Investing in Our Water System

Proposed Water Rate Plan, 2027–2029

Fall 2026

Truckee Meadows Water Authority

Quality. Delivered.

What Your Water Bill Pays For

TMWA is a not-for-profit, community-owned water utility. Rates are set to recover the cost of providing water service — nothing more.

Treating your water

Turning Truckee River water and groundwater into safe drinking water that meets federal and state standards.

Delivering it 24/7

Operating and maintaining the pipes, tanks, wells, and pump stations that bring water to your tap.

Repairing and replacing

Renewing aging facilities before they fail — the focus of this rate plan.

Repaying past investments

Paying off the bonds (long-term loans) that built much of today's system.

OUR SYSTEM AT A GLANCE

465,000

residents served in Reno, Sparks, and Washoe County

2,154

miles of water pipe

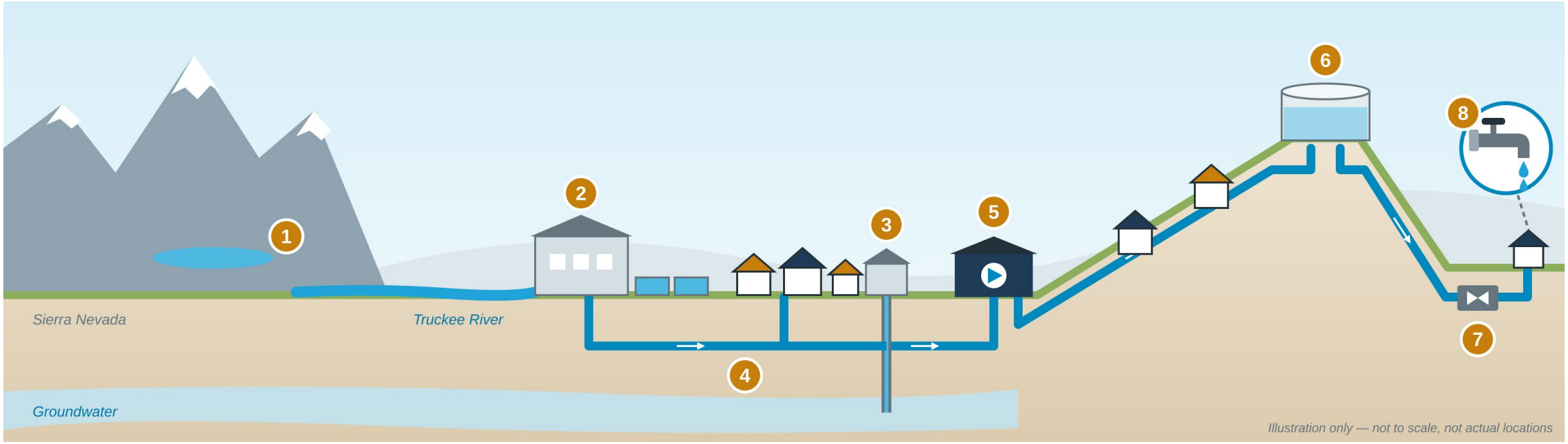
319

wells, plus treatment plants, tanks, and pump stations

Governed by a Board of elected officials from Reno, Sparks, and Washoe County.

How Your Water System Works

From the Sierra to your tap — and the equipment along the way that this plan keeps in good repair.



