TRUCKEE MEADOWS WATER AUTHORITY
AGENDA
Wednesday, October 15, 2025 at 10:00 a.m.

NEW VENUE: Independence Meeting Room, TMWA, 1355 Capital Blvd, Reno, 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
Naomi Duerr – City of Reno
Miguel Martinez– City of Reno
Dian VanderWell – City of Sparks
Vice Chair Paul Anderson – City of Sparks
Alexis Hill – Washoe County
Kathleen Taylor – City of Reno

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), at http://www.tmwa.com, and State of Nevada Public Notice Website, https://notice.nv.gov/.
2. TMWA meetings are streamed online at https://www.youtube.com/@tmwaboardmeetings6598.
3. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call (775) 834-8002 at least 24 hours before the meeting date.
4. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at http://www.tmwa.com/meeting/. Supporting material is made available to the general public in accordance with NRS 241.020(6).
5. The Board may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
6. Asterisks (*) denote non-action items.
7. Public comment during the meeting is limited to three minutes and is allowed during the two public comment periods. In addition to the public comment periods, the Chair has the discretion to allow public comment on any individual agenda item, including any item on which action is to be taken. and each action item. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk.
8. Written public comment may be provided by submitting written comments online on TMWA's Public Comment Form (tmwa.com/PublicComment) 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 September 17, 2025 meeting of the TMWA Board of Directors **(For Possible Action)**
7. Water Supply Update — Kara Steeland* **(5min)**
8. Discussion and action, and possible direction to staff regarding approval of the TMWA 2025-2045 Water Resource Plan — Kara Steeland and Eddy Quaglieri **(For Possible Action) (5min)**
9. Overview of TMWA's Water Facility Planning Process — Danny Rotter and David Kershaw* **(15min)**
10. Presentation on TMWA's street and highway water main replacement program — David Diegle and Levi Kleiber* **(15min)**
11. Presentation of TMWA Goals and Objectives results for fiscal year 2025 — John Zimmerman* **(45min)**
12. Discussion and action, and possible direction to staff on the proposed TMWA Goals and Objectives for fiscal year 2026 — John Zimmerman **(For Possible Action) (20min)**
13. Discussion and action, and possible direction to staff regarding the FY 2026-2030 funding plan — Matt Bowman and Danny Rotter **(For Possible Action) (30min)**
14. Introduction and First Reading of Amendments to Rule 7, Requirements for Will-Serve Commitment Letters — Eddy Quaglieri and Shawn Stoddard **(For Possible Action) (10min)**
15. General Manager's Report — John Zimmerman* **(5min)**
16. Public comment — limited to no more than three minutes per speaker*
17. Board comments and requests for future agenda items*
18. 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 SEPTEMBER 17, 2025
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, September 17, 2025 at Sparks Council Chambers. Chair Andriola called the meeting to order at 10:00 a.m.

1. ROLL CALL

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

Director Absent: Naomi Duerr

A quorum was present.

**Director Hill attended the meeting virtually and arrived at 10:01am and left at 11:30 a.m.*

***Director Anderson left the meeting at 11:23 a.m.*

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Levi Kleiber, Business Information System Manager.

3. PUBLIC COMMENT

There was no public comment.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS

Chair Andriola recognized Mr. Kleiber for receiving the Silver Star Award from Truckee Meadows Tomorrow for Land Use, Housing, and Infrastructure.

5. APPROVAL OF THE AGENDA

Upon motion by Director Anderson, second by Director Taylor, which motion duly carried by unanimous consent of the Directors present, the Board approved the agenda.

6. APPROVAL OF THE MINUTES OF THE AUGUST 20, 2025 MEETING OF THE TMWA BOARD OF DIRECTORS

Upon motion by Director VanderWell, second by Director Martinez, which motion duly carried by unanimous consent of the Directors present, the Board approved the August 20, 2025 minutes.

7. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING THE UPDATED TMWA DRAFT 2025-2045 WATER RESOURCE PLAN

Kara Steeland, Senior Hydrologist and Watershed Coordinator, presented the staff report and the updated TMWA draft 2025-2045 Water Resource Plan. Ms. Steeland noted that the current draft included edits suggested at the April Board meeting and Chapter 7 had substantial edits which included changing "Recommended Action" to "Recommended Strategies" and a table to show Near-Term actions.

The Board commended Ms. Steeland and the team on their work and public outreach efforts to present the plan to community organizations and the respective jurisdictions in order to educate and inform the public regarding TMWA's water resources and supply.

Upon motion by Director Anderson, second by Director Hill, which motion duly carried by unanimous consent of the Directors present, the Board approved the updated TMWA Draft 2025-2045 Water Resource Plan.

8. INFORMATIONAL UPDATE ON VERDI MEADOWS UTILITY COMPANY

Eddy Quaglieri, Natural Resources Manager, and Danny Rotter, Assistant General Manager, presented the update on Verdi Meadows Utility Company.

Justina Caviglia, Board Counsel, added that the Bureau of Consumer Protection was not part of this process and the River Oaks Homeowners Association (HOA) has a reputable HOA attorney.

Members of the Board thanked staff for their support on this issue and for being a good partner in the region.

9. REQUIRED COMMUNICATION FROM EIDE BAILLY IN REGARDS TO TMWA'S ANNUAL FINANCIAL AUDIT

Sophie Cardinal, Finance Controller, presented the staff report.

Chair Andriola inquired if staff had taken action from last year's audit after the auditors' findings. Ms. Cardinal replied that they had rectified the issue immediately and have improved their processes.

10. PRESENTATION OF FISCAL YEAR 2025 UNAUDITED FINANCIAL PERFORMANCE

Matt Bowman, Chief Financial Officer, presented the FY 2025 unaudited financial performance report.

Chair Andriola pushed agenda item #11 to wait for Catherine Hansford to join the meeting.

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, Human Resources Director, presented the staff report.

Members of the Board agreed with his positive evaluation and praised John Zimmerman for his exceptional leadership, Board support, and communication and how they appreciate collaborating with him.

Chair Andriola recommended staff review the performance evaluation framework, which has not been updated for a long time, and to return in the spring with options for the Board to consider. As well as to consider including management level employees as part of the general manager's evaluation.

> **Upon motion by Director Hill, second by Director Taylor, which motion duly carried by unanimous consent of the Directors present, the Board approved the salary adjustment of $11,692.00 (4.126%).**

13. DISCUSSION AND ACTION ON REQUEST FOR BOARD INPUT AND ACCEPTANCE OF GENERAL MANAGER PERFORMANCE OBJECTIVES FOR CONTRACT YEAR 2025-2026

Mr. Zimmerman presented the proposed performance objectives for contract year 2025-2026 with the addition of two new goals: 1. Implement Effective Utility Management (EUM) strategy plan and 2. Water Facility Plan update.

Chair Andriola thanked staff for their community outreach and educating the Board, so they are better able to communicate to the public on behalf of TMWA is key.

> **Upon motion by Director Anderson, second by Director Martinez, which motion duly carried by unanimous consent of the Directors present, the Board accepted the General Manager performance objectives for contract year 2025-2026.**

11. PRESENTATION, DISCUSSION AND POSSIBLE BOARD DIRECTION REGARDING TMWA'S COST OF SERVICE AND RATE DESIGN STUDIES

Mr. Bowman, Shawn Stoddard Ph.D. Senior Resource Economist, and Catherine Hansford, Hansford Consulting, presented TMWA's Cost of Service and Rate Design studies, the proposed public outreach, and the timeline for implementation.

At this time the Board thanked staff for their due diligence in addressing this issue and requested that when communicating with the public, it be simplified, clear and concise (as it is a difficult and complex topic), and to communicate this message early and often that TMWA is making it more equitable for all customer classes.

The Board also inquired how these changes impact the overall budget, how multi-family customers are determined and to consider Spanish translation for customers to voice their concerns. Mr. Bowman replied that there will be no impact on the budget nor an increase in revenue and it is changing the allocation of revenue collected based on cost to serve that customer class. Dr. Stoddard added TMWA determines a multi-family class based on the assessor's record.

Upon motion by Director Martinez, second by Director VanderWell, which motion duly carried by unanimous consent of the Directors present, the Board approved the tentative Cost of Service and Rate Design Studies as presented.

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

Sonia Folsom, Executive Assistant, and Ms. Steeland presented the staff report.

Upon motion by Director Martinez, second by Director Taylor, which motion duly carried by unanimous consent of the Directors present, the Board adopted 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.

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

Ms. Atkinson presented the staff report.

Upon motion by Director VanderWell, second by Director Taylor, which motion duly carried by unanimous consent of the Directors present, the Board adopted the updated Administrative Instructions A-03 Prohibited Harassment, Discrimination, and Retaliation Policy, A-06 DOT Drug and Alcohol Testing Policy.

16. GENERAL MANAGER'S REPORT

Mr. Zimmerman informed the Board TMWA has received the contract for the Bureau of Reclamation grant of $30M for the American Flat project. The contract is one step closer to receiving payment for the $30M grant, which will occur after TMWA and City of Reno approve proceeding with construction of the project. He also reminded the Board that the October Strategy Session is on October 15th from 10am-2pm at TMWA's corporate office.

Finally, Mr. Zimmerman thanked Will Raymond, Operations Director, and his team for their attentiveness and dedication during the August storms. In particular, the water treatment plant operators, Ben Goodrich, Ted Saxe, and Bill Hovda.

Chair Andriola thanked Mr. Zimmerman and said she appreciated the constant communication.

17. PUBLIC COMMENT

There was no public comment.

18. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

19. ADJOURNMENT

With no further discussion, Chair Andriola adjourned the meeting at 11:43 a.m.

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

Sonia Folsom, Board Clerk.

Director Hill was present for agenda items 2 through 14 only.

*****Director Anderson was present for agenda items 1 through 14 only.***

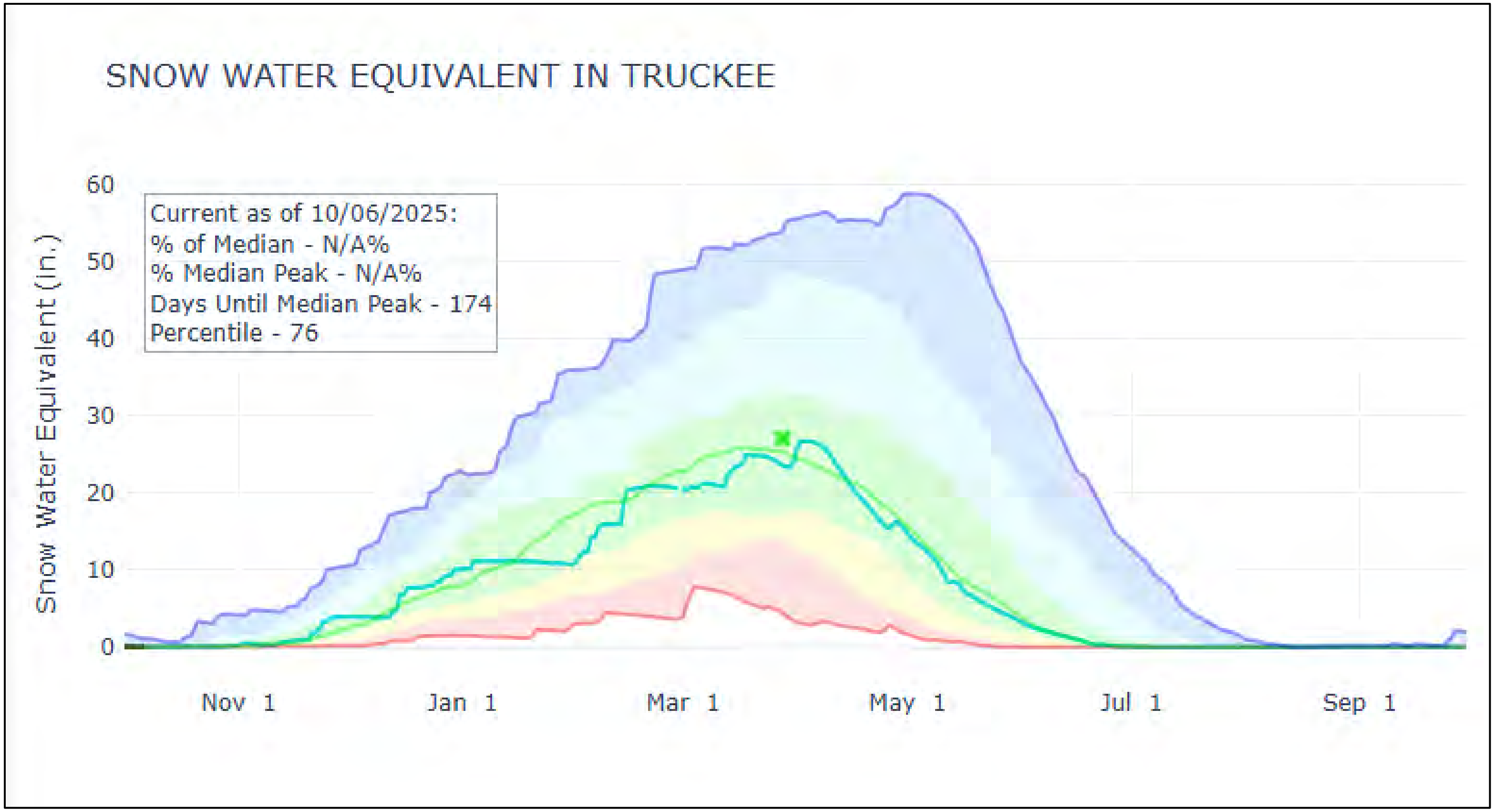
WATER SUPPLY UPDATE

TMWA Board Meeting
October 15, 2025

Truckee Meadows Water Authority

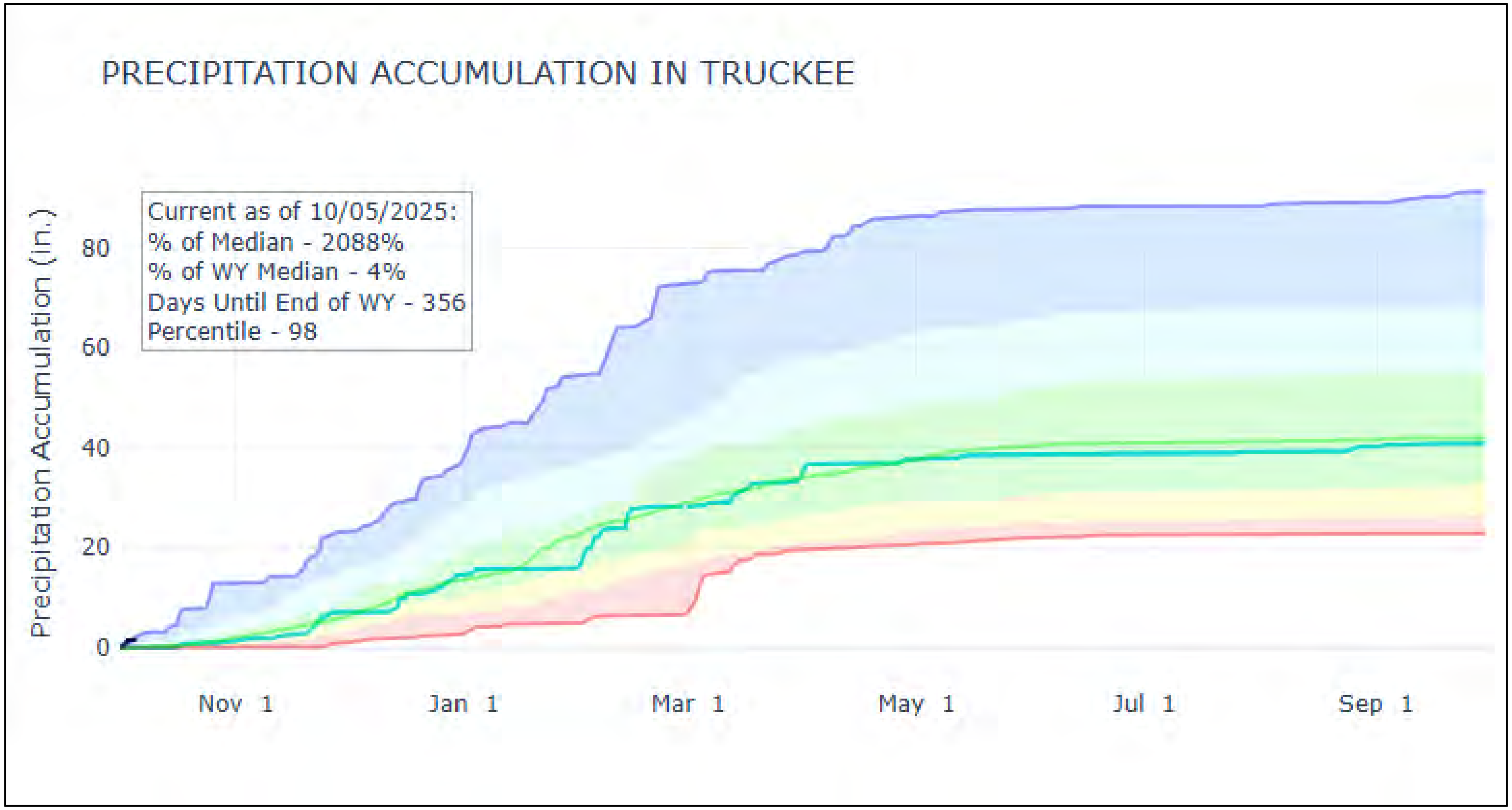
Quality. Delivered.

