



Truckee Meadows Water Authority

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NEVADA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Years Ended June 30, 2025 and 2024

**PREPARED BY: Sophia Cardinal, CPA
Financial Controller**

**Matt Bowman, CPA
Chief Financial Officer**

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November 18, 2025

To the Board of Directors, Our Customers, and Bondholders:

We are pleased to submit the Annual Comprehensive Financial Report (Annual Report) for the Truckee Meadows Water Authority (TMWA) for the fiscal year ended June 30, 2025. The purpose of the report is to provide the Board of Directors (Board), our customers, and bondholders as well as other interested parties with reliable financial information about TMWA. TMWA's Finance Department has prepared the Annual Report in accordance with Generally Accepted Accounting Principles (GAAP).

Management assumes full responsibility for the completeness and reliability of the information contained in this Annual Report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Nevada Revised Statutes and bond covenants require that an independent certified public accounting firm selected by the Board audit TMWA's financial statements on an annual basis. Eide Bailly LLP, a firm of licensed certified public accountants, has audited TMWA's basic financial statements as of and for the fiscal years ended June 30, 2025 and 2024. The independent auditor's report is presented in the Financial Section of this report. TMWA complies with the Local Government Budget and Finance Act as embodied in Chapter 354 and Public Investments as embodied in Chapter 355 of the Nevada Revised Statutes.

The Annual Report consists of four sections:

Introductory Section - This section is comprised of the letter of transmittal which contains information relative to TMWA's background, a listing of TMWA's principal officers, organizational chart, and other relevant information to assist the reader in understanding TMWA's operations, financial condition, and accomplishments.

Financial Section - This section consists of TMWA's basic financial statements, supplementary financial information, and the independent auditor's report on the basic financial statements. This section also includes Management's Discussion and Analysis (MD&A), which provides a narrative overview and explanation of the results reflected in the basic financial statements. The financial statements presented in this section were prepared in accordance with GAAP. TMWA's financial activities are reported as an enterprise fund (proprietary fund type).

Statistical Section - This section is comprised of selected financial, operational, and demographic information presented annually and includes statistics for the past ten years.

Compliance Section - This section consists of information regarding TMWA's compliance with standards and audit requirements. In particular, this section reports on TMWA's conformance with auditing standards generally accepted in the United States of America (GAAS) and with



Government Auditing Standards issued by the Comptroller General of the United States. When applicable, this section typically also includes information regarding TMWA's compliance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 (Uniform Guidance). TMWA was subject to a single audit for the year ended June 30, 2025; however, the related compliance reports have not yet been completed due to a delay in the issuance of the 2025 Compliance Supplement by the Office of Management and Budget. Eide Bailly LLP will conclude the single audit as soon as the 2025 Compliance Supplement becomes available, and TMWA will publish the related compliance reports thereafter.

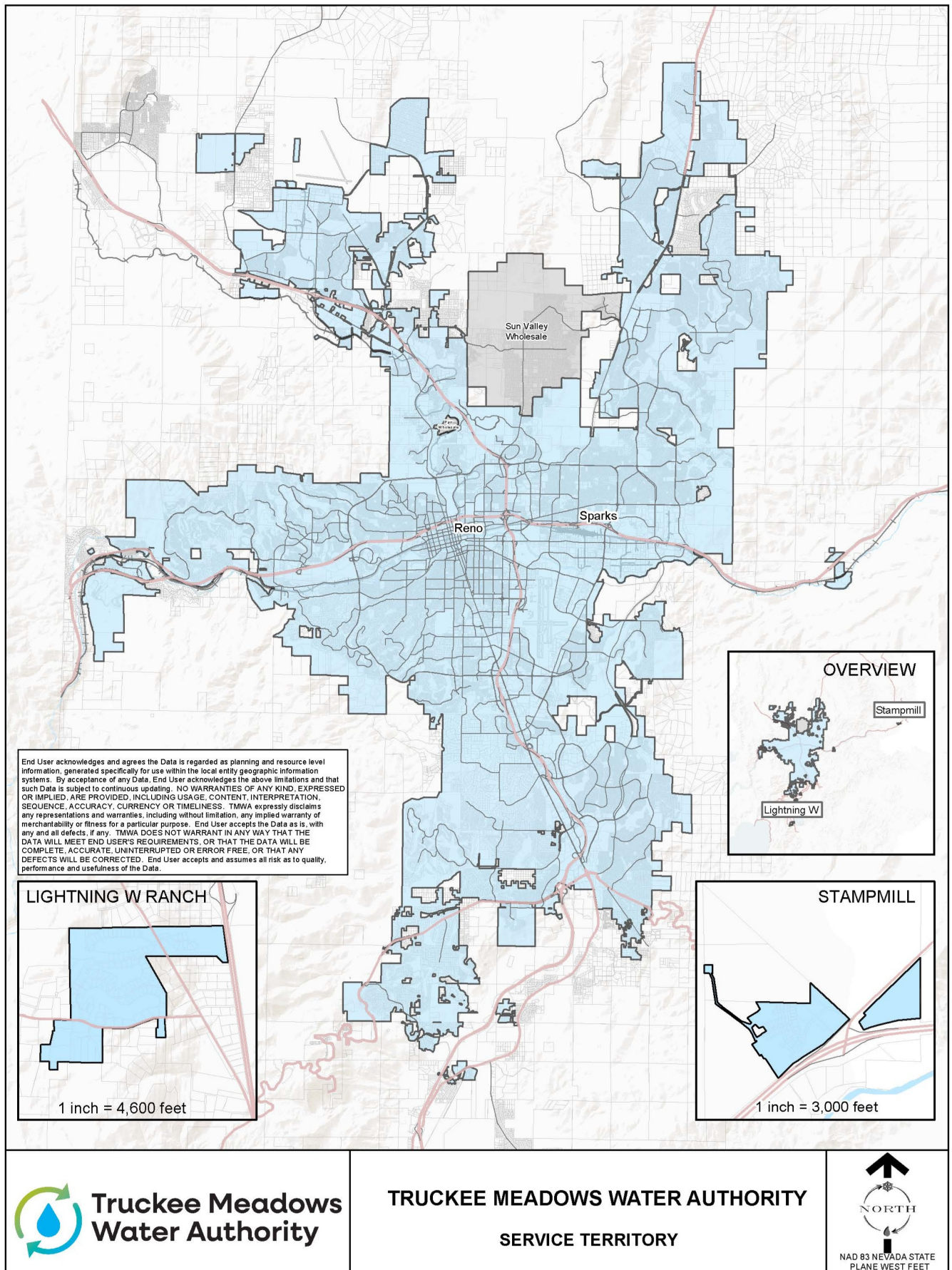
REPORTING ENTITY

TMWA was formed as a Joint Powers Authority (JPA) pursuant to Chapter 277 of the Nevada Revised Statutes and is a political subdivision of the State of Nevada. TMWA is separate from its member agencies: City of Reno, City of Sparks, and Washoe County. TMWA was formed in November 2000 for the purpose of acquiring the assets of the water division of Sierra Pacific Power Co. (SPPCo), a subsidiary of Sierra Pacific Resources, now known as NV Energy, with the goal of retaining local control over the water resources of the area. TMWA took over the water system assets on June 11, 2001. Amendments to the JPA were approved by the member agencies and the Attorney General's Office of the State of Nevada effective February 3, 2010. The amendments were made in anticipation of the consolidation of TMWA, Washoe County's water utility, and another water utility named South Truckee Meadows General Improvement District (STMGID). The consolidation of the water utilities occurred on January 1, 2015 with TMWA as the continuing entity. There are no component units associated with this financial reporting entity.

TMWA has no financial interdependence with its member agencies. TMWA has broad powers to finance, construct, and operate the water system, for the diversion, treatment, distribution, and sale of treated water to retail and wholesale customers. TMWA has full authority to set water rates for services subject to the approval of the TMWA Board, without approval by other entities. TMWA is a tax-exempt entity for purposes of federal taxes, State of Nevada property and sales and use taxes, and other state taxes. TMWA pays property taxes in Nevada and Sierra Counties of California for the privilege of storing water in private and federal reservoirs. TMWA has no taxing authority.

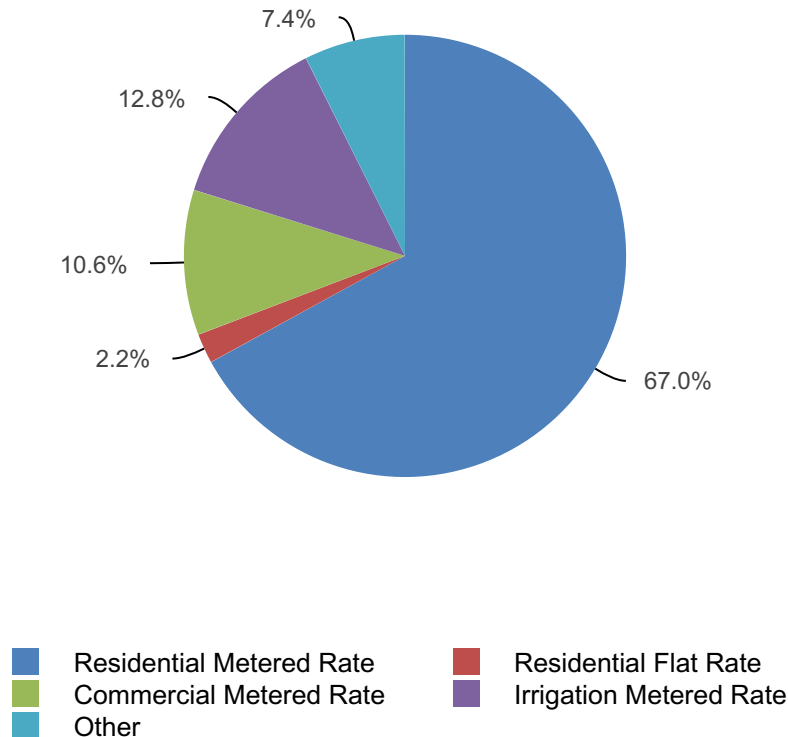
TMWA has over 140,000 service connections and two wholesale customers. TMWA operates within the Truckee Meadows Service Area. TMWA has only one significant wholesale customer, the Sun Valley General Improvement District (SVGID) located north of the Reno-Sparks main metropolitan area. SVGID is wholly dependent upon TMWA water deliveries as this district has no source of water supply. There is one water delivery contract associated with this wholesale connection.

The map on the following page reflects TMWA's service territory.



The following graph depicts the proportion of operating revenues by class for fiscal year 2025:

TMWA Operating Revenues \$132.3 Million



The metering of the water system, which began under Sierra Pacific in 1995, presents various operational solutions for TMWA. These solutions present the opportunity to collect accurate data on water usage by customer class. This allows TMWA to make more accurate cost of service analyses, to make water rates more equitable across customer classes, and to better anticipate future water resource and water facility requirements. Since the acquisition of the water system, TMWA has metered nearly 100% of water services. Currently, there are less than 650 water services that do not have a meter installed and are billed on a flat rate. These are problematic and relatively expensive services to convert to meters with multiple customers on a single service line.

The Board adopted a goal in August 2003 of maintaining a senior lien debt coverage ratio of at least 1.50 times recurring revenues less operating expenses divided by annual senior lien debt service. This calculation excludes developer facility charges and other fees associated with new development. This target is sufficient to meet minimum debt service coverage requirements, fund reconstruction of the water system on a pay-go basis, and manage TMWA's senior lien bonding capacity to allow for potential future senior lien bond sales if necessary. These measures were deemed necessary to maintain water system infrastructure in a prudent manner and ensure that TMWA's bondholders are adequately protected. There are no other restrictions, commitments, or other limitations that would restrict the unrestricted cash assets for use in meeting TMWA's

obligations. TMWA's senior lien debt coverage was approximately 1.66x and with certain developer fees and charges was approximately 2.27x as of June 30, 2025.

ECONOMIC OUTLOOK AND WATER RESOURCES

The Reno-Sparks metropolitan area enjoys a moderate climate, offers a wide variety of year-round recreational opportunities, and has a favorable tax structure. It is also centrally located in the Pacific region affording efficient distribution of goods throughout the western United States. Northern Nevada's favorable business tax environment nurtures steady growth in TMWA's service area and nearby communities in manufacturing, distribution, warehousing and industrial businesses. TMWA's service area has experienced steady growth since TMWA's inception in 2001. With a population of approximately 353,000 in 2001, Washoe County's population has grown 44% to over 507,000 in 2024.

Reflecting a diverse and strong regional economy, taxable sales in Washoe County remained steady in fiscal year 2025 with a slight increase of 4% from the prior year. Prior to fiscal year 2025, Washoe County experienced taxable sales changes of -2% and 1% in fiscal years 2024 and 2023, respectively. Washoe County's unemployment rate remains stable and is less than one percent greater than the national unemployment rate. At June 30, 2025, Washoe County's unemployment rate was 4.6% compared to the national unemployment rate of 4.1%.

To ensure appropriate and responsible water resource availability for current and future water demands, TMWA prepares and frequently updates a detailed [Water Resource Plan](#) (WRP). The TMWA Board approved the most recent iteration of the WRP in October 2025 for the years 2025-2045. The WRP was previously updated in fiscal year 2021 and covered years 2020-2040. The WRP addresses current water resources, future water resources and water rights availability, defined drought standards, and impacts of climate change. The analyses performed in the most recent WRP conclude that TMWA can utilize the aforementioned water resources to meet incremental water demands required by growth for the next twenty years and beyond. The focal point of the WRP is the population and water demand forecasts for the TMWA service territory.

To complement this water resource planning effort, TMWA prepares and frequently updates a comprehensive [Water Facility Plan](#) (WFP). The TMWA Board approved the most recent iteration of the WFP in October 2023 for the years 2020-2040. The WFP was previously updated in October 2019 and covered years 2015-2035. The original WFP was adopted by the TMWA Board in December 2004 and updated in 2010. The WFP evaluates the infrastructure required to supply, treat, and deliver water to customers over the life of the plan and determines infrastructure requirements needed in the Capital Improvement Plan to serve growth based upon population and water demand forecasts in the WRP.

Since inception, TMWA has made and will continue to make strategic water rights acquisitions to ensure sufficient inventory of water rights are available to issue will-serve commitments for the foreseeable future. Any given year, as much as 80% or more of the water supply to TMWA's service area is supplied from surface water from the Truckee River. As such, TMWA played a critical role in negotiating and implementing the Truckee River Operating Agreement (TROA). TMWA is a primary signatory to the TROA along with the Pyramid Lake Paiute Tribe (PLPT), the States of Nevada and California, and U.S. Department of the Interior. TROA provides TMWA customers with benefits, prescribing operation of the Truckee River system that provides

additional drought supplies for existing and new customers. These lengthy and complex negotiations, which include interstate allocations of Truckee River water rights, were concluded when TROA was signed by the aforementioned parties on September 6, 2008 at a signing ceremony in Reno. TMWA made available to the PLPT certain water rights that met requirements to put TROA into effect in October 2015. In November 2015, remaining related lawsuits were dismissed, and TROA became effective December 1, 2015 providing significant additional drought resources for TMWA's service area and completing a multi-decade effort.

TMWA owns and operates 27,000 acre-feet of Privately Owned Stored Water reservoir storage comprised of 9,500 and 17,500 acre-feet in Donner Lake and Independence Lake, respectively (both dams are owned and operated by TMWA). In addition to the owned storage, as a result of TROA, TMWA can access additional storage capacity in certain federally-owned reservoirs, including Lake Tahoe. As of June 30, 2025, TMWA had 40,790 acre feet stored across the reservoirs.

The region experienced its third normal to above average winter in a row. The water supply outlook for the region is positive with Lake Tahoe filling to within 0.6 feet of its legal maximum elevation and all other reservoirs on the Truckee River system 75%-100% full. As of June 30, 2025, total upstream reservoir storage was at 85% of capacity. Truckee River reservoirs will have carry-over storage heading into the 2025/2026 winter, and TMWA will carry over more than 32,000 acre feet of water in drought reserves. Current reservoir storage ensures that the region can expect normal Truckee River flows for at least the next two years, regardless of the amount of precipitation in the 2025/2026 winter. TMWA will continue to utilize the provisions of TROA to maximize upstream storage opportunities and make the most efficient use of water resources for the region.

Drought

Although the region is not in a drought currently, droughts will inevitably occur again. However, TMWA's integrated approach to water resource management has positioned it well to withstand even the most severe droughts. TMWA has a robust and resilient water supply to meet customer demands, regardless of climate and weather patterns. These sources of supply include surface water rights directly from the Truckee River, an extensive network of upstream reservoirs, expanded drought storage under TROA, groundwater supplies from nearly 90 production wells, banked groundwater from years of aquifer storage and recovery efforts, and the inter-basin transfer of water from the Fish Springs Ranch project.

Advanced Purified Water Program

TMWA is confident in its ability to meet the community's potable water needs for decades to come. Regardless, staff and leadership are dedicated to preparing for potential needs that are beyond the horizon. In this spirit, TMWA is participating in a multi-organizational effort to study the feasibility of producing Category A+ Advanced Purified Water (APW). This research collaboration is known as OneWater Nevada and includes TMWA; City of Reno; City of Sparks; Washoe County; the University of Nevada, Reno; Truckee Meadows Water Reclamation Facility; the Western Regional Water Commission, and the Northern Nevada Water Planning Commission. OneWater Nevada has performed years of feasibility studies using treated effluent from regional water reclamation facilities and applying a combination of advanced water treatment steps with natural groundwater purification processes to allow for aquifer storage and

recovery of the APW. The treatment approach is regulated to rigorous state and federal drinking water standards and may potentially create a future supplemental water supply for potable or other high-quality uses.

TMWA has contributed to the operation and funding of OneWater Nevada since the effort began in 2016. This participation has included the construction and operation of a small-scale pilot treatment facility at the Reno Stead Water Reclamation Facility (RSWRF), a hydrogeological study at American Flat, management of groundwater recharge and recovery facilities, and overall technical and operational support. Through an Interlocal Agreement (ILA) with City of Reno, a Basis of Design Report for the RSWRF American Flat Advanced Purified Water (APW) Aquifer Storage and Recovery Project was completed in fiscal year 2021. Leveraging the information from this Report, TMWA and City of Reno have executed an ILA for a cost sharing agreement for construction of a two million gallon per day (MGD) APW treatment facility. This facility will take several years to build with construction activities expected to commence in Summer 2026, subject to final TMWA Board and Reno City Council approval.

WATER QUALITY

TMWA's highest priority is the protection of public health through modern water treatment techniques and water quality monitoring efforts. TMWA's primary source of water is the Truckee River, which sources at Lake Tahoe and other tributaries. The Truckee River travels into Nevada through the Reno-Sparks Metropolitan area and terminates at Pyramid Lake, a distance of approximately 120 miles. The river's natural water quality is excellent; however, additional steps are taken to purify the water to meet safe drinking water standards that were set forth by the United States Department of Environmental Protection in the early 1990s. TMWA owns and operates the 90.0 MGD Chalk Bluff Water Treatment Plant, the 34.5 MGD Glendale Water Treatment Plant, the 4.0 MGD Mount Rose Water Treatment Plant, and two other smaller, groundwater treatment plants. The Mount Rose Water Treatment Plant treats surface water from Whites Creek, a tributary of the Truckee River. Attesting to TMWA's commitment to the protection of public health, TMWA's Chalk Bluff Water Treatment Plant received the Presidents Award from the Partnership for Safe Water in 2015. This recognition exemplifies TMWA staff's experience, passion, and commitment to producing and delivering outstanding water quality to customers. TMWA has since qualified for this award on an annual basis.

TMWA spends approximately \$2.4 million annually on its State-certified drinking water laboratory which monitors water quality by sampling, analyzing, and reporting required regulated compliance data for its facilities within all six of its drinking water systems. The majority of the TMWA's data is analyzed by TMWA staff eliminating outside laboratory rates. TMWA ensures compliance with all current drinking water standards promulgated by the United States Environmental Protection Agency and administered by the Nevada Division of Environmental Protection, Bureau of Safe Drinking Water, and Northern Nevada Public Health in Washoe County.

WATER CONSERVATION

Efficient use of water within the Truckee Meadows extends this vital resource through periods of drought in this high desert climate. Therefore, water conservation has been, and will continually

be, a high-priority at TMWA. Not only does conservation promote water-efficient behavior, such efforts also reduce peak-day demand and help defer future investments in costly improvements to infrastructure. The purpose of water conservation at TMWA is to promote smart use of water through several programs. During a drought, TMWA enhances its conservation efforts to ensure drought storage is sufficient over the drought period.

Water-Efficiency Codes

TMWA's Rule 2 provides water-efficiency codes to which customers must adhere. First, customers must not use water excessively (i.e., no waste). Second, TMWA requires that its customers adhere to a three-day-a-week irrigation schedule. This watering restriction helps prevent overwatering as well as reduces peak-day demand. Next, TMWA also requires no irrigation on Mondays to allow its system to recharge. Finally, TMWA generally requires no irrigation between noon and 6 p.m. from Memorial Day to Labor Day. These water-efficiency codes have been successful in managing customer demands over time.

Water Resource Sustainability Program

TMWA's Water Resource Sustainability Program was created in fiscal year 2019. Through a charge of \$1,600 for every acre-foot of new surface water demand, developers and others provide funding for projects that improve TMWA's drought resiliency and water resource sustainability. Such projects include those for expanded conjunctive use, aquifer storage and recovery, demonstration and validation of exceptional quality reclaimed water uses, and future water resource identification and acquisition efforts.

Water Pricing Structure

TMWA has an inverted, tiered-rate billing structure in which customers are charged increasing rates based on the amount of water they use. This billing structure provides a "price signal" to customers who cross into a higher tier, thereby encouraging efficient use of water.

Water Usage Review Program

The Water Usage Review Program assists TMWA customers with issues regarding their water meter or their water delivery system. When a water usage review is requested, TMWA staff goes onsite to check meter accuracy as well as detect for leaks in the customer's system. If a leak is detected, staff will work with the customer to attempt to identify the leak source. Staff will also review the usage history of the service to determine water usage behavior. Once completed, staff will notify the customer of any leaks that were detected, make recommendations on how to reduce water consumption, and teach customers how to check for leaks in the future.

Water Watcher Program

During irrigation months (April to October), TMWA ramps up its conservation efforts by hiring additional full-time seasonal conservation consultants. These consultants are trained to monitor TMWA's service territory and ensure its water-efficiency codes are being adhered to. They also respond to water waste reports by the public. They provide customers with information about

TMWA's water-efficiency codes and identify any leaks or sources of water waste in outdoor irrigation. This program not only promotes efficient use of water but also facilitates lower monthly bills.

Landscape Retrofit Program

The Landscape Retrofit Program promotes water-efficiency measures on municipal landscapes. The program includes financial support of landscape augmentation projects by institutional irrigators. Projects supported under this program promote drought-tolerant landscapes and educational programs focused on smart landscaping practices.

Water Conservation Education Program

TMWA has a strong educational program designed to teach customers about the benefits of conservation and techniques that can help them use water more responsibly. Educational initiatives include a free workshop series, direct communication (bill inserts, emails, in-person, etc.), public presentations and events, as well as, a multi-media campaign. TMWA also partners with other local organizations to provide grade school students in the Truckee Meadows with information regarding our water sources, water quality, and watershed protection.

FINANCIAL INFORMATION

Internal Controls

TMWA employs various internal controls for the safeguarding of assets against losses from unauthorized use or disposition. TMWA's management is responsible for establishing and maintaining a system of internal controls designed to meet these objectives. Internal controls are also used to ensure that accounting data are compiled to allow for the preparation of financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable assurance that these objectives are met. When establishing or reviewing internal controls, management weighs the cost to implement such controls over the benefits derived from implementing such controls. TMWA's management is constantly looking for opportunities to improve or redesign internal controls. A key component of TMWA's internal controls is its budgetary controls.

Budgetary Controls

TMWA is legally required to prepare, present to the TMWA Board, and adopt an annual budget in conformance with Chapter 354 of the Nevada Revised Statutes. These statutes comprise the Local Government Budget and Finance Act, which stipulates that the Board be presented with a tentative budget by April 15 of each year, with formal adoption of the budget after a public hearing in May of each year. The adopted budget is then filed with the Nevada Department of Taxation.

TMWA is also required to prepare a Capital Improvement Plan for review and formal acceptance by the TMWA Board. This plan is a comprehensive compilation of all capital projects and capital outlays expected during the ensuing five fiscal years. TMWA's Board is kept informed of

TMWA's financial performance throughout the fiscal year at scheduled Board meetings. The General Manager, as the chief administrative officer, is authorized to approve all expenses that are within the approved budget. This authority is conferred upon the General Manager by virtue of the TMWA Cooperative Agreement between the City of Reno, City of Sparks, and Washoe County. This arrangement allows for the efficient operation of TMWA. TMWA routinely prepares five-year financial forecasts in conjunction with the Capital Improvement Plan.

BUDGET ANALYSIS AND VARIANCES

Actual total operating revenues of \$132.3 million were \$2.0 million or 1.6% over the final budget for fiscal year ended June 30, 2025. Charges for water sales totaled \$124.0 million and were 0.2% higher than budget. TMWA's water sales can fluctuate from budget based on weather conditions, especially during the spring and fall. Hydroelectric sales totaled \$4.2 million and were 41.2% higher than budget. Hydroelectric sales exceeded budget as a result of strong river flows and less maintenance downtime as TMWA's staff determined it was advantageous to defer planned outages in preference of generation.

Total operating expenses of \$129.5 million were approximately \$3.1 million or 2.3% under the final budget. Operating expenses before depreciation were \$4.2 million or 4.3% under budget. Salaries and wages were higher by \$0.2 million or 0.6%, and employee benefits were \$0.5 million or 3.4% over budget. Salaries, wages, and benefits were primarily higher because more staff time was charged outside of capital projects than expected. Services and supplies expenses were \$4.9 million or 10.7% under budget. This was mostly due to lower electrical power costs and less supply consumption during the year.

Total net nonoperating revenues and expenses were \$4.2 million favorable to budget. This variance was primarily due to a net increase in the fair value of investments.

Capital contributions of \$53.0 million were \$7.0 million over budget. The primary driver was the recognition of a \$9.0 million credit to developer will-serve revenue resulting from a water resource exchange agreement for an effluent pipeline to TRI General Improvement District (TRIGID). TMWA received the cash in 2021 but deferred recognizing revenue until 2025 when effluent delivery via the pipeline commenced. Also contributing to the increase is slightly higher connection fee revenue as new business projects remained steady.

Total capital spending was approximately \$72.1 million for fiscal year 2025, which was approximately \$39.1 million less than the \$111.2 million planned in the final capital budget. The underspend is typical as TMWA usually spends between 60%-70% of the total CIP.

As reflected in the Statement of Cash Flows, TMWA funded the operating budget, debt service requirements and capital spending from operating revenues, capital contributions and investment income. As of June 30, 2025, TMWA has approximately \$94.4 million of unrestricted cash and investments to fund future operations and capital projects.

TMWA complied with bond covenants during fiscal year 2025 with respect to funding cash reserves. TMWA's renewal and replacement reserve is fully funded at \$10.0 million. The operations and maintenance reserve fund, which TMWA is required to maintain at a balance equal to one-sixth of TMWA's revised final operating budget, contained \$16.2 million as of June

30, 2025. As of June 30, 2025, TMWA also retained a \$11.5 million water rate stabilization reserve of which \$0.5 million is restricted and \$11.0 million is included as a reservation of unrestricted net position.