1 Source water
Sierra snowpack feeds the Truckee River; upstream reservoirs hold drought reserves.

2 Treatment plants
Filter and disinfect river water to meet drinking-water standards.

3 Wells
Pump groundwater to add to our supply, especially in summer.

4 Water mains
About 2,100 miles of pipe carry water under our streets.

5 Pump stations
Push water uphill to neighborhoods on higher ground.

6 Storage tanks
Hold water up high so gravity keeps pressure steady and fire reserves ready.

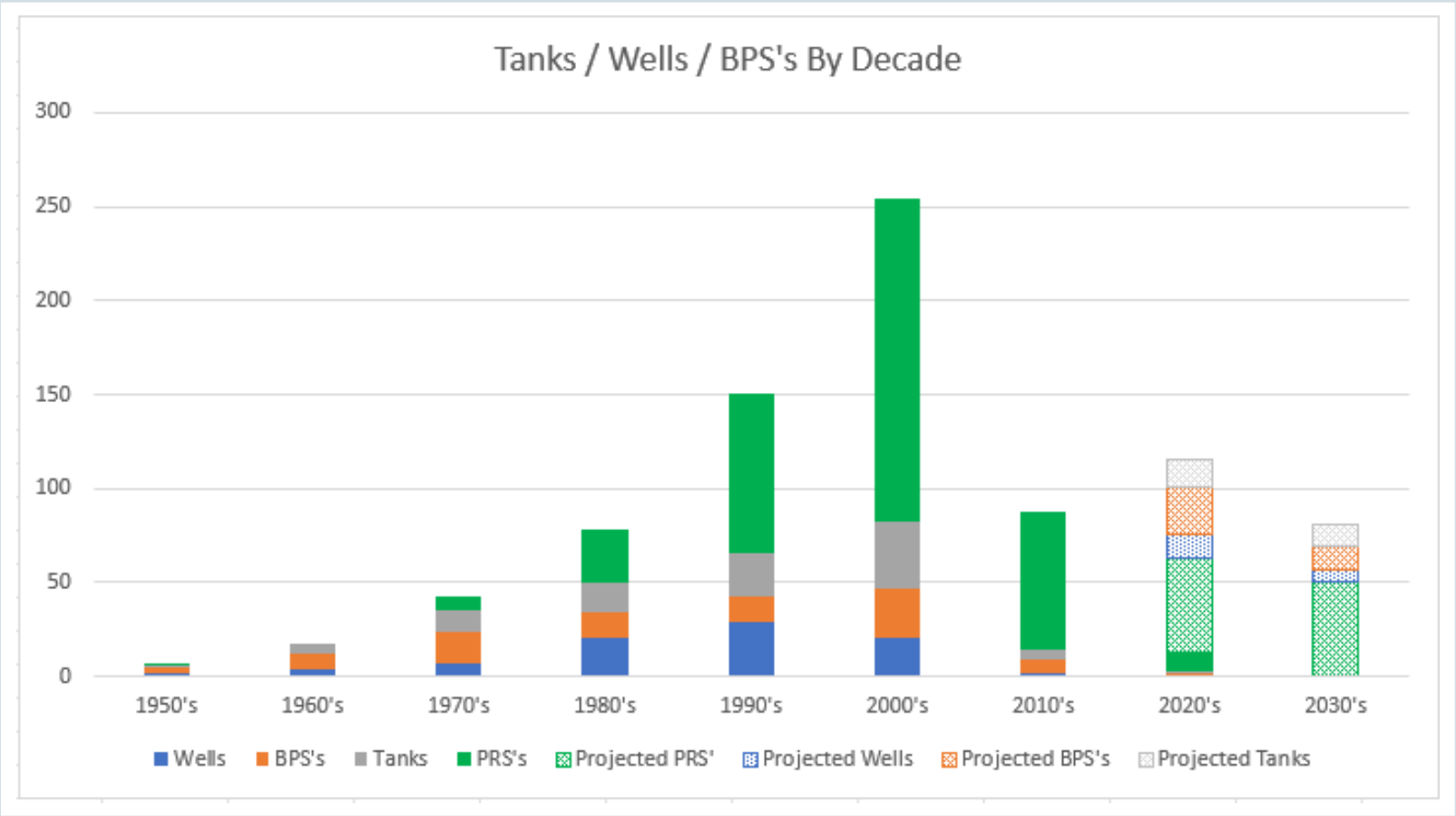
7 Pressure regulators
Step pressure down for lower areas so pipes and plumbing aren't damaged.

