



TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Jeff Tissier, Chief Financial Officer
DATE: October 12, 2015
SUBJECT: Discussion and action on request for approval of Resolution No. 234 – Third Budget Augmentation and Budget Revision for FY2015

RECOMMENDATION

Staff recommends that the Board of Directors of the Truckee Meadows Water Authority approve the resolution adopting the proposed budget augmentation and direct staff to forward the approved resolution and attachment to the Department of Taxation for the State of Nevada pursuant to NRS 354.615; and record these changes in the minutes of the board meeting.

BACKGROUND

Budget augmentations/revisions must be adopted by resolution and information forwarded to the *Nevada Department of Taxation* after board approval. Since Truckee Meadows Water Authority does not have taxing authority, separate public notice is not required. The Board approved final budget was submitted to the State of Nevada in June 2015. This third augmentation supplements two previous augmentations. The first of two previous augmentations was approved to provide operating and capital expenditure authority for TMWA on a consolidated basis from January 1, 2015 through June 30, 2015. The second augmentation was to incorporate various accounting elements related to the water utility consolidation and continuing defeasance activities of TMWA outstanding 2005 Revenue Bonds. These budget augmentations and adjustments are provided as attachments to this report for reference.

EXPLANATION OF THE AUGMENTATION

The purpose of this proposed augmentation is to bring the budget in line with financial reporting and does not constitute approval of spending but rather a matter of form. This final proposed augmentation reflects the accounting for the refund to former South Truckee Meadows General Improvement District (STMGID) customers that was approved by the STMGID Board of

Trustees and also the TMWA Board by execution of the closing documents to effect the water utility consolidation with STMGID.

The spending authority to refund money to former STMGID customers was provided at the October 15, 2014 TMWA Board meeting by adoption of Resolution No. 217. TMWA anticipated that the accounting and financial reporting for the refund to STMGID customers would be within the scope of the audit for the first six months of STMGID operations which ended December 31, 2014. When the audit report was received the accounting for the refund was not recognized in STMGID's basic financial statements although the refunds were approved by the STMGID Board of Trustees at their December 2014 meeting.

Discussions with the external auditors of STMGID indicated that the trigger point for recognizing the financial impact of refund decision was not the STMGID Board of Trustees approval but the actual consummation of the consolidation of STMGID with TMWA and that TMWA would record the transaction in its financial statements post consolidation. STMGID treasury was set aside for the purpose of the refund. All of the STMGID treasury was transferred to TMWA on December 31, 2014 and included the monies for the customer refund. The total amount of the refund to former STMGID customers was \$1,916,972.29 and is being reported as non-operating expense in TMWA consolidated financial statements. This is the proposed amount of this third augmentation.

The total refund amount was referred to conceptually as the "rate offset funds" in Article 4 of the *Interlocal Agreement Governing the Merger of the South Truckee Meadows General Improvement District into the Truckee Meadows Water Authority dated December 11, 2013*.

The rate offset funds were specifically identified in the *Closing Memorandum to the Interlocal Agreement Governing the Merger of the South Truckee Meadows General Improvement District into the Truckee Meadows Water Authority dated December 31, 2014* which was signed by the respective Board Chairman of TMWA and STMGID.

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 234

A RESOLUTION TO AUGMENT THE FINAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2015.

WHEREAS, TMWA prepared and presented the final Budget for Fiscal Year 2015 at a public hearing in May 2014;

WHEREAS, The first approved augmentation was to provide operating and capital expenditure authority for the consolidated water utility from January 1, 2015 through June 30,2015 ;

WHEREAS the second augmentation was to incorporate various accounting elements related to the water utility consolidation and continuing defeasance activities of TMWA’s outstanding 2005 Revenue Bonds;

WHEREAS, the third proposed augmentation is to provide for the proper accounting treatment for the South Truckee Meadows General Improvement District (STMGID) customer refunds as previously approved by the TMWA Board;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority: that the augmentation to the annual budget described in the Staff Report is hereby approved and staff is directed to submit such information as necessary and appropriate in connection with the augmentation to the Nevada Department of Taxation.

