UV)** disinfection for a final layer of protection.

The result is Advanced Purified Water that either meets or surpasses state and federal drinking water standards.

Up to 2 million gallons per day of advanced purified water will be recharged into American Flat aquifer. Initially used to irrigate crops while monitoring and testing continues, this water will eventually become part of TMWA’s everyday supply, increasing regional water resilience and sustainability.



An architectural rendering of the Advanced Purified Water Facility at American Flat

Advanced Purified Water is

- ✓ Proven to meet all EPA drinking water standards.
- ✓ An effective way to bolster groundwater levels.
- ✓ A new drought-proof water supply for the region.
- ✓ A locally controlled addition to the region’s water supply portfolio.

More about the Advanced Purified Water facility
at American Flat [WRP, page 31] →

Potential Future Water Supply Projects

While the region has adequate water resources to meet future demand, TMWA is constantly analyzing options to add more redundancy and resiliency to the region’s drinking water system.

Identifying these projects now helps with efforts to secure funding and set other needed plans in motion.

This table identifies the possible resource development projects of interest to TMWA for continued research.

More about Potential Future Resources [WRP, page 71] →

RESOURCE/PROJECT	RANGE OF YIELD OR CAPACITY	ESTIMATED TIMELINE
Treatment of Existing Groundwater Resources		
Spanish Springs Valley Nitrate Treatment Facility	3-4 MGD	2030-2035
Sparks Groundwater Treatment Facility	11.9 MGD	Beyond 2045 planning period
Longley Lane Groundwater Treatment Facility	4-6 MGD	Beyond 2045 planning period
South Truckee Meadows Groundwater Treatment Facility	4-6 MGD	Beyond 2045 planning period
Additional Groundwater Capacity		
New/Replacement Well Development	As needed	Ongoing
ASR Expansion	3,000-5,500 AFA	3-5 year planning period
Additional Fish Springs Ranch Water	Up to 5,000 AFA	Beyond 2045 planning period
Creek Water Resources	Varies	Ongoing
Marlette Lake Water System – Wholesale Service	Varies	Feasibility being investigated
Reclaimed Water		
Expanded Irrigation Use	Varies	Ongoing
Advanced Purified Water	Varies	Ongoing
Water Banking	Varies	Feasibility being investigated

The initiatives above will be implemented as needed. Until then, TMWA will continue relying on the conversion of Truckee River water rights from agricultural to municipal use to meet the region’s water supply needs.

Focusing on the Next Five Years

The 2045 WRP outlines recommended water resource management strategies into the next 20 years.

Based on information and findings presented throughout the plan, this table summarizes near-term actions to help guide utility staff over the next five years until the next WRP is developed.

More about Near-Term Actions
[WRP, page 96] →

Near-Term Actions (2025-2030)

Water Supply Planning

Review current WRP and compile draft 2030-2050 WRP.

Monitor future legislative bills that could expand developable land in the region.

Work with TMRPA, EDAWN, and GOED on policies related to large water users.

When approached by small water systems, assess resource benefits, financial impacts, and technical challenges of each system prior to considering acquisition.

Participate in workshops in coordination with NNWPC/WRWC related to wastewater regionalization.

Management of Current Water Resources

Continue to collaborate with TROA stakeholders to develop opportunities to improve reservoir operations and efficient use of water resources.

Maximize upstream storage under TROA within hydrological and operational constraints.

Maintain and rehabilitate TMWA's wells to meet demand while maintaining the sustainability of aquifers.

Invest in groundwater infrastructure to maintain access to existing resources.

Continue to expand active groundwater recharge and use passive recharge when possible.

Continue an active role in maintaining sufficient water rights inventory and analyzing purchase opportunities.

Assess the most effective use of AMI data to promote water conservation.

Explore additional programs to further TMWA's conservation goals during drought and non-drought years.

Maintain and expand watershed-based partnerships to protect regional source water supplies.

Work with partners to continue implementation of Integrated Source Water Protection Plan for Washoe County.

Analyze the extent of TMWA's ability to maintain water demand during river outages.

Future Water Demand & Resources

Complete annual demand projections.

Work with DRI, UNR, and other research institutions to evaluate new climate modeling for the region.

Construct Advanced Purified Water Facility at American Flat in coordination with City of Reno.

Work with Nevada regulatory agencies on moving forward Direct Potable Reuse regulations.

Further investigate and evaluate the potential water supply projects described in the WRP.

Planning a Comprehensive Path Forward

The 2045 WRP is part of TMWA’s integrated planning approach, which evaluates future scenarios with consistency to determine resource sustainability, infrastructure investments, and the funding approach to ensure reliable delivery of water for the long term.

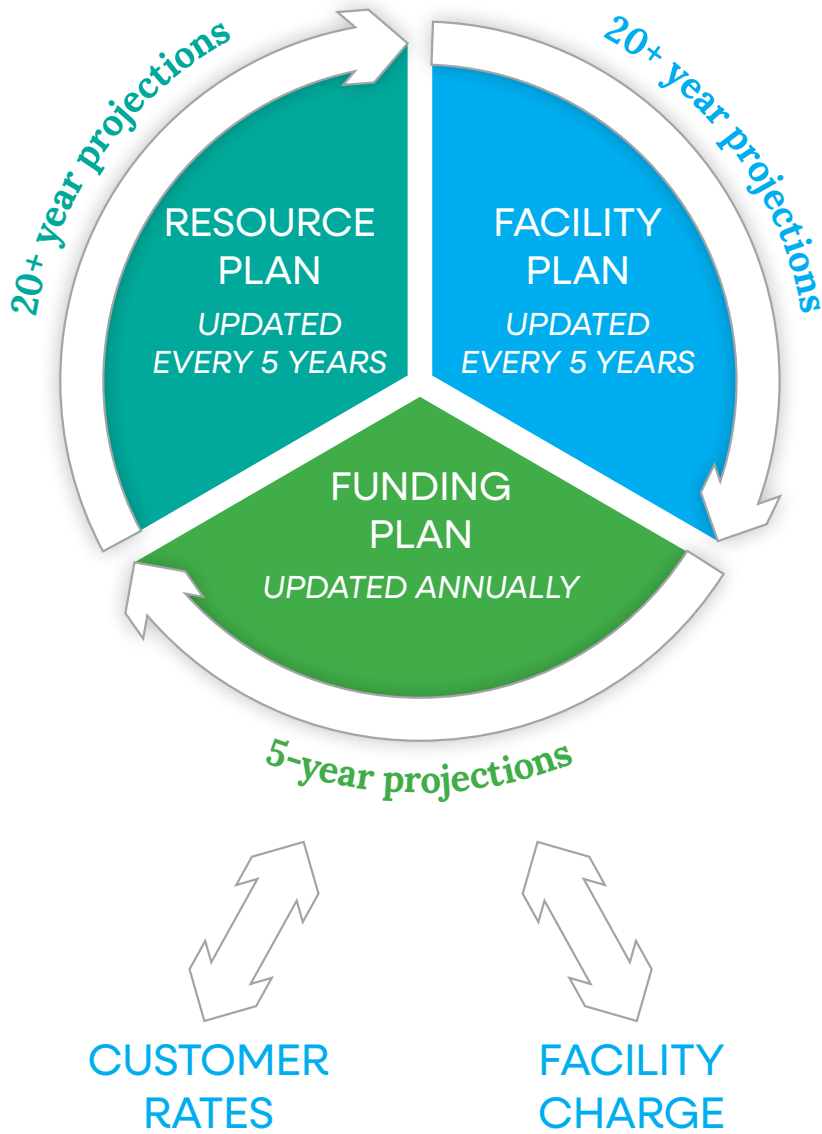
Water Resource Plan: Estimates water supply and demand, giving insight into the facility capacity that will be needed for TMWA’s future infrastructure.

Water Facility Plan: Identifies the condition of TMWA’s existing capital assets and project expansions needed to meet future growth, as identified in the Water Resource Plan.

Funding Plan: Analyzes the Five-Year Capital Improvement Plan with a thorough analysis of all revenues and expenses, with an assessment of overall spending and identification of funding options.

TMWA’s integrated planning approach ensures the delivery of high-quality drinking water while keeping customer rates as low as possible.

More about Integrated Planning →
[WRP, page 16]



VERDI MEADOWS UTILITY COMPANY, INC. (VMUC) UPDATE

September 17, 2025

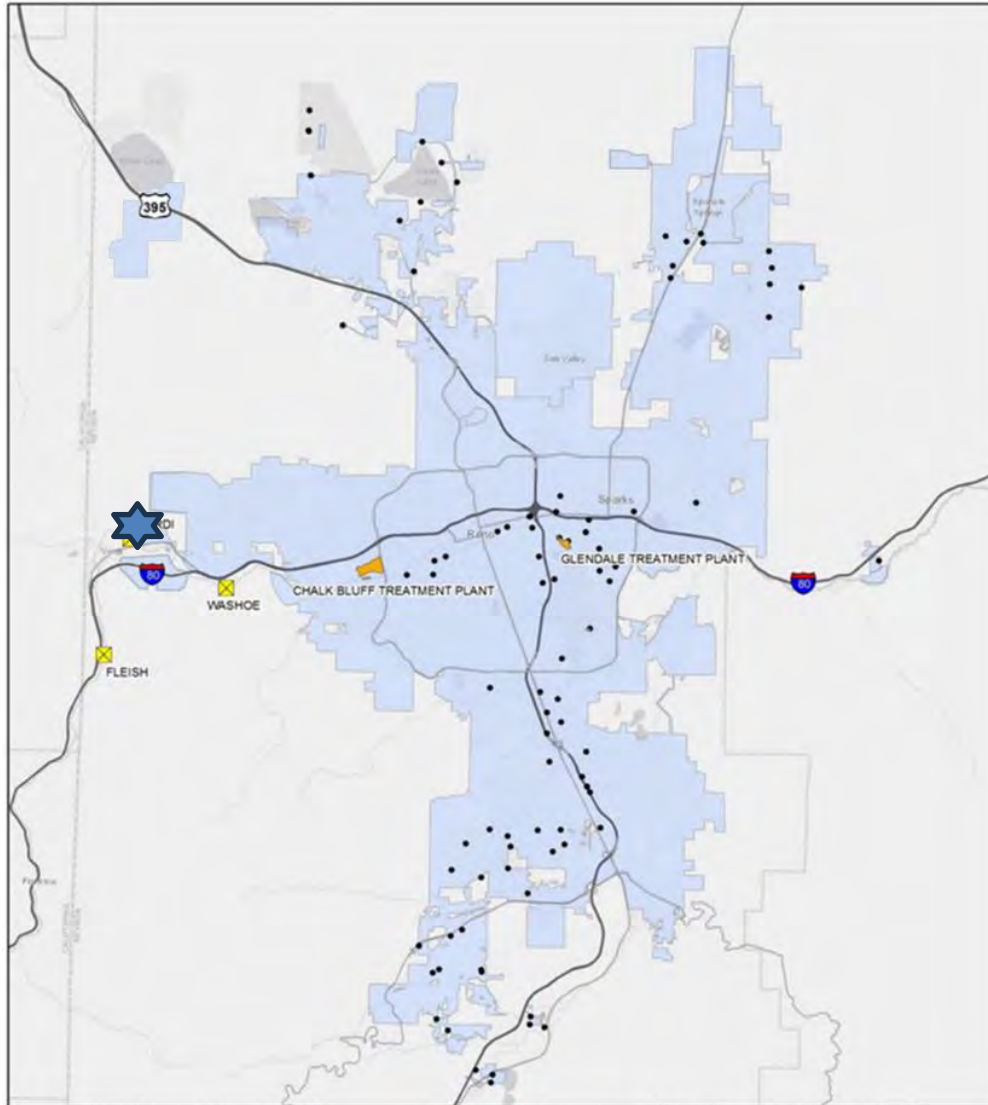
*Presented by: Eddy Quaglieri, P.E. Natural Resources Manager
and
Danny Rotter, P.E. Assistant General Manager*



**Truckee Meadows
Water Authority**

Quality. Delivered.

VMUC'S SERVICE AREA AND LOCATION



VMUC SYSTEM AND HISTORY

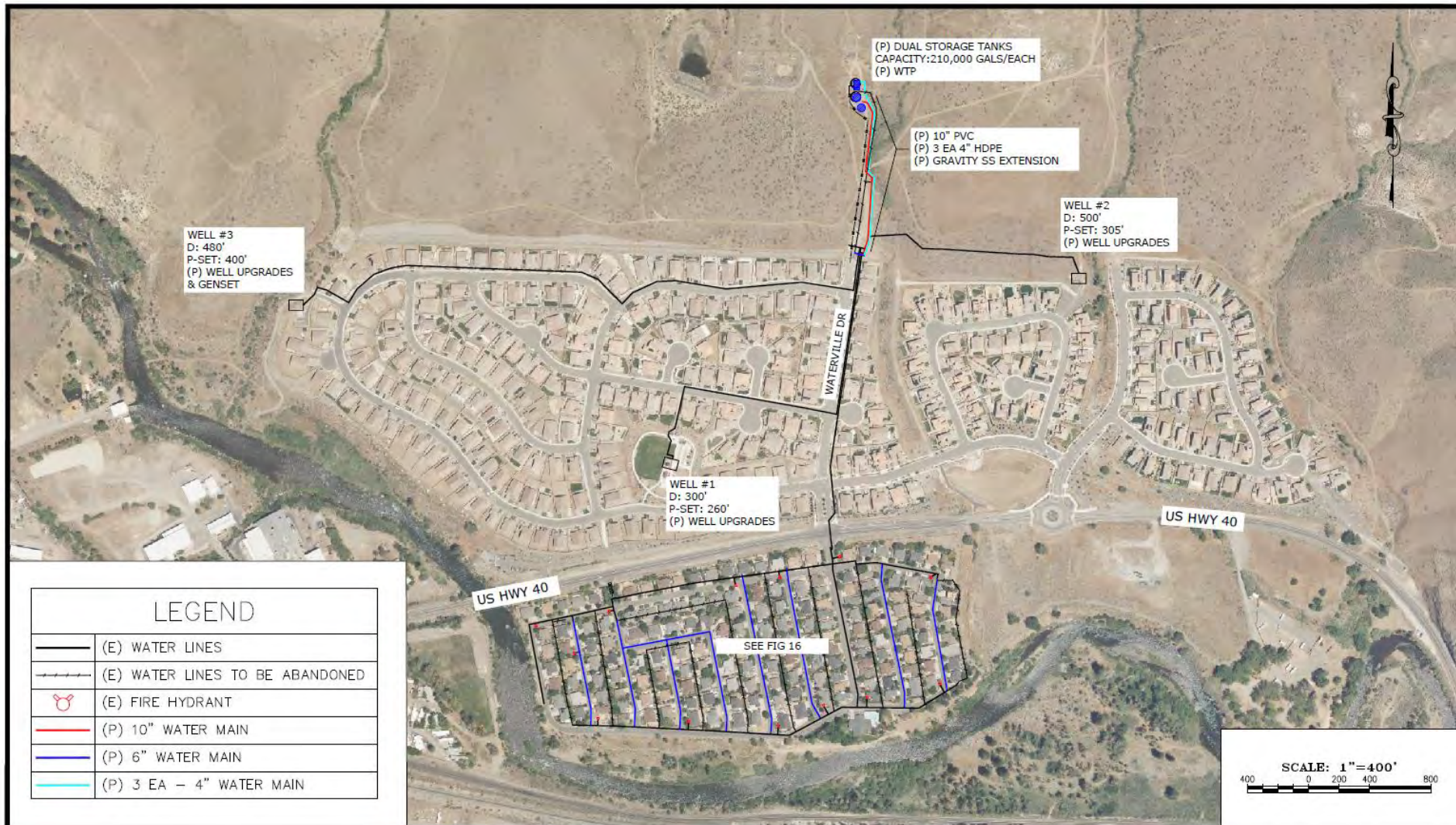
- Owner: Allyn Emery, Esq.
- Operator: Tim Holt, P.E.
- River Oak Subdivision
- 172 Connections
- Originally Mobile Home Park built in 1973
- 1983 subdivided into lots.
- 1985 VMUC applied to PUCN for license to operate as a utility (Sewer and Water). Now only provides water service.
 - Granted under Compliance Order under Docket 84-257 which required VMUC to abandon the original water lines and relocate them in the streets by 2025
- 2024 PER (Docket 22-09005) performed by Shaw Engineering finalized in 2025

TMWA'S SYSTEM NEAR VMUC'S SERVICE



VMUC'S SYSTEM LAYOUT

(IMAGE FROM THE VMUC PRELIMINARY ENGINEER REPORT)



TMWA'S GUIDELINES AND ANNEXATION PROCESS

- WRP 2020 – 2040
 - Recommendation 1.3 Small Water System Acquisition
 - “Due diligence to assess the resource benefits, financial impacts, and technical challenges of each system prior to considering acquisition. When applicable, other options besides acquisition may be more appropriate to assist small water systems by other means (e.g., providing a wholesale meter to a small system)”
- Annexation Process Outlined in TMWA’s Rule 5
 - TMWA Policy is “Growth pays for Growth”
 - Annexation required for properties to obtain service that are currently not in TMWA Service Area
 - Identifies required water infrastructure and costs for Water Service
- Wholesale Service Connection
- West Reno Water Company (Boomtown) Example

TMWA'S 2023 DISCOVERY

- In 2023, TMWA performed an Engineering Discovery (Hwy 40 West_DISC TMWA WO#23-9344) for VMUC which included costs for three options:
 - (1) wholesale connection, **(\$3.5 Million)**
 - (2) emergency/backup connection **(\$0.275 Million)**
 - (3) consolidation of the Verdi Meadows Utility Company (VMUC) into the TMWA system. **(\$11.6 Million)**

2024 PRELIMINARY ENGINEERING REPORT (PER) MAIN FINDINGS

The major needs of the system per Shaw's PER are:

- Replace Tanks
- Upgrades Wells (electrical, surge protection, 1 genset, etc.)
- Well treatment needed (arsenic, nitrate, ammonia)
- Distribution and transmission main replacement
- Upgrade SCADA System

2024 PER RECOMMENDATION AND SELECTION

Four alternatives were reviewed to deal with the needs of the system. These generally included:

1 – Do nothing – ***Project Cost \$0.00***

2 – Address all infrastructure and construct a water treatment plant – ***Project Cost \$7.6 Million***

3A – Abandon VMUC wells and storage tanks and connect to TMWA with a wholesale connection – ***Project Cost \$7.9 Million. PUCN Staff recommends Commission adopt this alternative.***

3B – Complete consolidation with TMWA – ***Project Cost \$13.8 Million***

UPCOMING PUCN DATES

PUCN Workshop September 16, 2025

- Discuss Staff Comments and VMUC Comments

PUCN Agenda October 14 or 28, 2025

- Commission Decision on Staff or VMUC Comments

Office Financial Assistance (SRF Loan) Board Meeting –
November 19, 2025

(October 3rd deadline for application update)

OTHER PUCN REGULATED WATER SYSTEMS ADJACENT TO TMWA SYSTEM

- Verdi Mutual Utility Company (8 commercial connections)
- Steamboat Springs Water Works (282 connections)
- Great Basin Water Company Sky Ranch (560 Connections)
- Great Basin Water Company Cold Springs (3,500 Connections)
- Rosemount Water Company (75 Connections)
- Silver Knolls Water Company (21 Connections)

Thank you!

Questions?



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Sophia Cardinal, Financial Controller
DATE: August 21, 2025
SUBJECT: **Required Communication from Eide Bailly regarding TMWA's Annual Financial Audit**

Summary

The attached written communication from TMWA's external auditors, Eide Bailly, sets forth expectations for conducting and completing the audit of TMWA's financial statements and related disclosures for the fiscal year ended June 30, 2025. The communication also defines the roles and responsibilities of TMWA's management, Eide Bailly, and the TMWA Board of Directors.

August 21, 2025

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

This letter is provided in connection with our engagement to audit the financial statements and to audit compliance over major federal award programs of the Truckee Meadows Water Authority (“TMWA”) as of and for the year ended June 30, 2025. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified.

Our Responsibilities

As stated in our engagement letter dated February 27, 2025, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), *Government Auditing Standards* of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended; and the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), for the purpose of forming and expressing opinions on the financial statements and on major federal award program compliance. Our audits do not relieve you or management of your respective responsibilities.

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

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

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or

governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

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

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

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

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

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

- **Management Override of Controls** – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the organization may have the ability to override controls that the organization has implemented. Management may override the organization's controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the organization's financial performance or with the intent of concealing fraudulent transactions.

- Improper Revenue Recognition – Professional standards include a presumptive risk of revenue recognition. Accordingly, we identified revenue recognition related to certain revenues primarily related to operating revenues, as a significant risk due to financial and operational incentives for the organization to overstate revenues.
- Unbilled Receivables – We identified unbilled receivables as a significant risk due to the risk that delivered but unbilled water is not recorded as operating revenue.
- Improper Allocation of Indirect Administrative Costs to Capital Assets – We identified this as a significant risk as the amounts allocated are subject to significant estimation.
- Valuation of Developer Dedicated Infrastructure and Other Donated Capital Assets – We identified this as a significant risk as the valuation of these assets is subject to significant estimation.
- OPEB and Pension Estimates – We identified OPEB and pension estimates as a significant risk due to the risk that the assumptions used to estimate OPEB and pension amount are incorrect due to management's judgement.
- Implementation of new GASB 101, *Compensated Absences* – We identified the implementation of GASB as a significant risk due to the risk that the assumptions used to calculate the compensated absences liability are incorrect due to management's judgment.

We expect to begin our audit on August 18, 2025 for the compliance over major federal award programs and on September 22, 2025 for financial audit fieldwork. We will issue our reports by November 26, 2025.

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

Respectfully,

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

Reno, Nevada



TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer
DATE: September 8, 2025
SUBJECT: Presentation of Fiscal Year 2025 Q4 Year-to-Date Financial Results

Summary

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

Budget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
CHANGE IN NET POSITION	\$ 54,830,795	\$ 38,468,956	\$ 16,361,839	43 %

Change in net position was \$16.4m or 43% higher than budget through Q4 2025. This was driven by higher operating income due to higher revenue, lower operating expenses, higher investment earnings and higher capital contributions.

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
CHANGE IN NET POSITION	\$ 54,830,795	\$ 44,859,737	\$ 9,971,058	22 %

Change in net position was \$10.0m or 22% higher than the prior year. This was caused by higher operating income due to higher operating revenue offset by higher operating expenses, higher investment earnings and higher capital contributions.

Revenue

Budget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	123,985,263	123,715,379	269,884	— %
Hydroelectric Sales	4,184,797	2,963,889	1,220,908	41 %
Other Operating Sales	4,134,516	3,600,377	534,139	15 %
Total Operating Revenues	132,304,576	130,279,645	2,024,931	2 %

Operating revenue was \$2.0m or 1% higher than budget through Q4 2025. Water sales were within 1% of budget, hydroelectric revenue was 41% higher than budget and other operating sales were 15% higher than budget. Hydroelectric revenue exceeded budget due to strong river flows and less maintenance downtime than budgeted as the generation staff determined it was advantageous to generate throughout the year and defer the planned outages. Other operating sales were higher than budget due mostly to higher new business related inspection fees, which were under-budgeted in FY 2025.

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	123,985,263	113,961,589	10,023,674	9 %
Hydroelectric Sales	4,184,797	4,193,494	(8,697)	— %
Other Operating Sales	4,134,516	4,220,374	(85,858)	(2)%
Total Operating Revenues	132,304,576	122,375,457	9,929,119	8 %

Year over year, operating revenues were higher by \$9.9m or 8% due primarily to higher water sales. Water consumption was significantly lower in 2024 due to higher than normal precipitation and lower temperatures through the summer and fall of fiscal year 2024.

Operating Expenses

Budget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
OPERATING EXPENSES				
Salaries and Wages	35,300,194	35,083,573	216,621	1 %
Employee Benefits	16,375,475	15,835,901	539,574	3 %
Services and Supplies	41,158,180	46,074,717	(4,916,537)	(11) %
Total Operating Expenses Before Depreciation	92,833,849	96,994,191	(4,160,342)	(4) %
Depreciation	36,697,431	35,590,563	1,106,868	3 %
Total Operating Expenses	129,531,280	132,584,754	(3,053,474)	(2) %

Total operating expenses were \$3.1m or 2% lower than budget through Q4 2025. Salaries and wages and benefits were lower primarily due to less capital allocation than budgeted. This difference is reflected in capital costs, not O&M. Services and supplies were \$4.9m or 11% lower due to various expense categories. Two of the larger variances are electrical power costs, which were lower by approximately \$1.6m (lower price for power than budgeted) and supplies, which were lower by \$0.9m (less supply consumption during the year).

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
OPERATING EXPENSES				
Salaries and Wages	35,300,194	31,902,280	3,397,914	11 %
Employee Benefits	16,375,475	16,283,832	91,643	1 %
Services and Supplies	41,158,180	37,552,454	3,605,726	10 %
Total Operating Expenses Before Depreciation	92,833,849	85,738,566	7,095,283	8 %
Depreciation	36,697,431	36,500,513	196,918	1 %
Total Operating Expenses	129,531,280	122,239,079	7,292,201	6 %

Year over year operating expenses were \$7.3m or 6% higher compared to the prior year. Salaries and wages and benefits are higher than prior year to due to Labor Market Index (LMI) increases, step increases, and additions to staff during FY 2025. Services and supplies were higher than prior year due to general price increases along with an impairment loss of \$0.5m related to the Old Washoe 4 well which was damaged in the Davis Fire.

Non-Operating ExpensesBudget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	5,962,196	5,103,838	858,358	17 %
Net Increase (Decrease) in FV of Investments	3,186,319	—	3,186,319	— %
Gain (Loss) on Disposal of Assets	(1,223,332)	(1,442,800)	219,468	(15)%
Amortization of Bond/note Issuance Costs	—	—	—	— %
Interest Expense	(8,899,073)	(8,878,315)	(20,758)	— %
Total Nonoperating Revenues (Expenses)	(973,890)	(5,217,277)	4,243,387	(81)%

Nonoperating revenues/expenses were \$4.2m or 81% better than budget through Q4 2025. There was a net increase in the fair value of investments as market interest rates continue to drop. This trend will continue if rates continue to fall in 2025.

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	5,962,196	1,761,755	4,200,441	238 %
Net Increase (Decrease) in FV of Investments	3,186,319	7,185,606	(3,999,287)	(56)%
Gain (Loss) on Disposal of Assets	(1,223,332)	(3,544,836)	2,321,504	(65)%
Amortization of Bond/note Issuance Costs	—	(499,000)	499,000	(100)%
Interest Expense	(8,899,073)	(10,181,533)	1,282,460	(13)%
Total Nonoperating Revenues (Expenses)	(973,890)	(5,278,008)	4,304,118	(82)%

Nonoperating expenses were lower than prior year by \$4.3m or 82%, due to the same reasons discussed above. Additionally, interest expense is lower than prior year following the cash optimization refinancing that occurred in FY 2024.

Capital Contributions

Budget to Actual

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
CAPITAL CONTRIBUTIONS				
Grants	1,437,531	3,098,500	(1,660,969)	(54)%
Water Resource Sustainability Program	441,344	969,677	(528,333)	(54)%
Developer Infrastructure Contributions	19,554,670	14,819,179	4,735,491	32 %
Developer Will-serve Contributions (Net of Refunds)	11,206,014	5,232,000	5,974,014	114 %
Developer Capital Contributions - Other	5,096,653	—	5,096,653	— %
Developer Facility Charges (Net of Refunds)	11,639,329	16,106,141	(4,466,812)	(28)%
Contributions from Others	113,360	65,845	47,515	72 %
Contributions from Other Governments	3,542,488	5,700,000	(2,157,512)	(38)%
Net Capital Contributions	53,031,389	45,991,342	7,040,047	15 %

Capital contributions were \$7.0m or 15% higher than budget. The largest driver of this increase was the recognition of a \$9.0m credit to will-serve revenue resulting from a resource exchange agreement with TRIGID and TRIC related to the effluent pipeline to TRIGID. TMWA received the cash in 2021, but held it on deposit until effluent was delivered via the pipeline, per the terms of the agreement. This occurred in the first quarter at which point \$9.0m was recognized as will-serve revenue. Connection fee revenue is slightly higher than budget as new business projects remain steady.

Year over Year

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
CAPITAL CONTRIBUTIONS				
Grants	1,437,531	9,658,905	(8,221,374)	(85)%
Water Resource Sustainability Program	441,344	1,097,584	(656,240)	(60)%
Developer Infrastructure Contributions	19,554,670	9,962,594	9,592,076	96 %
Developer Will-serve Contributions (Net of Refunds)	11,206,014	5,507,199	5,698,815	103 %
Developer Capital Contributions - Other	5,096,653	6,026,121	(929,468)	(15)%
Developer Facility Charges (Net of Refunds)	11,639,329	12,874,933	(1,235,604)	(10)%
Contributions from Others	113,360	73,095	40,265	55 %
Contributions from Other Governments	3,542,488	4,800,936	(1,258,448)	(26)%
Net Capital Contributions	53,031,389	50,001,367	3,030,022	6 %

Year over year, capital contributions are \$3.0m or 6% higher than the prior year primarily due to the resource exchange credit discussed above. Additionally, grant revenue is lower due to the recognition of ARPA related funding for TMWA's AMI project in the prior year.

Capital Spending

Cash spent on capital outlays and construction projects through Q4 2025 was approximately \$80.1m. Total budgeted capital spend for fiscal year 2025 is \$111.2m, which included \$8.0m and \$11.0m for the American Flat APW facility and Orr Ditch pump station and hydro facility, respectively. Spending on the top three projects during the fiscal year is listed below:

Orr Ditch Pump Station and Hydro Facility	\$ 10.0m
American Flat APW facility	\$ 8.6m
Purchase of building for office expansion	\$ 7.4m

Cash Position

At June 30, 2025 total cash and investments was \$160.2m or \$27.6m lower than at the beginning of the fiscal year. Of the total cash and investments, \$105.3m was unrestricted to be used to meet upcoming and future operating and maintenance expenses, principal and interest payments and construction project payments. The remaining \$54.9m was restricted to pay for scheduled bond principal and interest payments as well as maintaining required reserves as stipulated in our bond covenants.

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the fourth quarter ended June 30, 2025

	Actual YTD 2025	Budget YTD 2025	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	\$ 123,985,263	\$ 123,715,379	\$ 269,884	— %
Hydroelectric Sales	4,184,797	2,963,889	1,220,908	41 %
Other Operating Sales	4,134,516	3,600,377	534,139	15 %
Total Operating Revenues	132,304,576	130,279,645	2,024,931	2 %
OPERATING EXPENSES				
Salaries and Wages	35,300,194	35,083,573	216,621	1 %
Employee Benefits	16,375,475	15,835,901	539,574	3 %
Services and Supplies	41,158,180	46,074,717	(4,916,537)	(11) %
Total Operating Expenses Before Depreciation	92,833,849	96,994,191	(4,160,342)	(4) %
Depreciation	36,697,431	35,590,563	1,106,868	3 %
Total Operating Expenses	129,531,280	132,584,754	(3,053,474)	(2) %
OPERATING INCOME	2,773,296	(2,305,109)	5,078,405	(220) %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	5,962,196	5,103,838	858,358	17 %
Net Increase (Decrease) in FV of Investments	3,186,319	—	3,186,319	— %
Gain (Loss) on Disposal of Assets	(1,223,332)	(1,442,800)	219,468	(15) %
Amortization of Bond/note Issuance Costs	—	—	—	— %
Interest Expense	(8,899,073)	(8,878,315)	(20,758)	— %
Total Nonoperating Revenues (Expenses)	(973,890)	(5,217,277)	4,243,387	(81) %
Gain (Loss) Before Capital Contributions	1,799,406	(7,522,386)	9,321,792	(124) %
CAPITAL CONTRIBUTIONS				
Grants	1,437,531	3,098,500	(1,660,969)	(54) %
Water Resource Sustainability Program	441,344	969,677	(528,333)	(54) %
Developer Infrastructure Contributions	19,554,670	14,819,179	4,735,491	32 %
Developer Will-serve Contributions (Net of Refunds)	11,206,014	5,232,000	5,974,014	114 %
Developer Capital Contributions - Other	5,096,653	—	5,096,653	— %
Developer Facility Charges (Net of Refunds)	11,639,329	16,106,141	(4,466,812)	(28) %
Contributions from Others	113,360	65,845	47,515	72 %
Contributions from Other Governments	3,542,488	5,700,000	(2,157,512)	(38) %
Net Capital Contributions	53,031,389	45,991,342	7,040,047	15 %
CHANGE IN NET POSITION	\$ 54,830,795	\$ 38,468,956	\$ 16,361,839	43 %

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the fourth quarter ended June 30, 2025

	Actual YTD 2025	Actual YTD 2024	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	\$ 123,985,263	\$ 113,961,589	\$ 10,023,674	9 %
Hydroelectric Sales	4,184,797	4,193,494	(8,697)	— %
Other Operating Sales	4,134,516	4,220,374	(85,858)	(2)%
Total Operating Revenues	132,304,576	122,375,457	9,929,119	8 %
OPERATING EXPENSES				
Salaries and Wages	35,300,194	31,902,280	3,397,914	11 %
Employee Benefits	16,375,475	16,283,832	91,643	1 %
Services and Supplies	41,158,180	37,552,454	3,605,726	10 %
Total Operating Expenses Before Depreciation	92,833,849	85,738,566	7,095,283	8 %
Depreciation	36,697,431	36,500,513	196,918	1 %
Total Operating Expenses	129,531,280	122,239,079	7,292,201	6 %
OPERATING INCOME	2,773,296	136,378	2,636,918	1,934 %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	5,962,196	1,761,755	4,200,441	238 %
Net Increase (Decrease) in FV of Investments	3,186,319	7,185,606	(3,999,287)	(56)%
Gain (Loss) on Disposal of Assets	(1,223,332)	(3,544,836)	2,321,504	(65)%
Amortization of Bond/note Issuance Costs	—	(499,000)	499,000	(100)%
Interest Expense	(8,899,073)	(10,181,533)	1,282,460	(13)%
Total Nonoperating Revenues (Expenses)	(973,890)	(5,278,008)	4,304,118	(82)%
Gain (Loss) Before Capital Contributions	1,799,406	(5,141,630)	6,941,036	(135)%
CAPITAL CONTRIBUTIONS				
Grants	1,437,531	9,658,905	(8,221,374)	(85)%
Water Resource Sustainability Program	441,344	1,097,584	(656,240)	(60)%
Developer Infrastructure Contributions	19,554,670	9,962,594	9,592,076	96 %
Developer Will-serve Contributions (Net of Refunds)	11,206,014	5,507,199	5,698,815	103 %
Developer Capital Contributions - Other	5,096,653	6,026,121	(929,468)	(15)%
Developer Facility Charges (Net of Refunds)	11,639,329	12,874,933	(1,235,604)	(10)%
Contributions from Others	113,360	73,095	40,265	55 %
Contributions from Other Governments	3,542,488	4,800,936	(1,258,448)	(26)%
Net Capital Contributions	53,031,389	50,001,367	3,030,022	6 %
CHANGE IN NET POSITION	\$ 54,830,795	\$ 44,859,737	\$ 9,971,058	22 %



STAFF REPORT

TO: TMWA Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer
DATE: September 8, 2025
SUBJECT: **Presentation, discussion and possible Board direction regarding TMWA's Cost of Service and Rate Design Studies**

Background

A Cost of Service (COS) study is essential for ensuring that utility rates are equitable and based on actual usage and demand characteristics. By identifying the true cost of serving each customer class, the study helps prevent cross-subsidization and supports the development of defensible, transparent rate structures. It also plays a vital role in financial sustainability by enabling full-cost recovery, which includes operations, maintenance, infrastructure investment, and future resilience needs. Note that a COS study does not impact the *total* revenue collected but instead changes the *allocation* of that revenue among the customer groups.

