



STANDING ADVISORY COMMITTEE

AGENDA

**Tuesday, April 7, 2026 at 3:00 p.m.
Truckee Meadows Water Authority
Independence Room, 1355 Capital Blvd., Reno, NV**

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), at <http://www.tmwa.com>, and State of Nevada Public Notice Website, <https://notice.nv.gov/>.
2. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call 834-8002 at least 24 hours before the meeting date.
3. Staff reports and supporting material for the meeting are available on the TMWA website at <http://www.tmwa.com/meeting/> or you can contact Sonia Folsom at (775) 834-8002. Supporting material is made available to the general public in accordance with NRS 241.020(6).
4. The Committee may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
5. Asterisks (*) denote non-action items.
6. Public comment is limited to three minutes and is allowed during the public comment periods. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk. In addition to the public comment periods, the Chairman has the discretion to allow public comment on any agenda item, including any item on which action is to be taken.
7. In the event the Chair and Vice-Chair are absent, the remaining SAC members may elect a temporary presiding officer to preside over the meeting until the Chair or Vice-Chair are present (**Standing Item of Possible Action**).

1. Roll call*
2. Public comment — limited to no more than three minutes per speaker*
3. Approval of the agenda (**For Possible Action**)
4. Approval of the minutes of February 3, 2026 meeting (**For Possible Action**)
5. Committee Member Introductions — John Krmptotic*
6. Water supply update — Nick White*
7. Presentation of Q2 FY 2026 financial results — Matt Bowman*
8. Cost of Service Study Update — Matt Bowman*

9. Presentation on the TMWA Tentative Budget for the Fiscal Year ending June 30, 2027 and Draft Capital Improvement Plan for Fiscal Years 2027 through 2031 and possible recommendation to the Board — Matt Bowman and David Diegle **(For Possible Action)**
10. Discussion and possible action regarding the rotation of Chair and Vice Chair — Justina Caviglia **(For Possible Action)**
11. Discussion and possible direction to staff regarding agenda items for future meetings **(For Possible Action)**

NEXT REGULAR SAC MEETING: June 2, 2026

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

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

DRAFT MINUTES

February 3, 2026

The Standing Advisory Committee (SAC) met at TMWA, 1355 Capital Blvd, Reno, NV. Chair Krmptic called the meeting to order at 3:01 p.m.

1. ROLL CALL

Primary Members and Voting Alternates Present: *Jordan Hastings, Keith Hayes, John Krmptic, Chris Melton, Connor Naisbitt, **Jonnie Pullman, Dale Sanderson, Alex Talmant and Jerry Wager.

Alternate Members Present: Ryan Greenhalgh and Ray Town.

Primary Members and Alternates Absent: Fred Arndt, Justin McDougal, Neil McGuire and Ken McNeil.

Staff Present: Matt Bowman, Sophie Cardinal, Robert Charpentier, Sonia Folsom, Dan Nuble, Eddy Quaglieri, Kara Steeland, Shawn Stoddard, Sandra Tozi, Marci Westlake, Nick White, John Zimmerman, and Legal Counsel Justina Caviglia (PBL).

**Member Hastings attended the meeting virtually.*

***Member Pullman arrived at 3:06p.m.*

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

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

4. APPROVAL OF THE MINUTES OF OCTOBER 7, 2025 MEETING

Upon motion duly made by Member Sanderson, and seconded by Member Melton, and carried by unanimous consent of the members present, the Committee approved the minutes of October 7, 2025.

John Zimmerman, General Manager, invited the two new Committee members to introduce themselves. Ray Towne shared that he has over 50 years of experience in public works, including extensive work with utilities and municipalities. He now works as a consultant and hopes to give back by sharing his

knowledge and supporting others. Keith Hayes introduced himself as a geologist with a master's degree in hydrogeology. He previously worked for the Nevada Division of Environmental Protection and now works for Nevada Minerals. He expressed interest in contributing through public service.

Chair Krmpotic welcomed Mr. Hayes and Mr. Towne for joining the Committee.

5. WATER SUPPLY UPDATE

Nick White, Senior Hydrologist, presented the water supply update. Mr. White noted that data comes from NRCS stations in the Tahoe and Truckee Basins. Snow water equivalent rose after December storms but has since stalled at about 60% of average. Precipitation remains strong at over 110% of average, and soil moisture reached record highs, improving runoff potential. Lake Tahoe is projected to reach near-full levels, and Truckee River flows should remain strong through summer. Storage levels are healthy, drought conditions are absent, and forecasts show warmer temperatures but a shift toward wetter patterns coming in over the next couple of months is expected.

Chair Krmpotic confirmed the upstream reservoir storage levels are at 38,000 acre feet or 70% of capacity and requested it may be helpful to understand if there was an average number to compare to last year and a percentage. Mr. White replied that is correct, it is actually closer to 75% of capacity.

6. PRESENTATION ON TMWA'S FISCAL YEAR 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

Sophie Cardinal, Financial Controller, presented the FY 2025 ACFR and reported that TMWA received an unqualified (clean) audit opinion, confirming the financial statements are fairly presented. Auditors found no internal control deficiencies, and the required single audit for federal grant funding also concluded successfully. The only audit finding involved a grant expense recorded in the wrong fiscal year—a reporting error that has already been corrected. TMWA also paid off two State Revolving Fund bonds (2005 and 2014), lowering interest costs, improving financial resilience, and supporting stronger future credit ratings. The 2024 Davis Fire damaged the Washoe Well 4 Facility, which was recorded as an impairment loss; reconstruction planning is underway and all funding options are being pursued. Additionally, TMWA implemented GASB Statement No. 101, which standardizes the recognition of employee leave liabilities. Under this new guidance, TMWA now records both unused leave and used-but-unpaid leave, increasing the reported liability.

Member Towne asked if Federal Emergency Management Agency (FEMA) funds are being used to repair Washoe Well 4. Ms. Cardinal replied no, TMWA did not meet the eligibility requirements.

Member Melton inquired about an event that triggers a single audit. Ms. Cardinal replied a single audit occurs if the federal funding received is more than \$750,000.00 per year.

7. PRESENTATION OF Q1 FY 2026 FINANCIAL RESULTS

Matt Bowman, Chief Financial Officer, presented the staff report and introduced a new, more visual presentation format focused on actuals versus budget. Operating revenue came in about 2% below budget, mainly due to lower water sales, while operating expenses were 7% under budget because of strong cost control. Investment earnings exceeded projections by \$200,000. Connection fees were initially 40% below budget but recovered in October and November, though a slowdown in new development is expected. Capital spending totaled \$14.5 million, and cash balances fell by \$4 million, a normal seasonal pattern. Hydroelectric revenue exceeded budget by 25% thanks to favorable river flows and strong system performance. Salaries and benefits increased year-over-year due to contractual and staffing changes, while services and supplies remained flat. Employee headcount is currently below budget and expected to stay below budget due to earlier staffing adjustments.

8. COST OF SERVICE STUDY UPDATE

Mr. Bowman informed the Committee that since their initial presentation last August, staff has conducted extensive public outreach, presented to the Board last October, including the First Hearing in January, and will be followed by a Second Reading on February 18.

Member Towne asked where he could go to provide public comment. Mr. Bowman replied that the comment period is closed, but anyone can provide public comment at a Board meeting.

Member Naisbitt added that the Reno-Sparks Chamber of Commerce can host an open house for staff to present to a targeted audience, and he is willing to work with staff to get the message out.

No action was taken.

9. PRESENTATION ON THE TRUCKEE RIVER FUND

Sonia Folsom, Executive Assistant, and Ms. Steeland presented the history of the Truckee River Fund and highlighted the projects approved in 2025.

10. PRESENTATION ON UPSTREAM WATERSHED PROTECTION PROGRAM

Ms. Steeland presented on TMWA's upstream watershed protection program. In 2022, TMWA entered into a formal partnership with the U.S. Forest Service, National Forest Foundation, The Nature Conservancy, and the Truckee River Watershed Council to establish the Middle Truckee River Watershed Forest Partnership (MTRWFP). The partnership focuses on improving forest health, reducing severe fire risk, and protecting downstream water supply infrastructure across the landscape stretching from the outlet of Lake Tahoe to the California-Nevada state line. The partnership aims to treat 60,000 acres over 10 years, a significant increase from the previous pace of about 2,000 acres every two years. Progress to date includes 3,500 acres treated in 2024, completion of the Ladybug Forest Health and Fuels Reduction Project in October 2025, and multiple projects underway along Highway 89 and near Stampede Reservoir.

TMWA provides leadership, funding support, grant coordination, and public communication, while federal and nonprofit partners conduct field operations. The shared mission is to create healthier, more resilient forests that reduce destructive wildfire risk and protect the region’s long-term drinking water supply.

11. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING AGENDA ITEMS FOR FUTURE MEETINGS

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

Next meeting:

1. Committee Member Introductions
2. Water Supply Update
3. Presentation of Q2 FY 2026 financial results
4. Draft FY2027 Budget and FY2027-2031 CIP
5. Cost of Service Study update
6. Discussion on rotation of Chair and Vice Chair

12. STAFF ITEMS

Mr. Zimmerman informed the Committee that this year it is TMWA’s 25th Anniversary, Smart About Water Day is on Sat, May 9th at the California Building in Idlewild Park, and that Ms. Folsom is leaving TMWA in March and that this is her last Committee meeting.

13. COMMITTEE ITEMS

There were no Committee items.

14. PUBLIC COMMENT

There was no public comment.

15. ADJOURNMENT

With no further items for discussion, Chair Krmpotic adjourned the meeting at 4:12 p.m.

Approved by the Standing Advisory Committee in session on _____.

Lisa Farmer, Recording Clerk

***Member Pullman was present for agenda items 4 through 17 only.*



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.

RevenueBudget 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.

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	— %

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.

