AGENDA
TRUCKEE MEADOWS WATER AUTHORITY
Board of Directors
Wednesday, February 18, 2026 at 10:00 a.m.
Sparks Council Chambers, 745 4th Street, Sparks, NV
MEETING VIA TELECONFERENCE & IN-PERSON

MEMBERS OF THE PUBLIC MAY ATTEND VIA THE WEB LINK, OR
TELEPHONICALLY BY CALLING THE NUMBER, LISTED BELOW.
(be sure to keep your phones or microphones on mute, and do not place the call on hold)
Please click the link below to join the webinar:
https://tmwa.zoom.us/j/85018011171?pwd=N3bVm9s3Xsgm3VxFC9RnHYcdmbv5T0.1
Passcode: 889025
Or call:
Phone: (888) 788-0099
Webinar ID: 850 1801 1171

Board Members

Chair Clara Andriola – Washoe County
Vice Chair Paul Anderson – City of Sparks
Naomi Duerr – City of Reno
Alexis Hill – Washoe County
Miguel Martinez – City of Reno
Kathleen Taylor – City of Reno
Dian VanderWell – City of Sparks

CLOSED CAPTION & TRANSLATION: Both Zoom & YouTube offer closed captioning and translation into your language by simply clicking on the "CC" icon at the bottom of the screen and selecting your preferred language.

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), at http://www.tmwa.com, and State of Nevada Public Notice Website, https://notice.nv.gov/.
2. TMWA meetings are streamed online at https://www.youtube.com/@tmwaboardmeetings6598.
3. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call (775) 834-8002 at least 24 hours before the meeting date.
4. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at http://www.tmwa.com/meeting/. Supporting material is made available to the general public in accordance with NRS 241.020(6).
5. The Board may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
6. Asterisks (*) denote non-action items.
7. Public comment during the meeting is limited to three minutes and is allowed during the two public comment periods. In addition to the public comment periods, the Chair has the discretion to allow public comment on any individual agenda item, including any item on which action is to be taken. and each action item. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk.
8. Written public comment may be provided by submitting written comments online on TMWA's Public Comment Form (tmwa.com/PublicComment) or by email sent to boardclerk@tmwa.com prior to the Board opening the public comment period during the meeting. In addition, public comments may be provided by leaving a voicemail at (775)834-0255 prior to 4:00 p.m. the day before the scheduled meeting. Voicemail messages received will be noted during the meeting and summarized for entry into the record.
9. In the event the Chair and Vice-Chair are absent, the remaining Board members may elect a temporary presiding officer to preside over the meeting until the Chair or Vice-Chair are present (**Standing Item of Possible Action**).
10. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.
11. The Board may attend and participate in the meeting by means of remote technology system. Members of the public wishing to attend and/or participate by providing public comment may do so either in person at the physical location of the meeting listed above or virtually. To attend this meeting virtually, please log into the meeting using the link and/or phone number noted above. To request to speak, please use the "raise hand" feature or, if on the phone, press *9 to "raise your hand" and *6 to unmute/mute your microphone.

[1] The Board may adjourn from the public meeting at any time during the agenda to receive information and conduct labor-oriented discussions in accordance with NRS 288.220 or receive information from legal counsel regarding potential or existing litigation and to deliberate toward a decision on such matters related to litigation or potential litigation.

1. Roll call*
2. Pledge of Allegiance*
3. Public comment — limited to no more than three minutes per speaker*
4. Possible Board comments or acknowledgements*
5. Approval of the agenda **(For Possible Action)**
6. Approval of the minutes of the January 21, 2026 meeting of the TMWA Board of Directors **(For Possible Action)**
7. Water Supply Update – Kara Steeland* **(5min)**
8. PUBLIC HEARING ON RATES AMENDMENTS **(10min)**
    A. Second Hearing, Public Hearing: Discussion and possible action on Resolution No. 342: A resolution to adopt structure changes to TMWA water rates reflecting the results of a Cost of Service study — Matt Bowman **(For Possible Action)**
    B. Public comment — limited to no more than three minutes per speaker*

    CLOSE PUBLIC HEARING
9. Presentation of Fiscal Year 2026 Q2 year-to-date financial results — Matt Bowman* **(10min)**
10. Overview of strategic planning using the Effective Utility Management Framework – John Zimmerman and Jessica Atkinson* **(10min)**
11. Discussion and possible action regarding the proposed process, timeline, and milestone sequencing related to potential amendment of the General Manager's Employment Agreement – Jessica Atkinson **(For Possible Action) (15min)**
12. General Manager's Report* **(5min)**
13. Public comment — limited to no more than three minutes per speaker*
14. Board comments and requests for future agenda items*
15. Adjournment **(For Possible Action)**

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TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE JANUARY 21, 2026
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, January 21, 2026 at Sparks City Council Chambers. Chair Andriola called the meeting to order at 10:00 a.m.

1. ROLL CALL

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

A quorum was present.

**Members Hill and Taylor attended the meeting via Zoom.*

***Member Taylor left the meeting at 11:20a.m.*

****Member Duerr arrived at 10:08a.m.*

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Andriola.

3. PUBLIC COMMENT

There was no public comment.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS

There were no Board comments.

5. APPROVAL OF THE AGENDA

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

6. APPROVAL OF THE MINUTES OF THE DECEMBER 11, 2025 MEETING OF THE TMWA BOARD OF DIRECTORS

Upon motion by Director VanderWell, second by Director Martinez, which motion duly carried by unanimous consent of the Directors present, the Board approved the December 11, 2025 minutes.

7. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING APPOINTMENTS TO THE STANDING ADVISORY COMMITTEE TO FILL VACANCIES IN EXISTING POSITIONS WHOSE TERMS EXPIRED DECEMBER 31, 2025, SUCH APPOINTMENTS TO BE MADE FOR NEW TERMS FROM JANUARY 1, 2026 TO DECEMBER 31, 2027 FROM THE FOLLOWING LIST IN ALPHABETICAL ORDER: JUSTIN MCDOUGAL, BANN APPOINTMENT PRIMARY

Sonia Folsom, Executive Assistant, presented the staff report.

Upon motion by Director Anderson, second by Director VanderWell, which motion duly carried by unanimous consent of the Directors present, the Board approved the appointment of Justin McDougal, BANN appointment primary, to the Standing Advisory Committee for a new term from January 1, 2026 to December 31, 2027.

8. WATER SUPPLY UPDATE

Kara Steeland, Senior Hydrologist and Watershed Coordinator, informed the Board that the region received some precipitation since the last meeting, but it has since been dry. Ms. Steeland stated that the snow water equivalent in the Truckee Basin is 81% of median as of today and precipitation is 139% of median, soil moisture has broken multiple records this past fall and early winter and is helpful with the spring runoff into the river and TMWA's reservoirs. Lake Tahoe is projected to get close to the maximum legal elevation (6,299.1 ft), which means normal Truckee River flows for the next two to three years, upstream reservoir storage is approximately 71% of capacity, and the region is not in a drought.

9. DISCUSSION AND POSSIBLE ACTION ON RESOLUTION NO. 340 DESIGNATED BY THE SHORT TITLE "2026 REFUNDING BOND RESOLUTION" AUTHORIZING THE ISSUANCE BY THE TRUCKEE MEADOWS WATER AUTHORITY OF ITS "TRUCKEE MEADOWS WATER AUTHORITY, WATER REVENUE REFUNDING BONDS, SERIES 2026," IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $74,500,000 FOR THE PURPOSE OF DEFRAYING WHOLLY OR IN PART THE COST OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE AUTHORITY; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, AND THE SECURITY THEREFOR; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES DERIVED FROM THE OPERATION OF THE AUTHORITY'S WATER SYSTEM; PLEDGING SUCH REVENUES TO THE PAYMENT OF THE BONDS; AND PROVIDING OTHER COVENANTS, AGREEMENTS AND DETAILS RELATING THERETO

Matt Bowman, Chief Financial Officer, introduced Thomas Topfer, PFM Financial Advisor, and Ryan Henry, Taft Bond Counsel. Mr. Bowman presented the resolution which authorizes TMWA staff to execute a refinancing of a portion of TMWA's outstanding debt that is scheduled to mature July 1, 2026. This change will not increase TMWA's debt, rather reduce outstanding principal and lower interest expense through more favorable rates, which will benefit customers by saving on the interest of the outstanding debt.

Member VanderWell inquired about timing the market to achieve the best rates. Mr. Bowman replied they have a 90-day window ahead of the maturity date which they are monitoring closely.

Upon motion by Director VanderWell, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board adopted Resolution No. 340: The 2026 Refunding Bond Resolution authorizing the issuance by the Truckee Meadows Water Authority of its "Truckee Meadows Water Authority, Water Revenue Refunding Bonds, Series 2026," in the maximum aggregate principal amount of $74,500,000 for the purpose of defraying wholly or in part the cost of refunding certain outstanding obligations of the Authority; providing the form, terms and conditions of the bonds, and the security therefor; providing for the collection and disposition of revenues derived from the operation of the Authority's water system; pledging such revenues to the payment of the bonds; and providing other covenants, agreements and details relating thereto.

10. DISCUSSION AND POSSIBLE ACTION ON RESOLUTION NO. 341 DESIGNATED BY THE SHORT TITLE "AMENDMENT TO 2025 WATER BOND RESOLUTION" AMENDING THE 2025 WATER BOND RESOLUTION TO PROVIDE FOR UPDATED SERIES DESIGNATIONS IN CONNECTION WITH THE ISSUANCE BY THE TRUCKEE MEADOWS WATER AUTHORITY, NEVADA OF ITS WATER REVENUE BOND (AMERICAN FLAT APWF PROJECT), SERIES 2026A IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $57,850,000, SERIES 2026B IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $150,000 AND SERIES 2026C IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $6,000,000; PROVIDING OTHER MATTERS RELATING THERETO; AND RATIFYING ACTION PREVIOUSLY TAKEN RELATING THERETO

Mr. Bowman presented the resolution which is simply changing the name of the bond from 2025 to 2026 since the bonds were not closed in 2025 and this makes tracking simpler since they will be closed in 2026. Mr. Henry stated that he spoke with the State Treasurer's Office to authorize the change in the name from "2025" to "2026", so it coincides with the year the bond is used, which is industry practice for tracking purposes.

Upon motion by Director Anderson, second by Director Martinez, which motion duly carried by unanimous consent of the Directors present, the Board adopted Resolution No. 341: The Amendment to 2025 Water Bond Resolution

amending the 2025 Water Bond Resolution to provide for updated series designations in connection with the issuance by the Truckee Meadows Water Authority, Nevada of its Water Revenue Bond (American Flat APWF Project), Series 2026A in the maximum aggregate principal amount of $57,850,000, Series 2026B in the maximum aggregate principal amount of $150,000 and Series 2026C in the maximum aggregate principal amount of $6,000,000; providing other matters relating thereto; and ratifying action previously taken relating thereto.

11. PUBLIC HEARING ON RULE AMENDMENTS

A. PUBLIC COMMENT — LIMITED TO NO MORE THAN THREE MINUTES PER SPEAKER*

Ken McNeil, TMWA customer, stated he is also a member of TMWA's Standing Advisory Committee, but his comments do not reflect that of the Committee. Mr. McNeil thanked Mr. Bowman, Shawn Stoddard, Senior Resource Economist, PhD, and Catherine Hansford, Hansford Consulting, for answering his questions. He reiterated his concerns regarding not charging the single-family residential customers that have a meter size larger than one-inch the same service charge as commercial and irrigation customers.

B. RULE AMENDMENT, FIRST READING, PUBLIC HEARING: DISCUSSION AND REFERRAL TO A SECOND READING STRUCTURE CHANGES TO TMWA WATER RATES REFLECTING THE RESULTS OF A COST OF SERVICE STUDY

Mr. Bowman presented the staff report. He explained that the rate study follows AWWA best practices and aims to more accurately reflect the cost of serving each customer class by simplifying rate tiers and increasing the fixed revenue collected from 33% to 43%. The proposal is revenue-neutral, is not an overall increase to customer rates, and is scheduled for implementation in May 2026 alongside the previously approved 3.5% general rate increase. In response to the public comment, he noted that many single-family customers who have oversized meters do not have corresponding high usage, so the service charge will be capped at a 1-inch meter. The proposed cost of service changes will result in lower bills for about 85% of single-family residential customers.

Dr. Stoddard added that while single-family meter charges are capped, customers with larger meters still pay proportionally more through higher Tier 2 and Tier 3 volume rates, ensuring higher-use households contribute appropriately. He also explained that many oversized residential meters were inherited from Sierra Pacific Power installations, where meter size often reflected pipe size rather than actual demand; therefore, tying charges to consumption rather than inherited meter size produces a more equitable rate structure.

At this time Members Duerr and Martinez expressed concerns regarding the increase in the base revenue recovery, and the impact on multi-family customers, and possibly consider a change in building requirements to require a meter put in at each unit. Member Duerr commented about how NV Energy attempted to increase the base charge in their rates but was rejected by the Public Utilities Commission

(PUC). Chair Andriola and Members Hill and Taylor discussed their support of the cost of service study given staff's adherence to data driven best practice standards.

Mr. Bowman emphasized that 100,000 single-family customers with ¾inch meters will see reductions in both their meter charge, Tier 1 and Tier 2 rates, which will result in lower bills for those customers

Stefanie Morris, Outside Counsel for TMWA, explained that, unlike NV Energy, a for profit utility TMWA is a not-for-profit utility whose financial model and calculations are transparent and publicly available.

John Zimmerman, General Manager, stated staff can meet with Member Duerr to discuss this prior to the February Board meeting.

Member Martinez expressed his concerns, on the record, about how these increases may impact tenants, particularly those on fixed incomes, if landlords pass through the higher costs, and emphasized the need for fairness given multi-family customers' smaller outdoor irrigation demands and more efficient use of appliances. Mr. Bowman responded that tenants wishing to understand how much their landlord is charging them for water may request the information from TMWA through a public records request.

C. PUBLIC COMMENT — LIMITED TO NO MORE THAN THREE MINUTES PER SPEAKER*

Mr. McNeil thanked the Board for their discussions and questions about the study, which is complicated. He restated his concerns about capping the single-family customers at 1 inch meters and requested the Board to review and thinks there is a better solution than what has been proposed.

CLOSE PUBLIC HEARING

Upon motion by Director Anderson, second by Director VanderWell, which motion duly carried six to one with Member Martinez dissenting, the Board approved referral to a second reading structure changes to TMWA water rates reflecting the results of a Cost of Service study.

12. PRESENTATION OF TRUCKEE RIVER FUND ACTIVITIES FOR CALENDAR YEAR 2025

Ms. Folsom and Ms. Steeland presented the staff report.

13. GENERAL MANAGER'S REPORT

Mr. Zimmerman informed the Board that one of TMWA's former employees, Joan Schaffer, who came over from Sierra Pacific Power Company, and retired from TMWA in 2021, passed away last year and their thoughts and prayers are with her family and friends. He also pointed out new graphs included in

the Water Resources component of the General Manager's report, which highlights the number of will serve letters for both new business and tenant improvements. He also thanked TMWA crews for their quick work restoring water service to the Circus Circus Hotel north tower and reminded the Board about the closed-door session following adjournment. Finally, he announced that Ms. Folsom will be leaving TMWA in early March and extended best wishes for her future.

Members of the Board expressed their gratitude and appreciation for Ms. Folsom for her dedication to TMWA, the community and continued assistance to the Board. She will be greatly missed.

14. PUBLIC COMMENT

There was no public comment.

15. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board comments.

16. ADJOURNMENT

With no further discussion, Chair Andriola adjourned the meeting at 11:29 a.m.

Approved by the TMWA Board of Directors in session on _____

Sonia Folsom, Board Clerk.

***Member Taylor was present for agenda items 1 through 11 only.**

****Member Duerr was present for agenda items 8 through 16 only.**

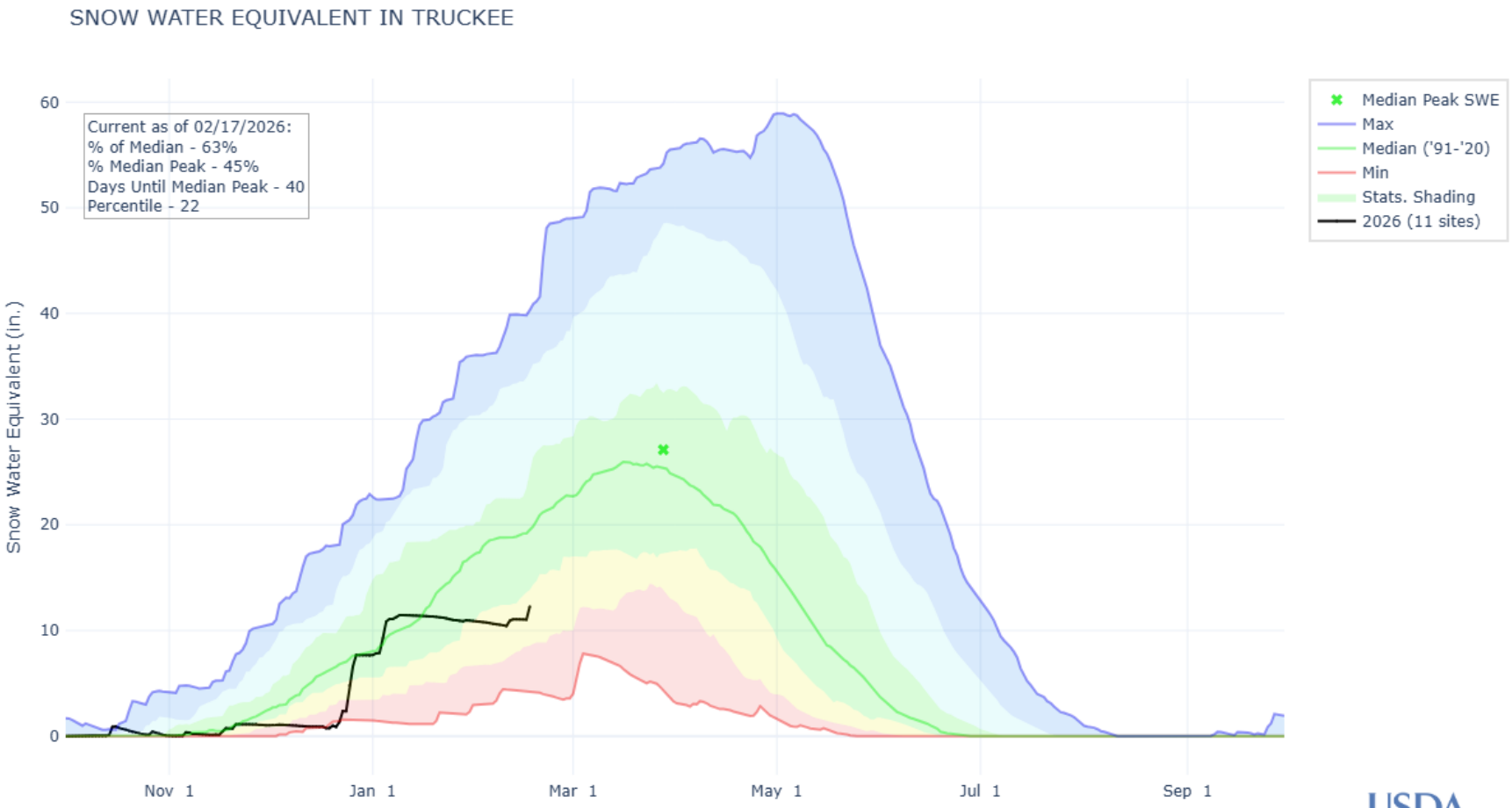
WATER SUPPLY UPDATE

TMWA Board Meeting
February 18, 2026

Truckee Meadows Water Authority

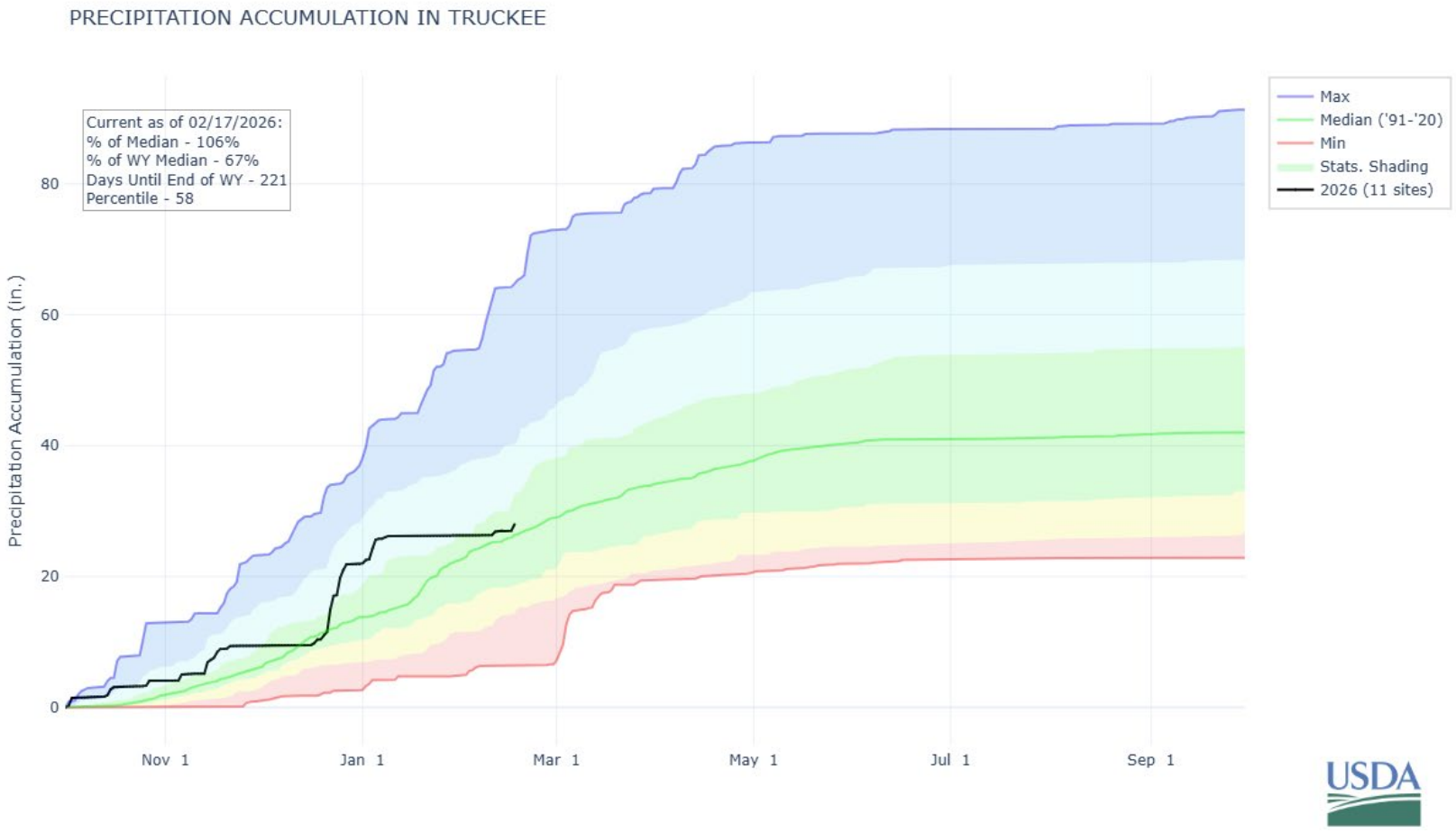
Quality. Delivered.

TRUCKEE BASIN SWE



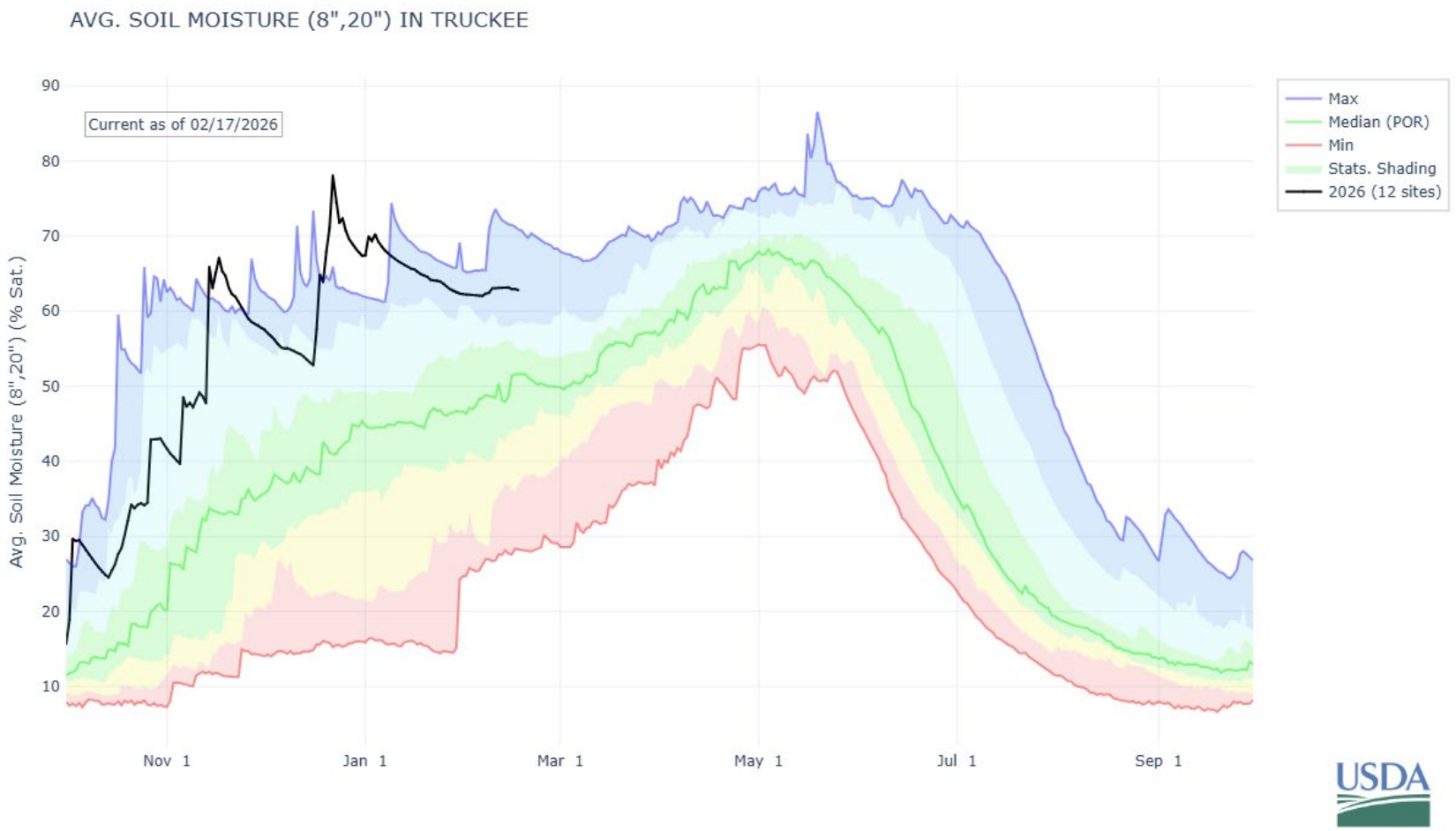
Truckee Meadows Water Authority

TRUCKEE BASIN PRECIPITATION



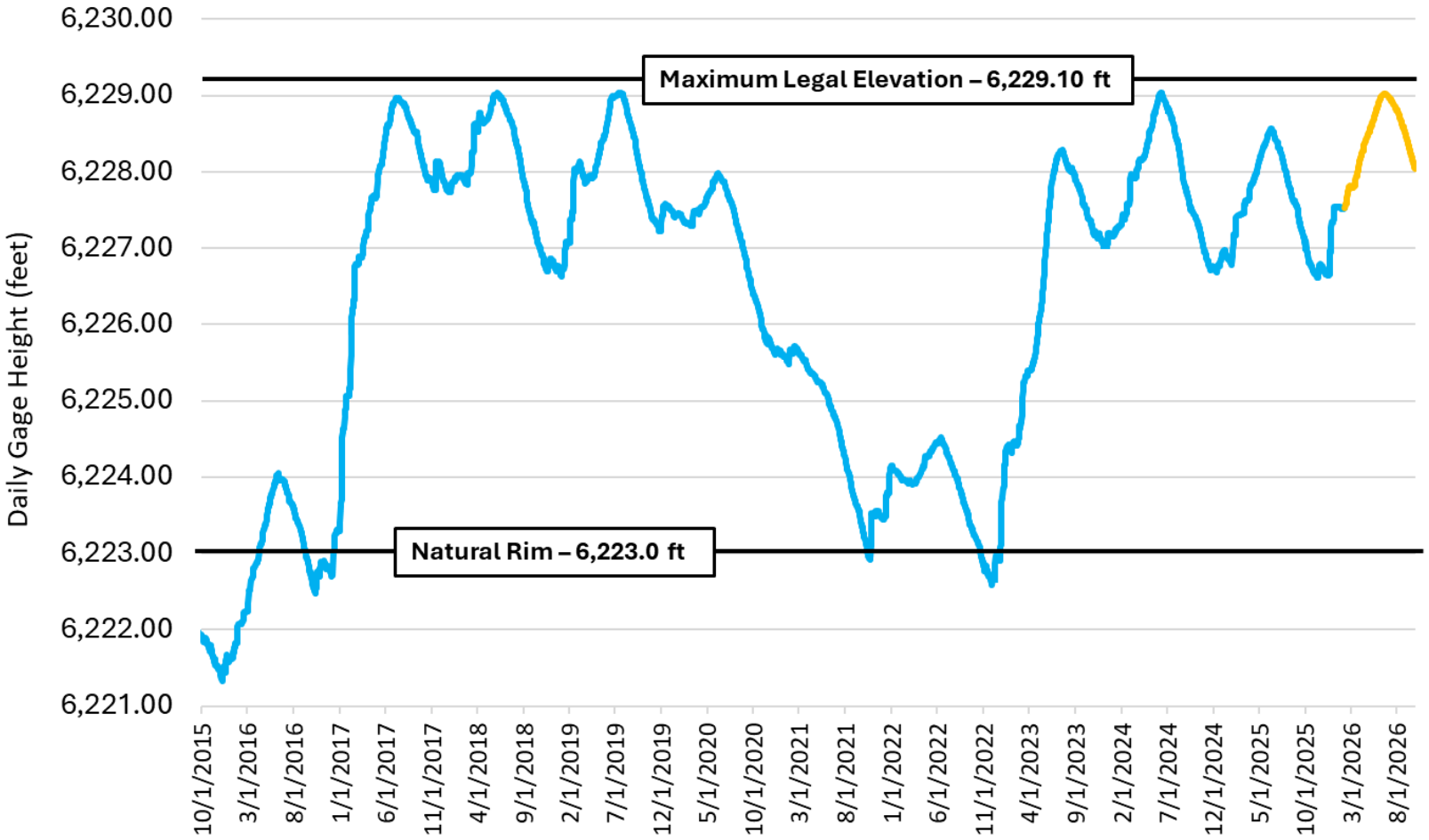
Truckee Meadows Water Authority

TRUCKEE BASIN SOIL MOISTURE



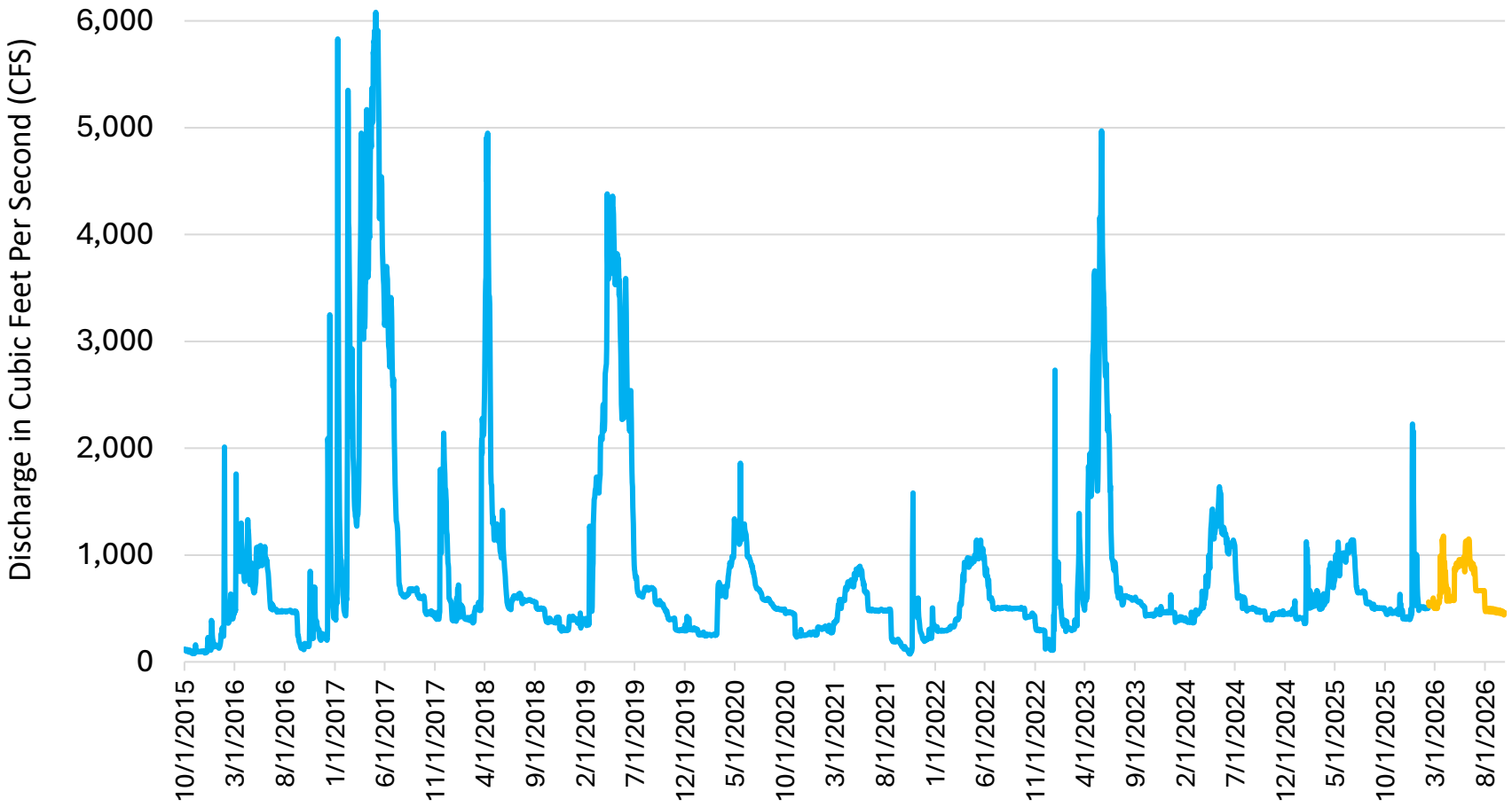
Truckee Meadows Water Authority

OBSERVED/PROJECTED LAKE TAHOE ELEVATION THROUGH WATER YEAR 2026



Truckee Meadows Water Authority

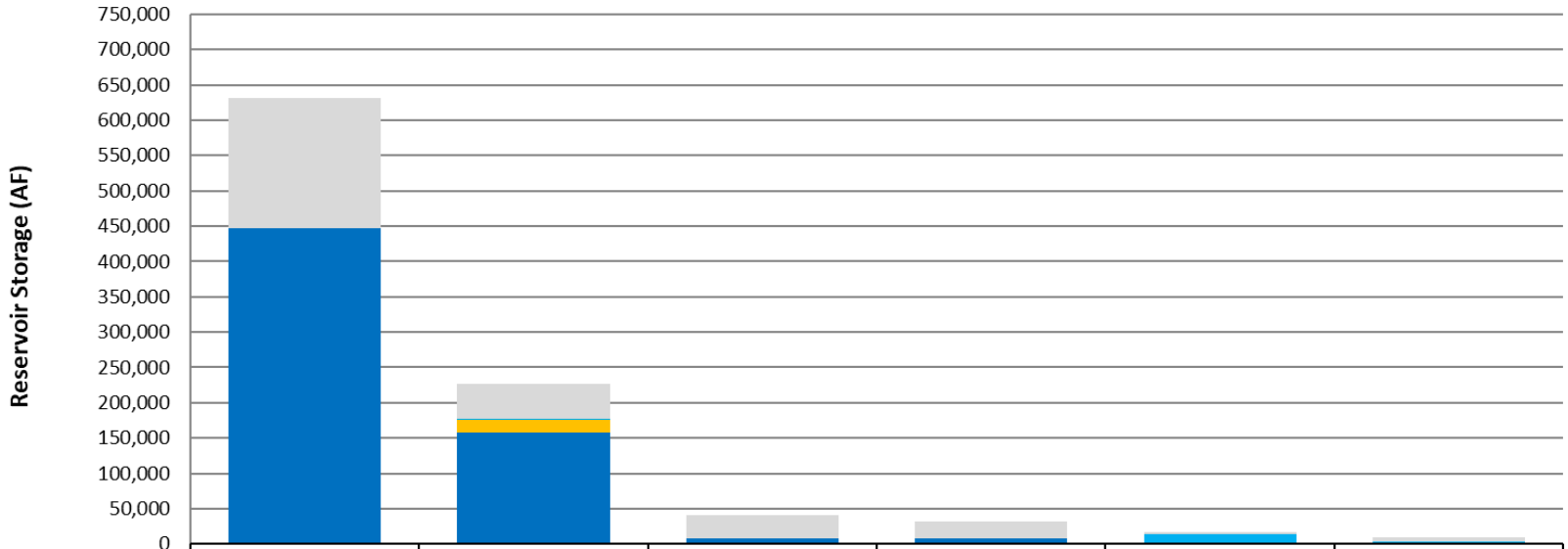
OBSERVED/PROJECTED TRUCKEE RIVER FLOW THROUGH WATER YEAR 2026



Truckee Meadows Water Authority

TRUCKEE RIVER SYSTEM STORAGE

February 17, 2026



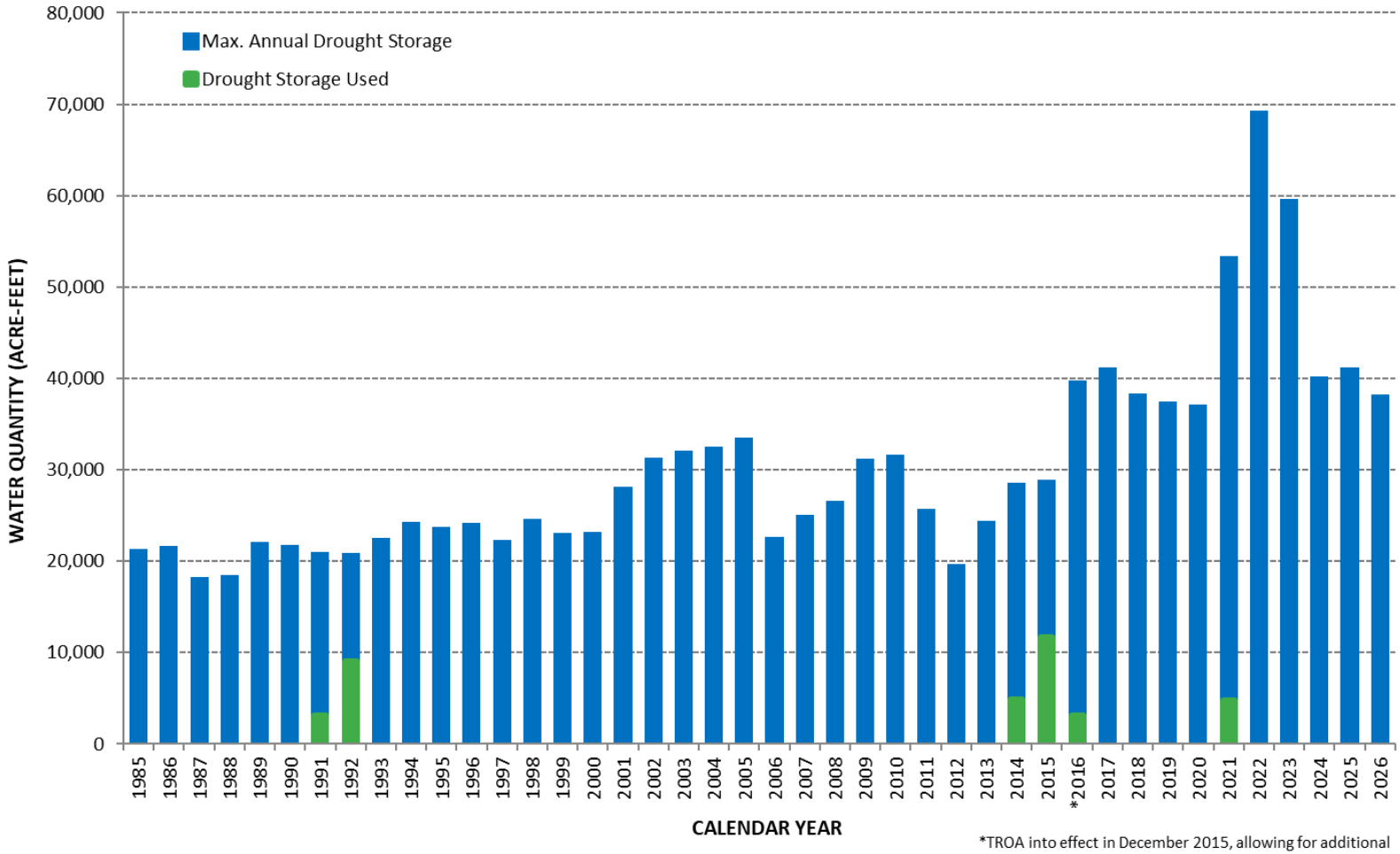
	Tahoe	Stampede	Boca	Prosser	Independence	Donner
EXTRA CAPACITY	185,647	49,961	32,197	24,004	2,852	5,884
TMWA POSW	0	1,331	0	0	14,627	3,181
TMWA TROA	0	18,011	786	0	0	0
OTHER WATER	446,477	157,197	7,887	8,078	0	0

TOTAL CURRENT SYSTEM STORAGE: 768,225 AF (72% CAPACITY)
TMWA UPSTREAM STORAGE: 37,936 AF
FLORISTON RATE WATER: 534,198 AF

Truckee Meadows Water Authority

TMWA UPSTREAM STORAGE

February 17, 2026



*TROA into effect in December 2015, allowing for additional upstream storage in 2016 and subsequent years.