The American Water Works Association (AWWA) recommends the use of cost-of-service pricing models for utilities. The AWWA emphasizes that rates should be based on the actual cost of providing service rather than perceived value, which can lead to affordability concerns and inequitable rate structures. The AWWA advocates for full-cost recovery, ensuring that utilities account for all operational, maintenance, and capital expenses. Additionally, The AWWA recommends that utilities conduct COS studies on a regular basis to ensure that rate structures remain aligned with evolving service demands, financial needs, and industry best practices.

TMWA has not prepared a COS study since the consolidation with the Washoe County water system in 2015. In 2024, Staff engaged Catherine Hansford to develop a model to meet TMWA's objectives in execution of the COS study. One of the goals of the COS study was to integrate the old Washoe County Department of Water Resources (DWR) rate schedules into the TMWA rate schedules. At the time of the merger, it was determined to keep DWR customers on the existing rate schedules to minimize the impact on those customers and to allow complete integration of the two water systems. Now that the two systems are one, these customers should be brought on to the TMWA rate schedules¹.

¹ Note that former STMGID customers will remain on their current rate schedules until January 2035 per the terms of the ILA governing the merger between TMWA and STMGID dated 12/11/2013 with the exception that a home is moved to the current rate schedules when it is transferred to a new owner.

Staff received input from TMWA's Board-appointed citizens Standing Advisory Committee (SAC) at a workshop on August 25, 2025. The SAC was supportive of the process and the results of the study.

Cost of Service and Rate Design Study Results

Cost of service

For a detailed description of the methods used and outcome of the COS study and proposed rate design changes, see the Methodology Memo as attached. The process can be broken down into three sections. First, customer counts and characteristics are compiled and analyzed. Second, TMWA costs are functionally allocated to categories based on their role in the operation of the water system. And third, the revenue requirement is allocated to customer groups.

Customer counts and characteristics- Customer and meter statistics are aggregated and categorized into their respective rate classes providing a baseline for the next steps of the COS study.

Functional allocation of costs- Costs include personnel, services and supplies, capital depreciation and debt service. Ultimately, the costs are allocated between two categories – fixed costs and variable costs. Fixed costs are those that provide “readiness to serve” (described in the AWWA MI Manual as, “charges that aim at capturing the costs of having a system in place to provide water to the customer regardless of whether the customer consumes any water in a given service period”). Variable costs are those allocated to peaking capacity and value of the water used by the customer. *Note: Costs related to build-out or growth of the system are not included in the analysis.*

The results of the functional allocation of costs indicate that approximately 43% of total revenues should be raised by customer charges (fixed monthly charges) and about 57% should be raised by use charges (variable). This is a change from the existing collection of about 33% fixed and 67% variable.

Allocation of revenue requirement to customer groups- Based on the usage characteristics of each customer group (such as the percentage of water the entire customer group uses annually compared to total water demand across all customers, and summertime peak water use), fixed and variable charges are allocated and balanced to ensure appropriate revenue collection from each group. The table below presents the results of the allocation. The percent of cost/revenue represents the percent of total system costs allocated to each customer group, and therefore, the percent of revenue that should be collected from that group.

	Prior	New	
Customer Class	Percent of cost/revenue	Percent of cost/revenue	Change
Single family residential-metered	66%	62%	Decrease
Multi-family residential-metered	6%	8%	Increase
Commercial-metered	11%	13%	Increase
Irrigation-metered	11%	10%	Decrease
Single family/multi-family flat rate	2%	3%	Increase
Private fire protection	3%	3%	Minimal change
Wholesale	1%	1%	Minimal change

Rate design

To achieve the results indicated by the COS study, rate design changes are required. Primarily, increases to the fixed monthly customer (service) charges and decreases to the variable water commodity (consumption) charges will increase the percent collected as fixed revenue compared to variable revenue. The proposed rate design changes to the customer groups are below.

All customer groups: Service charges based on meter size are changed to expand the meter ratios based on the capacity of the specific meters used by TMWA, consistent with AWWA standards. As a result, customers with larger meters will pay a higher fixed customer (service) charge each month because the larger meters can provide more water and TMWA must have systems in place to deliver that quantity of water to those customers.

Single family residential-metered: Commodity (consumption) charges reduced for tiers 1 and 2, increased for tier 3.

Multi-family residential-metered: Customer (service) charges applied on a per-unit basis instead of meter size. Commodity (consumption) charges reduced for tiers 1 and 2.

Commercial-metered: Tiering eliminated, replaced by a single price for all water used.

Irrigation-metered: Commodity (consumption) charges reduced for on-peak and off-peak usage.

Schedule

Consistent with TMWA's practice of involving the public in changes related to rate design, public workshops and additional readings at TMWA Board meetings are proposed below-

- September 2025 BOD meeting- TMWA Board provides direction on the COS study, rate design changes, and public outreach schedule
- October/November 2025- TMWA staff hold public workshops
- December 2025 BOD meeting- First reading of proposed changes
- January 2026 BOD meeting- Second reading of proposed changes
- January-May 2026- Additional customer communication regarding the upcoming changes
- May 2026- Rate design changes implemented, to appear on June 2026 bills.

Recommended Motion

Move to tentatively approve the Cost of Service and Rate Design Study results and direct staff to move forward with the public outreach schedule described in the staff report with changes subject to additional public outreach including workshops to be held between now and the December 2025 TMWA Board of Directors meeting.



PO Box 10384
Truckee, CA 96162

Phone: 530-412-3676
Email: catherine@hansfordecon.com

September 8, 2025

Subject: **Truckee Meadows Water Authority Cost of Service Study Methodology**

This document contains the methodology used for the Truckee Meadows Water Authority (TMWA) 2025 Cost of Service Study.

Background

TMWA typically conducts rate-setting in house; however, in 2024 TMWA looked for outside assistance with the financial modeling to bring in expertise with combining multiple rate schedules that would be required with merging original TMWA and former Washoe County Department of Water Resources (Old DWR) customers onto the same schedules, and cost-of-service (COS) modeling experience at other water utility providers.

Hansford Economic Consulting (HEC) provided the model framework and developed the methodology for TMWA between fall of 2024 and summer of 2025. The methodology is described herein. Attachment A provides the COS tables. Attachment B provides the Rate Design tables. Attachment C provides support tables to the analysis.

Methodology Overview

Rate-setting comprises three major steps:

1. Determining the Revenue Requirement.
2. Cost of Service Analysis.
3. Rate Design.

TMWA staff completed **Step 1**, determining the revenue requirement (the amount of revenue to be raised through monthly rates) for fiscal year (FY) 2026. The total revenue requirement is \$126,752,000 (rounded) after deducting for revenues generated by former South Truckee Meadows General Improvement District (STMGID) customers. STMGID customers have grandfathered rates until their property sells, at which time they are charged TMWA rates.

Further, the Wholesale customer (Large Volume Service or "LVS") portion of revenue requirement is deducted for the Retail COS analysis. The LVS customer is Sun Valley General Improvement District (SVGID).

LVS Share of Revenue Requirement

In Table COS-1, Plant in Service (fixed assets) are listed by category with total original cost of installation / purchase. Categories that LVS benefits from are identified 'YES' or 'NO', and for those 'YES' categories, the LVS share of the category cost is determined. LVS benefits from: Land, Administration Buildings, Computers and Technology, Distribution Mains, Lab and

Equipment, Reservoirs, and Water Treatment Plants. TMWA Engineering staff assisted with development of support table S-1 for those categories that LVS does not receive 100% benefit from: Land, Distribution Mains, and Water Treatment Plants.

- Benefit only from Chalk Bluff and Glendale treatment plants.
- Benefit only from the Original TMWA distribution system (none of the Old DWR infrastructure).
- Benefit from Land only at the Operations Center, Chalk Bluff & Glendale water treatment plants, and land for Sun Valley transmission infrastructure.

The net cost of assets that SVGID receives benefit from is multiplied by SVGID's share of total annual water use (2.3% in 2024, in Table COS-1). The result is that SVGID should be responsible for 1.08% of the total revenue requirement shown in Table COS-1.

Step 2: Retail Cost of Service Analysis

The COS is explained in sections.

Section 1: Customer Counts & Characteristics

Section 2: Functional Allocation of Costs

Section 3: Allocation of Revenue Requirement to Customer Groups

Section 1: Customer Counts & Characteristics

- The total number of potable retail meters and services is summarized in Table COS-2. The table includes metered and flat-rate customers. It excludes the one LVS customer, ditch customers, non-potable, interruptible, and wholesale standby customers. It also excludes private fire protection customers.
- TMWA Engineering staff provided the operating specifications shown in Table COS-3 for the types of meters that TMWA uses. Meters with larger safe operating capacities are used for dedicated irrigation meters 1.5" and larger. Because of this difference, irrigation meters were separated for purposes of determining customer charges. Internal discussions also concluded that the 8" and 10" meters should be collapsed to the 8" meter ratio as the six 10" meters in service in 2025 were installed for purposes other than safe operating capacity. **Key Decision #1: Remove the 10" customer charge. Charge meters 8" and larger the same customer charge. Note also that extensive research and discussion took place regarding the appropriate meter ratios to use in the COS. The specifications of TMWA's meters were determined the most accurate.**
- The meter ratios in Table COS-3 were used to calculate total meter equivalents in Table COS-4. Meter equivalents for flat-rate customers uses a 5/8" meter for the Non-metered multi-family units are assigned a 5/8" meter for each residential unit, and Small Unit Flat Rate customers (SUFRs) are assigned 3/4" meters per unit.
- Private fire protection customers with a service pipe (may or may not have a meter) are accounted for in Table COS-5. The number of equivalent fire units is calculated using the Hazen-Williams equation.

Section 2: Functional Allocation of Costs

- Costs are functionalized according to their role in operations. Functionalization starts with the Plant in Service. Table COS-6 lists assets by groupings (such as Land, Meters, Vehicles, Groundwater Wells, Reservoirs) and the costs are allocated among fixed costs (generally recovered in the customer charges) and variable costs (generally recovered in the use charges).
- Fixed costs include customer costs, private fire protection costs, and a portion of the capacity costs – those that provide “readiness-to-serve” (described in the AWWA M1 Manual as, “charges that aim at capturing the costs of having a system in place to provide water to the customer regardless of whether the customer consumes any water in a given service period”). Note, only private fire protection services pay for the private fire protection costs.
- Variable costs include the remaining capacity costs – those that provide peaking capacity, and commodity costs. These costs have a direct relationship with use (for example, as demand increases during the summer months, groundwater well pumping is incurred, and higher electricity costs are incurred to operate the wells).
- TMWA Engineering staff assisted with the allocation of costs between the fixed and variable cost categories. Support tables S-2 through S-5 provide data that informed the allocations shown in Table COS-6. The original cost of assets is provided in support tables S-6 and S-7.
- Functional allocation of operating costs (including depreciation and debt service) is shown in Table COS-7. Cost items are allocated among the fixed and variable costs using one of five methodologies:
 1. Plant in Service (determined in Table COS-6) split between all fixed and variable cost categories.
 2. Treatment Plants Ratio of Average to Peak Month Production (detailed in Table S-4) split between readiness-to-serve and peaking capacity categories.
 3. Utilities (100% Commodity category).
 4. Customers (100% Customer category).
 5. Average of Classified (costs are spread to each of the categories based on the sum of the costs of all the cost items that were allocated using methodologies 1 through 4).

Key Decision #2: *The functional allocation exercise determines that about 43% of the total revenues should be raised by customer charges (fixed monthly charges) and about 57% of the total revenues should be raised by use charges. The percentage of cost recovery will vary between the customer groups, but in total this is how the customer charges and use charges are determined in the COS. TMWA currently collects 33% of total revenues through customer charges and 67% of total revenues through use charges.*

- The allocation of costs to customer charges and use charges is provided in Table COS-8. The table deducts STMGID and LVS wholesale customer revenue (as previously discussed) as well as the private fire protection service revenues. All other retail revenues are split between fixed monthly charges and use charges per the functional allocation.

Section 3: Allocation of Revenue Requirement to Customer Groups

- Cost of service to each customer group is determined using the calculated monthly customer charges by meter size and the allocation of use charges to each customer group based on their water use characteristics, as detailed in Tables COS-9 through COS-12.
- Table COS-9 calculates the monthly customer charges by meter size. Customer charge revenues by customer group are calculated in Table COS-10. **Key Decision #3:** *Cap SF customer charges for services larger than 1" at the 1" meter size.* These larger meter sizes do not correlate with safe operating capacity or lot size; the meter size was determined when installed because of engineering/water delivery challenges that only a larger meter size could resolve.
- Capping single-family services with meters larger than 1" at the 1" customer charge creates a revenue shortfall in customer charges that must be reallocated to use charges (only within the single-family (SF) customer category). Table COS-11 calculates the revenue collection that must be shifted to SF use charges.
- In Table COS-12, use revenue (excluding the SF shift of customer charge revenue to SF use charges) is allocated to all retail customer groups. The capacity peaking costs are allocated according to non-coincident peaking factors and daily demand (see the AWWA M1 Manual pages 374-377), as detailed in support tables S-8 and S-9. The commodity costs are allocated by share of total annual water use, as detailed in support tables S-10 through S-12.
- Cost of Service is summarized and compared to current revenue collection in Table COS-13. The COS demonstrates that MF Residential (metered and unmetered) and Commercial customers should be allocated a larger share of revenue; Irrigation, Private Fire Protection, and the LVS Wholesale customer are close to COS, and SF residential (metered and unmetered) should be allocated a smaller share of revenue.

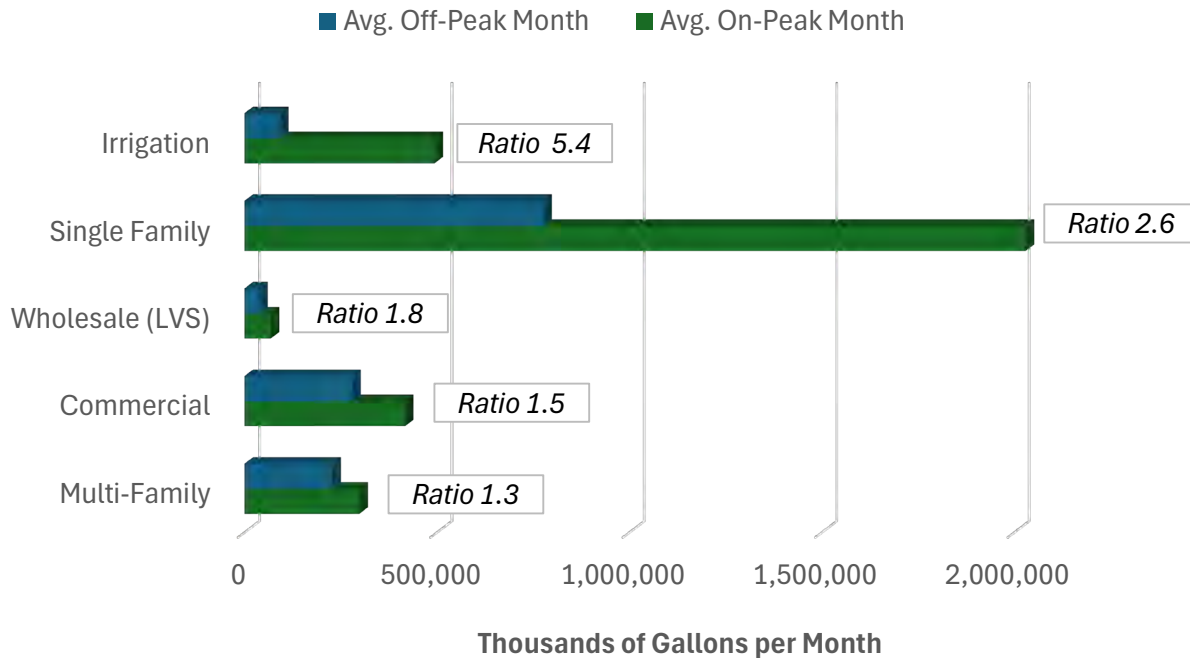
Step 3: Rate Design

With each customer group having been allocated its cost of service, usage patterns by customer category were examined to determine logical and simple ways to collect the use portion of the cost of service to each customer group. This step is called "Rate Design". Seasonal operations costs and seasonal use of water by customers were examined, with revealing on and off-peak usage of water by customer categories summarized in Table R-1.

As illustrated in Graph A, during peak months, irrigation services use 5.4x the water consumed during off-peak months. Single-family residential is next highest at 2.6, followed by LVS at 1.8

(the majority of water use by LVS is to provide for residential customers with small lots). Commercial and MF customers have peak to off-peak ratios of 1.5 and 1.3, respectively.

Graph A
Peaking Ratios by Customer Category



Metered Retail Customers

Use charges per thousand gallons are calculated in Table R-2. The uniform rate per 1,000 gallons is \$2.65. One option is to charge all use this rate, but this would not reflect customer usage patterns. The table also shows the cost per thousand gallons by customer group. Note, the residential categories include estimated flat-rate customer usage. The rate per thousand gallons is different for each customer group. Multi-family has the lowest cost (\$2.20), then Commercial (\$2.37), SF residential (\$2.86), and Irrigation (\$2.92) has the highest cost.

For Commercial customers, charging the same rate per thousand gallons was the selected rate structure because of their low peak to off-peak ratio (indicating relatively little outdoor water usage) and their production function (water is an input to the economic activity which gives business owners incentive to keep water use at a minimum). This is a change in rate structure for both TMWA and Old DWR customers. TMWA commercial customers currently pay three tiers according to meter size. Old DWR customers currently pay on-peak and off-peak rates.

For Irrigation customers, keeping TMWA's rate structure of on-peak and off-peak rates was logical because of the customer category's high peak to off-peak ratio and the corresponding increase in TMWA operations costs during the summer months. This is a change for the Old DWR customers who currently pay one rate per thousand gallons all year. The calculated rates are

provided in Table R-3. Peak cost is 1.2x off-peak cost per the seasonal cost analysis presented in support Table S-13.

The proposed SF Residential use rates continue TMWA's three tiers for single-family at the same block levels (up to 6,000 gallons for tier 1, from 6,001 to 25,000 gallons for tier 2, and more than 25,000 gallons for tier 3). Old DWR single-family customers would no longer pay a fourth tier as very little consumption is in this tier. **Key Decision #4:** *The ratios that determine the price of water in each of the tiers were changed from 1.6 and 1.9 to 1.5 and 2.0 because the current ratios were designed to make the tiered rates the same across all customer groups, but this COS does not have that goal. Rather, it is simpler to explain that water use greater than the indoor allocation (Tier 1) per home is 1.5x more expensive, and 2.0x more expensive for properties using much more water for outdoor uses.* The calculations of the single-family tiered rates are provided in Table R-4. Note the addition of the meter charge revenue to the calculation which results from capping the larger meters at the 1" meter customer charge.

COS rate design for multi-family affects both customer charges and use charges. **Key Decision #5:** *The COS proposes a per unit charge each month, rather than charging based on meter size as meter size reflects capacity needed for an apartment complex, but not the individual needs of a household.* The calculation of customer charge per unit per month is provided in Table R-5. Second, multi-family would continue TMWA's two tiers with each unit given a tier 1 allowance of 4,000 gallons. This removes tiers 3 and 4 for the Old DWR multi-family customers. The use charges calculation is shown in Table R-6. The price ratio between Tier 1 and Tier 2 is the same as the single family ratio of 1.5.

SF and MF Flat-Rate Customers

The flat-rate customers rate schedules are proposed to be simplified. **Key Decision #6:** *Charge the flat-rate services per unit only (remove the customer charge by size).* Like the multi-family metered customers, meter size is not reflective of water use (annual use per unit is based on a pilot project that used meters to sample more easily accessible services). TMWA's MRFS and MRIS (which includes irrigation) would only pay per unit under the COS rates, rather than per service size plus per unit. SUFR units would continue to pay per service/unit. Calculation of the flat-rates is provided in Table R-7. The service and use charges are rolled into one rate per unit per month. There are less than 700 water services remaining in the system billed on a flat-rate.

Private Fire Protection Services

Private fire protection customer charges are calculated in Table R-8. The cost attributable to fire services, determined in the functional allocation step, is divided by the number of equivalent fire units. **Key Decision #7:** *All services 2" and smaller are rolled together in the proposed COS rate structure (TMWA currently has charges for ¾", 1", 1.5" and 2" meters) because only 6% of customers have these service sizes.*

Wholesale (LVS)

The only wholesale customer on TMWA's system belongs to SVGID, which takes water from three connection points. Currently, SVGID pays a small customer charge per month, which no

longer has a good justification. The proposed COS rates remove the fixed charge for the three connection points. This is the only proposed change to the LVS rate structure.

SVGID pays two tiers for water deliveries. Tier 1 reflects the typical indoor water use of the district's customers. Tier 1 is periodically adjusted as more customers are added to the SVGID water system. The price ratio between the Tier 1 and Tier 2 rates was held close to the current ratio, at 1.65 shown in Table R-9.

Other

All other rate schedules, with the exception of Ditch Irrigation Service (DIS) and Interruptible Large Volume Nonpotable Service Rates and Charges (ILVNPS), which have their own revenue requirements, are updated with minimal change to rate design. There are very few (about 40) Non-Potable Service (NPS), Interruptible Service (IWS) or Wholesale Standby (FSPR) customers. Currently, there are no FSPR customers.

For NPS and IWS, the customer charge is set at the 1.5" irrigation meter calculated rate because this is the type of meter used for these services. The use rate is determined in Table R-10. Untreated water is allocated a share of operations costs from the functional allocation step as shown in support Table S-14. The treated water cost per thousand gallons is the total cost (fixed and variable costs) divided by total retail consumption. The untreated water cost is the use costs portion of total costs from Table R-2 multiplied by the percentage of costs allocated to untreated water. As with the current rate schedule, the IWS treated, interruptible rate is the same as the NPS untreated water rate.

It is proposed that the FSPR customers (if/when there are any) would not pay a customer charge (same as LVS). The use charge would continue to be the same as the NPS untreated water rate. Off-Peak All Water & On-Peak Contract Demand would be 4x the NPS treated water rate, and the on-peak usage ratios remain the same as the current ratios (6x and 12x).

ATTACHMENT A

COST OF SERVICE TABLES

ALL TABLES ARE DRAFT

Table COS-1
2025 Cost of Service Study
Methodology for Allocating Revenue Requirement to LVS

DRAFT

Plant in Service to LVS	Rationale	LVS Share		Allocation	
		Total Cost	of Cost	Net Cost	Basis
		<i>a</i>	<i>b</i>	<i>c = a*b</i>	<i>d</i>
		Millions	Table S-1		2.3%
Land	YES Certain Land Assets Serve Sun Valley	\$20.89	26.3%	\$5.49	
Rule 7 Water Rights	NO	\$121.12			
Administration Buildings	YES Required for all water deliveries	\$16.58	100.0%	\$16.58	
Computers & Technology	YES Required for all water deliveries	\$12.63	100.0%	\$12.63	
Distribution Mains	YES Original TMWA System Serves Sun Valley	\$651.70	72.3%	\$471.50	
Furniture & Fixtures	NO	\$0.91			
Lab And Equipment	YES Water Quality Serves Sun Valley	\$0.47	100.0%	\$0.47	Sun Valley
Meters	NO	\$30.45			Share of
Pressure Regulating Stations	NO	\$26.65			Total Water
Pump Stations	NO	\$88.03			Use
Reservoirs	YES Sun Valley receives surface water	\$19.41	100.0%	\$19.41	
Treated Water Storage	NO	\$112.23			
Vehicles	NO	\$11.11			
Water Services	NO	\$160.65			
Water Treatment Plants	YES Chalk Bluff & Glendale Serve Sun Valley	\$280.76	86.8%	\$243.82	
Wells	NO	\$87.66			
Total Plant in Service		\$1,641.24		\$769.89	
Percentage of Revenue Requirement Attributable to LVS					1.08%

Table COS-2

2025 Cost of Service Study

Number of Potable Retail Meters and Services

DRAFT

Meter / Service Size	Metered Customers [1]				Flat-Rate Customers					
	Residential		Irrigation	Gen. Comm'l	Residential	MF Residential				
	SF	MF			SUFR	MRFS	MRIS			
Meters								Services		
3/4"	101,183	1,396	730	1,933	379			9		
1"	18,011	1,722	820	1,776				9		
1.5"	316	996	714	980				1		
2"	543	1,594	1,381	2,207				2		
3"	1	48	34	180			10	25		
4"	2	41	31	121			1	25		
6"		23	3	44			3	40		
8"		7		29				11		
10"		0		6				5		
Total	120,057	5,828	3,713	7,275	379		14	127		
Resid. Units	120,057	61,446			379		997	9,323		

Note: Table excludes services paying STMGID rates and LVS.

[1] Includes TMWA and Former Washoe County customer meters.

Table COS-3
2025 Cost of Service Study
Meter Ratios Calculation

DRAFT

Meter Size	Meter Specifications [1]		Meter Ratios	
	Irrigation	Non-Irrig	Irrigation	Non-Irrig
	gpm	gpm		
5/8"	20	20	0.57	0.57
3/4"	35	35	1.00	1.00
1"	55	55	1.57	1.57
1.5"	200	150	5.71	4.29
2"	250	200	7.14	5.71
3"	435	350	12.43	10.00
4"	750	600	21.43	17.14
6"	1,600	1,350	45.71	38.57
8"		1,600		45.71
10"		1,600		45.71

[1] TMWA max. operating specifications up to 2" meters.

AWWA 701 in-line meter specifications for irrigation meters
greater than 2". AWWA 702 compound meter specifications for
non-irrigation meters greater than 2".

Meters 8" and larger treated the same.

Table COS-4**2025 Cost of Service Study****Calculated Meter Equivalents****DRAFT**

Meter / Service Size	Service Type		Total	Services		Meter Equivalents	
	Metered	Flat-Rate [1]		Irrig	Non-Irrig	Irrig	Non-Irrig
5/8"		10,320	10,320		10,320	0	5,897
3/4"	105,243	379	105,622	730	104,892	730	104,892
1"	22,329		22,329	820	21,510	1,288	33,801
1.5"	3,006		3,006	714	2,292	4,081	9,822
2"	5,725		5,725	1,381	4,344	9,865	24,821
3"	263		263	34	229	423	2,288
4"	195		195	31	164	664	2,806
6"	70		70	3	67	137	2,600
8"	36		36	0	36	0	1,638
10"	6		6	0	6	0	274
Total	136,873	10,699	147,571	3,713	143,858	17,188	188,840

Note: This table excludes Sun Valley wholesale (LVS).

[1] SUFR treated as 3/4" per unit. MRFS and MRIS treated as 5/8" per unit.

Table COS-5

DRAFT**2025 Cost of Service Study****Number of Private Fire Services and Fire Equivalents**

Service Size	Number of Services	Demand Factor [1]	Equivalent Fire Units
2" and smaller	380	6.19	2,352
3"	60	17.98	1,079
4"	1,544	38.32	59,165
6"	3,578	111.31	398,270
8"	793	237.21	188,105
10"	183	426.58	78,064
12"	51	689.04	35,141
Total	6,589		762,177

[1] Hazen-Williams equation for flow through pressure conduits.

Nominal size of connection raised to the 2.63 power.

Table COS-6
2025 Cost of Service Study
Allocation of Plant in Service

DRAFT

Plant In Service Asset Grouping	FIXED COSTS			VARIABLE COSTS		Total
	Customer	Private Fire Protection	Capacity (Readiness-to-Serve)	Capacity (Peaking)	Commodity (Use)	
Land	18%		37%	45%		100%
Rule 7 Water Rights					100%	100%
Administration Buildings	100%					100%
Computers & Technology	100%					100%
Distribution Mains		5%	45%	50%		100%
Furniture & Fixtures	100%					100%
Lab And Equipment	100%					100%
Meters	100%					100%
Pressure Regulating Stations		5%	45%	50%		100%
Pump Stations		5%	45%	50%		100%
Reservoirs		5%	63%	32%		100%
Treated Water Storage		5%	63%	32%		100%
Vehicles	100%					100%
Water Services	100%					100%
Water Treatment Plants		5%	48%	47%		100%
Wells		5%	30%	65%		100%
Share of Plant in Service	14.4%	4%	36.5%	37.8%	7.4%	100.0%

Asset Grouping	Original Costs in Millions of Dollars					
Land	\$3.76	\$0.00	\$7.77	\$9.37	\$0.00	\$20.89
Rule 7 Water Rights	\$0.00	\$0.00	\$0.00	\$0.00	\$121.12	\$121.12
Administration Buildings	\$16.58	\$0.00	\$0.00	\$0.00	\$0.00	\$16.58
Computers & Technology	\$12.63	\$0.00	\$0.00	\$0.00	\$0.00	\$12.63
Distribution Mains	\$0.00	\$32.59	\$295.44	\$323.68	\$0.00	\$651.70
Furniture & Fixtures	\$0.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.91
Lab And Equipment	\$0.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.47
Meters	\$30.45	\$0.00	\$0.00	\$0.00	\$0.00	\$30.45
Pressure Regulating Stations	\$0.00	\$1.33	\$12.08	\$13.24	\$0.00	\$26.65
Pump Stations	\$0.00	\$4.40	\$39.91	\$43.72	\$0.00	\$88.03
Reservoirs	\$0.00	\$0.97	\$12.17	\$6.27	\$0.00	\$19.41
Treated Water Storage	\$0.00	\$5.61	\$70.38	\$36.24	\$0.00	\$112.23
Vehicles	\$11.11	\$0.00	\$0.00	\$0.00	\$0.00	\$11.11
Water Services	\$160.65	\$0.00	\$0.00	\$0.00	\$0.00	\$160.65
Water Treatment Plants [1]	\$0.00	\$14.04	\$135.30	\$131.43	\$0.00	\$280.76
Wells	\$0.00	\$4.38	\$26.43	\$56.85	\$0.00	\$87.66
Total Assets Original Cost	\$236.53	\$63.32	\$599.47	\$620.79	\$121.12	\$1,641.24

Sources: TMWA assets original cost 4/17/25, August 2024 system operations data, and TMWA staff.

[1] Includes canals.

Table COS-7
2025 Cost of Service Study
Functional Allocation of Operating Costs

DRAFT

Expenditures	ACTUAL FY 2024	Allocation Basis	Fire Services	Fixed Costs		Variable Costs		
				Customer	Readiness-to-	Peaking	Commodity	Unclassified
					Serve			
Salaries & Wages	\$30,743,675	Avg. of Classified	0%	0%	0%	0%	0%	100%
Benefits	\$16,459,721	Avg. of Classified	0%	0%	0%	0%	0%	100%
Bank Fees	\$2,963	Avg. of Classified	0%	0%	0%	0%	0%	100%
Chemicals	\$2,665,437	Utilities	0%	0%	0%	0%	100%	0%
Claims Payments	\$20,682	Avg. of Classified	0%	0%	0%	0%	0%	100%
Computer Software	\$1,949,546	Avg. of Classified	0%	0%	0%	0%	0%	100%
Computer Parts	\$213,978	Avg. of Classified	0%	0%	0%	0%	0%	100%
Computer Hardware	\$463,505	Avg. of Classified	0%	0%	0%	0%	0%	100%
Contract Services - General	\$5,889,807	Avg. of Classified	0%	0%	0%	0%	0%	100%
Contract Services - Construction	\$394,861	Plant In Service	4%	14%	37%	38%	7%	0%
Contract Services - Electrical	\$532,598	Plant In Service	4%	14%	37%	38%	7%	0%
Contract Services - Equip. Maint.	\$1,608,047	Plant In Service	4%	14%	37%	38%	7%	0%
Contract Services - Facilities Maint.	\$623,944	Plant In Service	4%	14%	37%	38%	7%	0%
Contract Services - CIS	\$2,340	Treatment Plants Ratio Avg. to Peak Month	0%	0%	53%	47%	0%	0%
Ditch Fees	\$322,120	Customers	0%	100%	0%	0%	0%	0%
Employee Functions	\$129,668	Avg. of Classified	0%	0%	0%	0%	0%	100%
Employee-Related Expenses	\$138,505	Avg. of Classified	0%	0%	0%	0%	0%	100%
Equipment Rentals	\$487,534	Plant In Service	4%	14%	37%	38%	7%	0%
Insurance Property/GL	\$1,324,405	Plant In Service	4%	14%	37%	38%	7%	0%
Investment Fees	\$12,060	Avg. of Classified	0%	0%	0%	0%	0%	100%
Leases	\$124,513	Plant In Service	4%	14%	37%	38%	7%	0%
Licenses & Permits	\$781,291	Plant In Service	4%	14%	37%	38%	7%	0%
Miscellaneous	\$209,875	Avg. of Classified	0%	0%	0%	0%	0%	100%
Postage & Shipping	\$30,464	Customers	0%	100%	0%	0%	0%	0%
Printing	\$649,149	Customers	0%	100%	0%	0%	0%	0%
Professional Dues & Licenses	\$87,803	Avg. of Classified	0%	0%	0%	0%	0%	100%
Professional Services - Admin	\$772,370	Avg. of Classified	0%	0%	0%	0%	0%	100%
Professional Services - Construction	\$4,576	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Easements	\$39,935	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Engineering	\$154,390	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Geotech	\$55,585	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Hydrologic	\$240,686	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Legal	\$390,163	Avg. of Classified	0%	0%	0%	0%	0%	100%
Professional Services - Public Relations	\$504,893	Avg. of Classified	0%	0%	0%	0%	0%	100%
Property Taxes	\$716,556	Treatment Plants Ratio Avg. to Peak Month	0%	0%	53%	47%	0%	0%
Power & Gas	\$7,902,318	Utilities	0%	0%	0%	0%	100%	0%
Sewer & Waste Disposal	\$113,962	Utilities	0%	0%	0%	0%	100%	0%
Phones & Internet	\$774,036	Customers	0%	100%	0%	0%	0%	0%
Recruitment and Hiring	\$33,188	Avg. of Classified	0%	0%	0%	0%	0%	100%
River Monitoring	\$343,673	Customers	0%	100%	0%	0%	0%	0%
Sponsorships	\$969,202	Avg. of Classified	0%	0%	0%	0%	0%	100%
Street Repairs	\$1,040,563	Plant In Service	4%	14%	37%	38%	7%	0%
Federal Storage Fees	\$498,514	Treatment Plants Ratio Avg. to Peak Month	0%	0%	53%	47%	0%	0%
General Supplies	\$1,070,564	Avg. of Classified	0%	0%	0%	0%	0%	100%
Small Tools	\$340,323	Plant In Service	4%	14%	37%	38%	7%	0%
Mechanical Parts	\$842,497	Plant In Service	4%	14%	37%	38%	7%	0%
Pipes & Fittings	\$940,564	Plant In Service	4%	14%	37%	38%	7%	0%
Fuel/Lube/Oil	\$551,828	Customers	0%	100%	0%	0%	0%	0%
Pumps	\$248,767	Plant In Service	4%	14%	37%	38%	7%	0%
Motors	\$34,902	Plant In Service	4%	14%	37%	38%	7%	0%
Meters & Meter Equipment	\$175,426	Customers	0%	100%	0%	0%	0%	0%
Training	\$254,055	Avg. of Classified	0%	0%	0%	0%	0%	100%
Travel	\$121,268	Avg. of Classified	0%	0%	0%	0%	0%	100%
Tuition	\$12,247	Avg. of Classified	0%	0%	0%	0%	0%	100%
Total Operations and Maintenance	\$85,015,541		\$378,876	\$4,261,939	\$4,234,345	\$4,284,215	\$11,406,430	\$60,449,737
Reallocate Unclassified			\$932,310	\$10,487,469	\$10,419,566	\$10,542,283	\$28,068,109	
Allocated Operating O&M Costs	\$85,015,541		\$1,311,185	\$14,749,409	\$14,653,910	\$14,826,498	\$39,474,539	
Depreciation	\$36,500,513	Plant In Service	\$1,408,267	\$5,260,406	\$13,332,058	\$13,806,049	\$2,693,732	
Debt Service (P&I customer-related)	\$28,440,408	Plant In Service	\$1,097,291	\$4,098,794	\$10,388,051	\$10,757,374	\$2,098,898	
Total Allocated Costs	\$149,956,462		\$3,816,743	\$24,108,609	\$38,374,019	\$39,389,922	\$44,267,169	
Percentage of Allocation	100%		3%	16%	26%	26%	30%	

Source: TMWA financial statements, May 2025.

