

Resolution Concerning Financing of Sewer Projects for the City of Reno

March 13, 2024



C I T Y O F
RENO

Alignment with Strategic Plan



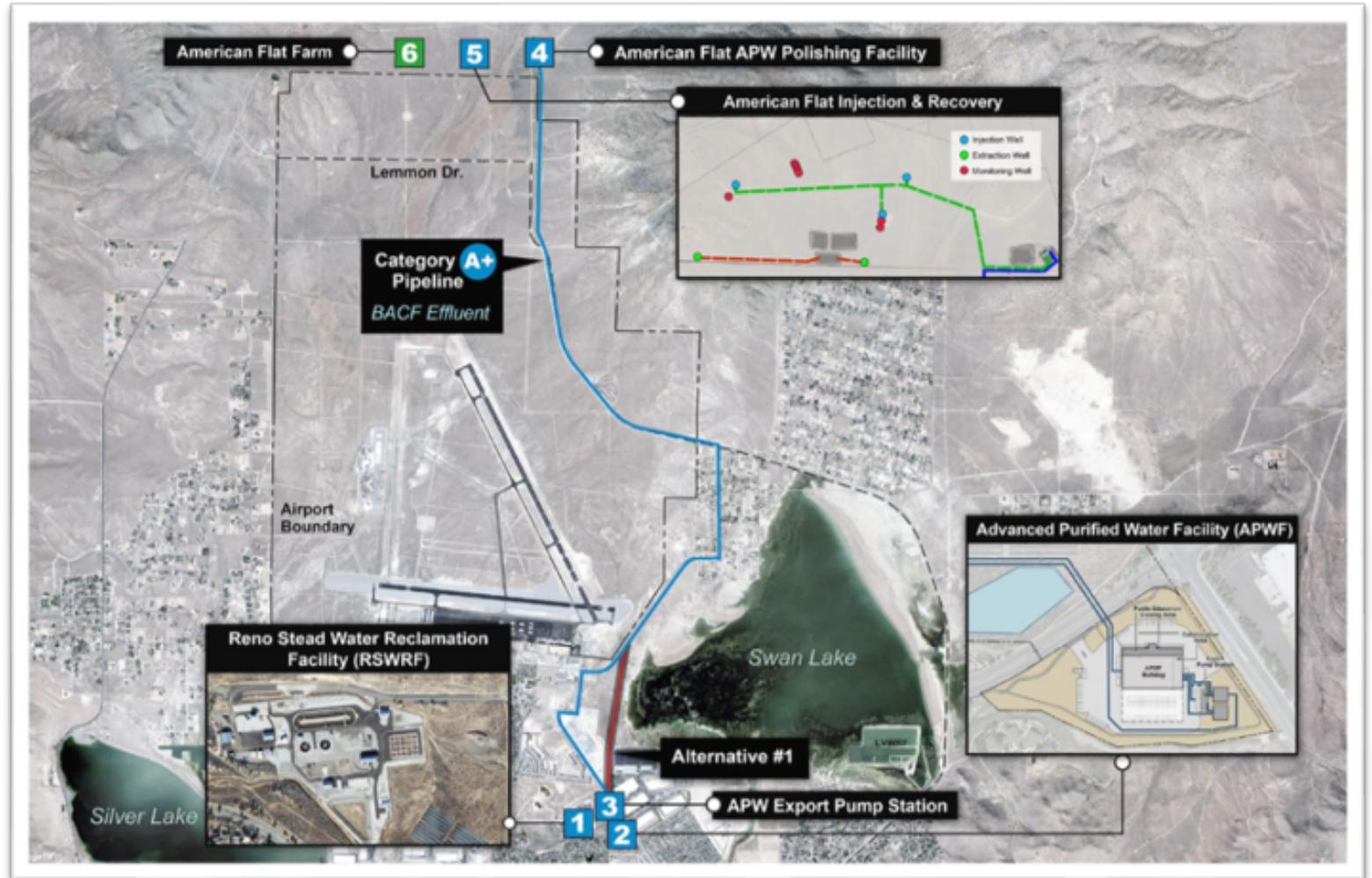
Infrastructure, Climate
Change, & Environmental
Sustainability



Fiscal Sustainability

Advanced Purified Water Facility Project

- \$221 Million Capital Project Partnership split 70% City of Reno and 30% TMWA
- \$154 Million City of Reno share funded with \$84M cash and \$70M bond
- Production of Advanced Purified Water (APW) create a more resilient community
- Operating Costs split City of Reno 50% and TMWA 50%



Project Cost History

- Preliminary Estimate = \$118 Million
- Current Estimate \$221 Million
- 87% Cost Increase
- Why?
- 75% increase water/wastewater costs over 3 years
- Added:
 - PFAS treatment processes
 - Public education and engagement center
 - Enhanced piping and pumping capacity



Conceptual Architectural Rendering

Summary of Existing Debt

- 2016 Sewer Refunding Bonds
 - \$41.2 Million Issuance – Final Payment July 2025
- 2020 Sewer Bonds
 - \$55 Million Issuance – 20 Year Bond