WATER YEAR 2025 – TRUCKEE BASIN SWE



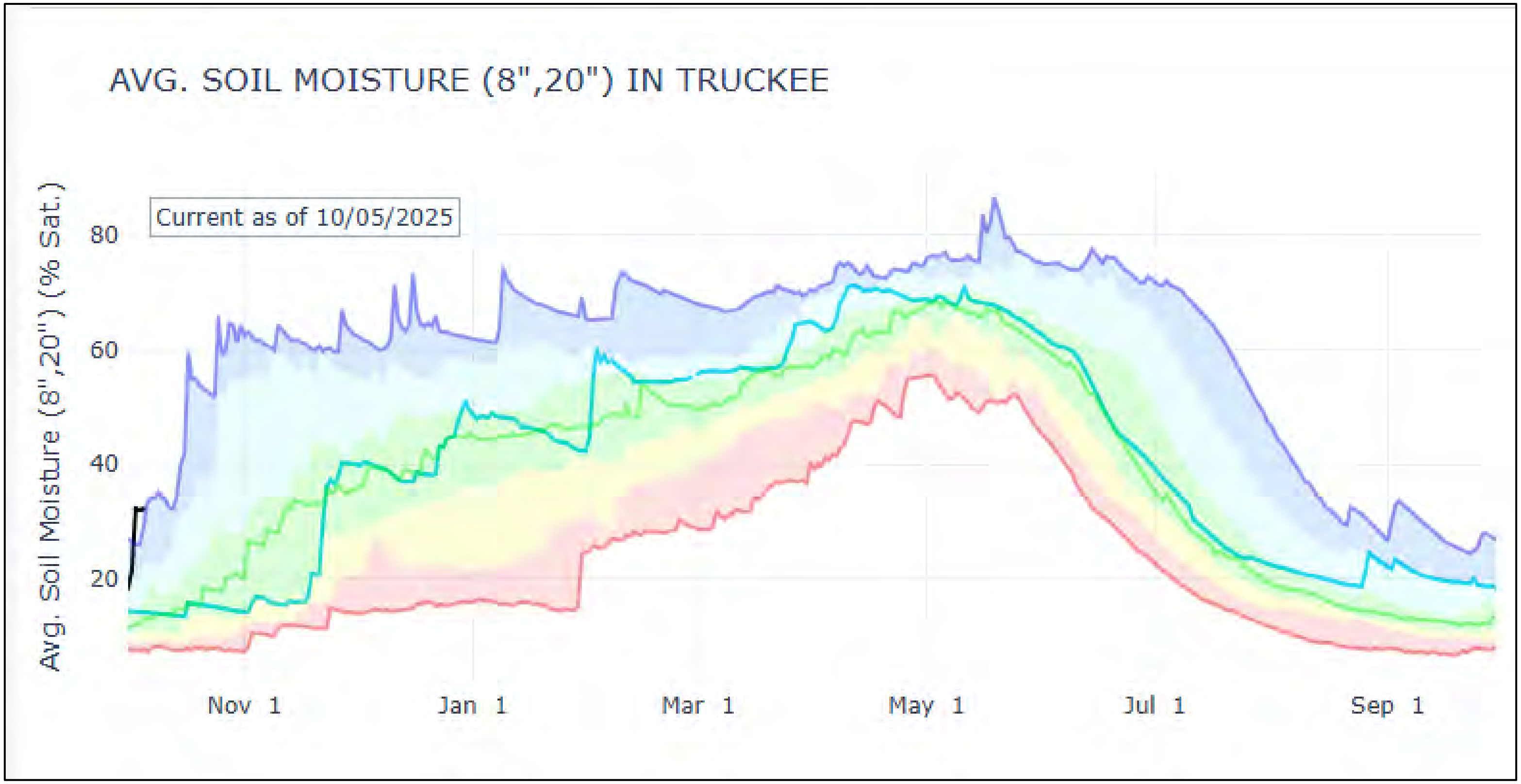
Truckee Meadows Water Authority

WATER YEAR 2025 - TRUCKEE BASIN PRECIPITATION



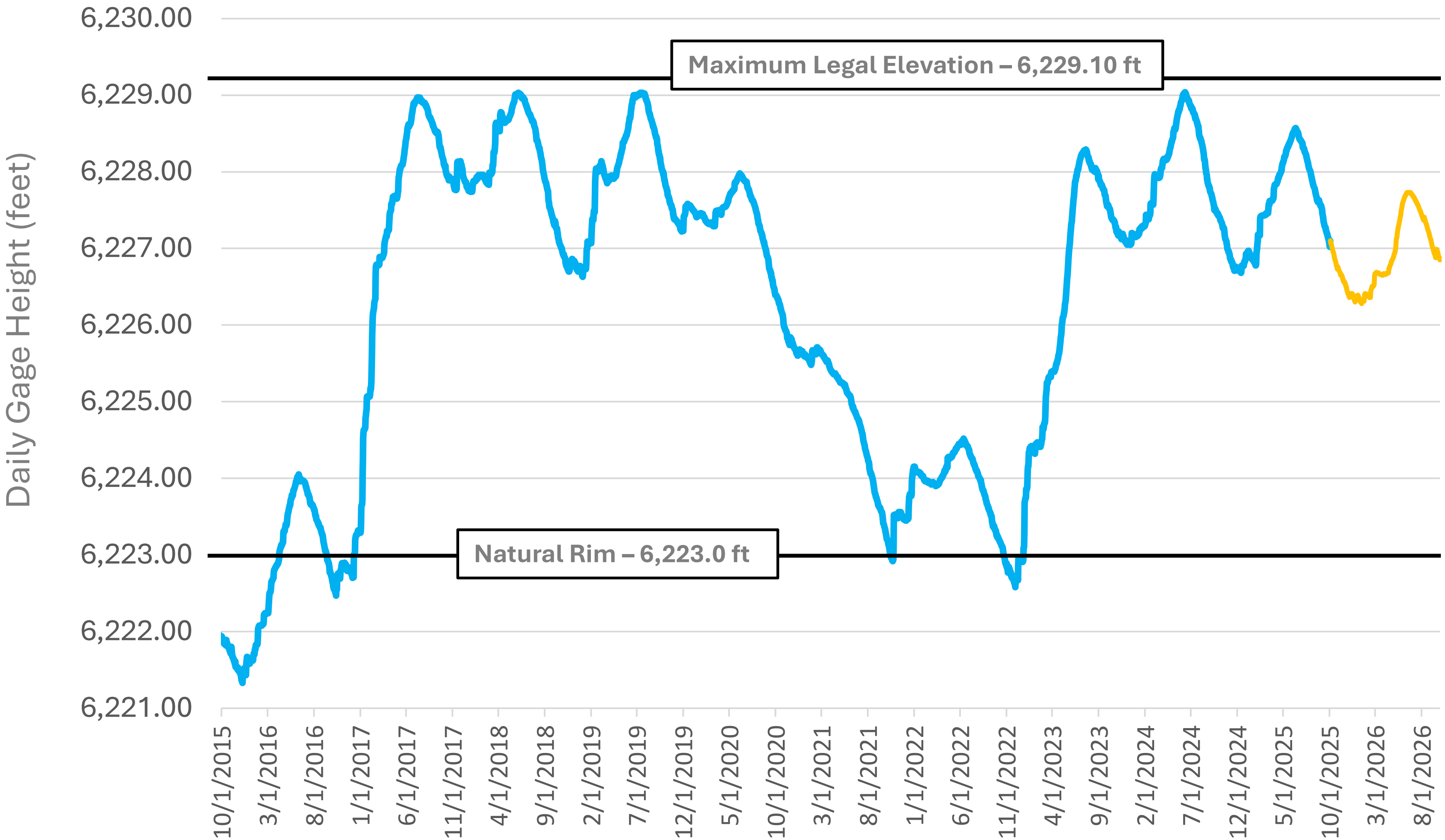
Truckee Meadows Water Authority

WATER YEAR 2025 - TRUCKEE BASIN SOIL MOISTURE



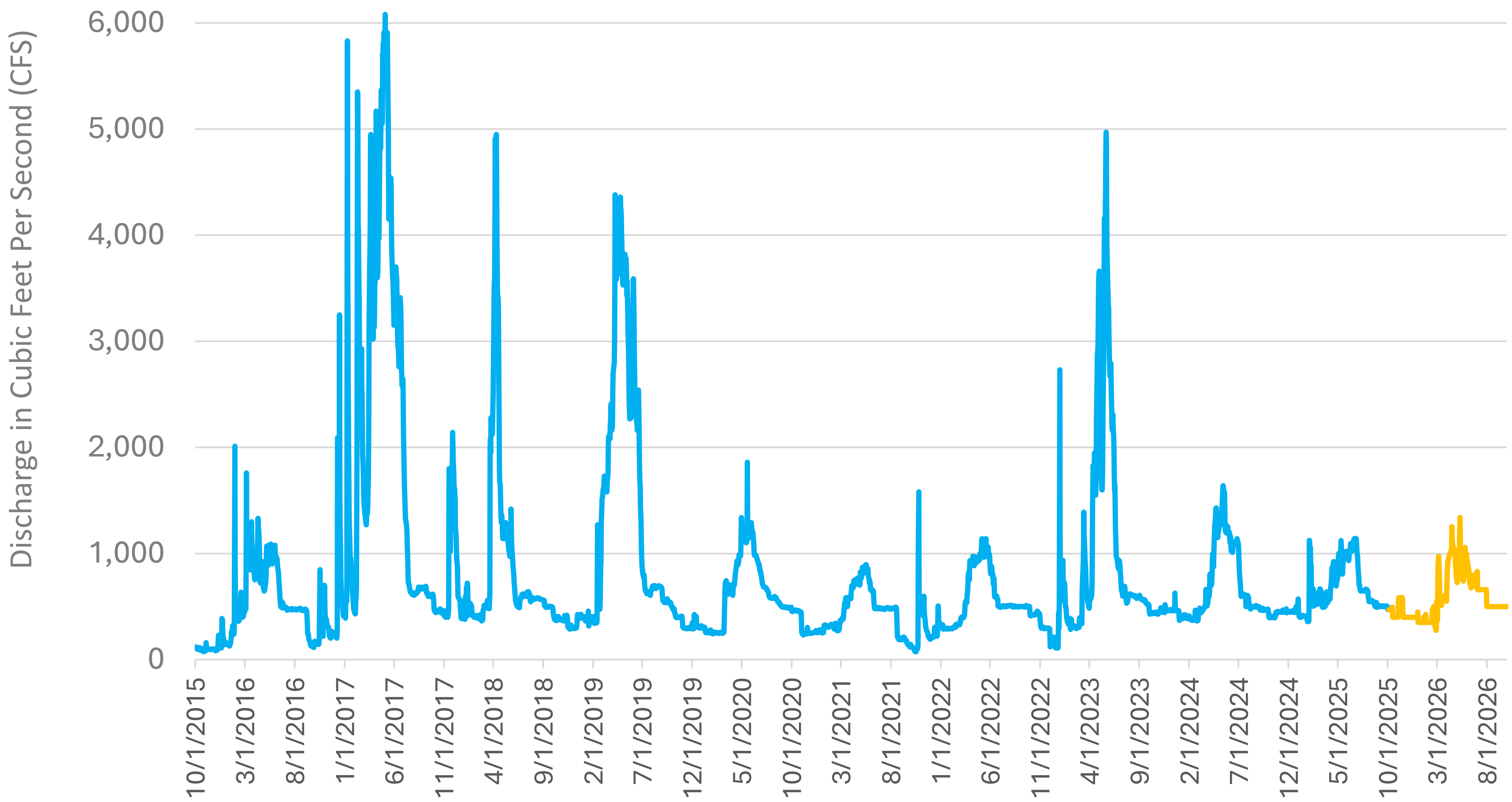
Truckee Meadows Water Authority

OBSERVED/PROJECTED LAKE TAHOE ELEVATION THROUGH 2026 WATER YEAR



Truckee Meadows Water Authority

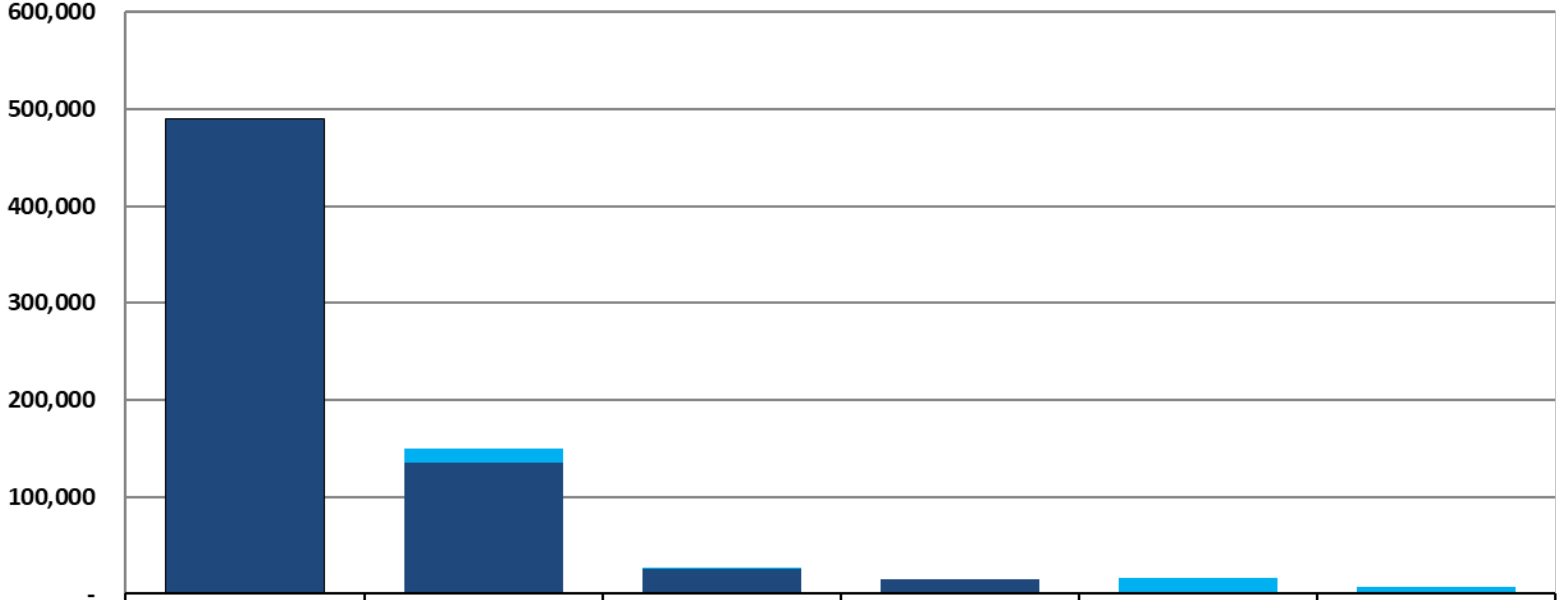
OBSERVED/PROJECTED TRUCKEE RIVER FLOW THROUGH 2026 WATER YEAR



Truckee Meadows Water Authority

TRUCKEE RIVER SYSTEM STORAGE

October 1, 2025

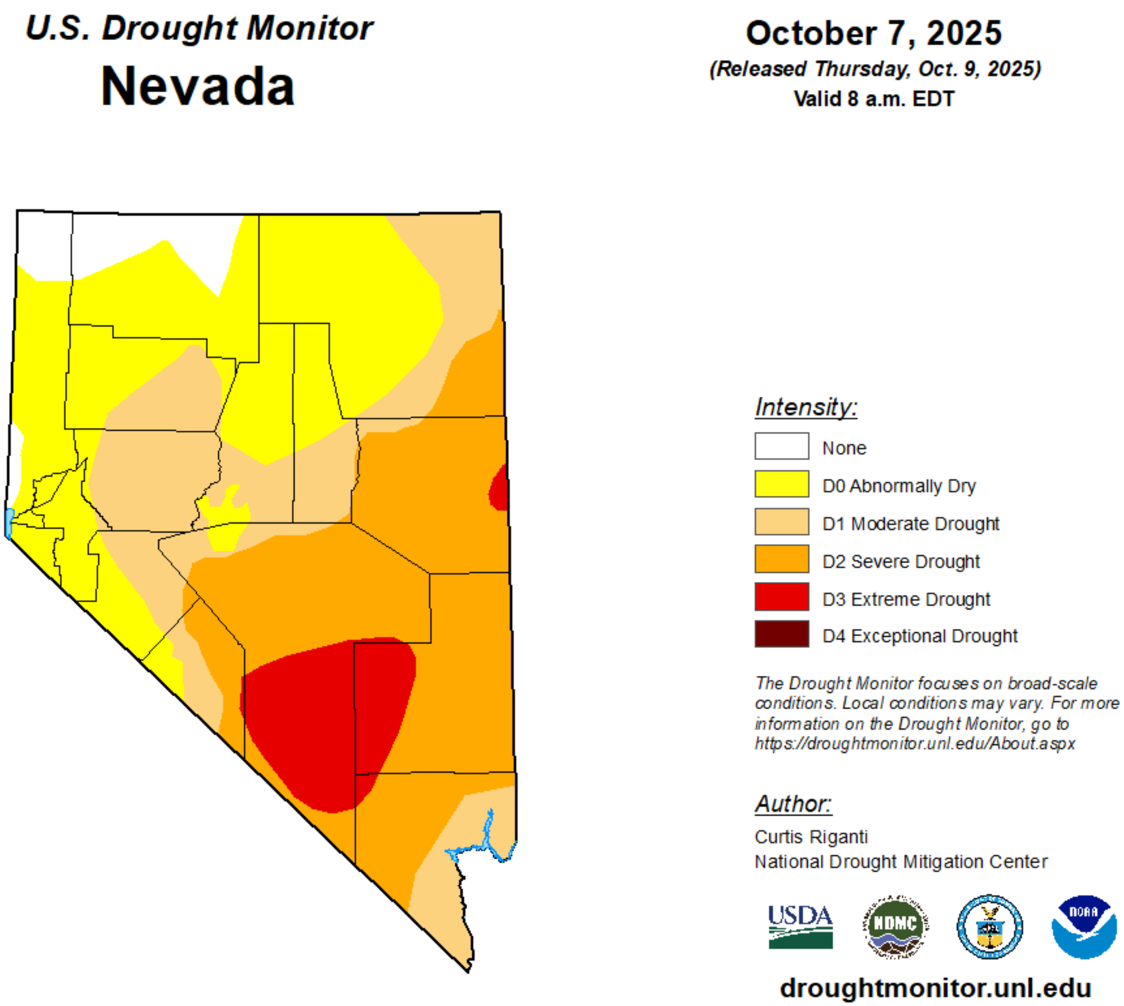


	Tahoe	Stampede	Boca	Prosser	Independence	Donner
TMWA POSW	-	-	-	-	16,127	7,248
TMWA TROA	-	14,943	1,215	-	-	-
OTHER WATER	490,436	134,919	26,143	14,635	-	-
CAPACITY (%)	66%	66%	67%	49%	92%	76%

OVERALL STORAGE 756,134 (71% Capacity)

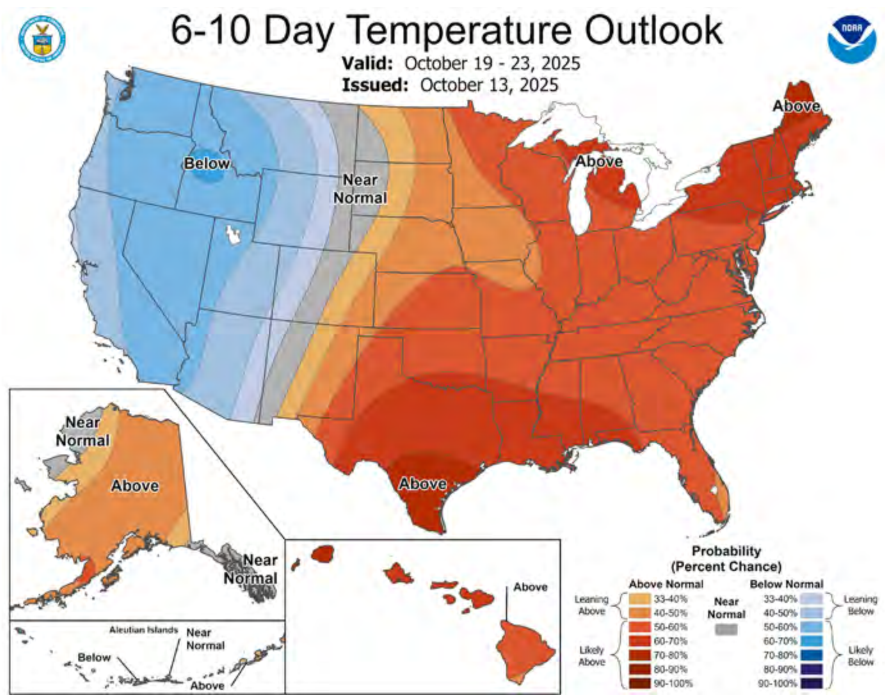
Truckee Meadows Water Authority

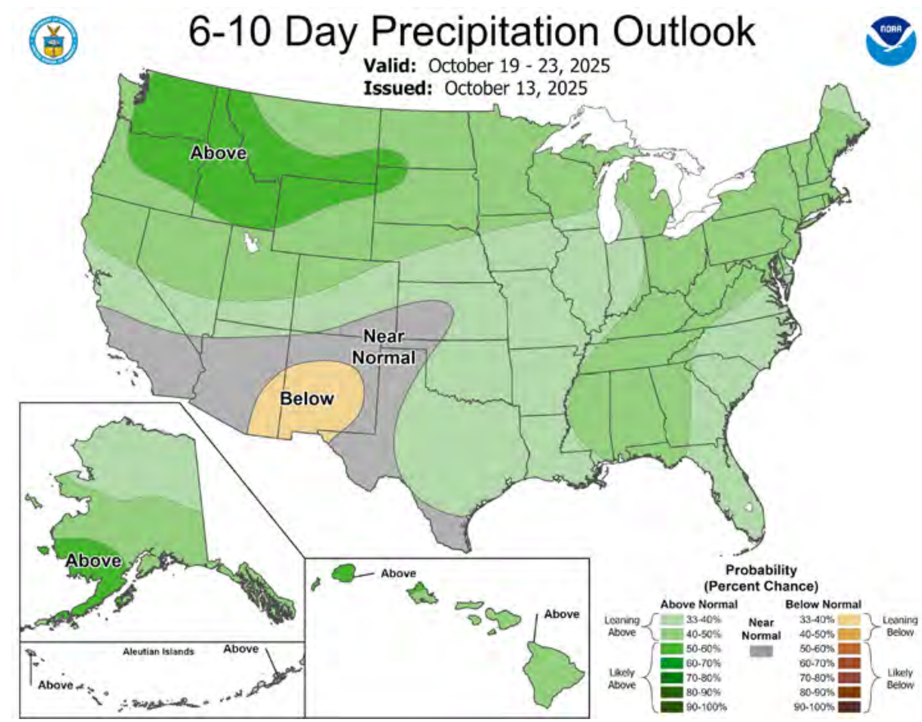
DROUGHT MONITOR



Truckee Meadows Water Authority

UPCOMING FORECAST





Truckee Meadows Water Authority

Thank you!

Questions?

Truckee Meadows Water Authority

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Kara Steeland, Senior Hydrologist and Watershed Coordinator
Eddy Quaglieri, Water Resources Manager
DATE: October 2, 2025
SUBJECT: **Discussion and action, and possible direction to staff regarding approval of TMWA 2025-2045 Water Resource Plan**

Recommendation

Staff recommends that the Board approve the 2025-2045 Water Resource Plan (WRP).

Summary

The 2025-2045 WRP will guide TMWA in effectively managing water resources in the region for the next five years, until the next plan revision. TMWA's WRP provides an in-depth analysis of water supply and demand over the next 20 years using data, science, and strategy to ensure that there are sufficient water resources to meet population growth and climate variability. Additionally, the newly developed At-a-Glance Report is a valuable tool to help further inform the public about water supply and resource management in the Truckee Meadows.

The final version of the plan is available here (https://tmwa.com/wrp2025/) and the At-a-Glance Report is available here (https://tmwa.com/at-a-glance/).

Motion:

Move to approve the 2025-2045 Water Resource Plan.

TMWA

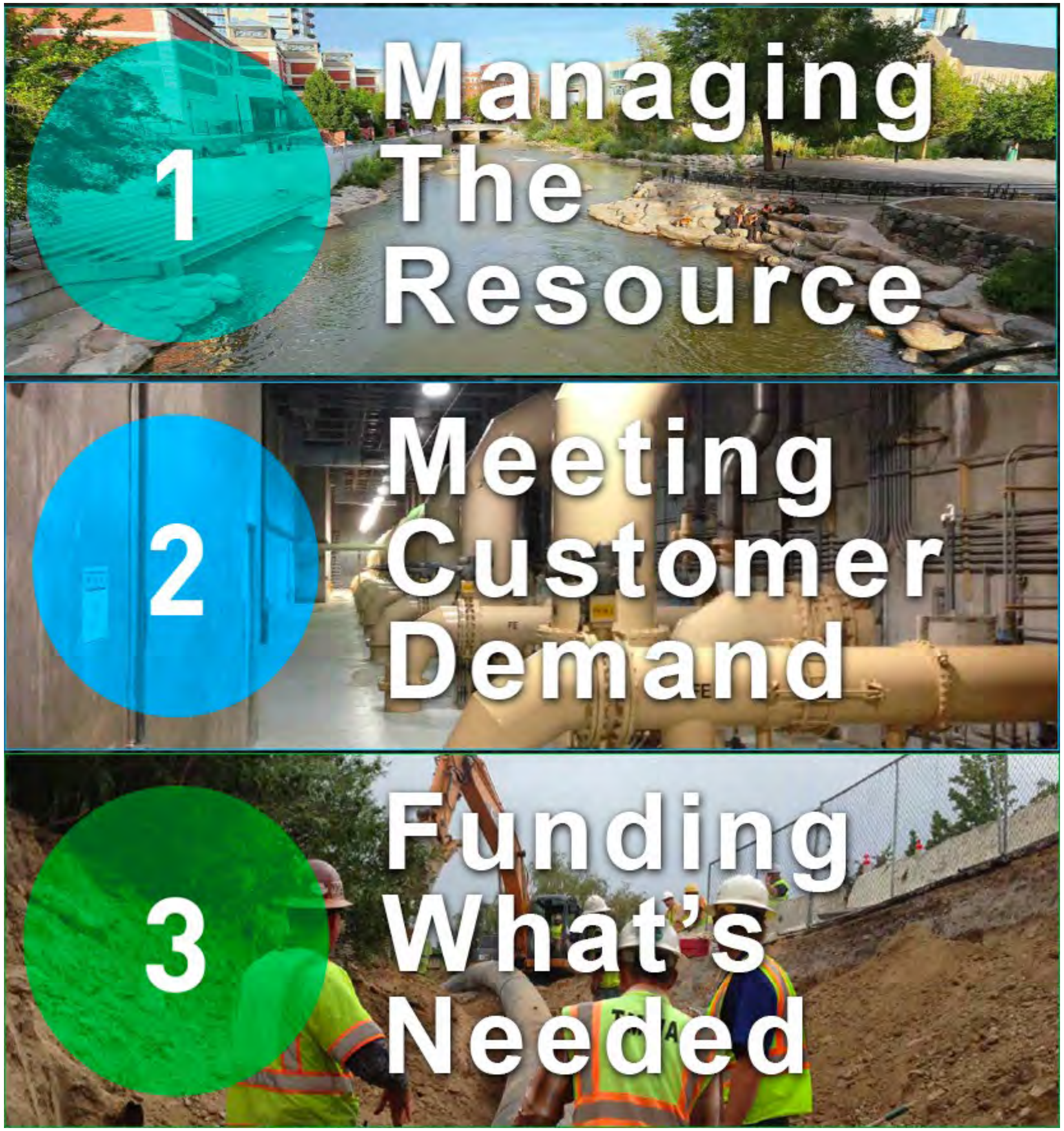
Water Facility Plan Update Status & New Business Overview

October 15, 2025

Truckee Meadows Water Authority

Quality. Delivered.

TMWA Planning Efforts



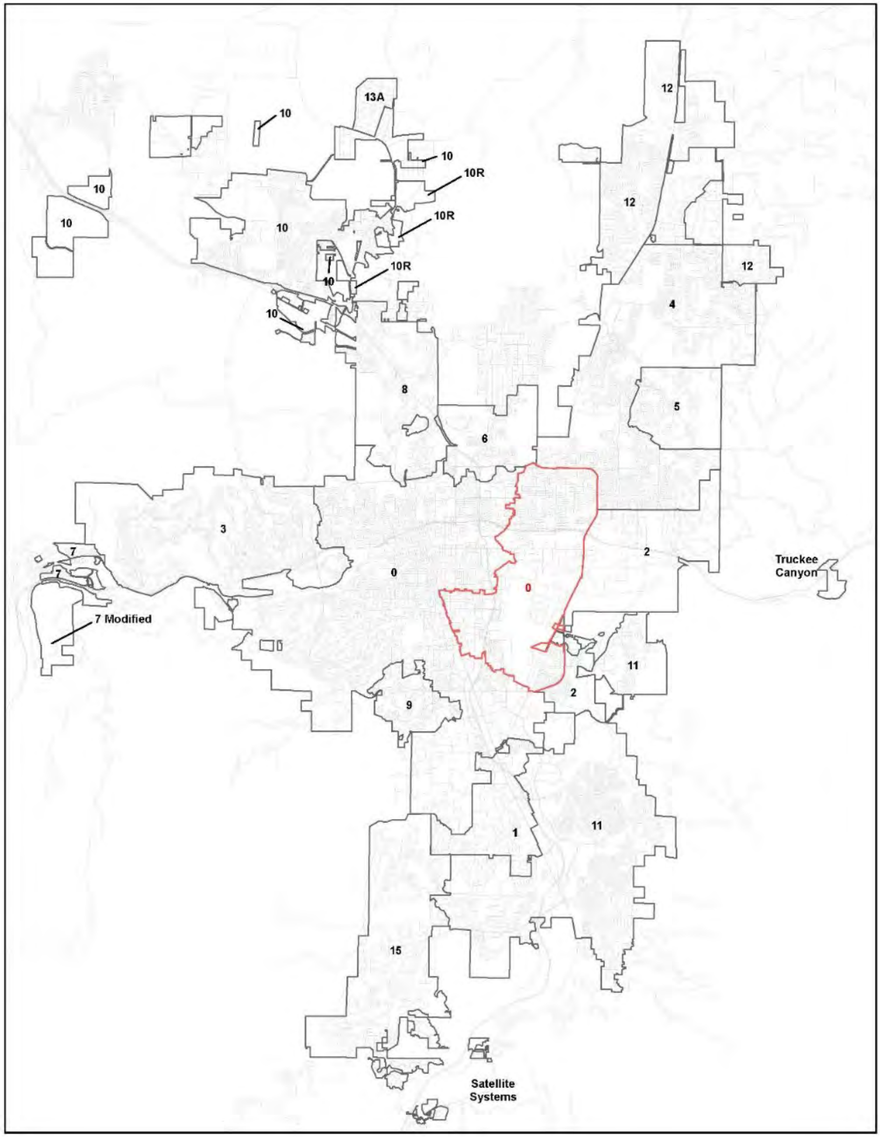
2025-2045 Water Resource Plan

2025-2045 Water Facility Plan

5-Year Funding Plan Every Year

Water System Facility Charges

- TMWA Board established a policy that no customer class shall be subsidized by another class and that growth should pay for growth.
- Water System Facility (WSF) Charges (Connection Fees)
  - Areas
  - Storage
  - Supply & Treatment
- WSF Charges are applied on a maximum day demand (GPM) basis
- WSF Charges are not paid by existing customers and are not included in water rates
- Updating the Water Facility Plan helps to update WSF Charges

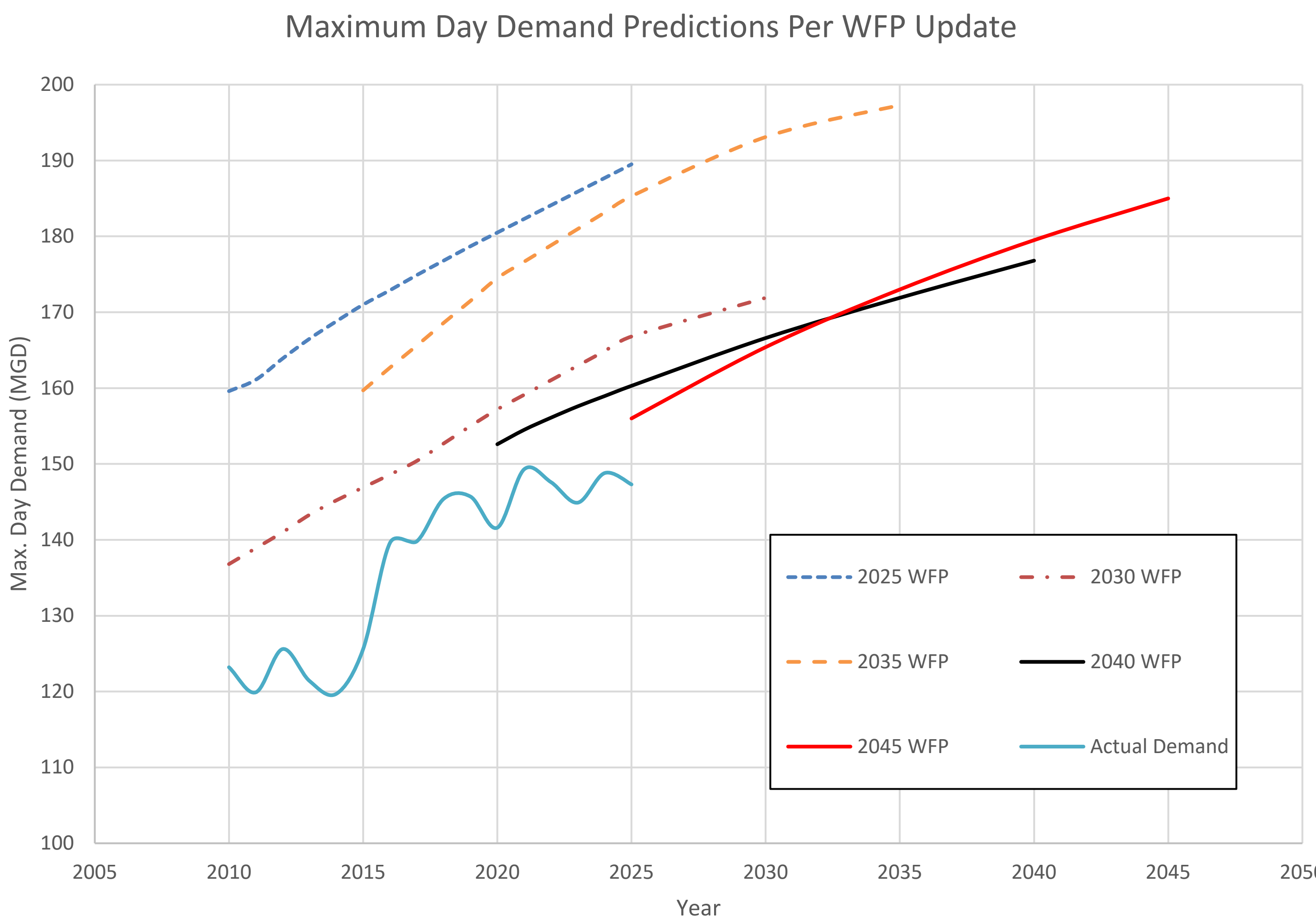


Truckee Meadows Water Authority

TMWA WFP Update

- **Update completed every 5 years+/-**
  - 2005 - 2025
  - 2010 - 2030
  - 2015 - 2035
  - *2020 – 2040 (Completed 2023)*
  - <u>*2025 - 2045 (Starting update)*</u>
- **Provides CIP "Road Map" for Facility Improvements & Timing**
- **Road Map helps with updating WSF Charges**

