



TO: TMWA Board Members
FROM: Mark Foree, General Manager
Jeff Tissier, (outgoing) Chief Financial Officer/Treasurer
Michele Sullivan, (incoming) Chief Financial Officer/Treasurer
DATE: March 8, 2016
SUBJECT: **Discussion and action on the TMWA Tentative Budget for the Fiscal Year ending June 30, 2017 and Draft Capital Improvement Plan for Fiscal Years 2017 through 2021**

Recommendation

TMWA Board reviews the tentative budget report for the fiscal year ending June 30, 2017 and preliminary Five Year Capital Improvement Plan 2017-2021 (CIP). This allows the board to provide input and direction to TMWA management in advance of the public hearing on the budget and CIP on Wednesday, May 18, 2016.

Executive Summary

TMWA has prepared the tentative budget for the fiscal year ending June 30, 2017 and the CIP for review by the board. Once input is received, TMWA staff will incorporate board comments that have a fiscal impact, and make those adjustments for the final budget presentation which is scheduled for May 18, 2016. The tentative budget will be filed with the Nevada Department of Taxation by April 15, 2016 in compliance with statutory requirements. The tentative budget and CIP will be presented to the Standing Advisory Committee (SAC) at their next scheduled meeting in April.

Water demands have been projected based on calendar year 2015 water customer usage which covers a full year of consolidated water utility operations as well as water demand impacts from the drought. These decreased demand statistics were used to model water sale projections in case these demands have hardened in response to drought conditions. The drought has potentially presented significant fiscal impacts to TMWA both in water sales and hydroelectric revenues. In total the estimated negative impact on fiscal year 2017 water sales due to the drought is approximately \$5.5 million with conversion of former flat rate customers to metered billing

negatively impacting water sale revenue by an additional \$1.5 million. Final conversion of flat rate customers was important to accomplish because of extreme drought conditions. Recovery of water demands is uncertain if TMWA returns to its standard conservation practices this irrigation season. The fiscal year 2017 budget anticipates the addition of approximately 2,400 service connections over the course of the year. This expected growth is corroborated by current billing statistics.

Hydroelectric revenues are expected to improve over last year with generation expected through October, and river flows recovering in the spring. River flows are difficult to predict at this time and may be adjusted at the final budget hearing. The implementation of Truckee River Operating Agreement (TROA) will have negative impacts on future hydroelectric generation revenue because of the timing of storage by various TROA parties and by-pass flow requirements.

Investment income is expected to continue to be at historic lows due to very low rates of return on reinvestments but there are indications that interest rates may pick up in the first half of fiscal year 2017. The community is experiencing more growth which is reflected in greater developer fee collections commensurate with the expectation that 2,400 additional residential units will be connected in fiscal year 2017. It is challenging to determine how much of this service connection growth is from entitled projects and shadow inventories so collection of fees may be more muted.

TMWA operating expenses are reported on a consolidated water utility basis which is not comparable to prior periods. With drought conditions somewhat abated more reliance on surface water will occur in fiscal year 2017 rather than groundwater in fiscal year 2016. As a result, electric power costs are expected to be reduced in fiscal year 2017. Fish Springs Ranch water should be available to TMWA's North Valleys Area in the first quarter of fiscal year 2017, and related power expenses are expected to be well managed. Wages and salaries costs are expected to increase as a result of labor negotiations but more impacted by increased staffing levels. Staffing is expected to increase from 199 full time equivalents (FTEs) in fiscal year 2016 to 204 FTEs in fiscal year 2017. The increase in staffing levels is due to TMWA formally taking on fire hydrant maintenance for the City of Reno as well as for Washoe County which is currently being negotiated. Increasing fire hydrant maintenance responsibilities are expected to be approximately \$1.0 million in additional operating expenses annually. The budget anticipates continued support of the *Truckee River Fund* for \$850,000 and the *Desert Research Institutes' (DRI's)* cloud seeding activities for \$210,000. Property taxes are expected to increase by \$200,000 annually due to the acquisition of Truckee Carson Irrigation District's (TCID) interests in Donner Lake.

Water treatment chemical expenses are expected to return to historical norms with more reliance on surface water in fiscal year 2017. Surface water quality is expected to be better in fiscal year 2017 than in fiscal year 2016 alleviating the use of granular activated carbon for taste and odor issues.

Interest expense is expected to increase modestly due to tax-exempt commercial paper interest rates increasing. These interest rates are expected to range between 0.50% to 0.60% for the fiscal year but these rates hinge on Federal Reserve policy which may continue to be accommodative. Recent press releases indicate some interest in increasing short term interest rates to some

degree. At this time the \$93.8 million in outstanding tax-exempt commercial paper (TECP) is carrying approximately a 0.10% combined interest rate. Some interest rate accommodation is being made for the upcoming refunding of the Series 2006 Refunding Bonds. Once that refunding is priced and the deal closed the results will be incorporated in the final budget. TMWA anticipates significant savings with a meaningful reduction in outstanding principal on the Series 2006 Refunding Bonds. The budget currently reflects estimates of these savings. The 2015 Drinking Water State Revolving Fund Loan (DWSRF) loan for the North Valleys Integration Project should be fully drawn by the first quarter of fiscal year 2017.

Operating Revenues

TMWA expects total operating revenues of approximately \$93.1 million for fiscal year 2017. Please refer to *Attachment A*. As previously mentioned our assumption is that water consumption will not return to pre-drought levels.

Hydroelectric revenue for fiscal year 2017 is currently expected to be \$1.9 million with generation expected to last until mid-October and returning in February and March of 2017. No hydroelectric generation is expected during the November through January timeframe.

Other miscellaneous operating revenues are estimated at \$2.3 million. Other miscellaneous revenue are made up of late payment fees, turn-on and turn-off fees, Washoe County Central Truckee Meadows Remediation District reimbursement for power/chemical consumption, construction water sales, cell phone tower rents, inspection services on new business and interruptible water sales. Depending on the pace of residential/commercial construction there could be more or less construction water sales and inspection fees than projected.

Operating Expenses

Cash operating expenses (total operating expenses excluding depreciation) are estimated at \$54.2 million in fiscal year 2017. As in the past TMWA personnel will continue to work diligently on managing operating expenses.

Total operating wages and salaries are expected to be \$18.3 million for fiscal year 2017. Full time equivalent (FTE) head count is expected to be at 204 FTEs. Also a 2% wage increase was negotiated with *International Brotherhood of Electrical Workers Local 1245 (IBEW 1245)* for fiscal year 2017 which was previously approved by the TMWA Board. TMWA has forecasted greater overtime compensation expense due to a significant amount of unscheduled maintenance on distribution mains and services due to leaks. This has been the situation for the past several years. If water leaks abate somewhat then the need for overtime can be reduced.

Employee benefits are expected to be \$9.3 million for fiscal year 2017. New pension accounting rules will be changing the manner in which pension expense is calculated for fiscal year 2017 and is estimated to be \$4.7 million. Health care premiums are planned to increase 5% with total outlays in this area estimated to be \$2.6 million. All other benefit rates are expected to be similar to last year's levels on a proportionate basis. TMWA continues to fund its *Post-Retirement*

Health and Life Trust (PRMT-OPEB §501-c-9 Trust) which is very well funded to meet post-retirement benefit obligations approved in TMWA Board Resolution 6. The funding of the PRMT-OPEB is based upon a bi-annual actuarial analysis and the annual contribution has not increased much for many years due to the excellent funded status of the trust. TMWA formed another Post-Retirement Health and Life Trust (*PRMT -OPEB §115 Trust*) for Washoe County employees who transferred to TMWA as a result of the water utility consolidation. This trust was 43% funded and only 22 personnel participate in this closed trust. An actuarial analysis will be performed in fiscal year 2016 for the ensuing two years to measure future funding requirements. TMWA is currently funding this trust.

Service and supplies are expected to be \$26.6 million. It is expected that power expenses will moderate as reliance on more surface water will occur in fiscal year 2017 and continued stability remains with electric power rates. Most other expenses are expected to increase by an inflation rate of approximately 2.5%. Treatment chemical costs will moderate because there will be no need to use activated carbon to address potential taste and odor issues from byproducts of algae blooms in the Truckee River. These blooms result from low river flows and increasing water temperatures. A breakdown of services and supplies expenses is presented in ***Attachment C***.

Capital Improvement Plan for Fiscal Years 2017-2021

TMWA plans to spend \$149.9 million over the next five years on a variety of construction projects and capital outlays of which \$40.9 million is expected to be spent in fiscal year 2017. ***Please refer to Attachment D.***

Of the total \$40.9 million in capital spending in fiscal year 2017, \$21.8 million (53%), will be for a number of distribution system improvements. One project for \$5.0 million is to replace the last section of the Stead Water Main installed nearly 70 years ago. In addition TMWA will advance two other conjunctive use water main projects on the Mt. Rose/Galena Fan area to further water resource management objectives in this part of the service area. Another water resource management project is to begin the design/engineering with initial construction of the Mt. Rose/Galena Fan Water Treatment Facility for \$2.5 million

For the last four years of the 2017-2021 CIP TMWA will continue with CIP projects at a much more reduced scale which will include a combination of rehabilitation construction projects and construction to expand water system capacity to accommodate growth in the community. Total spending on water system rehabilitation projects is expected to be \$124.2 million over five years. The bulk of the remaining balance of project spending will be for water system expansion. After board input TMWA staff will finalize and present a final comprehensive CIP at the May 18, 2016 public hearing.

Cash Position and Coverage Ratios

At this time, TMWA expects to begin fiscal year 2017 with approximately \$178.5 million in total cash and investments, and end the fiscal year with \$157.9 million of total cash and investments based upon planned spending levels. These projections can be found in ***Attachment***

B. These financial resources will be relied upon to fund operations and capital spending over the ensuing several years. As previously mentioned the impact of the drought and conservation reduced water sales which will draw down unrestricted cash reserves. Of the total ending cash and investments in fiscal year 2017, \$75.9 million will be restricted for debt service payments and reserve requirements under TMWA's bond indentures and \$82.0 million will be unrestricted to be used for future operating expenses, capital improvements and any other necessary outlays. The \$75.9 million in restricted cash reserves includes \$10.9 million of remaining transferred funds from STMGID which is earmarked for capital improvements in the former STMGID service area.

TMWA's senior lien debt coverage ratio (DSC ratio), excluding system development charges, is estimated to be 2.31x by the end of fiscal year 2017. This ratio has been artificially inflated due to the planned extension of certain maturities of the Series 2006 Refunding Bonds beyond fiscal year 2034. This level of debt service coverage preserves the ability to access senior lien capital markets, if necessary, under favorable terms. TMWA's senior lien bond covenants require a minimum coverage ratio of 1.25x. TMWA's financial goals adopted in August 2003 established a debt coverage goal of approximately 1.50x (excluding developer fees) to maintain mid-level to higher level investment grade credit ratings and pay-as-you-go funding for water system rehabilitation construction projects. At the time of writing this report, TMWA was under credit review by two major credit rating agencies, Moody's and Standard & Poors (S&P), in front of the upcoming refunding opportunity with TMWA's Series 2006 Revenue Bonds. Estimated savings from this refunding opportunity have been incorporated in the tentative budget but the refunding will be priced just after the tentative budget presentation. In the upcoming year TMWA should be positioned to take advantage of other refinancing/restructuring opportunities, most specifically the defeasance of \$202 million of outstanding Series 2007 Refunding Bonds.

**TRUCKEE MEADOWS WATER AUTHORITY
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	Proposed Tentative Fiscal Year 2017 Total
OPERATING REVENUES	
Charges for water sales	\$ 88,833,746
Hydroelectric sales	1,899,704
Other operating sales	2,326,000
Total Operating Revenues	<u>93,059,450</u>
OPERATING EXPENSES	
Salaries and wages	18,319,615
Employee benefits	9,332,796
Services and supplies	26,578,715
Total Operating Expenses before Depreciation	<u>54,231,126</u>
Depreciation	33,196,668
Total Operating Expenses	<u>87,427,794</u>
Operating Income	<u>5,631,656</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	2,231,304
Unrealized gain on investments	-
Gain (Loss) on disposal of assets	-
Amortization of bond/note issuance costs	(474,444)
Interest expense	(17,755,332)
Other non-operating revenue	-
Other non-operating expenses	-
Total Nonoperating Revenues (Expenses)	<u>(15,998,472)</u>
Income (Loss) before Capital Contributions	<u>(10,366,816)</u>
CAPITAL CONTRIBUTIONS	
Grants	150,000
Water meter retrofit program	1,619,256
Developer infrastructure contributions	-
Developer will-serve contributions (net of refunds)	4,615,656
Developer capital contributions-other	3,165,144
Developer facility charges (net of refunds)	4,509,144
Contributions from others	-
Contributions from other governments	-
Net Capital Contributions	<u>14,059,200</u>
Change in Net Position	<u>3,692,384</u>
NET POSITION , BEGINNING OF YEAR	<u>\$ 560,575,086</u>
NET POSITION, END OF YEAR	<u>\$ 564,117,470</u>

**TRUCKEE MEADOWS WATER AUTHORITY
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2017**

	Presented Tentative Fiscal Year 2017 Total
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 93,059,450
Cash paid to employees	(27,652,411)
Cash paid to suppliers	(26,578,715)
Net Cash Provided by Operating Activities	<u>38,828,324</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(40,935,000)
Interest paid on financing	(15,870,414)
Principal paid on financing	(14,234,845)
Proceeds from capital debt issuance	-
Redemptions of commercial paper notes	(4,400,000)
Proceeds from refunding bonds	-
Proceeds transferred to refunding/redemption escrow	-
Proceeds (spending) from (on) capital asset disposal	-
Contributions for water meter retrofit program	1,619,256
Contributions from developers-will-serve letters	4,615,656
Contributions from developers-other	3,165,144
Contributions from developers-facility charges	4,509,144
Contributions from (to) others	-
Contributions from (to) other governments	-
Grants	150,000
Bond/Note issuance costs	(440,820)
Net Cash (Used) by Capital and Related Financing Activities	<u>(61,821,879)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>2,404,344</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(20,589,211)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>\$ 178,500,000</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 157,910,789</u></u>