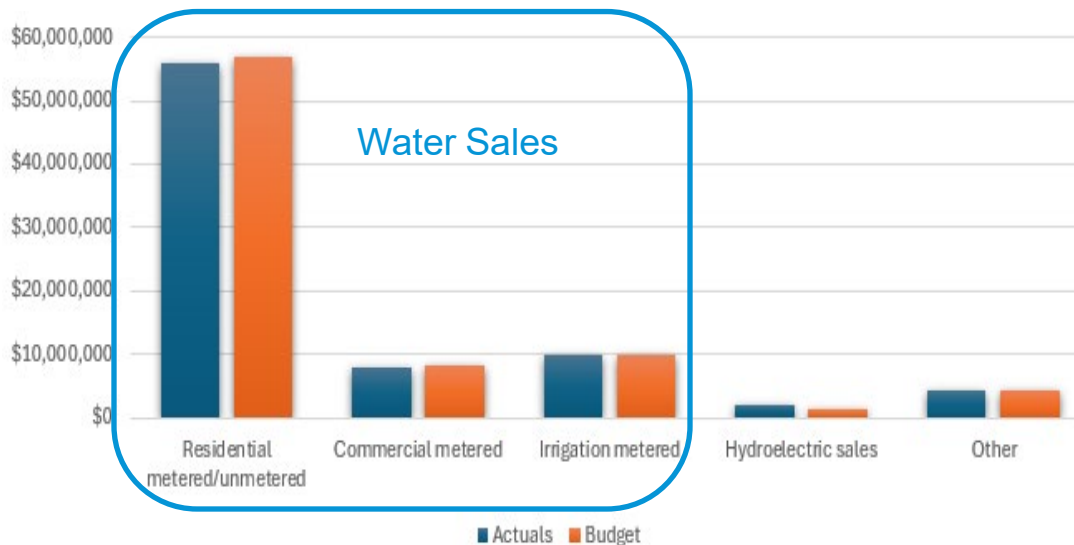
Summary

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%

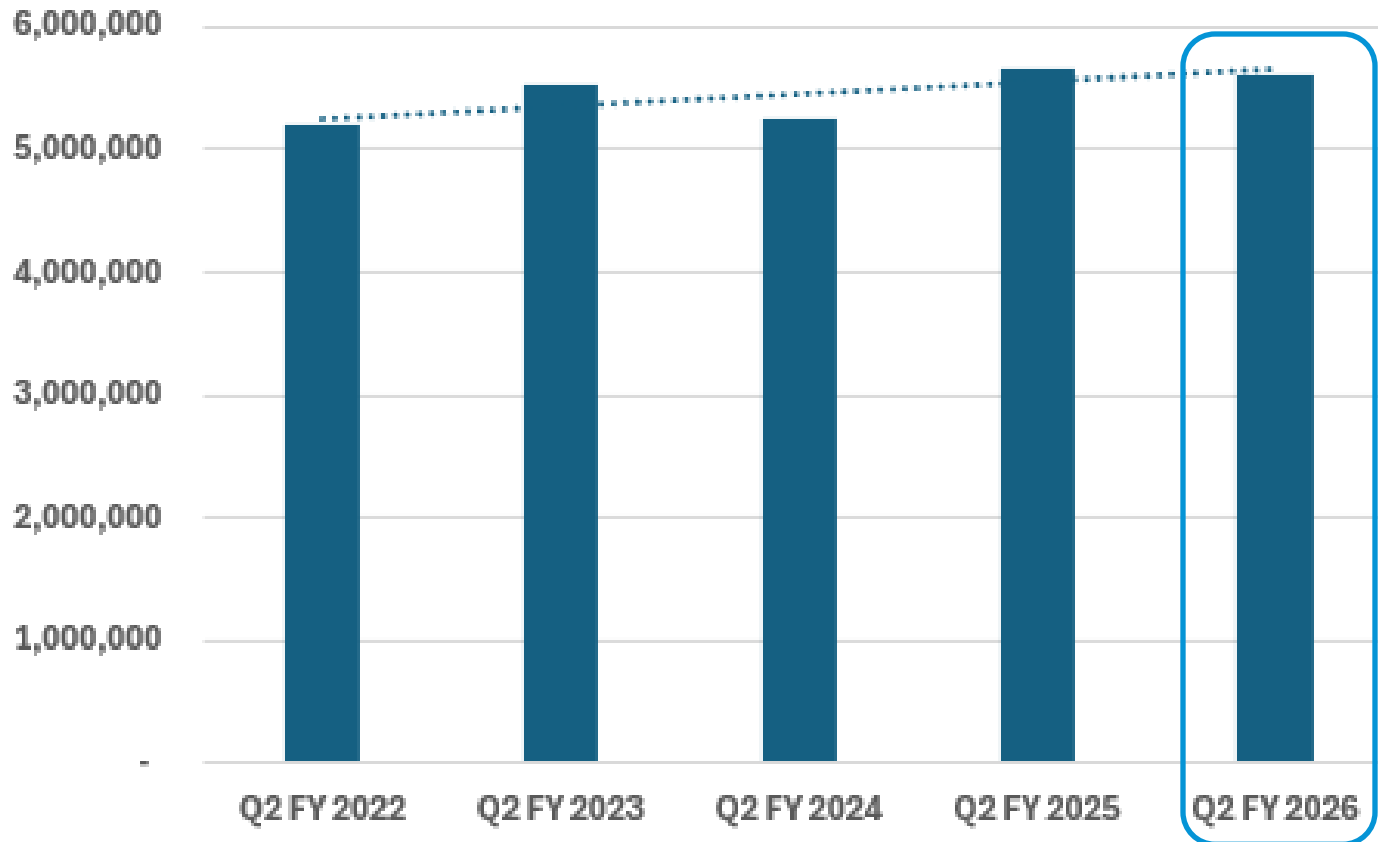
Operating Revenues

	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

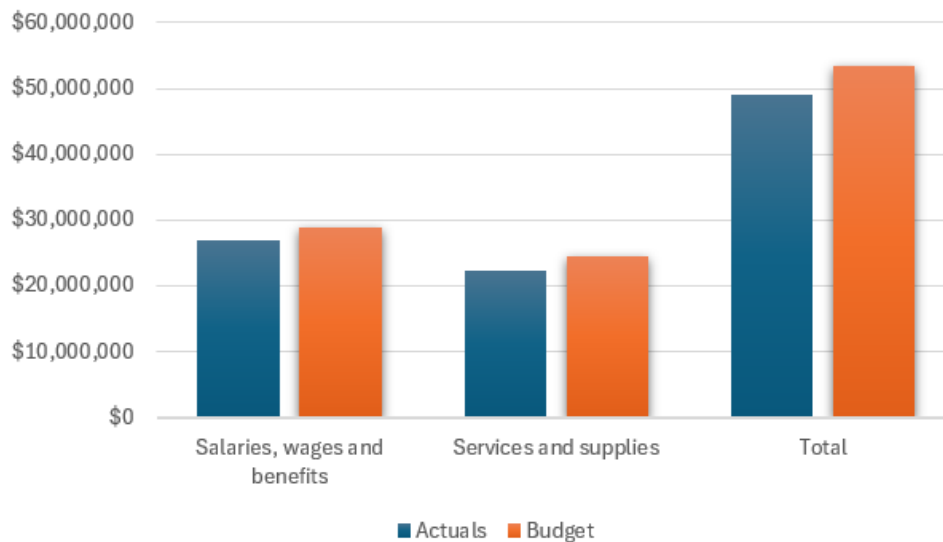
Gallons Sold (000) Q2 last 5 years



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

Operating Expenses

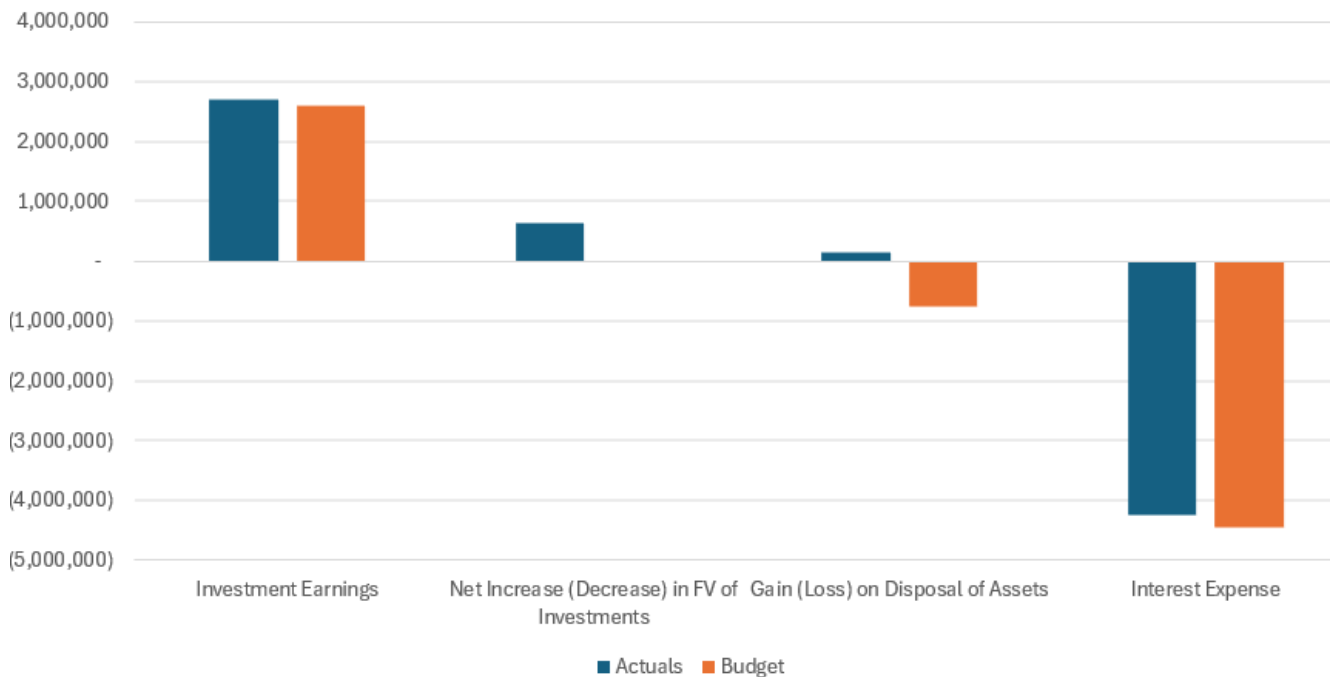
	Actual YTD 2026	Budget YTD 2026	Variance \$	Variance %
OPERATING EXPENSES				
Salaries and Wages	18,392,839	19,325,480	(932,641)	(5)%
Employee Benefits	8,469,206	9,633,917	(1,164,711)	(12)%
Services and Supplies	22,248,952	24,453,488	(2,204,536)	(9)%
Total Operating Expenses Before Depreciation	49,110,997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

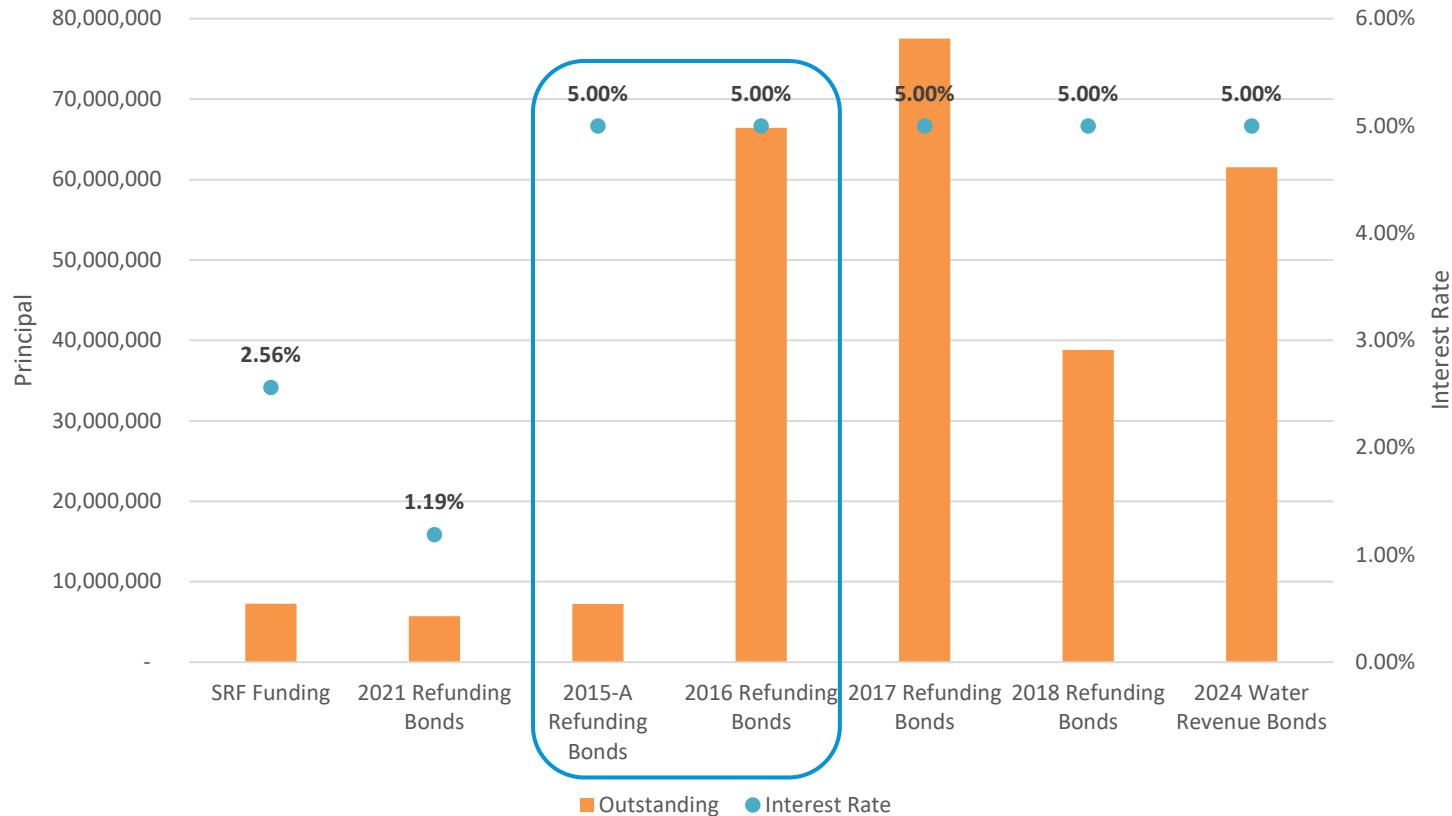
Nonoperating Revenues (Expenses)