ACKNOWLEDGMENTS

The timely preparation of this report could not be done without the assistance of TMWA finance personnel, the management team, and employees of TMWA. We would like to thank the Board, TMWA customers, and the development community for their commitment to the long-term operational and financial stewardship of TMWA.



John Zimmerman
General Manager



Matt Bowman, CPA
Chief Financial Officer

**Truckee Meadows Water Authority
List of Principal Officials
June 30, 2025**

TMWA Board of Directors

Naomi Duerr, Reno City Council Member, Chair

Clara Andriola, Washoe County Commissioner, Vice Chair

Paul Anderson, Sparks City Council Member

Alexis Hill, Washoe County Commissioner

Kathleen Taylor, Reno City Council Member

Miguel Martinez, Reno City Council Member

Dian VanderWell, Sparks City Council Member

Management

John R. Zimmerman, General Manager

Danny Rotter, Assistant General Manager and Director of Engineering

Jessica Atkinson, Director of Human Resources

Matt Bowman, Chief Financial Officer

Ryan Dixon, Director of Distribution, Maintenance, and Generation

Sean Feeney, Director of Technology

Will Raymond, Director of Operations and Water Quality



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Truckee Meadows Water Authority
Nevada**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

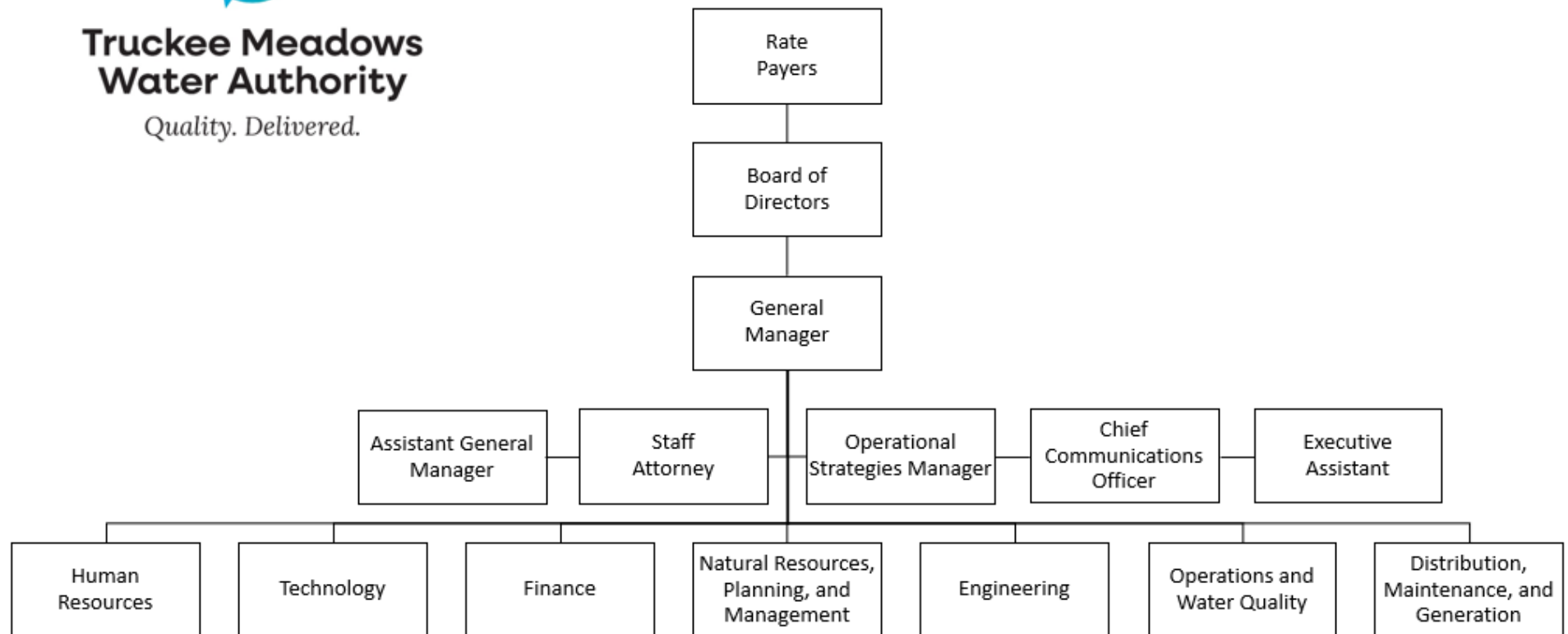
Christopher P. Morrell

Executive Director/CEO



Truckee Meadows Water Authority

Quality. Delivered.





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of the Truckee Meadows Water Authority ("TMWA") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise TMWA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the Truckee Meadows Water Authority, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TMWA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 15 to the financial statements, TMWA has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities for the year ended June 30, 2024. As a result of implementing the standard, there was no effect on beginning net position as of July 1, 2023. Our opinions are not modified with respect to this matter.

Change in Estimate

As discussed in Note 16 to the financial statements, TMWA updated its measurement methodology over the calculation of the outstanding portion of bond proceeds that were not used for capital purposes in the net investment in capital assets net position calculation during the year ended June 30, 2025. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TMWA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TMWA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TMWA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in net OPEB liability and related ratios, the schedules of OPEB contributions, the schedules of TMWA's share of net pension liability, and the schedules of TMWA's pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise TMWA's basic financial statements. The schedule of revenues, expenses, and changes in net position – budget and actual, the combining statement of fiduciary net position, and the combining statement of changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of revenues, expenses, and changes in net position – budget and actual, the combining statement of fiduciary net position and the combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025, on our consideration of TMWA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TMWA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering TMWA's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
November 17, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of TMWA's Annual Comprehensive Financial Report presents management's discussion and analysis (MD&A) of TMWA's financial performance during the fiscal years ended June 30, 2025, June 30, 2024, and June 30, 2023. This section should be read in conjunction with the transmittal letter at the front of this report and TMWA's financial statements following this section.

FINANCIAL HIGHLIGHTS

TMWA's Net Position

(in millions)

	<u>June 30, 2025</u>	Restated <u>June 30, 2024</u>	<u>June 30, 2023</u>
Unrestricted Current Assets	\$ 120.7	\$ 117.3	\$ 170.2
Restricted Current Assets	36.5	69.6	28.7
Long-Term Restricted and Other Assets	36.2	33.5	30.5
Capital Assets, Net	1,186.4	1,132.9	1,083.9
Total Assets	<u>1,379.8</u>	<u>1,353.3</u>	<u>1,313.3</u>
Deferred Outflow of Resources	26.3	23.1	25.5
Total Assets & Deferred Outflow of Resources	<u>1,406.1</u>	<u>1,376.4</u>	<u>1,338.8</u>
Total Current Liabilities	49.8	60.9	50.6
Long Term Debt Outstanding	289.2	309.9	334.0
Net Pension Liability	60.8	60.3	57.3
Net Other Postemployment Benefits Liability	0.5	0.6	0.7
Long Term Compensated Absences	4.3	3.5	3.1
Total Liabilities	<u>404.6</u>	<u>435.2</u>	<u>445.7</u>
Deferred Inflow of Resources	11.3	5.9	2.6
Net Investment in Capital Assets	883.4	853.1	749.2
Restricted	50.1	45.6	43.7
Unrestricted	<u>56.7</u>	<u>36.6</u>	<u>97.6</u>
Total Net Position	<u><u>\$ 990.2</u></u>	<u><u>\$ 935.3</u></u>	<u><u>\$ 890.5</u></u>

TMWA adopted GASB Statement No. 101, *Compensated Absences*, in the fiscal year ended June 30, 2025. The implementation of this standard requires that liabilities for compensated absences be recognized for leave that has not been used and for leave that has been used but not yet paid in cash or settled through noncash means. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the adoption of this standard is reported as a change in accounting principle. As a result, previously reported amounts for the fiscal year ended June 30, 2024 have been restated in all applicable tables throughout the MD&A. However, TMWA did not restate amounts for the fiscal year ended June 30, 2023 for GASB Statement No. 101, so

balances reported in the MD&A for that year are not comparable. See Note 15 to the financial statements for additional information.

Financial Position

Fiscal Year 2025 Summary

In the fiscal year ended June 30, 2025, total net position increased by approximately \$54.9 million, the result of operating income and capital contributions offset by nonoperating expenses.

Unrestricted current assets increased by \$3.4 million from June 30, 2024. Unrestricted cash and investments increased \$4.1 million with cash from operating activities of \$40.1 million and unrestricted nonoperating contributions of \$22.6 million, offset by cash used for debt service of \$31.7 million and acquisition and construction of capital assets of \$72.1 million. See the Statement of Cash Flows for additional information.

Restricted current assets decreased \$33.1 million from June 30, 2024, primarily due to the use of \$31.7 million of restricted proceeds from the Series 2024 Water Revenue Bonds for capital asset acquisition.

Long-term restricted and other assets increased \$2.7 million from June 30, 2024. Restricted funds for the Operations & Maintenance Reserve increased \$1.2 million due to an increase in the budget for operating expenses from the prior year. The net other postemployment benefits (OPEB) asset increased by \$1.4 million as result of the actuarial analysis and a higher return on investments held within the two OPEB trusts. See Note 12 to the financial statements for additional information on TMWA's OPEB plans.

Most of TMWA's net position is in capital assets. Capital assets, net of accumulated depreciation, increased by \$53.5 million in fiscal year 2025 as increases in capital assets from capital expenditures and contributions were greater than depreciation expense and disposals. Assets built by developers and contributed to TMWA were \$19.6 million. These assets are built to TMWA's standards and specifications. Depreciation expense was \$36.7 million.

Total current liabilities decreased \$11.1 million from June 30, 2024. This was primarily due to a decrease of \$8.3 million in construction contract and retention payables, which mostly related to the reduction of a deposit from a water resource exchange agreement for an effluent pipeline to TRIGID.

Long term debt decreased \$20.7 million, primarily due to principal payments on debt of \$18.0 million and amortization of bond premiums of \$4.4 million. During the year, TMWA fully repaid its 2005 and 2014 DWSRF bonds, as both reached their respective maturity dates in January 2025. See Note 7 to the financial statements for additional information on TMWA's outstanding debt.

Net pension liability increased by \$0.5 million as a result of an actuarial analysis performed for the Public Employees' Retirement System of the State of Nevada (PERS). See Note 11 to the financial statements for additional information on pensions.

Fiscal Year 2024 Summary - Restated

In the fiscal year ended June 30, 2024, total net position increased by approximately \$44.8 million, the result of operating income and capital contributions offset by nonoperating expenses.

Unrestricted current assets decreased by \$52.9 million from June 30, 2023. Unrestricted cash and investments decreased \$62.0 million with cash from operating activities of \$35.7 million and unrestricted nonoperating contributions of \$29.3 million, offset by cash used for debt service of \$30.6 million and acquisition and construction of capital assets of \$71.9 million. See the Statement of Cash Flows for additional information.

Restricted current assets increased \$40.9 million from June 30, 2023, mainly due to the addition of \$42.6 million of restricted proceeds from the Series 2024 Water Revenue Bonds. This increase was slightly offset by a \$1.7 million reduction in restricted funds of the Water Resource Sustainability Program.

Long-term restricted and other assets increased \$3.1 million from June 30, 2023. Restricted funds for the Operations & Maintenance Reserve increased \$1.4 million due to an increase in the budget for operating expenses from the prior year. Net other postemployment benefits (OPEB) asset increased by \$1.6 million as result of the actuarial analysis and a higher return on investments held within the two OPEB trusts. See Note 12 to the financial statements for additional information on TMWA's OPEB plans.

Most of TMWA's net position is in capital assets. Capital assets, net of accumulated depreciation, increased by \$49.0 million in fiscal year 2024 as increases in capital assets from capital expenditures and contributions were greater than depreciation expense and disposals. Assets built by developers and contributed to TMWA were \$10.0 million. These assets are built to TMWA's standards and specifications. Depreciation expense was \$36.5 million.

Total current liabilities increased \$10.3 million from June 30, 2023. This was primarily due to an increase of \$7.2 million in construction contract and retention payables, which are affected by the size and timing of active projects. This was also due to an increase of \$0.9 million in the current portion of compensated absences after the June 30, 2024 balance was restated following the adoption of GASB Statement No. 101, *Compensated Absences*.

Long term debt decreased \$24.1 million, due to principal payments on debt of \$87.0 million and amortization of bond premiums of \$11.7 million. During the year, TMWA paid off \$11.5 million and \$58.3 million of outstanding senior lien 2015 Series and 2016 Series bonds, respectively. Also during the year, TMWA issued \$61.5 million of new senior lien bonds, the Series 2024 Water Revenue Bonds. See Note 7 to the financial statements for additional information on TMWA's outstanding debt.

Net pension liability increased by \$3.0 million as a result of an actuarial analysis performed for the Public Employees' Retirement System of the State of Nevada (PERS). See Note 11 to the financial statements for additional information on pensions.

TMWA's Changes in Net Position
(in millions)

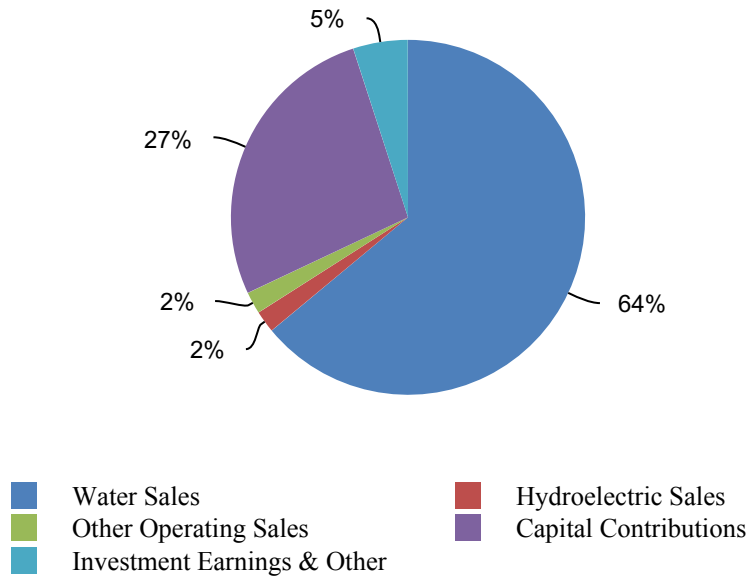
	<u>June 30, 2025</u>	Restated <u>June 30, 2024</u>	<u>June 30, 2023</u>
Operating Revenues	\$ 132.3	\$ 122.4	\$ 113.1
Operating Expenses	129.4	122.3	114.4
Operating Income (Loss)	<u>2.9</u>	<u>0.1</u>	<u>(1.3)</u>
Nonoperating Revenues (Expenses)	<u>(1.0)</u>	<u>(5.3)</u>	<u>(10.8)</u>
Income (Loss) before Capital Contributions	1.9	(5.2)	(12.1)
Net Capital Contributions	<u>53.0</u>	<u>50.0</u>	<u>42.3</u>
Change in Net Position	<u>54.9</u>	<u>44.8</u>	<u>30.2</u>
Net Position, Beginning of Year	<u>935.3</u>	<u>890.5</u>	<u>860.3</u>
Net Position, End of Year	<u><u>\$ 990.2</u></u>	<u><u>\$ 935.3</u></u>	<u><u>\$ 890.5</u></u>

TMWA's Revenues
(in millions)

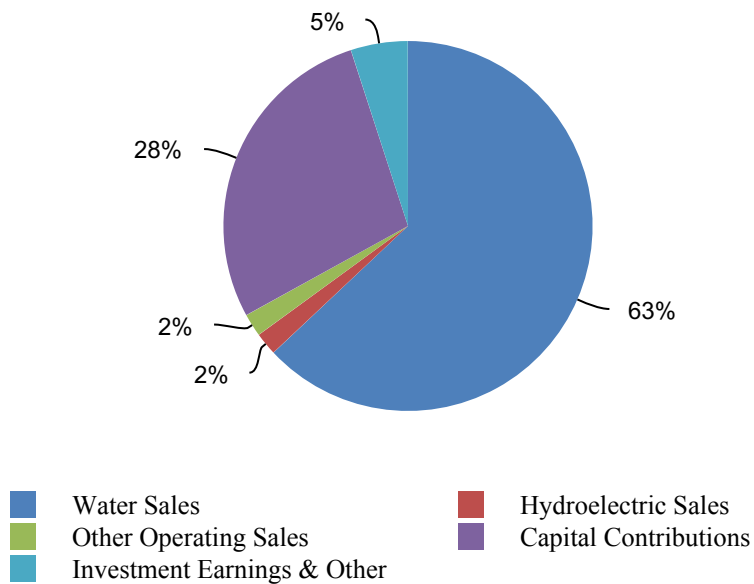
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Revenues			
Operating Revenues			
Water Sales	\$ 124.0	\$ 114.0	\$ 107.1
Hydroelectric Sales	4.2	4.2	2.9
Other Operating Sales	4.1	4.2	3.1
	<u>132.3</u>	<u>122.4</u>	<u>113.1</u>
Nonoperating Revenues			
Investment Earnings	6.0	1.8	3.6
Other Nonoperating Revenues	3.1	7.1	—
	<u>9.1</u>	<u>8.9</u>	<u>3.6</u>
Net Capital Contributions	<u>53.0</u>	<u>50.0</u>	<u>42.3</u>
Total Revenues	<u><u>\$ 194.4</u></u>	<u><u>\$ 181.3</u></u>	<u><u>\$ 159.0</u></u>

The table above and the graphs that follow represent the makeup of TMWA's total revenues for fiscal years ended June 30, 2025, 2024, and 2023.

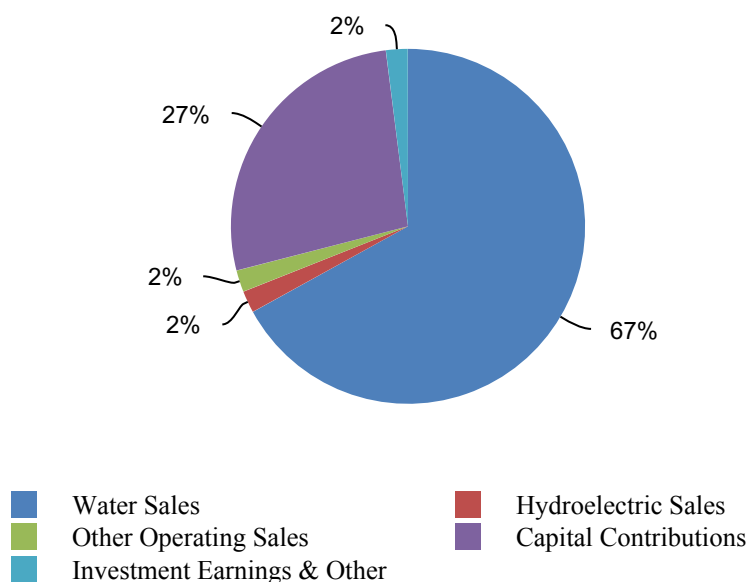
Total Revenues for the Year Ended June 30, 2025



Total Revenues for the Year Ended June 30, 2024



Total Revenues for the Year Ended June 30, 2023



Results of Operations-Revenues

Fiscal Year 2025 Summary

Total operating revenues in fiscal year 2025 increased \$9.9 million from fiscal year 2024. Water sales were \$124.0 million, \$10.0 million or 8.8% higher than in fiscal year 2024. Water sales were higher year over year from increased consumption primarily due to warmer, drier weather and lower precipitation than in the prior year. Hydroelectric sales remained steady at \$4.2 million in fiscal year 2025, consistent with fiscal year 2024. This stability was primarily due to strong river flows and less maintenance downtime throughout the fiscal year 2025. Other operating sales were \$0.1 million or 2.4% lower than the prior fiscal year due to a slight decrease in construction water, customer late fees, and miscellaneous income.

Fiscal year 2025 investment earnings were \$6.0 million, an increase of \$4.2 million from fiscal year 2024 due to higher invested rates during the year. Other nonoperating revenues decreased \$4.0 million, due to a smaller net increase in the fair value of investments compared to the prior fiscal year.

Capital contributions in fiscal year 2025 increased \$3.0 million from fiscal year 2024. The increase was primarily driven by higher developer infrastructure and will-serve contributions, offset by a decrease in grant revenue. Developer infrastructure contributions were \$9.6 million higher than in fiscal year 2024 due to increased construction activity and the completion of more projects dedicated to TMWA. Developer will-serve contributions were \$5.7 million higher than in fiscal year 2024, primarily due to the recognition of \$9.0 million from a water resource exchange agreement related to an effluent pipeline to TRIGID. Although payment was received in fiscal year 2021, revenue recognition was deferred until fiscal year 2025, when effluent delivery via the pipeline commenced. Grant revenue was \$8.2 million lower than in fiscal year

2024, primarily due to the recognition of American Rescue Plan Act funding for the Advanced Meter Infrastructure project in the prior year.

Fiscal Year 2024 Summary

Total operating revenues in fiscal year 2024 increased \$9.3 million from fiscal year 2023. Water sales were \$114.0 million, \$6.9 million or 6.4% higher than in fiscal year 2023. Water sales were higher year over year from increased consumption primarily due to warmer, drier weather and lower precipitation in the spring of 2024. Hydroelectric sales were \$1.3 million or 44.8% higher than fiscal year 2023 as all three plants were online the entirety of fiscal year 2024, allowing for optimization of river flows. Other operating sales were \$1.1 million or 35.5% higher than the prior year due to increased revenues from construction water, engineering inspection fees, and water resource lease activity.

Fiscal year 2024 investment earnings were \$1.8 million, a decrease of \$1.8 million from fiscal year 2023 due to losses resulting from liquidation of investments required for the defeasance of portions of the outstanding Series 2015 and 2016 senior lien bonds. Proceeds from the senior lien Series 2024 Water Revenue Bonds were reinvested, at higher rates which will result in a recovery of the losses related to the liquidations. Other nonoperating revenues increased \$8.8 million due to a net increase in fair value of investments compared to a net loss in the prior year.

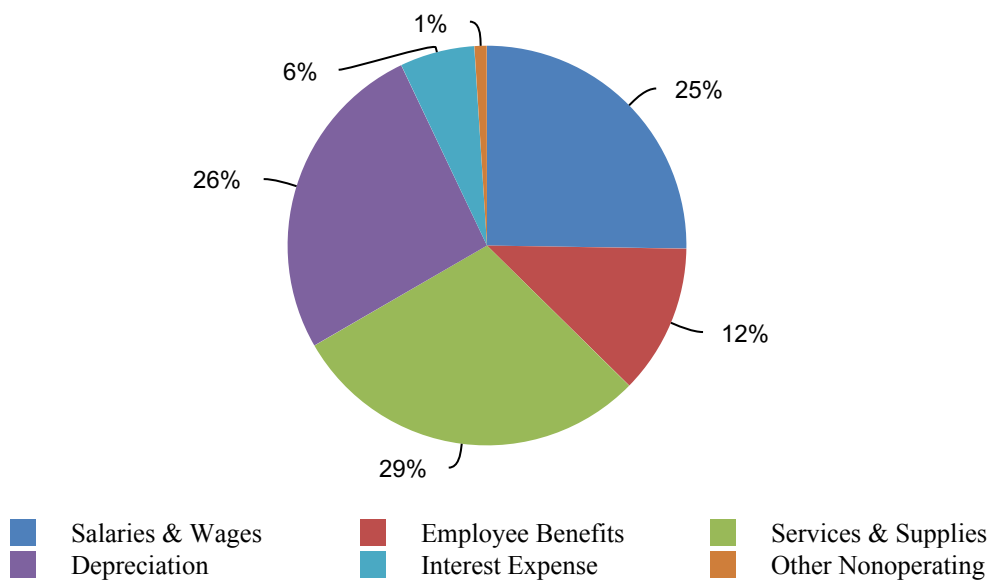
Capital contributions in fiscal year 2024 increased \$7.7 million from fiscal year 2023. The main driver of the increase was grant revenue, offset by a decrease in developer infrastructure contributions. Grants increased primarily due to a \$9.5 million award from the Nevada Department of Conservation and Natural Resources for the Advanced Meter Infrastructure project. The reduction in developer infrastructure contributions is due to a decrease of \$6.3 million in mains and \$1.3 million in water storage, based on larger projects placed into service in the prior year.

TMWA's Expenses (in millions)

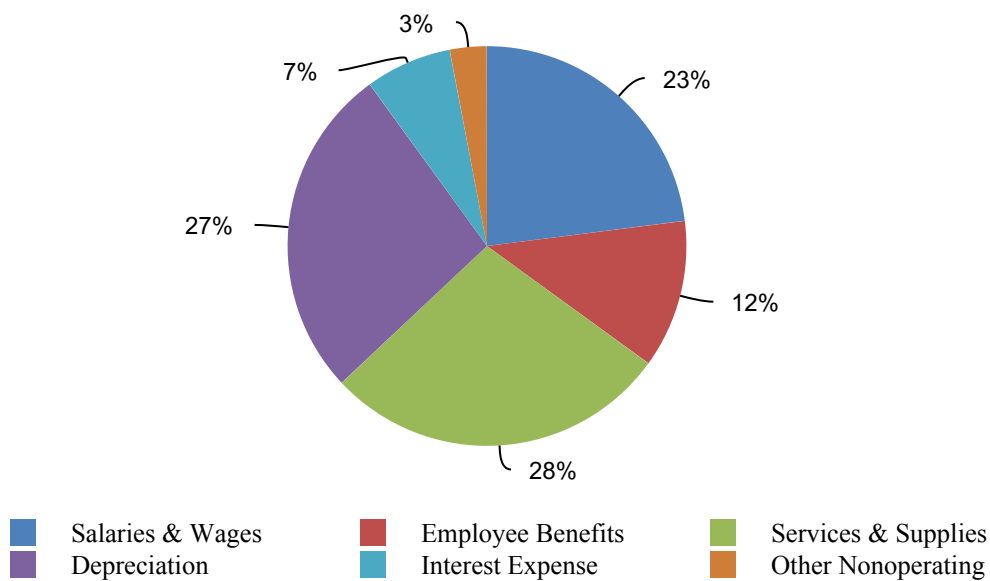
	<u>June 30, 2025</u>	Restated <u>June 30, 2024</u>	<u>June 30, 2023</u>
Expenses			
Operating Expenses			
Salaries & Wages	\$ 35.2	\$ 31.9	\$ 27.3
Employee Benefits	16.4	16.3	13.9
Services & Supplies	41.1	37.6	38.3
Depreciation	36.7	36.5	34.9
	<u>129.4</u>	<u>122.3</u>	<u>114.4</u>
Nonoperating Expenses			
Interest Expense	8.9	10.2	11.5
Other Nonoperating Expenses	1.2	4.0	2.9
	<u>10.1</u>	<u>14.2</u>	<u>14.4</u>
Total Expenses	<u>\$ 139.5</u>	<u>\$ 136.5</u>	<u>\$ 128.8</u>

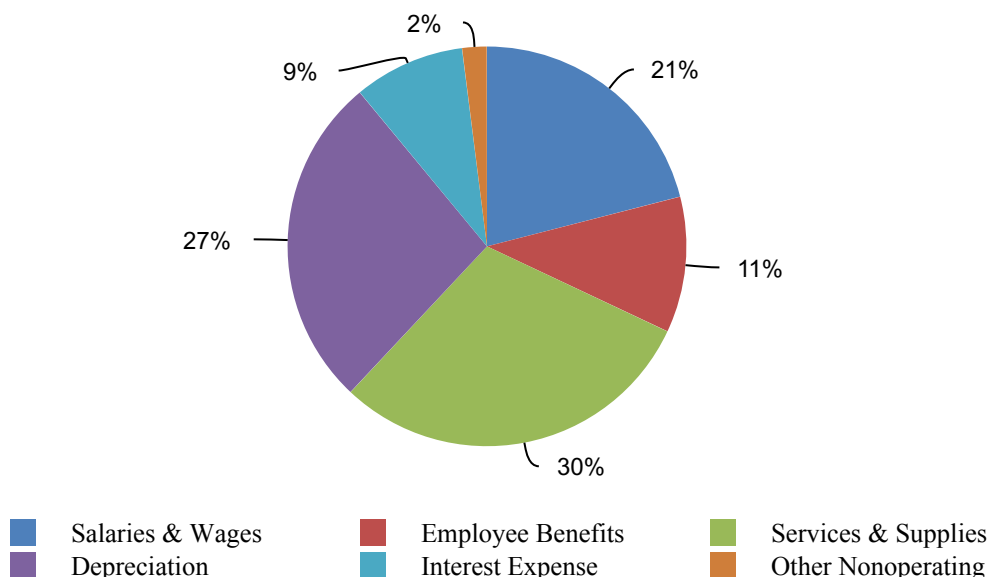
The table above and the graphs that follow represent the makeup of total operating and non-operating expenses for the years ended June 30, 2025, 2024, and 2023.

