



**STANDING ADVISORY COMMITTEE  
WORKSHOP  
AGENDA**

**NEW DAY: Monday, August 25, 2025 at 3:00 p.m.**

**Truckee Meadows Water Authority**

**Independence Room, 1355 Capital Blvd., Reno, NV**

**MEETING VIA TELECONFERENCE & IN-PERSON**

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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/86379193978?pwd=KSaORyaRnUMSLINZBrbwaLH3yZdwyd.1>

**Passcode: 581525**

**Or call:**

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

**Meeting ID: 863 7919 3978**

**NOTES:**

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), at <http://www.tmwa.com>, and State of Nevada Public Notice Website, <https://notice.nv.gov/>.
2. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call 834-8002 at least 24 hours before the meeting date.
3. Staff reports and supporting material for the meeting are available on the TMWA website at <http://www.tmwa.com/meeting/> or you can contact Sonia Folsom at (775) 834-8002. Supporting material is made available to the general public in accordance with NRS 241.020(6).
4. The Committee may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
5. Asterisks (\*) denote non-action items.
6. Public comment is limited to three minutes and is allowed during the public comment periods. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk. In addition to the public comment periods, the Chairman has the discretion to allow public comment on any agenda item, including any item on which action is to be taken.
7. In the event the Chair and Vice-Chair are absent, the remaining SAC members may elect a temporary presiding officer to preside over the meeting until the Chair or Vice-Chair are present (**Standing Item of Possible Action**).
8. The Committee 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. Roll call\*
2. Public comment — limited to no more than three minutes per speaker\*
3. Approval of the agenda (**For Possible Action**)
4. Approval of the minutes of June 3, 2025 meeting (**For Possible Action**)
5. Review and discussion, and possible recommendation to the Board regarding TMWA's Cost of Service Study and Rate Study — Matt Bowman (**For Possible Action**)
6. Public Comment — limited to no more than three minutes per speaker\*
7. Adjournment\*

**TRUCKEE MEADOWS WATER AUTHORITY**  
**STANDING ADVISORY COMMITTEE**  
**DRAFT MINUTES**

June 3, 2025

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The Standing Advisory Committee (SAC) met at TMWA, 1355 Capital Blvd, Reno, NV. Chair Krmpotic called the meeting to order at 3:00 p.m.

1. ROLL CALL

**Primary Members and Voting Alternates Present:** Fred Arndt, Brian Bosma, Jordan Hastings, Colin Hayes, John Krmpotic, Neil McGuire, Chris Melton, Ken McNeil, Dale Sanderson, and Jerry Wager.

**Alternate Members Present:** Kevin Ryan.

**Primary Members and Alternates Absent:** Ryan Greenhalgh, Justin McDougal, Connor Naisbitt, Jonnie Pullman, and Alex Talmant.

**Staff Present:** Matt Bowman, David Diegel, Ryan Dixon, John Enloe, Sonia Folsom, David Kershaw, Eddy Quaglieri, Danny Rotter, Kara Steeland, Shawn Stoddard, Sandra Tozi, Marci Westlake, John Zimmerman, and Legal Counsel Justina Caviglia (PBL).

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

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

4. APPROVAL OF THE MINUTES OF APRIL 1, 2025 MEETING

**Upon motion duly made by Member McGuire, and seconded by Member Hayes, and carried eight to two with Members McNeil and Wager abstaining, the Committee approved the minutes of April 1, 2025.**

5. PRESENTATION ON TMWA'S 2025-2045 WATER RESOURCE PLAN UPDATE

Kara Steeland, Sr. Hydrologist & Watershed Coordinator, presented the draft 2025-2045 Water Resource Plan and public outreach schedule.

Chair Krmpotic inquired about the 40 acre-feet (AF) of water rights remaining and the 20-year water demand projection increases by 19%. Eddy Quaglieri, Natural Resources Manager, replied these are the water rights remaining in decree form, agricultural, that can be converted to municipal and industrial water rights. Ms. Steeland added that the projection includes multiple pieces: conservation, smaller lot sizes, efficient appliances, etc. and the modeling is updated every five years since an 80-year projection is a bit uncertain.

Member Wager inquired whether reclamation reuse affects water rights. Mr. Quaglieri replied it affects return flow.

Member Hayes thanked Ms. Steeland for providing an abridged version of the plan for the public to make it more accessible.

#### 6. PRESENTATION OF FISCAL YEAR 2025 Q3 YEAR-TO-DATE FINANCIAL RESULTS

Matt Bowman, Chief Financial Officer, presented the staff report.

Member Hastings inquired about the increase in will-serve contributions. Mr. Bowman replied that it is attributed to the \$9m resource exchange agreement with Tahoe-Reno Industrial General Improvement District (TRI-GID) where the cash received in 2021 but held as a deposit until the terms of the agreement were met, which was this fiscal year.

#### 7. PRESENTATION ON TMWA'S FINAL BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2026 AND CAPITAL IMPROVEMENT PLAN (CIP) FOR FISCAL YEARS 2026 THROUGH 2030

Mr. Bowman presented the final FY 2026 Budget and FY 2026-2030 CIP, which was approved by the Board of Directors on May 22<sup>nd</sup>. He noted there was a slight change from the tentative budget where the Board directed staff to see if there was potential funding for a Portland Loo type facility at Mayberry Park. As such, \$250k was added to the Truckee River Fund to be used for funding the loo only (construction and maintenance would be taken care of by Washoe County), but there was no increase in the budget since two positions were deferred to the next fiscal year. Also, there were adjustments to the CIP, but no impact to the overall five-year plan.

Member Ryan inquired about the benefit of the Portland Loo at Mayberry Park. Mr. Bowman replied it is a direct benefit to TMWA customers since it is upstream of TMWA's water treatment plants.

#### 8. UPDATE ON THE COST OF SERVICE STUDY

Mr. Bowman informed the Committee that Catherine Hansford presented the Cost of Service Study and Rate Study to management. He added that even though the State of Nevada does not legally require the study, it is important to do so to ensure there is no cross-subsidization and would simplify the overall rate structure.

9. DISCUSSION AND APPROVAL OF SCHEDULING A STANDING ADVISORY COMMITTEE WORKSHOP ON MONDAY, AUGUST 25, 2025 TO REVIEW THE COST OF SERVICE STUDY

Mr. Bowman recommended that the Committee have a workshop in August to review the Cost of Service Study and Rate Study prior to it being presented to the Board in September.

Vice Chair McGuire asked at what time would the workshop start. Mr. Bowman replied at 3pm, the same time as the Standing Advisory Committee, unless there was any conflict.

Member McNeil inquired how much lead time will be given to the Committee to review the information prior to the workshop. Mr. Bowman replied that the information will be provided three business days prior to the meeting, and the in-depth review and discussion will occur at the workshop.

Member Melton informed the Committee he will not be able to attend the workshop, but will provide any comments he has in advance.