8 Your tap
Safe, reliable water — 24 hours a day, 365 days a year.

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Why Now? Much of Our System Is Reaching Middle Age

Most of our tanks, wells, pump stations, and pressure regulators were built during rapid growth in the 1990s and 2000s. Those facilities now need major repair or replacement — not just routine maintenance.



1990s–2000s

when most of today's facilities were built

25–35 years

the age that equipment is reaching now

Next decade

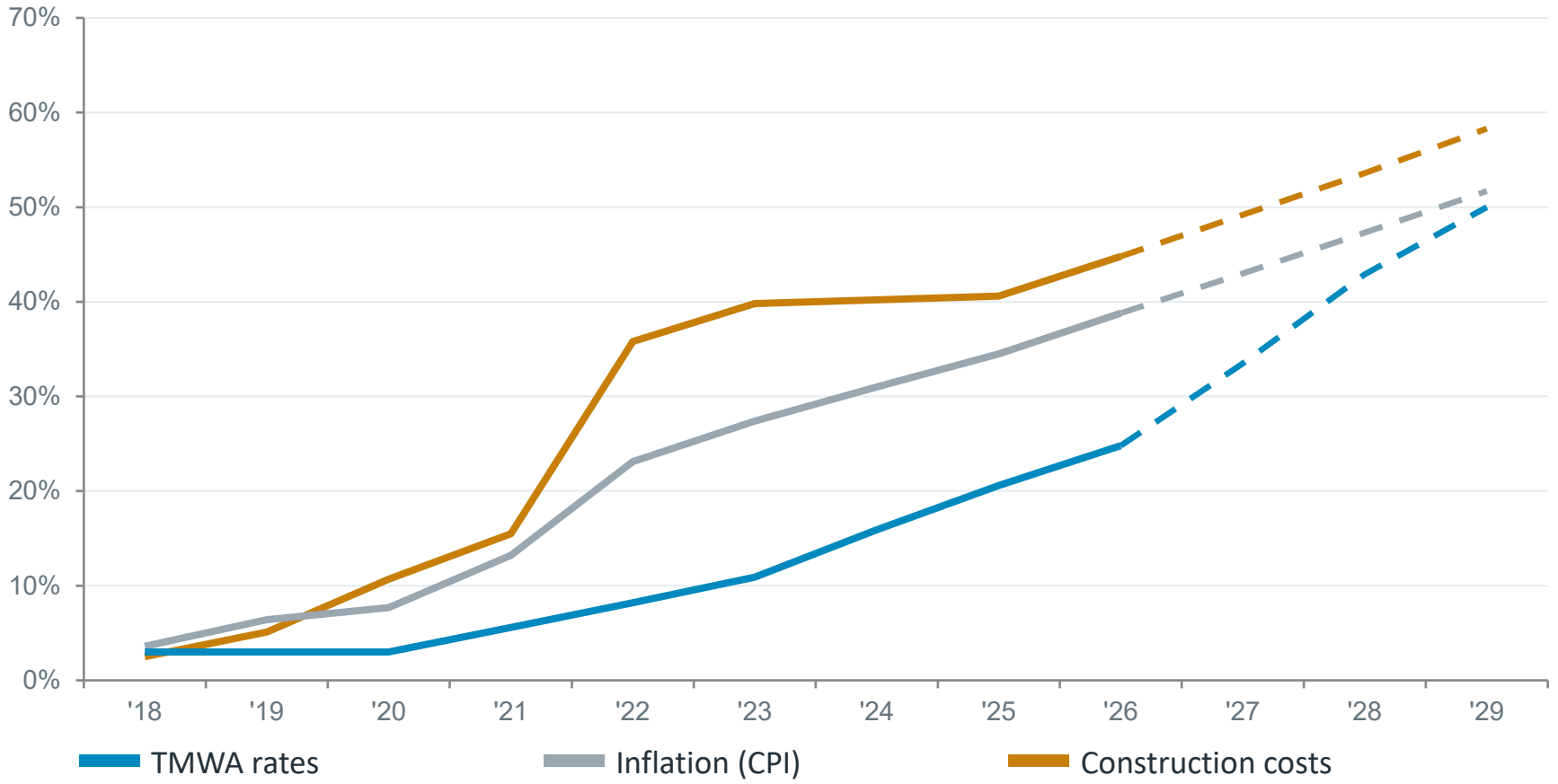
a wave of renewal work is coming due

Number of facilities added by decade built; shaded 2020s–2030s bars are projected. BPS = booster pump station; PRS = pressure regulating station. Source: TMWA Capital Improvement Plan FY2027–2031 (tentative).

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Our Costs Have Risen Faster Than Our Rates

Cumulative change since 2018. We've held rate increases below inflation and construction costs — but maintaining and reinvesting in the system requires more.



Solid = actual • dashed = forecast under the proposed plan

SINCE 2018

+25% TMWA water rates

+39% General inflation

+45% Construction costs

Why it matters: construction costs drive the price of rebuilding pipes, pumps, and tanks. By 2029, the plan brings rates roughly back in line with inflation — still below construction costs.

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Three Ways to Pay for It — Each With a Trade-off

Every utility facing aging infrastructure has the same three options. None of them is free.



Raise rates

HOW IT HELPS

Pays for work as we go, without adding interest costs.

THE TRADE-OFF

Higher bills for customers today.



Borrow

HOW IT HELPS

Spreads the cost of long-lasting pipes and facilities over the years people use them.

THE TRADE-OFF

Interest costs and repayments that last for years.



Delay repairs

HOW IT HELPS

Lowers spending — and rates — in the short term.

THE TRADE-OFF

Aging equipment is more likely to fail, and costs grow the longer we wait.

