

SUPPLEMENTARY INFORMATION

TRUCKEE MEADOWS WATER AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
OPERATING REVENUES			
Charges for water sales	\$ 73,080,453	\$ 72,686,046	\$ (394,407)
Hydroelectric sales	2,579,280	2,836,521	257,241
Other operating sales	2,230,861	2,697,601	466,740
Total Operating Revenues	<u>77,890,594</u>	<u>78,220,168</u>	<u>329,574</u>
OPERATING EXPENSES			
Salaries and wages	11,749,878	11,665,974	83,904
Employee benefits	5,134,503	4,528,891	605,612
Services and supplies	25,070,680	23,579,404	1,491,276
Total Operating Expenses before Depreciation	<u>41,955,061</u>	<u>39,774,269</u>	<u>2,180,792</u>
Depreciation	<u>19,610,736</u>	<u>20,817,485</u>	<u>(1,206,749)</u>
Total Operating Expenses	<u>61,565,797</u>	<u>60,591,754</u>	<u>974,043</u>
Operating Income	<u>16,324,797</u>	<u>17,628,414</u>	<u>1,303,617</u>
NONOPERATING REVENUES (EXPENSES)			
Grants	-	483,631	483,631
Investment earnings	6,016,451	6,841,981	825,530
Unrealized gain on investments	-	283,160	283,160
Gain (Loss) on disposal of assets	-	(91,170)	(91,170)
Amortization of bond issuance costs	-	(635,497)	(635,497)
Interest expense	<u>(25,863,766)</u>	<u>(24,106,569)</u>	<u>1,757,197</u>
Total Nonoperating Revenues (Expenses)	<u>(19,847,315)</u>	<u>(17,224,464)</u>	<u>2,622,851</u>
Income (Loss) before Capital Contributions	<u>(3,522,518)</u>	<u>403,950</u>	<u>3,926,468</u>
CAPITAL CONTRIBUTIONS			
Water meter retrofit program	2,335,632	1,408,879	(926,753)
Developer infrastructure contributions	8,460,000	8,092,373	(367,627)
Developer will-serve contributions	5,743,080	2,978,057	(2,765,023)
Developer capital contributions-other	1,455,000	2,401,248	946,248
Developer facility charges	4,476,660	3,412,118	(1,064,542)
Contributions from other governments	<u>7,615,020</u>	<u>7,591,834</u>	<u>(23,186)</u>
Net Capital Contributions	<u>30,085,392</u>	<u>25,884,509</u>	<u>(4,200,883)</u>
Change in Net Assets	<u>\$ 26,562,874</u>	<u>26,288,459</u>	<u>\$ (274,415)</u>
NET ASSETS , BEGINNING OF YEAR		<u>255,350,323</u>	
NET ASSETS , END OF YEAR		<u>\$ 281,638,782</u>	

**TRUCKEE MEADOWS WATER AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007**

	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES			
Charges for sales	\$ 72,218,025	\$ 74,272,808	\$ 2,054,783
Hydroelectric sales	2,753,820	3,136,806	382,986
Other operating sales	2,043,677	3,610,675	1,566,998
Total Operating Revenues	<u>77,015,522</u>	<u>81,020,289</u>	<u>4,004,767</u>
OPERATING EXPENSES			
Salaries and wages	11,169,529	10,083,912	1,085,617
Employee benefits	4,913,898	3,967,687	946,211
Services and supplies	20,964,648	22,260,038	(1,295,390)
Total Operating Expenses before Depreciation	<u>37,048,075</u>	<u>36,311,637</u>	<u>736,438</u>
Depreciation	<u>17,855,700</u>	<u>19,241,869</u>	<u>(1,386,169)</u>
Total Operating Expenses	<u>54,903,775</u>	<u>55,553,506</u>	<u>(649,731)</u>
Operating Income	<u>22,111,747</u>	<u>25,466,783</u>	<u>3,355,036</u>
NONOPERATING REVENUES (EXPENSES)			
Grants	-	330,878	330,878
Investment earnings	7,022,086	7,558,263	536,177
Gain (Loss) on disposal of assets	-	(83,894)	(83,894)
Amortization of bond issuance costs	(278,000)	(494,066)	(216,066)
Interest expense	(24,585,211)	(23,937,895)	647,316
Other	-	1,000,297	1,000,297
Total Nonoperating Revenues (Expenses)	<u>(17,841,125)</u>	<u>(15,626,417)</u>	<u>2,214,708</u>
Income before Capital Contributions	<u>4,270,622</u>	<u>9,840,366</u>	<u>5,569,744</u>
CAPITAL CONTRIBUTIONS			
Water meter retrofit program	3,000,000	2,539,844	(460,156)
Developer infrastructure contributions	7,435,600	15,489,637	8,054,037
Developer water-serve contributions	40,000,000	13,664,518	(26,335,482)
Developer capital contributions - other	3,349,056	5,199,992	1,850,936
Developer facility charges	3,870,391	5,683,715	1,813,324
	-	1,823,671	1,823,671
Net Capital Contributions	<u>57,655,047</u>	<u>44,401,377</u>	<u>(13,253,670)</u>
Change in Net Assets	<u>\$ 61,925,669</u>	<u>54,241,743</u>	<u>\$ (7,683,926)</u>
NET ASSETS, BEGINNING OF YEAR		<u>201,108,580</u>	
NET ASSETS, END OF YEAR		<u>\$ 255,350,323</u>	

STATISTICAL SECTION

**TRUCKEE MEADOWS WATER AUTHORITY
STATISTICAL SECTION
(UNAUDITED)**

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

Section Contents

Schedule No.