**Upon motion duly made by Member Wager and seconded by Member Arndt, and carried by unanimous consent of the members present, the Committee approved scheduling a Standing Advisory Committee Workshop on Monday, August 25, 2025 at 3:00pm to review the Cost of Service Study.**

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

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

**Next meeting:**

1. Water Supply Update
2. Presentation of unaudited fiscal year 2025 financial results
3. Presentation of preliminary funding plan for FY 2026 – 2030 Funding Plan
4. Update on Standing Advisory Committee Membership

11. STAFF ITEMS

There were no staff items.

12. COMMITTEE ITEMS

There were no committee items.

13. PUBLIC COMMENT

There was no public comment.

14. ADJOURNMENT

With no further items for discussion, Chair Krmpotic adjourned the meeting at 3:59 p.m.

Approved by the Standing Advisory Committee in session on \_\_\_\_\_.

Sonia Folsom, Recording Clerk

DRAFT



# Truckee Meadows Water Authority

## *Cost of Service Study - TMWA SAC*

August 25, 2025

# Cost of Service Study Goals

1. Best Practices are rate updates every 3-5 years and cost of service (COS) studies every 5-10 years; TMWA is due a COS
2. Consolidation of Former Washoe County and TMWA rate schedules
3. Equity - Determine if customer groups are paying a reasonable share of annual costs based on system infrastructure (capacity) and customer water use
4. Examine Rate Design given recorded customer usage and projected trends
5. Use local judgement and preferences to meet unique local conditions and requirements of the water system

# Cost of Service Study Methodology

## 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



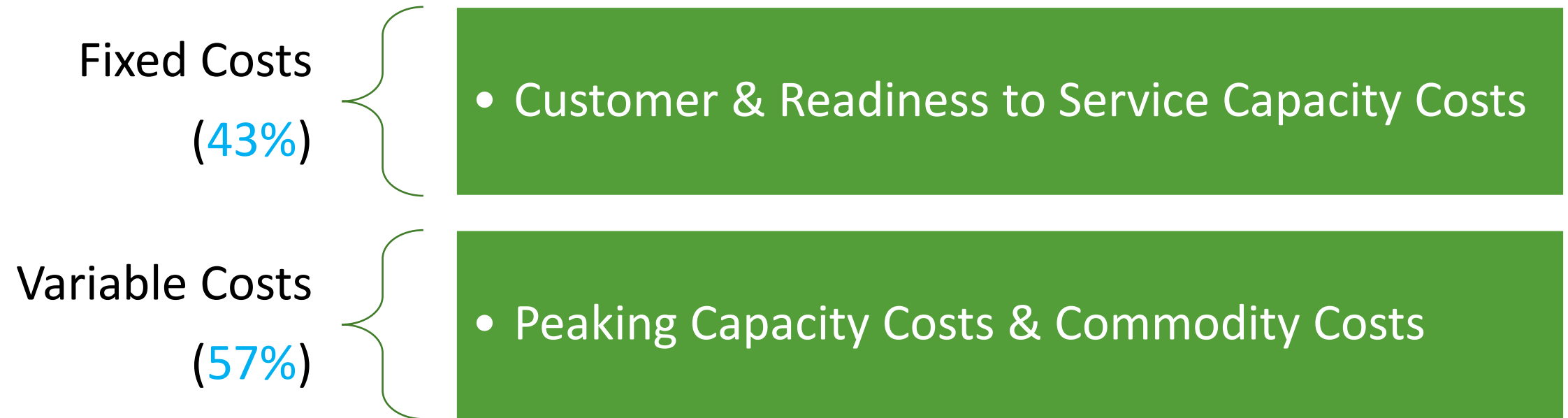
# Revenue Requirement FYE 2026

<b>Cost Classification</b>	<b>Functional Allocation</b>	<b>FYE 2026</b>
Rates Revenue		\$128,481,358
less STMGID Revenue		\$1,729,130
<b>Allocated Revenue Requirement</b>		<b>\$126,752,227</b>
<b>Wholesale (LVS)</b>	<b>1.1%</b>	<b>\$1,364,256</b>
<b>Retail</b>		<b>\$125,387,971</b>

- STMGID customers not part of the analysis
- Wholesale (LVS) share of rate revenues determined before all other retail rates

# Cost of Service FY26

## Cost Functionalization Findings



\*\*\*Current revenue recovery is at 33% fixed / 67% variable

# TMWA's Residential Water Bill

## RATES

### Customer Charge Per Billing Period

#### Meter Size

<u>Meter Size</u>	<u>Per Meter</u>
Up to 3/4"	\$23.02
1"	\$25.32
1 1/2"	\$28.81
2"	\$33.39
3"	\$37.98
4"	\$43.70
6"	\$50.66

Fixed

Variable

### Commodity Charge per 1,000 Gallons for each Tier, All Meter Sizes

Tier 1	0 to 6,000 Gallons per Billing Period	\$2.14
Tier 2	6,001 to 25,000 Gallons per Billing Period	\$3.45
Tier 3	Greater than 25,000 Gallons per Billing Period	\$4.05



