

Rialto Development Impact Fee Update Supporting Calculations

APPENDIX C

Estimate of Available Wastewater Reserves to be Included in DIF Calculation

Line			Amount Included	
No	Reserve-Related Account	Amount	How Considered in DIF Calc.	in DIF
1	RUA Reserves			
2	Cash in Bank	\$14,663,051	Included, net of encumbrances	\$14,663,051
3	Encumbrances	(\$291,544)	Netted out of reserve calc	(\$291,544)
4	DIF Reserves	\$3,951,372	Included	
5	Reserves Held in Trust	\$12,482,416		
6	Cash with Escrow Agent, Miro	\$615,871	Not included. Contributed	
7	Plus Accounts Receivable	\$5,618,198	Not included	
8	Less Accounts Payable	(\$4,277,588)	Not included	
9	Plus Amount Due from Water Fund	\$3,000,000	Not a reserve; not included	
10	<u>Subtotal RUA Reserves</u>	<u>\$35,761,776</u>		<u>\$14,371,507</u>
11				
12	Reserves Held in Trust			
13	Wastewater Construction Restricted Acct	\$50,961	Past DIF Fees, Entirely Included	\$50,961
14	RWS Debt and Wastewater Reserve	\$9,818,000	Partially included; Note 2	\$375,558
15	<u>Subtotal Reserves Held in Trust</u>	<u>\$9,818,000</u>		<u>\$426,519</u>
16				
17	Total	\$45,579,776		\$14,798,025
18				
19	Notes:			
20	1. Source: City staff, October 2017. Reserve balances as of 6/30/17			
21	2. Reserves were capitalized and the City is repaying through its capital charge. As shown below, through 6/30/17, payments to date have accumulated approximately 3.875% of these reserves.			
22				
23				
24	Estimate of Available Water Reserves, Summary			
25			Amount Included	
26	Reserve-Related Account	Amount	How Considered in DIF Calc.	in DIF (See Note 2)
27	Cash in Bank	\$3,815,296	Not included: <\$0 net of encumbrances and interfund loans	
28	Reserved - Encumbrance	(\$190,875)	Netted out of reserve calc	
29	Reserved - SB Co Bunker Hill Well	(\$430,215)	Netted out of reserve calc	
30	Reserved - Vehicle Replacement	(\$7,900)	Netted out of reserve calc	
31	Plus Accounts Receivable	\$2,070,232	Netted out of reserve calc	
32	Less Accounts Payable	(\$2,708,591)	Netted out of reserve calc	
33	Owed to General Fund	(\$1,300,000)	Subtracted from amt to include	
34	Owed to Wastewater Fund	(\$3,000,000)	Subtracted from amt to include	
35	<u>Total</u>	<u>(\$1,752,052)</u>		<u>\$0</u>
36				
37	Notes:			
38	(1) Source: City staff, October 2017. Reserve balances as of 6/30/17			
39	(2) Since reserve balance after subtracting payables, receivables, and inter-fund loans is <0, no additional reserves			
40	are included in the DIF calculation.			
41				

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42 Concession Agreement Capital Being Repaid by City via RWS Capital Charges

		Wastewater	Water	How Considered in DIF
43				
44				
45	Cost of Issuance			
46	Development and Financing Costs of Issuance	\$5,188,000	\$1,297,000	Not Included
47	Underwriters Discount	\$2,745,000	\$868,000	Not Included
48	Debt Service Reserves	\$4,236,000	\$1,340,000	3.875% included as reserves
49	RUA Reserves	\$5,582,000	\$3,057,000	3.875% included as reserves
50				
51	Operational Funding			
52	Working Capital	\$2,899,000	\$1,621,000	Not Included
53	Operating R&R Accounts	\$1,000,000	\$1,000,000	Not Included
54	Rate Stabilization	\$26,097,000	\$10,479,000	Not Included
55				
56	Debt Defeasance			
57	Chevron Financing	\$13,970,000		Note 1
58	CSWRBC	\$10,141,000		Note 2
59	ABAG		\$3,322,000	Note 3
60				
61	New Funding			
62	Technical, Due Diligence, and	\$7,240,000	\$1,810,000	Not Included
63	Commercial Development Costs			
64	Transition Costs	\$1,269,000	\$838,000	Not Included
65	City of Rialto Lease Payment	\$25,000,000	\$5,000,000	Not Included
66	Capital Improvement Program	\$28,101,000	\$12,936,000	Note 4
67				
68	Total	\$133,468,000	\$43,568,000	
69				