Upon motion of _____, seconded by _____, the foregoing Resolution was passed and adopted this 21st day of October, 2015, by the following vote of the Board:

Ayes: _____
Nays: _____
Abstain: _____ Absent: _____

Approved this ____ day of _____, 2015

Geno Martini, Chairman

Truckee Meadows Water Authority
Resolution 234 (continued)

STATE OF NEVADA,)
 : ss.
COUNTY OF WASHOE.)

On this 21th day of October, 2015, Geno Martini, Chairman of the Board of Truckee Meadows Water Authority, personally appeared before me, a Notary Public in and for said County and State, and acknowledged that he executed the above instrument freely and voluntarily and for the purposes therein mentioned.

Notary Public



TO: TMWA Board of Directors
FROM: Jeff Tissier, Chief Financial Officer
DATE: November 21, 2014
SUBJECT: Consideration and possible approval of Resolution No. 219 First Budget Augmentation and Revisions July 1, 2014 through December 31, 2014

EXPLANATION OF THE AUGMENTATION

TMWA staff will prepare and present a budget augmentation to the TMWA Board of Directors at the next scheduled meeting on December 17, 2014. The augmentation is primarily driven by the merger of the Washoe County Community Services Department's water utility (CSDWU) and South Truckee Meadows General Improvement District's (STMGID) into TMWA. *Governmental Accounting Standard Board Statement No. 69, Governmental Combination and Disposals of Governmental Operations* will require TMWA to account for the entire fiscal year of operating and non-operating revenues and expenses for STMGID since it is a dissolution of a governmental entity and account for only the last six months of operating and non-operating revenues and expenses of CSDWU since it is a disposal of a governmental operation. Staff will bring other augmentation(s) later in the fiscal year for the first six months of STMGID operations since those activities will need to be audited prior to incorporating those numbers into TMWA's financial statements. This augmentation only reflects prospective revenues and expenses for purposes of providing budgetary expenditure authority for both entities for the six months from January to June 2015.

Attachment A, *Schedule of Revenues Expenses and Changes in Net Position* highlights the operating and non-operating revenues and expenses to be used in this augmentation. These numbers will need some minor refinement prior to the board presentation but materially reflect what will be presented. Attachment B, *Statement of Cash Flows*, reflects cash flow items to be augmented into the TMWA budget. Acquisition and construction of capital assets will need to be reviewed further prior to the board presentation in December since staff, at the time of writing this report, was obtaining a list of active projects to be assumed by TMWA and will also identify potentially other new projects to initiate over the next six months.

Staff has prospectively accounted for the defeasance of the \$26.1 million Washoe County publically issued water obligation with tax-exempt commercial paper in this augmentation. The interest expense for this issue will still be reflected on the *Schedule of Revenues Expenses and Changes in Net Position* and not reflected in the *Statement of Cash Flows* since the re-acquisition

price will be greater than the net carrying value of the old debt. Staff will bring a budget augmentation/revision later in the fiscal year to the SAC for this anticipated defeasance transaction itself along with the first six-months of STMGID activities as well as any other items for TMWA as a stand-alone entity. TMWA will augment its capital budget for some additional costs associated with the Fleish tunnel project since ground conditions were a little more challenging than anticipated for \$0.5 million in addition to advancing the transition structures and flume tie-ins for approximately \$1.2 million which was previously planned for fiscal year 2016. With the expected lack of necessary river flows for generation over the next three months, completing the transition structures and flume tie-ins now will avoid impacting future generation opportunities should river flow conditions improve.

WASHOE COUNTY COMMUNITY SERVICES DEPARTMENT WATER UTILITY & SOUTH TRUCKEE MEADOWS GID
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ATTACHMENT A

