



Utility Rate Study Workshop

December 2, 2013

WORKSHOP OVERVIEW

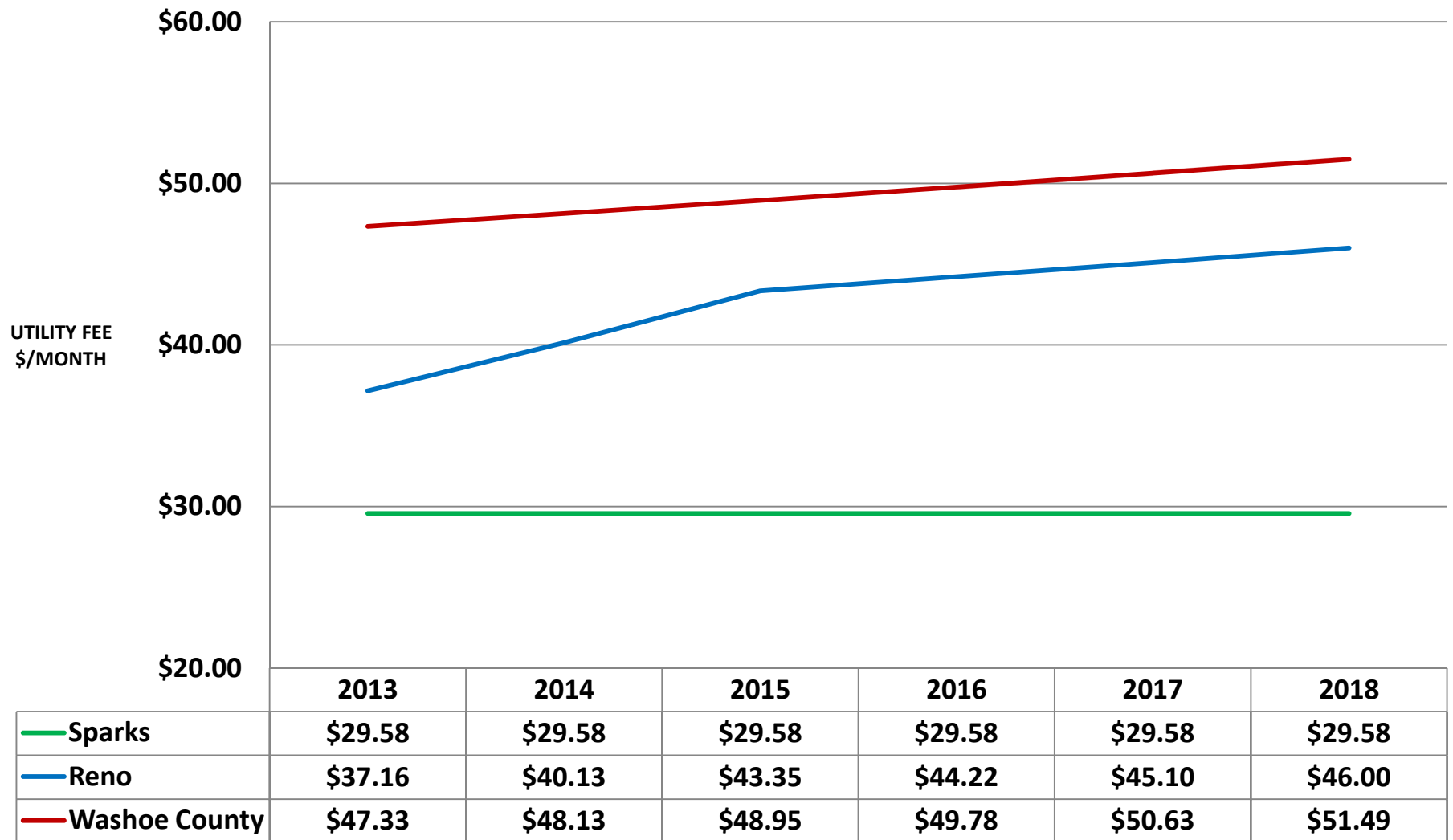
- Review of Current Sewer Utility Rates
- Review the Findings of the FCS Utility Rate Study
- Introduction to the proposed AMERESCO Energy and Efficiency Project for TMWRF
- Review the Results of Current Utility Cash Flow Model for Fiscal Years 2014-2018
- Presentation of Proposed Sewer Utility User Rate Increases (Scenarios)