Attachemnt B

Truckee Meadows Water Authority
 Expense Summary All Departmental/Cost Centers

Total Operating Expenses by Division	Fiscal Year
	2017 Total
TMWA Operating Budget	
Wages & Salaries	18,319,611
Employee Benefits	9,332,796
Services & Supplies	26,578,715
Total TMWA Operating Budget	54,231,123
Main Act.	
6000 Salaries & Wages Base MPAT	7,324,942
6005 Wages Base IBEW	8,593,782
6010 Wages Temporary Personnel	418,623
6020 Wages Overtime MPAT	80,621
6025 Wages Overtime 1.5 IBEW	1,047,158
6030 Wages Overtime 2.0 IBEW	808,086
6035 Wages Shift Differentials	46,399
6100 PERS Retirement	4,683,626
6105 Health Insurance	2,563,600
6120 Life Insurance	60,607
6125 Workmen's compensation	227,950
6135 Employer Medicare	283,993
6145 Long-Term Disability	65,582
6150 Deferred Comp TMWA paid 401a	1,073,181
6170 Other Post Employment Benefits	374,258
7000 Chemicals	1,662,331
7010 Claim Payments	327,322
7020 Computer software maintenance	358,698
7030 Computer spares and parts	74,575
7040 Computer hardware maintenance	133,075
7050 Contract Services General	4,882,698
7051 Contract Services Construction	189,600
7052 Contract Services Electrical	102,000
7053 Contract Services- Equipment Maintenance and repairs	849,181
7054 Contract Services Facilities maintenance and repairs	567,600
7055 Contract Services	315,869
7110 Ditch Fees	67,200
7115 Storage Fees	642,780
7118 River monitoring	480,000
7120 Employee expense reimbursements non travel	11,592
7150 Equipment rentals	56,100
7170 Insurance Property/General liability/Fleet	636,808
7190 Leases Land	60,000
7220 Licenses/Permits/application fees	392,354
7240 Miscellaneous expense	1,139,106
7260 Postage & Shipping	590,680
7265 Professional Organization dues	89,024
7270 Professional Services Administration	1,190,568
7272 Professional Services Easement/ROW/Appraisals	24,000
7273 Professional Services -Engineering	247,200
7274 Professional Services Geotechnical/environmental	12,600
7275 Professional Services Hydrology/resource Planning/TROA	483,000
7280 Property taxes Nevada County CA	258,600
7281 Property taxes Sierra County CA	384,000
7290 Public Utility electric power	6,350,826
7300 Public Utility gas & Propane	88,800
7301 Public Utility water/sewer/waste disposal	179,400
7302 Public Utility networking communication	16,200
7303 Public Utility telephone	424,560
7310 Street Repairs-Reno	135,000
7311 Street Repairs Regional Transportation Commission	9,000
7312 Street Repairs Sparks	30,000
7313 Street Repairs Washoe County	36,000
7350 Supplies-Administrative Office	800,833
7351 Supplies Small Tools	167,520
7352 Supplies Mechanical Parts	939,854
7353 Supplies Pipes & Fittings	420,900
7354 Supplies fuel/Lube/Oil	353,103
7355 Supplies Pumps	119,400
7356 Supplies Motors	91,200
7370 Training	102,410
7380 Travel/Lodging/Meals	85,149
Total TMWA Operating Budget	54,231,123

Attachment C



2017 – 2021 DRAFT

CAPITAL IMPROVEMENT PLAN

Truckee Meadows Water Authority FY 2017-2021 Draft Capital Improvement Plan

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INTRODUCTION

The Truckee Meadows Water Authority's (TMWA's) Five-Year Capital Improvement Plan 2017 – 2021 (CIP), describes all infrastructure construction and major capital outlays that will take place between July 1, 2016 and June 30, 2021. Guidance for identifying and scheduling projects in the 2017-2021 CIP is provided by TMWA's 2010-2030 Water Facility Plan (WFP) and the 2016-2035 Water Resource Plan (WRP). Both these Plans are formally updated in calendar year 2016 from a consolidated utility perspective and will be the cornerstone of future CIPs. In addition to the WFP and WRP, TMWA incorporated capital project schedules for the consolidated utilities the Washoe County Water Utility (WCWU) and the South Truckee Meadows General Improvement District (STMGID). These former utilities capital improvement plans are also based on various WCWU and STMGID facility plans and construction/capital outlay analyses.

On January 1, 2015, TMWA, the WCWU and STMGID consolidated to create a regional water system under TMWA. The 2017-2021 CIP incorporates a comprehensive compilation of water system improvements for TMWA and the former WCWU and STMGID water systems. A major feature of the 2017-2021 CIP is the construction of a number of projects that will expand the conjunctive use of the region's water resources. The philosophy behind conjunctive use of local water resources is to maximize the use of surface water while preserving the integrity of groundwater resources which are preserved and can be drawn upon during periods of persistently dry weather. Another aspect of the 2017-2021 CIP is to expand the Aquifer Storage and Recovery Program (ASR Program) which is the recharge of groundwater basins with treated surface water. This activity is normally performed during the winter months when there is excess surface water treatment capacity.

The 2017-2021 CIP constitutes an essential component in TMWA's system of planning, monitoring and managing the activities of purveying water and generating hydroelectric power. This introduction will summarize projects and capital outlays for the ensuing five years including the explanation of prioritization of projects, and methodology for assigning the cost of projects to existing customers, development, also referred to as new and expanded service, or drawing on cash reserves transferred from WCWU and STMGID. A condition of consolidating STMGID into TMWA was that the former STMGID treasury be used only for infrastructure improvements in the former STMGID service area. The current 2017-2021 CIP is incorporated into a broader, constantly-updated Five-Year Funding Plan (FP) for a comparable period. This Funding Plan (FP) will determine adequate levels and sources of funding for projects contained in the 2017-2021-Year CIP.

The 2017-2021 FP indicates that TMWA can fund the CIP in light of diminished water sales. This situation is the result of significant reductions in water demands resulting from the drought. Otherwise there appears to be adequate treasury and revenues from various sources to fund operations, pay principal and interest on existing debt, principal and interest on future financing activities, and capital improvements as presented in the 2017-2021 CIP.

Truckee Meadows Water Authority FY 2017-2021 Draft Capital Improvement Plan

The 2017-2021 CIP envisions a total of \$149.9 million of spending with approximately 68% or \$110.6 million of this total amount dedicated to upgrades or replacement of existing infrastructure, and approximately 16.9% or \$25.3 million allocated to construction of new water system capacity projects, conjunctive use construction projects, retrofit of remaining unmetered services, and potential opportunistic acquisition of water rights. Construction/capital outlays associated with the former STMGID service area are estimated to be approximately 9.2% or \$13.8 million of total spending over the fiscal year 2017-2021 periods. There are sufficient STMGID transferred reserves to fund the next five years of capital improvements in this category. Of the total projected spending over the next five years \$10.4 million is considered contingency spending which is dependent on certain events occurring to trigger spending. The \$149.9 million in projected spending is categorized in nine broad categories of improvements and spending outlays. These nine categories are:

1. Raw Water Supply Improvements
2. Groundwater Supply Development
3. Treatment Plant Water Quality (WQ) Improvements
4. Distribution System Improvements
 - a. Pressure Improvements
 - b. Water Main Distribution Service Line Improvements
5. Potable Water Storage Improvements
6. Hydroelectric Improvements
7. Customer Service Outlays
8. Administrative Outlays
9. Special Projects Funded by Development

The ninth category Special Programs Funded by Development programs are separated from a presentation standpoint because in the case of water right acquisitions spending is currently driven by pricing opportunity and is part of the contingency spending. The completion of the water meter retrofit project may occur during the current five year planning horizon since TMWA is seeing increasing contributions from developers to fund the few remaining meter installations. TMWA is seeking matching grant funding to combine with existing water meter retrofit cash reserves which together should be sufficient to complete the program.

A broad description of each category is provided next with detailed project descriptions to be found in the Project Description Section of the 2017-2021 CIP.

The first category, *Raw Water Supply Improvements*, contains 2.3% or approximately \$3.5 million of total spending in the 2017-2021 CIP. Projects focus on improvements to the Highland Canal/Siphon raw water conveyance infrastructure, upstream storage improvements for Donner and Independence Lakes where TMWA stores its Privately-Owned Stored Water (POSW) and expenses associated with the implementation of the Truckee River Operating Agreement (TROA). Implementation of TROA is invaluable to TMWA since it now allows for the modification of river operations to expand upstream storage in the federal reservoir system for increased drought storage. TROA was implemented on December 1, 2015. TMWA is now storing water in the federal reservoir system under this new river operating regime.

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The second category, *Ground Water Supply Improvements*, contains 8.5% or approximately \$12.8 million of total spending in the 2017-2021 CIP. These projects focus on preserving existing well capacities, drilling and equipping of new wells and at times complete replacement of existing wells.

The third category, *Treatment Plant Improvements*, contains 15.1% or approximately \$22.6 million of total spending in the 2017-2021 CIP. This spending targets fix and finish projects with the primary focus on the Chalk Bluff and Glendale Surface Water Treatment Plants located on the Truckee River. Another significant planned investment is the Mt. Rose Surface Water Treatment Plant which will provide additional critical water supplies on the Mt. Rose/Galena Fan with water sourced from local creeks. Other improvements focus on satellite water system treatment upgrades and a complete upgrade of the Supervisory Control and Data Acquisition (SCADA) system which provides centralized automated system control and data storage for the distribution system.

The fourth category, *Distribution System Improvements*, contains 49.5% or approximately \$74.3 million of total spending and is the most significant spending category in the 2017-2021 CIP. This spending is bifurcated into pressure improvements and water main and service line improvements. Pressure improvements include pump station rebuilds and new construction, correction of pressure or fire flow deficiencies, pressure regulating station rebuilds and new construction, as well as reconstruction of pressure regulating valves. Water main improvements include replacement of aged water mains reaching end of service life, installation of new mains for new and expanded service, water main oversizing and extensions, and the remaining two of three major conjunctive use projects to extend surface water supplies to the areas that rely heavily on year round groundwater pumping. The last set of projects furthers the conjunctive use philosophy of water resource management.

The fifth category, *Potable Water Storage Improvements*, contains 8.7% or approximately \$13.0 million of total spending in the 2017-2021 CIP. These projects are comprised mainly of new treated water tank construction to serve new and expanded service, some replacement of existing treated water tank capacity as well as systematic recoating of treated water tank interiors and exteriors to extend service life of these facilities.

The sixth category, *Hydroelectric Improvements*, contains 3.2% or approximately \$4.7 million of total spending in the 2017-2021 CIP. These improvements center on the three run-of-river hydroelectric facilities currently owned by TMWA. Efforts on these facilities focus primarily on flume, forebay, diversion and canal improvements as well as equipment upgrades.

The seventh category, *Customer Service Outlays*, contains 6.0% or approximately \$8.9 million of total spending in the 2017-2021 CIP. Spending in this category focuses on meter reading device replacements and meter replacement if required. This spending is on an as needed basis. Also in this category is a spending provision for new business meters which is funded by development. Also as meter pit failures occur in the former merged water system service areas those meter pits are converted to TMWA material standards.

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The eighth category, *Administrative Outlays*, contains 5.3% or approximately \$7.9 million of total spending in the 2017-2021 CIP. These outlays are primarily for Information Technology equipment, licenses, and desktop computer replacements as required. Included in this category of spending are fleet upgrades for heavy and light vehicles as well as excavation equipment.

The ninth category, *Special Projects Funded by Development*, contains 1.5% or approximately \$2.3 million of total spending in the 2017-2021 CIP. These outlays are for water meter retrofit and opportunistic water right purchases.

DEFINITIONS

Capital Improvement Program Definitions

The Five-Year CIP is a planning and budgeting tool, which provides information about TMWA's infrastructure needs for a five-year time frame. Each year, the list of projects is reviewed for cost and priority. New projects may be added and other projects delayed or deleted entirely. Since most projects are mandatory or necessary, deletion of a project would be rare with the exception of contingency spending. However, capital spending plans must remain flexible, and it is often necessary to take revisions to the approved fiscal year's CIP back to the TMWA Board for approval. If construction or outlays can be deferred, TMWA will defer spending in order to preserve cash reserves, regardless whether or not there are difficult economic times. These decisions are made on a case by case basis.

Generally, capital improvements/outlays are defined as physical assets, constructed or purchased, that have a useful life of one year or longer and a cost of \$5,000 or more.

Definition of Capital Outlays

"Capital Outlays," which are in TMWA's capital budget, include such things as furniture, computer equipment and software, vehicles, and heavy equipment needed to support TMWA's operations. These items are generally found in the Administrative category of projects. For Customer Service category these outlays involve meter installations, and acquiring meter reading equipment.

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PRIORITIZATION OF PROJECTS/OUTLAYS

TMWA may not have sufficient funding to meet all its capital needs each year or may divert funding to meet unexpected capital improvements. If such conditions arise, projects are prioritized based on the effect each project has on TMWA's ability to meet customer demand and maintain water system reliability. TMWA's updated Five-Year FP is used to analyze overall total spending, identify various funding alternatives, and help determine whether or not water rate adjustments will be required.

The priority categories represent a relative degree of need for any particular project and are described below.