Total Expenses for the Year Ended June 30, 2025



Total Expenses for the Year Ended June 30, 2024



Total Expenses for the Year Ended June 30, 2023***Results of Operations-Expenses*****Fiscal Year 2025 Summary**

Fiscal year 2025 operating expenses were \$129.4 million, \$7.1 million or 5.8% higher than in fiscal year 2024. Spending on salaries and wages was \$3.3 million or 10.3% higher, due to Labor Market Index wage increases, step increases, and additions in headcount during the fiscal year. Employee benefits remained relatively consistent increasing only \$0.1 million or 0.6% from prior fiscal year. Spending on services and supplies was \$3.5 million or 9.3% higher than in fiscal year 2024 due to general price inflation and a \$0.5 million net impairment loss related to TMWA's Old Washoe Well 4 facility. See Note 14 to the financial statements for additional information on the impairment loss.

Nonoperating expenses were \$4.1 million lower compared to fiscal year 2024. Interest expense was \$1.3 million lower due to the strategic defeasance of the Series 2015 and 2016 senior lien bonds in the prior fiscal year. Loss on disposal of assets, included in other nonoperating expenses, was \$2.8 million lower due to the write off of lower cost capital projects compared to those written off in the prior fiscal year.

Fiscal Year 2024 Summary - Restated

Fiscal year 2024 operating expenses were \$122.2 million, \$7.9 million or 6.5% higher than fiscal year 2023. Spending on salaries and wages was \$4.6 million or 14.4% higher, due to Labor Market Index wage increases, step increases, and additions in headcount during the fiscal year. \$1.3 million of the increase was also from restating fiscal year 2024 activity for the adoption of GASB Statement No. 101, *Compensated Absences*, in fiscal year 2025. Employee benefits were \$2.4 million or 17.3% higher than prior year due mainly to higher pension expense related to

Nevada PERS. Spending on services and supplies was \$0.7 million or 1.8% less than prior year primarily due to a decrease in chemical costs.

Nonoperating expenses were \$0.2 million lower compared to fiscal year 2023. Interest expense was \$1.3 million lower than the prior year. A loss on disposal of assets totaling \$3.5 million, included in other nonoperating expenses, resulted from writing off two capital projects during fiscal year 2024: Spring Creek 9 Well and the Human Resources/Payroll software implementation.

CAPITAL ASSETS

At June 30, 2025, TMWA's total capital assets were \$1,847.8 million before accumulated depreciation of \$661.4 million, for a net book value of \$1,186.4 million. Included in the total capital assets reported on the Statement of Net Position was \$107.9 million in construction work in progress.

At June 30, 2024, TMWA's total capital assets were \$1,758.4 million before accumulated depreciation of \$625.4 million, for a net book value of \$1,132.9 million. Included in the total capital assets reported on the Statement of Net Position was \$80.9 million in construction work in progress.

Detailed information about TMWA's capital assets can be found in Note 5 to TMWA's financial statements.

LONG-TERM DEBT

At June 30, 2025, TMWA had \$305.5 million in total reported debt outstanding. This amount reflects \$278.5 million in total outstanding principal indebtedness and \$27.0 million net bond premium. Of the \$278.5 million in total principal outstanding, \$16.3 million was due within one year and is classified as short term indebtedness.

Total outstanding principal indebtedness of \$278.5 million as of June 30, 2025 reflects a decrease of \$18.0 million or 6.1% from total outstanding principal of \$296.5 million as of June 30, 2024. Total outstanding principal indebtedness of \$296.5 million as of June 30, 2024 reflects a decrease of \$25.5 million or 7.9% from total outstanding principal of \$322.0 million as of June 30, 2023.

During fiscal year 2025, TMWA maintained credit ratings of AA+ outlook stable from Standard and Poor's, Aa2 outlook stable from Moody's, and AAA outlook stable from Fitch.

Detailed information about TMWA's indebtedness can be found in Note 7 to TMWA's financial statements.

CONTACTING TMWA'S FINANCIAL MANAGEMENT

This financial report was prepared for the benefit of the customers, bond investors, and the Board of Directors of the Truckee Meadows Water Authority. The Annual Comprehensive Financial

Report was prepared to provide interested parties with a general overview of the Truckee Meadows Water Authority's accountability for the financial resources it manages. For questions or additional information, please contact the Truckee Meadows Water Authority's Finance Department at P.O. Box 30013, Reno, Nevada 89520-3013.

Truckee Meadows Water Authority
Statements of Net Position
June 30, 2025 and 2024

	2025	Restated 2024
Assets		
Current Assets		
Cash and investments	\$ 94,386,117	\$ 90,259,451
Accounts receivable, net	18,202,270	17,923,944
Due from others	376,406	370,872
Due from other governments	3,584,653	4,493,149
Interest receivable	657,647	998,317
Prepaid assets and other assets	3,498,015	3,272,782
	<u>120,705,108</u>	<u>117,318,515</u>
Restricted Current Assets		
Cash and investments		
Water resource sustainability program	3,563,830	4,342,845
Current bond debt service	22,048,782	22,618,348
Restricted bond proceeds	10,899,968	42,630,130
	<u>36,512,580</u>	<u>69,591,323</u>
Total current assets	<u>157,217,688</u>	<u>186,909,838</u>
Restricted Noncurrent Assets		
Cash and investments		
Future bond debt service	2,654,756	2,530,900
Operations and maintenance	16,165,699	14,924,959
Renewal and replacement	10,000,000	10,000,000
Water rate stabilization	500,000	500,000
Net other postemployment benefits	6,024,281	4,659,659
	<u>35,344,736</u>	<u>32,615,518</u>
Noncurrent Assets		
Capital assets, not depreciated	254,590,698	222,906,323
Capital assets, depreciated	931,822,905	910,025,390
Other noncurrent assets	821,186	906,079
	<u>1,187,234,789</u>	<u>1,133,837,792</u>
Total noncurrent assets	<u>1,222,579,525</u>	<u>1,166,453,310</u>
Total assets	<u>1,379,797,213</u>	<u>1,353,363,148</u>
Deferred Outflow of Resources		
Bond refundings	799,765	923,656
Net pension liability	24,901,224	21,543,485
Net other postemployment benefits	614,028	621,210
	<u>26,315,017</u>	<u>23,088,351</u>
Total deferred outflow of resources	<u>26,315,017</u>	<u>23,088,351</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 1,406,112,230</u>	<u>\$ 1,376,451,499</u>

Truckee Meadows Water Authority
Statements of Net Position
June 30, 2025 and 2024

	2025	Restated 2024
Liabilities		
Current Liabilities Payable from Unrestricted Current Assets		
Accounts payable	\$ 1,966,625	\$ 3,238,505
Contracts and retention payable	16,071,826	24,354,895
Accrued liabilities	2,982,280	3,003,425
Current portion of compensated absences	1,688,939	1,546,520
Due to other governments	2,239,643	2,096,959
Accrued interest payable	98,658	128,370
Current portion of long-term debt	884,237	2,178,730
Customer deposits and amounts due to developers	1,794,879	1,663,502
	<u>27,727,087</u>	<u>38,210,906</u>
Current Liabilities Payable from Restricted Current Assets		
Current portion of long-term debt	15,415,000	15,780,000
Accrued interest payable	6,633,782	6,838,348
	<u>22,048,782</u>	<u>22,618,348</u>
Total current liabilities	<u>49,775,869</u>	<u>60,829,254</u>
Noncurrent Liabilities		
Net pension liability	60,778,967	60,226,778
Long-term debt, net of current portion	289,245,877	309,945,303
Net other postemployment benefits liability	536,660	648,466
Compensated absences, net of current portion	4,325,461	3,522,216
Total noncurrent liabilities	<u>354,886,965</u>	<u>374,342,763</u>
Total liabilities	<u>404,662,834</u>	<u>435,172,017</u>
Deferred Inflow of Resources		
Net pension liability	5,987,512	584,712
Bond refundings	2,588,774	3,030,336
Leases	299,085	344,438
Other postemployment benefits	2,394,345	1,971,111
Total deferred inflow of resources	<u>11,269,716</u>	<u>5,930,597</u>
Total liabilities and deferred inflow of resources	<u>415,932,550</u>	<u>441,102,614</u>
Net Position		
Net investment in capital assets	883,414,142	853,064,335
Restricted for water resource sustainability program	3,563,830	4,342,845
Restricted for debt service	15,415,000	15,780,000
Restricted for operations and maintenance reserve	14,613,579	10,324,959
Restricted for renewal and replacement reserve	10,000,000	10,000,000
Restricted for water rate stabilization	500,000	500,000
Restricted for net other postemployment benefits	6,024,281	4,659,659
Unrestricted	56,648,848	36,677,087
Total net position	<u>990,179,680</u>	<u>935,348,885</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 1,406,112,230</u>	<u>\$ 1,376,451,499</u>

Truckee Meadows Water Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025 and 2024

	2025	Restated 2024
Operating Revenues		
Charges for water sales	\$ 123,985,263	\$ 113,961,589
Hydroelectric sales	4,184,797	4,193,494
Other operating sales	4,134,516	4,220,374
Total operating revenues	132,304,576	122,375,457
Operating Expenses		
Salaries and wages	35,300,194	31,902,280
Employee benefits	16,375,475	16,283,832
Services and supplies	41,158,180	37,552,454
Total operating expenses before depreciation	92,833,849	85,738,566
Depreciation	36,697,431	36,500,513
Total operating expenses	129,531,280	122,239,079
Operating Income	2,773,296	136,378
Nonoperating Revenues (Expenses)		
Investment earnings	5,962,196	1,761,755
Net increase in fair value of investments	3,186,319	7,185,606
Loss on disposal of assets	(1,223,332)	(3,544,836)
Debt issuance costs	—	(499,000)
Interest expense	(8,899,073)	(10,181,533)
Total nonoperating revenues (expenses)	(973,890)	(5,278,008)
Income (Loss) before Capital Contributions	1,799,406	(5,141,630)
Capital Contributions		
Grants	1,437,531	9,658,905
Water resource sustainability program	441,344	1,097,584
Developer infrastructure contributions	19,554,670	9,962,594
Developer will-serve contributions	11,206,014	5,507,199
Developer capital contributions	5,096,653	6,026,121
Developer facility charges	11,639,329	12,874,933
Contributions from others	113,360	73,095
Contributions from other governments	3,542,488	4,800,936
Net Capital Contributions	53,031,389	50,001,367
Change in Net Position	54,830,795	44,859,737
Net Position, Beginning of Year	935,348,885	890,489,148
Net Position, End of Year	\$ 990,179,680	\$ 935,348,885

Truckee Meadows Water Authority
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	Restated 2024
Operating Activities		
Cash received from customers	\$ 132,108,142	\$ 117,952,789
Cash paid to employees	(49,197,203)	(43,244,824)
Cash paid to suppliers	(42,826,366)	(39,053,531)
Net Cash from Operating Activities	40,084,573	35,654,434
Capital and Related Financing Activities		
Cash received on lease receivables	41,836	41,212
Cash received for interest on lease receivables	10,148	10,634
Acquisition and construction of capital assets	(72,091,202)	(71,926,361)
Interest paid on financing	(13,785,453)	(13,359,181)
Principal paid on financing	(17,958,730)	(17,200,578)
Proceeds from capital debt issuance	—	75,296,745
Proceeds transferred to defeasance escrow	—	(74,997,328)
Proceeds from capital asset disposal	453,112	15,914
Grants	3,143,365	8,155,623
Contributions for water resource sustainability program	441,344	1,097,584
Contributions from developers-will-serve letters	2,227,814	5,507,199
Contributions from developers-capital	5,096,653	6,026,121
Contributions from developers-facility charges	11,639,329	12,874,933
Contributions from others	113,360	73,095
Contributions from other governments	3,542,488	4,800,936
Debt issuance costs	—	(352,695)
Net Cash used for Capital and Related Financing Activities	(77,125,936)	(63,936,147)
Investing Activities		
Amounts received on water service loans	40,602	165,681
Proceeds from the sale and maturity of investment securities	174,656,106	318,149,954
Purchase of investment securities	(148,503,829)	(283,606,736)
Investment interest/earnings	6,107,849	4,681,066
Net Cash from Investing Activities	32,300,728	39,389,965
Net Change in Cash and Cash Equivalents	(4,740,635)	11,108,252
Cash and Cash Equivalents, Beginning of Year	20,186,452	9,078,200
Cash and Cash Equivalents, End of Year	<u>\$ 15,445,817</u>	<u>\$ 20,186,452</u>
Reconciliation of Amounts Reported on the Statement of Net Position to Cash and Cash Equivalents		
Reported on the Statement of Net Position:		
Cash and investments	\$ 94,386,117	\$ 90,259,451
Restricted current cash and investments	36,512,580	69,591,323
Restricted noncurrent cash and investments	29,320,455	27,955,859
Total Cash and Investments	160,219,152	187,806,633
Investments not meeting the definition of cash and cash equivalents	(144,773,335)	(167,620,181)
Total Cash and Cash Equivalents	<u>\$ 15,445,817</u>	<u>\$ 20,186,452</u>

Truckee Meadows Water Authority
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	Restated 2024
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	\$ 2,773,296	\$ 136,378
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation	36,697,431	36,500,513
OPEB expense	(974,346)	(950,397)
OPEB contributions	(71,666)	(36,421)
Pension expense	7,906,175	8,796,799
Pension contributions	(5,308,925)	(4,837,476)
Impairment loss, net	485,238	—
Changes in assets and liabilities		
Accounts receivable, net	(322,277)	(4,528,282)
Due from others	(5,534)	(3,200)
Due from other governments	(797,338)	(2,179,732)
Prepaid assets and other assets	(224,181)	(685,077)
Accounts payable	(1,271,880)	773,176
Accrued liabilities	(21,145)	617,671
Compensated absences	945,664	1,357,216
Due to other governments	142,684	584,452
Customer deposits and amounts due to developers	131,377	108,814
Total adjustments	37,311,277	35,518,056
Net Cash from Operating Activities	<u>\$ 40,084,573</u>	<u>\$ 35,654,434</u>
Non-Cash Capital and Related Financing Activities		
Amortization of net bond premium	\$ (4,400,188)	\$ (4,226,114)
Amortization of refunding allowances to interest expense	(251,913)	17,303
Developer infrastructure contributions	19,554,670	9,962,594
Change in contracts and retention payable	695,131	7,221,887

Truckee Meadows Water Authority
Statements of Fiduciary Net Position - Other Postemployment Benefit Trust Funds
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 233,331	\$ 196,967
Receivables from plan members	13,287	12,283
Investments, at fair value	<u>18,876,587</u>	<u>17,121,455</u>
Total assets	<u>19,123,205</u>	<u>17,330,705</u>
Liabilities		
Accounts payable	<u>163,671</u>	<u>115,799</u>
Net Position Restricted for Postemployment Benefits Other than Pensions	<u><u>\$ 18,959,534</u></u>	<u><u>\$ 17,214,906</u></u>

Truckee Meadows Water Authority
Statements of Changes in Fiduciary Net Position - Other Postemployment Benefit Trust Funds
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Additions		
Net investment income	\$ 2,160,132	\$ 2,685,899
Employer contributions	<u>54,044</u>	<u>33,596</u>
Total additions	<u>2,214,176</u>	<u>2,719,495</u>
Deductions		
Benefit payments	410,424	407,245
Administrative expenses	<u>59,124</u>	<u>41,435</u>
Total deductions	<u>469,548</u>	<u>448,680</u>
Change in Net Position	1,744,628	2,270,815
Net Position Restricted for Postemployment Benefits Other than Pensions		
Beginning of Year	<u>17,214,906</u>	<u>14,944,091</u>
End of Year	<u><u>\$ 18,959,534</u></u>	<u><u>\$ 17,214,906</u></u>

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Truckee Meadows Water Authority (TMWA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. A summary of the more significant accounting policies applied in the preparation of the accompanying basic financial statements follows.

Reporting Entity and Purpose

TMWA is a Joint Powers Authority (JPA) formed in November 2000 under the Joint Powers Legislation of the State of Nevada, pursuant to a Cooperative Agreement among the City of Reno, Nevada, the City of Sparks, Nevada, and Washoe County, Nevada. TMWA was formed to purchase water assets (the Water System), undertake the water utility operations, and develop, manage, and maintain supplies of water for the benefit of the Truckee Meadows communities. TMWA purchased the existing water system originally operated by Sierra Pacific Power Company (SPPCo), now known as NV Energy, Inc.

TMWA is governed by a seven-member Board of Directors (Board) appointed by:

- Reno City Council (3 seats)
- Sparks City Council (2 seats)
- Washoe County Commissioners (2 seats)

The cities and county representatives are not required to be elected officials. Modifications to the JPA were approved by the governing bodies in December 2009 which changed the at-large seat into a second seat for Washoe County. The amendments to the JPA were approved by the Attorney General's Office of the State of Nevada (State) effective February 3, 2010. The amendments were made in anticipation of the consolidation of TMWA and Washoe County's Community Services Department's water utility (WCWU) and the merger of another water utility named South Truckee Meadows General Improvement District (STMGID). The transfer of operations of WCWU and the merger of STMGID occurred on January 1, 2015 with TMWA as the continuing entity.

Basis of Accounting

TMWA's activities are accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of the governmental entity. Activities of enterprise funds resemble activities of business enterprises; the purpose is to obtain and use economic resources to meet its operating objectives. TMWA's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized at the time they are earned, and expenses are recognized when the related liabilities are incurred.

A proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from an exchange transaction such as providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonoperating revenues and nonoperating expenses result from nonexchange transactions or ancillary services.

TMWA applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for proprietary activities.

In accordance with GASB Statement No. 84, TMWA reports its two Other Postemployment Benefit (OPEB) Plans as fiduciary funds. The OPEB Plans, which have a December 31 year-end, do not present the results of operations of TMWA or have a measurement focus. They are therefore not consolidated in TMWA's Statements of Net Position or Statements of Revenue, Expenses and Changes in Net Position.

Budgets and Budgetary Accounting

TMWA adheres to the Local Government Budget and Finance Act (Act) incorporated within the Statutes of the State of Nevada. The Act and TMWA policy include the following major procedures to establish budgetary data:

- On or before April 15, TMWA's General Manager submits to the Board a tentative budget for the fiscal year commencing the following July 1.
- Public hearings on the tentative budget are held in May.
- Prior to June 1, at the public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Department of Taxation for final approval.
- Any revisions that alter total appropriations must be approved in advance by the Board. Formal budgetary integration is employed as a management control device during the year.
- Budgets are adopted on a basis consistent with GAAP. Appropriations lapse at year-end.
- In accordance with State statute, actual expenses may not exceed the sum of operating and nonoperating appropriations.

Cash and Investments

Cash balances are, to the extent practical, invested as permitted by law. Monies that are not required for immediate obligations are invested.

Investments authorized by State statutes and TMWA's bond resolutions include, but are not limited to, U.S. Treasury instruments, U.S. government agency securities, agency issued mortgage backed securities (FNMA, FHLMC, GNMA), corporate notes meeting certain rating standards, money market mutual funds meeting certain criteria, certificates of deposit, repurchase agreements, commercial paper meeting certain standards, bankers acceptances, long-term forward sale contracts and guaranteed investment contracts meeting certain rating standards, the State's Local Government Investment Pools (LGIP), medium-term obligations of municipal issuers in the State that meet certain rating standards, and asset backed securities that meet certain rating standards. Investments are reported at fair value, including the investment with LGIP which is the same as TMWA's proportionate share of the pool's fair value.

The OPEB Plans' net earnings from the State of Nevada Retirement Benefit Investment Fund (RBIF), an external investment pool, are based on the Plans' original investment plus a monthly allocation of investment income (loss), including realized and unrealized gains and losses, which is the same as the value of the pool shares.

Restricted cash and investments are monies that are restricted by legal or contractual requirements.

Cash Equivalents

Cash equivalents include short-term highly liquid investments (3 months or less at time of purchase) that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes of value.

Accounts Receivable

Accounts receivable is comprised of amounts due from TMWA's customers, net of an allowance for uncollectible accounts. Amounts due from TMWA's customers are comprised of amounts billed and an estimate of amounts earned but unbilled for water deliveries prior to fiscal year-end.

Restricted Assets

Certain proceeds of TMWA's water revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statements of Net Position because their use is limited by applicable bond covenants as follows:

- Current bond debt service - used to segregate resources accumulated for debt service payments over the next twelve months.
- Future bond debt service - used to report resources set aside to make up potential future deficiencies in the current bond debt service.
- Operations and maintenance - used to report resources set aside to subsidize potential deficiencies from TMWA's operation that could adversely affect debt service payments.
- Renewal and replacement - used to report resources set aside to subsidize potential deficiencies in cash flow for replacement of water facilities.
- Water rate stabilization - used to report resources set aside to stabilize customer rates if significant water revenue fluctuations occur.

Unspent bond proceeds are classified as restricted assets and are only used for capital expenditures. Certain assets of TMWA are also classified as restricted assets on the Statements of Net Position because they were derived from contributions from developers to fund the water resource sustainability program adopted under Title II of Public Law 101-618. Other assets of TMWA are classified as restricted assets on the Statements of Net Position because they are set aside to provide other postemployment benefits per the §501(c)(9) Plan.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items have been classified as current.

Capital Assets

All purchased property, plant, and equipment is stated at cost. TMWA capitalizes all assets with a cost of at least \$5,000 and a useful life greater than one year. The cost of maintenance and repairs that do not increase productive capacity or materially extend the life of an asset are not capitalized. Developer contributed capital assets are recorded at acquisition value in the year of contribution to TMWA.

Depreciation is computed using the straight-line method over the assets' estimated useful lives (in years) as follows:

	Years		Years
Distribution mains	10-75	Canals	25-70
Plants	5-80	Reservoirs	10-80
Services	10-60	Vehicles	7-10
Pump stations	10-80	Furniture and fixtures	7
Tanks	10-75	Computer hardware and software	7-30
Wells	7-60	Equipment	5-30
Pressure reducing stations	10-60	Administration buildings	5-50
Hydroelectric facilities	10-100		

Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until then. TMWA's deferred outflows of resources include its deferred charge on refunding which results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, TMWA has deferred outflows of resources related to pensions and other postemployment benefits.

In addition to liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. TMWA has deferred inflows of resources related to leases, bond refundings, pensions and other postemployment benefits.

Pensions

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

For purposes of measuring TMWA's net OPEB liability (asset), deferred outflows and deferred inflows of resources, and OPEB expense, information about the fiduciary net position of TMWA's OPEB Plans and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by TMWA's OPEB Plans. For this purpose, TMWA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

Employees are permitted to accumulate earned but unused vacation and sick pay benefits. The liability for compensated absences is recognized for leave that has not been used as well as for leave that has been used but not yet paid in cash or settled through noncash means, to the extent it is likely TMWA will ultimately pay those

benefits. The liability is included in current and noncurrent liabilities in the accompanying Statements of Net Position.

Long-Term Debt

Long-term debt is reported at face value, net of any premium or discounts, in the Statements of Net Position. Premiums and discounts are amortized using the effective interest method over the life of the related debt. Debt issuance costs are expensed in the period incurred.

Classification of Revenues

Operating revenues consist of water sales, hydroelectric sales, and miscellaneous fee income. Nonoperating revenues consist essentially of income derived from investments and reimbursement, if any, for nonoperating activities. Developer facility charges, will-serve contributions, and other contributions reflect payments primarily for water service. Developer infrastructure contributions are an estimation of the value of infrastructure built by developers and permanently dedicated to TMWA. Capital contributions also include grant revenue and contributions from others.

Net Position

Net Position is displayed in three classifications:

- Net investment in capital assets - This component represents TMWA's net position in its capital assets. It reflects the cost of capital assets, less accumulated depreciation and less the outstanding principal of related debt, excluding unspent proceeds.
- Restricted - This component reflects the carrying value of assets, less related liabilities, that are restricted by law or by other externally imposed restrictions, such as bond covenants. Assets restricted only by TMWA or Board imposed limitations are not included in the calculation.
- Unrestricted - This component represents the remaining net position balance that is available to support TMWA's operations and capital asset acquisition/construction.

When both restricted and unrestricted resources are available for use, it is TMWA's policy to use unrestricted resources first, then restricted resources as required.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

New Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. The primary objective of this Statement is to create a more consistent model of accounting for compensated absences that can be applied to all types of compensated absence arrangements. This Statement requires governments to apply specific criteria in determining the liability to record in their statements of net position. TMWA adopted this GASB in the fiscal year ended June 30, 2025. See Note 15 to the financial statements for additional information on the impact of adoption.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this GASB in the fiscal year ended June 30, 2025 did not have an impact on TMWA's financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which is effective for fiscal years beginning after June 15, 2025. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. TMWA is currently evaluating the effect the adoption of this GASB will have on its financial statements in the fiscal year ended June 30, 2026.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, which is effective for fiscal years beginning after June 15, 2025. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. TMWA is currently evaluating the effect the adoption of this GASB will have on its financial statements in the fiscal year ended June 30, 2026.

Note 2 - Compliance with Nevada Revised Statutes and the Nevada Administrative Code

TMWA conformed to all significant statutory constraints on its financial administration during the year.

