



C I T Y O F  
**RENO**  
Memorandum

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**DATE:** April 30, 2025

**TO:** Honorable Mayor and City Council

**THROUGH:** Jackie Bryant, City Manager

**FROM:** Trina Magoon, Director of Utility Services  
Dustin Waters, Assistant Director of Utility Services  
Nick Brothers, Associate Civil Engineer, Utility Services

**DEPT:** Utility Services

**SUBJECT:** Council Update on the Advanced Purified Water Facility at American Flat Project, including Project Updates, Project Budget, Project Funding, and Key Milestones

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**Summary:**

The OneWater Nevada Advanced Purified Water Facility at American Flat (APWF) project is a joint effort between the City of Reno (Reno) and the Truckee Meadows Water Authority (TMWA). This memo provides an update on key project elements as we have reached 90% design and are preparing to move forward with full project implementation.

**Previous Memos to Council:**

- August 15, 2023, APWF Project Update
- October 25, 2023, APWF Project Update
- March 12, 2024, APWF Project Update
- October 3, 2024, APWF Project Update

## **Project Updates:**

- March 2025, Completion of 90% project design
- Grant funding (\$39M) awarded to date is under Department of Government Efficiency (DOGE) review

## **Project Budget:**

Project budgets have evolved with some categories increasing while others have decreased, as the various project elements have been refined for the 90% design completion. The overall project estimate has remained the same as was reported at 60% design completion; a \$250.7M anticipated total budget. Budget increases have been offset by decreases in other areas. Below are some of the more significant budget adjustments since 60% design.

- Requested increased in AECOM design consultant budget, for:
  - Additional design services performed during extensive value engineering that resulted in an overall reduced construction cost
  - Consolidation of polishing facilities at the APWF at Lear Blvd. site
  - Design of education and engagement center, including subconsultant Formations
  - Design of new 8-mile pipeline alignment (moved to avoid perfluoroalkyl and polyfluoroalkyl substances (PFAS) contaminated soils in original pipeline alignment)
- New NEPA, ESA environmental consultant budget, for:
  - Additional services for permitting, including National Environmental Policy Act (NEPA) compliance and revisions required per new federal guidelines
- Accelerated work:
  - Completion of approximately \$1M of engineering design services typically provided during construction have been provided during design to facilitate construction document preparation and streamlined construction scheduling
- Decreased budget/estimate:
  - Pipeline installation estimate

The increased design consultant services listed above resulted in AECOM requesting approval from TMWA for an additional \$4+ million in funding to complete the APWF project design, for a revised total project design fee of \$14,116,849. This amount equates to approximately 7.3% of the estimated construction cost, which remains within the industry standard range of 7%–10%. This request is included in the overall project cost of \$250.7M and was offset by other decreases

in costs. The increased design consultant fees will be paid in accordance with the cost share per the previously executed Interlocal Agreement with TMWA for design of the project, dated December 7, 2021.

**Project Funding:**

The total project cost estimate, provided in the October 3, 2024, Council update memo, remains at \$250.7 million, and will continue to be split at 70% Reno (\$175.5M) and 30% TMWA (\$75.2M), per the existing interlocal agreement.

As noted above, grant funding awarded to date totals \$39M and is currently under DOGE review. Reno submitted an application for a State of Nevada State Revolving Loan Fund (SRF) in June 2024 in the amount of \$70 million. The first and second reading of the bond ordinance are anticipated to be brought to Council on May 21 and June 4, respectively. Reno plans to cash fund the remainder of Reno’s portion of the project construction costs. See below for a summary of funding sources.

Funding Sources	Estimated Dollar Value
Reno – SRF Loan	\$ 70.0M
Reno – Sewer Fund	\$ 78.2M
TMWA Share (30%)	\$ 63.5M
Other Funding*	\$ 39.0 M
<b>Project Total</b>	<b>\$ 250.7M</b>

\*USBR Title XVI Grant, EPA Community Grant and PFAS Principal Forgiveness

## **Key Milestones:**

Key project milestones are outlined below with touchpoints for future Council direction in **bold**:

- Now - June 2025: Environmental Permitting and Final Design
- March 21, 2025: Completion of 90% project design (currently under review)
- Early May 2025: 90% cost estimate (anticipated from CMAR contractor)
- May 21, 2025: First reading of bond ordinance (anticipated City Council date)
- June 4, 2025: Adoption of bond ordinance (anticipated City Council date)
- October 2025: **CMAR Guaranteed Maximum Price (GMP) for Start of Construction Activity to City Council for acceptance**
- April 2028: Finish Construction
- May 2028 to January 2029: Startup, commissioning, and operational prove-up period
- June 2029: Project complete with all required NDEP permits and Advanced Purified Water injection into the aquifer via A+ permit begins.