



C I T Y O F  
**RENO**

## Memorandum

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**DATE:** October 21, 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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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 continue progress from 90% design toward 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
- April 30, 2025, APWF Project Update
- September 19, 2025, APWF Grant Update

## **Project Updates:**

- March 2025, Completion of 90% project design
- September 10, 2025, **\$30M grant issued** by the United States Bureau of Reclamation (USBR)

## **Project Budget:**

Since the last overall project update memo to council on April 30, 2025, cost estimation and independent cost estimation review of the 90% design has been completed. The overall project estimate has increased by \$27.0M since the 60% design submittal; resulting in a \$277.7M anticipated total budget.

- The bulk of the increase in the cost estimate is reflected in the following areas:
  - APWF project improvements due to design refinements
  - Risk pricing – global supply chains, tariffs, and uncertain economic policy create a level of risk to vendors and subcontractors that has resulted in increased budgetary pricing
  - Normal material and labor escalations due to inflation

## **Project Funding:**

The total project cost estimate of \$277.7M will continue to be split at 70% Reno (\$194.4M) and 30% TMWA (\$83.3M), per the existing interlocal agreement.

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 were 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.

Grant funding awarded to date totals \$39M. The USBR Title XVI Water Reclamation and Reuse grant (\$30M) and the United States Environmental Protection Agency (EPA) Community grant (\$3M) have been issued. The principal forgiveness grant (\$6M) facilitated by the Nevada Division of Environmental Protection for addressing emerging contaminants is expected to be included as part of the SRF agreement. See below for a summary of funding sources.

Funding Source	Estimated Dollar Value
Reno – SRF Loan	\$ 70.0M
Reno – Sewer Fund	\$ 97.1M
TMWA Share (30%)	\$ 71.6M
Other Funding*	\$ 39.0M
<b>Project Total</b>	<b>\$ 277.7M</b>

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

Following completion of construction and full permitting of the project, water rights sales are expected to generate \$93.5M in total revenue, 60% of which will be Reno’s share, or \$56M.

### Key Milestones:

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

- Now – January 2026: Environmental Permitting and Final Design
- January 2026 to May 2026: Conduct equipment and subcontractor bid process, draft GMP, and finalize construction documents and GMP.
- May 2026: **CMAR Guaranteed Maximum Price (GMP) for Start of Construction Activity to City Council for acceptance**
- June 2026: Groundbreaking and Start of Construction
- July 2028: Finish Construction
- August 2028 to April 2029: Startup, commissioning, and operational prove-up period
- August 2029: Project complete with all required NDEP permits and Advanced Purified Water injection into the aquifer via A+ permit begins.