



STANDING ADVISORY COMMITTEE

AGENDA

Tuesday, October 7, 2025 at 3:00 p.m.

Truckee Meadows Water Authority

Independence Room, 1355 Capital Blvd., Reno, NV

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**).

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 August 25, 2025 workshop (**For Possible Action**)
5. Water Supply Update — Nick White*
6. Informational Update on Proposed Changes to Rule 7 Water Right Dedication Requirements — Eddy Quaglieri*
7. Presentation of unaudited fiscal year 2025 financial results — Matt Bowman*
8. Presentation of preliminary funding plan for FY 2026 – 2030 Funding Plan — Matt Bowman (**For Possible Action**)

9. Presentation and possible recommendation to the Board, of applications to fill the Senior Citizen Alternate Customer Class vacancy, Senior Citizen Alternate Customer Class vacancy, At-Large 1 and 2 Alternate Customer Class vacancies, and Residential Representative 1 and 2 Customer Class Alternate vacancies and other possible vacancies from the following pool of candidates listed in alphabetical order: Keith Hayes, and Ray Towne — Sonia Folsom **(For Possible Action)**
10. Update on Standing Advisory Committee Membership — Sonia Folsom*
11. Presentation and possible approval of 2026 meeting schedule — Sonia Folsom **(For Possible Action)**
12. Election of Chair and Vice Chair for 2026 — Justina Caviglia **(For Possible Action)**
13. Discussion and possible direction to staff regarding agenda items for future meetings **(For Possible Action)**

NEXT REGULAR SAC MEETING: February 3, 2026

14. Staff Items* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
15. Committee Items* (Unless otherwise listed with a topic description, this portion of the agenda is limited to announcements)
16. Public Comment — limited to no more than three minutes per speaker*
17. Adjournment*

**TRUCKEE MEADOWS WATER AUTHORITY
STANDING ADVISORY COMMITTEE - WORKSHOP**

DRAFT MINUTES

August 25, 2025

The Standing Advisory Committee (SAC) met at TMWA, 1355 Capital Blvd, Reno, NV. Vice Chair McGuire called the meeting to order at 3:02 p.m.

1. ROLL CALL

Primary Members and Voting Alternates Present: Fred Arndt, Ryan Greenhalgh, Jordan Hastings, Justin McDougal, Neil McGuire, Ken McNeil, Connor Naisbitt, **Jonnie Pullman, Dale Sanderson, Alex Talmant and *Jerry Wager.

Alternate Members Present: *Kevin Ryan.

Primary Members and Alternates Absent: Colin Hayes, John Krmpotic and Chris Melton.

Staff Present: Raul Aviles, Matt Bowman, Sonia Folsom, David Kershaw, Danny Rotter, Shawn Stoddard, Sandra Tozi, John Zimmerman, and Legal Counsel Justina Caviglia (PBL).

**Members Ryan and Wager attended the meeting virtually.*

***Member Pullman left the meeting at 4:19p.m.*

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

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

4. APPROVAL OF THE MINUTES OF JUNE 3, 2025 MEETING

Member Hastings recommended an amendment to the minutes by adding the word “staff” ahead of the word “positions” to make it clearer.

Upon motion duly made by Member Arndt, and seconded by Member Sanderson, and carried ten to one with Member Pullman abstaining, the Committee approved the minutes of June 3, 2025.

5. REVIEW AND DISCUSSION, AND POSSIBLE RECOMMENDATION TO THE BOARD REGARDING TMWA'S COST OF SERVICE STUDY AND RATE STUDY

Matt Bowman, Chief Financial Officer, and Catherine Hansford, Hansford Economic Consulting, presented the Cost of Service Study for SAC consideration.

Member Pullman inquired about why TMWA still had flat-rate customers. Mr. Bowman and John Zimmerman, General Manager, replied that there are not that many, about 280, and the customers are duplexes or apartments that have shared plumbing so it would be cost prohibitive to update.

Member McNeil asked why the tiers were set differently for multi-family and single-family customers. Shawn Stoddard, Senior Economist, replied that they are different customers with different indoor water usage history and therefore are being charged accordingly.

Members of the Committee inquired about the meter calculations, pipe sizes for different customer groups, how different water agencies address this topic, and the simplified structure. Staff replied that the revenue will not be increased, rather the balance of fixed and variable revenue will change, recovering more from fixed revenue, making it more equitable for customers all around, multi-family customers will be charged a unit fee and not a meter charge, they compared to other agencies in neighboring states, but TMWA is unique with respect to adhering to the Truckee River Operating Agreement (TROA), many water agencies separate single-family from multi-family customers more often than not, and the simplified structure addresses legacy tiering system brought over from Sierra Pacific Power Company and the different structure from the Washoe County Department of Water through the merger in 2015.

Mr. Zimmerman added that staff are looking for input from the Committee in order to better present the information to customers. Mr. Bowman added that he will bring this information back at the October 7th meeting to recommend to the Board the public outreach schedule, which will also include a memo highlighting the data used to determine the new rate schedules.

No action taken.

6. PUBLIC COMMENT

Ray Towne, TMWA Customer and potential SAC member, inquired about the supporting information being available to the public.

7. ADJOURNMENT

With no further items for discussion, Vice Chair McGuire adjourned the meeting at 4:46 p.m.

Approved by the Standing Advisory Committee in session on _____.

