

# City of Greeley Water Revenue and Sewer Revenue Bonds, Series 2022

City Council| Second Reading  
January 4, 2022



# Why Use Debt to Fund Projects?

- Long lived assets – 25 to 100 years
- Construction inflation higher than debt interest
  - City Utilities have strong credit ratings
    - Moody's - Aa2 S&P - AA+
  - Currently forecasting net rate of issuance of 2%-2.25%
- Generational equity
  - New customers benefitting from investments will help pay
- New debt issued generally every 2-4 years
  - Existing debt is being paid off

# Water / Sewer Bond Issuance Highlights

## **Water Bond Issuance**

- Not to exceed \$77.5 million
  - ~\$60M new money
  - ~\$17M of refunding existing bonds at lower interest rate
- \$500,000 expense to issue the debt
  - Current interest rates are lower
- Debt service paid by water rates and fees approved by W/S Board and City Council

## **Sewer Bond Issuance**

- Not to exceed \$25.5 million
  - All proceeds are new money
- ~\$500,000 expense to issue the debt
- Debt service paid by sewer rates and fees approved by W/S Board and City Council

# Water Projects To Be Funded

- Boyd WTP rehabilitation - \$10.3M
- Advanced metering infrastructure - \$8.3M
- Non-potable expansion - ~\$5M/Annually
- Water Acquisition - ~\$8M/Annually
- Terry Ranch infrastructure - \$36.5M (80% funded from the seller's contribution)