Our proposal uses rates and borrowing together — and keeps repair work on schedule.

Our Proposal: Rates + Debt

Three years of rate increases, paired with planned borrowing to keep those increases lower. The first increase would take effect May 1, 2027.

PROPOSED RATE INCREASES

7%
Year 1
May 2027
Inflation: 3%
Net increase: 4%

7%
Year 2
May 2028
Inflation: 3%
Net increase: 4%

5%
Year 3
May 2029
Inflation: 3%
Net increase: 2%

~$50 million

in planned borrowing

Spreads the cost of long-lived projects over time and keeps rate increases lower. Requires a separate Board approval.

10% / 10% / 8%

without borrowing

Paying for the same work entirely through rates would take roughly three points more each year.

Using some savings

during the plan

We'll draw down part of our reserves while the increases phase in, then rebuild them over time.

First, Some Context: The May 2026 Rate Redesign

A cost-of-service study rebalanced our rates so each customer group pays the right amount. It took effect in May 2026, together with a 3.5% overall rate adjustment.

WHAT CHANGED FOR A STANDARD HOME (3/4-INCH METER)

	Before May 2026	Since May 2026	Change
Monthly customer charge	$23.02	**$21.87**	**–5%**
Tier 1 (first 6,000 gal), per 1,000 gal	$2.14	**$2.20**	**+3%**
Tier 2 (6,001–25,000 gal), per 1,000 gal	$3.45	**$3.30**	**–4%**
Tier 3 (over 25,000 gal), per 1,000 gal	$4.05	**$4.39**	**+8%**

Tier 1 rose slightly, but the lower customer charge and Tier 2 rate more than offset it at typical use. Tier 3, the heaviest summer use, rose most.

Even with the 3.5% adjustment, most standard-meter home bills went down slightly in May 2026.

Looking across both changes: measured from before the redesign, the proposed increases would put a typical bill about 16–17% higher by 2029.

Single-family residential, 3/4-inch meter, water charges only. Before = rates through April 2026; since = rates effective May 2026, including the 3.5% overall adjustment. Homes with 1-inch and larger meters now share one customer charge, and some of those bills went up.