Sonia Folsom, Recording Clerk

***Member Pullman was present for agenda items 1 through 5 only.*

Water Supply Update

Standing Advisory Committee Meeting

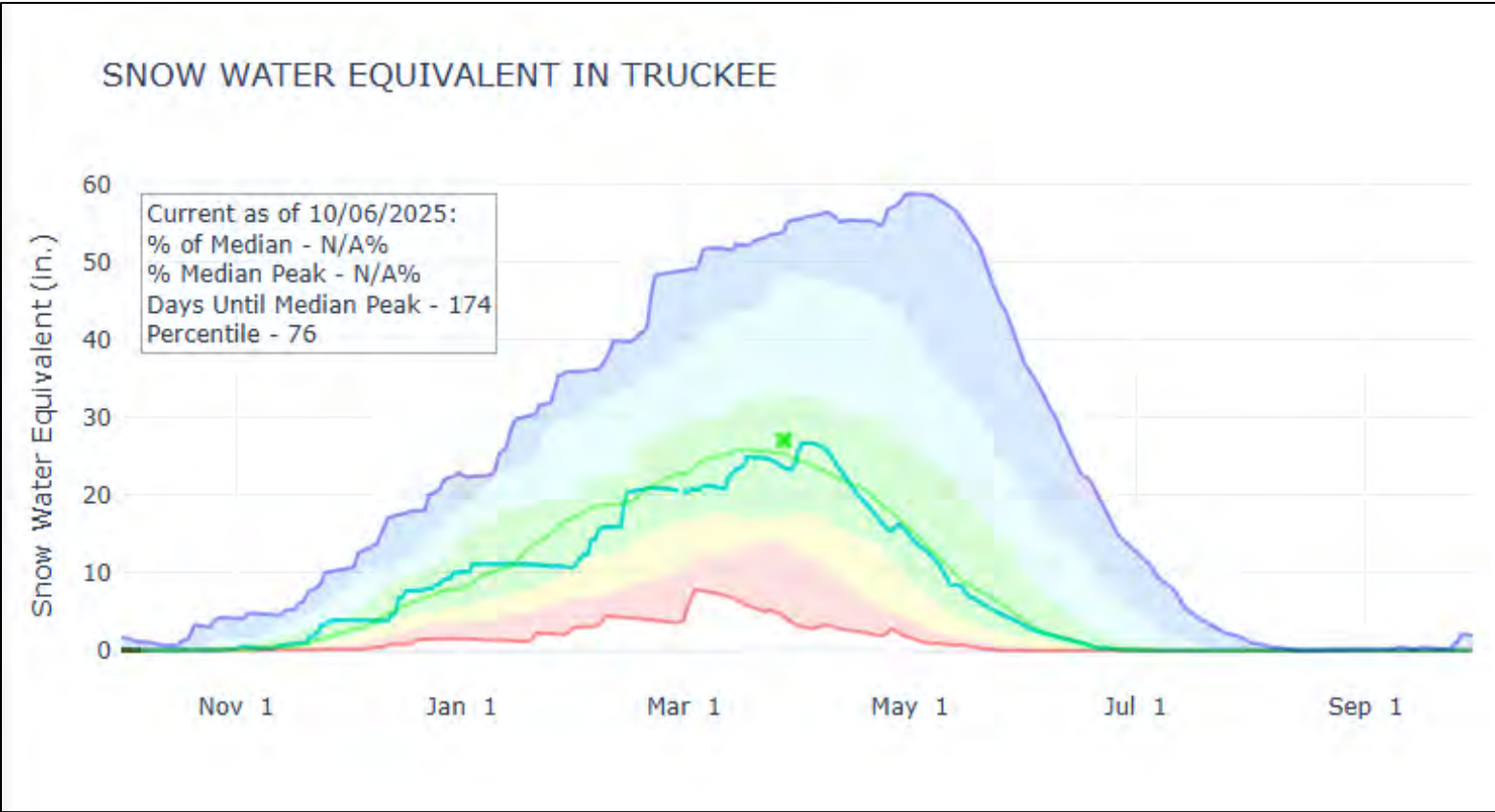
October 7, 2025



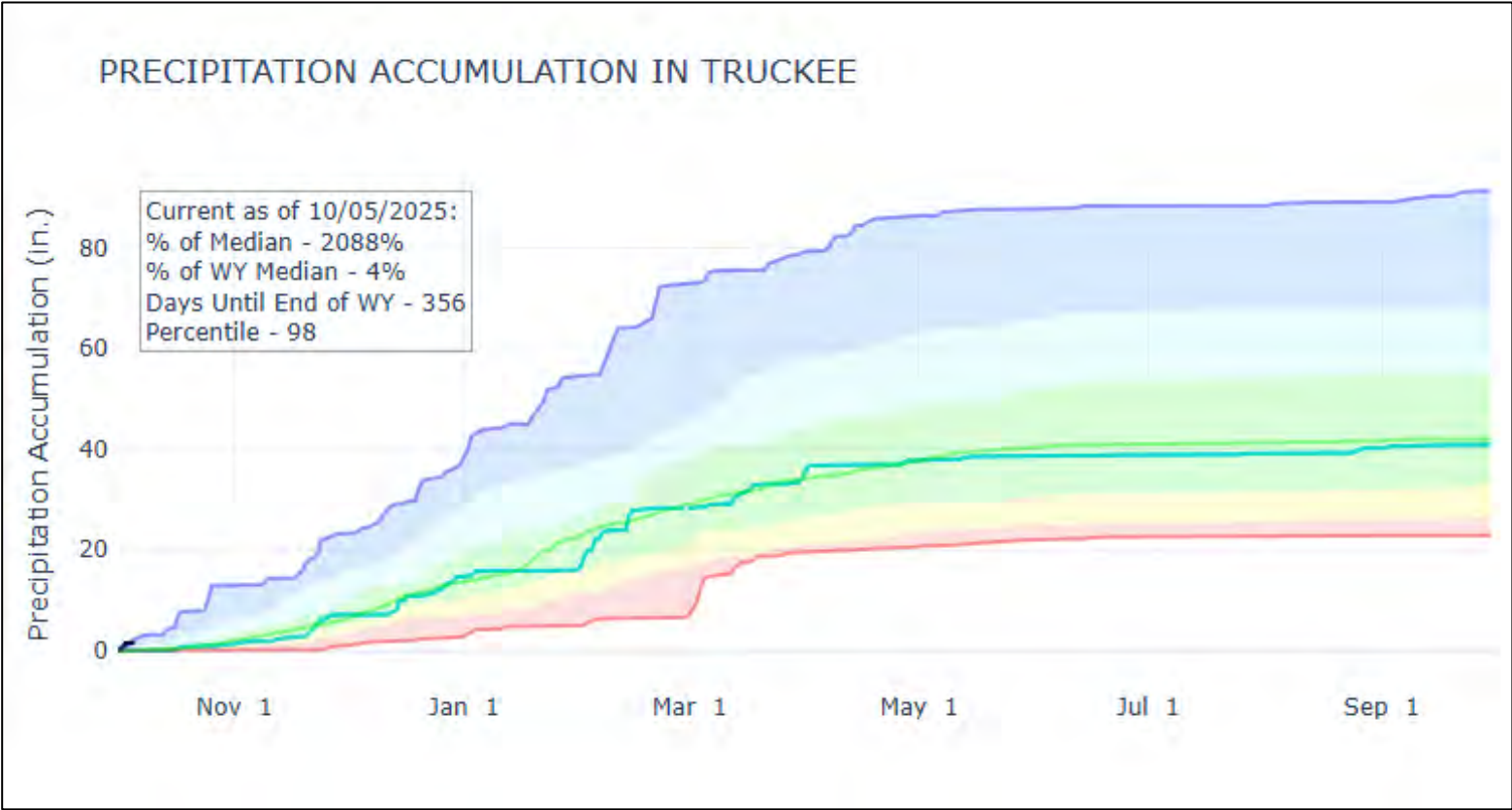
**Truckee Meadows
Water Authority**

Quality. Delivered.

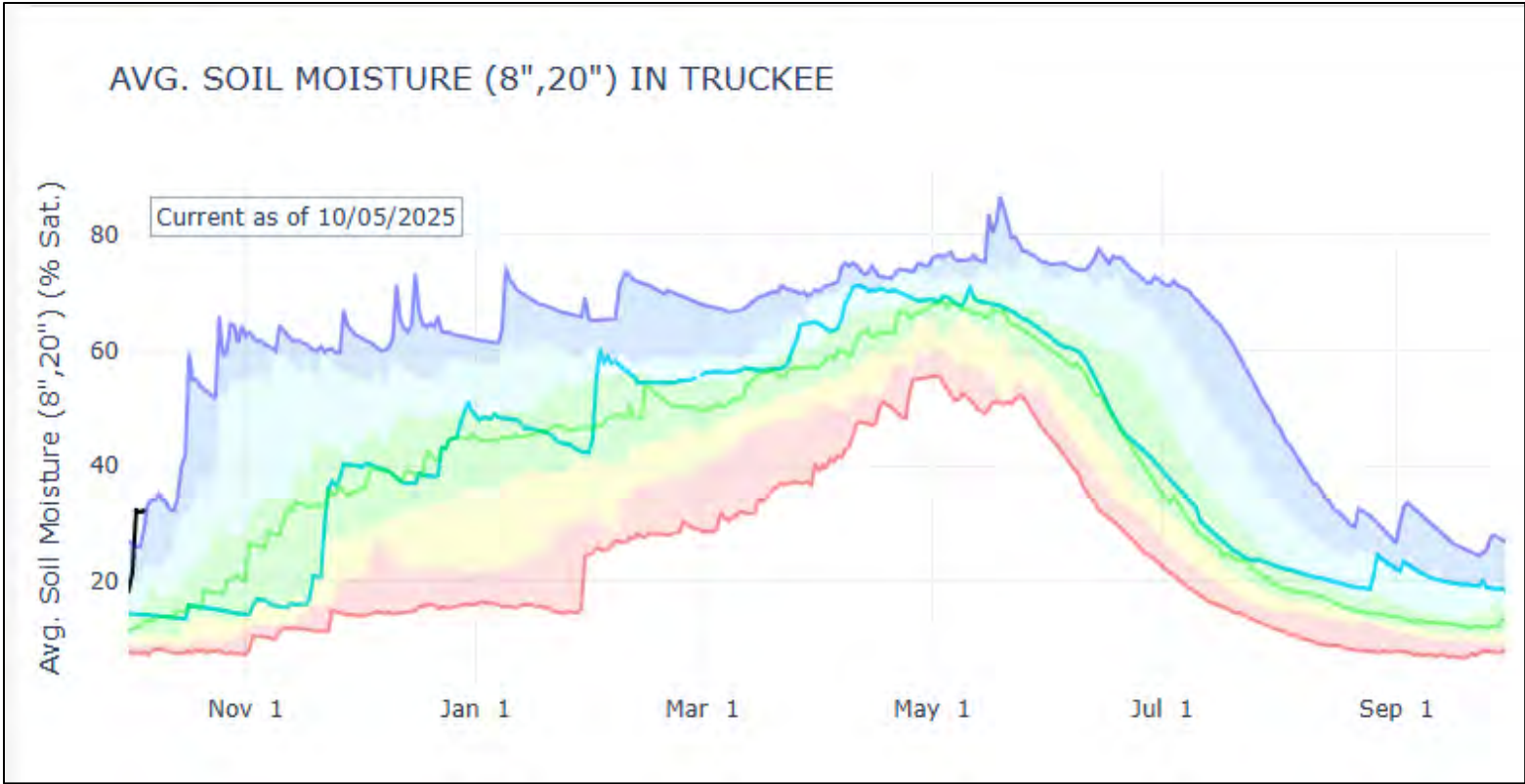
Water Year 2025 – Truckee Basin SWE



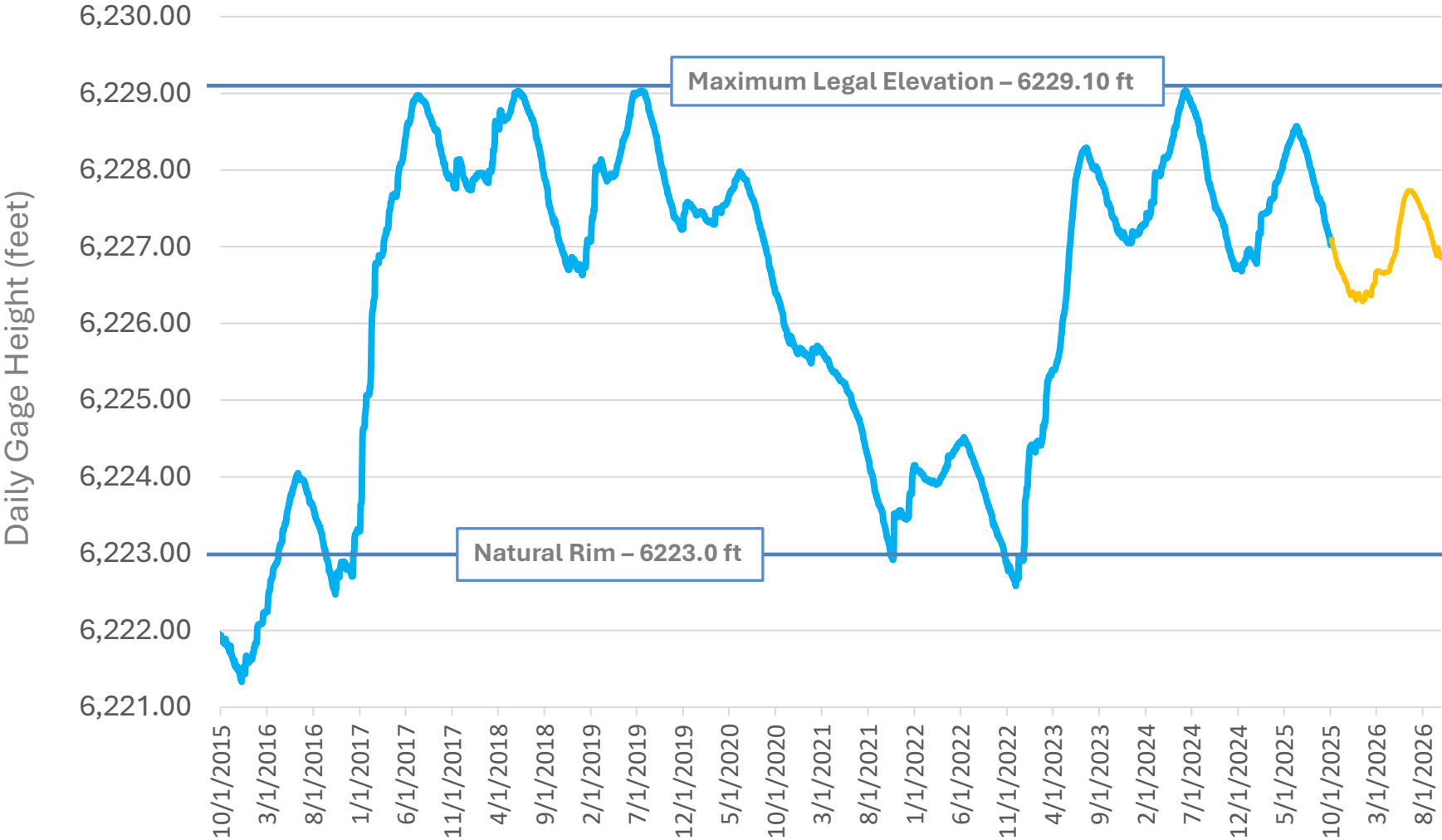
Water Year 2025 - Truckee Basin Precipitation