CURRENT SEWER UTILITY RATES

In 2008, the Sparks City Council approved an annual Sewer Utility User Fee Rate Increase of 5% and approved the River Flood Fee. The Sewer Utility User Fee Rate increase ended on January 1, 2012. The current Sewer Utility Fee for a Residential Customer is:

Sewer Fee \$/Month =	\$15.85
Storm Fee \$/Month=	\$8.32
Flood Fee \$/Month=	\$5.41
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Total Customer Bill/Month=	\$29.58

SEWER USER UTILITY RATES IN THE TRUCKEE MEADOWS (RESIDENTIAL)



FINDINGS FROM THE FCS UTILITY RATE STUDY/REVIEW

SANITARY SEWER

- User Rates
 - Need To Be Adjusted To Fund Future Expenses
 - Restricted Cash Balance Negative in Fiscal Year 2017
 - Recommended Increase to User Rates = 8.25% Annually
- Connection Fees
 - No Adjustments are recommended for FY14-FY18
 - Since 2012, Connection Fees have Indexed Annually per Engineering News Record Construction Cost Index Per SMC 13.24
- Transfers To Effluent
 - Continue through FY18
 - Loss of D'Andrea revenues (User Fees and Capital Financing)

FINDINGS FROM THE FCS UTILITY RATE STUDY/REVIEW

STORM DRAIN

- **USER RATES**

- No Adjustments are Recommended for FY14-FY18
 - Revenues from User Rates are in line with expenses through FY18

- **Connection Fees**

- No Adjustments Are Recommended For FY14-FY18
 - Since 2012, Connection Fees have Indexed Annually per Engineering News Record Construction Cost Index Per SMC 13.24

AMERESCO PROJECT

- The AMERESCO Project is a performance contract for Operational Savings at TMWRF through:
 - Energy production
 - Nutrient Recovery
 - System Efficiency Upgrades

AMERESCO

- Energy production
 - Solar Photovoltaic Installation (198 kW)
 - Bio Gas Cogeneration (850 kW)
- Total Construction Costs - \$5,864,629
- Projected Annual Savings = \$235,719

AMERESCO

- Nutrient Recovery
 - Centrate Nutrient Recovery (Ostara)
 - Reduction in Chemical Costs (Alum and Methanol)
 - Reduction in Landfill Disposal Costs (2,500 Tons/year)
 - Production of approximately 560 Tons of Fertilizer per year
- Total Construction Costs - \$6,619,715
- Projected Annual Savings = \$675,985

AMERESCO

- System Efficiency Upgrades
 - Dewatering System Upgrade
 - Reduction in Landfill Disposal Costs (12,000 Tons/year)
 - Energy Savings of 134 kW per year
 - Lighting System Upgrades (1,588 fixtures)
 - Energy Savings of 199 KW Per Year
 - Reduced Facility Maintenance Costs
- Total Construction Costs - \$6,495,375
- Projected Annual Savings = \$231,388

AMERESCO

- Other Upgrades to be Completed with Ameresco Contract:
 - Dewatering Rehabilitation – \$3,005,202
 - Digester Dome Rehabilitation – \$2,933,343
- These upgrades are needed in order complete the Dewatering and Centrate Nutrient Recovery Efficiency Upgrades and do not yield an annual savings. These costs have been previously included in the Capital Improvements Plan for TMWRF. Upon approval of the AMERESCO Project, these cost will be moved from the TMWRF CIP to the AMERESCO contract.

AMERESCO SUMMARY

- Total Project Costs = \$24,968,889
 - Sparks Share=\$8,049,267
- Projected Annual Savings = \$1,143,092
 - These Saving are Guaranteed by AMERESCO over the life of the contract (15 years)
- Simple Payback Method=21.8 years

Sewer Enterprise Fund Cash Flow Model

FY 14 Through FY18 With Ameresco Project

(Base Case No Rate Increase)