	January 2015	February 2015	March 2015	Third Qtr.	April 2015	May 2015	June 2015	Fourth Qtr.	Second Half
OPERATING REVENUES									
Charges for water sales	\$ 726,109	\$ 723,974	\$ 692,995	\$ 2,143,078	\$ 895,406	\$ 1,522,596	\$ 2,118,630	\$ 4,536,632	\$ 6,679,710
Hydroelectric sales	-	-	-	-	-	-	-	-	-
Other operating sales	27,000	27,000	27,000	81,000	27,000	27,000	31,000	85,000	166,000
Total Operating Revenues	753,109	750,974	719,995	2,224,078	922,406	1,549,596	2,149,630	4,621,632	6,845,710
OPERATING EXPENSES									
Salaries and wages	392,446	242,446	242,446	877,338	242,446	242,446	242,308	727,200	1,604,538
Employee benefits	120,985	120,986	120,987	362,968	120,985	120,985	120,985	362,955	725,913
Services and supplies	508,920	469,360	465,215	1,443,495	478,376	501,130	551,413	1,530,919	2,974,414
Total Operating Expenses before Depreciation	1,022,351	832,792	828,648	2,683,791	841,807	864,561	914,706	2,621,074	5,304,865
Depreciation	1,027,719	1,027,719	1,027,719	3,083,157	1,027,719	1,027,719	1,027,719	3,083,157	6,166,514
Total Operating Expenses	2,050,070	1,860,511	1,856,367	5,766,948	1,869,526	1,892,280	1,942,425	5,704,231	11,471,379
Operating Income	(1,296,961)	(1,109,537)	(1,136,372)	(3,542,870)	(947,120)	(342,684)	207,205	(1,082,599)	(4,625,469)
NONOPERATING REVENUES (EXPENSES)									
Grants	-	-	-	-	-	-	-	-	-
Investment earnings	35,049	34,356	33,630	103,035	33,114	33,253	33,989	100,356	203,391
Unrealized gain on investments	-	-	-	-	-	-	-	-	-
Gain (Loss) on disposal of assets	-	-	-	-	-	-	-	-	-
Amortization of bond/note issuance costs	(436)	(436)	(436)	(1,308)	(436)	(436)	(436)	(1,308)	(2,616)
Interest expense	(124,986)	(124,986)	(124,986)	(374,958)	(124,986)	(124,986)	(124,986)	(374,958)	(749,916)
Other non-operating revenue	-	-	-	-	-	-	-	-	-
Other non-operating expenses	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(90,373)	(91,056)	(91,792)	(273,231)	(92,308)	(92,169)	(91,433)	(275,910)	(549,141)
Income (Loss) before Capital Contributions	(1,387,334)	(1,200,603)	(1,228,164)	(3,816,101)	(1,039,428)	(434,853)	115,772	(1,358,309)	(5,174,610)
CAPITAL CONTRIBUTIONS									
Water meter retrofit program	-	-	-	-	-	-	-	-	-
Developer infrastructure contributions	-	-	-	-	-	-	-	-	-
Developer will-serve contributions (net of refunds)	-	-	-	-	-	-	-	-	-
Developer capital contributions-other	-	-	-	-	-	-	-	-	-
Developer facility charges (net of refunds)	52,500	52,500	52,500	157,500	52,500	52,500	52,500	157,500	315,000
Contributions from others governments	-	-	-	-	-	-	-	-	-
Contributions from others	-	-	-	-	-	-	-	-	-
Net Capital Contributions	52,500	52,500	52,500	157,500	52,500	52,500	52,500	157,500	315,000
Change in Net Assets	(1,334,834)	(1,148,103)	(1,175,664)	(3,658,601)	(986,928)	(382,353)	168,272	(1,201,009)	(4,859,610)
NET POSITION, BEGINNING OF YEAR	229,898,573	228,563,739	227,415,636	228,898,573	226,239,972	225,253,044	224,870,691	226,239,972	229,898,573
NET POSITION, END OF YEAR	\$ 228,563,739	\$ 227,415,636	\$ 226,239,972	\$ 226,239,972	\$ 225,253,044	\$ 224,870,691	\$ 225,038,963	\$ 225,038,963	\$ 225,038,963