	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)%
Total Nonoperating Revenues (Expenses)	(781,201)	(2,623,296)	1,842,095	(70)%



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

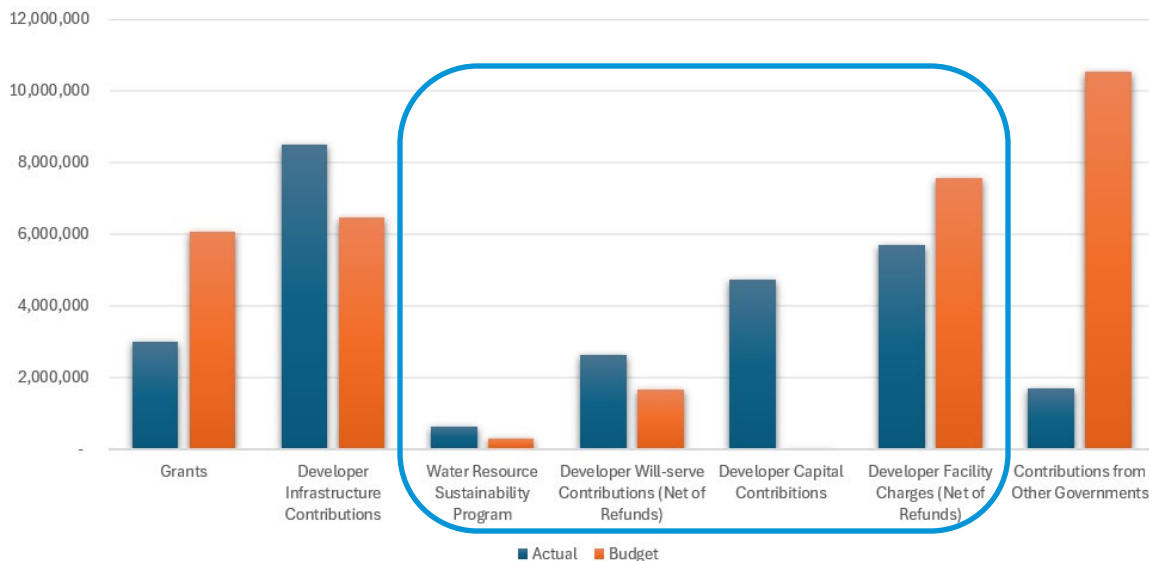
Long-term Debt Outstanding



- 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

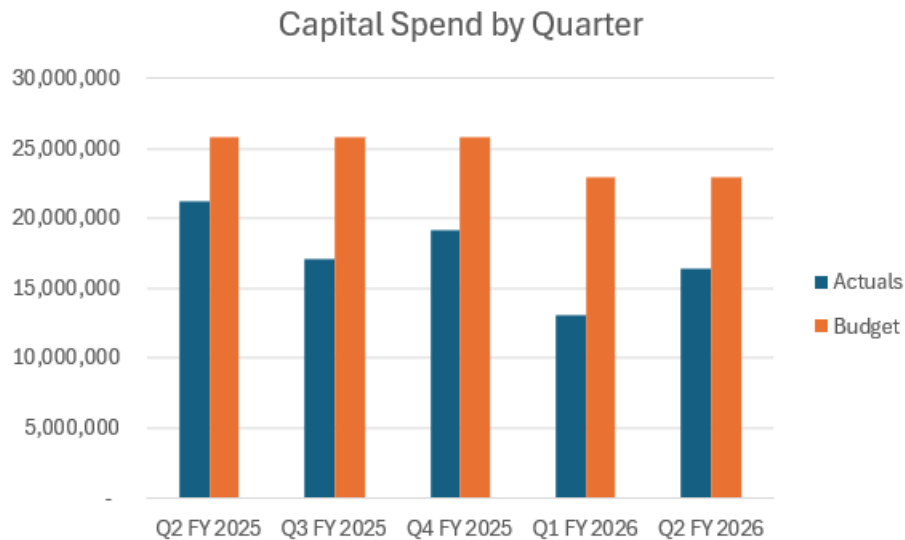
Capital Contributions

	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 %
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)%



- 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

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)

- 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



STAFF REPORT

TO: TMWA Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Matt Bowman, Chief Financial Officer
David Diegle, Engineering Manager
DATE: March 9, 2026
SUBJECT: Discussion and possible action on the TMWA Tentative Budget for the Fiscal Year ending June 30, 2027 and Draft Capital Improvement Plan for Fiscal Years 2027 through 2031

Recommendation

Staff recommends the TMWA Board and Standing Advisory Committee (SAC) review the tentative budget report for the fiscal year ending June 30, 2027 and preliminary Five-Year Capital Improvement Plan 2027-2031 (CIP). This allows the Board and SAC to provide input and direction to TMWA management in advance of the public hearing on the budget and CIP at the May 2026 Board meeting. The tentative budget will be filed with the Nevada Department of Taxation by April 15, 2026 in compliance with statutory requirements.

Schedule of Revenues, Expenses and Changes in Net Position- See Attachment A

Operating Revenues

Water demands are projected based on historical average water usage per service type and by service size. This methodology projects water sales revenue at \$134.8 million for FY 2027. This is an increase from the FY 2026 budget of \$127.6 million or 6%. The FY 2027 water sales include the Board approved 3.5% rate increase in May 2026. The increase scheduled for May 2026 was approved by the Board along with the five-year funding plan at the October 2025 Board meeting.

Hydroelectric revenues are expected to be \$2.0 million in FY 2027. This is a decrease from the FY 2026 budget of approximately \$2.9 million due to more downtime for maintenance on the facilities. Based on the current snowpack we expect normal river flows during the year, allowing for continuous hydroelectric power generation during the time the plants are online.

Other operating revenues are estimated at \$3.8 million. This line item primarily consists of new business inspection services, late payment fees, turn-on and turn-off fees, construction water sales, and cell phone tower lease revenues. Depending on the pace of residential/commercial construction there could be higher or lower construction water and inspection fees than projected.

The FY 2027 budget is approximately \$0.7 million lower than FY 2026 due to lower new business fees as project volume has decreased in recent periods.

Operating Expenses

Total operating expenses are expected to increase by \$3.4 million or 2% from the FY 2026 budget. This change consists of an increase of \$2.9 million in operating expenses before depreciation, and a \$0.6 million increase in depreciation. Comprising the change from the FY 2026 budget in operating expenses before depreciation, is an increase in salaries and wages of \$1.1 million (3%), employee benefits of \$1.1 million (6%), and services and supplies of \$0.7 million (1%).

Higher salaries result from step progressions and annual Labor Market Increase adjustments, offset by a reduced headcount (from 305 to 298 employees for FY 2026). TMWA aims to operate efficiently with minimal staff, adding positions only as needed. After the FY 2026 budget was published, several added roles were eliminated from the budget, leading to a decrease in total headcount.

Services and supplies are increasing by approximately \$0.7 million or 1% from the FY 2026 budget. TMWA departments spend a significant amount of time each year to determine the budget for services and supplies. This involves reviewing prior year budgets and actual costs to determine the best estimate for the upcoming year. Department managers are challenged each year to identify savings and consider the best use of TMWA's funds with regards to ongoing services and supplies costs. A summary of costs by expense item is included at ***Attachment C***, where the most notable changes are discussed.

Nonoperating Revenues and Expenses

Investment income is expected to decrease from FY 2026 by \$1.1 million due to lower invested balances and decreasing interest rates.

Interest expense is expected to remain flat in FY 2027. In FY 2027, as shown in ***Attachment B***, we expect to pay down \$16.9 million of total debt.

Capital Contributions

Grant revenue of \$9.4 million consists mainly of the TMWA share of grants related to the Advanced Purified Water Facility at American Flat. These grants are from the Bureau of Reclamation and EPA.

Cash related developer contributions are expected to increase slightly from the FY 2026 budget by \$0.8 million or 4%. These projections assume a consistent level of new projects in the TMWA service territory. However, the pace of development is difficult to predict and is contingent on external factors such as the broader economy, including interest rates, cost of construction, etc.

Contributions from other governments includes City of Reno's contributions towards the expected construction of the American Flat APW facility. These contributions may vary depending on timing and progress of construction in FY 2027. The related capital assets are included in TMWA's 2027-2031 Capital Improvement Plan.

Cash Position and Coverage Ratios

TMWA expects to begin FY 2027 with approximately \$134 million in total cash and investments and end the fiscal year with \$118 million, for an estimated cash decrease of \$16 million. These projections can be found in *Attachment B*.

TMWA's all-in debt coverage ratio, excluding system development charges, is budgeted to be 1.42x in FY 2027. Due to the conservative nature of the operating budget, TMWA expects to exceed 1.50x coverage for FY 2027. TMWA's senior lien debt coverage ratio is expected to be 1.60x exceeding the minimum senior lien coverage ratio of 1.25x required by bond covenants.

TMWA has maintained its credit ratings from Fitch of AAA, outlook Stable, Standard and Poor's of AA+, outlook Stable, and Moody's Aa2, outlook Stable.

Draft Capital Improvement Plan for Fiscal Years 2027-2031

TMWA's CIP totals \$638.2 million over the next five years. Improvements include a variety of construction projects and capital outlays of which \$193.7 million is planned in fiscal year 2027 and \$202.1 million in fiscal year 2028.

Of the total \$193.7 million in capital spending in fiscal year 2027, Raw Water accounts for \$88.8 million (46%) with \$85.0 million for the American Flat APW facility. In accordance with an Interlocal Agreement with City of Reno (approved by the TMWA board in December 2021), it is expected that the project will move forward in which City of Reno will be contributing 70% of the total project costs. The full cost of the project is included in TMWA's CIP as TMWA will ultimately own most of the assets. This project includes \$39.0 million in grant funding which will also be split 70% City of Reno and 30% TMWA.

Ground Water Supply Improvements account for \$12.6 million (7%) with \$2.2 million comprising PSOM Generators Phase 2; \$2.0 million for Spring Creek Well 10, \$1.9 million for STMGID Well 1 Re-Drill, and \$1.0 million for Sunrise Estates Well 4 Drilling.

Treatment Plant Improvements account for \$7.8 million (4%) with \$3.6 million comprising of various improvements at the Chalk Bluff Treatment Plant.

Pressure Improvements account for \$16.3 million (8%) with \$4.5 million for Broken Hills Booster Pump Stations, \$3.0 million for Prater MOV Relocation, \$2.4 million for Santerra Quilici 2 Booster Pump Station, and \$1.8 million for Power Loss Mitigation Program.

Water Main Distribution System Improvements are \$23.2 million (12%), comprising several distribution system improvements, including Plumas St Main Replacement totaling \$4.0 million to replace approximately 3,200 linear feet of water main, RTC Lemmon Drive Relocations/Improvements totaling \$4.0 million to replace a number of mains due to conflicts with RTC's Lemmon Drive project, S. Virginia St Main Replacement totaling \$2.5 million to replace 2,200 linear feet of water main and Rivermount Main Replacement Phase 2 totaling \$2.5 million to replace approximately 4,000 linear feet of water main.

Potable Water Storage Improvements are \$17.4 million (9%) with \$7.0 million for US 40 Tank and Feeder Main, \$4.8 million for Rattlesnake Tank Replacement and \$3.3 million for Sun Valley 2 Tank, booster pump station and mains.