	FY13 Actuals (Unaudited)	FY14	FY15	FY16	FY17	FY18	
Beginning Cash, Total	23,734,776	20,962,351	12,114,910	2,024,575	(2,475,680)	(7,233,720)	
Revenues							
Operating User Fees	10,583,783	10,583,783	10,583,783	10,583,783	10,583,783	10,583,783	
Other Operating (Sun Valley Agreement,Misc)	1,601,264	1,793,701	1,688,142	1,732,395	1,777,974	1,824,922	
Capital - Connection Charges	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	
Capital-Sun Valley	1,108,200	1,743,857	2,128,422	1,123,754	1,200,159	1,210,621	
Total Revenue	14,870,227	15,698,321	15,977,327	15,016,912	15,138,896	15,196,306	
Expenses							
Operating - Sparks Sewer	3,629,680	3,752,882	4,278,352	4,278,352	4,278,352	4,278,352	
Operating - TMWRF	7,139,093	6,835,039	5,911,200	6,092,816	6,279,881	6,472,558	
CIP - Sparks Sewer	515,032	1,937,895	1,557,895	1,477,895	1,677,895	1,597,895	100%
CIP-TMWRF	2,165,710	4,103,522	4,689,022	1,992,616	2,942,832	2,886,605	100%
Debt Service- Sewer	3,825,597	3,822,450	3,822,451	3,822,451	3,637,140	3,451,832	
Tranfers to Effluent	367,540	1,210,424	1,230,142	1,265,920	1,080,836	802,888	
Ameresco CIP Project	-	2,883,550	4,578,600	587,117	-	-	1
Total Expenses	17,642,652	24,545,762	26,067,662	19,517,167	19,896,936	19,490,130	
Net Changes in Cash	(2,772,425)	(8,847,441)	(10,090,335)	(4,500,255)	(4,758,040)	(4,293,824)	
Ending Cash, Total	20,962,351	12,114,910	2,024,575	(2,475,680)	(7,233,720)	(11,527,544)	
Less: Restricted Cash -- 60 Days of Operating Exp's	(2,399,075)	(2,368,828)	(2,303,343)	(2,333,198)	(2,333,486)	(2,334,697)	
Unrestricted Ending Cash	18,563,276	9,746,082	(278,768)	(4,808,878)	(9,567,206)	(13,862,241)	

Sewer Fee \$/Month	\$15.85	\$15.85	\$15.85	\$15.85	\$15.85	\$15.85
Storm Fee \$/Month	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32
Flood Fee \$/Month	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41
Total Customer Bill	\$29.58	\$29.58	\$29.58	\$29.58	\$29.58	\$29.58
Year over Year Increase \$	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
% Increase (2013 Basis)	\$0.00	0.0%	0.0%	0.0%	0.0%	0.0%

Sewer Enterprise Fund Cash Flow Model

FY 14 Through FY18 Without Ameresco Project

(Base Case No Rate Increase)

	FY13 Actuals (Unaudited)	FY14	FY15	FY16	FY17	FY18	
Beginning Cash, Total	23,734,776	20,962,351	13,778,167	7,889,992	3,600,414	(1,157,626)	
Revenues							
Operating User Fees	10,583,783	10,583,783	10,583,783	10,583,783	10,583,783	10,583,783	
Other Operating (Sun Valley Agreement, Misc)	1,601,264	1,793,701	1,688,142	1,732,395	1,777,974	1,824,922	
Capital - Connection Charges	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	
Capital-Sun Valley	1,108,200	1,743,857	2,128,422	1,123,754	1,200,159	1,210,621	
Total Revenue	14,870,227	15,698,321	15,977,327	15,016,912	15,138,896	15,196,306	
Expenses							
Operating - Sparks Sewer	3,629,680	3,752,882	4,278,352	4,278,352	4,278,352	4,278,352	
Operating - TMWRF	7,139,093	6,835,039	5,911,200	6,092,816	6,279,881	6,472,558	
CIP - Sparks Sewer	515,032	1,937,895	1,557,895	1,477,895	1,677,895	1,597,895	100%
CIP-TMWRF	2,165,710	5,323,815	5,065,462	2,369,056	2,942,832	2,886,605	100%
Debt Service- Sewer	3,825,597	3,822,450	3,822,451	3,822,451	3,637,140	3,451,832	
Transfers to Effluent	367,540	1,210,424	1,230,142	1,265,920	1,080,836	802,888	
Ameresco CIP Project	-	-	-	-	-	-	1
Total Expenses	17,642,652	22,882,505	21,865,502	19,306,490	19,896,936	19,490,130	
Net Changes in Cash	(2,772,425)	(7,184,184)	(5,888,175)	(4,289,578)	(4,758,040)	(4,293,824)	
Ending Cash, Total	20,962,351	13,778,167	7,889,992	3,600,414	(1,157,626)	(5,451,450)	
Less: Restricted Cash -- 60 Days of Operating Exp's	(2,399,075)	(2,368,828)	(2,303,343)	(2,333,198)	(2,333,486)	(2,334,697)	
Unrestricted Ending Cash	18,563,276	11,409,339	5,586,649	1,267,216	(3,491,112)	(7,786,147)	