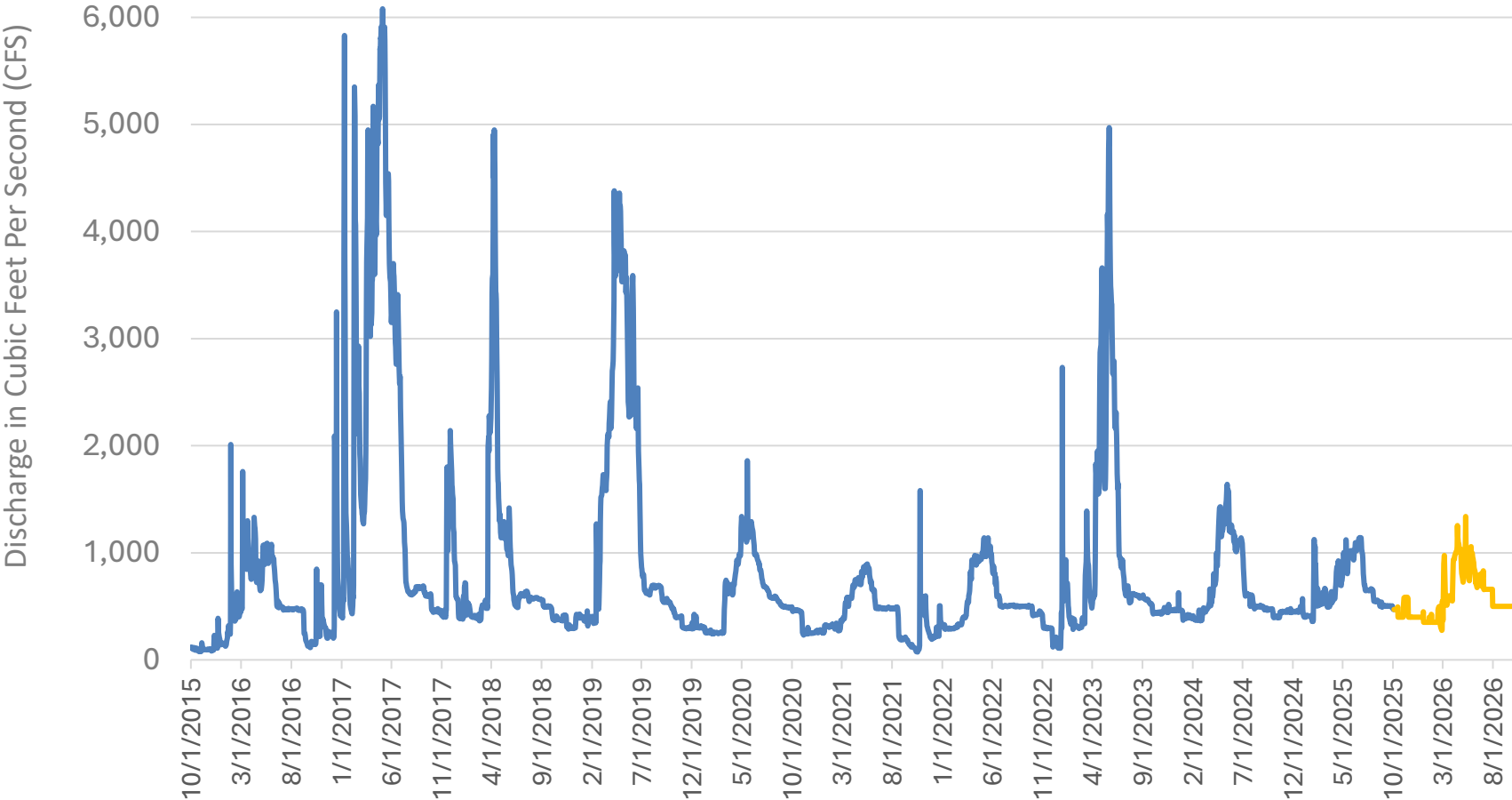
Water Year 2025 - Truckee Basin Soil Moisture



Observed/Projected Lake Tahoe Elevation Through 2026 Water Year



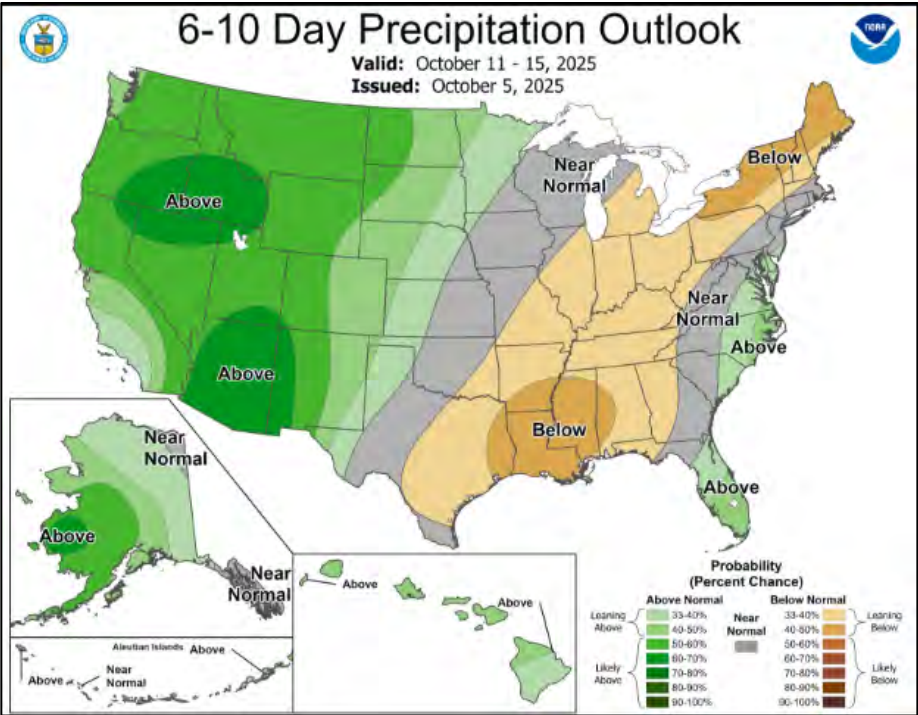
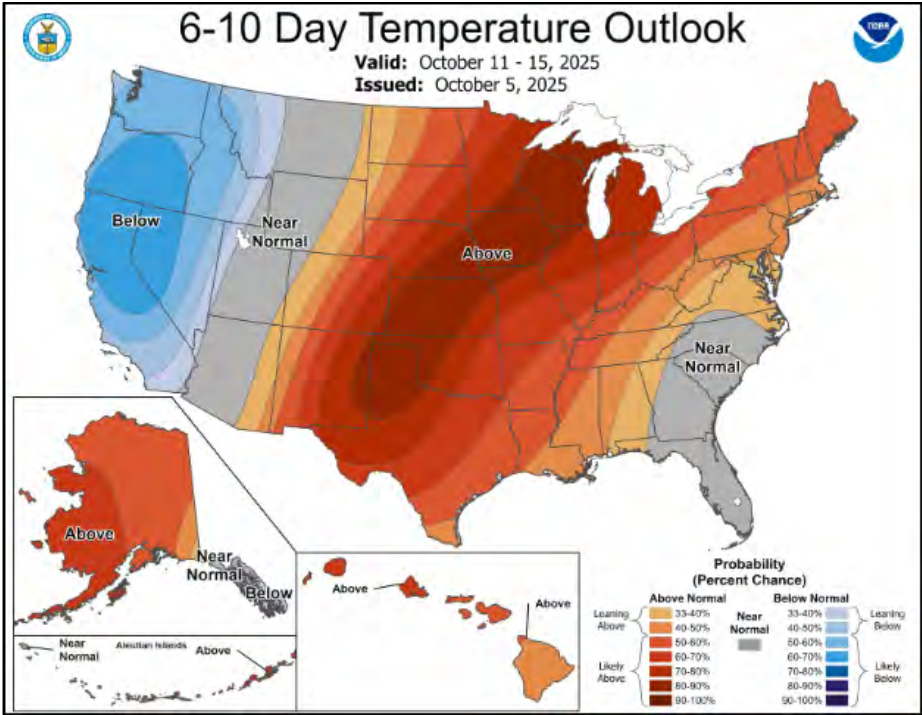
Observed/Projected Truckee River Flow Through 2026 Water Year



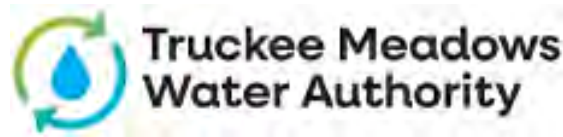
TMWA's Overall System Storage

TMWA's System Storage on the First Day of the Water Year (Acre-Feet)			
Storage Account	WY 2024	WY 2025	WY 2026
Boca WABSW	762	762	763
Donner POSW	7406	7248	7249
Independence POSW	16908	17109	17356
Firm Credit Water	3598	3598	3598
Non-Firm Credit Water	1976	3317	4821
Emergency Drought Supply	7500	7500	7500
Total Storage	38150	39533	41287

Upcoming Forecast



Thank you!
Questions?