Financial Trends

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

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Revenue Capacity

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

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Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt, and its ability to issue additional future debt.

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Demographic and Economic Information

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

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Operating Information

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

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Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Authority implemented GASB Statement No. 34 in 2003, and schedules presenting government-wide information include information beginning in that year.*

TRUCKEE MEADOWS WATER AUTHORITY
NET ASSETS BY COMPONENT
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004 AND 2003
(UNAUDITED)

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>	<u>June 30, 2003</u>
Net Assets:						
Invested in capital assets, net of related debt	\$177,972,803	\$152,295,208	\$108,459,961	\$58,708,815	\$9,715,119	(\$16,502,825)
Restricted	16,387,385	15,707,241	12,684,812	9,283,636	7,474,084	5,218,506
Unrestricted	<u>87,278,594</u>	<u>87,347,874</u>	<u>79,963,807</u>	<u>50,545,732</u>	<u>47,670,208</u>	<u>41,665,539</u>
Total net assets	<u>\$281,638,782</u>	<u>\$255,350,323</u>	<u>\$201,108,580</u>	<u>\$118,538,183</u>	<u>\$64,859,411</u>	<u>\$30,381,220</u>

Note: The Authority was formed in November 2000 and acquired its water system assets on June 11, 2001. Implementation of GASB Statement No. 34 occurred in fiscal year ended June 30, 2003.

TRUCKEE MEADOWS WATER AUTHORITY
CHANGES IN NET ASSETS
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, AND 2003
(UNAUDITED)

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Income/(Loss) before Capital Contributions	Capital Contributions	Change in Net Assets
2008	\$78,220,168	\$60,591,754	\$17,628,414	(\$17,224,464)	\$403,950	\$25,884,509	\$26,288,459
2007	81,020,289	55,553,506	25,466,783	(15,626,417)	9,840,366	44,401,377	54,241,743
2006	76,667,478	52,254,652	24,412,826	(17,555,437)	6,857,389	75,713,007	82,570,396
2005	73,813,294	48,434,832	25,378,462	(19,135,162)	6,243,300	47,435,472	53,678,772
2004	73,614,496	44,724,139	28,890,357	(19,890,167)	9,000,190	25,478,001	34,478,191
2003	62,475,728	42,027,221	20,448,507	(19,239,738)	1,208,769	17,169,746	18,398,066

Note: The Authority was formed in November 2000 and acquired its water system assets on June 11, 2001. Implementation of GASB Statement No. 34 occurred in fiscal year ended June 30, 2003.

TRUCKEE MEADOWS WATER AUTHORITY
OPERATING REVENUES BY CUSTOMER CLASS
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, 2003, AND 2002
(UNAUDITED)

OPERATING REVENUES	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
Revenues from water sales:							
Residential unmetered water sales	\$ 15,310,296	\$ 16,612,010	\$ 18,536,414	\$ 21,382,048	\$ 24,406,744	\$ 23,403,951	\$ 24,253,164
Residential metered water sales	34,940,141	35,085,859	30,513,084	26,350,944	22,469,394	16,739,327	14,850,902
Commercial metered water sales	10,326,007	10,415,049	10,302,813	10,501,889	10,933,077	9,826,890	9,950,116
Irrigation metered & fire protection	8,880,817	9,076,013	8,225,084	8,185,580	8,582,050	5,783,422	5,952,224
Wholesale sales	3,228,785	3,083,877	2,892,864	2,539,129	2,225,690	1,988,566	1,743,441
Total Water Sales	72,686,046	74,272,808	70,470,259	68,959,590	68,616,955	57,742,156	56,749,847
Hydroelectric revenue	2,836,521	3,136,806	2,442,953	1,091,843	1,965,825	1,822,052	2,336,863
Other operating revenues	2,697,601	3,610,675	3,754,266	3,761,861	3,031,716	2,911,520	1,351,588
Total Operating Revenues	\$ 78,220,168	\$ 81,020,289	\$ 76,667,478	\$ 73,813,294	\$ 73,614,496	\$ 62,475,728	\$ 60,438,298

Note: The Authority was formed in November 2000 and acquired its water system assets on June 11, 2001.