Hydroelectric Improvements are \$15.0 million (8%) with \$8.4 million in improvements to Fleish Conveyance System Improvements.

Administrative Outlays account for \$9.7 million (5%) with \$5.0 million for Glendale Office Expansion, \$1.5 million for new crew trucks and vehicles and \$1.4 million for a new ERP implementation.

Increases in this year's CIP from prior year are driven primarily by increased spending on raw water for the American Flat APW facility, main replacements and storage tank improvements.

Recommended Motion

Move to approve the Tentative Budget for the fiscal year ending June 30, 2027, and Draft Capital Improvement Plan for fiscal years 2027 through 2031.

TRUCKEE MEADOWS WATER AUTHORITYComparative Statements of Revenues, Expenses and Changes in Net Position
Tentative Budget

	Tent. Budget FY 2027	Final Budget FY 2026	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	\$ 134,774,142	\$ 127,528,326	\$ 7,245,816	6%
Hydroelectric Sales	2,045,356	2,984,098	(938,742)	-31%
Other Operating Sales	3,847,729	4,583,935	(736,206)	-16%
Total Operating Revenues	140,667,227	135,096,359	5,570,868	4%
OPERATING EXPENSES				
Salaries and Wages	38,330,368	37,256,684	1,073,684	3%
Employee Benefits	18,551,547	17,531,728	1,019,819	6%
Services and Supplies	47,681,172	46,982,236	698,936	1%
Total Operating Expenses Before Depreciation	104,563,087	101,770,648	2,792,439	3%
Depreciation	36,407,831	35,769,401	638,430	2%
Total Operating Expenses	140,970,918	137,540,049	3,430,869	2%
OPERATING INCOME	(303,691)	(2,443,690)	2,139,999	-88%
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	3,849,105	4,955,558	(1,106,453)	-22%
Loss on Disposal of Assets	(1,604,100)	(1,500,000)	(104,100)	7%
Debt Issuance Costs	(200,000)	-	(200,000)	0%
Interest Expense	(9,064,321)	(8,914,244)	(150,077)	2%
Total Nonoperating Revenues (Expenses)	(7,019,316)	(5,458,686)	(1,560,630)	29%
Gain (Loss) Before Capital Contributions	(7,323,007)	(7,902,376)	579,369	-7%
CAPITAL CONTRIBUTIONS				
Grants	31,234,829	12,134,829	19,100,000	157%
Water Resource Sustainability Program	1,154,284	616,507	537,778	87%
Developer Infrastructure Contributions	18,642,368	12,951,222	5,691,146	44%
Developer Will-serve Contributions (Net of Refunds)	4,712,400	3,353,400	1,359,000	41%
Developer Facility Charges (Net of Refunds)	14,162,124	15,116,829	(954,705)	-6%
Contributions from Others	-	136,500	(136,500)	-100%
Contributions from Other Governments	30,900,000	21,100,000	9,800,000	46%
Net Capital Contributions	100,806,005	65,409,286	35,396,719	54%
CHANGE IN NET POSITION	93,482,998	57,506,910	35,976,088	63%

TRUCKEE MEADOWS WATER AUTHORITY

Statements of Cash Flows

Tentative Budget

	Tent. Budget FY 2027	Final Budget FY 2026	Variance \$	Variance %
OPERATING ACTIVITIES				
Cash Received From Customers	\$ 140,667,227	\$ 135,096,359	\$ 5,570,868	4%
Cash Paid to Employees	(55,175,457)	(50,953,224)	(4,222,233)	8%
Cash Paid to Suppliers	(47,681,172)	(46,982,236)	(698,936)	1%
Net Cash From Operating Activities	37,810,598	37,160,899	649,699	2%
CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition & Construction of Capital Assets	(106,021,000)	(75,471,000)	(30,550,000)	40%
Interest Paid on Financing	(11,301,797)	(13,217,088)	1,915,291	-14%
Principal Paid on Financing	(16,856,146)	(16,299,237)	(556,909)	3%
Proceeds From Debt Issuance	16,350,000	1,662,000	14,688,000	884%
Debt Issuance Costs	(200,000)	-	(200,000)	0%
Grants	9,434,829	12,568,247	(3,133,418)	-25%
Contributions for Water Resource Sustainability Program	1,154,284	616,507	537,778	87%
Contributions From Developers-Will-Serve Letters	4,712,400	3,353,400	1,359,000	41%
Contributions from Developers - Facility Charges	14,162,124	15,116,829	(954,705)	-6%
Contributions from Others	-	136,500	(136,500)	-100%
Contributions from Other Governments	30,900,000	21,100,000	9,800,000	46%
Net Cash Used For Capital & Relating Financing Activities	(57,665,306)	(50,433,842)	(7,231,463)	14%
INVESTING ACTIVITIES				
Interest Received	3,849,105	4,955,558	(1,106,453)	-22%
Net Cash From Investing Activities	3,849,105	4,955,558	(1,106,453)	-22%
NET CHANGE IN CASH AND CASH EQUIVALENTS	(16,005,603)	(8,317,386)	(7,688,217)	92%
CASH AND CASH EQUIVALENTS, BEGINNING PERIOD	133,677,441	160,219,152	(26,541,711)	-17%
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 117,671,838	\$ 151,901,766	\$ (34,229,928)	-23%

TRUCKEE MEADOWS WATER AUTHORITY

FY27 vs FY26 Budget ~ Changes by Expense Element

Expense Element	FY27	FY26	Variance \$	Variance %	
Hardware/Software	\$ 4,329,360	\$ 3,685,022	\$ 644,338	17%	A
Insurance/Claims	1,871,905	1,567,914	303,991	19%	B
Supplies/Equipment Rental	5,804,600	5,508,962	295,638	5%	C
Chemicals	4,284,965	4,015,568	269,397	7%	D
Street Repairs	902,250	650,250	252,000	39%	
Contracted Services	11,843,142	11,701,528	141,614	1%	
Agency Reimbursements	(357,500)	(409,625)	52,125	-13%	
Land/Leases/Permitting	1,221,560	1,187,025	34,535	3%	
Internet/Other Utility	1,292,616	1,259,846	32,770	3%	
Resource Fees	1,344,558	1,314,500	30,058	2%	
Bank/Investment Fees	40,000	39,000	1,000	3%	
Miscellaneous Expenses	15,050	27,800	(12,750)	-46%	
Employee Related/Training	908,670	953,180	(44,510)	-5%	
Postage/Printing	692,050	738,600	(46,550)	-6%	
Property Taxes	642,600	752,500	(109,900)	-15%	
Overhead Allocations	(846,679)	(732,126)	(114,553)	16%	
Professional Services	2,998,035	3,176,102	(178,067)	-6%	
Electric Power	8,759,990	8,943,690	(183,700)	-2%	
Sponsorships/Community	1,013,000	1,221,500	(208,500)	-17%	
Project Related	921,000	1,381,000	(460,000)	-33%	
Total	\$ 47,681,172	\$ 46,982,236	\$ 698,936	1%	

Notes:

A - The increase in hardware and software costs are due to multiple softwares used across the company increasing in price plus the overlap of the new ERP (Accounting/HR) system with the existing systems during implementation.

B - Estimated insurance premiums for FY 2027 are higher along with claims estimates. Actual insurance renewal rates may come in slightly less than estimated.

C - A 5% increase in total supplies costs reflects expected inflationary price increases.

D - Increased chemical costs due to renewing supply contracts with price increases.