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:

Water Service Data Extraction

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 built 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		Annual Use All Years	Annual Use 2020-2024	Deviation All Years	Deviation 2020-2024
			Current Demand	Proposed Demand				
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.

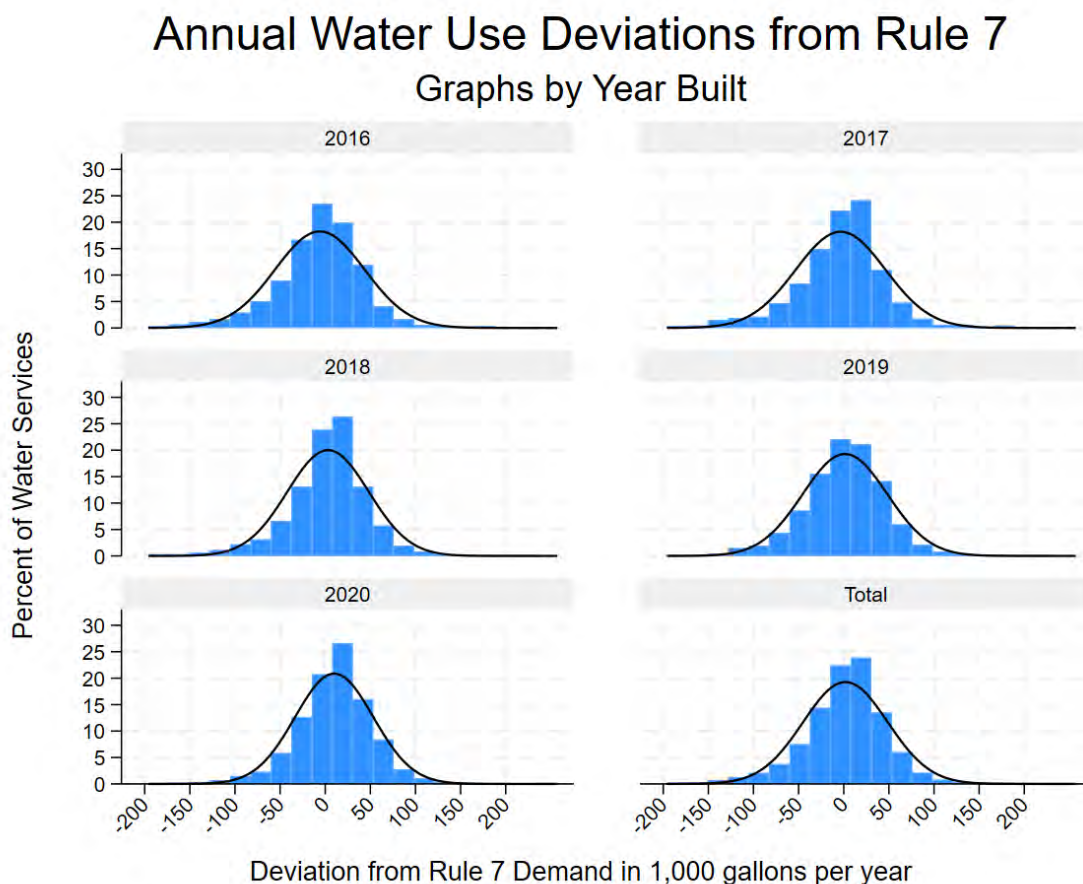


Figure 1: Histograms showing mean water use deviations from Rule 7 SFR dedication.

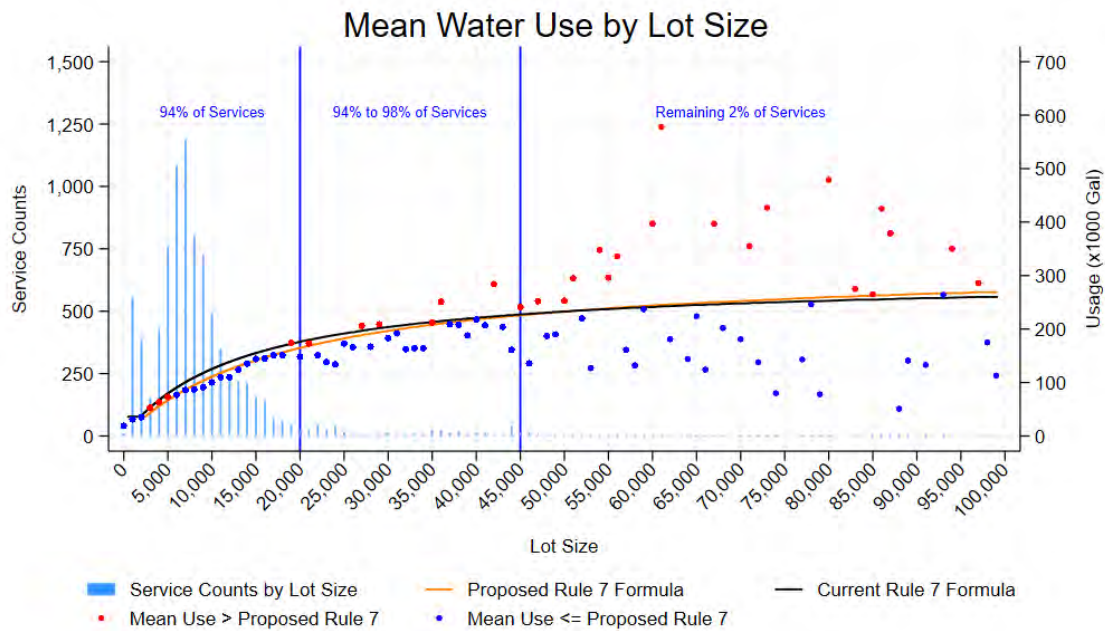


Figure 2: Mean single-family water use and service counts by lot size compared to Rule 7.

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.

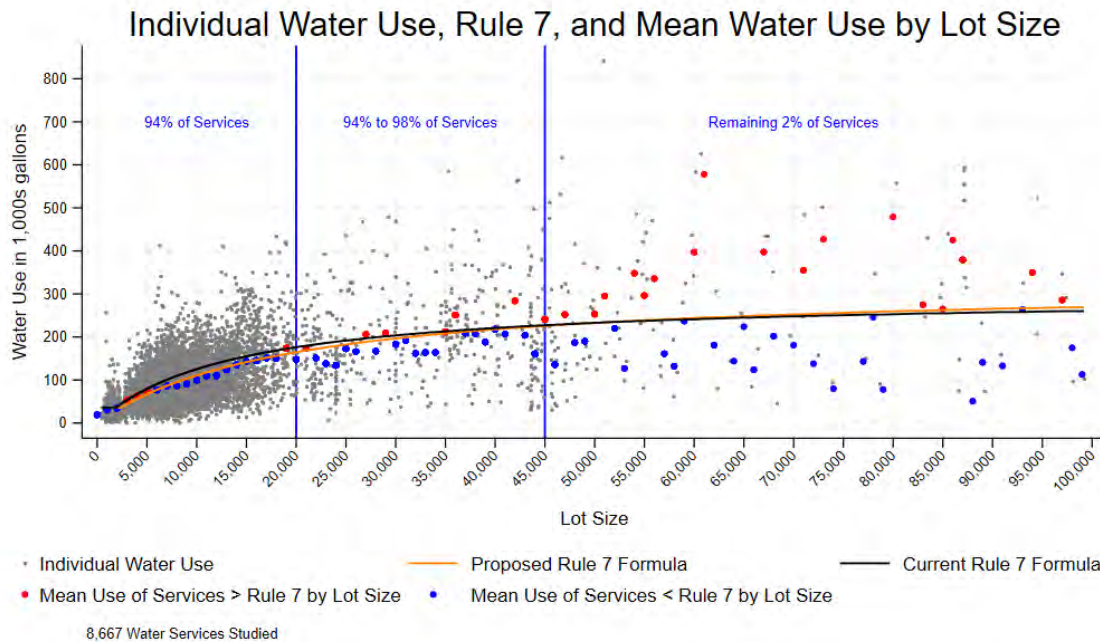


Figure 3: Display of individual water use with Rule 7 and mean water use by lot size

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

Standing Advisory Committee

Proposed Changes to Rule 7 Water Right Dedication Requirements

October 7, 2025



**Truckee Meadows
Water Authority**

Quality. Delivered.