TRUCKEE MEADOWS WATER AUTHORITY
OPERATING EXPENSES
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, 2003 AND 2002
(UNAUDITED)

	June 30,2008	June 30,2007	June 30,2006	June 30,2005	June 30,2004	June 30,2003	June 30,2002
Salaries and wages	\$ 11,665,974	\$ 10,083,912	\$ 9,852,372	\$ 9,625,252	\$ 8,786,618	\$ 8,278,246	\$ 7,371,557
Employee benefits	4,528,891	3,967,687	3,868,295	3,946,913	3,452,864	2,992,281	2,790,226
Contract services	5,848,255	5,489,563	6,054,308	5,427,544	5,845,224	5,952,053	3,873,710
Utilities/power	7,292,830	7,055,167	5,763,686	5,644,007	5,739,559	5,525,292	4,937,396
Professional services	2,755,823	2,331,511	2,591,223	2,051,063	1,351,164	1,049,773	1,806,866
Supplies	1,496,065	1,427,467	1,456,754	1,185,896	986,372	947,413	1,339,689
Chemicals	1,231,681	1,165,321	1,295,165	1,079,829	964,991	883,589	740,827
Insurance and claims	644,638	645,064	584,651	541,744	662,798	637,276	495,788
Leases and rentals	-	58,181	189,674	307,562	286,206	464,010	735,899
Other expenses	4,310,112	4,087,764	3,665,756	3,342,049	3,042,608	2,933,191	2,273,166
Total Operating Expenses							
before Depreciation	39,774,269	36,311,637	35,321,884	33,151,859	31,118,404	29,663,124	26,365,124
Depreciation	20,817,485	19,241,869	16,932,768	15,282,973	13,605,735	12,364,097	11,354,485
Total Operating Expenses	\$ 60,591,754	\$ 55,553,506	\$ 52,254,652	\$ 48,434,832	\$ 44,724,139	\$ 42,027,221	\$ 37,719,609

Note: The Authority was formed in November 2000 and acquired its water system assets on June 11, 2001.

TRUCKEE MEADOWS WATER AUTHORITY
NONOPERATING REVENUES AND EXPENSES
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, 2003 AND 2002
(UNAUDITED)

Fiscal Year	Investment Earnings	Interest Expense	Federal Grants	Gain/(Loss) on Disposal of Assets	Other Revenue or (Expenses)	Total Nonoperating Expenses
2008	\$6,841,981	(\$24,106,569)	\$483,631	(\$91,170)	(\$352,337)	(\$17,224,464)
2007	7,558,263	(23,937,895)	330,878	(83,894)	506,231	(15,626,417)
2006	6,149,397	(23,655,038)	41,967	97,249	(189,012)	(17,555,437)
2005	3,493,471	22,895,351	440,559	4,636	(178,477)	(19,135,162)
2004	3,938,551	(23,163,457)	197,608	(684,392)	(178,477)	(19,890,167)
2003	4,597,774	(23,552,125)	152,973	3,357	(441,717)	(19,239,738)
2002	4,572,853	(23,525,010)	-	4,526	(178,674)	(19,126,305)

Note: The Authority was formed in November 2000 and acquired its water system assets on June 11, 2001.

TRUCKEE MEADOWS WATER AUTHORITY
CAPITAL CONTRIBUTIONS BY SOURCE
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005 AND 2004
(UNAUDITED)

Fiscal Year	Developer Water Rights/ Will Serves	Developer Infrastructure	Developer Other	Water Meter Retrofit Program	Developer Facility Charges	From Other Governments	Total
2008	\$2,978,057	\$8,092,373	\$2,401,248	\$1,408,879	\$3,412,118	\$7,591,834	\$25,884,509
2007	13,664,518	15,489,637	5,199,992	2,539,844	5,683,715	1,823,671	44,401,377
2006	44,901,700	13,209,519	5,933,186	4,274,819	7,393,783	-	75,713,007
2005	9,365,576	17,529,161	5,629,172	4,855,415	10,056,148	-	47,435,472
2004	7,532,758	5,873,397	3,596,996	5,198,577	2,748,668	527,605	25,478,001
2003	4,724,860	5,778,366	3,474,348	3,192,172	-	-	17,169,746
2002	3,047,602	1,882,008	2,137,489	2,244,992	-	-	9,312,091

Note: The Authority was formed in November 2000 and acquired its water system assets on June 11, 2001.