Truckee Meadows Water Authority

DROUGHT MONITOR

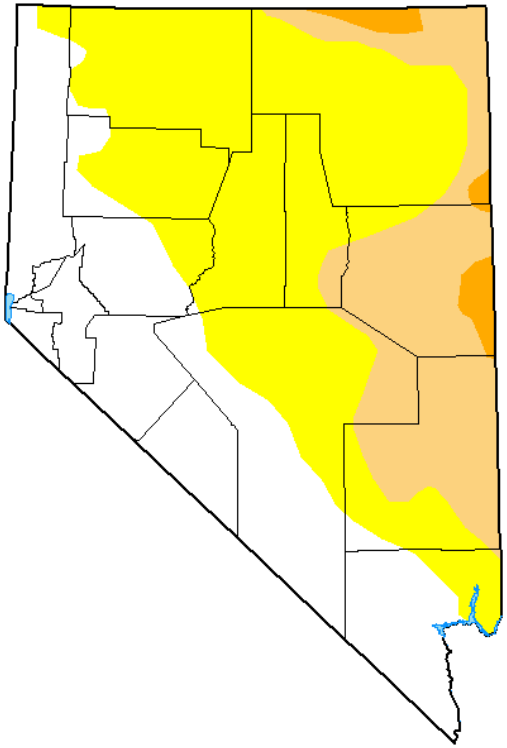
U.S. Drought Monitor

Nevada

February 10, 2026

(Released Thursday, Feb. 12, 2026)

Valid 7 a.m. EST



Intensity:

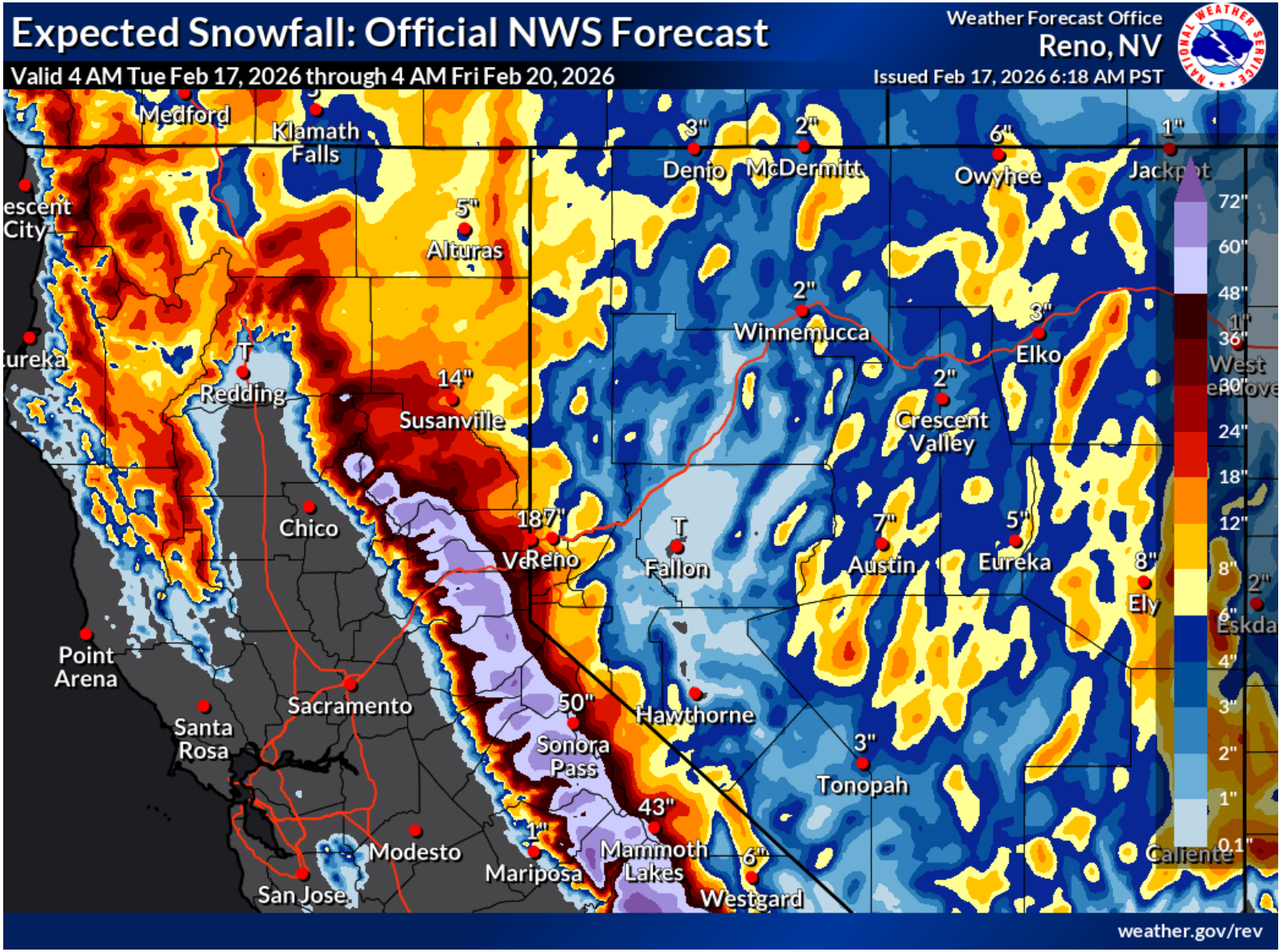
- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

Author:

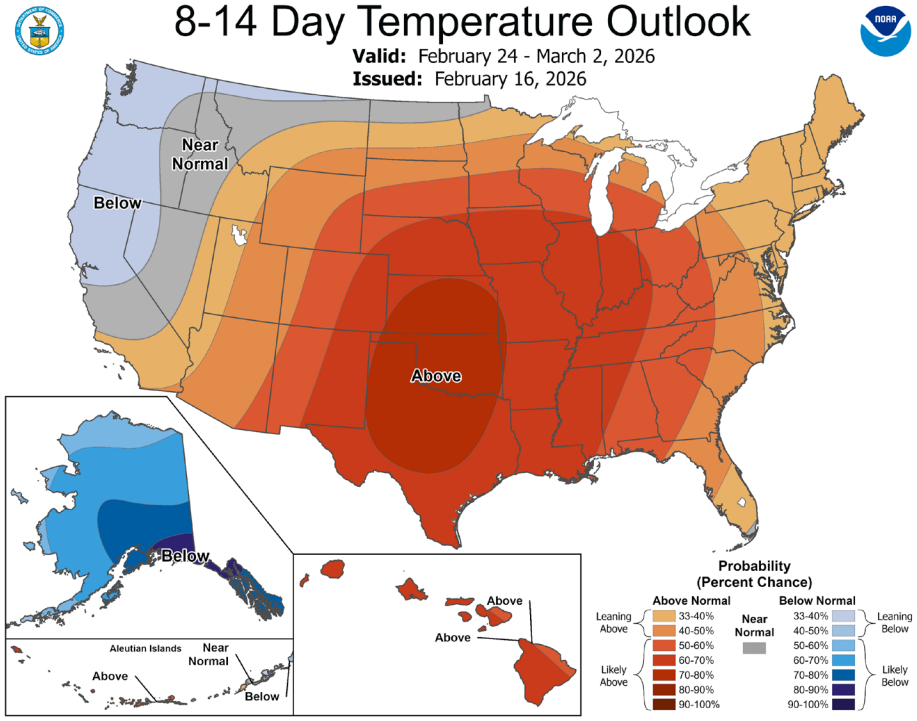
Lindsay Johnson
National Drought Mitigation Center

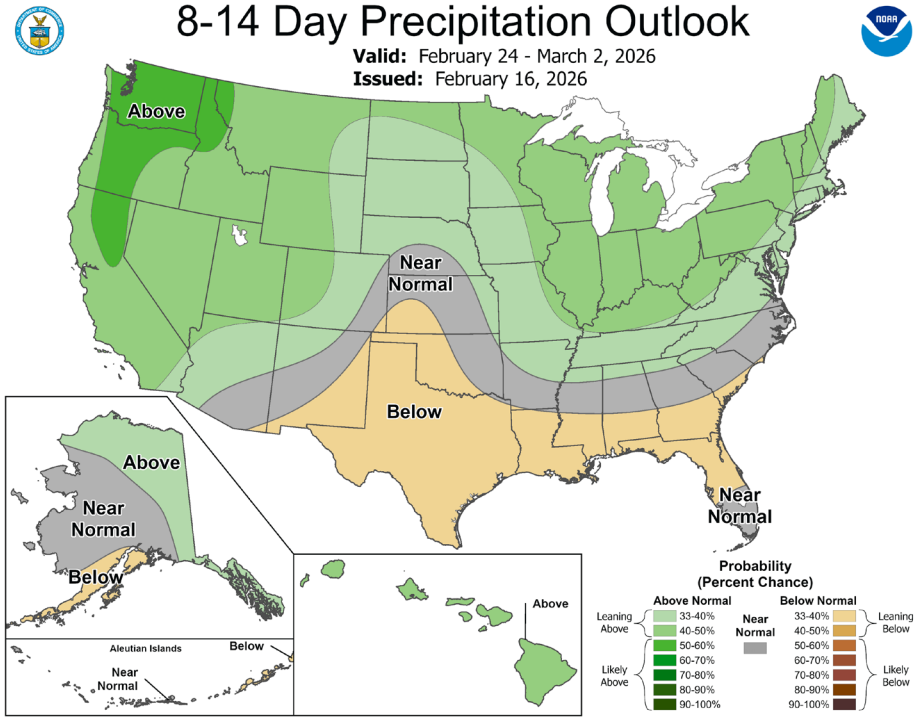
droughtmonitor.unl.edu



Truckee Meadows Water Authority

UPCOMING FORECAST





Truckee Meadows Water Authority

Thank you!

Questions?

Truckee Meadows Water Authority

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer, and
Shawn Stoddard, Senior Resource Economist
DATE: February 11, 2026
SUBJECT: **Second Reading, Public Hearing: Discussion and Possible Action on Resolution No. 342: A resolution to adopt structure changes to TMWA water rates reflecting the results of a Cost of Service study.**

Recommendation

Staff recommends the Board adopt resolution No. 342.

Summary

At the Board's September 17, 2025 meeting, Staff presented the results of the 2025 Cost of Service (COS) study along with the recommended rate structure changes. The Board tentatively approved the results of the study and directed staff to move forward with additional public outreach.

At the Board's January 21, 2026 meeting, the Board approved a motion to refer the recommended rate structure changes to a second reading.

All material and reports related to the COS study in previous Board meetings are included in Attachment A.

Recommended Motion

Move to adopt Resolution No. 342.

TRUCKEE MEADOWS WATER AUTHORITY

RESOLUTION NO. 342

A RESOLUTION ADOPTING REVISIONS TO RATE SCHEDULES, RATES, AND CHARGES WITH RESPECT TO THE SERVICES, AND COMMODITIES PROVIDED BY THE TRUCKEE MEADOWS WATER AUTHORITY

WHEREAS, the Truckee Meadows Water Authority (the "Authority") prepared a cost-of-service study in accordance with guidelines established by the American Water Works Association to determine if the revenues collected from each customer group represented the actual cost incurred to provide water service to those customer groups;

WHEREAS, based on the results of the cost-of-service study, the Authority has proposed certain rate design changes to align future revenues collected with actual costs incurred by each customer group;

WHEREAS, after conducting appropriate investigations, studies and public hearings, the Authority has concluded that an adjustment of water rates for all customer classes, including both customer charges and commodity charges, is necessary to recover the costs of service;

WHEREAS, the Authority has determined that the rates and charges for water service set forth in Exhibit 1 attached hereto and incorporated are appropriate and justified.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority that**:**

Changes to service charges and commodity charges shown in Exhibit 1 in redline, are hereby approved and adopted and are to be effective and implemented commencing for the first billing cycle of June 2026.

Upon motion of _____, seconded by _____, the foregoing Resolution was passed and adopted this 18th day of February, 2026, by the following vote of the Board:

Ayes: _____

Nays: _____

Abstain:_____Absent: _____

Approved this 18th day of February, 2026

_____

Clara Andriola, Chair

Truckee Meadows Water Authority

RATE SCHEDULES

RMWS – RESIDENTIAL METERED WATER SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available for all purposes to any single family residential dwelling served through a separate Service Connection. This Rate Schedule is mandatory for delivery of water to residential Customers in newly constructed residential buildings which are occupied for the first time on or after July 1, 1988; and for residential Customers who receive a Meter pursuant to Rules 2 and 6.

Effective October 1, 2015, any single family residential service then receiving the delivery of water under either Rate Schedules RFWS or SUFR will be required to pay the metered rate pursuant to this Rate Schedule commencing upon later of October 1, 2015 or the first billing period following the installation of Meter Facilities and a Meter at the Service Property. For previously Unmetered Service Property(ies), the Authority will install Meter Facilities as soon as practicable, with costs to be borne by the Authority in accordance with Rule 6.

AVAILABILITY

The Authority's retail service territory.

RATES

Customer Charge Per Billing Period

Meter Size	Per Meter
~~Up to~~ 3/4"	$21.87~~23.02~~
1" and larger	~~$~~34.37~~25.32~~
~~1 1/2"~~	~~$28.81~~
~~2"~~	~~$33.39~~
~~3"~~	~~$37.98~~
~~4"~~	~~$43.70~~
~~6"~~	~~$50.66~~

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

Tier 1	0 to 6,000 Gallons per Billing Period	$2.20~~2.14~~
Tier 2	6,001 to 25,000 Gallons per Billing Period	$3.30~~3.45~~
Tier 3	Greater than 25,000 Gallons per Billing Period	$4.39~~4.05~~

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Added: 03/23/01 Amended: 11/01/01, 09/25/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/2014; 05/21/15; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

RMWS – RESIDENTIAL METERED WATER SERVICE

Late Charge

5% of any amount in arrears from previous billings

Other Charges

As specified in Rate Schedule OC and applied to total bill.

MINIMUM CHARGE

The Minimum Charge hereunder shall consist of the sum of the Customer Charge, commodity charge, backflow charge, late charge, right-of-way toll, and regional water management fee per Billing Period.

SPECIAL CONDITIONS

1. Customers previously billed at the 1 1/4" Customer Charge will be billed at the 1" Customer Charge.

2. Backflow Charge. This charge applies to single family residential Customers where the Service Property has a backflow prevention assembly maintained by the Authority. The monthly charge applied per Billing Period for operations, maintenance, service and annual testing associated with the backflow prevention assembly is $5.78~~5.58~~.

3. This Rate Schedule is closed to new applications for the delivery of water through a 3" Service Connection.

Added: 03/23/01 Amended: 09/25/03; 05/21/09; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

MMWS – MULTIPLE-UNIT RESIDENTIAL METERED WATER SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available for all purposes to any multiple-unit residential Customer in multiple-unit complexes including apartment complexes, mobile home parks and two or more detached single family dwellings metered in accordance with Rule 6. This Rate Schedule is mandatory for delivery of water to residential Customers in newly constructed multi-tenant residential buildings occupied for the first time on or after July 1, 1988; and for multiple-unit residential Customers who have received a Meter pursuant to Rules 2 and 6.

Effective October 1, 2015, any multi-unit complex including apartment complexes, mobile home parks and two or more detached single family dwellings metered in accordance with Rule 6 then receiving the delivery of water under either Rate Schedules MRFS or MRIS will be required to pay the metered rate pursuant to this Rate Schedule commencing upon later of October 1, 2015 or the first billing period following the installation of Meter Facilities and a Meter at the Service Property.

AVAILABILITY

The Authority's retail service territory.

RATES

Customer Charge per Billing Period

Per unit $7.07~~Meter Size Per Meter~~

~~Up to 3/4" $23.02~~
~~1" $25.32~~
~~1 1/2" $28.81~~
~~2" $33.39~~
~~3" $37.98~~
~~4" $43.70~~
~~6" $50.66~~
~~8" $58.73~~
~~10" $69.04~~

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

Tier 1 All usage up to 4,000 Gallons per Unit
Multiplied by number of units per Billing Period ~~d~~ $2.01~~2.14~~

Tier 2 Usage greater than Tier 1 per Billing Period ~~$~~3.02~~3.45~~

Added: 03/23/01 Amended: 09/25/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/14; 05/21/15; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

MMWS – MULTIPLE-UNIT RESIDENTIAL METERED WATER SERVICE

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

MINIMUM CHARGE

The Minimum Charge hereunder shall consist of the sum of the Customer Charge, commodity charge, late charge, right-of-way toll, and regional water management fee per Billing Period.

SPECIAL CONDITIONS

1. Customers previously billed at the 1 1/4" Customer Charge will be billed at the 1" Customer Charge.

2. This Rate Schedule is closed to new applications for the delivery of water through a 3" Service Connection.

Added: 03/23/01 Amended: 09/25/03; 05/21/09

Truckee Meadows Water Authority

RATE SCHEDULES

GMWS - GENERAL METERED WATER SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available for Commercial Service to Service Property(ies) with a Meter used for billing purposes and where no other Rate Schedule is specifically applicable.

AVAILABILITY

The Authority's retail service territory.

RATES

Customer Charge per Billing Period

Meter Size	Per Meter
3/4"	$21.87~~23.02~~
1"	$34.37~~25.32~~
1 1/2"	$93.74~~28.81~~
2"	$124.98~~33.39~~
3"	$218.72~~37.98~~
4"	$374.94~~43.70~~
6"	$843.62~~50.66~~
8" and larger~~—~~	$999.85~~58.73~~
~~10"~~	~~$69.04~~

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

All Meter Sizes	$2.45
~~Tier 1~~	~~$2.14~~
~~Tier 2~~	~~$3.45~~
~~Tier 3~~	~~$4.05~~

~~Tier usage levels are set for each Meter size according to this table:~~

~~Meter Size~~	~~Tier 1 Gallons~~	~~Tier 2 Gallons~~	~~Tier 3 Gallons~~
~~3/4"~~	~~0 to 7,000~~	~~7,001 to 30,000~~	~~Greater than 30,000~~
~~1"~~	~~0 to 14,000~~	~~14,001 to 65,000~~	~~Greater than 65,000~~
~~1 1/2"~~	~~0 to 28,000~~	~~28,001 to 120,000~~	~~Greater than 120,000~~
~~2"~~	~~0 to 50,000~~	~~50,001 to 210,000~~	~~Greater than 210,000~~
~~3"~~	~~0 to 165,000~~	~~165,001 to 640,000~~	~~Greater than 640,000~~
~~4"~~	~~0 to 300,000~~	~~300,001 to 1,300,000~~	~~Greater than 1,300,000~~
~~6"~~	~~0 to 1,000,000~~	~~1,000,001 to 2,600,000~~	~~Greater than 2,600,000~~
~~8"~~	~~0 to 1,475,000~~	~~1,475,001 to 6,000,000~~	~~Greater than 6,000,000~~
~~10"~~	~~0 to 9,500,000~~	~~9,500,001 to 15,000,000~~	~~Greater than 15,000,000~~

Added: 03/23/01 Amended: 09/25/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/14; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

GMWS - GENERAL METERED WATER SERVICE

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

MINIMUM CHARGE

The Minimum Charge hereunder shall consist of the sum of the Customer Charge, commodity charge, late charge, right-of-way toll, and regional water management fee per Billing Period.

SPECIAL CONDITIONS

1. This Rate Schedule is closed to new applications for the delivery of water through a 3 inch Service Connection.

Added: 03/23/01 Amended: 09/25/03; 05/21/09

Truckee Meadows Water Authority

RATE SCHEDULES

MIS – METERED IRRIGATION SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is mandatory for separately metered Irrigation Service.

AVAILABILITY

The Authority's retail service territory.

RATES

Customer Charge per Billing Period

Meter Size	Per Meter
3/4"	$21.87~~23.02~~
1"	$34.37~~25.32~~
1 1/2"	$124.98~~28.81~~
2"	$156.23~~33.39~~
3"	$271.83~~37.98~~
4"	$468.68~~43.70~~
6" and larger	~~$~~999.85~~50.66~~
~~8"~~	~~$58.73~~
~~10"~~	~~$69.04~~

Commodity Charge per 1,000 Gallons, All Meter Sizes

On-Peak Period	$3.13~~4.18~~
Off-Peak Period	$2.61~~3.45~~

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

Added: 03/23/01 Amended: 09/25/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/14; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

MIS – METERED IRRIGATION SERVICE

MINIMUM CHARGE

The Minimum Charge hereunder shall consist of the sum of the Customer Charge, commodity charge, late charge, right-of-way toll, and regional water management fee per Billing Period.

SPECIAL CONDITIONS

1. If a Customer disconnects and reconnects within one (1) calendar year, the Customer shall pay the Customer Charge for each month the delivery of water was disconnected.

2. This Rate Schedule is closed to new applications for the delivery of water through a 3" Service Connection.

Added: 03/01/05 Amended: 05/21/09; 01/19/12

Truckee Meadows Water Authority

RATE SCHEDULES

SUFR – SMALL UNIT FLAT RATE SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available for single family residence(s) on a Service Property(ies) with lot size 3,000 square feet or less served individually through a separate 3/4" Service Connection to the Service Property. After October 1, 2015, the delivery of water under this Rate Schedule shall be available only to a Service Property (1) that was billed under this schedule on October 1, 2015 and (2) so long as such Service Property is not able to be billed under Rate Schedule RMWS. For previously Unmetered Service Property(ies), the Authority will install Meter Facilities as soon as practicable, with costs to be borne by the Authority in accordance with Rules 2 and 6. Customers receiving delivery of water under either of the residential metered water or multiple-unit flat rate service Rate Schedules are excluded from this Rate Schedule.

AVAILABILITY

The Authority's retail service territory.

RATES

Customer Charge per Billing Period

$ 39.66~~48.57~~ for a Service Connection.

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

MINIMUM CHARGE

The Minimum Charge for this service shall consist of the sum of the Customer Charge, commodity charge, late charge, right-of-way toll, and regional water management fee per Billing Period.

SPECIAL CONDITIONS

1. This Rate Schedule is not available to Customers currently billed under the MRFS or MRIS Rate Schedules.

2. Single family residence Service Property(ies) with lot size(s) greater than 3,000 square feet individually served through a separate Service Connection shall be billed under RMWS or RFWS Rate Schedules.

3. Separate Irrigation Service shall be billed under the MIS Rate Schedule.

4. This Rate Schedule is closed to new applications for the delivery of water.

Added: 03/23/01 Amended: 10/01/03; 03/01/05; 01/19/12; 01/24/14; 05/21/15; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

MRFS – MULTIPLE-UNIT RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available for residential purposes to any Customer for use in multiple-unit residential complexes, including apartment complexes, mobile home parks, and two or more detached single family dwellings served through a single Service Connection with separate Irrigation Service at the same Service Property. After October 1, 2015, the delivery of water under this Rate Schedule shall be available only to a Service Property (1) that was billed under this schedule on October 1, 2015 and (2) so long as the Service Property is not able to be billed under Rate Schedule MMWS. For previously Unmetered Service Property(ies), the Authority will install Meter Facilities as soon as practicable, with costs to be borne by the Authority in accordance with Rules 2 and 6.

AVAILABILITY

The Authority's retail service territory.

RATES

~~Customer Charge per Billing Period~~

~~$ 21.10 for a 3/4" Service Connection~~
~~$ 23.22 for a 1" Service Connection~~
~~$ 26.46 for a 1 1/2" Service Connection~~
~~$ 30.67 for a 2" Service Connection~~
~~$ 34.88 for a 3" Service Connection~~
~~$ 40.11 for a 4" Service Connection~~
~~$ 46.44 for a 6" Service Connection~~

Unit Charge per Billing Period

$22.09~~13.53~~ for each dwelling unit.

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

Added: 03/23/01 Amended: 10/01/03; 03/01/05; 05/21/09; 02/17/10; 05/21/15; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

MRFS – MULTIPLE-UNIT RESIDENTIAL FLAT RATE SERVICE

MINIMUM CHARGE

The Minimum Charge for delivery of water for this service shall consist of the sum of the Customer Charge, unit charge, late charge, right-of-way toll, and regional water management fee per Billing Period.

SPECIAL CONDITIONS

1. Customers previously billed at the 1 1/4" Customer Charge will be billed at the 1" Customer Charge.

2. All irrigation to the multiple-unit complex must be provided by separate irrigation service lines.

3. This Rate Schedule is closed to new applications for the delivery of water for multiple-unit residential service.

Added: 03/23/01 Amended: 10/01/2003; 04/19/17

Truckee Meadows Water Authority

RATE SCHEDULES

MRIS - MULTIPLE-UNIT RESIDENTIAL AND IRRIGATION SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available for residential purposes to any Customer in multiple-unit residential complexes, including apartment complexes, mobile home parks, and two or more detached single family dwellings, served through a single Service Connection without separate Irrigation Service at the same Service Property. After October 1, 2015, the delivery of water under this Rate Schedule shall be available only to a Service Property (1) that was billed under this schedule on October 1, 2015 and (2) so long as the Service Property is not able to be billed under Rate Schedule MMWS. For previously Unmetered Service Property(ies), the Authority will install Meter Facilities as soon as practicable, with costs to be borne by the Authority in accordance with Rules 2 and 6.

AVAILABILITY

The Authority's retail service territory.

RATES

~~Customer Charge per Billing Period~~

~~$ 42.46 for a 3/4" Service Connection~~
~~$ 62.45 for a 1" Service Connection~~
~~$ 98.59 for a 1 1/2" Service Connection~~
~~$ 155.57 for a 2" Service Connection~~
~~$ 261.12 for a 3" Service Connection~~
~~$ 533.03 for a 4" Service Connection~~
~~$ 860.57 for a 6" Service Connection~~
~~$ 1,099.34 for a 8" Service Connection~~
~~$ 1,564.96 for a 10" Service Connection~~

Unit Charge per Billing Period

$ 25.14~~14.28~~ for each dwelling unit

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

Added: 03/23/01 Amended: 10/01/2003; 03/01/05; 05/21/09; 02/17/10; 05/21/15; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

MRIS - MULTIPLE-UNIT RESIDENTIAL AND IRRIGATION SERVICE

MINIMUM CHARGE

The Minimum Charge for delivery of water for this service shall consist of the sum of the Customer Charge, unit charge, late charge, right-of-way toll, and regional water management fee.

SPECIAL CONDITIONS

1. Customers previously billed at the 1 1/4" Customer Charge will be billed at the 1" Customer Charge.

2. Once a Meter is installed for separate Irrigation Service, Customers previously billed under this Rate Schedule will be moved to the MRFS Rate Schedule and the irrigation to the MIS Rate Schedule.

3. This Rate Schedule is closed to new applications for the delivery of water for multiple-unit residential service.

Added: 03/23/01 Amended: 10/01/03

Truckee Meadows Water Authority

RATE SCHEDULES

FPS – FIRE PROTECTION SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available for fire protection purposes to any Service Property through Customer-owned Fire Facilities as defined in the Rules. Fire Facilities owned by Local Governments within the Authority's retail service territory are excluded from this Rate Schedule.

AVAILABILITY

The Authority's retail service territory.

RATES

Customer Charge per Billing Period

Meter Size — Per Meter ~~The charge for delivery of water per Billing Period for this service shall consist of a monthly Customer Charge computed at $6.29 per inch of the nominal diameter of the Service Pipe.~~

2" and smaller	$2.24
3"	$6.49
4"	$13.84
6"	$40.20
8"	$85.67
10"	$154.06
12"	$248.85

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

MINIMUM CHARGE

The Minimum Charge will consist of the Customer Charge, late charge, right-of-way toll, and regional water management fee per Billing Period.

SPECIAL CONDITIONS

Added: 03/23/01 Amended: 02/01/02; 10/01/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/14; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

FPS – FIRE PROTECTION SERVICE

1. This Rate Schedule is closed to new applications for the delivery of water through a 3" Service Connection.

Added: 03/23/01 Amended: 02/01/02; 10/01/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/14; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

NPS – NON-POTABLE WATER SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available, at the sole discretion of the Authority, to Customers for Non-Potable uses of water including but not limited to, dust control, earth compaction, irrigation or any other Non-Potable use from non-treated or treated water sources of supply managed by the Authority.

AVAILABILITY

Delivery of water is available from any mutually agreed Service Connection from existing Facilities of the Authority located within its retail and Wholesale Service territory boundaries.

RATES

Customer Charge per Billing Period	
Per delivery point	$124.98~~41.09~~
Commodity Charge per 1,000 Gallons	
Untreated Water	$1.33~~1.23~~
Treated Water	$4.78~~4.18~~
Late Charge	
5% of any amount in arrears from previous billings.	
Other Charges	
As specified in Rate Schedule OC and applied to total bill.	

MINIMUM CHARGE

The Minimum Charge for this service shall consist of the sum of the Customer Charge, commodity charge, late charge, right-of-way toll, and regional water management fee per Billing Period.

Added: 11/01/02 Amended: 10/01/03; 05/21/09; 02/17/10; 01/19/12; 01/24/14; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

NPS – NON-POTABLE WATER SERVICE

CHARACTER OF SERVICE

Delivery of water under this Rate Schedule shall be provided at the sole discretion of the Authority, and may be subject to interruptions or curtailments for indefinite periods. Curtailment and/or interruption of delivery of water may occur due to various operating conditions including but not limited to cross-contamination or threat of cross-contamination, insufficient water availability, system repairs, maintenance or construction, or with other conditions and circumstances both inside and outside of the Authority's direct ability to control (e.g., acts of God, system repair, system failure, labor disputes, etc). Subject to the foregoing, the Authority shall provide the Customer with as much notice as is practical of any curtailment or interruption of delivery of water and in the event of curtailment or interruption, the Authority will use reasonable efforts to restore delivery of water in a safe and efficient manner.

SPECIAL CONDITIONS

1. For all Non-Potable uses, the Customer will be required to execute an "NPS Service Agreement" with the Authority. The agreement will cover, but is not limited to, sufficient water resources to supply the delivery of water when necessary, cross-connection control issues, delivery rates, specific delivery requirements of the Customer, conditions of delivery, Authority conveyances as to the likelihood of interruption given the Customer's specified requirements, times of year when delivery of water will be required, the nature of curtailment and interruption notices, time allowed for Customer's response to Authority's interruption notification, etc.

2. All costs necessary to provide delivery of water hereunder shall be payable by Customer consistent with the Authority's Rules.

3. The Customer acknowledges that the use of Non-Potable water poses a potential cross-connection risk to the Customer's on-site system and to the Authority's water delivery system. Accordingly, the Customer shall additionally abide with the following conditions of delivery of water.

    a. The Customer shall obtain all permits and approvals necessary for the use of Non-Potable water.

    b. The Customer shall identify and provide contact information to the Authority for the Customer's "NPS Supervisor" who shall be responsible for the operation and maintenance of the on-site Non-Potable system.

    c. The Customer may not connect to the Potable system without approval of the Authority.

Added: 11/01/02 Amended: 10/01/03

Truckee Meadows Water Authority

RATE SCHEDULES

NPS – NON-POTABLE WATER SERVICE

d. In the event the Customer maintains a Potable Service from the Authority at the same Service Property as NPS, NPS shall be air-gapped in a manner acceptable to the Authority. An annual inspection of the Non-Potable on-site system shall be performed at the Customer's expense. This inspection shall be performed by representatives from the Customer and the Authority. The Authority may require an annual shutdown test be performed to confirm that no cross-connections exist. The Authority reserves the right to terminate NPS at any time for any reason in its sole discretion.

4. In the event that the Authority interrupts delivery of water to a Customer who is receiving untreated water under this Rate Schedule but the Customer has (1) elected to receive treated water for NPS in the service agreement, (2) the Customer has all necessary cross-connection control devices installed and operational, and (3) the Authority is able to deliver treated water in lieu of untreated water pursuant to this Rate Schedule, the Authority will deliver treated water for NPS and the Customer will be charged the treated water commodity charge listed in this Rate Schedule.

5. Temporary NPS, pursuant to Authority's Rule 2, is available under the conditions of this schedule subject to the terms of the "NPS Service Agreement".

Added: 11/01/02 Amended: 10/01/03

Truckee Meadows Water Authority

RATE SCHEDULES

IWS – INTERRUPTIBLE WATER SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available, at the sole discretion of the Authority, to Customers for interruptible water deliveries.

AVAILABILITY

Interruptible Water Service is available hereunder from existing Facilities of Authority located within its retail territories.

RATES

Customer Charge per Meter per Billing Period	$124.98~~41.09~~
Commodity Charge per 1,000 Gallons	$1.33~~1.23~~

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

MINIMUM CHARGE

The Minimum Charge will consist of the Customer Charge, commodity charge, late charge, rights-of-way toll, and regional water management fee per Billing Period.

CHARACTER OF SERVICE

Delivery of water provided under this Rate Schedule shall be provided at the sole discretion of the Authority and may be subject to frequent and immediate interruptions or curtailments for indefinite periods. Curtailment and/or interruption of delivery of water may take place due to various operating conditions associated with protecting the overall integrity of the water system (such as the need to maintain drought reserves, insufficient water availability, or lack of available capacity); or with repairing, constructing, or maintaining Facilities on the Authority's system; or with other conditions and circumstances both inside and outside of the Authority's direct ability to control (e.g., acts of God, system repair, system failure, labor disputes, etc.). Subject to this general understanding as to the interruptible nature of the delivery of water, the following assurances as to the character of the service are made:

1. The Authority shall provide the Customer with as much notice as is practical of any curtailment of interruption of delivery of water.

Added: 03/23/01 Amended: 10/01/03; 05/21/09; 02/17/10; 01/19/12; 01/24/14; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

IWS – INTERRUPTIBLE WATER SERVICE

2. Water delivered under this Rate Schedule, although interruptible, will be provided on a best-efforts basis after the Authority has satisfied all other non-interruptible retail and wholesale Customer sales obligations. Delivery of water for this service will be limited by the existing capacity of the system and its availability to render the requested deliveries, without construction of any additional Facilities. Delivery of water will be available subject to the terms and conditions of delivery specified in the contract for service and as long as, in the Authority's judgment, the required water deliveries can be provided without jeopardizing the integrity of the system, or affecting the Authority's ability to modify, expand or repair the system as necessary to provide adequate deliveries of water to existing or future Customers.

3. If, in the Authority's opinion, the Customer applying for the IWS is not able to adequately demonstrate the ability to tolerate the types of interruption in water deliveries that may occur under the provisions of this Rate Schedule, or the terms and conditions of the contract for service, then delivery of water under this Rate Schedule will not be granted by the Authority. In such cases, the Authority will make best efforts to serve the Customer's water needs under an appropriate non-interruptible water Rate Schedule.

4. In the event there is a need to partially curtail any portion of the total interruptible water load served by the Authority, on any particular day or for any other particular time period, then the curtailment/interruption protocols will be as follows:

   a. The curtailment or interruption will be in the reverse order of the effective date of the contract for service agreement.

   b. When two or more service agreements have the same effective date, then among the Customers with such service agreements, the curtailment/interruption requirement will be achieved by proportionally allocating the remaining water available for interruptible service delivery among all such Customers' based upon each such Customer's maximum daily demand (as specified in the service agreement) to the total maximum daily demands of these Customers. If a Customer's service agreement with the Authority does not provide for a maximum daily delivery, then the Customer's minimum delivery will be used for proration purposes. Customers not requesting delivery of water during the time curtailment is required will be excluded from the calculation of any proration.

   c. Notwithstanding the other provisions of parts a) and b) above, the Authority shall not be required to interrupt water delivery to any Customer or curtail water delivery to any Customer served from those locations on Authority's system where, due to operational or capacity limitations, the Authority's ability to maintain the priorities provided herein would not be improved.

Added: 03/23/01 Amended: 10/01/03

Truckee Meadows Water Authority

RATE SCHEDULES

IWS – INTERRUPTIBLE WATER SERVICE

SPECIAL CONDITIONS

1. The Customer will be required to execute a contract for this service with the Authority, and will mutually agree to distribute water within a specified geographic area and/or use water for specified purposes. The contract may also cover, but not be limited to, requirements as to water resources sufficient to supply the water, the specific delivery requirements of the Customer, conditions of delivery, Authority conveyances as to the likelihood of interruption given the Customer's specified requirements, times of year when delivery of water will be required, the nature of curtailment and interruption notices, time allowed for Customer's response to Authority's interruption notification, etc.

2. The Customer shall pay all interconnection costs necessary to provide delivery of water hereunder, consistent with the Authority's Rules.

3. Any additional costs required to provide delivery of water in excess of those described in this Rate Schedule shall be the responsibility of the Customer. Any additional cost responsibility shall be clearly described in the contract for service.

4. The Authority, for the purposes of providing Wholesale Service, has the option to annex the Customer's retail service territory, prior to the granting of delivery of water under this Rate Schedule.

5. Failure of the Customer to respond to, or cooperate with, the Authority's notification of a need to curtail or interrupt delivery of water, in a timely manner and without justifiable cause, will be sufficient grounds for the Authority to discontinue delivery of water under this Rate Schedule. The Authority must notify the Customer of its reason for terminating delivery of water within ten (10) days after the discovery of the Customer's violation. Delivery of water can also be terminated under the conditions specified in applicable Authority rules, and can be terminated by either party upon one (1) year's prior written notice.

6. This Rate Schedule is closed to new applications for the delivery of water through a 3" Service Connection.

Added: 03/23/01 Amended: 10/01/03; 05/21/09

Truckee Meadows Water Authority

RATE SCHEDULES

LVS – LARGE VOLUME RESALE SERVICE

APPLICABILITY

Large Volume Resale Service is applicable to water companies for resale within a Customer's Wholesale Service area included in this rate schedule.

AVAILABILITY

Large Volume Resale Service is available from existing facilities of Authority located within its Wholesale Service territories.

RATES

Commodity Rates per 1,000 Gallons

Sun Valley General Improvement District

First 42,000,000 Gallons per Billing Period	$1.94~~1.84~~
Greater than 42,000,000 Gallons per Billing Period	$3.21~~3.06~~

Additional Charges

~~Customer Charge per Meter per Billing Period $157.07~~

Late Charge:

5% of any amount in arrears from previous billings.

Other Charges:

As specified in Rate Schedule OC excluding Regional Water Management Fee and applied to total bill.

MINIMUM CHARGE

The Minimum Charge for delivery of water for this service shall consist of the Customer Charge, commodity charge, late charge, and right-of-way toll per Billing Period.

Added: 03/23/01 Amended: 10/01/03; 03/01/05; 09/20/06; 05/21/09; 01/21/10; 01/19/12; 01/01/15; 04/19/17; 05/01/18; 05/01/20; 06/01/21; 06/01/22; 06/01/23; 01/01/24; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

LVS – LARGE VOLUME RESALE SERVICE

SPECIAL CONDITIONS

1. A written contract for delivery of water between the Authority and Customer will be required. The contract shall require the Customer to distribute water within a mutually agreeable specified geographic area, or use water for a mutually agreeable specified purpose.
2. The Customer shall pay all interconnection costs necessary to provide delivery of water per this Rate Schedule, consistent with the Authority's Rules. Any exceptions to this provision will be clearly delineated in the contract.