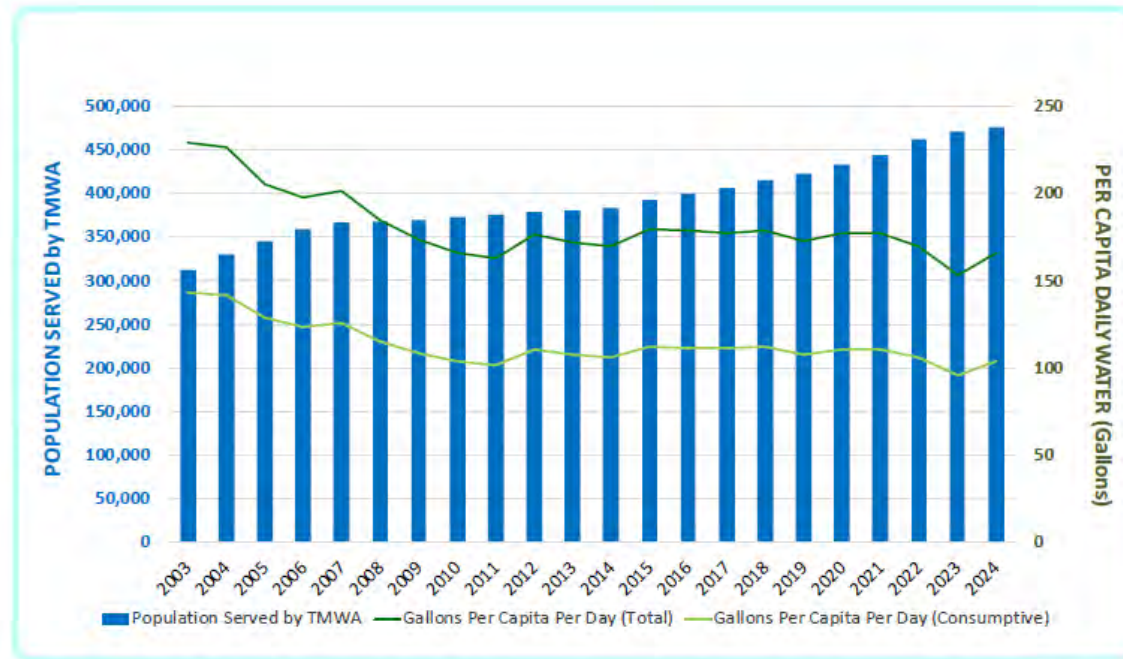
Presentation Overview

- 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)

Current Rule 7 Calculations

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

<u>Type of Unit</u>	<u>Demand (Acre-Feet Per year)</u>
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.



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

Share this page



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

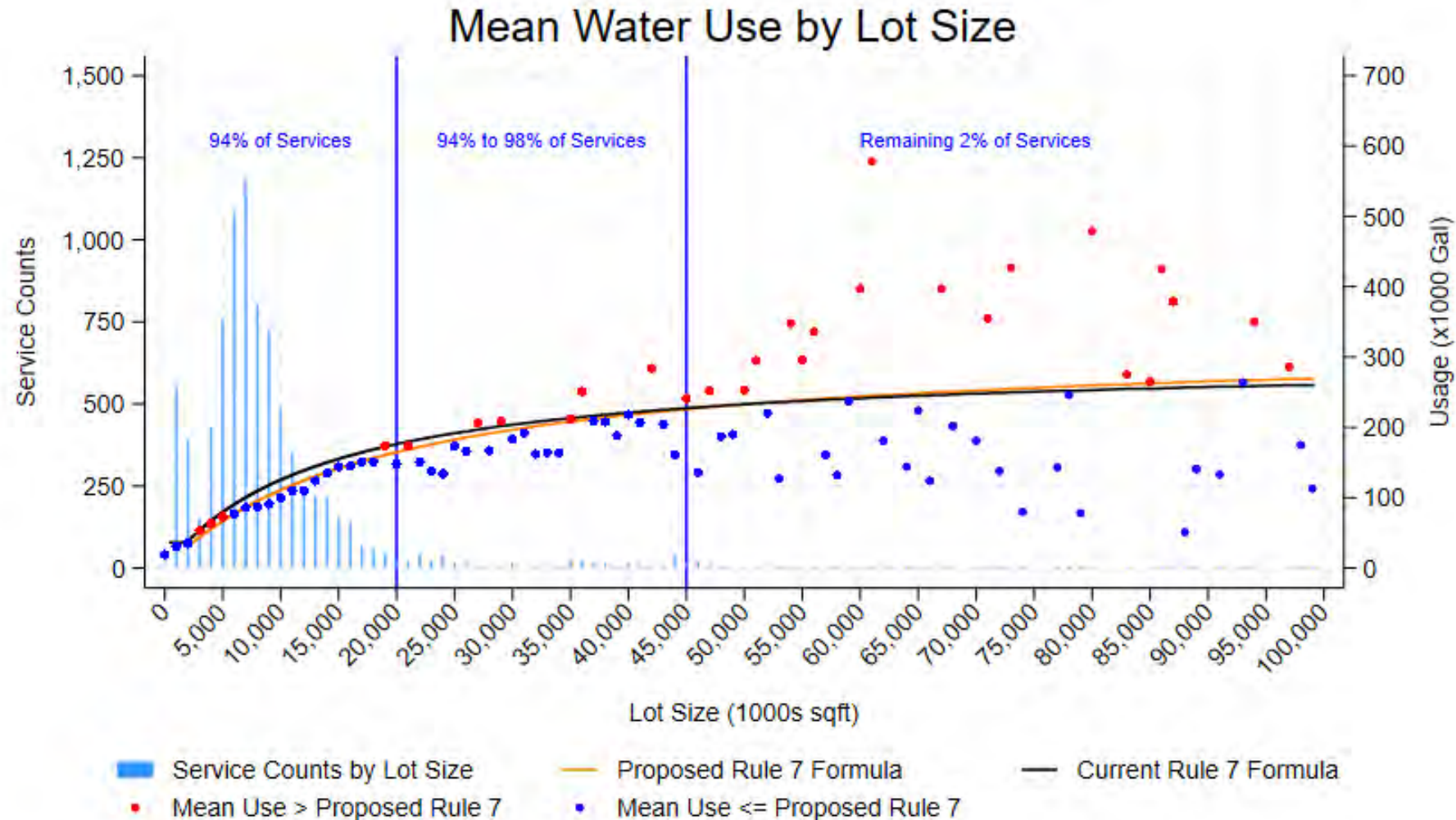
Single Family Residential Use Analysis

Mean annual water use by year build

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

Single Family Residential Use Analysis Results



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)
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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 Residential Use Analysis

- Mean water use per dwelling unit was calculated for dwelling units constructed in 2016 to 2020 (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

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
- Re look at the formula every 3-5 years as needed.

THANK YOU!
QUESTIONS?



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

Summary

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

Budget to Actual

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

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

Year over Year

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

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

RevenueBudget to Actual

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

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

Year over Year

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

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

Operating Expenses

Budget to Actual

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

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

Year over Year

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

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

Non-Operating ExpensesBudget to Actual

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

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

Year over Year

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

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

Capital Contributions

Budget to Actual

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

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

Year over Year

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

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

Capital Spending

Cash spent on capital outlays and construction projects through Q4 2025 was approximately \$72.1m. Total budgeted capital spend for fiscal year 2025 is \$111.2m, which included \$8.0m and \$11.0m for the American Flat APW facility and Orr Ditch pump station and hydro facility, respectively. Spending on the top three projects during the fiscal year is listed below:

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

Cash Position

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

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the fourth quarter ended June 30, 2025

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

Truckee Meadows Water Authority

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For the fourth quarter ended June 30, 2025

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



STAFF REPORT

TO: Chair and Board Members
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer
DATE: October 1, 2025
SUBJECT: **Presentation of preliminary funding plan for FY 2026 – 2030 Funding Plan**

Recommendation

Staff recommends the Board approve the five-year funding plan as presented and proceed with the previously approved 3.5% rate increase to be implemented in May 2026. The proposed funding plan consists of future rate increases, however, at this time Staff is not asking the Board to approve those increases. Any future rate increases will be presented to the Board in the fall of 2026 with next year's funding plan. The TMWA citizens Standing Advisory Committee (SAC) and Board will continue to monitor recurring revenues and the cost to create a water supply and maintain reliable water service for TMWA's customers based on the funding plan, annually, considering debt service coverage ratios and minimum unrestricted cash balances.

Summary

At the February 21, 2024 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, all of which are subject to annual Board 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. TMWA implemented the first two rate increases of 4.5% and 4.0% in May 2024 and 2025, respectively.

Each year, the SAC and Board will review TMWA's five-year funding plan and consider whether the scheduled rate adjustment is required to meet certain financial objectives. These objectives include maintaining an all-in debt service coverage (DSC) ratio of 1.50x and a minimum unrestricted cash balance based on certain financial criteria calculated each year. Although Board policy specifies a target of 1.50x DSC on only *senior lien* debt service, the ratio is calculated on *all* debt service (all-in) ensuring a more conservative and fiscally responsible approach.

The proposed funding plan includes the previously approved rate increase of 3.5% in May 2026. Subsequently, the plan anticipates the need for 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 funding plans are as follows:

- Maintain recurring revenues sufficient to cover the cost to serve customers.
- Maintain a senior lien coverage (DSC) ratio that meets bond covenants of 1.25x Maintain an all-in DSC ratio that 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.

