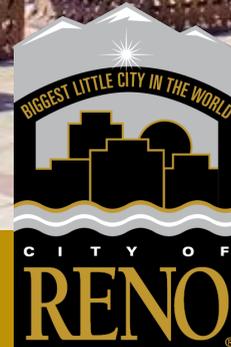


Resolution concerning the Financing of Sewerage Projects for the City of Reno

July 27, 2022



American Flat Project Overview

- Joint Reno/TMWA Project
- Production of Advanced Purified Water (APW)
- Necessary for Expansion of Reno
- Stead Water Reclamation Facility
- Creates renewable resource
- Provides water resiliency



Cost Summary

- Total Project Cost Estimate: \$117.9M
- Capital Project split: COR 70%, TMWA 30%
- Grant revenues for Capital (if any): COR 70%, TMWA 30%
- Operating Costs split: COR 50%, TMWA 50%
- Future estimated water rights sales split: COR 60%, TMWA 40%

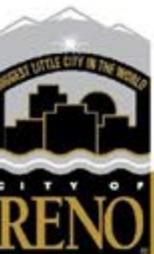
Project Funding

- COR Share of project ~\$82.53M
- 50% of project proposed to be SRF-funded (connection fee fund), 50% cash-funded (user fee fund)
- 10-Year CIP for collection system and capacity

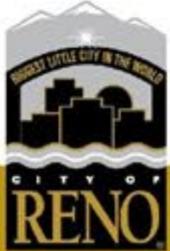
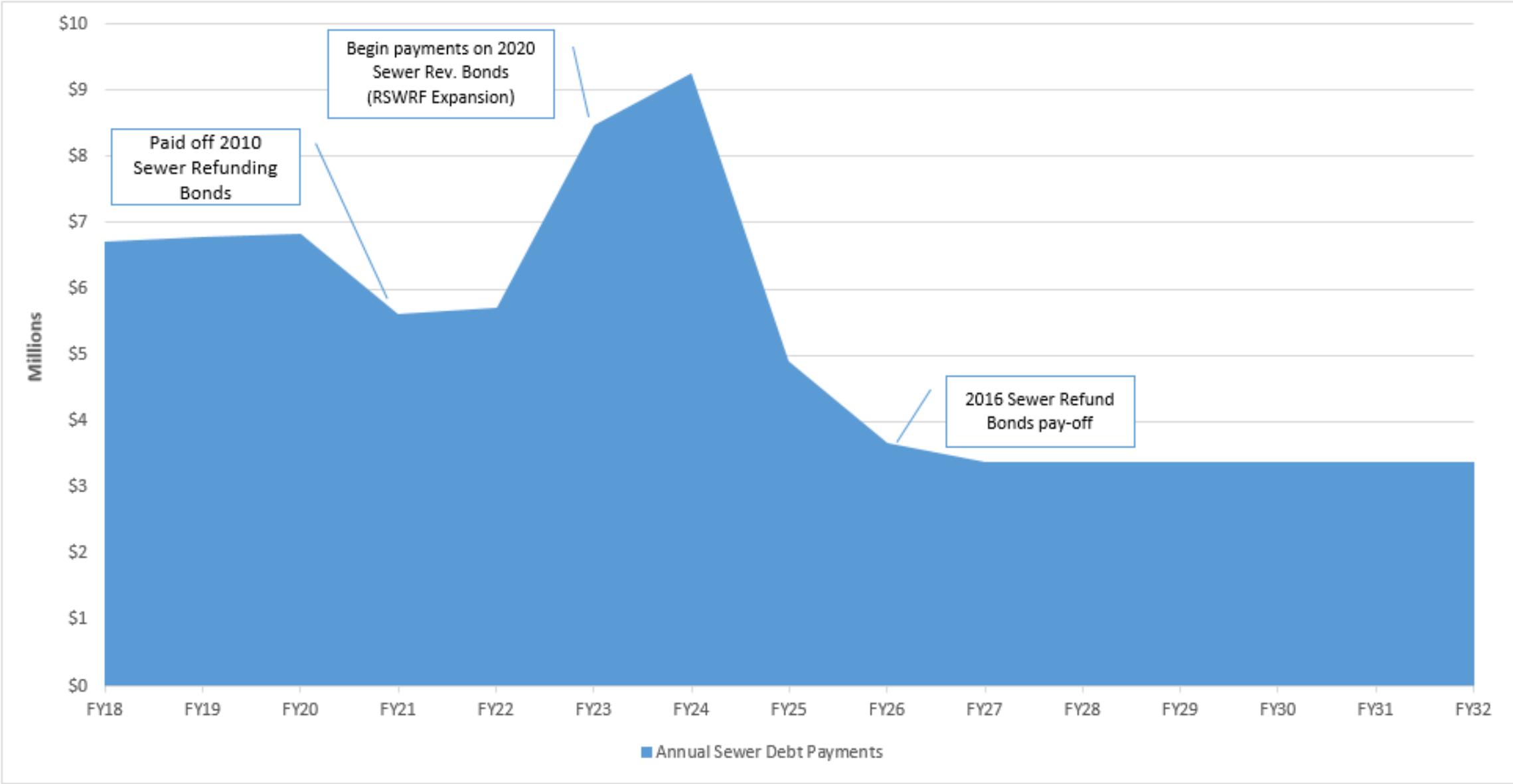
Summary of Existing Debt