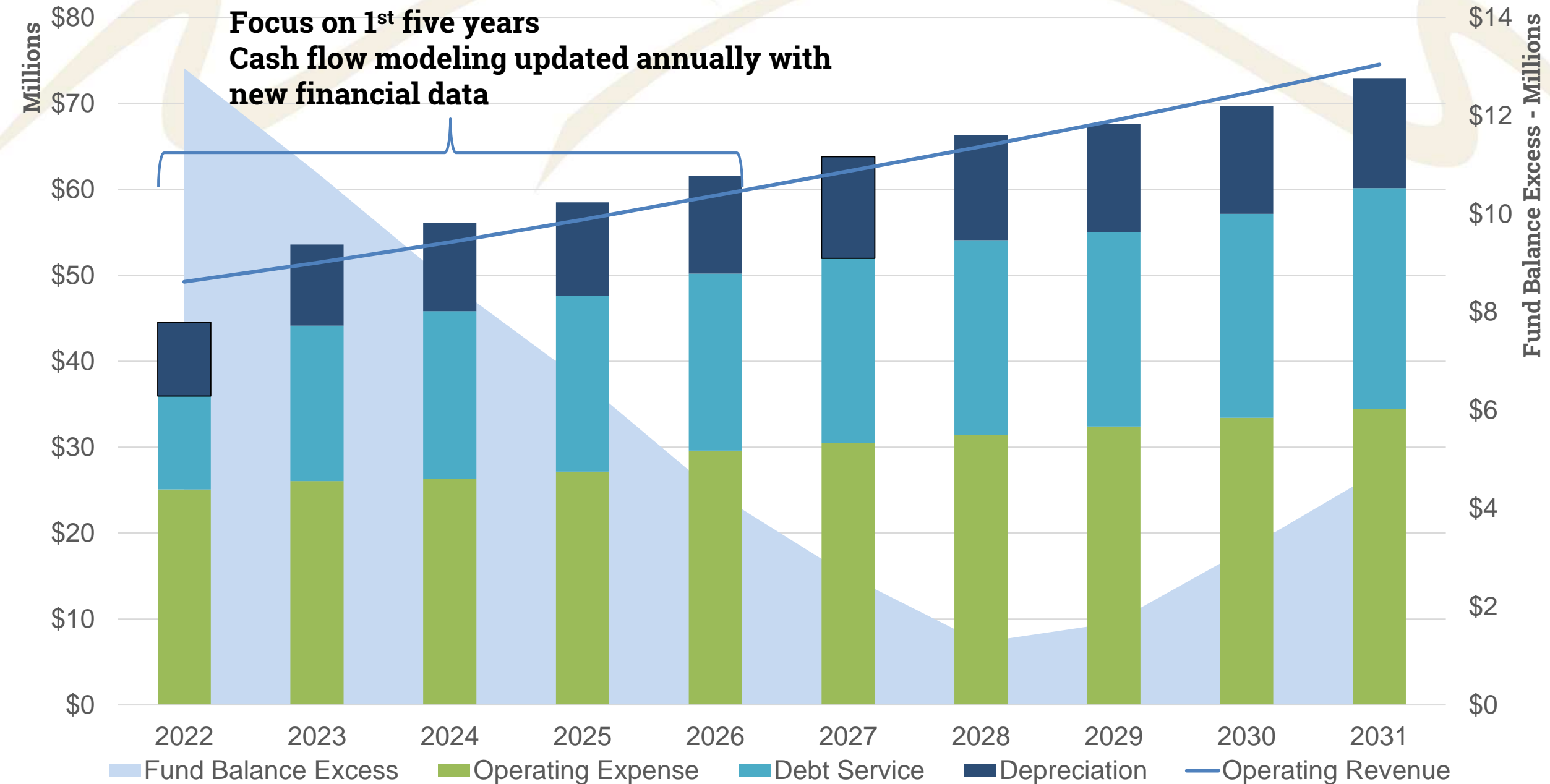


# Sewer Projects To Be Funded

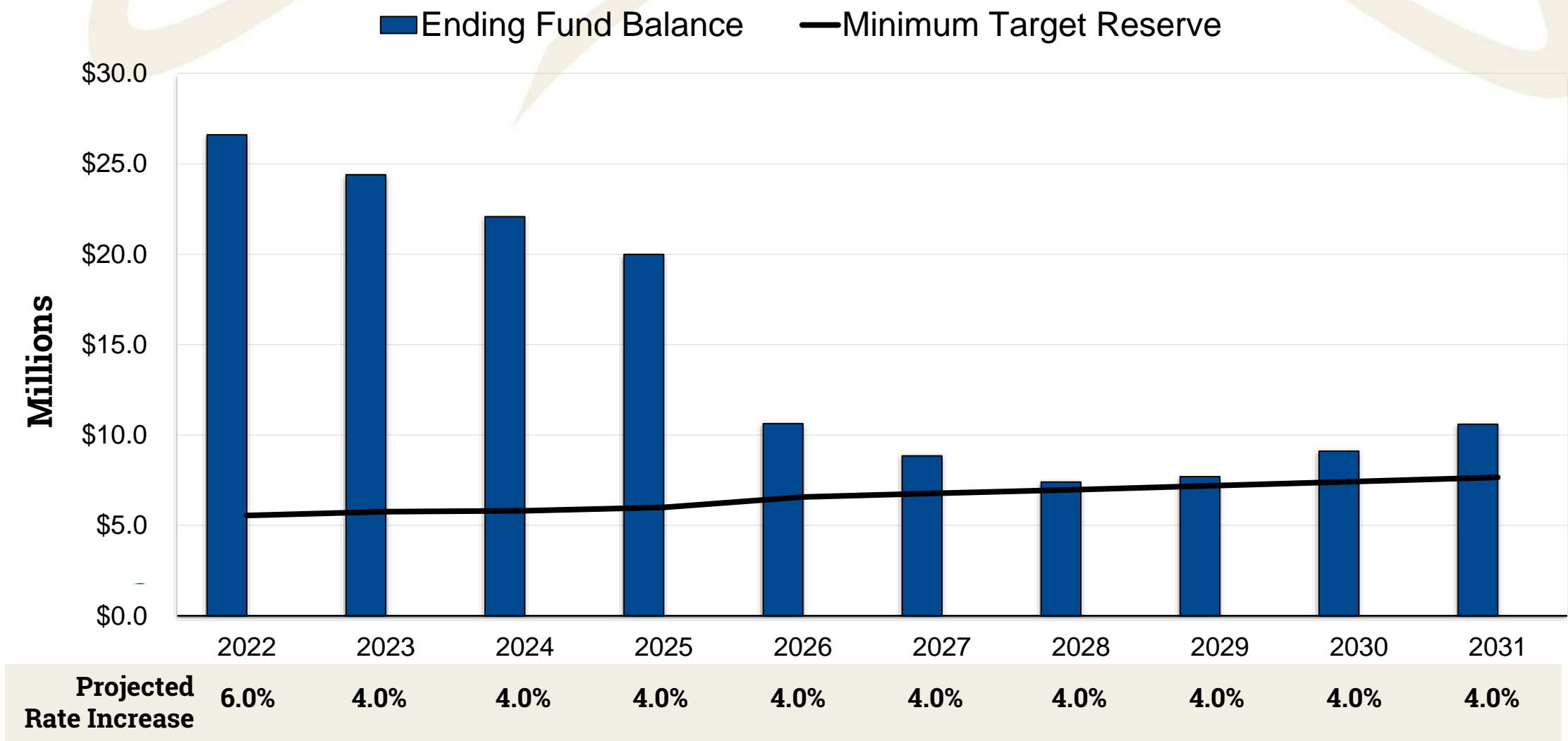
- Wastewater Treatment and Reclamation Facility - \$35M (ongoing project)
  - Required to meet new environmental regulations
  - Phase 2 starts 2023 - \$31M



