

SEWER UTILITY RATE SUFFICIENCY ANALYSIS

City of Reno

Prepared for:



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EXECUTIVE SUMMARY

The 2024 Sewer Utility Rate Sufficiency Analysis was commissioned by the City of Reno (City) to assess the sufficiency of the City's current sewer user charges as defined in Reno Municipal Code 12.16. This analysis updated the digital rate model¹ used in the 2022 analysis with the following data:

- Fiscal Year 2025 (FY 25) Budgeted Revenues & Expenses
- 20-year Capital Improvement Program (CIP)
- FY 25 Customer Statistics
- 40000 and 40001 Fund Balance Information
- Growth Trends, Inflation Escalators, Staffing and Equipment Needs, and other Programs or Factors that influence utility financial performance

Since October 1, 2016, the City of Reno sewer user rate has adjusted annually by an amount equal to the increase of the Consumer Price Index-All Urban Consumers (CPI-U) for the west urban area, as published by the Bureau of Labor Statistics. This analysis found that user rate revenues under the existing rate structure will not be able to fully fund annual operating expenses, capital outlay, future debt service payments, and meet operating reserve policies without adjustments above and beyond CPI-U. The adjustments proposed in Table 1 are recommended to be implemented starting in FY 26.

Table 1: Sewer Fund Preliminary Revenue Adjustments

	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
Rate Adjustments	CPI-U	8.0%	8.0%	CPI-U	CPI-U	CPI-U

¹ All data presented in this report is from model v8.1

1.0 INTRODUCTION

DOWL investigated the sufficiency of revenue generated from the City's sewer utility's user rates. The user rate study period in this analysis is 5-years or through FY 30. All rate model calculations are based on a fiscal year starting on July 1st of each year and ending on June 30th of the following calendar year.

The goal of this analysis is to confirm a financial plan that ensures funding for annual operating expenses, capital outlay for repair and replacement projects, maintaining adequate levels of cash reserves, and minimizes the need for future user rate hikes. The following objectives were used as guiding principles in the preparation of user rate analysis:

- Recurring expenses should be paid by recurring revenues.
- The Operating Fund shall maintain a minimum Operating Reserve equal to 60 days of utility operating expenses.

These goals and objectives are referenced and expanded upon throughout each section of this report.

2.0 USER RATE DATA AND ASSUMPTIONS

The City provided fund statements, historical financial reports, budgets, and other financial information regarding the sewer utility for FY 23 thru 25. This information was used to develop long-term financial projections for the sewer utility. This report presents a 5-year financial plan and proposes rates through FY 30. The assumptions used to evaluate the financial stability of the utility were developed in coordination with or provided by City staff. Assumptions such as future inflation factors, customer account growth rates, and beginning cash balances are summarized in this section.

2.1 Inflation Rates

To prepare the 5-year financial plan, inflation factors are applied to future revenue and expense projections over the study period. The inflation factors used, shown in Table 2, were developed collaboratively with City staff. These factors are considered conservative estimates of future economic conditions, based on historical data. The CPI-U is assumed to escalate by 3 percent² annually. Based on City financial records, labor cost and benefits cost inflation was assumed to escalate by 5 percent annually. Customer growth is anticipated to increase at 1 percent annually throughout the study period.

²The CPI-U increase was 2.5% for 2024. The running 5-year annual average for the west region from 2020 thru 2024 is 4.1%.

Table 2: Inflation Factor Assumptions

Key Factors	Inflation Rate per Year
General Cost Inflation (CPI-U)	3.0%
Construction Cost Inflation (ENR-CCI)	3.6%
Labor Cost Inflation	5.0%
Benefits Cost Inflation	5.0%
Customer Growth	1.0%

2.2 Operating Reserves

The City maintains reserve funds from user rates under Operating Fund 40000. Based on the City's financial records, the Operating Fund's beginning cash balance in FY 25 was \$108 million (M). Maintaining a cash balance that allows for variability in revenues and expenses, on an annual basis, can be accomplished through adequate funding and using reserves to compensate for annual shortfalls. City policy currently requires the fund to maintain at least 60 days of operating expenses as its Operating Reserve with a goal of 120 days of operating expenses.

Per rate model projections, the minimum reserve increases from \$9.8M in FY 25 to \$12.9M in FY 30.

3.0 SEWER REVENUE REQUIREMENT

The revenue requirement presents the relationship between revenue collected from user fees and the costs incurred to serve those customers. This study performs an analysis over the 5-year study period and is used to determine the approximate rate adjustments needed to support projected expenses and capital improvement projects.

3.1 Projected Revenues

The City's historic actuals for FY 20 through FY 24 were reviewed for this study. The City also provided the FY 25 budget. FY 25 was selected to be the starting point for revenue projections for nearly all revenue and expense items. Approximately \$87M is projected to be collected in rate revenue and an additional \$9M collected from non-rate revenue sources in FY 25. Table 3 shows the projected revenues from FY 25 through FY 30. Considering the customer growth and inflationary factors described in Section 2.1, total projected revenues will increase to approximately \$106M by FY 30 without any additional rate increases.

Table 3: Projected System Revenues (\$M)

Revenues	FY 25	CY 26	CY 27	CY 28	CY 29	CY 30
Rate Revenues	\$ 86.97	\$ 90.45	\$ 94.08	\$ 97.86	\$ 101.79	\$ 105.87
Additional Revenues from Rate Adjustment	-	\$ 4.52	\$ 9.64	\$ 10.03	\$ 10.43	\$ 10.85
Miscellaneous Revenues	\$ 9.00	\$ 8.28	\$ 2.76	\$ 2.83	\$ 2.90	\$ 2.98
Total Revenues	\$ 95.97	\$ 103.26	\$ 106.48	\$ 110.72	\$ 115.12	\$ 120.17

3.2 Projected Costs

Sewer fund expenses consist of sewer operation and maintenance (O&M), capital outlay, and debt service expenses. Similar to the revenue forecast, FY 25 was selected to be the starting point or basis for the projection of system costs. Table 4 below shows the projected expenses from FY 25 through FY 30.

Table 4: Projected System Expenses (\$M)

Expenses	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
O & M	\$ 59.32	\$ 62.26	\$ 65.50	\$ 70.73	\$ 74.43	\$ 78.32
Affordable Housing	-	\$ 11.32 ³	-	-	-	-
Capital Outlay	\$ 63.89	\$ 41.71	\$ 72.37	\$ 61.40	\$ 32.99	\$ 34.78
Existing Debt Service	\$ 1.52	\$ 0.29	-	-	-	-
Future Debt Service	-	-	-	\$ 0.986	\$ 4.21	\$ 4.21
Total Expenses	\$ 124.73	\$ 115.57	\$ 137.87	\$ 133.11	\$ 111.63	\$ 117.32

³ The Sewer Operating Fund intends on taking a deduction of \$11,318,399 in FY 26 to account for reduced connection fees collected from Affordable Housing projects since FY 22.

3.2.1 O&M Expenses and Forecast

The City's O&M expenses consist of ongoing annual costs which can generally be classified as collection, sewage treatment, and administrative. Over the 5-year study period, the total sewer O&M expenses are projected to increase from \$59.3M in FY 25 to approximately \$78.3M by FY 30.

