



Truckee Meadows Water Authority

STAFF REPORT

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

RECOMMENDATION

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

DISCUSSION

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

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

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

ONGOING OPERATIONAL OBJECTIVES RESULTS

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

SPECIFIC OBJECTIVES RESULTS

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

SPECIFIC OBJECTIVES RESULTS (continued)

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

SPECIFIC OBJECTIVES RESULTS (continued)

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

SPECIFIC OBJECTIVES RESULTS (continued)

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