



EASTERN IDAHO REGIONAL SEWER DISTRICT

Roadshow

\$36,075,000*

SEWER REVENUE BONDS
SERIES 2024

618 E 1250 N, Shelley, ID 83274

Tel: (208) 357-1839

<https://eirsd.org/>

*Subject to change



CLEARWATER
— FINANCIAL —



OUTLINE



- ***Transaction Overview***

- 2024 Sewer Revenue Bonds
- Finance Plan & Debt Profile
- Security
- District & Neighboring Systems
- Project
- Security & Amortization

- ***District Overview***

- General Information
- District History
- Administration
- Historical Data
- Flow Data & Connection History
- Cities Development Data
- Historical & Projected Operating Results
- Cash Management Priorities

- ***Economics and Demographics***

- Population & Income
- Largest Customers

- ***Summary***

- Summary
- Schedule



TRANSACTION OVERVIEW



2024 SEWER REVENUE BONDS



Issuer: Eastern Idaho Regional Sewer District (District, EIRSD)

Offering: \$36,075,000* Sewer Revenue Bonds, Series 2024

Rating: Moody's A1; Potentially insured at bidder's option

Tax Status: Tax-Exempt; non-AMT

Security: System revenues pledge, including rates, charges, rents, connection fees or other fees

Use of Proceeds:

- Project 1 - Biological treatment facilities, redundancy systems, and needed upgrades
- Project 2 – Membrane modifications, UV disinfection system, lift station and headwork modifications, other system and facility upgrades
- Equipment – Water reuse pump station system, telehandler, truck



2024 SEWER REVENUE BONDS CONT.



Bond Structure: Fixed rate current interest bonds, amortizing 2025 through 2054

Reserve Fund: Fully funded with proceeds or surety policy at bidder's option

Optional Redemption: August 29th, 2034 at 100% of par*

Interest Payment Dates: March 15th and September 15th starting March 15th, 2025

Principal Payment Dates: September 15th starting September 15th, 2025

Competitive Sale: August 15th, 2024*

Closing Date: August 29th, 2024*

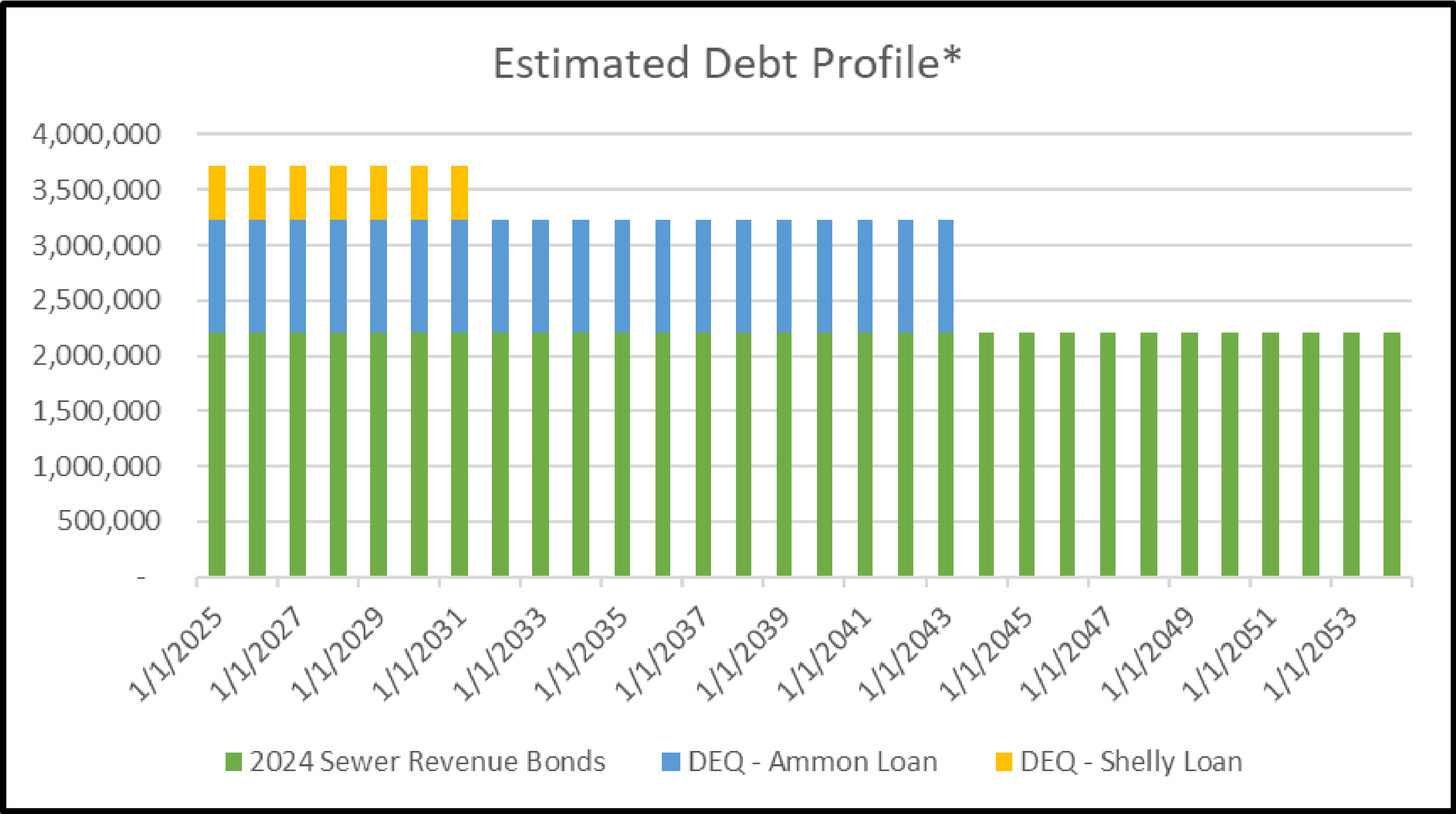
Authorization: May 2, 2023; Judicial confirmation