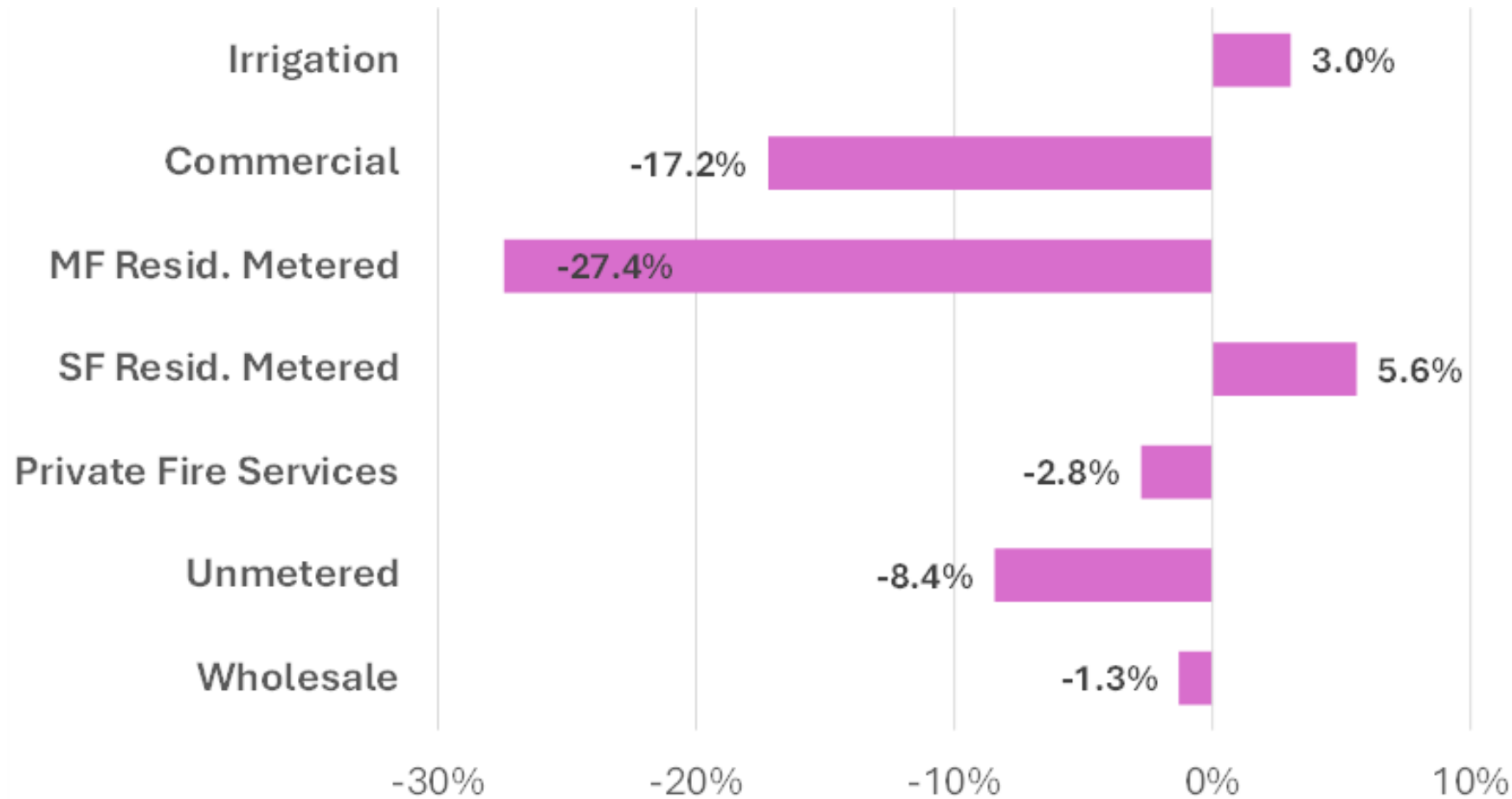
# Impacts of Shifting Costs to Customer Charges per the Cost Functionalization

- Greatest impact is to accounts with large meters
- Shift in costs to larger meters reflects the capacity that the service provides to the customer
- Operating capacity by meter size is based on the types of meters that TMWA uses

Meter Size	FY 2026			
	TMWA	DWR	COS Irrig	COS Non-Irrig
Monthly Charge per Meter				
3/4"	\$23.02	\$21.64	\$21.13	\$21.13
1"	\$25.32	\$27.83	\$33.21	\$33.21
1.5"	\$28.81	\$39.81	\$120.75	\$90.57
2"	\$33.39	\$53.08	\$150.94	\$120.75
3"	\$37.98	\$85.49	\$262.64	\$211.32
4"	\$43.70	\$125.20	\$452.83	\$362.26
6"	\$50.66	\$228.28	\$966.04	\$815.09
8"	\$58.73	\$343.20	n/a	\$966.04
10"	\$69.04	n/a	n/a	\$966.04

Note: For single-family residential, proposed meter charges are capped at 1" as there are very few +1.5" meters in the system (less than 1% of all SF) and these larger meters do not indicate or allow for proportional water usage.

# Cost of Service Findings



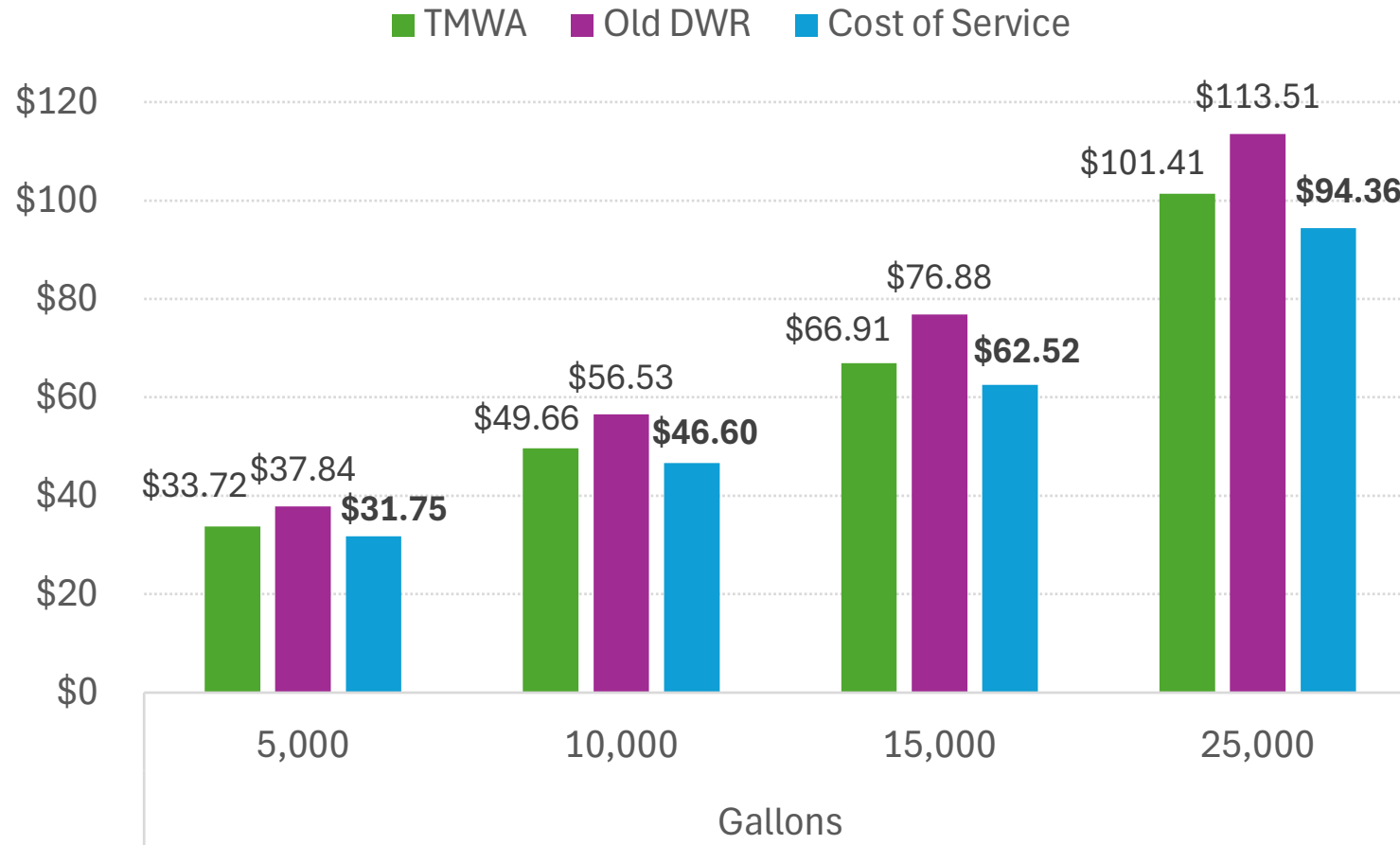
# Rate Design: Recommended Changes to Consolidated Rate Schedules (1)