WASHOE COUNTY WATER UTILITY/STMIGD COMBINED ENTITIES
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015

ATTACHMENT B

	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	Fourth Qtr.	Second Half
INCREASE IN CASH AND CASH EQUIVALENTS								
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	753,109	750,974	719,995	922,406	1,549,596	2,149,630	4,621,632	6,846,710
Cash paid to employees	(513,431)	(363,432)	(363,433)	(563,431)	(363,431)	(363,293)	(1,090,195)	(2,330,451)
Cash paid to suppliers	(508,920)	(469,360)	(465,215)	(478,376)	(501,130)	(551,413)	(1,530,919)	(2,974,414)
Net Cash Provided by Operating Activities	(269,242)	(81,818)	(108,653)	80,599	685,035	1,234,924	2,000,538	1,540,845
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Grants	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Net Cash Provided (used) by Noncapital Financing Activities	-	-	-	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	(679,000)	(679,000)	(679,000)	(679,000)	(679,000)	(679,000)	(2,037,000)	(4,074,000)
Interest paid on financing	(127,988)	-	-	-	-	-	(127,988)	(127,988)
Principal paid on financing	(375,950)	-	-	-	-	-	(375,950)	(375,950)
Proceeds from capital debt issuances	-	-	-	-	-	-	-	-
Proceeds from commercial paper note issuances	-	-	-	-	-	-	-	-
Proceeds from refunding bonds	-	-	-	-	-	-	-	-
Proceeds transferred to refunding/redemption escrow	-	-	-	-	-	-	-	-
Proceeds from capital asset disposal	-	-	-	-	-	-	-	-
Contributions for water meter retrofit program	-	-	-	-	-	-	-	-
Contributions from developers-will-serve letters	-	-	-	-	-	-	-	-
Contributions from developers-other	-	-	-	-	-	-	-	-
Contributions from developers-facility charges	52,500	52,500	52,500	52,500	52,500	52,500	157,500	315,000
Contributions from other governments	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Bond/Note issuance costs	-	-	-	-	-	-	-	-
Net Cash (Used) by Capital and Related Financing Activities	(1,130,438)	(626,500)	(626,500)	(626,500)	(626,500)	(626,500)	(1,879,500)	(4,262,938)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	38,943	38,173	37,367	36,793	36,948	37,765	114,483	225,989
Net Increase (Decrease) in Cash and Cash Equivalents	(1,360,737)	(670,145)	(697,786)	(509,108)	95,483	646,189	232,564	(2,496,104)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	53,527,898	52,167,161	51,497,016	50,799,230	50,290,122	50,385,605	50,799,230	53,527,898
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 52,167,161	\$ 51,497,016	\$ 50,799,230	\$ 50,290,122	\$ 50,385,605	\$ 51,031,794	\$ 51,031,794	\$ 51,031,794

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 219

A RESOLUTION TO AMEND THE FINAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2015.

WHEREAS, TMWA prepared and presented the final Budget for Fiscal year 2015 at a public hearing in May 2014;

WHEREAS, there is an impending water utility consolidation between Washoe County Community Services Department's Water Utility (CSDWU) and the South Truckee Meadows General Improvement District (STMGID) into TMWA, with an effective date of December 31, 2014;

WHEREAS, TMWA will need to increase spending authority for water operations, non-operating expenses and capital projects;

WHEREAS, TMWA will also need to incorporate additional operating revenue, non-operating revenues and capital contributions;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority: that the augmentations and revisions to the annual budget described in the Staff Report attached as Exhibit 1 are hereby approved and staff is directed to submit such information as necessary and appropriate in connection with the augmentations and revisions to the Nevada Department of Taxation

Upon motion of _____, seconded by _____, the foregoing Resolution was passed and adopted this 17th day of December, 2014, by the following vote of the Board:

Ayes: _____

Nays: _____

Abstain: _____ Absent: _____

Approved this ____ day of _____, 2014

Geno Martini, Chairman

Truckee Meadows Water Authority
Resolution 219 (continued)

STATE OF NEVADA,)
 : ss.
COUNTY OF WASHOE.)

On this 17th day of December, 2014, Geno Martini, Chairman of the Board of Truckee Meadows Water Authority, personally appeared before me, a Notary Public in and for said County and State, and acknowledged that he executed the above instrument freely and voluntarily and for the purposes therein mentioned.