Table COS-8

2025 Cost of Service Study

DRAFT

Allocation of Revenue Requirement to Customer and Use Charges

Cost Classification	Functional Allocation	FYE 2026
Rates Revenue		\$128,481,358
less STMGID Revenue		\$1,729,130
Allocated Revenue Requirement		\$126,752,227
Wholesale (LVS)	1.1%	\$1,364,256
Retail		\$125,387,971
Fire Services	2.5%	\$3,191,418
Fixed Monthly Charges		
Customer	16.1%	\$20,158,715
Readiness-to-Service	25.6%	\$32,086,916
Total Fixed Monthly Char	41.7%	\$52,245,631
Use Charges		
Capacity (Peaking)	26.3%	\$32,936,376
Commodity	29.5%	\$37,014,547
Total Use Charges	55.8%	\$69,950,922

Table COS-9
2025 Cost of Service Study
Calculation of Monthly Customer Charges

DRAFT

Item	Service Type		Total
	Irrigation	Non-Irrigation	
Meter Equivalents	17,188	188,840	206,028
Allocated Costs	\$4,358,686	\$47,886,945	\$52,245,631
Meter Size	Monthly Customer Charge per Meter		
5/8"	\$12.08	\$12.08	
3/4"	\$21.13	\$21.13	
1"	\$33.21	\$33.21	
1.5"	\$120.75	\$90.57	
2"	\$150.94	\$120.75	
3"	\$262.64	\$211.32	
4"	\$452.83	\$362.26	
6"	\$966.04	\$815.09	
8"		\$966.04	
10"		\$966.04	

Table COS-10

2025 Cost of Service Study

Customer Charge Revenues by Customer Group

DRAFT

Meter Size	Residential		Non-Residential		Total Meters	Service Charge		Annual Revenue	Residential		Non-Residential	
	SF	MF	Commercial	Irrigation		Irrig	Non-Irrig		SF	MF	Commercial	Irrigation
	number of meters					per month			[1]			
3/4"	101,183	1,396	1,933	730	105,243	\$21.13	\$21.13	\$26,688,048	\$25,658,556	\$354,089	\$490,243	\$185,159
1"	18,011	1,722	1,776	820	22,329	\$33.21	\$33.21	\$9,241,399	\$7,520,882	\$686,367	\$707,587	\$326,563
1.5"	316	996	980	714	3,006	\$120.75	\$90.57	\$3,182,311		\$1,082,627	\$1,064,695	\$1,034,989
2"	543	1,594	2,207	1,381	5,725	\$150.94	\$120.75	\$8,009,090		\$2,309,556	\$3,197,949	\$2,501,586
3"	1	48	180	34	263	\$262.64	\$211.32	\$684,909		\$121,721	\$456,030	\$107,158
4"	2	41	121	31	195	\$452.83	\$362.26	\$871,246		\$178,596	\$524,196	\$168,453
6"	0	23	44	3	70	\$966.04	\$815.09	\$694,189		\$224,966	\$434,445	\$34,777
8"	0	7	29	0	36		\$966.04	\$415,396		\$81,147	\$334,249	\$0
10"	0	0	6	0	6		\$966.04	\$69,555		\$0	\$69,555	\$0
Total	120,057	5,828	7,275	3,713	136,873			\$49,856,143	\$33,179,438	\$5,039,069	\$7,278,950	\$4,358,686
Flat-Rates												
SUFR	379						\$21.13	\$96,109	\$96,109			
MRFS	997						\$12.08	\$144,471		\$144,471		
MRIS	9,323						\$12.08	\$1,350,913		\$1,350,913		
Total Flat-Rates								\$1,591,492	\$96,109	\$1,495,384		

[1] All SF meters larger than 1-inch pay the 1-inch rate.

Table COS-11**2025 Cost of Service Study****Single Family Customer Charge Revenue Shift to Use Charges**

Meter Size	# Meters	Calculated		Capped	
		Charge per Meter	Annual Total	Charge per Meter	Annual Total
3/4"	101,183	\$21.13	\$25,658,556	\$21.13	\$25,658,556
1"	18,011	\$33.21	\$7,177,383	\$33.21	\$7,177,383
1.5"	316	\$90.57	\$343,427	\$33.21	\$125,923
2"	543	\$120.75	\$786,838	\$33.21	\$216,380
3"	1	\$211.32	\$2,536	\$33.21	\$398
4"	2	\$362.26	\$8,694	\$33.21	\$797
Total			\$33,977,434		\$33,179,438
Shift to Use Charges					\$797,996

Table COS-12

2025 Cost of Service Study

DRAFT

Allocation of Use Charges to Customer Groups

Customer Category	Allocation	FYE 2026
Capacity Peaking Costs	A	\$32,936,376
Residential (includes flat-rate customers)		
Single-Family Residential	67.3%	\$22,170,262
Multi-Unit Residential	7.2%	\$2,362,296
Subtotal Residential		\$24,532,558
Non-Residential		
Commercial	11.5%	\$3,782,472
Irrigation	14.0%	\$4,621,346
Subtotal Non-Residential		\$8,403,818
Commodity Costs	B	\$37,014,547
Residential (includes flat-rate customers)		
Single-Family Residential	60.3%	\$22,325,667
Multi-Unit Residential	12.0%	\$4,429,052
Subtotal Residential		\$26,754,719
Non-Residential		
Commercial	15.7%	\$5,795,392
Irrigation	12.1%	\$4,464,435
Subtotal Non-Residential		\$10,259,827
Total A+B		
Residential (includes flat-rate customers)		
Single-Family Residential	63.6%	\$44,495,928
Multi-Unit Residential	9.7%	\$6,791,349
Subtotal Residential	73.3%	\$51,287,277
Non-Residential		
Commercial	13.7%	\$9,577,864
Irrigation	13.0%	\$9,085,781
Subtotal Non-Residential	26.7%	\$18,663,645
Total Use Charges	100.0%	\$69,950,922

Table COS-13
2025 Cost of Service Study
Comparison of Current Revenue Collection with Cost-of-Service

DRAFT

Customer Category	FY26 Projected Collection				Cost of Service Collection				Difference Projected - COS	
	Service	Use	FY 2026	Share of Total	Service	Use	Total	Share of Total	Revenue	Percentage
Metered Water Sales										
SF Residential Metered	\$33,469,732	\$49,558,299	\$83,028,030	65.5%	\$33,179,438	\$45,215,767	\$78,395,205	61.8%	\$4,632,825	6%
MF Residential Metered	\$1,981,539	\$6,142,547	\$8,124,086	6.4%	\$5,039,069	\$5,314,076	\$10,353,145	8.2%	(\$2,229,059)	-27%
Commercial Metered	\$2,568,342	\$11,813,047	\$14,381,389	11.3%	\$7,278,950	\$9,577,864	\$16,856,814	13.3%	(\$2,475,425)	-17%
Irrigation Metered	\$1,306,516	\$12,557,553	\$13,864,069	10.9%	\$4,358,686	\$9,085,781	\$13,444,467	10.6%	\$419,602	3%
Total Metered	\$39,326,129	\$80,071,446	\$119,397,575	94.2%	\$49,856,143	\$69,193,488	\$119,049,631	93.9%	\$347,944	0%
Share in Base vs. Use	33%	67%			42%	58%				
Unmetered Water Sales										
SF Residential Unmetered			\$220,896	0.2%	\$96,109	\$78,157	\$174,266	0.1%	\$46,630	21%
MF Residential Unmetered			\$2,681,300	2.1%	\$1,495,384	\$1,477,273	\$2,972,656	2.3%	(\$291,356)	-11%
Total Unmetered	\$0	\$0	\$2,902,197	2.3%	\$1,591,492	\$1,555,430	\$3,146,922	2.5%	(\$244,726)	-8%
Private Fire Protection	\$3,105,790		\$3,105,790	2.5%	\$3,191,418		\$3,191,418	2.5%	(\$85,628)	-3%
Wholesale (LVS)	\$5,655	\$1,341,012	\$1,346,666	1.1%	\$0	\$1,364,256	\$1,364,256	1.1%	(\$17,590)	-1%
TOTAL	\$42,437,573	\$81,412,457	\$126,752,227	100.0%	\$54,639,053	\$72,113,174	\$126,752,227	100.0%	\$0	0%

Source: 2025 Cost of Service Model.

ATTACHMENT B

RATE DESIGN TABLES

ALL TABLES ARE DRAFT

Table R-1

2025 Cost of Service Study

On and Off-Peak Use Characteristics by Customer Category

DRAFT

Customer Category	On-Peak May-Sep	Off-Peak Oct-Apr	FY26 Est. Total	Percent of Annual Use		Avg. On- Peak Month	Avg. Off- Peak Month	Peak to Off-Peak
				On-Peak	Off-Peak			
Single-Family Residential	5 months	7 months		Thousands of Gallons				Ratio
Metered	10,132,907	5,420,459	15,553,366	65%	35%	2,026,581	774,351	2.62
Unmetered Est. (SUFR)	15,403	11,965	27,368	56%	44%	3,081	1,709	1.80
Subtotal SF Residential	10,148,310	5,432,424	15,580,734	65%	35%	2,029,662	776,061	2.62
Multi-Unit Residential								
Metered	1,127,703	1,290,908	2,418,611	47%	53%	225,541	184,415	1.22
Unmetered Estimate	365,373	306,983	672,356	54%	46%	73,075	43,855	1.67
Subtotal MF Residential	1,493,075	1,597,891	3,090,966	48%	52%	298,615	228,270	1.31
Commercial	2,085,754	1,958,760	4,044,514	52%	48%	417,151	279,823	1.49
Irrigation	2,469,618	646,042	3,115,660	79%	21%	493,924	92,292	5.35
Large Volume	340,598	266,029	606,627	56%	44%	68,120	38,004	1.79
TOTAL	16,537,355	9,901,146	26,438,501	63%	37%	3,307,471	1,414,449	2.34

Table R-2

2025 Cost of Service Study

Calculation of Use Charges per Thousand Gallons

DRAFT

Customer		FYE 2026
Allocated Cost		\$69,950,922
Total Consumption (thousands of gallons)		26,438,501
UNIFORM RATE per 1,000 Gallons		\$2.65
Cost by Customer Group		
Residential Single-Family		<i>incl. flat-rates</i>
Cost	64%	\$44,495,928
Use		15,580,734
Cost per 1,000 Gallons		\$2.86
Residential Multi-Family		<i>incl. flat-rates</i>
Cost	10%	\$6,791,349
Use		3,090,966
Cost per 1,000 Gallons		\$2.20
Commercial		
Cost	14%	\$9,577,864
Use		4,044,514
Cost per 1,000 Gallons		\$2.37
Irrigation		
Cost	13%	\$9,085,781
Use		3,115,660
Cost per 1,000 Gallons		\$2.92

Table R-3
2025 Cost of Service Study
Irrigation Customers Use Rates per Thousand Gallons

Item	Calculation	
IRRIGATION		
Cost	\$9,085,781	
Use		
Off-Peak Water Use (Oct-Apr)	646,042	21%
Peak Water Use (May-Sep)	2,469,618	79%
Total Metered Irrigation Use	3,115,660	
Off-Peak Cost per 1,000 Galls	\$2.52	
Peak Cost per 1,000 Galls [1]	\$3.02	1.20

[1] Ratios based on analysis of on-peak and off-peak operating costs.

Table R-4
2025 Cost of Service Study
SF Residential Use Rates

Item	TMWA	Old DWR	Total
Tier 1 @ 6,000 galls / mo / unit	5,378,242	1,145,748	6,523,990
Tier 2 @ 6,001-25,0000 galls / mo / unit	5,220,104	1,341,963	6,562,066
Tier 3 >25,000 galls / mo / unit	1,963,832	503,478	2,467,310
Total (thousands of gallons annually)	12,562,178	2,991,189	15,553,366
Allocated Cost			\$44,417,771
plus Meter Charges from Meters >1"			\$797,996
Total Allocated Cost			\$45,215,767
Tier 1 Cost per 1,000 Galls [1]			\$2.12
Tier 2 Cost per 1,000 Galls 1.50			\$3.18
Tier 3 Cost per 1,000 Galls 2.00			\$4.25

Table R-5
2025 Cost of Service Study
Calculation of MF Per Unit Customer Charges

Meter Size	# Meters	Service Charges
3/4"	1,396	\$354,089
1"	1,722	\$686,367
1.5"	996	\$1,082,627
2"	1,594	\$2,309,556
3"	48	\$121,721
4"	41	\$178,596
6"	23	\$224,966
8"	7	\$81,147
Annual Service Charges	5,828	\$5,039,069
Total Number of MF Units		61,446
Service Charge per Unit per Month		\$6.83

Table R-6
2025 Cost of Service Study
MF Residential Use Rates

Item	TMWA	Old DWR	Total
Tier 1 @ 4,000 galls / mo / unit	1,739,695	47,500	1,787,196
Tier 2 > 4,000 galls / mo	573,449	57,966	631,415
Total (thousands of gallons annually)	2,313,144	105,467	2,418,611
Allocated Cost			\$5,314,076
Tier 1 Cost per 1,000 Galls			\$1.94
Tier 2 Cost per 1,000 Galls	1.50		\$2.92

Table R-7
2025 Cost of Service Study
Flat-Rate Residential Rate Calculations

DRAFT

Flat-Rate Customer	Annual Revenues		Annual Use per Unit	Units	Annual Total Revenue	Annual per Unit	Monthly per Unit
	Service	Use					
Single-Family			thousand gallons				
SUFR	\$96,109	\$78,157	72.21	379	\$174,266	\$459.80	\$38.32
Multi-Family							
MRFS	\$144,471	\$110,821	50.59	997	\$255,292	\$256.06	\$21.34
MRIS	\$1,350,913	\$1,366,452	66.71	9,323	\$2,717,365	\$291.48	\$24.29
TOTAL Unmetered Revenue					\$3,146,922		

Table R-8
2025 Cost of Service Study
Calculation of Private Fire Protection Charges (FY26)

DRAFT

Fire Services	FYE 2026
Equivalent Fire Units	762,177
Fire Service Cost Allocation	\$3,191,418
Annual Cost per Equivalent Unit	\$4.19
Monthly Fire Protection Charge per Service	
2" and smaller	\$2.16
3"	\$6.27
4"	\$13.37
6"	\$38.84
8"	\$82.77
10"	\$148.85
12"	\$240.43

Table R-9
2025 Cost of Service Study
LVS Calculated Rates

DRAFT

Item	Calculation	Factor
LVS Revenue Requirement Allocation	\$1,364,256	
Fixed Charges	\$0	0.0%
Use Charges	\$1,364,256	100.0%
Fixed Charges per Month	\$0	
Annual LVS Water Use		
Tier 1	422,350	
Tier 2	184,277	
Total	606,627	
Cost per Thousand Gallons	\$2.25	
Tier 1 Rate per Thousand Gallons	\$1.88	
Tier 2 Rate per Thousand Gallons	\$3.10	1.65

Table R-10

2025 Cost of Service Study

Determination of Treated and Untreated Water Cost per Thousand Gallons

DRAFT

Item		Total	Functional Allocation		
			Operations	Depreciation	Debt Service
Functional Allocation Share			57%	24%	19%
Revenue Requirement [1]	<i>a</i>	\$122,196,553	\$69,277,482	\$29,743,546	\$23,175,526
Untreated Water Share			86%	0%	0%
Untreated Water Cost	<i>b</i>	\$59,344,852	\$59,344,852	\$0	\$0
Untreated Water Costs as Percentage of Rev. Req.	<i>c = b/a</i>	49%			
Treated Water, All Costs	<i>d = a / retail consumption</i>	\$4.62	per 1,000 gallons		
Treated Water, Use Costs	<i>e = Table R-2</i>	\$2.65	per 1,000 gallons		
Untreated Water	<i>f = e * c</i>	\$1.28	per 1,000 gallons		

[1] Excludes LVS and FPS.

ATTACHMENT C

SUPPORT TABLES

ALL TABLES ARE DRAFT

Table S-1**2025 Cost of Service Study****Allocation of Fixed Assets to LVS****DRAFT**

		Est. Share
Item	Original Cost	[1]
Treatment Plant		
Chalk Bluff & Glendale	\$204,939,662	86.8%
Other [1]	\$31,047,084	13.2%
Total Production	\$235,986,746	
Distribution Assets		
TMWA Distribution	\$471,495,074	72.3%
Old County & STMGID	\$180,207,905	27.7%
Total	\$651,702,979	
Land		
Operations Ctr. (Corporate Blvd.)	\$1,855,140	
Chalk Bluff & Glendale Plants	\$3,504,574	
Sun Valley Distribution	\$133,377	
Subtotal LVS	\$5,493,091	26.3%
All Other	\$15,395,916	
Total	\$20,889,007	

[1] Includes Mt. Rose water treatment plant, and the Lightning and Truckee Canyon groundwater treatment plants.

Table S-2
2025 Cost of Service Study
Water Production Data

DRAFT

Month	Fiscal Year Ending					Annual Average	% Delivery by Month	
	2020	2021	2022	2023	2024			
All Figures in Millions of Gallons								
Jul	3,885	3,923	4,190	4,037	3,935	3,994	14.3%	
Aug	3,956	3,881	3,944	3,800	3,801	3,876	13.9%	
Sep	3,157	3,422	3,456	3,428	3,134	3,319	11.9%	
Oct	1,966	2,516	1,991	2,536	2,335	2,269	8.1%	
Nov	1,148	1,069	1,173	1,155	1,181	1,145	4.1%	
Dec	1,118	1,057	1,189	1,193	1,203	1,152	4.1%	
Jan	1,162	1,141	1,272	1,193	1,218	1,197	4.3%	
Feb	1,016	1,028	1,172	1,222	1,108	1,109	4.0%	
Mar	997	1,225	1,398	1,258	1,355	1,247	4.5%	
Apr	1,891	2,486	2,264	1,799	1,944	2,077	7.4%	
May	3,013	3,264	3,113	2,771	3,213	3,075	11.0%	
Jun	3,302	3,729	3,493	2,921	3,721	3,433	12.3%	
Total	26,611	28,739	28,655	27,313	28,147	A	27,893	100.0%
Base Monthly Flow (November through March)					B	1,170		
Base Annual Flow					C = B*12	14,040	50.3%	
Additional Flow					D = A-C	13,854	49.7%	

Table S-3
2025 Cost of Service Study
Wells Production Data

DRAFT

Month	Fiscal Year Ending					Annual Average	% Delivery by Month	
	2020	2021	2022	2023	2024			
All Figures in Millions of Gallons								
Jul	890	700	837	679	637	748	16.9%	
Aug	886	781	871	563	581	736	16.7%	
Sep	600	732	960	439	389	624	14.1%	
Oct	369	462	582	164	461	407	9.2%	
Nov	292	250	269	50	263	225	5.1%	
Dec	120	158	192	170	98	148	3.3%	
Jan	71	100	93	135	88	97	2.2%	
Feb	64	52	60	119	80	75	1.7%	
Mar	78	77	105	126	124	102	2.3%	
Apr	323	339	278	117	333	278	6.3%	
May	759	327	305	274	534	440	10.0%	
Jun	537	477	419	390	851	535	12.1%	
Total	4,987	4,455	4,972	3,225	4,440	A	4,416	100.0%
Base Monthly Flow (November through March)					B	129		
Base Annual Flow					C = B*12	1,552	35.2%	
Additional Flow					D = A-C	2,864	64.8%	

Table S-4

2025 Cost of Service Study

Treatment Plants Production Data

DRAFT

Month	Fiscal Year Ending					Annual Average	% Delivery by Month	
	2020	2021	2022	2023	2024			
All Figures in Millions of Gallons								
Jul	2,996	3,223	3,352	3,358	3,299	3,246	13.8%	
Aug	3,070	3,100	3,073	3,237	3,220	3,140	13.4%	
Sep	2,557	2,689	2,496	2,989	2,744	2,695	11.5%	
Oct	1,597	2,054	1,409	2,372	1,874	1,861	7.9%	
Nov	856	819	903	1,104	918	920	3.9%	
Dec	998	899	996	1,023	1,105	1,004	4.3%	
Jan	1,091	1,040	1,180	1,059	1,129	1,100	4.7%	
Feb	952	976	1,113	1,104	1,027	1,034	4.4%	
Mar	919	1,148	1,293	1,133	1,231	1,145	4.9%	
Apr	1,568	2,147	1,985	1,682	1,611	1,799	7.7%	
May	2,254	2,937	2,808	2,497	2,679	2,635	11.2%	
Jun	2,765	3,251	3,075	2,531	2,870	2,898	12.3%	
Total	21,624	24,284	23,683	24,088	23,707	A	23,477	100.0%
Base Monthly Flow (November through March)					B	1,041		
Base Annual Flow					C = B*12	12,487	53.2%	
Additional Flow					D = A-C	10,990	46.8%	

Table S-5
2025 Cost of Service Study
Storage Functions

DRAFT

Storage (Tanks / Reservoirs)	Storage Capacity	Fire Storage	Operating	Emergency & Excess
<i>All Figures in Millions of Gallons</i>				
SW-Reno	11.40	1.80	2.04	7.56
North Reno	29.33	8.46	3.23	17.64
NW-Reno	22.11	5.29	2.69	14.13
South Truckee Meadows	23.82	7.70	4.02	12.11
NE-Sparks & Spanish Springs	21.68	3.86	3.27	14.55
Gravity Zones	65.50	4.50	8.45	52.55
Satellite Systems	2.24	1.47	0.08	0.68
Total Storage	176.08	33.08	23.78	119.22
Share of Storage	100.0%	18.8%	13.5%	67.7%

Source: TMWA Engineering Department.

Table S-6
2025 Cost of Service Study
Summary of Assets Original Cost

DRAFT

Asset Group	Original Cost	Share
Non-Depreciable Assets		
Land	\$20,889,007	1.2%
Rule 7 Water Rights	\$121,122,904	7.2%
Subtotal Non-Depreciable Assets	\$142,011,911	8.5%
Depreciable Assets		
Administration Buildings	\$16,576,802	1.0%
Canals	\$44,772,747	2.7%
Computers & Technology	\$12,625,297	0.8%
Distribution Mains	\$651,702,980	38.9%
Furniture & Fixtures	\$908,888	0.1%
Hydroelectric	\$35,305,088	2.1%
Lab And Equipment	\$465,867	0.0%
Meters	\$30,448,003	1.8%
Pressure Regulating Stations	\$26,652,408	1.6%
Pump Stations	\$88,034,779	5.3%
Reservoirs	\$19,407,670	1.2%
Treated Water Storage	\$112,228,641	6.7%
Vehicles	\$11,106,203	0.7%
Water Services	\$160,645,626	9.6%
Water Treatment Plants	\$235,986,746	14.1%
Wells	\$87,660,691	5.2%
Subtotal Depreciable Assets	\$1,534,528,437	91.5%
Total Assets Original Cost	\$1,676,540,348	100.0%

Source: TMWA Asset List as of April 21, 2025.

Table S-7
2025 Cost of Service Study
Land Allocation by Purpose

DRAFT

Land Purpose	Original Cost	Share by Purpose
General	\$3,755,990	18.0%
Plant	\$7,357,342	35.2%
Distribution	\$3,822,389	18.3%
Storage	\$3,931,004	18.8%
Well	\$2,022,281	9.7%
Total Land	\$20,889,007	100.0%

Source: TMWA Asset List as of April 21, 2025.

Table S-8
2025 Cost of Service Study
Calculation of Share of Maximum Day Water Use by Customer Category

DRAFT

Customer Type	Avg. Daily Consumption Peak Month	Annual Avg. Daily Consumption	AD Peak Month/AD Ratio	MD Peak Ratio	Noncoincident Daily Demand	% of Max. Day	% of Max. Day excl. LVS
	<i>a</i>	<i>b</i>	<i>c = a/b</i>	<i>d (below)</i>	<i>e = d*(b/days)</i>	<i>f = e/total e</i>	
Residential	gallons	gallons			gallons		
Single Family	74,078	42,687	1.74	2.83	120,804	66.3%	67.3%
Multi-Family	10,707	8,468	1.26	1.52	12,872	7.1%	7.2%
Total Residential					133,676	73.3%	74.5%
Non-Residential							
Commercial	15,251	11,081	1.38	1.86	20,610	11.3%	11.5%
Irrigation	19,366	8,536	2.27	2.95	25,181	13.8%	14.0%
Large Volume	2,527	1,662	1.52	1.69	2,809	1.5%	
Total [1]					182,277	100.0%	100.0%
Calculation of Peak Day Factor		Single Family	Multi-Family	Commercial	Irrigation	LVS	
AD Peak Month/AD Ratio		1.74	1.26	1.38	2.27	1.52	
System MD/MM Production Ratio [2]		1.11	1.11	1.11	1.11	1.11	
Weekly Usage Adjustment [3]		1.47	1.08	1.22	1.17	1.00	
Calculated MD Peak Factor		2.83	1.52	1.86	2.95	1.69	

	<u>Non-Coincident</u>	<u>Coincident</u>	
[1] System Max. Day Diversity =	182,277	146,940	1.24 (common range is 1.1 to 1.4)
	a	b	c = a/b
[2] See Table S-10.	[3] Accounts for assigned-day watering and variations in water use through the week.		

Table S-9

2025 Cost of Service Study

Calculation of Average Ratio Maximum Day Demand to Maximum Monthly Demand

DRAFT

Production Statistic		Fiscal Year Ending					Avg. Ratio MD/MM
		2020	2021	2022	2023	2024	
		Sat	Sat	Fri	Sat	Sat	
Peak Day		7/20/2019	8/8/2020	7/16/2021	7/30/2022	7/29/2023	
Peak Day Production (MG)	<i>a</i>	141	142	147	143	145	
Maximum Month (MG)	<i>b</i>	3,956	3,923	4,190	4,037	3,935	
Average MGD in the Max. Month [1]	<i>c = b/31</i>	128	127	135	130	127	
Ratio of Max. Day to Avg. in Max. Month	<i>d = c/a</i>	1.11	1.12	1.09	1.10	1.14	1.11

[1] Maximum month use divided by number of days in the month the peak day is in.

Table S-10
2025 Cost of Service Study
Water Use by Month by Customer Category

DRAFT

Customer Category	Estimate used for Fiscal Year 2026 [1]												Total	Share of Total	Retail Share
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
Single-Family Residential	All figures are thousands of gallons														
Metered	2,210,830	2,401,196	2,219,288	1,791,371	948,738	519,567	525,275	487,132	484,124	664,253	1,391,060	1,910,533	15,553,366	58.8%	60.2%
Unmetered Est. (SUFR)	3,464	3,851	3,055	2,304	1,929	1,558	1,565	1,527	1,535	1,546	2,323	2,710	27,368	0.1%	0.1%
Subtotal SF Residential	2,214,294	2,405,046	2,222,343	1,793,675	950,667	521,125	526,840	488,659	485,659	665,799	1,393,384	1,913,243	15,580,734	58.9%	60.3%
Multi-Unit Residential															
Metered	232,072	244,399	235,725	215,744	188,975	178,134	180,052	173,640	174,270	180,093	196,279	219,228	2,418,611	9.1%	9.4%
Unmetered Estimate	78,853	87,177	85,479	66,456	53,153	38,916	37,983	38,083	35,541	36,852	50,545	63,319	672,356	2.5%	2.6%
Subtotal MF Residential	310,925	331,575	321,204	282,200	242,128	217,050	218,035	211,723	209,811	216,945	246,823	282,547	3,090,966	11.7%	12.0%
Commercial	429,532	472,787	430,248	399,131	297,675	247,953	241,805	242,847	246,324	283,026	344,310	408,876	4,044,514	15.3%	15.7%
Irrigation	539,470	600,358	552,454	414,579	147,719	8,733	3,375	3,103	3,345	65,188	309,080	468,256	3,115,660	11.8%	12.1%
Large Volume	72,588	78,333	76,976	66,781	42,898	28,306	33,994	31,023	29,945	33,082	47,275	65,426	606,627	2.3%	
TOTAL	3,566,810	3,888,100	3,603,225	2,956,366	1,681,087	1,023,166	1,024,049	977,355	975,084	1,264,039	2,340,872	3,138,348	26,438,501	100.0%	100.0%

[1] Estimate based on actual fiscal year 2024 metered water use.

Table S-11

2025 Cost of Service Study

Water Use by Customer Category by Month

DRAFT

Metered Customers	2025						2026						FY26
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Single Family Residential	Thousands of Gallons												
TMWA	1,774,277	1,918,677	1,772,810	1,422,911	755,650	435,856	440,167	408,790	406,675	558,619	1,134,577	1,533,168	12,562,178
DWR	436,553	482,519	446,478	368,459	193,088	83,711	85,108	78,341	77,449	105,634	256,483	377,365	2,991,189
STMGID	75,008	79,470	77,112	59,232	27,171	9,789	9,549	8,877	9,025	13,104	40,949	60,983	470,269
Total Single Family Residential	2,285,838	2,480,665	2,296,401	1,850,603	975,909	529,356	534,824	496,009	493,149	677,357	1,432,010	1,971,516	16,023,635
Multiple Unit Residential Metered													
TMWA	222,145	233,850	225,620	206,341	181,024	170,461	172,110	165,462	166,433	172,346	187,569	209,783	2,313,144
DWR	9,927	10,548	10,106	9,403	7,952	7,673	7,942	8,178	7,837	7,747	8,710	9,444	105,467
Total Multiple Unit Residential	232,072	244,399	235,725	215,744	188,975	178,134	180,052	173,640	174,270	180,093	196,279	219,228	2,418,611
Commercial													
TMWA	408,530	450,425	409,028	381,052	282,589	235,227	228,929	230,109	233,648	269,251	327,709	389,663	3,846,162
DWR	21,002	22,362	21,220	18,079	15,086	12,725	12,875	12,738	12,676	13,775	16,601	19,213	198,352
STMGID	3,921	4,249	4,031	3,070	2,194	1,933	1,710	2,000	1,812	1,882	2,510	3,222	32,533
Total Commercial	433,453	477,037	434,279	402,201	299,869	249,885	243,515	244,847	248,136	284,907	346,820	412,098	4,077,047
Irrigation													
TMWA	500,831	557,338	512,896	383,713	136,694	8,370	3,055	2,771	3,000	62,413	289,325	435,144	2,895,550
DWR	38,639	43,020	39,558	30,867	11,025	363	320	332	345	2,774	19,755	33,112	220,110
STMGID	8,316	8,848	8,481	6,368	2,360	71	42	39	33	770	4,516	6,725	46,569
Total Irrigation	547,786	609,206	560,934	420,947	150,079	8,804	3,418	3,142	3,378	65,957	313,596	474,981	3,162,229
LVS (Sun Valley)	72,588	78,333	76,976	66,781	42,898	28,306	33,994	31,023	29,945	33,082	47,275	65,426	606,627
Total Metered Water Use	3,571,737	3,889,639	3,604,315	2,956,276	1,657,730	994,486	995,802	948,661	948,878	1,241,396	2,335,979	3,143,248	26,288,149
Estimated Flat-Rate Residential Users													
Small Units	3,464	3,851	3,055	2,304	1,929	1,558	1,565	1,527	1,535	1,546	2,323	2,710	27,368
Multiple-Units (TMWA)	5,484	5,603	5,583	4,646	3,649	3,490	3,490	3,589	2,911	3,290	4,118	4,586	50,438
Multiple-Units with Irrig. (TMWA)	73,370	81,574	79,896	61,810	49,504	35,426	34,494	34,494	32,629	33,562	46,427	58,733	621,917
Total Estimated Flat-Rate Users	82,317	91,027	88,533	68,760	55,082	40,473	39,549	39,611	37,076	38,398	52,868	66,029	699,723
Total Metered & Est. Unmetered	3,654,055	3,980,667	3,692,848	3,025,036	1,712,812	1,034,959	1,035,351	988,272	985,954	1,279,795	2,388,847	3,209,277	26,987,872

Source: TMWA based on actual water use between 2022 and 2024.

Table S-12
2025 Cost of Service Study
Estimates of Flat-Rate Water Use

DRAFT

Flat-Rate Category	2018						2019						FY19 Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
SUFR Units	379	379	379	379	379	379	379	379	379	379	379	379	
Avg. Use per Unit (1,000s of galls)	9.14	10.16	8.06	6.08	5.09	4.11	4.13	4.03	4.05	4.08	6.13	7.15	72.21
Estimated Use SUFR	3,464	3,851	3,055	2,304	1,929	1,558	1,565	1,527	1,535	1,546	2,323	2,710	27,368
MRFS Number of Units	997	997	997	997	997	997	997	997	997	997	997	997	
Avg. Use per Unit (1,000s of galls)	5.50	5.62	5.60	4.66	3.66	3.50	3.50	3.60	2.92	3.30	4.13	4.60	50.59
Estimated Use MRFS	5,484	5,603	5,583	4,646	3,649	3,490	3,490	3,589	2,911	3,290	4,118	4,586	50,438
MRIS Number of Units (inc. irrig)	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	
Avg. Use per Unit (1,000s of galls)	7.87	8.75	8.57	6.63	5.31	3.80	3.70	3.70	3.50	3.60	4.98	6.30	66.71
Estimated Use MRIS	73,370	81,574	79,896	61,810	49,504	35,426	34,494	34,494	32,629	33,562	46,427	58,733	621,917

Source: TMWA May 12, 2025.