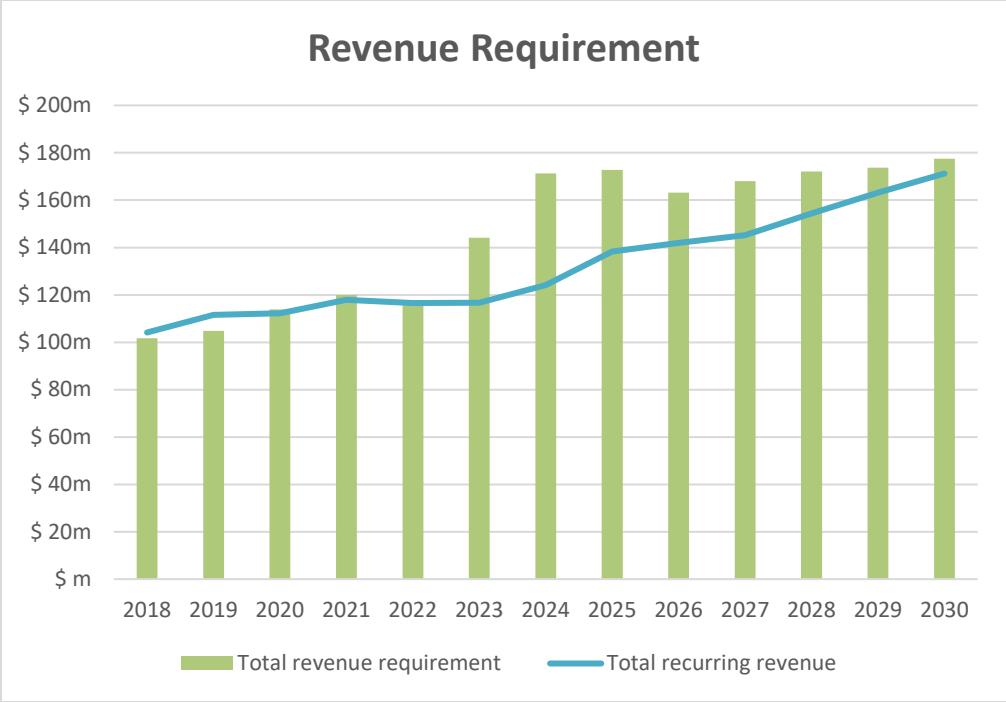
The funding plan analyzes the ability of TMWA to fund the cost to serve customers which includes operating expenses, principal and interest payments on current outstanding debt related to customers, and all capital improvements presented in the TMWA Capital Improvement Plan (CIP) that relate to maintaining 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.

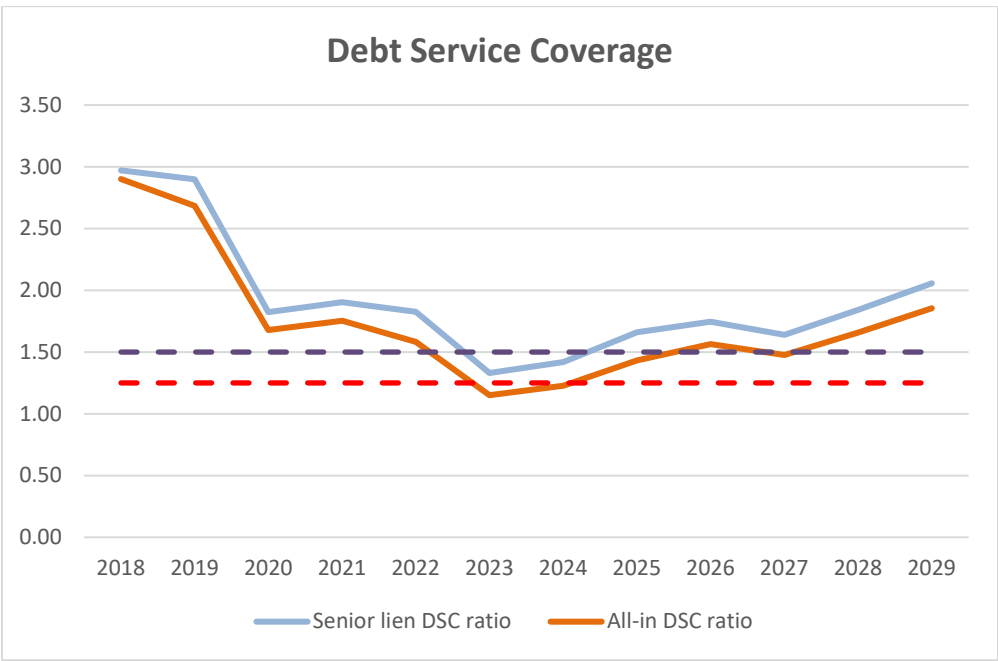
Revenue Sufficiency

TMWA is forecasting a deficiency in revenue requirement and recurring revenues. This is consistent with the last 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 under the proposed funding plan. Revenue requirement and recurring revenue are shown in the chart on the following page.



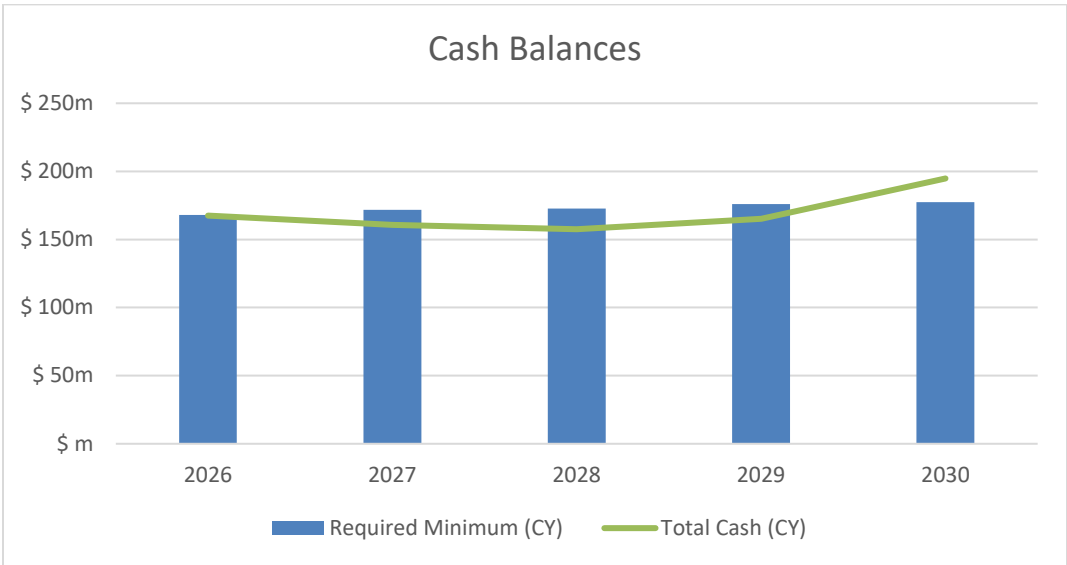
Debt Service Coverage

TMWA is forecasting all-in debt service coverage to be 1.48x in FY 2027 which is slightly below the objective 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 (**Attachment C**). The balance remains below the minimum until the final year of the plan, when it is expected to recover to \$17.4 million 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+	✓ HIGH GRADE
AA	✓ Aa2	AA	
AA-	Aa3	AA-	
A+	A1	A+	UPPER MEDIUM GRADE
A	A2	A	
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 recommend to the Board approval of the funding plan as presented.

	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
Recurring 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	
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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.




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

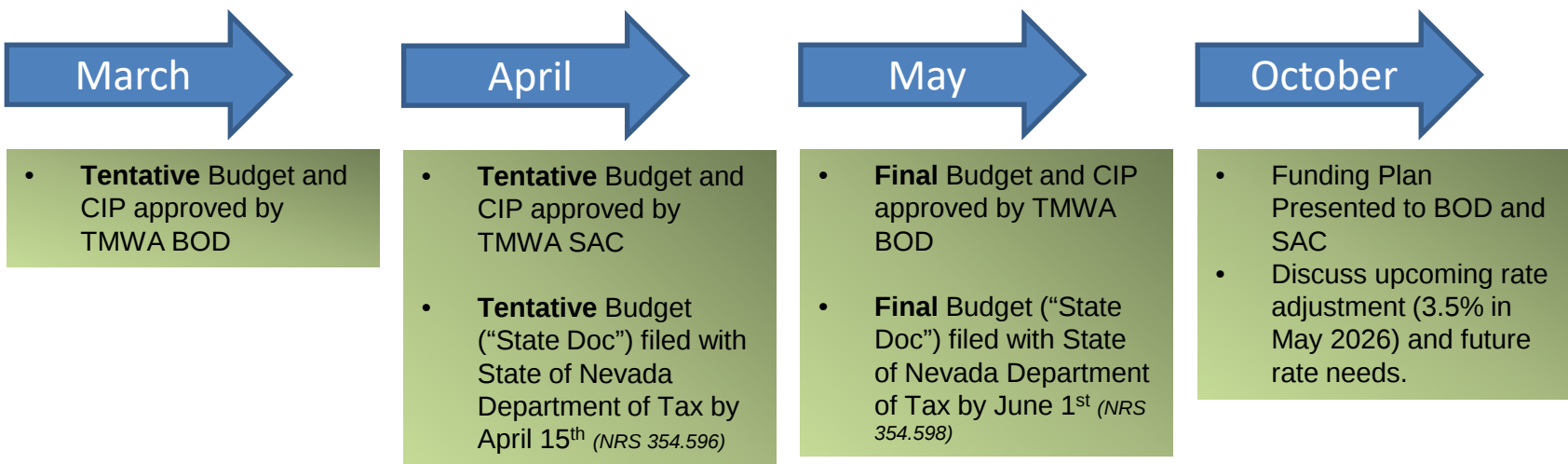


**Truckee Meadows
Water Authority**

Quality. Delivered.