3.2.2 Capital Projects

The City developed a 20-year CIP to address the needs of the system. Repair and Replacement projects maintain the system infrastructure and the capacity that is currently in place for existing connections. As the system ages, the City makes regular investments to maintain the integrity of its facilities through user rate revenues. With the exception of the projects listed in Section 3.2.4 all other Repair and Replacement projects will be funded through the City's reserves. The 5-year CIP is displayed in Table 5.

Table 5: Repair and Replacement Capital Outlay (\$M)

Expenses	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
CIP funded by Rates	\$ 63.89	\$ 76.71	\$ 103.27	\$ 61.40	\$ 32.99	\$ 34.78
Grant Funding	\$ 2.05	\$ 5.59	-	-	-	-
Loans	-	\$ 35.00	\$ 30.90	-	-	-
Total Capital Outlay	\$ 61.84	\$ 36.11	\$ 72.37	\$ 61.40	\$ 32.99	\$ 34.78

3.2.3 Existing Debt Service

The City has one outstanding debt obligation that is specific to user rates under the 2016 Sewer General Refunding Bond. The annual debt payments decrease to \$1.5M in FY 25 and retire in FY 26 following a \$0.287M payment.

3.2.4 New Debt Service

The repair and replacement CIP in FY 25 thru FY 28 is approximately two to three times the average year in the current 20-year CIP. Because of this condition, the City intends on assuming debt obligations for the following projects:

- TMWRF Dewatering Facility \$30.9M
- Advanced Purified Water Facility (APWF) \$35.0M

Annual debt service payments of \$1,972,794 are expected to commence in January 2028 for the TMWRF Dewatering Facility and payments of \$2,234,499 for the APWF will begin in July of 2028.

3.3 Projected Revenue Requirement

As seen in Figure 1, revenues under the existing rate structure are not able to fully fund annual operating expenses, capital outlay, and future debt service payments without adjustments. The revenue adjustments stated in Table 6 will allow the sewer utility to meet Sewer Fund financial policies across the entire study period.

Table 6: Sewer Fund Proposed Revenue Adjustments

	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
Rate Adjustments	2.5% (CPI)	8.0%	8.0%	3.0% (CPI)	3.0% (CPI)	3.0% (CPI)

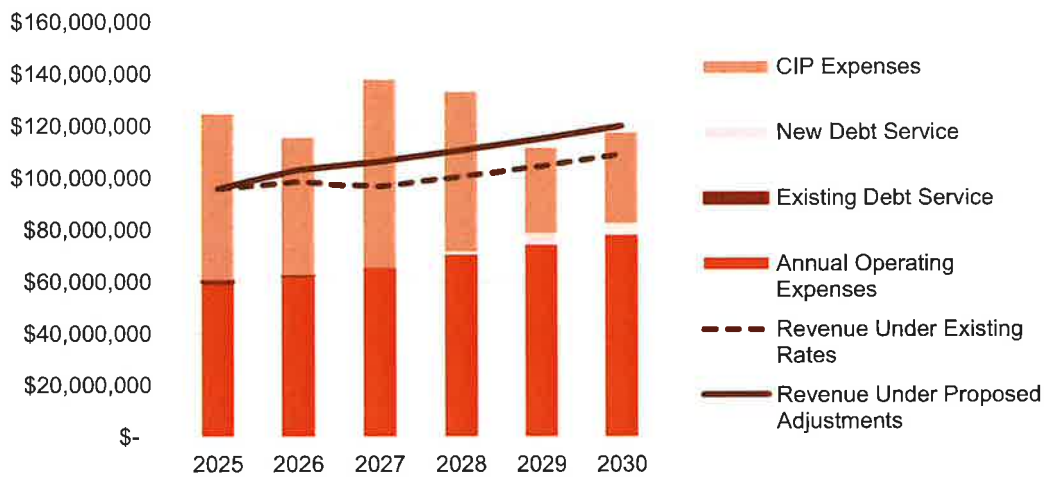


Figure 1: Operating Fund Cashflow Projections

3.4 Projected Cash Reserves

As shown in Figure 2, without revenue adjustments the sewer utility will deplete cash reserves and start operating in a deficit starting in FY 28.

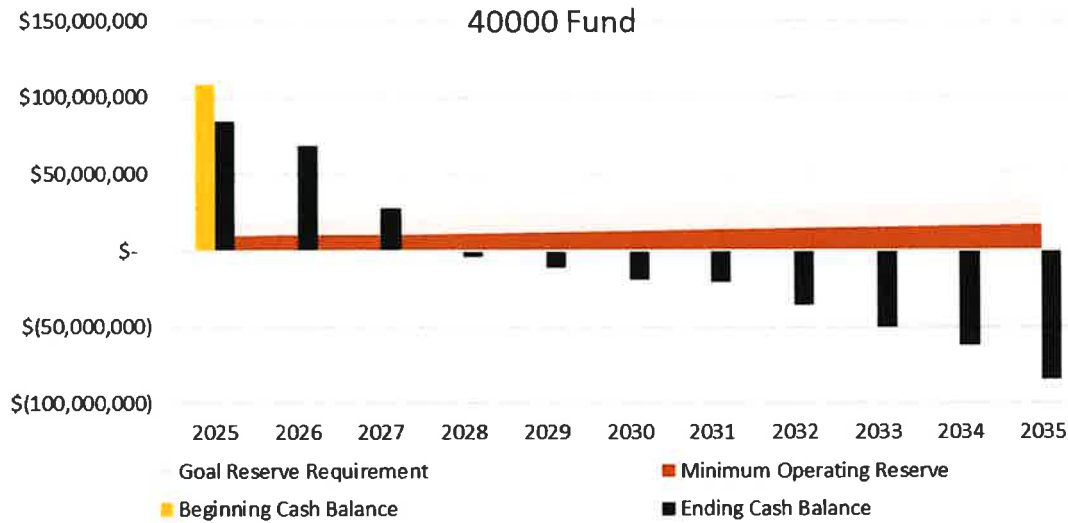


Figure 2: Sewer Operating Reserve Projections Under CPI-U Only

As shown in Figure 3, revenue adjustments proposed in Table 6 will allow the sewer utility to meet all financial policies across the entire study period.

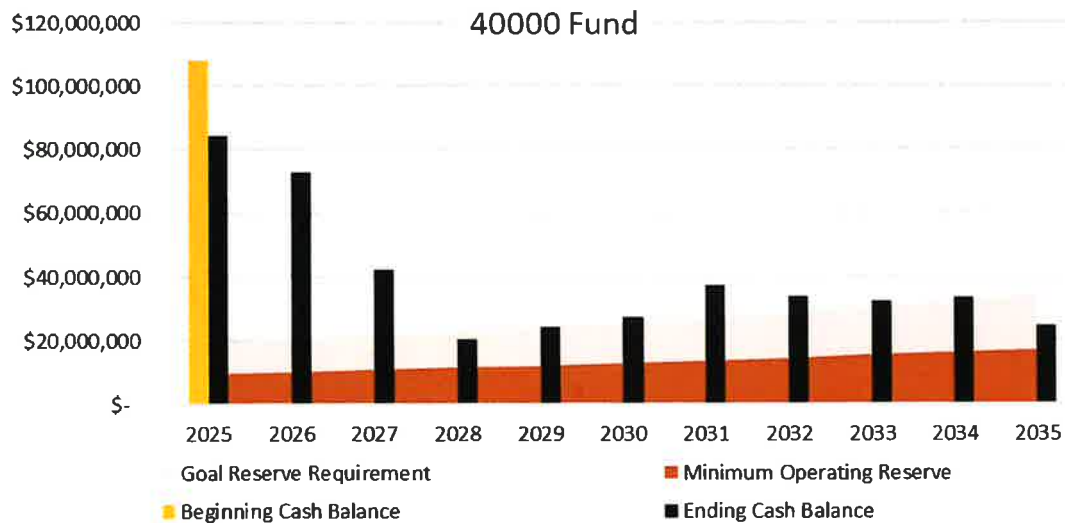


Figure 3: Sewer Operating Reserve Projections Under Proposed Rate Adjustments

3.5 Recommended Rate Schedule

The schedule presented in Table 7 applied the recommended rate adjustments to the existing rate structure.