3. This Rate Schedule is closed to new applications for the delivery of water through a 3" Service Connection.

4. The Authority, in agreement with Customers billed under this Schedule, may annually adjust the tier usage level in this schedule which adjustment would be effective the first billing cycle in June. The adjustment made to each Customer's tier would be based on the average usage of the preceding Winter Usage.

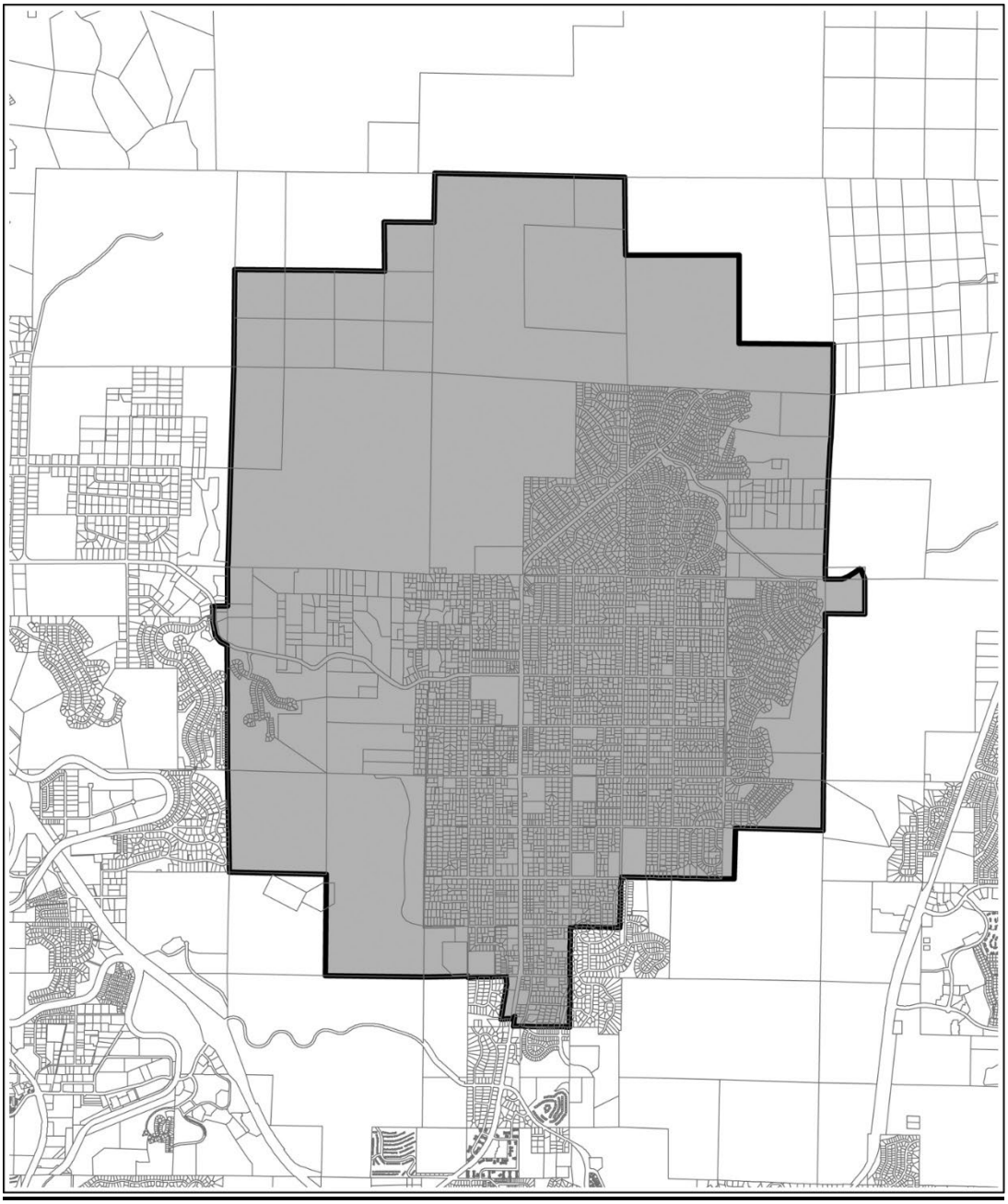
Added: 03/23/01 Amended: 10/01/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/14; 01/01/15

Truckee Meadows Water Authority

RATE SCHEDULES

LVS – LARGE VOLUME RESALE SERVICE

PARCEL A - Sun Valley General Improvement District Wholesale Service Area



NOTE: The wholesale service areas within this schedule are the approximate boundaries of the wholesale Customer and are subject to occasional adjustment by the wholesale Customer and Authority. The Authority attempts to keep a current map posted on its website, at www.tmwa.com; however, this map may not show sufficient detail to depict location of a Service Property precisely which the Authority will determine at the time of application.

Added: 01/01/15

Truckee Meadows Water Authority

RATE SCHEDULES

FSPR – FIRM STANDBY AND PARTIAL REQUIREMENTS

APPLICABILITY

Firm Standby/Partial Requirements Service is available, at the sole discretion of the Authority, to Customers where: (1) none of their water requirements are supplied by the Authority and the Authority agrees to provide standby water service or, (2) only a portion of their normal daily water requirements are supplied by the Authority and the Authority agrees to supply partial water requirements.

AVAILABILITY

Firm Standby/Partial Requirements Service is available from existing Facilities of the Authority located within its water service territories.

RATES

~~Customer Charge per Meter per Billing Period~~	~~$157.07~~
Commodity Charge per 1,000 Gallons, All Meter Sizes	
Per Billing Period	$1.33~~1.23~~
Demand Charge	
Per Billing Period in the On-Peak Period:	
Per 1,000 Gallons of Contract Demand	$19.13~~17.57~~
plus	
Per 1,000 Gallons of Actual Demand above the Contract Demand up to the Allowable Variance	$114.81~~105.42~~
plus	
Per 1,000 Gallons for which the Actual Demand exceeds the Contract Demand including the Allowable Variance	$229.61~~210.83~~
Per Billing Period in the Off-Peak Period:	
Per 1,000 Gallons of Contract Demand	$19.13~~17.57~~
Late Charge	
5% of any amount in arrears from previous billings.	

Added: 03/23/01 Amended: 10/01/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/14; 01/01/15; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25; 05/01/26

Truckee Meadows Water Authority

RATE SCHEDULES

FSPR – FIRM STANDBY AND PARTIAL REQUIREMENTS

Other Charges

As specified in Rate Schedule OC excluding Regional Water Management Fee and applied to total bill.

MINIMUM CHARGE

The Minimum Charge for delivery of water for this service shall be the sum of the Customer Charge, commodity charge, demand charge, late charge, and right-of-way toll per Billing Period.

SPECIAL DEFINITIONS

1. Contract Demand: Contract Demand is defined as the Customer's maximum firm daily capacity (in thousands of gallons) for which Authority will standby for or provide as partial requirements during the On-Peak Period. The Contract Demand designation shall also set the Customer's maximum daily usage to be served by Authority during the Off-Peak Period. Usage may be subject to curtailment/interruption by Authority per Special Condition No. 1 of this Rate Schedule. The Contract Demand shall be designated in the contract for service and is subject to adjustment by Authority pursuant to the terms of Special Condition No. 5 of this Rate Schedule.

2. Actual Demand: The Actual Demand is defined as the maximum metered daily usage occurring in the Billing Period.

3. Allowable Variance: The allowable variance amount is 5% above the Contract Demand during the On-Peak Period, unless another variance amount is specified in the contract for service.

SPECIAL CONDITIONS

1. A contract for service between the Authority and the Customer will be required for delivery of water under this Rate Schedule. The service contract shall require the Customer to distribute water within a mutually agreeable specified geographic area and/or use water for a mutually agreeable specified purpose. The service contract shall include but is not limited to the level of firm service required by the Customer over the term of the agreement (i.e., the Contract Demand), conditions for the termination and extension of delivery of water, requirements as to water resources sufficient to supply water, the specific delivery requirements of the Customer, conditions of delivery, provisions outlining possible service interruptions or

Added: 03/23/01 Amended: 10/01/03; 01/19/12

Truckee Meadows Water Authority

RATE SCHEDULES

FSPR – FIRM STANDBY AND PARTIAL REQUIREMENTS

curtailments, and, where appropriate, assurances of financial security sufficient to ensure payment of all charges for delivery of water.

2. Delivery of water hereunder is available to Customers with firm standby or partial water requirements who own and operate their distribution system and are capable of supplying all or a portion of their water supply, daily storage, fire protection, maintenance, billing, etc.

3. Customer shall take delivery of water at a point within or adjacent to the Authority's existing distribution Facilities of adequate capacity to provide required delivery of water, or shall pay Authority's entire cost for providing such facilities.

4. The Customer shall provide and install the necessary Meter Facilities, inclusive of the Meter and, if required by the Authority, telemetry equipment necessary for daily meter readings as well as any other equipment required for delivery of water hereunder including flow control devices, piping, and other related equipment. All required equipment and facilities shall be installed in accordance with Authority specifications and in a location that is mutually acceptable. Meter and Meter Facilities shall remain under the sole ownership and operation control of the Authority, unless otherwise specified by the Authority.

5. Contract Demand Adjustment: The established Contract Demand may be adjusted by the Authority to a higher, permanent level if:

   (i) the Customer's Actual Demand exceeds the existing Contract Demand by ten (10) percent or more two (2) times in the On-Peak Period over any consecutive 24 month period, or

   (ii) if the Customer's Actual Demand exceeds the existing Contract Demand by twenty (20) percent or more in any month of the On-Peak Period.

   If either of these two conditions is met, the Customer's Contract Demand may be reset to the highest Actual Demand imposed by the Customer during the On-Peak Period in the last 24 months.

6. Special Condition No. 5 above shall not apply during periods of legitimate emergency, beyond the control and foresight of the Customer, which require the Authority to deliver water in excess of the Contract Demand. The Customer must notify the Authority of any emergency situation requiring the Authority to deliver water in excess of the Contract Demand. If an emergency arises, the Customer shall notify the Authority with reasonable speed, verbally or by phone, specifying the nature of the emergency, the estimated quantity of water to be delivered, the time at which the emergency began, and the time at which the emergency ended.

Added: 03/23/01 Amended: 10/01/03; 01/19/12; 01/01/15

Truckee Meadows Water Authority

RATE SCHEDULES

FSPR – FIRM STANDBY AND PARTIAL REQUIREMENTS

7. The Authority is not obligated to provide service to a Customer at levels of capacity that exceed the Contract Demand in the Off-Peak or On-Peak Period. Service in excess of the Contract Demand may be subject to curtailment or total interruption by Authority at its sole discretion. If usage above the established Contract Demand occurs in the On-Peak Period the Authority may adjust the Customer's Contract Demand upward pursuant to Special Condition No. 5 above. In accordance with Special Condition No. 6 above, the Authority shall try to accommodate a Customer's requirements for water deliveries in excess of the Contract Demand when an emergency situation exists.

8. The Authority is not obligated to deliver water at total annual volumes or quantities of water in excess of the level specified in the contract for service. Delivery of water in excess of the annual quantities designated may be subject to curtailment or total interruption by the Authority at its sole discretion.

Added: 03/23/01 Amended: 10/01/03; 01/19/12

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

APPLICABILITY

Rates contained in this Rate Schedule FRMWC are applicable solely to the delivery of water service to Premises receiving water service from, and located within the former retail service area of the Washoe County Community Services Department Water Utility as of December 31, 2014, subject to the Special Conditions set forth below in this rate schedule.

Effective October 1, 2015, any Service Property then receiving the delivery of water under Rate Schedule RFWD will be required to pay the metered rate under Rate Schedule RMWD commencing upon later of October 1, 2015 or the first billing period following the installation of Meter Facilities and a Meter at the Service Property. After October 1, 2015, delivery of water under Rate Schedule RFWD shall be available only to a Service Property (1) that was billed under Rate Schedule RFWD on October 1, 2015 and (2) so long as such Service Property is not able to be billed under Rate Schedule RMWD or RMWS.

RATES

RFWD – Residential Unmetered Water Service for Residential and Irrigation Service

Customer Charge per Billing Period

Up to 3/4"	$ 89.82
1"	$ 90.18
1 1/2"	$ 92.12
2"	$ 93.55
3"	$ 94.96
4"	$ 99.18

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

RMWD – Residential Metered Water Service

Customer Charge per Billing Period

Meter Size	Per Meter
Up to 3/4"	$ 21.64
1"	$ 27.83
1 1/2"	$ 39.81
2"	$ 53.08
3"	$ 85.49
4"	$125.20
6"	$228.28

Added: 01/01/2015 Amended: 05/21/15; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

Commodity Charge per 1,000 Gallons for each Tier per Billing Period

RMWD1 - Meters less than 1 1/2":

Tier 1	0	to	6,999	$3.24
Tier 2	7,000	to	20,999	$4.07
Tier 3	21,000	to	40,999	$4.88
Tier 4	Greater than 41,000			$6.52

RMWD2 - 1 1/2" and larger meters:

Tier 1	0	to	28,999	$3.24
Tier 2	29,000	to	150,999	$4.07
Tier 3	151,000	to	600,999	$4.88
Tier 4	Greater than 601,000			$6.52

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

MMWD – Multi-Unit Residential Metered Water Service

Customer Charge per Billing Period

Meter Size	Per Meter
Up to 3/4"	$ 21.64
1"	$ 27.83
1 1/2"	$ 39.81
2"	$ 53.08
3"	$ 85.49
4"	$125.20
6"	$228.28

Commodity Charge per 1,000 Gallons for each Tier per Billing Period

Tier 1	0	to	28,999	$3.24
Tier 2	29,000	to	150,999	$4.07
Tier 3	151,000	to	600,999	$4.88
Tier 4	Greater than 601,000			$6.52

Added: 01/01/2015 Amended: 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

GMWD – Commercial Service to Service Property(ies) with a Meter and where no other Rate Schedule is specifically applicable per Billing Period.

Customer Charge per Billing Period

Meter Size	Per Meter
Up to 3/4"	$ 21.64
1"	$ 27.83
1 1/2"	$ 39.81
2"	$ 53.08
3"	$ 85.49
4"	$125.20
6"	$228.28
8"	$343.20

Commodity Charge per 1,000 Gallons, All Meter Sizes

On Peak	$3.65
Off Peak	$3.13

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

Added: 01/01/2015 Amended: 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

MISD – Metered Irrigation Water Service

Customer Charge per Billing Period

Meter Size	Per Meter
Up to 3/4"	$ 21.64
1"	$ 27.83
1 1/2"	$ 39.81
2"	$ 53.08
3"	$ 85.49
4"	$125.20

Commodity Charge per 1,000 Gallons $5.40

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

Fire Protection Service

Customer Charge per Billing Period

Service Pipe	Per Meter
3"	$ 31.22
4"	$ 49.05
6"	$ 90.55
8"	$147.77
10"	$217.32
12”	$314.32

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

Added: 01/01/2015 Amended: 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

MINIMUM CHARGE

The Minimum Charge for delivery of water service under any rate identified in this schedule shall consist of the sum of the Customer and Commodity Charges, late charge, right-of-way toll, and regional water management fee per Billing Period.

To facilitate the implementation of the merger between Authority and Washoe County Community Services Department Water Utility, Authority will apply a credit to the sum of the Customer and Commodity Charges otherwise applicable to service properties within the City of Reno and City of Sparks as follows:

Period	Credit
January 1, 2015 through December 31, 2015:	5% of total bill
January 1, 2016 through December 31, 2016:	5% of total bill
January 1, 2017 through December 31, 2017:	3% of total bill
January 1, 2018 through December 31, 2018:	2% of total bill
January 1, 2019 through December 31, 2019:	1% of total bill
After December 31, 2019:	0% of total bill

SPECIAL CONDITIONS

1. Installation of Meters. The Authority will install Meter Facilities as soon as practicable on any Unmetered Service Property subject to the FRMWC Rate, with costs to be borne by the Authority in accordance with Rules 2 and 6.

2. Backflow Charge. This charge applies to single family residential Customers where the Service Property has a backflow prevention assembly maintained by the Authority. The monthly charge applied per Billing Period for operations, maintenance, service and annual testing associated with the backflow prevention assembly is $5.58.

3. Closed Tariff. Rate Schedule FRMWC is closed and shall not be applicable to any applications for the delivery of water to a new service.

Added: 01/01/2015 Amended: 05/21/15; 04/19/17; 05/01/18; 06/01/21; 06/01/22; 06/01/23; 05/01/24; 05/01/25

TMWA

Cost of Service Study and Rate Design Changes – Second Reading

February 18, 2026

Truckee Meadows Water Authority

Quality. Delivered.

Cost of Service Study – Why?

Goal of the Study

Ensure water rates are equitable, transparent and defensible by aligning them with the actual cost to provide service to each customer group.

Revenue Neutral

The study does not change the total amount of revenue required by TMWA, only reallocates how that revenue is gathered from various customer groups.

The Need for Adjustment

Ensures everyone pays the approximate cost of providing water service to each customer group based on the infrastructure capacity built for them and their actual usage.

Prevents cross-subsidization, where one group of customers pay for costs incurred by another group, which is prohibited by TMWA policy.

Cost of Service Study – How does it work?

Step 1 – Determine total cost

Step 2 – Functional allocation (fixed vs. variable)

Costs are broken down by their role in the water system.

- *Fixed Costs: "Readiness-to-Serve" charges that cover the cost of having a function system in place regardless of water consumption*
- *Variable Costs: Commodity and peaking costs that fluctuate based on the actual amount of water used*

Step 3 – Allocating costs to meters and groups

Meter-based allocation – total fixed costs were allocated among all meters using meter ratios based on "safe operating capacity"

- *Larger meters require more system readiness and thus are assigned a proportionally higher share of fixed costs.*

Assigning to customer groups – these costs were assigned to specific customer groups based on the number and size of meters in that group

Step 4 – Develop rate structure to recover appropriate levels of revenue

Truckee Meadows Water Authority

Cost of Service Study – Results

Fixed vs. Variable Cost Recovery

- *Shifting cost recovery from 33% fixed to 43% fixed*

Consolidation of former Washoe County customers to TMWA rate schedules

- *Approximately 20,000 customers*
- *Most will see reduced charges*

Expanded meter ratios

- *Lower charges for ¾" meters [75% of customers have ¾" meters]*
- *Larger meters will pay more*
- *Customer (service) charge for multi-family applied on a per-unit basis*

Commodity (consumption) charges

- *Reduced for single family residential tiers 1 and 2, increased tier 3*
- *Single price for commercial - Eliminated tiers by meter size*
- *Reduced for irrigation customers on-peak and off-peak*

Thank you!

Questions?

Matt Bowman, CFO

Truckee Meadows Water Authority

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer, and
Shawn Stoddard, Senior Resource Economist
DATE: January 9, 2026
SUBJECT: **Rule Amendment, First Reading, Public Hearing: Discussion and referral to a second reading structure changes to TMWA water rates reflecting the results of a Cost of Service study**

Recommendation

Staff recommends the Board refer to a second reading structure changes to TMWA's water rates reflecting the results of a Cost of Service (COS) study completed in 2025. The purpose of the changes is to redistribute the collection of water sales revenue in accordance with the cost to provide water service to each of TMWA's customer groups consistent with methodology set forth by the American Water Works Association (AWWA). The second reading of this proposal is tentatively scheduled for the Board's February 18, 2026 meeting with the changes to be effective the first billing cycle in May 2026.

Summary

At the Board's September 17, 2025 meeting, Staff presented the results of the Cost of Service study along with the recommended rate structure changes. The Board tentative approved the results of the study and directed staff to move forward with additional public outreach. Below is a summary of the public outreach.

Public Outreach

- **August Standing Advisory Committee Meeting** – COS Adjustment Presentation by TMWA CFO Matt Bowman
- **September Board of Directors Meeting** - COS Adjustment Presentation by TMWA CFO Matt Bowman
- **Bill Insert** – November 2025: 67,072 recipients.
- **Lead Story on TMWA.COM** (Nov 2 – Dec 29, 2025):
  - Visitors: 94,000
  - Clickthrough: 44
- **Email Newsletter** – November 2025: 142,440 recipients. 52% open rate (73,766).

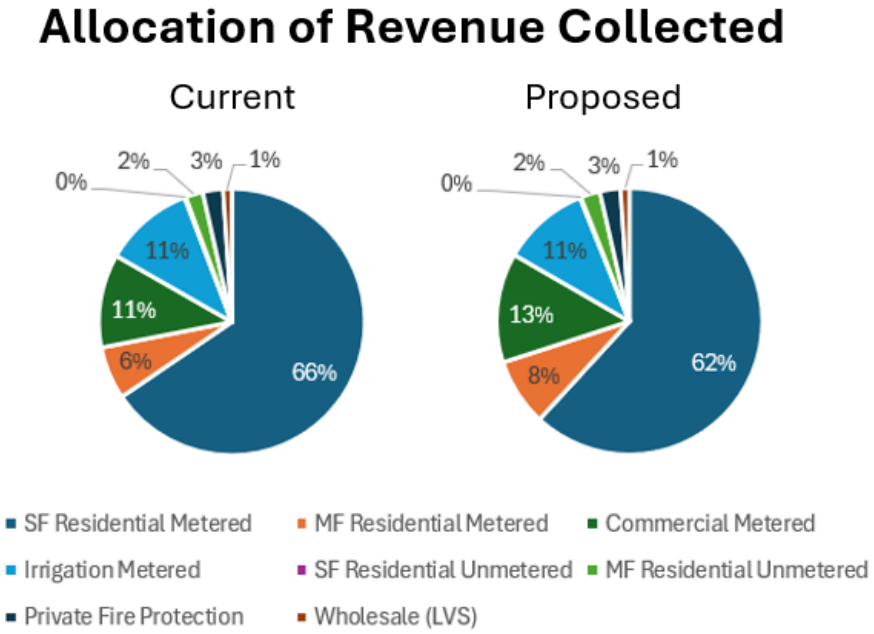
- **Public Zoom Meeting #1**: Thursday, December 4, 2025
  - Attendees: 12
- **Public Zoom Meeting #2**: Tuesday, December 9, 2025
  - Attendees: 7
- **Public Comment**
  - On TMWA.COM: 4
  - At TMWA Board of Directors Meeting, 12-11-25

TMWA has received several questions from customers about the rate changes resulting from the COS study. These questions and responses are summarized in **Attachment A**.

It is important to note that TMWA's rates will also be impacted by the planned 3.5% rate increase also effective in May 2026. This rate increase was initially approved by the Board in February 2024 and affirmed by the Board in October 2025 and is required to sustain overall financial viability and meet key financial objectives. To clearly demonstrate the effect of the COS changes and the 3.5% rate increase, see **Attachment B.**

Background

TMWA has conducted its first COS study since the 2015 consolidation with Washoe County's water system to ensure equitable, transparent, and defensible rate structures. The study, guided by AWWA best practices, identifies the cost of serving each customer class, prevents cross-subsidization, and supports financial sustainability through full-cost recovery. Importantly, the COS study does not change total revenue but reallocates it among customer groups based on actual usage and demand characteristics. Below are two pie charts showing the current allocations between customer groups and the proposed allocations.



Another key objective was integrating former Washoe County rate schedules into TMWA's consolidated structure. STMGID customers remain on their current rates unless the residence is sold or until 2035, per the contracts governing TMWA's consolidation of that GID's water system.

The COS study included allocating costs into fixed and variable components, resulting in recommended changes: increasing fixed charges from 33% to about 43% of total revenue and reducing variable charges from 67% to 57%. This adjustment reflects the cost of maintaining system readiness and capacity and aligning with industry standards. Customer classes were analyzed for meter size, usage patterns, and peaking factors, resulting in updated allocations for single-family, multi-family, commercial, irrigation, and wholesale customers.

To implement these findings, rate design changes are proposed. All customer groups will see revised service charges based on meter capacity, with larger meters paying proportionally more to reflect system capacity requirements. Single-family and multi-family customers will experience reduced commodity charges for lower tiers and increased charges for higher tiers, while commercial customers will move to a uniform rate structure. Irrigation customers will retain seasonal pricing but with adjusted rates. These changes aim to simplify rate structures, increase the accuracy of aligning the cost of service with revenue, and ensure more predictable revenue streams. For more background information refer to the September 2025 board packet included at the link below.

TMWA Board of Directors Meeting-Wed, Sept 17, 2025 - Truckee Meadows Water Authority

Recommended Motion

Move to refer the proposed rate design changes as required from TMWA's Cost of Service study to a second reading on February 18, 2026.

Customer Question 1:

Isn't the COS nothing more than a rate increase? If fixed rates are increased bases upon meter size how does that equate to 'slightly reduced per-gallon water charges? Please define slightly. Could it mean insignificantly

TMWA Response to Customer:

Hi Gordon,

*Thanks for the question about our cost of service study. Below is a more detailed table which shows the current rates (left) and proposed rates (right). You'll notice there are two different rates, the Customer Charge and the Commodity Charge. The Customer Charge (also referred to as 'meter' charge) is based on the fixed cost to deliver water, or capacity of the system. The Commodity Charge (also referred to as 'use' charge) is the per gallon charge. The proposed new rates include lower Commodity Charges for Tiers 1 and 2, which is why this change could result in lower charges. What I'm seeing is that for at least 85% of customers in our residential rate class, they will see a **decrease** in total monthly charges. We cannot say everyone will see a decrease, because it can depend on the usage, but for most, it will be a decrease.*

Hopefully this helps, but let me know if you have any more questions.

Current	Customer Charge per meter	Commodity Charge			
RMWS	per month		use block per unit gallons		per 1,000 gallons
3/4"	$23.02				
1"	$25.32				
1.5"	$28.81	Tier 1	6,000		$2.14
2"	$33.39	Tier 2	6,001-25,000		$3.45
3"	$37.98	Tier 3	>25,000		$4.05
4"	$43.70				
6"	$50.66				

New	Customer Charge per meter	Commodity Charge			
SF METERED	per month		use block per unit gallons		per 1,000 gallons
3/4"	$21.13				
1"	$33.21				
1.5"	$33.21	Tier 1	6,000		$2.12
2"	$33.21	Tier 2	6,001-25,000		$3.18
3"	$33.21	Tier 3	>25,000		$4.25
4"	$33.21				
6"	$33.21				

Thanks,
Matt

Customer Question 2:

- *How does the simplified structure ensure multiplex and commercial customers pay their fair share of the cost of water?*
- *How does this new simplified Structures of a single rate differentiate between heavy water users industries and low water industries?*
- *How does this simplified structure encourage water conservation in the Great Basin high desert in commercial multiplex and in industrial use?*
- *When will the board be making their decision? And approximately when will these changes be seen on the monthly bills?*

TMWA Response to Customer:

Hi Valerie,

Thanks for your questions on the Cost of Service rate changes. I went through each of them below and provided answers. Let me know if you have any other questions.

How does the simplified structure ensure multiplex and commercial customers pay their fair share of the cost of water?

- *The cost of service study showed that TMWA needs to collect a larger portion of revenue through meter charges to ensure all customer groups pay their fair share. This includes multiplex (multi-family residential) and commercial customers. By aligning charges more closely with meter size, the new structure ensures that costs are distributed fairly based on the level of service required.*

How does this new simplified Structures of a single rate differentiate between heavy water users industries and low water industries?

- *The difference comes from meter size. Large water users require bigger meters to meet their demand, which means they will pay higher monthly customer charges. Smaller water users have smaller meters and will pay much lower customer charges. This approach keeps the structure simple while still reflecting the scale of water use.*

How does this simplified structure encourage water conservation in the Great Basin high desert in commercial multiplex and in industrial use?

- *Conservation remains a key part of the rate structure. It starts when service is established—customers pay for water rights and infrastructure based on the amount of water they plan to use. Then, monthly usage charges continue to encourage conservation: the more water used, the higher the bill. This ensures that both customer groups have a financial incentive to use water efficiently.*

When will the board be making their decision? And approximately when will these changes be seen on the monthly bills?

- *The TMWA Board will review and vote on these changes at two separate meetings, scheduled for January and February. If approved, the new rates will take effect in May 2026 and will appear on customer bills starting in June 2026.*

Thanks,
Matt

Follow up from customer:

Hi Matt,

Thanks so much for the reply. I greatly appreciate it.

Would you be able to share the proposed residential meter rate adjusted for COS?

TMWA Response:

Hi Valerie,

Yes, absolutely. Below is a screen shot of the old rate structure (left) and the proposed new structure (right). You'll notice the proposed structure includes the same meter rates for 1" and larger. We have very few 1.5" and larger meters so we grouped all of those into the 1" price category.

If you have any other questions please let me know.

Current	Customer Charge per meter	Commodity Charge			
RMWS	per month		use block per unit		per 1,000 gallons
3/4"	$23.02		*gallons*		
1"	$25.32				
1.5"	$28.81	Tier 1	6,000		$2.14
2"	$33.39	Tier 2	6,001-25,000		$3.45
3"	$37.98	Tier 3	>25,000		$4.05
4"	$43.70				
6"	$50.66				

New	Customer Charge per meter	Commodity Charge		
SF METERED			use block per unit	per 1,000 gallons
	per month			
3/4"	$21.13		*gallons*	
1"	$33.21			
1.5"	$33.21	Tier 1	6,000	$2.12
2"	$33.21	Tier 2	6,001-25,000	$3.18
3"	$33.21	Tier 3	>25,000	$4.25
4"	$33.21			
6"	$33.21			

-Matt

Customer Question 3:

Hello, We are on an acre in old Virginia Foothills with livestock. Our water company STMGID, was swallowed up by TMWA. Is there a rate available to us that reflects the rural nature of our usage?

TMWA Response:

Hi Barbara,

Thanks for your question about the former STMGID rates. As part of the agreement with the STMGID customers when TMWA acquired that system is that your rates will remain in effect until 2035. So, this cost-of-service study does NOT affect your rates.

Let me know if you have any other questions.

Thanks,
Matt

Customer Question 4:

How will the proposed changes impact flat-rate single-family residential customers? You focused on metered examples—what about us on flat rate?

TMWA Response:

- *Impact on flat-rate SFR customers will be very minimal, with a slight increase (their allocation changes from 2% to 3% of the "pie").*
- *For an exact bill impact, Matt asked the customer to email COS@tmwa.com with their service address so staff can calculate it.*

Follow-up from customer:

How do we know our meter size?

TMWA Response:

- *You can look at the physical meter, but it's not currently shown on the bill (they're working to add it).*
- *Best path now: call customer service or email and TMWA will provide the meter size.*

Customer Questions 5-12 refer to the Board Packet from the September 17, 2025 Board Meeting

Customer Question 5:

The staff report on page 4 of 7 states the Single family residential customer charges by meter size should be capped at the 1 inch meter size. The report states this is because "these larger meter sizes do not correlate with safe operating capacity or lot size; the meter size was determined when installed because of engineering/water delivery challenges that only larger meter size could resolve." There is no detail offered in the report that I can find to justify these conclusions. What are the engineering/water delivery challenges, and what are the issues with operating capacity or lot size?

TMWA Response:

Stated another way, the meter size that was installed at these locations was chosen to accommodate hydraulic limitations of the meter size that would be sufficient to satisfy the property owner's domestic water needs. There may be a handful of properties for which a larger meter size was installed because of the lot size (perhaps potential for a granny flat or cottage unit on the property at a later date); these are exceptions and so few that it is not administratively efficient to spend the resources required to identify every customer parcel where this may be the case.

Additionally, the meter size is requested by the developer to meet engineering needs of the lot. There are three 4" meters, one 3" meter, 551 2" meters, and 326 1.5" meters. The 3 and 4 inch meter were installed prior to TMWA. Since 2008, there has only been about 60 1.5 and 2 inch RMWS meters installed by TMWA.

The indoor water use pattern for the larger residential meters is similar to a smaller meter. The summer time use is also similar to other residential service. The larger meters do have a small number of meters with larger water use and this tends to skew the average use upwards, but for most, the use is similar to other single family homes.

Customer Question 6:

Does TMWA conclude that all Single family residential meters larger than 1 inch are affected by engineering/water delivery challenges, or just some of the Single family residential water meters larger than 1 inch?

TMWA Response:

Not all, see previous response, but for the vast majority this is the case. The meter size is requested by the developer to meet the needs of the lot. The water resources are allocated by lot size.

Customer Question 7:

According to the report, there are 18,011 connections with 1 inch Single family residential meters. I would think some of the folks with 1 inch meters could argue that they could be adequately served using a 3/4 inch meter. Is this a possibility?

TMWA Response:

It is unlikely because 1-inch meters are almost always required for fire sprinklers, not for potable water demands at the customer's property. The meter size was requested by the developer to meet the needs of the lot. If the developer requested a 1 inch meter, then it is unlikely that a ¾ would provide adequate.

Customer Question 8:

If there are water flow issues with over 800-plus larger Single family residential meters over 1 inch, why are there not also Irrigation, Multi-family residential, and Commercial services which have the same issues? The Irrigation, Multi-family, and Commercial customers are served by the same water system infrastructure, and there is no mention in the study that any of these meters have similar issues. Why would not similar issues regarding meter charges be a concern for Multi-family, Commercial, and Irrigation connections?

TMWA Response:

There might be a handful of irrigation, multi-family, and commercial customers with similar issues; however, the difference is that water usage demonstrates a strong correlation between meter size for these customer groups whereas the meter size does not have a strong correlation with water use for single family residential customers.

The meter size is requested by the civil engineer for the developer. For multi-family, commercial, and irrigation the meters are selected and sized for the application.

Customer Question 9:

There is no information contained in the study which details the shift of $797,996 in revenue from fixed income to Use Charges as identified in table COS-11. Is there any detail which identifies how this $797,996 is going to be collected from other Single family residential customers?

TMWA Response:

Table R-4 in the study shows the single family meter charges shifted from meters larger than 1" to the single family use rates.

Customer Question 10:

How much is it going to cost other Single family residential customers on an individual basis to fund the $797,996 shortfall identified in table COS-11?

TMWA Response:

Without the shift, the use rates per thousand gallons would be $2.09 for Tier 1, $3.13 for Tier 2, and $4.17 for Tier 3. When compared to the rates calculated in Table R-4, this means that a home using 5,000 gallons has a 'shifted cost' equal to $0.19. For a home using 15,000 gallons the 'shifted cost' equates to $0.75.

Customer Question 11:

If I understand the rate study correctly, the meter charge for any TMWA customer is for fixed costs, and the water rate is to collect funds for variable costs. It appears the proposed reduction in Single family residential meter fees is a reduction in funds for fixed costs, but the report indicates the funds would be shifted to Use Charges which I assume is an increase in the amount of funds collected from variable water rates. It does not seem appropriate to be shifting fixed income funds to variable rate income funds which could substantially change from year to year.

TMWA Response:

The effect of the shift is to collect 42.3% of revenues from single family accounts rather than 43.3% which is the cost of service analysis determination. This is an extremely small revenue shift that in inconsequential in the rate model.

Customer Question 12:

There has to be some reason why there are so many Single family residential meters which are much larger than what is needed by the vast majority of Single family residential customers. Having a 3 inch or 4 inch meter for a Single family residential connection is definitely not the norm for a Single family residential customer. Perhaps the customers with the largest meters should not be classified as Single family residential water customers. I would like to know why anyone would need a 2, 3, or 4 inch meter for Single family residential water service.

TMWA Response:

Less than 1% of TMWA's single family residential customers have water meters that are larger than 1" meters. This methodology of capping the single family residential base charge at the 1" meter size is used by other water agencies, notably the City of North Las Vegas in Nevada.

Additionally, since 2008 there have only been about 60 new 1.5 and 2 inch single family meters. TMWA has not installed any new 3" or 4" residential meters.