Note 3 - Accounts Receivable, Net

Accounts receivable, net consisted of the following:

	June 30, 2025	June 30, 2024
Billed amounts	\$ 7,724,212	\$ 8,200,934
Earned, but unbilled amounts	10,690,505	9,974,422
	18,414,717	18,175,356
Allowance for uncollectible accounts	(212,447)	(251,412)
Accounts receivable, net	<u>\$ 18,202,270</u>	<u>\$ 17,923,944</u>

Note 4 - Cash and Investments

In accordance with State statutes, TMWA's cash is deposited with insured banks. All money deposited by TMWA that is not within the limits of insurance must be secured by collateral. TMWA's deposits are collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

The OPEB Plans' bank balances are covered by the Federal Deposit Insurance Corporation. Under the Plans' investment policies, the Plans' assets are limited to investments in the State of Nevada RBIF, and any investment authorized pursuant to Nevada Revised Statute (NRS) 355.170. The Plans invest their assets in the RBIF as allowed by the NRS 287.017 and the Nevada Administrative Code. The RBIF was established pursuant to NRS 355.220 and is administered by the Retirement Benefits Investment Board as an unrated external investment pool. The RBIF is not registered with the Securities and Exchange Commission as an investment company. Each participant acts as fiduciary for its particular share of the RBIF and is allocated earnings and expenses according to its proportional share in RBIF. Bank of New York, Mellon determines the fair value of the RBIF monthly.

Truckee Meadows Water Authority
Notes to Financial Statements
June 30, 2025 and 2024

As of June 30, 2025, TMWA had the following cash and investments maturities:

	Less than 1 Year	1 - 3 Years	4 - 5 Years	Total
Investments				
U.S. Treasuries	\$ 25,216,567	\$ 15,494,094	\$ 7,018,533	\$ 47,729,194
U.S. Agencies	17,491,243	15,973,976	10,913,991	44,379,210
LGIP	2,654,756	—	—	2,654,756
Money Market Mutual Funds	47,580,345	—	—	47,580,345
Certificates of Deposit	—	1,964,447	—	1,964,447
Corporate Notes	10,691,188	—	6,588,039	17,279,227
Total Investments	103,634,099	33,432,517	24,520,563	161,587,179
Total Cash	(1,368,027)	—	—	(1,368,027)
Total Cash and Investments	<u>\$ 102,266,072</u>	<u>\$ 33,432,517</u>	<u>\$ 24,520,563</u>	<u>\$ 160,219,152</u>

As of June 30, 2024, TMWA had the following cash and investments maturities:

	Less than 1 Year	1 - 3 Years	4 - 5 Years	Total
Investments				
U.S. Treasuries	\$ 29,415,290	\$ 26,597,138	\$ —	\$ 56,012,428
U.S. Agencies	19,611,289	32,427,693	—	52,038,982
LGIP	2,530,900	—	—	2,530,900
Money Market Mutual Funds	40,909,525	—	—	40,909,525
Certificates of Deposit	6,961,734	687,278	750,099	8,399,111
Corporate Notes	3,448,685	11,470,517	—	14,919,202
Commercial Paper	2,294,031	—	—	2,294,031
Total Investments	105,171,454	71,182,626	750,099	177,104,179
Total Cash	10,702,454	—	—	10,702,454
Total Cash and Investments	<u>\$ 115,873,908</u>	<u>\$ 71,182,626</u>	<u>\$ 750,099</u>	<u>\$ 187,806,633</u>

As of December 31, 2024, the OPEB Plans had the following cash and investments maturities:

	Less than 1 Year	1 - 3 Years	4 - 5 Years	Total
§501(c)(9) Plan				
Total Cash	\$ 186,896	\$ —	\$ —	\$ 186,896
Total Investments - RBIF	16,971,264	—	—	16,971,264
Total Cash and Investments	<u>\$ 17,158,160</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17,158,160</u>
§115 Plan				
Total Cash	\$ 46,435	\$ —	\$ —	\$ 46,435
Total Investments - RBIF	1,905,323	—	—	1,905,323
Total Cash and Investments	<u>\$ 1,951,758</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,951,758</u>

As of December 31, 2023, the OPEB Plans had the following cash and investments maturities:

	Less than 1 Year	1 - 3 Years	4 - 5 Years	Total
§501(c)(9) Plan				
Total Cash	\$ 170,310	\$ —	\$ —	\$ 170,310
Total Investments - RBIF	15,390,220	—	—	15,390,220
Total Cash and Investments	<u>\$ 15,560,530</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 15,560,530</u>
§115 Plan				
Total Cash	\$ 26,657	\$ —	\$ —	\$ 26,657
Total Investments - RBIF	1,731,235	—	—	1,731,235
Total Cash and Investments	<u>\$ 1,757,892</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,757,892</u>

Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada governments. On September 20, 2017, the TMWA Board adopted an investment policy which extended TMWA's investment period from two years to five years. Nevada Revised Statutes and TMWA's investment policy set portfolio component thresholds to further limit its exposure to certain risks as set forth below.

Interest Rate Risk

Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be mitigated by diversification of durations of fixed rate investments held in the investment portfolio. As a means of limiting TMWA's exposure to this risk, TMWA constantly monitors the bond futures market and ladders investments accordingly to maximize investment returns while balancing the investment maturities with spending requirements. TMWA follows State statute limits of investment in obligations of an agency of the United States or a corporation sponsored by the United States government to those maturing within five years from the date of purchase.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations and is a function of the credit quality ratings of investments. TMWA follows State statute for reducing exposure to investment credit risk by investing in U.S. Agencies securities; "AAA" rated money market mutual funds that invest in securities issued by the U.S. Government or agencies of the U.S. Government, and the State of Nevada Local Government Pooled Investment Fund (LGIP). TMWA has a debt reserve fund with LGIP, which is an unrated external investment pool with investment duration of 49.5 days at June 30, 2025, and 82 days at June 30, 2024.

Truckee Meadows Water Authority
Notes to Financial Statements
June 30, 2025 and 2024

At June 30, 2025, using Standard & Poor's rating scale, TMWA's investments were rated as follows:

S&P Rating	U.S. Treasuries	U.S. Agencies	LGIP	Money Market Mutual Funds	Certificates of Deposit	Corporate Notes	Total
AAA	\$ —	\$ —	\$ —	\$ 9,723,215	\$ —	\$ —	\$ 9,723,215
AA+	47,729,194	44,379,210	—	—	—	—	92,108,404
A+	—	—	—	—	498,496	977,702	1,476,198
A	—	—	—	—	—	8,011,373	8,011,373
A-	—	—	—	—	—	3,773,028	3,773,028
BBB+	—	—	—	—	—	4,517,124	4,517,124
BBB-	—	—	—	—	240,628	—	240,628
NA	—	—	2,654,756	37,857,130	1,225,323	—	41,737,209
Total Investments	<u>\$ 47,729,194</u>	<u>\$ 44,379,210</u>	<u>\$ 2,654,756</u>	<u>\$ 47,580,345</u>	<u>\$ 1,964,447</u>	<u>\$ 17,279,227</u>	<u>\$ 161,587,179</u>

At June 30, 2024, using Standard & Poor's rating scale, TMWA's investments were rated as follows:

S&P Rating	U.S. Treasuries	U.S. Agencies	LGIP	Money Market Mutual Funds	Certificates of Deposit	Corporate Notes	Corporate Commercial Paper	Total
AAA	\$ —	\$ —	\$ —	\$ 6,307,264	\$ —	\$ —	\$ —	\$ 6,307,264
AA+	56,012,428	52,038,982	—	—	—	—	—	108,051,410
AA	—	—	—	—	—	1,083,151	—	1,083,151
AA-	—	—	—	—	—	560,185	—	560,185
A+	—	—	—	—	250,049	933,783	—	1,183,832
A	—	—	—	—	—	2,615,927	—	2,615,927
A-	—	—	—	—	—	8,314,428	—	8,314,428
A-1+	—	—	—	—	2,220,928	—	—	2,220,928
A-1	—	—	—	—	4,492,958	—	2,294,031	6,786,989
BBB+	—	—	—	—	—	1,411,728	—	1,411,728
BBB-	—	—	—	—	477,546	—	—	477,546
NA	—	—	2,530,900	34,602,261	957,630	—	—	38,090,791
Total Investments	<u>\$ 56,012,428</u>	<u>\$ 52,038,982</u>	<u>\$ 2,530,900</u>	<u>\$ 40,909,525</u>	<u>\$ 8,399,111</u>	<u>\$ 14,919,202</u>	<u>\$ 2,294,031</u>	<u>\$ 177,104,179</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Securities held by TMWA or by TMWA's custodians are diversified to eliminate risk of loss from over-concentration of assets in a specific maturity, issuer, or class of securities.

Truckee Meadows Water Authority
Notes to Financial Statements
June 30, 2025 and 2024

At June 30, 2025 and 2024, the following investments by issuer exceeded 5% of TMWA's total investments:

	June 30, 2025	
U.S. Treasuries	\$ 47,729,193	33 %
Federated Hermes Treasury Obligations	21,041,541	14 %
Federal Home Loan Bank	19,407,408	13 %
Federal Farm Credit Bank	14,523,929	10 %
First American Funds, Inc. - Government Obligations Fund	9,671,948	7 %

	June 30, 2024	
U.S. Treasuries	\$ 56,012,428	33 %
Federal Home Loan Banks	27,966,654	17 %
Federated Hermes Treasury Obligations	25,118,263	15 %
Federal National Mortgage Association	11,183,219	7 %

Investments Measured at Fair Value

TMWA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. TMWA does not have any investments that are measured using Level 3 inputs.

TMWA had the following recurring fair value measurements as of June 30, 2025:

	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
U.S. Treasuries	\$ 47,729,194	\$ 47,729,194	\$ —
U.S. Agencies	44,379,210	—	44,379,210
Certificates of Deposit	1,964,447	—	1,964,447
Corporate Notes	17,279,227	—	17,279,227
	111,352,078	\$ 47,729,194	\$ 63,622,884
LGIP	2,654,756		
Money Market Mutual Funds*	47,580,345		
	\$ 161,587,179		

Truckee Meadows Water Authority
Notes to Financial Statements
June 30, 2025 and 2024

TMWA had the following recurring fair value measurements as of June 30, 2024:

	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
U.S. Treasuries	\$ 56,012,428	\$ 56,012,428	\$ —
U.S. Agencies	52,038,982	—	52,038,982
Certificates of Deposit	8,399,111	—	8,399,111
Corporate Notes	14,919,202	—	14,919,202
Commercial Paper	2,294,031	—	2,294,031
	133,663,754	<u>\$ 56,012,428</u>	<u>\$ 77,651,326</u>
LGIP	2,530,900		
Money Market Mutual Funds*	40,909,525		
	<u>\$ 177,104,179</u>		

*Money market mutual funds are not held primarily for the purpose of income or profit and have remaining maturities at time of purchase of one year or less. Therefore, the money market mutual funds are recorded at amortized cost.

The following is a description of the valuation methodologies used by TMWA for its Level 2 assets:

U.S. Agencies - Valued using matrix pricing and market corroborated pricing models.

Certificates of Deposit - Valued using interactive date pricing and reference data.

Corporate Notes - Valued using institutional bond quotes based on various market and industry inputs.

Commercial Paper - Valued at fair value based on the observable market prices of inputs for similar securities.

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2025 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Construction in progress	\$ 80,894,411	\$ 61,126,547	\$ (34,168,120)	\$ 107,852,838
Land	20,889,008	2,789,055	(197,831)	23,480,232
Water rights	121,122,904	2,134,724	—	123,257,628
Total capital assets, not being depreciated	222,906,323	66,050,326	(34,365,951)	254,590,698
Capital assets, being depreciated				
Distribution mains	651,702,980	21,324,005	—	673,026,985
Water treatment (plants)	236,023,353	3,598,705	—	239,622,058
Services	191,093,629	11,981,312	—	203,074,941
Pump stations	88,067,621	1,551,252	—	89,618,873
Treated water storage (tanks)	112,264,916	10,228,184	(336,553)	122,156,547
Wells	87,922,805	1,377,344	(749,233)	88,550,916
Pressure regulating stations	26,652,407	1,977,037	—	28,629,444
Canals	44,772,747	43,144	—	44,815,891
Reservoirs	19,499,753	66,449	—	19,566,202
Vehicles	11,535,875	976,205	(368,626)	12,143,454
Furniture and fixtures	908,888	—	—	908,888
Computer hardware and software	12,625,310	408,995	—	13,034,305
Equipment	465,867	66,728	—	532,595
Hydroelectric facilities	35,330,789	86,850	—	35,417,639
Administrative buildings	16,576,802	5,511,068	—	22,087,870
Total capital assets, being depreciated	1,535,443,742	59,197,278	(1,454,412)	1,593,186,608
Less accumulated depreciation:				
Distribution mains	(183,969,448)	(11,717,015)	—	(195,686,463)
Water treatment (plants)	(123,391,844)	(6,917,496)	—	(130,309,340)
Services	(136,820,384)	(5,790,368)	—	(142,610,752)
Pump stations	(35,012,709)	(2,553,591)	—	(37,566,300)
Treated water storage (tanks)	(39,650,577)	(2,745,301)	223,757	(42,172,121)
Wells	(43,079,571)	(2,029,908)	159,697	(44,949,782)
Pressure regulating stations	(9,446,054)	(575,923)	—	(10,021,977)
Canals	(16,504,429)	(1,032,030)	—	(17,536,459)
Reservoirs	(9,235,713)	(327,252)	—	(9,562,965)
Vehicles	(8,641,243)	(749,352)	368,626	(9,021,969)
Furniture and fixtures	(808,969)	(38,729)	—	(847,698)
Computer hardware and software	(5,588,457)	(890,403)	—	(6,478,860)
Equipment	(233,105)	(48,618)	—	(281,723)
Hydroelectric facilities	(7,567,158)	(697,266)	—	(8,264,424)
Administrative buildings	(5,468,691)	(584,179)	—	(6,052,870)
Total accumulated depreciation	(625,418,352)	(36,697,431)	752,080	(661,363,703)
Total capital assets, being depreciated net	910,025,390	22,499,847	(702,332)	931,822,905
Total Capital Assets, Net	\$ 1,132,931,713	\$ 88,550,173	\$ (35,068,283)	\$ 1,186,413,603

Truckee Meadows Water Authority
Notes to Financial Statements
June 30, 2025 and 2024

Capital asset activity for the year ended June 30, 2024 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Construction in progress	\$ 63,817,854	\$ 72,182,065	\$ (55,105,508)	\$ 80,894,411
Land	20,859,674	31,000	(1,666)	20,889,008
Water rights	116,456,842	4,666,062	—	121,122,904
Total capital assets, not being depreciated	201,134,370	76,879,127	(55,107,174)	222,906,323
Capital assets, being depreciated				
Distribution mains	632,257,695	19,445,285	—	651,702,980
Water treatment (plants)	232,062,277	3,961,076	—	236,023,353
Services	176,436,216	14,657,413	—	191,093,629
Pump stations	79,856,004	8,211,617	—	88,067,621
Treated water storage (tanks)	106,225,781	6,039,135	—	112,264,916
Wells	83,983,474	3,939,331	—	87,922,805
Pressure regulating stations	21,325,572	5,326,835	—	26,652,407
Canals	44,772,747	—	—	44,772,747
Reservoirs	19,391,975	107,778	—	19,499,753
Vehicles	10,357,435	1,178,440	—	11,535,875
Furniture and fixtures	873,329	35,559	—	908,888
Computer hardware and software	12,365,711	259,599	—	12,625,310
Equipment	252,659	213,208	—	465,867
Hydroelectric facilities	35,271,271	59,518	—	35,330,789
Administrative buildings	16,233,457	343,345	—	16,576,802
Total capital assets, being depreciated	1,471,665,603	63,778,139	—	1,535,443,742
Less accumulated depreciation:				
Distribution mains	(172,460,651)	(11,508,797)	—	(183,969,448)
Water treatment (plants)	(116,499,112)	(6,892,732)	—	(123,391,844)
Services	(131,097,866)	(5,722,518)	—	(136,820,384)
Pump stations	(32,386,494)	(2,626,215)	—	(35,012,709)
Treated water storage (tanks)	(37,202,594)	(2,447,983)	—	(39,650,577)
Wells	(40,831,035)	(2,248,536)	—	(43,079,571)
Pressure regulating stations	(8,847,003)	(599,051)	—	(9,446,054)
Canals	(15,470,599)	(1,033,830)	—	(16,504,429)
Reservoirs	(8,785,731)	(449,982)	—	(9,235,713)
Vehicles	(7,819,999)	(821,244)	—	(8,641,243)
Furniture and fixtures	(765,704)	(43,265)	—	(808,969)
Computer hardware and software	(4,712,636)	(875,821)	—	(5,588,457)
Equipment	(207,324)	(25,781)	—	(233,105)
Hydroelectric facilities	(6,874,971)	(692,187)	—	(7,567,158)
Administrative buildings	(4,956,120)	(512,571)	—	(5,468,691)
Total accumulated depreciation	(588,917,839)	(36,500,513)	—	(625,418,352)
Total capital assets, being depreciated net	882,747,764	27,277,626	—	910,025,390
Total Capital Assets, Net	\$ 1,083,882,134	\$ 104,156,753	\$ (55,107,174)	\$ 1,132,931,713

Note 6 - Leases

TMWA has an agreement to lease cell tower space to CCTM1 LLC. The agreement term began in 1998 and allowed for five 5-year renewal terms after the initial term expired in 2003. TMWA foresees continuing the lease through 2028. Rent was \$6,000 for the first year and is increased based on CPI every five years with the renewal of the lease. TMWA used a borrowing rate of 3.17% to recognize this lease under GASB 87, *Leases*. During the fiscal year ended June 30, 2025, TMWA recognized \$9,691 in lease revenue and \$1,036 in interest revenue related to this agreement. At June 30, 2025, TMWA reported \$27,911 in lease receivables and \$25,034 in deferred inflows of resources, which will be recognized as revenue over the term of the lease, related to this agreement. During the year ended June 30, 2024, TMWA recognized \$9,691 in lease revenue and \$1,354 in interest revenue related to this agreement. At June 30, 2024, TMWA reported \$38,117 in lease receivables and \$34,725 in deferred inflows of resources, which will be recognized as revenue over the term of the lease, related to this agreement.

TMWA has an agreement to lease cell tower space to T-Mobile. The agreement term began in 1998 and allowed for five 5-year renewal terms after the initial term expired in 2003. TMWA foresees continuing the lease through 2028. Rent was \$4,000 for the first year and is increased based on CPI every five years with the renewal of the lease. The third amendment to the agreement also added \$3,000 per year to the base rent. TMWA used a borrowing rate of 3.17% to recognize this lease under GASB 87, *Leases*. During the fiscal year ended June 30, 2025, TMWA recognized \$9,123 in lease revenue and \$1,054 in interest revenue related to this agreement. At June 30, 2025, TMWA reported \$29,018 in lease receivables and \$27,370 in deferred inflows of resources, which will be recognized as revenue over the term of the lease, related to this agreement. During the year ended June 30, 2024, TMWA recognized \$9,123 in lease revenue and \$1,337 in interest revenue related to this agreement. At June 30, 2024, TMWA reported \$38,094 in lease receivables and \$36,493 in deferred inflows of resources, which will be recognized as revenue over the term of the lease, related to this agreement.

TMWA has an agreement to lease cell tower space to AT&T. The agreement term began in 2000 and allowed for three 5-year renewal terms after the initial term expired in 2005. A first amendment to the agreement extended the term for another five years to 2025 and allows for two 5-year renewal terms after the contract expires in 2025. TMWA foresees continuing the lease through 2035. Rent was \$13,800 for the first year and was originally increased based on CPI every five years with the renewal of the lease. The first amendment to the agreement added \$3,600 per year to the base rent and specified that the yearly rent will increase by 10% upon the commencement of each extension term. TMWA used a borrowing rate of 2.78% to recognize this lease under GASB 87, *Leases*. During the fiscal year ended June 30, 2025, TMWA recognized \$21,055 in lease revenue and \$7,013 in interest revenue related to this agreement. At June 30, 2025, TMWA reported \$241,197 in lease receivables and \$221,079 in deferred inflows of resources, which will be recognized as revenue over the term of the lease, related to this agreement. During the year ended June 30, 2024, TMWA recognized \$21,055 in lease revenue and \$7,526 in interest revenue related to this agreement. At June 30, 2024, TMWA reported \$259,670 in lease receivables and \$242,134 in deferred inflows of resources, which will be recognized as revenue over the term of the lease, related to this agreement.

TMWA has an agreement to lease a portion of its land's air space to Lamar Central Outdoor LLC. The agreement term began in 2024 and allows for two 5-year renewal terms after the initial term expires in 2030. Rent was \$4,620 for the first year and will increase 3.0% each year. TMWA used a borrowing rate of 2.37% to recognize this lease under GASB 87, *Leases*. During the year ended June 30, 2025, TMWA recognized \$5,483 in lease revenue and \$646 in interest revenue related to this agreement. At June 30, 2025, TMWA reported \$24,219 in lease receivables and \$25,603 in deferred inflows of resources, which will be recognized as revenue over the term of the lease, related to this agreement. During the year ended June 30, 2024, TMWA recognized \$4,105 in lease revenue and \$225 in interest revenue related to this agreement. At June 30, 2024, TMWA reported \$28,300 in lease receivables and \$31,086 in deferred inflows of resources, which will be recognized as revenue over the term of the lease, related to this agreement.

Note 7 - Long-Term Liabilities

Long-Term Debt

On June 8, 2005, TMWA entered into a loan contract with the State of Nevada Drinking Water State Revolving Fund (DWSRF) to fund TMWA's Arsenic Mitigation Project. TMWA made draws on this contract as construction proceeded, totaling \$4,669,565. The loan constitutes a special limited obligation of TMWA and the principal and interest on the loan will be payable solely from and secured by an irrevocable pledge of the net revenues derived from the operation of the Water System. This loan has a term of 20 years. This loan is subordinate to the 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds, and any future senior lien bonds. The loan is considered paid in full as of June 30, 2025.

On August 15, 2006, TMWA began an inaugural Tax-Exempt Commercial Paper (TECP) program that originally authorized the issuance of up to \$160,000,000 in TECP notes. The first draw was on August 16, 2006 for \$30,000,000, and a second draw was on December 5, 2006 for \$13,000,000. The proceeds from the first two draws were used solely to purchase water rights for future sale of will-serve commitments to developers. A third draw was made on February 15, 2008 for \$25,000,000 to fund certain construction projects on an interim basis. A fourth draw was made on June 28, 2011 for \$11,400,000 for the purpose of redeeming the remaining outstanding Series 2001A Bonds which were callable on July 1, 2011. TMWA redeemed the \$11,400,000 issued in the fourth draw on December 10, 2012. TMWA issued a fifth draw for \$27,000,000 on December 17, 2014 to refund, on an advanced basis, \$26,100,000 in Washoe County water obligations to effect the water utility consolidation between Washoe County and TMWA with proceeds transferred to escrow on the date of issuance. The funds in escrow were distributed to the Washoe County bondholders as of July 1, 2015, the call date of the bonds. On various dates in fiscal year 2016, TMWA redeemed \$7,200,000. On September 7, 2016, TMWA redeemed \$4,400,000, and on September 5, 2017, TMWA redeemed \$9,200,000. On May 15, 2018 TMWA redeemed \$44,200,000 as part of the Series 2018 Water Revenue Refunding. This left an outstanding balance of \$30,000,000 as of June 30, 2018. On September 4, 2018, TMWA redeemed \$6,500,000, on October 2, 2019, TMWA redeemed \$5,000,000, and on March 3, 2020, TMWA redeemed \$2,500,000. This left an outstanding balance of \$16,000,000 as of June 30, 2020. In the first half of fiscal year 2021, TMWA redeemed \$3,000,000 of the \$16,000,000 outstanding. The remaining \$13,000,000 was redeemed in June 2021 as part of the 2021 Subordinate Water Refunding Bonds. TMWA has remaining authorization to issue \$53,600,000 as of June 30, 2025. This authorization expires July 1, 2036. Should TMWA wish to issue any of the remaining balance, new agreements and Board approval would be required.

On July 25, 2009, TMWA entered into a loan contract with the DWSRF, the 2009A DWSRF Loan, to partially fund TMWA's Mogul Bypass Siphon Project. The loan was provided through the American Recovery and Reinvestment Act (ARRA) stimulus funding provided by the federal government. TMWA made draws on this contract as construction proceeded, totaling \$2,401,120. The loan constitutes a special limited obligation of TMWA and the principal and interest on the loan will be payable solely from and secured by an irrevocable pledge of the net revenues derived from the operation of the Water System. This loan has a term of 20 years. This loan is subordinate to the senior lien 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds, and any future senior lien bonds.

On February 11, 2010, TMWA entered into a loan contract with DWSRF, the 2010A DWSRF Loan, to fund TMWA's Glendale Water Treatment Plant Diversion Project. Total construction costs for the Glendale Diversion Project were less than expected. Consequently, TMWA requested and was granted that the remaining loan authorization be able to fund final improvements on the Highland Canal. During fiscal year 2013, the loan was finalized in the total amount of \$4,381,614. The loan constitutes a special limited obligation of TMWA and the principal and interest on the loan are payable solely from and secured by an irrevocable pledge of the net revenues derived from the operation of the Water System. This loan has a term of 20 years. This loan is subordinate to the

senior lien 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds as well as any future senior lien bonds.

On December 31, 2014, TMWA entered into a loan contract with the DWSRF, to transfer the remaining loan balance of the Washoe County Water Utility 2005 DWSRF loan to TMWA. The transfer was in conjunction with the transfer of operations of the Washoe County Water Utility into TMWA on January 1, 2015. The loan contract was entered into by the Washoe County Water Utility to construct the Longley Lane Water Treatment Facility, a facility that was transferred to TMWA. The loan balance of \$9,109,437 was transferred to TMWA under the same terms that existed with Washoe County as the TMWA 2014 DWSRF loan. The original balance of the loan was \$14,162,268. The loan constitutes a special limited obligation of TMWA, and the principal and interest on the loan are payable solely from and secured by an irrevocable pledge of the net revenues, derived from the operation of the Water System. When it was transferred this loan had a remaining term of 10 years. This loan is subordinate to the senior lien 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds as well as any future senior lien bonds. The loan is considered paid in full as of June 30, 2025.

On April 14, 2015, TMWA issued \$28,750,000 in Series 2015A Refunding Bonds which constitute special limited obligations of TMWA. These bonds were sold to refund on a current basis \$33,050,000 in maturities of the Series 2005A Bonds. The proceeds of the refunding bond issue were placed in an irrevocable trust for the purpose of generating financial resources to defease the callable portion of the Series 2005A Bonds. The Series 2005A refunded bonds are considered to be defeased and the liability has been removed from TMWA's Statement of Net Position. The net carrying amount of the old debt exceeded the reacquisition price by \$140,645. The unamortized balance is being amortized as a component of interest income over the remaining life of the old and new debt, which has the same remaining life. This current refunding was undertaken to reduce total debt service payments over approximately 21 years by \$6,563,813 and resulted in an economic gain of \$4,575,309. The funds held in the irrevocable trust were distributed to 2005A bondholders as of July 1, 2015, the call date of the 2005A Bonds. On December 20, 2023, TMWA defeased \$11,485,000 of the bonds, along with \$1,014,912 of the unamortized bond premium. TMWA used current resources for the defeasance and no new debt was issued. The remaining balance due is \$9,645,000 with an associated premium of \$852,314, which will be amortized over the life of the bonds.