- **Single Family** - Old DWR Single Family - 4 Tiers to Same TMWA 3 Tiers
  - Little use in the 4th block & price does not affect their demand
- **Multi Family** – Old DWR and TMWA customers move to a per-unit service charge. Old DWR Multi-family move to 4,000 galls / month / unit for Tier 1 (TMWA Multi-family has 2 tiers)
  - Meter size is not consistently correlated to capacity needs of the customer.
  - All residential (SF & MF) given a Tier 1 allowance for basic indoor water use needs
- **Wholesale (LVS)** – remove the monthly customer charge (\$157.07/month)
  - No good basis for the customer charge

# Rate Design: Recommended Changes to Consolidated Rate Schedules (2)

- **General Commercial** – (1) Old DWR & TMWA - Remove tiers - one rate per thousand gallons; (2) Service charges for 8" meters + larger the same
  - Business use of water is significantly different than residential. Peak to off-peak ratio is only 1.5 (very low); some businesses do not have a peak; some businesses peak during winter months.
  - There are 6 meters larger than 8"; investigation determined the size was selected for reasons other than safe operating capacity.
- **Irrigation** – (1) Old DWR to pay on-peak and off-peak rates; (2) Both Old DWR & TMWA customers to pay different customer charges
  - Old DWR services pay one rate per thousand gallons – not reflective of use pattern (5.4 peaking ratio)
  - Different water meter models used for irrigation services – allows for greater flow through same size meter