70 Notes:

- 71 (1) 96.125% subtracted from Cost Basis as outstanding debt. Funded the Chevron Fuel Cell Project. Included City's asset list
72 at \$10,298,893 in 2013
- 73 (2) 96.125% subtracted from Cost Basis as outstanding debt. Paid for Plant #5. Loan contract indicates not to exceed amount of
74 \$22,511,792. Assets included in City's asset list.
- 75 (3) 96.125% subtracted from Cost Basis as outstanding debt. Original issue amount \$7,220,000; \$5M of which was
76 new money balance refinance.
- 77 (4) 96.125% of FIP projects included in City's assets subtracted from Cost Basis

79 Estimate of Remaining Outstanding Debt Principal Embedded in Concession Agreement

<u>81 Backcalculated Equivalent Interest Rate of Concession Agreement Capital Charge</u>		
82 Capital Charge Repayment Period, Months	360	(30 years)
83 Number of Payments Made Thru 6/30/17	55	
84 Wastewater Capital Financing Total	\$133,468,000	
85 Monthly Capital Charge	\$1,056,833	(\$12,682,000 annual payment)
86 Backcalculated Equivalent Interest Rate	8.82167%	
87 Math Check	\$1,056,833	

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89 % of Refinanced Debt Principal Repaid thru 6/30/17

90 91 92 Payment Number	90 91 92 % of Principal Repaid		% Principal Remaining
	90 91 92 Payment	90 91 92 Cumulative	
93 1	0.057%	0.057%	99.943%
94 2	0.057%	0.114%	99.886%
95 3	0.058%	0.171%	99.829%
96 4	0.058%	0.229%	99.771%
97 5	0.058%	0.288%	99.712%
98 6	0.059%	0.346%	99.654%
99 7	0.059%	0.406%	99.594%
100 8	0.060%	0.465%	99.535%
101 9	0.060%	0.525%	99.475%
102 10	0.061%	0.586%	99.414%
103 11	0.061%	0.647%	99.353%
104 12	0.061%	0.708%	99.292%
105 13	0.062%	0.770%	99.230%
106 14	0.062%	0.833%	99.167%
107 15	0.063%	0.895%	99.105%
108 16	0.063%	0.959%	99.041%
109 17	0.064%	1.022%	98.978%
110 18	0.064%	1.087%	98.913%
111 19	0.065%	1.151%	98.849%
112 20	0.065%	1.216%	98.784%
113 21	0.066%	1.282%	98.718%
114 22	0.066%	1.348%	98.652%
115 23	0.067%	1.415%	98.585%
116 24	0.067%	1.482%	98.518%
117 25	0.068%	1.549%	98.451%
118 26	0.068%	1.618%	98.382%
119 27	0.069%	1.686%	98.314%
120 28	0.069%	1.755%	98.245%
121 29	0.070%	1.825%	98.175%
122 30	0.070%	1.895%	98.105%
123 31	0.071%	1.966%	98.034%
124 32	0.071%	2.037%	97.963%
125 33	0.072%	2.108%	97.892%
126 34	0.072%	2.181%	97.819%
127 35	0.073%	2.253%	97.747%
128 36	0.073%	2.326%	97.674%
129 37	0.074%	2.400%	97.600%
130 38	0.074%	2.475%	97.525%
131 39	0.075%	2.549%	97.451%
132 40	0.075%	2.625%	97.375%
133 41	0.076%	2.701%	97.299%

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134	42	0.077%	2.777%	97.223%
135	43	0.077%	2.855%	97.145%
136	44	0.078%	2.932%	97.068%
137	45	0.078%	3.010%	96.990%
138	46	0.079%	3.089%	96.911%
139	47	0.079%	3.169%	96.831%
140	48	0.080%	3.249%	96.751%
141	49	0.081%	3.329%	96.671%
142	50	0.081%	3.410%	96.590%
143	51	0.082%	3.492%	96.508%
144	52	0.082%	3.574%	96.426%
145	53	0.083%	3.657%	96.343%
146	54	0.084%	3.741%	96.259%
147	55	0.084%	3.825%	96.175%

6/30/2017