Table S-13
2025 Cost of Service Study
Peak to Off-Peak Ratio by Operations Cost Center

DRAFT

Operations Costs	On-Peak May-Sep	Off-Peak Oct-Apr	Total 4-Yrs FYE21 - FYE24	Peak Avg. per Month	Off-Peak Avg. per Month	Peak to Off-Peak Ratio
Salaries & Wages	\$45,579,107	\$60,311,755	\$105,890,862	\$2,278,955	\$2,153,991	1.06
Benefits	\$22,257,909	\$26,851,555	\$49,109,465	\$1,112,895	\$958,984	1.16
Bank Fees	\$29,681	\$42,842	\$72,523	\$1,484	\$1,530	0.97
Chemicals	\$7,451,418	\$4,523,409	\$11,974,827	\$372,571	\$161,550	2.31
Claims Payments	\$19,544	\$59,700	\$79,244	\$977	\$2,132	0.46
Computer Software	\$3,722,112	\$5,301,945	\$9,024,056	\$186,106	\$189,355	0.98
Computer Parts	\$234,864	\$128,368	\$363,232	\$11,743	\$4,585	2.56
Computer Hardware	\$706,204	\$1,012,695	\$1,718,899	\$35,310	\$36,168	0.98
Contract Services - General	\$9,346,417	\$11,979,307	\$21,325,724	\$467,321	\$427,832	1.09
Contract Services - Construction	\$659,378	\$273,315	\$932,693	\$32,969	\$9,761	3.38
Contract Services - Electrical	\$598,961	\$114,385	\$713,346	\$29,948	\$4,085	7.33
Contract Services - Equip. Maint.	\$2,209,091	\$2,674,190	\$4,883,281	\$110,455	\$95,507	1.16
Contract Services - Facilities Maint.	\$1,170,654	\$1,392,551	\$2,563,205	\$58,533	\$49,734	1.18
Ditch Fees	\$557,438	\$772,895	\$1,330,334	\$27,872	\$27,603	1.01
Employee Functions	\$147,284	\$37,529	\$184,813	\$7,364	\$1,340	5.49
Employee-Related Expenses	\$150,156	\$43,469	\$193,625	\$7,508	\$1,552	4.84
Equipment Rentals	\$691,132	\$661,894	\$1,353,026	\$34,557	\$23,639	1.46
Insurance Property/GL	\$2,027,251	\$2,957,797	\$4,985,048	\$101,363	\$105,636	0.96
Investment Fees	\$25,473	\$37,544	\$63,017	\$1,274	\$1,341	0.95
Leases	\$91,014	\$227,386	\$318,400	\$4,551	\$8,121	0.56
Licenses & Permits	\$1,220,425	\$1,940,857	\$3,161,281	\$61,021	\$69,316	0.88
Miscellaneous	\$434,447	\$225,193	\$659,640	\$21,722	\$8,043	2.70
Postage & Shipping	\$138,020	\$159,259	\$297,278	\$6,901	\$5,688	1.21
Printing	\$1,413,951	\$1,476,801	\$2,890,752	\$70,698	\$52,743	1.34
Professional Dues & Licenses	\$32,483	\$250,199	\$282,682	\$1,624	\$8,936	0.18
Professional Services - Admin	\$1,302,317	\$1,709,325	\$3,011,642	\$65,116	\$61,047	1.07
Professional Services - Easements	\$67,704	\$129,622	\$197,326	\$3,385	\$4,629	0.73
Professional Services - Engineering	\$256,848	\$374,782	\$631,629	\$12,842	\$13,385	0.96
Professional Services - Geotech	\$41,328	\$14,238	\$55,565	\$2,066	\$508	4.06
Professional Services - Hydrologic	\$702,343	\$686,926	\$1,389,269	\$35,117	\$24,533	1.43
Professional Services - Legal	\$695,227	\$881,424	\$1,576,650	\$34,761	\$31,479	1.10
Professional Services - Public Relations	\$1,355,680	\$861,792	\$2,217,472	\$67,784	\$30,778	2.20
Property Taxes	\$290,374	\$2,594,137	\$2,884,511	\$14,519	\$92,648	0.16
Power & Gas	\$16,758,571	\$10,516,830	\$27,275,401	\$837,929	\$375,601	2.23
Sewer & Waste Disposal	\$247,778	\$347,493	\$595,271	\$12,389	\$12,410	1.00
Phones & Internet	\$1,126,101	\$1,635,763	\$2,761,864	\$56,305	\$58,420	0.96
Recruitment and Hiring	\$33,986	\$95,023	\$129,009	\$1,699	\$3,394	0.50
River Monitoring	\$367,482	\$538,204	\$905,686	\$18,374	\$19,222	0.96
Sponsorships	\$3,905,923	\$336,879	\$4,242,802	\$195,296	\$12,031	16.23
Street Repairs	\$1,075,491	\$636,813	\$1,712,304	\$53,775	\$22,743	2.36
Federal Storage Fees	\$1,091,262	\$893,967	\$1,985,229	\$54,563	\$31,927	1.71
General Supplies	\$1,355,035	\$1,426,562	\$2,781,597	\$67,752	\$50,949	1.33
Small Tools	\$522,201	\$702,930	\$1,225,131	\$26,110	\$25,105	1.04
Mechanical Parts	\$1,411,736	\$1,527,057	\$2,938,793	\$70,587	\$54,538	1.29
Pipes & Fittings	\$1,949,387	\$2,242,111	\$4,191,497	\$97,469	\$80,075	1.22
Fuel/Lube/Oil	\$1,042,236	\$1,183,278	\$2,225,514	\$52,112	\$42,260	1.23
Pumps	\$288,955	\$116,329	\$405,284	\$14,448	\$4,155	3.48
Motors	\$38,567	\$40,841	\$79,408	\$1,928	\$1,459	1.32
Meters & Meter Equipment	\$204,299	\$121,045	\$325,344	\$10,215	\$4,323	2.36
Training	\$342,206	\$605,615	\$947,822	\$17,110	\$21,629	0.79
Travel	\$141,743	\$115,385	\$257,128	\$7,087	\$4,121	1.72
Tuition	\$19,532	\$5,835	\$25,367	\$977	\$208	4.69
TOTAL	\$97,137,750	\$109,199,392	\$206,337,142	\$4,856,888	\$3,899,978	1.25
TOTAL WITHOUT SPONSORSHIPS	\$93,231,828	\$108,862,513	\$202,094,341	\$6,215,455	\$5,183,929	1.20

Table S-14**2025 Cost of Service Study****Operating Cost Net of Treatment Costs****DRAFT**

Cost Category	4-Yr Total	FY21	FY22	FY23	FY24
TOTAL	\$291,352,684	\$63,450,498	\$63,516,703	\$79,369,942	\$85,015,541
less					
Chemicals	\$11,974,827	\$2,408,697	\$2,622,826	\$4,277,866	\$2,665,437
Street Repairs	\$1,712,304	\$251,517	\$195,944	\$224,280	\$1,040,563
Power & Gas	\$27,275,401	\$5,068,528	\$6,109,082	\$8,195,474	\$7,902,318
Pumps	\$405,284	\$20,589	\$33,047	\$102,879	\$248,767
Motors	\$79,408	\$6,468	\$5,290	\$32,749	\$34,902
Meters & Meter Equipment	\$325,344	\$37,568	\$30,633	\$81,717	\$175,426
Total Deductions	\$41,772,568	\$7,793,367	\$8,996,823	\$12,914,965	\$12,067,413
Net Operating Cost	\$249,580,116	\$55,657,131	\$54,519,880	\$66,454,977	\$72,948,128
Untreated Water Cost	86%	88%	86%	84%	86%

Table A
Proposed Rate Change - Single Family Residential

Current	Customer Charge per meter	Commodity Charge				New	Customer Charge per meter	Commodity Charge			
			use block		per 1,000	SF METERED			use block		per 1,000
RMWS	per month		per unit		gallons	per month			per unit		gallons
3/4"	\$23.02		gallons			3/4"	\$21.13		gallons		
1"	\$25.32					1"	\$33.21				
1.5"	\$28.81	Tier 1	6,000		\$2.14	1.5"	\$33.21	Tier 1	6,000		\$2.12
2"	\$33.39	Tier 2	6,001-25,000		\$3.45	2"	\$33.21	Tier 2	6,001-25,000		\$3.18
3"	\$37.98	Tier 3	>25,000		\$4.05	3"	\$33.21	Tier 3	>25,000		\$4.25
4"	\$43.70					4"	\$33.21				
6"	\$50.66					6"	\$33.21				
FRMWC			<1.5"	1.5" and +							
3/4"	\$21.64	Tier 1	7,000	29,000	\$3.24						
1"	\$27.83	Tier 2	21,000	151,000	\$4.07						
1.5"	\$39.81	Tier 3	41,000	601,000	\$4.88						
2"	\$53.08	Tier 4	>41,000	>61,000	\$6.52						
3"	\$85.49										
4"	\$125.20										
6"	\$228.28										

Table B
Proposed Rate Change - Multi-Family Residential

Current	Customer Charge	Commodity Charge			New	Customer Charge	Commodity Charge		
	per meter								
			use block	per 1,000			use block	per 1,000	
MMWS	per month		per unit	gallons	MF METERED	per unit	per unit	gallons	
3/4"	\$23.02		<i>gallons</i>			per month	<i>gallons</i>		
1"	\$25.32				\$6.83				
1.5"	\$28.81	Tier 1	4,000	\$2.14			Tier 1	4,000	\$1.94
2"	\$33.39	Tier 2	>4,000	\$3.45			Tier 2	>4,000	\$2.92
3"	\$37.98								
4"	\$43.70								
6"	\$50.66								
8"	\$58.73								
10"	\$69.04								
MMWD									
3/4"	\$21.64	Tier 1	29,000	\$3.24					
1"	\$27.83	Tier 2	151,000	\$4.07					
1.5"	\$39.81	Tier 3	601,000	\$4.88					
2"	\$53.08	Tier 4	>601,000	\$6.52					
3"	\$85.49								
4"	\$125.20								
6"	\$228.28								

Table C
Proposed Rate Change - Irrigation

Current	Customer Charge per meter	Commodity Charge	New	Customer Charge per meter	Commodity Charge
MIS			IRRIGATION		
	per month			per month	per 1,000 gallons
3/4"	\$23.02		3/4"	\$21.13	
1"	\$25.32	Off-Peak \$3.45	1"	\$33.21	Off-Peak \$2.52
1.5"	\$28.81	On-Peak \$4.18	1.5"	\$120.75	On-Peak \$3.02
2"	\$33.39		2"	\$150.94	
3"	\$37.98		3"	\$262.64	
4"	\$43.70		4"	\$452.83	
6"	\$50.66		6"	\$966.04	
8"	\$58.73				
10"	\$69.04				
MISD					
3/4"	\$21.64	All Use \$5.40			
1"	\$27.83				
1.5"	\$39.81				
2"	\$53.08				
3"	\$85.49				
4"	\$125.20				

Table D
Proposed Rate Change - Commercial

Current								New			
Customer Charge				Commodity Charge				Customer Charge		Commodity Charge	
per meter								per meter			
				per 1,000	use block by meter size			COMMERCIAL		per 1,000	
GMWS	per month			gallons	Tier 1	Tier 2	Tier 3	per month		gallons	
3/4"	\$23.02	Tier 1	differs	\$2.14	7,000	30,000	>30,000	3/4"	\$21.13	All Use	\$2.37
1"	\$25.32	Tier 2	by meter	\$3.45	14,000	65,000	>65,000	1"	\$33.21		
1.5"	\$28.81	Tier 3	size	\$4.05	28,000	120,000	>120,000	1.5"	\$90.57		
2"	\$33.39				50,000	210,000	>210,000	2"	\$120.75		
3"	\$37.98				165,000	640,000	>640,000	3"	\$211.32		
4"	\$43.70				300,000	1,300,000	>1,300,000	4"	\$362.26		
6"	\$50.66				1,000,000	2,600,000	>2,600,000	6"	\$815.09		
8"	\$58.73				1,475,000	6,000,000	>6,000,000	8" and larger	\$966.04		
10"	\$69.04				9,500,000	15,000,000	>15,000,000				
GMWD											
3/4"	\$21.64		Off-Peak	\$3.13							
1"	\$27.83		On-Peak	\$3.65							
1.5"	\$39.81										
2"	\$53.08										
3"	\$85.49										
4"	\$125.20										
6"	\$228.28										
8"	\$343.20										

Table E
Proposed Rate Change - LVS

LVS	Customer Charge	Commodity Charge	
Current	per service point per month	delivery per month	per 1,000 gallons
	\$157.07	First 38M galls	\$1.84
		>38M galls	\$3.06
Cost of Service		delivery per month	per 1,000 gallons
		First 38M galls	\$1.88
		>38M galls	\$3.10

Table F
Proposed Rate Change - Flat Rate Residential

Flat-Rate Type	Current	Cost of Service
	per month	per month
	per service	per unit
SUFR	\$48.57	\$38.32
MRFS		
3/4"	\$21.10	
1"	\$23.22	
1.5"	\$26.46	
2"	\$30.67	
3"	\$34.88	
4"	\$40.11	
6"	\$46.44	
plus	per unit	per unit
	\$13.53	\$21.34
MRIS	per service	
3/4"	\$42.46	
1"	\$62.45	
1.5"	\$98.59	
2"	\$155.57	
3"	\$261.12	
4"	\$533.03	
6"	\$860.57	
8"	\$1,099.34	
10"	\$1,564.96	
plus	per unit	per unit
	\$14.28	\$24.29

Table G
Proposed Rate Change - Private Fire Protection

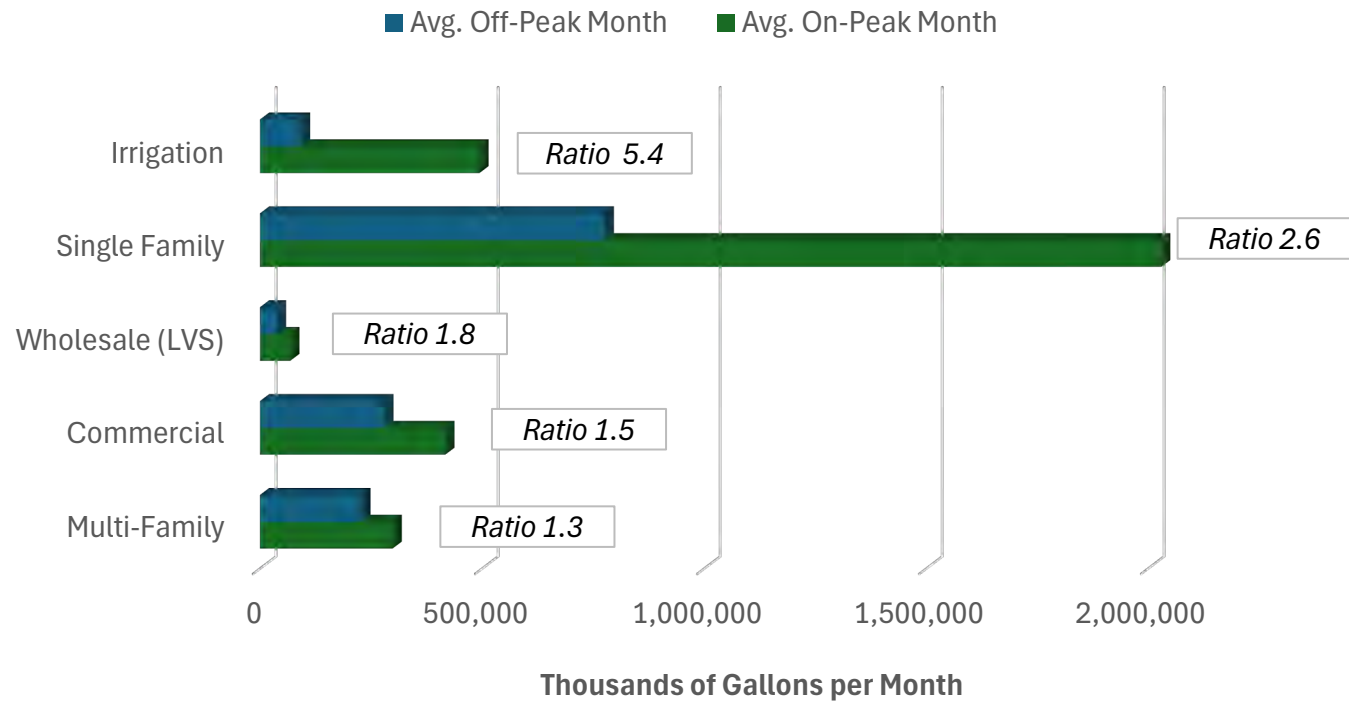
Current	Customer Charge	New	Customer Charge
	per month per service		per month per service
TMWA		FPS	
3/4"	\$4.72		
1"	\$6.29		
1.5"	\$9.44		
2"	\$12.58	2" and smaller	\$2.16
3"	\$18.87	3"	\$6.27
4"	\$25.16	4"	\$13.37
6"	\$37.74	6"	\$38.84
8"	\$50.32	8"	\$82.77
10"	\$62.90	10"	\$148.85
12"	\$75.48	12"	\$240.43
FRDWR			
3"	\$31.22		
4"	\$49.05		
6"	\$90.55		
8"	\$147.77		
10"	\$217.32		
12"	\$314.32		

Table H
Proposed Rate Change - Other TMWA Fee Schedules (not DIS or ILVNPS)

Current	Customer Charge	Commodity + Demand Charges	Customer Charge	Commodity + Demand Charges
	per month		per month	
	Current		Cost of Service	
	per delivery		per delivery	
Non-Potable (NPS)	point	per 1,000 gallons	point	per 1,000 gallons
	\$41.09		\$120.75	
treated water		\$4.18		\$4.62
untreated water		\$1.23		\$1.28
Interruptible (IWS)	per meter		per meter	
	\$41.09	per 1,000 gallons	\$120.75	per 1,000 gallons
treated, interruptible		\$1.23		\$1.28
Wholesale Standby (FSPR)	per meter			
	\$157.07	per 1,000 gallons		per 1,000 gallons
All water - treated, standby or partial supply		\$1.23		\$1.28
<u>Contract Demand</u>		of contract demand		of contract demand
Off-Peak All Water & On-Peak Contract Demand		\$17.57		\$18.49
On-Peak				
Actual Demand > Contract Demand up to Variable Allowance		\$105.42		\$110.93
> Variable Allowance		\$210.83		\$221.84

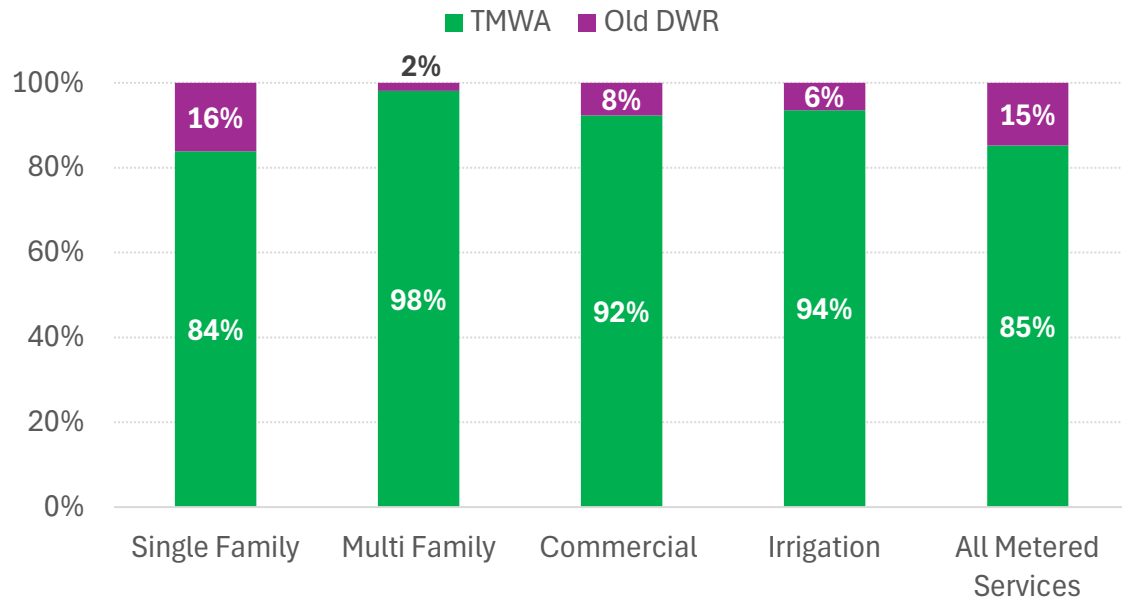
Graph B

Ratio of Water Use On-Peak to Off-Peak Months



Graph C

Share of Metered Services in Original TMWA Service Territory





STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Jessica Atkinson, Human Resources Manager
DATE: September 17, 2025
SUBJECT: Discussion and action regarding General Manager performance review for contract year 2024/2025 and discussion and action on possible lump sum award and/or other compensation adjustment

Recommendation

The TMWA Board review General Manager John Zimmerman's performance for the past contract year and consider a possible compensation adjustment beyond that which was provided for in his employment agreement. Additional compensation for consideration could include an adjustment to annual salary adjustments and or lump sum award.

Discussion

In October 2024, the Board adopted specific objectives for the General Manager to achieve during the contract year. These objectives also serve as a basis for evaluating his performance. A summary of Mr. Zimmerman's accomplishments in relation to these goals was presented at the August 20, 2025 Board meeting and is included as **Attachment 1**.

To further inform the evaluation, performance feedback was collected via survey from:

- TMWA Board of Directors
- Division and Department Heads who report directly to the General Manager

The compiled survey results are provided in **Attachment 2**.

Per the employment agreement between the Board and Zimmerman, his base salary is scheduled to adjust annually on July 1 in incremental steps until reaching the "Market" step within the General Manager wage band. In accordance with this provision, his salary was adjusted on July 1, 2025, from \$268,237 annually to \$283,368 annually. This adjustment reflects a 3.2% increase consistent with the general wage increase provide to all TMWA MPAT employees and 2.37% increase for moving to the "Market" step in the General Manager wage band.

The employment agreement (see **Attachment 3**) also stipulates that the total annual compensation adjustment, including base salary changes and any lump sum awards, shall not exceed 10% of the base annual salary. Should the Board consider additional compensation, the limit would be \$11,692 annually or an additional 4.126%.

Attachments

1. GM Goal Results 2024/2025
2. General Manager Performance Feedback Survey Results FY2025
3. General Manager Employment Agreement



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

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	
A	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).
	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	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.
	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>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.</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>Continue to create a highly productive work environment and a highly motivated employee team by developing, training, retaining and recruiting the highest quality employees.</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>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.</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

a	Monitor federal legislation for opportunities to obtain funding for a variety of TMWA projects.
	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	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.
	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.
c	Provide staff support to the SAC, the Truckee River Fund (TRF) Advisors, and One Truckee River and ensure communications regarding TRF projects.
	This was done.
d	Manage and direct activities related to legal issues, keeping the Board informed on all such matters.
	This was done.
e	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.
	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>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.</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>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.</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>Continue analyzing water supply options related to fringe area development where private systems exist, make recommendations to Board and follow Board direction regarding same.</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)

4	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.
	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.
5	Update the 5-year Funding Plan and present to the SAC and the Board. Propose Board actions based on the results of the planning cycle updates. Implement Board direction with regard to funding plan outcomes.
	This was done at the Board Strategic Planning Workshop in October 2024.
6	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.
	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.
7	Continue to develop/refine strategies to optimize conjunctive use of surface water and groundwater resources; further develop/refine drought supply operational strategies; and implement plans.
	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.

SPECIFIC OBJECTIVES RESULTS (continued)	
8	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.
	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.
9	Update succession plan and continue to implement the succession/staffing plan to address and fill vacancies created by retirements. Continue staff development in support of TMWA's succession plan with a focus on leadership and critical position succession. Increase employee communication and input regarding succession planning, workforce development requirements and foster more collaboration.
	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.
10	Continue working under the terms of the MOU with Carson City and Storey County, to determine surplus water availability to TMWA from the Marlette Lake Water System (MLWS).
	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.
11	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.
	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	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.
	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.
13	Continue analyzing opportunities to increase water conservation for drought resiliency and mitigate impacts to the upstream watershed to protect water quality and reservoirs, use best available science to evaluate global climate change models applicable to this region, and advise the Board.
	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.
14	Continue working with Nevada Division of Environmental Protection and Central Truckee Meadows Remediation District to explore ways to optimize PCE remediation.
	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.
15	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.
	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.



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

U - Unacceptable/Dissatisfied

N/O – Unable to rate based on not observed

1. Which of the following best describes your role?

☐ Member of the TMWA Board of Directors

☐ Direct Report of the General Manager

Truckee Meadows Water Authority - General Manager FY2025 Performance Feedback Survey Data Summary Sheet

Rating Scale						
E-Exceeds your expectations		AG-Areas for growth			N/O-Unable to rate based on not observed	
M-Meets your expectations		U – Unacceptable/Dissatisfied				
	# of Responses					Criteria
Role	E	M	AG	U	N/O	Organizational Leadership
Board	4	3				<ul style="list-style-type: none">•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.
Direct Report	5	3				
Combined	9	6				
Organizational Leadership – Additional Comments						
Board	1.Mr. Zimmerman does an excellent job communicating with the board and always seem to push the organization to be the best it can be while balancing the responsibilities of staff in order to achieve TMWA's goals. 2.John collaborates effectively with the Board and staff in strategic planning, and demonstrates the ability to clearly communicate and drive forward the organization’s strategic priorities for the future. 3.John is a very good leader for the organization. He does particularly well given that his primary career has been law not science. He is catching on to the operational issues quickly and is willing to spend extra time chasing down questions from the Board or the public.					
Direct Report	1.John is always thinking of ways to better the organization and it’s leaders. He leads the way in how to communicate in times of good and in times of conflict. I aspire to intentionally lead the way he does. 2.Strong leader who fosters a culture of collaboration and quality at TMWA. John’s calm and competent demeanor sets the tone for the entire organization. 3.John demonstrates exceptional leadership by aligning the organization around clear strategic goals and empowering leaders to see beyond their immediate responsibilities, fostering a culture of big-picture thinking and collaboration. 4.John continues to exceed my expectations in this area. He is very intentional and strategic in how he leads and collaborates with the other leaders in the organization. 5.I believe John strikes a good balance between setting workplace expectations of employees with best practices of a highly effective water utility. TMWA's role in the community is one of service and visibility and collaboration. 6.JZ leads by example, is a very good communicator, and is focused on TMWA's current condition and the future 7.John meets with staff members regularly and is engaged in the managing the organization. He provides for a culture of collaboration and debate. John is professional and is respected by staff.					
Role	E	M	AG	U	N/O	Relations with Board/Governance
Board	6	1				<ul style="list-style-type: none">•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;
Direct Report	4	3			1	

Attachment 2

Combined	10	4			1	<ul style="list-style-type: none">•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.
Relations with Board/Governance – Additional Comments						
Board	1.GM Zimmerman is a personable leader in the organization. He constantly seeks to engage with the board and is open to any inquiry. 2.Whether it's during the workday or a weekend/evening, John is consistently responsive and approachable for Board members. 3.John does a great job of keeping the Board informed, especially when the news is difficult. He understands the Manager /Board relationship well and as a result comes across as reliable and trustworthy.					
Direct Report	1.All of these bullet points are descriptive of John's relation with the Board from my view. 2.Board communication is a strong point for John. 3.No additional comments, but I believe John continues to foster an excellent relationship with TMWA's Board. The members of the Board have varying skillsets and qualities they can bring to the table, and I believe John understands that and works to optimize them. 4.I believe John makes a point to elevate important issues to the Board but keeps those engagements at a more strategic level so they aren't caught unaware of brewing issues. 5.John reaches out to and communicates with Board members on a regular basis. He's always available. 6.John works with and directs staff to provide the Board with the information necessary for both decision making and governance.					
Role	E	M	AG	U	N/O	Communication Skills
Board	4	3				<ul style="list-style-type: none">•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.
Direct Report	6	2				
Combined	10	5				
Communications – Additional Comments						
Board	1.John is a quieter, more introverted individual. He is a good listener. He can use a little more focus on delivering his messages clearly so that people don't misinterpret his thoughts. 2.Demonstrates active listening and awareness of how his words affect others, while communicating in a clear, concise, and persuasive manner.					
Direct Report	1.John is probably his own worst critic in his communication. I appreciate his honest and direct communications and overall they exceed my expectations even when his expectations are very high for himself. 2.John is always willing to listen to others input when formulating TMWA policy. He has an open-door policy that really fosters open lines of communication all throughout the organization. 3.John excels in communication by fostering transparency, clarity, and connection across all levels of the organization. He ensures that strategic messages are not only delivered effectively but also understood and embraced, enabling leaders to communicate with purpose and align their teams with the broader vision. 4.Effective communication is difficult to achieve, but also critical to any organization. John puts in significant effort to achieve and improve communication at all levels of the organization and this continues to be an area of focus. 5.I believe John does try to consider employee impacts and displays empathy but it's impossible to make everyone happy on everything. Some decisions are difficult to make but that's what leaders do, they lead a team and a company the best way they can. 6.John communicates effectively and deals with difficult situations thoroughly and in a timely manner. He seeks input from all involved. 7.John consistently listens and speaks with staff in a manner that provides for open dialogue and debate. His ability to communicate matches his legal knowledge of the water sector.					

Role	E	M	AG	U	N/O	Relations with Community and Stakeholders
Board	3	4				<ul style="list-style-type: none"> •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; •Understand 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.
Direct Report	7	1				
Combined	10	5				

Relations with Community and Stakeholders – Additional Comments

Board	1. John is good at working with the community and with other agencies. The only area for growth I could recommend in this sphere is to speak up a bit more in public settings - i.e., volunteer information vs. wait to be asked. 2. I have witnessed John relate effectively to others and create an environment of calm and confidence during times of stress.					
Direct Report	1. Again, John exceeds in these areas. You can easily confirm this by asking Community leaders about him. 2. John places a lot of importance on cooperating with other communication organizations in a collaborative manner. He is also very effective at communicating with the public about TMWA. 3. John builds strong, trust-based relationships with others by actively engaging, listening, and responding with integrity. His approach fosters mutual respect and collaboration, positioning the organization as a valued and responsible partner in the community. 4. In the limited instances I'm aware of where members of the community have had problems, complaints, or other issues, John has always handled them extremely well. 5. John is a trusted partner with counterparts at other local jurisdictions and community stakeholders 6. I believe John is a good face for TMWA. He's a good collaborator, builds in team approaches and navigates reliability issues effectively with other regional partners. 7. I have witnessed John working with various stake holders including Washoe County, City of Sparks, City of Reno, NV Energy, BANN, and individual rate payers to address concerns and provide leadership in challenging situations.					

Role	E	M	AG	U	N/O	Management of Staff
Board	2	5				<ul style="list-style-type: none"> •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; •Encourages and rewards initiative; •Recruits and develops a cohesive leadership team to implement organizational goals and objectives.
Direct Report	8					
Combined	10	5				

Management of Staff – Additional Comments

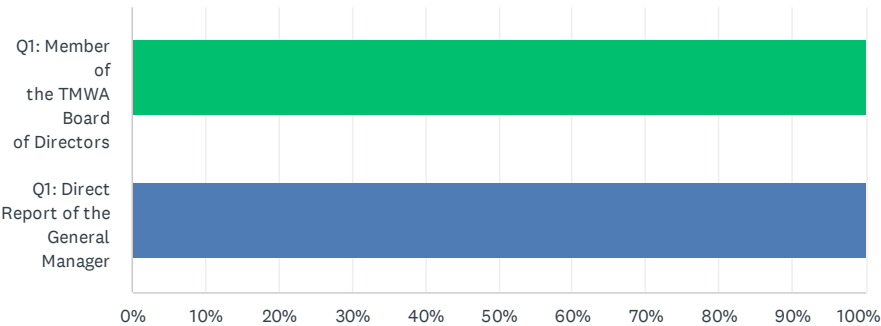
Board	1. I think John does an excellent job managing staff but is still gaining comfort in the management vs. legal role. It will come in time - with more experience and more training. 2. John encourages forward-thinking approaches and values the input of others. He has also done well in cultivating an environment of teamwork.					
-------	---	--	--	--	--	--

Direct Report	1.I aspire to lead and manage like John. I know he has my back and for that I'm grateful. I'm continually impressed with his desire to meet individually with each employee over lunch and genuinely listen to them and get to know them.					
	2.John has led TMWA to be one of the most skilled and efficient entities in the State. He is always open to communications from Staff and makes sure to show appreciation for employees for their accomplishments.					
	3.John leads with a people-first approach, fostering a supportive and high-performing environment where staff feel valued, empowered, and aligned with organizational goals. Through clear expectations, consistent feedback, and a commitment to professional growth, they he cultivates a culture of collaboration.					
	4.No additional comments beyond what I've already said. John continues to do an excellent job in this area.					
	5.John is open and collaborative, is laser focused on succession planning, and always encourages feedback, even if the feedback is contrarian.					
	6.I believe John puts himself in a "support" mode where he doesn't look to DRIVE the issue, he positions the best person to handle an issue, clears the way, provides support, builds the team response, communicates that and helps to strategically plan for similar issues so that we're better prepared. He doesn't micromanage, he leads by example, delegating where needed and provides direction to support.					
	7.John has been exceptional at encouraging collaboration and debate within TMWA. He is easy to speak with and has gone out of his way to approach employees and solicit feedback concerning each department. John grants authority appropriately that allows staff to continue to grow.					
	Role	E	M	AG	U	N/O
Board	4	3				•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 will all applicable local, state, and federal law and regulations; •Pursues profession development resulting in increased capabilities and potential.
Direct Report	5	3				
Combined	9	6				
Personal Effectiveness – Additional Comments						
Board	1.John is very professional and good at building relationships both within and outside the organization, and with the public. I have seen him quickly address issues effectively. High marks! 2.John consistently demonstrates professionalism that enhances the organization's reputation and strengthens stakeholder confidence and support.					
Direct Report	1.High marks in all areas. Very effective leader. 2.John has the type of mind that is able to quickly analyze and understand the many complex issues that occur at TMWA. He is always very measured with his thoughts and has established a culture where everyone feels comfortable to speak openly and collaborate. 3.John demonstrates personal effectiveness through his adaptability and commitment to continuous improvement. He sets a high standard for performance and integrity across the organization. 4.John is viewed as highly competent, ethical and trustworthy. He strives to maintain a positive, professional image. 5.John balances required compliance topics with best practices for effective utility operations. At times I do welcome the direct communication of expectations or initiatives. It's not always fun to be the leader but John balances the issues effectively. 6.John is professional in the workplace and supports staff during challenges. He is empathetic when evaluating both customer and employee requirements.					

Role	E	M	AG	U	N/O	Overall, and keeping unanticipated challenges and timeframes in mind, the General manager has achieved the goals and business objectives outlined for this appraisal period.
Board	4	3				
Direct Report	6	2				
Combined	10	5				
	68	36	0		1	Total number of responses by rating all categories combined
	65%	34%	0%		1%	Total % rating all categories combined
Overall Comments						
Board	1.Mr. Zimmerman does an excellent job! 2.Overall, John has performed at a high level, demonstrating strong leadership while effectively anticipating and managing unexpected challenges. 3.John has consistently demonstrated high ethical standards, established good relationships with the Board, pays attention to the business at hand, and addresses issues quickly. He is a bit protective of staff and should keep an open mind about staff performance, understanding that making mistakes is human and correcting mistakes is part of the learning process.					
Direct Report	1.John has consistently demonstrated the mindset of 'Extreme Ownership' which is taking full responsibility, leading from the front and driving results with discipline and accountability. If this was the NFL, we should put the "franchise tag" on him for long term leadership sustainability. 2.John consistently delivers outstanding performance, demonstrating visionary leadership, strategic clarity, and a deep commitment to organizational excellence. His ability to build meaningful relationships, and drive results makes him an invaluable asset. 3.I believe the community is fortunate to have John as our General Manager and I believe he's established and/or maintained a good collaborative approach of being of service to the Board and to the employees, all while serving our customers. 4.John continues to do an admirable job as the fulcrum of this organization in balancing its many needs; the needs of the board and by extension the public, the needs of the employees that form TMWA, and the needs of TMWA as its own distinct business entity, all while ensuring TMWA is continually moving forward to meet this organizations mission/vision and its underlying obligation of delivery quality water to the community 5.John has done a very good job as GM, he has a trusted working relationship with the Board members, employees and stakeholders, is always looking at ways to improve TMWA's effectiveness, he delegates appropriately, works hard to get to know all employees on a personal level, and has earned the commitment and respect of a great majority of the employees. 6.From the department perspective, I do believe that goals were met. TMWA as an organization has delivered in meeting the business objective during this appraisal period.					
Please identify future performance objective you may have for the general manager						
Board	1.Increasing community education and outreach					
Direct Report	1. Stay focused on TMWA's core objectives and prioritize staff resources and funding to accomplish these objectives. Don't dilute staff/funding resources across too many competing priorities.					

Q1 Which of the following best describes your role?

Answered: 15 Skipped: 0

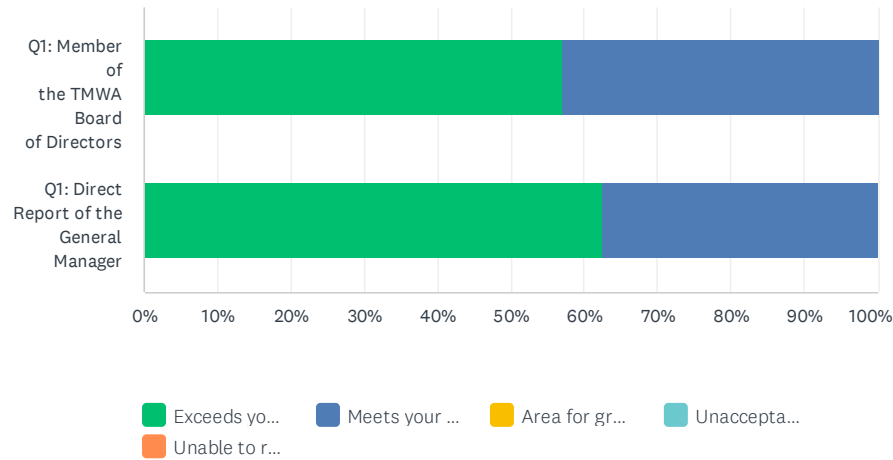


Member of ... Direct Rep...