Sewer Fee \$/Month	\$15.85	\$15.85	\$15.85	\$15.85	\$15.85	\$15.85
Storm Fee \$/Month	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32
Flood Fee \$/Month	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41
Total Customer Bill	\$29.58	\$29.58	\$29.58	\$29.58	\$29.58	\$29.58
Year over Year Increase \$	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
% Increase (2013 Basis)	\$0.00	0.0%	0.0%	0.0%	0.0%	0.0%

Scenario: With Ameresco

Sewer User Rate Increase =0

	FY13 Actuals (Unaudited)	FY14	FY15	FY16	FY17	FY18	
Beginning Cash, Total	23,734,776	20,962,351	15,523,198	8,867,900	6,398,480	4,286,382	
Revenues							
Operating User Fees	10,583,783	10,583,783	10,583,783	10,583,783	10,583,783	10,583,783	
Other Operating (Sun Valley Agreement, Misc)	1,601,264	1,793,701	1,688,142	1,732,395	1,777,974	1,824,922	
Capital - Connection Charges	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	
Capital-Sun Valley	1,108,200	1,743,857	2,128,422	1,123,754	1,200,159	1,210,621	
Total Revenue	14,870,227	15,698,321	15,977,327	15,016,912	15,138,896	15,196,306	
Expenses							
Operating - Sparks Sewer	3,629,680	3,752,882	4,278,352	4,278,352	4,278,352	4,278,352	
Operating – TMWRF	7,139,093	6,835,039	5,911,200	6,092,816	6,279,881	6,472,558	
CIP - Sparks Sewer	515,032	581,369	467,369	443,369	503,369	479,369	30%
CIP-TMWRF	2,165,710	2,051,761	2,344,511	996,308	1,471,416	1,443,303	50%
Debt Service- Sewer	3,825,597	3,822,450	3,822,451	3,822,451	3,637,140	3,451,832	
Tranfers to Effluent	367,540	1,210,424	1,230,142	1,265,920	1,080,836	802,888	
Ameresco CIP Project	-	2,883,550	4,578,600	587,117	-	-	1
Total Expenses	17,642,652	21,137,475	22,632,625	17,486,333	17,250,994	16,928,301	
Net Changes in Cash	(2,772,425)	(5,439,154)	(6,655,298)	(2,469,421)	(2,112,098)	(1,731,995)	
Ending Cash, Total	20,962,351	15,523,198	8,867,900	6,398,480	4,286,382	2,554,387	
Less: Restricted Cash -- 60 Days of Operating Exp's	(2,399,075)	(2,368,828)	(2,303,343)	(2,333,198)	(2,333,486)	(2,334,697)	
Unrestricted Ending Cash	18,563,276	13,154,369	6,564,557	4,065,282	1,952,896	219,690	

Sewer Fee \$/Month	\$15.85	\$15.85	\$15.85	\$15.85	\$15.85	\$15.85
Storm Fee \$/Month	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32
Flood Fee \$/Month	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41
Total Customer Bill	\$29.58	\$29.58	\$29.58	\$29.58	\$29.58	\$29.58
Year over Year Increase \$	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
% Increase (2013 Basis)	\$0.00	0.0%	0.0%	0.0%	0.0%	0.0%