TRUCKEE MEADOWS WATER AUTHORITY
GALLONS OF WATER SOLD AND REVENUES BY CATEGORY
FOR FISCAL YEARS 2008, 2007, 2006, 2005, 2004, 2003 AND 2002
(UNAUDITED)

Fiscal Year Ended June 30, 2008				
Category	Gallons Sold (000)	Revenue		
Residential-Unmetered (1)	--(1)	\$ 15,310,296		
Residential Metered	10,385,949	34,940,141		
Commercial	4,547,882	10,326,007		
Other (2)	2,677,005	8,880,817		
Wholesale	1,763,412	3,228,785		
Total	<u>19,374,248</u>	<u>\$ 72,686,046</u>		

Fiscal Year Ended June 30, 2007			Fiscal Year Ended June 30, 2006		
Category	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue	
Residential-Unmetered (1)	--(1)	\$ 16,612,010	--(1)	\$ 18,536,414	
Residential Metered	10,219,912	35,085,859	8,695,642	30,513,084	
Commercial	4,397,648	10,415,049	4,365,760	10,302,813	
Other (2)	2,665,330	9,076,013	2,388,314	8,225,084	
Wholesale	1,773,874	3,083,877	1,581,576	2,892,864	
Total	<u>19,056,764</u>	<u>\$ 74,272,808</u>	<u>17,031,292</u>	<u>\$ 70,470,259</u>	

Fiscal Year Ended June 30, 2005			Fiscal Year Ended June 30, 2004		
Category	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue	
Residential-Unmetered (1)	--(1)	\$ 21,383,048	--(1)	\$ 24,406,744	
Residential Metered	7,808,216	26,350,944	7,166,222	22,469,394	
Commercial	4,483,265	10,501,889	4,832,724	10,933,077	
Other (2)	2,448,526	8,185,580	2,869,795	8,582,050	
Wholesale	1,432,520	2,539,129	1,282,857	2,225,690	
Total	<u>16,172,527</u>	<u>\$ 68,960,590</u>	<u>16,151,598</u>	<u>\$ 68,616,955</u>	

Fiscal Year Ended June 30, 2003			Fiscal Year Ended June 30, 2002		
Category	Gallons Sold (000)	Revenue	Gallons Sold (000)	Revenue	
Residential-Unmetered (1)	--(1)	\$ 23,403,951	--(1)	\$ 24,253,164	
Residential Metered	6,014,347	16,739,327	5,439,891	14,850,902	
Commercial	4,634,532	9,826,890	4,163,228	9,950,116	
Other (2)	1,933,611	5,783,422	2,119,840	5,952,224	
Wholesale	1,361,691	1,988,566	1,259,208	1,743,441	
Total	<u>13,944,181</u>	<u>\$ 57,742,156</u>	<u>12,982,167</u>	<u>\$ 56,749,847</u>	

TMWA was formed June 11, 2001.

- (1) Complete consumption information is not available for unmetered customers.
- (2) These accounts include irrigation and fire protection/sprinkler systems located on the premises of residential and commercial customers.

TRUCKEE MEADOWS WATER AUTHORITY
TEN LARGEST CUSTOMERS
JUNE 30, 2008
(UNAUDITED)

Customer Name	Water Used (000s Gallons)	Total Revenue	% of Total Water Sales
1 Washoe County Total	1,622,933	\$ 2,574,864	3.7%
2 Sun Valley General Improvement District	598,748	1,011,647	1.4%
3 City of Reno	307,001	979,884	1.4%
4 Washoe County School District	397,899	882,075	1.3%
5 City of Sparks	158,639	460,658	0.7%
6 University of Nevada, Reno	171,803	356,435	0.5%
7 Washoe Health Systems	127,028	301,686	0.4%
8 Grand Sierra Resort	151,346	298,357	0.4%
9 Nevada Properties (Peppermill Casino)	141,796	290,881	0.4%
10 Caughlin Ranch Homeowners' Association	87,370	264,303	0.4%
Totals	<u>3,764,563</u>	<u>\$ 7,420,790</u>	<u>10.5%</u>

TMWA was formed June 11, 2001.

City of Reno includes the Reno Housing Authority

TRUCKEE MEADOWS WATER AUTHORITY
DEBT SERVICE COVERAGE RATIOS
FOR FISCAL YEARS ENDED JUNE 30, 2007, 2006, 2005, 2004, 2003 AND 2002
(Amounts in 000's)
(UNAUDITED)