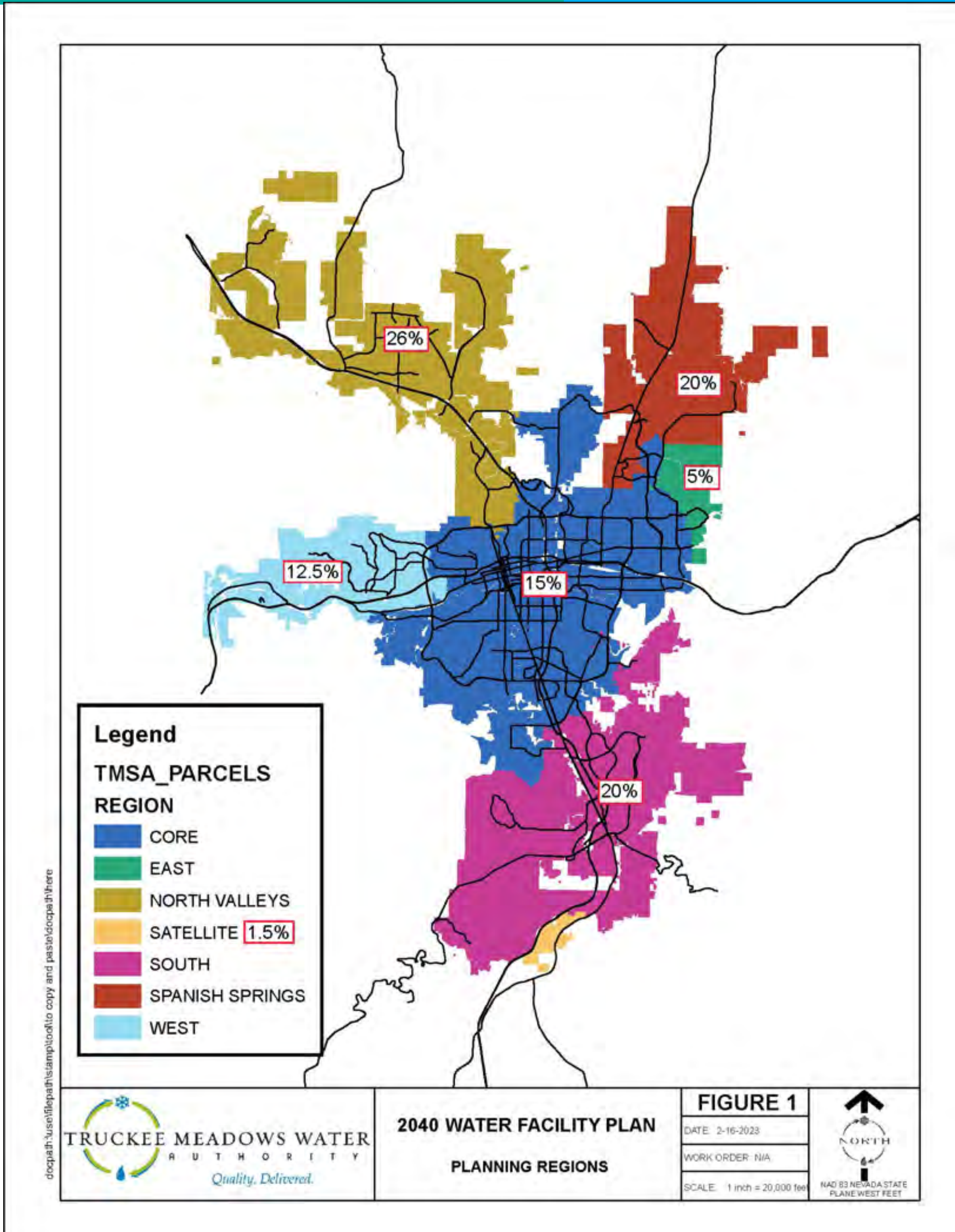
TMWA Water Demand Projection History



Truckee Meadows Water Authority

TMWA WFP Steps Summary

- **Update existing demand data**
- **Update/calibrate water distribution computer models**
- **Setup future planning scenario models (2030, 2035, etc.)**
- **Develop "Road Map" for Capital Improvements:**
  - Identify facilities to meet existing/future demands in compliance NAC Requirements & TMWA Design Criteria
  - Scenarios include Maximum Day Demand (MDD), Off-River emergency operation, redundancy
  - Identify timing of facilities
  - Estimate Costs
  - Update Water System Facility Charges



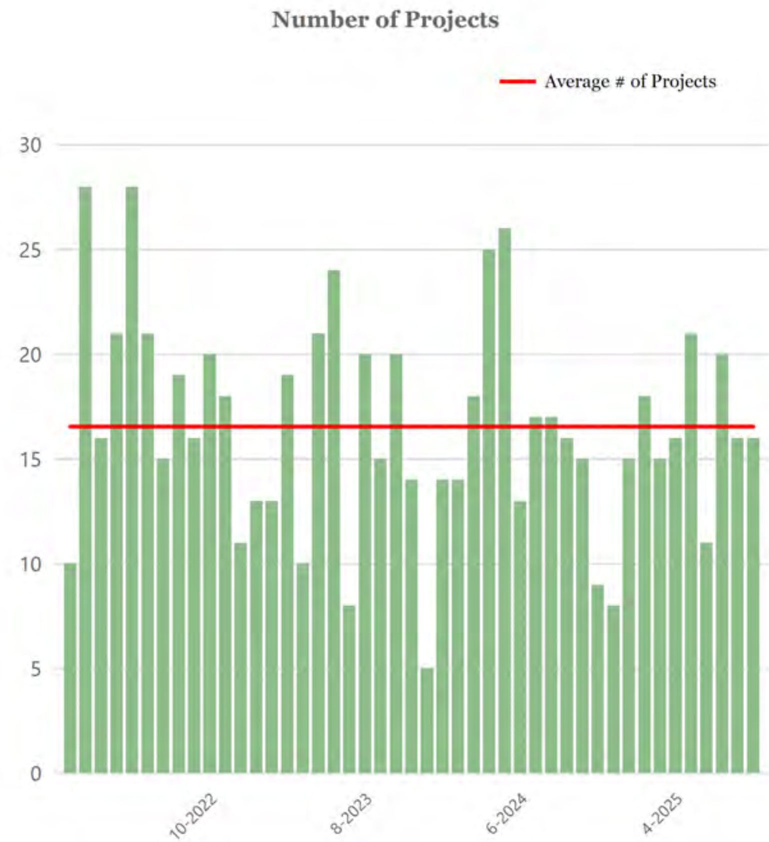
- **Significant Effort to Allocate Growth per 5-year Planning Period**
- **Not All areas grow at the same rate (completely developed areas versus areas currently developing)**
- **Incorporated data from TMRPA Growth Forecast, TMWA new business data that includes unbuilt Discoveries and staff planning knowledge in each area.**
- **Allocation of demands into specific planning regions**
- **Additional sub-allocation of demands within planning regions**

2045 WFP Preliminary Schedule

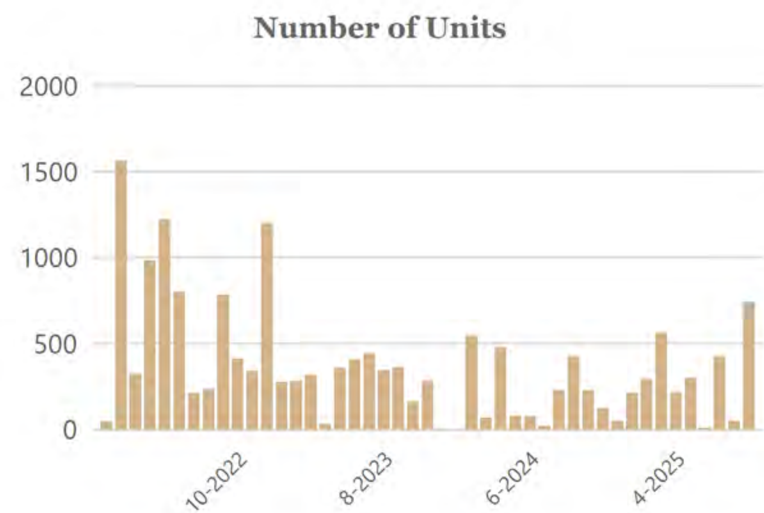
- **October 2025 – Upon finalizing of the 2045 Water Resource Plan, begin update of the Water Facility Plan**
- **October 2026 – Board Presentation of updated 2045 Water Facility Plan**
- **Water Services Facility Charges Adjustment**
    - **Start after completion of 2045 WFP**
    - **Public Workshops / Presentations / SAC**
    - **4/2027 – First Reading by Board for WSF Charges Change**
    - **5/2027 – Second Reading by Board for WSF Charges Change**
    - **7/1/2027 – WSF Adjustment Effective Date**

Truckee Meadows Water Authority

New Business Project #s



Project Date/Type	# Projects	# Units	# Services
2022	223	8130	2204
2023	182	3277	1994
2024	192	2331	1843
2025	148	2823	1294
Total	**745**	**16561**	**7335**



400+ Active Projects
- **80+ In Review/Processing**
- **70 Approved**
- **50 In Construction**
- **80 Warranty Period**
- **120 Ready for Meters (2,050 lots)**

Truckee Meadows Water Authority

NEW BUSINESS APPLICATION PORTAL

New Business Process

NEW BUSINESS PROCESS | ENGINEERING & NATURAL RESOURCES | PRE-CONSTRUCTION MEETING | CONSTRUCTION & INSPECTION | INITIATING SERVICE

New Business Application Process (Web Portal)

TMWA's New Business Application process now consists of an online application process. **Click on the following link to start the application process:**

NEW BUSINESS PORTAL LOGIN

Please be advised, if this is a first-time user, a new account will need to be setup for the applicant that requires approval by TMWA prior to starting an application for a new project. This process generally requires one business day to obtain approval.

All submittal items will be digital submissions. Submittal requirements for each application type and initial submittal fees are

New Business Application Process (Non-Web Portal)

The existing non-portal New Business Application Process is still temporarily available until May 1, 2025. New applicants must digitally submit a completed TMWA New Business Application and required submittal items using a TMWA generated OneDrive folder. To have a OneDrive folder created for a new project please contact New Construction **(click here)** and a TMWA Project Coordinator will begin the process. The TMWA New Business Application can be found at the following link:

New Business Application

Reference and Instructional Documents Links:

- **Document Submittal Requirements**
- **Document Upload Instructions**
- **Application Process Outline**
- **Owner Signature Page**
- **Affidavit of Ownership**
- **NVBPELS – Sealing and Signing Guides**
- **Project Status** – see the status of existing projects

Welcome to the TMWA Project Portal!

Your online tool for New Business Applications

Please be aware, this site times out after 30 minutes of inactivity

Log In

Don't have an account? Sign Up

Account Email

Password

Log In

Forgot Password?

Truckee Meadows Water Authority

New Business Engineering Tips & Tricks Guide

A Guide to Avoiding Common Design Mistakes to Help Minimize Revisions

Truckee Meadows Water Authority

Quality. Delivered.

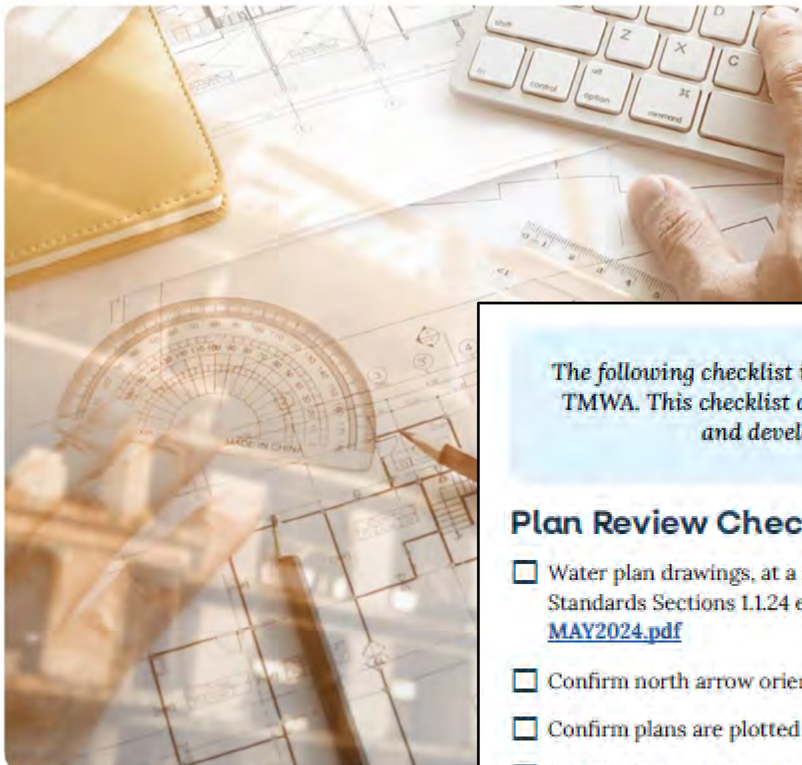


Table Of Contents

The following checklist is a helpful quality control tool for preparing water plans to submit to TMWA. This checklist does not guarantee plan approval and is designed to help consultants and developers look for common design issues prior to submittal.

Plan Review Checklist

- ☐ Water plan drawings, at a minimum, need to meet all requirements in TMWA Construction and Design Standards Sections 1.1.24 et.al. https://tmwa.com/wp-content/uploads/2024/12/SECTIONS_1-9_MAY2024.pdf
- ☐ Confirm north arrow orientation is correct on plans.
- ☐ Confirm plans are plotted to the scale indicated on the plans.
- ☐ Add the General Notes from the TMWA website to the first sheet of the water plans. Remove backflow, meter or enclosure notes that do not apply to the project.
- ☐ Ensure there is adequate white space on all sheets for the approval stamp.
- ☐ Water plan sheet numbering shall use W-1, W-2, etc. for projects that do not include non-potable/ reclaimed water on the property or on an adjacent property.

TMWA New Business Process Update

- Process Improvement Efforts Summary
  - Internal/External Improvements
  - Application Portal
  - Engineering Design Tips/Tricks Guide
  - Evaluating Additional Payment Options for New Business Applications (Ongoing)

- Development Engineering Community Outreach

  - Lunch and Learn Presentations Available

  - Free Preapplication Meetings

  - Major redline issues, meet with firms

  - Willing to talk through problem solving to meet TMWA requirements

Truckee Meadows Water Authority

Thank you!

Questions?

Street & Hwy Main Replacement Program Update

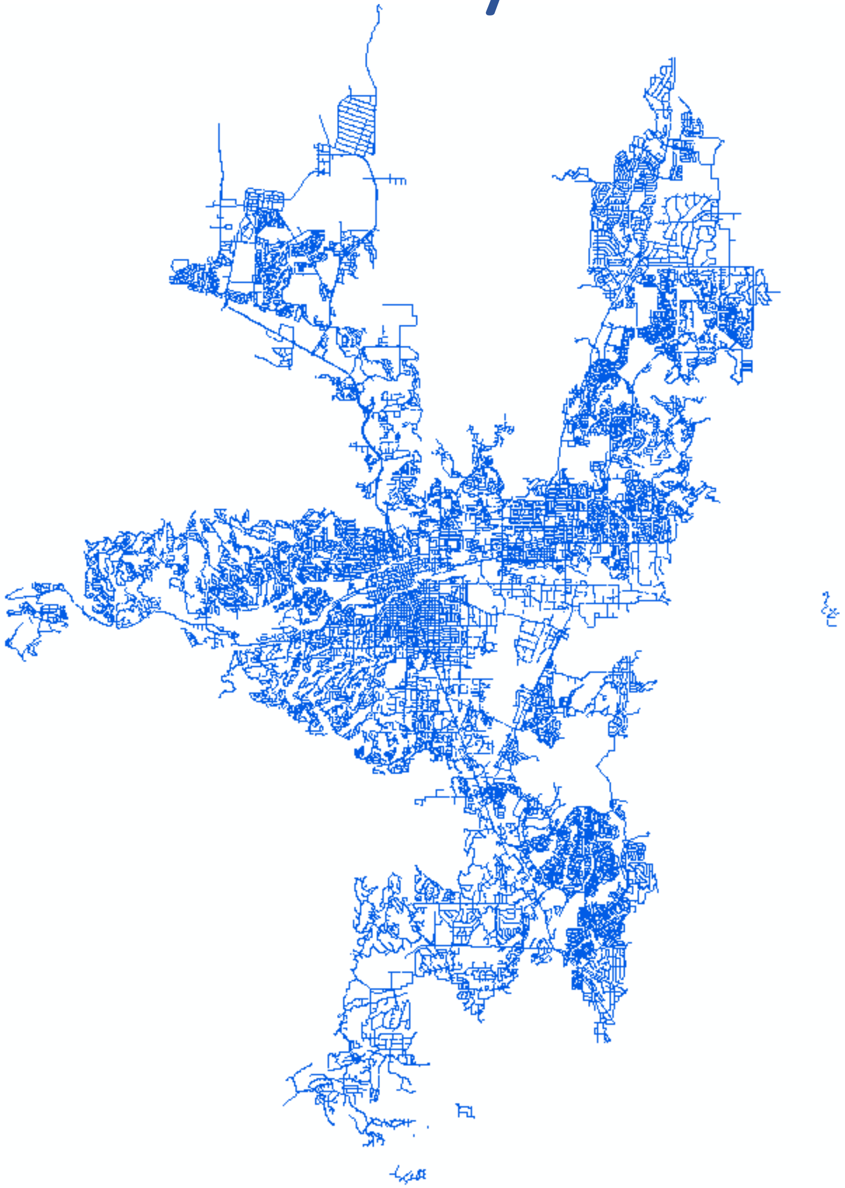
October 15, 2025

Levi Kleiber & David Diegle

Truckee Meadows Water Authority

Quality. Delivered.

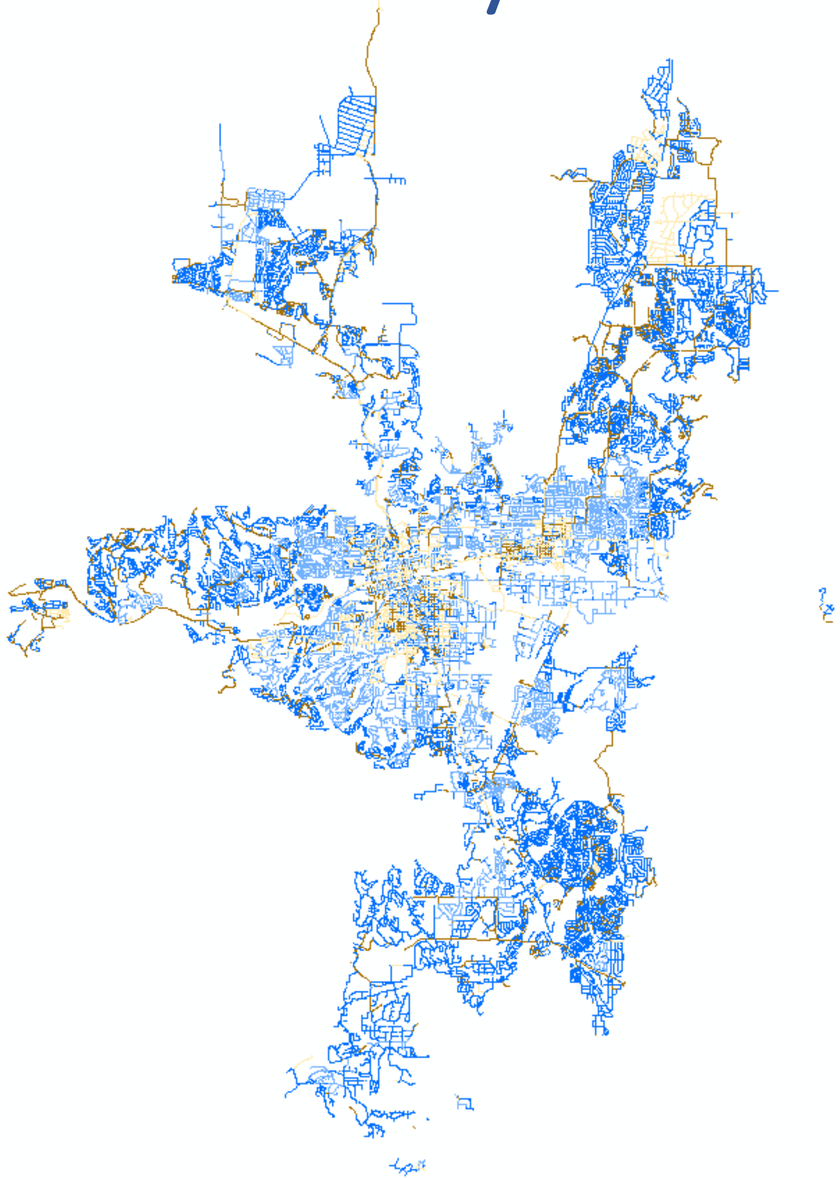
Distribution System Information



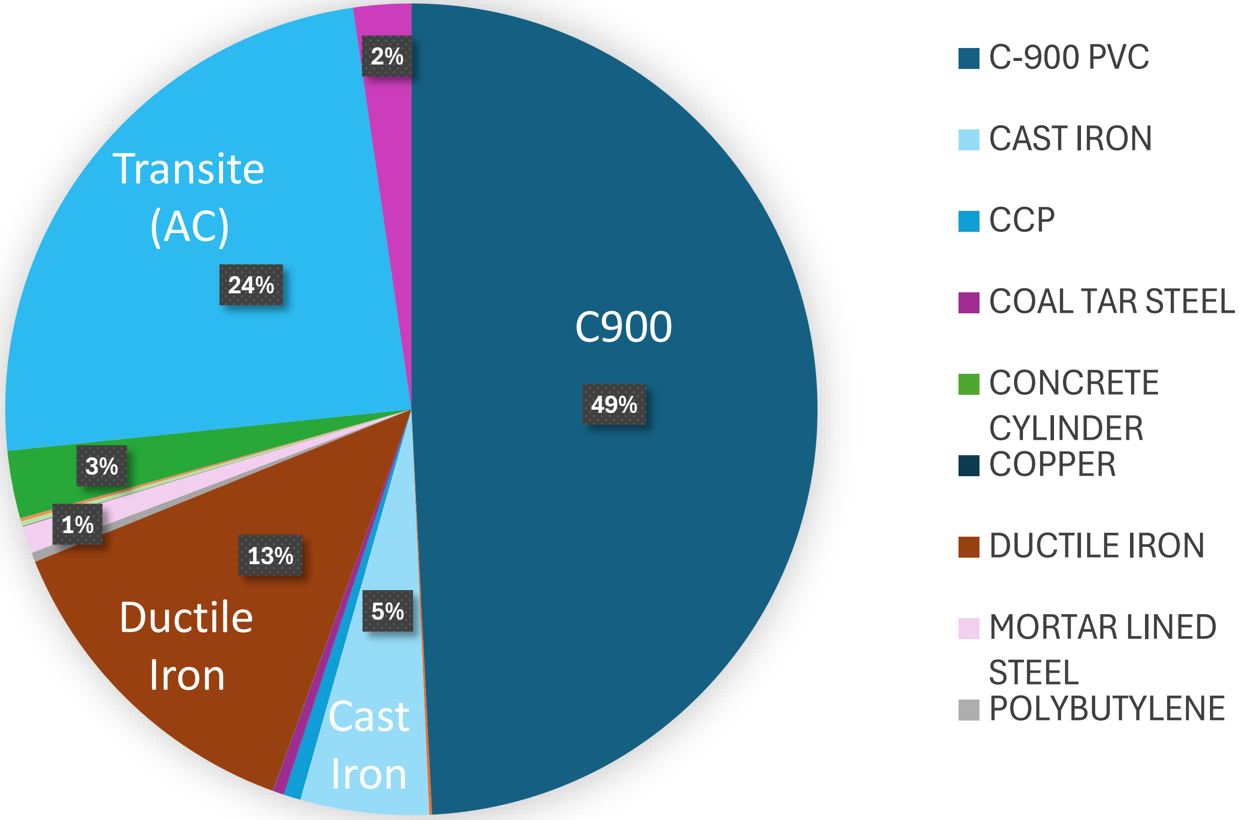
Total Length of (Active) Mains (miles):	2,145	
Length of Main by Diameter (miles):		
10" or less:	1,555	(72%)
12" to 18":	461	(21%)
20" to 36":	121	(6%)
Greater than 36":	8	(1%)

Truckee Meadows Water Authority

Distribution System Information

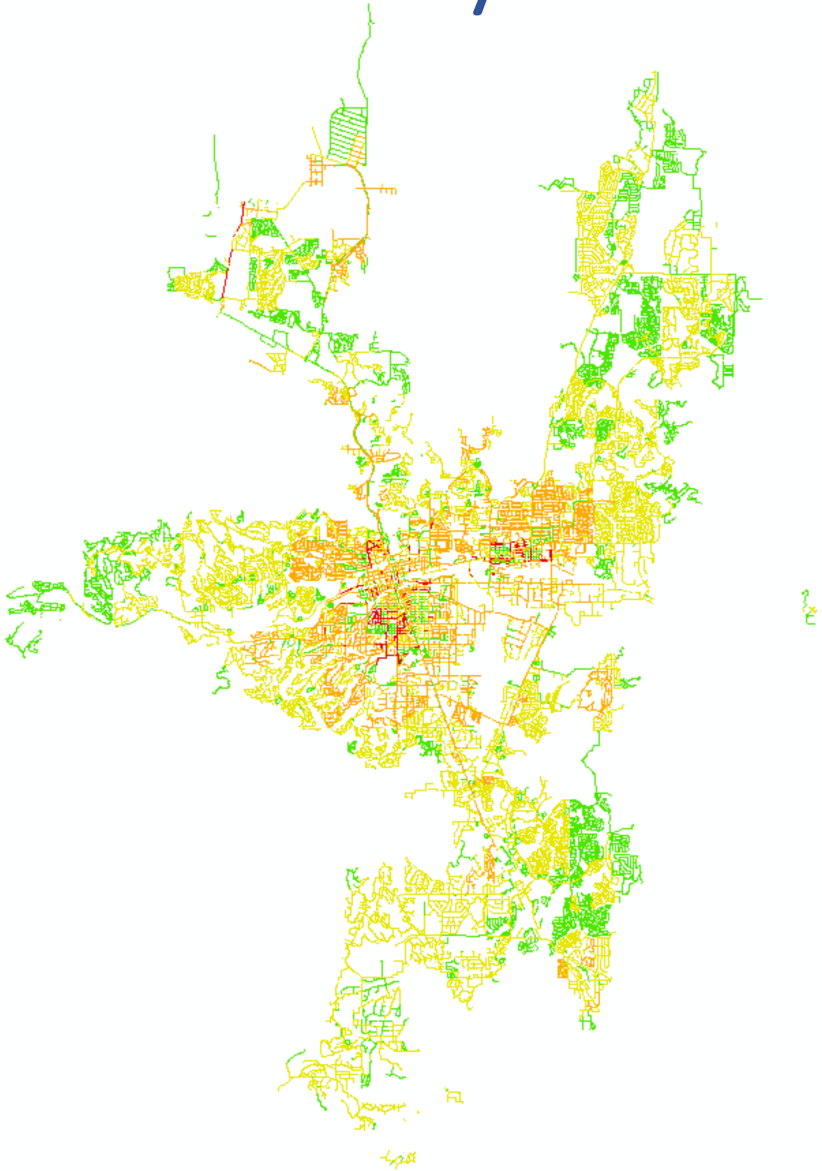


Percentage of Main by Material

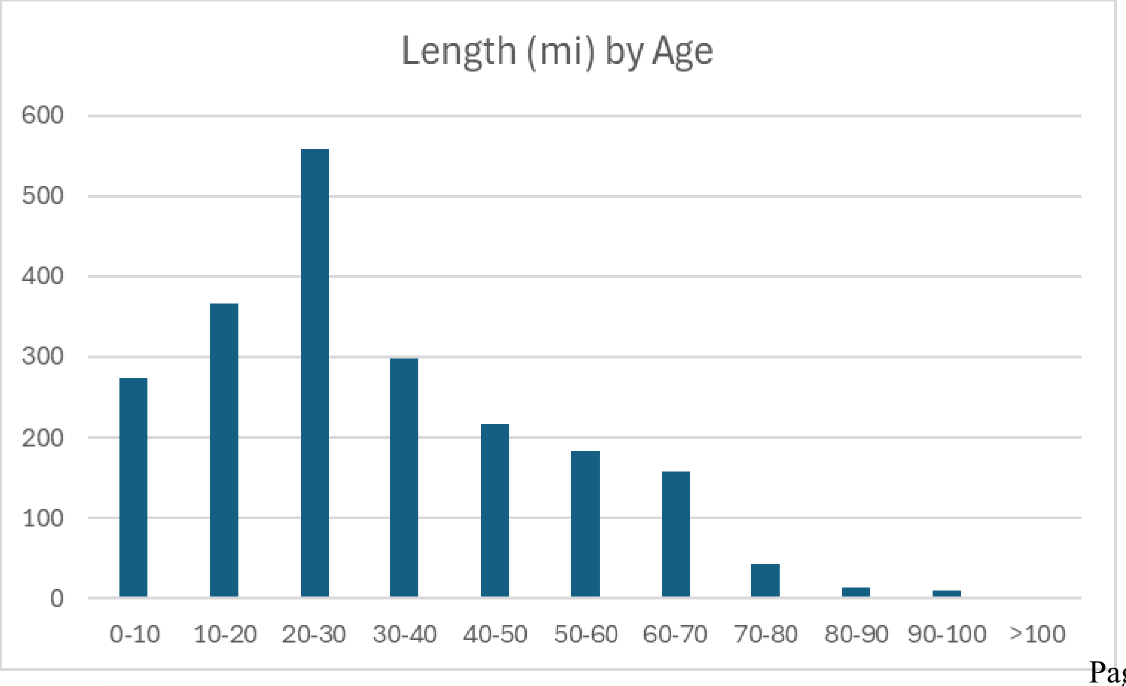


Truckee Meadows Water Authority

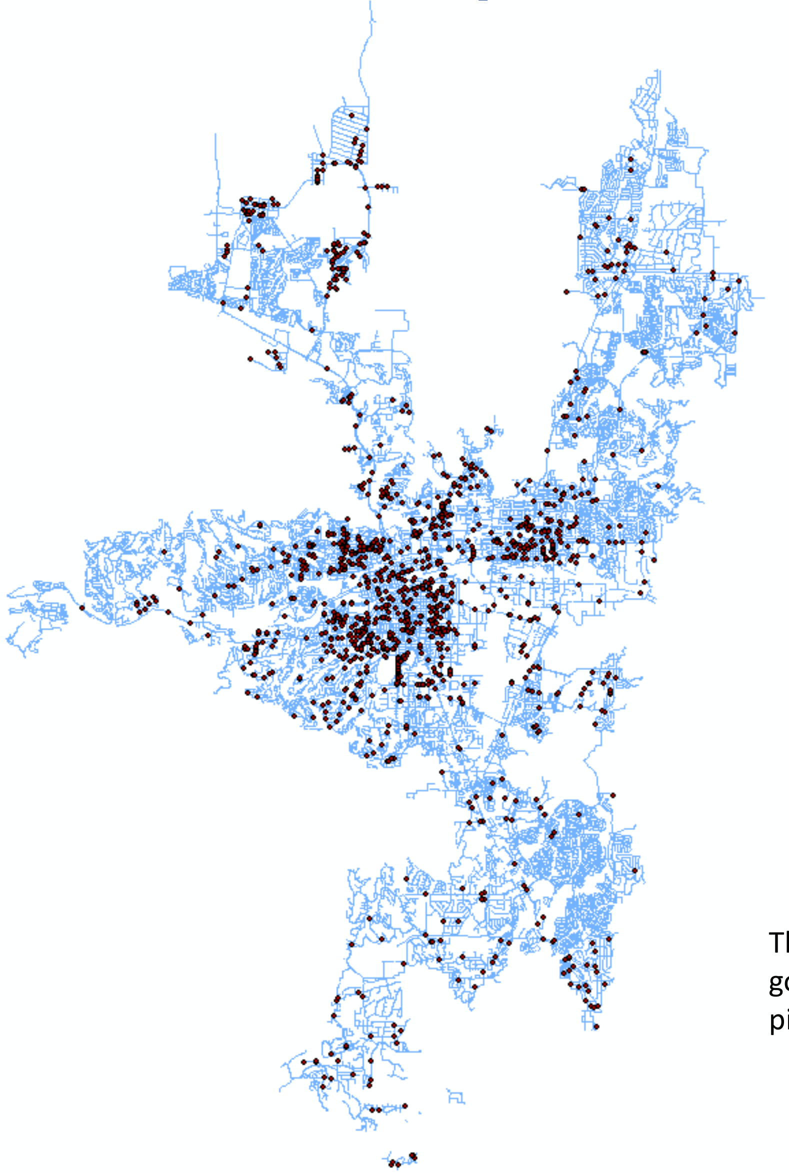
Distribution System Information



Years Old	% of Total	
0-20	30%	
20-50	50%	80% of Active Water Mains
50-80	18%	are less than 50 years old
80-100+	2%	