Sewer Fund Net Pledged Revenues

Fiscal Year Ending June 30	2019 (Actual)	2020 (Actual)	2021 (Actual)	2022 (Actual)	2023 (Actual)	2024 (Budgeted)
REVENUES						
Charges for Services ^{1/}	\$ 68,048,545	\$ 68,625,972	\$ 70,480,392	\$ 72,914,189	\$ 78,213,606	\$ 82,800,000
Connection Charges	12,017,053	10,954,933	14,579,682	12,490,452	11,064,442	11,100,000
Licenses and Permits	338,051	318,852	366,836	366,490	400,210	362,000
Fines and Forfeits	1,658,105	1,183,625	1,376,960	2,366,098	2,307,472	1,650,000
Investment Earnings	1,962,018	3,282,962	2,129,134	653,902	1,927,777	900,000
Miscellaneous ^{2/}	392,986	489,712	749,413	577,966	470,182	—
TOTAL REVENUES	84,416,758	84,856,056	89,682,417	89,369,097	94,383,689	96,812,000
OPERATING EXPENSES						
Salaries and Wages	6,308,559	6,781,883	7,172,038	7,677,434	9,965,055	10,489,611
Employee Benefits	4,445,268	4,741,048	2,297,422	5,246,250	4,027,571	7,320,681
Services and Supplies	13,394,592	18,590,404	18,647,664	15,321,178	15,993,076	18,433,872
Joint Sewer Plant	14,120,130	14,263,949	12,384,392	12,798,238	14,467,557	19,653,196
TOTAL EXPENDITURES ^{3/}	38,268,549	44,377,284	40,501,516	41,043,100	44,453,259	55,897,360
NET PLEDGED REVENUES	46,148,209	40,478,772	49,180,901	48,325,997	49,930,430	40,914,640
EXISTING DEBT SERVICE ^{4/}	\$ 6,830,043	\$ 6,888,256	\$ 6,953,242	\$ 5,717,733	\$ 5,784,921	\$ 9,506,924
Coverage (times)	6.76 x	5.88 x	7.07 x	8.45 x	8.63 x	4.30 x

Sufficiency of Net Pledged Revenues

Fiscal Year Ending June 30	Net Pledged Revenues ^{1/}	Outstanding Debt Service ^{2/}	Proposed Bonds Pro Forma Debt Service ^{3/}			Combined Total Debt Service	Coverage
			Principal	Interest	Total		
2024	40,914,640	\$ 9,506,924	--	--	--	\$ 9,506,924	4.30
2025	40,914,640	5,168,743	--	\$ 272,222	\$ 272,222	5,440,965	7.52
2026	40,914,640	3,939,731	\$ 2,100,645	3,473,426	5,574,071	9,513,802	4.30
2027	40,914,640	3,652,885	2,207,023	3,367,048	5,574,071	9,226,956	4.43
2028	40,914,640	3,652,885	2,318,788	3,255,283	5,574,071	9,226,956	4.43
2029	40,914,640	3,652,885	2,436,213	3,137,858	5,574,071	9,226,956	4.43
2030	40,914,640	3,652,885	2,559,584	3,014,486	5,574,070	9,226,955	4.43
2031	40,914,640	3,652,885	2,689,203	2,884,867	5,574,070	9,226,955	4.43
2032	40,914,640	3,652,885	2,825,386	2,748,684	5,574,070	9,226,955	4.43
2033	40,914,640	3,652,885	2,968,466	2,605,605	5,574,071	9,226,956	4.43
2034	40,914,640	3,652,885	3,118,791	2,455,280	5,574,071	9,226,956	4.43
2035	40,914,640	3,652,885	3,276,728	2,297,342	5,574,070	9,226,955	4.43
2036	40,914,640	3,652,885	3,442,664	2,131,407	5,574,071	9,226,956	4.43
2037	40,914,640	3,652,885	3,617,002	1,957,068	5,574,070	9,226,955	4.43
2038	40,914,640	3,652,885	3,800,170	1,773,901	5,574,071	9,226,956	4.43
2039	40,914,640	3,652,885	3,992,613	1,581,458	5,574,071	9,226,956	4.43
2040	40,914,640	3,652,885	4,194,801	1,379,269	5,574,070	9,226,955	4.43
2041	40,914,640	0	4,407,229	1,166,842	5,574,071	5,574,071	7.34
2042	40,914,640	0	4,630,413	943,657	5,574,070	5,574,070	7.34
2043	40,914,640	0	4,864,901	709,170	5,574,071	5,574,071	7.34
2044	40,914,640	0	5,111,262	462,808	5,574,070	5,574,070	7.34
2045	40,914,640	0	5,438,118	135,953	5,574,071	5,574,071	7.34
TOTAL		\$ 69,755,788	\$ 70,000,000	\$ 41,753,636	\$ 111,753,636	\$ 181,509,422	

Recommended Motion

I move to approve the resolution directing the City Clerk to notify the Washoe County Debt Management Commission of the City's proposal to issue General Obligation Sewer Bonds additionally secured by pledged revenues in the maximum principal amount of \$70 million.