What It Means for Your Bill

Three kinds of households, summer and winter — today vs. after three years.

1. Typical use | 2. Lower use | 3. Higher outdoor use

Typical use

Near the average for residential customers

SUMMER (AUGUST) • 16,000 gal/month

Today	After three years
$53.72	→ **$64.59**

+$10.87 per month after three years

WINTER (JANUARY) • 4,500 gal/month

Today	After three years
$30.36	→ **$36.49**

+$6.13 per month after three years

Residential customers, 3/4-inch meter. Today = current rates; after three years = rates following the May 2029 increase. Usage profiles are illustrative.

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What It Means for Your Bill

Three kinds of households, summer and winter — today vs. after three years.

1. Typical use | **2. Lower use** | 3. Higher outdoor use

Lower use Small lot, little outdoor watering

SUMMER (AUGUST) • 5,000 gal/month

Today	After three years
$27.91 →	**$33.55**

+$5.65 per month after three years

WINTER (JANUARY) • 3,000 gal/month

Today	After three years
$26.63 →	**$32.01**

+$5.38 per month after three years

Residential customers, 3/4-inch meter. Today = current rates; after three years = rates following the May 2029 increase. Usage profiles are illustrative.

What It Means for Your Bill

Three kinds of households, summer and winter — today vs. after three years.

1. Typical use | 2. Lower use | **3. Higher outdoor use**

Higher outdoor use

Larger yard, heavy summer watering

SUMMER (AUGUST) • 35,000 gal/month

Today	After three years
$143.42 →	**$172.41**

+$28.99 per month after three years

WINTER (JANUARY) • 7,000 gal/month

Today	After three years
$31.14 →	**$37.43**

+$6.29 per month after three years

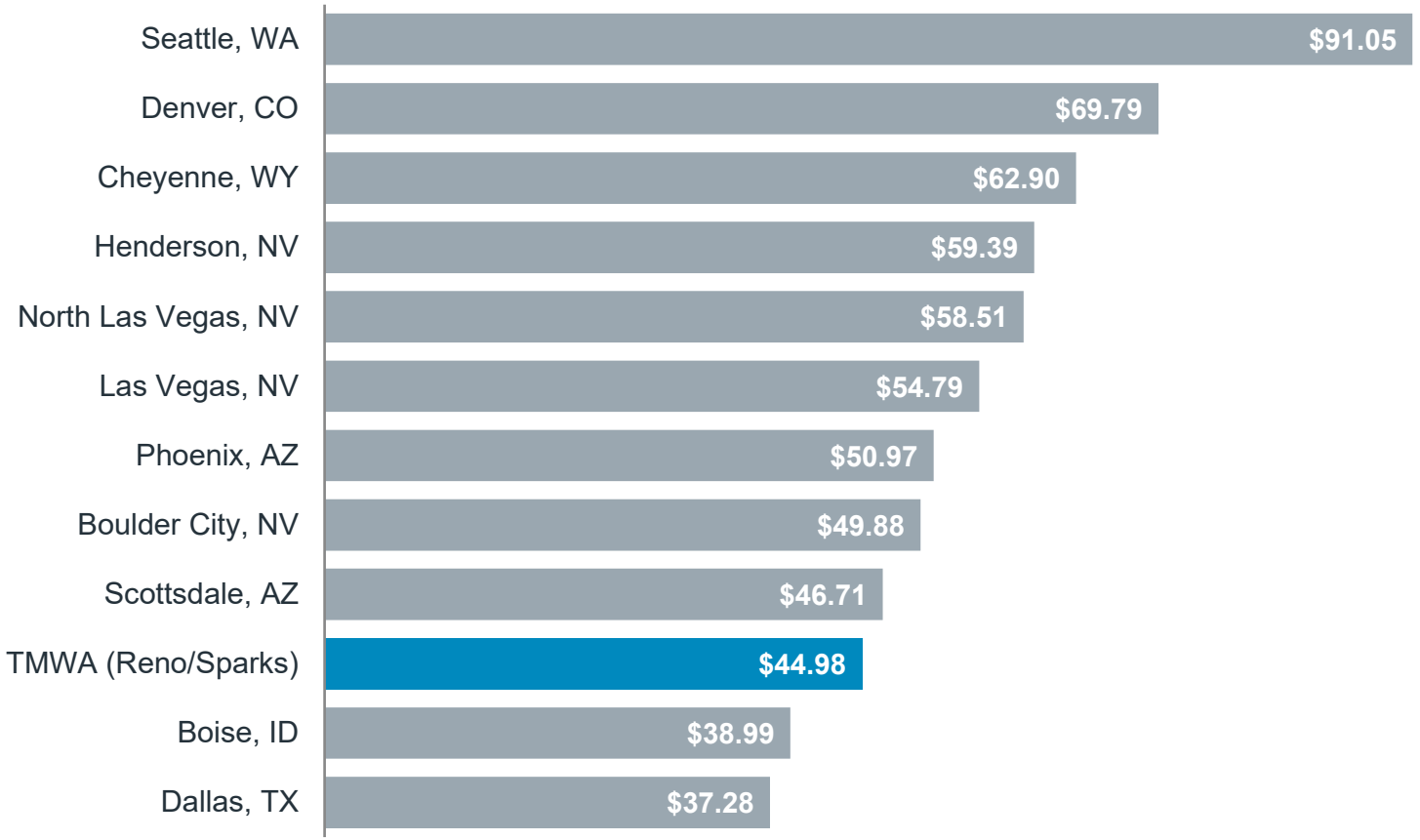
Every bill rises by the same ~20% over three years — your dollar change depends mostly on summer use.