# Water Fund Revenue and Expenses

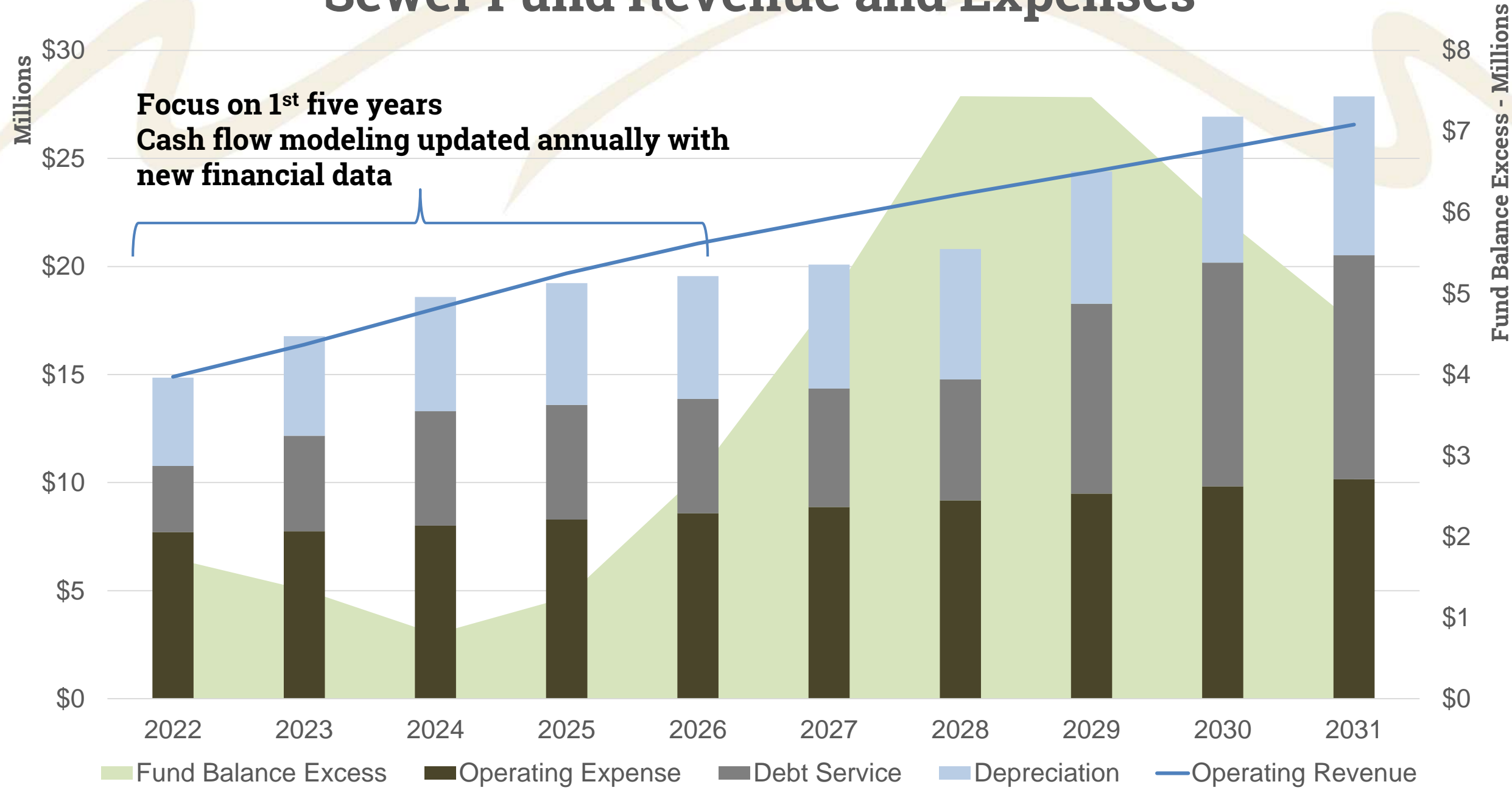


# Projected Water Operating Cash Flow



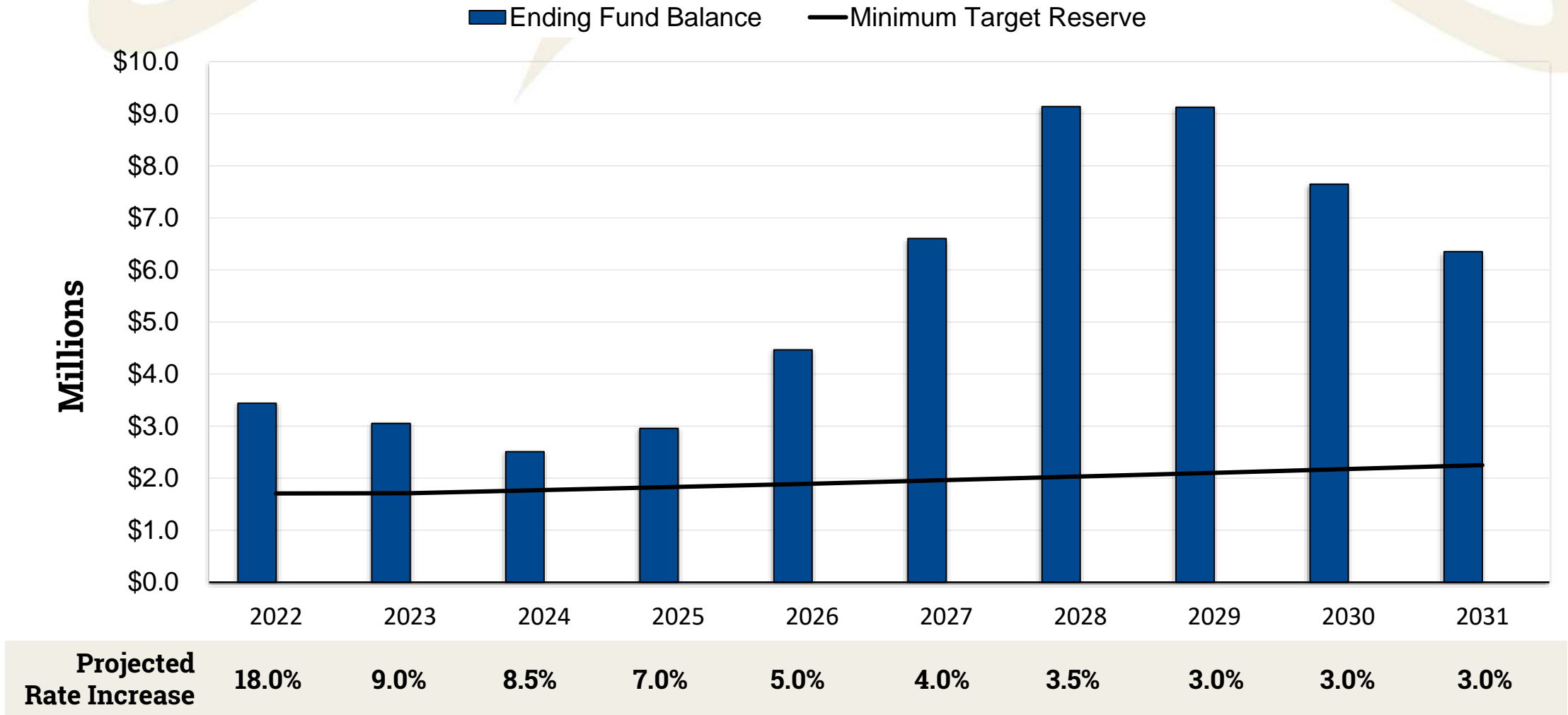
# Sewer Fund Revenue and Expenses

**Focus on 1<sup>st</sup> five years**  
**Cash flow modeling