Scenario: With Ameresco

Sewer User Rate Increase =15%

	FY13 Actuals (Unaudited)	FY14	FY15	FY16	FY17	FY18	
Beginning Cash, Total	23,734,776	20,962,351	12,114,910	3,612,142	2,525,157	3,279,945	
Revenues							
Operating User Fees	10,583,783	10,583,783	12,171,350	13,997,053	16,096,611	18,511,103	
Other Operating (Sun Valley Agreement,Misc)	1,601,264	1,793,701	1,688,142	1,732,395	1,777,974	1,824,922	
Capital - Connection Charges	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	
Capital-Sun Valley	1,108,200	1,743,857	2,128,422	1,123,754	1,200,159	1,210,621	
Total Revenue	14,870,227	15,698,321	17,564,894	18,430,182	20,651,724	23,123,626	
Expenses							
Operating - Sparks Sewer	3,629,680	3,752,882	4,278,352	4,278,352	4,278,352	4,278,352	
Operating – TMWRF	7,139,093	6,835,039	5,911,200	6,092,816	6,279,881	6,472,558	
CIP - Sparks Sewer	515,032	1,937,895	1,557,895	1,477,895	1,677,895	1,597,895	100%
CIP-TMWRF	2,165,710	4,103,522	4,689,022	1,992,616	2,942,832	2,886,605	100%
Debt Service- Sewer	3,825,597	3,822,450	3,822,451	3,822,451	3,637,140	3,451,832	
Tranfers to Effluent	367,540	1,210,424	1,230,142	1,265,920	1,080,836	802,888	
Ameresco CIP Project	-	2,883,550.0	4,578,600.0	587,117.0	-	-	1
Total Expenses	17,642,652	24,545,762	26,067,662	19,517,167	19,896,936	19,490,130	
Net Changes in Cash	(2,772,425)	(8,847,441)	(8,502,768)	(1,086,985)	754,788	3,633,496	
Ending Cash, Total	20,962,351	12,114,910	3,612,142	2,525,157	3,279,945	6,913,441	
Less: Restricted Cash -- 60 Days of Operating Exp's	(2,399,075)	(2,368,828)	(2,303,343)	(2,333,198)	(2,333,486)	(2,334,697)	
Unrestricted Ending Cash	18,563,276	9,746,082	1,308,799	191,960	946,459	4,578,744	

Sewer Fee \$/Month	\$15.85	\$15.85	\$18.23	\$20.96	\$24.11	\$27.72
Storm Fee \$/Month	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32
Flood Fee \$/Month	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41
Total Customer Bill	\$29.58	\$29.58	\$31.96	\$34.69	\$37.84	\$41.45
Year over Year Increase \$	\$0.00	\$0.00	\$2.38	\$2.73	\$3.14	\$3.62 ¹⁶
% Increase (2013 Basis)	\$0.00	0.0%	8.0%	9.2%	10.6%	12.2%

Scenario: With Ameresco

Sewer User Rate Increase =8.25%

	FY13 Actuals (Unaudited)	FY14	FY15	FY16	FY17	FY18	
Beginning Cash, Total	23,734,776	20,962,351	13,277,647	4,995,211	3,200,053	2,290,287	
Revenues							
Operating User Fees	10,583,783	10,583,783	11,456,945	12,402,143	13,425,320	14,532,909	
Other Operating (Sun Valley Agreement, Misc)	1,601,264	1,793,701	1,688,142	1,732,395	1,777,974	1,824,922	
Capital - Connection Charges	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	
Capital-Sun Valley	1,108,200	1,743,857	2,128,422	1,123,754	1,200,159	1,210,621	
Total Revenue	14,870,227	15,698,321	16,850,489	16,835,272	17,980,433	19,145,432	
Expenses							
Operating - Sparks Sewer	3,629,680	3,752,882	4,278,352	4,278,352	4,278,352	4,278,352	
Operating - TMWRF	7,139,093	6,835,039	5,911,200	6,092,816	6,279,881	6,472,558	
CIP - Sparks Sewer	515,032	775,158	623,158	591,158	671,158	639,158	40%
CIP-TMWRF	2,165,710	4,103,522	4,689,022	1,992,616	2,942,832	2,886,605	100%
Debt Service- Sewer	3,825,597	3,822,450	3,822,451	3,822,451	3,637,140	3,451,832	
Tranfers to Effluent	367,540	1,210,424	1,230,142	1,265,920	1,080,836	802,888	
Ameresco CIP Project	-	2,883,550	4,578,600	587,117	-	-	1
Total Expenses	17,642,652	23,383,025	25,132,925	18,630,430	18,890,199	18,531,393	
Net Changes in Cash	(2,772,425)	(7,684,704)	(8,282,436)	(1,795,158)	(909,766)	614,039	
Ending Cash, Total	20,962,351	13,277,647	4,995,211	3,200,053	2,290,287	2,904,326	
Less: Restricted Cash -- 60 Days of Operating Exp's	(2,399,075)	(2,368,828)	(2,303,343)	(2,333,198)	(2,333,486)	(2,334,697)	
Unrestricted Ending Cash	18,563,276	10,908,819	2,691,868	866,856	(43,199)	569,628	