- * **PRIORITY 1 MANDATORY:** These are considered absolutely required, and are the highest priority of all capital projects. Mandatory projects include those in final design or already under construction, or those required by legislation, or regulation for protection of public health and safety. These projects are generally found in the first fiscal year of the 2017-2021 CIP. Water demands or infrastructure conditions are such that if the project is not completed TMWA runs the risk of eventually being unable to reliably provide water service to its existing customers and/or new and expanded service, or incur extended outages.
- * **PRIORITY 2 NECESSARY:** A project that is important for providing water service to customers, yet timing of construction or spending outlay is not as critical as a mandatory project. These projects are required and are generally found in the last four years of the 2017-2021 CIP. External factors such as the pace of new development or the condition of existing infrastructure may delay or accelerate the timing of project construction. When return on investment is a determining factor, projects in this category must have a payback of less than five years. A rate of return may not be applicable to projects whose economic/financial benefits cannot be easily quantified.
- * **PRIORITY 3 CONTINGENCY:** These projects or capital outlays are not immediately critical to the operation of the water system. Expenditures in this category generally require a business case study or specific criteria to be met before spending can occur. If such criteria are not met, then spending may or may not be justified. Also, some projects are deferrable if spending is required in an area of higher priority. Even though these projects and outlays are in the 2017-2021 CIP the likelihood spending will occur may be remote and is based upon future conditions that are difficult to predict.

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FUNDING OF CAPITAL SPENDING

Funding Sources

The 2017-2021 CIP will rely on various funding sources to pay for capital projects/capital outlays. TMWA relies heavily on revenues generated from water sales, hydroelectric, and other operating sales to fund the majority of projects. Developer contributions have historically been an important funding source for certain construction projects for new and expanded water system capacity. Investment income is also available to augment other revenue sources but is minor in relation to other funding sources. Collection of developer fees have been at historical lows since the inception of TMWA. TMWA has not been reliant on these fees to fund operations or fund annual principal and interest payments on TMWA's outstanding debt. In fiscal year 2016 residential, and to some extent commercial development activity, has accelerated in a meaningful manner providing financial resources to fund projects listed in the 2017-2021 CIP for new and expanded service. TMWA may rely on the issuance of new money debt to fund large levels of capital spending in a particular period. The 2017-2021 CIP does not anticipate reliance on funding from new money at this time. TMWA has relied on a number of new money debt issuances in the past to fund capital spending.

Developer Contributions

TMWA looks to the development community for developer contributions in the form of system development charges or direct reimbursements to fund capital expenditures related to new or expanded water service, including pump station construction or expansions and feeder main extension projects. In June 2003, the TMWA Board adopted facility charges to pay for new treatment/supply capacity projects and new storage capacity projects. TMWA began collecting these facility charges in January 2004. Under TMWA's Rule 5 these proceeds are used to support new capacity construction. Rule 7 governs the purchase of water rights and reimbursement by developers for issuance of will-serve commitments for water service. However, because of the timing of certain growth driven capital projects, additional financial resources may be called upon as needed. The TMWA Board updated the system development charges in March 2005, in October 2006, in February 2008 (effective March 1, 2008) and finally in July 2013. These fees are subject to periodic review for funding adequacy.

Bonds and Other Financing/Funding Tools

New money revenue bond issuance has been historically an integral part of funding construction spending. TMWA prefers to not use senior lien debt, but rather rely on subordinated debt financing obtained through the Drinking Water State Revolving Loan Fund and the tax-exempt commercial paper program due to lower cost of capital and repayment subordination features of these funding vehicles. Customer water sales and various developer fees may not be immediately sufficient to pay for construction

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spending and capital outlays so there may be some reliance on new money debt and reliance on future tax-exempt commercial paper note sales.

At the time of the acquisition of the water assets of Sierra Pacific Resources (SRP), TMWA established a \$40.1 million capital improvement project fund from proceeds of Series 2001-A acquisition bonds issuance. Since inception, TMWA has primarily relied upon operating cash flow, investment income and developer fees to fund capital projects. However, during fiscal year 2005, TMWA was able to utilize a low cost *Drinking Water State Revolving Fund (DWSRF)* loan for \$4.8 million to fund arsenic removal projects and to issue \$40.0 million in additional senior lien bonds to fund various capital improvements. The \$40.0 million Series 2005 Revenue bond proceeds (totaling a net \$37.2 million to apply to construction) were fully expended before the end of fiscal year 2008. TMWA inaugurated a tax-exempt commercial paper program in August 2006; initially to fund water right purchases with two issues that totaled \$43 million. Moreover, the program provides another resource to draw upon for additional funding for capital projects and water rights acquisitions. Market conditions were extremely favorable in February 2008, at which time TMWA took the opportunity to issue an additional \$25 million at an initial rate of 1.59% which includes letter of credit fees and commercial paper remarketing costs. TMWA has taken advantage of 0% interest rate federal stimulus funding and obtained a \$2.3 million loan through the DWSRF program to partially fund the Mogul Bypass Siphon Project. In December 2009 TMWA obtained an \$8.5 million DWSRF loan authorization to construct the Glendale Raw Water Diversion and Intake Structure which was completed in fiscal year 2011. TMWA drew only \$4.4 million on this facility and de-obligated the remaining authorization. TMWA extended its tax-exempt commercial paper program in fiscal year 2012 and completed the process of extending the direct pay liquidity facility with two banks, Wells Fargo N.A and J.P. Morgan N. A. to substitute Lloyds TSB, the originator of the first liquidity facility. Subsequently in fiscal year 2014 TMWA extended the tax-exempt commercial paper program again and replaced Wells Fargo N.A and J.P. Morgan N. A. liquidity facility with an expanded Liquidity facility with Bank of Tokyo-Mitsubishi UFJ. The new liquidity facilities provide for a direct-pay letter of credit to support remarketing of TMWA's commercial paper and also supports an A-1/P-1 rating (highest rating) for TMWA's short term variable rate debt program. This has resulted in favorable interest rates, at times less than 1/10 of 1% which was continually experienced throughout the last two years. In the fourth quarter of fiscal year 2015, TMWA applied for a Drinking Water State Revolving Fund Loan for \$15.0 million to fund the construction phase of the North Valleys Integration Project. Draws on this loan are underway to fund the North Valleys Integration Pipeline Project.

Rule 5 and Rule 7 Fees

These fees are collected from the development community. Rule 5 fees are paid by developers to TMWA for the construction of new water feeder mains, new treatment/supply capacity, new storage capacity, and for new or rebuilt pump stations to meet demand resulting from new and expanded service. Rule 7 Fees are derived from will-serve sales to development. TMWA historically purchased water rights on the open

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market and reserves these rights for will-serve letters to be sold to development. TMWA also recovers a modest amount of administrative and financing costs with the sale of each will-serve. The title to water rights are retained by and dedicated to TMWA. TMWA has sufficient inventory of water rights to meet the demands for new and expanded service for the foreseeable future.

Water Meter Retrofit Fees

TMWA has been retrofitting flat rate water services with meter boxes, setters and meters. The intent is to meter the entire water system which is now in the final stage. To accomplish this task TMWA collects \$1,830 for each surface acre-foot of demand when will-serve commitments are issued for new or expanded service. Proceeds from the \$1,830 per surface acre-foot fee are used to fund the water meter retrofit project. TMWA expects to complete the water meter retrofit program over the course of the next several years

Capital Contributions from Other Governments

TMWA is a water wholesaler to the Sun Valley General Improvement District (SVGID). From time to time, new infrastructure must be constructed to service this retail water-service provider. There are no expectations of any need for reimbursement from this source in the 2017-2021 CIP although historically SVGID has made contributions to TMWA.

Reserves from the Water Utility Consolidation

TMWA, the WCWU and STMGID consolidated on January 1, 2015. As a result of the consolidation, the respective treasuries of the WCWU and STMGID were transferred to TMWA. The WCWU treasury that was transferred to TMWA amounted to approximately \$43.4 million after the final transfer of funds while the STMGID treasury transferred to TMWA was approximately \$15.7 million. These cash and investment reserves will be used to make necessary improvements in the former water utility service areas including conjunctive use enhancements.

Other Resources

One method of generating additional funds for capital improvements is to increase existing fees/charges or to add new fees/charges. However, future increases will be provisional if TMWA is able to meet revenue requirements and maintain bond coverage ratios that will suffice to maintain strong investment-grade credit ratings. TMWA has obtained many benefits of Aa2/AA-/AA- credit ratings with positive/stable outlooks. The Board ultimately decided up through fiscal year 2009 to forego any potential customer rate increases since the last rate increase that occurred in March 2005. The TMWA Board did approve a 4.5% general rate increase for fiscal year 2010 and another 4.4% general rate increase for fiscal year 2011. The TMWA Board has approved and implemented a 3.5% general rate increase that was put into effect February 1, 2012 and another general

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3.4% water rate increase in February 2014. As a consequence of the water utility consolidation any review of water rate adjustments was forestalled until TMWA had at least one full year of operating history as a consolidated water utility. Water rate increases are essential for TMWA to maintain sound credit ratings, to insure that the liquidity facility that supports TMWA's commercial paper program can be successfully extended, and to preserve access to other opportunities in the capital markets. TMWA should also fund rehabilitative capital projects in a meaningful manner due to water delivery being an essential municipal service.

FISCAL YEAR 2017 CAPITAL SPENDING-THE CAPITAL BUDGET

TMWA expects to spend \$40.9 million for fiscal year 2017, the first year of the FY 2017-2021 CIP. Of this total 79.2% or \$32.4 million will be focused on water system rehabilitation while 20.4% or \$8.4 million is dedicated to water system expansion, limited opportunistic acquisition of water rights and some water meter retrofit activities. Distribution system improvements are expected to account for approximately 53.3% or \$21.8 million of the total projected spending for fiscal year 2017. The Stead Transmission Main Replacement Project for \$5.0 million is the largest single project in this category. Groundwater supply improvements are expected to account for approximately 13.3% or \$5.4 million of annual spending. Primary focus will be on drilling and/or equipping four wells for \$4.2 million for peaking purposes as well as further drought hardening. Other activities include activities on existing wells and various rehabilitation projects to preserve well capacities. Treatment plant improvements are expected to account for approximately 17.3% or \$7.1 million of total projected annual spending. Water treatment plant rehabilitation and system control upgrades are expected to be \$3.6 million with design of a new surface water treatment plant on the Mt. Rose Fan for \$2.5 million. System controls and associated telemetry transport is reaching its technological service life and upgrades will be necessary to stay current but not to the extent of being cutting edge technology. All other capital spending and outlays are expected to be 14.0% or \$1.0 million among a number of various smaller projects to improve water quality. Residential-housing growth and commercial-construction activity, which slowed in late fiscal year 2007, declined to a virtual standstill in fiscal years 2009 through 2013. Some residential and commercial construction activity revived in fiscal year 2014 and to a greater extent in fiscal year 2015. Based on current new business applications growth appears to be accelerating in fiscal year 2016 which is now driving more attention to projects for new and expanded service.

In fiscal year 2010, TMWA began capitalizing expenditures for the implementation of TROA. TROA activities address the agreement's provisions directly related to the successful expansion of upstream storage in federal reservoirs. TMWA anticipates spending of approximately \$0.2-0.3 million per year for the next several years. TMWA was awarded \$2.0 million in federal grant funding for this effort of which approximately \$0.9 million remains available for this future spending.

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SUMMARY OF PROJECTS FOR THE FISCAL YEAR 2017 BUDGET

Total construction spending, acquisition spending, and capital outlays are expected to be \$40.9 million for the fiscal year 2017. TMWA has established the following projects for the capital budget in fiscal year 2017:

Category 1 Raw Water Supply Improvements \$800,000:

- Highland Canal Upgrades – Downstream of CB – \$225,000
- Highland Canal Upgrades – Diversion to CB – \$225,000
- Donner Dam Improvements – \$150,000
- Indirect Potable Reuse – \$50,000
- TROA Implementation – \$150,000

Category 2 Groundwater-Development \$5,435,000:

- Well Rehabilitation and Improvements – \$925,000
- Well Bypass and Chlorine Room Improvements – \$110,000
- Double Diamond Well #3 Equip – \$1,000,000
- Air Guard Well Replacement Equip – \$900,000
- Sunrise #3 Replacement (drilling) – \$750,000
- Bedell Flat Water Bank – \$50,000
- STMGID Well #1 Replacement (drilling) – \$1,500,000
- Well Fix & Finish – \$200,000

Category 3 Treatment-Improvements \$7,080,000:

- Treatment Plants – General Fix & Finish – \$2,210,000
- Eagle Canyon Transmission Main Phase 2 – \$100,000
- Truckee Canyon Water Treatment Improvements – \$400,000
- Lightening W Treatment Improvements – \$500,000
- SCADA Rehab/Plant Operating Software – \$1,370,000
- Mt. Rose Surface Water Treatment Plant – \$2,500,000

Category 4 Distribution-Improvements \$21,815,000:**Category 4a Pressure Improvements Subtotal \$4,940,000**

- Pressure Regulator Rehabilitation – \$650,000
- Pressure Reducing Valve (Roll Seal) Removal & Replacement – \$400,000
- Land Acquisitions – \$500,000
- Pump Station Oversizing – \$100,000
- Pump Station Rehabilitation – \$2,200,000
- D'Andrea #3 Pump Station (developer reimbursement) – \$100,000
- NAC Deficiencies Saddlehorn, Upper Toll Rd. – \$340,000
- Standby Generators – \$650,000

Category 4b Water Main Distribution Service Line Improvements Subtotal \$16,875,000

- Street & Highway Main Replacements – \$5,000,000
- Stead Main Replacement Project Phase 2 – \$5,000,000

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- Hidden Valley Intertie Pumping Capacity – \$ 500,000
- California-Marsh 24" Main Replacement – \$100,000
- Verdi 18" Main Oversizing – \$ 375,000
- NE Sparks Feeder Main Relocation – \$900,000
- Spanish Springs-SC South Zone Conversion – \$ 700,000
- West Hidden Valley, Surge St., Piping Rock Main Replacements – \$1,000,000
- STMGID (former) Conjunctive Use Facilities – \$1,500,000
- Arrowcreek-Mt Rose Conjunctive Use Phase 2 – \$1,200,000
- Arc Flash Improvements – \$ 100,000
- General Waterline Extensions – \$ 100,000
- Galvanized./Polybutylene Service Replacements – \$ 400,000

Category 5 Storage–Improvements \$1,050,000:

- Peavine Tank Replacement – \$ 100,000
- Former STMGID Tank Recoats – \$170,000
- Storage Tank Recoats, Access & Drainage Improvements– \$780,000

Category 6 Hydroelectric – Improvements \$ 475,000:

- Flume, Forebay, Diversion and Canal Improvements – \$475,000

Category 7 Customer Service \$1,800,000:

- New Business Meters – \$350,000
- Mueller Pit Replacements (former Washoe County service area) – \$125,000
- Mueller Pit Replacements (former STMGID service area) – \$75,000
- Meter ERT-RTR Replacements – \$1,250,000

Category 8 Administrative \$2,030,000

- GIS System Mapping Equipment - \$40,000
- Desktop Computers New & Refresh – \$100,000
- Server / Storage / Operating System Software Upgrades – \$275,000
- Network Security Upgrades – \$150,000
- Application Software Acquisitions– \$150,000
- Furniture – \$50,000
- Dump Trucks/Vac Trucks/Backhoe Replacements– \$125,000
- Crew Trucks-Vehicles – \$690,000
- Security-Emergency Response (ER) Equipment – \$150,000
- Emergency Operations Annex (Design) – \$150,000
- Corporate Office Expansion (Design) – \$150,000

Category 9 Special Projects Funded by Development \$450,000:

- Water Meter Retrofit – \$300,000
- Water Right Purchases – \$150,000

Detailed project descriptions are provided for all projects in the 2017-2021 CIP. These descriptions cover the fiscal year 2017 capital budget as well as the four additional years from 2018-2021.