Truckee Meadows Water Authority										
Five Year Capital Improvement Plan										
Fiscal Year 2027-2031										
Line	Priority	Funding Source	Description	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five Year CIP Total	
1			Raw Water Supply Improvements							
2	3	Customer Rates	Highland Canal-Upgrades-Downstream	225	225	225	225	225	1,125	
3	1	Customer Rates	Highland Canal Risk and Capacity Analysis	500	1,500	1,500	-	2,500	6,000	
4	1	Customer Rates	Highland Siphon Replacement	1,200	200	4,400	7,400	-	13,200	
5	1	Customer Rates	Highland Diversion Land Purchase	1,000	-	-	-	-	1,000	
6	1	Customer Rates	Highland/Washoe Intake Access Bridge	250	3,000	2,350	-	-	5,600	
7	2	Customer Rates	Highland Canal Upgrades- CB Gate to McCarran	600	-	-	-	-	600	
8	1	Developer Fees / Sustainability Fees / Grants/ Reimbursements	Advanced Purified Water Facility at American Flat	85,000	125,000	35,000	5,000	-	250,000	
9			Total Raw Water Supply Improvements	88,775	129,925	43,475	12,625	2,725	277,525	
10										
11			Ground Water Supply Improvements							
12	1	Customer Rates	Well Rehabilitation Improvements	200	200	200	200	200	1,000	
13	2	Customer Rates	Air Guard Well Replacement Equipping	-	-	-	2,000	-	2,000	
14	2	Customer Rates	Lemmon Valley Well 6 and 7 Abandonment	200	-	-	-	-	200	
15	2	Customer Rates	Lemmon Valley Well 8 Replacement	900	-	-	-	-	900	
16	1	Customer Rates	Well Fix and Finish	350	350	350	350	350	1,750	
17	1	Customer Rates	Thomas Creek 2 Well	370	-	-	-	-	370	
18	1	Customer Rates	Spring Creek 8 Well Equipping	1,100	1,600	1,700	-	-	4,400	
19	1	Customer Rates / Sustainability Fees	Well Head TTHM Mitigation	300	315	-	-	-	615	
20	1	Developer Fees	Spring Creek Well 10 - Donovan	2,000	250	-	-	-	2,250	
21	2	Customer Rates/ Reimbursements	Fish Springs Ranch Geophysics/Drilling Project	-	-	-	200	-	200	
22	1	Customer Rates	STMGID Well 1 Re-Drill	1,900	-	-	-	-	1,900	
23	2	Customer Rates	STMGID 5 Redrill	-	1,200	-	-	-	1,200	
24	2	Customer Rates	Glendale Induction Wells Drilling	-	-	-	2,250	-	2,250	
25	3	Customer Rates	Boomtown 13 Well	-	2,000	-	-	-	2,000	
26	2	Developer Fees	Boomtown Water System Improvements	250	1,000	-	-	-	1,250	
27	2	Customer Rates	Lightning W 2 Re-drill	-	800	-	-	3,000	3,800	
28	2	Customer Rates	South Truckee Meadows Recharge Valve	250	-	-	-	-	250	
29	3	Customer Rates	STMGID 6 Well Re-drill	-	1,200	-	-	-	1,200	
30	2	Customer Rates	Stamptomill 3 Well	-	-	-	1,000	-	1,000	
31	2	Customer Rates	DWR Well House HVAC Upgrades	350	300	300	300	-	1,250	
32	1	Customer Rates	PSOM Generators (Mt Rose 1 and US 40 and Mt Rose 5)	2,150	-	-	-	-	2,150	
33	1	Customer Rates	Old Washoe Well 4 Rebuild	-	550	-	-	-	550	
34	1	Customer Rates	Sunrise Estates Well 4 Drilling & Equipping	990	250	-	-	-	1,240	
35	1	Customer Rates	Boomtown 12 Well Improvements	500	-	-	-	-	500	
36	1	Grants	Stamptomill Wells PFAS Treatment	800	1,500	2,500	1,000	-	5,800	
37			Total Ground Water Supply Improvements	12,610	11,515	5,050	7,300	3,550	40,025	
38										
39			Treatment Plant Improvements							
40	1	Customer Rates	Chalk Bluff Treatment Plant Improvements	525	425	425	740	560	2,675	
41	3	Customer Rates	Chalk Bluff Sedimentation Rehabilitation	800	-	-	-	-	800	
42	2	Customer Rates	Chalk Bluff HVAC Improvements	1,500	-	-	-	-	1,500	
43	2	Customer Rates	Chalk Bluff Soda Ash Reliability Upgrade	-	350	-	-	-	350	
44	1	Customer Rates	Glendale Treatment Plant Improvements	405	360	455	485	525	2,230	
45	1	Customer Rates	Glendale HVAC Improvements	1,000	-	-	-	-	1,000	
46	2	Customer Rates	Glendale Gate Improvements	100	400	-	-	-	500	
47	2	Customer Rates	Mt Rose Treatment Plant Efficiency Improvements	-	100	1,000	-	-	1,100	
48	2	Customer Rates	Glendale Filter Underdrains	-	750	1,750	1,500	-	4,000	
49	1	Customer Rates	Orr Ditch Pump Station Rehabilitation and Hydro Facility	150	-	-	-	-	150	
50	3	Customer Rates	Truckee Canyon Water Treatment Improvements	10	20	60	-	110	200	
51	3	Customer Rates	Lightning W Treatment Improvements	10	10	25	-	20	65	
52	1	Customer Rates	SCADA Rehabilitation / Plant Operating Software	1,000	750	750	500	200	3,200	
53	1	Customer Rates	Spanish Springs Nitrate Treatment Facility	1,500	500	-	-	-	2,000	
54	2	Customer Rates	Chalk Bluff Site Water Recovery Project	310	250	2,000	2,250	-	4,810	
55	2	Customer Rates	CB Lighting and Camera Project Phase 2 (East)	-	750	-	-	-	750	
56	1	Customer Rates	Chalk Bluff Chemical Pump	500	200	250	250	250	1,450	
57	2	Customer Rates	Chalk Bluff Traveling Screen #2	-	-	310	-	-	310	
58			Total Treatment Plant Improvements	7,810	4,865	7,025	5,725	1,665	27,090	
59										
60			Pressure Improvements							
61	2	Customer Rates	Pressure Regulators Rehabilitation	-	2,100	250	250	250	2,850	
62	1	Customer Rates	Land Acquisitions	400	150	150	150	150	1,000	
63	3	Customer Rates	Desert Fox BPS Standby Generator	150	-	-	-	-	150	
64	2	Customer Rates / Developer Fees	Anselmo BPS & Mains	-	-	-	1,000	3,000	4,000	
65	3	Customer Rates	Pump Station Oversizing	250	250	250	250	250	1,250	
66	2	Customer Rates / Developer Fees	Sullivan 2 Booster Pump Station Replacement	250	2,750	-	-	-	3,000	
67	1	Customer Rates	Power Loss Mitigation Program	1,800	150	1,350	2,050	1,350	6,700	
68	2	Customer Rates	Mae Anne 1 BPS Generator	550	-	-	-	-	550	
69	2	Customer Rates	Idlewild Booster Pump Station Relocation	-	400	1,200	1,800	-	3,400	
70	3	Developer Fees	Raleigh to Fish Springs Booster Pump Station	-	300	2,750	-	-	3,050	
71	2	Developer Fees	STMGID Tank 4/5 Booster Pump Station / Transmission Line	-	250	100	5,000	-	5,350	
72	3	Customer Rates	Sierra Summit-Kohl's Zone Consolidation	-	-	-	400	400	800	
73	3	Customer Rates	Wild Mustang Regulated Pressure Zone	-	-	-	50	400	450	
74	2	Customer Rates	Thomas Creek 4 Pressure Regulating Station	-	-	300	-	-	300	
75	2	Customer Rates	Kings Row 2 Booster Pump Station	-	-	-	-	200	200	
76	2	Developer Fees	Spring Creek Tanks 3 and 4 Booster Pump Station Modifications	-	300	1,200	-	-	1,500	
77	1	Developer Fees	Lazy 5 Low Head Pump Station and Mains	600	-	-	-	-	600	
78	2	Customer Rates	Lakeside Master BPS & Plumas Consolidation Project	400	-	-	-	-	400	
79	1	Customer Rates	Broken Hills Booster Pump Station (South Hills BPS Replacement)	2,450	3,500	500	-	-	6,450	
80	2	Developer Fees	Damonte Ranch BPS & Mains	-	600	2,500	-	-	3,100	
81	2	Customer Rates	Sierra Highlands Pressure Regulating Station	-	250	-	-	-	250	
82	2	Customer Rates	STMGID NAC Deficiencies - Upper Toll	-	-	-	-	600	600	
83	1	Reimbursements	Verdi 1 Booster Pump Station	10	-	-	-	-	10	
84	1	Reimbursements	Santerra Quilici 2 Booster Pump Station	2,435	200	-	-	-	2,635	
85	1	Developer Fees/ Reimbursements	Talus Valley Booster Pump Station	1,500	-	-	-	-	1,500	
86	1	Customer Rates	Tappan 2 Pressure Regulating Station	300	-	-	-	-	300	
87	1	Customer Rates	Idlewild Retaining Wall Replacement	1,000	750	-	-	-	1,750	
88	2	Customer Rates	Fish Springs BPS HVAC Upgrades	-	80	1,000	2,000	-	3,080	
89	1	Customer Rates	Desert Springs 2 BPS and Main	1,000	3,000	1,000	-	-	5,000	
90	1	Customer Rates	Prater MOV Relocation/Rehab Project	3,000	1,000	-	-	-	4,000	
91	1	Customer Rates	NW High School BPS HVAC and Starters	50	-	-	-	-	50	
92	2	Customer Rates	NW High School BPS Replacement	-	-	-	-	500	500	
93	2	Customer Rates	Saddlehorn 2 PRS SCADA Control	120	-	-	-	-	120	
94	2	Customer Rates	Stead To Raleigh BPS	-	-	-	-	500	500	
95	2	Customer Rates	Sutro BPS Replacement	-	-	-	400	3,000	3,400	
96			Total Pressure Improvements	16,265	16,030	12,550	13,350	10,600	68,795	

Line	Priority	Funding Source	Description	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five Year CIP Total
97									
98			Water Main-Distribution-Service Line Improvements						
99	1	Customer Rates	Street and Highway Main Replacements	3,500	5,000	5,000	5,000	5,000	23,500
100	2	Developer Fees	Goldenrod Main	2,200	-	-	-	-	2,200
101	2	Customer Rates	Goldeneye Parkway Main and Check Valve Tie	100	-	-	-	-	100
102	2	Customer Rates	Carter Dr, Frandsen Circle & Suda Way Water Main Replacement	300	-	-	-	-	300
103	1	Customer Rates	S. Virginia St Main Replacement	2,500	-	-	-	-	2,500
104	2	Developer Fees	North-East Sparks Tank Feeder Main Relocation	-	-	1,500	1,500	-	3,000
105	2	Developer Fees	Trademark 14" Main Tie	-	-	-	505	-	505
106	1	Customer Rates	Mount Rose Tank 1 Fire Flow Improvements PRS	400	570	-	-	-	970
107	2	Developer Fees	North-East Sparks Feeder Main Phase 8	-	150	3,000	-	-	3,150
		Customer Rates /							
108	2	Developer Fees	Sullivan 1 Main Tie and Pressure Regulating Station	-	-	100	650	-	750
109	1	Customer Rates	Montreux High Pressure ACP Replacement	100	250	1,850	-	-	2,200
110	2	Customer Rates	Off-River Supply Improvements - South Truckee Meadows	-	50	1,050	-	-	1,100
111	1	Customer Rates	Highland NVS Bypass	500	1,000	-	-	-	1,500
112	2	Customer Rates	Somerset 6 Main Tie and Pressure Regulating Station	-	-	400	-	-	400
113	2	Customer Rates	Fire Flow Improvements - Gravity <1,000 GPM	-	-	550	-	-	550
114	2	Customer Rates	Fire Flow Improvements - North Valleys <1,000 GPM	-	-	950	-	-	950
115	2	Developer Fees	Delucchi to Airway Main Tie	-	-	-	520	-	520
116	2	Developer Fees	South-East Sparks Feeder Main Phase 1	-	-	-	400	-	400
117	1	Customer Rates	Plumas St Main Replacement	4,000	-	-	-	-	4,000
118	2	Developer Fees	South-East Sparks Feeder Main Phase 2	-	-	-	1,000	-	1,000
		Customer Rates /							
119	3	Developer Fees	Beaumont Tank to Las Brisas Zone Main	-	1,000	-	-	-	1,000
120	2	Customer Rates	Mountain View Cemetery Fire and Service Relocation	-	-	-	1,200	-	1,200
121	2	Customer Rates	Surge and Turbine Main Replacement	60	-	-	-	-	60
122	1	Customer Rates	RTC Lemmon Drive Relocations/Improvements	4,000	-	-	-	-	4,000
123	2	Customer Rates	Keystone Main Replacement	550	-	-	-	-	550
124	2	Customer Rates	6th St Main Replacement	200	-	-	-	-	200
125	1	Customer Rates	Sierra Street Bridge Main Replacement	500	250	-	-	-	750
126	2	Customer Rates	Spring Creek Zone Conversion Phase 2	250	-	-	-	-	250
127	2	Customer Rates	St James to Old Washoe Intertie	-	-	2,750	-	-	2,750
128	2	Customer Rates	Mae Anne / McCarran Looping Main	-	-	-	100	-	100
129	2	Customer Rates	Gooseberry Zone 2nd Supply	-	-	-	500	-	500
		Customer Rates /							
130	2	Developer Fees	W 4th Street 24" Main (& Suction to Anselmo BPS)	-	-	-	400	4,000	4,400
131	1	Customer Rates	Rivermount Phase 2	2,500	-	-	-	-	2,500
132	1	Customer Rates	K Street Main Replacement	1,500	-	-	-	-	1,500
133	2	Customer Rates	Valve Replacement	-	250	250	250	250	1,000
134			Total Water Main-Distribution-Service Line Improvements	23,160	8,520	17,400	12,025	9,250	70,355
135									
136			Potable Water Storage Improvements						
137	2	Developer Fees	Fish Springs Tank 2 (2.5 MG)	-	-	400	500	4,000	4,900
138	1	Customer Rates	Sun Valley 2 Tank, BPS, & Mains	3,250	550	4,000	4,000	-	11,800
139	2	Customer Rates	Storage Tank Rehabilitation and Improvements	-	5,000	5,000	5,000	5,000	20,000
140	1	Customer Rates	Storage Tank Site Improvements	600	600	600	600	600	3,000
		Customer Rates /							
141	2	Developer Fees	Highland Reservoir Tank	-	-	-	6,000	6,000	12,000
		Customer Rates /							
142	2	Developer Fees	STMGID Tank East Zone 11 Tank	-	175	2,850	-	-	3,025
		Customer Rates /							
143	1	Developer Fees	US 40 Tank and Feeder Main	7,000	-	-	-	-	7,000
		Customer Rates /							
144	3	Developer Fees	Spanish Springs Altitude Valves (SC6 and DS3)	-	100	400	-	-	500
145	2	Customer Rates	Spring Creek 5B Tank (0.25 MG)	-	-	625	-	-	625
146	3	Customer Rates	Hidden Valley Tank Altitude Valve	350	-	-	-	-	350
147	1	Customer Rates	Hidden Valley Tank 4 Fire Flow Improvements	1,000	500	-	-	-	1,500
148	1	Customer Rates	Hunter Creek Reservoir Rehabilitation	100	3,000	1,500	-	-	4,600
149	1	Customer Rates	Fish Springs Terminal Tank Entrance Improvements	300	-	-	-	-	300
150	2	Customer Rates	STMGID 6 New Tank	-	-	-	400	-	400
151	1	Customer Rates	Rattlesnake Tank Replacement	4,830	5,150	750	-	-	10,730
152	2	Customer Rates	Pyramid Tank Cathodic Protection Investigation	-	100	-	-	-	100
153	2	Customer Rates	Reservoirs Fencing Improvements (Highland and Hunter Creek)	-	950	-	-	-	950
154	2	Customer Rates	Mt Rose 3 Tank - Add 2nd Tank (0.35 MG)	-	-	-	1,100	-	1,100
155			Total Potable Water Storage Improvements	17,430	16,125	16,125	17,600	15,600	82,880
156									
157			Hydroelectric Improvements						
158	1	Hydroelectric	Fleish Hydroelectric Conveyance System Improvements	8,350	-	-	-	-	8,350
159	1	Hydroelectric	Fleish Powerhouse Improvements	600	-	-	-	-	600
160	1	Hydroelectric	Fleish Powerhouse Generator Rewind	625	-	-	-	-	625
161	1	Hydroelectric	Verdi Sandgate Improvements	800	-	-	-	-	800
162	1	Hydroelectric	Verdi Powerhouse Improvements	1,800	-	-	-	-	1,800
163	1	Hydroelectric	Verdi Conveyance Improvements	-	150	-	-	-	150
164	1	Hydroelectric	Washoe Hydroelectric Powerhouse Improvements	2,800	6,000	6,000	-	-	14,800
165			Total Hydroelectric Improvements	14,975	6,150	6,000	-	-	27,125
166									
167			Customer Service Outlays						
168	1	Developer Fees	New Business Meters	100	100	100	100	100	500
169	3	Customer Rates	Mueller Pit Replacements former Washoe County	125	125	125	125	125	625
170	1	Customer Rates	Galvanized / Poly Service Line Replacements	250	250	250	250	250	1,250
171	1	Customer Rates	Automated Meter Infrastructure (AMI)	50	-	-	-	-	50
172			Total Customer Service Outlays	525	475	475	475	475	2,425
173									
174			Administrative Outlays						
175	1	Customer Rates	GIS / GPS System Mapping Equipment	20	20	20	100	20	180
176	1	Customer Rates	IT Server Hardware and Equipment	325	-	-	-	-	325
177	1	Customer Rates	IT Network Security Upgrades	250	-	-	-	-	250
178	1	Customer Rates	IT Physical Access Security Upgrades	10	10	10	10	-	40
179	1	Customer Rates	Printer / Scanner Replacement	15	10	10	50	10	95
180	1	Customer Rates	Crew Trucks / Vehicles	1,500	1,500	1,500	2,000	1,500	8,000
181	1	Customer Rates	Tyler ERP Implementation	1,400	1,000	-	-	-	2,400
182	2	Customer Rates	enQuesta Upgrade	-	-	1,100	1,100	-	2,200
183	2	Customer Rates	Radio Redundancy Purchase	250	250	250	250	250	1,250
184	1	Customer Rates	Mobile Generator Purchase	100	-	-	-	-	100
185	2	Customer Rates	Capital Fleet Mechanics Shop	100	-	-	-	-	100
186	1	Customer Rates	Financial Building Retrofit	200	2,000	2,000	2,000	-	6,200
187	1	Customer Rates	Lab Equipment	300	-	-	-	-	300
188	1	Customer Rates	Glendale Office Expansion	4,950	1,000	-	-	-	5,950
189	2	Customer Rates	Glendale Paving and Concrete Site Work	-	-	-	-	800	800
190	2	Customer Rates	Physical Site Security Fencing Improvements	250	250	250	250	250	1,250
191			Total Administrative Outlays	9,670	6,040	5,140	5,760	2,830	29,440
192									
193			Total Capital Spending Outlays	191,220	199,645	113,240	74,860	46,695	625,660