Table 7: Proposed 5-Year Rate Schedule (Monthly)

Customer	Current Rate	FY 26	FY 27	FY 28	FY 29	FY 30
Residential	\$58.28	\$62.94	\$67.98	\$70.02	\$72.12	\$74.28
Multi-Family	\$47.80	\$51.62	\$55.75	\$57.43	\$59.15	\$60.92
Commercial (Base)	\$58.28	\$62.94	\$67.98	\$70.02	\$72.12	\$74.28
Commercial ⁴ (per kgal)	\$9.10	\$9.83	\$10.61	\$10.93	\$11.26	\$11.60

4.0 CONCLUSION AND RECOMMENDATION

Based on the results of the sufficiency analysis, it is recommended the City adjust all user rates by a fixed total of 8 percent in FY 26 and FY 27 then continue annual CPI-U adjustments starting in FY 28. As seen in Figure 3, the City's ending cash balance will be above the operating reserve minimum at the end of each year studied. Table 7 provides the recommended 5-year user rate schedule.

⁴ Strength of waste footnote

APPENDIX 1: RATE MODEL WORKSHEETS



City of Reno
Sewer Utility Rate Model
Assumptions
Alternative 1-1



General Assumptions

Study Details	
Enter Current Fiscal Year	2025
Duration of Study Period (Years)	10
Assumed Residential Flow (gpd)	165
Assumed Multi-Family Residential Flow	141
Fixture Units per SF Residential	21.67
Commercial Fixture Units Per Commercial Cust	50
Multi-Family Average Units	3.88
Plant Capacity Details	
TMWRF Current Capacity	34 MGD
TMWRF Total Capacity after Expansion	35.8 MGD
RSWRF Current Capacity	2 MGD
RSWRF Total Capacity after Expansion	6 MGD
TMWRF Permitted Capacity	42 MGD
Sparks Share	31.37%

Financial Policies

			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Reserve			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Minimum Operating Account Balance	60	days; 2 months	\$ 9,751,916	\$ 10,235,040	\$ 10,767,286	\$ 11,626,569	\$ 12,235,557	\$ 12,875,262	\$ 13,547,219	\$ 14,253,044	\$ 15,363,259	\$ 16,195,641	\$ 17,070,266
Goal Operating Account Balance	120	days; 4 months	\$ 19,503,832	\$ 20,470,080	\$ 21,534,572	\$ 23,253,138	\$ 24,471,114	\$ 25,750,523	\$ 27,094,438	\$ 28,506,088	\$ 30,726,519	\$ 32,391,281	\$ 34,140,531

Economic Factors that Govern Cost Projections

	Notes	Application	FYE:	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 General Cost Inflation	Per average CPI 2020-2024	O&M Miscellaneous Expenses		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2 Construction Cost Inflation	Per average CPI 2019-2023	Just for reference, see item 11		3.51%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%
3 Labor Cost Inflation	Per Trish's projections	O&M Salaries and staffing needs		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
4 Benefits Cost Inflation	Per Trish's projections	O&M Benefits		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
5 Earnings on Investment		Operating & Capital Reserves		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
6 Trish's 2% Admin Charge Projection		N/A		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
7 No Escalation		O&M Transfers out and underpayments		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 General Inflation Plus Growth		O&M CoR Rate Revenues		4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
9 City Directed 5% per Year		O&M Services & Supplies		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
10 Customer Growth (Multi-fam/Comm)	Per John 2% (Q#15)	Connection fee projected revenue		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Customer Growth (Single Family)	Trish's Email 2/23	Connection fee projected revenue		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
11 Cumulative Construction Cost Inflation		Applies to CIP		0.00%	3.50%	7.70%	16.00%	17.00%	18.00%	21.60%	25.20%	28.80%	32.40%	36.00%

City of Reno
Sewer Utility Rate Model
Operating Fund Revenue & Expenditure Projections
Alternative 1-1