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CAPITAL EXPENDITURES BY FUNCTION
(Amounts in thousands of dollars)

Summary of Capital Expenditures by Function	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Five Year CIP Total
Raw Water Supply Improvements	800	475	500	400	1,300	3,475
Ground Water Supply Improvements	5,435	1,435	1,365	2,260	2,285	12,780
Treatment Plant Improvements	7,080	9,905	2,467	1,608	1,510	22,570
Distribution System Improvements	21,815	14,090	11,000	17,400	9,950	74,255
Potable Water Storage Improvements	1,050	6,360	3,570	800	1,200	12,980
Hydroelectric Improvements	475	845	1,105	1,150	1,150	4,725
Customer Service Outlays	1,800	1,860	1,800	1,935	1,550	8,945
Administrative Outlays	2,030	1,638	1,385	1,399	1,467	7,919
Sub-Total TMWA Construction Spending & Outlays	40,485	36,608	23,192	26,952	20,412	147,649
Water Meter Retrofit/ Water Right Purchases	450	450	450	450	450	2,250
Total Projected Capital Spending	\$40,935	\$37,058	\$23,642	\$27,402	\$20,862	\$149,899

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PRELIMINARY FUNDING PLAN
FUNDING SOURCES
(Amounts in thousands of dollars)

Summary of Funding Sources	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Five Year CIP Total
Capital Improvements Funded by Customer Rates	28,640	24,993	19,295	20,597	16,932	110,457
Capital Improvements Funded by Development	7,900	5,770	3,193	3,670	2,545	23,078
Capital Improvements Funded by Grants	150	100	100	-	-	350
Capital Improvements Funded with former STMGID & WCWU Reserve Funds	3,795	5,745	605	2,685	935	13,765
Water Meter Retrofit/ Water Right Purchases	450	450	450	450	450	2,250
Total Projected Capital Spending	\$40,935	\$37,058	\$23,642	\$27,402	\$20,862	\$149,899

FUNDING BY PRIORITY
(Amounts in thousands of dollars)

Summary of Funding by Priority	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Five Year CIP Total
Priority 1 – Mandatory Spending, Projects in Progress, Regulatory	29,775	26,248	14,917	15,957	14,692	101,589
Priority 2 – Necessary Spending	8,660	10,250	7,155	7,710	4,170	37,945
Priority 3 – Contingency Spending	2,500	560	1,570	3,735	2,000	10,365
Total Projected Capital Spending	\$40,935	\$37,058	\$23,642	\$27,402	\$20,862	\$149,899

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PROJECT FUNCTIONS AND DESCRIPTIONS**RAW WATER SUPPLY IMPROVEMENTS****Summary**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Highland Canal-Upgrades-Downstream	225	225	225	225	225	1,125
1	Customer Rates	Highland Canal-Upgrades-Diversion to Chalk Bluff	225	100	100	100	1,000	1,525
1	Customer Rates	Donner Dam Improvements	150	-	-	-	-	150
2	Customer Rates	Indirect Potable Reuse	50	50	75	75	75	325
1	Grant	TROA Implementation	150	100	100	-	-	350
Subtotal			800	475	500	400	1,300	3,475

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Raw Water Supply Improvements

Highland Canal-Upgrades-Downstream FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Highland Canal – Upgrades - Downstream	225	225	225	225	225	1,125

PROJECT DESCRIPTION: The improvements that are reflected in this capital project(s) item are for betterments along the canal downstream of the Chalk Bluff Water Treatment Plant to the Rancho San Rafael Park. Approximately 2,000 feet of “smart ditch” (a molded plastic trapezoidal channel section) has been installed downstream of Chalk Bluff in recent years. This product reduces leakage and maintenance and it is planned to continue to extend the installation in the future. Other efforts are rehabilitative in nature and may address access and security concerns.

SCHEDULE: Projects are identified and prioritized on an annual basis.

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Raw Water Supply Improvements**Highland Canal – Upgrades – Diversion to Chalk Bluff FY 2017 – 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Highland Canal – Upgrades-Diversion to Chalk Bluff	225	100	100	100	1,000	1,525

PROJECT DESCRIPTION: These improvements are for the stretch of canal between the diversion on the Truckee River and Chalk Bluff Water Treatment Plant. The proposed spending is to secure the canal from trespass to enhance public safety and prevent encroachment on TMWA property. Due to swift flows in the Highland Canal TMWA will also complete fencing along the canal for public safety, install security cameras and access barriers. Decision to proceed with the construction of the Mesa Park Drainage Improvements project in FY17 is not finalized in this draft of the CIP. The proposed FY 2021 budget is for replacement of the existing 54” siphon pipe under the Truckee River just downstream of the diversion installed in 1954.

SCHEDULE: Projects are identified and prioritized on an annual basis.

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Raw Water Supply Improvements Donner Dam Improvements FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Donner Dam Improvements	150	-	-	-	-	150

PROJECT DESCRIPTION: During the annual inspection of the Donner Dam facility the Division of Safety of Dams (DSOD) noted areas of the structure that are suffering from deteriorating concrete. TMWA completed repairs to the dam in FY 2016 but still needs to make repairs to the concrete railings and deck.

SCHEDULE: Anticipated design and bidding phase to be completed in FY 2017 and construction phase will occur in 2017.

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Raw Water Supply Improvements
Indirect Potable Reuse FY 2017 - 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Indirect Potable Reuse	50	50	75	75	75	325

PROJECT DESCRIPTION: Presently, the NDEP has established a Reuse Steering Committee which is undertaking a comprehensive review of the effluent reuse program for treated effluent, with a goal of providing strategic direction for future reuse in Nevada. Categories of reuse being evaluated include urban, agricultural (food and non-food crops), impoundments, environmental, industrial, groundwater recharge (non-potable) and indirect potable reuse (IPR). Indirect potable reuse is a process whereby the purified water is stored in an environmental buffer such as a lake or aquifer before re-entering the drinking water supply.

From 2008-2010, the City of Reno conducted a treatment demonstration project at the Reno-Stead Water Reclamation Facility using ozonation (“O3”) and biologically activated carbon (“BAC”). Recently, grant funds for a nation-wide study by the WaterReuse Research Foundation have been secured by a local consulting firm working in collaboration with American Water (the largest investor-owned U.S. water and wastewater utility company) to further the advancement of the O3-BAC technology. Beginning in 2016, a multi-year O3-BAC pilot / demonstration project will be initiated locally at Washoe County’s South TMWRF, with involvement of technical staff from UNR, Reno, Sparks, Washoe County and TMWA. Conceptually, an IPR project might be well suited for areas such as the North Valleys or the South Truckee Meadows. IPR in these locations could improve the utilization of existing water resources and water rights, since the Water Reclamation Facilities for these areas do not return the treated water to the Truckee River. The purified water could be recharged using infiltration basins or injection wells in areas generally isolated from domestic wells, blended with ambient groundwater, and eventually recovered using TMWA’s municipal wells.

SCHEDULE: Planning, permitting, design and operation of an O3-BAC pilot / demonstration project over the next 3-5 year time frame, with planned funding support from Reno, Sparks, Washoe County, WRWC and TMWA.

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Raw Water Supply Improvements

TROA Implementation FY2017 - 2019

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Grant	TROA Implementation	150	100	100	-	-	350

PROJECT DESCRIPTION: The Truckee River Operating Agreement (TROA) became effective and TMWA began implementation officially on December 1, 2015. The construction of additional stream gaging and discharge monitoring stations (particularly in the South Truckee Meadows area) and the rehabilitation of some older existing sites will be necessary. TMWA has in the past obtained and will continue to pursue federal grant funding to offset the costs of these activities.

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GROUND WATER SUPPLY IMPROVEMENTS

Summary

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates & Reserves	Well Rehabilitation Improvements	925	925	925	925	925	4,625
2	Reserves	Well Bypass and Chlorine Room Improvements (former STMGID)	110	110	110	110	110	550
1	Developer Fees	Double Diamond Well #3 (Equip)	1,000	-	-	-	-	1,000
2	Developer Fees	Double Diamond Well #4 (Equip)	-	-	-	-	1,000	1,000
2	Customer Rates	Campello Capacity Increase	-	150-	-	-	-	150
3	Developer Fees	Callamont Well Equip	-	-	-	1,000	-	1,000
1	Customer Rates	Air Guard Well Equip	900	-	-	-	-	900
2	Customer Rates	Desert Springs Well # 4 Recharge	-	-	130	-	-	130
2	Customer Rates	Sunrise #3 Replacement	750	-	-	-	-	750
3	Customer Rates	Bedell Flat Water Bank	50	50	50	75	100	325
3	Reserves	STMGID Well #1 Replacement	1,500	-	-	-	-	1,500
1	Customer Rates	Well Fix & Finish	200	200	150	150	150	850
Subtotal			5,435	1,435	1,365	2,260	2,285	12,780

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Ground Water Supply Improvements

Well Rehabilitation Improvements FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates & Reserves	Well Rehabilitation Improvements	925	925	925	925	925	4,625

PROJECT DESCRIPTION: Funds are budgeted to rehabilitate TMWA production wells as required. Typically for subgrade rehabilitation efforts, six to eight wells are inspected, tested and evaluated every year to determine if rehabilitation is required. Typical subgrade rehab activities include but are not limited to: pump and pump column pipe replacements; rehabilitation of well casing and screen; and other enhancements to maintain well quality and capacities. Spending in fiscal years 2017-2021 will include improvements at several wells to provide general above grade well equipment and building upgrades including upgrades to electrical and telemetry equipment. TMWA has over 90 water production wells operating throughout the water system. TMWA relies on these wells to provide drought and emergency supply and as a supplemental source to meet peak demands on the water system.

SCHEDULE: Wells targeted for rehabilitation improvements in FY 2017: STMGID 1, Arrowcreek 2, Arrowcreek 3, Mt. Rose 3, Mt. Rose 6, Hidden Valley 3, and Old Washoe Estates 3.

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Ground Water Supply Improvements
Well Bypass and Chlorine Room Improvements (former STMGID wells)
FY 2017 - 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Reserves	Well Bypass and Chlorine Room Improvements (former STMGID wells)	110	110	110	110	110	550

PROJECT DESCRIPTION: During pre-merger facility assessments, it was determined that several former STMGID wells need to be retrofitted with bypass piping and valves to evacuate a certain amount of water prior to discharge to the distribution system. Wells 6 & 12 also require isolation of the chlorine rooms to reduce corrosion issues.

SCHEDULE: It is anticipated that all improvements will be completed in the next five years.

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Ground Water Supply Improvements Double Diamond (#3 Equip) FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Developer Fees	Double Diamond Well #3 (Equip)	1,000	-	-	-	-	1,000

PROJECT DESCRIPTION: Construct pumping facilities for the existing Double Diamond Well #3 including the pump house building, electrical power, pump/motor and valves and piping to provide an additional 1800 gallons per minute of peak period supply to the Double Diamond area.

SCHEDULE: The project schedule was originally accelerated in response to needed peaking capacity but acquisition in the southwest portion of the property has delayed construction of the distribution system. The new groundwater supply should be available for the summer of 2017.

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Ground Water Supply Improvements**Double Diamond (#4 Equip) FY 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Developer Fees	Double Diamond Well #4 (Equip)	-	-	-	-	1,000	1,000

PROJECT DESCRIPTION: Construct pumping facilities for the existing Double Diamond Well #4 including the pump house building, electrical power, pump/motor and valves and piping to provide an additional 1200 gallons per minute of peak period supply to the Double Diamond area.

SCHEDULE: Based on the current growth rate, it is anticipated that the capacity from the new well will be needed in the summer of 2021.

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Ground Water Supply Improvements Campello Capacity Increase FY 2018

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Campello Capacity Increase	-	150	-	-	-	150

PROJECT DESCRIPTION: These improvements will increase the transfer capacity between the Spanish Springs #2 pressure zone and the former County Spring Creek system on the east side of Spanish Springs Valley to provide sufficient surface water supply for passive and/or active recharge of former County wells.

SCHEDULE: The improvements are currently planned to be completed in FY 2018.

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Ground Water Supply Improvements

Callamont Well Equip FY 2020

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Developer Fees	Callamont Well Equip	-	-	-	1,000	-	1,000

PROJECT DESCRIPTION: Construct pumping facilities for one of the existing Callamont wells in the Mt. Rose system including the pump house building, electrical power, pump/motor and valves and piping to provide an additional 500 gallons per minute of peak period supply to the area.