TMWA Funding Plan

Fiscal Planning Timeline



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)

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

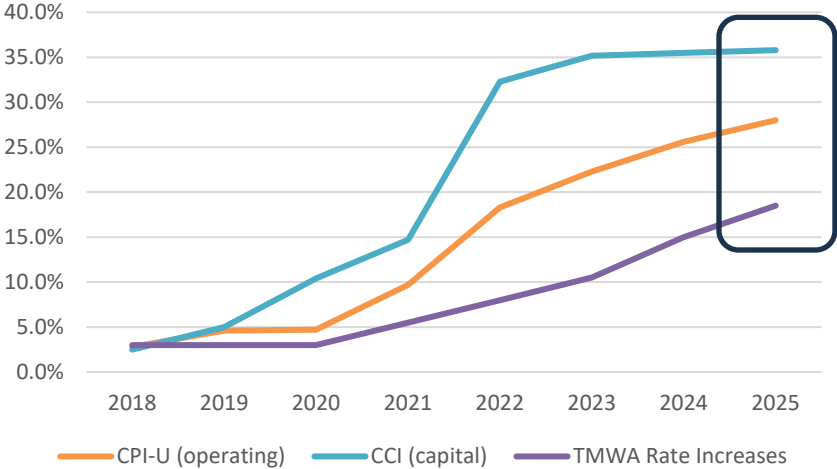
- | | |
|---|--------------------|
| 1. Restricted (bond covenants, legal restrictions) | Adequate |
| • <i>Bond covenants, legal restrictions</i> | |
| 2. Unrestricted | -\$35.5m – FY 2029 |
| • <i>Formula based on O&M expenses, debt service, capital expenditures and unforeseen events.</i> | |

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

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

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**

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 |
| • <i>Bond covenants, legal restrictions</i> | |
| 2. Unrestricted | -\$23.7m – FY 2029 |
| • <i>Formula based on O&M expenses, debt service, capital expenditures and unforeseen events.</i> | |

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.*

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

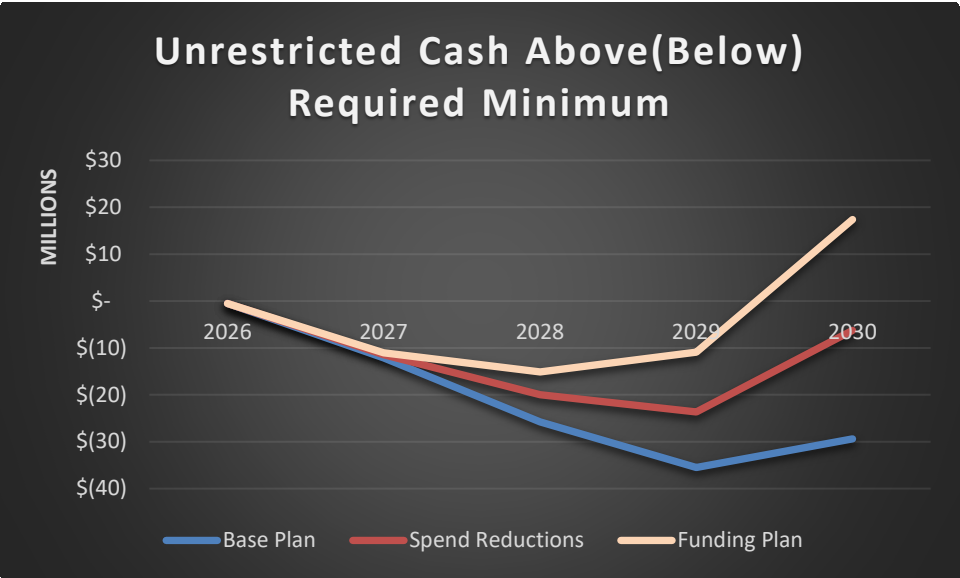
- | | |
|---|---------------------|
| 1. Restricted (bond covenants, legal restrictions) | Adequate |
| • <i>Bond covenants, legal restrictions</i> | |
| 2. Unrestricted | - \$15.1m – FY 2028 |
| | \$17.4m – FY 2030 |
| • <i>Formula based on O&M expenses, debt service, capital expenditures and unforeseen events.</i> | |

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

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

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



TMWA Funding Plan

Summary – Results of Financial Objectives

Debt service coverage (DSC) ratios

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

Minimum cash balances

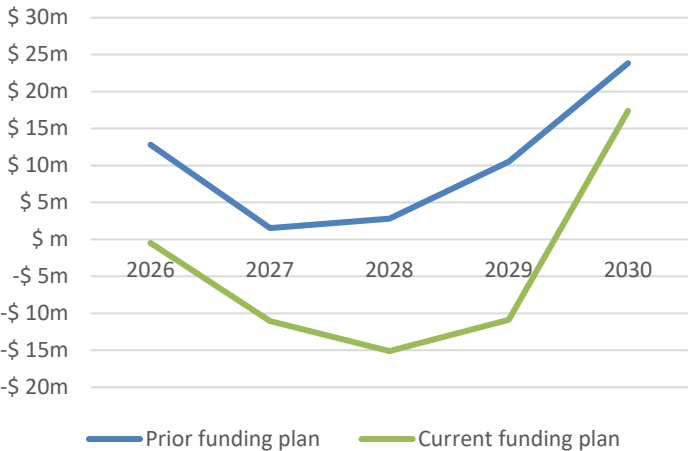
Measure	Funding Plan Result
Unrestricted cash balance <i>(Financial management policy- Resolution 266)</i>	Below until FY 30*

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

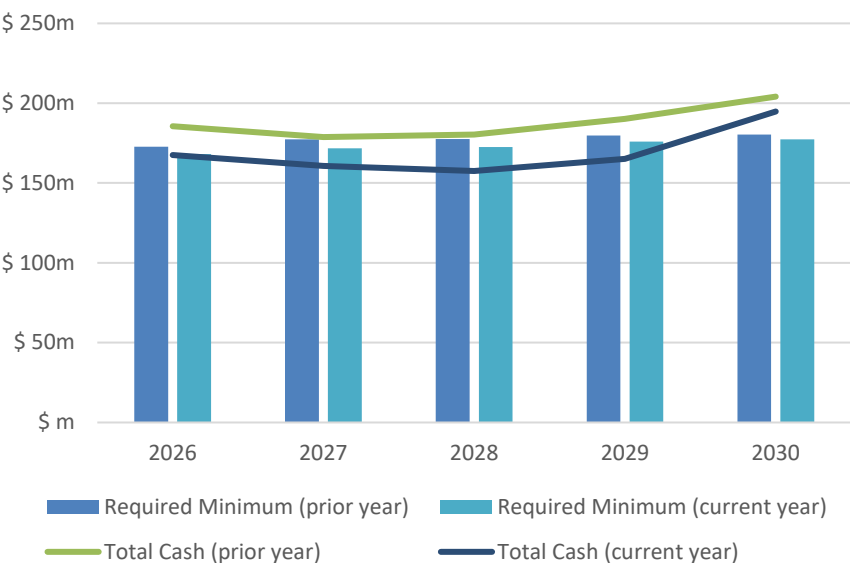
TMWA Funding Plan

Current vs. Prior Funding Plan

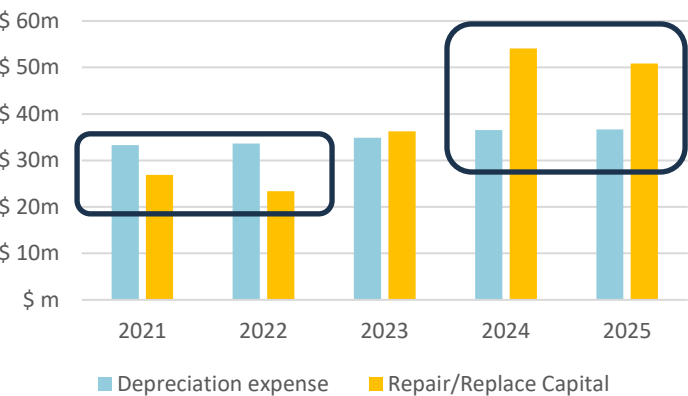
Unrestricted Cash Over/Under Minimum



Total Cash Required/Projected



Capital Spend compared to Depreciation Expense



Capital investment

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

TMWA Funding Plan

Bond Rating			Rating Category
FITCH	MOODY'S	S&P	
✓ AAA	Aaa	AAA	✓ PRIME
AA+	Aa1	✓ AA+	✓ HIGH GRADE
AA	✓ Aa2	AA	
AA-	Aa3	AA-	
A+	A1	A+	UPPER MEDIUM GRADE
A	A2	A	
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

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

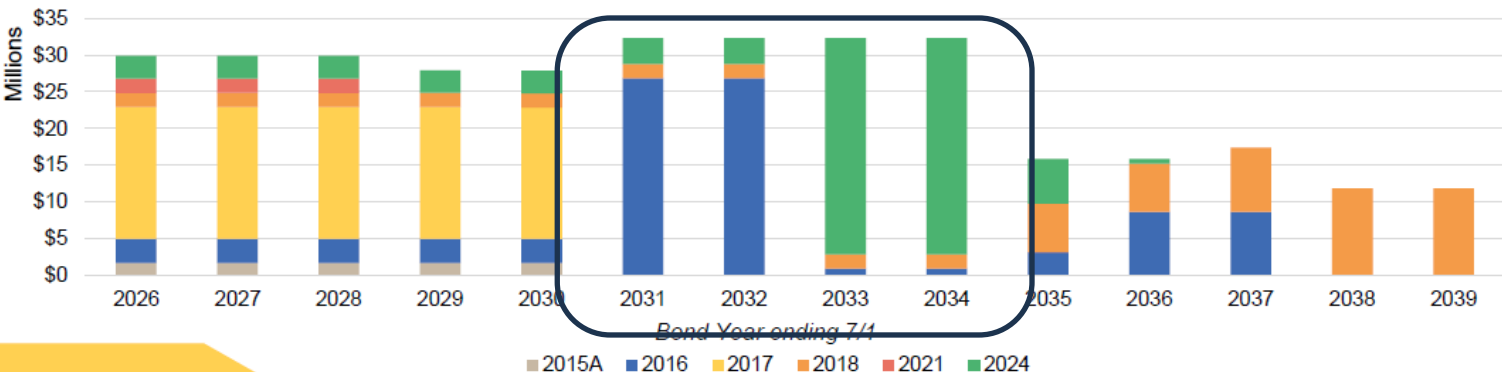
Measure
Grant funding: Only known / awarded grant funds are included. Funding for existing projects may be available.
Energy incentive funding for Orr Ditch: In the process of applying for Section 48 tax credits related to renewable energy production at Orr Ditch Hydroelectric facility.
Debt refunding: 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

Aggregate Debt Service



~\$5m increase in debt service

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
Recurring 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	
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Cash Surplus/(Deficiency)	(473,480)	(11,052,342)	(15,112,967)	(10,878,379)	17,392,564	

Thank you
Questions?