Notary Public



TRUCKEE MEADOWS WATER
A U T H O R I T Y

STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: Jeff Tissier, Chief Financial Officer
DATE: March 8, 2015
SUBJECT: **Budget Presentation of Second Augmented and Amended Budget for Fiscal Year 2015 and Request for Adoption of Resolution No. 222: A Resolution for the Second Amendment/Augmentation to the Final Budget for Fiscal Year 2015**

RECOMMENDATION

Staff recommends that the Board of Directors of the Truckee Meadows Water Authority approve the resolution adopting the proposed second budget augmentation/revisions, and direct staff to forward the approved resolution and attachment to the Department of Taxation for the State of Nevada pursuant to NRS 354.615; and, record these changes in the minutes of the board meeting.

BACKGROUND

Budget augmentations/revisions must be adopted by resolution and information forwarded to the *Nevada Department of Taxation* after board approval. Since Truckee Meadows Water Authority does not have taxing authority, separate public notice is not required. The Board approved final budget was submitted to the State of Nevada in June 2014 and is being adjusted for changes as discussed further in this report. This second augmentation supplements a previous augmentation approved at the December 2014 TMWA Board meeting to provide additional expenditure authority for water utility operations and capital spending as a result of the water utility consolidation. At that meeting the TMWA Board was informed that additional augmentations were forthcoming because of the water utility consolidation and potentially other activities.

EXPLANATION OF THE AUGMENTATION

The second augmentation is also a result of the water utility consolidation and for future proposed debt issuance by TMWA and for the receipt of insurance proceeds paid to NV Energy and transferred to TMWA in regards to the Farad diversion litigation.

TMWA staff previously presented to the TMWA Board a budget augmentation to provide for additional expenditure authority for operations and capital spending as well as amend operating revenue projections as a result of the merger. This augmentation covers spending requirements and additional operating revenue for the period January 1, 2015 through June 30, 2015. Pursuant to authoritative accounting rules TMWA has to include the first six months of fiscal year 2015 operating activities of the South Truckee Meadows General Improvement District (STMGID). These account balances are now firm and are presented in the *Attachment A-1* with the cash flow effects of the second proposed augmentation/adjustments presented in *Attachment A-2*.

In addition to including STMGID operating activities for the first half of fiscal year 2015 TMWA has adjusted operating revenue for the reduction in wholesale water sales to Washoe County under two former wholesale water contracts now that the Washoe County water utility operations are consolidated into TMWA. Also at the time of the approval of the final budget TMWA staff estimated that the consolidation effort would cost approximately \$750,000 but there was significant uncertainty in the amount of staff time that would be dedicated to consolidation work. Now that consolidation is complete the amount of internal labor and benefits charged to this effort was approximately \$385,000. TMWA staff proposes transferring \$150,000 in labor and benefits from operating expenses to non-operating expenses to cover this additional non-operational spending.

In Fiscal year 2015 TMWA will experience significant debt management activities that were not measureable at the time of the final budget presentation in May 2014. After board approval to move forward with defeasing and transferring Washoe County water obligations, TMWA incurred approximately \$70,000 in bond counsel and financial advisory expenses in relation to the issuance of tax-exempt commercial paper to defease Washoe County publically issued water obligations, which produced significant immediate savings, and also for the transfer of a \$9.1 million Drinking Water State Revolving Loan to TMWA. TMWA anticipates incurring an additional \$385,000 in bond issuance expenses for the defeasance of TMWA's 2005 Revenue Bonds and for obtaining a 2015 Drinking Water State Revolving Loan to fund the North Valleys Integration Project.

Finally TMWA received approximately \$9.6 million in insurance proceeds that was paid to NV Energy and transferred to TMWA in relation to the Farad diversion litigation between NV Energy and its insurers Hartford Steam Boiler and Zurich. Litigation is still ensuing and additional proceeds may be forthcoming.