# Single Family Home Bill Impacts $\frac{3}{4}$ " Meter

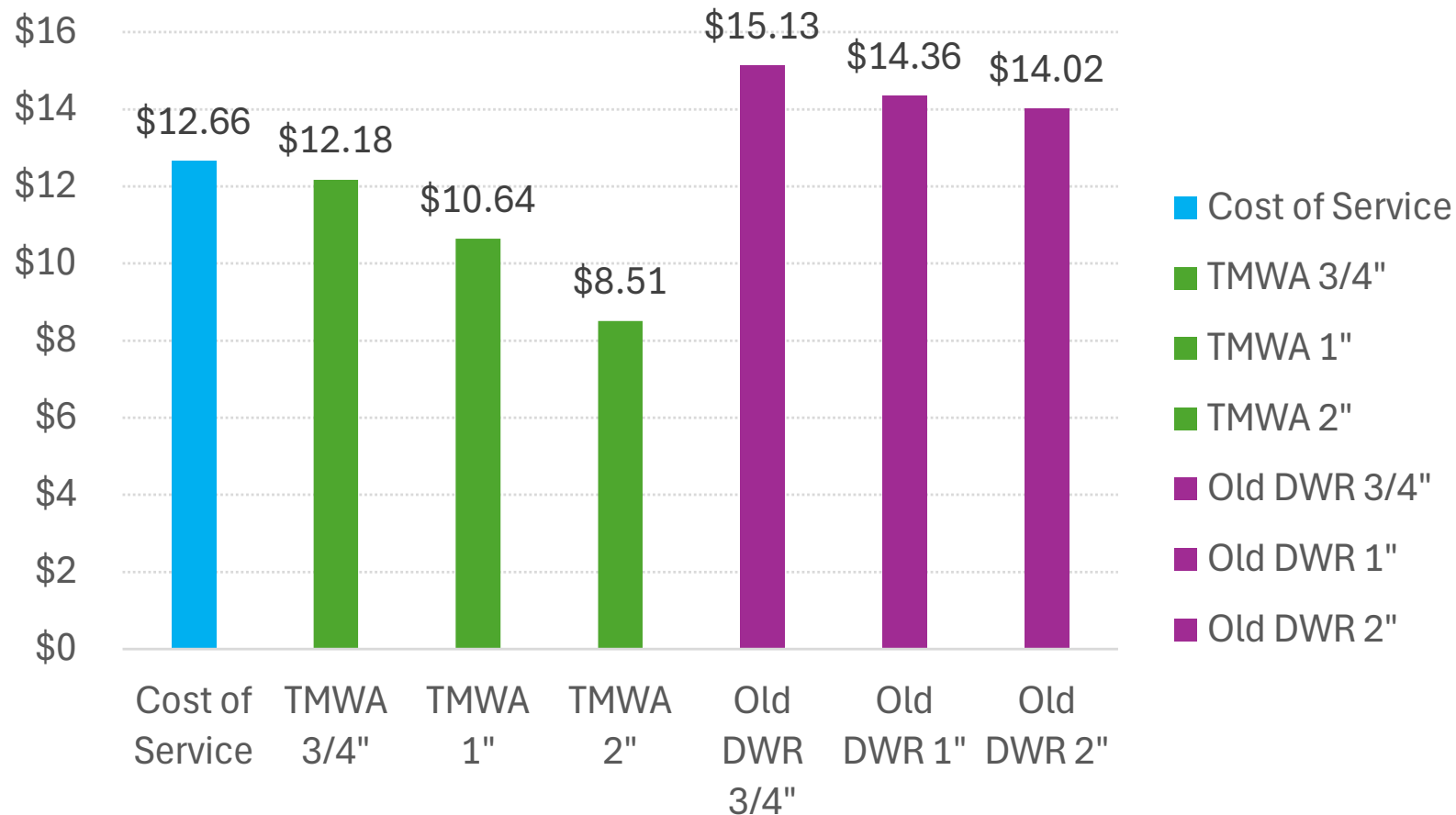


## $\frac{3}{4}$ " Meter

- 84% of SF customers have a  $\frac{3}{4}$ " meter

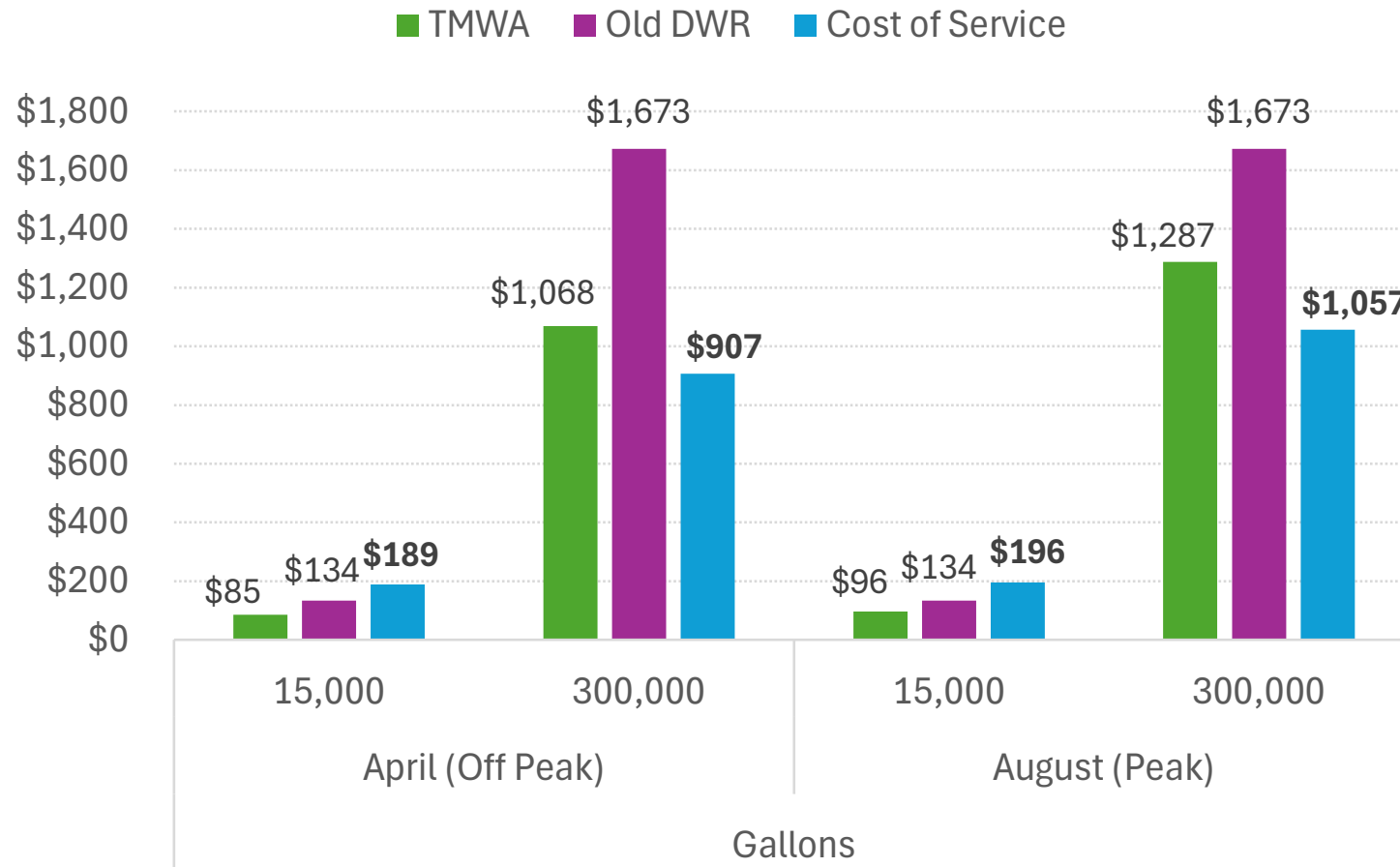


# MF Bill Impacts Per Unit @ 3,000 Gallons / Unit



- COS rates pay per unit not per meter
- 76% of all MF water usage is in Tier 1 (up to 4,000 gallons per unit per month)
- 98% of MF units are TMWA, only 2% Old DWR
- Graph assumes 4 units on a 3/4", 6 units on a 1" and 16 units on a 2"