On July 30, 2015, TMWA entered into a loan contract with the DWSRF, the 2015B DWSRF Loan, to fund TMWA's surface and groundwater supplies in the North Valleys particularly the Stead area, Lemmon Valley area, and North Virginia Corridor. Of the \$15,000,000 authorized, TMWA made draws on this contract as construction proceeded totaling \$8,971,562. The loan constitutes a special limited obligation of TMWA and the principal and interest on the loan are payable solely from and secured by an irrevocable pledge of the net revenues derived from the operation of the Water System. This loan has a term of 20 years. This loan is subordinate to the senior lien 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds, the 2018 Refunding Bonds as well as any future senior lien bonds. This loan is also subordinate to the 2005 DWSRF Bonds, the 2009A DWSRF ARRA Bonds, the 2010A DWSRF Bonds, the 2014 DWSRF Bonds, and the 2015B DWSRF Bonds.

On April 12, 2016, TMWA issued \$124,790,000 in Series 2016 Water Revenue Refunding Bonds which constitute special limited obligations of TMWA. These bonds were sold to refund \$148,015,000 in maturities of the Series 2006 Bonds. The proceeds of the refunding bond issue were used to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating financial resources for the future debt service payments of the refunded Series 2006 Bonds. As a result, the refunded bonds were considered to be defeased and the liability has been removed from TMWA's Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,092,808. The unamortized balance is being amortized as a component of interest expense over the original life of the old debt, which has a shorter remaining life in comparison to the remaining life of the refunding bonds. This current refunding was undertaken to reduce total debt service payments over 22 years by \$4,332,501, and resulted in an economic gain of \$15,025,124. The funds in the irrevocable trust were distributed to 2006 bondholders as of July 1, 2016, the call date of the 2006 Bonds. On December 20, 2023, TMWA defeased \$58,345,000 of the bonds, along with \$6,419,187 of the unamortized

bond premium. TMWA used current resources for the defeasance and no new debt was issued. The remaining balance due is \$66,445,000 with an associated premium of \$7,310,359, which will be amortized over the life of the bonds.

On April 11, 2017, TMWA issued \$147,415,000 in Series 2017 Water Revenue Refunding Bonds which constitute special limited obligations of TMWA. These bonds were sold to refund \$214,290,000 in maturities of the Series 2007 Bonds. The proceeds of the refunding bond issue along with \$32,865,308 from TMWA's cash balances were used to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating financial resources for the future debt service payments of the refunded Series 2007 Bonds. As a result, the refunded bonds were considered to be defeased and the liability has been removed from TMWA's Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$289,903. The unamortized balance is being amortized as a component of interest income over the remaining life of the old and new debt, which has the same remaining life. This current refunding was undertaken to reduce total debt service payments over 14 years by \$15,301,534, and resulted in an economic gain of \$15,948,105. The funds in the irrevocable trust were distributed to 2007 bondholders as of July 1, 2017, the call date of the 2007 Bonds.

On May 15, 2018, TMWA issued \$38,835,000 in Series 2018 Water Revenue Refunding Bonds which constitute special limited obligations of TMWA. The proceeds of the bond issue of \$44,601,977 were used to refund or redeem \$44,200,000 in maturities of TECP. This transaction was executed to provide a fixed rate of interest expense over the life of the refunding, which was effected by replacing variable rate TECP debt with fixed rate bonds.

On June 3, 2021, TMWA issued \$13,000,000 in Series 2021 Subordinate Water Revenue Refunding Bonds which constitute special limited obligations of TMWA. The Bonds were sold pursuant to a Continuing Covenant Agreement as a Direct Purchase to Wells Fargo Municipal Capital Strategies, LLC. The proceeds of the bond issue of \$13,000,000 were used to refund or redeem \$13,000,000 in maturities of TECP. This transaction was executed to provide a fixed interest rate over the life of the refunding, which was effected by replacing variable rate TECP debt with fixed rate bonds. The provisions of the loan agreement require level, annual debt service for full repayment of the bonds through fiscal year 2028. This loan is subordinate to the senior lien 2015A Refunding Bonds, the 2016 Refunding Bonds, the 2017 Refunding Bonds and the 2018 Refunding Bonds.

On January 18, 2024, TMWA issued \$61,530,000 in Series 2024 Water Revenue Bonds which constitute special limited obligations of TMWA. The proceeds of the bonds will be used to cover capital expenditures over the next two years.

Truckee Meadows Water Authority
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The following schedule summarizes the changes in long-term debt obligations as of June 30, 2025:

	Final Maturity Date	Authorized	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due in 2025-2026
Direct Borrowings							
2005 - DWSRF Bonds 3.21%	1/1/2025	\$ 4,669,565	\$ 328,757	\$ —	\$ 328,757	\$ —	\$ —
2009 A - DWSRF ARRA Bonds 0.00%	7/1/2029	2,401,120	680,177	—	123,668	556,509	123,668
2010 A - DWSRF Bonds 3.25%	1/1/2030	4,381,614	1,826,407	—	280,404	1,546,003	289,592
2014 - DWSRF Bonds 2.81%	1/1/2025	9,109,437	987,025	—	987,025	—	—
2015 B - DWSRF Bonds 2.62%	7/1/2035	15,000,000	6,072,253	—	458,876	5,613,377	470,977
2021 - Refunding Bonds 1.19%	6/1/2028	13,000,000	7,565,000	—	1,860,000	5,705,000	1,880,000
		48,561,736	17,459,619	—	4,038,730	13,420,889	2,764,237
Bonds Payable							
2015 A - Refunding Bonds 2.00%-5.00%	7/1/2036	28,750,000	9,645,000	—	1,175,000	8,470,000	1,235,000
2016 - Refunding Bonds 5.00%	7/1/2037	124,790,000	66,445,000	—	—	66,445,000	—
2017 - Refunding Bonds 4.00%-5.00%	7/1/2030	147,415,000	102,590,000	—	12,745,000	89,845,000	12,300,000
2018 - Refunding Bonds 5.00%	7/1/2039	38,835,000	38,835,000	—	—	38,835,000	—
2024 - Water Revenue Bonds 5.00%	7/1/2036	61,530,000	61,530,000	—	—	61,530,000	—
		401,320,000	279,045,000	—	13,920,000	265,125,000	13,535,000
Subtotal		449,881,736	296,504,619	—	17,958,730	278,545,889	16,299,237
Plus unamortized net bond premium			31,399,414	—	4,400,189	26,999,225	
Total debt before TECP			327,904,033	—	22,358,919	305,545,114	
TECP		53,600,000	—	—	—	—	—
Total Debt		<u>\$503,481,736</u>	<u>\$327,904,033</u>	<u>\$ —</u>	<u>\$ 22,358,919</u>	<u>\$305,545,114</u>	<u>\$ 16,299,237</u>

The following schedule summarizes the changes in long-term debt obligations as of June 30, 2024:

	Final Maturity Date	Authorized	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due in 2024-2025
Direct Borrowings							
2005 - DWSRF Bonds 3.21%	1/1/2025	\$ 4,669,565	\$ 647,209	\$ —	\$ 318,452	\$ 328,757	\$ 328,756
2009 A - DWSRF ARRA Bonds 0.00%	7/1/2029	2,401,120	803,846	—	123,669	680,177	123,669
2010 A - DWSRF Bonds 3.25%	1/1/2030	4,381,614	2,097,916	—	271,509	1,826,407	280,405
2014 - DWSRF Bonds 2.81%	1/1/2025	9,109,437	1,946,888	—	959,863	987,025	987,025
2015 B - DWSRF Bonds 2.62%	7/1/2035	15,000,000	6,519,338	—	447,085	6,072,253	458,875
2021 - Refunding Bonds 1.19%	6/1/2028	13,000,000	9,400,000	—	1,835,000	7,565,000	1,860,000
		48,561,736	21,415,197	—	3,955,578	17,459,619	4,038,730
Bonds Payable							
2015 A - Refunding Bonds 2.00%-5.00%	7/1/2036	28,750,000	22,240,000	—	12,595,000	9,645,000	1,175,000
2016 - Refunding Bonds 5.00%	7/1/2037	124,790,000	124,790,000	—	58,345,000	66,445,000	—
2017 - Refunding Bonds 4.00%-5.00%	7/1/2030	147,415,000	114,725,000	—	12,135,000	102,590,000	12,745,000
2018 - Refunding Bonds 5.00%	7/1/2039	38,835,000	38,835,000	—	—	38,835,000	—
2024 - Water Revenue Bonds 5.00%	7/1/2036	61,530,000	—	61,530,000	—	61,530,000	—
		401,320,000	300,590,000	61,530,000	83,075,000	279,045,000	13,920,000
Subtotal		449,881,736	322,005,197	61,530,000	87,030,578	296,504,619	17,958,730
Plus unamortized net bond premium			29,146,578	13,913,050	11,660,214	31,399,414	
Total debt before TECP			351,151,775	75,443,050	98,690,792	327,904,033	
TECP		53,600,000	—	—	—	—	—
Total Debt		<u>\$503,481,736</u>	<u>\$351,151,775</u>	<u>\$ 75,443,050</u>	<u>\$ 98,690,792</u>	<u>\$327,904,033</u>	<u>\$ 17,958,730</u>

Annual debt service requirements to maturity for TMWA's bonds are as follows:

Year Ending June 30,	Direct Borrowings		Bonds Payable		Total Debt Service
	Principal Payment	Interest Payment	Principal Payment	Interest Payment	
2026	\$ 2,764,237	\$ 254,213	\$ 13,535,000	\$ 12,917,875	\$ 29,471,325
2027	2,806,147	209,873	15,355,000	12,195,625	30,566,645
2028	2,853,693	164,657	16,135,000	11,408,375	30,561,725
2029	951,897	124,257	16,930,000	10,581,750	28,587,904
2030	913,944	100,376	17,785,000	9,713,875	28,513,195
2031-2035	2,827,456	247,455	121,915,000	32,148,125	157,138,036
2036-2040	303,515	3,976	63,470,000	7,663,500	71,440,991
Total	<u>\$ 13,420,889</u>	<u>\$ 1,104,807</u>	<u>\$ 265,125,000</u>	<u>\$ 96,629,125</u>	<u>\$ 376,279,821</u>

Compensated Absences

The following schedules summarize the changes in the compensated absences liability as of June 30, 2025 and 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Next Fiscal Year
June 30, 2025	\$ 5,068,736	\$ 4,864,115	\$ 3,918,451	\$ 6,014,400	\$ 1,688,939
June 30, 2024 - Restated	\$ 3,711,520	\$ 3,839,571	\$ 2,482,355	\$ 5,068,736	\$ 1,546,520

Note 8 - Net Position

Restricted Net Position

TMWA records the following restrictions of net position:

Restricted in accordance with bond covenants: TMWA's bond covenants require certain restrictions of TMWA's net position for operations and maintenance, debt service, renewal and replacement, and water rate stabilization.

Restricted for water resource sustainability: This restriction was created to segregate the portion of net position derived from contributions made by developers to fund certain projects that are intended to benefit TMWA's long-term water resources sustainability.

Restricted for net other postemployment benefits: This restriction was created to segregate the portion of net position related to TMWA's net other postemployment benefit asset in the §501(c)(9) Plan. See Note 12 to the financial statements for additional information.

Board Designation

On September 19, 2018, the Board adopted a resolution to designate 3% of total projected water sales for the most recent three year forecast as a rate stabilization fund. This amount was \$11,521,815 and \$11,097,932 as of June 30, 2025 and 2024, respectively. This designation is not reflected as restricted net position but is considered a designated portion of unrestricted net position.

Note 9 - Contingent Liabilities

Mt. Rose Fan Domestic Well Program

As part of the transfer of operations with the Washoe County water utility, TMWA agreed to continue Washoe County's Mt. Rose-Galena Fan Domestic Well Mitigation Program, which provides for the reimbursement of specific well deepening costs or water system connection charges, incurred by property owners within the program area, whom experienced or will experience an "unreasonable adverse effect" as a result of municipal groundwater pumping. TMWA's continuation of the program provides continuity for domestic well owners in the specific program and provides protection of shared groundwater resources in the program area. TMWA's budget includes projected costs for administering the domestic well mitigation plan.

Litigation

From time to time, TMWA is named as a party to various lawsuits, claims, or other legal and regulatory proceedings that arise in the ordinary course of TMWA's business. TMWA accrues reserves when a loss is probable, and the amount of such loss can be reasonably estimated. Management does not believe that the outcome of these proceedings, individually and collectively, will have a material effect on TMWA's financial position.

Note 10 - Risk Management

TMWA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. TMWA is responsible for group health insurance premiums payable to the City of Reno for coverage in the City's self-funded health insurance program. All other significant risks are covered by commercial insurance purchased from independent third parties. There have been no settlements in excess of insurance coverage for the past three years.

Note 11 - Defined Benefit Pension Plan and Other Employee Benefits

Defined Benefit Pension Plan

Plan Description

TMWA contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average

compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. Members entering PERS on or after July 1, 2015 have a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Members entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, or at any age with thirty years of service. Members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with thirty years of service, or at any age with thirty-three and a third years of service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans.

Under the Employee/Employer-Pay Plan, contributions are shared equally by employees and employer. Under the Employer-Pay Plan, employees pay for their portion of contributions through a salary reduction, and the employer pays 100% of employees' retirement contributions. At TMWA, employees are initially enrolled in the Employee/Employer-Pay Plan and then may choose to change their enrollment to the Employer-Pay Plan.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary. The employer-pay contribution (EPC) rate was 33.50% for fiscal years June 30, 2025 and 2024. As of July 1, 2025, the EPC rate increased to 36.75%. TMWA's contributions were \$5,308,925 and \$4,837,476 for the years ended June 30, 2025 and 2024, respectively.

PERS Investment Policy

PERS' policies, which determine the investment portfolio target asset allocation, are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2024:

	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	28%	2.25%
Private Markets	12%	7.15%

The following was the PERS Board adopted policy target asset allocation as of June 30, 2023:

	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	28%	0.75%
Private Markets	12%	6.65%

Net Pension Liability

At June 30, 2025, TMWA reported a liability for its proportionate share of the net pension liability of \$60,778,967. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At June 30, 2024, TMWA reported a liability for its proportionate share of the net pension liability of \$60,226,778. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

TMWA's proportion of the net pension liability was based on TMWA's share of contributions in the PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2024 and 2023, TMWA's proportion was 0.3364 and 0.3300 percent, respectively, representing an increase of 0.0064 percent and an increase of 0.0121 percent from its proportion measured at June 30, 2023 and 2022, respectively.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of TMWA measured as of June 30, 2024 and 2023, calculated using the discount rate of 7.25%, and what TMWA's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the discount rates used in each year's valuation:

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	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability, June 30, 2024	\$ 97,739,937	\$ 60,778,967	\$ 30,285,764
	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability, June 30, 2023	\$ 93,721,709	\$ 60,226,778	\$ 32,583,626

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS ACFR, available on the PERS website, www.nvpers.org.

Actuarial Assumptions

TMWA's June 30, 2025 net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. TMWA's June 30, 2024 net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2024	June 30, 2023
Inflation Rate	2.50%	2.50%
Payroll Growth	3.50% including inflation	3.50% including inflation
Investment Rate of Return	7.25%	7.25%
Productivity Pay Increase	0.50%	0.50%
Projected Salary Increases	4.20% to 9.10%, depending on service. Rates include inflation and productivity increases.	4.20% to 9.10%, depending on service. Rates include inflation and productivity increases.
Consumer Price Index	2.50%	2.50%
Other Assumptions	Same as those used in the June 30, 2024 funding actuarial valuation	Same as those used in the June 30, 2023 funding actuarial valuation

For the year ended June 30, 2024, mortality rates for non-disabled regular members were based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020. Mortality rates for disabled regular members were based on the Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

For the year ended June 30, 2023, mortality rates for non-disabled regular members were based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020. Mortality rates for disabled regular members were based on the Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 and 2023 valuations were based on the results of the experience review issued September 10, 2021.

The projection of cash flows used to determine the discount rate of 7.25% assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024 and June 30, 2023.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2025 and 2024, TMWA recognized pension expense of \$13,044,396 and \$13,565,438, respectively.

At June 30, 2025, TMWA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,894,041	\$ —
Changes in assumptions or other inputs	3,921,840	—
Net difference between projected and actual earnings on pension plan investments	—	5,987,512
Changes in TMWA's proportion and differences between TMWA's contributions and TMWA's proportionate contributions	2,776,418	—
TMWA's contributions subsequent to the measurement date	5,308,925	—
	<u>\$ 24,901,224</u>	<u>\$ 5,987,512</u>

Deferred outflows of resources of \$5,308,925 resulted from TMWA's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

At June 30, 2024, TMWA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,850,193	\$ —
Changes in assumptions or other inputs	5,644,395	—
Net difference between projected and actual earnings on pension plan investments	—	563,724
Changes in TMWA's proportion and differences between TMWA's contributions and TMWA's proportionate contributions	3,211,421	20,988
TMWA's contributions subsequent to the measurement date	4,837,476	—
	<u>\$ 21,543,485</u>	<u>\$ 584,712</u>

Deferred outflows of resources of \$4,837,476 resulted from TMWA's contributions subsequent to the measurement date and were recognized as a reduction of the net pension liability in the year ended June 30, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2023 (the beginning of the measurement period ended June 30, 2024) is 5.64 years.

Other estimated amounts reported by TMWA as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2025 will be recognized in pension expense as follows:

Year Ending June 30,	
2026	\$ 2,583,224
2027	8,563,623
2028	1,152,945
2029	266,835
2030	1,038,160

Additional Information

The PERS ACFR includes additional information including information supporting the schedule of employer allocations and the schedule of pension amounts by employer. This report is available on the PERS website at www.nvpers.org under Quick Links – Publications.

Deferred Compensation Plans

All employees of TMWA are eligible to participate in a Section 457 Deferred Compensation Plan, monies of which are maintained in a trust, separate from the general assets of TMWA. In addition to the Section 457 Deferred Compensation Plan, all employees are eligible to participate in a Section 401(a) Money Purchase Retirement Plan, monies of which are maintained in a trust, separate from the general assets of TMWA. For the years ended June 30, 2025 and June 30, 2024, TMWA had matching contributions totaling \$2,112,011, and \$1,934,079, respectively.

Note 12 - Other Postemployment Benefit (OPEB) Plans

TMWA has two Other Postemployment Benefit (OPEB) Plans referred to as the §501(c)(9) and §115 plans. The §501(c)(9) plan was established for the benefit of transferred employees from Sierra Pacific Power Company and all subsequent new hires until the plan closed, effective December 13, 2018. The §115 Plan plan was formed to provide postemployment benefits for employees who transferred from Washoe County as a result of the water utility consolidation. Both plans reference the Internal Revenue Code sections under which the plans were formed. Both plans' investments are held by the Nevada Retirement Benefits Investment Board.

Census data as of June 30, 2025 for both plans is as follows:

	§501(c)(9) Plan	§115 Plan
Retirees currently receiving benefits	73	9
Retirees entitled to, but not yet receiving benefits	1	1
Active plan members	135	11
Total	209	21

Census data as of June 30, 2024 for both plans is as follows:

	§501(c)(9) Plan	§115 Plan
Retirees currently receiving benefits	70	9
Retirees entitled to, but not yet receiving benefits	1	1
Active plan members	143	12
Total	214	22

Plan Descriptions, Eligibility Information and Funding Policies

§501(c)(9) Plan

Plan Description. The §501(c)(9) plan known as the Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust (Plan), is a single-employer defined benefit OPEB plan that was established to provide eligible TMWA employees with postemployment health benefits. The Plan was amended to provide post-retirement life insurance benefits in July 2011. Pursuant to Nevada State Administrative Regulations, adopted in September 2008, the Plan is governed by not less than three, but not more than five trustees. Four trustees were appointed by the TMWA Board: two from non-represented employees and two from represented employees. The Plan issues a financial report that includes the financial statements and required supplementary information. That report may be obtained by contacting TMWA in writing at P.O. Box 30013, Reno, NV 89520-3013.

Eligibility. Effective December 13, 2018, the Board adopted a resolution to close the Plan to employees hired after December 13, 2018. Existing employees and plan participants currently receiving benefits were not impacted by this resolution. There are three employee classifications eligible for benefits: a pre-January 1, 1998 collective bargaining unit group, a post-December 31, 1997 collective bargaining unit group, and a group for management, professional, administrative, and technical (MPAT) personnel hired prior to December 14, 2018. Eligibility requirements benefit levels, employee contributions, and employer contributions are amended through TMWA's collective bargaining agreements for its represented employees and by the TMWA Board with respect to MPAT employees.

Employees must have at least ten years of service to be eligible for benefits and must be at least 55 years of age. The pre-January 1, 1998 group of represented employees will receive a subsidy as a percentage of the total health premium, dependent upon years of service and age at retirement, with a maximum subsidy of 85% with 20 years

of credited service. Employees with 20 or more years of service electing the Medicare Risk Contract would pay nothing towards health premiums. For this group, dependents are also covered. The post-December 31, 1997 group of represented employees will receive a total subsidy of \$1,250 times years of service towards health care premiums. This amount does not grow with interest and once exhausted a retiree may convert to COBRA, but only for the 18 month continuation period.

For MPAT employees, the annual subsidy is \$235 times years of service, up to 30 years, prorated for each month of retirement while under the age of 65. On or after the age of 65, the subsidy is \$105 times years of service prorated for each month of retirement while age 65 and older. If an MPAT employee retires and draws benefits before age 62, the subsidy is reduced by 5% for each full year retirement precedes age 62.

There is no extra subsidy for spousal or dependent coverage except continuation benefits provided for under COBRA. Retirees are responsible for the remaining portion of premiums.

Funding Policy. Beginning in fiscal year 2011, the plan has funded retiree benefits through its Voluntary Employee Benefit Association (VEBA) that TMWA established as an irrevocable trust for funding of the postemployment health benefits. TMWA funds the plan based on the actuarially determined contribution (ADC) each year.

§115 Plan

Plan Description. On December 17, 2014, TMWA formed the Truckee Meadows Water Authority OPEB Trust Fund (§115 Plan), a single-employer defined benefit OPEB plan that was established to provide certain eligible TMWA employees with postemployment health benefits. This specific plan was formed to provide postemployment benefits to qualified transferred Washoe County employees as a result of the water utility transfer of operations. STMGID had no employees and was contractually operated by Washoe County. The §115 Plan is a closed plan that will provide future benefits to the remaining eligible transferred employees, and no new beneficiaries can be enrolled in this plan. The Plan issues a financial report that includes the financial statements and required supplementary information. That report may be obtained by contacting TMWA in writing at P.O. Box 30013, Reno, NV 89520-3013.

Eligibility. There are two employee classifications eligible for benefits in this plan: Tier I and Tier II classifications.

For Tier I retirees that have at least ten years but less than 15 years of combined full-time employment with Washoe County and/or TMWA, the maximum benefits payable by the §115 Plan is 50% of the premium for coverage of such retiree under the benefit plans. For Tier I employees that have at least fifteen years but less than twenty years of combined full-time employment with Washoe County and/or TMWA, the maximum benefits payable by the §115 Plan is 75% of the premium for coverage of such retiree under the benefit plans. For Tier I employees that have at least twenty years of combined full-time employment with Washoe County and/or TMWA, the maximum benefits payable by the §115 Plan is 100% of the premium for coverage of such retiree under the benefit plans.

Tier I retirees who have attained the Medicare Eligibility Age (currently age 65) during a plan year must enroll in and pay the cost of Medicare Part “A” and Medicare Part “B” or Medicare Part “C” coverage, and the §115 Plan will become the secondary payer regardless of whether the retiree enrolls in the Medicare program or not. The Medicare Eligibility Age is currently defined as age 65 but will be changed if Medicare changes the eligibility age.

For Tier II retirees the maximum benefits to be paid by the §115 Plan who have not attained Medicare Eligibility Age (currently age 65) is to be the same amount as the premium paid for group health coverage by an employer for coverage of non-state employees under the Nevada State Public Employee Benefit Plan (PEBP) Retiree Health Insurance plan. The 2003 Nevada Legislature passed legislation (AB 286) that afforded public employees of Nevada political subdivisions the opportunity to enroll, upon their retirement in the PEBP Retiree Health Insurance Plan and obligated public employers of enrolled retirees to pay a portion of the medical premium on the retiree's behalf (the Subsidy). Tier II Retirees are entitled to receive the Subsidy from the §115 Plan towards their coverage under the employer Benefit Plans rather than the PEBP Retiree Health Plan.

Tier II retirees who have attained the Medicare Eligibility Age (currently age 65) or older instead receive benefits equal to the equivalent of the State of Nevada's Medicare Exchange Retiree HRA Contribution Subsidy based upon the combined years of service with Washoe County and/or TMWA and must elect Medicare. The Medicare Eligibility Age is currently defined as age 65 but will be changed if Medicare changes the eligibility age. In order to receive the benefits described, the Tier II employee must be an employee of TMWA immediately prior to drawing their retirement benefits.

Funding Policy. The plan funds retiree benefits through an irrevocable trust for funding of the postemployment health benefits. TMWA funds the §115 Plan based on the ADC each year.