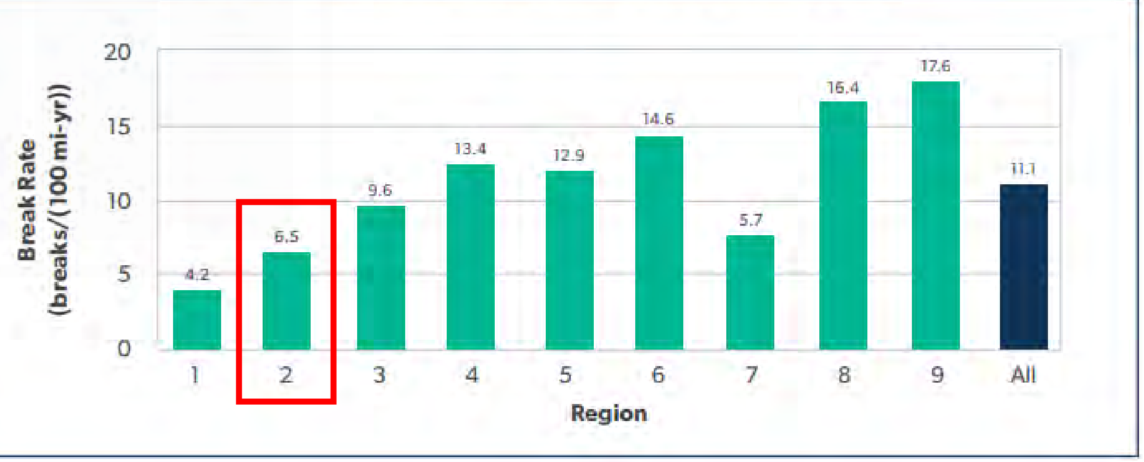
Distribution System Information



Year	Length of Water Main (Miles)	Total Recorded Main Leaks	Breaks per 100 mi/yr
2025*	2146.7	54	2.5
2024	2088.4	56	2.7
2023	2065.4	48	2.3
2022	2051.1	41	2.0
2021	2019.1	51	2.5
2020	1988.8	51	2.6
2019	1968.2	38	1.9
2018	1934.0		
2017	1894.9		
2016	1866.4		
2015	1840.9		
2014	1822.6		
2013	1808.8		
2012	1802.7		
2011	1799.7		

*as of 10/8/2025

FIGURE 35: OVERALL BREAK RATES BY REGION (BASIC SURVEY)



The AWWA Partnership for Safe Water (PSW) performance improvement program states the goal for main break frequency annually is a maximum of 15 for each 100 miles of distribution pipelines…

Truckee Meadows Water Authority

Street and Highways Program

Go/No Go Replacement Justification

- TMWA Justification (Highlights)
  - Type of Street:
    - When would this type of Street be replaced again?
  - Street Rehab Method:
  - Age of Main:
  - Material:
  - # of Leaks within one mile:
  - # of leaks in segment proposed:
  - Criticality of Main:
    - Hydraulic Criticality
    - High Volume Users – Valve Isolation Trace Tool

- Material Age Priority:
  - Cast Iron (Pre-1970's) and
  - Asbestos Cement Pipe (1940's-1970)
  - Steel Pipe (Pre-1970's, but still used today)

Truckee Meadows Water Authority

Benefits of Projects under S&H Program

- Benefits
  - Planned and coordinated project which minimizes customer impacts.
  - Consolidates project impact to the public.
  - Road completely rehabbed and reduces the likelihood of leaks on the newly paved road.
  - Asphalt Concrete Temp Patch Only – $$ Savings!!
  - Increased System Reliability (DIP) – proven durability and long service life.
  - Proactive investment approach, avoiding more costly reactive repairs.
- 43 miles of main replacement in the last 10 Years! Approximately 0.2% of our System per year and an average of $7M per year.

Truckee Meadows Water Authority

Main Replacement outside of S&H

- Leaks are costly, disruptive to both the public and our customers, and offer no benefit.
- 2015 Prioritized Mains – TMWA continues to implement these projects as opportunities arise or mains leaks become critical. California Daniel completed in 2024.
- Non-S&H Main Replacements – Identified by Distribution as mains that are in immediate need of replacement.
- Street rehabilitation for Main replacement without a S&H partner:
  - Temp pavement patch for the trench width.
  - Permanent pavement patch for trench width + 9” each side.
  - Typically requires a 2” grind and overlay for half the road and 10ft centered on each service that crosses other half of the road.
  - Pavement is around 25% of additional project cost outside of S&H program

Distribution System Reliability Board Goals

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. **< 4 hours**	75^{th} Percentile = 0.13 Median = 0.24 25^{th} Percentile = 1.63	# of planned outages/1,000 customers	Median or better	0.12
2	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. **4 – 12 hours**	75^{th} Percentile = 0.14 Median = 0.27 25^{th} Percentile = 0.53	# of planned outages/1,000 customers	Median or better	0.17
3	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. **< 4 hours**	75^{th} Percentile = 0.28 Median = 0.82 25^{th} Percentile = 1.87	# of unplanned outages/1,000 customers	Median or better	4.01~~3~~
4	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. **4 – 12 hours**	75^{th} Percentile = 0.06 Median = 0.24 25^{th} Percentile = 0.50	# of unplanned outages/1,000 customers	Median or better	0.40

- Continue the Street and Highways Program – It's Cost Effective!
- Continue to improve communications with the Partnering S&H Agencies.
- Continue to plan and budget in coordination with agency street and highway rehabilitation and improvement projects.

Truckee Meadows Water Authority

Thank you!

Questions?

Truckee Meadows Water Authority

TMWA

FY 2025

Goals & Objectives

Results

Truckee Meadows Water Authority

Contents

LEGEND:

Completed/On Target:

In Progress:

Not Met:

GOALS & OBJECTIVES

ORGANIZATION

CUSTOMER SATISFACTION

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Residential Customers Totally or Mostly Satisfied.	71%-81% = Good 82%-86% = Excellent 86% + = Outstanding	% of residential customer's satisfaction	86%	86%
2	Meet the Everise contract requirement of calls answered within average of 35 seconds.		Average call answered within 35 seconds	35 seconds	19 seconds

EFFICIENCY

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track customer accounts per employee and compare to national benchmark.	75th Percentile = 582 Median = 452 25th Percentile = 375	# of accounts per employee	Top quartile	493
2	Track average MGD delivered per employee and compare to national benchmark.	75th Percentile = 0.30 Median = 0.21 25th Percentile = 0.16	Average MGD delivered per employee	Top quartile	0.27

Calculations:

Objective 1: $\dfrac{\text{138,530 (Customer Accounts)}}{\text{281 (\# of Employees)}}$

Objective 2: $\dfrac{\text{77.17 MGD}}{\text{281 (\# of Employees)}}$

SAFETY

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track Total Recordable Incident Rate (TRIR) and maintain a rate at or below the incidence rates of nonfatal occupational injuries and illnesses for Local government Water, Sewage and Others systems - Bureau of Labor Statistics (BLS), 2022	BLS table of incidence rates of non fatal occupational injuries and illnesses by industry - NAICS 2213.	TRIR	≤5.4	1.1
2	Track Days Away, Restricted, or Transferred (DART) Rate and maintain a rate at or below the incidence rates of nonfatal occupational injuries and illnesses for Local government Water, Sewage and Others systems - Bureau of Labor Statistics (BLS), 2022.	BLS table of incidence rates of non fatal occupational injuries and illnesses by industry – NAICS 22.13	DART	≤2.8	0.4
3	Track vehicle collisions Per Million Miles (PMM) and compare to TMWA average.	Less than or equal average = improving collisions PMM.	FY15-FY23 # of collisions PMM average	≤5.43	8.9

Calculations:

Objective 1:
$$\frac{\text{3 (\# of accidents) x 200,000 worked hours)}}{\text{525,629 (Total worked hours)}}$$

Objective 2:
$$\frac{\text{1 (\# of accidents) x 200,000 worked hours}}{\text{525,629 (Total worked hours)}}$$

Objective 3:
$$\frac{\text{13 (\# of collisions) x 1,000,000 million}}{\text{1,456,109.3 (Total mileage)}}$$

Notes:

Objective 3: While the preventable vehicle accident rate of 8.9 is above our targeted goal of 5.43, more than 3/4 are related to hitting stationary objects such as rocks and bollards. To improve TMWA's Collisions Per Million Miles rate, Safety and Risk, with Fleet Services, is initiating a focused corrective action plan. This involves analyzing incident data, reviewing policies, and implementing targeted engineering and administrative solutions. Effectiveness will be monitored to ensure improved safety outcomes.

FINANCE

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Meet all bond covenants.		# of bond covenants met	100%	100%
2	Update the 5-year funding plan.		Update completed	100%	100%
3	Preserve or improve TMWA's excellent credit ratings by the three major credit rating bureaus S&P (AA+ stable), Moody's (Aa2 stable) and Fitch (AAA)		Maintain or improve credit ratings of High Grade	AA+/Aa2/AAA – stable or better	S&P – AA+ Moody's – Aa2 Fitch – AAA
4	Maintain a low debt ratio.	75^{th} Percentile = 26% Median = 34% 25^{th} Percentile = 49%	Debt ratio	Median	29%
5	Sustain a minimum of 550 days of cash reserve.	75^{th} Percentile = 550 Median = 312 25^{th} Percentile = 200	# of days of cash reserve	Top quartile	313
6	Maintain a debt-service coverage ratio of 1.5.	75^{th} Percentile = 3.41 Median = 2.74 25^{th} Percentile = 2.04	Debt-service coverage ratio	1.5 or better	1.43
7	Maintain high level of utility's financial effectiveness	75^{th} Percentile: 3.8% Median: 2.8% 25^{th} Percentile: 1.8%	% return on assets	Median	4%

Calculations:

Objective 4:
$$\frac{\text{(\$404m) Total liabilities}}{\text{(\$1,380m) Total assets}}$$

Objective 5:
$$\frac{\text{(\$105m) Undesignated cash reserves}}{\text{(\$93m) Total annual operations \& maintenance costs / 365 days}}$$

Objective 6:
$$\frac{\text{(\$132m) Total operating revenue – (\$93m) Total O\&M costs + (\$6m) investment income}}{\text{(\$32m) Total debt service}}$$

Objective 7:
$$\frac{\text{(\$55m) Net income}}{\text{(\$1,380m) Total assets}}$$

Notes:

Objective 5: During FY 2024 and 2025, TMWA invested more than $105m in repair and replacement (R&R) capital which represents a significant investment in the system. The level of spending on R&R capital is expected to be lower in future years, but is expected to be at least equal to depreciation expense.

Objective 6: During FY 2025, TMWA continued to experience the effects of several years of high inflation, which rate increases are catching up.

NATURAL RESOURCES

	OBJECTIVES	MEASURE	TARGET	RESULTS
1	Maximize benefit of the Truckee River Operating Agreement (TROA) implementation.	Maximize upstream storage under TROA within hydrological and operational constraints. Continue to cooperate with TROA stakeholders to develop opportunities to improve reservoir operations and efficient use of water resources.	100%	100%
2	Manage aquifer storage and recovery (ASR) and passive recharge capabilities and operations.	Analyze effectiveness of ASR and passive recharge on a well-by-well basis within each basin. Complete semi-annual report describing ASR and passive recharge goals and results.	100%	100%
3	Work with stakeholders to implement return flow management agreement.	Update Board on progress of implementation.	100%	100%
4	Collaborate with City of Reno on the A+ Advanced Purified Water Demonstration Project at American Flat.	Bring forth local agreement(s) between TMWA and City of Reno.	100%	100%
5	Palomino Valley Feasibility Study: Complete hydrogeologic feasibility investigation, investigate return flow water rights considerations, right of way and state engineer permitting issues.	% complete	100%	100%

Notes:

Objective 1: As of June 30, 2025, total upstream Truckee River reservoir storage was 84% of capacity after the region had an average snowpack year. Lake Tahoe filled to within 0.5 feet of its maximum capacity. There is sufficient upstream storage in the system to ensure normal Truckee River for several years, regardless of the weather. At the end of June, TMWA had over 40,000 acre-feet (AF) of water in storage between Donner and Independence lakes and TROA. TMWA is in very good shape from a water supply perspective and will go into the winter months with about as much carry-over storage on the Truckee River system as is legally possible (the maximum amount allowable according to TROA). So, regardless of the water supply situation next year, there will be normal river flows for normal operations. TMWA will continue to utilize the provisions of TROA to maximize upstream storage opportunities for our community and make the most efficient use of our water resources this year and every year.

Objective 2: TMWA continues to recharge groundwater to support water quality and operational pumping goals. TMWA is working to enhance active recharge at key locations within our service territory and expand our passive recharge efforts wherever feasible. Long-term ASR goals are to recharge up to up to 5,500 acre-feet per year (AFY) where TMWA recharges 1,200 AFY in the 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 the advanced purified water project at American Flat. Through conjunctive use, groundwater pumping was reduced by about 2,500 AF between the Mt. Rose, Spanish Springs, Lemmon Valley and former STMGID areas, and 1,372 AF was recharged system-wide during FY 2025.

Objective 3: Staff continues to work extensively with the cities and Tahoe Reno Industrial General Improvement District (TRIGID), regarding the planned delivery of reclaimed water to the TRIGID system for industrial use, with a focus on water rights and the return flow management agreement. During FY 2025, approximately 594 AF of reclaimed water was delivered to TRIGID.

Objective 4: Staff continues to work with the City of Reno for the design and cost sharing of a 2 MGD advanced purified water treatment facility at American Flat. TMWA hired RSCI as the CMAR. AECOM has completed 90% design of the facility, and the full A+ permit application has been submitted to NDEP. TMWA was awarded $30M from the Bureau of Reclamation Title XVI grant in summer of 2024.

Objective 5: The Feasibility Study was completed and presented to the Board. The Feasibility Study noted that additional work is required to address issues such as return flow, interbasin transfer, permitting and cost sharing opportunities. Additional work has been completed on hydrogeologic water quality assessments and return flow. Staff have met with the State Engineer's office on permitting matters. Staff have met with Reno and Sparks to discuss the ongoing feasibility of the project. Based on those discussions, staff have determined that more time is needed to study the project and cannot enter into a contract with the seller at this time. Staff will continue to investigate the project and compare it with potential alternative solutions.

DEPARTMENT

TREATMENT

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD		MEASURE	TARGET	RESULTS
1	Meet the treatment costs set according to anticipated production.	If production is at or near: • 26,000 MG • 27,000 MG • 28,000 MG • 29,000 MG	TMWA cost: • \$999.70/MG • \$962.68/MG • \$928.29/MG • \$896.28/MG	Achieve \$/MG in the respective production category	@26kMG=<\$999.70/MG @27kMG=<\$962.68/MG @28kMG=<\$928.29/MG @29kMG=<\$896.28/MG	\$779.81/MG
2	Meet the benchmark of 0 (Zero) MCL violations.	0 (Zero) MCL violations		# of MCL violations	0	0
3	Maintain Chalk Bluff and Glendale finished water turbidity 95% of the time.	At less than: • 0.30 NTU = EPA Standard • 0.20 NTU = Good • 0.15 NTU = Excellent • 0.10 NTU is Outstanding		NTU's	≤ 0.10 NTU	≤ 0.10 NTU

NOTES:

Goal 1: 28,168 MG produced at a cost of \$21,965,908.78 which equates to \$779.81/MG.

DISTRIBUTION

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. **< 4 hours**	75^{th} Percentile = 0.13 Median = 0.24 25^{th} Percentile = 1.63	# of planned outages/1,000 customers	Median or better	0.12
2	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. **4 – 12 hours**	75^{th} Percentile = 0.14 Median = 0.27 25^{th} Percentile = 0.53	# of planned outages/1,000 customers	Median or better	0.17
3	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. **< 4 hours**	75^{th} Percentile = 0.28 Median = 0.82 25^{th} Percentile = 1.87	# of unplanned outages/1,000 customers	Median or better	4.01
4	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. **4 – 12 hours**	75^{th} Percentile = 0.06 Median = 0.24 25^{th} Percentile = 0.50	# of unplanned outages/1,000 customers	Median or better	0.40
5	Maintain 95% Hydro Plant Generation availability when river flow is available for generation (excluding planned maintenance and rehab, weather limitations and catastrophic failures).		% hydro generation availability	95%	98%

Calculations:

Pre-calculation: 138,530 (estimated # of customers) / 1,000 = 138.5

Goal 1: 17/138.5 **Goal 2:** 23/138.5

Goal 3: 555/138.5 **Goal 4:** 55/138.5

Goal 5: Hydro generation was maintained at 99%, and TMWA produced \$2.9 million in revenue during the fiscal year.

OPERATIONS

	GOALS	MEASURE	TARGET	RESULTS
1	Continue converting the remaining-field sites and stations that contain SCADA control used in a Legacy H.M.I. (Human Machine Interface) platform to operate within a supported and modern OMI (Operations Machine Interface) platform.	# of sites & stations converted to OMI	8	23
2	Maintain a 96% level uptime of the OMI platform and underlying infrastructure within TMWA's direct purview within a 24 hour, 7 day a week, 365 day operational period.	Cumulative system uptime is not to fall below target percentage within the operational period	96%	96%
3	Increase preventative maintenance by 20%.	% increase of preventative maintenance conducted	20%	20%

CUSTOMER SERVICE

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Customer Call Center will have an average call handle time of 5 minutes, or less per call.	75th Percentile: 3.6 Median: 4.9 25th Percentile: 5.4	Average handle time per call	Median or better	5 min 04 seconds
2	The fiscal year average for disconnect for non-payment service orders to active accounts will be 0.30% or less.		% average of disconnects for non-payment	≤ 0.30%	0.06%
3	The write off to revenue will be 0.25% or less at fiscal year-end.		% of write off to revenue	≤ 0.25%	0.19%
4	Hold a minimum of 30 public workshops, tours and/or presentations with a primary focus on responsible water use and education, including Water Leadership workshops and open houses.		# of public workshops and/or tours	≥ 30	43
5	Maintain a high level of billing accuracy.	75th Percentile = 1.9 Median = 6.1 25th Percentile = 21.2	Billing accuracy rate	Median	0.06%
6	Track percentage of total accounts delinquent at fiscal year-end.	75th Percentile: 2.7% Median: 7.6% 25th Percentile: 18.7%	% of delinquent accounts	Median	1.55%
7	Maintain high level of stakeholder outreach activities.	75th Percentile: 94% Median: 83% 25th Percentile: 65%	Stakeholder outreach engagement	94%	94%
8	Track the number of customer service complaints (complaints/population served).	75th Percentile: 0.20 Median: 0.50 25th Percentile: 1.3	# of customer complaints	Median or better	0.19%
9	Track the percentage of bills issued that were estimated for both residential and commercial customers.	**Residential:** 75th Percentile: 2.0% Median: 0.6% 25th Percentile: 0.1% **Commercial:** 75th Percentile: 0.9% Median: 0.1% 25th Percentile: 0.0%	% of estimated bills issued	0.1% (Combined total)	0.01%

Calculations:

Goal 5:
$$\frac{259(\text{\# of error-driven billing adjustments}) \times 10{,}000}{1{,}665{,}808 \ (\text{\# of bills generated})}$$

Goal 8:
$$\frac{91(\text{\# of complaints}) \times 1{,}000}{472{,}200 \ (\text{Estimated population served})}$$

TECHNOLOGY SERVICES

	GOALS	MEASURE	TARGET	RESULTS
1	Complete the mapping of New Business 'as-built' drawings within 7 days or less.	# of days mapping of 'as-built' drawings of 'redline' drawing submittal	≤ 7 days	2 days
2	Respond to helpdesk tickets within 24 hours or less.	Average # of hours between the creation and closing of Helpdesk tickets	≤ 24-hrs	17 hrs
3	Develop processes and tools necessary to further leverage Geographic Information Systems (GIS) as TMWA's primary asset database.	% Implementation of processes and tools necessary to track and update "intradoc" assets	100%	100%
4	Develop processes and tools necessary to further leverage TMWA's financial system.	% implementation of processes and tools	100%	100%
5	Complete Human Capital Management (HCM) Project to replace TMWA's current payroll and HR applications.	Complete project by 8/2025	100%	0%
6	**NEW:** Complete Business Network Restructuring to enhance cybersecurity.	8/2025	100%	60%

Notes:

Goal 2: Since internal SLA have been adjusted this past fiscal year to focus on improving the end user experience and engagement with the Technology Services department by providing meaningful responses to end users issues and eventual satisfactory resolutions this goal is considered as being met.

Goal 3: Work was completed to expand GIS backend capabilities to align it for storing key characteristics attributed to asset management, which has significantly contributed to the current and expected completion of other TMWA organizational level objectives. For example, TMWA's newly deployed permitting, licensing, and land (PLL) public access portal and Lead and Copper studies require the asset elements now present in the GIS database.

Goal 4: Proof of concept data analytics tools where implemented and requested reporting was developed for various stake holder departments, however with the Organizational decision to move to another financial system that would be contained in a larger Enterprise Resource Planning (ERP) platform, further development work has been deprioritized.to focus on a new financial system

Goal 5: HCM Project was restarted with new insight gained to seek out a experienced partner to provide guidance through the selection process and thru collaborative findings the selection scope has shifted to encompass a full and complete Enterprise Resource Planning (ERP) platform that contains both Human Capital Management (HCM) and Financial systems under a singular platform. TMWA has since initiated a formal Request for Proposal (RFP) for ERP solutions and will be progressing to making a selection and restarting a its implementation that will include and prioritize replacing its existing Human Capital Management (HCM) application.

Goal 6: While the project had experienced several setbacks resulting from equipment procurement delays and staff turnover within FY2025, those setbacks have since been overcome and significant and rapid advancement has been made by a strong network team that has completed several key supporting milestones in the project such as replacing aged equipment, moving key communications services to new security hardware, and connecting TMWA's numerous staffed satellite locations through new isolated network segments. The remaining work involved pertains to moving and adjusting TMWA's core business networks located at our Capital location, which is the most complex and time consuming and therefore requires the most planning and careful execution to minimize disruptions.

HUMAN RESOURCES

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Track continuous training for full-time equivalents (FTEs) employees.	75^{th} Percentile: 22.3 Median: 14.5 25^{th} Percentile: 7.7	# of continuous training hours per employee	Median or better	16.9
2	Track the number of annual employee FTEs departures per year.	75^{th} Percentile: 6.3% Median: 10.9% 25^{th} Percentile: 14.3%	# of FTEs departed per year	Median or better	8.5%
3	Track the number of FTEs eligible for retirement.	75^{th} Percentile: 10.3% Median: 20.2% 25^{th} Percentile: 29.2%	#of FTEs eligible for retirement	Median or better	16.0%

Calculations:

Goal 1: $\dfrac{\text{4,748.75 (training hours)}}{\text{281 (\# of employees)}}$

Goal 2: $\dfrac{\text{24 (\# of employees departed)}}{\text{281 (\# of employees)}}$

Goal 3: $\dfrac{\text{45 (\# of FTEs eligible to retire)}}{\text{281 (\# of employees)}}$

FINANCIAL

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET	RESULTS
1	Meet or underspend Capital Commitments as approved by the Board.		$ spent	70%-100%	$72.1m (65%)
2	Meet or underspend O&M Budget Commitments.		$ spent	Met or underspent	$92.8m (4% under)
3	Maintain a lean operating ratio.	75th Percentile: 42% Median: 55% 25th Percentile: 68%	% operating ratio	Median	70%
4	Reduce TMWA's debt per capita based on industry standards.	Benchmark: $500-$550	TMWA's debt per capita	Work toward industry standards	$591
5	Maintain ratio of capital cost to total budgeted costs based on industry standards.	Benchmark: 25% - 50%	% of capital cost to total budgeted costs	25%	29%

Calculations:

Goal 3: $\frac{\text{\$93m (Total O\&M costs)}}{\text{\$132m (Total operating revenue)}}$

Goal 4: $\frac{\text{\$279m (Total debt)}}{\text{472k (Population served)}}$

Goal 5: $\frac{\text{\$50m (CIP)}}{\text{\$173m (Cost of service)}}$

Goal 3 Note: Operating ratio has been lower than the objective in recent years following years of high inflation, as rates catch up. This is expected to improve in future years.

Goal 4 Note: Improved from $623 in prior year. Trending toward benchmark as expected.