	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
Operating Revenues (1)	\$ 72,686	\$ 74,272	\$ 70,470	\$ 68,960	\$ 68,617	\$ 57,742	\$ 56,750
Nonoperating Revenues (2)	13,822	14,451	12,487	8,236	8,876	6,249	7,262
Gross Revenues	<u>86,508</u>	<u>88,723</u>	<u>82,957</u>	<u>77,196</u>	<u>77,493</u>	<u>63,991</u>	<u>64,012</u>
Operation and Maintenance Expenses (3)	39,342	35,855	34,869	32,710	30,632	29,332	26,093
Contribution to Water Rate Stabilization	-	-	-	-	1,385	-	-
Taxes other than Income Taxes (4)	432	457	453	442	486	331	272
Total Expenses	<u>39,774</u>	<u>36,312</u>	<u>35,322</u>	<u>33,152</u>	<u>32,503</u>	<u>29,663</u>	<u>26,365</u>
Net Revenues	<u>\$ 46,734</u>	<u>\$ 52,411</u>	<u>\$ 47,635</u>	<u>\$ 44,044</u>	<u>\$ 44,990</u>	<u>\$ 34,328</u>	<u>\$ 37,647</u>
Senior Lien Annual Debt Service (5)	<u>\$ 31,427</u>	<u>\$ 33,525</u>	<u>\$ 31,202</u>	<u>\$ 30,114</u>	<u>\$ 23,594</u>	<u>\$ 23,594</u>	<u>\$ 23,594</u>
Senior Lien Debt Coverage excluding SDCs	<u>1.49</u>	<u>1.56</u>	<u>1.53</u>	<u>1.46</u>	<u>1.91</u>	<u>1.45</u>	<u>1.60</u>
System Development Charges (SDCs):							
Developer facility charges	\$ 3,412	\$ 5,684	\$ 7,394	\$ 10,056	\$ 2,749	\$ -	\$ -
Developer capital contributions - other	2,401	5,802	6,515	6,219	4,113	3,703	2,137
Senior Lien Debt Coverage including SDCs (6)	<u>1.67</u>	<u>1.91</u>	<u>1.97</u>	<u>2.00</u>	<u>2.20</u>	<u>1.61</u>	<u>1.69</u>

TMWA was formed June 11, 2001. All of TMWA's outstanding debt is water revenue bonds.

- (1) Includes retail residential, commercial, irrigation water sales and wholesale water sales net of bad debt expense
- (2) Reflects hydroelectric revenues, other miscellaneous operating revenues from fees and charges as well as gross investment income before reduction by capitalized investment income as required by Financial Accounting Standards Board Pronouncement (FASB) 62.
- (3) Includes water supply, treatment, distribution, hydroelectric power plant maintenance customer Service, water resource planning, conservation programs, administration, and inspection services. Wages and salaries, employee benefits and services and supplies comprise these expenses.
- (4) The Authority is required to pay property taxes on water rights and storage facilities located in California. During the reported fiscal years TMWA paid various counties in California for hydroelectric facilities, and water storage rights in California.
- (5) The debt service for the fiscal years ended June 30, 2004, 2003 and 2002 was interest only. On July 1, 2005, TMWA paid its first principal payment of \$6,520,000 on the 2001-A & B Series Bonds. This schedule does not include the payments on the DWSRF loan or the tax-exempt commercial paper, which are subordinate to the 2001-A and 2005-A Bonds, and the 2006 Refunding and 2007 Refunding Bonds. Excludes capitalized interest expense which would reduce total interest expense pursuant to FASB 34
- (6) TMWA's bond covenants require a minimum coverage of 1.25x total principal and interest payments.

TRUCKEE MEADOWS WATER AUTHORITY
SCHEDULE OF TOTAL BUILDING PERMITS ISSUED
BY JURISDICTION/MEMBER ENTITY
FOR FISCAL YEARS 2008, 2007, 2006, 2005, 2004, 2003 AND 2002
(UNAUDITED)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Washoe County	2,222	2,829	3,492	3,521	3,447	3,512	3,551
City of Reno	5,176	9,161	14,931	13,171	11,607	13,171	14,931
City of Sparks	3,636	4,544	6,067	4,974	5,809	6,107	4,429

TMWA was formed June 11, 2001.

Source: As reported by each local governmental entity

TRUCKEE MEADOWS WATER AUTHORITY
SELECTED DEMOGRAPHIC AND ECONOMIC STATISTICS
FOR WASHOE COUNTY
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, 2003, AND 2002
(UNAUDITED)

Fiscal Year Ended June 30,	POPULATION ⁽¹⁾	PER CAPITA INCOME ⁽²⁾	MEDIAN AGE ⁽³⁾	SCHOOL ENROLLMENT ⁽⁴⁾	TOTAL PERSONAL INCOME ⁽²⁾	UNEMPLOYMENT RATE (PERCENT) ⁽⁵⁾
2008	419,775	n/a	36.5	63,635	n/a	5.4%
2007	415,775	n/a	34.5	63,044	n/a	4.2%
2006	409,085	\$42,080	36.5	62,390	\$16,943,510,000	4.0%
2005	396,844	40,780	35.9	62,098	16,007,090,000	3.8%
2004	383,453	39,450	35.1	60,411	15,071,220,000	3.8%
2003	373,233	37,400	35.8	58,908	13,917,120,000	4.5%
2002	359,423	36,831	35.6	57,404	13,323,522,000	4.7%