OPEB Expense and Net Position

Total OPEB Expense (Benefit) recognized for fiscal years June 30, 2025 and 2024 is below:

	§501(c)(9) Plan	§115 Plan	Total
2025	\$ (758,722)	\$ 43,991	\$ (714,731)
2024	\$ (801,540)	\$ 41,260	\$ (760,280)

Changes in Net Position for each plan for the measurement period ended December 31, 2024 is below:

	§ 501(c)(9) Plan			§115 Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset)/ Liability	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset)/ Liability
Balance at Fiscal Year Ending June 30, 2024	\$ 10,805,583	\$ 15,465,242	\$ (4,659,659)	\$ 2,398,130	\$ 1,749,664	\$ 648,466
<i>Measurement Date - December 31, 2023</i>						
Changes During the Period:						
Service Cost	201,749	—	201,749	29,073	—	29,073
Interest Cost	640,820	—	640,820	142,863	—	142,863
Expected Investment Income	—	912,049	(912,049)	—	103,857	(103,857)
Employer Contributions	—	169,320	(169,320)	—	74,842	(74,842)
Auditing Fees	—	(25,675)	25,675	—	(16,485)	16,485
Investment & Administrative Fees	—	(16,138)	16,138	—	(1,680)	1,680
Legal Fees	—	(2,363)	2,363	—	(1,794)	1,794
Retiree Contributions In	—	136,500	(136,500)	—	9,266	(9,266)
Retiree Contributions Out	—	(136,500)	136,500	—	(9,266)	9,266
Benefit Payments	(654,010)	(654,010)	—	(92,295)	(92,295)	—
Assumption Changes	—	—	—	—	—	—
Plan Experience	—	—	—	—	—	—
Investment Experience	—	1,169,998	(1,169,998)	—	125,002	(125,002)
Net Changes	188,559	1,553,181	(1,364,622)	79,641	191,447	(111,806)
Balance at Fiscal Year Ending June 30, 2025	\$ 10,994,142	\$ 17,018,423	\$ (6,024,281)	\$ 2,477,771	\$ 1,941,111	\$ 536,660
<i>Measurement Date - December 31, 2024</i>						

Truckee Meadows Water Authority
Notes to Financial Statements
June 30, 2025 and 2024

Changes in Net Position for each plan for the measurement period ended December 31, 2023 is below:

	§ 501(c)(9) Plan			§115 Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset)/ Liability	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset)/ Liability
Balance at Fiscal Year Ending June 30, 2023 <i>Measurement Date - December 31, 2022</i>	\$ 10,317,346	\$ 13,425,771	\$ (3,108,425)	\$ 2,236,255	\$ 1,518,320	\$ 717,935
Changes During the Period:						
Service Cost	186,748	—	186,748	30,475	—	30,475
Interest Cost	614,891	—	614,891	133,487	—	133,487
Expected Investment Income	—	794,246	(794,246)	—	89,822	(89,822)
Employer Contributions	—	162,921	(162,921)	—	59,115	(59,115)
Auditing Fees	—	(21,735)	21,735	—	(15,300)	15,300
Investment & Administrative Fees	—	(3,766)	3,766	—	(410)	410
Legal Fees	—	(2,300)	2,300	—	(2,100)	2,100
Retiree Contributions In	—	139,380	(139,380)	—	18,520	(18,520)
Retiree Contributions Out	—	(139,380)	139,380	—	(18,520)	18,520
Benefit Payments	(511,806)	(511,806)	—	(83,879)	(83,879)	—
Assumption Changes	139,717	—	139,717	34,186	—	34,186
Plan Experience	58,687	—	58,687	47,606	—	47,606
Investment Experience	—	1,621,911	(1,621,911)	—	184,096	(184,096)
Net Changes	488,237	2,039,471	(1,551,234)	161,875	231,344	(69,469)
Balance at Fiscal Year Ending June 30, 2024 <i>Measurement Date - December 31, 2023</i>	\$ 10,805,583	\$ 15,465,242	\$ (4,659,659)	\$ 2,398,130	\$ 1,749,664	\$ 648,466

A schedule of the plans' deferred resources as of June 30, 2025 is below:

	§501(c)(9) Plan		§115 Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 216,025	\$ 151,856	\$ 21,551	\$ 8,126
Differences Between Expected and Actual Experience	45,149	1,149,613	36,604	17,547
Net Difference Between Projected and Actual Earnings on Investments	—	961,395	—	105,808
Contributions Made Subsequent to the Measurement Date	241,314	—	53,385	—
Total	\$ 502,488	\$ 2,262,864	\$ 111,540	\$ 131,481

A schedule of the plans' deferred resources as of June 30, 2024 is below:

	§501(c)(9) Plan		§115 Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 264,346	\$ 181,807	\$ 36,692	\$ 16,013
Differences Between Expected and Actual Experience	51,918	1,448,428	60,674	44,542
Net Difference Between Projected and Actual Earnings on Investments	—	251,139	—	29,182
Contributions Made Subsequent to the Measurement Date	168,572	—	39,008	—
Total	\$ 484,836	\$ 1,881,374	\$ 136,374	\$ 89,737

Truckee Meadows Water Authority
Notes to Financial Statements
June 30, 2025 and 2024

TMWA will recognize the contributions made subsequent to the measurement date in the next fiscal year. In addition, future recognition of other deferred resources as of June 30, 2025 is shown below:

Year Ended June 30,	§501(c)(9) Plan	§115 Plan
	Deferred Inflows (Outflows) Recognized in OPEB Expense	Deferred Inflows (Outflows) Recognized in OPEB Expense
2026	\$ 512,063	\$ 13,776
2027	204,303	(26,664)
2028	832,059	61,212
2029	392,556	25,002
2030	90,954	—
Thereafter	(30,245)	—

Actuarial Valuation Assumptions

The total OPEB liability as of December 31, 2024 and December 31, 2023 was determined using the following actuarial assumptions.

Healthcare trend rate (both plans) - TMWA plan medical premiums and per capita claims costs are assumed to increase at the following rates:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2024	Actual	2040-2043	4.8%
2025	6.5%	2044-2049	4.7%
2026	6.0%	2050-2059	4.6%
2027	5.5%	2060-2065	4.5%
2028	5.4%	2066-2067	4.4%
2029	5.3%	2068-2069	4.3%
2030	5.2%	2070	4.2%
2031	5.1%	2071-2072	4.1%
2032-2037	5.0%	2073-2074	4.0%
2038-2039	4.9%	2075 & Later	3.9%

Additional significant assumptions are listed below for each plan:

Assumption	§501(c)(9) Plan	§115 Plan
Valuation Date	December 31, 2023	December 31, 2023
Funding Method	Entry Age Normal Cost, level percent of pay	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Fair value of assets	Fair value of assets
Mortality	MacLeod Watts Scale 2022 applied generationally from 2010	MacLeod Watts Scale 2022 applied generationally from 2010
Long-Term Return on Assets and Discount Rate	6.0% net of plan investment and trust expenses	6.0% net of plan investment and trust expenses
Participants Valued	Only current active employees and retired participants and covered dependents are valued. This plan is now closed.	Only current active employees and retired participants and covered dependents are valued. This plan is now closed.
Salary Increase	3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.	3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
General Inflation Rate	2.5% per year	2.5% per year
Medicare Eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at 65. Retirees over age 65 who are not eligible for Medicare are assumed to remain ineligible.	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at 65.
Employer Cost Sharing	<p>IBEW Pre - 1998 Hires: Increases in the PRMPT-paid portion of healthcare premiums are assumed to increase at the same rates as medical trend (described above).</p> <p>IBEW Post-1997 Hires: The \$1,250 service multiplier is assumed to remain fixed at its current level in all future years. Retirees are expected to exhaust the lifetime allowance 4 years following retirement.</p> <p>MPAT: The \$235 (pre-65) and \$105 (post-65) service multipliers are assumed to remain fixed at their current level in all future years.</p>	<p>Tier 1: The Trust-paid portion of healthcare premiums is assumed to increase at the same rates as medical trend (described above).</p> <p>Tier 2: The TMWA subsidy provided prior to age 65 is assumed to increase at the same rates as medical trend. The subsidy provided at ages 65 and above is assumed to increase by 4.5% per year.</p>

GASB Statement No. 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Fiscal Year End	June 30, 2025
Measurement Date	December 31, 2024
Measurement Period	January 1, 2024 to December 31, 2024
Valuation Date	December 31, 2023
Fiscal Year End	June 30, 2024
Measurement Date	December 31, 2023
Measurement Period	January 1, 2023 to December 31, 2023
Valuation Date	December 31, 2023

The discount rate used for the fiscal years ended June 30, 2025 and 2024 is 6.0%. The Healthcare Cost Trend Rate for the fiscal years ended June 30, 2025 and 2024 were assumed to start at 6.5% (increase effective January 1, 2025) and grade down to 3.9% for years 2025 and later. The impact of a 1% increase or decrease in these assumptions is shown in the charts below.

Measurement Date - December 31, 2024

<i>§501(c)(9) Plan</i>	Discount Rate			Medical Cost Inflation		
	Discount Rate	Current	Discount Rate	Medical Trend	Current	Medical Trend
	- 1%	Discount Rate	+ 1 %	- 1%	Medical Trend	+ 1 %
Total OPEB Liability	\$ 12,130,757	\$ 10,994,142	\$ 10,005,823	\$ 10,182,299	\$ 10,994,142	\$ 11,949,565
Net OPEB Liability (Asset)	\$ (4,887,666)	\$ (6,024,281)	\$ (7,012,600)	\$ (6,836,124)	\$ (6,024,281)	\$ (5,068,858)

<i>§115 Plan</i>	Discount Rate			Medical Cost Inflation		
	Discount Rate	Current	Discount Rate	Medical Trend	Current	Medical Trend
	-1%	Discount Rate	+1%	-1%	Medical Trend	+1%
Total OPEB Liability	\$ 2,776,065	\$ 2,477,771	\$ 2,225,600	\$ 2,208,220	\$ 2,477,771	\$ 2,799,703
Net OPEB Liability (Asset)	\$ 834,954	\$ 536,660	\$ 284,489	\$ 267,109	\$ 536,660	\$ 858,592

Measurement Date - December 31, 2023

<i>§501(c)(9) Plan</i>	Discount Rate			Medical Cost Inflation		
	Discount Rate	Current	Discount Rate	Medical Trend	Current	Medical Trend
	- 1%	Discount Rate	+ 1 %	- 1%	Medical Trend	+ 1 %
Total OPEB Liability	\$ 11,939,137	\$ 10,805,583	\$ 9,822,307	\$ 10,007,664	\$ 10,805,583	\$ 11,744,620
Net OPEB Liability (Asset)	\$ (3,526,105)	\$ (4,659,659)	\$ (5,642,935)	\$ (5,457,578)	\$ (4,659,659)	\$ (3,720,622)

<i>§115 Plan</i>	Discount Rate			Medical Cost Inflation		
	Discount Rate	Current	Discount Rate	Medical Trend	Current	Medical Trend
	- 1%	Discount Rate	+ 1 %	- 1%	Medical Trend	+ 1 %
Total OPEB Liability	\$ 2,697,124	\$ 2,398,130	\$ 2,146,271	\$ 2,137,243	\$ 2,398,130	\$ 2,709,714
Net OPEB Liability (Asset)	\$ 947,460	\$ 648,466	\$ 396,607	\$ 387,579	\$ 648,466	\$ 960,050

OPEB Plans Fiduciary Net Position

Detailed information about the OPEB plans fiduciary net position are available in separately issued financial statements and can be requested by contacting TMWA's Finance Department at P.O. Box 30013, Reno, NV 89520-3013.

Note 13 - Commitments

TMWA has committed \$800,000 as a contribution to the Truckee River Fund of the Community Foundation of Western Nevada for the purposes of water shed protection and enhancements to the Truckee River that will benefit the water customers of TMWA. This payment was made in August 2025.

Under a Water Resource Purchase Agreement effective March 2022, TMWA committed to purchasing 400 acre-feet of water rights from Fish Springs Ranch, LLC for a total purchase price of \$10 million. The purchase price is payable in ten \$1 million tranches over ten years. The first payment was made in November 2022.

From time to time, TMWA enters into agreements with developers for water infrastructure that benefits both new development and existing customers. TMWA is obligated to reimburse the developers for the portion of the

infrastructure that benefits existing customers. As of June 30, 2025, TMWA is under contract for five such agreements. The commitment amounts, likely payable over the next one to three years, are based on the final construction costs which are not all known as of June 30, 2025, but are estimated to be up to \$9.0 million.

Note 14 - Impairment Loss

In September 2024, a fast-moving wildfire ignited in Davis Creek Regional Park in Washoe Valley, Nevada. The "Davis Fire" burned nearly 6,000 acres and destroyed numerous structures. During this emergency, TMWA's Old Washoe Well 4 facility sustained physical damage. Specifically, the well building and the equipment housed within it were completely lost. Underground well components were not affected.

TMWA followed GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, to account for the activity. TMWA used the Restoration Cost Approach to calculate an impairment loss and netted the insurance recovery against it as detailed below:

Impairment Loss	\$ 579,800
Less: Insurance Recovery	(94,600)
Net Impairment Loss	<u>\$ 485,200</u>

TMWA included the Net Impairment Loss in Services and Supplies on the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2025.

The Old Washoe Well 4 underground components that were not damaged have a remaining carrying value of \$145,000 and were considered idle as of June 30, 2025. Reconstruction of the well is in progress, and the well is expected to be placed back in service during the fiscal year ended June 30, 2026.

An additional insurance recovery will likely be received during the fiscal year ended June 30, 2026 and will be recorded as nonoperating revenue when the amount becomes realizable.

Note 15 - Restatement

TMWA adopted GASB Statement No. 101, *Compensated Absences*, in the fiscal year ended June 30, 2025. The implementation of this standard requires that liabilities for compensated absences be recognized for leave that has not been used and for leave that has been used but not yet paid in cash or settled through noncash means. Changes adopted to conform to the provisions of the statement must be reported as a change in accounting principle in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. Beginning net position for the year ended June 30, 2024 was not restated as the net impact of the change was immaterial. However, the below amounts previously reported for the year ended June 30, 2024 were restated as follows:

	June 30, 2024 As Previously Reported	GASB 101 Implementation	June 30, 2024 As Restated
Current portion of compensated absences	\$ 590,937	\$ 955,583	\$ 1,546,520
Compensated absences, net of current portion	3,213,205	309,011	3,522,216
Unrestricted net position	37,941,681	(1,264,594)	36,677,087
Salaries and wages	30,637,686	1,264,594	31,902,280

Note 16 - Change in Estimate

Per GASB Statement No. 100, *Accounting Changes and Error Corrections*, accounting estimates are outputs determined based on inputs such as data, assumptions, and measurement methodologies. A *change* in an accounting estimate occurs when inputs change. Changes to inputs result from a change in circumstance, new information, or more experience.

During the year ended June 30, 2025, TMWA updated its measurement methodology for the Net Investment in Capital Assets component of Net Position based on additional experience. The newly adopted measurement methodology is preferable to the measurement methodology used before the change because it better satisfies the qualitative characteristics of financial reporting. In particular, TMWA believes the new methodology improves financial statement reliability and comparability by proportionately allocating prior principal payments on the 2016 and 2017 refunding bonds outstanding to the percentage of bonds from the original issuance of the 2001A bond proceeds that were not used for capital purposes.

The below financial statement line items were affected by this change in estimate:

	<u>June 30, 2025</u>
Net Position	
Net investment in capital assets	\$ 883,414,142
Restricted for operations and maintenance	14,613,579
Unrestricted	56,648,848

Note 17 - Subsequent Events

In August 2025, TMWA executed a Power Purchase Agreement (PPA) with Switched On LLC for the sale of hydroelectric power generated from TMWA's three run-of-the-river hydroelectric facilities located along the Truckee River. The PPA will become effective following the expiration of TMWA's existing PPAs with Sierra Pacific Power Company in 2028 and 2029. The terms of the new PPA include an initial price of \$120/MWh, escalating at 1% annually for 20 years.

In September 2025, TMWA finalized a \$30 million grant agreement with the Bureau of Reclamation to fund the construction of the two million gallon per day Advanced Purified Water treatment facility at American Flat. Per the terms of the Interlocal Agreement with City of Reno, TMWA will share these funds with the City of Reno according to the agreed upon cost split.

Required Supplementary Information
Truckee Meadows Water Authority

Truckee Meadows Water Authority
Schedules of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
§501(c)(9) Plan									
<u>Total OPEB Liability</u>									
Service Cost	\$ 201,749	\$ 186,748	\$ 181,309	\$ 229,280	\$ 222,602	\$ 307,252	\$ 295,437	\$ 284,073	\$ 273,146
Interest	640,820	614,891	596,546	636,038	609,728	682,186	648,751	612,850	576,050
Differences between expected and actual experience	—	58,687	—	(760,853)	—	(2,013,876)	—	—	—
Changes of assumptions ⁽²⁾	—	139,717	—	(271,660)	—	301,774	—	—	—
Benefit payments	(654,010)	(511,806)	(443,277)	(442,780)	(358,251)	(442,363)	(355,168)	(264,699)	(228,880)
Total OPEB Liability - Beginning	10,805,583	10,317,346	9,982,768	10,592,743	10,118,664	11,283,691	10,694,671	10,062,447	9,442,131
Total OPEB Liability - Ending	\$10,994,142	\$10,805,583	\$10,317,346	\$ 9,982,768	\$10,592,743	\$10,118,664	\$11,283,691	\$10,694,671	\$10,062,447
<u>Plan Fiduciary Net Position</u>									
Contributions - employer	\$ 169,320	\$ 162,921	\$ 76,785	\$ 63,156	\$ 131,267	\$ 258,430	\$ 324,529	\$ 445,063	\$ 244,429
Net investment income (loss)	2,082,047	2,416,157	(2,190,083)	2,369,210	1,845,954	2,301,207	(524,654)	1,515,031	536,863
Benefit payments	(654,010)	(511,806)	(443,277)	(442,780)	(358,251)	(442,363)	(355,168)	(264,699)	(228,880)
Auditing fees	(25,675)	(21,735)	(18,600)	(18,775)	(18,490)	(12,600)	(18,545)	(15,500)	(12,900)
Investment & administrative fees	(16,138)	(3,766)	(4,605)	(4,938)	(2,954)	(3,206)	(3,441)	(2,612)	(2,490)
Legal fees	(2,363)	(2,300)	(1,931)	—	—	(1,750)	(5,250)	(19,268)	(1,663)
Retiree contributions in	136,500	139,380	128,878	110,022	111,103	103,249	117,015	93,172	90,145
Retiree contributions out	(136,500)	(139,380)	(128,878)	(110,022)	(111,103)	(103,249)	(117,015)	(93,172)	(90,145)
Net change in plan fiduciary net position	1,553,181	2,039,471	(2,581,711)	1,965,873	1,597,526	2,099,718	(582,529)	1,658,015	535,359
Plan fiduciary net position - beginning	15,465,242	13,425,771	16,007,482	14,041,609	12,444,083	10,344,365	10,926,894	9,268,879	8,733,520
Plan fiduciary net position - ending	\$17,018,423	\$15,465,242	\$13,425,771	\$16,007,482	\$14,041,609	\$12,444,083	\$10,344,365	\$10,926,894	\$ 9,268,879
Net OPEB liability (asset) - ending	\$ (6,024,281)	\$ (4,659,659)	\$ (3,108,425)	\$ (6,024,714)	\$ (3,448,866)	\$ (2,325,419)	\$ 939,326	\$ (232,223)	\$ 793,568
Plan fiduciary net position as a percentage of total OPEB liability	154.8 %	143.1 %	130.1 %	160.4 %	132.6 %	123.0 %	91.7 %	102.2 %	92.1 %
 Covered-employee payroll, as of 12/31 measurement date	 \$21,177,257	 \$20,242,089	 \$20,105,987	 \$21,664,461	 \$19,385,303	 \$21,658,320	 \$20,674,304	 \$18,517,678	 \$17,467,908
Net OPEB liability (asset) as a percentage of covered-employee payroll	(28.4)%	(23.0)%	(15.5)%	(27.8)%	(17.8)%	(10.7)%	4.5 %	(1.3)%	4.5 %

Notes to Schedule

*Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be disclosed up to 10 years as information becomes available.

⁽¹⁾ Effective December 13, 2018, the Board adopted a resolution to close the Plan to employees hired on or after December 13, 2018.

⁽²⁾ In 2022, mortality tables were updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022. The Healthcare Cost Trend Rate for the fiscal year ended June 30, 2025 was assumed to start at 6.5% (increase effective January 1, 2025) and grade down to 3.9% for years 2075 and later. The Healthcare Cost Trend Rate for the fiscal year ended June 30, 2024 was assumed to start at 5.8% (increase effective January 1, 2023) and grade down to 3.9% for years 2076 and later. In 2020, mortality tables were updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018; and the medical trend model was updated from combined sources, Nevada Public Employee Benefit Plan along with other healthcare trends, to the Getzen healthcare trend model.

Truckee Meadows Water Authority
Schedules of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
§115 Plan									
<u>Total OPEB Liability</u>									
Service Cost	\$ 29,073	\$ 30,475	\$ 29,587	\$ 35,820	\$ 34,777	\$ 59,239	\$ 56,960	\$ 54,769	\$ 52,663
Interest	142,863	133,487	128,719	122,661	117,350	119,591	111,978	103,644	94,941
Differences between expected and actual experience	—	47,606	—	61,652	—	(179,517)	—	—	—
Changes of assumptions ⁽¹⁾	—	34,186	—	(39,674)	—	44,279	—	—	—
Benefit payments	(92,295)	(83,879)	(75,573)	(70,936)	(58,361)	(54,605)	(34,065)	(9,334)	—
Total OPEB Liability - Beginning	2,398,130	2,236,255	2,153,522	2,043,999	1,950,233	1,961,246	1,826,373	1,677,294	1,529,690
Total OPEB Liability - Ending	\$ 2,477,771	\$ 2,398,130	\$ 2,236,255	\$ 2,153,522	\$ 2,043,999	\$ 1,950,233	\$ 1,961,246	\$ 1,826,373	\$ 1,677,294
<u>Plan Fiduciary Net Position</u>									
Contributions - employer	\$ 74,842	\$ 59,115	\$ 71,680	\$ 117,922	\$ 85,743	\$ 121,798	\$ 119,366	\$ 103,441	\$ 151,176
Net investment income (loss)	228,859	273,918	(234,401)	248,073	193,517	220,823	(46,458)	126,004	35,423
Benefit payments	(92,295)	(83,879)	(75,573)	(70,936)	(58,361)	(54,605)	(34,065)	(9,334)	—
Auditing fees	(16,485)	(15,300)	(14,800)	(14,000)	(14,000)	(12,100)	(13,690)	(6,000)	(8,900)
Investment & administrative fees	(1,680)	(410)	(496)	(517)	(306)	(315)	(770)	(780)	(675)
Legal fees	(1,794)	(2,100)	(4,888)	—	—	(4,288)	(5,864)	(788)	(1,138)
Retiree contributions in	9,266	18,520	20,741	23,102	22,947	21,302	5,244	930	—
Retiree contributions out	(9,266)	(18,520)	(20,741)	(23,102)	(22,947)	(21,302)	(5,244)	(930)	—
Net change in plan fiduciary net position	191,447	231,344	(258,478)	280,542	206,593	271,313	18,519	212,543	175,886
Plan fiduciary net position - beginning	1,749,664	1,518,320	1,776,798	1,496,256	1,289,663	1,018,350	999,831	787,288	611,402
Plan fiduciary net position - ending	\$ 1,941,111	\$ 1,749,664	\$ 1,518,320	\$ 1,776,798	\$ 1,496,256	\$ 1,289,663	\$ 1,018,350	\$ 999,831	\$ 787,288
Net OPEB liability - ending	\$ 536,660	\$ 648,466	\$ 717,935	\$ 376,724	\$ 547,743	\$ 660,570	\$ 942,896	\$ 826,542	\$ 890,006
Plan fiduciary net position as a percentage of total OPEB liability	78.3 %	73.0 %	67.9 %	82.5 %	73.2 %	66.1 %	51.9 %	54.7 %	46.9 %
 Covered-employee payroll, as of 12/31 measurement date	 \$ 1,655,917	 \$ 1,585,104	 \$ 1,623,630	 \$ 1,593,312	 \$ 1,558,683	 \$ 1,688,340	 \$ 1,954,488	 \$ 1,951,733	 \$ 1,992,447
Net OPEB liability as a percentage of covered-employee payroll	32.4 %	40.9 %	44.2 %	23.6 %	35.1 %	39.1 %	48.2 %	42.3 %	44.7 %

Notes to Schedule

*Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be disclosed up to 10 years as information becomes available.

⁽¹⁾ In 2022, mortality tables were updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022. The Healthcare Cost Trend Rate for the fiscal year ended June 30, 2025 was assumed to start at 6.5% (increase effective January 1, 2025) and grade down to 3.9% for years 2075 and later. The Healthcare Cost Trend Rate for the fiscal year ended June 30, 2024 was assumed to start at 5.8% (increase effective January 1, 2023) and grade down to 3.9% for years 2076 and later. In 2020, mortality tables were updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018; and the medical trend model was updated from combined sources, Nevada Public Employee Benefit Plan along with other healthcare trends, to the Getzen healthcare trend model.

Truckee Meadows Water Authority
Schedules of OPEB Contributions
Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
§501(c)(9) Plan									
Actuarially Determined Contribution	\$ —	\$ —	\$ —	\$ 63,677	\$ 56,323	\$ 50,113	\$ 298,077	\$ 284,882	\$ 445,063
Contributions in relation to the actuarially determined contribution	242,062	169,319	162,922	76,785	60,499	127,724	258,430	324,529	445,063
Contribution deficiency (excess)	(242,062)	(169,319)	(162,922)	(13,108)	(4,176)	(77,611)	39,647	(39,647)	—
Covered-employee payroll	21,065,658	22,168,705	20,627,142	21,319,564	21,850,032	21,402,817	21,538,008	19,282,157	17,924,948
Contributions as a percentage of covered employee payroll	1.1 %	0.8 %	0.8 %	0.4 %	0.3 %	0.6 %	1.2 %	1.7 %	2.5 %
§115 Plan									
Actuarially Determined Contribution	\$ 89,219	\$ 57,219	\$ 56,289	\$ 87,404	\$ 86,813	\$ 85,743	\$ 121,798	\$ 119,366	\$ 103,441
Contributions in relation to the actuarially determined contribution	89,219	57,219	56,289	87,404	101,635	70,921	121,798	119,366	103,441
Contribution deficiency (excess)	—	—	—	—	(14,822)	14,822	—	—	—
Covered-employee payroll	1,689,868	1,682,451	1,690,741	1,618,829	1,679,850	1,714,076	1,841,575	1,955,987	1,965,933
Contributions as a percentage of covered employee payroll	5.3 %	3.4 %	3.3 %	5.4 %	6.1 %	4.1 %	6.6 %	6.1 %	5.3 %

Notes to Schedule

*Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be disclosed up to 10 years as information becomes available.

The Healthcare Cost Trend Rate for the fiscal year ended June 30, 2025 was assumed to start at 6.5% (increase effective January 1, 2025) and grade down to 3.9% for years 2075 and later. The Healthcare Cost Trend Rate for the fiscal year ended June 30, 2024 was assumed to start at 5.8% (increase effective January 1, 2023) and grade down to 3.9% for years 2076 and later. Previously, the healthcare cost trend rate was assumed to start at 7.0% (increase effective January 1, 2021) and grade down to 4.0% for years 2076 and later.