NATURAL RESOURCES

	GOALS	MEASURE	TARGET	RESULTS
1	Increase community awareness and understanding of TROA and its benefit to our area's municipal water supply.	Continue giving presentations to customer/industry groups on TMWA's overall water resource management strategies, including the benefits of TROA, ASR, conservation, and A+ Reclaimed Water feasibility to the area's municipal water supply.	≥ 10 presentations	13
2	Review, monitor, and advise the Board regarding issues and activities of the 2025 legislative session that may affect TMWA. Continue monitoring and stay updated on statewide water law issues.	As necessary, advise the Board regarding issues or activities that may affect TMWA.	100%	100%
3	Continue an active role in maintaining sufficient water rights inventory, analyze purchase opportunities.	Maintain sufficient water rights inventory.	Monthly Board reports	100%
4	Turn around new business application water rights work within 5 business days (unless changes arise on the customer's side.)	# of days turnaround new business application	≤ 5 days	2 days
5	Remain actively involved with UNR's Nevada Water Innovation Institute projects.	Report activities to the Board	100%	100%
6	Respond to customer water usage audit requests within 3-5 business days and provide monthly conservation report to the Board.	# of days between receiving request and completing a water audit	≤ 5 days	2 days
7	Analyze opportunities to increase water conservation for drought resiliency, use best available science to evaluate global climate change models applicable to this region, and advise the Board.	Complete the analyses and update the Board.	100%	100%

Notes:

Goal 1: Staff exceeded this goal with numerous water resource management strategy presentations given (Re: supply, TROA, Conservation, ASR, and A+ Reclaimed water feasibility).

Goal 2: Actively participate in trade group to track, comment and advocate in federal and state legislative matters. Participate in stakeholder processes regarding water rights and water quality regulatory changes. Update the Board through the legislative subcommittee.

Goal 3: Staff developed a water right purchasing strategy to identify opportunities to purchase water rights. Developed a strategy for pricing to help maintain a stable water market and maintain Rule 7 inventory. Staff entered into leases, options and several water purchases agreements.

Goal 5: Conducting several NWII projects, A+ piloting, ASR, sewer collection system source control.

Goal 7: Began process to update climate change assumptions for upcoming water resource planning documents. At the April 2025 Board meeting, staff presented the draft 2025-2045 Water Resource Plan which included updated climate change modeling to build off the last revision. Evaluated and participated in upstream watershed protection for wildfire mitigation considering fire behavior changes from climate change. Reported to the Board on opportunities to reoperate upstream reservoirs given climate change impacts (Truckee Basin Water Management Options Pilot (WMOP) Study Update) and explored increased groundwater banking to account for possible changes in snowpack.

ENGINEERING & NEW BUSINESS

GOALS		MEASURE		TARGET	RESULTS
1	Continue cooperative coordination with Agencies and complete projects on schedule. Survey agency satisfaction with utility coordination effort.	1 = Unacceptable 2 = Needs Improvement 3 = Good 4 = Commendable 5 = Outstanding	Average response rate	≥ 4 rating	4.25
2	Deliver required in-service dates for major capital projects on/under budget.	• APWF GMP 1 Q3 2025 • Orr Ditch Hydro / BPS In Service April 2025 • Tank Rehab in Service, May 2025 • Sparks 36" Feeder Main, June 2025	$32M	Met or underspent	$27.2M
3	Continue to measure and report new business turnaround times. **<u>Project Category</u>** **A)** Commercial with Main **B)** Commercial Service **C)** Subdivision	Number of Projects and turnaround times: 75% ≤ 30 days	% turnaround in ≤ 30 days	75%	**A) 90%** **B) 98%** **C) 92%**
		100% ≤ 60 days	% turnaround in ≤ 60 days	100%	**A) 95%** **B) 100%** **C) 100%**
4	Achieve 100% backflow testing compliance for all new construction and TMWA-owned devices, as well as 100% continued notification for backflow testing compliance for all existing customers.	% of backflow testing for new construction, TMWA-owned devices & existing customers.		100%	100%
5	Perform 150 backflow retrofits.	# of backflow retrofits.		≥ 150	253
6	With BIS support, implement the Cityworks Public Access Portal for New Business Applications.	Complete by January 2025.	% complete	100%	100%
7	Implement 3 Major New Business Process Improvements.	Complete by August 2025.	% complete	100%	100%
8	**NEW:** Publish TMWA Water Project Design Plans Preparation & Submittal Guidance Document.	Complete by January 2025.	% complete	100%	100%
9	**NEW:** Complete a 'gap analysis' across all Asset Management Plans and identify 3 possible programmatic improvements.	Complete by July 2025.	% complete	100%	25%

Goal 2: Project Highlights

PROJECT	SCHEDULE	BUDGET	EXPENDED
Advanced Purified Water Facility GMP 1	Q3 2025 – Pushed to Q2 of 2026	$8	$8.3
Orr Ditch Hydro / BPS in Service	April 2025 – Pushed to August 2025	$11	$10
Tank Rehab in Service	May 2025 – Completed on Time	$10.1	$5.8
Sparks 36" Feeder Main	June 2025 – Completed Early	$2.9	$3.1
	TOTAL:	**$32 Million**	**$27.2 Million**

- The Advanced Purified Water Facility (GMP 1) is delayed due to permitting and design challenges.
- The Orr Ditch project is experiencing delays caused by long lead times for electrical components and unforeseen site conditions.
- The Tank Rehabilitation project came in under budget, primarily because fewer tanks were able to be rehabilitated than originally anticipated.

Goal 3: # of calendar days from application to first red-line review completed.

	Project Category	# Projects	Avg. Days	<=30 days	<=60 days	>60 days
A	Comm w/Main	21	26	19	20	1
B	Comm Services	85	15	83	85	0
C	Subdivision	26	25	24	26	0

Goal 3: One new business project did not meet the 60-day turnaround time due to required Annexation of project before processing application.

Goal 6 The New Business Portal was initially tested by select outside applicants in January and actual project applications processed via the Portal starting in February 2025.

Goal 7: In December 2022, TMWA held a New Business Improvements workshop over several days including numerous departments. The team mapped the entire process and identified over two dozen process improvements. Eight of those improvements were implemented in FY2023 six were implemented in FY2024, and another four were implemented in FY2025.

Goal 8: Draft document generated at the end of January for review. Final document issued in early April 2025, and two public workshops held in late April 2025.

FY 2025 Satisfaction Survey Results

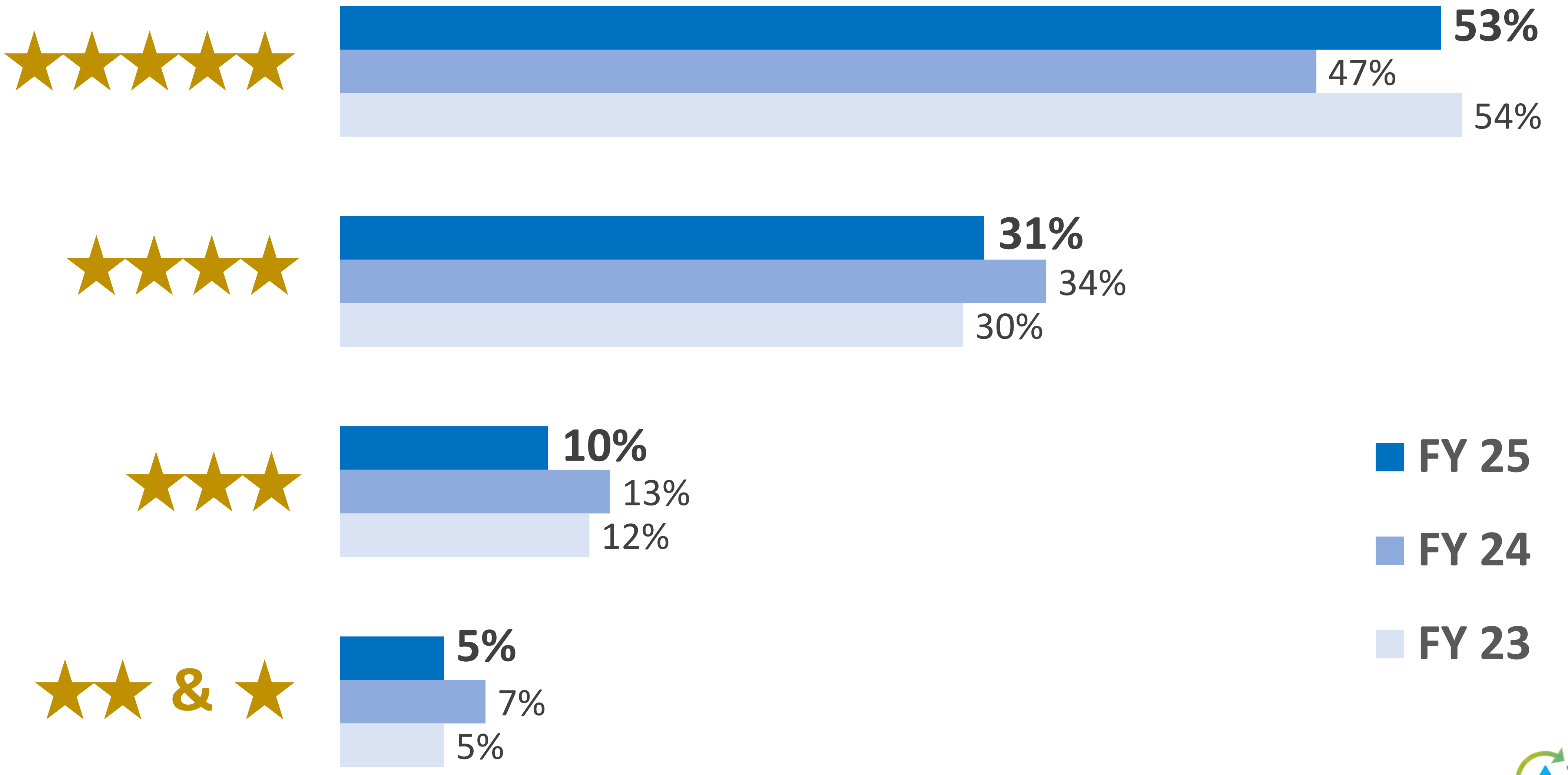
October 15, 2025

Truckee Meadows Water Authority

Quality. Delivered.

Satisfaction Score (Total # of stars divided by # of respondents)

In fiscal year 2025 TMWA Satisfaction Rate was 86%.

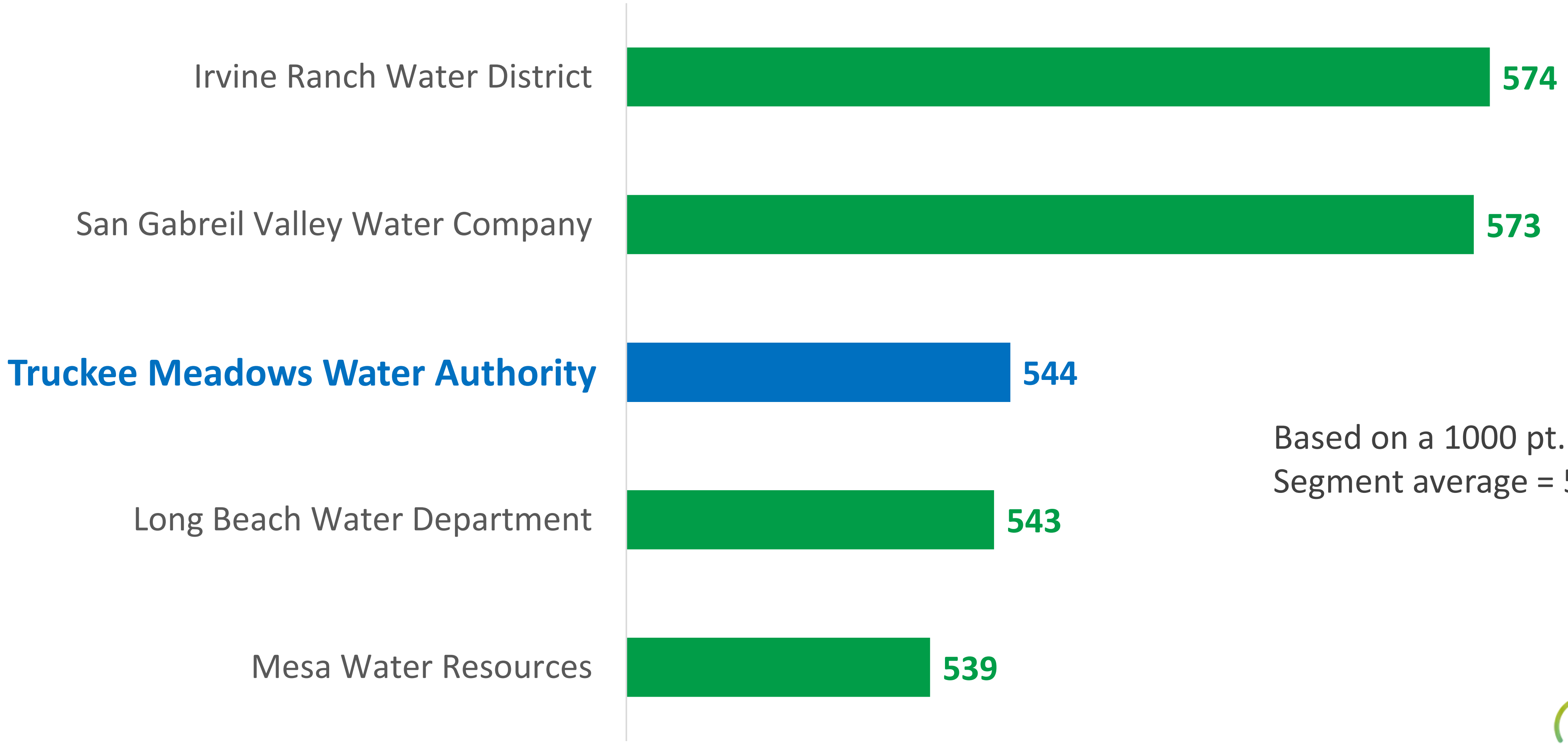


Truckee Meadows Water Authority

Satisfaction Industry Benchmark

J.D. Power 2025 US Water Utility Residential Customer Satisfaction Survey, TMWA Ranks Third

Overall Ranking: West Region Mid-size Utilities

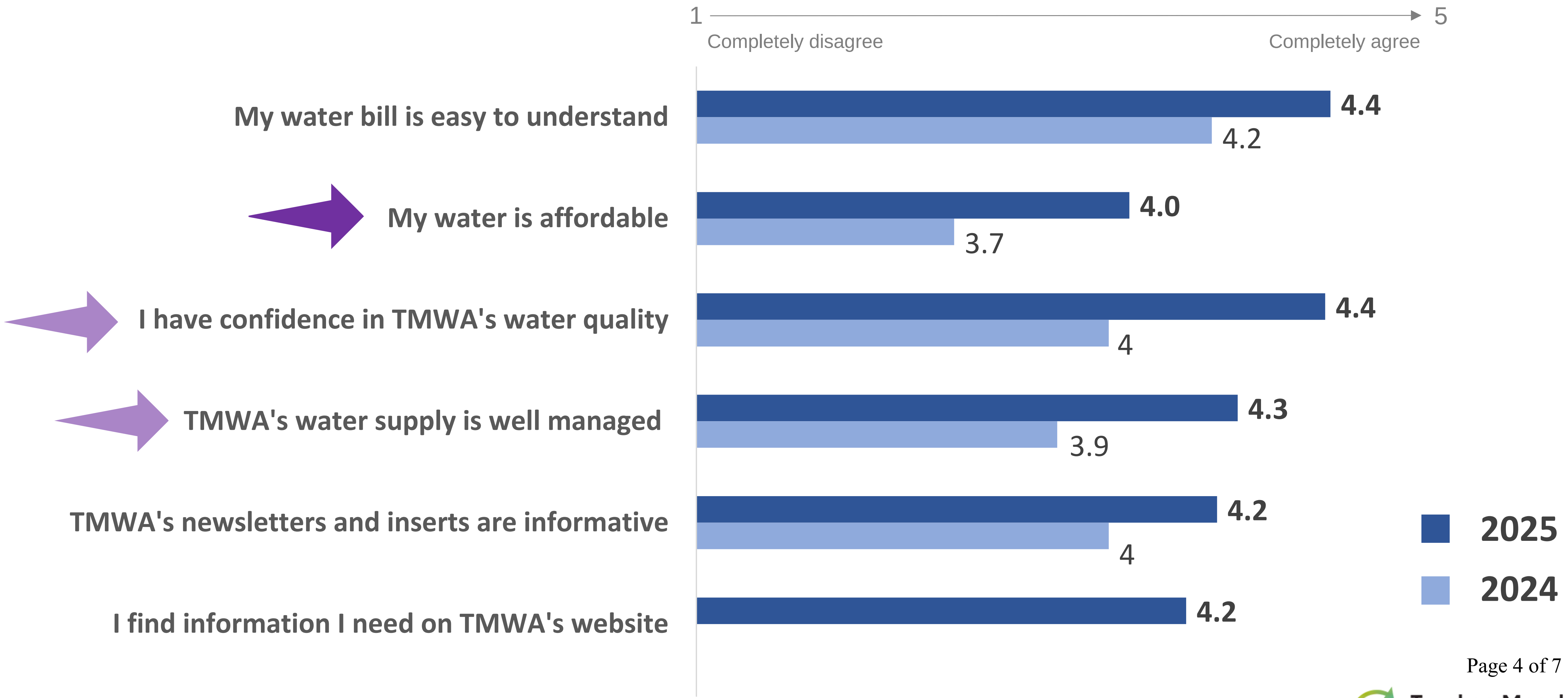


Based on a 1000 pt. scale
Segment average = 519

Truckee Meadows Water Authority

Agreement Questions (5-point scale, average score)

Collectively, the questions below can explain 72% of what impacts satisfaction.



Agreement with purple arrow questions have the strongest correlation to driving satisfaction.

Truckee Meadows Water Authority

Rank Priority FY25

Even with question structure change, the same sentiment was reinforced from FY24 to FY25.

FY 2024 (Select Top 2)

#1 Maintain high quality of my drinking water.

#2 Keep water affordable.

#3. Have sufficient water supply during drought.

#4. Meet needs of a growing population.

#5. Manage the effects of climate change.

FY 2025 (Order all)

#1 Maintain high quality of my drinking water.

#2 Keep water affordable.

#3. Have sufficient water supply during drought.

#4. Meet needs of a growing population.

#5. Manage the effects of climate change.

Open Comments: Weighing Response Volume and Topics

★★★★★ 1434 Respondents
25% Commented

★★★★ 847 Respondents
62% Commented

★★★ 282 Respondents
35% Commented

★★ 84 Respondents
48% Commented

★ 57 Respondents
75% Commented

COMMENT TOPICS

Relative Drivers of Satisfaction

#1. Online Payment

#2. Bill Amount

#2. Water Quality

#3. Billing Process

#4. Online Experience

Truckee Meadows Water Authority

How TMWA will use this data

- ✓ Identifying strategic communication objectives
- ✓ Addressed in appropriate plans (i.e. Water Resource Plan.)
- ✓ Drive creation of new assets (2045 WRP At-A-Glance Report)
- ✓ Featured content in bill inserts and newsletter
- ✓ Guide stakeholder outreach event materials
- ✓ Guide social media message development
- ✓ Identify spotlights for employee appreciation

TMWA

FY 2026

Proposed

Goals & Objectives

Truckee Meadows Water Authority

Contents

GOALS & OBJECTIVES

ORGANIZATION

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
	CUSTOMER SATISFACTION			
1	Customers Totally or Mostly Satisfied.	71%-81% = Good 82%-86% = Excellent 86% + = Outstanding	% of residential customer's satisfaction	86%
	EFFICIENCY			
1	Track customer accounts per employee and compare to national benchmark.	75th Percentile = 584 Median = 446 25th Percentile = 366	# of accounts per employee	Top quartile
2	Track average MGD delivered per employee and compare to national benchmark.	75th Percentile = 0.30 Median = 0.21 25th Percentile = 0.16	Average MGD delivered per employee	Top quartile
	SAFETY			
1	Track Total Recordable Incident Rate (TRIR) and maintain a rate at or below the incidence rates of nonfatal occupational injuries and illnesses for Local government Water, Sewage and Others systems - Bureau of Labor Statistics (BLS), 2023.	BLS table of incidence rates of non fatal occupational injuries and illnesses by industry - NAICS 2213.	TRIR	≤4.5
2	Track Days Away, Restricted, or Transferred (DART) and maintain a rate at or below the incidence rates of nonfatal occupational injuries and illnesses for Local government Water, Sewage and Others systems - Bureau of Labor Statistics (BLS), 2023.	BLS table of incidence rates of non fatal occupational injuries and illnesses by industry - NAICS 2213.	DART	≤2.3
3	Track vehicle collisions Per Million Miles (PMM) and compare to TMWA average.	Less than or equal average = improving collisions PMM.	FY15-FY24 # of collisions PMM average	≤6.80

	OBJECTIVES	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
	FINANCE			
1	Meet all bond covenants.		# of bond covenants met	100%
2	Update the 5-year funding plan.		Update completed	100%
3	Preserve or improve TMWA's excellent credit ratings by the three major credit rating bureaus S&P (AA+ stable), Moody's (Aa2 stable) and Fitch (AAA)		Maintain or improve credit ratings of High Grade	AA+/Aa2/AAA – stable or better
4	Sustain a minimum of 505 days of cash reserve.	75th Percentile = 505 Median = 357 25th Percentile = 184	# of days of cash reserve	Top quartile
5	Maintain a debt-service coverage ratio of 1.5.	75th Percentile = 3.464 Median = 2.63 25th Percentile = 2.06	Debt-service coverage ratio	1.5 or better
6	**NEW:** Maintain unrestricted cash balance above required minimum (Reso No. 266).	Calculated minimum based on criteria	Unrestricted cash balance at FYE	Above minimum requirement
7	**NEW:** Revenue sufficiency improvement	Improvement year to year until approaching $0	Recurring Revenues less Revenue Requirement	Year over year improvement
8	**NEW:** Operating expenses per million gallons produced	75th Percentile = $1,977 Median = $2,846 25th Percentile = $4,449	Operating expenses before depreciation / gallons delivered	Median or above
9	**NEW:** Repair and Replace Capital (R&R) to Depreciation Ratio	R&R capital should replace depreciation expense	Repair and Replace Capital (-) Depreciation Expense	>1.0
10	**NEW:** Execute 75% of the forecasted Capital Improvement Plan spending.	None	% of Budgeted FY Capital Spending	75%

OBJECTIVES		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
NATURAL RESOURCES				
1	Maximize benefit of TROA implementation.	Maximize upstream storage under TROA within hydrological and operational constraints. Continue to cooperate with TROA stakeholders to develop opportunities to improve reservoir operations and efficient use of water resources.		100%
2	Manage aquifer storage and recovery (ASR) and passive recharge capabilities and operations.	Analyze effectiveness of ASR and passive recharge on a well-by-well basis within each basin. Complete semi-annual report describing ASR and passive recharge goals and results		100%
3	Work with stakeholders to operate the return flow management agreement.	Update Board each year or when major milestones are met.		100%
4	Collaborate with City of Reno on the A+ Advanced Purified Water Demonstration Project at American Flat.	Bring forth an operating agreement between TMWA and City of Reno.		100%
5	Palomino Valley Feasibility Study: Complete hydrogeologic feasibility investigation, investigate return flow water rights considerations, right of way and state engineer permitting issues. Update the Board as necessary.	% complete		100%
6	**NEW:** TMWA's Regional Influence	Update Board on progress concerning water coordination with TMRPA, EDAWN and GOED on policy efforts related to the efficient use of water for large scale users in the region. Update the Board regarding any coordination efforts as appropriate.		100%
7	**NEW:** Participate in Western Regional Water Commission Wastewater Utility Regionalization Study	Participate in the study and update Board on progress concerning wastewater regionalization in the region via the NNWPC and WRWC.		100%

DEPARTMENT

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
	TREATMENT			
1	Meet the benchmark of 0 (Zero) MCL violations.	0 (Zero) MCL violations	# of MCL violations	0
2	Maintain Chalk Bluff, Glendale and Mt. Rose Water Treatment Plant finished water turbidity 95% of the time.	At less than: • 0.30 NTU = EPA Standard • 0.20 NTU = Good; • 0.15 NTU = Excellent; • 0.10 NTU = Outstanding	NTU's	≤ 0.10 NTU
	DISTRIBUTION			
1	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. **< 4 hours**	75th Percentile = 0.20 Median = 0.49 25th Percentile = 1.34	# of planned outages/1,000 customers	Median or better
2	Track system reliability by calculating the number of planned outages per 1,000 customers and compare to national benchmarks. **4 – 12 hours**	75th Percentile = 0.11 Median = 0.24 25th Percentile = 0.37	# of planned outages/1,000 customers	Median or better
3	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. **< 4 hours**	75th Percentile = 0.27 Median = 0.91 25th Percentile = 2.18	# of unplanned outages/1,000 customers	Median or better
4	Track system reliability by calculating the number of unplanned outages per 1,000 customers and compare to national benchmarks. **4 – 12 hours**	75th Percentile = 0.07 Median = 0.24 25th Percentile = 0.44	# of unplanned outages/1,000 customers	Median or better
5	Maintain 95% Hydro Plant Generation availability when river flow is available for generation (excluding planned maintenance and rehab, weather limitations and catastrophic failures).		% hydro generation availability	95%
	OPERATIONS			
1	Continue converting the remaining-field sites and stations that contain SCADA control used in a Legacy H.M.I. (Human Machine Interface) platform to operate within a supported and modern OMI (Operations Machine Interface) platform.		# of sites & stations converted to OMI	8
2	Increase preventative maintenance by 20%.		% of preventative maintenance conducted	20%
3	**NEW:** Treatment operations, maintenance, engineering and distribution review pinch points or critical areas in the distribution system.		Conduct regular evaluations of existing distribution system facilities	4

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
	CUSTOMER SERVICE			
1	The fiscal year average for disconnect for non-payment service orders to active accounts will be 0.30% or less.		% average of disconnects for non-payment	≤ 0.30%
2	The write off to revenue will be 0.25% or less at fiscal year-end.		% of write off to revenue	≤ 0.25%
3	Hold a minimum of 30 public workshops, tours and/or presentations with a primary focus on responsible water use and education, including Water Leadership workshops and open houses.		# of public workshops and/or tours	≥ 30
4	Maintain a high level of billing accuracy.	75^{th} Percentile = 1.2 Median = 5.9 25^{th} Percentile = 21.7	Billing accuracy rate	Median
5	Maintain high level of stakeholder outreach activities.	75^{th} Percentile: 75% Median: 69% 25^{th} Percentile: 56%	Stakeholder outreach engagement	75%
6	Track the number of customer service complaints (complaints/population served).	75^{th} Percentile: 0.10 Median: 0.60 25^{th} Percentile: 1.1	# of customer complaints	Median or better
7	Track the percentage of bills issued that were estimated for both residential and commercial customers.	**Residential:** 75^{th} Percentile: 0.1% Median: 0.90% 25^{th} Percentile: 2.0% **Commercial:** 75^{th} Percentile: 0.0% Median: 0.1% 25^{th} Percentile: 1.0%	% of estimated bills issued	0.1% (Combined total)

	TECHNOLOGY SERVICES		
1	Complete the mapping of New Business 'as-built' drawings within 7 days or less.	# of days mapping of 'as-built' drawings of 'redline' drawing submittal	≤ 7 days
2	Respond to helpdesk tickets within 24 hours or less.	Average # of hours between the creation of a Helpdesk ticket and IT staff's response to it	≤ 24 hours
3	Maintain a 96% level uptime of the OMI platform and underlying infrastructure within TMWA's direct purview within a 24 hour, 7 day a week, 365 day operational period.	Cumulative system uptime is not to fall below target percentage within the operational period	96%
4	Complete Business Network Restructuring to enhance cybersecurity.	8/2026	100%
5	**NEW:** Transition Geographic Information System (GIS) to a Utility Network data model to further support as asset management initiatives.	% implementation of processes and tools	100%
6	**NEW:** Complete Selection of a new Enterprise Resources Planning (ERP) platform to replace existing disparate financial and human resources applications under a single system.	Complete selection by 12/2025	100%
7	**NEW:** Implement Online Payment Processing within Cityworks Public Access Portal.	8/2026	100%