Sewer Fee \$/Month	\$15.85	\$15.85	\$17.16	\$18.57	\$20.11	\$21.76
Storm Fee \$/Month	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32
Flood Fee \$/Month	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41
Total Customer Bill	\$29.58	\$29.58	\$30.89	\$32.30	\$33.84	\$35.49
Year over Year Increase \$	\$0.00	\$0.00	\$1.31	\$1.42	\$1.53	\$1.66
% Increase (2013 Basis)	\$0.00	0.0%	4.4%	4.8%	5.2%	5.6%

Scenario: With Ameresco

Sewer User Rate Increase =5%

	FY13 Actuals (Unaudited)	FY14	FY15	FY16	FY17	FY18	
Beginning Cash, Total	23,734,776	20,962,351	14,292,141	6,759,326	4,776,958	3,450,280	
Revenues							
Operating User Fees	10,583,783	10,583,783	11,112,972	11,668,621	12,252,052	12,864,654	
Other Operating (Sun Valley Agreement,Misc)	1,601,264	1,793,701	1,688,142	1,732,395	1,777,974	1,824,922	
Capital - Connection Charges	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	
Capital-Sun Valley	1,108,200	1,743,857	2,128,422	1,123,754	1,200,159	1,210,621	
Total Revenue	14,870,227	15,698,321	16,506,516	16,101,750	16,807,165	17,477,177	
Expenses							
Operating - Sparks Sewer	3,629,680	3,752,882	4,278,352	4,278,352	4,278,352	4,278,352	
Operating – TMWRF	7,139,093	6,835,039	5,911,200	6,092,816	6,279,881	6,472,558	
CIP - Sparks Sewer	515,032	581,369	467,369	443,369	503,369	479,369	30%
CIP-TMWRF	2,165,710	3,282,818	3,751,218	1,594,093	2,354,266	2,309,284	80%
Debt Service- Sewer	3,825,597	3,822,450	3,822,451	3,822,451	3,637,140	3,451,832	
Tranfers to Effluent	367,540	1,210,424	1,230,142	1,265,920	1,080,836	802,888	
Ameresco CIP Project	-	2,883,550	4,578,600	587,117	-	-	1
Total Expenses	17,642,652	22,368,531	24,039,331	18,084,117	18,133,843	17,794,283	
Net Changes in Cash	(2,772,425)	(6,670,210)	(7,532,815)	(1,982,368)	(1,326,678)	(317,105)	
Ending Cash, Total	20,962,351	14,292,141	6,759,326	4,776,958	3,450,280	3,133,175	
Less: Restricted Cash -- 60 Days of Operating Exp's	(2,399,075)	(2,368,828)	(2,303,343)	(2,333,198)	(2,333,486)	(2,334,697)	
Unrestricted Ending Cash	18,563,276	11,923,313	4,455,983	2,443,761	1,116,794	798,478	

Sewer Fee \$/Month	\$15.85	\$15.85	\$16.64	\$17.47	\$18.35	\$19.27
Storm Fee \$/Month	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32
Flood Fee \$/Month	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41
Total Customer Bill	\$29.58	\$29.58	\$30.37	\$31.20	\$32.08	\$33.00
Year over Year Increase \$	\$0.00	\$0.00	\$0.79	\$0.83	\$0.87	\$0.92
% Increase (2013 Basis)	\$0.00	0.0%	2.7%	2.8%	3.0%	3.1%