Truckee Meadows Water Authority
Schedules of OPEB Contributions
Last Ten Fiscal Years*

Additional significant assumptions are listed below for each plan:

Assumption	§501(c)(9) Plan	§115 Plan
Valuation Date	December 31, 2023	December 31, 2023
Funding Method	Entry Age Normal Cost, level percent of pay	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Fair value of assets	Fair value of assets
Mortality	MacLeod Watts Scale 2022 applied generationally from 2010	MacLeod Watts Scale 2022 applied generationally from 2010
Long-Term Return on Assets and Discount Rate	6.0% net of plan investment and trust expenses	6.0% net of plan investment and trust expenses
Participants Valued	Only current active employees and retired participants and covered dependents are valued. This plan is now closed.	Only current active employees and retired participants and covered dependents are valued. This plan is now closed.
Salary Increase	3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.	3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
General Inflation Rate	2.5% per year	2.5% per year
Medicare Eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at 65. Retirees over age 65 who are not eligible for Medicare are assumed to remain ineligible.	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at 65.
Employer Cost Sharing	<p>IBEW Pre - 1998 Hires: Increases in the PRMPT-paid portion of healthcare premiums are assumed to increase at the same rates as medical trend (described above).</p> <p>IBEW Post-1997 Hires: The \$1,250 service multiplier is assumed to remain fixed at its current level in all future years. Retirees are expected to exhaust the lifetime allowance 4 years following retirement.</p> <p>MPAT: The \$235 (pre-65) and \$105 (post-65) service multipliers are assumed to remain fixed at their current level in all future years.</p>	<p>Tier 1: The Trust-paid portion of healthcare premiums is assumed to increase at the same rates as medical trend (described above).</p> <p>Tier 2: The TMWA subsidy provided prior to age 65 is assumed to increase at the same rates as medical trend. The subsidy provided at ages 65 and above is assumed to increase by 4.5% per year.</p>

Truckee Meadows Water Authority
Schedules of TMWA's Share of Net Pension Liability
Public Employees' Retirement System of Nevada (PERS)
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TMWA's proportion of the net pension liability	0.3364 %	0.3300 %	0.3179 %	0.3131 %	0.3029 %	0.2976 %	0.2761 %	0.2806 %	0.2674 %	0.2345 %
TMWA's proportionate share of the net pension liability	\$60,778,967	\$60,226,778	\$57,394,508	\$28,552,406	\$42,191,934	\$40,582,611	\$37,658,701	\$37,323,782	\$35,783,246	\$26,869,406
TMWA's covered payroll	\$29,056,002	\$25,655,419	\$23,523,549	\$22,379,402	\$21,627,820	\$20,440,658	\$18,259,883	\$17,947,692	\$16,314,669	\$14,077,995
TMWA's proportionate share of the net pension liability as a percentage of its covered payroll	209.18 %	234.75 %	243.99 %	127.58 %	195.08 %	198.54 %	206.24 %	207.96 %	219.33 %	190.86 %
Plan fiduciary net position as a percentage of the total pension liability	78.11 %	76.16 %	75.12 %	86.51 %	77.04 %	76.46 %	75.24 %	74.42 %	72.23 %	75.13 %

Truckee Meadows Water Authority
Schedules of TMWA's Share of Net Pension Liability
Public Employees' Retirement System of Nevada (PERS)
Last Ten Fiscal Years

Significant assumptions are listed below:

Assumption	2023 - 2021	2020 - 2017	2016 - 2014
Inflation Rate	2.50%	2.75%	3.50%
Payroll Growth	3.50%	5.00%	5.00%
Investment Rate of Return / Discount Rate	7.25%	7.50%	8.00%
Productivity Pay Increase	0.50%	0.50%	0.75%
Projected Salary Increases			
Regular*	4.20% to 9.10%	4.25% to 9.15%	4.60% to 9.75%
Police/Fire*	4.60% to 14.50%	4.55% to 13.90%	5.25% to 14.50%
Consumer Price Index	2.50%	2.75%	3.50%
Mortality Rates			
Healthy**	Pub-2010 General and Safety Healthy Retiree and Employee	Headcount-Weighted RP-2014 Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	Pub-2010 Non-Safety and Safety Disabled Retiree	Headcount-Weighted RP-2014 Disabled	RP-2000 Disabled Retiree Mortality Table
Current Beneficiaries**	Pub-2010 Contingent Survivor and General Employee	Headcount-Weighted RP-2014 Healthy	N/A
Pre-retirement**	Pub-2010 General and Safety Employee	Headcount-Weighted RP-2014 Employee	N/A
Future Mortality Improvement	Generational Projection Scale MP-2020	6 years	N/A

*Depending on service; rates include inflation and productivity increases.

**Amount-Weighted Above-Median.

Truckee Meadows Water Authority
Schedules of TMWA's Pension Contributions
Public Employees' Retirement System of Nevada (PERS)
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 5,308,925	\$ 4,837,476	\$ 3,819,668	\$ 3,496,584	\$ 3,277,098	\$ 3,156,332	\$ 2,865,963	\$ 2,562,356	\$ 5,037,877	\$ 4,534,811
Contributions in relation to the statutorily required contribution	\$ 5,308,925	\$ 4,837,476	\$ 3,819,668	\$ 3,496,584	\$ 3,277,098	\$ 3,156,332	\$ 2,865,963	\$ 2,562,356	\$ 5,037,877	\$ 4,534,811
Contribution (deficiency) excess	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
TMWA's covered payroll	\$31,627,239	\$29,056,002	\$25,655,419	\$23,523,549	\$22,379,402	\$21,627,820	\$20,440,658	\$18,259,883	\$17,947,692	\$16,314,669
Contributions as a percentage of covered payroll	16.79 %	16.65 %	14.89 %	14.86 %	14.64 %	14.59 %	14.02 %	14.03 %	28.07 %	27.80 %

Notes to Schedule

Beginning in 2018, contributions reflect employer-paid contributions only due to GASB Statement No. 82, which classifies contributions as member contributions for the purposes of GASB Statement No. 68, if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

Supplementary Information
June 30, 2025 and 2024

Truckee Meadows Water Authority

Truckee Meadows Water Authority
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Year Ended June 30, 2025

	Final Budget	Actual	(Under) Over Budget
Operating Revenues			
Charges for water sales	\$ 123,715,379	\$ 123,985,263	\$ 269,884
Hydroelectric sales	2,963,889	4,184,797	1,220,908
Other operating sales	3,600,377	4,134,516	534,139
Total operating revenues	130,279,645	132,304,576	2,024,931
Operating Expenses			
Salaries and wages	35,083,573	35,300,194	216,621
Employee benefits	15,835,901	16,375,475	539,574
Services and supplies	46,074,717	41,158,180	(4,916,537)
Total operating expenses before depreciation	96,994,191	92,833,849	(4,160,342)
Depreciation	35,590,563	36,697,431	1,106,868
Total operating expenses	132,584,754	129,531,280	(3,053,474)
Operating Income (Loss)	(2,305,109)	2,773,296	5,078,405
Nonoperating Revenues (Expenses)			
Investment earnings	5,103,838	5,962,196	858,358
Net increase in fair value of investments	—	3,186,319	3,186,319
Loss on disposal of assets	(1,442,800)	(1,223,332)	219,468
Interest expense	(8,878,315)	(8,899,073)	(20,758)
Total nonoperating revenues (expenses)	(5,217,277)	(973,890)	4,243,387
Income (Loss) before Capital Contributions	(7,522,386)	1,799,406	9,321,792
Capital Contributions			
Grants	3,098,500	1,437,531	(1,660,969)
Water resource sustainability program	969,677	441,344	(528,333)
Developer infrastructure contributions	14,819,179	19,554,670	4,735,491
Developer will-serve contributions	5,232,000	11,206,014	5,974,014
Developer capital contributions	—	5,096,653	5,096,653
Developer facility charges	16,106,141	11,639,329	(4,466,812)
Contributions from others	65,845	113,360	47,515
Contributions from other governments	5,700,000	3,542,488	(2,157,512)
Net capital contributions	45,991,342	53,031,389	7,040,047
Change in Net Position	\$ 38,468,956	\$ 54,830,795	\$ 16,361,839

Truckee Meadows Water Authority
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Year Ended June 30, 2024

	Final Budget	Restated Actual	(Under) Over Budget
Operating Revenues			
Charges for water sales	\$ 116,653,419	\$ 113,961,589	\$ (2,691,830)
Hydroelectric sales	3,355,681	4,193,494	837,813
Other operating sales	3,322,025	4,220,374	898,349
Total operating revenues	123,331,125	122,375,457	(955,668)
Operating Expenses			
Salaries and wages	31,654,292	31,902,280	247,988
Employee benefits	13,865,891	16,283,832	2,417,941
Services and supplies	44,029,570	37,552,454	(6,477,116)
Total operating expenses before depreciation	89,549,753	85,738,566	(3,811,187)
Depreciation	35,460,610	36,500,513	1,039,903
Total operating expenses	125,010,363	122,239,079	(2,771,284)
Operating Income (Loss)	(1,679,238)	136,378	1,815,616
Nonoperating Revenues (Expenses)			
Investment earnings	4,870,030	1,761,755	(3,108,275)
Net decrease in fair value of investments	—	7,185,606	7,185,606
Loss on disposal of assets	(1,643,000)	(3,544,836)	(1,901,836)
Debt issuance costs	—	(499,000)	(499,000)
Interest expense	(11,028,721)	(10,181,533)	847,188
Total nonoperating revenues (expenses)	(7,801,691)	(5,278,008)	2,523,683
Income (Loss) before Capital Contributions	(9,480,929)	(5,141,630)	4,339,299
Capital Contributions			
Grants	2,687,700	9,658,905	6,971,205
Water resource sustainability program	1,128,328	1,097,584	(30,744)
Developer infrastructure contributions	15,344,792	9,962,594	(5,382,198)
Developer will-serve contributions	5,214,000	5,507,199	293,199
Developer capital contributions	8,905,657	6,026,121	(2,879,536)
Developer facility charges	7,946,883	12,874,933	4,928,050
Contributions from others	—	73,095	73,095
Contributions from other governments	14,100,000	4,800,936	(9,299,064)
Net capital contributions	55,327,360	50,001,367	(5,325,993)
Change in Net Position	\$ 45,846,431	\$ 44,859,737	\$ (986,694)

Truckee Meadows Water Authority
Combining Statement of Fiduciary Net Position - Other Postemployment Benefit Trust Funds
December 31, 2024 and 2023

	<u>§501(c)(9) Plan</u>	<u>§115 Plan</u>	<u>Total</u>
December 31, 2024			
Assets			
Cash	\$ 186,896	\$ 46,435	\$ 233,331
Receivables from plan members	12,669	618	13,287
Investments, at fair value	<u>16,971,264</u>	<u>1,905,323</u>	<u>18,876,587</u>
Total assets	<u>17,170,829</u>	<u>1,952,376</u>	<u>19,123,205</u>
Liabilities			
Accounts payable	<u>152,406</u>	<u>11,265</u>	<u>163,671</u>
Net Position Restricted for Postemployment Benefits Other than Pensions	<u>\$ 17,018,423</u>	<u>\$ 1,941,111</u>	<u>\$ 18,959,534</u>
December 31, 2023			
Assets			
Cash	\$ 170,310	\$ 26,657	\$ 196,967
Receivables from plan members	10,740	1,543	12,283
Investments, at fair value	<u>15,390,220</u>	<u>1,731,235</u>	<u>17,121,455</u>
Total assets	<u>15,571,270</u>	<u>1,759,435</u>	<u>17,330,705</u>
Liabilities			
Accounts payable	<u>106,028</u>	<u>9,771</u>	<u>115,799</u>
Net Position Restricted for Postemployment Benefits Other than Pensions	<u>\$ 15,465,242</u>	<u>\$ 1,749,664</u>	<u>\$ 17,214,906</u>

Truckee Meadows Water Authority

Combining Statement of Changes in Fiduciary Net Position - Other Postemployment Benefit Trust Funds Years Ended December 31, 2024 and 2023

	<u>§501(c)(9) Plan</u>	<u>§115 Plan</u>	<u>Total</u>
Year Ended December 31, 2024			
Additions			
Net investment income	\$ 1,941,044	\$ 219,088	\$ 2,160,132
Employer contributions	—	54,044	54,044
Total additions	<u>1,941,044</u>	<u>273,132</u>	<u>2,214,176</u>
Deductions			
Benefit payments	348,192	62,232	410,424
Administrative expenses	39,671	19,453	59,124
Total deductions	<u>387,863</u>	<u>81,685</u>	<u>469,548</u>
Change in Net Position	1,553,181	191,447	1,744,628
Net Position Restricted for Postemployment Benefits Other than Pensions			
Beginning of Year	15,465,242	1,749,664	17,214,906
End of Year	<u>\$ 17,018,423</u>	<u>\$ 1,941,111</u>	<u>\$ 18,959,534</u>
Year Ended December 31, 2023			
Additions			
Net investment income	\$ 2,412,391	\$ 273,508	\$ 2,685,899
Employer contributions	—	33,596	33,596
Total additions	<u>2,412,391</u>	<u>307,104</u>	<u>2,719,495</u>
Deductions			
Benefit payments	348,885	58,360	407,245
Administrative expenses	24,035	17,400	41,435
Total deductions	<u>372,920</u>	<u>75,760</u>	<u>448,680</u>
Change in Net Position	2,039,471	231,344	2,270,815
Net Position Restricted for Postemployment Benefits Other than Pensions			
Beginning of Year	13,425,771	1,518,320	14,944,091
End of Year	<u>\$ 15,465,242</u>	<u>\$ 1,749,664</u>	<u>\$ 17,214,906</u>

Statistical Section

Truckee Meadows Water Authority

This part of the Truckee Meadows Water Authority Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about TMWA's overall financial health.

Section Contents**Schedule No.****Financial Trends****1-6**

These schedules contain trend information to help the reader understand how TMWA's financial performance and well-being have changed over time.

Revenue Capacity**7-8**

These schedules contain information to help the reader assess the factors affecting TMWA's ability to generate its water sales and other revenues.

Debt Capacity**9**

This schedule presents information to help the reader assess the affordability of TMWA's current levels of outstanding debt, and its ability to issue additional future debt.

Demographic and Economic Information**10-12**

These schedules offer demographic and economic indicators to help the reader understand the environment within which TMWA's financial activities take place and to help make comparisons over time and with other utilities.

Operating Information**13-17**

These schedules contain information about TMWA's operations and resources to help the reader understand how TMWA's financial information relates to the services it provides and the activities it performs.

Debt Ratios**18-19**

These schedules contain information about changes in TMWA's debt and its debt in relation to service connections.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

Truckee Meadows Water Authority
Schedule No. 1 - Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Position										
Net investment in capital assets	\$ 883,414,142	\$ 853,064,335	\$ 749,158,166	\$ 692,996,744	\$ 649,138,921	\$ 617,541,639	\$ 573,174,076	\$ 533,058,874	\$ 506,700,472	\$ 478,543,111
Restricted	50,116,690	45,607,463	43,688,996	50,641,288	45,978,321	52,360,165	29,351,818	30,355,635	28,589,861	40,505,804
Unrestricted	56,648,848	36,677,087	97,641,986	116,627,041	119,058,043	99,841,693	115,662,201	104,661,680	95,037,226	65,933,399
Total Net Position	<u>\$ 990,179,680</u>	<u>\$ 935,348,885</u>	<u>\$ 890,489,148</u>	<u>\$ 860,265,073</u>	<u>\$ 814,175,285</u>	<u>\$ 769,743,497</u>	<u>\$ 718,188,095</u>	<u>\$ 668,076,189</u>	<u>\$ 630,327,559</u>	<u>\$ 584,982,314</u>

Truckee Meadows Water Authority
Schedule No. 2 - Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenues	\$132,304,576	\$122,375,457	\$113,149,141	\$114,570,982	\$115,390,804	\$108,072,657	\$107,089,518	\$101,812,092	\$ 97,268,183	\$ 91,928,943
Operating Expenses	129,531,280	122,239,079	114,375,327	98,608,193	98,233,986	94,121,824	92,466,904	90,311,622	82,339,194	80,615,507
Operating Income (Loss)	2,773,296	136,378	(1,226,186)	15,962,789	17,156,818	13,950,833	14,622,614	11,500,470	14,928,989	11,313,436
Total Nonoperating Revenues (Expenses)	(973,890)	(5,278,008)	(10,834,114)	(21,468,722)	(14,080,224)	(6,575,750)	(6,692,826)	(11,162,667)	(11,684,303)	(9,491,450)
Income (Loss) before Capital Contributions	1,799,406	(5,141,630)	(12,060,300)	(5,505,933)	3,076,594	7,375,083	7,929,788	337,803	3,244,686	1,821,986
Capital Contributions	53,031,389	50,001,367	42,284,375	51,595,721	41,355,194	44,180,319	42,182,118	37,410,827	43,351,171	19,286,194
Change in Net Position	<u>\$ 54,830,795</u>	<u>\$ 44,859,737</u>	<u>\$ 30,224,075</u>	<u>\$ 46,089,788</u>	<u>\$ 44,431,788</u>	<u>\$ 51,555,402</u>	<u>\$ 50,111,906</u>	<u>\$ 37,748,630</u>	<u>\$ 46,595,857</u>	<u>\$ 21,108,180</u>

Truckee Meadows Water Authority
Schedule No. 3 - Operating Revenues by Customer Class
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues from water sales										
Residential unmetered water sales	\$ 2,896,011	\$ 2,774,684	\$ 2,694,166	\$ 2,730,559	\$ 2,423,033	\$ 2,571,216	\$ 2,558,779	\$ 2,505,172	\$ 2,446,144	\$ 3,725,916
Residential metered water sales	88,677,816	81,385,157	76,537,384	77,184,825	79,124,628	73,295,343	71,651,437	67,393,672	65,829,635	60,198,267
Commercial metered water sales	14,047,900	13,171,804	12,736,096	12,587,162	12,041,548	11,888,963	12,807,427	12,238,940	11,369,179	11,026,132
Irrigation metered & fire protection	16,914,545	15,326,405	13,914,208	14,408,203	14,950,021	13,457,574	13,509,567	12,169,406	11,887,395	11,554,063
Wholesale sales	1,448,991	1,303,539	1,216,727	1,262,221	1,283,606	1,273,982	1,249,439	1,165,607	1,154,907	1,029,954
Total water sales	123,985,263	113,961,589	107,098,581	108,172,970	109,822,836	102,487,078	101,776,649	95,472,797	92,687,260	87,534,332
Hydroelectric revenue	4,184,797	4,193,494	2,928,163	2,551,333	2,768,274	3,298,850	2,624,285	3,757,043	1,788,934	1,175,195
Other operating revenues	4,134,516	4,220,374	3,122,397	3,846,679	2,799,694	2,286,729	2,688,584	2,582,252	2,791,989	3,219,416
Total Operating Revenues	<u>\$ 132,304,576</u>	<u>\$ 122,375,457</u>	<u>\$113,149,141</u>	<u>\$114,570,982</u>	<u>\$115,390,804</u>	<u>\$108,072,657</u>	<u>\$107,089,518</u>	<u>\$101,812,092</u>	<u>\$ 97,268,183</u>	<u>\$ 91,928,943</u>

Truckee Meadows Water Authority
Schedule No. 4 - Operating Expenses
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Salaries and wages	\$ 35,300,194	\$ 31,902,280	\$ 27,309,513	\$ 24,735,686	\$ 23,101,987	\$ 21,455,982	\$ 20,973,151	\$ 18,735,892	\$ 17,257,014	\$ 16,541,811
Employee benefits	16,375,475	16,283,832	13,905,722	7,461,199	11,282,823	11,529,749	10,184,189	12,919,692	8,931,838	6,364,279
Contract services	11,346,565	9,817,941	9,739,129	10,365,323	8,294,629	8,191,575	8,191,575	8,678,689	6,204,863	7,335,521
Utilities/power	9,570,891	9,659,473	9,155,795	7,144,034	5,801,118	5,953,121	5,953,121	5,322,771	5,201,870	5,386,413
Information technology	2,825,626	2,644,075	2,334,145	1,998,876	4,172,257	1,334,300	1,225,262	1,054,648	1,112,663	1,004,622
Prof services (general/legal/media)	2,823,323	2,247,249	2,436,284	2,371,990	2,142,911	2,821,923	2,821,923	2,905,859	2,258,454	2,512,154
Supplies	4,053,726	3,891,749	3,798,410	3,424,124	2,745,163	2,660,187	2,660,187	2,317,853	2,635,229	2,700,906
Chemicals	3,443,611	3,047,291	4,277,866	2,622,826	2,430,441	2,286,659	2,286,659	1,605,280	1,984,300	1,803,614
Insurance and claims	1,658,121	1,466,697	1,310,943	1,303,403	1,104,859	847,844	847,844	675,430	719,604	742,006
Leases and rentals	776,568	665,315	562,421	400,745	137,780	256,836	256,836	104,243	146,999	96,290
Other expenses	4,659,749	4,112,664	4,696,567	3,137,450	3,733,645	3,456,514	4,232,553	3,170,545	3,716,782	3,993,701
Total operating expenses before depreciation	92,833,849	85,738,566	79,526,795	64,965,656	64,947,613	60,794,690	59,633,300	57,490,902	50,169,616	48,481,317
Depreciation	36,697,431	36,500,513	34,848,532	33,642,537	33,286,373	33,327,134	32,833,604	32,820,720	32,169,578	32,134,190
Total Operating Expenses	<u>\$129,531,280</u>	<u>\$122,239,079</u>	<u>\$114,375,327</u>	<u>\$ 98,608,193</u>	<u>\$ 98,233,986</u>	<u>\$ 94,121,824</u>	<u>\$ 92,466,904</u>	<u>\$ 90,311,622</u>	<u>\$ 82,339,194</u>	<u>\$ 80,615,507</u>

Truckee Meadows Water Authority
Schedule No. 5 - Nonoperating Revenues and Expenses
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Investment Earnings	\$ 5,962,196	\$ 1,761,755	\$ 3,576,888	\$ 2,028,627	\$ 2,563,447	\$ 4,119,737	\$ 4,409,486	\$ 2,313,513	\$ 7,209,113	\$ 6,737,745
Interest Expense	(8,899,073)	(10,181,533)	(11,522,905)	(11,954,097)	(12,262,581)	(12,698,972)	(13,268,153)	(11,720,356)	(16,968,911)	(21,549,864)
Gain (Loss) on Disposal of Assets	(1,223,332)	(3,544,836)	(1,261,500)	(938,661)	(1,755,873)	(1,189,776)	(225,687)	133,972	(155,722)	6,460,373
Other Revenue (Expenses)	3,186,319	6,686,606	(1,626,597)	(10,604,591)	(2,625,217)	3,193,261	2,391,528	(1,889,796)	(1,768,783)	(1,139,704)
Total Nonoperating Expenses	<u>\$ (973,890)</u>	<u>\$ (5,278,008)</u>	<u>\$ (10,834,114)</u>	<u>\$ (21,468,722)</u>	<u>\$ (14,080,224)</u>	<u>\$ (6,575,750)</u>	<u>\$ (6,692,826)</u>	<u>\$ (11,162,667)</u>	<u>\$ (11,684,303)</u>	<u>\$ (9,491,450)</u>

Truckee Meadows Water Authority
Schedule No. 6 - Capital Contributions by Source
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Grants	\$ 1,437,531	\$ 9,658,905	\$ 88,724	\$ 2,164,651	\$ —	\$ 232,153	\$ 831,116	\$ 348,248	\$ 1,226,863	\$ 224,138
Water Meter Retrofit Program	—	—	—	—	—	—	994,706	2,379,206	341,074	482,081
Water Resource Sustainability Program	441,344	1,097,584	798,007	1,409,024	1,708,110	1,484,443	689,060	—	—	—
Developer Infrastructure Contributions	19,554,670	9,962,594	19,884,818	18,167,149	10,201,446	20,145,641	19,112,590	15,017,446	10,797,854	8,454,980
Developer Will-serve Contributions	11,206,014	5,507,199	3,620,779	4,436,788	5,632,381	4,082,279	4,663,826	6,652,819	7,950,666	4,363,692
Developer Capital Contributions	5,096,653	6,026,121	1,846,641	1,493,347	11,461,850	7,847,962	6,636,417	6,448,549	6,062,247	2,473,163
Developer Facility Charges	11,639,329	12,874,933	14,631,602	23,204,940	12,218,607	9,657,274	9,154,403	6,464,559	5,116,956	2,931,940
Contributions from Others	113,360	73,095	—	—	—	343,630	—	—	11,855,511	356,200
Contributions from Other Governments	3,542,488	4,800,936	1,413,804	719,822	132,800	386,937	100,000	100,000	—	—
Total Capital Contributions	<u>\$ 53,031,389</u>	<u>\$ 50,001,367</u>	<u>\$ 42,284,375</u>	<u>\$ 51,595,721</u>	<u>\$ 41,355,194</u>	<u>\$ 44,180,319</u>	<u>\$ 42,182,118</u>	<u>\$ 37,410,827</u>	<u>\$ 43,351,171</u>	<u>\$ 19,286,194</u>

Truckee Meadows Water Authority
Schedule No. 7 - Gallons of Water Sold and Revenues by Category
Last Ten Fiscal Years

Category	2025		2024	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered ⁽¹⁾	—	\$ 2,896,011	—	\$ 2,774,684
Residential Metered	18,175,311	88,677,816	17,023,724	81,385,157
Commercial	4,056,666	14,047,900	3,943,593	13,171,804
Other ⁽²⁾	3,366,712	16,914,545	3,081,775	15,326,405
Wholesale	681,597	1,448,991	627,089	1,303,539
Total	26,280,286	\$ 123,985,263	24,676,181	\$ 113,961,589

Category	2023		2022	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered ⁽¹⁾	—	\$ 2,694,166	—	\$ 2,730,559
Residential Metered	16,841,640	76,537,384	17,863,105	77,184,825
Commercial	3,979,289	12,736,096	4,142,484	12,587,162
Other ⁽²⁾	2,923,271	13,914,208	3,171,127	14,408,203
Wholesale	625,124	1,216,727	670,593	1,262,221
Total	24,369,324	\$ 107,098,581	25,847,309	\$ 108,172,970

Category	2021		2020	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered ⁽¹⁾	—	\$ 2,423,033	—	\$ 2,571,216
Residential Metered	18,481,075	79,124,628	17,111,305	73,295,343
Commercial	3,891,086	12,041,548	3,952,196	11,888,963
Other ⁽²⁾	3,204,611	14,950,021	2,896,243	13,457,574
Wholesale	623,909	1,283,606	606,627	1,273,982
Total	26,200,681	\$ 109,822,836	24,566,371	\$ 102,487,078

Category	2019		2018	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered ⁽¹⁾	—	\$ 2,558,779	—	\$ 2,505,172
Residential Metered	16,970,042	71,651,437	16,335,308	67,393,672
Commercial	4,315,407	12,807,427	4,232,836	12,238,940
Other ⁽²⁾	2,974,110	13,509,567	2,698,977	12,169,406
Wholesale	619,928	1,249,439	591,624	1,165,607
Total	24,879,487	\$ 101,776,649	23,858,745	\$ 95,472,797

Category	2017		2016	
	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue
Residential-Unmetered ⁽¹⁾	—	\$ 2,446,145	—	\$ 3,725,916
Residential Metered	16,487,693	65,829,634	14,633,319	60,198,267
Commercial	4,277,917	11,887,395	4,086,057	11,026,132
Other ⁽²⁾	2,749,795	11,369,179	2,579,408	11,554,063
Wholesale	613,051	1,154,907	542,875	1,029,954
Total	24,128,456	\$ 92,687,260	21,841,659	\$ 87,534,332

⁽¹⁾Complete consumption information is not available for unmetered customers.

⁽²⁾These accounts include irrigation and non metered fire protection/sprinkler systems located on the premises of residential and commercial customers.

Truckee Meadows Water Authority
Schedule No. 8 - Ten Largest Customers
June 30, 2025

Customer Name	Water Used (000s Gallons)	Total Revenue	% of Total Water Sales
1. Sun Valley Water	647,723	\$ 1,409,581	1.2 %
2. Washoe County School District	339,791	1,282,361	1.0 %
3. City of Reno ⁽¹⁾	382,818	1,117,397	0.9 %
4. City of Sparks	164,850	674,379	0.5 %
5. Washoe County	173,340	609,942	0.5 %
6. Somersett HOA	124,357	513,654	0.4 %
7. Nevada Properties, Peppermill	148,227	480,796	0.4 %
8. University of Nevada, Reno	142,372	456,526	0.4 %
9. MEI GSR Holdings LLC	148,017	323,196	0.3 %
10. Silver Legacy	90,009	282,519	0.2 %
Totals	<u>2,361,504</u>	<u>\$ 7,150,351</u>	<u>5.8 %</u>

⁽¹⁾ City of Reno includes the Reno Housing Authority.