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
	HUMAN RESOURCES			
1	Track continuous training for full-time equivalents (FTEs) employees.	75th Percentile: 32.5 Median: 21.4 25th Percentile: 13.7	# of continuous training hours per employee	Median or better
2	Track the number of annual employee FTEs departures per year.	75th Percentile: 4.3% Median: 8.5% 25th Percentile: 11.0%	# of FTEs departed per year	Median or better
3	Track the number of FTEs eligible for retirement.	75th Percentile: 9.4% Median: 19.3% 25th Percentile: 25.7%	#of FTEs eligible for retirement	Median or better
	FINANCIAL			
1	Meet or underspend O&M Budget Commitments.		$ spent	Met or underspent

	GOALS	MEASURE	TARGET
	NATURAL RESOURCES		
1	Increase community awareness and understanding of TROA and its benefit to our area's municipal water supply, as well as the other supply management enhancements that TMWA is pursuing.	Continue giving presentations to customer/industry groups on TMWA's overall water resource management strategies, including the benefits of TROA, ASR, conservation, and A+ Reclaimed Water feasibility to the area's municipal water supply.	≥ 10 presentations
2	Review, monitor, and advise the Board regarding issues and activities of the interim 2026 legislative session that may affect TMWA. Continue monitoring and stay updated on statewide water law issues.	As necessary, advise the Board regarding issues or activities that may affect TMWA.	100%
3	Continue an active role in maintaining sufficient water rights inventory, analyze purchase and long-term lease opportunities.	Maintain sufficient water rights inventory.	Monthly Board reports
4	Turn around new business application water rights work within 5 business days (unless changes arise on the customer's side.)	# of days turnaround new business application	≤ 5 days
5	Remain actively involved with UNR's Nevada Water Innovation Institute projects.	Report activities to the Board	100%
6	Respond to customer water usage audit requests within 3-5 business days and provide monthly conservation report to the Board.	# of days between receiving request and completing a water audit	≤ 5 days
7	Analyze opportunities to increase water conservation for drought resiliency, use best available science to evaluate global climate change models applicable to this region, and advise the Board.	Complete the analyses and update the Board.	100%

	GOALS	AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
ENGINEERING & NEW BUSINESS				
1	Continue cooperative coordination with Agencies and complete projects on schedule. Survey agency satisfaction with utility coordination effort.	1 = Unacceptable 2 = Needs Improvement 3 = Good 4 = Commendable 5 = Outstanding	Average response rate	≥ 4 rating
2	Continue to measure and report new business turnaround times. **<u>Project Category</u>** **A)** Commercial with Main **B)** Commercial Service **C)** Subdivision	Number of Projects and turnaround times: 75% ≤ 30 days 100% ≤ 60 days	% turnaround in ≤ 30 days	75%
			% turnaround in ≤ 60 days	100%
3	Achieve 100% backflow testing compliance for all new construction and TMWA-owned devices, as well as 100% continued notification for backflow testing compliance for all existing customers.	% of backflow testing for new construction, TMWA-owned devices & existing customers	% complete	100%
4	Perform 150 backflow retrofits.		# of backflow retrofits	≥ 150
5	Implement 3 Major New Business Process Improvements.	Complete by July 2026.	% complete	100%
6	Complete a 'gap analysis' across all Asset Management Plans and identify 3 possible programmatic improvements.	Complete by July 2026.	% complete	100%
7	**NEW:** Begin development of 2025-2045 Water System Facility Plan Update.	Complete by October 2026.	% complete	100%

STAFF REPORT

TO: Chair and Board Members
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer
DATE: October 1, 2025
SUBJECT: **Discussion and action, and possible direction to staff regarding the FY 2026-2030 funding plan**

Recommendation

Recommendation is to approve the five-year funding plan as presented and proceed with the previously approved 3.5% rate increase to be implemented in May 2026. Although the Funding Plan consists of future rate increases, at this time, Staff is not asking for approval of future rate increases. The TMWA Standing Advisory Committee (SAC) and TMWA Board of Directors (Board) will continue to monitor recurring revenues and the cost of servicing TMWA customers based on the funding plan, annually, considering debt service coverage ratios and minimum unrestricted cash balances.

Summary

At the February 21, 2024 TMWA Board meeting, the Board adopted resolution No. 323, outlining a series of rate increases over three years followed by annual rate adjustments based on CPI-U, subject to annual review based on TMWA's financial position. The approved rate increases for the first three years were 4.5%, 4.0% and 3.5% in May 2024, May 2025 and May 2026, respectively. Following this adoption, TMWA implemented the first two rate increases of 4.5% and 4.0% in May 2024 and 2025, respectively.

Each year, the TMWA SAC and Board will review TMWA's five-year funding plan and consider whether the upcoming, scheduled rate adjustment is required to meet certain financial objectives. These objectives include a debt service coverage ratio of 1.50x on TMWA's senior lien debt and a minimum unrestricted cash balance based on certain financial criteria calculated each year.

The proposed funding plan includes the previously approved rate increase of 3.5% in May 2026. Subsequently, the plan anticipates increases of 5.0%, 4.0% and 4.0% in May 2027, 2028, and 2029, respectively, ending with a CPI-U based increase in May 2030. **Attachment A** includes a summary of revenue sufficiency, debt service coverage and cash balances over the five years. These three measures are discussed in more detail below. Critical financial goals for TMWA that need to be considered in these funding plans are as follows:

- Maintain recurring revenues sufficient to cover the cost to serve customers.
- Maintain a senior lien coverage (DSC) ratio that not only meets bond covenants of 1.25x, but also meets the board designated goal of 1.50x.
- Maintain sufficient cash balances to facilitate the payment for rehabilitative capital projects on a pay-go basis.
- Maintain high investment grade credit ratings to effectively access credit markets.

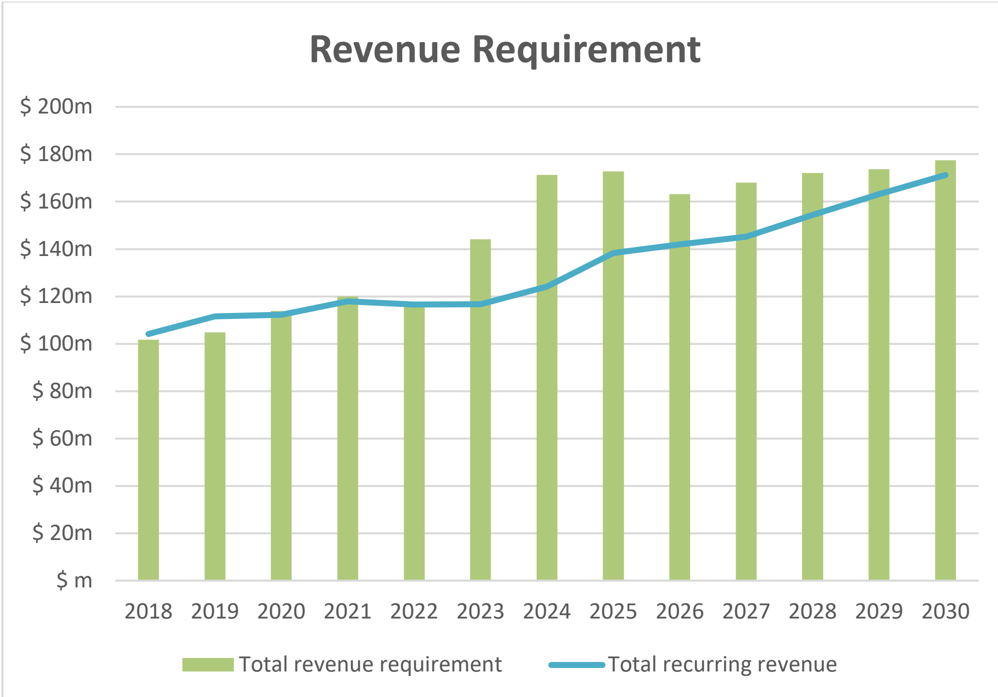
The funding plan analyzes the ability of TMWA to fund the cost to serve customers which includes operating expenses, principal and interest payments on current outstanding debt related to customers, and all capital improvements presented in the TMWA Capital Improvement Plan (CIP) that relate to maintaining service for current customers from recurring revenues. Recurring revenues are comprised of water sales, hydroelectric revenues, other miscellaneous operating revenues and investment income with water sales making up between 90% and 95% of recurring revenues. Critical Risks for TMWA to consider related to this funding plan include:

- This funding plan does not predict any conservation that may occur due to possible drought conditions, and it assumes that there will be sufficient river flows to operate hydroelectric plants in each year of the plan.
- Growth is expected to remain steady throughout the plan. Should the local economy experience a slow-down or recession, growth could slow, which would have a negative effect on cash balances.

The funding plan is based on detailed financial projections. Assumptions used in these financial projections can be found in **Attachment B**. The funding plan is different from the budget. When Staff prepares the annual budget, we ensure that we have enough expenses projected to cover all reasonable scenarios. Since the funding plan is used to determine whether rate increases are necessary, it is typically less conservative in projecting operating expenses and capital spending.

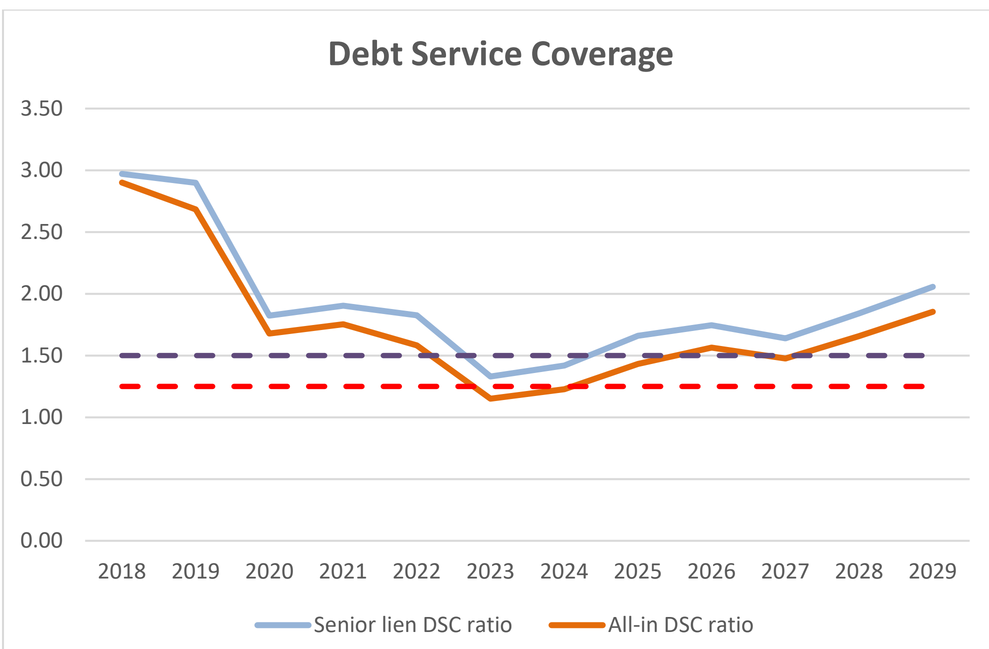
Revenue Sufficiency

TMWA is forecasting a deficiency in revenue requirement and recurring revenues. This is consistent with the funding plan presented for fiscal years 2025-2029 and is largely a function of high inflation in fiscal years 2023 and 2024. While the deficiency is present each year, it narrows from $21.2 million in FY 2026 to $6.2 million in FY 2030. Revenue requirement and recurring revenue are shown in the chart on the following page.



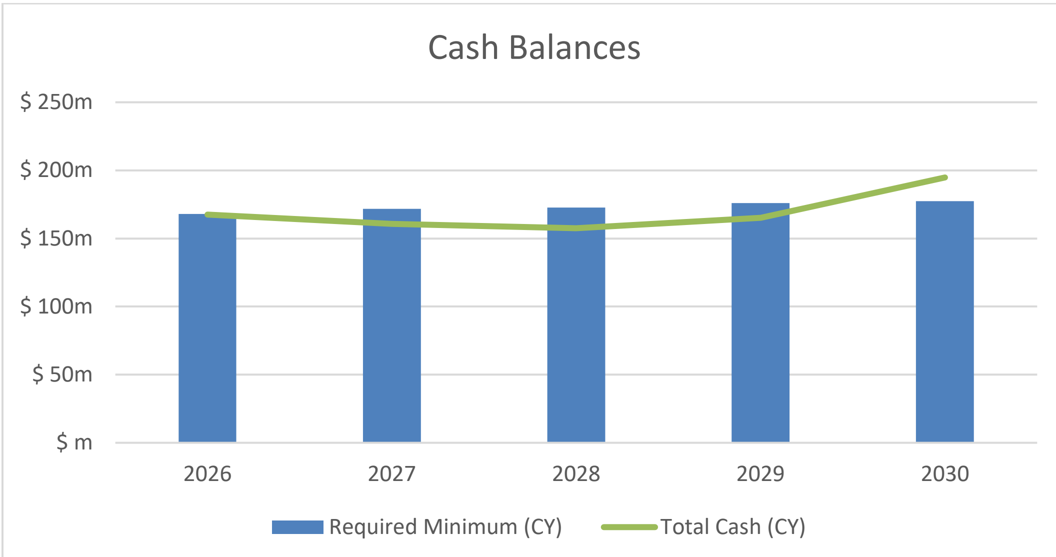
Debt Service Coverage

TMWA is forecasting all-in debt service coverage to be 1.48x in FY 2027 which is slightly below the Board goal of 1.50x. However, by the end of the 5-year plan, all-in debt service coverage is expected to recover to 2.01x. Senior lien debt service coverage reaches a low of 1.64x, which remains above the required minimum of 1.25x per TMWA's senior lien bond covenants.



Cash Balances and Credit Ratings

TMWA's unrestricted cash is currently below the minimum designated by TMWA's Financial Guidelines policy, included in Resolution No. 266. The balance remains below the minimum until the final year of the plan, when it is expected to recover to $17.4m above the minimum. Per the Financial Guidelines policy, if cash balances are below the minimum, the balances will be corrected by *increasing rates, fees and other charges*.



TMWA's credit ratings remain strong, holding at AAA, AA+ and Aa2 from Fitch, Standard and Poor's and Moody's, respectively.

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

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

Recommended Motion

Move to approve the funding plan as presented and on the condition that the forecasted rate increases in fiscal years 2027, 2028 and 2029 are not being approved as part of the plan and will be contemplated by the Board at a future meeting.

	Forecast FY26	Forecast FY27	Forecast FY28	Forecast FY29	Forecast FY30	Total FY 25-29
Projected Rate Increases	***3.50%***	***5.00%***	***4.00%***	***4.00%***	***2.00%***	
Revenue Sufficiency						
Revenue Requirement (expenditures)						
Operating Expenses (excluding depreciation)	95,770,877	100,085,572	103,675,263	106,559,150	109,982,468	516,073,330
Principal and Interest on customer related debt	28,869,320	28,869,320	28,704,272	26,889,027	26,584,148	139,916,087
Replace & Renew Capital Spending	38,532,303	39,110,287	39,696,941	40,292,396	40,896,781	198,528,708
Total Revenue Requirement	163,172,500	168,065,179	172,076,477	173,740,572	177,463,397	854,518,125
Recuring Revenues						
Water Sales Revenues	128,924,755	135,173,602	143,084,067	150,245,040	157,144,395	714,571,859
Hydroelectric Sales	3,461,756	1,612,602	2,629,255	4,205,465	5,168,605	17,077,683
Other Operating Sales	4,583,935	4,629,774	4,676,072	4,722,833	4,770,061	23,382,675
Investment Income	4,955,558	3,826,897	4,034,195	3,956,134	4,147,412	20,920,197
Total Recurring Revenues	141,926,003	145,242,876	154,423,589	163,129,473	171,230,473	775,952,414
Surplus (Deficiency)	(21,246,496)	(22,822,303)	(17,652,887)	(10,611,099)	(6,232,924)	(78,565,711)
Debt Service Coverage (DSC)						
Total Revenue	141,926,003	145,242,876	154,423,589	163,129,473	171,230,473	
Operating Expenses	(95,770,877)	(100,085,572)	(103,675,263)	(106,559,150)	(109,982,468)	
Net Revenue	46,155,126	45,157,304	50,748,326	56,570,323	61,248,005	
Senior Lien Debt Service	26,452,875	27,550,625	27,543,375	27,511,750	27,498,875	
Senior Lien DSC	1.74	1.64	1.84	2.06	2.23	
Total Debt Service	29,516,325	30,611,644	30,606,725	30,518,900	30,444,191	
All-in DSC	1.56	1.48	1.66	1.85	2.01	
Total Cash						
Restricted Cash	53,416,009	55,202,765	54,106,402	56,087,634	55,965,392	
Rate Stabilization Fund	12,667,616	12,855,081	13,514,205	13,756,437	13,914,933	
Unrestricted Cash	101,527,068	92,575,743	89,904,774	95,297,611	124,910,552	
Total Cash	167,610,693	160,633,589	157,525,380	165,141,682	194,790,877	
Unrestricted Cash Required by BOD Resolution 266	102,000,548	103,628,085	105,017,740	106,175,989	107,517,988	
Cash Surplus/(Deficiency)	(473,480)	(11,052,342)	(15,112,967)	(10,878,379)	17,392,564	

2026-2030 Draft Funding Plan Assumptions

Operational Assumptions

1. Primary reliance on surface water will continue with groundwater supplies augmenting the surface water treatment plants.
2. Orr ditch hydro will supply power to the Chalk Bluff treatment plant beginning in fiscal year 2026 (approximately $0.5m savings, annually).

Revenue/Capital Contribution Assumptions

1. Rate increases of 3.5%, 5.0%, 4.0%, 4.0% in fiscal years 2026, 2027, 2028 and 2029, respectively. Rate increased based on CPI-U in fiscal year 2030, estimated to be 2.0%.
2. The Funding Plan anticipates an additional 7,304 service connections over the five-year period, based on the most recent population forecast.
3. Hydroelectric sales projections are based on sufficient river flows in 2026 through 2030, with consideration given for typical planned and unplanned downtime. TMWA's new PPA with Switch becomes effective in 2028 and 2029 as the existing PPAs with Sierra Pacific Power Company expire. The new PPA includes increased revenue based on the terms of the agreement.
4. Weighted average yield on investable cash is estimated to average 2.5% each year.
5. Will-serve sales are expected to be approximately $24.6 million in FY 2025 through 2029.
6. Developer facility charges are projected to be $75.7 million over the ensuing period.
7. Construction on the Advanced Purified Water Facility at American Flat is expected to commence in FY 2026 and run through FY 2030.
    a. Funding for the project will come from three sources: grant proceeds, State Revolving Fund loan proceeds and City of Reno contributions.

Operating Expense Assumptions

1. Wages and salaries increase for all employees is projected to be 2.5% in each of the fiscal years 2026 through 2030, respectively.
2. Headcount is projected to increase by 6 employees from the fiscal year 2025 budget, or 2%.
3. Public Employee Retirement System contribution rates are assumed to remain at 36.75% in all years.
4. General annual inflation of 2.0% is assumed for service and supplies.

Debt Management Assumptions

1. Drinking Water State Revolving Fund loan to be issued to partially fund APWF at American Flat.
    a. Amount of loan - $59.5 million
    b. Interest rate – 1%
2. No other debt is expected to be issued in fiscal years 2026-2030.

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 266

A RESOLUTION TO APPROVE ENTERPRISE FUND MANAGEMENT POLICY

WHEREAS, Truckee Meadows Water Authority is responsible for providing water services for various areas of the Truckee Meadows and whereas to account for the revenues and expenditures an Enterprise fund was established; and

WHEREAS, NRS 354.612, requires a fund policy to be established by resolution that conforms to certain guidelines;

WHEREAS, the Board desires to amend and replace Resolution No. 17 which previously established the policy governing TMWA's enterprise funds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority that the Fund Policy attached hereto as Exhibit A is hereby adopted and approved and shall be the policy governing the management of the Enterprise funds of the Truckee Meadows Water Authority.

Upon motion of BREKHUS, seconded by DAHIR, the foregoing Resolution was passed and adopted on September 19, 2018 by the following vote of the Board:

Ayes: ALTERNATE BOBZIEN, BREKHUS, DAHIR, HARTUNG, JARDON

Nays: ______

Abstain: ______ Absent: LUCEY & SMITH

Approved: SEPTEMBER 19, 2018

Vaughn Hartung, Chairman

Truckee Meadows Water Authority
Resolution 266 (continued)

STATE OF NEVADA,)
: ss.
COUNTY OF WASHOE.)

On this 19th day of September, 2018, Vaughn Hartung, Chairman of the Board of Truckee Meadows Water Authority, personally appeared before me, a Notary Public in and for said County and State, and acknowledged that he executed the above instrument freely and voluntarily and for the purposes therein mentioned.

SONIA FOLSOM
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 14-15504-2 - Expires October 24, 2018

Notary Public

FINANCIAL POLICIES
Effective Date: September 19, 2018

TRUCKEE MEADOWS WATER AUTHORITY
FINANCIAL MANAGEMENT AND RESERVE POLICY

TRUCKEE MEADOWS WATER AUTHORITY ENTERPRISE FUND:

The Truckee Meadows Water Authority ("TMWA" or "Authority") Enterprise Fund was established to account for the operations and maintenance functions and the costs of capital projects associated with the facilities. An enterprise fund is, by definition, established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including capital costs, depreciation and debt service) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, without producing any significant amount of profit in the long run.

POLICY:

To determine the funding level in each of TMWA's reserve accounts and financial accounts. Capital funding needs, financial stress, and critical areas of funding flexibility will all have a bearing on the appropriate balance in each reserve fund and similar accounts.

Resources for the Truckee Meadows Water Operations Fund include user charges and surcharges which are used for the operation and maintenance of the water system necessary to support system users. Resources for the Water Capital Projects Fund include the proceeds of bond issues and charges which are used for expansion and rehabilitation of the water system to support new users of the system or to fund major system improvements. (Initial funding was provided by an allocation of bond proceeds).

PURPOSE:

A. To establish the financial mechanisms required to support the operation and administration of TMWA.

B. To provide a financial framework for identifying reserves required by debt provisions and other designated unrestricted reserves related to the operation of TMWA.

C. Establish a policy related to unrestricted cash and investments to maintain adequate and prudent cash reserves to mitigate the risks of significant and unexpected decreases in sources of funds and/or increases in uses of funds of TMWA.

DEFINITIONS:

A. The **Truckee Meadows Water Authority Board** is comprised of seven members representing the Cities of Reno and Sparks and Washoe County. The Board establishes policies regarding the operations, maintenance, and capital improvements to the Truckee Meadows Water Authority Facilities as well as the contemplation of future debt requirements.

B. The **Truckee Meadows Water Authority Facilities** consist of water distribution infrastructure, storage reservoirs, wells, and water treatment facilities which serve the residents of Reno, Sparks, and portions of unincorporated Washoe County. A General Manager hired by the TMWA Board serves as the Chief Administrative Officer of TMWA and generally is responsible for operation of the water system.

TMWA MANAGEMENT FINANCIAL RESPONSIBILITIES:

A. Oversee the operation and maintenance of the TMWA water system.

B. Prepare the annual tentative and final budget as required by State law.

C. Review the costs for operating and maintaining the water system at least annually and adjust rates, fees and other charges, when necessary, to maintain proportionate distribution of costs by user and user class and to meet reserve requirements as established by this policy.

D. Insure that the revenues collected from rates, fees and other charges are used for purposes including, but not limited to, debt service requirements, and the operation, maintenance, and repair of the water system.

E. Insure that all funds of TMWA are being reported in accordance with generally accepted accounting principles.

F. Insure that all necessary revenue accounts are established and shall insure that all receipts are tracked in the appropriate category.

G. Insure that all necessary expense accounts are established and shall insure that all expenditures are tracked in the appropriate category.

RESTRICTED AND DESIGNATED FUND BALANCE RESERVE POLICY:

A. So long as any of the Authority's Bonds are outstanding the flow of funds from the Enterprise Fund must be applied in the following order of priority:

1. Operations and Maintenance Expenses Account – Adequate reserves in an amount to fund one month of operation and maintenance expenses. The reserves should be set aside by the last day of each month that is at least one month prior to such expenses being paid.

2. Bond Fund Account – Adequate reserves in amount to fund substantially equal monthly installments - sufficient to pay the next accruing installment of the principal and interest on outstanding senior lien debt. The monies in the bond fund shall be used solely for the purpose of paying the bond requirements of the senior lien bonds and any additional outstanding senior lien securities. This account, held by the bond trustee for the senior lien debt, includes the interest account and the principal account.

3. Bond Reserve Account – Adequate reserves in an amount established by the bond resolution or other instrument in connection with any senior lien securities.

4. Rebate Account – Adequate reserves in an amount that is required by Section 148(f) of the Internal Revenue Code, before the transfer of any net revenues to the payment of subordinate securities, such amounts required to meet the Authority's obligations in accordance with Section 148 (f) of the tax code with respect to the Authority's bonds shall be deposited into the Rebate Account. Amounts in the Rebate Account shall be used for the purpose of making payments to the United States required by such covenant and Section 148(f) of the tax code. Any amounts in the Rebate Account in excess of those required to be on deposit may be withdrawn and used for any lawful purpose.

5. Subordinate Securities Bond Fund/Reserve Account - Adequate reserve in an amount to be used for the payment of bond requirements of subordinate debt, including any reasonable reserves or related rebate requirements.

6. Operation & Maintenance Reserve Account - Adequate reserve in an amount equal to 1/6th of the fiscal year's operation and maintenance budget. If the operation and maintenance budget for a fiscal year is greater than the prior fiscal year (as is likely), additional monthly deposits are required to be made into this reserve to bring it up to the required level in 12 months.

7. Renewal and Replacement Reserve Account - Adequate reserves in the sum of $166,000 per month, up to a maximum of $10,000,000. The maximum reserve can be adjusted by the

TMWA Board based upon recommendation by the General Manager based on an analysis by the TMWA engineering staff, but at no event at an amount less than $2,000,000.

8. Rate Stabilization Account - Adequate reserves in the amount of not less than $500,000. The TMWA Board has designated that 3% of water sales revenues for 3 years be held as unrestricted reserves in this fund if all other unrestricted cash requirements are met as listed in this policy. This fund will be funded by unrestricted cash and investments in excess of all other restricted and unrestricted reserves set forth in this policy. It will be used at the discretion of the TMWA Board to manage rate increases to customers.

9. General Purpose Account - This account will be funded in the event that revenues remain at the end of each fiscal year. This reserve is to be used for capital costs, major maintenance costs, lawful refunds, bond requirements, lawsuit obligations or any lawful purpose.

UNRESTRICTED CASH AND INVESTMENTS RESERVES POLICY:

A. After all required restricted and designated reserve balances are funded, remaining cash and investments should be held in unrestricted accounts to fund the following reserves listed by in the following order of priority:

1. Base Operating Reserve - Adequate reserves to fund 2/6th of operating and maintenance expenses. With the required reserve of 1/6 above, this will bring total reserves to half a year of operating expenses, insulating TMWA and its customers from volatility in operating revenues and expenses, as well as from other factors that could interrupt cash flow or impose unforeseen costs.

2. Debt Service Reserve – Adequate reserves to fund one year of the maximum annual debt service. For both credit rating considerations and prudent financial practices, TMWA should strive to achieve this level of reserves to maintain or improve credit ratings.