Table A

Proposed Rate Change - Single Family Residential

<Presented at the September 17, 2025 Board of Directors Meeting>

Current Rate Schedule						**New Rate Schedule - COS**					**COS + 3.5% Rate Increase**				
	Customer Charge per meter	**Commodity Charge**					**Customer Charge** per meter	**Commodity Charge**				**Customer Charge** per meter	**Commodity Charge**		
RMWS	**per month**		**use block per unit**		**per 1,000 gallons**	**RMWS**	**per month**		**use block per unit**	**per 1,000 gallons**	**RMWS**	**per month**		**use block per unit**	**per 1,000 gallons**
3/4"	$23.02		*gallons*			3/4"	$21.13		*gallons*		3/4"	$21.87		*gallons*	
1"	$25.32					1"	$33.21				1"	$34.37			
1.5"	$28.81	Tier 1	6,000		$2.14	1.5"	$33.21	Tier 1	6,000	$2.12	1.5"	$34.37	Tier 1	6,000	$2.20
2"	$33.39	Tier 2	6,001-25,000		$3.45	2"	$33.21	Tier 2	6,001-25,000	$3.18	2"	$34.37	Tier 2	6,001-25,000	$3.30
3"	$37.98	Tier 3	>25,000		$4.05	3"	$33.21	Tier 3	>25,000	$4.25	3"	$34.37	Tier 3	>25,000	$4.39
4"	$43.70					4"	$33.21				4"	$34.37			
6"	$50.66					6"	$33.21				6"	$34.37			
FRMWC			<1.5"	1.5" and +											
3/4"	$21.64	Tier 1	7,000	29,000	$3.24										
1"	$27.83	Tier 2	21,000	151,000	$4.07										
1.5"	$39.81	Tier 3	41,000	601,000	$4.88										
2"	$53.08	Tier 4	>41,000	>61,000	$6.52										
3"	$85.49														
4"	$125.20														
6"	$228.28														

Table B

Proposed Rate Change - Multi-Family Residential

<Presented at the September 17, 2025 Board of Directors Meeting>

Current Rate Schedule					New Rate Schedule - COS					COS + 3.5% Rate Increase				
	Customer Charge per meter	Commodity Charge				Customer Charge	Commodity Charge				Customer Charge	Commodity Charge		
MMWS	per month		use block per unit	per 1,000 gallons	MMWS	per unit per month		use block per unit *gallons*	per 1,000 gallons	MMWS	per unit per month		use block per unit *gallons*	per 1,000 gallons
3/4"	$23.02													
1"	$25.32					$6.83					$7.07			
1.5"	$28.81	Tier 1	4,000	$2.14			Tier 1	4,000	$1.94			Tier 1	4,000	$2.01
2"	$33.39	Tier 2	>4,000	$3.45			Tier 2	>4,000	$2.92			Tier 2	>4,000	$3.02
3"	$37.98													
4"	$43.70													
6"	$50.66													
8"	$58.73													
10"	$69.04													
MMWD														
3/4"	$21.64	Tier 1	29,000	$3.24										
1"	$27.83	Tier 2	151,000	$4.07										
1.5"	$39.81	Tier 3	601,000	$4.88										
2"	$53.08	Tier 4	>601,000	$6.52										
3"	$85.49													
4"	$125.20													
6"	$228.28													

Table C

Proposed Rate Change - Irrigation

<Presented at the September 17, 2025 Board of Directors Meeting>

Current Rate Schedule				New Rate Schedule - COS				COS + 3.5% Rate Increase			
	Customer Charge per meter	Commodity Charge			Customer Charge per meter	Commodity Charge			Customer Charge per meter	Commodity Charge	
							per 1,000 gallons				per 1,000 gallons
MIS	**per month**			**MIS**	**per month**			**MIS**	**per month**		
3/4"	$23.02			3/4"	$21.13			3/4"	$21.87		
1"	$25.32	Off-Peak	$3.45	1"	$33.21	Off-Peak	$2.52	1"	$34.37	Off-Peak	$2.61
1.5"	$28.81	On-Peak	$4.18	1.5"	$120.75	On-Peak	$3.02	1.5"	$124.98	On-Peak	$3.13
2"	$33.39			2"	$150.94			2"	$156.23		
3"	$37.98			3"	$262.64			3"	$271.83		
4"	$43.70			4"	$452.83			4"	$468.68		
6"	$50.66			6"	$966.04			6"	$999.85		
8"	$58.73										
10"	$69.04										
MISD											
3/4"	$21.64	All Use	$5.40								
1"	$27.83										
1.5"	$39.81										
2"	$53.08										
3"	$85.49										
4"	$125.20										

Table D

Proposed Rate Change - Commercial

<Presented at the September 17, 2025 Board of Directors Meeting>

Current Rate Schedule								New Rate Schedule - COS				COS + 3.5% Rate Increase			
	Customer Charge per meter	Commodity Charge							Customer Charge per meter	Commodity Charge			Customer Charge per meter	Commodity Charge	
				per 1,000 gallons	use block by meter size						per 1,000 gallons				per 1,000 gallons
GMWS	**per month**				Tier 1	Tier 2	Tier 3	**GMWS**	**per month**			**GMWS**	**per month**		
3/4"	$23.02	Tier 1	differs	$2.14	7,000	30,000	>30,000	3/4"	$21.13	All Use	$2.37	3/4"	$21.87	All Use	$2.45
1"	$25.32	Tier 2	by meter	$3.45	14,000	65,000	>65,000	1"	$33.21			1"	$34.37		
1.5"	$28.81	Tier 3	size	$4.05	28,000	120,000	>120,000	1.5"	$90.57			1.5"	$93.74		
2"	$33.39				50,000	210,000	>210,000	2"	$120.75			2"	$124.98		
3"	$37.98				165,000	640,000	>640,000	3"	$211.32			3"	$218.72		
4"	$43.70				300,000	1,300,000	>1,300,000	4"	$362.26			4"	$374.94		
6"	$50.66				1,000,000	2,600,000	>2,600,000	6"	$815.09			6"	$843.62		
8"	$58.73				1,475,000	6,000,000	>6,000,000	8" and larger	$966.04			8" and larger	$999.85		
10"	$69.04				9,500,000	15,000,000	>15,000,000								
GMWD															
3/4"	$21.64		Off-Peak	$3.13											
1"	$27.83		On-Peak	$3.65											
1.5"	$39.81														
2"	$53.08														
3"	$85.49														
4"	$125.20														
6"	$228.28														
8"	$343.20														

Table E
Proposed Rate Change - LVS

<Presented at the September 17, 2025 Board of Directors Meeting>

	Current Rate Schedule			New Rate Schedule - COS			COS + 3.5% Rate Increase		
	Customer Charge	Commodity Charge		Customer Charge	Commodity Charge		Customer Charge	Commodity Charge	
LVS(SVGID)	per service point per month	delivery per month	per 1,000 gallons	per service point per month	delivery per month	per 1,000 gallons	per service point per month	delivery per month	per 1,000 gallons
	$157.07	First 42M galls	$1.84	$0.00	First 42M galls	$1.88	$0.00	First 42M galls	$1.94
		>42M galls	$3.06		>42M galls	$3.10		>42M galls	$3.21

Table F			
Proposed Rate Change - Flat Rate Residential			
<Presented at the September 17, 2025 Board of Directors Meeting>			
Current Rate Schedule		**New Rate Schedule - COS**	**COS + 3.5% Rate Increase**
	Customer Charge per month	**Customer Charge** per month	**Customer Charge** per month
	per service	**per unit**	**per unit**
SUFR	$48.57	$38.32	$39.66
MRFS			
3/4"	$21.10		
1"	$23.22		
1.5"	$26.46		
2"	$30.67		
3"	$34.88		
4"	$40.11		
6"	$46.44		
plus	**per unit**	**per unit**	**per unit**
	$13.53	$21.34	$22.09
MRIS	**per service**		
3/4"	$42.46		
1"	$62.45		
1.5"	$98.59		
2"	$155.57		
3"	$261.12		
4"	$533.03		
6"	$860.57		
8"	$1,099.34		
10"	$1,564.96		
plus	**per unit**	**per unit**	**per unit**
	$14.28	$24.29	$25.14

Table G

Proposed Rate Change - Private Fire Protection

<Presented at the September 17, 2025 Board of Directors Meeting>

Current Rate Schedule		New Rate Schedule - COS		COS + 3.5% Rate Increase	
	Customer Charge per month		**Customer Charge** per month		**Customer Charge** per month
FPS	**per month per service size**	**FPS**	**per month per service size**	**FPS**	**per month per service size**
3/4"	$4.72				
1"	$6.29				
1.5"	$9.44				
2"	$12.58	2" and smaller	$2.16	2" and smaller	$2.24
3"	$18.87	3"	$6.27	3"	$6.49
4"	$25.16	4"	$13.37	4"	$13.84
6"	$37.74	6"	$38.84	6"	$40.20
8"	$50.32	8"	$82.77	8"	$85.67
10"	$62.90	10"	$148.85	10"	$154.06
12"	$75.48	12"	$240.43	12"	$248.85
FRDWR					
3"	$31.22				
4"	$49.05				
6"	$90.55				
8"	$147.77				
10"	$217.32				
12"	$314.32				

Table H
Proposed Rate Change - Other TMWA Fee Schedules (not DIS or ILVNPS)

<Presented at the September 17, 2025 Board of Directors Meeting>

	Current Rate Schedule		New Rate Schedule per COS		Cost of Service Study plus 3.5% Rate Increase	
	Customer Charge per month	Commodity + Demand Charges	Customer Charge per month	Commodity + Demand Charges	Customer Charge per month	Commodity + Demand Charges
Non-Potable (NPS)	**per delivery point**	**per 1,000 gallons**	**per delivery point**	**per 1,000 gallons**	**per delivery point**	**per 1,000 gallons**
	$41.09		$120.75		$124.98	
treated water		$4.18		$4.62		$4.78
untreated water		$1.23		$1.28		$1.33
Interruptible (IWS)	**per meter**		**per meter**		**per meter**	
	$41.09	**per 1,000 gallons**	$120.75	**per 1,000 gallons**	$124.98	**per 1,000 gallons**
treated, interruptible		$1.23		$1.28		$1.33
Wholesale Standby (FSPR)	**per meter**					
	$157.07	**per 1,000 gallons**		**per 1,000 gallons**		**per 1,000 gallons**
All water - treated, standby or partial supply		$1.23		$1.28		$1.33
Contract Demand		**of contract demand**		**of contract demand**		**of contract demand**
Off-Peak All Water & On-Peak Contract Demand		$17.57		$18.49		$19.13
On-Peak						
Actual Demand > Contract Demand up to Variable Allowance		$105.42		$110.93		$114.81
> Variable Allowance		$210.83		$221.84		$229.61

TMWA

Cost of Service and Rate Design
First Reading

January 21, 2026

Truckee Meadows Water Authority

Quality. Delivered.

Recommendation and Background

Staff Recommendation

- Refer to a second reading – structure changes to TMWA's water rates based on results of a Cost of Service (COS) study.

Summary

- COS Study conducted based on standards from the American Water Works Association (AWWA).
  - Seeks to distribute collection of water sales revenue in accordance with the cost to provide water service to each of TMWA's customer groups.

- COS Study and rate design changes presented in detail
  - Standing Advisory Committee (SAC) – August 2025
  - TMWA Board meeting – September 2025

- Public outreach conducted in November and December 2025.

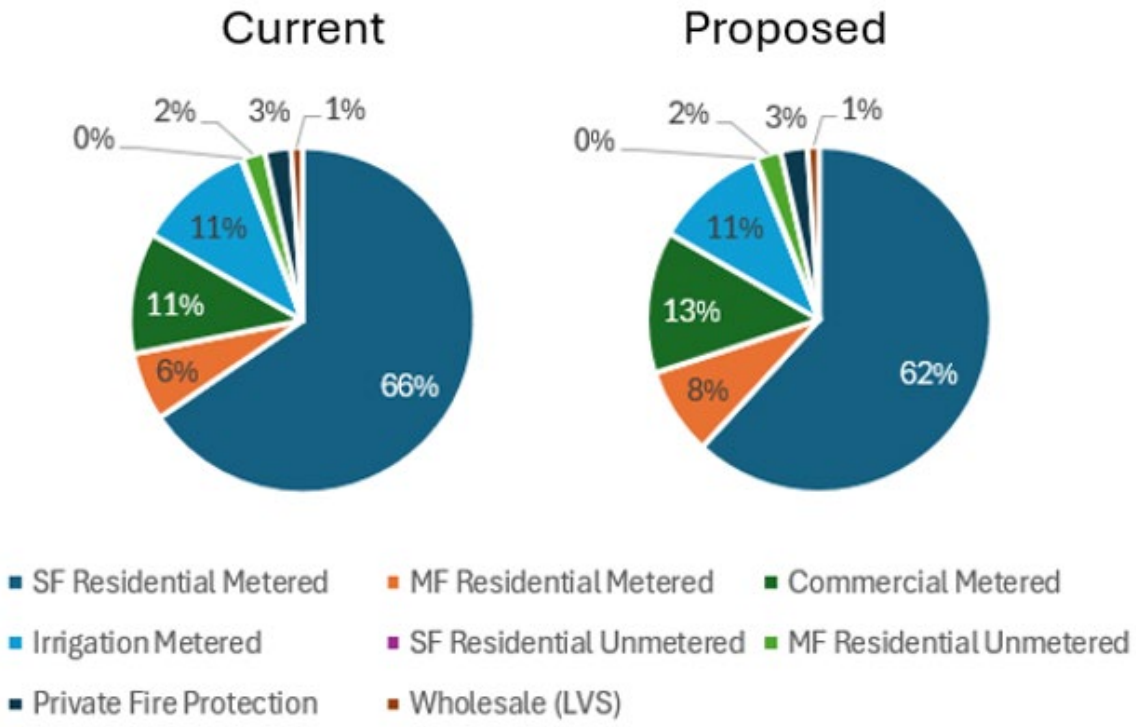
Public Outreach

- **August Standing Advisory Committee Meeting**
- **September Board of Directors Meeting**
- **Bill Insert** – November 2025: 67,072 recipients.
- **Lead Story on TMWA.COM** (Nov 2 – Dec 29, 2025):
  Visitors: 94,000; Clickthrough: 44
- **Email Newsletter** – November 2025: 142,440 recipients. 52% open rate (73,766).
- **Public Zoom Meetings** – Attendees: 19
- **Public Comment**
  On TMWA.COM: 4
  At TMWA Board of Directors Meeting, 12-11-25
- **Q&A with customers (attached to staff report)**

Truckee Meadows Water Authority

COS and Rate Design

- Allocation of revenue collected



- Integrating former Washoe County rate schedules into TMWA's structure
- Increasing the level of fixed revenue from 33% to 43%.
- Proposed implementation in May 2026.

COS and Rate Design

- Tables included in staff report

Table A

Proposed Rate Change - Single Family Residential

<Presented at the September 17, 2025 Board of Directors Meeting>

Current Rate Schedule						New Rate Schedule - COS					COS + 3.5% Rate Increase				
	Customer Charge per meter	Commodity Charge					Customer Charge per meter	Commodity Charge				Customer Charge per meter	Commodity Charge		
RMWS	per month		use block per unit		per 1,000 gallons	RMWS	per month		use block per unit	per 1,000 gallons	RMWS	per month		use block per unit	per 1,000 gallons
3/4"	$23.02		*gallons*			3/4"	$21.13		*gallons*		3/4"	$21.87		*gallons*	
1"	$25.32					1"	$33.21				1"	$34.37			
1.5"	$28.81	Tier 1	6,000		$2.14	1.5"	$33.21	Tier 1	6,000	$2.12	1.5"	$34.37	Tier 1	6,000	$2.20
2"	$33.39	Tier 2	6,001-25,000		$3.45	2"	$33.21	Tier 2	6,001-25,000	$3.18	2"	$34.37	Tier 2	6,001-25,000	$3.30
3"	$37.98	Tier 3	>25,000		$4.05	3"	$33.21	Tier 3	>25,000	$4.25	3"	$34.37	Tier 3	>25,000	$4.39
4"	$43.70					4"	$33.21				4"	$34.37			
6"	$50.66					6"	$33.21				6"	$34.37			
FRMWC			<1.5"	1.5" and +											
3/4"	$21.64	Tier 1	7,000	29,000	$3.24										
1"	$27.83	Tier 2	21,000	151,000	$4.07										
1.5"	$39.81	Tier 3	41,000	601,000	$4.88										
2"	$53.08	Tier 4	>41,000	>61,000	$6.52										
3"	$85.49														
4"	$125.20														
6"	$228.28														

Truckee Meadows Water Authority

Thank you!

Questions?

Matt Bowman, CFO

Truckee Meadows Water Authority

STAFF REPORT

TO: TMWA Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer
DATE: September 8, 2025
SUBJECT: **Presentation, discussion and possible Board direction regarding TMWA's Cost of Service and Rate Design Studies**

Background

A Cost of Service (COS) study is essential for ensuring that utility rates are equitable and based on actual usage and demand characteristics. By identifying the true cost of serving each customer class, the study helps prevent cross-subsidization and supports the development of defensible, transparent rate structures. It also plays a vital role in financial sustainability by enabling full-cost recovery, which includes operations, maintenance, infrastructure investment, and future resilience needs. Note that a COS study does not impact the *total* revenue collected but instead changes the *allocation* of that revenue among the customer groups.

The American Water Works Association (AWWA) recommends the use of cost-of-service pricing models for utilities. The AWWA emphasizes that rates should be based on the actual cost of providing service rather than perceived value, which can lead to affordability concerns and inequitable rate structures. The AWWA advocates for full-cost recovery, ensuring that utilities account for all operational, maintenance, and capital expenses. Additionally, The AWWA recommends that utilities conduct COS studies on a regular basis to ensure that rate structures remain aligned with evolving service demands, financial needs, and industry best practices.

TMWA has not prepared a COS study since the consolidation with the Washoe County water system in 2015. In 2024, Staff engaged Catherine Hansford to develop a model to meet TMWA's objectives in execution of the COS study. One of the goals of the COS study was to integrate the old Washoe County Department of Water Resources (DWR) rate schedules into the TMWA rate schedules. At the time of the merger, it was determined to keep DWR customers on the existing rate schedules to minimize the impact on those customers and to allow complete integration of the two water systems. Now that the two systems are one, these customers should be brought on to the TMWA rate schedules[1].

[1] Note that former STMGID customers will remain on their current rate schedules until January 2035 per the terms of the ILA governing the merger between TMWA and STMGID dated 12/11/2013 with the exception that a home is moved to the current rate schedules when it is transferred to a new owner.

Staff received input from TMWA's Board-appointed citizens Standing Advisory Committee (SAC) at a workshop on August 25, 2025. The SAC was supportive of the process and the results of the study.

Cost of Service and Rate Design Study Results

Cost of service

For a detailed description of the methods used and outcome of the COS study and proposed rate design changes, see the Methodology Memo as attached. The process can be broken down into three sections. First, customer counts and characteristics are compiled and analyzed. Second, TMWA costs are functionally allocated to categories based on their role in the operation of the water system. And third, the revenue requirement is allocated to customer groups.

Customer counts and characteristics- Customer and meter statistics are aggregated and categorized into their respective rate classes providing a baseline for the next steps of the COS study.

Functional allocation of costs- Costs include personnel, services and supplies, capital depreciation and debt service. Ultimately, the costs are allocated between two categories – fixed costs and variable costs. Fixed costs are those that provide "readiness to serve" (described in the AWWA MI Manual as, "charges that aim at capturing the costs of having a system in place to provide water to the customer regardless of whether the customer consumes any water in a given service period"). Variable costs are those allocated to peaking capacity and value of the water used by the customer. *Note: Costs related to build-out or growth of the system are not included in the analysis.*

The results of the functional allocation of costs indicate that approximately 43% of total revenues should be raised by customer charges (fixed monthly charges) and about 57% should be raised by use charges (variable). This is a change from the existing collection of about 33% fixed and 67% variable.

Allocation of revenue requirement to customer groups- Based on the usage characteristics of each customer group (such as the percentage of water the entire customer group uses annually compared to total water demand across all customers, and summertime peak water use), fixed and variable charges are allocated and balanced to ensure appropriate revenue collection from each group. The table below presents the results of the allocation. The percent of cost/revenue represents the percent of total system costs allocated to each customer group, and therefore, the percent of revenue that should be collected from that group.

	Prior	New	
Customer Class	Percent of cost/revenue	Percent of cost/revenue	Change
Single family residential-metered	66%	62%	Decrease
Multi-family residential-metered	6%	8%	Increase
Commercial-metered	11%	13%	Increase
Irrigation-metered	11%	10%	Decrease
Single family/multi-family flat rate	2%	3%	Increase
Private fire protection	3%	3%	Minimal change
Wholesale	1%	1%	Minimal change

Rate design

To achieve the results indicated by the COS study, rate design changes are required. Primarily, increases to the fixed monthly customer (service) charges and decreases to the variable water commodity (consumption) charges will increase the percent collected as fixed revenue compared to variable revenue. The proposed rate design changes to the customer groups are below.

All customer groups: Service charges based on meter size are changed to expand the meter ratios based on the capacity of the specific meters used by TMWA, consistent with AWWA standards. As a result, customers with larger meters will pay a higher fixed customer (service) charge each month because the larger meters can provide more water and TMWA must have systems in place to deliver that quantity of water to those customers.

Single family residential-metered: Commodity (consumption) charges reduced for tiers 1 and 2, increased for tier 3.

Multi-family residential-metered: Customer (service) charges applied on a per-unit basis instead of meter size. Commodity (consumption) charges reduced for tiers 1 and 2.

Commercial-metered: Tiering eliminated, replaced by a single price for all water used.

Irrigation-metered: Commodity **(**consumption) charges reduced for on-peak and off-peak usage.

Schedule

Consistent with TMWA's practice of involving the public in changes related to rate design, public workshops and additional readings at TMWA Board meetings are proposed below-

- September 2025 BOD meeting- TMWA Board provides direction on the COS study, rate design changes, and public outreach schedule
- October/November 2025- TMWA staff hold public workshops
- December 2025 BOD meeting- First reading of proposed changes
- January 2026 BOD meeting- Second reading of proposed changes
- January-May 2026- Additional customer communication regarding the upcoming changes
- May 2026- Rate design changes implemented, to appear on June 2026 bills.

Recommended Motion

Move to tentatively approve the Cost of Service and Rate Design Study results and direct staff to move forward with the public outreach schedule described in the staff report with changes subject to additional public outreach including workshops to be held between now and the December 2025 TMWA Board of Directors meeting.

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September 8, 2025

Subject: **Truckee Meadows Water Authority Cost of Service Study Methodology**

This document contains the methodology used for the Truckee Meadows Water Authority (TMWA) 2025 Cost of Service Study.

Background
TMWA typically conducts rate-setting in house; however, in 2024 TMWA looked for outside assistance with the financial modeling to bring in expertise with combining multiple rate schedules that would be required with merging original TMWA and former Washoe County Department of Water Resources (Old DWR) customers onto the same schedules, and cost-of-service (COS) modeling experience at other water utility providers.

Hansford Economic Consulting (HEC) provided the model framework and developed the methodology for TMWA between fall of 2024 and summer of 2025. The methodology is described herein. Attachment A provides the COS tables. Attachment B provides the Rate Design tables. Attachment C provides support tables to the analysis.

Methodology Overview
Rate-setting comprises three major steps:

1. Determining the Revenue Requirement.
2. Cost of Service Analysis.
3. Rate Design.

TMWA staff completed **Step 1**, determining the revenue requirement (the amount of revenue to be raised through monthly rates) for fiscal year (FY) 2026. The total revenue requirement is $126,752,000 (rounded) after deducting for revenues generated by former South Truckee Meadows General Improvement District (STMGID) customers. STMGID customers have grandfathered rates until their property sells, at which time they are charged TMWA rates.

Further, the Wholesale customer (Large Volume Service or "LVS") portion of revenue requirement is deducted for the Retail COS analysis. The LVS customer is Sun Valley General Improvement District (SVGID).

<u>LVS Share of Revenue Requirement</u>
In Table COS-1, Plant in Service (fixed assets) are listed by category with total original cost of installation / purchase. Categories that LVS benefits from are identified 'YES' or 'NO', and for those 'YES' categories, the LVS share of the category cost is determined. LVS benefits from: Land, Administration Buildings, Computers and Technology, Distribution Mains, Lab and

Equipment, Reservoirs, and Water Treatment Plants. TMWA Engineering staff assisted with development of support table S-1 for those categories that LVS does not receive 100% benefit from: Land, Distribution Mains, and Water Treatment Plants.

- Benefit only from Chalk Bluff and Glendale treatment plants.
- Benefit only from the Original TMWA distribution system (none of the Old DWR infrastructure).
- Benefit from Land only at the Operations Center, Chalk Bluff & Glendale water treatment plants, and land for Sun Valley transmission infrastructure.

The net cost of assets that SVGID receives benefit from is multiplied by SVGID's share of total annual water use (2.3% in 2024, in Table COS-1). The result is that SVGID should be responsible for 1.08% of the total revenue requirement shown in Table COS-1.

Step 2: Retail Cost of Service Analysis
The COS is explained in sections.

Section 1: Customer Counts & Characteristics
Section 2: Functional Allocation of Costs
Section 3: Allocation of Revenue Requirement to Customer Groups

Section 1: Customer Counts & Characteristics

- The total number of potable retail meters and services is summarized in Table COS-2. The table includes metered and flat-rate customers. It excludes the one LVS customer, ditch customers, non-potable, interruptible, and wholesale standby customers. It also excludes private fire protection customers.

- TMWA Engineering staff provided the operating specifications shown in Table COS-3 for the types of meters that TMWA uses. Meters with larger safe operating capacities are used for dedicated irrigation meters 1.5" and larger. Because of this difference, irrigation meters were separated for purposes of determining customer charges. Internal discussions also concluded that the 8" and 10" meters should be collapsed to the 8" meter ratio as the six 10" meters in service in 2025 were installed for purposes other than safe operating capacity. ***Key Decision #1:*** *Remove the 10" customer charge. Charge meters 8" and larger the same customer charge. Note also that extensive research and discussion took place regarding the appropriate meter ratios to use in the COS. The specifications of TMWA's meters were determined the most accurate*.

- The meter ratios in Table COS-3 were used to calculate total meter equivalents in Table COS-4. Meter equivalents for flat-rate customers uses a 5/8" meter for the Non-metered multi-family units are assigned a 5/8" meter for each residential unit, and Small Unit Flat Rate customers (SUFRs) are assigned ¾" meters per unit.

- Private fire protection customers with a service pipe (may or may not have a meter) are accounted for in Table COS-5. The number of equivalent fire units is calculated using the Hazen-Williams equation.

Section 2: Functional Allocation of Costs

- Costs are functionalized according to their role in operations. Functionalization starts with the Plant in Service. Table COS-6 lists assets by groupings (such as Land, Meters, Vehicles, Groundwater Wells, Reservoirs) and the costs are allocated among fixed costs (generally recovered in the customer charges) and variable costs (generally recovered in the use charges).

- Fixed costs include customer costs, private fire protection costs, and a portion of the capacity costs – those that provide "readiness-to-serve" (described in the AWWA M1 Manual as, "charges that aim at capturing the costs of having a system in place to provide water to the customer regardless of whether the customer consumes any water in a given service period"). Note, only private fire protection services pay for the private fire protection costs.

- Variable costs include the remaining capacity costs – those that provide peaking capacity, and commodity costs. These costs have a direct relationship with use (for example, as demand increases during the summer months, groundwater well pumping is incurred, and higher electricity costs are incurred to operate the wells).

- TMWA Engineering staff assisted with the allocation of costs between the fixed and variable cost categories. Support tables S-2 through S-5 provide data that informed the allocations shown in Table COS-6. The original cost of assets is provided in support tables S-6 and S-7.

- Functional allocation of operating costs (including depreciation and debt service) is shown in Table COS-7. Cost items are allocated among the fixed and variable costs using one of five methodologies:

    1. Plant in Service (determined in Table COS-6) split between all fixed and variable cost categories.
    2. Treatment Plants Ratio of Average to Peak Month Production (detailed in Table S-4) split between readiness-to-serve and peaking capacity categories.
    3. Utilities (100% Commodity category).
    4. Customers (100% Customer category).
    5. Average of Classified (costs are spread to each of the categories based on the sum of the costs of all the cost items that were allocated using methodologies 1 through 4).

Key Decision #2: *The functional allocation exercise determines that about 43% of the total revenues should be raised by customer charges (fixed monthly charges) and about 57% of the total revenues should be raised by use charges. The percentage of cost recovery will vary between the customer groups, but in total this is how the customer charges and use charges are determined in the COS. TMWA currently collects 33% of total revenues through customer charges and 67% of total revenues through use charges.*

- The allocation of costs to customer charges and use charges is provided in Table COS-8. The table deducts STMGID and LVS wholesale customer revenue (as previously discussed) as well as the private fire protection service revenues. All other retail revenues are split between fixed monthly charges and use charges per the functional allocation.

Section 3: Allocation of Revenue Requirement to Customer Groups

- Cost of service to each customer group is determined using the calculated monthly customer charges by meter size and the allocation of use charges to each customer group based on their water use characteristics, as detailed in Tables COS-9 through COS-12.

- Table COS-9 calculates the monthly customer charges by meter size. Customer charge revenues by customer group are calculated in Table COS-10. ***Key Decision #3:*** *Cap SF customer charges for services larger than 1" at the 1" meter size*. These larger meter sizes do not correlate with safe operating capacity or lot size; the meter size was determined when installed because of engineering/water delivery challenges that only a larger meter size could resolve.

- Capping single-family services with meters larger than 1" at the 1" customer charge creates a revenue shortfall in customer charges that must be reallocated to use charges (only within the single-family (SF) customer category). Table COS-11 calculates the revenue collection that must be shifted to SF use charges.

- In Table COS-12, use revenue (excluding the SF shift of customer charge revenue to SF use charges) is allocated to all retail customer groups. The capacity peaking costs are allocated according to non-coincident peaking factors and daily demand (see the AWWA M1 Manual pages 374-377), as detailed in support tables S-8 and S-9. The commodity costs are allocated by share of total annual water use, as detailed in support tables S-10 through S-12.

- Cost of Service is summarized and compared to current revenue collection in Table COS-13. The COS demonstrates that MF Residential (metered and unmetered) and Commercial customers should be allocated a larger share of revenue; Irrigation, Private Fire Protection, and the LVS Wholesale customer are close to COS, and SF residential (metered and unmetered) should be allocated a smaller share of revenue.

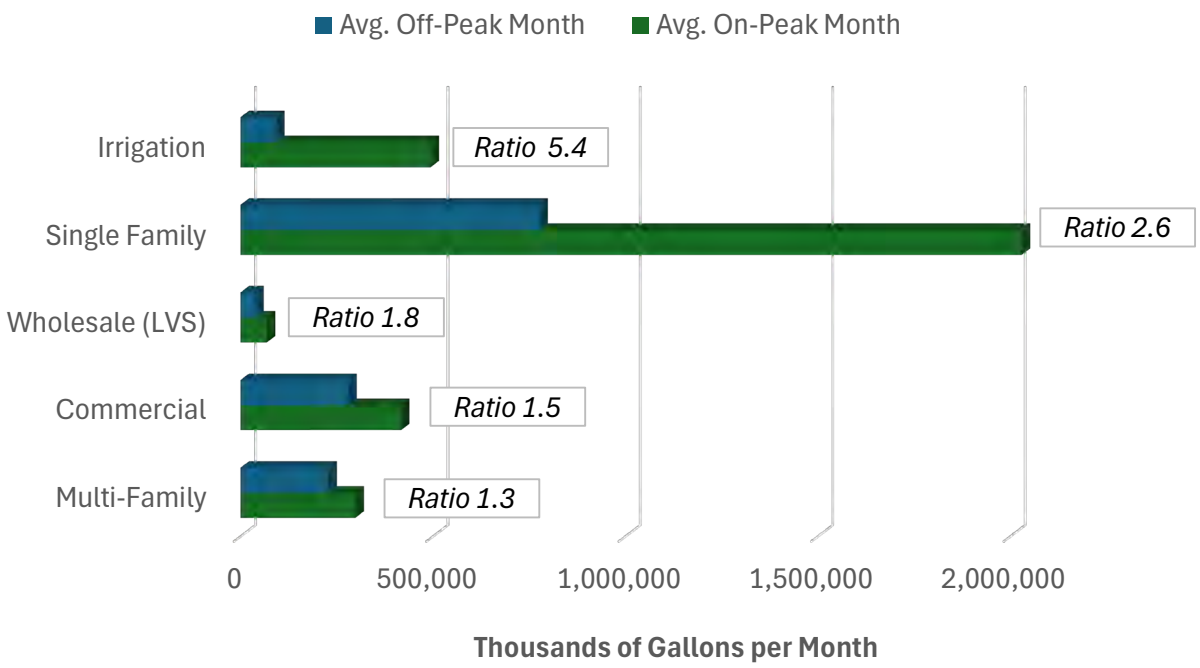
Step 3: Rate Design

With each customer group having been allocated its cost of service, usage patterns by customer category were examined to determine logical and simple ways to collect the use portion of the cost of service to each customer group. This step is called "Rate Design". Seasonal operations costs and seasonal use of water by customers were examined, with revealing on and off-peak usage of water by customer categories summarized in Table R-1.

As illustrated in Graph A, during peak months, irrigation services use 5.4x the water consumed during off-peak months. Single-family residential is next highest at 2.6, followed by LVS at 1.8

(the majority of water use by LVS is to provide for residential customers with small lots). Commercial and MF customers have peak to off-peak ratios of 1.5 and 1.3, respectively.

Graph A
Peaking Ratios by Customer Category



Metered Retail Customers

Use charges per thousand gallons are calculated in Table R-2. The uniform rate per 1,000 gallons is $2.65. One option is to charge all use this rate, but this would not reflect customer usage patterns. The table also shows the cost per thousand gallons by customer group. Note, the residential categories include estimated flat-rate customer usage. The rate per thousand gallons is different for each customer group. Multi-family has the lowest cost ($2.20), then Commercial ($2.37), SF residential ($2.86), and Irrigation ($2.92) has the highest cost.

For Commercial customers, charging the same rate per thousand gallons was the selected rate structure because of their low peak to off-peak ratio (indicating relatively little outdoor water usage) and their production function (water is an input to the economic activity which gives business owners incentive to keep water use at a minimum). This is a change in rate structure for both TMWA and Old DWR customers. TMWA commercial customers currently pay three tiers according to meter size. Old DWR customers currently pay on-peak and off-peak rates.

For Irrigation customers, keeping TMWA's rate structure of on-peak and off-peak rates was logical because of the customer category's high peak to off-peak ratio and the corresponding increase in TMWA operations costs during the summer months. This is a change for the Old DWR customers who currently pay one rate per thousand gallons all year. The calculated rates are

provided in Table R-3. Peak cost is 1.2x off-peak cost per the seasonal cost analysis presented in support Table S-13.

The proposed SF Residential use rates continue TMWA's three tiers for single-family at the same block levels (up to 6,000 gallons for tier 1, from 6,001 to 25,000 gallons for tier 2, and more than 25,000 gallons for tier 3). Old DWR single-family customers would no longer pay a fourth tier as very little consumption is in this tier. ***Key Decision #4:*** *The ratios that determine the price of water in each of the tiers were changed from 1.6 and 1.9 to 1.5 and 2.0 because the current ratios were designed to make the tiered rates the same across all customer groups, but this COS does not have that goal. Rather, it is simpler to explain that water use greater than the indoor allocation (Tier 1) per home is 1.5x more expensive, and 2.0x more expensive for properties using much more water for outdoor uses*. The calculations of the single-family tiered rates are provided in Table R-4. Note the addition of the meter charge revenue to the calculation which results from capping the larger meters at the 1" meter customer charge.

COS rate design for multi-family affects both customer charges and use charges. ***Key Decision #5:*** *The COS proposes a per unit charge each month, rather than charging based on meter size as meter size reflects capacity needed for an apartment complex, but not the individual needs of a household*. The calculation of customer charge per unit per month is provided in Table R-5. Second, multi-family would continue TMWA's two tiers with each unit given a tier 1 allowance of 4,000 gallons. This removes tiers 3 and 4 for the Old DWR multi-family customers. The use charges calculation is shown in Table R-6. The price ratio between Tier 1 and Tier 2 is the same as the single family ratio of 1.5.

<u>SF and MF Flat-Rate Customers</u>

The flat-rate customers rate schedules are proposed to be simplified. ***Key Decision #6:*** *Charge the flat-rate services per unit only (remove the customer charge by size)*. Like the multi-family metered customers, meter size is not reflective of water use (annual use per unit is based on a pilot project that used meters to sample more easily accessible services). TMWA's MRFS and MRIS (which includes irrigation) would only pay per unit under the COS rates, rather than per service size plus per unit. SUFR units would continue to pay per service/unit. Calculation of the flat-rates is provided in Table R-7. The service and use charges are rolled into one rate per unit per month. There are less than 700 water services remaining in the system billed on a flat-rate.

<u>Private Fire Protection Services</u>

Private fire protection customer charges are calculated in Table R-8. The cost attributable to fire services, determined in the functional allocation step, is divided by the number of equivalent fire units. ***Key Decision #7:*** *All services 2" and smaller are rolled together in the proposed COS rate structure (TMWA currently has charges for ¾", 1", 1.5" and 2" meters) because only 6% of customers have these service sizes*.

<u>Wholesale (LVS)</u>

The only wholesale customer on TMWA's system belongs to SVGID, which takes water from three connection points. Currently, SVGID pays a small customer charge per month, which no

longer has a good justification. The proposed COS rates remove the fixed charge for the three connection points. This is the only proposed change to the LVS rate structure.

SVGID pays two tiers for water deliveries. Tier 1 reflects the typical indoor water use of the district's customers. Tier 1 is periodically adjusted as more customers are added to the SVGID water system. The price ratio between the Tier 1 and Tier 2 rates was held close to the current ratio, at 1.65 shown in Table R-9.

Other

All other rate schedules, with the exception of Ditch Irrigation Service (DIS) and Interruptible Large Volume Nonpotable Service Rates and Charges (ILVNPS), which have their own revenue requirements, are updated with minimal change to rate design. There are very few (about 40) Non-Potable Service (NPS), Interruptible Service (IWS) or Wholesale Standby (FSPR) customers. Currently, there are no FSPR customers.

For NPS and IWS, the customer charge is set at the 1.5" irrigation meter calculated rate because this is the type of meter used for these services. The use rate is determined in Table R-10. Untreated water is allocated a share of operations costs from the functional allocation step as shown in support Table S-14. The treated water cost per thousand gallons is the total cost (fixed and variable costs) divided by total retail consumption. The untreated water cost is the use costs portion of total costs from Table R-2 multiplied by the percentage of costs allocated to untreated water. As with the current rate schedule, the IWS treated, interruptible rate is the same as the NPS untreated water rate.

It is proposed that the FSPR customers (if/when there are any) would not pay a customer charge (same as LVS). The use charge would continue to be the same as the NPS untreated water rate. Off-Peak All Water & On-Peak Contract Demand would be 4x the NPS treated water rate, and the on-peak usage ratios remain the same as the current ratios (6x and 12x).

ATTACHMENT A

COST OF SERVICE TABLES

ALL TABLES ARE DRAFT

Table COS-1
2025 Cost of Service Study
Methodology for Allocating Revenue Requirement to LVS

DRAFT

Plant in Service to LVS		Rationale	Total Cost	LVS Share of Cost	Net Cost	Allocation Basis	LVS Cost
			a	*b*	*c = a*b*	*d*	*e = c*d*
			Millions	**Table S-1**		**2.3%**	
Land	YES	Certain Land Assets Serve Sun Valley	$20.89	26.3%	$5.49		$0.13
Rule 7 Water Rights	NO		$121.12				$0.00
Administration Buildings	YES	Required for all water deliveries	$16.58	100.0%	$16.58		$0.38
Computers & Technology	YES	Required for all water deliveries	$12.63	100.0%	$12.63		$0.29
Distribution Mains	YES	Original TMWA System Serves Sun Valley	$651.70	72.3%	$471.50		$10.82
Furniture & Fixtures	NO		$0.91				$0.00
Lab And Equipment	YES	Water Quality Serves Sun Valley	$0.47	100.0%	$0.47	**Sun Valley**	$0.01
Meters	NO		$30.45			**Share of**	$0.00
Pressure Regulating Stations	NO		$26.65			**Total Water**	$0.00
Pump Stations	NO		$88.03			**Use**	$0.00
Reservoirs	YES	Sun Valley receives surface water	$19.41	100.0%	$19.41		$0.45
Treated Water Storage	NO		$112.23				$0.00
Vehicles	NO		$11.11				$0.00
Water Services	NO		$160.65				$0.00
Water Treatment Plants	YES	Chalk Bluff & Glendale Serve Sun Valley	$280.76	86.8%	$243.82		$5.59
Wells	NO		$87.66				$0.00
Total Plant in Service			**$1,641.24**		**$769.89**		**$17.66**
Percentage of Revenue Requirement Attributable to LVS							**1.08%**

Table COS-2
2025 Cost of Service Study
Number of Potable Retail Meters and Services

DRAFT

Meter / Service Size	Metered Customers [1]				Flat-Rate Customers		
	Residential		Irrigation	Gen. Comm'l	Residential	MF Residential	
	SF	**MF**			**SUFR**	**MRFS**	**MRIS**
			Meters			**Services**	
3/4"	101,183	1,396	730	1,933	379		9
1"	18,011	1,722	820	1,776			9
1.5"	316	996	714	980			1
2"	543	1,594	1,381	2,207			2
3"	1	48	34	180		10	25
4"	2	41	31	121		1	25
6"		23	3	44		3	40
8"		7		29			11
10"		0		6			5
Total	**120,057**	**5,828**	**3,713**	**7,275**	**379**	**14**	**127**
Resid. Units	120,057	61,446			379	997	9,323

Note: Table excludes services paying STMGID rates and LVS.

[1] Includes TMWA and Former Washoe County customer meters.

Table COS-3
2025 Cost of Service Study
Meter Ratios Calculation

DRAFT

Meter Size	Meter Specifications [1]		Meter Ratios	
	Irrigation	Non-Irrig	Irrigation	Non-Irrig
	gpm	gpm		
5/8"	20	20	0.57	0.57
3/4"	35	35	1.00	1.00
1"	55	55	1.57	1.57
1.5"	200	150	5.71	4.29
2"	250	200	7.14	5.71
3"	435	350	12.43	10.00
4"	750	600	21.43	17.14
6"	1,600	1,350	45.71	38.57
8"		1,600		45.71
10"		1,600		45.71

[1] TMWA max. operating specifications up to 2" meters.
AWWA 701 in-line meter specifications for irrigation meters greater than 2". AWWA 702 compound meter specifications for non-irrigation meters greater than 2".
Meters 8" and larger treated the same.

Table COS-4
2025 Cost of Service Study
Calculated Meter Equivalents

DRAFT

Meter / Service Size	Service Type		Total	Services		Meter Equivalents	
	Metered	Flat-Rate [1]		Irrig	Non-Irrig	Irrig	Non-Irrig
5/8"		10,320	10,320		10,320	0	5,897
3/4"	105,243	379	105,622	730	104,892	730	104,892
1"	22,329		22,329	820	21,510	1,288	33,801
1.5"	3,006		3,006	714	2,292	4,081	9,822
2"	5,725		5,725	1,381	4,344	9,865	24,821
3"	263		263	34	229	423	2,288
4"	195		195	31	164	664	2,806
6"	70		70	3	67	137	2,600
8"	36		36	0	36	0	1,638
10"	6		6	0	6	0	274
Total	**136,873**	**10,699**	**147,571**	**3,713**	**143,858**	**17,188**	**188,840**

Note: This table excludes Sun Valley wholesale (LVS).

[1] SUFR treated as 3/4" per unit. MRFS and MRIS treated as 5/8" per unit.

Table COS-5
2025 Cost of Service Study
Number of Private Fire Services and Fire Equivalents

DRAFT

Service Size	Number of Services	Demand Factor [1]	Equivalent Fire Units
2" and smaller	380	6.19	2,352
3"	60	17.98	1,079
4"	1,544	38.32	59,165
6"	3,578	111.31	398,270
8"	793	237.21	188,105
10"	183	426.58	78,064
12"	51	689.04	35,141
Total	**6,589**		**762,177**

[1] Hazen-Williams equation for flow through pressure conduits.
Nominal size of connection raised to the 2.63 power.