Revenues	Projection Method	FYE	Budget					Select Projection Starting Value	User Override Input	Projection Value	Projection					
			2020	2021	2022	2023	2024				2025	2026	2027	2028	2029	2030
Service Charges																
Sewer residential omr	General Inflation Plus Growth		\$ 39,325,117	\$ 41,068,023	\$ 42,770,089		\$ 50,893,042	\$ 52,732,400	Budget 2025 Value	\$ 52,732,400	\$ 54,857,516	\$ 57,064,274	\$ 59,368,125	\$ 61,760,650	\$ 64,249,615	
Sewer commercial omr	General Inflation Plus Growth		\$ 13,452,779	\$ 12,659,428	\$ 12,805,595		\$ 14,000,000	\$ 15,125,600	Budget 2025 Value	\$ 15,125,600	\$ 15,735,162	\$ 16,369,289	\$ 17,028,911	\$ 17,715,239	\$ 18,429,163	
Sewer residential capital	General Inflation Plus Growth		\$ 18,499,262	\$ 19,331,333	\$ 20,147,403		\$ 23,700,000	\$ 24,418,520	Budget 2025 Value	\$ 24,418,520	\$ 25,402,386	\$ 26,476,311	\$ 27,645,191	\$ 28,919,130	\$ 30,317,737	
Sewer commercial capital	General Inflation Plus Growth		\$ 6,340,219	\$ 5,947,353	\$ 6,083,828		\$ 6,700,000	\$ 7,200,200	Budget 2025 Value	\$ 7,200,200	\$ 7,490,368	\$ 7,792,230	\$ 8,106,257	\$ 8,432,939	\$ 8,772,786	
Washoe city sewer residential	General Inflation Plus Growth		\$ (8,226,475)	\$ (8,001,793)	\$ (8,071,863)		\$ (12,083,570)	\$ (11,297,320)	Budget 2025 Value	\$ (11,297,320)	\$ (12,792,902)	\$ (13,308,456)	\$ (13,846,767)	\$ (14,402,732)	\$ (14,983,162)	
Washoe city sewer commercial	General Inflation Plus Growth No Escalation		\$ (834,979)	\$ (871,710)	\$ (897,320)		\$ (1,206,545)	\$ (1,003,158)	Budget 2025 Value	\$ (1,003,158)	\$ (1,043,583)	\$ (1,085,642)	\$ (1,129,393)	\$ (1,174,908)	\$ (1,222,256)	
APW Rate Revenues	General Inflation Plus Growth								Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Admin Charge	Trials 2% Admin Charge Projection		\$ 746,360	\$ 757,022	\$ 757,703		\$ 771,488	\$ 790,000	Budget 2025 Value	\$ 790,000	\$ 805,800	\$ 821,916	\$ 838,354	\$ 855,121	\$ 872,222	
Total Service Charge			\$ 60,102,283	\$ 70,189,656	\$ 72,582,436		\$ 82,824,415	\$ 86,966,242	Budget 2025 Value	\$ 86,966,242	\$ 90,454,945	\$ 94,083,921	\$ 97,858,818	\$ 101,785,510	\$ 105,870,107	
Miscellaneous Revenue																
Environmental Control Permit Fee	General Cost Inflation		\$ 332,493	\$ 355,392	\$ 320,000		\$ 409,871	\$ 377,400	Budget 2025 Value	\$ 377,400	\$ 388,722	\$ 400,384	\$ 412,394	\$ 424,767	\$ 437,510	
Sewer Lateral Permit Fees	General Cost Inflation		\$ 11,588	\$ 11,444	\$ 10,000		\$ 6,259	\$ 6,000	Budget 2025 Value	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956	
Enforcement Actions	General Cost Inflation		\$ 4,583	\$ 1,900	\$ 2,000		\$ 13,510	\$ 2,660	Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Penalties - Prev Wage/Liquidated Damages	General Cost Inflation						\$ 2,660		Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Sewer penalties residential	General Cost Inflation		\$ 1,695,122	\$ 1,468,543	\$ 1,300,000		\$ 1,915,423	\$ 1,600,000	Budget 2025 Value	\$ 1,600,000	\$ 1,648,000	\$ 1,697,440	\$ 1,748,363	\$ 1,800,814	\$ 1,854,839	
Sewer penalties commercial	General Cost Inflation		\$ 94,845	\$ (94,878)	\$ 100,000		\$ 216,353	\$ 175,000	Budget 2025 Value	\$ 175,000	\$ 180,250	\$ 185,658	\$ 191,227	\$ 196,964	\$ 202,873	
Reimbursements & Institutions	General Cost Inflation		\$ 322,500	\$ 631,440			\$ 1,137,484		Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Reimbursement - property damage	General Cost Inflation						\$ 242,761		Budget 2025 Value	\$	\$	\$	\$	\$	\$	
PW Sales of Plans	General Cost Inflation								Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Other Income	General Cost Inflation		\$ 20,000	\$ 117,879			\$ 42,486		Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Federal grants operating	General Cost Inflation		\$ 28,883	\$ 1,639			\$ 551,198		Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Intergovernmental, Other	General Cost Inflation						\$ 245,356		Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Private grants/donations	General Cost Inflation						\$ 200,000		Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Earnings on investments	General Cost Inflation		\$ 1,340,722	\$ 2,129,134	\$ 800,000		\$ 1,765,334	\$ 800,000	User Defined >>	\$	\$	\$	\$	\$	\$	
Unrealized gain/loss on investments	General Cost Inflation								Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Federal grants capital	General Cost Inflation			\$ 1,465,478			\$ 2,050,000		User Defined >>	\$	\$ 2,050,000	\$ 5,594,175	\$	\$	\$	
Sparks 31 37% R/R Dewatering Debt Service	No Escalation								User Defined >>	\$	\$	\$	\$	\$	\$	
Sparks 3360% R/R Dewatering Debt Service	No Escalation								User Defined >>	\$	\$	\$	\$	\$	\$	
Temporary sewer hookups	General Cost Inflation		\$ 95,000	\$ 99,312	\$ 90,000		\$ 100,000	\$ 100,000	Budget 2025 Value	\$ 100,000	\$ 103,000	\$ 106,050	\$ 109,273	\$ 112,551	\$ 115,927	
Cap Asset disposal gain/loss	General Cost Inflation			\$ (570,888)			\$		Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Sewer Capital Asset Transfer (non cash)	General Cost Inflation								Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Premium accret bonds issues	General Cost Inflation								Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Transfer from Sewer Capital Fund	General Cost Inflation		\$ 2,639,021	\$ 2,519,329	\$ 2,484,661		\$ 2,626,887	\$ 4,333,516	Budget 2025 Value	\$ 4,333,516	\$	\$	\$	\$	\$	
Personal property sales/disposal	General Cost Inflation						\$ 7,949		Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Processors issuance of debt	General Cost Inflation						\$ 70,000,000		User Defined >>	\$	\$	\$	\$	\$	\$	
Washoe city sewer permit repair	No Escalation		\$ 40,000	\$ 184,233	\$ 200,000		\$ 114,581	\$ 160,000	Budget 2025 Value	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	
Stand Truck Fill Re-use	No Escalation			\$ 47,763	\$ 30,000		\$ 25,986	\$ 25,000	Budget 2025 Value	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
Loan Recoupment Admin Fee	No Escalation		\$ 200,000	\$ 58,740	\$ 100,000		\$ 281,065	\$ 175,000	Budget 2025 Value	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	
Total Miscellaneous Revenues			\$ 6,725,057	\$ 8,437,147	\$ 5,416,661		\$ 9,787,047	\$ 9,801,916	Budget 2025 Value	\$ 9,801,916	\$ 8,280,327	\$ 7,755,917	\$ 7,827,815	\$ 7,501,419	\$ 7,978,105	
Total Revenues			\$ 76,827,340	\$ 78,621,803	\$ 78,019,097		\$ 92,611,457	\$ 166,768,158		\$ 95,968,158	\$ 98,735,272	\$ 96,839,838	\$ 100,686,633	\$ 104,687,159	\$ 108,848,712	
Expenditures																
O&M Expenses																
Salaries and Wages	Labor Cost Inflation		\$ 6,462,421	\$ 7,172,038	\$ 7,816,794		\$ 10,081,595	\$ 11,266,132	Budget 2025 Value	\$ 11,266,132	\$ 11,829,439	\$ 12,420,911	\$ 13,041,956	\$ 13,694,054	\$ 14,378,577	
Employee Benefits	Benefit Cost Inflation		\$ 3,323,295	\$ 2,208,714	\$ 6,602,768		\$ 7,776,289	\$ 8,515,438	Budget 2025 Value	\$ 8,515,438	\$ 8,941,210	\$ 9,344,270	\$ 9,729,568	\$ 10,088,697	\$ 10,430,697	
Services and Supplies	City Directed 5% per Year		\$ 12,443,473	\$ 16,886,804	\$ 15,744,843		\$ 16,796,010	\$ 16,099,437	Budget 2025 Value	\$ 16,099,437	\$ 16,904,409	\$ 17,749,629	\$ 18,637,111	\$ 19,566,966	\$ 20,542,615	
City Directed Cost	City Directed 5% per Year		\$ 1,315,835	\$ 1,626,184	\$ 1,878,110		\$ 1,864,039	\$ 3,077,289	Budget 2025 Value	\$ 3,077,289	\$ 3,231,151	\$ 3,392,711	\$ 3,562,347	\$ 3,740,464	\$ 3,927,487	
Retired Employees Insurance	No Escalation		\$ 317,721	\$ 134,478	\$ 300,000		\$ 227,439	\$ 300,000	Budget 2025 Value	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	
Joint Plant Expense	City Directed 5% per Year		\$ 15,000,000	\$ 12,984,192	\$ 13,726,002		\$ 16,328,396	\$ 19,756,045	Budget 2025 Value	\$ 19,756,045	\$ 20,433,847	\$ 21,781,000	\$ 22,870,092	\$ 24,011,596	\$ 25,214,276	
If all Additional Funding Requests are Funded	General Cost Inflation								Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Transfers Out (Fund 0001, for Debt Service)	No Escalation		\$ 2,751,021	\$ 2,751,021	\$ 2,751,021		\$ 112,000	\$ 112,000	Budget 2025 Value	\$ 112,000	\$ 112,000	\$ 112,000	\$ 112,000	\$ 112,000	\$ 112,000	
Internal Service Underpayments	No Escalation		\$ 5,200,000						Budget 2025 Value	\$	\$	\$	\$	\$	\$	
Transfer to Sanitary Sewer Capital Fund	No Escalation						\$ 35,000,000		User Defined >>	\$	\$	\$	\$	\$	\$	
New Key Staffing (Salaries + Benefits)	No Escalation								User Defined >>	\$	\$ 701,975	\$ 737,074	\$ 773,927	\$ 812,624	\$ 853,295	
Reserve Program	No Escalation								User Defined >>	\$	\$	\$	\$	\$	\$	
Joint Plant Expense Offset due to Septage Rate Increase	General Cost Inflation								User Defined >>	\$	\$ 1,000,000	\$ 1,030,000	\$ 1,060,908	\$ 1,094,777	\$ 1,125,599	
Growth Related Staffing	No Escalation								User Defined >>	\$ 197,816	\$	\$ 405,523	\$ 878,061	\$ 1,405,406	\$ 1,366,255	
New Equipment	No Escalation								User Defined >>	\$	\$ 82,000	\$	\$	\$	\$	
APW Operations	No Escalation								User Defined >>	\$	\$	\$	\$ 1,791,078	\$ 1,791,078	\$ 1,444,811	
O No Escalation	O No Escalation								User Defined >>	\$	\$	\$	\$	\$	\$	
New Vehicle O&M + Replacement Cost	No Escalation								User Defined >>	\$	\$ 11,604	\$ 23,764	\$ 36,504	\$ 50,943	\$ 37,356	
Total Salaries and Wages			\$ 46,813,766	\$ 43,253,829	\$ 50,819,038		\$ 53,281,308	\$ 94,126,341		\$ 93,324,157	\$ 62,263,159	\$ 65,502,391	\$ 70,728,295	\$ 74,432,973	\$ 78,324,508	
Total Expenditures			\$ 46,813,766	\$ 43,253,829	\$ 50,819,038		\$ 53,281,308	\$ 94,126,341		\$ 93,324,157	\$ 62,263,159	\$ 65,502,391	\$ 70,728,295	\$ 74,432,973	\$ 78,324,508	