Sewer General Obligation Bonds	Maturities	Original Issue Amount	Outstanding as of 2022	FY22 Payments		Purpose
				Fund 40000	Fund 40001	
2016 Sewer General Refunding Bonds	2025	41,245,638	13,133,057	3,164,367	2,557,079	Finance plant expansion & sewer lines rehab. Construct Lawton-Verdi interceptor. Originally issued in 2004 and 2005, respectively, but "refinanced" in 2016
2020 Sewer (Limited Tax) Bonds	2041	55,000,000	55,000,000	-	239,991	RSWRF 4MGD Capacity Upgrade

Only paying interest until SRF is completely drawn and project completed, which will probably be in FY23

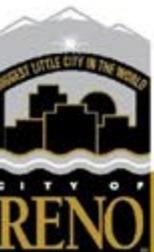


Annual Sewer Debt Payments



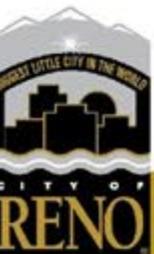
Sewer Fund Net Pledged Revenues

Fiscal Year Ending June 30	2018 (Actual)	2019 (Actual)	2020 (Actual)	2021 (Actual)	2022 (Estimated)	2023 (Budgeted)
REVENUES						
Charges for Services ^{1/}	\$ 65,996,433	\$ 68,048,545	\$ 68,625,972	\$ 70,480,392	\$ 71,923,235	\$ 73,250,000
Connection Charges	9,047,008	12,017,053	10,954,933	14,579,682	11,687,935	11,090,000
Licenses and Permits	320,179	338,051	318,852	366,836	370,200	330,000
Fines and Forfeits	1,293,310	1,658,105	1,183,625	1,376,960	1,534,000	1,502,000
Investment Earnings ^{2/}	681,072	3,267,195	5,013,037	2,129,134	560,000	560,000
Miscellaneous ^{3/}	<u>44,731</u>	<u>392,986</u>	<u>489,712</u>	<u>749,413</u>	<u>318,533</u>	<u>--</u>
TOTAL REVENUES	77,382,733	85,721,935	86,586,131	89,682,417	86,393,903	86,732,000
OPERATING EXPENSES						
Salaries and Wages	5,816,397	6,308,559	6,781,883	7,172,038	6,423,358	9,255,689
Employee Benefits	2,424,004	4,445,268	4,741,048	2,297,422	5,804,012	6,438,214
Services and Supplies	12,604,341	13,394,592	18,590,404	18,647,664	18,041,717	14,696,457
Joint Sewer Plant	<u>13,551,578</u>	<u>14,120,130</u>	<u>14,263,949</u>	<u>12,384,392</u>	<u>15,726,002</u>	<u>18,907,434</u>
TOTAL EXPENDITURES ^{4/}	34,396,320	38,268,549	44,377,284	40,501,516	45,995,089	49,297,794
NET PLEDGED REVENUES	42,986,413	47,453,386	42,208,847	49,180,901	40,398,814	37,434,206
EXISTING DEBT SERVICE ^{5/}	\$ 6,768,866	\$ 6,830,043	\$ 6,888,256	\$ 6,953,242	\$ 5,717,733	\$ 9,345,028
Coverage (times)	6.35 x	6.95 x	6.13 x	7.07 x	7.07 x	4.01 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		
2023	\$ 37,434,206	\$ 9,345,028	--	--	--	\$ 9,345,028	4.01
2024	37,434,206	9,414,147	--	\$ 1,689,085	\$ 1,689,085	11,103,232	3.37
2025	37,434,206	5,075,965	\$ 700,000	2,250,000	2,950,000	8,025,965	4.66
2026	37,434,206	3,846,953	1,565,309	2,195,198	3,760,507	7,607,460	4.92
2027	37,434,206	3,560,108	1,644,577	2,115,930	3,760,507	7,320,614	5.11
2028	37,434,206	3,560,108	1,727,859	2,032,647	3,760,507	7,320,614	5.11
2029	37,434,206	3,560,108	1,815,359	1,945,147	3,760,507	7,320,614	5.11
2030	37,434,206	3,560,108	1,907,290	1,853,216	3,760,507	7,320,614	5.11
2031	37,434,206	3,560,108	2,003,877	1,756,630	3,760,507	7,320,614	5.11
2032	37,434,206	3,560,108	2,105,354	1,655,152	3,760,507	7,320,614	5.11
2033	37,434,206	3,560,108	2,211,971	1,548,536	3,760,507	7,320,614	5.11
2034	37,434,206	3,560,108	2,323,986	1,436,520	3,760,507	7,320,614	5.11
2035	37,434,206	3,560,108	2,441,674	1,318,832	3,760,507	7,320,614	5.11
2036	37,434,206	3,560,108	2,565,322	1,195,184	3,760,507	7,320,614	5.11
2037	37,434,206	3,560,108	2,695,232	1,065,275	3,760,507	7,320,614	5.11
2038	37,434,206	3,560,108	2,831,720	928,786	3,760,507	7,320,614	5.11
2039	37,434,206	3,560,108	2,975,120	785,386	3,760,507	7,320,614	5.11
2040	37,434,206	3,560,108	3,125,782	634,724	3,760,507	7,320,614	5.11
2041	37,434,206	0	3,284,074	476,433	3,760,507	3,760,507	9.95
2042	37,434,206	0	3,450,381	310,125	3,760,507	3,760,507	9.95
2043	37,434,206	0	3,625,111	135,396	3,760,507	3,760,507	9.95
TOTAL		\$ 77,523,600	\$ 45,000,000	\$ 27,328,205	\$ 72,328,205	\$ 149,851,805	



Sewer Cash Balance Projections