Table COS-6
2025 Cost of Service Study
Allocation of Plant in Service

DRAFT

Plant In Service Asset Grouping	FIXED COSTS: Customer	FIXED COSTS: Private Fire Protection	FIXED COSTS: Capacity (Readiness-to-Serve)	VARIABLE COSTS: Capacity (Peaking)	VARIABLE COSTS: Commodity (Use)	Total
Land	18%		37%	45%		100%
Rule 7 Water Rights					100%	100%
Administration Buildings	100%					100%
Computers & Technology	100%					100%
Distribution Mains		5%	45%	50%		100%
Furniture & Fixtures	100%					100%
Lab And Equipment	100%					100%
Meters	100%					100%
Pressure Regulating Stations		5%	45%	50%		100%
Pump Stations		5%	45%	50%		100%
Reservoirs		5%	63%	32%		100%
Treated Water Storage		5%	63%	32%		100%
Vehicles	100%					100%
Water Services	100%					100%
Water Treatment Plants		5%	48%	47%		100%
Wells		5%	30%	65%		100%
Share of Plant in Service	**14.4%**	**4%**	**36.5%**	**37.8%**	**7.4%**	**100.0%**

Asset Grouping			*Original Costs in Millions of Dollars*			
Land	$3.76	$0.00	$7.77	$9.37	$0.00	$20.89
Rule 7 Water Rights	$0.00	$0.00	$0.00	$0.00	$121.12	$121.12
Administration Buildings	$16.58	$0.00	$0.00	$0.00	$0.00	$16.58
Computers & Technology	$12.63	$0.00	$0.00	$0.00	$0.00	$12.63
Distribution Mains	$0.00	$32.59	$295.44	$323.68	$0.00	$651.70
Furniture & Fixtures	$0.91	$0.00	$0.00	$0.00	$0.00	$0.91
Lab And Equipment	$0.47	$0.00	$0.00	$0.00	$0.00	$0.47
Meters	$30.45	$0.00	$0.00	$0.00	$0.00	$30.45
Pressure Regulating Stations	$0.00	$1.33	$12.08	$13.24	$0.00	$26.65
Pump Stations	$0.00	$4.40	$39.91	$43.72	$0.00	$88.03
Reservoirs	$0.00	$0.97	$12.17	$6.27	$0.00	$19.41
Treated Water Storage	$0.00	$5.61	$70.38	$36.24	$0.00	$112.23
Vehicles	$11.11	$0.00	$0.00	$0.00	$0.00	$11.11
Water Services	$160.65	$0.00	$0.00	$0.00	$0.00	$160.65
Water Treatment Plants [1]	$0.00	$14.04	$135.30	$131.43	$0.00	$280.76
Wells	$0.00	$4.38	$26.43	$56.85	$0.00	$87.66
Total Assets Original Cost	**$236.53**	**$63.32**	**$599.47**	**$620.79**	**$121.12**	**$1,641.24**

Sources: TMWA assets original cost 4/17/25, August 2024 system operations data, and TMWA staff.

[1] Includes canals.

Table COS-7
2025 Cost of Service Study
Functional Allocation of Operating Costs

DRAFT

Expenditures	ACTUAL FY 2024	Allocation Basis	Fire Services	Fixed Costs		Variable Costs		Unclassified
				Customer	Readiness-to-Serve	Peaking	Commodity	
Salaries & Wages	$30,743,675	Avg. of Classified	0%	0%	0%	0%	0%	100%
Benefits	$16,459,721	Avg. of Classified	0%	0%	0%	0%	0%	100%
Bank Fees	$2,963	Avg. of Classified	0%	0%	0%	0%	0%	100%
Chemicals	$2,665,437	Utilities	0%	0%	0%	0%	100%	0%
Claims Payments	$20,682	Avg. of Classified	0%	0%	0%	0%	0%	100%
Computer Software	$1,949,546	Avg. of Classified	0%	0%	0%	0%	0%	100%
Computer Parts	$213,978	Avg. of Classified	0%	0%	0%	0%	0%	100%
Computer Hardware	$463,505	Avg. of Classified	0%	0%	0%	0%	0%	100%
Contract Services - General	$5,889,807	Avg. of Classified	0%	0%	0%	0%	0%	100%
Contract Services - Construction	$394,861	Plant In Service	4%	14%	37%	38%	7%	0%
Contract Services - Electrical	$532,598	Plant In Service	4%	14%	37%	38%	7%	0%
Contract Services - Equip. Maint.	$1,608,047	Plant In Service	4%	14%	37%	38%	7%	0%
Contract Services - Facilities Maint.	$623,944	Plant In Service	4%	14%	37%	38%	7%	0%
Contract Services - CIS	$2,340	Treatment Plants Ratio Avg. to Peak Month	0%	0%	53%	47%	0%	0%
Ditch Fees	$322,120	Customers	0%	100%	0%	0%	0%	0%
Employee Functions	$129,668	Avg. of Classified	0%	0%	0%	0%	0%	100%
Employee-Related Expenses	$138,505	Avg. of Classified	0%	0%	0%	0%	0%	100%
Equipment Rentals	$487,534	Plant In Service	4%	14%	37%	38%	7%	0%
Insurance Property/GL	$1,324,405	Plant In Service	4%	14%	37%	38%	7%	0%
Investment Fees	$12,060	Avg. of Classified	0%	0%	0%	0%	0%	100%
Leases	$124,513	Plant In Service	4%	14%	37%	38%	7%	0%
Licenses & Permits	$781,291	Plant In Service	4%	14%	37%	38%	7%	0%
Miscellaneous	$209,875	Avg. of Classified	0%	0%	0%	0%	0%	100%
Postage & Shipping	$30,464	Customers	0%	100%	0%	0%	0%	0%
Printing	$649,149	Customers	0%	100%	0%	0%	0%	0%
Professional Dues & Licenses	$87,803	Avg. of Classified	0%	0%	0%	0%	0%	100%
Professional Services - Admin	$772,370	Avg. of Classified	0%	0%	0%	0%	0%	100%
Professional Services - Construction	$4,576	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Easements	$39,935	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Engineering	$154,390	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Geotech	$55,585	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Hydrologic	$240,686	Plant In Service	4%	14%	37%	38%	7%	0%
Professional Services - Legal	$390,163	Avg. of Classified	0%	0%	0%	0%	0%	100%
Professional Services - Public Relations	$504,893	Avg. of Classified	0%	0%	0%	0%	0%	100%
Property Taxes	$716,556	Treatment Plants Ratio Avg. to Peak Month	0%	0%	53%	47%	0%	0%
Power & Gas	$7,902,318	Utilities	0%	0%	0%	0%	100%	0%
Sewer & Waste Disposal	$113,962	Utilities	0%	0%	0%	0%	100%	0%
Phones & Internet	$774,036	Customers	0%	100%	0%	0%	0%	0%
Recruitment and Hiring	$33,188	Avg. of Classified	0%	0%	0%	0%	0%	100%
River Monitoring	$343,673	Customers	0%	100%	0%	0%	0%	0%
Sponsorships	$969,202	Avg. of Classified	0%	0%	0%	0%	0%	100%
Street Repairs	$1,040,563	Plant In Service	4%	14%	37%	38%	7%	0%
Federal Storage Fees	$498,514	Treatment Plants Ratio Avg. to Peak Month	0%	0%	53%	47%	0%	0%
General Supplies	$1,070,564	Avg. of Classified	0%	0%	0%	0%	0%	100%
Small Tools	$340,323	Plant In Service	4%	14%	37%	38%	7%	0%
Mechanical Parts	$842,497	Plant In Service	4%	14%	37%	38%	7%	0%
Pipes & Fittings	$940,564	Plant In Service	4%	14%	37%	38%	7%	0%
Fuel/Lube/Oil	$551,828	Customers	0%	100%	0%	0%	0%	0%
Pumps	$248,767	Plant In Service	4%	14%	37%	38%	7%	0%
Motors	$34,902	Plant In Service	4%	14%	37%	38%	7%	0%
Meters & Meter Equipment	$175,426	Customers	0%	100%	0%	0%	0%	0%
Training	$254,055	Avg. of Classified	0%	0%	0%	0%	0%	100%
Travel	$121,268	Avg. of Classified	0%	0%	0%	0%	0%	100%
Tuition	$12,247	Avg. of Classified	0%	0%	0%	0%	0%	100%
Total Operations and Maintenance	**$85,015,541**		**$378,876**	**$4,261,939**	**$4,234,345**	**$4,284,215**	**$11,406,430**	**$60,449,737**
Reallocate Unclassified			$932,310	$10,487,469	$10,419,566	$10,542,283	$28,068,109	
Allocated Operating O&M Costs	**$85,015,541**		**$1,311,185**	**$14,749,409**	**$14,653,910**	**$14,826,498**	**$39,474,539**	
Depreciation	$36,500,513	Plant In Service	$1,408,267	$5,260,406	$13,332,058	$13,806,049	$2,693,732	
Debt Service (P&I customer-related)	$28,440,408	Plant In Service	$1,097,291	$4,098,794	$10,388,051	$10,757,374	$2,098,898	
Total Allocated Costs	**$149,956,462**		**$3,816,743**	**$24,108,609**	**$38,374,019**	**$39,389,922**	**$44,267,169**	
Percentage of Allocation	100%		3%	16%	26%	26%	30%	

Source: TMWA financial statements, May 2025.

Table COS-8
2025 Cost of Service Study **DRAFT**
Allocation of Revenue Requirement to Customer and Use Charges

Cost Classification	Functional Allocation	FYE 2026
Rates Revenue		$128,481,358
less STMGID Revenue		$1,729,130
Allocated Revenue Requirement		**$126,752,227**
Wholesale (LVS)	**1.1%**	**$1,364,256**
Retail		**$125,387,971**
Fire Services	**2.5%**	**$3,191,418**
Fixed Monthly Charges		
Customer	16.1%	$20,158,715
Readiness-to-Service	25.6%	$32,086,916
Total Fixed Monthly Char	**41.7%**	**$52,245,631**
Use Charges		
Capacity (Peaking)	26.3%	$32,936,376
Commodity	29.5%	$37,014,547
Total Use Charges	**55.8%**	**$69,950,922**

Table COS-9
2025 Cost of Service Study
Calculation of Monthly Customer Charges

DRAFT

Item	Service Type		Total
	Irrigation	**Non-Irrigation**	
Meter Equivalents	17,188	188,840	206,028
Allocated Costs	**$4,358,686**	**$47,886,945**	**$52,245,631**
Meter Size	**Monthly Customer Charge per Meter**		
5/8"	$12.08	$12.08	
3/4"	$21.13	$21.13	
1"	$33.21	$33.21	
1.5"	$120.75	$90.57	
2"	$150.94	$120.75	
3"	$262.64	$211.32	
4"	$452.83	$362.26	
6"	$966.04	$815.09	
8"		$966.04	
10"		$966.04	

Table COS-10
2025 Cost of Service Study
Customer Charge Revenues by Customer Group

DRAFT

Meter	Residential		Non-Residential		Total	Service Charge		Annual	Residential		Non-Residential	
Size	SF	MF	Commercial	Irrigation	**Meters**	Irrig	Non-Irrig	**Revenue**	SF	MF	Commercial	Irrigation
			number of meters			**per month**			[1]			
3/4"	101,183	1,396	1,933	730	105,243	$21.13	$21.13	$26,688,048	$25,658,556	$354,089	$490,243	$185,159
1"	18,011	1,722	1,776	820	22,329	$33.21	$33.21	$9,241,399	$7,520,882	$686,367	$707,587	$326,563
1.5"	316	996	980	714	3,006	$120.75	$90.57	$3,182,311		$1,082,627	$1,064,695	$1,034,989
2"	543	1,594	2,207	1,381	5,725	$150.94	$120.75	$8,009,090		$2,309,556	$3,197,949	$2,501,586
3"	1	48	180	34	263	$262.64	$211.32	$684,909		$121,721	$456,030	$107,158
4"	2	41	121	31	195	$452.83	$362.26	$871,246		$178,596	$524,196	$168,453
6"	0	23	44	3	70	$966.04	$815.09	$694,189		$224,966	$434,445	$34,777
8"	0	7	29	0	36		$966.04	$415,396		$81,147	$334,249	$0
10"	0	0	6	0	6		$966.04	$69,555		$0	$69,555	$0
Total	**120,057**	**5,828**	**7,275**	**3,713**	**136,873**			**$49,856,143**	**$33,179,438**	**$5,039,069**	**$7,278,950**	**$4,358,686**
Flat-Rates												
SUFR	379						$21.13	$96,109	$96,109			
MRFS	997						$12.08	$144,471		$144,471		
MRIS	9,323						$12.08	$1,350,913		$1,350,913		
Total Flat-Rates								**$1,591,492**	**$96,109**	**$1,495,384**		

[1] All SF meters larger than 1-inch pay the 1-inch rate.

Table COS-11
2025 Cost of Service Study
Single Family Customer Charge Revenue Shift to Use Charges

		Calculated		Capped	
Meter Size	**# Meters**	Charge per Meter	**Annual Total**	Charge per Meter	**Annual Total**
3/4"	101,183	$21.13	$25,658,556	$21.13	$25,658,556
1"	18,011	$33.21	$7,177,383	$33.21	$7,177,383
1.5"	316	$90.57	$343,427	$33.21	$125,923
2"	543	$120.75	$786,838	$33.21	$216,380
3"	1	$211.32	$2,536	$33.21	$398
4"	2	$362.26	$8,694	$33.21	$797
Total			**$33,977,434**		**$33,179,438**
Shift to Use Charges					**$797,996**

Table COS-12
2025 Cost of Service Study
Allocation of Use Charges to Customer Groups

DRAFT

Customer Category	Allocation	FYE 2026
Capacity Peaking Costs	**A**	**$32,936,376**
Residential (includes flat-rate customers)		
Single-Family Residential	67.3%	$22,170,262
Multi-Unit Residential	7.2%	$2,362,296
Subtotal Residential		**$24,532,558**
Non-Residential		
Commercial	11.5%	$3,782,472
Irrigation	14.0%	$4,621,346
Subtotal Non-Residential		**$8,403,818**
Commodity Costs	**B**	**$37,014,547**
Residential (includes flat-rate customers)		
Single-Family Residential	60.3%	$22,325,667
Multi-Unit Residential	12.0%	$4,429,052
Subtotal Residential		**$26,754,719**
Non-Residential		
Commercial	15.7%	$5,795,392
Irrigation	12.1%	$4,464,435
Subtotal Non-Residential		**$10,259,827**
	Total A+B	
Residential (includes flat-rate customers)		
Single-Family Residential	63.6%	$44,495,928
Multi-Unit Residential	9.7%	$6,791,349
Subtotal Residential	**73.3%**	**$51,287,277**
Non-Residential		
Commercial	13.7%	$9,577,864
Irrigation	13.0%	$9,085,781
Subtotal Non-Residential	**26.7%**	**$18,663,645**
Total Use Charges	**100.0%**	**$69,950,922**

Table COS-13
2025 Cost of Service Study
Comparison of Current Revenue Collection with Cost-of-Service

DRAFT

Customer Category	FY26 Projected Collection				Cost of Service Collection				Difference Projected - COS	
	Service	Use	FY 2026	Share of Total	Service	Use	Total	Share of Total	Revenue	Percentage
Metered Water Sales										
SF Residential Metered	$33,469,732	$49,558,299	$83,028,030	65.5%	$33,179,438	$45,215,767	$78,395,205	61.8%	$4,632,825	6%
MF Residential Metered	$1,981,539	$6,142,547	$8,124,086	6.4%	$5,039,069	$5,314,076	$10,353,145	8.2%	($2,229,059)	-27%
Commercial Metered	$2,568,342	$11,813,047	$14,381,389	11.3%	$7,278,950	$9,577,864	$16,856,814	13.3%	($2,475,425)	-17%
Irrigation Metered	$1,306,516	$12,557,553	$13,864,069	10.9%	$4,358,686	$9,085,781	$13,444,467	10.6%	$419,602	3%
Total Metered	**$39,326,129**	**$80,071,446**	**$119,397,575**	**94.2%**	**$49,856,143**	**$69,193,488**	**$119,049,631**	**93.9%**	**$347,944**	**0%**
Share in Base vs. Use	***33%***	***67%***			***42%***	***58%***				
Unmetered Water Sales										
SF Residential Unmetered			$220,896	0.2%	$96,109	$78,157	$174,266	0.1%	$46,630	21%
MF Residential Unmetered			$2,681,300	2.1%	$1,495,384	$1,477,273	$2,972,656	2.3%	($291,356)	-11%
Total Unmetered	**$0**	**$0**	**$2,902,197**	**2.3%**	**$1,591,492**	**$1,555,430**	**$3,146,922**	**2.5%**	**($244,726)**	**-8%**
Private Fire Protection	$3,105,790		$3,105,790	2.5%	$3,191,418		$3,191,418	2.5%	($85,628)	-3%
Wholesale (LVS)	$5,655	$1,341,012	$1,346,666	1.1%	$0	$1,364,256	$1,364,256	1.1%	($17,590)	-1%
TOTAL	**$42,437,573**	**$81,412,457**	**$126,752,227**	**100.0%**	**$54,639,053**	**$72,113,174**	**$126,752,227**	**100.0%**	**$0**	0%

Source: 2025 Cost of Service Model.

ATTACHMENT B

RATE DESIGN TABLES

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Table R-1
2025 Cost of Service Study
On and Off-Peak Use Characteristics by Customer Category

DRAFT

Customer Category	On-Peak May-Sep	Off-Peak Oct-Apr	FY26 Est. Total	Percent of Annual Use		Avg. On-Peak Month	Avg. Off-Peak Month	Peak to Off-Peak
				On-Peak	Off-Peak			
Single-Family Residential	*5 months*	*7 months*		Thousands of Gallons				**Ratio**
Metered	10,132,907	5,420,459	15,553,366	*65%*	*35%*	2,026,581	774,351	2.62
Unmetered Est. (SUFR)	15,403	11,965	27,368	*56%*	*44%*	3,081	1,709	1.80
Subtotal SF Residential	**10,148,310**	**5,432,424**	**15,580,734**	***65%***	***35%***	**2,029,662**	**776,061**	**2.62**
Multi-Unit Residential								
Metered	1,127,703	1,290,908	2,418,611	*47%*	*53%*	225,541	184,415	1.22
Unmetered Estimate	365,373	306,983	672,356	*54%*	*46%*	73,075	43,855	1.67
Subtotal MF Residential	**1,493,075**	**1,597,891**	**3,090,966**	***48%***	***52%***	**298,615**	**228,270**	**1.31**
Commercial	2,085,754	1,958,760	4,044,514	*52%*	*48%*	417,151	279,823	1.49
Irrigation	2,469,618	646,042	3,115,660	*79%*	*21%*	493,924	92,292	5.35
Large Volume	340,598	266,029	606,627	*56%*	*44%*	68,120	38,004	1.79
TOTAL	**16,537,355**	**9,901,146**	**26,438,501**	***63%***	***37%***	**3,307,471**	**1,414,449**	**2.34**

Table R-2
2025 Cost of Service Study
Calculation of Use Charges per Thousand Gallons

DRAFT

Customer		**FYE 2026**
Allocated Cost		$69,950,922
Total Consumption (thousands of gallons)		26,438,501
UNIFORM RATE per 1,000 Gallons		**$2.65**
	Cost by Customer Group	
Residential Single-Family		*incl. flat-rates*
Cost	64%	$44,495,928
Use		15,580,734
Cost per 1,000 Gallons		**$2.86**
Residential Multi-Family		*incl. flat-rates*
Cost	10%	$6,791,349
Use		3,090,966
Cost per 1,000 Gallons		**$2.20**
Commercial		
Cost	14%	$9,577,864
Use		4,044,514
Cost per 1,000 Gallons		**$2.37**
Irrigation		
Cost	13%	$9,085,781
Use		3,115,660
Cost per 1,000 Gallons		**$2.92**

Table R-3
2025 Cost of Service Study
Irrigation Customers Use Rates per Thousand Gallons

Item	Calculation	
IRRIGATION		
Cost	**$9,085,781**	
Use		
Off-Peak Water Use (Oct-Apr)	646,042	21%
Peak Water Use (May-Sep)	2,469,618	79%
Total Metered Irrigation Use	**3,115,660**	
Off-Peak Cost per 1,000 Galls	**$2.52**	
Peak Cost per 1,000 Galls [1]	**$3.02**	**1.20**

[1] Ratios based on analysis of on-peak and off-peak operating costs.

Table R-4
2025 Cost of Service Study
SF Residential Use Rates

Item		TMWA	Old DWR	Total
Tier 1 @ 6,000 galls / mo / unit		5,378,242	1,145,748	6,523,990
Tier 2 @ 6,001-25,0000 galls / mo / unit		5,220,104	1,341,963	6,562,066
Tier 3 >25,000 galls / mo / unit		1,963,832	503,478	2,467,310
Total (thousands of gallons annually)		**12,562,178**	**2,991,189**	**15,553,366**
Allocated Cost				$44,417,771
plus Meter Charges from Meters >1"				$797,996
Total Allocated Cost				**$45,215,767**
Tier 1 Cost per 1,000 Galls	[1]			**$2.12**
Tier 2 Cost per 1,000 Galls	**1.50**			**$3.18**
Tier 3 Cost per 1,000 Galls	**2.00**			**$4.25**

Table R-5
2025 Cost of Service Study
Calculation of MF Per Unit Customer Charges

Meter Size	# Meters	Service Charges
3/4"	1,396	$354,089
1"	1,722	$686,367
1.5"	996	$1,082,627
2"	1,594	$2,309,556
3"	48	$121,721
4"	41	$178,596
6"	23	$224,966
8"	7	$81,147
Annual Service Charges	**5,828**	**$5,039,069**
Total Number of MF Units		61,446
Service Charge per Unit per Month		**$6.83**

Table R-6
2025 Cost of Service Study
MF Residential Use Rates

Item		TMWA	Old DWR	Total
Tier 1 @ 4,000 galls / mo / unit		1,739,695	47,500	1,787,196
Tier 2 > 4,000 galls / mo		573,449	57,966	631,415
Total (thousands of gallons annually)		**2,313,144**	**105,467**	**2,418,611**
Allocated Cost				**$5,314,076**
Tier 1 Cost per 1,000 Galls				**$1.94**
Tier 2 Cost per 1,000 Galls	**1.50**			**$2.92**

Table R-7
2025 Cost of Service Study
Flat-Rate Residential Rate Calculations

DRAFT

Flat-Rate Customer	Annual Revenues		Annual Use per Unit	Units	Annual Total Revenue	Annual per Unit	Monthly per Unit
	Service	Use					
Single-Family			thousand gallons				
SUFR	$96,109	$78,157	72.21	379	$174,266	$459.80	**$38.32**
Multi-Family							
MRFS	$144,471	$110,821	50.59	997	$255,292	$256.06	**$21.34**
MRIS	$1,350,913	$1,366,452	66.71	9,323	$2,717,365	$291.48	**$24.29**
TOTAL Unmetered Revenue					**$3,146,922**		

Table R-8
2025 Cost of Service Study
DRAFT
Calculation of Private Fire Protection Charges (FY26)

Fire Services	**FYE 2026**
Equivalent Fire Units	762,177
Fire Service Cost Allocation	**$3,191,418**
Annual Cost per Equivalent Unit	**$4.19**
Monthly Fire Protection Charge per Service	
2" and smaller	$2.16
3"	$6.27
4"	$13.37
6"	$38.84
8"	$82.77
10"	$148.85
12"	$240.43

Table R-9
2025 Cost of Service Study
LVS Calculated Rates

DRAFT

Item	Calculation	Factor
LVS Revenue Requirement Allocation	**$1,364,256**	
Fixed Charges	$0	0.0%
Use Charges	$1,364,256	100.0%
Fixed Charges per Month	**$0**	
Annual LVS Water Use		
Tier 1	422,350	
Tier 2	184,277	
Total	**606,627**	
Cost per Thousand Gallons	**$2.25**	
Tier 1 Rate per Thousand Gallons	**$1.88**	
Tier 2 Rate per Thousand Gallons	**$3.10**	1.65

Table R-10
2025 Cost of Service Study
Determination of Treated and Untreated Water Cost per Thousand Gallons

DRAFT

Item		Total	Functional Allocation		
			Operations	Depreciation	Debt Service
Functional Allocation Share			57%	24%	19%
Revenue Requirement [1]	***a***	**$122,196,553**	$69,277,482	$29,743,546	$23,175,526
Untreated Water Share			86%	0%	0%
Untreated Water Cost	***b***	**$59,344,852**	$59,344,852	$0	$0
Untreated Water Costs as Percentage of Rev. Req.	***c = b/a***	**49%**			
Treated Water, All Costs	*d = a / retail consumption*	$4.62	per 1,000 gallons		
Treated Water, Use Costs	*e =Table R-2*	$2.65	per 1,000 gallons		
Untreated Water	*f = e*c*	$1.28	per 1,000 gallons		

[1] Excludes LVS and FPS.

ATTACHMENT C

SUPPORT TABLES

ALL TABLES ARE DRAFT

Table S-1
2025 Cost of Service Study
Allocation of Fixed Assets to LVS

DRAFT

Item	Original Cost	Est. Share [1]
Treatment Plant		
Chalk Bluff & Glendale	**$204,939,662**	**86.8%**
Other [1]	$31,047,084	13.2%
Total Production	**$235,986,746**	
Distribution Assets		
TMWA Distribution	**$471,495,074**	**72.3%**
Old County & STMGID	$180,207,905	27.7%
Total	**$651,702,979**	
Land		
Operations Ctr. (Corporate Blvd.)	$1,855,140	
Chalk Bluff & Glendale Plants	$3,504,574	
Sun Valley Distribution	$133,377	
Subtotal LVS	**$5,493,091**	**26.3%**
All Other	$15,395,916	
Total	**$20,889,007**	

[1] Includes Mt. Rose water treatment plant, and the Lightning and Truckee Canyon goundwater treatment plants.

Table S-2
2025 Cost of Service Study
Water Production Data

DRAFT

Month	Fiscal Year Ending 2020	2021	2022	2023	2024		Annual Average	% Delivery by Month
				All Figures in Millions of Gallons				
Jul	3,885	3,923	4,190	4,037	3,935		3,994	14.3%
Aug	3,956	3,881	3,944	3,800	3,801		3,876	13.9%
Sep	3,157	3,422	3,456	3,428	3,134		3,319	11.9%
Oct	1,966	2,516	1,991	2,536	2,335		2,269	8.1%
Nov	1,148	1,069	1,173	1,155	1,181		1,145	4.1%
Dec	1,118	1,057	1,189	1,193	1,203		1,152	4.1%
Jan	1,162	1,141	1,272	1,193	1,218		1,197	4.3%
Feb	1,016	1,028	1,172	1,222	1,108		1,109	4.0%
Mar	997	1,225	1,398	1,258	1,355		1,247	4.5%
Apr	1,891	2,486	2,264	1,799	1,944		2,077	7.4%
May	3,013	3,264	3,113	2,771	3,213		3,075	11.0%
Jun	3,302	3,729	3,493	2,921	3,721		3,433	12.3%
Total	**26,611**	**28,739**	**28,655**	**27,313**	**28,147**	***A***	**27,893**	**100.0%**
Base Monthly Flow (November through March)						***B***	1,170	
Base Annual Flow						***C = B*12***	**14,040**	**50.3%**
Additional Flow						***D = A-C***	**13,854**	**49.7%**

Table S-3
2025 Cost of Service Study
Wells Production Data

DRAFT

Month	Fiscal Year Ending 2020	2021	2022	2023	2024		Annual Average	% Delivery by Month
				All Figures in Millions of Gallons				
Jul	890	700	837	679	637		748	16.9%
Aug	886	781	871	563	581		736	16.7%
Sep	600	732	960	439	389		624	14.1%
Oct	369	462	582	164	461		407	9.2%
Nov	292	250	269	50	263		225	5.1%
Dec	120	158	192	170	98		148	3.3%
Jan	71	100	93	135	88		97	2.2%
Feb	64	52	60	119	80		75	1.7%
Mar	78	77	105	126	124		102	2.3%
Apr	323	339	278	117	333		278	6.3%
May	759	327	305	274	534		440	10.0%
Jun	537	477	419	390	851		535	12.1%
Total	**4,987**	**4,455**	**4,972**	**3,225**	**4,440**	***A***	**4,416**	**100.0%**
Base Monthly Flow (November through March)						***B***	129	
Base Annual Flow					***C = B*12***		**1,552**	**35.2%**
Additional Flow					***D = A-C***		**2,864**	**64.8%**

Table S-4
2025 Cost of Service Study
Treatment Plants Production Data

DRAFT

Month	Fiscal Year Ending 2020	2021	2022	2023	2024		Annual Average	% Delivery by Month
				All Figures in Millions of Gallons				
Jul	2,996	3,223	3,352	3,358	3,299		3,246	13.8%
Aug	3,070	3,100	3,073	3,237	3,220		3,140	13.4%
Sep	2,557	2,689	2,496	2,989	2,744		2,695	11.5%
Oct	1,597	2,054	1,409	2,372	1,874		1,861	7.9%
Nov	856	819	903	1,104	918		920	3.9%
Dec	998	899	996	1,023	1,105		1,004	4.3%
Jan	1,091	1,040	1,180	1,059	1,129		1,100	4.7%
Feb	952	976	1,113	1,104	1,027		1,034	4.4%
Mar	919	1,148	1,293	1,133	1,231		1,145	4.9%
Apr	1,568	2,147	1,985	1,682	1,611		1,799	7.7%
May	2,254	2,937	2,808	2,497	2,679		2,635	11.2%
Jun	2,765	3,251	3,075	2,531	2,870		2,898	12.3%
Total	**21,624**	**24,284**	**23,683**	**24,088**	**23,707**	***A***	**23,477**	**100.0%**
Base Monthly Flow (November through March)						***B***	**1,041**	
Base Annual Flow						***C = B*12***	**12,487**	**53.2%**
Additional Flow						***D = A-C***	**10,990**	**46.8%**

Table S-5
2025 Cost of Service Study
Storage Functions

DRAFT

Storage (Tanks / Reservoirs)	Storage Capacity	Fire Storage	Operating	Emergency & Excess
	All Figures in Millions of Gallons			
SW-Reno	11.40	1.80	2.04	7.56
North Reno	29.33	8.46	3.23	17.64
NW-Reno	22.11	5.29	2.69	14.13
South Truckee Meadows	23.82	7.70	4.02	12.11
NE-Sparks & Spanish Springs	21.68	3.86	3.27	14.55
Gravity Zones	65.50	4.50	8.45	52.55
Satellite Systems	2.24	1.47	0.08	0.68
Total Storage	**176.08**	**33.08**	**23.78**	**119.22**
Share of Storage	100.0%	18.8%	13.5%	67.7%

Source: TMWA Engineering Department.

Table S-6
2025 Cost of Service Study
Summary of Assets Original Cost

DRAFT

Asset Group	Original Cost	Share
Non-Depreciable Assets		
Land	$20,889,007	1.2%
Rule 7 Water Rights	$121,122,904	7.2%
Subtotal Non-Depreciable Assets	**$142,011,911**	**8.5%**
Depreciable Assets		
Administration Buildings	$16,576,802	1.0%
Canals	$44,772,747	2.7%
Computers & Technology	$12,625,297	0.8%
Distribution Mains	$651,702,980	38.9%
Furniture & Fixtures	$908,888	0.1%
Hydroelectric	$35,305,088	2.1%
Lab And Equipment	$465,867	0.0%
Meters	$30,448,003	1.8%
Pressure Regulating Stations	$26,652,408	1.6%
Pump Stations	$88,034,779	5.3%
Reservoirs	$19,407,670	1.2%
Treated Water Storage	$112,228,641	6.7%
Vehicles	$11,106,203	0.7%
Water Services	$160,645,626	9.6%
Water Treatment Plants	$235,986,746	14.1%
Wells	$87,660,691	5.2%
Subtotal Depreciable Assets	**$1,534,528,437**	**91.5%**
Total Assets Original Cost	**$1,676,540,348**	**100.0%**

Source: TMWA Asset List as of April 21, 2025.

Table S-7
2025 Cost of Service Study
Land Allocation by Purpose

DRAFT

Land Purpose	Original Cost	Share by Purpose
General	$3,755,990	18.0%
Plant	$7,357,342	35.2%
Distribution	$3,822,389	18.3%
Storage	$3,931,004	18.8%
Well	$2,022,281	9.7%
Total Land	**$20,889,007**	**100.0%**

Source: TMWA Asset List as of April 21, 2025.

Table S-8
2025 Cost of Service Study
Calculation of Share of Maximum Day Water Use by Customer Category

DRAFT

Customer Type	Avg. Daily Consumption Peak Month	Annual Avg. Daily Consumption	AD Peak Month/AD Ratio	MD Peak Ratio	Noncoincident Daily Demand	% of Max. Day	% of Max. Day excl. LVS
	a	*b*	*c = a/b*	*d (below)*	*e = d*(b/days)*	*f = e/total e*	
Residential	gallons	gallons			gallons		
Single Family	74,078	42,687	1.74	2.83	120,804	66.3%	67.3%
Multi-Family	10,707	8,468	1.26	1.52	12,872	7.1%	7.2%
Total Residential					**133,676**	**73.3%**	**74.5%**
Non-Residential							
Commercial	15,251	11,081	1.38	1.86	20,610	11.3%	11.5%
Irrigation	19,366	8,536	2.27	2.95	25,181	13.8%	14.0%
Large Volume	2,527	1,662	1.52	1.69	2,809	1.5%	
Total [1]					**182,277**	**100.0%**	**100.0%**

Calculation of Peak Day Factor	**Single Family**	**Multi-Family**	**Commercial**	**Irrigation**	**LVS**
AD Peak Month/AD Ratio	1.74	1.26	1.38	2.27	1.52
System MD/MM Production Ratio [2]	1.11	1.11	1.11	1.11	1.11
Weekly Usage Adjustment [3]	1.47	1.08	1.22	1.17	1.00
Calculated MD Peak Factor	**2.83**	**1.52**	**1.86**	**2.95**	**1.69**

	Non-Coincident	Coincident		
[1] System Max. Day Diversity =	182,277	146,940	**1.24**	(common range is 1.1 to 1.4)
	a	b	c = a/b	

[2] See Table S-10.

[3] Accounts for assigned-day watering and variations in water use through the week.

Table S-9
2025 Cost of Service Study
Calculation of Average Ratio Maximum Day Demand to Maximum Monthly Demand

DRAFT

Production Statistic		**Fiscal Year Ending 2020**	**2021**	**2022**	**2023**	**2024**	**Avg. Ratio MD/MM**
		Sat	**Sat**	**Fri**	**Sat**	**Sat**	
Peak Day		7/20/2019	8/8/2020	7/16/2021	7/30/2022	7/29/2023	
Peak Day Production (MG)	***a***	**141**	**142**	**147**	**143**	**145**	
Maximum Month (MG)	*b*	3,956	3,923	4,190	4,037	3,935	
Average MGD in the Max. Month [1]	***c = b/31***	**128**	**127**	**135**	**130**	**127**	
Ratio of Max. Day to Avg. in Max. Month	*d = c/a*	1.11	1.12	1.09	1.10	1.14	**1.11**

[1] Maximum month use divided by number of days in the month the peak day is in.

Table S-10
2025 Cost of Service Study
Water Use by Month by Customer Category

DRAFT

Customer Category	Estimate used for Fiscal Year 2026 [1]												Total	Share of Total	Retail Share
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
Single-Family Residential	All figures are thousands of gallons														
Metered	2,210,830	2,401,196	2,219,288	1,791,371	948,738	519,567	525,275	487,132	484,124	664,253	1,391,060	1,910,533	15,553,366	58.8%	60.2%
Unmetered Est. (SUFR)	3,464	3,851	3,055	2,304	1,929	1,558	1,565	1,527	1,535	1,546	2,323	2,710	27,368	0.1%	0.1%
Subtotal SF Residential	**2,214,294**	**2,405,046**	**2,222,343**	**1,793,675**	**950,667**	**521,125**	**526,840**	**488,659**	**485,659**	**665,799**	**1,393,384**	**1,913,243**	**15,580,734**	**58.9%**	**60.3%**
Multi-Unit Residential															
Metered	232,072	244,399	235,725	215,744	188,975	178,134	180,052	173,640	174,270	180,093	196,279	219,228	2,418,611	9.1%	9.4%
Unmetered Estimate	78,853	87,177	85,479	66,456	53,153	38,916	37,983	38,083	35,541	36,852	50,545	63,319	672,356	2.5%	2.6%
Subtotal MF Residential	**310,925**	**331,575**	**321,204**	**282,200**	**242,128**	**217,050**	**218,035**	**211,723**	**209,811**	**216,945**	**246,823**	**282,547**	**3,090,966**	**11.7%**	**12.0%**
Commercial	429,532	472,787	430,248	399,131	297,675	247,953	241,805	242,847	246,324	283,026	344,310	408,876	4,044,514	15.3%	15.7%
Irrigation	539,470	600,358	552,454	414,579	147,719	8,733	3,375	3,103	3,345	65,188	309,080	468,256	3,115,660	11.8%	12.1%
Large Volume	72,588	78,333	76,976	66,781	42,898	28,306	33,994	31,023	29,945	33,082	47,275	65,426	606,627	2.3%	
TOTAL	**3,566,810**	**3,888,100**	**3,603,225**	**2,956,366**	**1,681,087**	**1,023,166**	**1,024,049**	**977,355**	**975,084**	**1,264,039**	**2,340,872**	**3,138,348**	**26,438,501**	**100.0%**	**100.0%**

[1] Estimate based on actual fiscal year 2024 metered water use.

Table S-11
2025 Cost of Service Study
Water Use by Customer Category by Month

DRAFT

Metered Customers	2025 Jul	Aug	Sep	Oct	Nov	Dec	2026 Jan	Feb	Mar	Apr	May	Jun	FY26 Total
Single Family Residential						Thousands of Gallons							
TMWA	1,774,277	1,918,677	1,772,810	1,422,911	755,650	435,856	440,167	408,790	406,675	558,619	1,134,577	1,533,168	12,562,178
DWR	436,553	482,519	446,478	368,459	193,088	83,711	85,108	78,341	77,449	105,634	256,483	377,365	2,991,189
STMGID	75,008	79,470	77,112	59,232	27,171	9,789	9,549	8,877	9,025	13,104	40,949	60,983	470,269
Total Single Family Residential	**2,285,838**	**2,480,665**	**2,296,401**	**1,850,603**	**975,909**	**529,356**	**534,824**	**496,009**	**493,149**	**677,357**	**1,432,010**	**1,971,516**	**16,023,635**
Multiple Unit Residential Metered													
TMWA	222,145	233,850	225,620	206,341	181,024	170,461	172,110	165,462	166,433	172,346	187,569	209,783	2,313,144
DWR	9,927	10,548	10,106	9,403	7,952	7,673	7,942	8,178	7,837	7,747	8,710	9,444	105,467
Total Multiple Unit Residential	**232,072**	**244,399**	**235,725**	**215,744**	**188,975**	**178,134**	**180,052**	**173,640**	**174,270**	**180,093**	**196,279**	**219,228**	**2,418,611**
Commercial													
TMWA	408,530	450,425	409,028	381,052	282,589	235,227	228,929	230,109	233,648	269,251	327,709	389,663	3,846,162
DWR	21,002	22,362	21,220	18,079	15,086	12,725	12,875	12,738	12,676	13,775	16,601	19,213	198,352
STMGID	3,921	4,249	4,031	3,070	2,194	1,933	1,710	2,000	1,812	1,882	2,510	3,222	32,533
Total Commercial	**433,453**	**477,037**	**434,279**	**402,201**	**299,869**	**249,885**	**243,515**	**244,847**	**248,136**	**284,907**	**346,820**	**412,098**	**4,077,047**
Irrigation													
TMWA	500,831	557,338	512,896	383,713	136,694	8,370	3,055	2,771	3,000	62,413	289,325	435,144	2,895,550
DWR	38,639	43,020	39,558	30,867	11,025	363	320	332	345	2,774	19,755	33,112	220,110
STMGID	8,316	8,848	8,481	6,368	2,360	71	42	39	33	770	4,516	6,725	46,569
Total Irrigation	**547,786**	**609,206**	**560,934**	**420,947**	**150,079**	**8,804**	**3,418**	**3,142**	**3,378**	**65,957**	**313,596**	**474,981**	**3,162,229**
LVS (Sun Valley)	**72,588**	**78,333**	**76,976**	**66,781**	**42,898**	**28,306**	**33,994**	**31,023**	**29,945**	**33,082**	**47,275**	**65,426**	**606,627**
Total Metered Water Use	**3,571,737**	**3,889,639**	**3,604,315**	**2,956,276**	**1,657,730**	**994,486**	**995,802**	**948,661**	**948,878**	**1,241,396**	**2,335,979**	**3,143,248**	**26,288,149**
Estimated Flat-Rate Residential Users													
Small Units	3,464	3,851	3,055	2,304	1,929	1,558	1,565	1,527	1,535	1,546	2,323	2,710	27,368
Multiple-Units (TMWA)	5,484	5,603	5,583	4,646	3,649	3,490	3,490	3,589	2,911	3,290	4,118	4,586	50,438
Multiple-Units with Irrig. (TMWA)	73,370	81,574	79,896	61,810	49,504	35,426	34,494	34,494	32,629	33,562	46,427	58,733	621,917
Total Estimated Flat-Rate Users	**82,317**	**91,027**	**88,533**	**68,760**	**55,082**	**40,473**	**39,549**	**39,611**	**37,076**	**38,398**	**52,868**	**66,029**	**699,723**
Total Metered & Est. Unmetered	**3,654,055**	**3,980,667**	**3,692,848**	**3,025,036**	**1,712,812**	**1,034,959**	**1,035,351**	**988,272**	**985,954**	**1,279,795**	**2,388,847**	**3,209,277**	**26,987,872**

Source: TMWA based on actual water use between 2022 and 2024.