City of Reno
Sewer Utility Rate Model
Capital Funding Plan
Alternative 1-1



CIP Expenditures	FYE	2025	2026	2027	2028	2029	2030
Project Costs Dedicated to Repair and Replacement	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Project Costs Dedicated to Expansion	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Expenditures to be Funded	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Funding Plan	FYE	2025	2026	2027	2028	2029	2030
Funding Sources for Alternative 1-1 - Director Recommended:							
Connection Fee Grants	\$	450,000	\$ -	\$ 1,564,725	\$ -	\$ -	\$ -
User Rate Grants	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
[Not Used]							
Connection Fees	\$	18,090,598	\$ 10,944,767	\$ 56,604,855	\$ 21,798,496	\$ 2,420,698	\$ 18,514,456
Capital Reserve							
CIP Offset							
[Not Used]							
Connection Fee Loans	\$	-	\$ 35,000,000	\$ -	\$ -	\$ -	\$ -
User Rate Loans	\$	-	\$ 35,000,000	\$ 30,900,790	\$ -	\$ -	\$ -
Bond Sales	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Expansion Funding Resources	\$	18,540,598	\$ 80,944,767	\$ 89,070,370	\$ 21,798,496	\$ 2,420,698	\$ 18,514,456
Total CIP Funded through Rates	\$	(18,540,598)	\$ (80,944,767)	\$ (89,070,370)	\$ (21,798,496)	\$ (2,420,698)	\$ (18,514,456)