Residential customers, 3/4-inch meter. Today = current rates; after three years = rates following the May 2029 increase. Usage profiles are illustrative.

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How Our Bills Compare

Monthly bill for 8,800 gallons at a selection of Western utilities. TMWA is well below the middle of the 55 utilities surveyed.



$44.98

TMWA typical bill today

$62.90

middle (median) bill among all 55 utilities surveyed

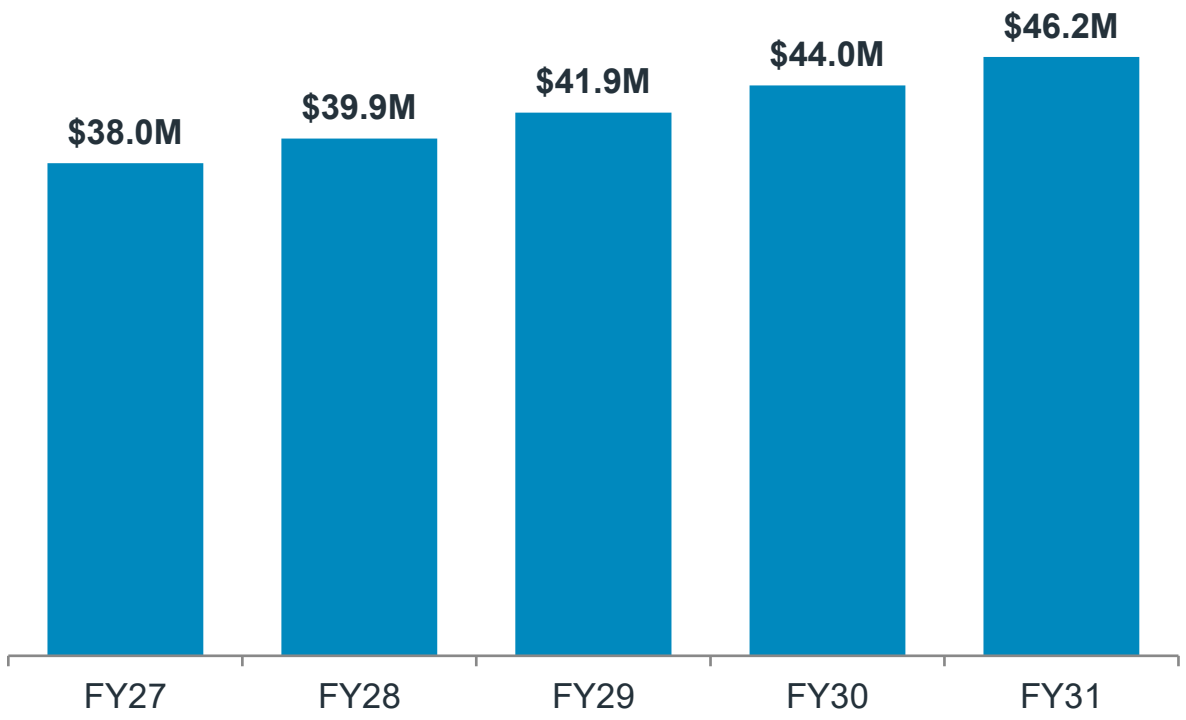
Even after three years of proposed increases (~$54), TMWA's bill would remain below today's median — and other utilities are raising rates too.