	MEMBER OF THE TMWA BOARD OF DIRECTORS	DIRECT REPORT OF THE GENERAL MANAGER	TOTAL
Q1: Member of the TMWA Board of Directors	100.00% 7	0.00% 0	46.67% 7
Q1: Direct Report of the General Manager	0.00% 0	100.00% 8	53.33% 8
Total Respondents	7	8	15

Q2 Organizational Leadership - Feedback Rating:

Answered: 15 Skipped: 0

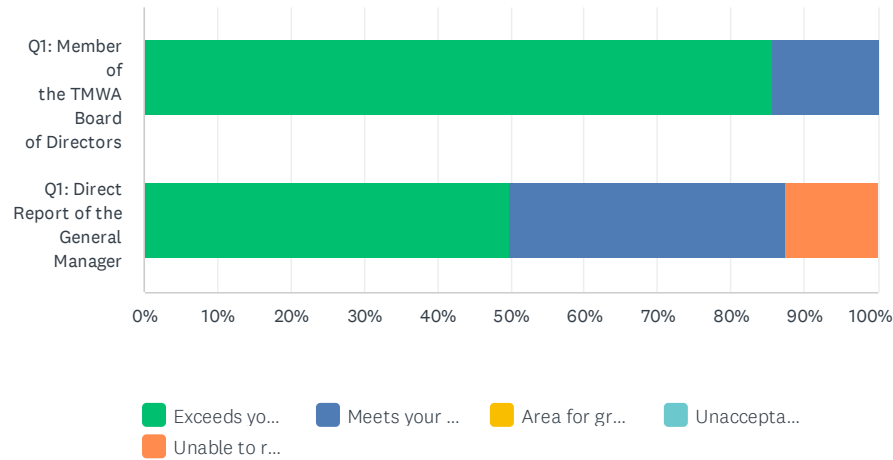


	EXCEEDS YOUR EXPECTATIONS	MEETS YOUR EXPECTATIONS	AREA FOR GROWTH	UNACCEPTABLE/DISSATISFIED	UNABLE TO RATE BASED ON NOT OBSERVED	TOTAL
Q1: Member of the TMWA Board of Directors	57.14% 4	42.86% 3	0.00% 0	0.00% 0	0.00% 0	46.67% 7
Q1: Direct Report of the General Manager	62.50% 5	37.50% 3	0.00% 0	0.00% 0	0.00% 0	53.33% 8
Total Respondents	9	6	0	0	0	15
USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.						TOTAL
Q1: Member of the TMWA Board of Directors						3
Q1: Direct Report of the General Manager						7

#	Q1: MEMBER OF THE TMWA BOARD OF DIRECTORS	DATE
1	John is a very good leader for the organization. He does particularly well given that his primary career has been law not science. He is catching on to the operational issues quickly and is willing to spend extra time chasing down questions from the Board or the public.	9/5/2025 3:26 PM
2	John collaborates effectively with the Board and staff in strategic planning, and demonstrates the ability to clearly communicate and drive forward the organization's strategic priorities for the future.	9/5/2025 2:03 PM
3	Mr. Zimmerman does an excellent job communicating with the board and always seem to push the organization to be the best it can be while balancing the responsibilities of staff in order to achieve TMWA's goals.	8/27/2025 12:46 PM
#	Q1: DIRECT REPORT OF THE GENERAL MANAGER	DATE
1	John meets with staff members regularly and is engaged in the managing the organization. He provides for a culture of collaboration and debate. John is professional and is respected by staff.	9/8/2025 1:11 PM
2	JZ leads by example, is a very good communicator, and is focused on TMWA's current condition and the future	9/4/2025 4:45 PM
3	I believe John strikes a good balance between setting workplace expectations of employees with best practices of a highly effective water utility. TMWA's role in the community is one of service and visibility and collaboration.	9/4/2025 4:42 PM
4	John continues to exceed my expectations in this area. He is very intentional and strategic in how he leads and collaborates with the other leaders in the organization.	8/29/2025 10:25 AM
5	John demonstrates exceptional leadership by aligning the organization around clear strategic goals and empowering leaders to see beyond their immediate responsibilities, fostering a culture of big-picture thinking and collaboration.	8/22/2025 2:28 PM
6	Strong leader who fosters a culture of collaboration and quality at TMWA. John's calm and competent demeanor sets the tone for the entire organization.	8/21/2025 3:01 PM
7	John is always thinking of ways to better the organization and it's leaders. He leads the way in how to communicate in times of good and in times of conflict. I aspire to intentionally lead the way he does.	8/21/2025 2:47 PM

Q3 Relations with Board/Governance - Feedback Rating:

Answered: 15 Skipped: 0

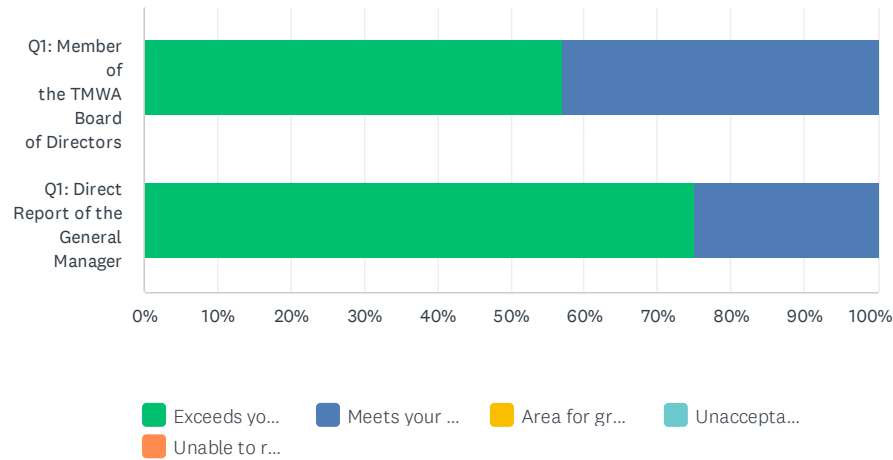


	EXCEEDS YOUR EXPECTATIONS	MEETS YOUR EXPECTATIONS	AREA FOR GROWTH	UNACCEPTABLE/DISSATISFIED	UNABLE TO RATE BASED ON NOT OBSERVED	TOTAL
Q1: Member of the TMWA Board of Directors	85.71% 6	14.29% 1	0.00% 0	0.00% 0	0.00% 0	46.67% 7
Q1: Direct Report of the General Manager	50.00% 4	37.50% 3	0.00% 0	0.00% 0	12.50% 1	53.33% 8
Total Respondents	10	4	0	0	1	15
USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.						TOTAL
Q1: Member of the TMWA Board of Directors						3
Q1: Direct Report of the General Manager						6

#	Q1: MEMBER OF THE TMWA BOARD OF DIRECTORS	DATE
1	John does a great job of keeping the Board informed, especially when the news is difficult. He understands the Manager /Board relationship well and as a result comes across as reliable and trustworthy.	9/5/2025 3:26 PM
2	Whether it's during the workday or a weekend/evening, John is consistently responsive and approachable for Board members.	9/5/2025 2:06 PM
3	GM Zimmerman is a personable leader in the organization. He constantly seeks to engage with the board and is open to any inquiry.	9/2/2025 11:34 AM
#	Q1: DIRECT REPORT OF THE GENERAL MANAGER	DATE
1	John works with and directs staff to provide the Board with the information necessary for both decision making and governance.	9/8/2025 1:14 PM
2	John reaches out to and communicates with Board members on a regular basis. He's always available.	9/4/2025 4:47 PM
3	I believe John makes a point to elevate important issues to the Board but keeps those engagements at a more strategic level so they aren't caught unaware of brewing issues.	9/4/2025 4:43 PM
4	No additional comments, but I believe John continues to foster an excellent relationship with TMWA's Board. The members of the Board have varying skillsets and qualities they can bring to the table, and I believe John understands that and works to optimize them.	8/29/2025 10:26 AM
5	Board communication is a strong point for John.	8/21/2025 3:02 PM
6	All of these bullet points are descriptive of John's relation with the Board from my view.	8/21/2025 2:48 PM

Q4 Communication Skills - Feedback Rating:

Answered: 15 Skipped: 0

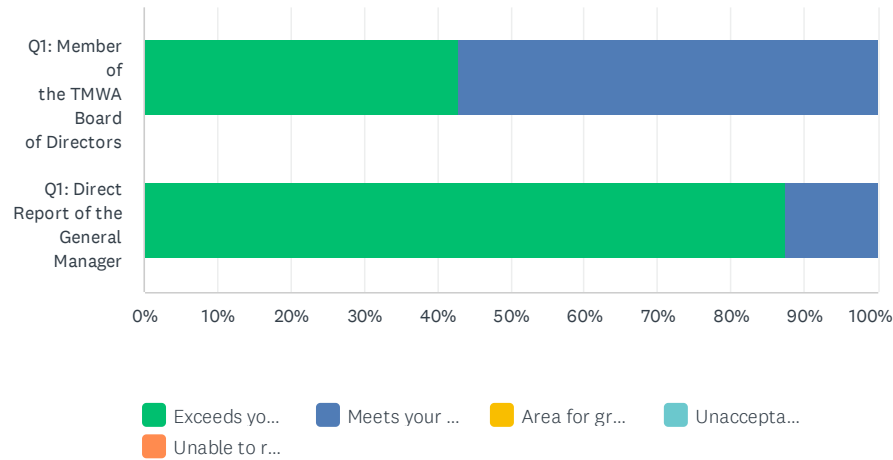


	EXCEEDS YOUR EXPECTATIONS	MEETS YOUR EXPECTATIONS	AREA FOR GROWTH	UNACCEPTABLE/DISSATISFIED	UNABLE TO RATE BASED ON NOT OBSERVED	TOTAL
Q1: Member of the TMWA Board of Directors	57.14% 4	42.86% 3	0.00% 0	0.00% 0	0.00% 0	46.67% 7
Q1: Direct Report of the General Manager	75.00% 6	25.00% 2	0.00% 0	0.00% 0	0.00% 0	53.33% 8
Total Respondents	10	5	0	0	0	15
USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.						TOTAL
Q1: Member of the TMWA Board of Directors						2
Q1: Direct Report of the General Manager						7

#	Q1: MEMBER OF THE TMWA BOARD OF DIRECTORS	DATE
1	John is a quieter, more introverted individual. He is a good listener. He can use a little more focus on delivering his messages clearly so that people don't misinterpret his thoughts.	9/5/2025 3:26 PM
2	Demonstrates active listening and awareness of how his words affect others, while communicating in a clear, concise, and persuasive manner.	9/5/2025 2:07 PM
#	Q1: DIRECT REPORT OF THE GENERAL MANAGER	DATE
1	John consistently listens and speaks with staff in a manner that provides for open dialogue and debate. His ability to communicate matches his legal knowledge of the water sector.	9/8/2025 1:19 PM
2	I believe John does try to consider employee impacts and displays empathy but it's impossible to make everyone happy on everything. Some decisions are difficult to make but that's what leaders do, they lead a team and a company the best way they can.	9/4/2025 4:52 PM
3	John communicates effectively and deals with difficult situations thoroughly and in a timely manner. He seeks input from all involved.	9/4/2025 4:50 PM
4	Effective communication is difficult to achieve, but also critical to any organization. John puts in significant effort to achieve and improve communication at all levels of the organization and this continues to be an area of focus.	8/29/2025 10:28 AM
5	John excels in communication by fostering transparency, clarity, and connection across all levels of the organization. He ensures that strategic messages are not only delivered effectively but also understood and embraced, enabling leaders to communicate with purpose and align their teams with the broader vision.	8/22/2025 2:29 PM
6	John is always willing to listen to others input when formulating TMWA policy. He has an open-door policy that really fosters open lines of communication all throughout the organization.	8/21/2025 3:03 PM
7	John is probably his own worst critic in his communication. I appreciate his honest and direct communications and overall they exceed my expectations even when his expectations are very high for himself.	8/21/2025 2:49 PM

Q5 Relations with Community/Stakeholders - Feedback Rating:

Answered: 15 Skipped: 0

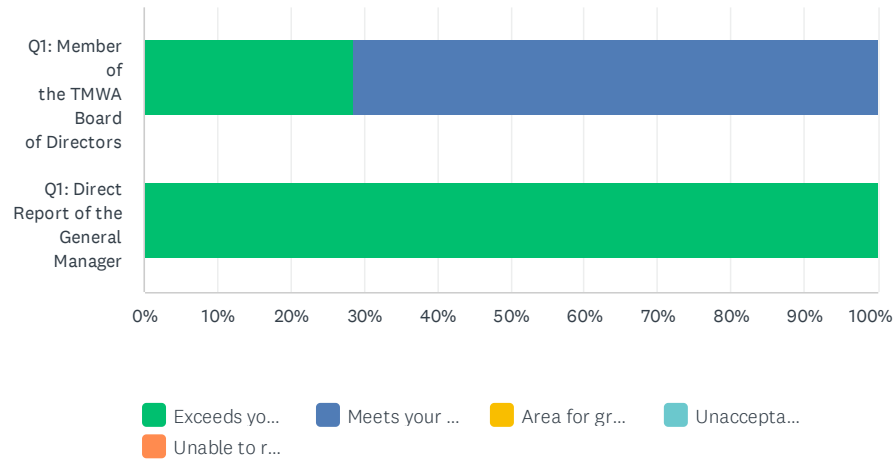


	EXCEEDS YOUR EXPECTATIONS	MEETS YOUR EXPECTATIONS	AREA FOR GROWTH	UNACCEPTABLE/DISSATISFIED	UNABLE TO RATE BASED ON NOT OBSERVED	TOTAL
Q1: Member of the TMWA Board of Directors	42.86% 3	57.14% 4	0.00% 0	0.00% 0	0.00% 0	46.67% 7
Q1: Direct Report of the General Manager	87.50% 7	12.50% 1	0.00% 0	0.00% 0	0.00% 0	53.33% 8
Total Respondents	10	5	0	0	0	15
USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.						TOTAL
Q1: Member of the TMWA Board of Directors						2
Q1: Direct Report of the General Manager						7

#	Q1: MEMBER OF THE TMWA BOARD OF DIRECTORS	DATE
1	John is good at working with the community and with other agencies. The only area for growth I could recommend in this sphere is to speak up a bit more in public settings - i.e., volunteer information vs. wait to be asked.	9/5/2025 3:26 PM
2	I have witnessed John relate effectively to others and create an environment of calm and confidence during times of stress.	9/5/2025 2:10 PM
#	Q1: DIRECT REPORT OF THE GENERAL MANAGER	DATE
1	I have witnessed John working with various stake holders including Washoe County, City of Sparks, City of Reno, NV Energy, BANN, and individual rate payers to address concerns and provide leadership in challenging situations.	9/8/2025 1:25 PM
2	I believe John is a good face for TMWA. He's a good collaborator, builds in team approaches and navigates reliability issues effectively with other regional partners.	9/4/2025 4:53 PM
3	John is a trusted partner with counterparts at other local jurisdictions and community stakeholders	9/4/2025 4:51 PM
4	In the limited instances I'm aware of where members of the community have had problems, complaints, or other issues, John has always handled them extremely well.	8/29/2025 10:29 AM
5	John builds strong, trust-based relationships with others by actively engaging, listening, and responding with integrity. His approach fosters mutual respect and collaboration, positioning the organization as a valued and responsible partner in the community.	8/22/2025 2:31 PM
6	John places a lot of importance on cooperating with other communication organizations in a collaborative manner. He is also very effective at communicating with the public about TMWA.	8/21/2025 3:05 PM
7	Again, John exceeds in these areas. You can easily confirm this by asking Community leaders about him.	8/21/2025 2:50 PM

Q6 Management of Staff - Feedback Rating:

Answered: 15 Skipped: 0

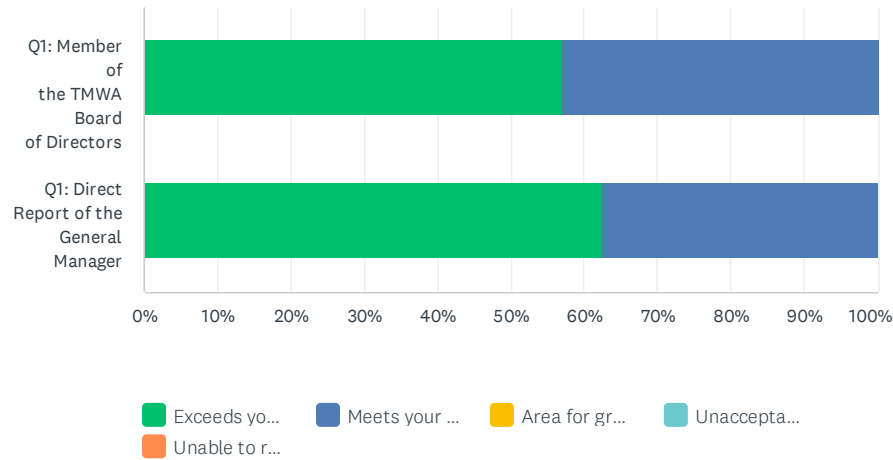


	EXCEEDS YOUR EXPECTATIONS	MEETS YOUR EXPECTATIONS	AREA FOR GROWTH	UNACCEPTABLE/DISSATISFIED	UNABLE TO RATE BASED ON NOT OBSERVED	TOTAL
Q1: Member of the TMWA Board of Directors	28.57% 2	71.43% 5	0.00% 0	0.00% 0	0.00% 0	46.67% 7
Q1: Direct Report of the General Manager	100.00% 8	0.00% 0	0.00% 0	0.00% 0	0.00% 0	53.33% 8
Total Respondents	10	5	0	0	0	15
USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.						TOTAL
Q1: Member of the TMWA Board of Directors						2
Q1: Direct Report of the General Manager						7

#	Q1: MEMBER OF THE TMWA BOARD OF DIRECTORS	DATE
1	I think John does an excellent job managing staff but is still gaining comfort in the management vs. legal role. It will come in time - with more experience and more training.	9/5/2025 3:26 PM
2	John encourages forward-thinking approaches and values the input of others. He has also done well in cultivating an environment of teamwork.	9/5/2025 2:13 PM
#	Q1: DIRECT REPORT OF THE GENERAL MANAGER	DATE
1	John has been exceptional at encouraging collaboration and debate within TMWA. He is easy to speak with and has gone out of his way to approach employees and solicit feedback concerning each department. John grants authority appropriately that allows staff to continue to grow.	9/8/2025 1:31 PM
2	I believe John puts himself in a "support" mode where he doesn't look to DRIVE the issue, he positions the best person to handle an issue, clears the way, provides support, builds the team response, communicates that and helps to strategically plan for similar issues so that we're better prepared. He doesn't micromanage, he leads by example, delegating where needed and provides direction to support.	9/4/2025 4:56 PM
3	John is open and collaborative, is laser focused on succession planning, and always encourages feedback, even if the feedback is contrarian.	9/4/2025 4:54 PM
4	No additional comments beyond what I've already said. John continues to do an excellent job in this area.	8/29/2025 10:30 AM
5	John leads with a people-first approach, fostering a supportive and high-performing environment where staff feel valued, empowered, and aligned with organizational goals. Through clear expectations, consistent feedback, and a commitment to professional growth, they he cultivates a culture of collaboration.	8/22/2025 2:32 PM
6	John has led TMWA to be one of the most skilled and efficient entities in the State. He is always open to communications from Staff and makes sure to show appreciation for employees for their accomplishments.	8/21/2025 3:07 PM
7	I aspire to lead and manage like John. I know he has my back and for that I'm grateful. I'm continually impressed with his desire to meet individually with each employee over lunch and genuinely listen to them and get to know them.	8/21/2025 2:52 PM

Q7 Personal Effectiveness - Feedback Rating:

Answered: 15 Skipped: 0

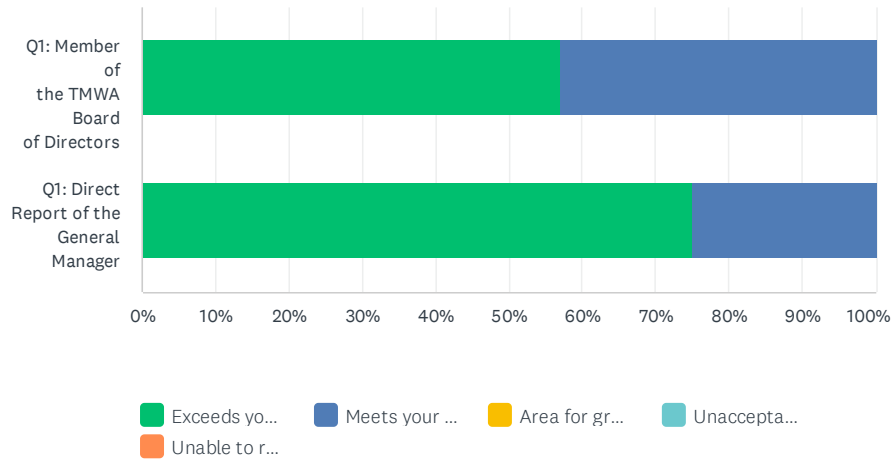


	EXCEEDS YOUR EXPECTATIONS	MEETS YOUR EXPECTATIONS	AREA FOR GROWTH	UNACCEPTABLE/DISSATISFIED	UNABLE TO RATE BASED ON NOT OBSERVED	TOTAL
Q1: Member of the TMWA Board of Directors	57.14% 4	42.86% 3	0.00% 0	0.00% 0	0.00% 0	46.67% 7
Q1: Direct Report of the General Manager	62.50% 5	37.50% 3	0.00% 0	0.00% 0	0.00% 0	53.33% 8
Total Respondents	9	6	0	0	0	15
USE THE SPACE BELOW TO PROVIDE ANY ADDITIONAL COMMENTS YOU MAY HAVE FOR THIS RATING CATEGORY.						TOTAL
Q1: Member of the TMWA Board of Directors						2
Q1: Direct Report of the General Manager						6

#	Q1: MEMBER OF THE TMWA BOARD OF DIRECTORS	DATE
1	John is very professional and good at building relationships both within and outside the organization, and with the public. I have seen him quickly address issues effectively. High marks!	9/5/2025 3:26 PM
2	John consistently demonstrates professionalism that enhances the organization's reputation and strengthens stakeholder confidence and support.	9/5/2025 2:16 PM
#	Q1: DIRECT REPORT OF THE GENERAL MANAGER	DATE
1	John is professional in the workplace and supports staff during challenges. He is empathetic when evaluating both customer and employee requirements.	9/8/2025 1:34 PM
2	John balances required compliance topics with best practices for effective utility operations. At times I do welcome the direct communication of expectations or initiatives. It's not always fun to be the leader but John balances the issues effectively.	9/4/2025 4:59 PM
3	John is viewed as highly competent, ethical and trustworthy. He strives to maintain a positive, professional image.	9/4/2025 4:58 PM
4	John demonstrates personal effectiveness through his adaptability and commitment to continuous improvement. He sets a high standard for performance and integrity across the organization.	8/22/2025 2:33 PM
5	John has the type of mind that is able to quickly analyze and understand the many complex issues that occur at TMWA. He is always very measured with his thoughts and has established a culture where everyone feels comfortable to speak openly and collaborate.	8/21/2025 3:10 PM
6	High marks in all areas. Very effective leader.	8/21/2025 2:53 PM

Q8 Overall, and keeping unanticipated challenges and timeframes in mind, the General Manager has achieved the goals and business objectives outlined for this appraisal period.

Answered: 15 Skipped: 0



	EXCEEDS YOUR EXPECTATIONS	MEETS YOUR EXPECTATIONS	AREA FOR GROWTH	UNACCEPTABLE/DISSATISFIED	UNABLE TO RATE BASED ON NOT OBSERVED	TOTAL
Q1: Member of the TMWA Board of Directors	57.14% 4	42.86% 3	0.00% 0	0.00% 0	0.00% 0	46.67% 7
Q1: Direct Report of the General Manager	75.00% 6	25.00% 2	0.00% 0	0.00% 0	0.00% 0	53.33% 8
Total Respondents	10	5	0	0	0	15
ANY ADDITIONAL COMMENTS?						TOTAL
Q1: Member of the TMWA Board of Directors						3
Q1: Direct Report of the General Manager						6

#	Q1: MEMBER OF THE TMWA BOARD OF DIRECTORS	DATE
1	John has consistently demonstrated high ethical standards, established good relationships with the Board, pays attention to the business at hand, and addresses issues quickly. He is a bit protective of staff and should keep an open mind about staff performance, understanding that making mistakes is human and correcting mistakes is part of the learning process.	9/5/2025 3:26 PM
2	Overall, John has performed at a high level, demonstrating strong leadership while effectively anticipating and managing unexpected challenges.	9/5/2025 2:21 PM
3	Mr. Zimmerman does an excellent job!	8/27/2025 1:12 PM
#	Q1: DIRECT REPORT OF THE GENERAL MANAGER	DATE
1	From the department perspective, I do believe that goals were met. TMWA as an organization has delivered in meeting the business objective during this appraisal period.	9/8/2025 1:36 PM
2	John continues to do an admirable job as the fulcrum of this organization in balancing its many needs; the needs of the board and by extension the public, the needs of the employees that form TMWA, and the needs of TMWA as its own distinct business entity, all while ensuring TMWA is continually moving forward to meet this organizations mission/vision and its underlying obligation of delivery quality water to the community	9/4/2025 6:55 PM
3	John has done a very good job as GM, he has a trusted working relationship with the Board members, employees and stakeholders, is always looking at ways to improve TMWA's effectiveness, he delegates appropriately, works hard to get to know all employees on a personal level, and has earned the commitment and respect of a great majority of the employees.	9/4/2025 5:10 PM
4	I believe the community is fortunate to have John as our General Manager and I believe he's established and/or maintained a good collaborative approach of being of service to the Board and to the employees, all while serving our customers.	9/4/2025 5:01 PM
5	John consistently delivers outstanding performance, demonstrating visionary leadership, strategic clarity, and a deep commitment to organizational excellence. His ability to build meaningful relationships, and drive results makes him an invaluable asset.	8/22/2025 2:35 PM
6	John has consistently demonstrated the mindset of 'Extreme Ownership' which is taking full responsibility, leading	8/21/2025 2:58 PM

from the front and driving results with discipline and accountability. If this was the NFL, we should put the "franchise tag" on him for long term leadership sustainability.

Q9 Please identify any future performance objectives you may have for the General Manager.

Answered: 4 Skipped: 11

	PLEASE IDENTIFY ANY FUTURE PERFORMANCE OBJECTIVES YOU MAY HAVE FOR THE GENERAL MANAGER.	TOTAL
Q1: Member of the TMWA Board of Directors	100.00% 3	75.00% 3
Q1: Direct Report of the General Manager	100.00% 1	25.00% 1
Total Respondents	4	4

#	Q1: MEMBER OF THE TMWA BOARD OF DIRECTORS	DATE
1	None at this time.	9/5/2025 3:26 PM
2	None at this time.	9/5/2025 2:21 PM
3	Increasing community education and outreach	9/2/2025 11:42 AM
#	Q1: DIRECT REPORT OF THE GENERAL MANAGER	DATE
1	Stay focused on TMWA's core objectives and prioritize staff resources and funding to accomplish these objectives. Don't dilute staff/funding resources across too many competing priorities.	9/4/2025 5:10 PM

EMPLOYMENT AGREEMENT

1. PARTIES AND RECITALS

This Employment Agreement (“Agreement”) is entered into on July__, 2022 (“Effective Date”) by and between the Truckee Meadows Water Authority, by and through its duly constituted Board of Directors (“TMWA”), a political subdivision of the State of Nevada and a public entity organized pursuant to NRS 277.110, et. seq., and John Zimmerman (“Zimmerman”), collectively the “Parties”.

1.1 TMWA was formed to exercise powers, privileges and authorities to develop and maintain supplies of water for the benefit of the Truckee Meadows community;

1.2 TMWA desires to retain the services of Zimmerman as General Manager;

1.3 Zimmerman desires employment as General Manager of TMWA;

1.4 The parties desire to enter into an agreement reflecting the terms and conditions under which Zimmerman will be employed by TMWA as its General Manager; and

1.5 TMWA desires that Zimmerman overlap with the existing General Manager for business continuity purposes and that during the overlap Mr. Mark Foree will retain his authority unless Mr. Foree designates Zimmerman as Acting General Manager through October 15, 2022.

1.6 For purposes of this Agreement October 15th of each year will be deemed the “Anniversary Date.”

NOW, THEREFORE, in consideration of their mutual covenants contained herein, TMWA and Zimmerman agree as follows:

2. EMPLOYMENT

TMWA hereby employs Zimmerman and Zimmerman agrees to serve as the General Manager of TMWA to perform the functions and duties specified in Section 3 for the term specified in Section 5.

3. DUTIES/ESSENTIAL JOB FUNCTIONS

3.1 Zimmerman agrees that during the Term of Employment (as defined in Section 5.1) he will hold the office of General Manager of TMWA reporting to TMWA’s Board of Directors (the “Board”). Zimmerman agrees to perform faithfully and to the best of his ability such duties and assignments relating to the business of TMWA as the Board of Directors of TMWA shall direct.

3.2 During the Term of Employment Zimmerman shall, except during customary vacation periods and periods of illness, devote his business time and attention to the performance of his duties hereunder and to the business and affairs of TMWA and to promoting the best interests of TMWA. Zimmerman shall not, either during or outside of normal business hours, engage in any activity inimical to the best interests of TMWA. Notwithstanding the foregoing, Zimmerman may engage in charitable or civic pursuits provided that such service or pursuits do not interfere with Zimmerman's obligations under the Agreement.

4. SALARY

TMWA agrees to pay Zimmerman for his services an annual base salary of (\$223,297.00) ("Base Salary") beginning on the Effective Date. Zimmerman's Base Salary shall automatically adjust in incrementing steps on July 1, 2023 and each July 1 thereafter until he reaches the "Market" step of the General Manager wage band. Zimmerman will have an opportunity to earn a Base Salary increase and a lump sum award based upon Zimmerman's specific job performance in meeting the mutually agreed upon goals for the previous year. The Board and Zimmerman will meet by December 1, 2022 to set initial performance goals for the 2022-23 fiscal year. The Board shall evaluate Zimmerman's performance pursuant to Section 6 and in its sole discretion may determine a performance lump sum award or any salary adjustment in accordance with Section 6 of this Agreement. This adjustment may be made either to the Base Salary or in the form of a lump sum award or as a combination of the two at the sole discretion of TMWA. The total award (addition to Base Salary plus lump sum award) may be up to 10% of Base Salary. Any portion of a salary adjustment granted as a lump sum award shall not become part of Zimmerman's Base Salary for future years.

5. TERM AND TERMINATION

5.1 Term. The term of this Agreement ("Initial Term") is two (2) years beginning on the first Anniversary Date of this Agreement (October 15, 2022); subject, however, to prior termination as provided herein. The Term of Employment shall automatically be extended, with the same terms to the extent they comply with applicable Nevada law, for an additional two years from the third Anniversary Date (October 15, 2024) ("Extension Term"), unless either party provides written notice to the other party no later than May 31, 2024 of its election not to extend the Initial Term. The Initial Term and Extension Term, as applicable, are referred to as the "Term of Employment."

5.2 Renewal of Contract. If the Extension Term is exercised, the Parties agree to meet and confer no later than May 31, 2026, to decide if the Parties will negotiate an amendment to this contract.

5.3 Events of Termination. The Term of Employment, Zimmerman's Base Salary, and any and all other rights of Zimmerman under this Agreement or otherwise as an employee of TMWA shall terminate (except as otherwise provided in this Section) for the reasons and at the times set forth below:

- (a) Immediately upon the expiration of the Term of Employment;
- (b) Immediately upon the death of Zimmerman;
- (c) Upon the disability of Zimmerman (as defined in Section 5.4) immediately upon written notice from either party to the other;
- (d) For Cause (as defined in Section 5.5) immediately upon notice from TMWA to Zimmerman, or at such later time as such notice may specify;
- (e) For convenience by Zimmerman following no less than 120 days written notice, unless the parties subsequently agree to a different notice period; or
- (f) For convenience by TMWA following no less than thirty (30) days written notice; provided Zimmerman shall be entitled to severance pay as set forth in Section 5.5.

5.4 Definition of Disability. For purposes of Section 5.3(c), Zimmerman will be deemed to have a “disability” if, Zimmerman is unable to perform the essential functions of his duties under this Agreement, with or without a reasonable accommodation, including granting Zimmerman some finite amount of leave, due to disability caused by sickness, accident, injury, mental or physical incapacity. The disability of Zimmerman will be determined by a medical doctor selected by written agreement of TMWA and Zimmerman upon the request of either party by notice to the other. If TMWA and Zimmerman cannot agree on the selection of a medical doctor, each of them will select a medical doctor and the two medical doctors will select a third medical doctor who will determine whether Zimmerman has a disability. The determination of the medical doctor selected under this Section 5.4 will be binding on both parties. Zimmerman must submit to a reasonable number of examinations by the medical doctor making the determination of disability under this Section 5.4, and Zimmerman hereby authorizes the disclosure and release to TMWA of such determination and all supporting medical records. If Zimmerman is not legally competent, Zimmerman’s legal guardian or duly authorized attorney-in-fact will act in Zimmerman’s stead, under this Section 5.4, for the purposes of submitting Zimmerman to the examinations, and providing the authorization of disclosure, required under this Section 5.4.

For the sake of clarity, any leave granted to Zimmerman as a reasonable accommodation, during which he is unable to perform his duties under this Agreement, will be paid for up to 90 days. Any additional leave that may become necessary as a reasonable accommodation beyond the 90-day period—and during which Zimmerman is not performing any duties under this Agreement—will be unpaid. Nothing in this Agreement affects the parties’ ability to discuss and implement alternative accommodations, if needed, such as reassignment of Zimmerman to another position for which he is qualified and the duties of which he can perform.

5.5 Definition of “For Cause”. For purposes of Section 5.3(d), the phrase “For Cause” means: (a) Zimmerman’s material breach of this Agreement or gross negligence in the performance of his required duties as TMWA General Manager; (b) Zimmerman’s failure to adhere to any written policy of TMWA or lawful direction of the TMWA Board if Zimmerman

has been given a reasonable opportunity to comply with such policy or direction or cure his failure to comply; (c) the appropriation or attempted appropriation of a material business opportunity of TMWA, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of TMWA; (d) any act of dishonesty, fraud, embezzlement, theft, or misappropriation or attempted misappropriation of any of TMWA's funds or property; (e) the conviction of, the indictment for or its procedural equivalent, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, or any other crime with respect to which imprisonment is a possible punishment; (f) Zimmerman's material violations of TMWA employment policies; (g) Zimmerman's indictment, arrest or conviction for the use or possession of illegal drugs; (h) Zimmerman's willful or material violation of the Code of Ethical Standards set forth in NRS Chapter 281A; or (i) for any other reason constituting cause as that term may otherwise be defined under Nevada law.

5.6 Termination Pay. Effective upon the termination of this Agreement, TMWA will be obligated to pay Zimmerman (or, in the event of his death, his designated beneficiary as defined below) only such compensation as is provided in this Section 5.6, and in lieu of all other amounts and in settlement and complete release of all claims Zimmerman may have against TMWA. For purposes of this Section 5.6, Zimmerman's designated beneficiary will be such individual beneficiary or trust, located at such address, as Zimmerman may designate by notice to TMWA from time to time or, if Zimmerman fails to give notice to TMWA of such a beneficiary, Zimmerman's estate. Notwithstanding the preceding sentence, TMWA will have no duty, in any circumstances, to attempt to open an estate on behalf of Zimmerman, but will act reasonably in ascertaining the whereabouts of Zimmerman's beneficiaries and seeing to it that such beneficiaries are properly paid.