3. Capital Related Reserve – Adequate reserves to fund a one-year average of mandatory future capital requirements. As a method to determine future capital needs, the capital improvements plan may be used. This will enable TMWA to better react to capital needs as they may arise and to properly address the timing of infrastructure improvements relative to system needs. This reserve will also enable TMWA to continue with uninterrupted

critical capital improvements during times of difficulty.

4. Unforeseen Events Reserve - Adequate reserves to fund one percent of assets subject to depreciation. This is to mitigate one-time, unforeseen infrastructure or major capital equipment failures and other significant non-recurring impacts to operating revenues and expenses.

B. Should this enterprise fund experience deficiencies in the balance of restricted designated or unrestricted cash and investment reserves or retained earnings, the deficiency will be corrected by increasing rates, fees and other charges.

C. This fund is governed by Nevada Revised Statutes (NRS) Chapters 350, 351, 354, and 355; and Nevada Administrative Code (NAC) Chapters 350 and 354.

TMWA

Funding Plan
Fiscal Years 2026-2030

October 7, 2025

Truckee Meadows Water Authority

Quality. Delivered.

TMWA Funding Plan

Fiscal Planning Timeline

March

- **Tentative** Budget and CIP approved by TMWA BOD

April

- **Tentative** Budget and CIP approved by TMWA SAC
- **Tentative** Budget ("State Doc") filed with State of Nevada Department of Tax by April 15th *(NRS 354.596)*

May

- **Final** Budget and CIP approved by TMWA BOD
- **Final** Budget ("State Doc") filed with State of Nevada Department of Tax by June 1st *(NRS 354.598)*

October

- Funding Plan Presented to BOD and SAC
- Discuss upcoming rate adjustment (3.5% in May 2026) and future rate needs.

Truckee Meadows Water Authority

TMWA Funding Plan

Revenue Requirement (Funding Plan)

- Operations & Maintenance
- System Rehabilitation & New Infrastructure
- Debt Service
- Reserves

Cost of Service

- **Functionalize components of Revenue Requirement**
- Customer, Capacity, Commodity, Fire functions
- **Allocate functionalized costs to Customer Groups**
- Groups such as Single Family, Commercial, Irrigation

Rate Design

- **Cost Recovery by Customer Group**
- Service charges recover fixed costs
- Use charges recover variable costs. **First tier is basic indoor use.**
- Customers pay for what is built for them & water they use

TMWA's KPI's

Debt Service Coverage Ratio (DSC)

(Revenue – Expenses) / Debt Service = DSC Ratio

1. Sr. Lien DSC (bond covenants) 1.25x
2. All-in DSC (Board goal) 1.50x

Minimum Cash Balance

1. Restricted (bond covenants, legal restrictions)
   - *Bond covenants, legal restrictions*
2. Unrestricted
   - *Formula based on O&M expenses, debt service, capital expenditures and unforeseen events.*

Revenue Sufficiency (aka Funding Gap)

Revenue – Expenses – R&R Capital – Debt Service = Revenue Sufficiency or (Deficiency)

Truckee Meadows Water Authority

TMWA's KPI's - *Results (Base)*

Debt Service Coverage Ratio (DSC)

(Revenue – Expenses) / Debt Service = DSC Ratio

1. Sr. Lien DSC (bond covenants)	1.25x	**1.58x**
2. All-in DSC (Board goal)	1.50x	**1.34x – FY 2028**

Minimum Cash Balance

1. Restricted (bond covenants, legal restrictions) **Adequate**
    - *Bond covenants, legal restrictions*
2. Unrestricted **-$35.5m – FY 2029**
    - *Formula based on O&M expenses, debt service, capital expenditures and unforeseen events.*

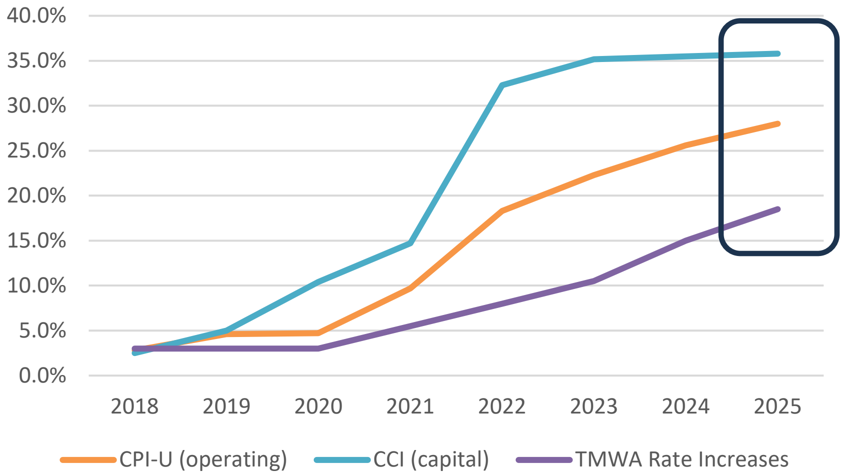
Revenue Sufficiency (aka Funding Gap) **-$23.6m – FY 2030**

Revenue – Expenses – R&R Capital – Debt Service = Revenue Sufficiency or Deficiency)

Truckee Meadows Water Authority

TMWA's KPI's - *Results (Base)*

Inflation / TMWA Rate Increases									
	2018	2019	2020	2021	2022	2023	2024	2025	Total
CPI-U (operating)	2.8%	1.8%	0.1%	5.0%	8.6%	4.0%	3.3%	2.4%	28.0%
CCI (capital)	2.5%	2.5%	5.4%	4.3%	17.6%	2.9%	0.3%	0.3%	35.8%
TMWA Rate Increases	*3.0%*	*0.0%*	*0.0%*	*2.5%*	*2.5%*	*2.5%*	*4.5%*	*4.0%*	*19.0%*
Difference from CPI	0.2%	-1.8%	-0.1%	-2.5%	-6.1%	-1.5%	1.2%	1.6%	-9.0%
Difference from CCI	0.5%	-2.5%	-5.4%	-1.8%	-15.1%	-0.4%	4.2%	3.7%	-16.8%



Total O&M + Capital in 2018

- at inflationary rates +$28m
- at rate increase level +$17m
- Difference in 2025 -$11m

Truckee Meadows Water Authority

TMWA's KPI's - *Results (Spend Reductions*)*

Debt Service Coverage Ratio (DSC)

(Revenue – Expenses) / Debt Service = DSC Ratio

1. Sr. Lien DSC (bond covenants)	1.25x	**1.61x**
2. All-in DSC (Board goal)	1.50x	**1.45x – FY 2027**

Minimum Cash Balance

1. Restricted (bond covenants, legal restrictions) **Adequate**
   - *Bond covenants, legal restrictions*
2. Unrestricted **-$23.7m – FY 2029**
   - *Formula based on O&M expenses, debt service, capital expenditures and unforeseen events.*

Revenue Sufficiency (aka Funding Gap) **-$16.9m – FY 2030**

Revenue – Expenses – R&R Capital – Debt Service = Revenue Sufficiency or Deficiency)

Limiting staff additions- Base 5 year plan included total staffing of 328 in FY 2030, revised plan includes 311, a reduction of 17. Other nominal reductions made in Services and Supplies categories.

Truckee Meadows Water Authority

Proposed Rate Plan

	2026	2027	2028	2029	2030
Base Plan*	3.5%	2.0%	2.0%	2.0%	2.0%
Funding Plan	3.5%	5.0%	4.0%	4.0%	2.0%
Difference	0.0%	3.0%	2.0%	2.0%	0.0%

**In years 2027-2030, rate plan assumes CPI-U of 2.0%*

TMWA's KPI's - *Funding Plan*

Debt Service Coverage Ratio (DSC)

(Revenue – Expenses) / Debt Service = DSC Ratio

1. Sr. Lien DSC (bond covenants)	1.25x	**1.64x**
2. All-in DSC (Board goal)	1.50x	**1.48x – FY 2027**

Minimum Cash Balance

1. Restricted (bond covenants, legal restrictions) — **Adequate**
   - *Bond covenants, legal restrictions*
2. Unrestricted — **-$15.1m – FY 2028**; **$17.4m – FY 2030**
   - *Formula based on O&M expenses, debt service, capital expenditures and unforeseen events.*

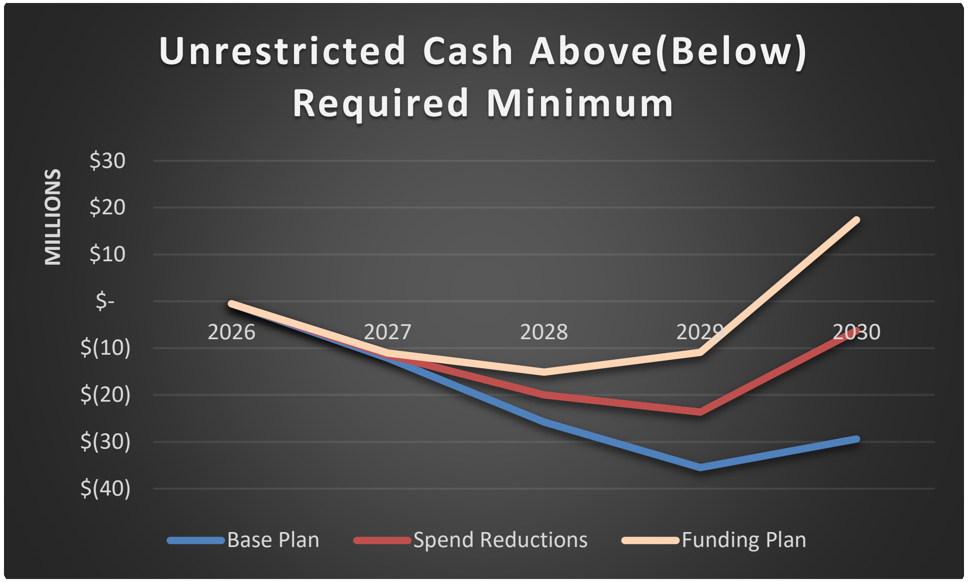
Revenue Sufficiency (aka Funding Gap) — **-$6.2m – FY 2030**

Revenue – Expenses – R&R Capital – Debt Service = Revenue Sufficiency or Deficiency)

Truckee Meadows Water Authority

TMWA Funding Plan

	Base Plan	Spend Reductions	Funding Plan
All-in DSC (end of plan)	1.44	1.67	2.01
Unrestricted Cash Goal (end of plan)	-$29.4m	-$7.0m	$17.4m
Funding Gap (end of plan)	-$23.6m	-$16.9m	-$6.2m



Truckee Meadows Water Authority

TMWA Funding Plan

Summary – *Results of Financial Objectives*

Debt service coverage (DSC) ratios

Measure	Funding Plan Result
Senior Lien DSC > 1.25x *(required by bond covenants)*	Meets
All-in DSC > 1.50x *(Board strategic goal)*	Lowest year- 1.48x FY 27

Minimum cash balances

Measure	Funding Plan Result
Unrestricted cash balance *(Financial management policy-Resolution 266)*	Below until FY 30*

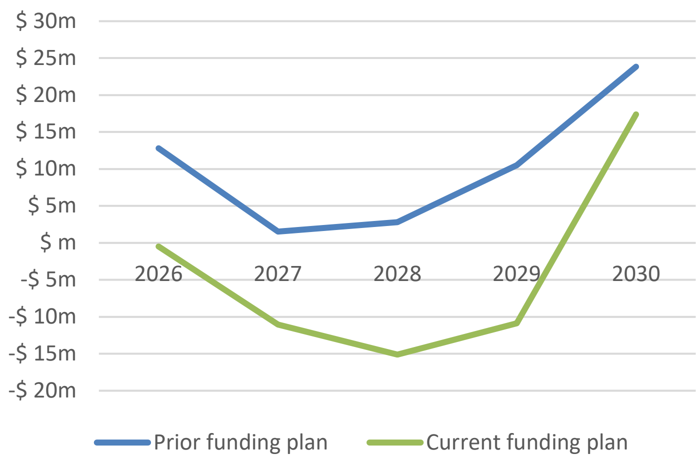
**Per Resolution 266, if unrestricted (or restricted) cash balances experience deficiencies, the balances will be corrected by "increasing rates, fees and other charges."*

Truckee Meadows Water Authority

TMWA Funding Plan

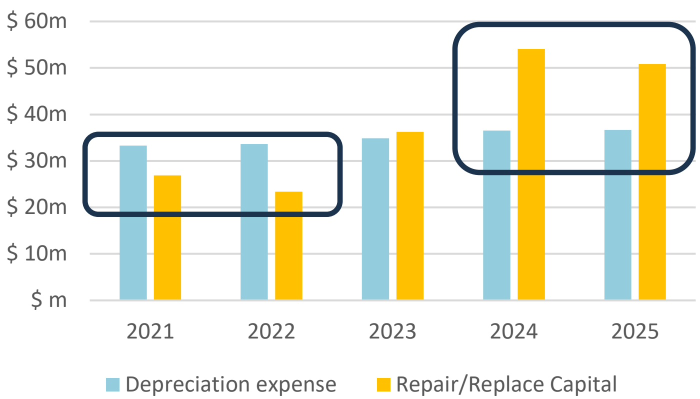
Current vs. Prior Funding Plan

Unrestricted Cash Over/Under Minimum



Total Cash Required/Projected

Capital Spend compared to Depreciation Expense



Capital investment

- *Aging infrastructure*
- *Reliability*
- *Cost efficiencies*
- *Resilience/redundancy*

Truckee Meadows Water Authority

TMWA Funding Plan

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

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

Rating agency considerations

- Financial metrics
    - DSC ratio
    - Liquidity
    - Debt burden
    - Revenue stability
- Rate setting practices

Why does it matter?

- Access to capital
- Public trust
- Financial flexibility
- Benchmarking

Truckee Meadows Water Authority

TMWA Funding Plan

Summary – *Risks and Opportunities*

Risks

Measure
Revenue sufficiency: Funding gap persists - but improving.
Inflationary price increases: Although inflation is cooling, electric power and construction cost increases continue to pose a risk.
Recession: Should the local economy slow down, connection fees would be lower than projected, impacting estimated cash balances.

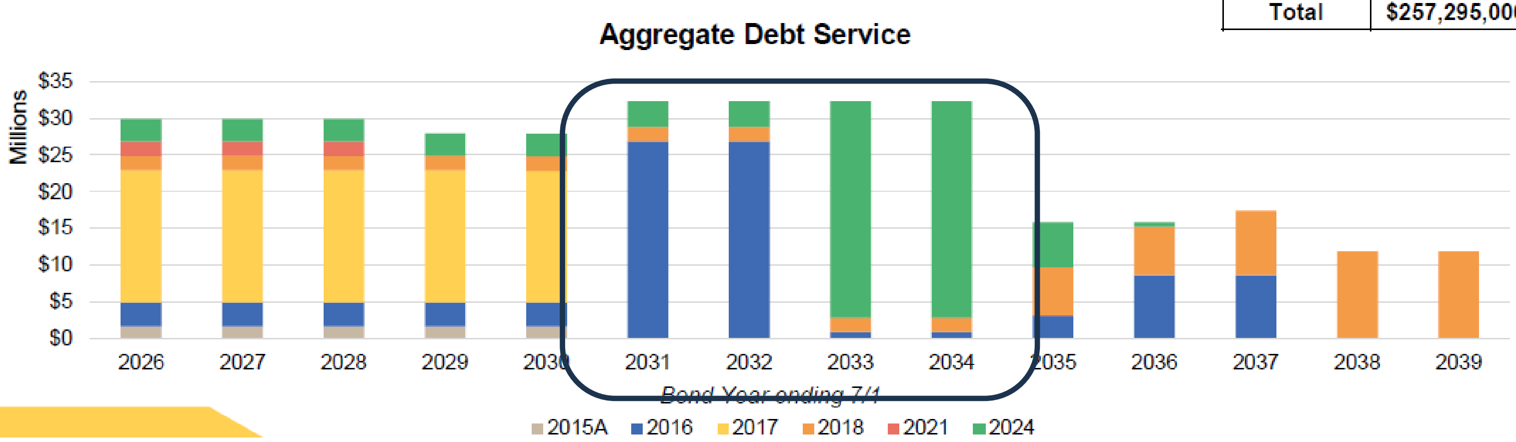
Opportunities

Measure
Grant funding: Only known / awarded grant funds are included. Funding for existing projects may be available.
Energy incentive funding for Orr Ditch: In the process of applying for Section 48 tax credits related to renewable energy production at Orr Ditch Hydroelectric facility.
Debt refunding: In 2026, TMWA will have the opportunity to refund the outstanding 2015 and 2016 series senior bonds.

TMWA Funding Plan

Looking Beyond the 5-year plan…

Series	Purpose	Issue Size	Delivery Date	Final Maturity	Call Date	Outstanding Coupons	Outstanding Par
2015A	To refund certain 2005A maturities	$28,750,000	4/9/2015	7/1/2036	7/1/2025	5.00%	$7,235,000
2016	To refund certain Series 2006 maturities	124,790,000	3/23/2016	7/1/2037	7/1/2026	5.00%	66,445,000
2017	To refund certain Series 2007 maturities	147,415,000	3/9/2017	7/1/2030	7/1/2027	5.00%	77,545,000
2018	To refund Series 2006A and a portion of outstanding 2006B maturities	38,835,000	4/25/2018	7/1/2039	7/1/2028	5.00%	38,835,000
2021	Direct purchase to pay off 2021 Commercial Paper maturity	13,000,000	6/3/2021	6/1/2028	N/A	1.19%	5,705,000
2024	Cash optimization strategy to defease select Series 2015A and 2016 maturities, and issue new money bonds for capital projects	61,530,000	1/18/2024	7/1/2036	7/1/2034	5.00%	61,530,000
						Total	**$257,295,000**



~$5m increase in debt service

Truckee Meadows Water Authority

TMWA Funding Plan

Summary

	Forecast FY26	Forecast FY27	Forecast FY28	Forecast FY29	Forecast FY30	Total FY 25-29
Revenue Sufficiency						
Revenue Requirement (expenditures)						
Operating Expenses (excluding depreciation)	95,770,877	100,085,572	103,675,263	106,559,150	109,982,468	516,073,330
Principal and Interest on customer related debt	28,869,320	28,869,320	28,704,272	26,889,027	26,584,148	139,916,087
Replace & Renew Capital Spending	38,532,303	39,110,287	39,696,941	40,292,396	40,896,781	198,528,708
Total Revenue Requirement	163,172,500	168,065,179	172,076,477	173,740,572	177,463,397	854,518,125
Recuring Revenues						
Water Sales Revenues	128,924,755	135,173,602	143,084,067	150,245,040	157,144,395	714,571,859
Hydroelectric Sales	3,461,756	1,612,602	2,629,255	4,205,465	5,168,605	17,077,683
Other Operating Sales	4,583,935	4,629,774	4,676,072	4,722,833	4,770,061	23,382,675
Investment Income	4,955,558	3,826,897	4,034,195	3,956,134	4,147,412	20,920,197
Total Recurring Revenues	141,926,003	145,242,876	154,423,589	163,129,473	171,230,473	775,952,414
Surplus (Deficiency)	(21,246,496)	(22,822,303)	(17,652,887)	(10,611,099)	(6,232,924)	(78,565,711)
Debt Service Coverage (DSC)						
Total Revenue	141,926,003	145,242,876	154,423,589	163,129,473	171,230,473	
Operating Expenses	(95,770,877)	(100,085,572)	(103,675,263)	(106,559,150)	(109,982,468)	
Net Revenue	46,155,126	45,157,304	50,748,326	56,570,323	61,248,005	
Senior Lien Debt Service	26,452,875	27,550,625	27,543,375	27,511,750	27,498,875	
Senior Lien DSC	1.74	1.64	1.84	2.06	2.23	
Total Debt Service	29,516,325	30,611,644	30,606,725	30,518,900	30,444,191	
All-in DSC	1.56	1.48	1.66	1.85	2.01	
Total Cash						
Restricted Cash	53,416,009	55,202,765	54,106,402	56,087,634	55,965,392	
Rate Stabilization Fund	12,667,616	12,855,081	13,514,205	13,756,437	13,914,933	
Unrestricted Cash	101,527,068	92,575,743	89,904,774	95,297,611	124,910,552	
Total Cash	167,610,693	160,633,589	157,525,380	165,141,682	194,790,877	
Unrestricted Cash Required by BOD Resolution 266	102,000,548	103,628,085	105,017,740	106,175,989	107,517,988	
Cash Surplus/(Deficiency)	(473,480)	(11,052,342)	(15,112,967)	(10,878,379)	17,392,564	

Truckee Meadows Water Authority

Thank you

Questions?

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Eddy Quaglieri, Water Resources Manager, and
Shawn Stoddard, Senior Resource Economist
DATE: October 15, 2025
SUBJECT: **Introduction and First Reading of Amendments to Rule 7, Requirements for Will-Serve Commitment Letters**

Recommendation

Staff recommends that the Board approve the Proposed Changes to Rule 7 Water Right Dedication Requirements.

Summary

In general, Rule 7 governs the quantity of water rights that are needed to be dedicated to TMWA for development to occur. Staff have recently performed an analysis of the Single Family Residential (SFR) and Multi Family Residential (MFR) water right dedication amounts, as dictated by Rule 7, to determine if the current formula and amounts are still valid. It was determined by thorough analysis that a very minor adjustment was warranted to best match the most current demands versus water right dedications. See attached for the full analysis. Staff has presented this information to the Standing Advisory Committee and has also sent the information to the State Engineer's office for their approval.

Recommended Motion

Move to direct staff to make the changes proposed by the Board in this meeting, if any, and direct staff to bring a final version to the Board in November/December for approval.

Truckee Meadows Water Authority

Memorandum

To: Eddy Quaglieri, Natural Resources Manager

From: Shawn Stoddard, Senior Resource Economist
Allen Thornberry, Data Analyst Intern

Date: September 8, 2025

Subject: Review performance of a new single-family Rule 7 formula

---

Findings:

- The proposed Rule 7 formula is $\frac{1}{1+\frac{19000}{landarea}}$. The true constants in the denominator are approximately 1.0147 and 19,276 instead of 1 and 19,000.
- The proposed Rule 7 formula calculation lowers the allocation curve, reducing mean residuals to approximately zero, allowing over/under collection to be minimized.
- For lots sizes below 35,000 sqft the dedication is reduced on average by about 0.05 AF.
- This study was completed using 8,667 RMWS water services with a recorded year built between 2016 and 2020.
- Annual billed water use, measured in 1,000 gallons, was extracted for the years 2016 to 2024.
- Mean 2019 Rule 7 SFR dedication is 107,000 gallons per year (0.328 acft/yr), while the proposed Rule 7 SFR dedication is 95,000 gallons per year (0.2919 acft/yr).
- Mean annual use 2020-2024 is 95,200 gallons per year (0.292 acft/year).
- Mean multi-family water use per dwelling unit is 0.10 acft, rule 7 allocation is 0.11 acft per dwelling unit. Recommend changing the multi-family allocation to 0.10 acft.

Discussion:

<u>Water Service Data Extraction</u>

The data selected for this study was queried from the load research database. Each water service had to meet the following criteria:

- The service had to be in the Single Family or Multi-Family rate schedule.
- The service had to be only one water service on the premise and only one premise on the parcel.
- The water service was matched to a Washoe County Assessor's parcel with a year build date between 2016 and 2020, inclusive for single family or first water bill in 2016 for multi-family.
- The land area is measured in square feet for single family services.

- Monthly billed water use was aggregated to annual totals and the number of bills were counted. The number of bills was used in further cleaning of the data for analysis.

The data queried from the load research database was imported into STATA for further cleaning and analysis.

Data Cleaning Single-Family

The single-family data is cleaned by removing invalid or incomplete water use data. The following processing will sequentially remove data that was considered invalid. After cleaning only valid data remains for analysis.

1. Remove any water services that do not have at least 4 years of water use data.
2. Remove a year's water use if that use was based on less than 11 months of data.
3. Remove water services with less than 5 years of data after the year the service was built. For example, a service built in 2016 must have at least 5 years of data between 2017 and 2024. The exception is services that were built in 2020; these services must have 4 years of data from 2021 to 2024.
4. Remove water services with interruptions in water use between the year built and 2024.

The cleaning process resulted in 8,667 qualifying water services.

Data-Cleaning Multi-Family

The multi-family services were selected from the load research database using the following criteria.

1. Water services must have a multi-family rate schedule.
2. Dwelling units were required to be greater than zero.
3. The year built was defined as the year of first water bill.
4. Kept only records with year built between 2016 and 2020.

This selection criteria resulted in selecting 627 water services with a total of 8,463 dwelling units.

Statistical Review Single-Family

All single-family water services had data for the years 2021 to 2024 and for each year after the service was built. In many cases the data was not complete in the year build and thus many records had no water use for year built. Table 1 shows the mean annual water use for each year-built class and each calendar year. The table shows a lower mean for the year built as many of the water services did not have complete data.

Table 1: Mean annual single-family water use by year built.

Year Built	Services	Mean Years of Usage	2016	2017	2018	2019	2020	2021	2022	2023	2024
2016	1,540	8.4	74.8	96.9	102.8	99.7	112.6	111.2	109.4	101.6	109.2
2017	1,332	7.5		69.7	97.1	99.2	110.8	108.8	105.3	99.2	106.5
2018	1,891	6.5			55.7	79.7	93.1	94.2	94.1	85.7	92.3
2019	1,754	5.5				55.0	92.7	99.7	100.3	92.2	98.6
2020	2,150	4.5					54.5	83.3	87.3	82.4	90.4
Total	**8,667**	**6.3**	**74.8**	**89.2**	**88.4**	**86.4**	**94.6**	**97.9**	**98.1**	**91.1**	**98.3**

All usage in 1,000 gallons

Table 2 shows the mean lot size for each year built, the mean Rule 7 SFR dedication, annual use and deviation of water use from the proposed Rule 7 SFR dedication. All water services had data for 2020 to 2024 and thus, the deviation 2020 to 2024 is used to measure the goodness of fit between the proposed Rule 7 SFR dedication and actual water use.

The mean deviation between Rule 7 SFR dedication and actual water use for 2020 to 2024 is 3,600 gallons per year. As water services mature, it is expected that the deviation will decrease over time. Homes built in 2016 and 2017 show a much smaller deviation as their landscape is likely to be more mature and stable.

Table2: Mean Rule 7 SFR dedication and deviation statistics.

Year Built	Services	Mean Lot Size	Rule 7 Current Demand	Rule 7 Proposed Demand	Annual Use All Years	Annual Use 2020-2024	Deviation All Years	Deviation 2020-2024
2016	1,540	10,567	111	98	103.4	108.4	(5.0)	(10.0)
2017	1,332	10,646	112	100	101.0	105.7	(1.0)	(5.8)
2018	1,891	9,788	104	93	86.3	91.5	7.1	1.9
2019	1,754	9,718	108	97	92.8	96.3	3.9	0.4
2020	2,150	8,836	102	91	81.7	81.7	9.4	9.4
Total	**8,667**	**9,808**	**107**	**95**	**91.8**	**95.2**	**0.2**	**3.6**

All usage in 1,000 gallons

Graphical Analysis

Figure 1 shows histograms of deviations from Rule 7 SFR dedication by year built. For each year built the deviations are shown to be approximately normally distributed with a mean in the first bin greater than zero. Thus, for each year's grouping, sufficient water rights were collected to meet the needs of the entire class.