SCHEDULE: This project is currently scheduled for construction in FY 2020, but may be constructed sooner depending on the actual schedule for the proposed 210 unit Callamont residential development.

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Ground Water Supply Improvements

Air Guard Well Replacement FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Air Guard Well Equip	900	-	-	-	-	900

PROJECT DESCRIPTION: Equipping and engineering of the Air Guard Well in Stead was necessary to reduce sanding and provide additional capacity to the Stead system. The new/replacement well was drilled and constructed in FY 2016. Test pumping indicates the new well will have a capacity of about 2,500 gallons per minute which is twice the capacity of the old well. The budget for FY 2017 is for constructing the pumping facilities including the well building, pump and motor, valves and piping, electrical and controls, etc.

SCHEDULE: Successful bids occurred in 2016. The pumping facilities will be constructed in FY 2017.

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Ground Water Supply Improvements

Desert Springs Well #4 Recharge FY 2019

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Desert Springs Well # 4 Recharge	-	-	130	-	-	130

PROJECT DESCRIPTION: This project involves development of an ASR program for Desert Springs Well #4. A blending water main from the well to the 20-inch blending transmission main in Pyramid Highway will be constructed, which will also allow for the injection of surface water from the distribution system in the off-peak season. Other improvements include the construction of two new monitoring wells in the vicinity and equipment to sample and test the water and analyze the results. It is anticipated that some hydrologic modeling and analysis will also be included in the project.

SCHEDULE: The improvements are currently scheduled for completion in FY 2019.

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Ground Water Supply Improvements**Sunrise #3 Replacement FY 2017****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Sunrise #3 Replacement	750	-	-	-	-	750

PROJECT DESCRIPTION: This project involves complete replacement of the existing Sunrise Well #3. The existing well is operated on an emergency basis only because it produces excessive sand and is located too close to an existing septic system. This project requires exploration drilling before the final site selection and well construction.

SCHEDULE: The project is scheduled for completion in FY 2017 if a suitable site can be acquired.

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Ground Water Supply Improvements

Bedell Flat Water Bank FY 2017 – FY 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Customer Rates	Bedell Flat Water Bank	50	50	50	75	100	325

PROJECT DESCRIPTION: As part of TMWA’s overall water resource conjunctive use management strategy, TMWA is working with cost sharing partners including the City of Reno, Sparks and Washoe County to evaluate of the feasibility of an integrated water resource ASR program in Bedell Flat. Bedell Flat is located in southern Washoe County, about 13 miles north of Stead and appears to have favorable hydrogeologic characteristics for a large scale ASR program. Several water resource options are under consideration, including: injection of potable water using ASR wells off of the existing NVIP pipeline; infiltration of highly treated wastewater along a natural drainage referred to as Bird Spring Wash; infiltration of highly treated wastewater through a spreading basin; or a combination of these. Water stored or banked in Bedell Flat could serve as a future non-Truckee River based drought or emergency water supply for the region.

SCHEDULE: Geologic/hydrogeologic feasibility investigations and environmental clearance and permitting work are proposed over the next 3-5 years to gain an understanding of the feasibility, scope and cost of a water banking program in Bedell Flat.

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Ground Water Supply Improvements

STMGID Well #1 Replacement FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Reserves	STMGID Well #1 Replacement	1,500	-	-	-	-	1,500

PROJECT DESCRIPTION: The exiting STMGID #1 Well has been in service since 1984, making it the oldest well in the STMGID system. The exiting well casing and screens show signs of significant corrosion. With the potential for a well casing failure, TMWA intends to drill and equip a replacement well on the exiting well property. The replacement well is expected to have similar construction and capacity as STMGID 1.

SCHEDULE: The project schedule will be accelerated if rehabilitation activities determine that STMGID 1 is inadequate. Well rehabilitation is scheduled to conclude in the fall of FY17

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Ground Water Supply Improvements**Well Fix & Finish FY 2017 - 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Well Fix & Finish	200	200	150	150	150	850

PROJECT DESCRIPTION: Equipment improvements are expected to bring existing wells up to modern standards, including antiquated equipment replacements and improvements for water quality purposes. This project includes improvements to sodium hypochlorite rooms, pump to waste lines and drainage improvements.

SCHEDULE: Improvements are planned to continue for the duration of this CIP funding plan.

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TREATMENT PLANT IMPROVEMENTS

Summary

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Treatment Plants- General Fix & Finish	2,210	1,500	1,125	840	900	6,575
2	Customer Rates	Eagle Canyon Transmission Main Phase 2	100	1,800	-	-	-	1,900
2	Developer Fees	Truckee Canyon Water Treatment Improvements	400	35	60	60	60	615
2	Developer Fees	Lightning W Treatment Improvements	500	60	60	160	60	840
1	Customer Rates	SCADA Rehab/Plant Operating Software	1,370	1,410	1,222	548	490	5,040
1	Developer Fees	Mt Rose Surface Water Treatment Plant	2,500	5,100	-	-	-	7,600
Subtotal Treatment Improvements			7,080	9,905	2,467	1,608	1,510	22,570

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Treatment Plant Improvements
Treatment Plants General Fix & Finish FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Treatment Plants- General Fix & Finish	2,210	1,500	1,125	840	900	6,575

PROJECT DESCRIPTION: TMWA operates surface water treatment plants (WTP) at Chalk Bluff and Glendale and ground water treatment plants at Lightning W, Truckee Canyon and Longley Lane. Improvements are necessary from time to time to keep these facilities in good operating condition. The Chalk Bluff Treatment Plant is over 20 years old and the Glendale treatment plant and upgrades is over 35 years old. Each plant requires a certain amount of rehabilitation and improvements now and in the future. The Chalk Bluff plant can require raw water basin improvements, chemical system improvements, chlorine contact chamber/curtain replacements, finished water pump replacements, filter media change out, solids handling improvements, filter valve and actuator replacements, instrumentation and control upgrades, roof rehabilitation/replacement, additional standby generation capacity. The Glendale Treatment Plant can require similar improvements including replacement of turbidity meters, instrumentation upgrades, filter valve and actuator replacements, replacement of raw water and finished water pumps, filter media change out. Significant improvements have been made to the Glendale Treatment Plant over the past two years so most activity will be focused on the Chalk Bluff Treatment Facility. The Truckee Canyon WTP needs some improvements to improve reliable capacity. The Lightning W WTP is in need of filter media exchange and significant facility/structure improvements. The Longley WTP improvements will allow greater flexibility and reliability for water service to multiple distribution system zones.

SCHEDULE: This spending is classified as necessary since specific projects are sometimes not identifiable until areas not normally observable are examined during downtime.

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Treatment Plant Improvements**Eagle Canyon Transmission Main Phase 2 FY 2017 - 2018****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Eagle Canyon Transmission Main Phase 2	100	1,800		-	-	1,900

PROJECT DESCRIPTION: This project involves construction of approximately 4,700 feet of 24-inch pipe to complete a dedicated blending pipeline to the Desert Springs 2B Tank sites. The project allows poor quality groundwater from several wells on the west side of the Spanish Springs Valley to be utilized by blending with surface water from the Lazy 5 intertie.

SCHEDULE: The project is scheduled to be designed and bid in FY 2017 with construction in FY 2018.

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Treatment Plant Improvements**Truckee Canyon Water Treatment Improvements FY 2017 - 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Developer Fees	Truckee Canyon Water Treatment Improvements	400	35	60	60	60	615

PROJECT DESCRIPTION: The current treatment system removes arsenic, iron, and manganese and consists of one well, one tank, a greensand treatment system and an evaporation pond for backwash water with a total capacity of about 50 gallons per minute. With the equipping of a second well, it will be necessary to expand the treatment facilities to provide additional treatment and solids handling capacity.

SCHEDULE: The improvements were scheduled for FY 2019, but may be constructed sooner (FY17) if growth occurs in the system. The additional treatment capacity will be required at the same time that the new well is equipped. Expenditures in FY 2019 – FY 2021 are contingent spending related to

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Treatment Plant Improvements**Lightening W Treatment Improvements FY 2017 - 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Developer Fees	Lightning W Treatment Improvements	500	60	60	160	60	840

PROJECT DESCRIPTION: The existing treatment process consists of two ion exchange resin pressure vessels to remove uranium. The project includes change out/replacement of the filter media, disposal of the spent media and miscellaneous improvements to the building that houses the treatment equipment including making provisions to hook up a portable generator.

SCHEDULE: The project is scheduled for FY 2017 and future resin replacements will ultimately be determined based on the remaining life of the ion exchange resin in the filter vessels.

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Treatment Plant Improvements

SCADA Rehab/Plant Operating Software FY 2017 - 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	SCADA Rehab/Plant Operating Software	1,370	1,410	1,222	548	490	5,040

PROJECT DESCRIPTION: SCADA (Supervisory Control and Data Acquisition) is the system by which TMWA monitors, records and controls the water system inputs, outputs, flows and pressures. Data acquired by these system controls are primarily monitored at the treatment plants, but the system equipment and technology is spread throughout the water system infrastructure. Much of the technology is approaching obsolescence and needs to be replaced with emphasis on standardization of programmable logic controllers (PLC) and other equipment. Therefore, TMWA settled on a systematic approach to updating the equipment and operating software starting in fiscal year 2015 with telemetry improvement in the ensuing four years to convert to wireless transmission of data feeds where possible.

SCHEDULE: The improvements and replacements of the equipment and operating software have already begun and will continue over the course of the five-year CIP.

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Treatment Plant Improvements**Mt. Rose Surface Water Treatment Plant FY 2017 - 2018****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Developer Fees	Mt. Rose Surface Water Treatment Plant	2,500	5,100	-	-	-	7,600

PROJECT DESCRIPTION: Due to a combination of municipal and domestic well pumping and the extended drought, TMWA has determined that additional infrastructure and facilities are needed to utilize Thomas and Whites Creek resources to improve the long-term viability and sustainability of groundwater supplies in this region. To provide reliability of supply, avoid or reduce pumping costs and avoid major on-peak capacity improvements within the lower TMWA gravity system, a 4 MGD treatment plant located off of Callahan Road in the Monte Vista subdivision has received a SUP to treat Whites Creek and Thomas Creek water. The County's South Truckee Meadows Facility Plan recognized "The upper treatment plant is an integral component of the recommended water supply plan. Most importantly; it will provide recharge water and/or offset winter groundwater pumping in the upper Mt Rose fan area".

SCHEDULE: Permitting and design in FY 2017. Bidding and construction will occur in FY2017, and completion of construction in FY 2018.

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DISTRIBUTION SYSTEM IMPROVEMENTS – PRESSURE IMPROVEMENTS

Summary

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Pressure Regulators Rehabilitation	650	500	450	450	450	2,500
1	Customer Rates & Reserves	Pressure Reducing Valve (Roll Seal) Removal	400	400	400	400	400	2,000
2	Customer Rates	Land Acquisitions	500	500	500	500	500	2,500
1	Customer Rates	Desert Springs Pressure Improvements	-	400	-	-	-	400
2	Customer Rates	Paloma BPS/PRS/Main	-	750	-	-	-	750
1	Developer Fees	Longley BPS/Double R Capacity Increase	-	-	500	-	-	500
1	Customer Rates	Pump Station Oversizing	100	100	100	100	100	500
1	Customer Rates	Pump Station Rebuilds Rehabilitation	2,200	1,000	1,000	1,000	1,000	6,200
2	Developer Fees	D' Andrea #3 Pump Station (developer reimbursement)	100	-	-	-	-	100
3	Developer Fees	Truckee River Highlands PS #1	-	-	-	-	1,000	1,000
1	Reserve	NAC Deficiencies-Saddlehorn, Upper Toll Road, STMGID East	340	360	100	2,400	350	3,550
2	Customer Rates	Mt. Rose Well #3 Pump Station Improvements	-	50	250	-	-	300
3	Customer Rates	Standby Generator Replacements	650	150	150	150	150	1,250
2	Customer Rates	Idlewild BPS Improvements	-	-	100	900	-	1,000
Sub-Total Pressure Improvements			4,940	4,210	3,550	5,900	3,950	22,550

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Distribution System Improvements – Pressure Improvements

Pressure Regulators Rehabilitation FY 2017 - 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Pressure Regulators Rehabilitation	650	500	450	450	450	2,500

PROJECT DESCRIPTION: Provision is made in the annual budget for major rehabilitation or complete reconstruction of several pressure regulators in the distribution system. TMWA has evaluated nearly 130 pressure regulator stations currently in service and has identified a number of pressure regulator stations requiring a certain amount of rehabilitation on an annual basis.

SCHEDULE: This is an ongoing rehabilitation project with about 130 individual stations identified as requiring rehabilitation or replacement over the next fifteen years.

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Distribution System Improvements – Pressure Improvements

Pressure Reducing Valve (Roll Seal) Removal FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates & Reserves	Pressure Reducing Valve (Roll Seal) Removal	400	400	400	400	400	2,000

PROJECT DESCRIPTION: There are approximately 180 pressure regulating stations in former County systems where Roll Seal pressure reducing valves are installed. These valves are subject to failure on a 3-5 year basis as compared to an expected life of 10-20 years for the Claval regulator valves utilized in the TMWA system. A Roll Seal failure can result in significant damage to customer homes and in most cases requires a major service outage to repair or replace the valve.

SCHEDULE: Projects will be prioritized based on potential damage (unregulated pressure) and failure rate records. This will be a multi-year project to replace Roll Seals at about 20 stations per year.

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Distribution System Improvements – Pressure Improvements

Land Acquisition FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Land Acquisitions	500	500	500	500	500	2,500

PROJECT DESCRIPTION: TMWA has over 120 pump stations in service. Many of these pump stations have 480 volt electrical services and are underground (below grade) in locations that allows for water infiltration. Many underground pump stations will be reaching the end of their service life, which will require replacement of the underground vault. Rather than replace the stations in place TMWA is planning to acquire other sites so these stations can be rebuilt above grade improving access and safety. Acquisition of sites may be time consuming and may not be purchased in a particular year.