Table S-12
2025 Cost of Service Study
Estimates of Flat-Rate Water Use

DRAFT

Flat-Rate Category	2018 Jul	Aug	Sep	Oct	Nov	Dec	2019 Jan	Feb	Mar	Apr	May	Jun	FY19 Total
SUFR Units	379	379	379	379	379	379	379	379	379	379	379	379	
Avg. Use per Unit (1,000s of galls)	9.14	10.16	8.06	6.08	5.09	4.11	4.13	4.03	4.05	4.08	6.13	7.15	72.21
Estimated Use SUFR	**3,464**	**3,851**	**3,055**	**2,304**	**1,929**	**1,558**	**1,565**	**1,527**	**1,535**	**1,546**	**2,323**	**2,710**	**27,368**
MRFS Number of Units	997	997	997	997	997	997	997	997	997	997	997	997	
Avg. Use per Unit (1,000s of galls)	5.50	5.62	5.60	4.66	3.66	3.50	3.50	3.60	2.92	3.30	4.13	4.60	50.59
Estimated Use MRFS	**5,484**	**5,603**	**5,583**	**4,646**	**3,649**	**3,490**	**3,490**	**3,589**	**2,911**	**3,290**	**4,118**	**4,586**	**50,438**
MRIS Number of Units (inc. irrig)	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	9,323	
Avg. Use per Unit (1,000s of galls)	7.87	8.75	8.57	6.63	5.31	3.80	3.70	3.70	3.50	3.60	4.98	6.30	66.71
Estimated Use MRIS	**73,370**	**81,574**	**79,896**	**61,810**	**49,504**	**35,426**	**34,494**	**34,494**	**32,629**	**33,562**	**46,427**	**58,733**	**621,917**

Source: TMWA May 12, 2025.

Table S-13
2025 Cost of Service Study
Peak to Off-Peak Ratio by Operations Cost Center

DRAFT

Operations Costs	On-Peak May-Sep	Off-Peak Oct-Apr	Total 4-Yrs FYE21 - FYE24	Peak Avg. per Month	Off-Peak Avg. per Month	Peak to Off-Peak Ratio
Salaries & Wages	$45,579,107	$60,311,755	$105,890,862	$2,278,955	$2,153,991	1.06
Benefits	$22,257,909	$26,851,555	$49,109,465	$1,112,895	$958,984	1.16
Bank Fees	$29,681	$42,842	$72,523	$1,484	$1,530	0.97
Chemicals	$7,451,418	$4,523,409	$11,974,827	$372,571	$161,550	2.31
Claims Payments	$19,544	$59,700	$79,244	$977	$2,132	0.46
Computer Software	$3,722,112	$5,301,945	$9,024,056	$186,106	$189,355	0.98
Computer Parts	$234,864	$128,368	$363,232	$11,743	$4,585	2.56
Computer Hardware	$706,204	$1,012,695	$1,718,899	$35,310	$36,168	0.98
Contract Services - General	$9,346,417	$11,979,307	$21,325,724	$467,321	$427,832	1.09
Contract Services - Construction	$659,378	$273,315	$932,693	$32,969	$9,761	3.38
Contract Services - Electrical	$598,961	$114,385	$713,346	$29,948	$4,085	7.33
Contract Services - Equip. Maint.	$2,209,091	$2,674,190	$4,883,281	$110,455	$95,507	1.16
Contract Services - Facilities Maint.	$1,170,654	$1,392,551	$2,563,205	$58,533	$49,734	1.18
Ditch Fees	$557,438	$772,895	$1,330,334	$27,872	$27,603	1.01
Employee Functions	$147,284	$37,529	$184,813	$7,364	$1,340	5.49
Employee-Related Expenses	$150,156	$43,469	$193,625	$7,508	$1,552	4.84
Equipment Rentals	$691,132	$661,894	$1,353,026	$34,557	$23,639	1.46
Insurance Property/GL	$2,027,251	$2,957,797	$4,985,048	$101,363	$105,636	0.96
Investment Fees	$25,473	$37,544	$63,017	$1,274	$1,341	0.95
Leases	$91,014	$227,386	$318,400	$4,551	$8,121	0.56
Licenses & Permits	$1,220,425	$1,940,857	$3,161,281	$61,021	$69,316	0.88
Miscellaneous	$434,447	$225,193	$659,640	$21,722	$8,043	2.70
Postage & Shipping	$138,020	$159,259	$297,278	$6,901	$5,688	1.21
Printing	$1,413,951	$1,476,801	$2,890,752	$70,698	$52,743	1.34
Professional Dues & Licenses	$32,483	$250,199	$282,682	$1,624	$8,936	0.18
Professional Services - Admin	$1,302,317	$1,709,325	$3,011,642	$65,116	$61,047	1.07
Professional Services - Easements	$67,704	$129,622	$197,326	$3,385	$4,629	0.73
Professional Services - Engineering	$256,848	$374,782	$631,629	$12,842	$13,385	0.96
Professional Services - Geotech	$41,328	$14,238	$55,565	$2,066	$508	4.06
Professional Services - Hydrologic	$702,343	$686,926	$1,389,269	$35,117	$24,533	1.43
Professional Services - Legal	$695,227	$881,424	$1,576,650	$34,761	$31,479	1.10
Professional Services - Public Relations	$1,355,680	$861,792	$2,217,472	$67,784	$30,778	2.20
Property Taxes	$290,374	$2,594,137	$2,884,511	$14,519	$92,648	0.16
Power & Gas	$16,758,571	$10,516,830	$27,275,401	$837,929	$375,601	2.23
Sewer & Waste Disposal	$247,778	$347,493	$595,271	$12,389	$12,410	1.00
Phones & Internet	$1,126,101	$1,635,763	$2,761,864	$56,305	$58,420	0.96
Recruitment and Hiring	$33,986	$95,023	$129,009	$1,699	$3,394	0.50
River Monitoring	$367,482	$538,204	$905,686	$18,374	$19,222	0.96
Sponsorships	$3,905,923	$336,879	$4,242,802	$195,296	$12,031	16.23
Street Repairs	$1,075,491	$636,813	$1,712,304	$53,775	$22,743	2.36
Federal Storage Fees	$1,091,262	$893,967	$1,985,229	$54,563	$31,927	1.71
General Supplies	$1,355,035	$1,426,562	$2,781,597	$67,752	$50,949	1.33
Small Tools	$522,201	$702,930	$1,225,131	$26,110	$25,105	1.04
Mechanical Parts	$1,411,736	$1,527,057	$2,938,793	$70,587	$54,538	1.29
Pipes & Fittings	$1,949,387	$2,242,111	$4,191,497	$97,469	$80,075	1.22
Fuel/Lube/Oil	$1,042,236	$1,183,278	$2,225,514	$52,112	$42,260	1.23
Pumps	$288,955	$116,329	$405,284	$14,448	$4,155	3.48
Motors	$38,567	$40,841	$79,408	$1,928	$1,459	1.32
Meters & Meter Equipment	$204,299	$121,045	$325,344	$10,215	$4,323	2.36
Training	$342,206	$605,615	$947,822	$17,110	$21,629	0.79
Travel	$141,743	$115,385	$257,128	$7,087	$4,121	1.72
Tuition	$19,532	$5,835	$25,367	$977	$208	4.69
TOTAL	**$97,137,750**	**$109,199,392**	**$206,337,142**	**$4,856,888**	**$3,899,978**	**1.25**
TOTAL WITHOUT SPONSORSHIPS	**$93,231,828**	**$108,862,513**	**$202,094,341**	**$6,215,455**	**$5,183,929**	**1.20**

Table S-14
2025 Cost of Service Study
Operating Cost Net of Treatment Costs

DRAFT

Cost Category	4-Yr Total	FY21	FY22	FY23	FY24
TOTAL	**$291,352,684**	**$63,450,498**	**$63,516,703**	**$79,369,942**	**$85,015,541**
less					
Chemicals	$11,974,827	$2,408,697	$2,622,826	$4,277,866	$2,665,437
Street Repairs	$1,712,304	$251,517	$195,944	$224,280	$1,040,563
Power & Gas	$27,275,401	$5,068,528	$6,109,082	$8,195,474	$7,902,318
Pumps	$405,284	$20,589	$33,047	$102,879	$248,767
Motors	$79,408	$6,468	$5,290	$32,749	$34,902
Meters & Meter Equipment	$325,344	$37,568	$30,633	$81,717	$175,426
Total Deductions	**$41,772,568**	**$7,793,367**	**$8,996,823**	**$12,914,965**	**$12,067,413**
Net Operating Cost	**$249,580,116**	**$55,657,131**	**$54,519,880**	**$66,454,977**	**$72,948,128**
Untreated Water Cost	86%	88%	86%	84%	86%

Table A
Proposed Rate Change - Single Family Residential

Current	Customer Charge per meter		Commodity Charge		
			use block per unit		per 1,000 gallons
RMWS	**per month**		*gallons*		
3/4"	$23.02				
1"	$25.32				
1.5"	$28.81	Tier 1	6,000		$2.14
2"	$33.39	Tier 2	6,001-25,000		$3.45
3"	$37.98	Tier 3	>25,000		$4.05
4"	$43.70				
6"	$50.66				
FRMWC			<1.5"	1.5" and +	
3/4"	$21.64	Tier 1	7,000	29,000	$3.24
1"	$27.83	Tier 2	21,000	151,000	$4.07
1.5"	$39.81	Tier 3	41,000	601,000	$4.88
2"	$53.08	Tier 4	>41,000	>61,000	$6.52
3"	$85.49				
4"	$125.20				
6"	$228.28				

New	Customer Charge per meter		Commodity Charge	
			use block per unit	per 1,000 gallons
SF METERED	**per month**		*gallons*	
3/4"	$21.13			
1"	$33.21			
1.5"	$33.21	Tier 1	6,000	$2.12
2"	$33.21	Tier 2	6,001-25,000	$3.18
3"	$33.21	Tier 3	>25,000	$4.25
4"	$33.21			
6"	$33.21			

Table B
Proposed Rate Change - Multi-Family Residential

Current	Customer Charge per meter	Commodity Charge			New	Customer Charge	Commodity Charge		
MMWS	**per month**		**use block per unit**	**per 1,000 gallons**	**MF METERED**	**per unit per month**		**use block per unit**	**per 1,000 gallons**
3/4"	$23.02		*gallons*			$6.83		*gallons*	
1"	$25.32								
1.5"	$28.81	Tier 1	4,000	$2.14			Tier 1	4,000	$1.94
2"	$33.39	Tier 2	>4,000	$3.45			Tier 2	>4,000	$2.92
3"	$37.98								
4"	$43.70								
6"	$50.66								
8"	$58.73								
10"	$69.04								
MMWD									
3/4"	$21.64	Tier 1	29,000	$3.24					
1"	$27.83	Tier 2	151,000	$4.07					
1.5"	$39.81	Tier 3	601,000	$4.88					
2"	$53.08	Tier 4	>601,000	$6.52					
3"	$85.49								
4"	$125.20								
6"	$228.28								

Table C
Proposed Rate Change - Irrigation

Current	Customer Charge per meter	Commodity Charge		New	Customer Charge per meter	Commodity Charge	
MIS	**per month**			**IRRIGATION**	**per month**		**per 1,000 gallons**
3/4"	$23.02			3/4"	$21.13		
1"	$25.32	Off-Peak	$3.45	1"	$33.21	Off-Peak	$2.52
1.5"	$28.81	On-Peak	$4.18	1.5"	$120.75	On-Peak	$3.02
2"	$33.39			2"	$150.94		
3"	$37.98			3"	$262.64		
4"	$43.70			4"	$452.83		
6"	$50.66			6"	$966.04		
8"	$58.73						
10"	$69.04						
MISD							
3/4"	$21.64	All Use	$5.40				
1"	$27.83						
1.5"	$39.81						
2"	$53.08						
3"	$85.49						
4"	$125.20						

Table D
Proposed Rate Change - Commercial

Current	Customer Charge per meter			Commodity Charge				New	Customer Charge per meter		Commodity Charge
				per 1,000	use block by meter size						
GMWS	**per month**			**gallons**	Tier 1	Tier 2	Tier 3	**COMMERCIAL**	**per month**		**per 1,000 gallons**
3/4"	$23.02	Tier 1	differs	$2.14	7,000	30,000	>30,000	3/4"	$21.13	All Use	$2.37
1"	$25.32	Tier 2	by meter	$3.45	14,000	65,000	>65,000	1"	$33.21		
1.5"	$28.81	Tier 3	size	$4.05	28,000	120,000	>120,000	1.5"	$90.57		
2"	$33.39				50,000	210,000	>210,000	2"	$120.75		
3"	$37.98				165,000	640,000	>640,000	3"	$211.32		
4"	$43.70				300,000	1,300,000	>1,300,000	4"	$362.26		
6"	$50.66				1,000,000	2,600,000	>2,600,000	6"	$815.09		
8"	$58.73				1,475,000	6,000,000	>6,000,000	8" and larger	$966.04		
10"	$69.04				9,500,000	15,000,000	>15,000,000				
GMWD											
3/4"	$21.64		Off-Peak	$3.13							
1"	$27.83		On-Peak	$3.65							
1.5"	$39.81										
2"	$53.08										
3"	$85.49										
4"	$125.20										
6"	$228.28										
8"	$343.20										

Table E
Proposed Rate Change - LVS

LVS	Customer Charge	Commodity Charge	
Current	**per service point per month**	**delivery per month**	**per 1,000 gallons**
	$157.07	First 38M galls	$1.84
		>38M galls	$3.06
Cost of Service		**delivery per month**	**per 1,000 gallons**
		First 38M galls	$1.88
		>38M galls	$3.10

Table F
Proposed Rate Change - Flat Rate Residential

Flat-Rate Type	Current per month	Cost of Service per month
	per service	**per unit**
SUFR	$48.57	$38.32
MRFS		
3/4"	$21.10	
1"	$23.22	
1.5"	$26.46	
2"	$30.67	
3"	$34.88	
4"	$40.11	
6"	$46.44	
plus	**per unit**	**per unit**
	$13.53	$21.34
MRIS	**per service**	
3/4"	$42.46	
1"	$62.45	
1.5"	$98.59	
2"	$155.57	
3"	$261.12	
4"	$533.03	
6"	$860.57	
8"	$1,099.34	
10"	$1,564.96	
plus	**per unit**	**per unit**
	$14.28	$24.29

Table G

Proposed Rate Change - Private Fire Protection

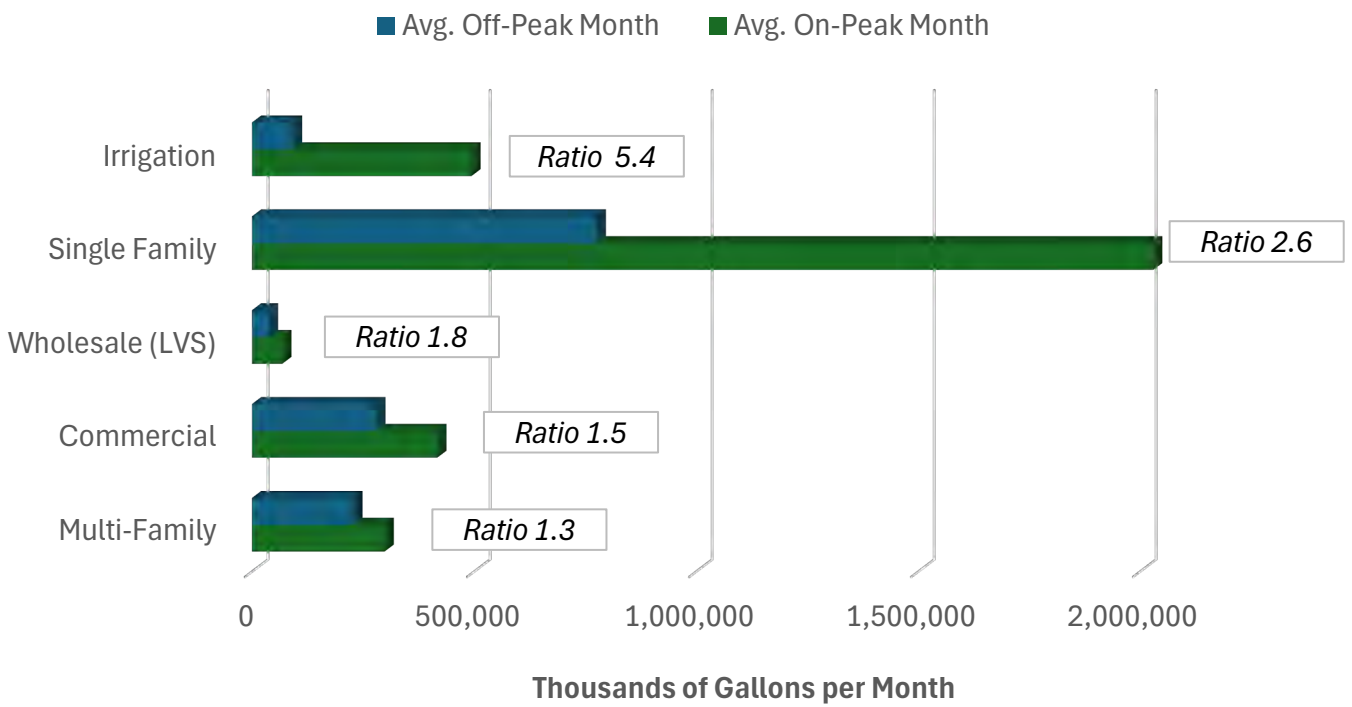
Current	Customer Charge	New	Customer Charge
	per month		per month
TMWA	per service	**FPS**	per service
3/4"	$4.72		
1"	$6.29		
1.5"	$9.44		
2"	$12.58	2" and smaller	$2.16
3"	$18.87	3"	$6.27
4"	$25.16	4"	$13.37
6"	$37.74	6"	$38.84
8"	$50.32	8"	$82.77
10"	$62.90	10"	$148.85
12"	$75.48	12"	$240.43
FRDWR			
3"	$31.22		
4"	$49.05		
6"	$90.55		
8"	$147.77		
10"	$217.32		
12"	$314.32		

Table H
Proposed Rate Change - Other TMWA Fee Schedules (not DIS or ILVNPS)

Current	Customer Charge per month	Commodity + Demand Charges	Customer Charge per month	Commodity + Demand Charges
	Current		Cost of Service	
Non-Potable (NPS)	**per delivery point**	**per 1,000 gallons**	**per delivery point**	**per 1,000 gallons**
	$41.09		$120.75	
treated water		$4.18		$4.62
untreated water		$1.23		$1.28
Interruptible (IWS)	**per meter**		**per meter**	
	$41.09	**per 1,000 gallons**	$120.75	**per 1,000 gallons**
treated, interruptible		$1.23		$1.28
Wholesale Standby (FSPR)	**per meter**			
	$157.07	**per 1,000 gallons**		**per 1,000 gallons**
All water - treated, standby or partial supply		$1.23		$1.28
Contract Demand		**of contract demand**		**of contract demand**
Off-Peak All Water & On-Peak Contract Demand		$17.57		$18.49
On-Peak				
Actual Demand > Contract Demand up to Variable Allowance		$105.42		$110.93
> Variable Allowance		$210.83		$221.84

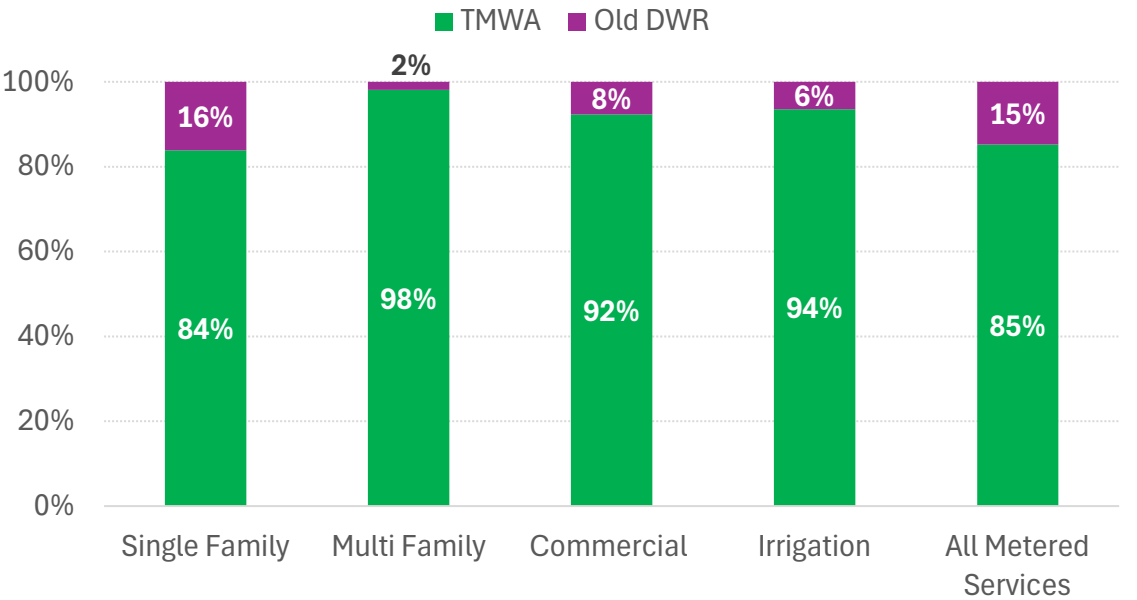
Graph B

Ratio of Water Use On-Peak to Off-Peak Months



Graph C

Share of Metered Services in Original TMWA Service Territory



Truckee Meadows Water Authority

Cost of Service Study - TMWA BOD

September 17, 2025

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Introduction

- Catherine Hansford, Principal of HEC
- Masters degree from UNR in Agricultural Economics
- Worked in water resources and utilities financial management for more than 20 years
- Career in Public and Private Sectors
- Experience in California, Nevada, and Oregon with rate studies, fee studies, development impact and connection fee studies, special tax and assessment studies
- Work with agency staff, attorneys, financial advisors, bond counsel, engineers, planners

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Cost of Service Study Goals

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

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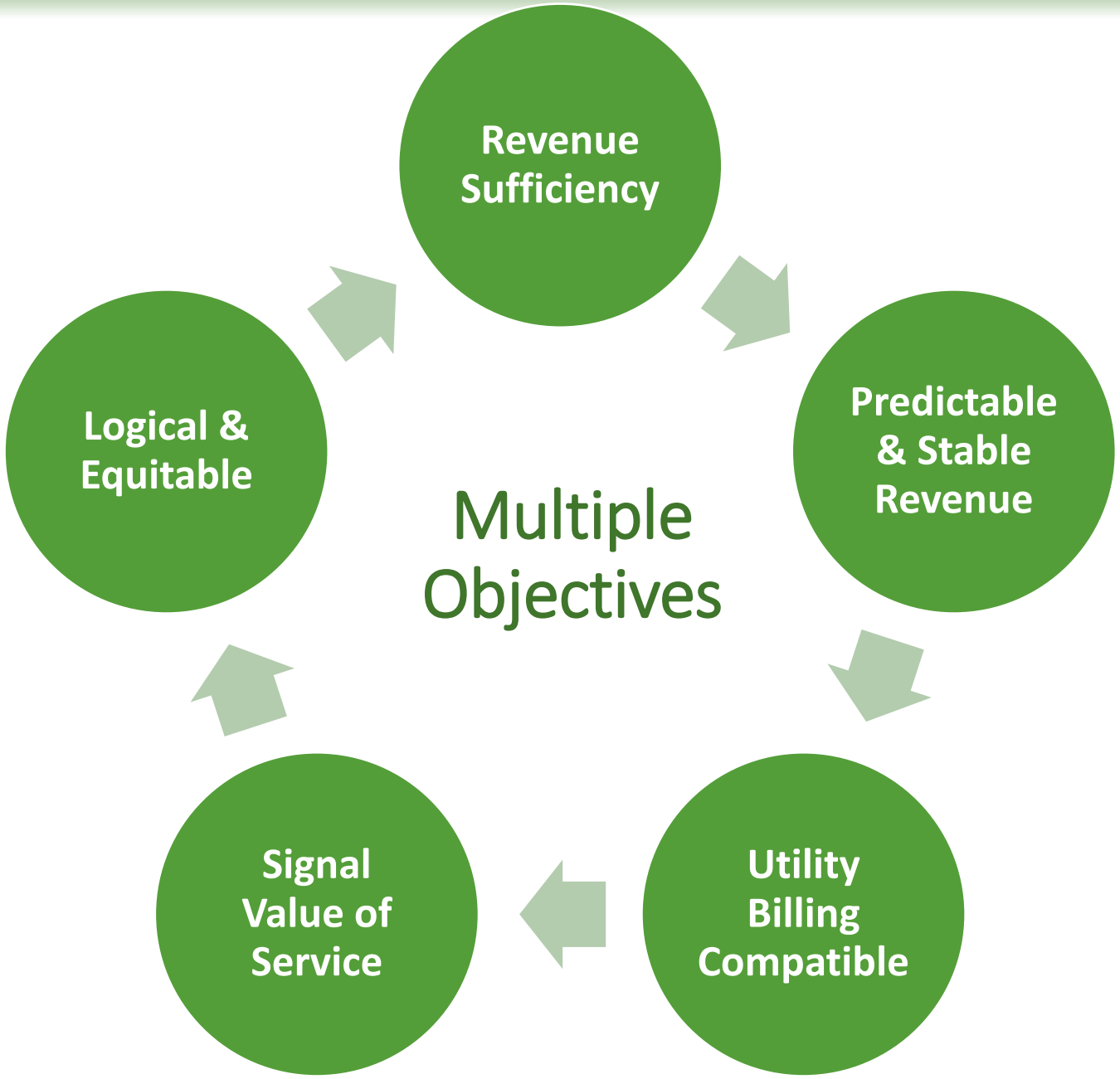
Cost of Service/Rate-Making Objectives



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Cost of Service Study Methodology

Revenue Requirement (Funding Plan)

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

Cost of Service

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

Rate Design

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

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Cost of Service Study Methodology

Revenue Requirement (Funding Plan)

Operations & Maint

Debt Service

Reserves

Presented to SAC and BOD each October.

Cost of Service

Determine total revenue to be received by TMWA customer groups:

- Single family residential
- Multi-family residential
- Commercial
- Irrigation
- Single family/multifamily flat rate
- Private fire protection
- Wholesale

Rate Design

Adjust the components of the water bill:

- Service charges (fixed)
- Commodity charges (variable)
  - Price
  - Structure of tiers

Use charges recover variable costs. **First tier is basic indoor use.**

Customers pay for what is built for them & water they use

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Cost of Service Results

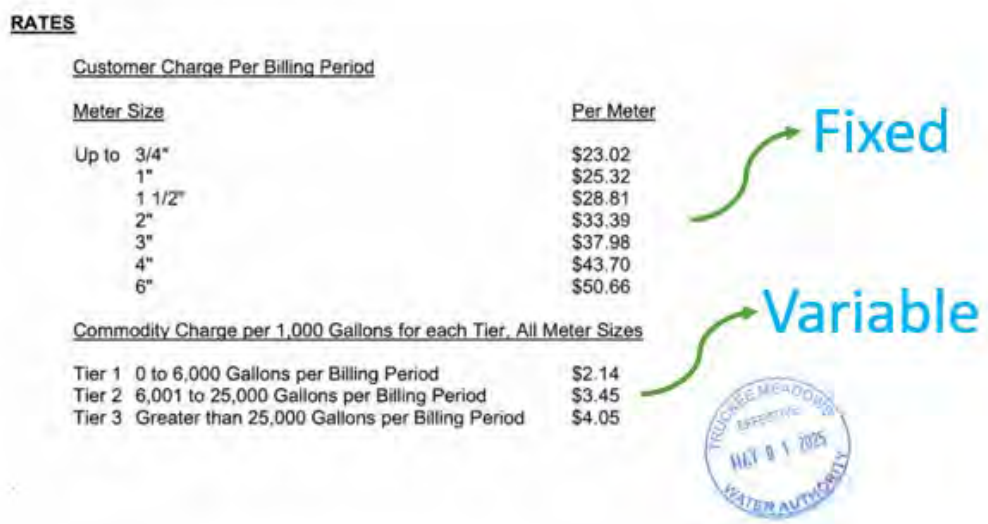
Cost Functionalization Findings

Fixed Costs
(43%)

- Customer & Readiness to Service Capacity Costs

Variable Costs
(57%)

- Peaking Capacity Costs & Commodity Costs



RATES

Customer Charge Per Billing Period

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

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

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

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

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Cost of Service Results

Customer Class	Percent of cost/revenue		Change
	Current	Proposed	
Single family	66%	62%	Decrease
Multi-family	6%	8%	Increase
Commercial	11%	13%	Increase
Irrigation	11%	10%	Decrease
Single family/multi-family flat rate	2%	3%	Increase
Private fire protection	3%	3%	Minimal change
Wholesale	1%	1%	Minimal change

To achieve the required revenue allocation, changes to rate design are needed.

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Rate Design: Recommended Changes to Consolidated Rate Schedules

- All Customer Groups – Expanded meter ratios (larger meters will pay more)
- Single Family – Commodity (consumption) charges reduced for tiers 1 and 2, increased for tier 3.
- Multi Family – Customer (service) charges applied on a per-unit basis instead of meter size. Commodity charges reduced for tiers 1 and 2.
- Commercial – Tiering eliminated, replaced by a single price for all water used.
- Irrigation – Commodity charges reduced for both on-peak and off-peak usage.

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Impacts of Shifting Costs to Customer Charges

- Greatest impact is to accounts with large meters
- Shift in costs to larger meters reflects the capacity that the service provides to the customer
- Operating capacity by meter size is based on the types of meters that TMWA uses
- Changes are in line with AWWA guidance per M-1 manual

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

Note: For single-family residential, proposed meter charges are capped at 1” as there are very few +1.5”meters in the system and these larger meters do not indicate or allow for proportional water usage.

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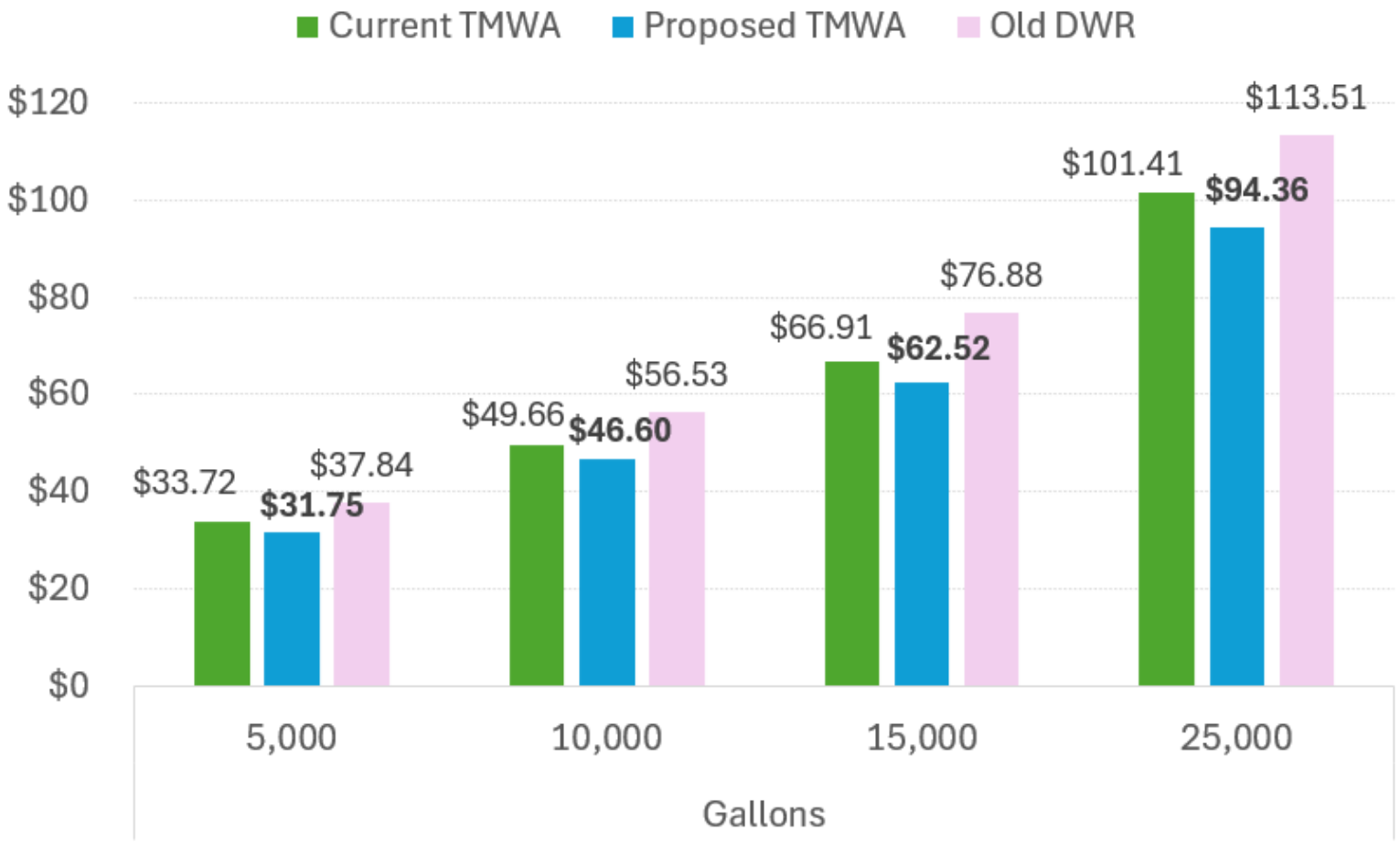
Single Family Home Bill Impacts ¾" Meter



¾" Meter

- 84% of SF customers have a ¾" meter

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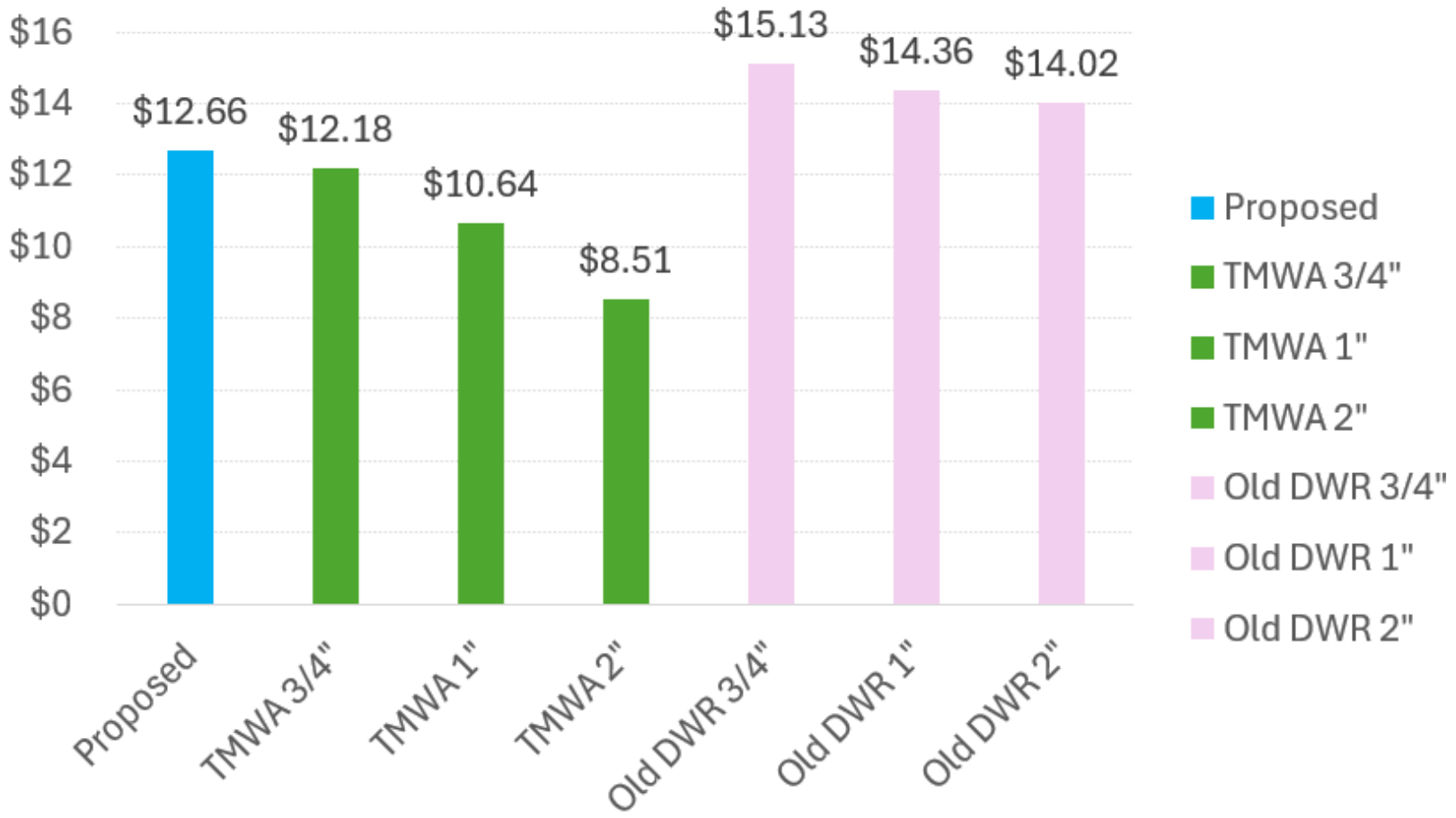
MF Bill Impacts Per Unit @ 3,000 Gallons / Unit



- COS rates pay per unit <u>not</u> per meter
- 76% of all MF water usage is in Tier 1 (up to 4,000 gallons per unit per month)
- 98% of MF units are TMWA, only 2% Old DWR
- Graph assumes 4 units on a ¾", 6 units on a 1" and 16 units on a 2"

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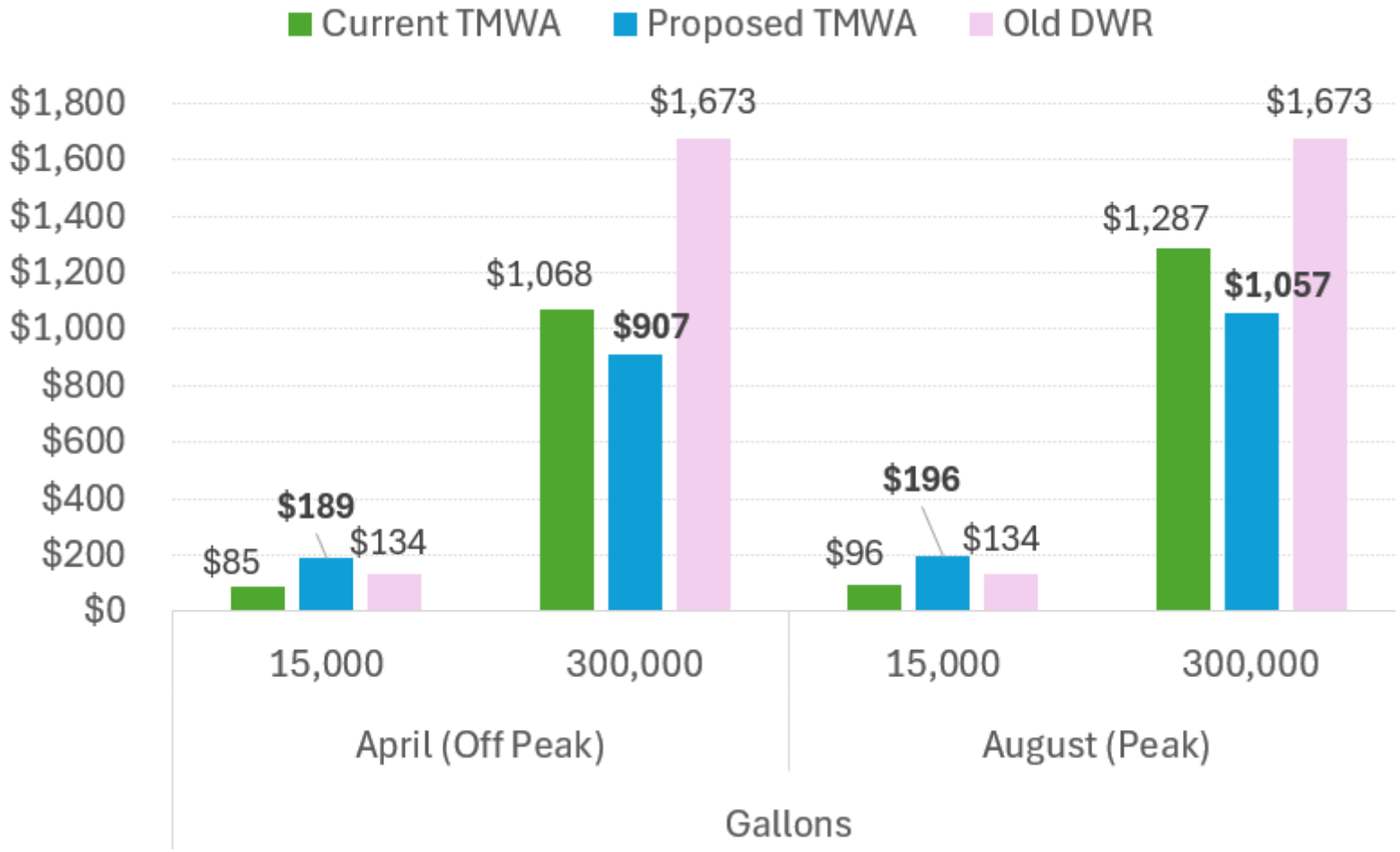
Irrigation Bill Impacts