TMWA Consolidated Financial Projection for Fiscal Year 2015

	Original Adopted TMWA Final Budget Fiscal Year 2015	First' Augmented/ Adjusted Budget for Consolidation January -June 2015	Elements of Second Augmentation ²		TMWA Consolidated Augmented /Adjusted Budget for Fiscal Year 2015
			STMGID	Additional	
			Revenues/Expenses July -December 2014	Augmentations/ Adjustments	
OPERATING REVENUES					
Charges for water sales	\$ 78,396,272	\$ 6,679,710	\$ 1,436,120	\$ (816,679)	\$ 85,695,423 A
Hydroelectric sales	2,251,551	-	-	-	2,251,551
Other operating sales	2,039,000	166,000	45,675	-	2,250,675
Total Operating Revenues	82,686,823	6,845,710	1,481,795	(816,679)	90,197,649
OPERATING EXPENSES					
Salaries and wages	13,178,424	1,604,538	-	(100,000)	14,682,962 B
Employee benefits	6,088,260	725,913	-	(50,000)	6,764,173 B
Services and supplies	20,203,023	2,974,414	757,690	-	23,935,127
Total Operating Expenses before Depreciation	39,469,707	5,304,865	757,690	(150,000)	45,382,262
Depreciation	24,089,448	6,166,314	419,726	-	30,675,488
Total Operating Expenses	63,559,155	11,471,179	1,177,416	(150,000)	76,057,750
Operating Income	19,127,668	(4,625,469)	304,379	(666,679)	14,139,899
NONOPERATING REVENUES (EXPENSES)					
Grants	-	-	-	-	-
Investment earnings	2,149,264	203,391	121,432	-	2,474,087
Unrealized gain on investments	-	-	-	-	-
Gain (Loss) on disposal of assets	-	-	-	-	-
Amortization of bond/note issuance costs	(464,880)	(2,616)	-	(453,218)	(920,714) C
Interest expense	(20,823,906)	(749,916)	-	-	(21,573,822)
Other non-operating revenue	300,000	-	-	-	300,000
Other non-operating expenses	(750,000)	-	-	(150,000)	(900,000) B
Total Nonoperating Revenues (Expenses)	(19,589,522)	(549,141)	121,432	(603,218)	(20,620,449)
Income (Loss) before Capital Contributions	(461,854)	(5,174,610)	425,811	(1,269,897)	(6,480,550)
CAPITAL CONTRIBUTIONS					
Water meter retrofit program	656,892	-	-	-	656,892
Developer infrastructure contributions	1,189,188	-	-	-	1,189,188
Developer will-serve contributions (net of refunds)	272,004	-	-	-	272,004
Developer capital contributions-other	520,980	-	-	-	520,980
Developer facility charges (net of refunds)	1,146,600	315,000	71,365	-	1,532,965
Contributions from others	-	-	-	9,605,400	9,605,400 D
Contributions from other governments	-	-	-	-	-
Net Capital Contributions	3,785,664	315,000	71,365	9,605,400	13,777,429
Change In Net Position	3,323,810	(4,859,610)	497,176	8,335,503	7,296,879
NET POSITION , BEGINNING OF YEAR	294,362,552	229,898,573	30,131,482	-	554,392,607
NET POSITION , END OF YEAR	\$ 297,686,362	\$ 225,038,963	\$ 30,628,658	\$ 8,335,503	\$ 561,689,486

1) Approved at the December TMWA Board meeting

2) Augmentations/Adjustments are additional changes to be approved by the TMWA Board and are as follows:

- A \$ (816,679) Elimination of wholesale water charges to Washoe County from January 1 through June 30, 2015 now that the water systems are consolidated
- B \$ (150,000) Additional merger related expenses centered Insignificant staff time dedicated to this effort that was challenging to budget which includes associated benefits
- C \$ (453,218) Additional bond Issuance expenses for transfer/defeasance of Washoe County water obligations and bond/loan Issuance expenses for a TMWA 2015 DWSRF loan and 2015 Refunding of 2005 TMWA Senior Lien Bonds
- D \$ 9,605,400 Transfer of money in accordance with the board approved Settlement Agreement between Sierra Pacific Power and TMWA, relating to the Farad Dam