SCHEDULE: This is an ongoing project with funding to allow purchase of 3-4 sites per year depending on location and market conditions.

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Distribution System Improvements – Pressure Improvements

Desert Springs Pressure Improvements FY 2018

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Desert Springs Pressure Improvements	0	400	0	0	0	400

PROJECT DESCRIPTION: Distribution improvements to correct Nevada Administrative Code (NAC) pressure deficiencies in the southwest portion of the Desert Springs South system including a 1,500 foot 8-inch main tie between Shelby and Grove, a main/check valve tie at Taryn and Indian Springs, a main/check valve tie at Erin and Dolores and approximately 24 individual booster pump systems.

SCHEDULE: The improvements are scheduled for construction in FY 2018.

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Distribution System Improvements – Pressure Improvements
Paloma Booster Pump Station/Pressure Regulating Station/Main
FY 2018

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Paloma BPS/PRS/Main	-	750	-	-	-	750

PROJECT DESCRIPTION: The Paloma pressure zone is a continuous pumping zone in Lemmon Valley currently served by a booster pump station and 10,000 gallon pneumatic tank. The existing facilities do not provide adequate emergency or fire flow capacity to the 35 customers in the pressure zone. Assuming the North Valleys Integration project is constructed in FY 2017 as planned, the improvements will consist of a pressure regulating station supplied by a main tie to the medium-high pressure 24-inch Lemmon Drive main.

SCHEDULE: The improvements are currently scheduled for construction in FY 2018.

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Distribution System Improvements – Pressure Improvements

Longley Booster Pump Station/Double R Capacity Increase FY 2019

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Developer Fees	Longley BPS/Double R Capacity Increase	-	-	500	-	-	500

PROJECT DESCRIPTION: Increase pumping capacity at the existing Longley Lane Booster Pump Station and make improvements at the Double R Intertie to provide additional peak supply to the Double Diamond area. The improvements at the Longley pump station will consist of replacing one of the existing pumps/motors with a new higher capacity unit along with electrical and motor starter upgrades. Certain components of the Double R Intertie will also be replaced to provide the additional capacity without excessive friction losses.

SCHEDULE: The improvements are scheduled for FY 2019 but are dependent upon growth. The improvements are necessary when supply through the Double R Intertie must exceed 5400 gallons per minute.

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Distribution System Improvements – Pressure Improvements

Pump Station Oversizing FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Pump Station Oversizing	100	100	100	100	100	500

PROJECT DESCRIPTION: The FY 2017 project consists of cash contributions towards construction of a new above ground booster pump station located near the Comstock Tank to replace the existing Sierra Pump Station which is located in an underground vault and is in need of major rehabilitation. TMWA would normally expend approximately \$1 million to replace an existing underground pump station with a new above ground station.

SCHEDULE: The improvements are ongoing, but the schedule is subject to change based on development & operational needs.

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Distribution System Improvements – Pressure Improvements

Pump Station Rebuilds, Rehabilitations FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Pump Station Rebuilds, Rehabilitations	2,200	1,000	1,000	1,000	1,000	6,200

PROJECT DESCRIPTION: TMWA has over 120 pump stations in service. An amount is budgeted annually for rehabilitation of TMWA’s older pump stations. Other pump stations may require pump, motor, and electrical upgrades. Budget for future years will allow TMWA to complete up to one above ground replacement project per year if suitable sites can be acquired. Otherwise, normal rehabilitation work will be performed per the priorities established by the study at a lower overall annual cost.

SCHEDULE: In FY 2017 the Sun Valley #4 pump station will be relocated/replaced in an underground installation and will include a separate small storage tank for the zone to correct fire flow deficiencies from the intertie with the Sun Valley GID at Lupin and Wall Canyon Drive. The 2017 budget also includes a main tie from the new Satellite Hills pump station to eliminate the existing underground Spanish Springs #1 pump station.

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Distribution System Improvements – Pressure Improvements

D’Andrea #3 Pump Station (developer direct cost) FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Developer Fees	D’Andrea #3 Pump Station (developer direct cost)	100	-	-	-	-	100

PROJECT DESCRIPTION: The project is a new developer funded booster pump station to serve a new phase of the D’Andrea residential development on the east side of Sparks. TMWA will design and construct the facilities on a site dedicated by the developer. The developer is responsible for 100 percent of the project. TMWA will be reimbursed for out of pocket expenditures as the project proceeds.

SCHEDULE: The developer originally requested an in-service date in the fall of 2016 but the completion date is subject to change based on the developer’s schedule.

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Distribution System Improvements – Pressure Improvements

Truckee River Highlands PS #1 FY 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Developer Fees	Truckee River Highlands PS #1	-	-	-	-	1,000	1,000

PROJECT DESCRIPTION: The project is a new booster pump station located in the Truckee River Highlands development between W. Fourth St. and I-80. Completion of this pump station along with the proposed Truckee River Highlands #2 pump station and a main tie to the existing 16-inch main on Robb Drive will ultimately replace capacity in the US 40 booster pump system that will be diverted to the Verdi area. The new pump system will also improve reliability of supply to the Northgate area.

SCHEDULE: Construction is scheduled for FY 2021, but the actual construction date will be determined by growth and demand in the Verdi area.

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Distribution System Improvements – Pressure Improvements
NAC Deficiencies-Saddlehorn, Upper Toll Road, STMGID East
FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Reserve	NAC Deficiencies-Saddlehorn, Upper Toll Road, STMGID East	340	360	100	2,400	350	3,550

PROJECT DESCRIPTION: The project consists of main ties, hydrant installations and individual booster pump systems to be constructed in multiple locations in former STMGID service areas to correct NAC pressure and fire flow deficiencies. In order to correct deficiencies in the upper Toll Road area, it will be necessary to create a new higher pressure zone by constructing a new tank, booster pump station and approximately 6,300 feet of 12-inch main.

SCHEDULE: The deficiencies in Saddlehorn, on Sioux Trail, on Geiger Grade, on Westwind Circle and Terry Way will be addressed in FY 2017-2018. The new pressure zone on upper Toll Road will be constructed in FY 2020 subject to acquisition of the tank site on BLM property.

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Distribution System Improvements – Pressure Improvements**Mount Rose Well #3 Pump Station Improvements****FY 2018 – 2019****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Mount Rose Well #3 Pump Station Improvements	-	50	250	-	-	300

PROJECT DESCRIPTION: The project involves rehab of the building, removal of pipe and valves that will no longer be necessary following completion of the Mt. Rose Conjunctive Use Phase 2 improvements and upgrades to electrical and control systems.

SCHEDULE: Improvements are scheduled for design in FY 2018 and construction in FY 2019.

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Distribution System Improvements – Pressure Improvements

Standby Generator Replacements FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Customer Rates	Standby Generator Replacements	650	150	150	150	150	1,250

PROJECT DESCRIPTION: A number of TMWA pumps stations have backup generation in case of power failures. TMWA incorporates a contingency for replacement of a generator in case of failure or if the Washoe County Health District requires backup generation at a particular site. No spending will occur unless necessary. This spending does not include backup generation for new pump stations required by and paid for by growth.

SCHEDULE: In FY 2017 a dedicated generator will be installed for the North Gate pump at Chalk Bluff.

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Distribution System Improvements – Pressure Improvements

Idlewild BPS Improvements FY 2019 – 2020

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Idlewild BPS Improvements	-	-	100	900	-	1,000

PROJECT DESCRIPTION: The project will replace existing pumps and motors at the Idlewild BPS Transfer Station to insure adequate and reliable emergency capacity. It is the only booster station that is capable of transferring water from the Highland Reservoir Zone to the Hunter Creek Reservoir Zone. The station was originally constructed as part of the Idlewild WTP, and was never designed specifically for the purpose that it is used for today. Improvements identified in the project include: Properly sizing new pumps and motors for today’s application, upgrading antiquated electrical systems and HVAC systems and bringing building up to modern construction codes. Evaluations by TMWA indicated this was the most cost effective alternative to provide a redundant supply for the zone and allowed retirement of the old 24-inch transmission pipeline on Plumb Lane all the way to the Hunter Creek Reservoir.

SCHEDULE: Design is scheduled for FY19 and construction should begin in FY20. This schedule may be moved based on system needs.

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**DISTRIBUTION SYSTEM IMPROVEMENTS – WATER MAIN-
DISTRIBUTION-SERVICE LINE IMPROVEMENTS**
Summary

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Street & Highway Main Replacements	5,000	5,000	5,500	5,600	5,500	26,600
1	Customer Rates/ Developer Fees	Stead Main Replacement Phase II	5,000	-	-	-	-	5,000
1	Customer Rates	Hidden Valley Intertie Pumping Capacity	500	-	-	-	-	500
1	Customer Rates	California-Marsh 24" Main Replacement	100	900	-	-	-	1,000
2	Customer Rates	Booth, Sharon Way, Monroe 24" Main Replacements	-	-	100	3,100	-	3,200
2	Developer Fees	Verdi 18" Main oversizing	375	-	-	-	-	375
3	Developer Fees	South Virginia 24" Main (Kumle to Peckham)	-	-	100	900	-	1,000
2	Customer Rates	NE Sparks Feeder Main Relocation	900	-	-	-	-	900
1	Customer Rates	Spanish Springs -SC south Zone Conversion	700	-	-	-	-	700
2	Customer Rates	West Hidden Valley, Surge St., Piping Rock Main Replacements	1,000	-	230	500	-	1,730
2	Customer Rates	Spanish Springs Main Replacement	-	1,280	-	-	-	1,280
3	Developer Fees	Bonnie Ln., Snow Flower, Main Extensions	-	-	620	900	-	1,520
2	Developer Fees	South Truckee Meadows Capacity Improvements	-	-	400	-	-	400
1	Reserve	STMGID Conjunctive Use Facilities	1,500	2,100	-	-	-	3,600
1	WC Reserve	Arrowcreek-Mt. Rose Conjunctive Use Ph 2	1,200	-	-	-	-	1,200
1	Customer Rates	Arc Flash Improvements	100	100	-	-	-	200
3	Developer Fees	General Waterline Extensions	100	100	100	100	100	500
2	Customer Rates	Galv/Poly Service Line Replacements	400	400	400	400	400	2,000
Subtotal Main-Distribution Improvements			16,875	9,880	7,450	11,500	6,000	51,705

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Street & Highway Main Replacements FY 2017 - 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Street & Highway Main Replacements	5,000	5,000	5,500	5,600	5,500	26,600

PROJECT DESCRIPTION: Provision is made each year for water main replacements in conjunction with repaving efforts by the City of Reno, City of Sparks, and RTC. In addition to repaving projects, TMWA coordinates water main replacements with sewer main replacements in areas where TMWA also has older water lines. TMWA has planned for approximately \$5.0 million annually for these efforts. The spending is reflective of historical activity. Levels of spending can vary year to year and are difficult to predict. These efforts by far are the most extensive for water system rehabilitation.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Stead Main Replacement Phase II FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates/ Developer Fees	Stead Main Replacement Phase II	5,000	-	-	-	-	5,000

PROJECT DESCRIPTION: The Stead Main was originally constructed in the early 1950's to serve the Stead Air Force Base. Numerous leak repairs required in past years indicate that a significant amount of treated water has been lost through the pipeline. The pipeline is approaching the end of its service life and requires replacement.

Phase 2 includes replacement of the remaining 2.5 miles of the Stead Main between Golden Valley Drive and the Stead Tanks. This section of main is where the majority of the leaks have occurred and significant corrosion issues have been identified. This pipe provides the primary supply for the Stead-Silver Lake area.

SCHEDULE: The project is scheduled for construction in FY 2017.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Hidden Valley Intertie Pumping Capacity FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Hidden Valley Intertie Pumping Capacity	500	-	-	-	-	500

PROJECT DESCRIPTION: When Washoe County constructed the Longley Lane Groundwater Treatment Facility to serve Hidden Valley and Bella Vista, they severed interties with the TMWA gravity system. A small single unit booster pump station located at the Children’s Cabinet was left intact, but it does not have the capacity to provide the required maximum day supply to the Hidden Valley area. The pump station also lacks reliability without a second pump. Since it is desired to serve the Hidden Valley system with surface water in non-drought years, a second pump station and intertie is necessary.

SCHEDULE: Design and construction is scheduled for FY 2017.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

California-Marsh 24" Main Replacement FY 2017 - 2018

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	California-Marsh 24" Main Replacement	100	900	-	-	-	1,000

PROJECT DESCRIPTION: When TMWA evaluated the alternatives to replacing the 66-year old 24-inch main on Plumb Lane (installed in 1949) when the west end of Plumb Lane was widened in 2012-2013, it was decided to abandon that section of the pipeline, ultimately saving about \$4 million in replacement costs. The alternate plan for providing water service to the Hunter Creek gravity zone should a main break occur on the existing 42-inch Mayberry main, or if transmission capacity from Chalk Bluff was disrupted requires replacement of existing 24-inch mains on Booth, Sharon and Monroe (installed in 1948) to allow transfer of adequate capacity through the Idlewild transfer facilities. The construction of the California-Marsh Ave Intertie will be installed in FY 2018 so that a significant amount of pipe that is located under private property between California and Marsh can be retired.

SCHEDULE: The pipeline will be designed in FY 2017 and construction in fiscal year 2018.

Truckee Meadows Water Authority FY 2017-2021 Draft Capital Improvement Plan

Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Booth, Sharon Way, Monroe 24" Main Replacements FY 2019 – 2020

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Booth, Sharon Way, Monroe 24" Main Replacements	-	-	100	3,100	-	3,200

PROJECT DESCRIPTION: This project is a continuation of the previously described California-Marsh Intertie to provide reliable capacity to the Hunter Creek gravity zone. The project consists of about 6,900 feet of 24-inch main on Booth, Sharon to Plumb Lane and on Monroe between Sharon and Nixon to supply the Nixon-Monroe regulator.