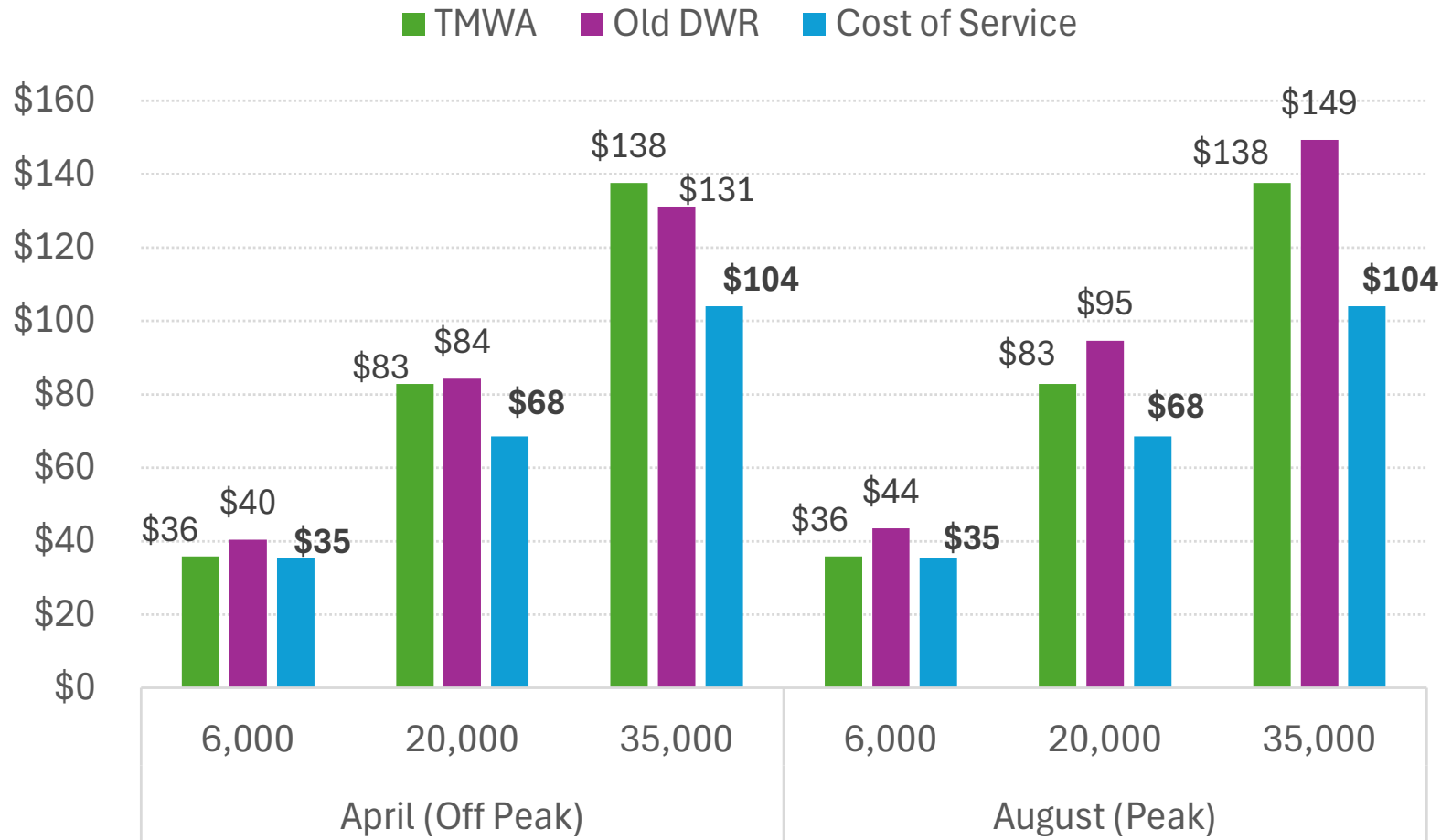
# Irrigation Bill Impacts



## 2" Meter

- 37% of Irrigation customers have a 2" meter

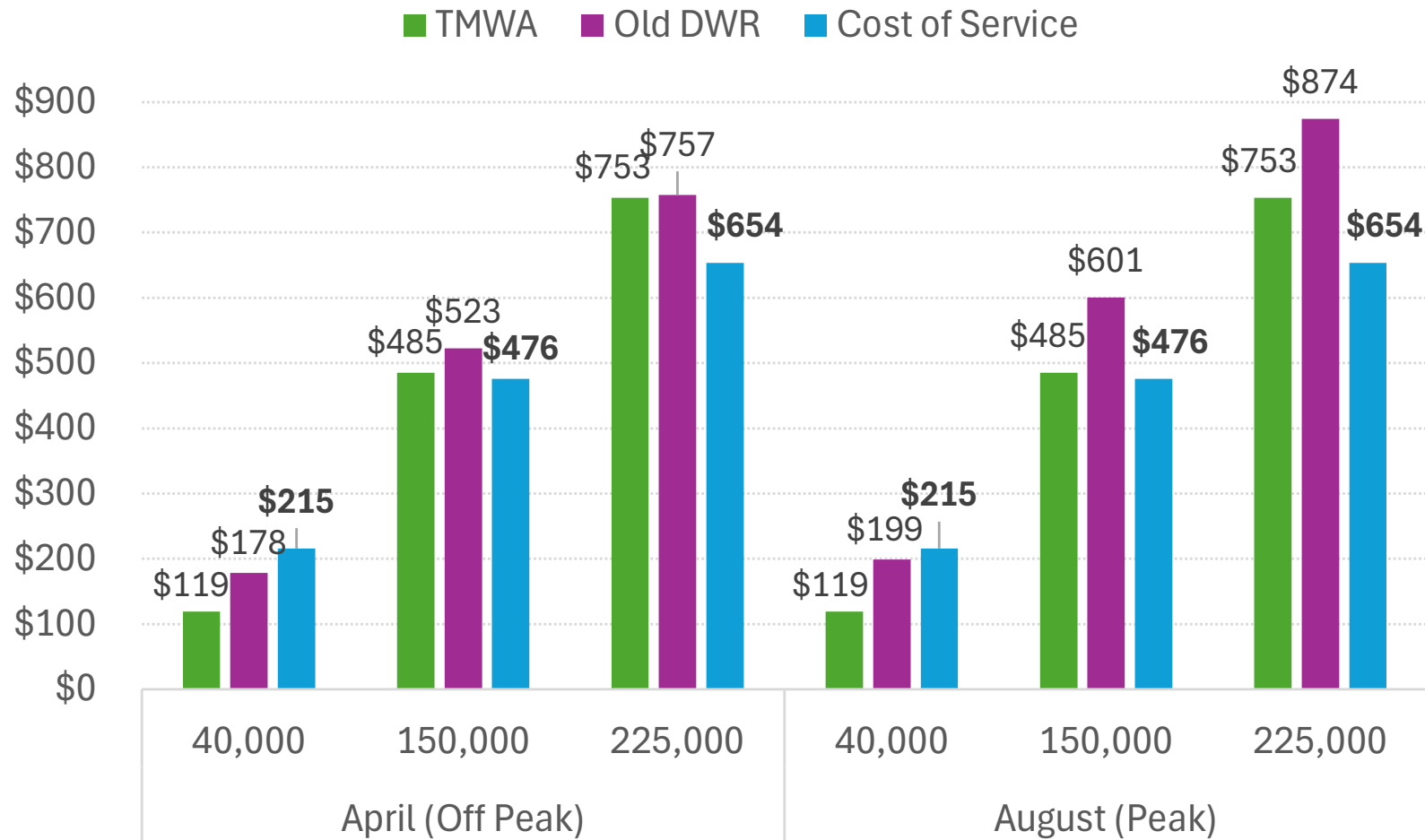
# Commercial Bill Impact - Office



## 3/4" Meter

- 27% of Commercial meters are 3/4"

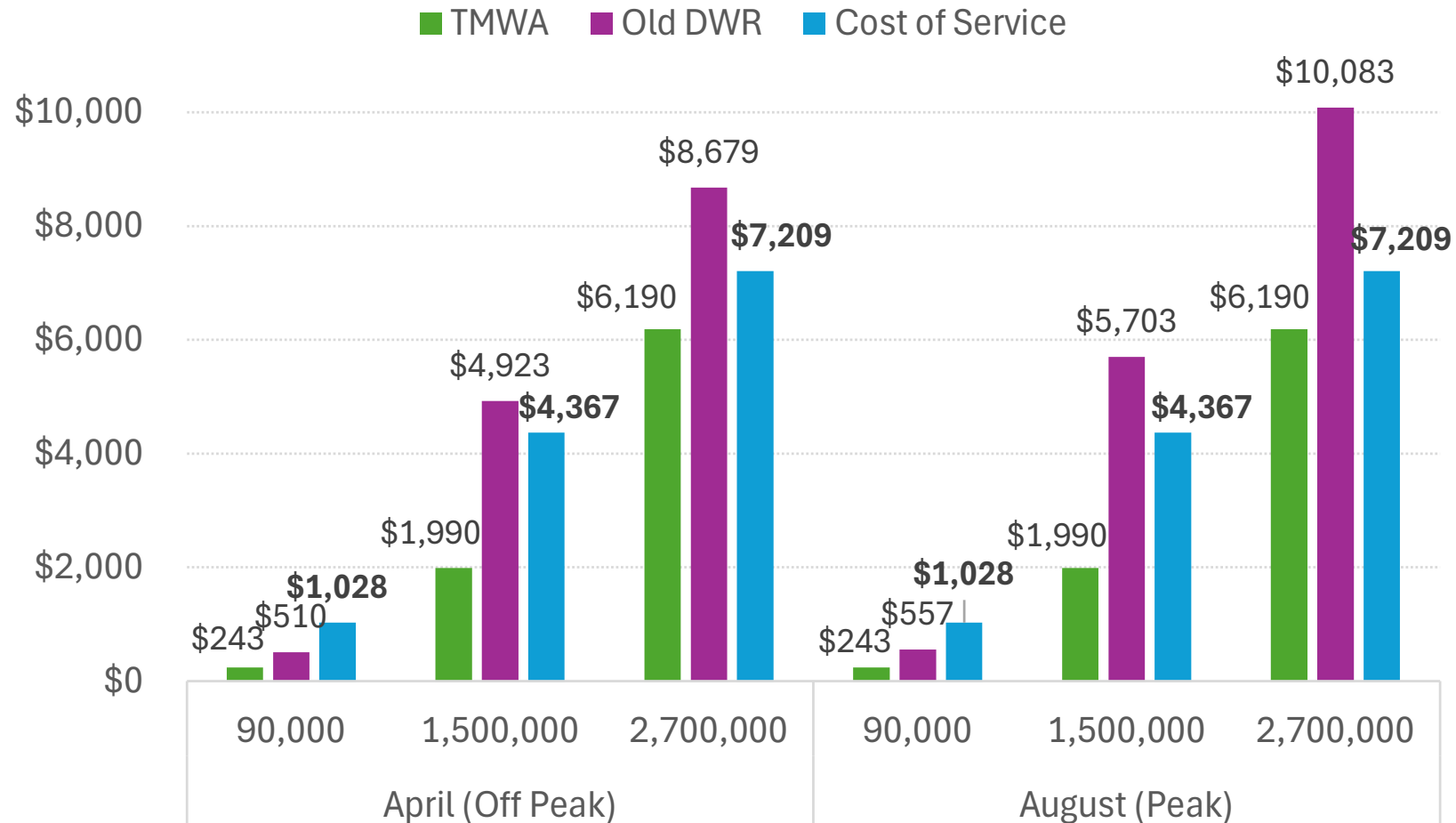
# Commercial Bill Impact - School



## 2" Meter

- 30% of Commercial meters are 2"