(a) If this Agreement is terminated by either party as a result of Zimmerman's death or disability as determined under Section 5.4, by TMWA "For Cause" pursuant to Section 5.3(d) or by Zimmerman for convenience pursuant to Section 5.3(e), TMWA shall pay Zimmerman his Base Salary accrued through the date of termination plus any accrued unused PTO as set forth in section 8 below.

(b) If TMWA terminates this Agreement for convenience pursuant to Section 5.3(f), TMWA agrees to pay Zimmerman severance pay equal to Zimmerman's six-month Base Salary and a lump sum payment equal to the six month's of the employer's share of health insurance premiums, calculated using Zimmerman's enrollment tier at the time of separation upon the effective date of such termination plus any accrued unused PTO as set forth in section 8 below. This payment shall be made 60 days after separation and will be contingent upon Zimmerman signing a release of all claims.

5.7 Non-Renewal of Agreement. In the event TMWA elects not to renew or extend this Agreement beyond the Initial Term by providing written notice pursuant to Section 5.1, all compensation, benefits and requirements of the Agreement shall remain in effect until the expiration of the Initial Term, unless the Agreement is terminated sooner as provided herein, and

Zimmerman will receive severance pay as set forth in Section 5.6(b) above upon the expiration of the Initial Term.

6. PERFORMANCE EVALUATION

TMWA's Board of Directors will review and evaluate Zimmerman's performance at least once annually on or within four months after the end of the fiscal year. Zimmerman's annual salary review and any adjustment to compensation will coincide with the annual performance evaluation timeframes established for all TMWA employees.

7. RETIREMENT

7.1 Subject to applicable laws, TMWA will contribute an amount equal to 8% of Zimmerman's base salary to a deferred compensation plan on Zimmerman's behalf.

7.2 TMWA agrees that Zimmerman will be a member of the Nevada Public Employees Retirement System at TMWA's expense.

8. PAID TIME OFF

8.1 Zimmerman will be granted 40 days of compensated paid time off ("PTO") each year for personal use, including vacation and illness. Accrued but unused PTO may be taken as pay in accordance with TMWA's PTO Cash Out Policy or carried over to the next calendar year as set forth in Section 8.2.

8.2 Accrued but unused PTO will be carried over from year to year. A maximum of 320 PTO hours can be carried over each calendar year. Upon termination of Zimmerman's employment, Zimmerman will be entitled to full compensation for his accrued, unused PTO.

9. DUES, SUBSCRIPTIONS AND PROFESSIONAL DEVELOPMENT

9.1 TMWA agrees to pay the professional dues, certifications and subscriptions of Zimmerman necessary for his continuation and participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of TMWA.

9.2 TMWA agrees to pay the travel and subsistence expenses of Zimmerman for professional and official travel and meetings adequate to continue the professional development of Zimmerman as the general manager of a water utility and to adequately pursue necessary official functions for TMWA. Such travel and subsistence expenses must be approved by TMWA's Chief Financial Officer and cannot exceed \$20,000.00 dollars annually. If the costs will exceed \$20,000.00 they must be submitted to and approved by the Chair of the TMWA

Board. TMWA will also pay for Zimmerman's attendance at conferences, seminars and short courses which are deemed to be of value to TMWA.

10. EXPENSES, ALLOWANCES AND OTHER BENEFITS

10.1 Zimmerman will be paid a fixed sum of \$750 per month for the use of his personal vehicle for TMWA business, with future increases to be determined by TMWA as a part of the budget cycle.

10.2 TMWA agrees to pay Zimmerman a fixed sum of \$150 per month as a cell phone/personal digital assistance (PDA) allowance.

10.3 TMWA will pay all costs of any fidelity or other bonds required of Zimmerman by virtue of his employment with TMWA.

10.4 Zimmerman will receive all other benefits provided to management employees, and nothing in this contract affects Zimmerman's ability to receive any benefit provided to management employees. In the event there is a conflict between the benefits provided to management employees and the terms of this contract, the greater benefit will prevail.

11. TEAM BUILDING, GOALS AND RETREATS

TMWA agrees that annually TMWA's Board of Directors will schedule and participate in the following:

- (a) A goals-setting session to develop objectives for TMWA; and
- (b) A session to develop specific criteria to serve as the basis for Zimmerman's pay-for-performance clause set forth in Section 6 of this agreement. This session will be held within four months after the end of each fiscal year of the Term of Employment.

12. MISCELLANEOUS

12.1 The captions in this agreement are not part of the provisions hereof, are merely for the purpose of reference and shall have no force or effect for any purpose whatsoever, including the construction of the provisions of this Agreement, and if any caption is inconsistent with any provisions of this Agreement, such provisions shall govern. The Recitals are part of this Agreement.

12.2 This Agreement is made in and shall be governed by and construed in accordance with the internal laws of the State of Nevada.

12.3 This Agreement contains a complete statement of all of the arrangements between the parties with respect to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written between the parties relating to the subject matter of this Agreement, which are not fully expressed in this Agreement.

12.4 This Agreement may not be waived, changed, modified or discharged orally, but only by an agreement in writing signed by the party against whom any waiver, change, modification or discharge is sought.

12.5 All notices given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested as such other address as TMWA and Zimmerman designate. Each such notice shall be deemed to be given on the date received at the address of the addressee.

12.6 If litigation over this Agreement is initiated in any court, the Parties agree the proper venue is Washoe County, Nevada. Zimmerman irrevocably (i) waives and agrees not to assert in any such action, suit or other proceeding that he is not personally subject to the jurisdiction of such courts, that the action, suit or other proceeding is brought in an inconvenient forum or that the venue of the action, suit or other proceeding is improper, (ii) waives personal service of any summons, complaint or other process and (iii) agrees that the service thereof may be made by certified or registered mail directed to Zimmerman at his address for purposes of notices hereunder. Should Zimmerman fail to appear or answer within the time prescribed by law, he shall be deemed in default and judgment may be entered by TMWA against him for the amount or other relief as demanded in any summons, complaint or other process so served.

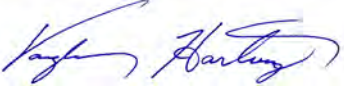
IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first hereinabove written.

TMWA

GENERAL MANAGER

Dated this 26 day of July, 2022


Dated this _____ day of _____, 2022

By: 

Vaughn Hartung, Chairman

By: _____
John R. Zimmerman

Approved as to form:



Lucas Foletta, Esq.
General Counsel

12.3 This Agreement contains a complete statement of all of the arrangements between the parties with respect to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written between the parties relating to the subject matter of this Agreement, which are not fully expressed in this Agreement.

12.4 This Agreement may not be waived, changed, modified or discharged orally, but only by an agreement in writing signed by the party against whom any waiver, change, modification or discharge is sought.

12.5 All notices given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested as such other address as TMWA and Zimmerman designate. Each such notice shall be deemed to be given on the date received at the address of the addressee.

12.6 If litigation over this Agreement is initiated in any court, the Parties agree the proper venue is Washoe County, Nevada. Zimmerman irrevocably (i) waives and agrees not to assert in any such action, suit or other proceeding that he is not personally subject to the jurisdiction of such courts, that the action, suit or other proceeding is brought in an inconvenient forum or that the venue of the action, suit or other proceeding is improper, (ii) waives personal service of any summons, complaint or other process and (iii) agrees that the service thereof may be made by certified or registered mail directed to Zimmerman at his address for purposes of notices hereunder. Should Zimmerman fail to appear or answer within the time prescribed by law, he shall be deemed in default and judgment may be entered by TMWA against him for the amount or other relief as demanded in any summons, complaint or other process so served.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first hereinabove written.

TMWA

GENERAL MANAGER

Dated this _____ day of _____, 2022

Dated this 26 day of July, 2022

By: _____
Vaughn Hartung, Chairman

By: John R. Zimmerman
John R. Zimmerman

Approved as to form:

Lucas Foletta, Esq.
General Counsel



Quality. Delivered.

1355 Capital Blvd. • P.O. Box 30013 • Reno, NV 89520-3013
P 775.834.8080 • F 775.834.8003

August 27, 2025

Mr. John Zimmerman
General Manager, Truckee Meadows Water Authority
PO Box 30013
Reno, NV 89520-3013

Re: Notice of meeting of the TMWA Board of Directors meeting to evaluate your performance, discuss your employment contract and consider your professional competence

Mr. Zimmerman,

The TMWA Board, at its meeting scheduled for Wednesday, September 17, 2025, at 10:00 AM, will conduct an annual evaluation of your performance as General Manager. In addition, the TMWA Board may also discuss your employment contract. In the process of these discussions, the Board may consider your professional competence and may take administrative action related to your compensation.

This public meeting will take place at Sparks Council Chambers located at 745 4th Street, Sparks, NV, 89431.

By signing below, you acknowledge personal receipt of this notice.

This notice is being provided to you in accordance with NRS 241.033.

Sincerely,

Clara Andriola

Clara Andriola, Chair
Truckee Meadows Water Authority Board of Directors

RECEIPT

John Zimmerman acknowledges personal receipt of written notice of the foregoing as of
8/29/2025 | 9:17 AM PDT _____.

John Zimmerman
John Zimmerman



STAFF REPORT

TO: Chair and Board Members
FROM: John R. Zimmerman, General Manager
DATE: September 8, 2025
SUBJECT: Discussion and action on request for Board input and acceptance of General Manager performance objectives for contract year 2025-2026

RECOMMENDATION

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

DISCUSSION

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

GENERAL OBJECTIVES	
A	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	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.
C	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.
D	Continue to create a highly productive work environment and a highly motivated employee team by developing, training, retaining and recruiting the highest quality employees.
E	Strive for continuous improvements in processes and operations targeting initiatives that will enhance revenues and/or reduce operating costs thus keeping customer rates as low as possible.

ONGOING OPERATIONAL OBJECTIVES	
a	Monitor federal legislation for opportunities to obtain funding for a variety of TMWA projects.
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.
c	Provide staff support to the SAC, the Truckee River Fund (TRF) Advisors, and One Truckee River and ensure communications regarding TRF projects.
d	Manage and direct activities relative to legal issues, keeping the Board informed on all such matters.
e	Update TMWA Administrative Instructions as required to ensure they are compliant with applicable laws and current practices. Deliver updates to the Board and employees, and implement the changes.
f	Minimize cost impacts to customers by maximizing investment and hydroelectric income, pursuing revenue enhancement and collection opportunities, pursuing process improvements and projects that drive savings in TMWA expenses, and actively pursuing grant/low-interest loan funding for projects.
SPECIFIC OBJECTIVES	
1	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.
2	Continue working with city and county staff and WRWC regarding regional water issues (including wastewater, effluent management, stormwater, etc.), regional economic development initiatives, etc. including the OneWater Nevada initiative that includes advancing the American Flat Project, continued pilot testing and analysis related to infiltrating or injecting highly treated wastewater into the ground for later use, assistance with TMWRF return flow obligations, etc. Coordinate with WRWC regarding water quality data.
3	Continue analyzing water supply options related to fringe area development where private systems exist, make recommendations to Board and follow Board direction regarding same.
4	Monitor and participate in Legislative activities during the interim Legislative Session, prepare and deliver presentations to Legislative Committees as requested, schedule meetings with staff, Board legislative committee members, lobbyists and legislators, keep the Board updated and informed regarding legislative matters, and pursue Board direction regarding Legislative issues. Facilitate open communications between legislators and the TMWA Board.
5	Update the 5-year Funding Plan and present to the SAC and the Board. Propose Board actions based on the results of the planning cycle updates. Implement Board direction with regard to funding plan outcomes.
6	Analyze the need for any necessary rule changes, rate adjustments, water facility charge adjustments, including customer service process improvements, and report results of analysis to the SAC and Board of Directors, when presenting the funding plan update in October, and follow Board direction regarding same.
7	Continue to develop/refine strategies to optimize conjunctive use of surface water and groundwater resources; further develop/refine drought supply operational strategies; and implement plans.

SPECIFIC OBJECTIVES (continued)	
8	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.
9	Update succession plan and continue to implement the succession/staffing plan to address and fill vacancies created by retirements. Continue staff development in support of TMWA's succession plan with a focus on leadership and critical position succession. Increase employee communication and input regarding succession planning, workforce development requirements and foster more collaboration.
10	Continue working under the terms of the MOU with Carson City and Storey County, to determine surplus water availability to TMWA from the Marlette Lake Water System.
11	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.
12	Continue working on collecting additional information based on the results from the feasibility study of Palomino Farms, and recommend whether or not to move forward with an option agreement involving Palomino Farms, Reno, Sparks and Washoe County.
13	Continue analyzing opportunities to increase water conservation for drought resiliency and mitigate impacts to the upstream watershed to protect water quality and reservoirs, use best available science to evaluate global climate change models applicable to this region, and advise the Board.
15	Continue working with Nevada Division of Environmental Protection and Central Truckee Meadows Remediation District to explore ways to optimize PCE remediation.
16	Finalize 2025-2045 Water Resource Plan (WRP) for Board approval in October 2025.
17	NEW: Begin to implement strategic planning using the Effective Utility Management (EUM) water utility management approach.
18	NEW: Begin development of 2025-2045 Water System Facility Plan Update. Scheduled for completion by October 2026.



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Sonia Folsom, Executive Assistant
Kara Steeland, Senior Hydrologist and Watershed Coordinator
Jim Smitherman, Chair, Truckee River Fund Advisory Committee
DATE: September 8, 2025
SUBJECT: Discussion and possible action on adoption of Resolution No. 337: A resolution to approve funding for one or more of the projects recommended by the Truckee River Fund Advisory Committee and an authorization for the Community Foundation of Northern Nevada to fund such projects from Fund proceeds (Resolution may reflect action taken in one or more votes on recommended projects)

Recommendation

The Truckee River Fund (the “Fund”) Advisors recommend that the TMWA Board authorize by resolution the funding of the following projects from the Fund. This recommendation stems from a Fund Advisors’ meeting held on August 22, 2025 where grant proposals from the fall request for proposals (RFP) were reviewed and discussed. Please refer to the table below to review the amount of funding available and descriptions of the RFP’s submitted and recommended for funding.

Description	Funding Requested	Funding Approved	TRF Budget
Available Funds			\$595,000.00
8 Requested Projects	\$593,039.45		
7 Projects Recommended for Approval		\$558,039.45	
Funds Remaining			\$36,960.55

Recommended Motion

Move to adopt Resolution No. 337: A resolution to approve funding for the projects recommended by the Truckee River Fund Advisory Committee and authorize the Community Foundation of Northern Nevada to fund such projects from Fund proceeds.

Request for Proposals Submitted for Consideration

Project #	Grantee	Grant Description	Proposal Amount	Amount Recommended	Match - Monetary	Match - In Kind	Match total
308	Sierra Nevada Journeys	Watershed Education Initiative	\$31,543.13	\$31,543.13	\$10,514.38	\$0.00	\$10,514.38
310	Truckee River Watershed Council	Independence Watershed Aquatic Organism Passage Project	\$75,000.00	\$75,000.00	\$250,250.00	\$60,000.00	\$310,250.00
311	Keep Truckee Meadows Beautiful	Keeping Truckee Meadows Beautiful	\$74,635.32	\$74,635.32	\$32,000.00	\$122,000.00	\$154,000.00
312	League to Save Lake Tahoe	Lake Tahoe AIS Prevention and Eyes on the Lake Citizen Science Program	\$35,000.00	\$ —	\$657,181.00	\$ —	\$ —
313	Reno Food Systems	Cultivating Watershed Resilience at the Urban-Agricultural Interface	\$46,000.00	\$46,000.00	\$0.00	\$16,745.00	\$16,745.00
314	Friends of Nevada Wilderness	Mount Rose Re-Seeding 2025	\$5,000.00	\$5,000.00	\$300.00	\$960.00	\$1,260.00
315	One Truckee River	Watershed Protection Benefit Project	\$75,861.00	\$75,861.00	\$60,000.00	\$10,800.00	\$70,800.00
316	Washoe County-Regional Parks & Open Space	Mayberry Park Watershed Protection and Public Restroom Project	\$250,000.00	\$250,000.00	\$ —	\$62,500.00	\$62,500.00
AMOUNT TOTALS:			\$593,039.45	\$558,039.45	\$626,069.38		

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 337

**A RESOLUTION APPROVING PROJECTS
FOR FUNDING UNDER THE TRUCKEE RIVER FUND**

WHEREAS, the Truckee Meadows Water Authority and the Community Foundation of Northern Nevada (the "Community Foundation"), a Nevada non-profit corporation, have entered into an agreement creating The Truckee River Fund (the "Fund") to foster projects that protect and enhance water quality or water resources of the Truckee River, or its watershed;

WHEREAS, pursuant to the Fund Agreement, an Advisory Committee has solicited proposals from prospective beneficiaries of the Fund;

WHEREAS, the Advisory Committee has recommended projects for funding, as listed on Exhibit A, attached hereto;

WHEREAS, the Advisory Committee has the responsibility of securing preliminary approval for projects from the TMWA Board, which may disapprove projects for any reason, or may approve projects by resolution, subject to Community Foundation Board approval;

WHEREAS, the Community Foundation has advised the Advisory Committee that the projects' applicants are eligible beneficiaries of the Fund;

WHEREAS, the Board has reviewed the recommendation of the Advisory Committee and has found that the projects as listed on Exhibit A are consistent with the purposes of the Fund and merit funding; and

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority:

The projects set forth on **Exhibit A** are approved for funding under the Truckee River Fund in the amount set forth in such Exhibit, subject to final authorization by the Community Foundation Board, and subject to the provisions of the Fund Agreement, including without limitation the requirements set forth in Article VC.

Truckee Meadows Water Authority
Resolution No. 337 (continued)

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority,

Upon motion of _____ seconded by _____, the foregoing Resolution was passed and adopted on September 17, 2025 by the following vote of the Board:

Ayes: _____

Nays: _____

Abstain: _____ Absent: _____

Approved September 17, 2025

Clara Andriola, Chair

EXHIBIT A

PROJECTS RECOMMENDED FOR FUNDING

Project #	Grantee	Grant Description	Proposal Amount	Amount Recommended	Match - Monetary	Match - In Kind	Match total
308	Sierra Nevada Journeys	Watershed Education Initiative	\$31,543.13	\$31,543.13	\$10,514.38	\$0.00	\$10,514.38
310	Truckee River Watershed Council	Independence Watershed Aquatic Organism Passage Project	\$75,000.00	\$75,000.00	\$250,250.00	\$60,000.00	\$310,250.00
311	Keep Truckee Meadows Beautiful	Keeping Truckee Meadows Beautiful	\$74,635.32	\$74,635.32	\$32,000.00	\$122,000.00	\$154,000.00
312	League to Save Lake Tahoe	Lake Tahoe AIS Prevention and Eyes on the Lake Citizen Science Program	\$35,000.00	\$ —	\$657,181.00	\$ —	\$ —
313	Reno Food Systems	Cultivating Watershed Resilience at the Urban-Agricultural Interface	\$46,000.00	\$46,000.00	\$0.00	\$16,745.00	\$16,745.00
314	Friends of Nevada Wilderness	Mount Rose Re-Seeding 2025	\$5,000.00	\$5,000.00	\$300.00	\$960.00	\$1,260.00
315	One Truckee River	Watershed Protection Benefit Project	\$75,861.00	\$75,861.00	\$60,000.00	\$10,800.00	\$70,800.00
316	Washoe County-Regional Parks & Open Space	Mayberry Park Watershed Protection and Public Restroom Project	\$250,000.00	\$250,000.00	\$ —	\$62,500.00	\$62,500.00
AMOUNT TOTALS:			\$593,039.45	\$558,039.45	\$626,069.38		

Truckee Meadows Water Authority
Resolution No. 337 (continued)

Project #308: Watershed Education Initiative (WEI)

Organization: Sierra Nevada Journeys (SNJ)

Project Description:

SNJ offers the WEI program for Washoe County youth that focuses on watershed education, and to build critical thinking and social-emotional skills through real-world applications and community involvement. The WEI includes:

- Classroom Sessions: Educators conduct hands-on lessons on watershed models, pollution, invasive species, erosion, water conservation, and stewardship.
- Field Study: A 3-hour outdoor session at sites like Oxbow Nature Study Area, Galena Creek Regional Park, and McCarran Ranch Preserve. Students observe the Truckee River, collect data, and study macroinvertebrates to assess river health.
- Extension Lessons: Five additional lessons for teachers to reinforce and extend learning.
- Volunteer Involvement: Engages the local community and supports low-income schools by keeping costs low.

SNJ prioritizes partnerships with schools serving underprivileged youth, aiming to bridge the science and outdoor education gap. SNJ will serve 700 students, for K-8th grades, in 26 classrooms within the Truckee River Watershed, focusing on those with the highest financial and learning needs.

TMWA Benefit:

Grant Priority VI: Stewardship and Environmental Awareness: Students gain first-hand experience determining water quality, explore human impacts on their water source, and obtain skills, knowledge and a field experience to connect them to their local river. The overall long-term program impacts include:

- Students grasp essential science concepts related to the Truckee River watershed and understand the impact of their actions on local ecosystems.
- Teachers utilize extension lessons for hands-on watershed exploration. Parents and community members participate in watershed education through volunteer opportunities.
- The health of the Truckee River watershed and local ecosystems improves as students and their families adopt practices that reduce water pollution and human impacts.

Project #310: Independence Watershed Aquatic Organism Passage Project

Organization: Truckee River Watershed Council (TRWC)

Project Description:

The Independence AOP Project aims to resolve issues at a low-water crossing over an unnamed creek upstream of Independence Creek in the Independence Watershed. This road is the primary access route to Independence Lake, used by various stakeholders. The unnamed creek is a perennial, spring-fed stream with high seasonal runoff, carrying woody debris and significant sediment loads exacerbated by vehicle traffic.

Truckee Meadows Water Authority
Resolution No. 337 (continued)

The project, developed by TRWC, Sierra County, and the USFS, aims to improve water quality and protect downstream habitats by installing an Aquatic Organism Passage (AOP) structure on a new road alignment. The design includes options for a three-span bridge or three steel multi-plate arch culverts to handle significant storm events. Preliminary studies were completed in 2016, and technical studies will be updated to advance the design. Funding will be used for engineering design work related to the project.

This request is to fill a critical funding gap needed to complete Phase 2 of design for the Independence Watershed Aquatic Organism Passage Project (Independence AOP). Phase 2 will develop 65% design plans, enabling us to initiate NEPA and CEQA processes and begin permitting. Completion of the 65% designs will also position TRWC to leverage additional funding opportunities to complete final (100%) design plans.

TMWA Benefit:

Priority II Watershed Improvements: Once fully implemented, the project will decrease sedimentation and support attainment of the 303(d) listed TMDL pollutant to Truckee River. Restoration will enhance watershed function and aquatic habitat by reducing erosion and restoring sensitive ecosystems.

Priority V Support to Rehabilitation of Local Tributary Creeks and Drainage Courses: The project will restore a degraded stretch of roadway that directly connects to a key tributary known to contribute sediment to the Truckee River. Currently, the absence of a proper crossing, coupled with heavy vehicle traffic, generates significant sediment plumes, leading to ongoing erosion, increased sediment loads, elevated turbidity, higher water temperatures, and reduced dissolved oxygen levels. The proposed improvements will address these issues, mitigating further water quality and aquatic habitat degradation.

This project will improve watershed function and reduce sediment transfer to Independence Creek and the Little Truckee River, as well as to the main stem of the Truckee River. These efforts will result in measurable water quality benefits, including decreased erosion and a substantial reduction in sediment transfer, improving the ecological health of the watershed.

Re-Forestation and Re-Vegetation Projects: The project will improve access to over 3,000 acres of high-density forest stands and heavy accumulation of forest fuels surrounding Independence Lake that could have devastating impacts on the ecological systems present in the watershed in the event of catastrophic wildfire or other disturbances. The area is remote and will require thousands of equipment and logging truck passes. To facilitate access for fuels reduction and emergency response operations, this project supports a stream crossing engineered to meet CalFire's H-20 loading standard—capable of supporting up to 80,000 lbs.

Priority VI Stewardship and Environmental Awareness: The project will include outreach to community members through newsletters, email updates and project site tours. Outreach will be designed to increase understanding and importance of stream and habitat restoration and improvements to water quality through reduction of sediments and other pollutants within the watershed. Specific tasks of the program include leading project site tours, producing interpretive signage, and publishing articles in our on-line and print newsletters. Volunteers will also support the project on TRWC's annual Truckee River Day.

Truckee Meadows Water Authority
Resolution No. 337 (continued)

Project #311: Keep Truckee Meadows Beautiful

Organization: Keep Truckee Meadows Beautiful (KTMB)

Project Description:

- 1.) Expand work in removing invasive weeds, planting native plants, and working to lessen beaver damage throughout the year, including during KTMB's Adopt-A-River program (AAR), the Great Community Cleanup (GCC), and the Truckee River Cleanup (TRC);
- 2.) Continue work in removing litter, green waste, and hazardous waste along the Truckee River corridor via the AAR, GCC, and TRC programs;
- 3.) Provide in-river cleanup work by partnering with municipal WET teams at GCC and TRC, and otherwise as needed;
- 4.) Provide community education and outreach to decrease environmental threats to the Truckee River; and
- 5.) Continue with the Truckee River adjacent condition survey, gathering information about litter and invasive weed projects that need attention.

TMWA Benefit:

Priorities II and V Watershed Improvements & Tributary/Creeks Rehabilitation: Planting and invasive weed removal along the Truckee River corridor and its tributaries helps to reduce erosion and sediment in the river. Removing litter and hazardous waste directly impacts the contaminants and bacterial pollutants in waterways. While our work is consistent year after year, it is impactful and vital to the overall health of the river corridor. We will work directly along the Truckee River Corridor as well as in all the tributaries in the Reno-Sparks area. In 2024, we removed 34,707 pounds of weeds, planted 5025 plants, and planted 84 trees in the watershed, and we will continue to focus on this work.

Priority III Stormwater Improvements: Marking storm drains to educate the public about where stormwater goes is again simple but effective. Most people have no idea where water that enters a storm drain ends up, with the common misconception that it ends up at a treatment plant. With proper signage, we are educating the public on their direct connection to the river. In 2024, KTMB volunteers and staff stenciled 362 storm drains, and we will continue to do this work as directed by our municipal partners.

Priority IV Revegetation Projects: Improve watershed resiliency through the GCC, TRC, and Adopt-A-River programs by engaging volunteers to remove invasive plants and replant native species at river-specific sites and tributaries. These include Lockwood Park, Hunter Creek, Valley Wood Park, and Carcione/Canepa. We are also working with the City of Reno on projects that will include ditch work to reduce fire vulnerability as well as revegetation options in parks such as Huffaker Hills Trailhead, recently damaged by fire as part of our Adopt-A-Spot program.

Priority VI stewardship & Environmental Awareness: Communicate environmental awareness about water, water quality, and watershed protection by engaging already present volunteers in relevant education on-site during their project. Our service-learning program, newly expanded this past year, will continue to tie the "why" to the work being done in order to increase awareness about the health of the watershed and why they are doing the work they are doing.

Truckee Meadows Water Authority
Resolution No. 337 (continued)

Project #313: Cultivating Watershed Resilience at the Urban-Agricultural Interface: Advancing Watershed Health, Fire Resilience, Regenerative Urban Agriculture and Community Stewardship

Organization: Reno Food Systems

Project Description:

This funding will be used to rehabilitate a degraded flood irrigated 15-acre pasture that flows into Alum Creek and the Truckee River, through native grass seeding, regenerative grazing and watershed protection practices that reduce erosion, nutrient runoff and wildfire risk. It will support native seed production for post-fire restoration and provide seasonal housing for prescribed grazing herds. As a demonstration site led by Reno Food Systems, this project includes hands-on education, workforce training and partnerships with UNR's Desert Farming Initiative, Cooperative Extension, FFA and 4-H. Over 500 volunteers and community members will engage in stewardship activities that preserve our precious agricultural lands, protect our vital watershed, restore ecological function and serve as a replicable model for sustainable land management.

This project will reverse those impacts through regenerative grazing and hydrological improvements that directly support water quality. Managed rotational grazing will prevent overgrazing, increase plant cover and improve soil structure and infiltration. Weeds will be controlled through mechanical and biological means, eliminating chemical runoff. Collapsed irrigation ditches will be redesigned and rebuilt to reduce erosion and ensure efficient use of Truckee River water. These practices will reduce sediment, nitrogen, phosphorus, total dissolved solids (TDS) and E. coli entering local waterways.

TMWA Benefit:

Priority II Watershed Improvements: Addresses watershed health by implementing regenerative land management practices on a parcel through which flood irrigation flows directly enter Alum Creek, a designated 303(d) impaired waterway due to elevated temperature and TDS. These flows continue on to the Truckee River upstream of the Glendale Water Treatment Facility, making improvements on this site especially impactful. Through the integration of rotational grazing, erosion control improvements, riparian buffer enhancement and native vegetation reestablishment, the project aims to reduce sedimentation and lower water temperatures before flows reach the creek and river. These nature-based solutions are innovative in that they utilize working lands to perform ecosystem functions typically addressed through engineered systems. By demonstrating that regenerative grazing and low-impact water management can significantly reduce pollutant load while enhancing soil health, the project serves as a model for upstream interventions that reduce the burden on municipal water treatment infrastructure.

Priority IV Re-Forestation & Re-Vegetation Projects: Directly supports regional wildfire resilience and post-fire restoration through innovative strategies. The project centers on the strategic re-vegetation of a degraded upland pasture located in an urban-agricultural interface—a key ecological transition zone which when well managed can create lasting ecological benefits. This site will be restored using a carefully selected mix of drought-tolerant native grasses, pollinator-friendly species and soil-stabilizing shrubs. These deep-rooted plants will stabilize soil, reduce erosion, increase infiltration, support pollinator populations and suppress invasive species—thereby reducing fuel loads that contribute to catastrophic wildfire spread.

Truckee Meadows Water Authority
Resolution No. 337 (continued)

These efforts will also moderate land surface and runoff temperatures, increase water retention, and buffer the landscape against wind, snowmelt and drought—enhancing overall watershed resilience and establishing a green firebreak within a high-risk urban-wildland interface.

Priority VI Stewardship & Environmental Awareness: This project is deeply rooted in community engagement, environmental education, and skill-building. RFS operates an active education and demonstration farm on-site, welcoming thousands of visitors annually—including school groups, volunteers, customers, elected officials and neighbors. The expansion into the south pasture will significantly enhance these efforts, offering hands-on workshops and citizen science projects focused on pasture management, regenerative grazing, animal husbandry and pollinator habitat restoration. The project also serves as a workforce development platform. Through our internship/apprenticeship programs, we provide structured on-the-ground training in regenerative agriculture, holistic grazing, soil health practices and ecological restoration.

Project #314: Mount Rose Noxious Weed Monitoring, Treatment, and Re-seeding 2025

Organization: Friends of Nevada Wilderness (FVN)

Project Description:

The goal of the Mount Rose Reseeding 2025 project is to complement our invasive musk thistle removal projects from the spring of 2025. FVN staff will lead volunteers to existing work sites along the Hunter Creek trail. These are sites we have been working in for 10+ years and have seen a significant improvement in increasing native biodiversity. This spring, they saw an increase in native flowers and grasses that are part of their seed mix.

Over the course of their two seed spreading projects, they will explain the importance of biodiversity within the Truckee River watershed to the volunteers. They will cover 10+ acres of ground with our Forest Service biologist-approved seed mix right before an incoming storm. They will transfer the seeds into gallon ziplock bags and distribute them among the volunteers to carry in their backpacks. They will spread the mix in a grid pattern, making sure the volunteers understand the correct amount of seeds to disperse in an area. The volunteers will leave the project with a sense of community and a better understanding of their connection to the watershed.

TMWA Benefit:

Grant Priorities: II Watershed Improvements, IV Re-Forestation and Re-Vegetation Projects, V Support to Rehabilitation of Local Tributary Creeks and Drainage Courses, and VI Stewardship and Environmental Awareness.

Noxious weeds, such as musk thistle, pose a significant threat to the long-term health and biodiversity of the Truckee River Watershed. Our proposed volunteer projects aim to directly enhance this area by reintroducing native grasses and flowers, thereby improving watershed resilience. All proposed actions align with recommendations from Forest Service botanists. By decreasing weeds and increasing native flowers and grasses in the Mount Rose Wilderness, we can decrease the spread of invasive seeds downstream, minimize soil erosion, improve water quality, and enhance the overall visitor experience along the Hunter Creek and Steamboat Ditch Trails.

This program not only educates the community about the importance of noxious weed mitigation but also offers hands-on opportunities for individuals to actively participate in ‘rewilding’ an area.

Truckee Meadows Water Authority
Resolution No. 337 (continued)

Volunteers who complete a project with us will gain a deeper understanding of the link between maintaining a healthy watershed and managing invasive species. Engaging with the public fosters a sense of intentional stewardship and raises awareness about the needs of our local watershed and water supply.

Project #315: Watershed Protection Benefit Project

Organization: One Truckee River (OTR)

Project Description:

OTR's Watershed Protection Benefit Project will complete these three main goals: 1) coalition building, 2) fund development, and 3) River-Friendly Living efforts. Specific descriptions per each goal are:

Goal #1: Coalition Building Effort: Lead and coordinate regional coalition building focused on the protection and improvement of the Truckee River through the OTR partnership activities with a focus to support and develop projects that reduce erosion and sedimentation into the Truckee River.

Goal # 2: Fund Development Work: Lead, coordinate, and submit funding proposals to support OTR and further the implementation of the OTR Management Plan. Specifically, OTR will continue to develop its grants plan through the project period, which will adapt new funding opportunities to be identified, researched, cultivated and grant applications submitted.

Goal #3: River-Friendly Living (RFL) Program: Launch OTR's RFL public engagement events at Lake Park's RFL Demonstration Garden in Reno. Host, promote, and lead a walking tour of the garden sharing OTR's RFL practices with the public. Continue to increase the public's understanding of the Truckee River, RFL practices, and efforts underway to protect the Truckee River led by OTR and its partners focused on content to mitigate storm water run-off. Explore how to expand OTR's RFL reach and public education and engagement with contract services and partners' support. Share OTR's RFL messaging to the public.

TMWA Benefit:

Priority III Local Stormwater Improvements: OTR's River-Friendly Living (RFL) Program mitigates storm water run-off due to urbanization of the local watershed through collaborative on-the-ground installation of demonstration projects. With such projects, OTR coordinates with local governmental institutions and multiple departments to develop project concepts, research and apply for funding opportunities, and with funds secured, administrate and coordinate installation projects on public land, such as the RFL Demonstration Garden in Lake Park in Reno. In 25/26, OTR is exploring a possible new RFL Demonstration Garden site to collaborate with the City of Reno Utility Services.

Priority V - Rehabilitation of Local Tributaries & Drainage Courses: OTR's coalition building and fund development efforts support the rehabilitation of local tributary creeks, tributaries, and the Truckee River through engagement, coordination, communication, and support to OTR's Partnership Council members to continue to do more implementation projects focused on water quality improvements.

Priority VI – Stewardship & Environmental Awareness: OTR develops and implements educational content focused on the region's adult audience related to the watershed protection and promotes direct actions residents can take to mitigate storm water run-off on their private property through continually messaging to the public to build awareness and engagement to care for the Truckee River as an important community asset. The RFL Program is divided into four branches (Yards, Individual Actions,

Truckee Meadows Water Authority
Resolution No. 337 (continued)

Neighborhoods, and Voices and Hands) providing many options for residents to care for the Truckee River. OTR's RFL content is shared with the public through OTR's website, blogs, newsletters, and social media platforms. From July 1, 2024 to July 1, 2025, the OTR website received 12,241 visits, a 47% increase in one year and OTR RFL posts reach increased by 15% on Facebook, 3,242% on Instagram and 187% on LinkedIn.