updated annually with**  
**new financial data**



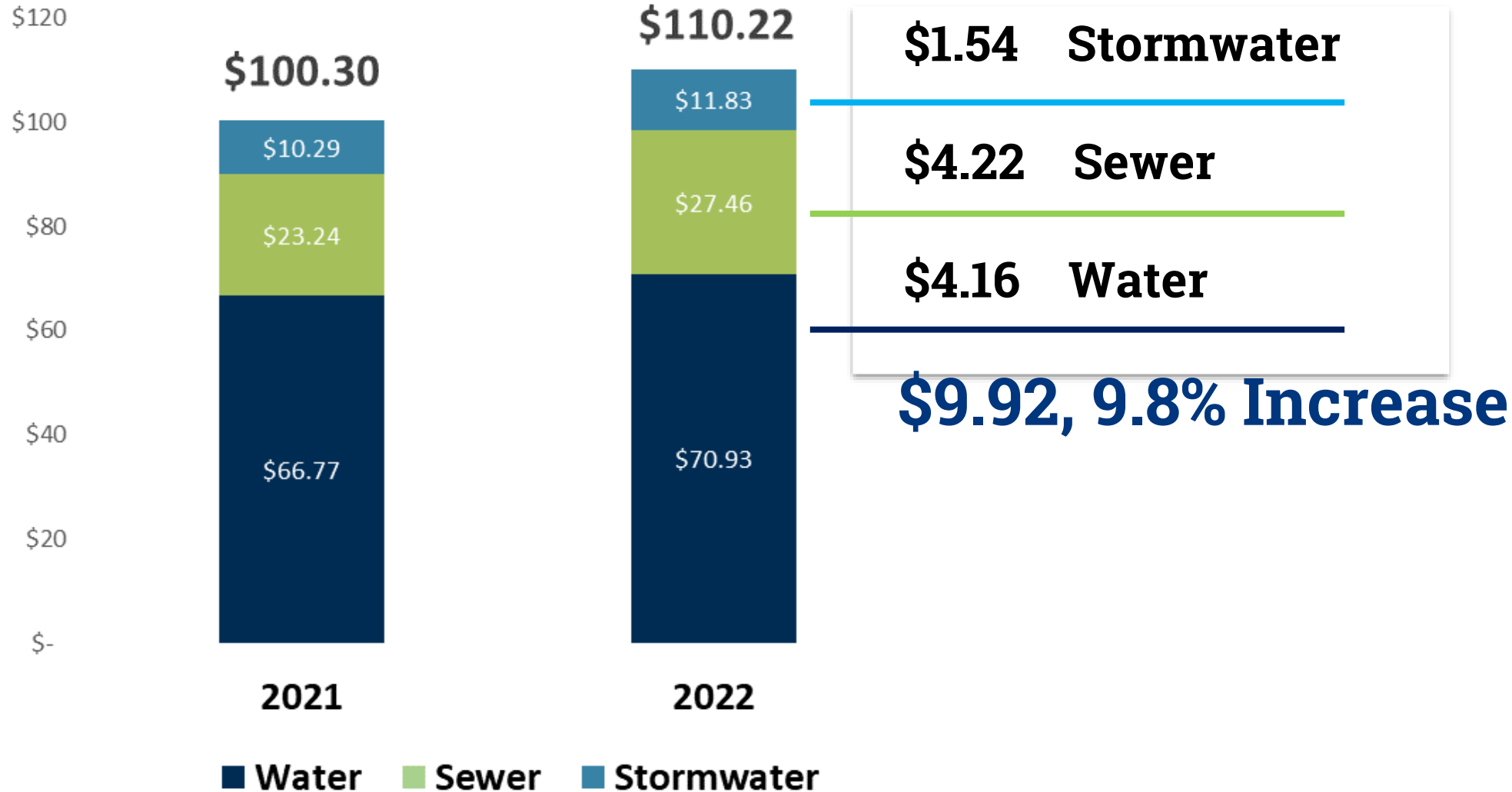


# Projected Sewer Operating Cash Flow



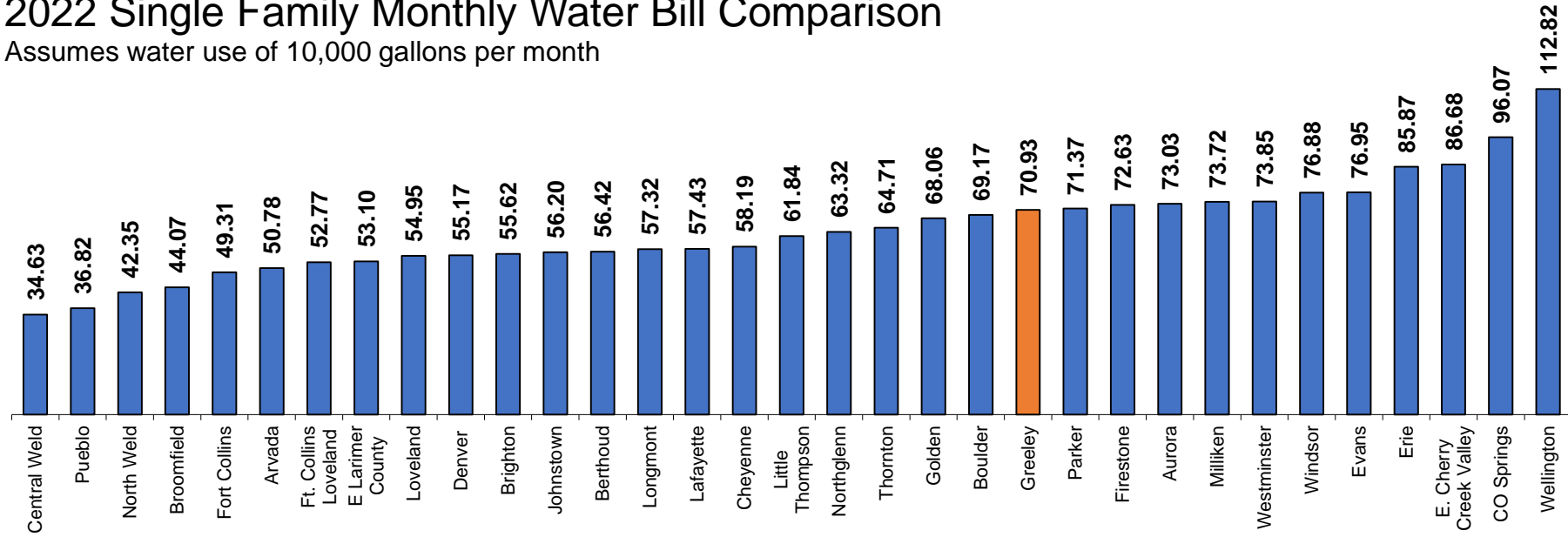
# Utility Rate Changes

Average Monthly Bill Estimate - Single Family