Scenario: Without Ameresco

Sewer User Rate Increase =0

	FY13 Actuals (Unaudited)	FY14	FY15	FY16	FY17	FY18	
Beginning Cash, Total	23,734,776	20,962,351	15,933,266	11,895,437	8,995,743	5,853,655	
Revenues							
Operating User Fees	10,583,783	10,583,783	10,583,783	10,583,783	10,583,783	10,583,783	
Other Operating (Sun Valley Agreement,Misc)	1,601,264	1,793,701	1,688,142	1,732,395	1,777,974	1,824,922	
Capital - Connection Charges	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	
Capital-Sun Valley	1,108,200	1,743,857	2,128,422	1,123,754	1,200,159	1,210,621	
Total Revenue	14,870,227	15,698,321	15,977,327	15,016,912	15,138,896	15,196,306	
Expenses							
Operating - Sparks Sewer	3,629,680	3,752,882	4,278,352	4,278,352	4,278,352	4,278,352	
Operating – TMWRF	7,139,093	6,835,039	5,911,200	6,092,816	6,279,881	6,472,558	
CIP - Sparks Sewer	515,032	581,369	467,369	443,369	503,369	479,369	30%
CIP-TMWRF	2,165,710	4,525,243	4,305,643	2,013,698	2,501,407	2,453,614	85%
Debt Service- Sewer	3,825,597	3,822,450	3,822,451	3,822,451	3,637,140	3,451,832	
Tranfers to Effluent	367,540	1,210,424	1,230,142	1,265,920	1,080,836	802,888	
Ameresco CIP Project	-	-	-	-	-	-	0
Total Expenses	17,642,652	20,727,406	20,015,156	17,916,605	18,280,985	17,938,613	
Net Changes in Cash	(2,772,425)	(5,029,085)	(4,037,829)	(2,899,693)	(3,142,089)	(2,742,307)	
Ending Cash, Total	20,962,351	15,933,266	11,895,437	8,995,743	5,853,655	3,111,348	
Less: Restricted Cash -- 60 Days of Operating Exp's	(2,399,075)	(2,368,828)	(2,303,343)	(2,333,198)	(2,333,486)	(2,334,697)	
Unrestricted Ending Cash	18,563,276	13,564,438	9,592,094	6,662,546	3,520,169	776,651	

Sewer Fee \$/Month	\$15.85	\$15.85	\$15.85	\$15.85	\$15.85	\$15.85
Storm Fee \$/Month	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32
Flood Fee \$/Month	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41
Total Customer Bill	\$29.58	\$29.58	\$29.58	\$29.58	\$29.58	\$29.58
Year over Year Increase \$	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
% Increase (2013 Basis)	\$0.00	0.0%	0.0%	0.0%	0.0%	0.0%

Scenario: Without Ameresco

Sewer User Rate Increase =8.25%

	FY13 Actuals (Unaudited)	FY14	FY15	FY16	FY17	FY18	
Beginning Cash, Total	23,734,776	20,962,351	13,778,167	8,763,154	6,291,936	4,375,433	
Revenues							
Operating User Fees	10,583,783	10,583,783	11,456,945	12,402,143	13,425,320	14,532,909	
Other Operating (Sun Valley Agreement,Misc)	1,601,264	1,793,701	1,688,142	1,732,395	1,777,974	1,824,922	
Capital - Connection Charges	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	
Capital-Sun Valley	1,108,200	1,743,857	2,128,422	1,123,754	1,200,159	1,210,621	
Total Revenue	14,870,227	15,698,321	16,850,489	16,835,272	17,980,433	19,145,432	
Expenses							
Operating - Sparks Sewer	3,629,680	3,752,882	4,278,352	4,278,352	4,278,352	4,278,352	
Operating – TMWRF	7,139,093	6,835,039	5,911,200	6,092,816	6,279,881	6,472,558	
CIP - Sparks Sewer	515,032	1,937,895	1,557,895	1,477,895	1,677,895	1,597,895	100%
CIP-TMWRF	2,165,710	5,323,815	5,065,462	2,369,056	2,942,832	2,886,605	100%
Debt Service- Sewer	3,825,597	3,822,450	3,822,451	3,822,451	3,637,140	3,451,832	
Tranfers to Effluent	367,540	1,210,424	1,230,142	1,265,920	1,080,836	802,888	
Ameresco CIP Project	-	-	-	-	-	-	0
Total Expenses	17,642,652	22,882,505	21,865,502	19,306,490	19,896,936	19,490,130	
Net Changes in Cash	(2,772,425)	(7,184,184)	(5,015,013)	(2,471,218)	(1,916,503)	(344,698)	
Ending Cash, Total	20,962,351	13,778,167	8,763,154	6,291,936	4,375,433	4,030,735	
Less: Restricted Cash -- 60 Days of Operating Exp's	(2,399,075)	(2,368,828)	(2,303,343)	(2,333,198)	(2,333,486)	(2,334,697)	
Unrestricted Ending Cash	18,563,276	11,409,339	6,459,811	3,958,739	2,041,947	1,696,037	