Line	Priority	Funding Source	Description	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five Year CIP Total
194									
195			Special Projects Funded by Development						
196	3	Developer Fees	Water Right Purchases	2,500	2,500	2,500	2,500	2,500	12,500
197			Total Special Projects Funded by Development	2,500	2,500	2,500	2,500	2,500	12,500
198									
199			Total Projected Capital Spending Including Projects Funded By Development	193,720	202,145	115,740	77,360	49,195	638,160
				FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five Year CIP Total
			Customer Rates	75,365	62,723	55,700	55,708	37,285	286,781
			Hydroelectric	14,975	6,150	6,000	-	-	27,125
			Developer Fees	20,660	30,868	23,857	16,749	11,910	104,043
			Reimbursements	46,305	83,240	24,240	3,340	-	157,125
			Sustainability	5,465	11,664	3,443	563	-	21,136
			Grants	30,950	7,500	2,500	1,000	-	41,950
			Total	193,720	202,145	115,740	77,360	49,195	638,160

TMWA Fiscal Year 2027 (Tentative) Budget

FY 27 Operating Budget and FY 27-31 CIP

*Presentation by Truckee Meadows Water Authority
April 7, 2026*

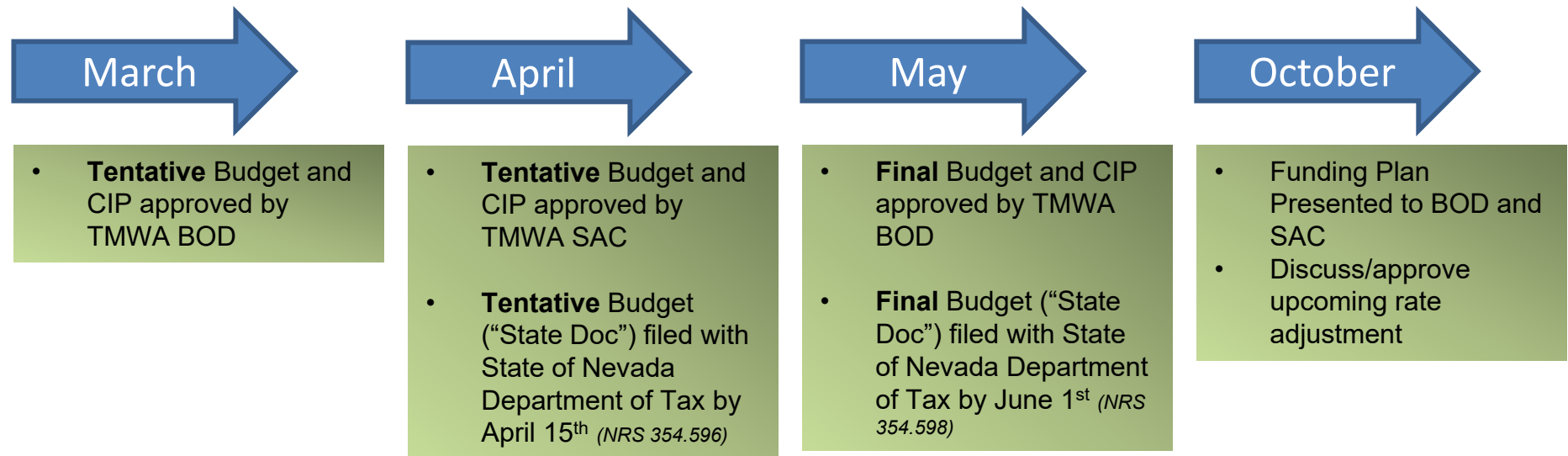


**Truckee Meadows
Water Authority**

Truckee Meadows Water Authority (TMWA)

FY 2027 (Tentative) Budget *(amounts in millions)*

Fiscal Planning Timeline



Truckee Meadows Water Authority (TMWA)

FY 2027 (Tentative) Operating Budget *(amounts in millions)*

Summary – Year over Year Budgets

	FY 2027	FY 2026	Change \$	Change %
Operating Revenue	140.7	135.1	5.6	4.1%
Operating Expense	141.0	137.5	3.5	2.5%
Operating Income	(0.3)	(2.4)	2.1	-87.5%
Nonoperating Revenues (Expenses)	(7.0)	(5.5)	(1.5)	27.3%
Capital Contributions	100.8	65.4	35.4	54.1%
Change in Net Position	93.5	57.5	36.0	62.6%
Net Change in Cash	(16.0)	(8.3)	(7.7)	92.8%

- Operating income is closer to \$0 which indicates recurring revenues are covering recurring expenses (does not include debt service).
- Net change in cash is negative due to heavy capital outlays early in the CIP. Primarily customer rate funded projects.

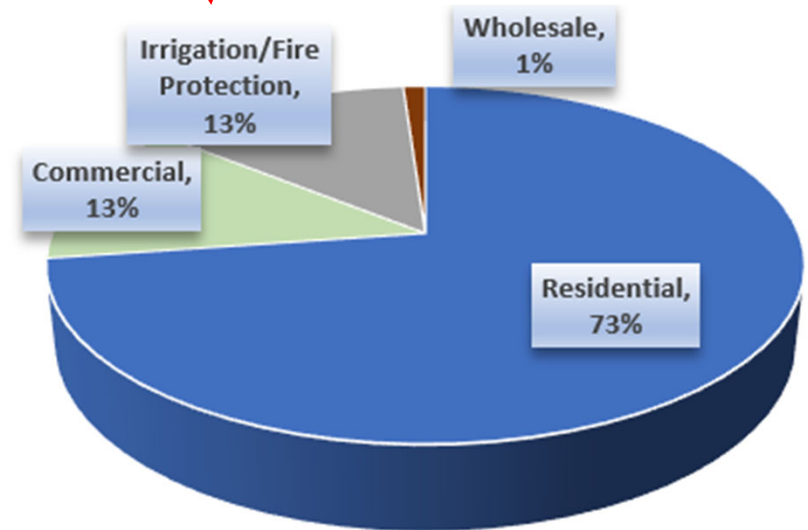
Truckee Meadows Water Authority (TMWA)

FY 2027 (Tentative) Operating Budget *(amounts in millions)*

Operating Revenue

	FY 2027	FY 2026	Change \$	Change %
Charges for Water Sales	134.8	127.5	7.3	5.7%
Hydroelectric Sales	2.0	2.9	(0.9)	-31.0%
Other Operating Sales	3.8	4.6	(0.8)	-17.4%
Total Operating Revenue	140.6	135.0	5.6	4.1%

- Water sales model assumptions
 - Rate increase of 3.5% in May 2026
 - Average weather year with all history/data available
 - Growth of ~1.0%
 - Future rate increases
 - FY 2026-2031 funding plan included increases of 5.0%, 4.5% and 4.5% in FY's 2027, 2028 and 2029, respectively.
 - Rates will be presented in late summer/fall 2026 for Board approval.



■ Residential ■ Commercial ■ Irrigation/Fire Protection ■ Wholesale

Truckee Meadows Water Authority (TMWA)

FY 2027 (Tentative) Operating Budget *(amounts in millions)*

Operating Expenses

	FY 2027	FY 2026	Change \$	Change %
Salaries and Wages	38.3	37.3	1.0	2.7%
Employee Benefits	18.6	17.5	1.1	6.3%
Services and Supplies	47.7	47.0	0.7	1.5%
Operating Expenses Before Depreciation	104.6	101.8	2.8	2.8%
Depreciation	36.4	35.7	0.7	2.0%
Total Operating Expenses	141.0	137.5	3.5	2.5%

- Salaries, Wages and Benefits
 - Net reduction in headcount
 - Vacant positions removed, existing staff re-allocated
 - Contracted Security Operations
- Nominal increase in Services and Supplies despite inflationary pressures.
 - Technology related costs and liability insurance driving increases