SCHEDULE: Design is scheduled for FY 2019 and construction is scheduled for FY 2020. TMWA will attempt to coordinate construction with other municipal infrastructure projects if possible, but the existing pipes will be 72-years old by the proposed construction date.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Verdi 18" Main Oversizing FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Developer Fees	Verdi 18" Main Oversizing	375	-	-	-	-	375

PROJECT DESCRIPTION: The project consists of oversizing of a developer installed main to serve a residential project on the east side of Verdi. The facility plan to serve future demand in Verdi necessitates the construction of an 18” main. A developer who wants to develop near the Canepa Ranch area only requires a 12” main. TMWA will work with the developer to install an 18” main and pay for oversizing. Development of this area has become more certain and the priority of this project was raised to necessary spending from contingency spending in the 2017-2021 CIP.

SCHEDULE: It is anticipated that the developer’s project will move forward in FY 2017.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

South Virginia 24" Main (Kumle to Peckham) FY 2019 – 2020

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Developer Fees	South Virginia 24" Main (Kumle to Peckham)	-	-	100	900	-	1,000

PROJECT DESCRIPTION: The project consists of construction of about 1,700 feet of new 24-inch water main on South Virginia Street between Kumle Lane and Peckham Lane. The project is required to expand transmission capacity to the South Truckee Meadows area.

SCHEDULE: Design is planned in FY 2019 and construction is planned in FY 2020 subject to adjustment for actual growth or coordination with road improvements.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

NE Sparks Tank Feeder Main Relocation FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	NE Sparks Tank Feeder Main Relocation	900	-	-	-	-	900

PROJECT DESCRIPTION: The NE Sparks Tank Feeder Main was constructed in 1988 within private easements several years prior to the construction of South Los Altos Parkway. The final alignment selected for South Los Altos Parkway does not follow the alignment of the tank feeder main. As a result, the tank feeder main now runs through developed properties next to buildings, under parking areas and at considerable depth in some locations. This situation presents potential problems for access to the pipe for maintenance and repair of the critical pipeline. This project will relocate approximately 3000 feet of the 18-inch tank feeder main out into the public right-of-way in South Los Altos Parkway.

SCHEDULE: The improvements will be constructed in FY 2017.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Spanish Springs – Spring Creek South Zone Conversion FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Spanish Springs –Spring Creek south Zone Conversion	700	-	-	-	-	700

PROJECT DESCRIPTION: The project will convert the southern portion of the Spring Creek system over to the Pyramid pump zone and avoid operational problems of adequately replenishing storage in the Spring Creek tanks. The project will require construction of main ties on Pah Rah Drive, Panama Drive and Pyramid Hwy, removal/demolition of the Spring Creek tanks, modification of the Canoe Hill intertie, retirement of the Blue Skies flow control valve and a main tie connection south of the Lazy 5 intertie.

SCHEDULE: The improvements are scheduled for construction in FY 2017.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

West Hidden Valley, Surge St., Piping Rock Main Replacements FY 2017 – 2020

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	West Hidden Valley, Surge St., Piping Rock Main Replacements	1,000	-	230	500	-	1,730

PROJECT DESCRIPTION: The project consists of priority main replacements in former County systems including replacing 12” steel pipe on Piping Rock and West Hidden Valley Drive in the Hidden Valley system with extensive history of leaks. Also, replacement of existing 6” steel pipe on Surge Street in the Lemmon Valley system is planned.

SCHEDULE: Replacement of the West Hidden Valley Drive main is scheduled for FY 2017, the Surge Street main is scheduled for FY 2019 and the Piping Rock main replacement is scheduled for FY 2020.

Truckee Meadows Water Authority FY 2017-2021 Draft Capital Improvement Plan

Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Spanish Springs Main Replacement FY 2018

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Spanish Springs Main Replacement	-	1,280	-	-	-	1,280

PROJECT DESCRIPTION: The project involves replacement of approximately 6,700 feet of existing Schedule 40 PVC pipe on Cordoba Blvd, Virgil Dr, Virgil Ct, La Posada, Benedict Dr, Valparaiso Ct and Cortez Ct in Spanish Springs. The actual extent of the Schedule 40 pipe has not been determined, but several of these substandard pipes have failed in the last several years in the areas noted.

SCHEDULE: Construction is currently scheduled for FY 2018.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Bonnie Ln., Snow Flower, Main Extensions FY 2019 – 2020

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Developer Fees	Bonnie Ln., Snow Flower, Main Extensions	-	-	620	900	-	1,520

PROJECT DESCRIPTION: The project involves main extensions in the Mt. Rose system to provide looping of the distribution system and eliminate these two long dead end mains in accordance with the NAC 445A water regulations.

SCHEDULE: Unless required and constructed sooner by specific developments, the projects are scheduled for construction in FY 2019 and FY 2020.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

South Truckee Meadows Capacity Improvements FY 2019

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Developer Fees	South Truckee Meadows Capacity Improvements	-	-	400	-	-	400

PROJECT DESCRIPTION: The project consists of a 1,000 foot long extension of a 12-inch main on Offenhauser and a new intertie to the Area 11 distribution system on Gateway. Also included is an 8-inch main tie between Portman and Bluestone. The improvements will provide an incremental increase in capacity to the South Truckee Meadows area where growth is anticipated to occur.

SCHEDULE: The improvements are scheduled for construction in FY 2019.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

STMGID Conjunctive Use Facilities FY 2017 – 2018

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Reserve	STMGID Conjunctive Use Facilities	1,500	2,100	-	-	-	3,600

PROJECT DESCRIPTION: The project involves construction of a new booster pump station on the reclaim water reservoir site on Arrowcreek Parkway and approximately 8,100 feet of 14-inch discharge pipe on Arrowcreek Parkway to the STMGID Tank 4/5 pressure zone. Approximately \$0.5 million of the \$3.6 million will be used for pipeline oversizing to be allocated to development. The facilities will provide off-peak supply which will allow TMWA to implement conjunctive use in the STMGID West system.

SCHEDULE: The facilities are scheduled for design in FY 2017 and construction in FY 2017 and 2018.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Arrowcreek-Mt. Rose Conjunctive Use Phase 2 FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	WC Reserve	Arrowcreek-Mt. Rose Conjunctive Use Ph 2	1,200	-	-	-	-	1,200

PROJECT DESCRIPTION: Phase 2 facilities consist of a new booster pumps at the Mt. Rose Well #5 site and a SCADA controlled intertie between the Mt. Rose and Arrowcreek systems to expand the delivery of off-peak conjunctive use water to the remainder of the water system on the Mt. Rose-Galena fan area.

SCHEDULE: These facilities are scheduled for construction in FY 2017.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Arc Flash Improvements FY 2017 – 2018

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Arc Flash Improvements	100	100	-	-	-	200

PROJECT DESCRIPTION: This project involves performance of short circuit studies, breaker analysis and coordination studies and arc flash hazard studies for newly acquired County and STMGID facilities in conformance with National Electric Code (NEC), OSHA and National Fire Protection Agency regulations. Ultimately the results of the studies will allow identification of potential electrical hazards for workers so that they can utilize appropriate personal protective equipment.

SCHEDULE: Completion of the studies, adjustment or replacement of breakers and hazard labeling of electrical equipment will be phased over a two year period between FY 2016 and FY 2018.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

General Waterline Extensions FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Customer Rates	General Waterline Extensions	100	100	100	100	100	500

PROJECT DESCRIPTION: A nominal amount of funding is budgeted each year to accommodate water main extensions to correct pressure, dead ends and fire flow deficiencies as they are identified. Funds will not be expended unless determined necessary.

SCHEDULE: This is an ongoing annual project budget. Projects will not be constructed unless determined necessary to correct deficiencies identified above.

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Distribution System Improvements – Water Main-Distribution- Service Line Improvements

Galvanized/Poly Service Line Replacements FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Galv/Poly Service Line Replacements	400	400	400	400	400	2,000

PROJECT DESCRIPTION: TMWA has shifted from just repairing service lines from the street main to the curb valve or meter box to completely replacing service lines that are galvanized steel or polybutylene. These two materials are responsible for many after-hours call outs which escalate overtime expenses to repair leaks in the street because the galvanized lines are corroded, and polybutylene once thought very durable, becomes brittle and cracks or splits very easily. Just repairing these lines does not prevent them from leaking in the near future, escalating repair costs while further damaging city streets. Complete replacement provides a permanent repair in a cost effective manner and prevents further water system losses.

SCHEDULE: This is an ongoing annual project budget. Service lines will be replaced as they are identified.

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POTABLE WATER STORAGE IMPROVEMENTS

Summary

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Peavine Tank Replacement	100	2,500	-	-	-	2,600
2	Developer Fees/ Customer Rates	Sun Valley #2 Tank	-	-	1,750	-	-	1,750
2	Developer Fees	Rattlesnake Ring Addition	-	-	800	-	-	800
1	Reserve	Zone 11 Tank	-	3,000	-	-	-	3,000
3	Developer Fees	Fish Springs Ranch #2	-	-	-	-	100	100
1	Reserve	Former STMGID Tank Recoats	170	-	220	-	300	690
1	Customer Rates	Storage Tank Recoats; Access; Drainage Improvements	780	860	800	800	800	4,040
Subtotal Storage Improvements			1,050	6,360	3,570	800	1,200	12,980

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Potable Water Storage Improvements

Peavine Tank Replacement FY 2017 - 2018

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Peavine Tank Replacement	100	2,500	-	-	-	2,600

PROJECT DESCRIPTION: The Peavine Tank is an existing 2.0 MG pre-stressed concrete tank constructed by the Silver Lake Water Company in 1978. A 2008 inspection of the tank interior revealed significant areas of concrete spalling and exposed reinforcing steel in the tank roof. Repairs were attempted in 2009. The repair process required chipping and cleaning of damaged areas which revealed much more extensive deterioration than was initially estimated. Over 1400 square feet of damage to the roof dome structure was actually repaired as compared to the original estimate of 400 square feet. Significant delamination of the roof structure is expected to continue. In addition, closer inspection during the roof repair work indicated moderate cracking of the dome ring and walls. Damage to the pre-stressed dome ring is of special concern since it resists the thrust of the arched roof in tension. The replacement tank will be a 2.5 MG above ground steel tank. The additional volume will accommodate future storage needs of the Stead system and eliminate a future storage tank project.

SCHEDULE: It was anticipated that the 2008 repairs would provide an additional 5-7 years of life for the existing structure; therefore, construction is scheduled for FY 2018.

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Potable Water Storage Improvements

Sun Valley #2 Tank FY 2019

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Developer Fees/ Customer Rates	Sun Valley #2 Tank	-	-	1,750	-	-	1,750

PROJECT DESCRIPTION: TMWA continues to analyze opportunities to consolidate pump zones to eliminate future pump station replacement costs and to increase reliability to continuous pumping zones. Several years ago, TMWA consolidated the Sutro #1 pump zone with the Sun Valley/Sullivan pump zone, placing additional capacity requirements on the Sun Valley zone. This tank is needed to provide the required emergency storage capacity to the expanded zone and will also provide the capacity for the Sun Valley zone to reach buildout.

SCHEDULE: The project is scheduled for construction in FY 2019 subject to successful acquisition of a suitable tank site which is elevation sensitive.

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Potable Water Storage Improvements

Rattlesnake Ring Addition FY 2019

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Developer Fees	Rattlesnake Ring Addition	-	-	800	-	-	800

PROJECT DESCRIPTION: Additional storage is necessary to meet the total system capacity requirements of NAC 445A regulations under buildout conditions. The bulk of the additional storage is planned for the major gravity zones since distribution facilities make the storage available to other parts of the system. The existing 2.5 MG Rattlesnake Tank is the only major storage facility on the south end of the gravity system. The addition of another 8-foot high ring to the tank would increase storage by about 1.0 MG and would also increase the available head to allow the tank to operate under a wider range of hydraulic conditions.

SCHEDULE: The project is currently scheduled for construction in FY 2019.

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Potable Water Storage Improvements

Zone 11 Tank FY 2018

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Reserve	Zone 11 Tank	-	3,000	-	-	-	3,000

PROJECT DESCRIPTION: The project involves construction of a 2.5 MG above ground welded steel storage tank in Area 11 of the South Truckee Meadows formerly owned by STMGID. Due to growth in the area over the last several years, additional storage is required to meet the requirements of the NAC 445A regulations and TMWA standards.

SCHEDULE: The project is currently scheduled for construction in FY 2018.

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Potable Water Storage Improvements**Fish Springs Ranch #2 FY 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Developer Fees	Fish Springs Ranch #2	-	-	-	-	100	100

PROJECT DESCRIPTION: Ultimately, a second storage tank is needed at the terminus of the Fish Springs pipeline at the north end of Lemmon Valley to equalize demand and supply during peak use periods.

SCHEDULE: The project is currently scheduled for design in FY 2021 with construction to follow in FY 2022. The actual schedule will be dependent upon the rate of growth in the North Valleys.

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Potable Water Storage Improvements
Former STMGID Tank Recoats FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Reserve	Former STMGID Tank Recoats	170	-	220	-	300	690

PROJECT DESCRIPTION: The former STMGID system included a total of seven storage tanks providing a total storage capacity of about 6.2 million gallons. A number of these tanks will be inspected annually on a rotating basis. Based upon these inspection observations, a determination is made as to whether interior or exterior tank coatings or other fix and finish work is required. Tank interior coating/liners and exterior paint are generally replaced every 15 years.

SCHEDULE: This is an ongoing annual project. It is anticipated that two tanks will need to be recoated approximately every 2-3 years.