Project #316: Mayberry Park Watershed Protection and Public Restroom Project

Organization: Washoe County-Regional Parks & Open Space

Project Description:

Washoe County proposes the installation of a permanent, ADA-accessible, dual-stall public restroom facility at Mayberry Park to meet increasing visitor demand, protect the Truckee River watershed, and demonstrate responsible, sustainable water management practices. As one of the County's most heavily used river-access parks, Mayberry currently lacks permanent restroom infrastructure—forcing reliance on seasonal portable toilets or leaving visitors without sanitation options, which presents both public health and environmental concerns.

The project aligns with the Washoe County Parks Master Plan goals to preserve natural resources, support regional park infrastructure, and promote public health and recreation. It directly addresses the growing need for resilient public infrastructure as visitation to Mayberry Park and the Truckee River corridor continues to expand. With over 4.9 million annual park visitors system-wide and population projections continuing upward, it is critical that Washoe County modernize facilities at key regional assets like Mayberry.

Funding will be used to begin the work of design, permit, and install a permanent, ADA-accessible, water efficient public restroom facility at Mayberry Park along the Truckee River. This project will provide critical sanitation infrastructure to protect water quality, support public health, and enhance equitable access for the park's growing number of visitors.

TMWA Benefit:

Priority II Watershed Improvements: The project directly supports the TRF's goal of reducing bacterial pollutants in the Truckee River watershed. Mayberry Park is adjacent to the Truckee River and currently lacks permanent restroom facilities. The absence of adequate sanitation infrastructure increases the risk of human waste entering surface waters during peak use seasons. Installing a permanent, sanitary restroom mitigates this threat by preventing fecal contamination from entering runoff or leaching into the river corridor.

Priority III Local Stormwater Improvements: Public restrooms will reduce the likelihood of unsanitary waste being deposited in areas that contribute to stormwater runoff, especially during spring melting and summer thunderstorms. This reduces the biological load on downstream stormwater systems, helping protect the river's water quality and supporting TMWA's mission to safeguard drinking water sources.

Priority VI Stewardship and Environmental Awareness: The project enhances the overall stewardship of a highly trafficked public park along the Truckee River, reinforcing community expectations of clean, safe, and responsible recreation infrastructure. Educational signage near the restrooms can also promote water conservation and responsible park use.



Grant Priorities

Truckee Meadows Water Authority (TMWA) recommends that the Truckee River Fund (TRF) Advisory Committee (the “Committee”) give preference to well-supported, clearly drafted grant requests that consider substantial benefits to TMWA customers for projects and programs that mitigate substantial threats to water quality and the watershed, particularly those threats upstream or nearby water treatment and hydroelectric plant intakes.

- I. **Aquatic Invasive Species (AIS):** Projects/Programs that support the prevention or control of aquatic invasive species in the mainstem Truckee River, Lake Tahoe, other tributaries and water bodies in the Truckee River system.
- II. **Watershed Improvements:** Projects that reduce erosion or sediment, suspended solids, or total dissolve solids (TDS) discharges, nutrients, industrial contaminants, or bacterial pollutants to the River. Projects or programs that are located within 303d (impaired waters) and total maximum daily load (TMDL) sections of the River should be considered, both in California and Nevada. Innovative techniques should be encouraged. The following link identifies impaired sections of the river and its tributaries: <https://mywaterway.epa.gov/>.
- III. **Local Stormwater Improvements:** Projects that demonstrably mitigate storm water run-off due to urbanization of the local watershed. Priority should be given to those improvement projects in close proximity to TMWA’s water supply intakes and canals and which will improve the reliability and protect the quality of the community’s municipal water supply.
- IV. **Re-Forestation and Re-Vegetation Projects:** Projects to restore forest and upland areas damaged by fire and historical logging operations, and to improve watershed resiliency in drought situations. Projects/programs in this category should be given a high priority due to urbanization of the watershed and increased susceptibility of the urban and suburban watershed to wildfire.
- V. **Support to Rehabilitation of Local Tributary Creeks and Drainage Courses:** Projects to support water quality improvement in creeks and tributaries to the Truckee River.
- VI. **Stewardship and Environmental Awareness:** Support to clean-up programs and the development and implementation of educational programs relative to water, water quality and watershed protection that do not fall clearly into the one of the above-mentioned categories.

Notes:

- For proposals related to weed control/eradication, contact Lauren Renda at the Community Foundation of Northern Nevada for additional criteria at lrenda@nevadafund.org.
- For proposals in the Lake Tahoe Basin, the Truckee River Fund (TRF) typically only funds proposals related to Priority I and VI.



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Jessica Atkinson, Human Resources Director
DATE: September 17, 2025
SUBJECT: Request for Board adoption of updated Administrative Instructions A-03 Prohibited Harassment, Discrimination, and Retaliation Policy, A-06 DOT Drug and Alcohol Testing Policy and notification of changes to A-14 Voluntary Leave Transfer Program Directive

Recommendation

Staff recommends the Board adopt the updated Administrative Policy A-03 Prohibited Harassment, Discrimination, and Retaliation Policy, A-06 DOT Drug and Alcohol Testing Policy. Additionally, staff provides notice of changes to A-14 Voluntary Leave Transfer Program Directive.

Discussion

In January of 2023, the Board approved a comprehensive set of Administrative Instructions, which includes

- Administrative Policies: Board adopted policies that establish a strong compliance culture.
- Administrative Directives: Operational guidelines that define day-to-day activities and internal procedures.

Staff conducts regular reviews of these policies and directives to ensure ongoing regulatory compliance and to ensure operational effectiveness. Updates to Administrative Policies are presented for Board consideration and adoption, while changes to Administrative Directives are provided for informational purposes.

Staff has conducted a review in collaboration with legal counsel and recommends the following updates to the Administrative Policies, detailed in the attached redline versions:

- A-03 Prohibited Harassment, Discrimination, and Retaliation Policy - Amended to include victims of sexual assault as a protected category. This update reflects changes enacted through Assembly Bill 163 during the 82nd Legislative Session, effective January 1, 2024.
- A-06 DOT Drug and Alcohol Testing Policy – Revised to incorporate oral fluid (saliva) as an approved specimen type for drug testing. This change aligns with the final rule published in the Federal Register, which amended 49 CFR Part 40 to allow employers to

choose between urine or oral fluid for DOT-regulated tests in safety-sensitive transportation roles.


Additionally, in consultation with IBEW Local #1245, staff has updated Administrative Directive A-14: Voluntary Leave Transfer Program to include pager duty as an eligible leave type for donation to the leave bank. Pager duty leave is earned and banked by employees for future use. This amendment does not result in any additional financial obligations for TMWA.

Proposed Motion

Move to adopt the updated Administrative Instructions as presented.

Attachments

1. A-03 Prohibited Harassment, Discrimination
2. A-06 DOT Drug and Alcohol Testing Policy
3. A-14 Voluntary Leave Transfer Program Directive.

 Truckee Meadows Water Authority	Administrative Instruction Manual Administrative Policy
Number: A-03	Effective: 02/01/2023 10/01/2025
Title: A-03 Prohibited Harassment, Discrimination, and Retaliation Policy	
<i>Printed copies are for reference only. Please refer to the electronic copy for the latest version.</i>	

Policy

TMWA is committed to providing a work environment free from prohibited harassment, discrimination, and retaliation. TMWA maintains a strict policy against such conduct, in any form, because of race (including traits associated with race, such as hair texture and protective hairstyles), religion, creed, ethnicity, national origin, ancestry, sex (including pregnancy), gender (including gender nonconformity and status as a transgender individual), gender identity or expression, sexual orientation, age (40 years and above), physical or mental disability, citizenship, genetic information, past, current or prospective service in the uniformed services, marital or domestic partnership status, domestic violence **or sexual assault** victim status, or any other characteristic protected under applicable federal, state, or local law (the "Protected Categories").

This policy applies to anyone involved in carrying out TMWA's business, including a guest, customer, vendor, supplier, independent contractor, auditor, co-worker, supervisor, manager, or elected official. Discrimination, harassment, and/or retaliation in any form (including verbal, physical and/or visual conduct, threats, and/or demands) based on a Protected Category are prohibited.

Employees may be subject to discipline for violating this Policy, even if their conduct does not violate the law (for example, for isolated misconduct). In other words, do not wait until the conduct has become severe or pervasive to report it. This Policy is designed to allow TMWA to stop any prohibited conduct before it becomes severe or pervasive. However, your immediate complaint is a vital component to making this Policy work. Do not assume that TMWA is aware of the problem. If you feel that you or someone else may have been subjected to conduct that violates this Policy, please bring your complaints and concerns to our attention so that we can resolve them. Elected officials, vendors, independent contractors, or customers may also be subject to appropriate sanctions for violating this policy, which may include termination of the relationship or limitations of access, etc., even if their conduct does not violate the law.

In addition to our commitment to providing a workplace free of prohibited discrimination, harassment and retaliation, TMWA proudly recognizes the diversity of our work force. Our employees come from many racial, ethnic, and cultural backgrounds, and we view this diversity as an important and valuable part of our culture. We encourage all employees to make every reasonable effort to respect the different cultural values, customs, experiences, and languages that their co-workers may bring into the workplace. Failure to do so may create an atmosphere of inferiority, isolation, or intimidation and may even create a perception of discrimination, harassment or retaliation.

VIOLATION OF THESE POLICIES WILL SUBJECT AN EMPLOYEE TO DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION, EVEN FOR A FIRST OCCURANCE.

I. Definitions

Prohibited Harassment – unwelcome conduct, whether verbal, physical, or visual, that is based upon a Protected Category or any other protected status. Prohibited harassment does not depend on the victim having suffered an economic or psychological injury as a result of the harasser's conduct. For example, improper advances which do not result in the loss of

A-03 Prohibited Harassment, Discrimination, and Retaliation Policy

employment or other tangible job benefits may constitute prohibited harassment where they interfere with the victim's work or create a harmful or offensive work environment.

For prohibited harassment to occur, the harasser does not have to be the victim's supervisor. The harasser may also be an agent of the supervisor, a supervisory employee who does not supervise the victim, a non-supervisory employee (co-worker), or a non-employee. The victim does not have to be the person at whom the unwelcome conduct is directed. The victim may also be someone who is affected by such conduct when it is directed toward another person. For example, the prohibited harassment of one employee may create an intimidating, hostile, or offensive working environment for another co-worker or interfere with the co-worker's work performance.

Prohibited Discrimination – the taking of a tangible employment action against an employee because of a Protected Category or another protected characteristic. Prohibited discrimination also includes subjecting an employee to different treatment because of a Protected Category, except as otherwise provided by law. Prohibited discrimination may also take the form of prohibited harassment.

Sexual Harassment – unwanted or unwelcome conduct based on someone's sex or gender (including pregnancy, sexual orientation, and status as a transgender individual) regardless of the harasser's sex or gender. It includes conduct that is not sexual in nature (for example, offensive remarks), as well as any unwelcome sexual advances, requests for sexual favors, offensive touching, and other verbal, graphic or physical conduct of a sexual nature.

Examples of conduct specifically prohibited under our policy against sexual harassment include but are not limited to:

- Offering or implying an employment-related reward (such as a promotion or raise) in exchange for sexual favors or submission to sexual conduct.
- Threatening to take or taking a negative employment action (such as termination, demotion, denial of a leave of absence) if sexual conduct is rejected.
- Unwelcome sexual advances or repeated flirtations.
- Unwelcome intentional touching of another person or other unwanted intentional physical contact (including patting, pinching, or brushing against another person's body).
- Unwelcome whistling, staring, or leering at another person.
- Asking unwelcome questions or making unwelcome comments about another person's sexual activities, dating, personal intimate relationships, or appearance.
- Unwelcome sexually suggestive or flirtatious gifts.
- Unwelcome sexually suggestive or flirtatious communications such as letters, notes, text messages, e-mail, or voice mail.
- Unwelcome conduct or remarks that are sexually suggestive or that demean or show hostility to a person because of the person's gender (including jokes, pranks, teasing, obscenities, obscene or rude gestures or noises, slurs, epithets, taunts, negative stereotyping, threats, blocking of physical movement).
- Displaying or circulating unwelcome pictures, objects, or written materials (including graffiti, cartoons, photographs, pinups, calendars, magazines, figurines, novelty items) that are sexually suggestive or that demean or show hostility to a person because of the person's gender.

Sexual harassment is not, by definition, limited to prohibited conduct by a male employee toward a female employee. Rather, a man, as well as a woman, may be the victim of sexual harassment, and a woman, as well as a man, may be the harasser. The victim does not have to be the opposite sex from the harasser.

A-03 Prohibited Harassment, Discrimination, and Retaliation Policy

For purposes of clarification, sexual harassment includes but is not limited to the following behaviors:

- Verbal Harassment - Epithets, derogatory comments, propositioning, slurs, or other offensive words or comments on the basis of sexual orientation or gender, whether made in general, directed to an individual, or to a group of people and regardless of whether the behavior was intended to harass. This includes, but is not limited to, inappropriate sexually-oriented comments on appearance, including dress or physical features, sexual rumors, code words, gossips, and stories.
- Physical Harassment - Assault, impeding or blocking movement, leering, or the physical interference with normal work, privacy or movement when directed at an individual on the basis of sexual orientation or gender. This includes pinching, patting, grabbing, inappropriate behavior in or near bathrooms, sleeping facilities and eating areas, or making explicit or implied threats or promises in return for submission to physical acts.
- Visual Forms of Harassment - Derogatory, prejudicial, stereotypical, or otherwise offensive posters, photographs, cartoons, notes, bulletins, drawing, pictures, or articles of clothing, on the basis of sexual orientation or gender. This applies to posted materials, emails, email content, material maintained in or on TMWA equipment, or personal property in the workplace.

No employee, independent contractor, supervisor or other member of management has the authority to suggest to any employee or applicant that the individual's employment, continued employment, future advancement, or any other term or condition of employment will be affected in any way by the individual's entering into (or refusing to enter into) any form of personal relationship with the guest, customer, vendor, supplier, independent contractor, auditor, co-worker, supervisor, or manager. Such conduct is a direct violation of this Policy and will not be tolerated.

II. Non-Retaliation

It is absolutely forbidden for any employee to punish or conduct reprisals against another employee who has conscientiously reported violations of this Policy based upon an objective and subjective good faith belief that the reported conduct violates this Policy. TMWA's prohibition against retaliation includes prohibiting retaliation against any employee for using the complaint procedure set forth in this Policy or for filing, testifying, assisting, or participating in any manner in any investigation, proceeding, or hearing conducted by TMWA under this policy or a governmental enforcement agency, where such participation was done honestly and in a manner consistent with objective and subjective good faith. In addition, TMWA prohibits retaliation against an employee who is closely associated with any employee that engages in any of the protected conduct mentioned above.

III. Coverage

TMWA absolutely prohibits conduct in violation of this Policy during work, during business involving TMWA, in a TMWA vehicle, at a TMWA event, or while on TMWA property by any employee (including supervisors and managers) or by any non-employee (including guests, customers, vendors, suppliers, auditors, and independent contractors).

IV. Responsibilities

The Head of Human Resources (or the General Manager if the Head of Human Resources is the subject of the complaint) is responsible for ensuring the prompt and thorough investigation of complaints of harassment and the preparation of a report of the investigative findings and conclusions.

Each employee is responsible for immediately reporting any conduct that they believe violates this Policy, regardless of whether they are personally involved.

A-03 Prohibited Harassment, Discrimination, and Retaliation Policy

V. Complaint Procedures

A. Notification, Investigation and Disposition

Any TMWA employee who feels they may have been subjected to a violation of this Policy must immediately notify their Immediate Supervisor, the Head of Human Resources, the General Manager, and/or anyone on TMWA's Management Team. Due to the serious nature of these issues, reporting harassment, discrimination, or retaliation to a co-worker or another person not designated in this Paragraph is not proper—the report should be made to any of the people listed above. If any of the individuals referenced above are involved in the discrimination, harassment, or retaliation, including your supervisor, or if you have reported it to one of those positions and they have failed to take appropriate remedial action, then you should alternatively report it to any of the other positions listed above.

It is preferable (though not required) that the notification be in writing. Your complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant, and any documentary evidence (notes, pictures, cartoons, etc.). TMWA encourages all employees to report any incidents of conduct that is forbidden by this Policy immediately so that complaints can be quickly and fairly resolved, and relevant witnesses can be interviewed while events are still fresh in their memory. Employees are encouraged to report conduct that they believe may violate this Policy (or that, if left unchecked, may rise to the level of a policy violation), even if they are not sure that the conduct violates the Policy.

The Complaint of Discrimination/Harassment/Retaliation form (See Attachment - TMWA Discrimination/Harassment/Retaliation Complaint Form) may be used for reporting violations of this Policy. However, anyone on the Management Team who receives a verbal complaint must document the complaint in writing and deliver to the Head of Human Resources.

Any member of the Management Team who receives any oral or written complaints of violations of this Policy must promptly notify the Head of Human Resources of the complaint. Any member of the Management Team who observes conduct in violation of this Policy must take prompt and appropriate action to stop the violation and then report the conduct to the Head of Human Resources.

Upon receipt of a complaint, the Head of Human Resources (or General Manager if the Head of Human Resources is the subject of the complaint) will promptly determine if the issue implicates this Policy and, if so, designate an investigator. If the complaint is found to be outside the scope of this Policy, the Head of Human Resources shall meet with the employee who filed the complaint to discuss their findings and conclusions.

If, after the initial review, there is indication that the complaint is properly a subject of this Policy, the Head of Human Resources shall ensure prompt and thorough investigation of the complaint, including interviewing the employee who complained, the person against whom the complaint was lodged, and any relevant witnesses.

Upon receipt of a complaint under this policy, TMWA will undertake a prompt, thorough, and impartial investigation and attempt to resolve the situation. If TMWA determines that prohibited conduct has occurred, TMWA will take effective and prompt remedial action commensurate with the circumstances. Appropriate action will also be taken to deter any future prohibited conduct. When the investigation is complete, and as soon as is practical thereafter, the employee who submitted the complaint will be informed whether the complaint was substantiated and that appropriate action(s) were taken; however, employees should be aware that they will not be informed what specific action(s) were taken. If the reported conduct continues or if new violations of this Policy occur, the

A-03 Prohibited Harassment, Discrimination, and Retaliation Policy

employee should report the issue or continued conduct and/or retaliation in accordance with the procedures outlined in this Policy.

Special Reporting Channel in Circumstances Involving the General Manager, Assistant General Manager, and/or Human Resources

In the event an employee's concern is related to believed violations of this Policy by the General Manager, the Assistant General Manager, and/or the Human Resources Department, and the employee does not feel comfortable discussing the situation with any of the positions identified above, the employee may report the issue by contacting TMWA's outside counsel. Updated contact information for TMWA's outside counsel is available in PolicyTech [Special Reporting Channel in Circumstances Involving the General Manager, Assistant General Manager and/or Human Resources](#) (keyword search: "Special Reporting").

B. Confidentiality

TMWA will make reasonable efforts to avoid disclosure of complaints under this Policy and related investigation. The identity of an individual who submits a report, a witness who provides information regarding a report, the target of the complaint, and information received during the investigation will be kept confidential to the extent possible and permitted by law, consistent with a thorough and impartial investigation. Please be aware that TMWA cannot guarantee complete confidentiality because conducting an effective investigation may and often does require revealing information to the person about whom the complaint was made and/or potential witnesses. However, TMWA will endeavor to disclose such information only to those who need to know about it. TMWA will also endeavor to avoid disclosure of records relating to complaints under this Policy on the same basis.

Attachment A

TMWA DISCRIMINATION/HARASSMENT/RETALIATION COMPLAINT FORM

Date: _____

Name: _____ **Employee No:** _____

Telephone Number: _____

- ☐ I am personally claiming discrimination/harassment/retaliation
☐ I am reporting discrimination/harassment/retaliation pertaining to another person

Name(s) of the Person Committing the Believed Policy Violation

Department:

Relationship of the Policy Violator to the Complainant (manager, co-worker, contractor, etc.)

Basis on which this complaint is filed (check all that apply):

- | | |
|---|---|
| <input type="checkbox"/> Age | <input type="checkbox"/> Pregnancy |
| <input type="checkbox"/> Disability | <input type="checkbox"/> Race (including traits associated with race) |
| <input type="checkbox"/> Color | <input type="checkbox"/> FMLA |
| <input type="checkbox"/> Religion | <input type="checkbox"/> Gender/Sex |
| <input type="checkbox"/> Marital or Domestic Partnership Status | <input type="checkbox"/> Sexual Orientation |
| <input type="checkbox"/> Military/Reserve Status | <input type="checkbox"/> Veteran Status |
| <input type="checkbox"/> National Origin | <input type="checkbox"/> Whistleblower |
| <input type="checkbox"/> Work-related injury | <input type="checkbox"/> Genetic information |
| <input type="checkbox"/> Retaliation based on _____ | <input type="checkbox"/> Domestic violence victim status |
| <input type="checkbox"/> Harassment based on _____ | <input type="checkbox"/> Gender identity and/or expression |
| <input type="checkbox"/> Other _____ | |

Discrimination/harassment/retaliation is claimed to have occurred in the area/form of (check all that apply):

- | | | |
|--|---|---|
| <input type="checkbox"/> Hiring | <input type="checkbox"/> Referral | <input type="checkbox"/> Segregated Facilities |
| <input type="checkbox"/> Job Classification | <input type="checkbox"/> Termination | <input type="checkbox"/> Qualifications/Testing |
| <input type="checkbox"/> Promotion | <input type="checkbox"/> Advertising | <input type="checkbox"/> Intimidation/Reprisal |
| <input type="checkbox"/> Job Interview | <input type="checkbox"/> Assignment of duties | |
| <input type="checkbox"/> Training/Apprenticeship | | |

IMPORTANT!!

Please answer the following questions as completely as possible.

Use as many additional sheets as necessary.

1. What is the conduct you believe to be a violation of TMWA's Prohibited Harassment, Discrimination, and Retaliation Policy?

2. Did the alleged act result in any personal harm to you? ☐ Yes ☐ No

If yes, please describe:

3. Why do you believe the actions you described in Question #1 are discriminatory, harassing, or retaliatory based on a Protected Category (as outlined in the Policy), protected characteristic, or protected activity?

4. Who or what do you believe is responsible for the Policy violation(s) you describe?

A-03 Prohibited Harassment, Discrimination, and Retaliation Policy

5. Were there any witnesses to the act? If so, give names and contact information where they can be reached.

6. Please specify dates of occurrence for any Policy violations, including when the conduct first started and whether it has stopped.

7. Where did the act(s) occur?

8. How did you react to the situation(s)? Did you take any action to stop the perceived inappropriate behavior?

A-03 Prohibited Harassment, Discrimination, and Retaliation Policy

- 9.** Did anyone in the department give an explanation for the alleged conduct? What explanation was given?

- 10.** Have you attempted to resolve your complaint? If so, with whom? What is the status of your complaint?

- 11.** What would you like to see happen (for you, for others) with respect to the alleged incident(s) and explain why you believe this result is appropriate?


- 12.** Do you have any documentation that you believe is relevant to your complaint? If so, please indicate below and provide it. Please do not include originals. If you do not have access to a relevant document, please identify the document with as much specificity as you can, so that TMWA can locate and identify a copy of the document.

I certify the above statements to be true and correct to the best of my knowledge.

Name: _____

Signature: _____

Date: _____

 Truckee Meadows Water Authority	Administrative Instruction Manual Administrative Policy
Number: A-06	Effective: 02/01/2023 10/01/2025
Title: A-06 DOT Drug and Alcohol Testing Policy	
<i>Printed copies are for reference only. Please refer to the electronic copy for the latest version.</i>	

Purpose

TMWA maintains a strong commitment to provide a safe, efficient, and productive work environment. Driver involvement with alcohol and/or controlled substances can be extremely disruptive and harmful to the workplace. It can adversely affect the quality of work and the performance of drivers, pose serious safety and health risks to the user, co-workers and the public, and have a negative impact on work efficiency and productivity.

TMWA is concerned that drivers are in a condition to perform their duties safely and efficiently, in the interests of our fellow workers, the public as well as themselves. It is the purpose of this policy to eliminate substance abuse and its effects in the workplace.

TMWA is also required to comply with Federal regulations pertaining to the attainment and maintenance of an Alcohol and Controlled Substances-Free Workplace. These requirements are outlined by the U.S. Department of Transportation (DOT), Federal Motor Carrier Safety Administration (FMCSA), under Title 49 CFR Part 382 and Part 40. The purpose of this program is to reduce accidents that result from the use of alcohol and/or controlled substances, thereby reducing fatalities, injuries and property damage.

Drivers Subject to Alcohol and Controlled Substances Testing

The alcohol and controlled substances testing program applies to all TMWA drivers who are licensed to operate a commercial vehicle that:

- Has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight of more than 10,000 pounds;
- Has a gross vehicle weight rating of 26,001 or more pounds;
- Is designed to transport sixteen (16) or more passengers; or
- Is of any size that is used to transport hazardous material which require the vehicle to be placarded under the hazardous materials regulations.

This includes, but is not limited to, full-time drivers; casual, intermittent or occasional drivers; leased drivers and independent owner-operator contractors. This program shall not apply to drivers who are granted a Federal or State waiver (i.e. emergency response vehicles) as outlined in Part 382.103.

Safety Sensitive Functions

A driver shall not use alcohol when performing safety-sensitive functions or perform safety-sensitive functions within four hours of using alcohol. A driver shall not report for duty or remain on-duty when their job requires performing safety-sensitive functions if they have been using controlled substances or have tested positive for controlled substances use.

A driver is performing a safety-sensitive function when:

- All times at an employer terminal, facility, or other property, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the employer;
- All time performing pre-trip inspections, general inspections, servicing, or conditioning any commercial motor vehicle at any time;
- All time spent at the driving controls of a commercial motor vehicle in operation;

A-06 DOT Drug and Alcohol Testing Policy

- All time, other than driving time, in or upon any commercial motor vehicle, except time spent resting in a qualified sleeper berth;
- All time loading or unloading the vehicle, supervising, or assisting the loading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the motor vehicle, or in giving or receiving receipts for shipments loaded and unloaded;
- All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

Prohibited Conduct

The following shall be considered "prohibited conduct" for purposes of this program:

- No driver shall report for duty or remain on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.04 or greater. No employer having actual knowledge that a driver has an alcohol concentration of 0.04 or greater shall permit the driver to perform or continue to perform safety-sensitive functions.
- No driver shall use alcohol while performing safety-sensitive functions. No employer having actual knowledge that a driver is using alcohol while performing safety-sensitive functions shall permit the driver to perform or continue to perform safety-sensitive functions.
- No driver shall perform safety-sensitive functions within four (4) hours after using alcohol. No employer having actual knowledge that a driver has used alcohol within four (4) hours shall permit a driver to perform or continue to perform safety-sensitive functions.
- No driver required to take a post-accident alcohol test shall use alcohol for eight (8) hours following the accident, or until they undergo a post-accident alcohol test, whichever occurs first.
- No driver shall refuse to submit to a post-accident alcohol or controlled substances test, a random alcohol or controlled substances test, a reasonable suspicion alcohol or controlled substances test, or a follow-up alcohol or controlled substances test. No employer shall permit a driver who refuses to submit to such tests to perform or to continue to perform safety-sensitive functions.
- No driver shall report for duty or remain on duty requiring the performance of safety-sensitive functions when the driver uses any controlled substance, except when use is pursuant to the instructions of a licensed medical practitioner (49 CFR § 382.107) who has advised the driver that the substance will not adversely affect the driver's ability to safely operate a commercial motor vehicle. No employer having actual knowledge that a driver has used a controlled substance shall permit the driver to perform or continue to perform a safety-sensitive function.
- No driver shall report for duty, remain on duty or perform a safety-sensitive function if the driver tests positive or has adulterated or substituted a test specimen for controlled substances. No employer having actual knowledge that a driver has tested positive or has adulterated or substituted a test specimen for controlled substances shall permit the driver to perform or continue to perform safety-sensitive functions.

Driver Voluntary Self-Identification Program

TMWA is supportive of drivers who come forward voluntarily to seek assistance for alcohol misuse or controlled substance use. Drivers who admit to alcohol misuse or controlled substance use will not be subject to the referral, evaluation and treatment requirements as outlined in 49 CFR Part 382 and Part 40 provided that: the driver does not self-identify in order to avoid testing under the requirements; the driver makes the admission of alcohol misuse or controlled substance use before performing safety-sensitive functions; and the driver does not perform a safety-sensitive function until TMWA is satisfied that the employee has been evaluated and has successfully completed education or treatment requirements as determined by a controlled substance and alcohol evaluation expert. The employee must also provide a negative controlled substance test and/or an alcohol test result of less than 0.02 before participating in a safety-sensitive function. No adverse action will be taken against a driver making a voluntary admission of alcohol misuse or controlled substance use as long as they comply fully with the requirements of the self-identification program.

A-06 DOT Drug and Alcohol Testing Policy

Alcohol and Controlled Substances Testing

Pursuant to regulations promulgated by the Department of Transportation, drivers will be subject to the following types of controlled substances testing: 1) pre-employment testing, 2) reasonable suspicion testing, 3) post-accident testing, 4) random testing, 5) return to duty testing, and 6) follow-up testing.

1. Pre-Employment

Prior to the first time a driver performs safety-sensitive functions, the driver shall undergo testing for controlled substances as a condition of employment. The driver will not be allowed to perform safety-sensitive functions until TMWA has received a verified negative controlled substance test from the Medical Review Officer (MRO). TMWA may choose not to require a driver applicant to submit to a pre-employment test if TMWA can verify that the driver has participated in a valid controlled substances testing program within the preceding thirty (30) days and while participating in that program was either tested within the past six (6) months (from the date of application) with their previous employer or participated in a random controlled substances selection program for the previous twelve (12) months (from the date of application) with their previous employer. TMWA will verify that no prior employer of the driver has records indicating a violation of any DOT rule pertaining to controlled substances use. All pre-employment drug tests will be conducted only after a contingent offer of employment is made.

2. Reasonable Suspicion Testing

A driver shall be required to submit to an alcohol and/or controlled substances test when TMWA has reasonable suspicion to believe that the driver has violated the prohibitions of the alcohol and controlled substances program. TMWA's determination that reasonable suspicion exists to require the driver to undergo testing will be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the driver. The observations may include the indications of the chronic and withdrawal effects of alcohol/controlled substances. The required observations for alcohol and/or controlled substances testing shall be made by a supervisor who is trained in accordance with 49 CFR § 382.603. A driver may be directed by TMWA to only undergo reasonable suspicion alcohol testing while the driver is performing safety-sensitive functions, just before the driver is to perform safety-sensitive functions, or just after the driver has ceased performing such functions. A driver may be directed by TMWA to undergo reasonable suspicion controlled substances testing at any time during work hours. If a reasonable suspicion alcohol test is not administered within two (2) hours TMWA shall prepare and maintain on file a record stating the reasons the alcohol test was not promptly administered. If a reasonable suspicion alcohol test is not administered within eight hours TMWA shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test. The supervisor who makes the determination that reasonable suspicion exists will not conduct the driver's breath alcohol test.

A written record shall be made of the observations leading to a reasonable suspicion controlled substances and/or alcohol test, and signed by the supervisor who made the observations, within twenty-four (24) hours of the observed behavior or before the results of the test are released, whichever is earlier. A driver who has been requested to submit to reasonable suspicion testing will be placed on administrative leave pending receipt of the test results.

3. Post-Accident Testing

Federal regulations require that, as soon as practicable following an occurrence involving a commercial motor vehicle operating on a public road in commerce, a driver shall submit to controlled substances and alcohol testing under the following circumstances: any time a fatality occurs as a result of the accident; anytime a driver receives a citation under State or local law for a moving violation as a result of the accident and the accident involves an injury to anyone which requires immediate medical treatment away from the scene; or anytime a driver receives a citation for a moving violation as a result of the accident and the accident involves disabling

A-06 DOT Drug and Alcohol Testing Policy

damage to any of the vehicles. Disabling damage means one or more vehicles had to be towed away or cannot be driven from the scene.

TMWA will require each driver to complete a post-accident report form that provides instructions to follow in completing any required alcohol and controlled substances testing. Drivers are then obligated to follow the instructions and ensure that the tests are conducted. Any driver subject to post-accident testing who leaves the scene of an accident before a test is administered other than for the period necessary to obtain assistance in responding to the accident or to obtain necessary medical care or who fails to remain readily available for testing may be deemed by TMWA to have refused to submit to testing.

In the event that Federal, State or local officials conduct a breath or blood test for the use of alcohol and/or urine and/or oral fluid tests for the use of controlled substances following an accident, these tests shall be considered to meet the DOT requirements, provided the tests conform to applicable Federal, State or local requirements. The employee will be required to sign a release allowing TMWA to obtain the test results from such officials.

If an alcohol test is not administered within two hours following the accident, TMWA shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If an alcohol test is not administered within eight (8) hours following the accident, TMWA shall cease attempts to administer an alcohol test and shall prepare and maintain the same record. Records shall be submitted to the FMCSA upon request of the Associate Administrator. If the alcohol test is not completed in the required time frames, the driver cannot perform a safety-sensitive function until twenty-four (24) hours have elapsed following determination that reasonable suspicion existed and that the driver may have violated the prohibition or an alcohol test is administered with a result of less than 0.02.

If a controlled substances test is not administered within thirty-two (32) hours following the accident, TMWA shall cease attempts to administer a controlled substances test and prepare and maintain on file a record stating the reasons the test was not promptly administered. Records shall be submitted to the FMCSA upon request of the Associate Administrator.

4. Random Testing

All drivers will be subject to random alcohol and controlled substances testing. The selection of drivers for random alcohol and controlled substances testing shall be made from a computer-based random number generator that is matched with the driver's computer-based code number. The random selection system provides an equal chance for each driver to be selected each time random selection occurs. Random selections will be unannounced and spread reasonably throughout the year. Random selection, by its very nature, may result in drivers being selected in successive selections or more than once in a calendar year. Alternatively, some drivers may not be selected in a calendar year. TMWA will conduct controlled substances test, at a minimum, twenty-five (25) percent of the average number of driver positions in each calendar year. Random controlled substances testing may be performed at any time while the driver is at work for the employer. TMWA will select, at a minimum, ten (10) percent of the average number of driver positions for random alcohol testing. Random alcohol testing will be limited to the time period surrounding the performance of safety-related functions. A driver will only be tested immediately before, during, or just after the driver has ceased performing such functions. If a driver is selected at random, the Designated Employer Representative (DER) (defined below) will notify the driver. Once notified, the driver must take action intended to lead to an immediate collection. If the driver engages in conduct which does not lead to a collection shall immediately proceed to the testing facility after notification, such conduct may be considered a refusal to test.

A-06 DOT Drug and Alcohol Testing Policy

5. Return-to-Duty Testing

Each driver who has engaged in prohibited conduct shall be advised by TMWA of the resources available to the driver in evaluating and resolving problems associated with the misuse of alcohol and controlled substances, including the names, addresses, and telephone numbers of substance abuse professionals and treatment programs. TMWA's responsibility is limited only to making a driver referral for assistance.

Per DOT requirements, each driver who engages in prohibited conduct shall be evaluated by a substance abuse professional who shall determine what assistance the driver needs in resolving problems associated with alcohol misuse and controlled substances use. Before a driver returns to duty requiring the performance of a safety-sensitive function after engaging in prohibited conduct, the driver shall undergo a return-to-duty alcohol test with an alcohol concentration of less than 0.02 if the conduct involved alcohol, or a controlled substances test with a verified negative result if the conduct involved a controlled substance and be subject to follow-up testing.