Page 1 of 2

Project Type	Project Name	Service Area	% Repair / Replacement	% Expansion	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	S - Year CIP Cost	10 - Year CIP Cost	20 - Year CIP Cost	
Treatment	NVEnergy Natural Gas Line & Internal Gas Piping (Construction)	TMWRF	80%	20%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Treatment	Two Methanol Storage Tanks (Design)	TMWRF	0%	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,116,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,116,800	
Treatment	Two Methanol Storage Tanks (Construction)	TMWRF	0%	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,728,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,728,000	
Treatment	Replace Existing Blowers and Associated Electrical Equipment (Design)	TMWRF	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,588,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,588,800	
Treatment	Replace Existing Blowers and Associated Electrical Equipment (Construction)	TMWRF	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,400,000	
Treatment	APD Improvements (Design)	TMWRF	100%	0%	\$ -	\$ -	\$ 643,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,200	\$ 643,200	\$ 643,200	
Treatment	APD Improvements (Construction)	TMWRF	100%	0%	\$ -	\$ -	\$ -	\$ 6,648,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,648,000	\$ 6,648,000	\$ 6,648,000	
Treatment	System 3 Primary and Secondary Clarifiers 3B (Design)	TMWRF	0%	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,648,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,648,000	
Treatment	System 3 Primary and Secondary Clarifiers 3B (Construction)	TMWRF	0%	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,480,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,480,000	
Treatment	System 3 Aeration Tank 3B (Design)	TMWRF	0%	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,720,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,720,000	
Treatment	System 3 Aeration Tank 3B (Construction)	TMWRF	0%	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,732,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,732,000	
Treatment	Digester #1 Rehabilitation (Design)	TMWRF	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,203,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,203,200	
Treatment	Digester #3 Rehabilitation (Construction)	TMWRF	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,700,000	
Treatment	New Operations Building (Design)	TMWRF	50%	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,728,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,728,000	
Treatment	New Operations Building (Construction)	TMWRF	50%	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,180,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,180,000	
Treatment	Digester #3 Rehabilitation (Design)	TMWRF	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,648,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,648,000	
Treatment	Digester #3 Rehabilitation (Construction)	TMWRF	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,420,000	
Treatment	Power Backup (Pre-Design)	TMWRF	70%	30%	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000	
Treatment	Power Backup (Design)	TMWRF	70%	30%	\$ -	\$ 1,036,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,036,000	\$ 1,036,000	
Treatment	Power Backup (Construction)	TMWRF	70%	30%	\$ -	\$ -	\$ 6,648,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,648,000	\$ 6,648,000	
Treatment	MOB Lease to Own	TMWRF	70%	30%	\$ -	\$ 1,036,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,036,000	\$ 1,036,000	
Treatment	MOB Full Scale Master Planning (Pre-Design and Phase 1 Design)	TMWRF	70%	30%	\$ -	\$ 1,554,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,554,000	\$ 1,554,000	
Treatment	MOB System 3 Building	TMWRF	70%	30%	\$ -	\$ -	\$ 5,360,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,360,000	\$ 5,360,000	
Treatment	TMWRF Facility Plan	TMWRF	100%	0%	\$ -	\$ 2,072,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,072,000	\$ 2,072,000	
Treatment	TMWRF Seismic Phase 1 (Pre-Design)	TMWRF	100%	0%	\$ -	\$ 1,036,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,036,000	\$ 1,036,000	
Treatment	Miscellaneous Capital Improvements - RSWRF	North Valleys	100%	0%	\$ 7,650,000	\$ 621,600	\$ 326,960	\$ 110,800	\$ 257,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 977,200	\$ 1,002,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,966,760	\$ 8,966,760	\$ 10,946,360
Treatment	Swan Lake Irrigation Pipeline Undergrounding	North Valleys	100%	0%	\$ -	\$ 4,133,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,133,640	
Treatment	2 MGD Expansion at RSWRF	North Valleys	0%	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,632,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,632,000	
Reuse	2 MGD Expansion of APWF	North Valleys	0%	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,084,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,084,000	
Reuse	Red Rock Reservoir	North Valleys	0%	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Reuse	APWF	North Valleys	50%	50%	\$ -	\$ 72,520,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,520,000	
Reuse	APWF	North Valleys	50%	50%	\$ -	\$ -	\$ 72,038,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,038,400	
Reuse	APWF	North Valleys	50%	50%	\$ -	\$ -	\$ 34,126,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,126,400	
Reuse	The Lakes	North Valleys	100%	0%	\$ -	\$ 77,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,700	
Reuse	Vault Rehab for UNR North, South, Mira Loma and Rosewood	TMWRF	100%	0%	\$ 2,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700,000	
M & O	North Valleys Corp Yard Satellite Facility - 50% from sewer fund	North Valleys	100%	0%	\$ 1,000,000	\$ 1,036,000	\$ 1,072,000	\$ 1,108,000	\$ 1,144,000	\$ 1,180,000	\$ 1,216,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,540,000	
M & O	Corp Yard Equipment Storage Building	North Valleys	100%	0%	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	
Stormwater	West Wash Dam	ALL	100%	0%	\$ -	\$ -	\$ -	\$ 8,864,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,864,000	
Stormwater	Annual CIP program	ALL	100%	0%	\$ -	\$ 1,036,000	\$ 1,072,000	\$ 1,108,000	\$ 3,615,040	\$ 3,728,800	\$ 3,842,560	\$ 3,956,320	\$ 4,070,080	\$ 4,183,840	\$ 4,297,600	\$ 4,411,360	\$ 4,525,120	\$ 4,638,880	\$ 4,752,640	\$ 4,866,400	\$ 4,980,160	\$ 5,093,920	\$ 5,207,680	\$ 5,321,440	\$ -	\$ 10,559,840	\$ 30,910,240	\$ 74,707,840	
Sparks	City of Sparks 31.37% Contribution to TMWRF	TMWRF	69%	31%	\$ (7,594,480)	\$ (5,622,383)	\$ (25,255,109)	\$ (5,387,484)	\$ (1,579,040)	\$ (11,141,997)	\$ (801,064)	\$ (6,990,993)	\$ (5,495,020)	\$ (4,776,396)	\$ (16,851,964)	\$ (8,758,504)	\$ (1,796,874)	\$ (2,164,405)	\$ (2,878,009)	\$ (5,314,078)	\$ (1,730,369)	\$ (8,759,709)	\$ (775,466)	\$ (4,648,783)	\$ -	\$ (56,580,492)	\$ (91,495,929)	\$ (129,322,126)	
Sparks	City of Sparks 34.94% Contribution to TMWRF	TMWRF	69%	31%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Collection Condition	Prior years CIP carry over	All	98%	2%	\$ 8,520,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,520,547	
Collection Capacity	Prior years CIP carry over	All	100%	0%	\$ 621,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621,177	
Treatment	Prior years CIP carry over	TMWRF	77%	23%	\$ 9,609,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,609,613	
Treatment	Prior years CIP carry over	North Valleys	23%	77%	\$ 1,376,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,376,098	
Reuse	Prior years carryover	TMWRF	100%	0%	\$ 47,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,160	
Reuse	Prior years carryover	North Valleys	50%	50%	\$ 4,453,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,453,172	
Stormwater	Prior years carryover	All	100%	0%	\$ 1,345,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,345,996	
Equipment (vehicles)	Prior years carry over	All	100%	0%	\$ 1,425,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,425,385	
Facility Improvements	Prior years carry over	All	100%	0%	\$ 1,025,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,025,288	
	New Facility	North Valleys	100%	0%	\$ 15,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,506	
CIP Adjustment	Annual Sewer Rehab Manual Offset	0	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,776,000)	\$ (3,891,200)	\$ (4,006,400)	\$ (4,121,600)	\$ (4,236,800)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,776,000)	
CIP Adjustment	Annual Storm Drain Program Reduction	0	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,032,000)	
CIP Adjustment	Alt 1-3 R/R CIP Reduction	0	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Special Program	Affordable Housing	TMWRF	100%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Annual Total Cost:					\$ 82,434,320	\$ 122,640,958	\$ 161,430,051	\$ 83,197,116	\$ 35,412,200																				

City of Reno
Sewer Utility Rate Model
Operating Reserve Funds - 40000
Alternative 1-1

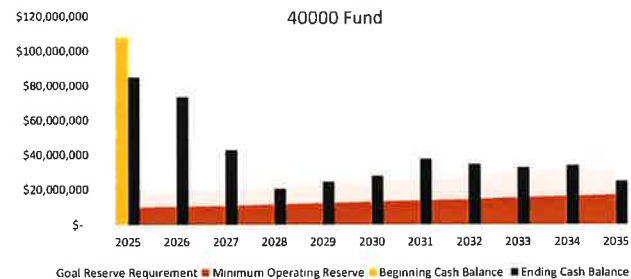


FYE	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Cash Balance	\$ 108,213,194	\$ 84,569,813	\$ 73,099,936	\$ 42,444,723	\$ 20,473,020	\$ 24,166,357	\$ 27,261,962	\$ 37,254,517	\$ 34,004,421	\$ 32,300,372	\$ 33,419,528
Reserve Funded from Rates	\$ -	\$ -	\$ -	\$ -	\$ 3,488,607	\$ 2,853,942	\$ 9,719,936	\$ -	\$ -	\$ 796,152	\$ -
Reserve Used to Fund Shortfalls/Capital Projects	\$ (28,765,579)	\$ (12,315,575)	\$ (31,386,213)	\$ (22,396,150)	\$ -	\$ -	\$ -	\$ (3,622,641)	\$ (2,044,093)	\$ -	\$ (9,130,048)
Reserve Used as Revenue Source	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve	\$ (9,751,916)	\$ (10,235,040)	\$ (10,767,286)	\$ (11,626,569)	\$ (12,235,557)	\$ (12,875,262)	\$ (13,547,219)	\$ (14,253,044)	\$ (15,363,259)	\$ (16,195,641)	\$ (17,070,266)
Earnings on Investment	\$ -	\$ 845,698	\$ 730,999	\$ 424,447	\$ 204,730	\$ 241,664	\$ 272,620	\$ 372,545	\$ 340,044	\$ 323,004	\$ 334,195
Debt Reserve	\$ (1,515,858)	\$ (286,846)	\$ -	\$ (197,279)	\$ (1,038,738)	\$ (1,459,467)	\$ (1,880,196)	\$ (2,300,926)	\$ (2,721,655)	\$ (3,142,384)	\$ (3,563,114)
Manual Input	\$ 5,122,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Cash	\$ 73,302,039	\$ 62,578,051	\$ 31,677,436	\$ 8,649,171	\$ 10,892,062	\$ 12,927,233	\$ 21,827,101	\$ 17,450,452	\$ 14,215,458	\$ 14,081,503	\$ 3,990,296
Ending Cash Balance	\$ 84,569,813	\$ 73,099,936	\$ 42,444,723	\$ 20,473,020	\$ 24,166,357	\$ 27,261,962	\$ 37,254,517	\$ 34,004,421	\$ 32,300,372	\$ 33,419,528	\$ 24,623,675