2” Meter

- 37% of Irrigation customers have a 2” meter

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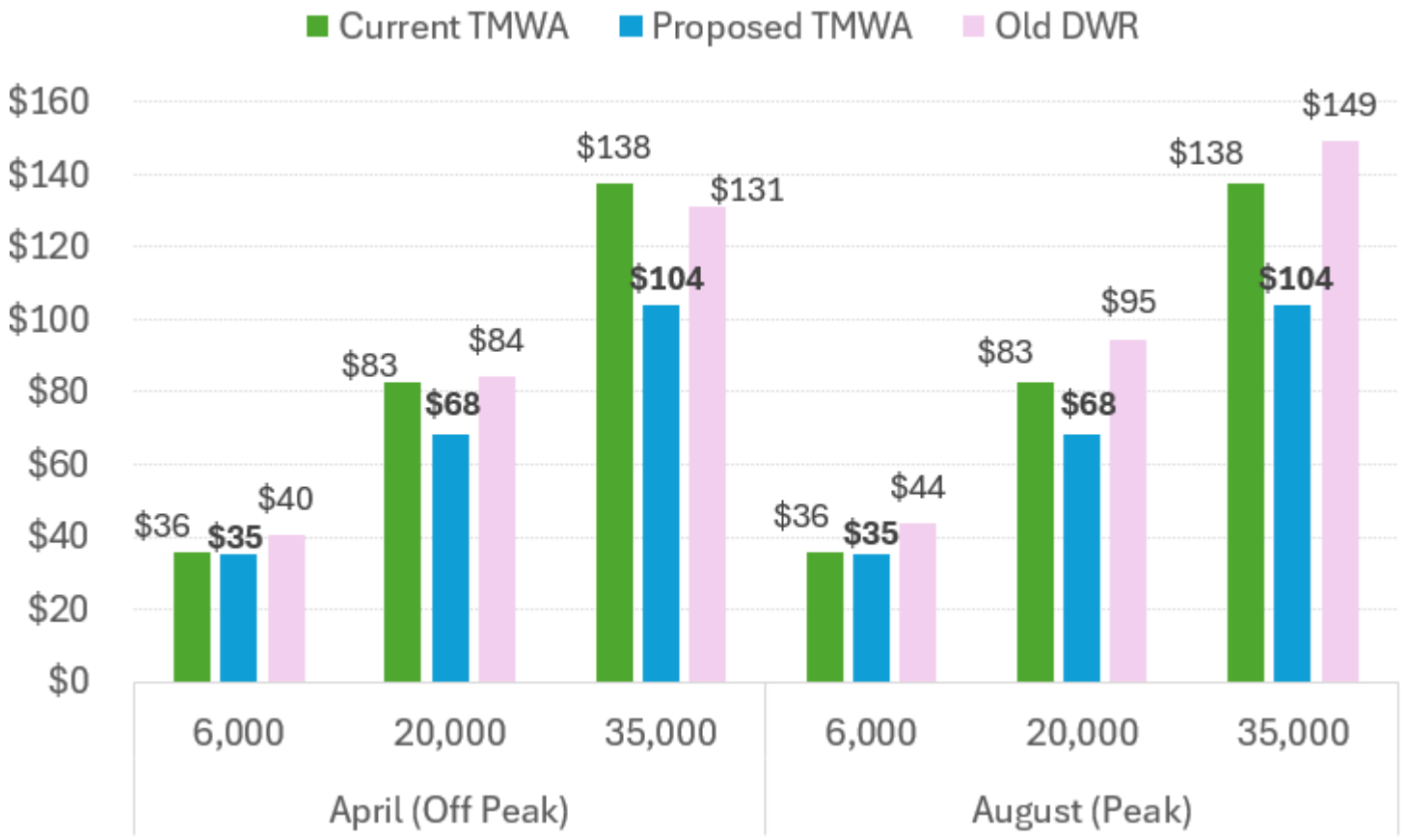
Commercial Bill Impact - Office



3/4” Meter

- 27% of Commercial meters are 3/4”

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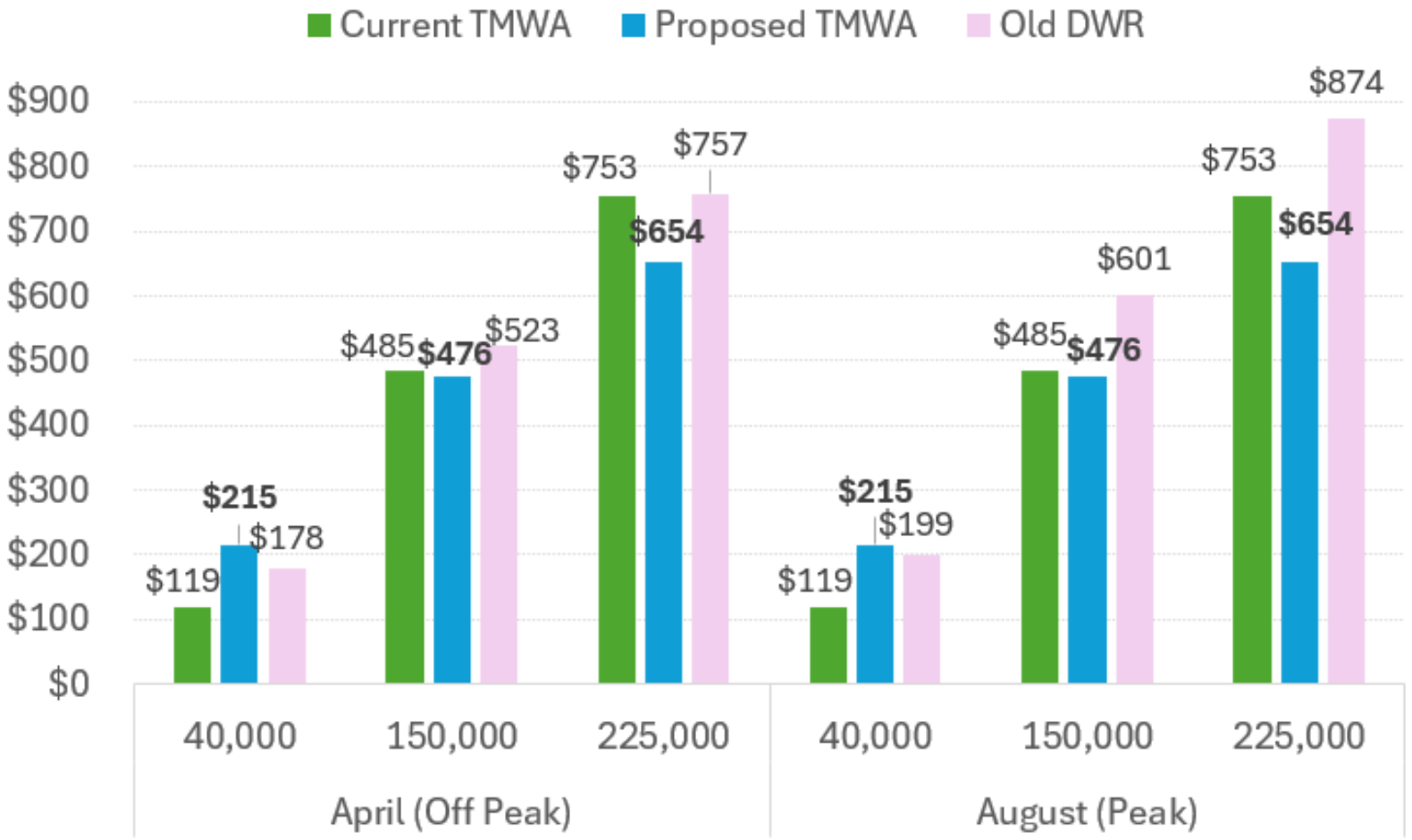
Commercial Bill Impact - School



2” Meter

- 30% of Commercial meters are 2”

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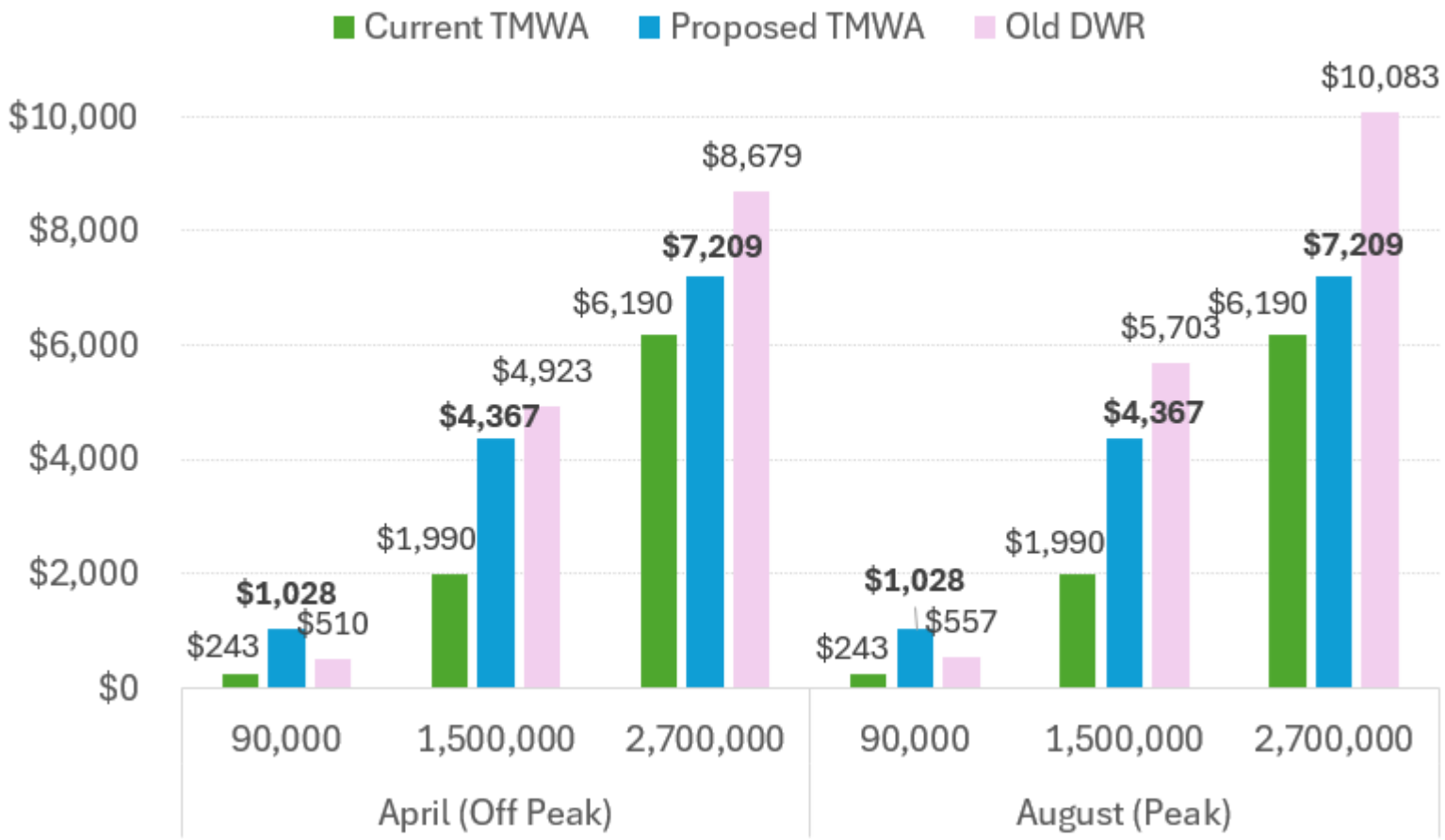
Commercial Bill Impact - Manufacturer



6” Meter

- 1% of Commercial meters are 6”

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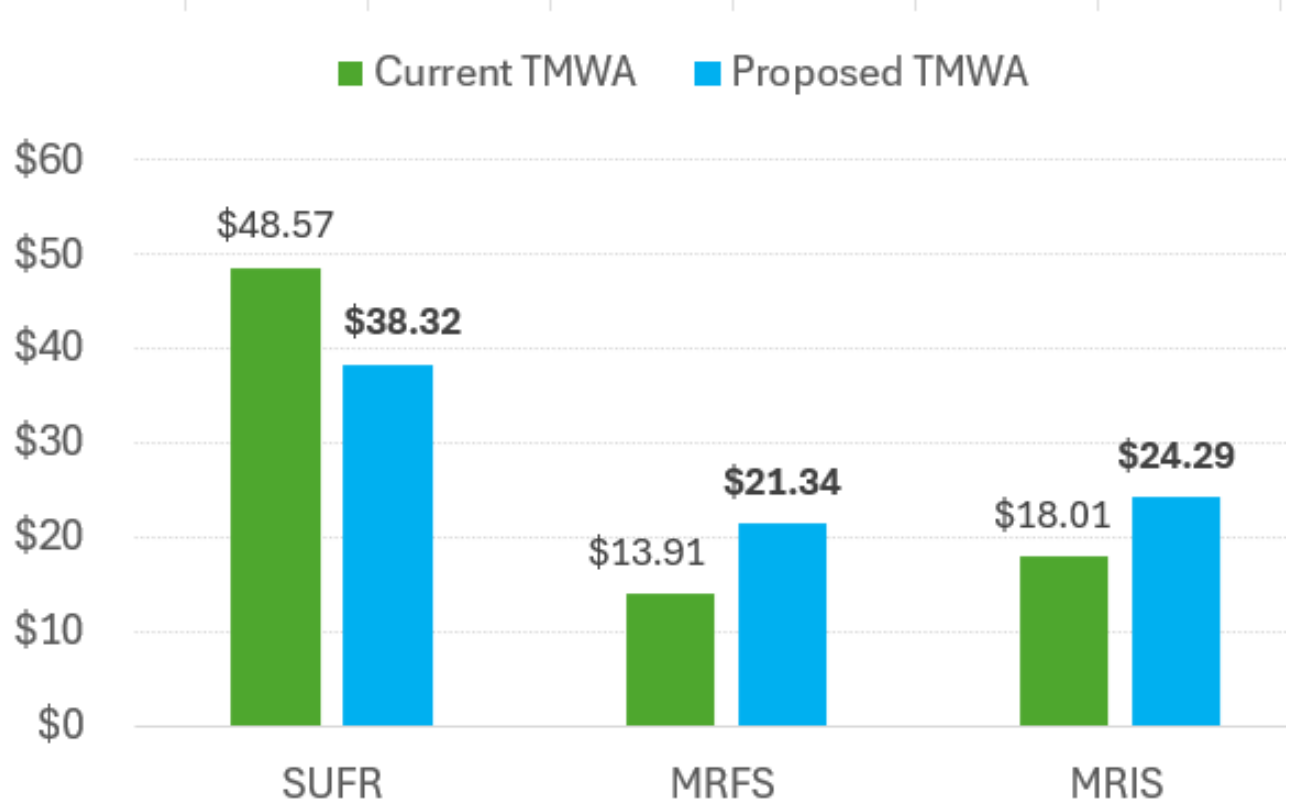
Flat-Rate Customer Bill Impacts



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

SUFR = small unit single family flat rate

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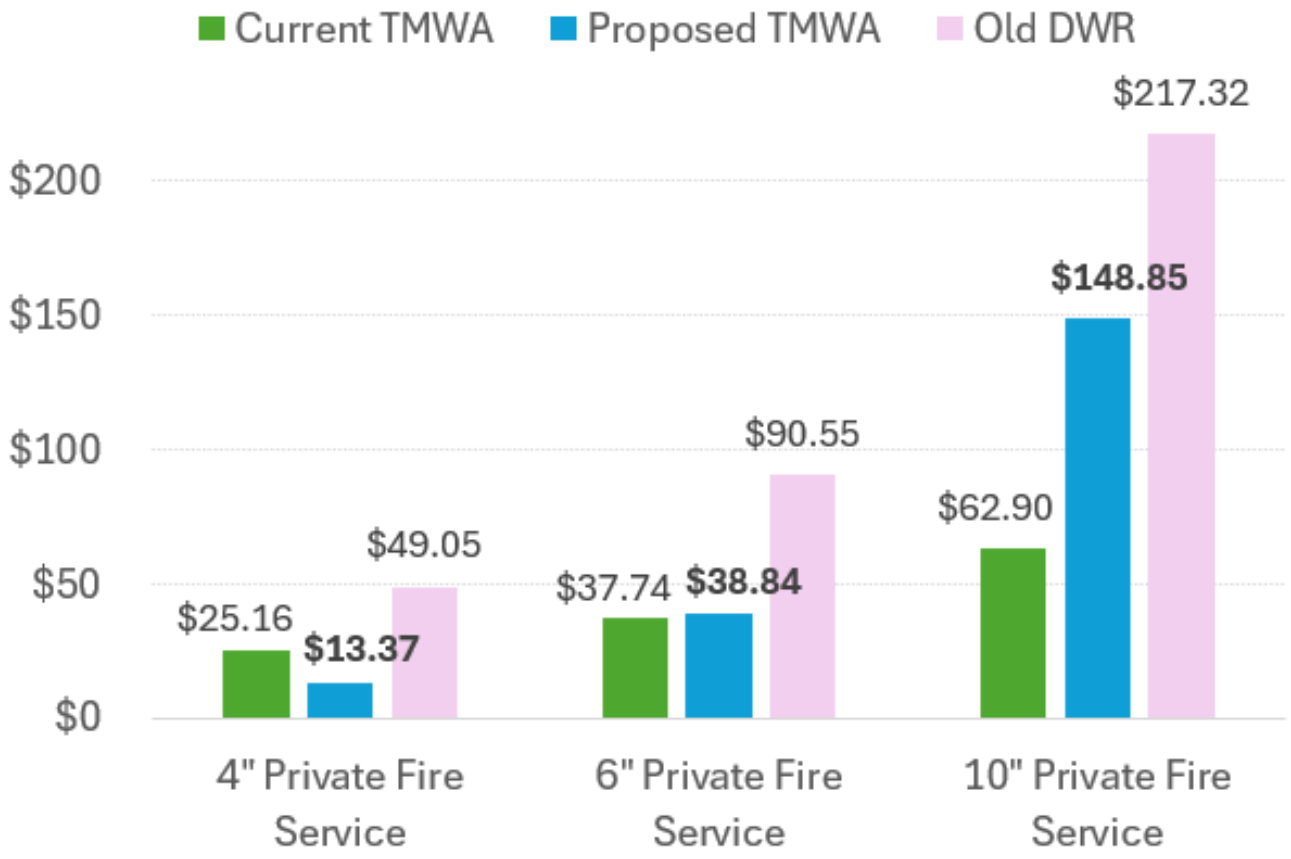
Private Fire Protection Bill Impacts



Private Fire Protection Services

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

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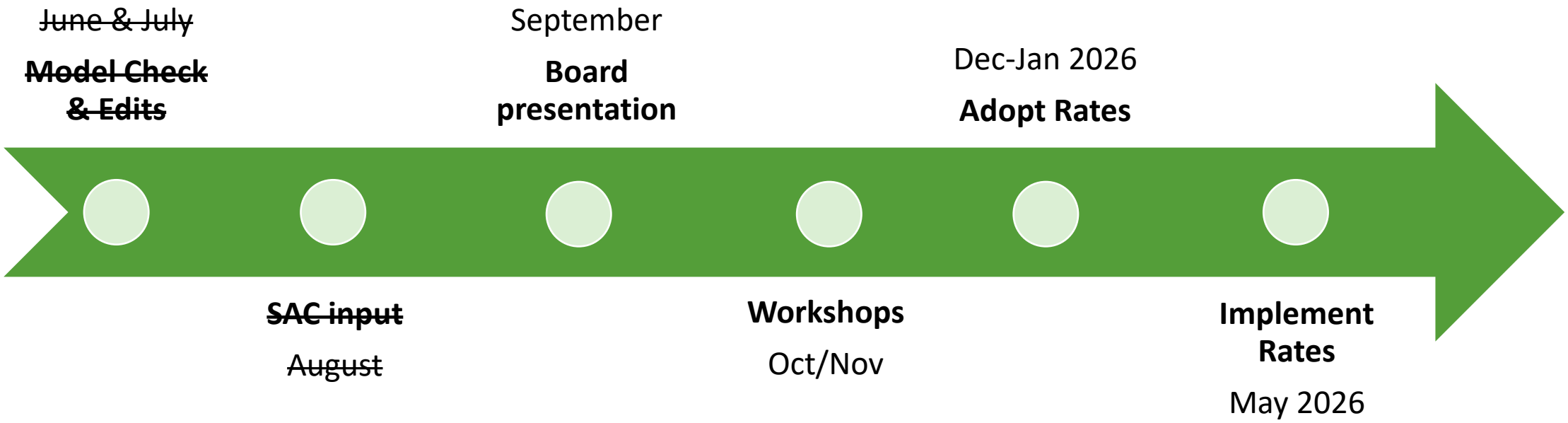
Next Steps



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Thank you!

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ECONOMIC CONSULTING

Truckee Meadows Water Authority

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer
DATE: February 11, 2026
SUBJECT: **Presentation of Fiscal Year 2026 Q2 Year-to-Date Financial Results**

Summary

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

Budget to Actual

	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
CHANGE IN NET POSITION	$ 38,760,004	$ 38,732,386	$ 27,618	— %

Change in net position was consistent with budget through Q2 2026.

Year over Year

	Actual YTD 2026	Actual YTD 2025	Variance $	Variance %
CHANGE IN NET POSITION	$ 38,760,004	$ 47,031,897	$ (8,271,893)	(18)%

Change in net position was $8.3m or 18% lower than the prior year. The largest driver of this decrease was the recognition in the prior year of a $9.0m credit to will serve revenue resulting from a resource exchange agreement with TRIGID and TRIC related to the effluent pipeline to TRIGID. TMWA received the cash in 2021, but held it on deposit until treated effluent was delivered via the pipeline, per the terms of the agreement. This occurred in the first quarter of 2025 at which point $9.0m was recognized as will-serve revenue.

Revenue

Budget to Actual

	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
OPERATING REVENUES				
Charges for Water Sales	76,052,576	76,777,417	(724,841)	(1)%
Hydroelectric Sales	2,116,621	1,258,798	857,823	68 %
Other Operating Sales	1,896,238	2,291,968	(395,730)	(17)%
Total Operating Revenues	80,065,435	80,328,183	(262,748)	— %

Operating revenue was $0.3m or less than 1% lower than budget through Q2 2026. Water sales were within 1% of budget, hydroelectric revenue was 68% higher than budget and other operating sales were 17% lower than budget. Hydroelectric revenue surpassed the budget as a result of strong river flows and reduced maintenance downtime compared to what had been planned, allowing for increased generation. Other operating sales were below budget primarily due to reduced new business inspection fees resulting from lower project related activity levels.

Year over Year

	Actual YTD 2026	Actual YTD 2025	Variance $	Variance %
OPERATING REVENUES				
Charges for Water Sales	76,052,576	74,280,231	1,772,345	2 %
Hydroelectric Sales	2,116,621	2,049,074	67,547	3 %
Other Operating Sales	1,896,238	2,594,917	(698,679)	(27)%
Total Operating Revenues	80,065,435	78,924,222	1,141,213	1 %

Year over year, operating revenues were higher by $1.1m or 1% due primarily to increased water sales. Water consumption remained consistent with FY 2025.

Operating Expenses

Budget to Actual

	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
OPERATING EXPENSES				
Salaries and Wages	18,392,839	19,325,480	(932,641)	(5)%
Employee Benefits	8,469,206	9,633,917	(1,164,711)	(12)%
Services and Supplies	22,248,952	24,453,488	(2,204,536)	(9)%
Total Operating Expenses Before Depreciation	49,110,997	53,412,885	(4,301,888)	(8)%
Depreciation	18,329,976	18,264,258	65,718	— %
Total Operating Expenses	67,440,973	71,677,143	(4,236,170)	(6)%

Total operating expenses were $4.2m or 6% lower than budget through Q2 2026. Salaries and wages and benefits were lower primarily due to position vacancies. Services and supplies were $2.2m or 9% lower due to various expense categories. Two of the larger variances are electrical and chemical costs, which were each lower by $0.3m.

Year over Year

	Actual YTD 2026	Actual YTD 2025	Variance $	Variance %
OPERATING EXPENSES				
Salaries and Wages	18,392,839	17,441,962	950,877	5 %
Employee Benefits	8,469,206	7,382,017	1,087,189	15 %
Services and Supplies	22,248,952	22,337,728	(88,776)	— %
Total Operating Expenses Before Depreciation	49,110,997	47,161,707	1,949,290	4 %
Depreciation	18,329,976	18,072,209	257,767	1 %
Total Operating Expenses	67,440,973	65,233,916	2,207,057	3 %

Year over year operating expenses were $2.2m or 3% higher compared to the prior year. Salaries, wages and benefits were higher than the prior year due to Labor Market Index (LMI) increases, step increases, and additions to staff during FY 2025 and FY 2026 through Q2. Services and supplies remained flat year over year.

Non-Operating Revenues (Expenses)

Budget to Actual

	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	2,686,282	2,583,826	102,456	4 %
Net Increase (Decrease) in FV of Investments	633,148	—	633,148	— %
Gain (Loss) on Disposal of Assets	146,899	(750,000)	896,899	(120)%
Amortization of Bond/note Issuance Costs	—	—	—	— %
Interest Expense	(4,247,530)	(4,457,122)	209,592	(5)%
Total Nonoperating Revenues (Expenses)	(781,201)	(2,623,296)	1,842,095	(70)%

Nonoperating expenses were $1.8m or 70% lower than budget through Q2 2026. There was a net increase in the fair value of investments as market interest rates continue to drop. This trend will continue if rates decrease further in 2026. Gain on disposal of assets increased by $160K, primarily attributable to insurance proceeds received for a vehicle that was deemed a total loss following an accident.

Year over Year

	Actual YTD 2026	Actual YTD 2025	Variance $	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	2,686,282	3,118,588	(432,306)	(14)%
Net Increase (Decrease) in FV of Investments	633,148	1,749,505	(1,116,357)	(64)%
Gain (Loss) on Disposal of Assets	146,899	(136,821)	283,720	(207)%
Amortization of Bond/note Issuance Costs	—	(250)	250	(100)%
Interest Expense	(4,247,530)	(4,453,802)	206,272	(5)%
Total Nonoperating Revenues (Expenses)	(781,201)	277,220	(1,058,421)	(382)%

Net nonoperating expenses were $0.8m compared to net nonoperating revenue of $0.3m in the prior year for a change of $1.1m or 382%, primarily due to lower investment earnings from declining interest rates. The 5-year treasury rate has continued to decline since 2024.

Capital Contributions

Budget to Actual

	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
CAPITAL CONTRIBUTIONS				
Grants	3,000,000	6,067,414	(3,067,414)	(51)%
Water Resource Sustainability Program	649,424	308,254	341,170	111 %
Developer Infrastructure Contributions	8,492,962	6,475,610	2,017,352	31 %
Developer Will-serve Contributions (Net of Refunds)	2,651,293	1,676,700	974,593	58 %
Developer Capital Contributions - Other	4,722,446	—	4,722,446	— %
Developer Facility Charges (Net of Refunds)	5,691,502	7,558,414	(1,866,912)	(25)%
Contributions from Others	—	68,250	(68,250)	(100)%
Contributions from Other Governments	1,709,116	10,550,000	(8,840,884)	(84)%
Net Capital Contributions	26,916,743	32,704,642	(5,787,899)	(18)%

Capital contributions were $5.8m or 18% lower than budget. Contributing to the variance is lower Contributions from Other Governments and lower Developer Facility Charges. Contributions from other governments account for payments from City of Reno related to American Flat. Spending will come later in the year, at which point contributions from City of Reno will increase. Lower Facility Charges are due to fewer new business projects. The largest offsetting variances are related to higher non-cash Developer Infrastructure Contributions, offset by lower contributions related to the American Flat APW facility. Developer Capital Contributions-Other include two payments totaling $4.3m received in Q2 related to the Talus Valley booster pump station.

Year over Year

	Actual YTD 2026	Actual YTD 2025	Variance $	Variance %
CAPITAL CONTRIBUTIONS				
Grants	3,000,000	241,157	2,758,843	1,144 %
Water Resource Sustainability Program	649,424	304,096	345,328	114 %
Developer Infrastructure Contributions	8,492,962	9,536,983	(1,044,021)	(11)%
Developer Will-serve Contributions (Net of Refunds)	2,651,293	10,632,287	(7,980,994)	(75)%
Developer Capital Contributions - Other	4,722,446	4,265,379	457,067	11 %
Developer Facility Charges (Net of Refunds)	5,691,502	6,466,347	(774,845)	(12)%
Contributions from Other Governments	1,709,116	1,527,434	181,682	12 %
Net Capital Contributions	26,916,743	33,064,371	(6,147,628)	(19)%

Year over year, capital contributions are $6.1m or 19% lower than the prior year primarily due to the recognition of a $9.0m credit to will serve revenue resulting from a resource exchange agreement with TRIGID and TRIC related to the effluent pipeline to TRIGID in the prior year. Additionally, grant revenue is higher due to the recognition of EPA related funding for TMWA's American Flat APW facility.

Capital Spending

Cash spent on capital outlays and construction projects through Q2 2026 was approximately $31.8m. Total budgeted capital spend for fiscal year 2026 is $121.6m, which included $30.0m and $4.0m for the American Flat APW facility and Lazy 5 Booster Pump Station, respectively. Spending on the top three projects during the fiscal year is listed below:

American Flat APW facility	$	2.4m
Lazy 5 Booster Pump Station	$	2.1m
Orr Ditch Pump Station and Hydro Facility	$	2.0m

Cash Position

At December 31, 2025, total cash and investments was $160.1m or $0.1m lower than at the beginning of the fiscal year. Of the total cash and investments, $104.4m was unrestricted and available to meet upcoming and future operating and maintenance expenses, principal and interest payments and construction project payments. The remaining $55.8m was restricted to pay for scheduled bond principal and interest payments as well as maintaining required reserves as stipulated in our bond covenants.

Attachment A-1

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the second quarter ended December 31, 2025

	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
OPERATING REVENUES				
Charges for Water Sales	$ 76,052,576	$ 76,777,417	$ (724,841)	(1)%
Hydroelectric Sales	2,116,621	1,258,798	857,823	68 %
Other Operating Sales	1,896,238	2,291,968	(395,730)	(17)%
Total Operating Revenues	80,065,435	80,328,183	(262,748)	— %
OPERATING EXPENSES				
Salaries and Wages	18,392,839	19,325,480	(932,641)	(5)%
Employee Benefits	8,469,206	9,633,917	(1,164,711)	(12)%
Services and Supplies	22,248,952	24,453,488	(2,204,536)	(9)%
Total Operating Expenses Before Depreciation	49,110,997	53,412,885	(4,301,888)	(8)%
Depreciation	18,329,976	18,264,258	65,718	— %
Total Operating Expenses	67,440,973	71,677,143	(4,236,170)	(6)%
OPERATING INCOME	**12,624,462**	**8,651,040**	**3,973,422**	**46 %**
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	2,686,282	2,583,826	102,456	4 %
Net Increase (Decrease) in FV of Investments	633,148	—	633,148	— %
Gain (Loss) on Disposal of Assets	146,899	(750,000)	896,899	(120)%
Amortization of Bond/note Issuance Costs	—	—	—	— %
Interest Expense	(4,247,530)	(4,457,122)	209,592	(5)%
Total Nonoperating Revenues (Expenses)	(781,201)	(2,623,296)	1,842,095	(70)%
Gain (Loss) Before Capital Contributions	11,843,261	6,027,744	5,815,517	96 %
CAPITAL CONTRIBUTIONS				
Grants	3,000,000	6,067,414	(3,067,414)	(51)%
Water Resource Sustainability Program	649,424	308,254	341,170	111 %
Developer Infrastructure Contributions	8,492,962	6,475,610	2,017,352	31 %
Developer Will-serve Contributions (Net of Refunds)	2,651,293	1,676,700	974,593	58 %
Developer Capital Contributions - Other	4,722,446	—	4,722,446	— %
Developer Facility Charges (Net of Refunds)	5,691,502	7,558,414	(1,866,912)	(25)%
Contributions from Others	—	68,250	(68,250)	(100)%
Contributions from Other Governments	1,709,116	10,550,000	(8,840,884)	(84)%
Net Capital Contributions	26,916,743	32,704,642	(5,787,899)	(18)%
CHANGE IN NET POSITION	**$ 38,760,004**	**$ 38,732,386**	**$ 27,618**	**— %**

Attachment A-2

Truckee Meadows Water Authority

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the second quarter ended December 31, 2025

	Actual YTD 2026	Actual YTD 2025	Variance $	Variance %
OPERATING REVENUES				
Charges for Water Sales	$ 76,052,576	$ 74,280,231	$ 1,772,345	2 %
Hydroelectric Sales	2,116,621	2,049,074	67,547	3 %
Other Operating Sales	1,896,238	2,594,917	(698,679)	(27)%
Total Operating Revenues	80,065,435	78,924,222	1,141,213	1 %
OPERATING EXPENSES				
Salaries and Wages	18,392,839	17,441,962	950,877	5 %
Employee Benefits	8,469,206	7,382,017	1,087,189	15 %
Services and Supplies	22,248,952	22,337,728	(88,776)	— %
Total Operating Expenses Before Depreciation	49,110,997	47,161,707	1,949,290	4 %
Depreciation	18,329,976	18,072,209	257,767	1 %
Total Operating Expenses	67,440,973	65,233,916	2,207,057	3 %
OPERATING INCOME	**12,624,462**	**13,690,306**	**(1,065,844)**	**(8)%**
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	2,686,282	3,118,588	(432,306)	(14)%
Net Increase (Decrease) in FV of Investments	633,148	1,749,505	(1,116,357)	(64)%
Gain (Loss) on Disposal of Assets	146,899	(136,821)	283,720	(207)%
Amortization of Bond/note Issuance Costs	—	(250)	250	(100)%
Interest Expense	(4,247,530)	(4,453,802)	206,272	(5)%
Total Nonoperating Revenues (Expenses)	(781,201)	277,220	(1,058,421)	(382)%
Gain (Loss) Before Capital Contributions	11,843,261	13,967,526	(2,124,265)	(15)%
CAPITAL CONTRIBUTIONS				
Grants	3,000,000	241,157	2,758,843	1,144 %
Water Resource Sustainability Program	649,424	304,096	345,328	114 %
Developer Infrastructure Contributions	8,492,962	9,536,983	(1,044,021)	(11)%
Developer Will-serve Contributions (Net of Refunds)	2,651,293	10,632,287	(7,980,994)	(75)%
Developer Capital Contributions - Other	4,722,446	4,265,379	457,067	11 %
Developer Facility Charges (Net of Refunds)	5,691,502	6,466,347	(774,845)	(12)%
Contributions from Others	—	90,688	(90,688)	(100)%
Contributions from Other Governments	1,709,116	1,527,434	181,682	12 %
Net Capital Contributions	26,916,743	33,064,371	(6,147,628)	(19)%
CHANGE IN NET POSITION	**$ 38,760,004**	**$ 47,031,897**	**$ (8,271,893)**	**(18)%**

TMWA

Fiscal Year 2026 Q2 Year-to-Date Financial Results

February 18, 2026

Truckee Meadows Water Authority

Quality. Delivered.

Summary

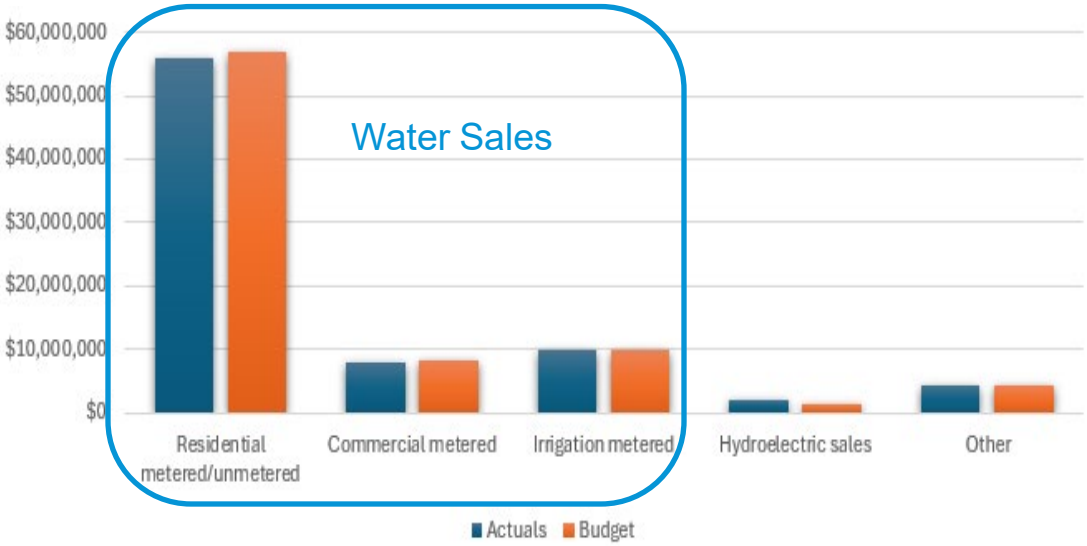
Q2 Compared to Budget

- Operating Revenue -$0.3m / 0%
  - Water sales lower by 1%
- Operating Expenses -$4.2m / -6%
  - Wages/Benefits lower by 7%
  - Services and supplies lower by 9%
- Investment Earnings +$0.1m / +4%
- Connection Fees +$4.2m / +44%
  - Large reimbursements received related to Talus Valley development
- Capital Spending $31.8m
- Cash Balance Since BoY -$0.1m / 0%

Truckee Meadows Water Authority

Operating Revenues

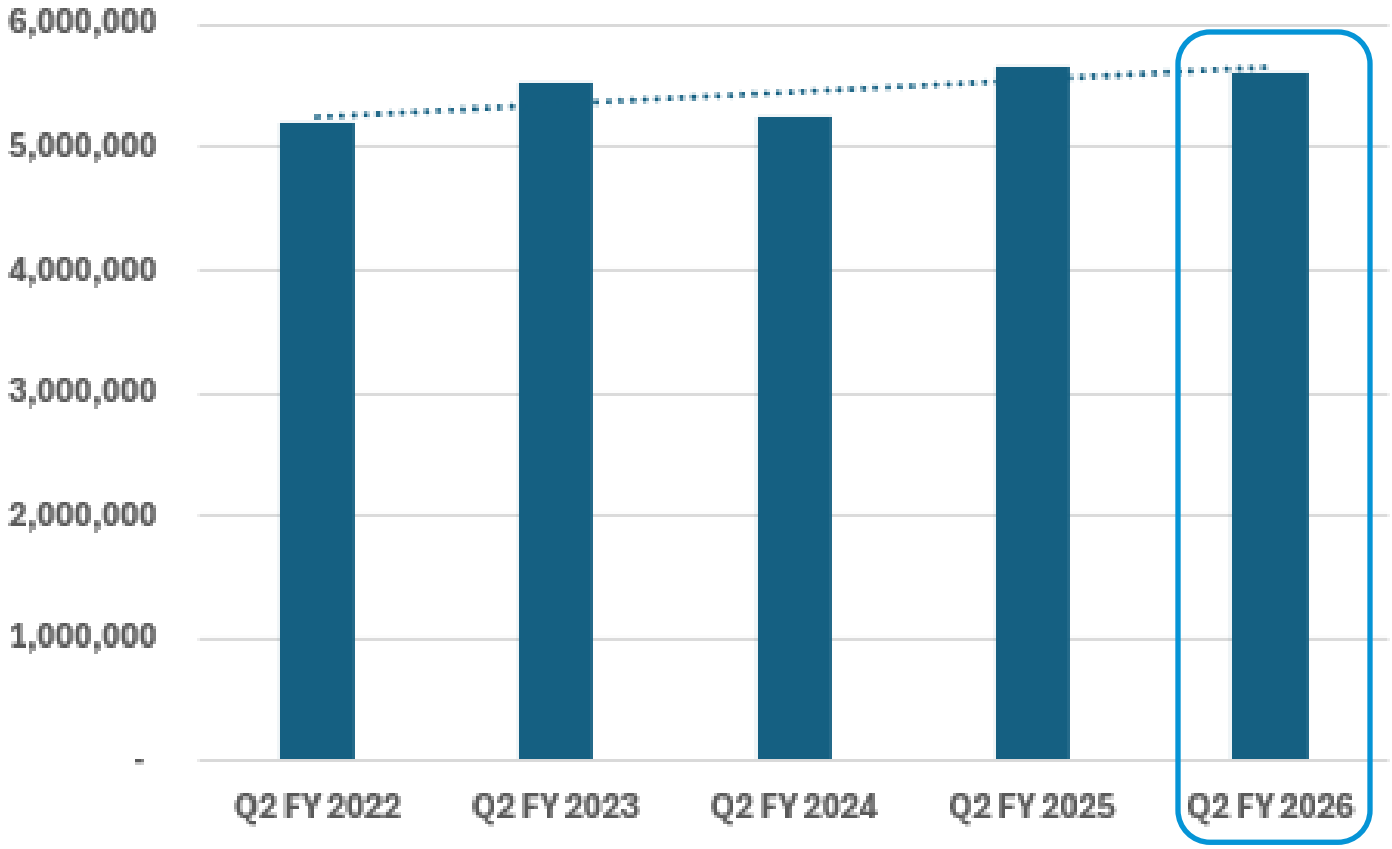
	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
OPERATING REVENUES				
Charges for Water Sales	76,052,576	76,777,417	(724,841)	(1)%
Hydroelectric Sales	2,116,621	1,258,798	857,823	68 %
Other Operating Sales	1,896,238	2,291,968	(395,730)	(17)%
Total Operating Revenues	80,065,435	80,328,183	(262,748)	— %



- Water Sales were within 1% of budget
- Hydroelectric revenue exceeded budget by 68% due to strong river flows and less maintenance downtime
- Other operating sales were below budget primarily due to reduced new business inspection fees resulting from lower activity levels

Truckee Meadows Water Authority

Gallons Sold (000) Q2 last 5 years



- Q2 2026 gallons sold is slightly lower than the prior year due to more days of precipitation in October/November 2025 compared to 2024.