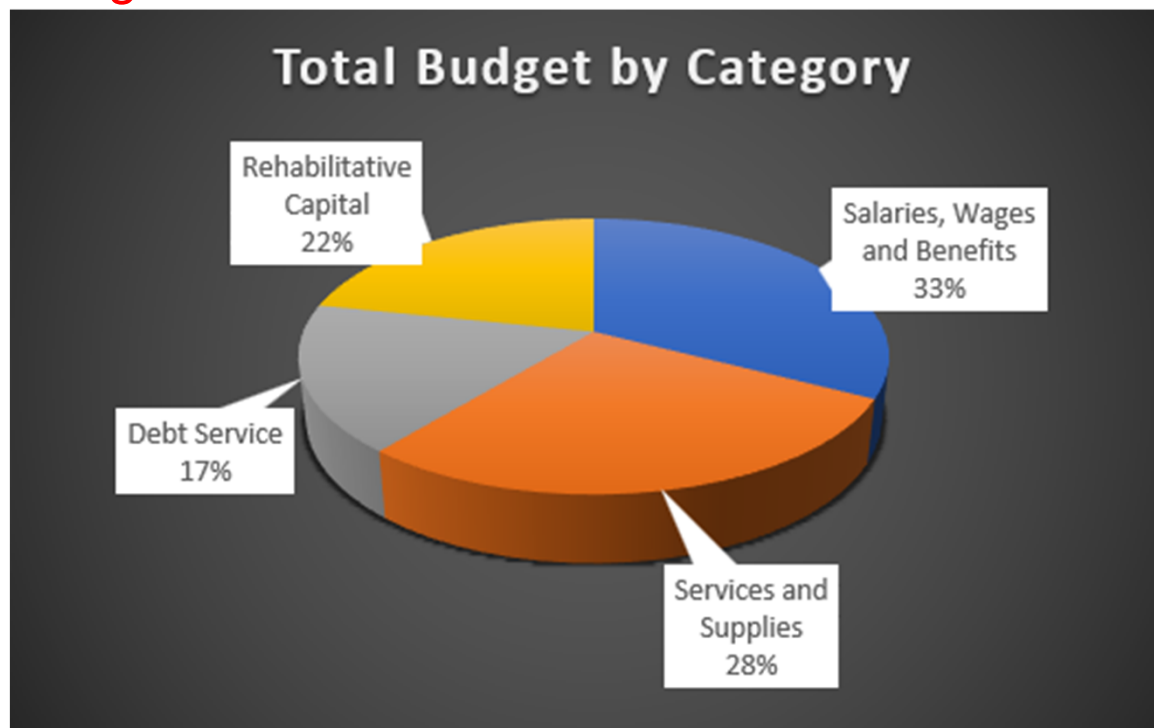
Truckee Meadows Water Authority (TMWA)

FY 2027 (Tentative) Operating Budget *(amounts in millions)*

Nonoperating Revenues and Expenses

	FY 2027	FY 2026	Change \$	Change %
Investment Earnings	3.8	4.9	(1.1)	-22.4%
Loss on Disposal of Assets	(1.6)	(1.5)	(0.1)	6.7%
Interest Expense	(9.1)	(8.9)	(0.2)	2.2%
Nonoperating Expenses	(6.9)	(5.5)	(1.4)	25.5%

Budget Breakdown



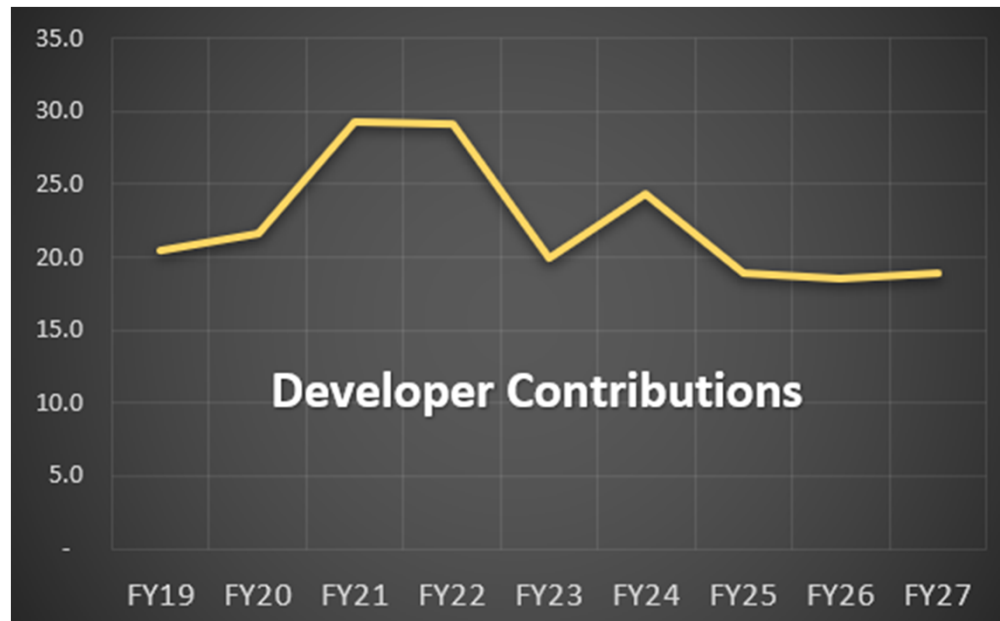
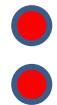
Category	Amount	Percent
Salaries, Wages and Benefits	54.2	33%
Services and Supplies	46.9	28%
Debt Service	28.7	17%
Rehabilitative Capital	36.1	22%
Total	165.9	100%

Truckee Meadows Water Authority (TMWA)

FY 2027 (Tentative) Operating Budget *(amounts in millions)*

Capital Contributions

	FY 2027	FY 2026	Change \$	Change %
Grants	31.2	12.1	19.1	157.9%
Water Resource Sustainability Program	1.2	0.6	0.6	100.0%
Developer Infrastructure Contributions	18.6	13.0	5.6	43.1%
Developer Will-serve Contributions	4.7	3.4	1.3	38.2%
Developer Facility Charges	14.2	15.1	(0.9)	-6.0%
Contributions from Other Governments	30.9	21.1	9.8	46.4%
Total Capital Contributions	100.8	65.3	35.5	54.4%



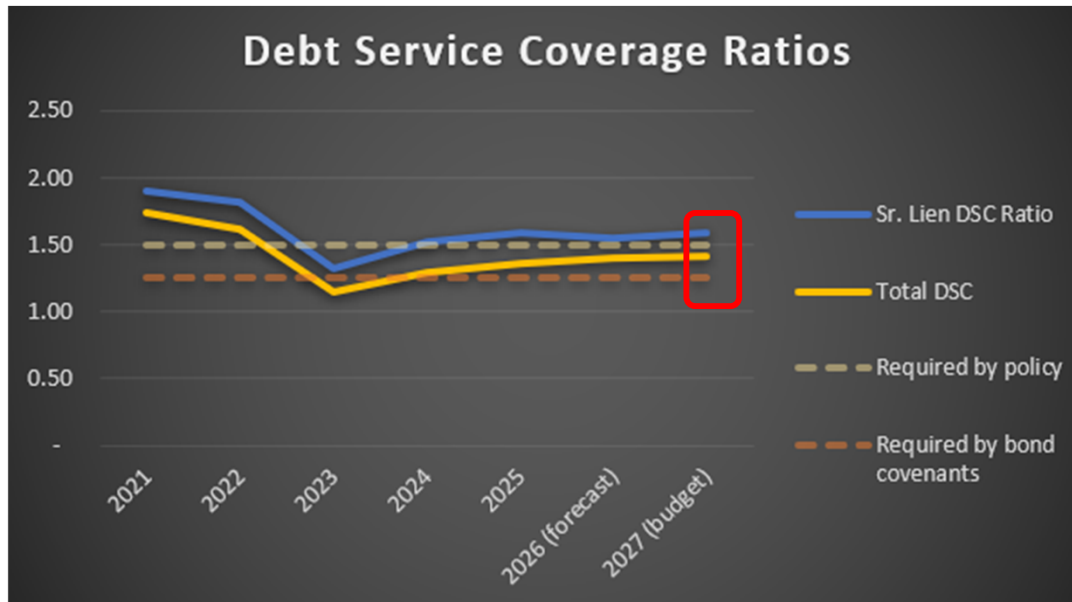
Includes TMWA's share of...

- BOR Title XVI grant for \$9.0m
- EPA Community Grant for \$0.9m
- SRF Principal Forgiveness – PFAS for \$2.0m

Truckee Meadows Water Authority (TMWA)

FY 2027 (Tentative) Operating Budget *(amounts in millions)*

Debt Service Coverage Ratio



Calculation of DSC Ratio

- (+) Operating Revenues
- (-) Operating Expenses
- (=) Net Revenues
- (/) Sr. Lien Debt Service
- (=) Sr. Lien DSC Ratio

All-in DSC Ratio FY 2027 Budget = 1.42x

- Consistent with recent funding plan projections
- Risks
 - Price increases (general inflation, tariffs)
 - Lower than budgeted water sales
- Upside
 - Higher than budgeted water sales

Bond Rating			Rating Category
FITCH	MOODY'S	S&P	
✓ AAA	Aaa	AAA	✓ PRIME
AA+	Aa1	✓ AA+	✓ HIGH GRADE
AA	✓ Aa2	AA	
AA-	Aa3	AA-	UPPER MEDIUM GRADE
A+	A1	A+	
A	A2	A	
A-	A3	B	LOWER MEDIUM GRADE
B +/-	Baa 1 2 3	BBB +/-	

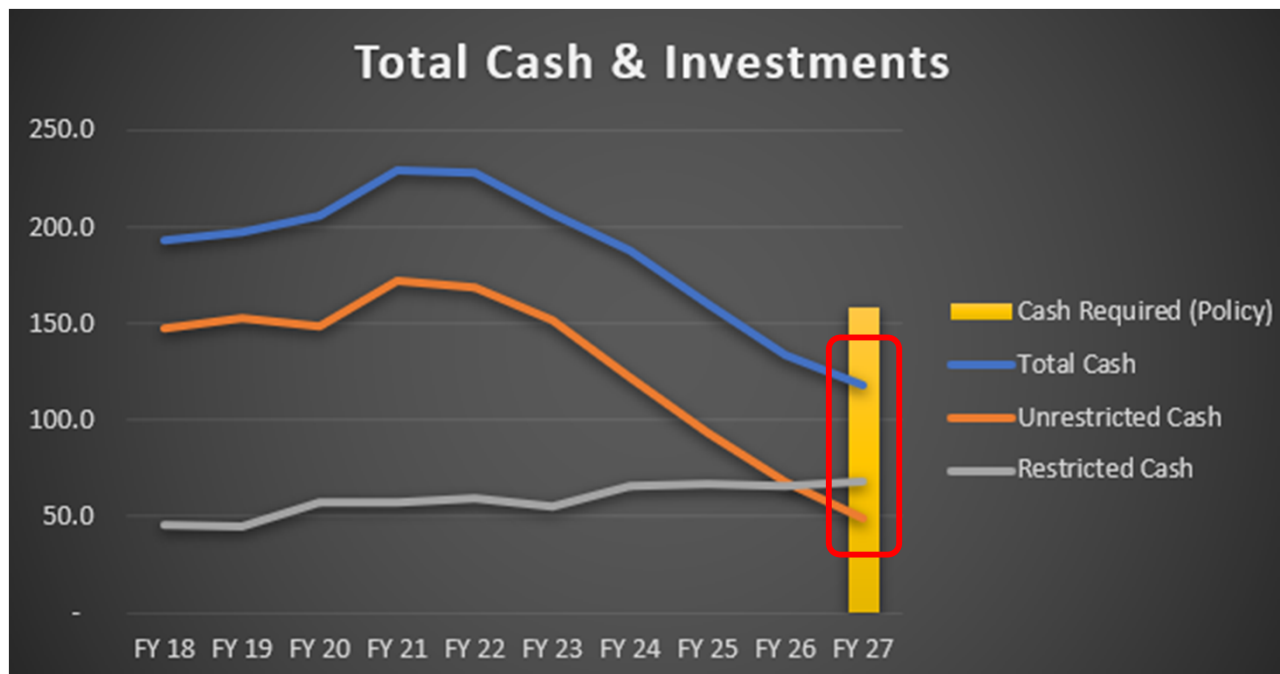
Bond ratings are expressed as letters ranging from "AAA" or "Aaa" which is the highest grade, to "D" ("junk"), which is the lowest grade. Different rating services use the same letter grades but use various combinations of uppercase and lowercase letters to differentiate themselves.