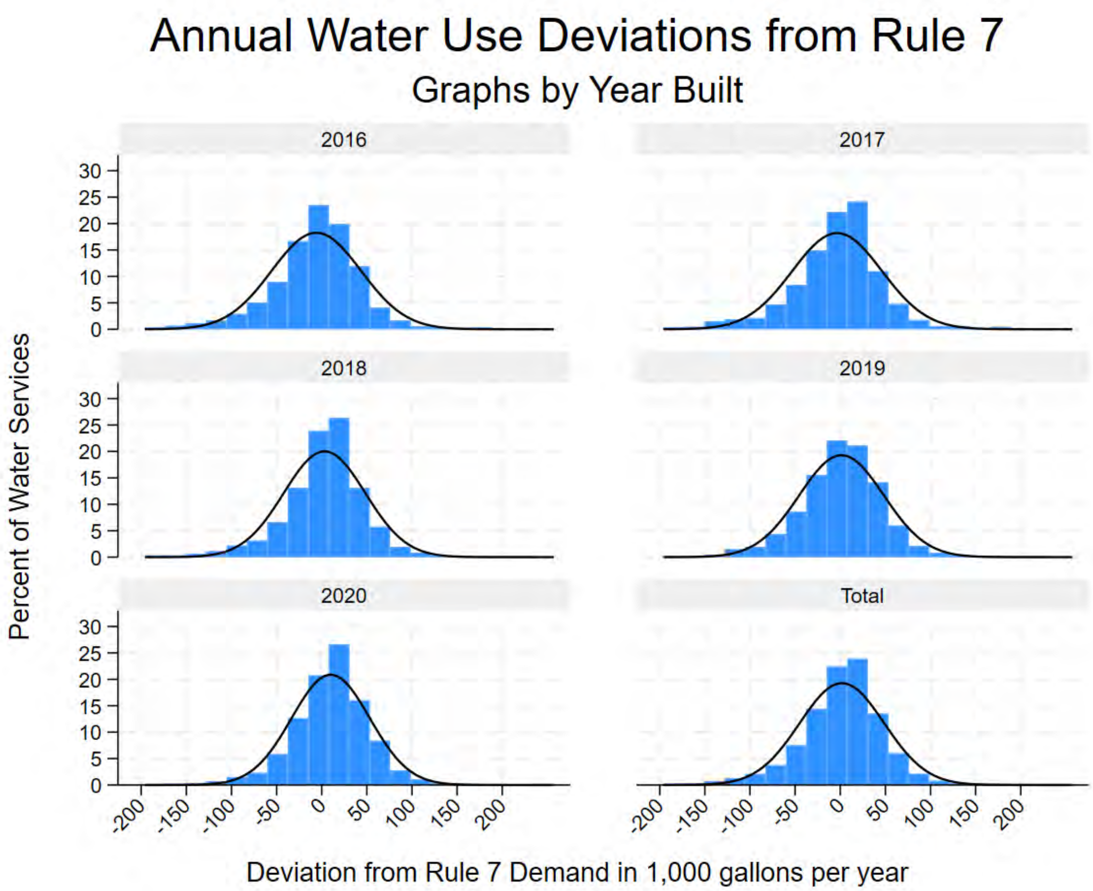


Figure 1: Histograms showing mean water use deviations from Rule 7 SFR dedication.

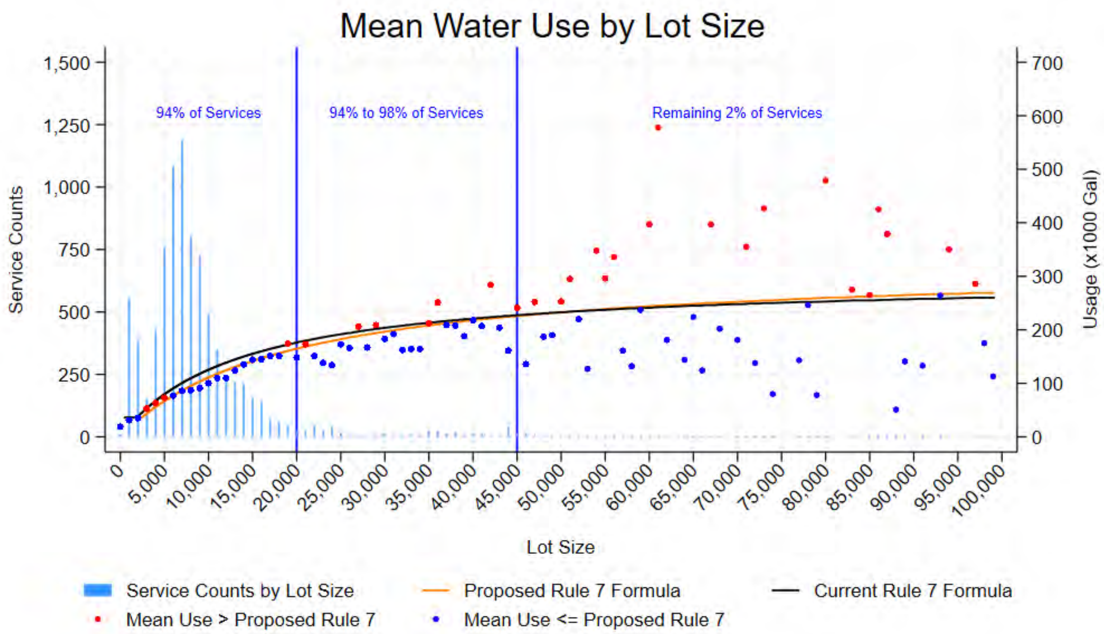


Figure 2: Mean single-family water use and service counts by lot size compared to Rule 7.

Figure 2 shows the general relationship between water use and Rule 7 dedications and the number of water services in each lot size group. The light blue bars show the number of water services in each of the lot size groups. 8,121 (or 94%) of the water services are on lots sizes less than or equal to 20,000 square feet. 327 (or 4%) of the water services are on lots sizes between 20,000 and 45,000 square feet. The remaining 219 (or 2%) of the water services are located on larger lot sizes.

The graph shows that for 98% (lot sizes less than 45,000 sqft) of all water services, the proposed Rule 7 is a better predictor of water use and collects sufficient water rights to meet demand. The remaining 2% (lot sizes greater than 45,000 sqft) of water services have a larger variance in water use with about equal number of services above and below the Rule 7 formula.

Figure 3 replaces the service counts bars with dots of individual water use by lot size with one dot for each water service. The grey dots more clearly show the density of the water services with lot sizes below 20,000 SF and how larger lot sizes are fewer. The water services on lots greater than 45,000 SF only make up about 2% of the water services.

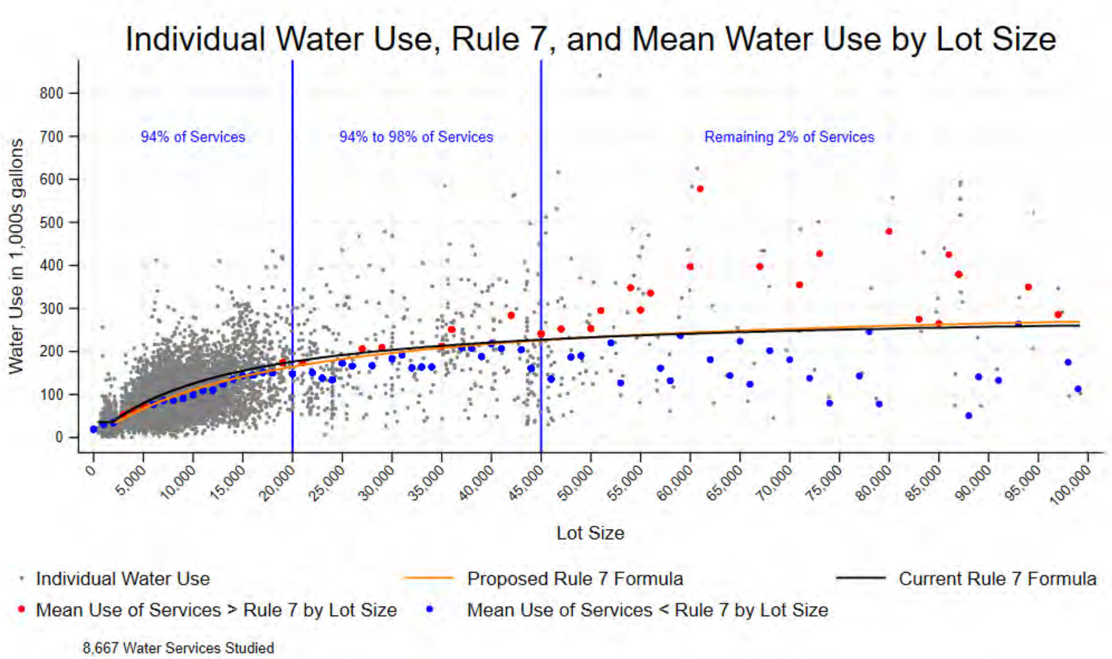


Figure 3: Display of individual water use with Rule 7 and mean water use by lot size

Table 3 provides a comparison of the current and proposed Rule 7 formula for selected lot sizes. For lots sizes below 35,000 sqft the dedication is reduced by about 0.05 AF.

Table 3: Comparison of current and proposed single-family rule 7 formula (in AF).

Lot Size (Square Ft)	Current Rule 7	Proposed Rule 7	Difference	Lot Size (Square Ft)	Current Rule 7	Proposed Rule 7	Difference
500	0.11	0.11	-	25,000	0.59	0.54	(0.051)
1,000	0.11	0.11	-	30,000	0.63	0.58	(0.048)
2,000	0.12	0.11	(0.006)	35,000	0.65	0.61	(0.046)
3,000	0.16	0.13	(0.029)	40,000	0.68	0.63	(0.043)
4,000	0.21	0.17	(0.035)	45,000	0.70	0.66	(0.041)
5,000	0.24	0.20	(0.040)	50,000	0.71	0.68	(0.039)
6,000	0.28	0.23	(0.043)	55,000	0.73	0.69	(0.037)
8,000	0.34	0.29	(0.048)	60,000	0.74	0.71	(0.035)
10,000	0.38	0.33	(0.051)	65,000	0.75	0.72	(0.033)
12,000	0.43	0.37	(0.053)	70,000	0.76	0.73	(0.032)
14,000	0.46	0.41	(0.054)	75,000	0.77	0.74	(0.030)
16,000	0.49	0.44	(0.054)	80,000	0.78	0.75	(0.029)
18,000	0.52	0.46	(0.053)	85,000	0.78	0.76	(0.028)
20,000	0.54	0.49	(0.053)	90,000	0.79	0.76	(0.027)

Multi-Family Water Use Analysis

The multi-family dedications are based on the mean water use per dwelling unit for recently constructed units. Table 4 shows the mean annual water use per dwelling units constructed between 2016 and 2020. In 2023 and 2024 the mean water use was 0.10 acft per unit. This is 10% below the current Rule 7 allocation of 0.11 acft per unit. This difference merits a reduction of Rule 7's 0.11 acft per dwelling unit.

Table 4: Multi-Family Mean Annual Use per Dwelling Unit (1,000 gallons).

Year Built	Services	Units	2016	2017	2018	2019	2020	2021	2022	2023	2024
2016	66	578	23.087	37.092	39.197	38.583	42.275	39.676	32.746	34.081	34.381
2017	102	1214		7.242	19.046	22.937	24.927	24.844	26.058	25.526	24.472
2018	161	1647			12.432	29.029	35.710	36.112	36.254	37.634	38.050
2019	143	1939				8.952	31.633	36.319	35.427	36.950	38.500
2020	155	3085					5.028	18.510	21.819	26.009	27.300
All Units	**627**	**8463**					**22.493**	**28.37**	**29.1**	**31.26**	**32.036**
All Units (af)							**0.07**	**0.09**	**0.09**	**0.10**	**0.10**

Conclusion:

Statistical and graphical analysis shows that the proposed Rule 7 collects sufficient water rights to meet demands, while being a stronger fit than the 2019 Rule 7. The mean deviation shows a small over collection of 3,600 gallons or 0.01-acre feet compared to average water use of 95,200 gallons per service. There is an increase in the variation of water use as lot size increases, but this variance has little effect on the overall performance of the proposed Rule 7 formula. Current multi-family services are using approximately 10% less than current dedications. Rule 7 should be modified to reduce multi-family dedications to 0.10 acft.

Truckee Meadows Water Authority

Proposed Changes to Rule 7 Water Right Dedication Requirements

October 15, 2025

Truckee Meadows
Water Authority
Quality. Delivered.

PRESENTATION OVERVIEW

- Rule 7 background and current formulas
- Demand estimates from our Draft Water Resource Plan
- Latest Rule 7 Analysis and Results for Single Family Residential (SFR)
- Latest Rule 7 Analysis and Results for Multi Family Residential (MFR)

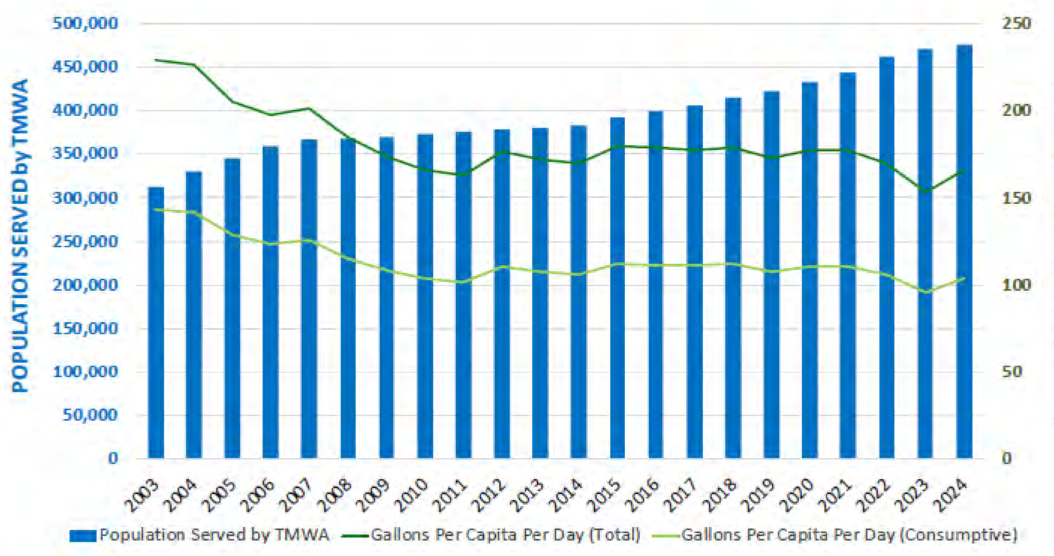
TMWA
Quality. Delivered.

Current Rule 7 Calculations

- Rule 7 controls the volume of water rights that must be dedicated to TMWA for water service "Will Serve Letter"

Type of Unit	Demand (Acre-Feet Per year)
Single family residential lot based on square foot lot size, with a minimum Demand of .11 acre-feet per lot	$\frac{1}{1.1 + (15{,}000 / \text{Lot size})}$
Mobile home parks with separate irrigation (per space)	0.25
Demand per unit for apartments, duplexes, condominiums, or townhouse units (excluding outside, utility room, laundry room and/or recreation uses)	0.11
Commercial or Industrial Services (including residential utility room/ recreation areas)	The best available data and estimating procedures as determined by the Authority shall be used or estimated average annual Demand as furnished by the Applicant or Customer and accepted by the Authority shall be used.
Irrigation	3.41 acre-feet per acre, or, for drip systems, the Demand as calculated by a landscape architect or other qualified professional and verified by the Authority.

TMWA
Quality. Delivered.



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.

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.

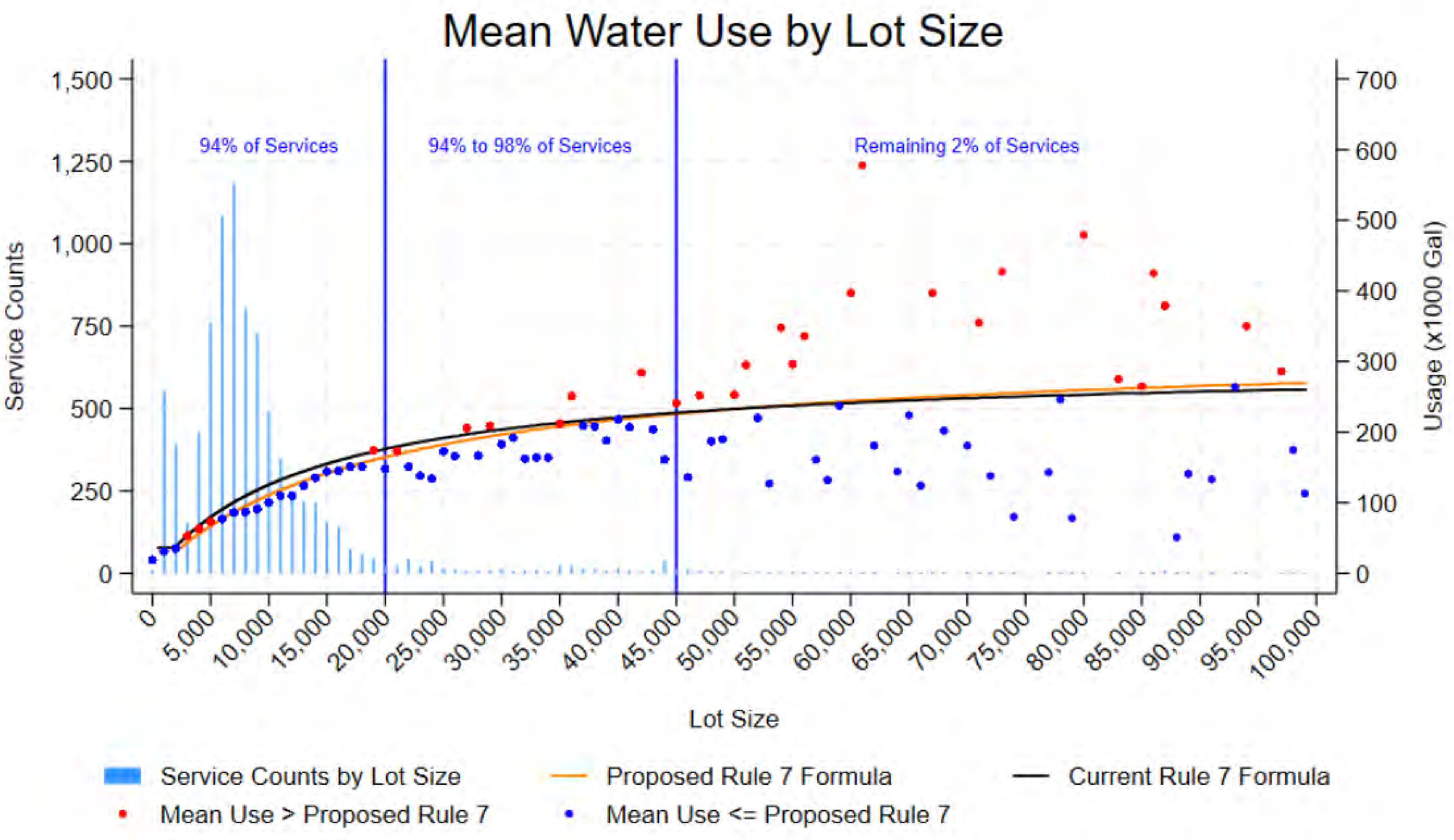
More about TMWA's Conservation Programs [WRP, page 56] → EXPLORE

Single Family Residential Use Analysis

- Customer Annual Water Use v. Estimated Demand Studied
- Formula last updated and changed in 2019
- Analyzed parcels with a year build date between 2016 and 2020
- At Least 4 years of Water Use History To Be Included
    - Ensure Landscaping Is Fully Established
- Dataset Includes Over 8,667 qualifying services

TMWA
Quality. Delivered.

Single Family Residential Use Analysis Results



TMWA
Quality. Delivered.

Single Family Residential Use Analysis Results

- The proposed Rule 7 formula is $\frac{1}{1+\frac{19000}{landarea}}$
- For lots sizes below 35,000 sq. ft. the dedication is reduced on average by about 0.05 AF. Table below shows the differences per lot size.

Lot Size (Square Ft)	Current Rule 7	Proposed Rule 7	Difference	Lot Size (Square Ft)	Current Rule 7	Proposed Rule 7	Difference
500	0.11	0.11	-	25,000	0.59	0.54	(0.051)
1,000	0.11	0.11	-	30,000	0.63	0.58	(0.048)
2,000	0.12	0.11	(0.006)	35,000	0.65	0.61	(0.046)
3,000	0.16	0.13	(0.029)	40,000	0.68	0.63	(0.043)
4,000	0.21	0.17	(0.035)	45,000	0.70	0.66	(0.041)
5,000	0.24	0.20	(0.040)	50,000	0.71	0.68	(0.039)
6,000	0.28	0.23	(0.043)	55,000	0.73	0.69	(0.037)
8,000	0.34	0.29	(0.048)	60,000	0.74	0.71	(0.035)
10,000	0.38	0.33	(0.051)	65,000	0.75	0.72	(0.033)
12,000	0.43	0.37	(0.053)	70,000	0.76	0.73	(0.032)
14,000	0.46	0.41	(0.054)	75,000	0.77	0.74	(0.030)
16,000	0.49	0.44	(0.054)	80,000	0.78	0.75	(0.029)
18,000	0.52	0.46	(0.053)	85,000	0.78	0.76	(0.028)
20,000	0.54	0.49	(0.053)	90,000	0.79	0.76	(0.027)

TMWA
Quality. Delivered.

Multi Family Residential Use Analysis

- Mean water use per dwelling unit was calculated for dwelling units constructed in 2016 to 2020 (1,000 gallons)
- 8,463 units analyzed through 627 multi family meter services.
- Multi Family to go from 0.11 to 0.10 acre-ft, a 10% decrease in dedication per unit.

In Summary....

- Single Family formula to change and reduce dedication requirements
  - For typical lots below 35,000 square feet the water right dedication will be reduced by 0.05 acre-ft. For example from around 0.75 acre-ft to 0.70 acre-ft
- Multi Family to go from 0.11 to 0.10 acre-ft
- These numbers capture the latest available data for the most recent building trends and water usage.
- Re look at the formula every 3-5 years as needed.

TMWA
Quality. Delivered.

THANK YOU!

QUESTIONS?

TMWA
Quality. Delivered.

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
FROM: John R. Zimmerman, General Manager
DATE: October 7, 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 emergency procurement under NRS 332.112. This emergency procurement totaled $4,320.00 and was in response to the high turbidity incident that occurred in the Truckee River due to the intense thunderstorms that impacted the TMWA watershed area in August. As a result, Chalk Bluff Water Treatment Plant was forced offline, and Glendale Water Treatment Plant experienced a significant reduction in its output.

Also, listed below are news clippings from September 9, 2025 through October 7, 2025:

- 09/10/25 NNBW Reno's Sustainability Efforts Results in 37 Percent Reduction in Energy Use
- 09/12/25 Tahoe daily Tribune Agencies launch innovative pilot program to protect Lake Tahoe's air and water
- 09/15/25 SFGate Tahoe City Fanny Bridge to Be Demolished
- 09/16/25 Nevada Appeal TRIC data center says it's reduced water usage to a relative trickle
- 09/16/25 Roseville Today Truckee River Bike Path: Olympic Valley Park to Tahoe City
- 09/28/25 KTVN Truckee River Flood Management Authority Discusses Future of Rock McCarran Flood Project
- 09/30/25 UNR University Seeking Volunteers for Participation Observations
- 10/01/25 KTVN Truckee Meadows Water Authority gives update on local water resource projections and plans

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Kara Steeland, Sr. Hydrologist & Watershed Coordinator
DATE: October 1, 2025
SUBJECT: **October 2025 Water Operations Report**

Summary

- The water supply outlook for the region is excellent.
- Truckee River reservoir storage is at 66% of maximum capacity system wide.
- There will be normal Truckee River flows through 2025 and into 2026.
- Hydroelectric generation for the month of September was $336,878 (4,348 MWh).

Water Supply

River Flows – Truckee River discharge at the CA/NV state line averaged 460 cubic feet per second at the beginning of October.

Reservoir Storage - Overall, Truckee River reservoir storage is 66% of capacity. The elevation of Lake Tahoe is currently 6,227.03 feet which is 2.07 feet below the maximum legal elevation of 6,229.1 feet. Storage values for each reservoir as of October 1, 2025 are as follows:

Reservoir	Current Storage (Acre-Feet)	% Capacity
Tahoe	490,436	66%
Stampede	149,862	66%
Boca	27,358	67%
Prosser	14,635	49%
Independence	16,114	92%
Donner	7,256	76%

In addition to the 23,370 acre-feet of storage between Donner and Independence Reservoirs, TMWA also has 16,182 acre-feet of water stored in Stampede and Boca Reservoirs under the terms of TROA. TMWA's total combined upstream reservoir storage as of October 1, 2025 is approximately 39,552 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 108 MGD at the beginning of October. Surface water made up about 84% of overall supply and groundwater pumping the other 16%. The peak demand day for the calendar year was 147.3 MGD on July 15, 2025.

Hydroelectric Production

Generation - The median Truckee River flow at Farad (CA/NV state line) for September was 498 cubic feet per second. All three of TMWA's hydropower plants were online during the month.

Plant	Generation Days	% Availability	Generation (Megawatt Hours)	Revenue (Dollars)	Revenue (Dollars/Day)
Fleish	30	97%	1,757	$136,569	$4,552
Verdi	30	100%	1,661	$127,941	$4,264
Washoe	30	100%	930	$72,368	$2,412
Totals	**-**	**-**	**4,348**	**$336,878**	**$11,228**

STAFF REPORT

TO: Chair and Board Members
THRU: John R. Zimmerman, General Manager
FROM: Eddy Quaglieri, Natural Resources Manager
DATE: October 3, 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		3,134.72 AF
Purchases of water rights	0.00 AF	
Refunds	0.00 AF	
Sales	-38.35 AF	
Adjustments	0.00 AF	
Ending Balance		3,096.37 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	22.30 AF	
Ending Balance		7,319.01 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: October 15, 2025
SUBJECT: **September Customer Service Report**

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

<u>Ombudsman Report – Kim Mazeres</u>

- Rude rep and supervisor. 48-hour notice and payment crossed in the mail. Customer wants to know why she has to pay current bill so soon, since she paid the past due. Current bill is $114.42. She owes $106.01. Due 9/10. 48-hour notice says will be disconnected 9/15 if account is not paid in full. Call Center gave her until 9/19 to pay. Because she now owes less than the current bill on the account, even though the current bill is past due as of 9/11, the Customer Service Manager made a payment arrangement for the customer to pay the current bill over the next three months. Customer was very appreciative of the help.

<u>Communications – Public Outreach – September</u>

- Darrin Garland, Jennie Fong-Buchanan and Will Raymond had 4 separate Treatment Operations/Various Tours throughout the month and 35 people attended.

<u>Conservation (2025 Calendar year)</u>

- 1,917 Water Usage Reviews
- 4,019 Water Watcher Contacts

<u>Customer Calls – September</u>

- 8,252 phone calls handled.
- The average handling time is 5 minutes 10 seconds per call.
- Average speed of answer :18 seconds per call.

<u>Billing – September</u>

- 139,708 bills issued.
- 72,343 customers (52%) have signed up for paperless billing to date, which equates to an annual savings of $564,275.40.

Remittance – September

- 12,459 Mailed-in payments.
- 21,107 Electronic payments.
- 59,002 Payments via AutoPay (EFT)
- 21,827 One-time bank account payments.
- 613 Pay by Text
- 4,948 IVR Payments.
- 911 Reno office Payments.
- 73 Kiosk Payments.

Collections – September

- 14,017 accounts received a late charge.
- 4,120 Mailed delinquent notices, 0.03% of accounts.
- 985 accounts eligible for disconnect.
- 795 accounts were disconnected. (Including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.13% write-off to revenue.

Meter Statistics – Fiscal Year to Date

- 655 Meter exchanges completed.
- 357 New business meter sets completed.

Service Line Warranties of America Statistics

- 12,810 Policies
- 9,782 Customers
- 576 Jobs Completed
- $883,832. Customer Savings