6. Follow-Up Testing

Per DOT requirements, each driver identified as needing assistance in resolving problems associated with alcohol misuse or controlled substances use shall be evaluated by a Substance Abuse Professional (SAP) to determine that the driver has properly followed any rehabilitation program, and shall be subject to unannounced follow-up alcohol and controlled substances tests administered by TMWA following the driver's return to duty. The number and frequency of such follow-up testing shall be as directed by the substance abuse professional and consist of at least six (6) tests in the first twelve (12) months following the driver's return to duty. Any such testing shall be performed in accordance with the requirements of 49 CFR Part 40. Follow-up testing shall not exceed sixty (60) months from the date of the driver's return to duty. The substance abuse professional may terminate the requirement for follow-up testing at any time after the first six (6) tests have been administered, if the substance abuse professional determines that such testing is no longer necessary.

Testing Guidelines

Alcohol Testing

Alcohol testing is done by testing breath, because breath is the most easily obtained bodily substance and the results are known within minutes of testing. The testing device is called an Evidential Breath Testing Device (EBT). The EBT is a scientific instrument which determines the concentration of alcohol expressed as "percent by weight". The weight of alcohol in the breath sample is determined and the quantity of the alcohol converted to its equivalent value in blood. A blood alcohol concentration (BAC) of 0.04 means one twenty-fifth of a gram of alcohol per 210 liters of breath. The EBT will print three (3) copies of each test result and the test results are numbered. When the initial test results shows a reading of 0.02 BAC or greater, a confirmation test is conducted. Before the confirmation test, a fifteen (15) minute waiting period will occur for the purpose of ensuring that the presence of mouth alcohol from recent use of food, tobacco, or hygiene products does not artificially raise the test result. The confirmation test is done on the same EBT as the first test. When the confirmation result is different from the initial test, the confirmation test result will always be used to determine driver consequences. The driver will be given a copy of the breath alcohol testing form. The EBT approved devices are listed on the Office of Drug and Alcohol Policy and Compliance (ODAPC) website.

Controlled Substances Testing

The controlled substances testing program required by the regulations is limited to five controlled substances types: (1) Marijuana, (2) Cocaine, (3) Opioids, (4) Amphetamines and (5) Phencyclidine (PCP).

As set forth in 49 CFR Part 40, all controlled substances testing is done from urine and/or oral fluid specimens collected under highly controlled conditions. The driver provides a urine and/or oral fluid specimen in a location that affords privacy and the "collector" seals and labels the specimen, completes

A-06 DOT Drug and Alcohol Testing Policy

a chain of custody document and prepares the specimen and accompanying paper work for shipment to a controlled substances testing laboratory. The specimen collection procedures and chain of custody ensure that the specimen's security, proper identification and integrity are not compromised.

Driver protection is also built into the testing procedures. In order to meet the Federal requirements, the only laboratories that can be used for testing are those certified by the Federal Department of Health and Human Services. The initial test of any specimen will be an immunoassay which meets the requirement of the Food and Drug Administration for commercial distribution. All specimens identified as positive will be further confirmed using gas chromatography/mass spectrometry techniques. Before a laboratory is certified to conduct controlled substances testing, it is subject to a rigorous testing and inspection by the Department of Health and Human Services (DHHS). This testing and inspection includes the submission of test samples to the laboratory for analysis during three test cycles over a period of three months. If these test samples are correctly analyzed a team of qualified inspectors conduct an on-site inspection prior to certification of the lab. Continuing evaluation of the performance of certified laboratories by the Department of Health and Human Services includes the submission of performance test specimens every other month and an on-site inspection at least twice a year.

The laboratory must report test results to TMWA's designated Medical Review Officer within an average of five (5) working days after the receipt of the specimen by the laboratory. Test results must be certified accurate. The report must identify the controlled substances, metabolites tested for, whether the results are positive, adulterated, substituted or negative, the specimen identification number assigned to the driver, and the controlled substances testing laboratory specimen identification number. The laboratory must also provide to TMWA a bi-annual statistical summary of urinalysis testing of drivers, which shall not include any personal identity information. The laboratory will retain samples that yield confirmed positive test results for one (1) year in secured frozen storage. Because it is possible that some analytes may deteriorate during storage, the results of the re-test are to be reported as confirmation of the original test results if the detected level of the controlled substance is below the DOT established limits and equal to or greater than the sensitivity of the test.

Collection Sites

The DER will maintain a list of sites for sample collection. The driver will not be allowed to transport themselves to or from the collection site in the event of a reasonable suspicion test or post-accident test request. The DER will arrange transportation for the driver at all times and will ensure the driver reports directly to the collection site once properly notified.

The Role of the Medical Review Officer

The Medical Review Officer (MRO) is a licensed, nationally certified physician who is knowledgeable in the medical use of prescription controlled substances and the pharmacology and toxicology of illicit controlled substances. The primary responsibility of the MRO is to review and interpret positive, adulterated, substituted or invalid test results obtained through TMWA's controlled substances testing program. Alcohol testing is not subject to medical review given the evidentiary nature of its results.

In terms of controlled substances testing, it is important to understand that a positive, adulterated, substituted or invalid test result does not automatically identify an individual as an illegal controlled substances user. The MRO must evaluate the alternative medical explanations that could account for a positive, adulterated, substituted or invalid test result.

The review of a positive, adulterated, substituted or invalid test result is initiated immediately upon receipt and is ordinarily completed within two working days after receipt of all information pertinent to the review. No information about the test result shall be given to TMWA during this period. In addition to information provided by the driver, this review will include considerations of chain of custody documents prepared at the time of collection and, in connection with the laboratory, processing of the specimen. This review must also include review of the chain of custody process. If the MRO is unable to contact the driver directly, the MRO will contact TMWA's DER, who shall in turn contact the driver and direct the driver to contact the MRO immediately, but no later than seventy-two (72) hours as required by the regulations. The DER will inform the driver of the consequences of failing to contact the MRO as outlined in the regulations. During

A-06 DOT Drug and Alcohol Testing Policy

this time, TMWA will not stand-down the driver from performing safety-sensitive functions based only on a request by the MRO to talk with the driver regarding the pending test result. However, TMWA reserves the right to petition the Department of Transportation for a waiver of the stand-down provision if TMWA determines that standing-down a driver is necessary for safety and TMWA can provide data on safety problems or incidents that could have been prevented if a stand-down procedure were in place.

During the review of the laboratory results, the MRO will conduct a medical interview with the driver, review the driver's medical history, or review other biomedical factors. This interview may be conducted by telephone. The MRO must review all medical records that the tested driver submits when a confirmed positive, adulterated, substituted or invalid test result could have resulted from legally prescribed medication.

If any questions arise about the accuracy or validity of a positive, adulterated, substituted or invalid test result, the MRO should review the laboratory records to determine whether the required procedures were followed. This will require collaboration with the laboratory director, the analysts, and expert consultants. If necessary, the MRO may request the sample be reanalyzed to determine the accuracy of the test result.

The MRO shall not disclose to any third party medical information provided by the individual to the MRO as part of the testing verification process with the following exceptions: the MRO may disclose such information to TMWA, DOT or any other Federal safety agency, or a physician responsible for determining the medical qualification of the driver when an applicable DOT regulation permits or requires such disclosure; in the MRO's reasonable medical judgement, the information could result in the driver being determined to be medically unqualified under an applicable DOT agency rule; or in the MRO's reasonable medical judgement, the information indicates that continued performance by the driver of their covered function could pose a significant safety risk.

At this point, the MRO makes a determination as to whether the result is scientifically sufficient to take further action. However, if the records from the collection site or laboratory raise doubts about the handling of the sample, the MRO may decide the urinary evidence is insufficient and no further actions would be taken. In these cases, the MRO shall note the possible errors in laboratory analysis or chain of custody procedures and shall notify the proper officials.

If it is determined with reasonable certainty that there is a legitimate medical or other reason to account for a positive, adulterated, substituted or invalid laboratory test result, the report will be reclassified as a negative test result. The notice to TMWA will indicate that the test result was negative. Any medical information obtained by the MRO will be treated as confidential.

If there is no medical or other reason to account for a positive, adulterated, substituted or invalid test result, the verified positive, adulterated, substituted or invalid test result will be disclosed to TMWA as required by the program. Any medical information acquired that is not specifically related to illegal controlled substances use will be treated as confidential and not disclosed.

No later than seventy-two (72) hours after receipt of a confirmed positive, adulterated or substituted test result, a driver may submit a written request to the MRO for retesting of the specimen producing the positive, adulterated or substituted test result. The MRO must honor the request. Each driver may have one written request that the sample of the specimen be provided to the original or another DHHS-certified laboratory for testing. Per DOT requirements, TMWA must ensure that the test takes place and that the employee is not required to pay for the test from their own funds before the test takes place. TMWA reserves the right to seek reimbursement from the driver for the cost of the test once the test is completed.

In summary, the MRO determines whether there is some reason other than illegal controlled substances use to explain a positive, adulterated, substituted or invalid urine [and/or oral fluid](#) controlled substances test. If illegal controlled substances use is verified, the MRO will inform the DER of the identification of the controlled substances found in a positive test. The driver shall then be notified of the results of the random, reasonable suspicion and post-accident controlled substances test if the test results are verified as positive, adulterated or substituted. The driver will also be informed as to which controlled substances(s) were verified as positive. TMWA shall notify a driver applicant of the results of a pre-employment controlled substances test if the driver requests such information within

A-06 DOT Drug and Alcohol Testing Policy

sixty (60) days of being notified of the disposition of their employment application. MRO must communicate in compliance with 49CFR Part 40.327.

Driver Consent

Per TMWA policy, a driver's consent to a medical examination and alcohol and controlled substances testing is required as a condition of employment and a driver's refusal to consent may result in disciplinary action, up to and including termination. A driver who refuses to test under DOT regulations shall not be permitted to perform in a safety-sensitive position. Refusal shall be treated as a positive test for purposes of the regulations and will result in disciplinary action up to and including termination, per company policy.

Consent to a medical examination and testing includes a driver's obligation to fully cooperate. Upon request, a driver must promptly complete any required forms and releases and promptly provide a sample for alcohol and controlled substances testing.

Refusal to Submit to a Test

DOT regulations provide that a driver shall not refuse to submit to a required alcohol and/or controlled substances test. Refusal to submit to an alcohol or controlled substances test means that a driver:

- Fails to appear for any test within a reasonable time after being directed to do so by the employer or to remain at the testing site until the testing process is complete. This includes the failure of an employee/owner-operator to appear for a test when called by their testing consortium. An employee who leaves the testing site before the testing process commences for a pre-employment test is deemed to have refused to test;
- Fails to provide a urine/saliva/breath specimen for alcohol and/or controlled substances testing after they have received notice of the requirement for testing. An employee who does not provide an adequate amount of urine/saliva/breath because they left the testing site before the testing process commences for a pre-employment test is deemed to have refused to test;
- In the case of a directly observed or monitored collection of a controlled substances test, the driver fails to permit the observation or monitoring of the provision of a specimen;
- Fails to provide a sufficient amount of urine and/or oral fluid when directed and a physician has determined, through a required medical evaluation, that there was no adequate medical explanation for the failure;
- Fails to provide a sufficient breath specimen and a physician has determined, through a required medical evaluation, that there was no adequate medical explanation for the failure;
- Fails or declines to take a second test, following a negative dilute result, when required by the employer;
- Fails to undergo an additional medical examination or evaluation, as directed by the Medical Review Officer (MRO) as part of the verification process, or as directed by the DER concerning the evaluation as part of the "shy bladder" or "insufficient breath" procedures in Part 40. In the case of a pre-employment controlled substance test, the employee is deemed to have refused to test on this basis only if the pre-employment test is conducted following a contingent offer of employment. If there was no contingent offer of employment, the MRO will cancel the test;
- Is reported by the MRO as having a verified adulterated or substituted test result.
- Fails to cooperate with any part of the testing process (e.g. refuse to empty pockets when directed by the collector, behave in a confrontational way that disrupts the collection process or fails to wash hands after being directed to do so by the collector).
- For an observed collection, fails to follow the observer's instruction to raise clothing above the waist, lower clothing and underpants and to turn around to permit the observer to determine if the individual has any type of prosthetic or other device that could be used to interfere with the collection process.
- Possess or wear a prosthetic or other device that could be used to interfere with the collection process.
- Admits to the collector or MRO that they adulterated or substituted the sample.

A-06 DOT Drug and Alcohol Testing Policy

Consequences of a Positive Test

Per DOT requirements no driver who is found to have a BAC of 0.02 or greater but less than 0.04 shall perform safety sensitive functions until the start of the driver's next scheduled duty period, but not less than twenty-four (24) hours following the test. Per TMWA policy the driver may also be subject to disciplinary action up to and including termination. A driver testing positive for a prohibited controlled substances or found to have an alcohol concentration of 0.04 or greater will be subject to disciplinary action up to and including termination. At the sole discretion of TMWA, a driver may be offered an opportunity to return to duty once they become medically requalified and follow all requirements as outlined in Part 382.605.

Designated Employer Representative

The Designated Employer Representative (DER) is an employee authorized by TMWA to take immediate action(s) to remove employees from safety-sensitive duties and to make required decisions in the testing and evaluation processes. The DER also receives test results and other communications for TMWA consistent with the requirements outlined in the regulations. The DER is also responsible for answering any questions a driver may have regarding the alcohol and controlled substances testing program. The DERs for TMWA are as follows:

Jessica Atkinson or ~~Kevin Compher~~ [Dan Hiles](#)
P.O. Box 30013
Reno, NV 89520
(775) 834-8031 or 775-834-8036

Confidentiality of Records

The release of individual alcohol and/or controlled substances test records is permitted only with the specific written consent of the driver with the following exceptions:

- When requested by the Department of Transportation, TMWA shall make available copies of all alcohol and/or controlled substances program name-specific records and reports, files, materials, data, documentation, agreements, contracts, policies and statements that are required under 49 CFR Part 382 and Part 40.
- When requested by Federal, state or local safety agency with regulatory authority, TMWA must provide controlled substances and alcohol test records concerning the driver.
- When requested by the National Transportation Safety Board as part of an accident investigation, TMWA shall disclose information related to the administration of a post-accident alcohol and/or controlled substances test administered following the accident under investigation.
- Records shall be made available to a subsequent employer upon receipt of a written request from a driver. Disclosure by the subsequent employer is permitted only as expressly authorized by the terms of the driver's request.
- TMWA may disclose information required to be maintained under this part pertaining to a driver, to the decision maker in a lawsuit, grievance, or other administrative proceedings brought by or on behalf of the driver and resulting from a positive alcohol and/or controlled substances test, or a refusal to test (including, but not limited to, adulterated or substituted test results). These proceedings also include a criminal or civil action resulting from an employee's performance of safety-sensitive duties, in which a court of competent jurisdiction determines that the controlled substance or alcohol test information sought is relevant to the case and issues an order directing TMWA to produce the information. TMWA may release the information only with a binding stipulation that the decision maker to whom it is released will make it available only to parties in the proceeding. Upon written request, a driver shall receive copies of any records pertaining to their alcohol or controlled substances test results.

A-06 DOT Drug and Alcohol Testing Policy

Release of Alcohol and Controlled Substances Test Information by Previous Employers

TMWA shall obtain, pursuant to a driver's written consent, information on the driver's alcohol tests with a concentration result of 0.04 or greater, positive controlled substances test results, refusals to be tested (including adulterated and substituted test results), and any other violations of the FMCSA alcohol and controlled substance testing regulations within the preceding three (3) years, which are maintained by the driver's previous employers. This information must be obtained and received by TMWA as soon as possible, but no later than thirty (30) calendar days after the first time a driver performs safety-sensitive functions. If it is not feasible to obtain the information prior to the driver performing safety-sensitive functions, TMWA will not permit a driver to perform safety-sensitive functions after thirty (30) days without obtaining the information. If the driver stops performing safety-sensitive functions for TMWA before expiration of the thirty (30) day period or before TMWA has obtained this information, TMWA must still obtain these records. TMWA will provide to each of the driver's employers within the three (3) preceding years the driver's specific, written authorization for release of the information. The release of any information under this part may take the form of personal interviews, telephone interview, letters, or any other method of obtaining information that ensures confidentiality. TMWA will maintain a written, confidential record with respect to each past employer contacted.

TMWA must ask an applicant whether they have tested positive or refused to test on any pre-employment controlled substance test administered by an employer to which the employee applied for, but did not obtain, safety-sensitive transportation work covered by DOT agency controlled substance and alcohol testing rules during the past three (3) years. If the applicant admits to a positive test or refusal to test, TMWA will not use the applicant until the applicant documents successful completion of the DOT return-to-duty testing rules.

Driver Assistance Training Program

In accordance with 49 CFR §382.603, TMWA shall require supervisors designated to determine whether reasonable suspicion exists to require a driver to undergo testing, to receive at least sixty (60) minutes of training on alcohol misuse and receive at least an additional sixty (60) minutes of training on controlled substances use. The training shall cover the physical, behavioral, speech, and performance indicators of probable alcohol and controlled substances misuse.

TMWA will ensure all drivers receive information concerning the effects of alcohol and controlled substances use on an individual's health, work and personal life; signs and symptoms of an alcohol or a controlled substances problem (the driver's or a coworker's); and available methods of intervening when an alcohol or a controlled substances problem is suspected, including confrontation, referral to any employee assistance program and or referral to management. The Designated Employer Representative will maintain a list of community treatment resources for drivers in need of assistance.

Severability

If any part or provision of this policy, or the application thereof to any person or circumstance, should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any part of this provision is restrained by such tribunal pending a final determination as to its validity, the remainder of this policy, or the application of such part of provision to other persons or circumstances, shall not be affected and shall continue in full force and effect.

A-06 DOT Drug and Alcohol Testing Policy

Drug and Alcohol Clearinghouse

Commercial driver's license Drug and Alcohol Clearinghouse (Clearinghouse) means the FMCSA database that subpart G of 49 CFR Part 382.701-727 requires employers and service agents to report information to and to query regarding drivers who are subject to the DOT controlled substance and alcohol testing regulations. The FMCSA has established a mandatory database and the following personal information collected and maintained under this part shall be reported to the Clearinghouse:

- (1) A verified positive, adulterated, or substituted drug test result;
- (2) An alcohol confirmation test with a concentration of 0.04 or higher;
- (3) A refusal to submit to any test required by subpart C of this part;
- (4) An employer's report of actual knowledge, as defined at § 382.107;
- (5) On duty alcohol use pursuant to § 382.205;
- (6) Pre-duty alcohol use pursuant to § 382.207;
- (7) Alcohol use following an accident pursuant to § 382.209; and
- (8) Controlled substance use pursuant to § 382.213;
- (9) A substance abuse professional (SAP as defined in § 40.3 of this title) report of the successful completion of the return-to-duty process;
- (10) A negative return-to-duty test; and
- (11) An employer's report of completion of follow-up testing.

Employers must not employ a driver subject to controlled substances and alcohol testing to perform a safety-sensitive function without first conducting a query of the Clearinghouse to obtain information about whether the driver has a verified positive, adulterated, or substituted controlled substances test result; has an alcohol confirmation test with a concentration of 0.04 or higher; has refused to submit a test; or that an employer has reported actual knowledge that the driver used alcohol on duty, used alcohol before duty, used alcohol following an accident, or used a controlled substance.

Employers must conduct a query of the Clearinghouse at least once per year for information to determine whether information exists in the Clearinghouse about those employees. In lieu of a full query, an employer may obtain the individual driver's consent to conduct a limited query to satisfy the annual query requirement. The limited query will tell the employer whether there is information about the individual driver in the Clearinghouse, but will not release that information to the employer. The individual driver may give consent to conduct limited queries that is effective for more than one (1) year. If the limited query shows that information exists in the Clearinghouse about the individual driver, the employer must conduct a full query, within twenty-four (24) hours of conducting the limited query. If the employer fails to conduct a full query within twenty-four (24) hours, the employer must not allow the driver to continue to perform any safety-sensitive function until the employer conducts the full query and the results confirm that the driver's Clearinghouse record contains no prohibitions.

No employer may allow a driver to perform any safety-sensitive function if the results of a Clearinghouse query demonstrate that the driver has a verified positive, adulterated, or substituted controlled substances test result; has an alcohol confirmation test with a concentration of 0.04 or higher; has refused to submit to a test; or that an employer has reported actual knowledge that the driver used alcohol on duty, used alcohol before duty, used alcohol following an accident, or used a controlled substance, except where a query of the Clearinghouse demonstrates: (1) That the driver has successfully completed the SAP evaluation, referral, and education/treatment process set forth in part 40, subpart O, of this title; achieves a negative return-to-duty test result; and completes the follow-up testing plan prescribed by the SAP. (2) That, if the driver has not completed all follow-up tests as prescribed by the SAP and specified in the SAP report the driver has completed the SAP evaluation, referral, and education/treatment process and achieves a negative return-to-duty test result, and the employer assumes the responsibility for managing the follow-up testing process associated with the testing violation. Refer to regulation 382.701-382.705 for further information.

Employers must report the following information about a driver to the Clearinghouse by the close of the third business day following the date on which they obtained that information:

- (i) An alcohol confirmation test result with an alcohol concentration of 0.04 or greater;

A-06 DOT Drug and Alcohol Testing Policy


- (ii) A negative return-to-duty test result;
- (iii) A refusal to take an alcohol test;
- (iv) A refusal to test determination, but in the case of a refusal to test, the employer may report only those admissions made to the specimen collector; and
- (v) A report that the driver has successfully completed all follow-up tests as prescribed in the SAP report.

The information required to be reported must include, as applicable:

- (i) Reason for the test;
- (ii) Driver's name, date of birth, and CDL number and State of issuance;
- (iii) Employer name, address, and USDOT number;
- (iv) Date of the test;
- (v) Date the result was reported; and
- (vi) Test result.

The test result must be one of the following:

- (i) Negative (only required for return-to-duty tests administered);
- (ii) Positive; or refusal to take a test.

 Truckee Meadows Water Authority	Administrative Instruction Manual Administrative Directive
Number: A-14	Effective: 04/01/2024 10/01/2025
Title: A-14 Voluntary Leave Transfer Program Directive	
<i>Printed copies are for reference only. Please refer to the electronic copy for the latest version.</i>	

Purpose

Employees of Truckee Meadows Water Authority (“TMWA”) have historically joined together to help their fellow employees in times of crisis. Medical emergencies can create a serious financial hardship for employees and their families when the employee has exhausted all accumulated leave time on the books, but remains off work due to a medical emergency. Thus, the purpose for creating a leave donation program is to provide an opportunity for employees to donate leave time to assist co-workers facing leave-without-pay status in the event of a medical emergency, and to provide an opportunity for eligible employees to receive the donated leave when facing a medical emergency.

Directive

TMWA shall establish two (2) Leave Donation Banks (“Banks” or “Bank”) to which eligible employees may donate earned and unused paid time off. There will be one (1) Bank for MPAT employees and one (1) Bank for bargaining unit employees. Employees may only donate to and request donations from their respective Bank. Donations made to each of the Banks shall be confidential, strictly voluntary and are **irrevocable**. A donation to either Bank shall be a general donation and shall not be donated to a specific employee for their exclusive use. Donation guidelines, recipient qualifications and procedures for requesting leave are provided in this directive.

Acronyms & Definitions

Medical Emergency: “Medical Emergency” is defined as a serious illness or injury of a regular employee or a family member of the employee which is life threatening or will require a continuous prolonged absence of greater than fourteen (14) consecutive days of the employee from their position and will result in a substantial loss of income to the employee because the employee will have exhausted all paid leave availability apart from leave available from the Bank.

Eligible Family: For purposes of this Directive, the employee’s eligible family shall consist of spouse or registered domestic partner, child(ren) of any age (including stepchildren), and parents.

Leave: “Leave” that may be donated to the Leave Donation bank includes: vacation, pager duty, comp time and sick leave where the sick leave balance is greater than seven-hundred (700) hours and where sick leave balance is greater than four hundred and fifty (450) hours for MPAT employees.

Procedures

I. Donor Qualifications

An employee must meet all of the following qualifications in order to make an irrevocable donation to the Bank:

- A. Both full and part-time regular employees may donate.
- B. Regular employees must have been employed by TMWA for a minimum of one (1) continuous year prior to making a donation to the Bank.

A-14 Voluntary Leave Transfer Program Directive

- C. Regular Employees must maintain a minimum of at least forty (40) hours of accrued vacation time after donating leave time.

II. Minimum / Maximum Donation

- A. Leave must be donated in minimum increments of one (1) hour.
- B. Leave donations can be made from an employee's vacation, sick, pager duty or comp banks.
- C. Sick leave donations from banks accrued in a position covered by the collective bargaining agreement may only be made if the donation does not bring the employee's unused accrued sick leave balance below seven-hundred (700) hours after donating sick leave and the sick leave donation may not exceed forty-eight (48) hours in a payroll year. Combined, sick leave donations and cash out of sick leave may not exceed forty-eight (48) hours in a payroll year.
- D. Sick leave donations from banks accrued in an MPAT position may only be made if the donation does not bring the employee's unused accrued sick leave balance below four hundred and fifty (450) hours after donating sick leave and the sick leave donation may not exceed forty (40) hours in a payroll year.
- E. An employee may not donate more than fifty (50) percent of their accrued balance and must have a minimum balance of at least forty (40) hours of accrued vacation time remaining after the donation.
- E.F. There are no limitations on how much pager duty or comp time an employee may donate in a payroll year.

III. Donation to the Bank

- A. Employees may donate to the Bank at any time during the year.
- B. At a minimum TMWA will announce a donation drive during January of every calendar year.

IV. Conversion of Leave

- A. Leave donations will be converted based on the donor's rate of pay at the time of donation, and the Bank will be maintained based on the monetary value of hours donated. For example, if an employee who makes \$50/hour donates one (1) hour of leave, an employee who makes \$25/hour can receive two (2) hours of leave from the value of the donation.
- B. All donations to the Bank shall remain confidential, are strictly voluntary, and are irrevocable.

V. Recipient Qualifications

- A. Any Regular Employee suffering from a Medical Emergency, or whose Eligible Family Member is suffering from a Medical Emergency, is eligible to apply for Leave from the Bank to provide a source of wage replacement during an approved leave of absence. Eligibility to receive Leave Bank hours for wage replacement, however, does not guarantee or entitle any employee to an approved or job protected leave of absence.
- B. The employee must have been employed by TMWA for a minimum of one (1) continuous year prior to the first use of donated leave.
- C. The employee must have exhausted all of their accrued leave and or front-loaded PTO leave in order to be eligible to receive donated Leave.

A-14 Voluntary Leave Transfer Program Directive

- D. The employee must use all paid time off that they continue to accrue on a per pay period basis before receiving Leave hours that have been donated to the Bank. Donated Leave hours are paid at the recipient employee's regular rate of pay.
- E. The employee must be out on an approved continuous leave of absence.
- F. Leave requests must be in minimum blocks of forty (40) hours. Leave requests up to one-hundred sixty (160) hours may be approved at any one time. Any employee approved for Leave Bank donations is eligible to reapply for additional time should they exhaust their approved amount of time and continue to be out on approved leave. An employee who requests donated leave time may receive no more than one-thousand forty (1,040) hours within a rolling twelve (12) month period, or if applicable, no more than the hours required to bridge the waiting period for long-term disability.
- G. Regular part-time employees may only receive Leave donations on a pro-rated basis not to exceed a weekly amount equal to their regularly scheduled hours.
- H. Any employee requesting Leave must provide TMWA with written verification of the Medical Emergency from a health care provider that includes the following: (1) verification of the Medical Emergency of the employee or eligible Family Member, (2) the degree of the disability; and (3) the anticipated length of the disability.

VI. Approval of Leave Donation

- A. All requests for donated Leave shall be presented to the Head of Human Resources. All requests shall remain confidential. TMWA shall provide all eligible employees with a copy of this directive.
- B. An employee's request for donated Leave benefits shall be reviewed and approved or disapproved by a committee comprised of the Head of Human Resources (or designee) and a Director (outside of the requesting employee's reporting chain), and a decision regarding approval shall be issued within seven (7) business days of receipt of the individuals' completed leave request form. Decisions will be made using all relevant facts. The employee will be notified in writing of the determination.
- C. The Committee's decision to deny an employee's request for Leave benefits is final and not subject to an appeal or grievance procedure.
- D. This directive does not guarantee payment in any amount nor may it be relied on to establish any claim against TMWA for any reason whatsoever.
- E. The criteria used for making the decision will be based on the definitions in this directive. For example, open heart surgery, cancer, massive injuries requiring long recuperation, or an injury or illness that prevents the employee from performing their usual and customary job duties for an extended period of time (greater than 14 consecutive days) as a direct result of the injury or illness would be considered a medical emergency.
- F. The Committee shall not grant any hours or leave from the Bank after: (1) the need ceases to exist, (2) in amounts greater than one-hundred sixty (160) hours for any single request, (3) once the employee becomes eligible to receive long-term disability; or, (4) the employee who is receiving the leave resigns or the employee's employment with TMWA is terminated.
- G. Employees donating, requesting or receiving Leave benefits under this directive shall hold TMWA harmless from any and all claims, attorney's fees, judgements, costs or settlements arising from the administration of this section.

VII. Returning Excess Leave/Extension of Absence

A-14 Voluntary Leave Transfer Program Directive

- A. If an employee does not use the entire amount of donated leave for a Medical Emergency prior to returning to work, the remaining donated Leave will be returned to the Bank and not retained by the employee.
- B. An employee should notify TMWA as soon as possible if they feel they will not be able to return as scheduled from leave. Additional leave options will be explored with the employee.

Collaboration



STAFF REPORT

TO: Board of Directors
FROM: John R. Zimmerman, General Manager
DATE: September 8, 2025
SUBJECT: General Manager's Report

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*).

Since TMWA's last board meeting, TMWA has issued one purchase of used equipment under NRS 332.146. The purchase totaled \$110,000.00 and was used to replace a 36-year-old loader used for material management at Glendale Water Treatment Plant.

Also, listed below are news clippings from August 7, 2025 through September 8, 2025:

- 08/08/25 KOLOTV [EPA settles with company accused of dumping into Truckee River](#)
- 08/08/25 KRNV [Truckee River bridge project aims to mitigate flooding, enhance safety](#)
- 08/12/25 Nature Conservancy [Groundwater Rights Retirement](#)
- 08/14/25 Spectrum News [New tech is helping keep Lake Tahoe blue](#)
- 08/15/25 Tahoe Daily Tribune [Research indicates more severe wildfires will result in more water quality challenges](#)
- 08/21/25 ThisisReno [82-unit townhome development planned near Truckee River in Verdi](#)
- 08-25-25 TCSI [Tahoe-Central Sierra Initiative: Summer Newsletter with Regional Updates and Project Highlights](#)
- 08/27/25 University of Nevada [University of Nevada, Reno studying cover crops to boost soil health and drought resilience](#)
- 08/27/25 KRNV/CH.4: [Truckee Meadows Water Authority halts outdoor watering amid river turbidity concerns](#)
- 08/27/25 KOLO/Ch. 8: [The Truckee Meadows Water Authority is asking customers to temporarily reduce outdoor watering](#)
- 08/29/25 KOLOTV [TMWA says customers may resume outdoor watering](#)
- 08/29/25 KTVN [Truckee Meadows Water Authority lifts outdoor watering ban ahead of Labor Day weekend](#)
- 09/08/25 KOLO [KTMB hosts trash cleanups at 20+ sites along the Truckee River](#)



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Kara Steeland, Sr. Hydrologist & Watershed Coordinator
DATE: September 9, 2025
SUBJECT: September 2025 Water Operations Report

Summary

- The water supply outlook for the region is excellent.
- Truckee River reservoir storage is at 71% 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 averaged 504 cubic feet per second during the first week of September 2025.

Reservoir Storage - Overall, Truckee River reservoir storage is 71% of capacity. The elevation of Lake Tahoe is currently 6,227.41 feet which is 1.7 feet below the maximum legal elevation of 6,229.1 feet. Storage values for each reservoir as of September 9, 2025 are as follows:

Reservoir	Current Storage (Acre-Feet)	% Capacity
Tahoe	536,894	72%
Stampede	151,639	67%
Boca	30,463	74%
Prosser	17,719	59%
Independence	16,619	95%
Donner	7,707	81%

In addition to the 24,326 acre-feet of storage between Donner and Independence Reservoirs, TMWA also has 15,254 acre-feet of water stored in Stampede and Boca Reservoirs under the terms of TROA. TMWA's total combined upstream reservoir storage as of September 9, 2025 is approximately 39,850 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 118 MGD at beginning of September. 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 August was 537 cubic feet per second. All three of TMWA's hydropower plants were online and 100% available during the month.

Plant	Generation Days	% Availability	Generation (Megawatt Hours)	Revenue (Dollars)	Revenue (Dollars/Day)
Fleish	31	96%	1,833	\$142,493	\$4,596
Verdi	31	96%	1,716	\$132,151	\$4,262
Washoe	31	96%	1,021	\$79,481	\$2,563
Totals	-	-	4,570	\$354,125	\$11,421



STAFF REPORT

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

RULE 7

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

Beginning Balance		3,158.18 AF
Purchases of water rights	3.25 AF	
Refunds	0.00 AF	
Sales	-26.71 AF	
Adjustments	0.00 AF	
Ending Balance		3,134.72 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		7,341.31 AF
Committed water rights	0.00 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)¹

¹ 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 0 acres annexed into TMWA's service area.

INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE

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



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Marci Westlake, Manager Customer Service
DATE: September 5, 2025
SUBJECT: July/August Customer Service Report

The following is a summary of Customer Service activity for July/August 2025

Ombudsman Report – Kim Mazeres

- Concerned they are using too much water. Referred to Conservation for a Water Usage Review.
- Customer cut out for nonpayment due to a glitch of some sort with their AutoPay while they were on vacation. Have a six-month-old and want to know when water will be back on. After hearing the customer's situation and reviewing TMWA's information, I asked if they could please get the customers water on today, as well as waive the upcoming deposit request. Water was turned on early afternoon.
- Customer was disconnected in error. Wants to make sure all the fees were removed. He also had a leak he thought was fixed, but believes he has more leaks. Per Senior Customer Service Representative, all charges have already been reversed and customer given a one-time leak adjustment. Referred customer to Conservation to assist him with finding his other leak(s).
- Law firm pursuing a nationwide lawsuit regarding water contamination. Wanted to speak to TMWA's attorney. Referred him to TMWA's staff attorney.

Communications – Public Outreach – July/August

- Water Plant Operators gave a presentation to UNR College of Engineering Summer Camp for Filters/Filtration & Water Treatment Processes and 31 people attended.

Conservation (2025 Calendar year)

- 1,621 Water Usage Reviews
- 3,438 Water Watcher Contacts

Customer Calls – July/August

- 16,267 phone calls handled.
- The average handling time is 4 minutes 59 seconds per call.
- Average speed of answer :17 seconds per call.

Billing – July/August

- 279,228 bills issued.
- 72,224 customers (52%) have signed up for paperless billing to date, which equates to an annual savings of \$563,347.72.

Remittance – July/August

- 25,978 Mailed-in payments.
- 44,221 Electronic payments.
- 117,880 Payments via AutoPay (EFT)
- 35,686 One-time bank account payments.
- 1,618 Pay by Text
- 10,018 IVR Payments.
- 1,877 Reno office Payments.
- 134 Kiosk Payments.

Collections – July/August

- 28,206 accounts received a late charge.
- 7,868 Mailed delinquent notices, 0.02% of accounts.
- 1,858 accounts eligible for disconnect.
- 1,501 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

- 430 Meter exchanges completed.
- 241 New business meter sets completed.

Service Line Warranties of America Statistics

- 13,038 Policies
- 10,045 Customers
- 537 Jobs Completed
- \$851,354 Customer Savings