Truckee Meadows Water Authority FY 2017-2021 Draft Capital Improvement Plan

Potable Water Storage Improvements
Storage Tank Recoats; Access; Drainage Improvements
FY 2017 - 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Storage Tank Recoats; Access; Drainage Improvements	780	860	800	800	800	4,040

PROJECT DESCRIPTION: TMWA has a very proactive tank reservoir maintenance program whereby 20% of all tanks are inspected annually on a rotating basis. Based upon these inspection observations, a determination is made as to whether interior tank coatings (for steel tanks) or other fix and finish work is required. TMWA has 93 storage tanks in service, with combined storage of approximately 121 million gallons. Interior coating/liners are generally replaced every 15 years resulting in about six tanks per year having this work performed. The budget and plan also includes exterior painting of steel tanks and any replacement of any interior components that may be corroded.

SCHEDULE: This is an ongoing annual project. It is anticipated that six tanks will need to be recoated approximately every year.

Truckee Meadows Water Authority FY 2017-2021 Draft Capital Improvement Plan

HYDROELECTRIC IMPROVEMENTS**Summary**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Flume, Forebay, Diversion, and Canal Improvements	475	845	755	800	800	3,675
3	Customer Rates	Hydro Plant Generator Rewinds	-	-	350	350	350	1,050
Subtotal Hydroelectric Improvements			475	845	1,105	1,150	1,150	4,725

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Hydroelectric Improvements
Flume, Forebay, Diversion, and Canal Improvements
FY 2017 - 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Flume, Forebay, Diversion, and Canal Improvements	475	845	755	800	800	3,675

PROJECT DESCRIPTION: Provision is made each year for hydroelectric flume reconstruction from unexpected rock falls, ice expansion damage, and penstock reconstruction. Operation of hydroelectric facilities provides power generation revenue, which significantly offsets the power costs of TMWA. TMWA's three operating hydroelectric facilities have nearly 12,150 feet of flume and 13,125 feet of canal combined. TMWA average service life for flume structures is 35 years using treated timbers, at an average replacement cost of approximately \$1,000 per lineal foot of flume. The present cost to replace a linear foot of flume depends on the location and height of the flume structure. A number of projects would be campaigned in fiscal year 2016 while river flows are at a minimum.

SCHEDULE: Ongoing annual evaluation and prioritization of flume and canal condition in the early spring (winter weather can change priorities) to identify projects for fall construction when historically, river flows are lower.

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Hydroelectric Improvements

Hydro Plant Generator Rewinds FY 2019 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Customer Rates	Hydro Plant Generator Rewinds	-	-	350	350	350	1,050

PROJECT DESCRIPTION: The Fleish generator was last rewound in 1958 and is still operational. The typical in service life of this type of generator is about 50 years. We are currently monitoring this for any signs of failure (hot spots, loss of capacity, & any imbalance of phase amps). The two Washoe generators were damaged in a flood in 2006. The units were cleaned and repaired but suffered damage to the core laminations that has shortened the operating life. Spending in fiscal years 19, 20 and 21 centers on rewinds of these generators which are expected to improve energy output. TMWA tries to schedule projects which require significant downtime in years of potential lower generation.

SCHEDULE: Washoe Hydro Plant generators FY19 & FY20, Fleish Hydro Plant generator FY21. This schedule may be adjusted depending on river flows and generator condition evaluation.

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CUSTOMER SERVICE OUTLAYS

Summary

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Customer Rates	Meter Reading Equipment	-	60	-	60	-	120
2 1	Developer Fees	New Business Meters	350	350	350	175	100	1,325
1	Customer Rates	Mueller Pit Replacements former Washoe County	125	125	125	375	125	875
1	Reserve	Mueller Pit Replacements former STMGID	75	75	75	75	75	375
1	Customer Rates	Meter -ERT-RTR Replacements	1,250	1,250	1,250	1,250	1,250	6,250
Subtotal Customer Service			1,800	1,860	1,800	1,935	1,550	8,945

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Customer Service Outlays
Meter Reading Equipment FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Customer Rates	Meter Reading Equipment	-	60	-	60	-	120

PROJECT DESCRIPTION: TMWA utilizes a multiple meter reading systems in which the transmitters attached to the meters send a signal out to be collected by data collectors. These collectors are mounted in the meter reading vehicles or on various mountain peaks surrounding the valley. TMWA is anticipating replacing units that have degraded.

SCHEDULE: Will need to purchase equipment on an as needed basis.

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Customer Service Outlays

New Business Meters FY 2017 - 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Developer Fees	New Business Meters	350	350	350	175	100	1,325

PROJECT DESCRIPTION: All new water services are required to be metered. Meters are purchased by TMWA and installed for new development. New business fees pay for these installations.

SCHEDULE: As development picks up, more meters will need to be purchased.

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Customer Service Outlays**Mueller Pit Replacements Former Washoe County FY 2017 – 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Mueller Pit Replacements former Washoe County	125	125	125	375	125	875

PROJECT DESCRIPTION: The Mueller metering pits are a very high maintenance metering facility and are prone to leaks and failures. TMWA plans to replace these facilities in response to leaks and or subsidence of these facilities.

SCHEDULE: Equipment and employee needs are evaluated and updated annually.

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Customer Service Outlays**Mueller Pit Replacements Former STMGID FY 2017 – 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Reserve	Mueller Pit Replacements former STMGID	75	75	75	75	75	375

PROJECT DESCRIPTION: The Mueller metering pits are a very high maintenance metering facility and are prone to leaks and failures. TMWA plans to replace these facilities to leaks and or subsidence of these facilities.

SCHEDULE: Equipment and employee needs are evaluated and updated annually.

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Customer Service Outlays**Meter – ERT-RTR Replacements FY 2017 – 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Meter - ERT-RTR Replacements	1,250	1,250	1,250	1,250	1,250	6,250

PROJECT DESCRIPTION: Meter/ERT/RTR replacements are required annually for approximately 7% of TMWA’s metered services. Meters have an expected service life of 20-25 years. ERTs and RTRs have an expected service life of at least 15 years. TMWA is upgrading these devices to the 100w class which will allow for fixed based meter readings and ability to read meters remotely for purposes of move-in and move-out meter reading cut-off without the need for a truck roll. In addition, we have taken on 23,000 Sensus meters of a varying age, as well as different meter reading systems.

SCHEDULE: These are both replaced systematically as well as on an as needed basis.

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ADMINISTRATIVE OUTLAYS

Summary

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	GIS System Mapping Equipment	40	40	40	40	40	200
2	Customer Rates	Desktop Computer Upgrades	100	100	100	100	100	500
2	Customer Rates	Server/Storage upgrades	275	175	175	175	175	975
2	Customer Rates	Network Security Upgrades	150	150	150	150	150	750
2	Customer Rates	Application Software Acquisitions	150	150	150	150	150	750
3	Customer Rates	Furniture -Office Equipment	50	50	50	50	50	250
1	Customer Rates	Dump trucks/Vac Trucks/Backhoe Replacements	125	-	-	-	-	125
1	Customer Rates	Crew Trucks / Vehicles	690	823	570	584	652	3,319
2	Customer Rates	Security-ER Projects	150	150	150	150	150	750
1	Customer Rates	Emergency Operations Annex-Design	150	-	-	-	-	150
1	Customer Rates	Corporate Office Expansion-Design	150	-	-	-	-	150
Subtotal Administrative Outlays			2,030	1,638	1,385	1,399	1,467	7,919

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Administrative Outlays**GIS System Mapping Equipment FY 2017 – 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	GIS System Mapping Equipment	40	40	40	40	40	200

PROJECT DESCRIPTION: TMWA will have to update mapping equipment on a periodic basis to keep up with changes in technology; and to replace existing equipment as it reaches obsolescence.

SCHEDULE: Equipment is replaced and/or purchase as needed.

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Administrative Outlays**Desktop Computer Upgrades FY 2017 – 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Desktop Computer Upgrades	100	100	100	100	100	500

PROJECT DESCRIPTION: TMWA utilizes a computer refresh program to ensure employees are provided with the latest technological tools to stay productive in their work. TMWA has over 250 desktop and laptop computing resources in service, with approximately one-quarter needing to be changed out each year due to warranty arrangements, asset age, or staffing needs. TMWA annually completes a full inventory of all IT assets to make an appropriate determination of the required resource replacement.

SCHEDULE: Spending would be determined on an as needed basis.

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Administrative Outlays
Server/Storage/Operating System Software Upgrades
FY 2017 - 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Server / Storage / Operating System Software upgrades	275	175	175	175	175	975

PROJECT DESCRIPTION: TMWA currently has over 50 physical servers and 150 virtual servers, hosting a variety of enterprise software applications that support TMWA's daily business operations. All physical servers are typically purchased with a three year warranty, with the expectation that they will reach the end of their system life cycle in a three to five year time frame, requiring a replacement. TMWA annually reviews its server platforms and can option a strategy of warranty extension, if cost effective, rather than outright hardware replacement. All servers require an Operating System Software license to run. Operating System Software is upgraded only when the current release is obsolete or a newer version offers a significant advantage over the current iteration.

SCHEDULE: Spending occurs only on an as needed basis.

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Administrative Outlays

Network Security Upgrades FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Network Security Upgrades	150	150	150	150	150	750

PROJECT DESCRIPTION: As a leading water purveyor for a major metropolitan area, TMWA is reliant on the internet for employee productivity enhancement and providing valuable customer information and outreach. Such dependency on the internet also carries a significant degree of risk, as it makes TMWA a major target for external security threats looming within globalized networks. To offset this risk and combat network threats, a variety of security specific hardware and software solutions are used, weaving them into a layered deployment strategy called Defense in Depth. In order to continually evolve and reinforce this Defense in Depth strategy and effectively fight new unforeseen threats, TMWA must continually acquire new security platforms that adapt to the continually changing security landscape.

SCHEDULE: The network security is constantly monitored and upgraded as needed.

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Administrative Outlays**Application Software Acquisitions FY 2017 – 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Application Software Acquisitions	150	150	150	150	150	750

PROJECT DESCRIPTION: In the modern computerized work place, software applications are key to providing staff with the essential functionality to perform their job roles. TMWA must constantly seek out and procure the latest in innovative software applications, in order to meet the evolving efficiency and productivity demands of staff.

SCHEDULE: Application software is updated as needed.

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Administrative Outlays

Furniture – Office Equipment FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
3	Customer Rates	Furniture -Office Equipment	50	50	50	50	50	250

PROJECT DESCRIPTION: A small provision is made each year for furniture requirements if necessary.

SCHEDULE: Furniture and office equipment is purchased or replaced as needed.

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Administrative Outlays**Dump Trucks/Vac Trucks/Backhoe Replacements FY 2017 - 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Dump trucks/Vac Trucks/Backhoe Replacements	125	-	-	-	-	125

PROJECT DESCRIPTION: TMWA employs dump trucks with backhoe trailers to move backhoes to water main leak sites, meter retrofit sites and other tasks reducing travel wear and tear on backhoes. Dump truck/backhoe equipment configurations are essential for efficient field tasks. TMWA will eventually need to replace backhoes purchased early in TMWA operations. This equipment is used daily and may be reaching performance handbook life cycles although moving this equipment by trailer extends the life of this equipment considerably.

SCHEDULE: Equipment and employee needs are evaluated and updated annually.

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Administrative Outlays

Crew Trucks/Vehicles FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Crew Trucks / Vehicles	690	823	570	584	652	3,319

PROJECT DESCRIPTION: TMWA’s service fleet consists of light duty and heavy duty crew trucks. TMWA plans to cycle the light crew fleet over a period of seven to ten years. Spending is determined annually depending on vehicle availabilities and other factors. Spending only occurs if justified. TMWA’s fleet cycles older vehicles to the treatment plants or other less demanding activities prior to disposal at auction. TMWA has scaled back spending on light vehicles for the past several years and a number of vehicles will be in excess of ten years old and greater than 120,000 miles of duty.

SCHEDULE: Equipment and employee needs are evaluated and updated annually.

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Administrative Outlays

Security-ER Projects FY 2017 – 2021

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
2	Customer Rates	Security-ER Projects	150	150	150	150	150	750

PROJECT DESCRIPTION: Various ongoing improvements to security infrastructure are required to protect TMWA facilities. Perpetual upgrades to video surveillance and control access infrastructure are necessary in order to provide pertinent and real time information to TMWA in the event of unauthorized access to TMWA property. TMWA has performed vulnerability assessment studies in the past and reviews the applicability of the findings to continually improve physical security as needed. In addition, TMWA is preparing a new disaster recovery plan with procedures to recover and protect water system operations.

SCHEDULE: Upgrades to security projects is ongoing and the disaster recovery plan is scheduled for completion in FY 2017.

PROJECT LOCATION: Various locations at treatment plants, at well sites, storage area for water fill station manifolds.

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Administrative Outlays

Emergency Operations Annex-Design FY 2017

FUNDING TIMELINE:

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Emergency Operations Annex-Design	150	-	-	-	-	150

PROJECT DESCRIPTION: TMWA is currently in the planning and conceptual design phase for a Primary Emergency Operations Center (EOC) with potential for Disaster Recovery (DR) capacity. TMWA's EOC will relocate from the current location at the corporate office to the Chalk Bluff Water Treatment Plant. Which includes scope review, design, and contract bid packages, bid and award, construction, and testing. Potential emergency operations would include responding to earthquakes, floods, or other emergency related events. Disaster Recovery includes providing a system to backup and restore all key operating systems to operational status.

SCHEDULE: Design, bid and build in FY 2017 to include design, fabrication, installation of two construction water fill stations at Glendale and Chalk Bluff Water Treatment Plant, construction of water fill stations at four tank sites, standby power retrofits at four existing wells and ten portable water fill manifold stations.

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Administrative Outlays**Corporate Office Expansion-Design FY 2017 - 2021****FUNDING TIMELINE:**

Priority	Funding Source	Description	FY17	FY18	FY19	FY20	FY21	CIP Total
1	Customer Rates	Corporate Office Expansion-Design	150	-	-	-	-	150

PROJECT DESCRIPTION: TMWA anticipates design of only the corporate building extension only. A decision to construct will be held in abeyance until employee count justifies construction.

SCHEDULE: Anticipated design will occur in FY 2017.