Truckee Meadows Water Authority

Operating Expenses

	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
OPERATING EXPENSES				
Salaries and Wages	18,392,839	19,325,480	(932,641)	(5)%
Employee Benefits	8,469,206	9,633,917	(1,164,711)	(12)%
Services and Supplies	22,248,952	24,453,488	(2,204,536)	(9)%
Total Operating Expenses Before Depreciation	49,110,997	53,412,885	(4,301,888)	(8)%
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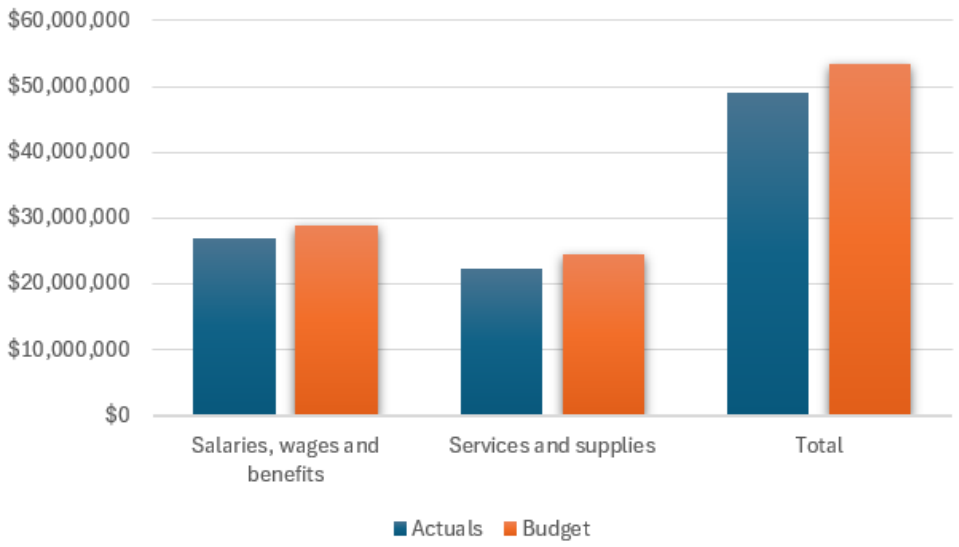
Total Operating Expenses	67,440,973	71,677,143	(4,236,170)	(6)%



- Salaries, wages and benefits are lower than **budget** due to position vacancies
- Services and supplies are lower than **budget** due to various expense categories, including-
  - Electrical costs lower by $0.3m
  - Chemical costs lower by $0.3m
- **Year-over-year** salaries and wages and employee benefits were slightly higher due to Labor Market Index (LMI) increases, step increases and addition to staff while services and supplies remained flat

Truckee Meadows Water Authority

Nonoperating Revenues (Expenses)

	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	2,686,282	2,583,826	102,456	4 %
Net Increase (Decrease) in FV of Investments	633,148	—	633,148	— %
Gain (Loss) on Disposal of Assets	146,899	(750,000)	896,899	(120)%
Amortization of Bond/note Issuance Costs	—	—	—	— %
Interest Expense	(4,247,530)	(4,457,122)	209,592	(5)%
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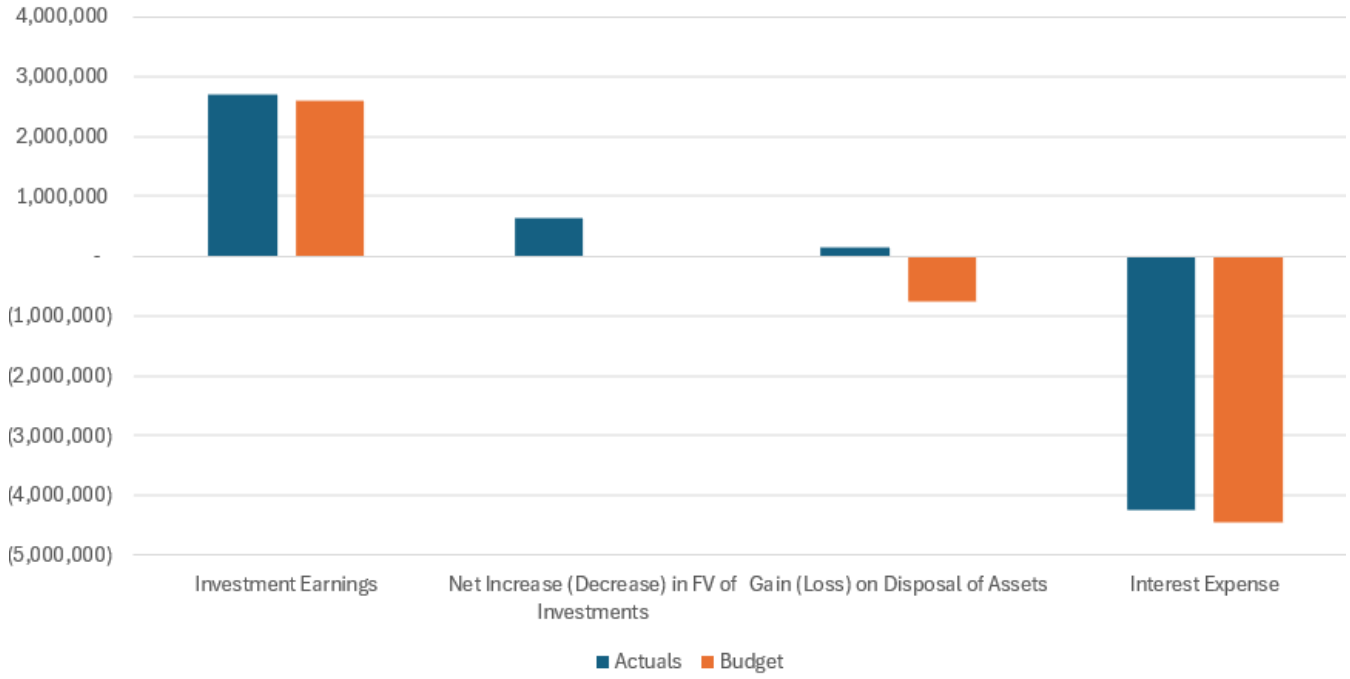
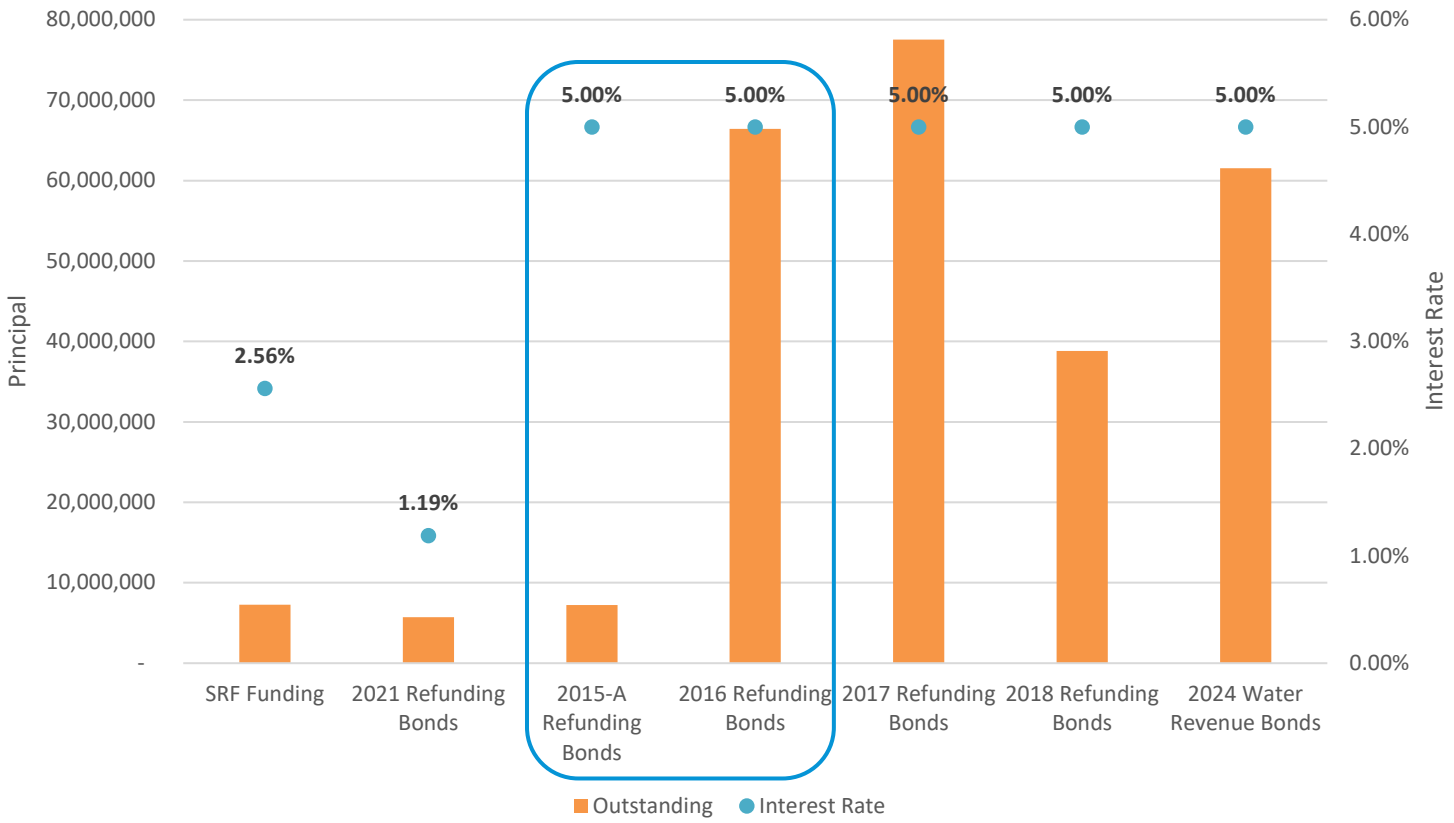


- Investment earnings are consistent with budget per stabilizing rates
- All outstanding debt carries fixed interest rates

Truckee Meadows Water Authority

Long-term Debt Outstanding



- Series 2026 Refunding Bonds of the 2015-A and 2016 Refunding Bonds is expected to close in April 2026
  - Estimated savings of $10.1m (14%) NPV
  - RBC was selected as the underwriter

Truckee Meadows Water Authority

Capital Contributions

	Actual YTD 2026	Budget YTD 2026	Variance $	Variance %
CAPITAL CONTRIBUTIONS				
Grants	3,000,000	6,067,414	(3,067,414)	(51)%
Water Resource Sustainability Program	649,424	308,254	341,170	111 %
Developer Infrastructure Contributions	8,492,962	6,475,610	2,017,352	31 %
Developer Will-serve Contributions (Net of Refunds)	2,651,293	1,676,700	974,593	58 %
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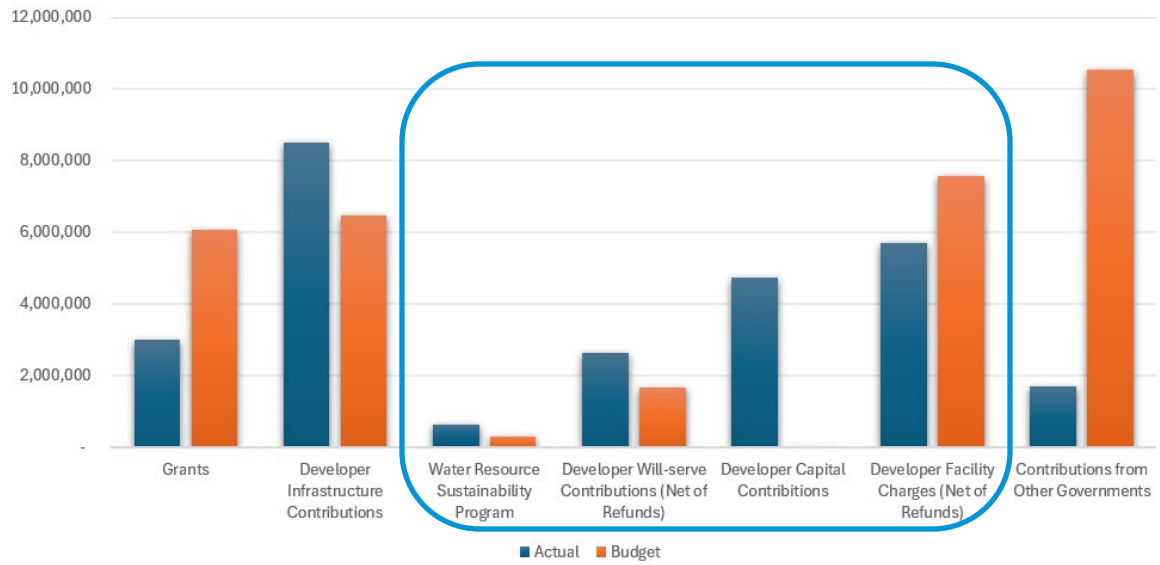
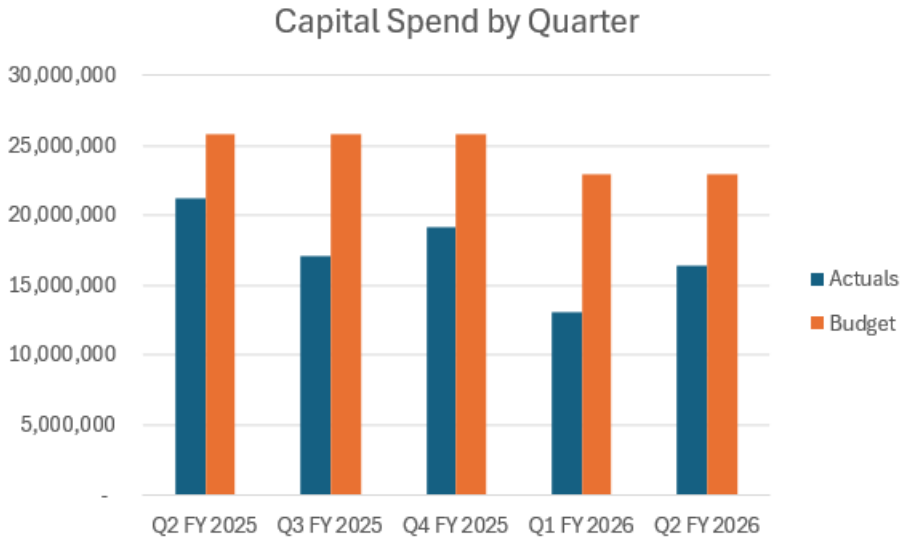
Developer Facility Charges (Net of Refunds)	5,691,502	7,558,414	(1,866,912)	(25)%
Contributions from Others	—	68,250	(68,250)	(100)%
Contributions from Other Governments	1,709,116	10,550,000	(8,840,884)	(84)%
Net Capital Contributions	26,916,743	32,704,642	(5,787,899)	(18)%



- New Business Fees (Connection Fees) higher by 44%; contribution related to Talus Valley booster pump station of $4.3m
- Contributions from other governments is lower due to timing of spend on the American Flat APW facility

Truckee Meadows Water Authority

Capital Spending



Chalk Bluff Water Treatment Plant

- Capital spend, excluding American Flat APW facility was 64% of budget
- Capital spend goal for the fiscal year is 75% of CIP
- Orr Ditch Pump Station and Hydro Facility wrapping up ($39m total project cost)

Truckee Meadows Water Authority

Wrap-up

- TMWA's revenue and operating expenses remain stable
- TMWA's cash position remains unchanged from beginning of year at $160m
  - All required reserves are fully funded
  - Unrestricted cash of $104m
- Upcoming – Series 2026 Refunding Bonds – expected savings $10.1m (14%) NPV savings
  - Pricing – March 5th
  - Closing – April 2nd
- Upcoming – SRF funds for American Flat APW facility at 1%

Thank you!

Questions?

Matt Bowman, Chief Financial Officer

Truckee Meadows Water Authority

TMWA Strategic Planning Update

February 18, 2026

Leveraging the Effective Utility Management (EUM) Framework

Truckee Meadows Water Authority

Quality. Delivered.

What is EUM?

- 10 Attributes of Effectively Managed Utilities
- 5 Keys to Management Success
  - Proactively Plan for the Future
  - Protect Infrastructure Investments
  - Save Money & Increase Resiliency
  - Help Recruit and Retain a Trained and Motivated Workforce
  - Ensure Safe, Reliable Future Water Supply

EUM Steering Group

Angela Akridge
Louisville & Jefferson County Metropolitan Sewer District

Anna Bryan-Borja
Austin Water

Shellie Chard
Oklahoma Department of Environmental Quality

Allison Deines
Alexandria Renew Enterprises

Mike Grimm
West Slope Water District

Liesel Gross
Lehigh County Authority

Jackie Jerrell
Raftelis (formerly with Charlotte Water)

Donna Mancuso
Suffolk County Water Authority

Oluwole (OJ) McFoy
Buffalo Sewer Authority

Karen Pallansch
Cross Water Strategies (formerly with Alexandria Renew Enterprises)

Matt Ries
DC Water

Holly Rosenthal
Phoenix Water

Frank Roth
American Water Works Association (formerly with Southwest Environmental Finance Center)

Diane Taniguchi-Dennis
Clean Water Services

Kenneth Waldroup
Cape Fear Public Utility Authority

Lisa Willis
Gwinnett County Department of Water Resources

EUM Collaborating Organizations

American Water Works Association
Adam Carpenter

Association of Clean Water Administrators
Julia Anastasio

Association of Metropolitan Water Agencies
Antoinette Barber/Tom Dobbins

Association of State Drinking Water Administrators
Shellie Chard

National Association of Clean Water Agencies
Chris Hornback

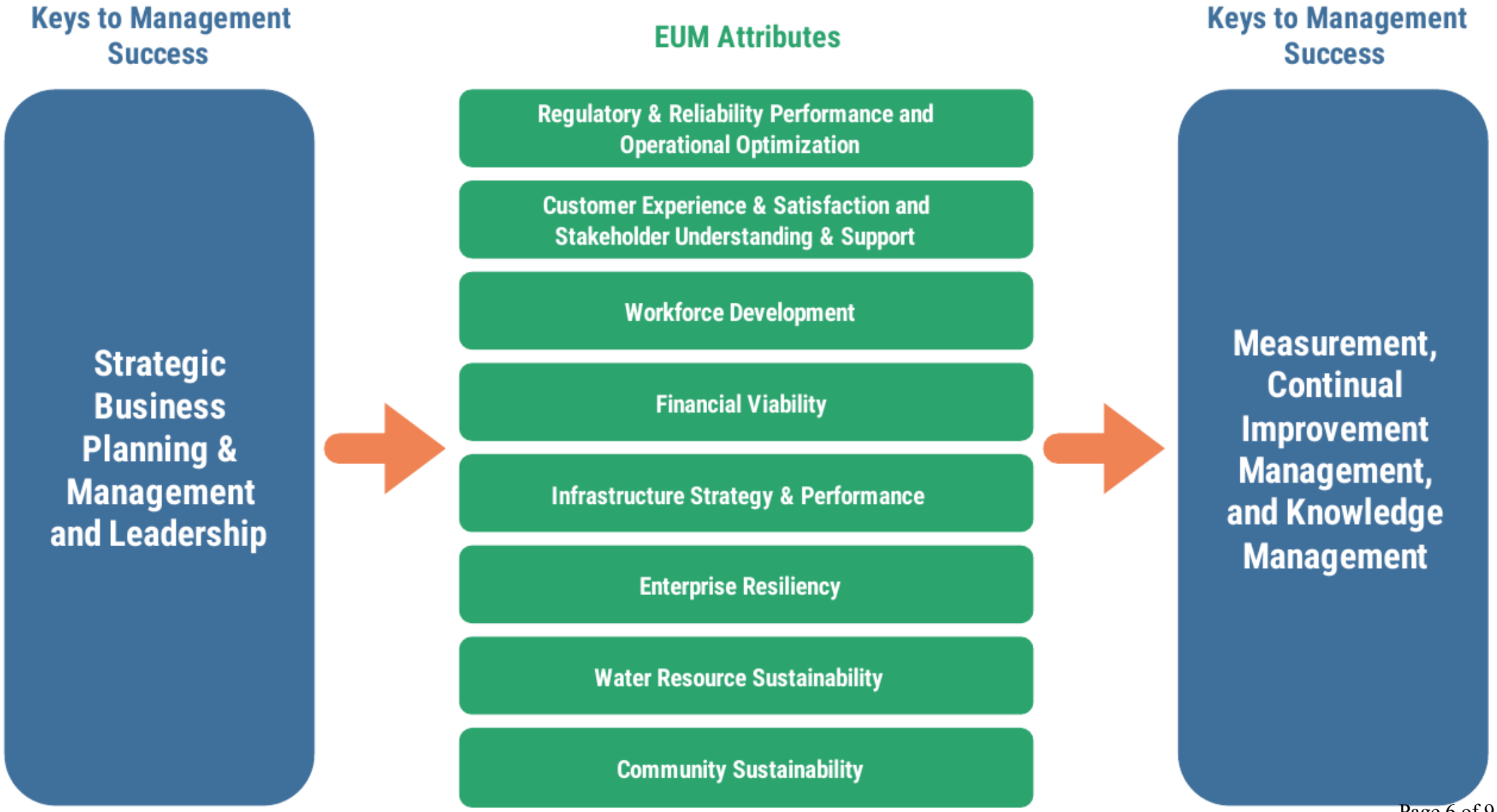
Office of Water, U.S. Environmental Protection Agency
Jim Horne

Water Environment Federation
Lisa McFadden

Water Research Foundation
Miriam Hacker

Effectively Managed Utility: Ten Attributes

1. Regulatory & Reliability Performance
2. Customer Experience & Satisfaction
3. Workforce Development
4. Operational Optimization
5. Financial Viability
6. Infrastructure Strategy and Performance
7. Enterprise Resiliency
8. Community Sustainability
9. Water Resource Sustainability
10. Stakeholder Understanding and Support


Keys to Management Success
Strategic Business Planning & Management and Leadership
EUM Attributes
Regulatory & Reliability Performance and Operational Optimization
Customer Experience & Satisfaction and Stakeholder Understanding & Support
Workforce Development
Financial Viability
Infrastructure Strategy & Performance
Enterprise Resiliency
Water Resource Sustainability
Community Sustainability
Keys to Management Success
Measurement, Continual Improvement Management, and Knowledge Management


Self-Assessment
Strategic Business Planning
Implementation of Effective Practices/Strategies
Measurement
Reflect & Adjust

Implementation Timeline

- **October 2026**
  - FY26 Goal Results Under Existing Framework (Organized by *Department*)
  - FY27 Goals Under EUM Framework (Organized by *Attribute*)
- **October 2027**
  - FY27 Goal Results and FY28 Goals Under EUM Framework

Why EUM Matters for TMWA's Future

Truckee Meadows Water Authority

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Jessica Atkinson, Human Resources Manager
DATE: February 18, 2026
SUBJECT: **Discussion and possible action regarding the proposed process, timeline, and milestone sequencing related to potential amendment of the General Manager's Employment Agreement**

Recommendation

Board approve the proposed process and timeline for determining whether to negotiate an amendment to the General Manager's Employment Agreement.

Background

In June 2025, staff provided the Board with an overview of the General Manager's Employment Agreement and the associated performance evaluation process. During that meeting, staff highlighted several upcoming and interrelated milestones, including the General Manager's annual performance evaluation, salary and merit increase considerations, and key employment agreement term dates. Staff also informed the Board of the contractual requirement that the Board and the General Manager meet and confer no later than May 31, 2026, to determine whether the parties will negotiate an amendment to the current employment agreement.

As part of that discussion, the Board Chair requested that staff consider potential updates to the General Manager evaluation process, with a particular focus on improving the timing and sequencing of evaluation-related milestones. The intent was to ensure the Board receives comprehensive, meaningful performance information prior to making decisions related to compensation and potential amendments to the employment agreement.

Since that time, staff has been working with the Board Chair to update the General Manager performance evaluation process with the following goals:

- To provide the Board with broader insight into organizational functionality, effectiveness, and outcomes through feedback from multiple levels of leadership.
- To better align the sequencing of performance evaluation, merit increase considerations, and employment agreement term decisions.
- To enhance objectivity in the collection and dissemination of performance-based evaluation data through the use of an independent third party.

In response to the Chair's direction, staff recommends incorporating the results of the Effective Utility Management (EUM) Organizational Assessment into the General Manager performance evaluation process. The EUM assessment is completed by Directors, Managers, and Supervisors and evaluates organizational strengths, opportunities for improvement, and overall functional maturity across ten key attributes. Incorporating these results will provide the Board with actionable, multi-level insight into organizational performance and leadership effectiveness, better align evaluation outcomes with strategic objectives, and reinforce a culture of continuous improvement.

These efforts are intended to support informed Board decision-making, strengthen governance practices, and ensure alignment between performance evaluation results and related contractual compensation decisions.

Discussion

Proposed process and timeline

Phase 1 – Preparation and Initial Decision

March 2026

- The Board Chair will provide written notice to Mr. Zimmerman that his professional competence and employment agreement will be discussed at the April 2026 Board meeting.

April 2026

Staff will present three agenda items for Board discussion and potential action:

1. A summary of Mr. Zimmerman's performance evaluations and accomplishments during the term of his employment agreement, to support Board discussion regarding performance and whether to negotiate an amendment to the agreement.
2. A request for Board authorization for the Chair and Vice Chair, with Board Counsel and assistance from Human Resources, to:
    - Negotiate a potential amendment to the General Manager's Employment Agreement; or
    - Develop and recommend next steps related to an executive search, should the Board decide not to pursue an amendment.
3. A compensation analysis for the position of General Manager to determine competitive compensation levels based on TMWA's defined labor market. This will be an informational item.

April – May 2026

- Negotiate of a potential amendment to the employment agreement, or
- Development of executive search options.

May – June 2026

Staff will present two additional agenda items for Board discussion and potential action:

1. Either:
    - The negotiated amendment to the General Manager's Employment Agreement; or
    - A proposed executive search plan.
2. The proposed Fiscal Year 2026 General Manager performance evaluation process and timelines.

Phase 2 – Performance Evaluation and Implementation

August 2026

- Presentation to the Board of:
  - General Manager FY 2026 goal results; and
  - Supervisor, Manager and Director Effective Utility Management Assessment results.
- Opening of the General Manager performance-based evaluation survey window.

September 2026

- Board conducts the General Manager performance evaluation, informed by General Manager goal results, performance evaluation survey data, and EUM assessment findings.

Conclusion

Approval of the proposed process and timeline will provide the Board with a structured, objective, and data-driven approach for evaluating the General Manager and making informed decisions regarding potential amendments to the employment agreement. The proposed updates respond directly to Board direction, enhance insight into organizational performance and leadership effectiveness, and emphasize a culture of continuous improvement, while maintaining appropriate governance oversight.

Recommended Motion

Move to approve the proposed process, timeline, and related milestone sequencing for determining whether to negotiate an amendment to the General Manager's Employment Agreement, as presented in the staff report.

2026 General Manager Employment Agreement & Evaluation Timeline

A structured, two-phase roadmap for 2026, outlining initial decision-making on employment agreement followed by a data-driven performance evaluation.

PHASE 1: Preparation and Initial Decisions
(March–June 2026)

PHASE 2: Performance Evaluation & Implementation
(August–September 2026)

MARCH: Formal Notification
Board Chair issues written notice to the General Manager regarding upcoming agreement discussions.

APRIL: Board Items
Board reviews summary of past performance and accomplishments, authorizes negotiation or executive search, and, review of compensation analysis.

MAY–JUNE: Finalized Directions
Board approves the negotiated employment agreement amendment or the proposed executive search plan.

AUGUST: Data Collection & Launch
Board receives goal results and EUM assessment findings; performance evaluation survey window opens.

SEPTEMBER: Evaluation Completion
Board completes the performance evaluation using evaluation survey data, goal results, and assessment findings.

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
FROM: John R. Zimmerman, General Manager
DATE: February 9, 2026
SUBJECT: **General Manager's Report**

Attached please find the written reports from the Management team including the Operations Report ***(Attachment A)***, the Water Resource and the Annexation Activity Report ***(Attachment B)***, and the Customer Services Report ***(Attachment C).***

Also, listed below are news reports from January 13, 2026 through February 9, 2026:

- 01/17/26 Tahoe Daily Tribune Masters Student Shares Tahoe Findings at National Conference
- 01/20/26 KOLD Can Cloud Seeding Programs Boost Water Supply West
- 01/20/26 Nevada Current NV Energy does an about face, offers to make overcharged customers whole
- 01/20/26 KTNV Lawsuit: Vegas turf removal killed 100K trees
- 01/21/26 News3LV Southern Nevada Water Authority Funds 500K Tree Planting
- 01/21/26 The Observer How to take advantage of your smart water meter
- 01/22/26 Nevada Current Warm Temperatures Hamper Snowpack in Nevada
- 01/26/26 Sierra Sun Tahoe Water for Fire partnership secures $2.125M in federal funding for critical water infrastructure projects
- 01/27/26 Pys.org New tool will help manage one of Nevada's most critical freshwater sources
- 01/28/26 Nevada Independent They Want to Change the Definition of Water: That's Catastrophic for Nevada
- 02/02/26 Various Snow Survey taken on Feb. 2 by NCRS The region's water level supply is strong despite dry winter
- 02/02/26 KRVN: January Leaves Snowpack Well below Normal, But there's Some Good News
- 02/02/26 KTVN Snow Survey Taken on Feb. 2 by NCRS
- 02/03/26 Nevada Current Geothermal industry's groundwater 'loophole' scrutinized
- 02/04/26 Seirra Nevada Ally When Winter Comes as Rain in the Sierra Nevada – Sierra Nevada Ally

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Kara Steeland, Sr. Hydrologist & Watershed Coordinator
DATE: February 10, 2026
SUBJECT: **February 2026 Water Operations Report**

Summary

- In the Truckee River Basin, precipitation is above average for the water year (104% of median) and snow water equivalent is currently below median (55% of median).
- Truckee River reservoir storage is at 71% of maximum capacity system wide.
- Normal Truckee River flows are projected through 2026.
- Hydroelectric generation for the month of January was $389,245 (4,972 MWh).

Water Supply

River Flows – Truckee River discharge at the California-Nevada state line averaged 502 cubic feet per second during the beginning of February 2026.

Reservoir Storage - Overall, Truckee River reservoir storage is 71% of capacity. The elevation of Lake Tahoe is currently 6,227.52 feet which is 1.58 feet below the maximum legal elevation of 6,229.1 feet. Storage values for each reservoir as of February 10, 2026 are as follows:

Reservoir	Current Storage (Acre-Feet)	% Capacity
Tahoe	550,364	74%
Stampede	176,241	78%
Boca	8,708	21%
Prosser	5,967	20%
Independence	14,513	83%
Donner	3,530	37%

In addition to the 17,687 acre-feet of storage between Donner and Independence Reservoirs, TMWA also has 20,254 acre-feet of water stored in Stampede and Boca Reservoirs under the terms of TROA. TMWA's total combined upstream reservoir storage as of February 10, 2026 is approximately 37,941 acre-feet.

Outlook – The snow water equivalent (SWE) for the Truckee River Basin is currently at 55% of median, but there are several storms forecasted over the next few weeks. Due to large amounts of upstream reservoir carryover storage from last year, normal Truckee River flows are projected through 2026.

Water Production

Demand - Customer demand averaged about 38 MGD at the beginning of February. Surface water made up about 46% of overall supply and groundwater pumping the other 54%.

Hydroelectric Production

Generation - The median Truckee River flow at Farad (CA/NV state line) for January was 587 cubic feet per second. All three of TMWA's hydropower plants were online during the month.

Plant	Generation Days	% Availability	Generation (Megawatt Hours)	Revenue (Dollars)	Revenue (Dollars/Day)
Fleish	31	100%	1,848	$145,052	$4,679
Verdi	31	100%	1,696	$131,910	$4,255
Washoe	31	100%	1,428	$112,283	$3,622
Totals	**-**	**-**	**4,972**	**$389,245**	**$12,556**

Truckee Meadows Water Authority

STAFF REPORT

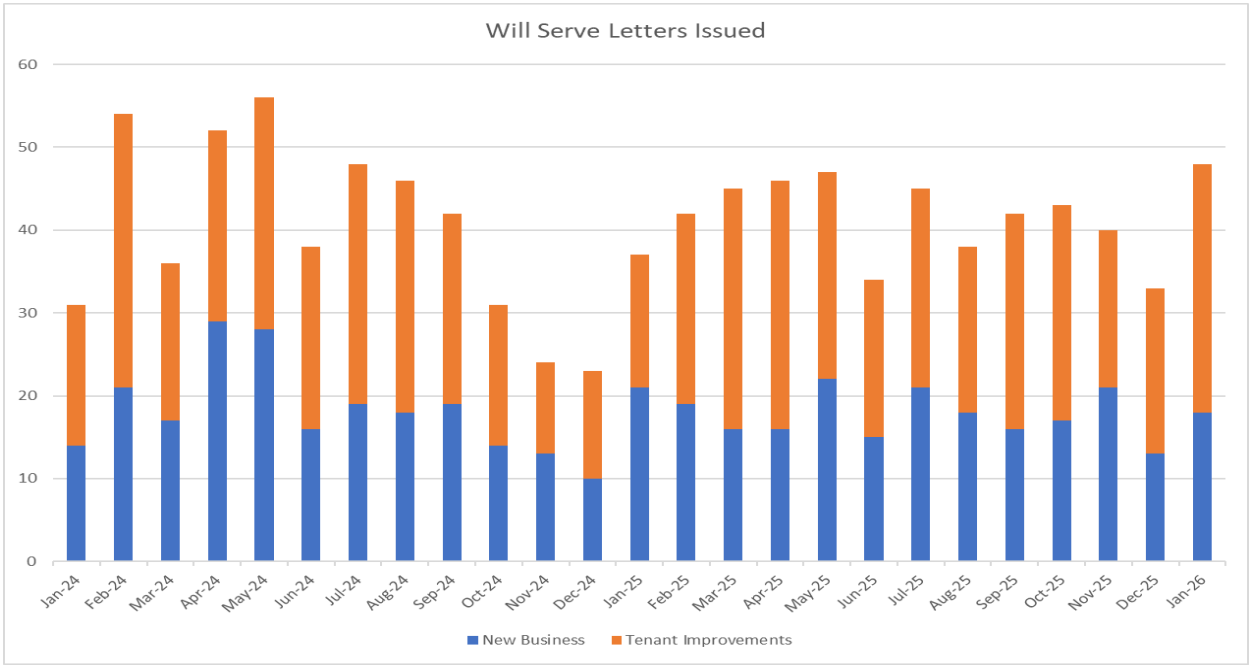
TO: Chairman and Board Members
THRU: John R. Zimmerman, General Manager
FROM: Eddy Quaglieri, Natural Resources Manager
DATE: February 2, 2026
SUBJECT: **Water Resources and Annexation Activity Report**

RULE 7

Rule 7 water resource purchases and will-serve commitment sales against purchased water resources through this reporting period:

Beginning Balance		2,973.83 AF
Purchases of water rights	30.03 AF	
Refunds	0.00 AF	
Sales	-12.63 AF	
Adjustments	0.00 AF	
Ending Balance		2,991.23 AF

Price per acre foot at report date: $8,400 per AF. The chart below shows the amount of will serves issued per month, throughout the last two years for trending purposes.



FISH SPRINGS RANCH, LLC GROUNDWATER RESOURCES

Through the merger of Washoe County's water utility, TMWA assumed a Water Banking and Trust Agreement with Fish Springs Ranch, LLC, a subsidiary of Vidler. Under the Agreement, TMWA holds record title to the groundwater rights for the benefit of Fish Springs. Fish Springs may sell and assign its interest in these groundwater rights to third parties for dedication to TMWA for a will-serve commitment in Areas where TMWA can deliver groundwater from the Fish Springs groundwater basin. Currently, TMWA can deliver Fish Springs groundwater to Area 10 only (Stead-Silver Lake-Lemmon Valley). The following is a summary of Fish Springs' resources.

Beginning Balance		7,302.69 AF
Committed water rights	0 AF	
Ending Balance		7,302.69 AF

Price per acre foot at report date: $47,218 (SFR and MFR); $40,960 (for all other services)[1]

WATER SERVICE AREA ANNEXATIONS

Since the date of the last report, there have been 0 acres annexed into TMWA's service area.

INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE

No new ILVNPS customers have been added during this reporting period.

[1] Price reflects avoided cost of Truckee River water right related fees and TMWA Supply & Treatment WSF charge.

Truckee Meadows Water Authority

STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Marci Westlake, Manager Customer Service
DATE: February 18, 2026
SUBJECT: **January Customer Service Report**

The following is a summary of Customer Service activity for January 2026

Ombudsman Report – Kim Mazeres

- Customer shut off for non-payment. Called emergency line after hours. Not satisfied with their answer of getting bottled water when he wasn't going to be turned on that day. He wants to know if that is scripted response. Spoke to Director of Operations, who will call the customer back to answer his question.

- Customer lives near Highland Reservoir and wants to know why it is being patrolled several times a day. I obtained a response from the Director of Operations and provided it to the customer. Essentially that it is an essential piece of TMWA infrastructure and it is patrolled to ensure the integrity of the property and the reservoir. Customer appreciated the quick response.

Conservation (2026 Calendar year)

- 222 Water Usage Reviews
- 119 Water Watcher Contacts

Customer Calls – January

- 7,146 phone calls handled.
- The average handling time is 5 minutes 13 seconds per call.
- Average speed of answer :19 seconds per call.

Billing – January

- 140,198 bills issued.
- 73,892 customers (53%) have signed up for paperless billing to date, which equates to an annual savings of $576,357.60.

Remittance – January

- 13,007 Mailed-in payments.
- 20,156 Electronic payments.
- 57,531 Payments via AutoPay (EFT)
- 21,083 One-time bank account payments.
- 795 Pay by Text
- 4,347 IVR Payments.
- 796 Reno office Payments.
- 70 Kiosk Payments.

Collections – January

- 12,883 accounts received a late charge.
- 3,426 Mailed delinquent notices, 0.03% of accounts.
- 710 accounts eligible for disconnect.
- 604 accounts were disconnected. (Including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.13% write-off to revenue.

Meter Statistics – Fiscal Year to Date

- 1,689 Meter exchanges completed.
- 776 New business meter sets completed.

Service Line Warranties of America Statistics

- 13,764 Policies
- 10,026 Customers
- 768 Jobs Completed
- $1,170,339. Customer Savings