Fiscal Year Ended June 30,	TOTAL LABOR FORCE ⁽⁵⁾	CONSTRUCTION ACTIVITY - TOTAL VALUE ⁽⁶⁾	NUMBER OF NEW FAMILY UNITS ⁽⁶⁾	TAXABLE SALES ⁽⁷⁾	GROSS INCOME GAMING REVENUE ⁽⁸⁾	TOTAL PASSENGER AIR TRAFFIC ⁽⁹⁾
2008	228,617	\$405,038,000	480	\$6,823,701	\$996,614	4,841,257
2007	222,610	225,084,828	557	7,202,640,557	1,069,608,365	5,014,382
2006	219,400	307,685,955	851	7,268,593,250	1,072,936,817	5,149,700
2005	212,400	368,356,469	1,113	6,687,446,995	1,016,864,082	5,097,170
2004	208,800	345,640,310	1,009	6,023,436,676	1,011,657,616	4,918,829
2003	201,200	305,249,144	1,217	5,481,582,915	1,032,987,724	4,514,225
2002	201,700	294,355,860	1,324	5,292,178,588	1,049,151,610	4,485,369

Sources:

⁽¹⁾ Nevada State Demographer⁽²⁾ U.S. Department of Commerce, Bureau of Economic Analysis
As of 2007, the County reported that this statistic no longer has a reliable source.⁽³⁾ Nevada State Demographer,⁽⁴⁾ Washoe County School District.⁽⁵⁾ State Department of Employment, Training and Rehabilitation (DETR)⁽⁶⁾ Washoe County Building and Safety Department.⁽⁷⁾ Nevada State Department of Taxation⁽⁸⁾ Nevada State Gaming Control Board⁽⁹⁾ Reno/Tahoe International Airport

TRUCKEE MEADOWS WATER AUTHORITY
TEN LARGEST EMPLOYERS IN WASHOE COUNTY
JUNE 30, 2008
(UNAUDITED)

<u>Employer Name</u>	<u>December 2007</u>			<u>December 1998</u>		
	<u>No. of Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>No. of Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
Washoe County School District	8,500-8,900	1	3.93%	5,500-5,999	1	3.06%
University of Nevada, Reno	4,500-4,999	2	2.13%	2,500-2,999	2	1.61%
Washoe County	3,000-3,499	3	1.42%	2,500-2,999	4	1.42%
International Game Technology	2,500-2,999	4	1.25%	-	-	0.00%
Renown Medical Center (formerly Washoe Medical Center)	2,500-2,999	5	1.15%	2,000-2,499	7	1.29%
Peppermill Hotel Casino - Reno	2,000-2,499	6	1.13%	-	-	0.00%
Integrity Staffing Solutions	2,000-2,499	7	1.03%	-	-	0.00%
Silver Legacy Resort Casino	2,000-2,499	8	0.96%	2,500-2,999	5	0.96%
City of Reno	2,000-2,499	9	0.92%	-	-	0.00%
Atlantis Casino Resort	1,500-1,999	10	0.84%	-	-	0.00%
Reno Hilton	-	-	0.00%	2,500-2,999	3	1.60%
Elldorado Hotel 7 Casino	-	-	0.00%	2,500-2,999	6	1.39%
Sparks Nugget	-	-	0.00%	2,000-2,499	8	1.28%
Circus Circus Casinos Inc.-Reno	-	-	0.00%	2,000-2,499	9	1.20%
Harrah's-Reno	-	-	0.00%	2,000-2,499	10	1.14%

Source: Washoe County as of December, 2007

TRUCKEE MEADOWS WATER AUTHORITY
CUSTOMERS AND WATER SALES BY CATEGORY
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, 2003 AND 2002
(UNAUDITED)

Customers by Category as of June 30, 2008

Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues (1)	% of Total Revenues
Residential -Unmetered	14,063	15.1%	\$ 15,310,296	21.1%
Residential Metered	67,357	72.3%	34,940,141	48.1%
Commercial	8,203	8.8%	10,326,007	14.2%
Other (2)	3,595	3.9%	8,880,817	12.2%
Wholesale	7	0.0%	3,228,785	4.4%
Total	<u>93,225</u>	<u>100.0%</u>	<u>\$ 72,686,046</u>	<u>100.0%</u>

Customers by Category as of June 30, 2007

Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues (1)	% of Total Revenues
Residential -Unmetered	15,488	16.7%	\$ 16,612,010	22.4%
Residential Metered	65,749	70.9%	35,085,859	47.2%
Commercial	7,966	8.6%	10,415,049	14.0%
Other (2)	3,469	3.7%	9,076,013	12.2%
Wholesale	7	0.0%	3,083,877	4.2%
Total	<u>92,679</u>	<u>100.0%</u>	<u>\$ 74,272,808</u>	<u>100.0%</u>

Customers by Category as of June 30, 2006

Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues (1)	% of Total Revenues
Residential -Unmetered	16,466	18.0%	\$ 18,536,414	26.3%
Residential Metered	63,744	69.7%	30,513,084	43.3%
Commercial	7,787	8.5%	10,302,813	14.6%
Other (2)	3,407	3.7%	8,225,084	11.7%
Wholesale	7	0.0%	2,892,864	4.1%
Total	<u>91,411</u>	<u>100.0%</u>	<u>\$ 70,470,259</u>	<u>100.0%</u>