Truckee Meadows Water Authority (TMWA)

FY 2027 (Tentative) Operating Budget *(amounts in millions)*

Cash Flows

	FY 2027	FY 2026	Change \$	Change %
Cash Flow from Operations	37.8	37.2	0.6	1.6%
Cash Flow from Capital and Financing	(57.7)	(50.4)	(7.3)	14.5%
Cash Flow from Investing	3.8	5.0	(1.2)	-24.0%
Net Change in Cash	(16.1)	(8.2)	(7.9)	96.3%



Cash balance at FYE 2026 projected to be \$117.7m; total cash required by policy* is \$158.7m

*Restricted cash + Rate Stabilization Fund + Unrestricted Reserve = Total cash required by policy

Truckee Meadows Water Authority (TMWA)

Capital Improvement Plan FY 2027 – 2031 (tentative) *(amounts in millions)*

Summary of Funding Sources	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five Year CIP Total	CIP%	PY CIP	CIP %	Change \$	Change %
Customer Rates	75.4	62.7	55.7	55.7	37.3	286.8	45%	288.2	46%	(1.42)	0%
Hydroelectric	15.0	6.2	6.0	-	-	27.1	4%	26.1	4%	1.03	4%
Developer Fees	20.7	30.9	23.9	16.7	11.9	104.0	16%	97.8	16%	6.24	6%
Reimbursements	46.3	83.2	24.2	3.3	-	157.1	25%	162.9	26%	(5.78)	-4%
Sustainability	5.5	11.7	3.4	0.6	-	21.1	3%	20.8	3%	0.34	2%
Grants	31.0	7.5	2.5	1.0	-	42.0	7%	29.4	5%	12.55	43%
Total	193.7	202.1	115.7	77.4	49.2	638.2	100%	625.2	100%	12.96	2%

Customer Rates

Water Main Replacements (various) - \$16.2m
 Highland Siphon Replacement - \$13.2m
 Rattlesnake Tank Replacement - \$10.7m
 Power Loss Mitigation Program - \$6.7m

Developer Fees

Water Right Purchases - \$12.5m

Reimbursements

APWF at American Flat - \$148.8m*
 US 40 Tank and Feeder Main - \$4.6m
 Santerra Quilici 2 Booster Pump Station - \$2.6m

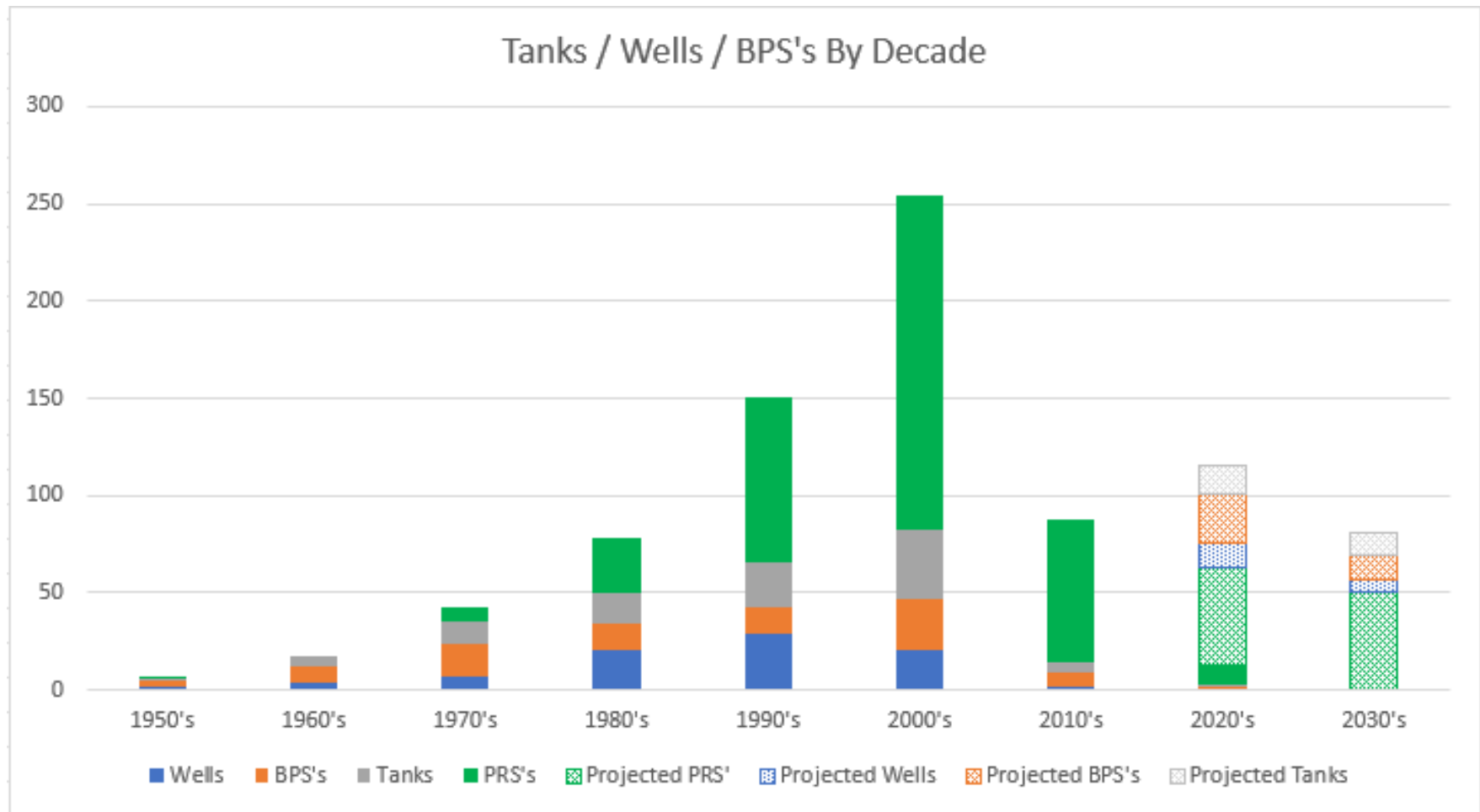
Hydroelectric

Washoe Plant Improvements - \$14.8m
 Fleish Hydroelectric Conveyance System Improvements - \$8.4m

*Project is funded through an ILA with City of Reno. TMWA's portion is 30% - of that, 60% is Reimbursements, 18% is Developer Fee Funded, 14% is Grant Funded and 8% is Sustainability.

Truckee Meadows Water Authority (TMWA)







Capital Improvement Plan FY 2027 – 2031 (tentative) *(amounts in millions)*



Truckee Meadows Water Authority (TMWA)

FY 2027 (Tentative) Budget *(amounts in millions)*

Summary/Take-aways

- Water Sales 
 - 3.5% rate increase in May 2026
 - Future rate increases TBD
- Operating Expenses 
 - 2.5% increase from prior year
 - Increase to employee headcount
 - Step increases
- Nonoperating Expenses 
- Capital Contributions 
 - Higher grant revenue and contributions related to American Flat APW
- Net Change in Cash 
 - Higher capital spend
- 5 Year Capital Spending 
 - 2% increase from prior year

Thank you!
Questions?

A Different
LEGAL
PERSPECTIVE

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**PARSONS
BEHLE &
LATIMER**

A Professional
Law Corporation

Standing Advisory Committee Chair and Vice Chair

Justina A. Caviglia

Shareholder, Parsons Behle & Latimer

STANDING ADVISORY COMMITTEE GOVERNING RULES

- Standing Advisory Committee Governing Rules were last updated on February 7, 2017
- The Rules can be amended by the SAC through “an affirmative vote of the majority of the members.” (Item. 11)

9. Officers:

- There shall be a Chair and a Vice Chair, elected by the Members. The chair will conduct the meetings. The Vice Chair or such other Member as the Chair or Vice Chair may designate will conduct the meeting in the absence of the Chair. Or, in the absence of the Chair and Vice Chair, a majority of the Members present may designate an Alternate to conduct the meeting. The Chair and Vice Chair each shall serve for a one-year term, with their terms expiring at the first meeting scheduled following the beginning of the calendar year following their election. *The Vice Chair shall automatically succeed to the position of Chair for the subsequent term, unless an alternate action is made by the Members. Officers may be reelected.* The Chair or the Chair's designee is the only Member who may speak on behalf of the Committee to the Board, to any member of the Board, or to the public.

Thank You

PARSONS
BEHLE &
LATIMER

For more information, contact:

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**TRUCKEE MEADOWS WATER AUTHORITY
STANDING ADVISORY COMMITTEE
GOVERNING RULES**

1. **Members:** Membership in the Standing Advisory Committee (“Committee”) is governed by the Truckee Meadows Water Authority’s Board of Directors (“Board”). Each Member is appointed for a two-year term. Members serve and may be reappointed at the Board’s pleasure. As requested by the Board, the Committee shall take action to make recommendations to the Board regarding membership in the Committee.
2. **Alternates:** In its discretion, the Board may appoint a Member to serve in either a primary (“Primary”) or alternate (“Alternate”) position. When making a recommendation to the Board to fill a Primary position vacancy, the Committee shall give preference to the existing Alternate(s).
3. **Participation:** Each Member is expected to attend all Committee meetings and review the agenda and all supporting materials prior to arrival. Failure by a Member to attend more than two meetings in a year may result in the Committee making a recommendation to the Board that the Member be replaced.
4. **Compliance with NRS Chapter 241:** Meetings shall be conducted in compliance with NRS Chapter 241, the Nevada “Open Meeting Law.”
5. **Quorum:** A quorum shall consist of a simple majority of the Primary Members. Members may participate telephonically in meetings, but telephonic participation shall not be considered in establishing a quorum. In the absence of a Primary Member, the Alternate Member for that customer class who is physically present at the meeting may be considered in establishing a quorum.
6. **Action:** For items other than those that constitute recommendations to the Board, an action may be taken by affirmative vote of the majority of Members physically present. For items that constitute recommendations to the Board, an action shall be taken only by an affirmative vote of the majority of the Membership. Each member shall have one vote. Members participating telephonically may not vote on action items. An Alternate sitting in for an absent Member has all of the voting rights of the absent Member. Otherwise, an Alternate has no voting rights.
7. **Agenda Items:** The Committee may, by action at a prior meeting, make suggestions to staff as to items to be placed on a future agenda. Except as otherwise directed by the Board, Staff shall have discretion as to the items that will be placed on the Committee’s agendas.
8. **Officers:** There shall be a Chair and a Vice Chair, elected by the Members. The Chair will conduct the meetings. The Vice Chair or such other Member as the Chair or Vice Chair may designate will conduct the meeting in the absence of the Chair. Or, in the absence of the Chair and Vice Chair, a majority of the Members present may designate an Alternate to conduct the meeting. The Chair and Vice Chair each shall serve for a one-year term, with their terms expiring at the first meeting scheduled following the beginning of the calendar year following their election. The Vice Chair shall automatically succeed to the position of Chair for the subsequent term, unless an alternate action is made by the Members. Officers

- may be reelected. The Chair or the Chair's designee is the only Member who may speak on behalf of the Committee to the Board, to any member of the Board, or to the public.
- 9. Conflicts of Interest:** Members shall disclose conflicts of interest regarding any decisions of the Committee and shall disclose any financial interest in Committee decisions and in organizations affected by Committee action, other than the financial interest that derives from being a TMWA customer. Members who will receive a direct financial benefit from any action taken by the Committee, other than a financial interest that derives from being a TMWA customer, shall abstain from voting on such action. In the event that a Member presents an idea to the Committee for consideration on behalf of another individual or entity, said Member shall disclose to the Committee the identity of said individual or entity.
 - 10. Uses of staff:** Staff will provide reasonable assistance to facilitate meetings and provide readily available information to the Committee to carry out its functions. The Committee shall reasonably limit its demands on staff time, and any demands made in excess of what staff deems reasonable shall require Board approval. No Member may request the use of staff time without approval of the Committee.
 - 11. Amendment of Rules:** Any amendments to these Rules shall require an affirmative vote of the majority of the members.

As amended, February 7, 2017