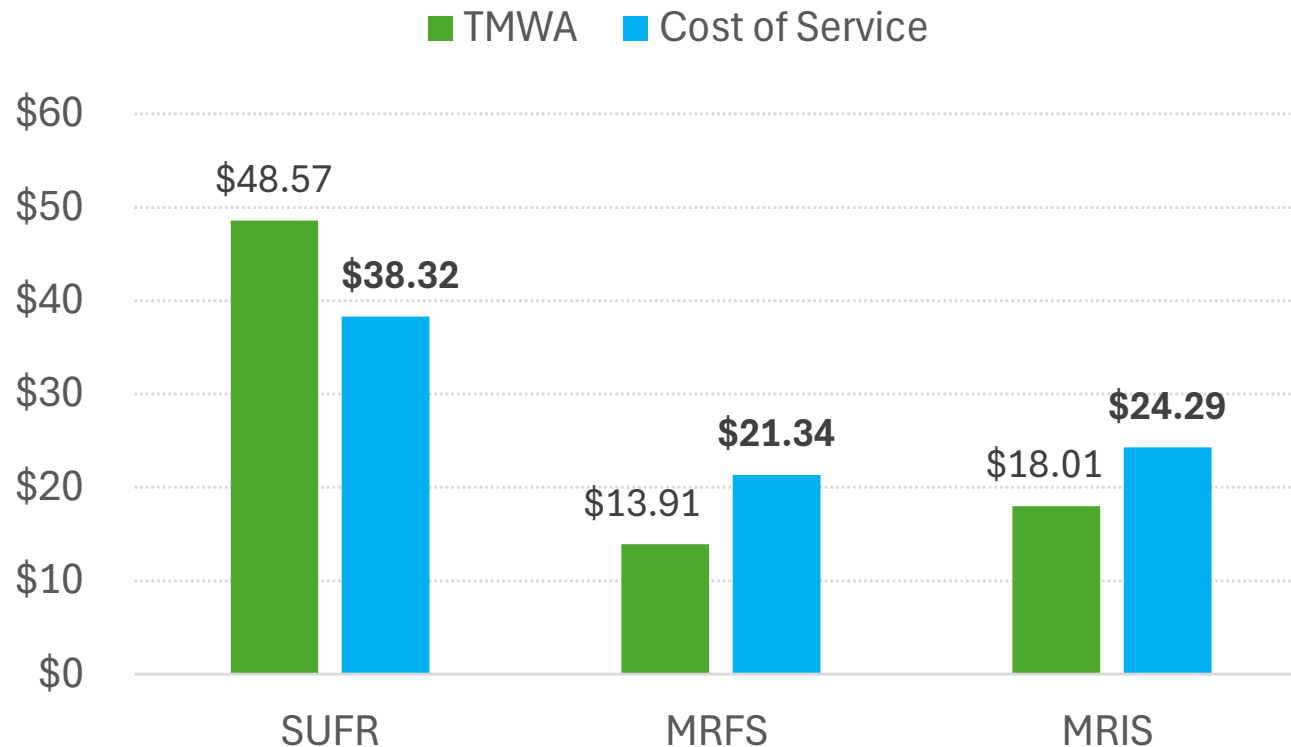
# Commercial Bill Impact - Manufacturer



## 6" Meter

- 1% of Commercial meters are 6"

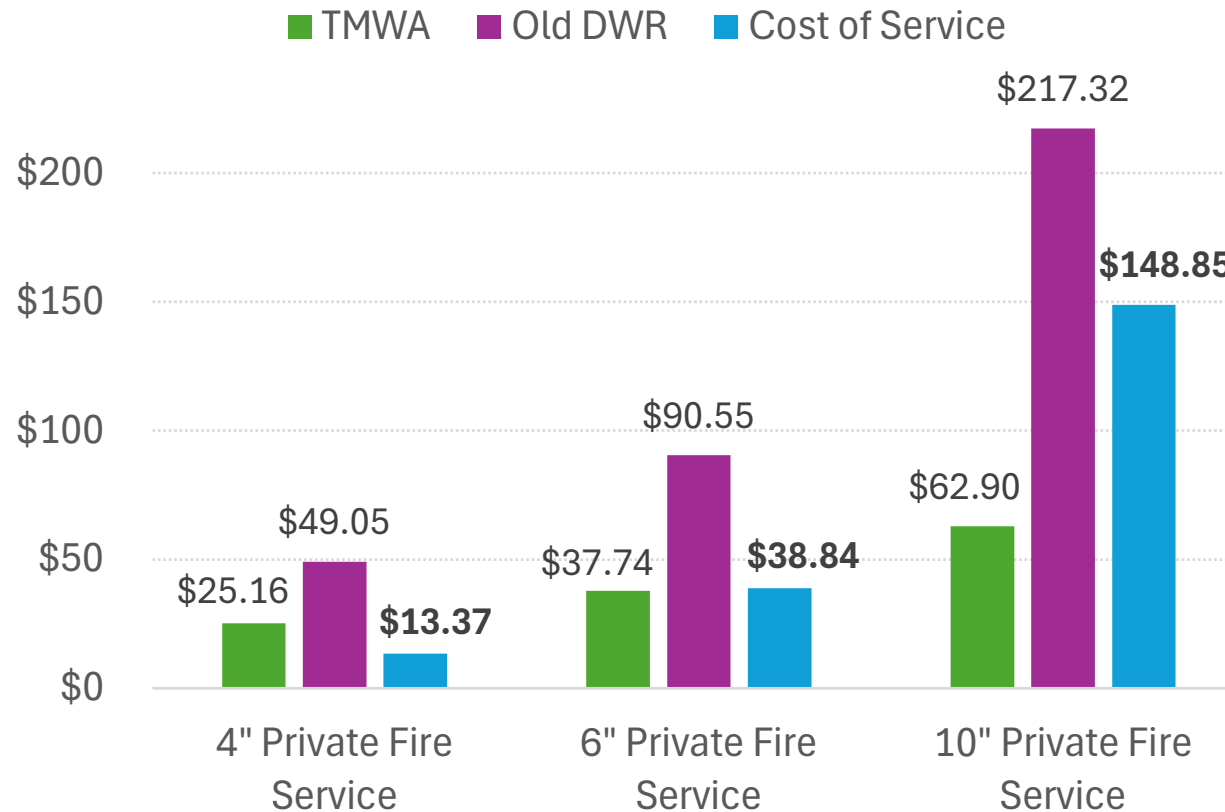
# Flat-Rate Customer Bill Impacts



Assumes 3" services serving 70 units for the TMWA MRFS and MRIS (multi-family) bills