Customers by Category as of June 30, 2005

Category	Average Number of Accounts	% of Total Accounts	Fiscal Year Water Revenues (1)	% of Total Revenues
Residential -Unmetered	19,945	22.9%	\$ 21,382,048	31.0%
Residential Metered	56,555	64.8%	26,350,944	38.2%
Commercial	5,296	6.1%	10,501,889	15.2%
Other (2)	5,449	6.2%	8,185,580	11.9%
Wholesale	4	0.0%	2,539,129	3.7%
Total	<u>87,249</u>	<u>100.0%</u>	<u>\$ 68,959,590</u>	<u>100.0%</u>

TRUCKEE MEADOWS WATER AUTHORITY
CUSTOMERS AND WATER SALES BY CATEGORY
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, 2003 AND 2002
(UNAUDITED)

Customers by Category as of June 30, 2004

<u>Category</u>	<u>Average Number of Accounts</u>	<u>% of Total Accounts</u>	<u>Fiscal Year Water Revenues (1)</u>	<u>% of Total Revenues</u>
Residential -Unmetered	25,855	30.5%	\$ 24,406,744	35.6%
Residential Metered	48,214	56.9%	22,469,394	32.7%
Commercial	5,276	6.2%	10,933,077	15.9%
Other (2)	5,342	6.3%	8,582,050	12.5%
Wholesale	4	0.1%	2,225,690	3.2%
Total	<u>84,691</u>	<u>100.0%</u>	<u>\$ 68,616,955</u>	<u>100.0%</u>

Customers by Category as of June 30, 2003

<u>Category</u>	<u>Average Number of Accounts</u>	<u>% of Total Accounts</u>	<u>Fiscal Year Water Revenues (1)</u>	<u>% of Total Revenues</u>
Residential -Unmetered	30,975	38.3%	\$ 23,403,951	40.5%
Residential Metered	40,585	50.1%	16,739,327	29.0%
Commercial	4,960	6.1%	9,826,890	17.0%
Other (2)	4,489	5.5%	5,783,422	8.4%
Wholesale	4	0.1%	1,988,566	3.5%
Total	<u>81,013</u>	<u>100.0%</u>	<u>\$ 57,742,156</u>	<u>100.0%</u>

Customers by Category as of June 30, 2002

<u>Category</u>	<u>Average Number of Accounts</u>	<u>% of Total Accounts</u>	<u>Fiscal Year Water Revenues (1)</u>	<u>% of Total Revenues</u>
Residential -Unmetered	34,781	44.2%	\$ 24,253,164	42.7%
Residential Metered	34,745	44.1%	14,850,902	26.2%
Commercial	6,821	8.7%	9,950,116	17.5%
Other (2)	2,330	3.0%	5,952,224	10.5%
Wholesale	4	0.1%	1,743,441	3.1%
Total	<u>78,681</u>	<u>100.0%</u>	<u>\$ 56,749,847</u>	<u>100.0%</u>

TMWA was formed June 11, 2001.

- (1) Water Revenues are revenues that are billed and estimated for the fiscal year periods.
Estimated revenues are revenues for water deliveries just prior to fiscal year end that are unbilled until July of the next fiscal year.
- (2) Includes irrigation services and private fire protection services located on the premises of commercial and some residential customers.

TRUCKEE MEADOWS WATER AUTHORITY
SCHEDULE OF INSURANCE COVERAGE
June 30, 2008
(UNAUDITED)

<u>Coverage</u>	<u>Carrier/Policy</u>	<u>Term</u>	<u>Limits/Deductible</u>
Property/Boiler and Machinery Policy	Affiliated FM Insurance Company	6/11/08 to 6/11/09	Blanket limit of \$190,000,000 per occurrence with sub-limits of \$75,000,000 for earthquake for Earth Movement (excluding CA properties) and \$25,000,000 for flood (excluding Glendale plant and 1355 Capital Blvd.) and \$10,000,000 flood for 1355 Capital Blvd.. Coverage includes Business Interruption and Extra Expense. Deductibles for flood and earth movement are \$100,000 per occurrence for each location; general policy deductible is \$25,000.
General Liability and Business Automobile Policy	Arch Insurance Company	6/11/08 to 6/11/09	First \$1,000,000 in liability limits. General Liability Aggregate limit of \$3,000,000. General liability deductible of \$25,000 per occurrence. Auto Physical Damage deductible of \$1,000.
Excess Umbrella Liability Policy	Arch Insurance Company	6/11/08 to 6/11/09	\$20,000,000 excess liability limit.
Workers' Compensation	Employer's Insurance Company of Nevada	6/11/08 to 6/11/09	Fully insured for statutory limits under Workers' Compensation las with no deductible. Policy also provides \$1,000,000 limit for Employer's Liability.
Employee Health Insurance	By contract with the City of Reno's health insurance programs	6/11/08 to 6/11/09	Varies by plan selected
Commercial Pollution Liability	American International Specialty Lines Insurance Company	6/11/01 to 6/11/2011	\$50,000,000 limit \$100,000 deductible each incident. Products Pollution coverage limited to \$35,00,000