TO: Standing Advisory Committee
FROM: Sonia Folsom, Executive Assistant
DATE: September 30, 2025
SUBJECT: **Presentation and possible recommendation to the Board, of applications to fill the Senior Citizen Alternate Customer Class vacancy, Senior Citizen Alternate Customer Class vacancy, At-Large 1 and 2 Alternate Customer Class vacancies, and Residential Representative 1 and 2 Customer Class Alternate vacancies and other possible vacancies from the following pool of candidates listed in alphabetical order: Keith Hayes, and Ray Towne**

Recommendation

Staff is presenting to the Standing Advisory Committee (SAC) for its review, and possible recommendation to the Board, application submitted by a local resident to fill existing vacancies.

Background

The SAC was created in 2005 to review budgets, rate proposals and other matters as directed by the Board. In 2016, the TMWA Board decided to remove the two appointments made by the Northern Nevada Water Planning Commission and the Office of Consumer Advocate and replace those with two at-large positions. The committee currently consists of Board-appointed representatives of ten customer classes and two other seats held by representatives of community-interest groups (Attachment 1). TMWA customers interested in becoming a SAC member can submit a letter of interest at any time and will be presented to the SAC when a vacancy opens for consideration.

Discussion

TMWA received two applications for:

- Multi-Family Primary or At-Large Alternate– 1 Vacancy; 1 Applicant
- At-Large, Residential or Senior Citizen Alternate – 1 Applicant

The applications submitted are compiled in Attachment 2.

TMWA Standing Advisory Committee

Term Appointments

Membership List

Customer Class	Primary Representative	Member Since	Term Ends	Alternate Representative	Member Since	Term Ends
Wholesale (Sun Valley)	Chris Melton	2020	12/31/2025	Vacant		
Irrigation	Neil McGuire	2005	12/31/2026	Vacant		
Multi-family Residential	Vacant			Jonnie Pullman	2012	12/31/2025
Commercial	John Krmpotic	2020	12/31/2025	Ryan Greenhalgh	2024	12/31/2025
Senior Citizen	Alex Talmant	2021	12/31/2025	Vacant		
At-Large 1	Ken McNeil	2013	12/31/2026	Vacant		
At-Large 2	Jordan Hastings	2017	12/31/2026	Vacant		
Residential:						
Representative 1	Dale Sanderson	2017	12/31/2026	Vacant		
Representative 2	Fred Arndt	2017	12/31/2026	Vacant		
Representative 3	Jerry Wager	2014	12/31/2026	Kevin Ryan	2021	12/31/2025
Appointments:						
BANN	Colin Hayes	2010	12/31/2025	Justin McDougal	2024	12/31/2025
Reno-Sparks Chamber	Brian Bosma	2024	12/31/2025	Conner Naisbitt	2024	12/31/2025

Ray Towne, PE

Professional Summary for Volunteer Role – Truckee Meadow Water Authority

With over five decades of professional Civil/Municipal engineering experience across both public and private sectors, I bring extensive knowledge in water and wastewater infrastructure, public works leadership, and project delivery. Over the last 22 years, I have served in Public Works Director/City Engineer's role within numerous public agencies in the San Francisco Bay Area, offering engineering guidance, policy development, and oversight of complex capital improvement projects. My career is grounded in a deep understanding of utility systems, stormwater and wastewater collection and treatment, and all elements of water distribution systems. In addition, I have been directly involved with water rate development (with equitable tiered rate structures), capacity fee and connection fee charges and the necessary nexus studies to support/enforce the findings.

I have led operations in cities such as Daly City, San Mateo, South San Francisco, Foster City and Belmont, all on the San Mateo peninsula, in the Bay Area, providing specific leadership over Public Works Departments responsible for infrastructure planning, utility management, and Master Planning assessments for water systems. I've contributed to water and wastewater projects across a range of agencies, including the Estero Municipal Improvement District and South Tahoe Public Utility District, where I directed rate studies, lagoon upgrades, and a revolutionary surge protection system for the Luther Pass effluent force main out of the Tahoe Watershed.

My experience also includes design engineering roles in Rome City, IN, where we implemented a combination gravity/pressurized sewer collection system for a lake community, and advisory roles on county-wide NPDES permitting efforts in San Mateo and Contra Costa counties. I'm a licensed Professional Engineer in California (#28431) and hold a B.S. in Civil Engineering from Michigan State University.

As a committed public servant and technical expert, I welcome the opportunity to volunteer with TMWA to contribute to regional water resource planning, policy advising, or infrastructure review. My broad background in engineering and governance equips me to support TMWA's mission of delivering high-quality, sustainable water services to the Truckee Meadows community.

Letter of Interest
Standard Advisory Board Application for Multi-family Residential Customer Class

Applicant Information:

Keith Hayes



In an effort to become more involved in my community, I'd like to be considered as a representative to serve on TMWA's Standing Advisory Board (SAC). Originally from Pennsylvania, I moved to Nevada in July 2014 to attend graduate school at UNR and I've been a resident of Washoe County ever since. I have four children (three biological and one foster), one currently attending UNR and three attending McQueen High School.

Since moving to Washoe County, I have rented both multi-family and single-family homes and have been a TMWA customer for many years, so I believe that I can represent the interests of that customer class. Furthermore, my educational and professional background would serve me well in the field of water resources. I hold a BS in Geology and earned a MS in Hydrogeology from UNR with a focus in groundwater geochemistry. In addition, I'm enrolled in a collaborative program called TOPCORP offered by the Interstate Oil and Gas Compact Commission (IOGCC), Penn State University, The University of Texas at Austin, and Colorado School of Mines through which I'm currently taking a course entitled *Environmental Stewardship and Management* which has a heavy focus on water resource management and the energy sector.

In addition to my educational background, my professional background would also be an asset to the Board. After finishing my MS in Hydrogeology, I worked in the geothermal industry as a wellsite geologist in The Geysers of Northern California and on The Big Island of Hawaii at Ormat's Puna Geothermal Venture but have been employed by the State of Nevada since December 2019. I began my career in government service with Nevada's Bureau of Mining Regulation and Reclamation (BMRR) where I was a Permit Writer for the Reclamation Branch, tasked with "Protecting Waters of the State" (and taxpayer interests) via environmental permitting, reclamation bonding, and closure monitoring. Since November 2023, I've been the Project Manager for the Nevada Division of Minerals (NDOM) where I oversee the reclamation of old mining facilities, coordinate educational and community/public outreach programs, events, and projects, compile informational publications for both industry and public audiences, assist NDOM's Abandoned Mine Lands (AML) Program through supervisory field work, assist NDOM's Fluid Minerals Program via regulatory and compliance actions for the oil, gas, geothermal, and dissolved mineral industries, and work closely with the Bureau of Land Management (BLM), US Forest Service (USFS), Nevada Bureau of Mines and Geology (NBMG), Desert Research Institute (DRI), Nevada Division of Water Resources (NDWR), and countless other agencies on various projects.



STAFF REPORT

TO: Standing Advisory Committee
FROM: Sonia Folsom, SAC Liaison
DATE: September 30, 2025
SUBJECT: **Update on Standing Advisory Committee Membership**

Please find attached the 2026-27 Standing Advisory Committee (SAC) membership. Those whose term-limits expire on December 31, 2025 have been notified. The final SAC membership list will be presented to the Board of Directors for approval at the December Board meeting.

TMWA Standing Advisory Committee
Term Appointments
2026-2027 Membership List

Customer Class	Primary Representative	Member Since	Term Ends	Alternate Representative	Member Since	Term Ends
Wholesale (Sun Valley)	Chris Melton	2020	12/31/2025	Vacant		
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Senior Citizen	Alex Talmant	2021	12/31/2025	Vacant		
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Representative 1	Dale Sanderson	2017	12/31/2026	Vacant		
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Representative 3	Jerry Wager	2014	12/31/2026	Kevin Ryan	2021	12/31/2025
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BANN	Colin Hayes	2010	12/31/2025	Justin McDougal	2024	12/31/2025
Reno-Sparks Chamber	Conner Naisbitt	2024	12/31/2025	Ann Silver	2026	12/31/2027



STAFF REPORT

TO: Standing Advisory Committee
FROM: Sonia Folsom, SAC Liaison
DATE: September 30, 2025
SUBJECT: **Presentation and possible approval of 2026 meeting schedule**

The TMWA Standing Advisory Committee meets quarterly on the first Tuesday at 3:00 p.m. The exception is the October meeting which will occur on the second Tuesday to avoid the school fall break. The schedule of proposed meeting dates for 2026 is:

- Tuesday, February 3
- Tuesday, April 7
- Tuesday, June 2
- Tuesday, October 13*

Meetings that appear on this schedule may be cancelled or changed due to lack of agenda items or other considerations. Also, a meeting may be called upon if an emergency arises.