SUFR = small unit single family flat rate

# Private Fire Protection Bill Impacts

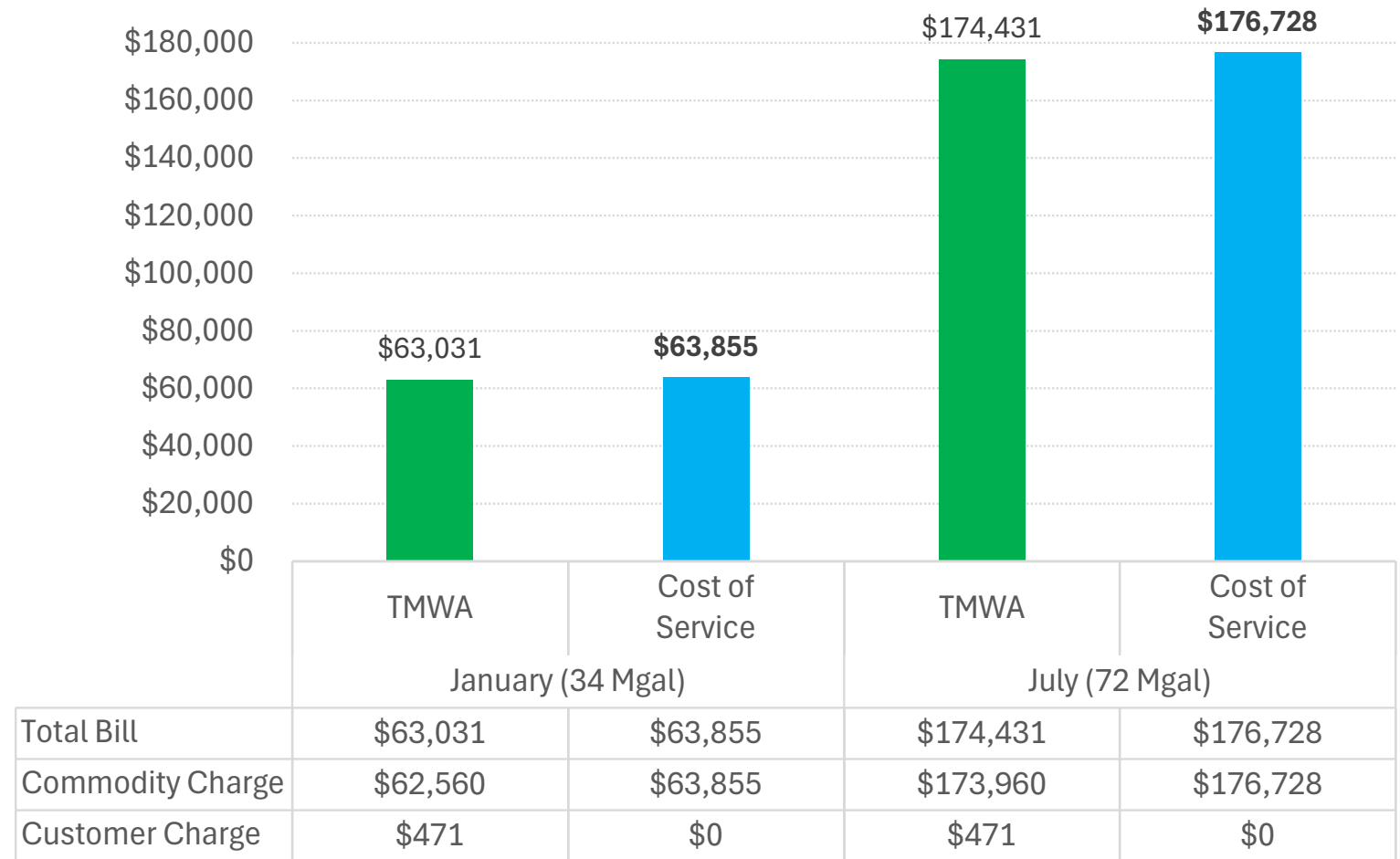


## Private Fire Protection Services

- 23% have a 4" meter
- 54% have a 6" meter
- 3% have a 10" meter

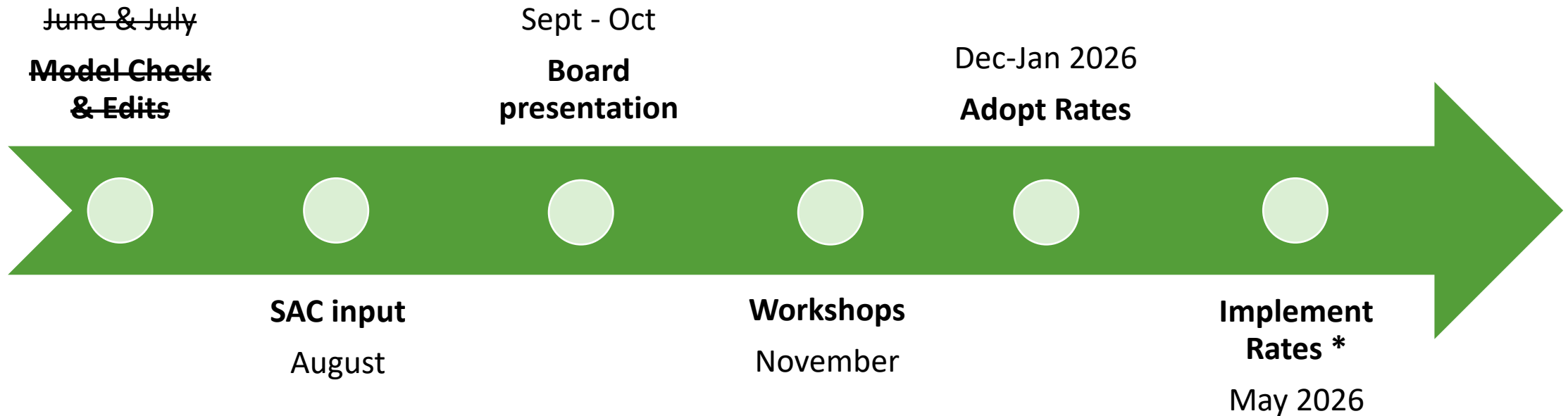
# Sun Valley Wholesale Bill Impacts

- Removal of customer charge
- Slight increase in use charges





# Next Steps



\* Note: Per TMWA's financial forecast, all rates will increase 3.5% May 2026.