TRUCKEE MEADOWS WATER AUTHORITY
NUMBER OF EMPLOYEES BY IDENTIFIABLE ACTIVITY
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, 2003, AND 2002
(UNAUDITED)

	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
Administration/IT	23	15	12	11	9	8	9
Supply/Treatment Operations	28	32	34	35	35	35	36
Distribution Maintenance	45	44	43	39	36	32	32
Hydroelectric	7	7	7	7	7	7	8
Customer Service/Conservation	39	33	31	31	29	27	17
Water Planning/Resources	10	11	10	10	10	10	10
Engineering/Construction	22	27	27	29	28	25	21
Total Authorized Employees	174	169	164	162	154	144	133

TMWA was formed June 11, 2001.

During fiscal year 2007, the IT/GIS functions were moved to Administration.

TRUCKEE MEADOWS WATER AUTHORITY
CURRENT AND HISTORICAL WATER RATES
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, 2003, AND 2002
(UNAUDITED)

	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
Customer Charges By Meter Size							
3/4"	\$15.70	\$15.70	\$15.70	\$15.70	\$14.80	\$10.02	\$10.02
1"	17.20	17.20	17.20	17.20	16.30	10.61	10.61
1 1/2"	19.60	19.60	19.60	19.60	18.50	12.24	12.24
2"	22.80	22.80	22.80	22.80	21.50	14.34	14.34
3"	25.90	25.90	25.90	25.90	24.40	21.91	21.91
4"	29.80	29.80	29.80	29.80	28.10	n/a	n/a
6"	34.50	34.50	34.50	34.50	32.60	n/a	n/a
Commodity Charge (all meter sizes)							
First 1,000 gallons/month	1.58	1.58	1.58	1.58	\$1.56	\$1.56	\$1.56
6,000 to 28,000 gallons	2.50	2.50	2.50	2.50	2.43	2.43	2.43
Greater than 28,000 gallons	2.91	2.91	2.91	2.91	2.90	2.43	2.43

Above rates are for metered single family residential service.

Monthly Base Rates (Meter Size)

3/4"	\$74.90	\$74.90	\$74.90	\$74.90	\$67.50	\$49.19	\$49.19
1"	106.20	106.20	106.20	106.20	93.50	68.14	68.14
1 1/2"	184.90	184.90	184.90	184.90	152.60	111.22	111.22
2"	264.10	264.10	264.10	264.10	218.90	159.50	159.50
3"	331.90	331.90	331.90	331.90	275.00	200.84	200.84
4"	420.30	420.30	420.30	420.30	348.30	253.82	253.82
6"	n/a	n/a	n/a	n/a	495.30	360.97	360.97

Above rates are for unmetered single family residential service

TMWA rates took effect on June 11, 2001, and were revised effective October 2003 and March 2005. The TMWA Board of Directors have adopted a resolution calling for all customers to be billed on the metered rate effective on January 1, 2010.

TRUCKEE MEADOWS WATER AUTHORITY
SELECTED OPERATING AND CAPITAL INDICATORS
FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007, 2006, 2005, 2004, 2003, AND 2002
(UNAUDITED)

	<u>June 30,</u> <u>2008</u>	<u>June 30,</u> <u>2007</u>	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>June 30,</u> <u>2004</u>	<u>June 30,</u> <u>2003</u>	<u>June 30,</u> <u>2002</u>
Miles of water mains	1,310	1,258	1,252	1,227	1,175	1,127	1,090
Number of storage tanks	38	37	35	34	34	33	33
Number of pump stations	93	94	93	93	92	92	90
Number of wells	32	33	33	33	32	31	31
Treatment capacity (MGD)							
Glendale Plant	25	25	25	25	25	25	25
Chalk Bluff	89	89	89	89	89	69	69

Notes:

TMWA's water system was purchased from Sierra Pacific on June 11, 2001

MGD = millions of gallons per day

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COMPLIANCE SECTION

Independent Accountant's Report on
Nevada Revised Statute 354.6241

To the Board of Directors of the
Truckee Meadows Water Authority

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5) (a):

- The identified fund is being used expressly for the purpose for which it was created,
- The fund is administered in accordance with accounting principles generally accepted in the United States of America,
- The restricted net assets in the fund were reasonable and necessary to carry out the purposes of the fund at June 30, 2008 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues available for the fund are as noted in the financial statements,
- The fund conforms to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2008,
- The net assets of the fund are as noted in the financial statements.

This assertion is the responsibility of the management of the Truckee Meadows Water Authority.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Kapoury, Armstrong & Co.

Reno, Nevada
November 26, 2008

AUDITOR'S COMMENTS

STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

TMWA conformed to all significant statutory constraints on its financial administration during the year ended June 30, 2007.

PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the audit report for the year ended June 30, 2007.

CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within this audit report, however, see our letter regarding deficiencies noted in internal control over financial reporting under separate cover.