Internal Reserves

Operating Reserve	\$ 9,751,916	\$ 10,235,040	\$ 10,767,286	\$ 11,626,569	\$ 12,235,557	\$ 12,875,262	\$ 13,547,219	\$ 14,253,044	\$ 15,363,259	\$ 16,195,641	\$ 17,070,266
Goal	\$ 19,503,832	\$ 20,470,080	\$ 21,534,572	\$ 23,253,138	\$ 24,471,114	\$ 25,750,523	\$ 27,094,438	\$ 28,506,088	\$ 30,726,519	\$ 32,391,281	\$ 34,140,531
Debt Reserve	\$ 1,515,858	\$ 286,846	\$ -	\$ 197,279	\$ 1,038,738	\$ 1,459,467	\$ 1,880,196	\$ 2,300,926	\$ 2,721,655	\$ 3,142,384	\$ 3,563,114
2016 Sewer General Refunding Bonds	\$ 1,515,858	\$ 286,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020 Sewer (Limited Tax) Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$70M APWF Bond	\$ -	\$ -	\$ -	\$ -	\$ 446,900	\$ 670,350	\$ 893,800	\$ 1,117,249	\$ 1,340,699	\$ 1,564,149	\$ 1,787,599
\$40M TMWRF Dewatering Bond	\$ -	\$ -	\$ -	\$ 197,279	\$ 591,838	\$ 789,118	\$ 986,397	\$ 1,183,676	\$ 1,380,956	\$ 1,578,235	\$ 1,775,514
\$102M APWF Expansion Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034 \$55M RSWRF 2MGD Expansion Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Alternative 1-1 Director Recommended

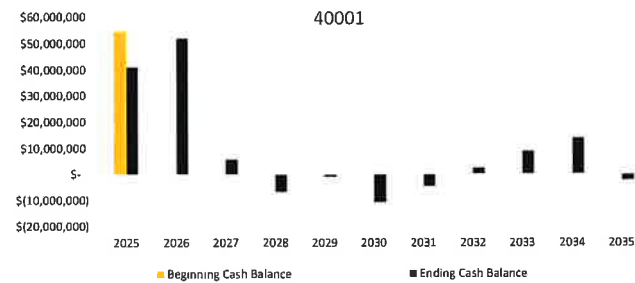


City of Reno
Sewer Utility Rate Model
Capital Reserve Funds - 40001
Alternative 1-1



FYE	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Cash Balance	\$ 54,662,175	\$ 41,042,053	\$ 51,816,147	\$ 5,855,924	\$ (6,795,557)	\$ (1,047,319)	\$ (10,783,083)	\$ (4,759,970)	\$ 2,260,321	\$ 8,818,225	\$ 13,850,167
Connection Fee Revenue	\$ 13,245,559	\$ 13,642,926	\$ 13,779,355	\$ 13,917,149	\$ 14,056,320	\$ 14,196,884	\$ 14,338,852	\$ 14,482,241	\$ 14,627,063	\$ 14,773,334	\$ 14,921,067
Existing Debt Service	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)
New Debt Service	\$ -	\$ -	\$ -	\$ (1,117,249)	\$ (2,234,499)	\$ (2,234,499)	\$ (2,234,499)	\$ (2,234,499)	\$ (2,234,499)	\$ (2,234,499)	\$ (2,234,499)
Capital Outlay Paid by CF	\$ (18,090,598)	\$ (10,944,767)	\$ (56,604,855)	\$ (21,798,496)	\$ (2,420,698)	\$ (18,514,456)	\$ (2,930,861)	\$ (2,065,150)	\$ (2,780,773)	\$ (4,559,508)	\$ (25,953,841)
Debt Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
American Flat Water Revenue (50% of sales)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,192	\$ 502,505	\$ 538,183	\$ 576,394	\$ 617,318	\$ 661,147
Earnings on Investment	\$ -	\$ 410,421	\$ 518,161	\$ -	\$ -	\$ -	\$ -	\$ (47,600)	\$ 22,603	\$ 88,182	\$ -
IntraFund Debt Service Transfer	\$ (5,122,198)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Affordable Housing Subsidy	\$ -	\$ 11,318,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Cash	\$ 41,042,053	\$ 51,816,147	\$ 5,855,924	\$ -	\$ -	\$ -	\$ -	\$ 2,260,321	\$ 8,818,225	\$ 13,850,167	\$ -
Ending Cash Balance	\$ 41,042,053	\$ 51,816,147	\$ 5,855,924	\$ (6,795,557)	\$ (1,047,319)	\$ (10,783,083)	\$ (4,759,970)	\$ 2,260,321	\$ 8,818,225	\$ 13,850,167	\$ (2,408,843)

Alternative 1-1 Director Recommended



City of Reno
Sewer Utility Rate Model
Capital Reserve Funds - 40000 + 40001
Alternative 1-1