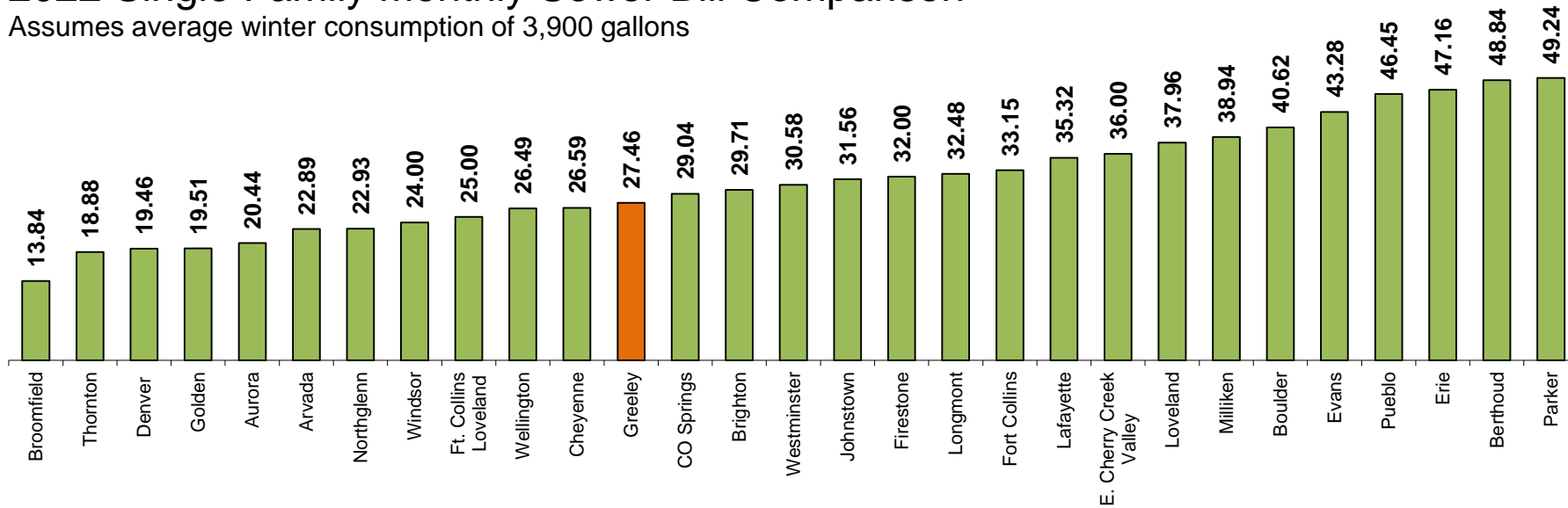
## 2022 Single Family Monthly Water Bill Comparison

Assumes water use of 10,000 gallons per month



## 2022 Single Family Monthly Sewer Bill Comparison

Assumes average winter consumption of 3,900 gallons



# Bond Issuance Schedule:

- December 7: 1<sup>st</sup> reading of bond ordinance – City Council
- January 4: Final reading of bond ordinance – City Council
- Mid January: Call with ratings agencies
- Late February: Closing and delivery of proceeds





Additional Questions?