Truckee Meadows Water Authority
Schedule No. 9 - Debt Service Coverage Ratios
Last Ten Fiscal Years

	Fiscal Year (in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Charges for water sales ⁽¹⁾	\$ 123,985	\$ 113,962	\$ 107,099	\$ 108,173	\$ 109,823	\$ 102,487	\$ 101,777	\$ 95,473	\$ 92,687	\$ 87,534
Other operating and nonoperating revenue ⁽²⁾	14,282	10,176	9,627	8,427	8,131	9,705	9,722	8,653	11,790	11,132
Gross revenues	138,267	124,138	116,726	116,600	117,954	112,192	111,499	104,126	104,477	98,666
Operation and maintenance expenses ⁽³⁾	92,107	85,022	78,795	64,244	64,233	60,076	58,955	57,021	50,958	48,030
Taxes other than income taxes ⁽⁴⁾	727	717	731	722	715	719	678	470	462	451
Total expenses	92,834	85,739	79,527	64,966	64,948	60,795	59,633	57,491	51,420	48,481
Net Revenues	<u>\$ 45,433</u>	<u>\$ 38,400</u>	<u>\$ 37,199</u>	<u>\$ 51,634</u>	<u>\$ 53,006</u>	<u>\$ 51,397</u>	<u>\$ 51,866</u>	<u>\$ 46,635</u>	<u>\$ 53,057</u>	<u>\$ 50,185</u>
Senior Lien Annual Debt Service ⁽⁵⁾	<u>\$ 27,379</u>	<u>\$ 27,943</u>	<u>\$ 27,960</u>	<u>\$ 28,275</u>	<u>\$ 27,830</u>	<u>\$ 28,186</u>	<u>\$ 17,891</u>	<u>\$ 15,696</u>	<u>\$ 18,916</u>	<u>\$ 31,780</u>
Senior Lien Debt Coverage excluding SDCs	<u>1.66</u>	<u>1.37</u>	<u>1.33</u>	<u>1.83</u>	<u>1.90</u>	<u>1.82</u>	<u>2.90</u>	<u>2.97</u>	<u>2.80</u>	<u>1.58</u>
System Development Charges (SDCs):										
Developer facility charges	\$ 11,639	\$ 12,875	\$ 14,632	\$ 23,205	\$ 12,219	\$ 9,657	\$ 9,154	\$ 6,465	\$ 5,117	\$ 2,932
Developer capital contributions - other	5,097	6,026	1,847	1,493	11,462	7,848	6,636	6,449	6,062	2,473
Senior Lien Debt Coverage including SDCs ⁽⁶⁾	<u>2.27</u>	<u>2.05</u>	<u>1.92</u>	<u>2.70</u>	<u>2.76</u>	<u>2.44</u>	<u>3.78</u>	<u>3.79</u>	<u>3.40</u>	<u>1.75</u>

⁽¹⁾ Includes retail residential, commercial, irrigation, and wholesale water sales net of bad debt expense.

⁽²⁾ Reflects hydroelectric revenues, other miscellaneous operating revenues from fees and charges, as well as gross investment income.

⁽³⁾ Includes water supply, treatment, distribution, hydroelectric power plant maintenance, customer service, water resource planning, conservation programs, administration, and inspection services. Wages and salaries, employee benefits, and services and supplies comprise these expenses.

⁽⁴⁾ The Authority is required to pay property taxes on water rights and storage facilities located in California.

⁽⁵⁾ This schedule does not include the payments on the DWSRF loan or the 2021 Refunding Bonds, which are subordinate to the 2015-A, 2016, 2017 and 2018 Refunding Bonds.

⁽⁶⁾ TMWA's bond covenants require a minimum coverage of 1.25x total principal and interest payments. In fiscal years 2017, 2018 and 2019, TMWA deferred principal payments on debt which increased the debt coverage ratio.

Truckee Meadows Water Authority
Schedule No. 10 - Schedule of Total Building Permits Issued by Jurisdiction/Member Entity
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Washoe County</u>	<u>City of Reno</u>	<u>City of Sparks</u>
2025	5,185	10,732	5,222
2024	5,117	11,401	5,183
2023	4,258	9,639	4,890
2022	5,142	12,008	4,789
2021	4,694	10,453	4,616
2020	4,194	9,625	4,103
2019	4,307	10,323	3,890
2018	4,241	10,101	3,935
2017	2,615	9,058	3,636
2016	2,121	9,080	3,712

Source: As reported by each local governmental entity.

Truckee Meadows Water Authority
Schedule No. 11 - Selected Demographic and Economic Statistics for Washoe County
Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Income	Median Age	School Enrollment	Total Personal Income	Unemployment Rate	Total Labor Force	Construction Activity Total Value	Number of New Family Units	Taxable Sales	Gross Income Gaming Revenue	Total Passenger Air Traffic
2025	507,280	\$ 85,600	38.9	63,332	\$ 40,524,739	4.6 %	273,652	\$ 153,915,000	467	\$12,551,998,000	\$ 990,454,000	4,901,120
2024	498,022	81,531	39.5	63,448	38,784,839	5.0 %	265,454	391,470,000	540	12,117,540,000	1,000,369,000	4,689,790
2023	496,745	74,292	39.5	64,322	35,246,181	4.5 %	263,078	466,715,000	443	12,383,862,000	971,243,000	4,460,048
2022	486,492	66,076	38.5	64,820	31,523,753	3.3 %	254,381	678,435,000	596	12,267,766,000	970,727,000	4,155,405
2021	478,355	63,360	38.6	65,121	29,875,442	4.9 %	251,933	719,607,000	692	11,049,067,000	837,334,000	2,472,843
2020	472,069	59,639	38.1	66,913	27,776,003	3.2 %	255,915	450,868,000	617	9,250,416,000	630,862,000	3,378,405
2019	464,630	55,487	38.0	66,960	22,556,498	3.6 %	250,005	458,823,000	572	8,829,864,000	785,532,000	4,298,555
2018	460,237	48,996	37.9	66,989	22,549,907	4.2 %	239,119	345,710,000	481	8,531,253,000	779,347,000	4,128,476
2017	459,142	46,315	37.5	63,919	21,265,239	4.0 %	223,409	301,127,000	378	7,989,009,000	738,373,000	3,819,896
2016	451,248	44,687	37.5	63,670	20,164,911	6.4 %	213,923	231,742,000	320	7,550,467,000	789,359,000	3,563,818

Source: Washoe County Schedule 4.1, 2025

Truckee Meadows Water Authority
Schedule No. 12 - Principal Employers
Current and Nine Years Ago

Employer	December, 2024			December, 2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washoe County School District	8,750	1	3.35 %	8,750	1	4.34 %
University of Nevada - Reno	4,750	2	1.82 %	4,750	2	2.36 %
Renown Medical Center	3,250	3	1.24 %	2,750	3	1.36 %
Washoe County	3,005	4	1.15 %	2,750	4	1.36 %
Peppermill Hotel Casino - Reno	2,500	5	0.96 %	2,250	5	1.12 %
Nugget Casino	2,500	6	0.96 %	—	—	—
Grand Sierra Resort	2,500	7	0.96 %	1,750	6	0.87 %
El Dorado Resort	2,500	8	0.96 %	—	—	—
St. Mary's	2,500	9	0.96 %	1,250	10	0.62 %
Silver Legacy Resort Casino	2,500	10	0.96 %	1,750	7	0.87 %
International Game Technology PLC ⁽²⁾	—	—	—	1,750	8	0.87 %
Atlantis Casino Resort	—	—	—	1,750	9	0.87 %
Total Washoe Covered Employment	<u>261,120</u>			<u>201,601</u>		

⁽¹⁾ Nevada Revised Statutes Chapter 612 stipulate that actual employment for individual employers may not be published. The Nevada Department of Employment Training and Rehabilitation outsources the publication of this information to Infogroup and Nevada Workforce. Infogroup publishes employee counts in ranges of 5,000. The number of employees are estimated using the midpoint.

⁽²⁾ International Game Technology was acquired by Gtech in 2015 becoming International Game Technology PLC.

Source: Washoe County Schedule 4.2, 2025

Truckee Meadows Water Authority
Schedule No. 13 - Customer and Water Sales by Category
Last Ten Fiscal Years

2025				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	638	0.44 %	\$ 2,896,011	2.34 %
Residential metered	126,332	87.59 %	88,677,816	71.52 %
Commercial metered	7,211	5.00 %	14,047,900	11.33 %
Other ⁽²⁾	10,061	6.97 %	16,914,545	13.64 %
Wholesale	2	— %	1,448,991	1.17 %
Total	144,244	100.00 %	\$ 123,985,263	100.00 %
2024				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	641	0.45 %	\$ 2,774,684	2.43 %
Residential metered	124,742	87.69 %	81,385,157	71.42 %
Commercial metered	7,146	5.02 %	13,171,804	11.56 %
Other ⁽²⁾	9,737	6.84 %	15,326,405	13.45 %
Wholesale	2	— %	1,303,539	1.14 %
Total	142,268	100.00 %	\$ 113,961,589	100.00 %
2023				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	643	0.46 %	\$ 2,694,166	2.52 %
Residential metered	123,129	87.81 %	76,537,384	71.46 %
Commercial metered	7,079	5.05 %	12,736,096	11.89 %
Other ⁽²⁾	9,370	6.68 %	13,914,208	12.99 %
Wholesale	2	— %	1,216,727	1.14 %
Total	140,223	100.00 %	\$ 107,098,581	100.00 %
2022				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	645	0.45 %	\$ 2,730,559	2.52 %
Residential metered	121,307	87.81 %	77,184,825	71.35 %
Commercial metered	7,027	5.09 %	12,587,162	11.64 %
Other ⁽²⁾	9,183	6.65 %	14,408,203	13.32 %
Wholesale	2	— %	1,262,221	1.17 %
Total	138,164	100.00 %	\$ 108,172,970	100.00 %
2021				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	673	0.51 %	\$ 2,423,033	2.21 %
Residential metered	120,074	91.45 %	79,124,628	72.05 %
Commercial metered	10,545	8.03 %	12,041,548	10.96 %
Other ⁽²⁾	2	— %	14,950,021	13.61 %
Wholesale	2	— %	1,283,606	1.17 %
Total	131,296	100.00 %	\$ 109,822,836	100.00 %

Truckee Meadows Water Authority
Schedule No. 13 - Customer and Water Sales by Category
Last Ten Fiscal Years

2020				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	652	0.52 %	\$ 2,571,216	2.51 %
Residential metered	116,104	91.40 %	73,295,343	71.52 %
Commercial metered	10,262	8.08 %	11,888,963	11.60 %
Other ⁽²⁾	2	— %	13,457,574	13.13 %
Wholesale	2	— %	1,273,982	1.24 %
Total	127,022	100.00 %	\$ 102,487,078	100.00 %
2019				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	663	0.54 %	\$ 2,558,779	2.51 %
Residential metered	113,934	91.32 %	71,651,437	70.41 %
Commercial metered	10,161	8.14 %	12,807,427	12.58 %
Other ⁽²⁾	2	— %	13,509,567	13.27 %
Wholesale	2	— %	1,249,439	1.23 %
Total	124,762	100.00 %	\$ 101,776,649	100.00 %
2018				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	672	0.55 %	\$ 2,505,172	2.62 %
Residential metered	111,963	91.27 %	67,393,672	70.59 %
Commercial metered	10,038	8.18 %	12,238,940	12.82 %
Other ⁽²⁾	2	— %	12,169,406	12.75 %
Wholesale	2	— %	1,165,607	1.22 %
Total	122,677	100.00 %	\$ 95,472,797	100.00 %
2017				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	695	0.58 %	\$ 2,446,144	2.64 %
Residential metered	109,939	91.18 %	65,829,635	71.01 %
Commercial metered	9,931	8.24 %	11,369,179	12.27 %
Other ⁽²⁾	2	— %	11,887,395	12.83 %
Wholesale	2	— %	1,154,907	1.25 %
Total	120,569	100.00 %	\$ 92,687,260	100.00 %
2016				
Category	Average Number of Service Connections	% of Total Connections	Fiscal Year Water Revenues ⁽¹⁾	% of Total Revenues
Residential unmetered	2,062	1.74 %	\$ 3,725,916	4.26 %
Residential metered	106,730	89.94 %	60,198,267	68.76 %
Commercial metered	9,873	8.32 %	11,026,132	12.60 %
Other ⁽²⁾	3	— %	11,554,063	13.20 %
Wholesale	1	— %	1,029,954	1.18 %
Total	118,669	100.00 %	\$ 87,534,332	100.00 %

⁽¹⁾ Water Revenues are revenues that are billed and estimated for the fiscal year periods. Estimated revenues are revenues for water deliveries just prior to fiscal year end that are unbilled until July of the next fiscal year.

⁽²⁾ Includes non metered private fire protection services located on the premises of commercial and some residential customers.

Truckee Meadows Water Authority
Schedule No. 14 - Schedule of Insurance Coverage
June 30, 2025

Coverage	Carrier/Policy	Term	Limits/Deductible
Property/Boiler and Machinery Policy	America Home Assurance Company (AIG)	6/11/2024 to 6/11/2025	Blanket limit of \$250,000,000 per occurrence with sub-limits of \$50,000,000 for Earth Movement (excluding CA properties) and \$10,000,000 for flood (excluding Glendale plant). Equipment Breakdown \$100,000,000. Deductibles for Tanks, Wells and Booster Pump Stations are \$1,000,000 per occurrence. Deductibles for flood and earth movement are \$100,000 per occurrence for each location; general policy deductible is \$100,000.
General Liability and Business Automobile Policy	Philadelphia Indemnity Insurance Company	6/11/2024 to 6/11/2025	First \$1,000,000 in liability limits. General Liability Aggregate limit of \$3,000,000. Inland Marine Physical Damage \$1,267,257. General liability deductible of \$25,000 per occurrence. Auto Physical Damage deductible of \$1,000.
Excess Umbrella Liability Policy	Philadelphia Indemnity Insurance Company	6/11/2024 to 6/11/2025	First Layer Excess Liability limit of \$10,000,000.
Excess Umbrella Liability Policy	Markel American Insurance Company	6/11/2024 to 6/11/2025	Second Layer Excess Liability limit of \$10,000,000.
Workers' Compensation	Berkshire Hathaway Homestate Companies	6/11/2024 to 6/11/2025	Fully insured for statutory limits under Workers' Compensation with no deductible. Policy also provides \$1,000,000 limit for Employer's Liability.
Employee Health Insurance	By contract with the City of Reno's health insurance programs	6/11/2024 to 6/11/2025	Varies by plan selected.
Commercial Crime/ Government Crime	Fidelity & Deposit Company of Maryland	6/11/2024 to 6/11/2025	Employee Theft/Forgery or Alteration Computer Fraud/ Funds Transfer Fraud \$3,000,000 per loss. Employee Theft including expenses, Inside/Outside Premises Money and Securities, Robbery or Safe Burglary, Money Orders, Counterfeit Currency, Credit Card Forgery, Faithful Performance \$1,000,000.
Commercial Crime/ Government Crime	Zurich	6/11/2024 to 6/11/2025	Fraudulent Impersonation \$250,000.
Network Security/ Cyber Risk	Travelers Insurance Company	6/11/2024 to 6/11/2025	Media, Privacy and Security, Regulatory Proceedings, Payment Card Costs, Privacy Breach, Computer and Legal Experts, Cyber Extortion, System Failure Coverage, Betterment, Social Engineering Fraud and Telecom Fraud.
Kidnap and Ransom	National Union Fire Insurance Company	6/11/2022 to 6/11/2025	Ransom, In-Transit Delivery, Expenses, Judgments, Settlements, and Defense \$3,000,000 Death or Dismemberment \$250,000/\$1,250,000 person/event. Disappearance/Threat \$100,000, Hostage Crisis \$500,000.

Truckee Meadows Water Authority
 Schedule No. 15 - Authorized Full-Time Equivalent Employees by Department ⁽¹⁾
 Last Ten Fiscal Years ⁽²⁾

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration/IT	56	49	46	38	32	33	30	28	25	28
Supply/Treatment Operations	55	49	48	48	48	48	44	40	40	32
Distribution Maintenance	96	88	78	78	72	71	71	65	65	63
Hydroelectric	8	8	8	8	7	8	7	7	7	6
Customer Service/Conservation	23	22	22	22	23	26	23	23	25	25
Water Planning/Resources	15	19	19	19	19	15	15	15	17	19
Engineering/Construction	38	38	33	31	30	30	31	28	25	24
Total Authorized Employees	<u>291</u>	<u>273</u>	<u>254</u>	<u>244</u>	<u>231</u>	<u>231</u>	<u>221</u>	<u>206</u>	<u>204</u>	<u>197</u>

⁽¹⁾ Source: Truckee Meadows Water Authority Budget

⁽²⁾ The number of employees shown are approved full-time equivalent positions. Actual employee numbers may be less if there are vacant positions at year-end.

Truckee Meadows Water Authority
Schedule No. 16 - Current and Historical Water Rates
Last Five Fiscal Years

Fiscal Year														
2025			2024			2023			2022			2021		
TMWA	WC	STMGID	TMWA	WC	STMGID	TMWA	WC	STMGID	TMWA	WC	STMGID	TMWA	WC	STMGID

Customer Charges by Meter Size

3/4"	\$ 23.02	\$ 21.64	\$ 11.78	\$ 22.13	\$ 20.81	\$ 11.33	\$ 21.18	\$ 19.91	\$ 10.84	\$ 20.66	\$ 19.42	\$ 10.58	\$ 20.16	\$ 18.95	\$ 10.32
1"	25.32	27.83	14.42	24.35	26.76	13.87	23.30	25.61	13.27	22.73	24.99	12.95	22.18	24.38	12.63
1 1/2"	28.81	39.81	20.46	27.70	38.28	19.67	26.51	36.63	18.82	25.86	35.74	18.36	25.23	34.87	17.91
2"	33.39	53.08	n/a	32.11	51.04	n/a	30.73	48.84	n/a	29.98	47.65	n/a	29.25	46.49	n/a
3"	37.98	85.49	n/a	36.52	82.20	n/a	34.95	78.66	n/a	34.10	76.74	n/a	33.27	74.87	n/a
4"	43.70	125.20	n/a	42.02	120.38	n/a	40.21	115.20	n/a	39.23	112.39	n/a	38.27	109.65	n/a
6"	50.66	228.28	n/a	48.71	219.50	n/a	46.61	210.05	n/a	45.47	204.93	n/a	44.36	199.93	n/a

Commodity Charge (all meter sizes)

TMWA Tier 1	2.14			2.06			1.97			1.92			1.87		
TMWA Tier 2	3.45			3.32			3.18			3.10			3.02		
TMWA Tier 3	4.05			3.89			3.72			3.63			3.54		

WC Tier 1		3.24			3.12			2.99			2.92			2.85	
WC Tier 2		4.07			3.91			3.74			3.65			3.56	
WC Tier 3		4.88			4.69			4.49			4.38			4.27	
WC Tier 4		6.52			6.27			6.00			5.85			5.71	

STMGID Tier 1			1.70			1.63			1.56			1.52			1.48
STMGID Tier 2			2.24			2.15			2.06			2.01			1.96
STMGID Tier 3			2.74			2.63			2.52			2.46			2.40
STMGID Tier 4			3.20			3.08			2.95			2.88			2.81
STMGID Tier 5			3.39			3.26			3.12			3.04			2.97

Above rates are for metered single family residential service.

Monthly Base Rates Unmetered by Size

3/4"	n/a	n/a	55.76	n/a	n/a	53.62	n/a	n/a	51.31	n/a	n/a	50.06	n/a	n/a	48.84
1"	n/a	n/a	55.76	n/a	n/a	53.62	n/a	n/a	51.31	n/a	n/a	50.06	n/a	n/a	48.84
1 1/2"	n/a	n/a	55.76	n/a	n/a	53.62	n/a	n/a	51.31	n/a	n/a	50.06	n/a	n/a	48.84
2"	n/a	n/a	55.76	n/a	n/a	53.62	n/a	n/a	51.31	n/a	n/a	50.06	n/a	n/a	48.84
3"	n/a	n/a	55.76	n/a	n/a	53.62	n/a	n/a	51.31	n/a	n/a	50.06	n/a	n/a	48.84
4"	n/a	n/a	55.76	n/a	n/a	53.62	n/a	n/a	51.31	n/a	n/a	50.06	n/a	n/a	48.84
6"	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Above rates are for unmetered single family residential service.

TMWA rates took effect on June 11, 2001, and were revised effective May 2009, May 2010, February 2012, February 2014, June 2016, May 2017, May 2018, June 2021, June 2022, June 2023, May 2024, and May 2025.

Truckee Meadows Water Authority
Schedule No. 17 - Selected Operating and Capital Indicators
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Miles of water mains	2,137	2,123	2,109	2,095	2,064	2,048	2,019	1,986	1,961	1,940
Number of storage tanks	95	97	97	97	96	95	95	93	93	93
Number of finished water storage basins	2	2	2	2	2	2	2	2	2	2
Number of pump stations	118	118	118	117	115	115	114	113	113	121
Number of wells	98	98	98	100	99	99	100	82	81	79
Treatment capacity (millions of gallons/day)										
Chalk Bluff	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00
Glendale	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
Mt. Rose	4.00	4.00	4.00	4.00	—	—	—	—	—	—
Lightning W	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26
Truckee Canyon	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20

Truckee Meadows Water Authority
Schedule No. 18 - Schedule of Changes in Debt
Last Ten Fiscal Years

	Final Maturity		Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance
	Date	Authorized	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
2005 Water Revenue DWSRF (Tax Exempt) Bonds 3.21%	1/1/2025	\$ 4,669,565	\$ —	\$ 328,757	\$ 647,209	\$ 955,680	\$ 1,254,482	\$ 1,543,918	\$ 1,824,283	\$ 2,095,861	\$ 2,358,926	\$ 2,613,744
2006 Water Revenue (Tax Exempt) Refunding Bonds 3.50%-4.875%	7/1/2034	150,745,000	—	—	—	—	—	—	—	—	—	400,000
2007 Water Revenue (Tax Exempt) Refunding Bonds 4.00%-5.00%	7/1/2030	218,975,000	—	—	—	—	—	—	—	—	—	214,290,000
2009 A Water Revenue DWSRF ARRA (Tax Exempt) Bonds 0.00%	7/1/2029	2,401,120	556,509	680,177	803,846	927,515	1,051,184	1,174,853	1,298,522	1,422,190	1,545,859	1,669,527
2010 Water Revenue (Tax Exempt) Refunding Bonds 5.00%	7/1/2015	28,240,000	—	—	—	—	—	—	—	—	—	—
2010 A Water Revenue DWSRF (Tax Exempt) Bonds 3.25%	1/1/2030	4,381,614	1,546,003	1,826,407	2,097,916	2,360,812	2,615,367	2,861,847	3,100,507	3,331,595	3,555,353	3,772,013
2014 Water Revenue DWSRF (Tax Exempt) Bonds 2.81%	1/1/2025	9,109,437	—	987,025	1,946,888	2,880,336	3,788,098	4,670,879	5,529,367	6,364,231	7,176,120	7,965,667
2015-A Water Revenue (Tax Exempt) Refunding Bonds 2.00%-5.00%	7/1/2036	28,750,000	8,470,000	9,645,000	22,240,000	23,295,000	24,290,000	25,260,000	26,185,000	27,070,000	27,920,000	28,750,000
2015-B Water Revenue DWSRF (Tax Exempt) Bonds 2.62%	7/1/2035	15,000,000	5,613,377	6,072,253	6,519,338	6,954,935	7,379,340	7,792,841	8,195,717	8,589,045	8,971,562	8,239,034
2016 Water Revenue (Tax Exempt) Refunding Bonds 5.00%	7/1/2037	124,790,000	66,445,000	66,445,000	124,790,000	124,790,000	124,790,000	124,790,000	124,790,000	124,790,000	124,790,000	124,790,000
2017 Water Revenue (Tax Exempt) Refunding Bonds 4.00% -5.00%	7/1/2030	147,415,000	89,845,000	102,590,000	114,725,000	126,285,000	136,880,000	147,415,000	147,415,000	147,415,000	147,415,000	—
2018 Water Revenue (Tax Exempt) Refunding Bonds 5.00%	7/1/2039	38,835,000	38,835,000	38,835,000	38,835,000	38,835,000	38,835,000	38,835,000	38,835,000	38,835,000	—	—
2021 Water Revenue (Tax Exempt) Refunding Bonds 1.19%	6/1/2028	13,000,000	5,705,000	7,565,000	9,400,000	11,215,000	13,000,000	—	—	—	—	—
2024 Water Revenue (Tax Exempt) Bonds 5.00%	7/1/2036	61,530,000	61,530,000	61,530,000	—	—	—	—	—	—	—	—
Subtotal			278,545,889	296,504,619	322,005,197	338,499,278	353,883,471	354,344,338	357,173,396	359,912,922	323,732,820	392,489,985
Plus unamortized net bond premium			26,999,225	31,399,414	29,146,578	33,350,078	37,790,068	42,447,151	47,320,705	52,014,598	51,182,862	28,441,399
Total debt before tax exempt commercial paper			305,545,114	327,904,033	351,151,775	371,849,356	391,673,539	396,791,489	404,494,101	411,927,520	374,915,682	420,931,384
Tax-Exempt Commercial Paper		\$ 53,600,000	—	—	—	—	—	16,000,000	23,500,000	30,000,000	83,400,000	87,800,000
Total Debt			<u>\$ 305,545,114</u>	<u>\$ 327,904,033</u>	<u>\$ 351,151,775</u>	<u>\$ 371,849,356</u>	<u>\$ 391,673,539</u>	<u>\$ 412,791,489</u>	<u>\$ 427,994,101</u>	<u>\$ 441,927,520</u>	<u>\$ 458,315,682</u>	<u>\$ 508,731,384</u>

Truckee Meadows Water Authority
Schedule No. 19 - Debt by Service Connection
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Debt	\$ 305,545,114	\$ 327,904,033	\$ 351,151,775	\$ 371,849,356	\$ 391,673,539	\$ 412,791,489	\$ 427,994,101	\$ 441,927,520	\$ 458,315,682	\$ 508,731,384
Total Service Connections	137,938	136,210	134,435	132,513	128,988	127,977	125,911	123,845	121,572	119,772
Debt per Service Connection	<u>\$ 2,215</u>	<u>\$ 2,407</u>	<u>\$ 2,612</u>	<u>\$ 2,806</u>	<u>\$ 3,037</u>	<u>\$ 3,226</u>	<u>\$ 3,399</u>	<u>\$ 3,568</u>	<u>\$ 3,770</u>	<u>\$ 4,247</u>

Note: Service Connections include residential, commercial and irrigation connections only. Fire protection and wholesale connections have been excluded.

Compliance Section

Truckee Meadows Water Authority



**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the fiduciary activities of the Truckee Meadows Water Authority ("TMWA"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise TMWA's basic financial statements, and have issued our report thereon dated November 17, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered TMWA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TMWA's internal control. Accordingly, we do not express an opinion on the effectiveness of TMWA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of TMWA's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether TMWA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the TMWA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TMWA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
November 17, 2025



Auditor's Comments

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

In connection with our audit of the financial statements of the Truckee Meadows Water Authority ("TMWA") as of and for the year ended June 30, 2025, and the related notes to the financial statements, nothing came to our attention that caused us to believe that TMWA failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding TMWA's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

Progress on Prior Year Statute Compliance

There were no potential statute violations reported in the June 30, 2024 audit report.

Prior Year Recommendations

Corrective action for finding 2024-001 has been implemented.

Current Year Recommendations

No current year findings noted.

A handwritten signature in dark ink that reads "Eide Bailly LLP".

Reno, Nevada

November 17, 2025