Sewer Fee \$/Month	\$15.85	\$15.85	\$17.16	\$18.57	\$20.11	\$21.76
Storm Fee \$/Month	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32
Flood Fee \$/Month	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41
Total Customer Bill	\$29.58	\$29.58	\$30.89	\$32.30	\$33.84	\$35.49
Year over Year Increase \$	\$0.00	\$0.00	\$1.31	\$1.42	\$1.53	\$1.66
% Increase (2013 Basis)	\$0.00	0.0%	4.4%	4.8%	5.2%	5.6%

Scenario: Without Ameresco

Sewer User Rate Increase =5%

	FY13 Actuals (Unaudited)	FY14	FY15	FY16	FY17	FY18	
Beginning Cash, Total	23,734,776	20,962,351	14,359,536	9,467,918	6,706,546	4,120,144	
Revenues							
Operating User Fees	10,583,783	10,583,783	11,112,972	11,668,621	12,252,052	12,864,654	
Other Operating (Sun Valley Agreement,Misc)	1,601,264	1,793,701	1,688,142	1,732,395	1,777,974	1,824,922	
Capital - Connection Charges	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	1,576,980	
Capital-Sun Valley	1,108,200	1,743,857	2,128,422	1,123,754	1,200,159	1,210,621	
Total Revenue	14,870,227	15,698,321	16,506,516	16,101,750	16,807,165	17,477,177	
Expenses							
Operating - Sparks Sewer	3,629,680	3,752,882	4,278,352	4,278,352	4,278,352	4,278,352	
Operating - TMWRF	7,139,093	6,835,039	5,911,200	6,092,816	6,279,881	6,472,558	
CIP - Sparks Sewer	515,032	1,356,527	1,090,527	1,034,527	1,174,527	1,118,527	70%
CIP-TMWRF	2,165,710	5,323,815	5,065,462	2,369,056	2,942,832	2,886,605	100%
Debt Service- Sewer	3,825,597	3,822,450	3,822,451	3,822,451	3,637,140	3,451,832	
Tranfers to Effluent	367,540	1,210,424	1,230,142	1,265,920	1,080,836	802,888	
Ameresco CIP Project	-	-	-	-	-	-	0
Total Expenses	17,642,652	22,301,137	21,398,134	18,863,122	19,393,568	19,010,762	
Net Changes in Cash	(2,772,425)	(6,602,816)	(4,891,617)	(2,761,372)	(2,586,403)	(1,533,584)	
Ending Cash, Total	20,962,351	14,359,536	9,467,918	6,706,546	4,120,144	2,586,560	
Less: Restricted Cash -- 60 Days of Operating Exp's	(2,399,075)	(2,368,828)	(2,303,343)	(2,333,198)	(2,333,486)	(2,334,697)	
Unrestricted Ending Cash	18,563,276	11,990,707	7,164,575	4,373,349	1,786,658	251,862	

Sewer Fee \$/Month	\$15.85	\$15.85	\$16.64	\$17.47	\$18.35	\$19.27
Storm Fee \$/Month	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$8.32
Flood Fee \$/Month	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41	\$5.41
Total Customer Bill	\$29.58	\$29.58	\$30.37	\$31.20	\$32.08	\$33.00
Year over Year Increase \$	\$0.00	\$0.00	\$0.79	\$0.83	\$0.87	\$0.92
% Increase (2013 Basis)	\$0.00	0.0%	2.7%	2.8%	3.0%	3.1%

SUMMARY OF RATE INCREASE SCENARIOS WITH AMERESCO PROJECT

- No Sewer User Rate Increase:
 - Defer 70% of Sewer Line CIP
 - Defer 50% of TMWRF CIP
- 15% Sewer User Rate Increase:
 - All CIP Fully Funded
- 8.25% Sewer User Rate Increase:
 - Defer 60% of Sewer Line CIP
 - TMWRF CIP fully Funded
- 5% Sewer User Rate Increase:
 - Defer 70% of Sewer Line CIP
 - Defer 20% of TMWRF CIP

SUMMARY OF RATE INCREASE SCENARIOS WITHOUT AMERESCO PROJECT

- No Sewer User Rate Increase:
 - Defer 70% of Sewer Line CIP
 - Defer 15% of TMWRF CIP
- 8.25% Sewer User Rate Increase:
 - All CIP Fully Funded
- 5% User Sewer Rate Increase:
 - Defer 30% of Sewer Line CIP
 - TMWRF CIP Fully Funded

OPTIONS FOR FUTURE SPARKS SEWER UTILITY USER RATES