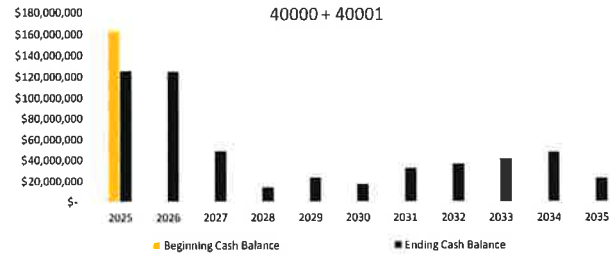
FYE	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Cash Balance	\$ 162,875,369	\$ 125,611,867	\$ 124,916,083	\$ 48,300,647	\$ 13,736,022	\$ 23,110,227	\$ 16,459,507	\$ 32,367,150	\$ 36,136,071	\$ 40,988,640	\$ 47,138,438
Connection Fee Revenue	\$ 13,245,559	\$ 13,642,926	\$ 13,779,355	\$ 13,917,149	\$ 14,056,320	\$ 14,196,884	\$ 14,338,852	\$ 14,482,241	\$ 14,627,063	\$ 14,773,334	\$ 14,921,067
Reserve Funded from Rates	\$ -	\$ -	\$ -	\$ -	\$ 3,488,607	\$ 2,853,942	\$ 9,719,936	\$ -	\$ -	\$ 796,152	\$ -
Capital Debt Service	\$ (3,652,885)	\$ (3,652,885)	\$ (3,652,885)	\$ (4,770,134)	\$ (5,887,384)	\$ (5,887,384)	\$ (5,887,384)	\$ (5,887,384)	\$ (5,887,384)	\$ (5,887,384)	\$ (5,887,384)
Operating Reserve Used to Fund Shortfall	\$ (28,765,579)	\$ (12,315,575)	\$ (31,386,213)	\$ (22,396,150)	\$ -	\$ -	\$ -	\$ (3,622,641)	\$ (2,044,093)	\$ -	\$ (9,130,048)
Capital Outlay Paid by CF	\$ (18,090,598)	\$ (10,944,767)	\$ (56,604,855)	\$ (21,798,496)	\$ (2,420,698)	\$ (18,514,456)	\$ (2,930,861)	\$ (2,065,150)	\$ (2,780,773)	\$ (4,559,508)	\$ (25,953,841)
Debt Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve	\$ (9,751,916)	\$ (10,235,040)	\$ (10,767,286)	\$ (11,626,569)	\$ (12,235,557)	\$ (12,875,262)	\$ (13,547,219)	\$ (14,253,044)	\$ (15,363,259)	\$ (16,195,641)	\$ (17,070,266)
American Flat Water CF Revenue (50% of sales)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,192	\$ 502,505	\$ 538,183	\$ 576,394	\$ 617,318	\$ 661,147
Earnings on Investment	\$ -	\$ 1,256,119	\$ 1,249,161	\$ 483,006	\$ 137,360	\$ 231,102	\$ 164,595	\$ 323,672	\$ 361,361	\$ 409,886	\$ 471,384
Manual Adjustment	\$ -	\$ 11,318,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Cash	\$ 115,859,951	\$ 114,681,043	\$ 37,533,361	\$ 2,109,453	\$ 10,874,670	\$ 3,584,246	\$ 18,819,931	\$ 21,883,027	\$ 25,625,380	\$ 30,942,797	\$ 5,150,499
Ending Cash Balance	\$ 125,611,867	\$ 124,916,083	\$ 48,300,647	\$ 13,736,022	\$ 23,110,227	\$ 16,459,507	\$ 32,367,150	\$ 36,136,071	\$ 40,988,640	\$ 47,138,438	\$ 22,220,764

Debt Coverage Ratio

NET Total Operating + CF Revenue	\$ 49,889,561	\$ 50,115,039	\$ 49,822,418	\$ 53,906,016	\$ 54,743,721	\$ 56,041,465	\$ 56,891,915	\$ 57,730,871	\$ 56,312,150	\$ 56,794,114	\$ 57,238,107
Debt Service	\$ 5,168,743	\$ 3,939,731	\$ 3,652,885	\$ 5,756,531	\$ 10,094,677	\$ 10,094,677	\$ 10,094,677	\$ 10,094,677	\$ 10,094,677	\$ 10,094,677	\$ 10,094,677
Debt Coverage Ratio	9.65	12.72	13.64	9.36	5.42	5.55	5.64	5.72	5.58	5.63	5.67

Alternative 1-1 Director Recommended

40000 + 40001



City of Reno
Sewer Utility Rate Model
Revenue Requirement
Alternative 1-1



	FYE	2025	2026	2027	2028	2029	2030
Revenue Sources							
Rate Revenue	\$	86,966,242	\$ 90,454,945	\$ 94,083,921	\$ 97,858,818	\$ 101,785,510	\$ 105,870,107
Additional Rate Revenue After Prior Year Adjustment	\$	-	\$ -	\$ 4,704,196	\$ 10,030,529	\$ 10,433,015	\$ 10,851,686
[Not Used]							
Miscellaneous Revenues	\$	9,001,916	\$ 8,280,327	\$ 2,755,937	\$ 2,827,815	\$ 2,901,849	\$ 2,978,105
[Not Used]							
American Flat Water Revenue (50% of sales)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ 469,192
Total Revenue Sources	\$	95,968,158	\$ 98,735,272	\$ 101,544,054	\$ 110,717,162	\$ 115,120,374	\$ 120,169,090
Expenses							
Sewer Operation & Maintenance	\$	59,324,157	\$ 62,263,159	\$ 65,500,991	\$ 70,728,295	\$ 74,432,973	\$ 78,324,508
Affordable Housing			\$ 11,318,399				
Capital Outlay Directly Funded by Rates	\$	63,893,722	\$ 41,705,190	\$ 72,368,682	\$ 61,398,620	\$ 32,991,501	\$ 34,783,347
Existing Debt Service - Sewer Operating	\$	1,515,858	\$ 286,846	\$ -	\$ -	\$ -	\$ -
Future Debt Service	\$	-	\$ -	\$ -	\$ 986,397	\$ 4,207,293	\$ 4,207,293
Total Revenue Requirement	\$	124,733,737	\$ 115,573,594	\$ 137,869,673	\$ 133,113,312	\$ 111,631,767	\$ 117,315,148
Net Cash Flow (Deficiency)	\$	(28,765,579)	\$ (16,838,323)	\$ (36,325,619)	\$ (22,396,150)	\$ 3,488,607	\$ 2,853,942
Rate Adjustments							
Rate Revenues with Prior Year Adjustment	\$	86,966,242	\$ 90,454,945	\$ 98,788,117	\$ 107,889,347	\$ 112,218,525	\$ 116,721,793
Annual Rate Adjustment Required		33.08%	18.62%	36.77%	20.76%	-3.11%	-2.45%
Number of Months Rate Adjustment will be in Effect		12	12	12	12	12	12
Percentage Increase to Generate Required Revenue		33.08%	18.62%	36.77%	20.76%	-3.11%	-2.45%
Proposed Rate Adjustment		0.00%	5.00%	5.00%	0.00%	0.00%	0.00%
Cumulative Rate Increase		3%	8%	8%	3%	3%	3%
Projected Rate Revenues before Rate Adjustment							
Projected Rate Revenues before Rate Adjustment	\$	86,966,242	\$ 90,454,945	\$ 94,083,921	\$ 97,858,818	\$ 101,785,510	\$ 105,870,107
Additional Revenue from 2025 Rate Adjustment	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Revenue from 2026 Rate Adjustment			\$ 4,522,747	\$ 4,704,196	\$ 4,892,941	\$ 5,089,275	\$ 5,293,505
Additional Revenue from 2027 Rate Adjustment				\$ 4,939,406	\$ 5,137,588	\$ 5,343,739	\$ 5,558,181
Additional Revenue from 2028 Rate Adjustment					\$ -	\$ -	\$ -
Additional Revenue from 2029 Rate Adjustment					\$ -	\$ -	\$ -
Additional Revenue from 2030 Rate Adjustment						\$ -	\$ -
Additional Revenue from 2031 Rate Adjustment						\$ -	\$ -
Additional Revenue from 2032 Rate Adjustment						\$ -	\$ -
Additional Revenue from 2033 Rate Adjustment						\$ -	\$ -
Additional Revenue from 2034 Rate Adjustment						\$ -	\$ -
Additional Revenue from 2035 Rate Adjustment						\$ -	\$ -
Total Additional Revenue from Rate Adjustment	\$	-	\$ 4,522,747	\$ 9,643,602	\$ 10,030,529	\$ 10,433,015	\$ 10,851,686
Adjustment for Partial Year Increase	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Required from Rates	\$	86,966,242	\$ 94,977,692	\$ 103,727,523	\$ 107,889,347	\$ 112,218,525	\$ 116,721,793