TMWA Consolidated Financial Projection for Fiscal Year 2015

	Original Adopted TMWA Final Budget Fiscal Year 2015	Augmented/ Adjusted Budget for Consolidation January - June 2015	Elements of Second Augmentation ²		TMWA Consolidated Augmented /Adjusted Budget for Fiscal Year 2015
			STMGID Revenues/Expenses July - December 2014	Additional Augmentations/ Adjustments	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 82,686,823	\$ 6,845,710	\$ 1,481,795	\$ (816,679)	\$ 90,197,649
Cash paid to employees	(19,266,684)	(2,330,451)	-	150,000	(21,447,135)
Cash paid to suppliers	(20,203,023)	(2,974,414)	(757,690)	-	(23,935,127)
Net Cash Provided by Operating Activities	43,217,116	1,540,845	724,105	(666,679)	44,815,387
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants	-	-	-	-	300,000
Other Revenues	300,000	-	-	-	300,000
Other Expenses	(750,000)	-	-	(150,000)	(900,000)
Net Cash Provided (used) by Noncapital Financing Activities	(450,000)	-	-	(150,000)	(600,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(26,244,996)	(4,074,000)	-	-	(30,318,996)
Interest paid on financing	(19,491,122)	(127,988)	-	-	(19,619,110)
Principal paid on financing	(12,728,737)	(375,950)	-	-	(13,104,687)
Proceeds from capital debt issuance	-	-	-	-	-
Proceeds from commercial paper note issuances	-	-	-	-	-
Proceeds from refunding bonds	-	-	-	-	-
Proceeds transferred to refunding/redemption escrow	-	-	-	-	-
Proceeds (spending) from (on) capital asset disposal	-	-	-	-	-
Contributions for water meter retrofit program	656,892	-	-	-	656,892
Contributions from developers-will-serve letters	272,004	-	-	-	272,004
Contributions from developers-other	520,980	-	-	-	520,980
Contributions from developers-facility charges	1,146,600	315,000	71,365	-	1,532,965
Contributions from (to) other governments	-	-	-	-	-
Contributions from (to) other	-	-	-	9,605,400	9,605,400
Grants	-	-	-	-	-
Bond/Note issuance costs	(407,124)	(2,616)	-	(453,218)	(862,958)
Net Cash (Used) by Capital and Related Financing Activities	(56,275,503)	(4,265,554)	71,365	9,152,182	(51,317,510)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	2,388,073	203,391	121,432	-	2,712,896
Net Increase (Decrease) in Cash and Cash Equivalents	(11,120,314)	(2,521,318)	916,902	8,335,503	(7,102,129)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	133,949,074	32,794,353	16,540,777	-	166,743,427
CASH AND CASH EQUIVALENTS, END OF YEAR	122,828,760	30,273,035	17,457,679	-	153,101,795

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 222

A RESOLUTION FOR THE SECOND AMENDMENT/AUGMENTATION TO THE FINAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2015.

WHEREAS, TMWA prepared and presented the final Budget for Fiscal year 2015 at a public hearing in May 2014;

WHEREAS, TMWA had approved the first budget augmentation at its December board meeting to provide for additional expenditure authority for operations and capital spending as a result of the water utility consolidation;

WHEREAS, TMWA needs to make further adjustments and augmentations to its budget to include operating activities of the South Truckee Meadows General Improvement District (STMGID) for the first half of fiscal year 2015;

WHEREAS, TMWA will also need to provide for the additional bond issuance expenses incurred for the defeasance and transfer of Washoe County water obligations as approved by the TMWA Board;

WHEREAS, TMWA will also need to provide for additional bond issuance expenses for the defeasance of TMWA's 2005 publically issued bonds and issuance of debt to fund the North Valleys Integration Project;

WHEREAS, TMWA will also need to transfer expenditure authority from its operations budget to the consolidation efforts reflected in non-operating expenses;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority: that the augmentations and revisions to the annual budget described in the Staff Report attached as Exhibit 1 are hereby approved and staff is directed to submit such information as necessary and appropriate in connection with the augmentations and revisions to the Nevada Department of Taxation

Upon motion of _____, seconded by _____, the foregoing Resolution was passed and adopted this 18th day of March, 2015, by the following vote of the Board:

Ayes: _____
Nays: _____
Abstain: _____ Absent: _____

Truckee Meadows Water Authority
Resolution 222 (continued)

Approved this ____ day of _____, 2015

Geno Martini, Chairman

STATE OF NEVADA,)
 : ss.
COUNTY OF WASHOE.)

On this 18^h day of March, 2015, Geno Martini, Chairman of the Board of Truckee Meadows Water Authority, personally appeared before me, a Notary Public in and for said County and State, and acknowledged that he executed the above instrument freely and voluntarily and for the purposes therein mentioned.

Notary Public