Source: Las Vegas Valley Water District, Annual Comprehensive Financial Report FY2025, Municipal Water Rates Survey (average monthly bill for 8,800 gallons). Denver = outside-city rate. Peer bills reflect rates at time of survey; TMWA reflects current rates.

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What Your Investment Delivers

The plan funds about $210 million in repair and replacement over five years — keeping pace with an aging system.



Repair and replacement spending by fiscal year (July–June). About $157M was invested over the past three years.

WHAT THIS WORK INCLUDES

- Replacing aging water mains and service lines
- Rehabilitating tanks, wells, and pump stations
- Upgrading pressure regulators, controls, and treatment equipment

Growth pays for growth.

Projects needed to serve new development are paid for by developer fees — **not by these rate increases.**

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Recent Work: Rebuilding the Inside of a Storage Tank

Examples of the repair and replacement work this plan funds.



TMWA OWNS

97

storage tanks

1 of 5

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Recent Work: Replacing a Water Main

Examples of the repair and replacement work this plan funds.



TMWA OWNS

2,154

miles of water main

2 of 5

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Recent Work: Rebuilding a Booster Pump Station

Examples of the repair and replacement work this plan funds.



TMWA OWNS

119

pump stations

3 of 5

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Recent Work: Chalk Bluff Water Treatment Plant

Examples of the repair and replacement work this plan funds.



TMWA OWNS

3

primary treatment plants

4 of 5

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Recent Work: Rebuilding a Pressure Regulating Station

Examples of the repair and replacement work this plan funds.



TMWA OWNS

398

pressure regulating stations

5 of 5

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Help Is Available

If customers are having trouble paying your bill, they can reach out to TMWA customer service for help.

Payment arrangements

Spread a past-due balance over time.

Equal payment plan

Even out seasonal highs and lows with a predictable monthly bill.

Leak adjustments

Bill relief after a qualifying leak is repaired.

Tiered rates

The first 6,000 gallons each month — typical indoor use — are billed at our lowest rate.

Customer Service: 775-834-8080

Online: https://tmwa.com/contact-tmwa/

Truckee Meadows Water Authority

What Happens Next — and How to Weigh In

No decision has been made. Your input will be shared with the Board before it considers the proposal.

1

Sep 2026

Board authorizes community outreach

2

Fall 2026

Community meetings — you are here

3

Feb/Mar 2027

Board considers the proposal at a public meeting

4

May 1, 2027

First increase would take effect

SHARE YOUR THOUGHTS

Online survey
tmwa.com/RatesInfo

Open houses
Nov. 10; 5:30pm TMWA Office
Nov. 12; 5:30pm Zoom
Nov. 17; 12:00pm TMWA Office
Nov. 19, 12:00pm Zoom

Board meeting
February 2027
March 2027

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Thank you!

More information and the online survey: tmwa.com/RatesInfo

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