FINANCE PLAN & DEBT PROFILE



Sources Of Funds*	
Par Amount of Bonds	\$36,075,000.00
Total Sources	\$36,075,000.00
Uses Of Funds*	
Costs of Issuance	350,000.00
Deposit to Debt Service Reserve Fund (DSRF)	2,221,850.00
Deposit to Construction Fund	33,503,150.00
Total Uses	\$36,075,000.00



Source: District; Clearwater Financial
*Subject to Change



SECURITY



- **Revenues**
 - Rates adopted for FY 2025
 - Monthly per Equivalent Residential Unit (ERU) fees
 - \$15.53 for Operations & Maintenance (O&M)
 - 5% historical and forecasted annual increases
 - 3% increase approved by District Board for FY2025
 - \$22.00 for capital replacement/debt service
 - No forecasted increases, but could be increased with Board approval
 - Currently conducting a rate study to establish future connection fee rate increase.
 - Anticipating 14% increase phased over two years:
 - 2024 - \$6,221 (current)
 - 2025 - \$7,091
 - 2026 – \$8,085



SECURITY CONT.



- **Debt Service Coverage (DSC)**
 - DSC was approximately 4.14x in FY 2023
 - DSC projected at a minimum of 1.34x over the life of the bond
- **Rate System Collections**
 - Cities of Ammon and Shelley:
 - District bills and receives full payment from Cities for each ERU
 - City works with users directly on any collection issues
 - Bonneville and Bingham Counties:
 - District has minimal collection challenges with County users that are directly billed and has never written-off uncollected receivables
 - Past due balances as of June 30th, 2024 total \$420.09
 - \$319.55 (31-60 days)
 - \$45.65 (61-90 days)
 - \$54.89 (91 and over)



DISTRICT AND NEIGHBORING SYSTEMS



- **District Fees: \$37.53**
 - \$15.53 O&M + \$22.00 Capital Replacement
- **Wastewater Fees for Neighboring Systems**
 - Blackfoot: \$51.83
 - Chubbuck: \$61.56
 - Firth: \$50.00
 - Idaho Falls: \$24.00
 - Iona Bonneville Sewer District: \$31.00
 - Rigby: \$84.50



PROJECT

- Manageable capital improvements being completed in two projects totaling ~\$52 million focused on upgrades, expansion, and compliance*
- Project one is currently in progress using cash on hand and DEQ ARPA grant funding
- Anticipated remaining costs and funding:

Estimated Remaining Project Costs	(44,560,672)
Grant Funds Remaining	2,440,971
Cash Available for Projects	8,845,217
Bond Proceeds	33,500,000
Excess (Deficiency) of funds	225,516

- No expected additional debt to be issued over the next 10-15 years



SECURITY AND AMORTIZATION



- Pledge: District Revenues
- Rate Covenant:
 - Net Revenues = 125% coverage on annual debt service*
- Additional Bonds Test:
 - Requires Net Revenues = 125% coverage on all annual outstanding + proposed debt service*
- Debt Service Reserve Fund:
 - Fully funded with proceeds or surety policy at bidder's option

Principal		Principal	
Payment Date (September 15)	Principal Amount	Payment Date (September 15)	Principal Amount
2025	525,000	2040	1,145,000
2026	620,000	2041	1,200,000
2027	645,000	2042	1,250,000
2028	675,000	2043	1,310,000
2029	705,000	2044	1,370,000
2030	740,000	2045	1,430,000
2031	770,000	2046	1,495,000
2032	805,000	2047	1,560,000
2033	845,000	2048	1,630,000
2034	880,000	2049	1,705,000
2035	920,000	2050	1,780,000
2036	960,000	2051	1,860,000
2037	1,005,000	2052	1,945,000
2038	1,050,000	2053	2,030,000
2039	1,095,000	2054	2,125,000
		Total	36,075,000

Source: District; Clearwater Financial

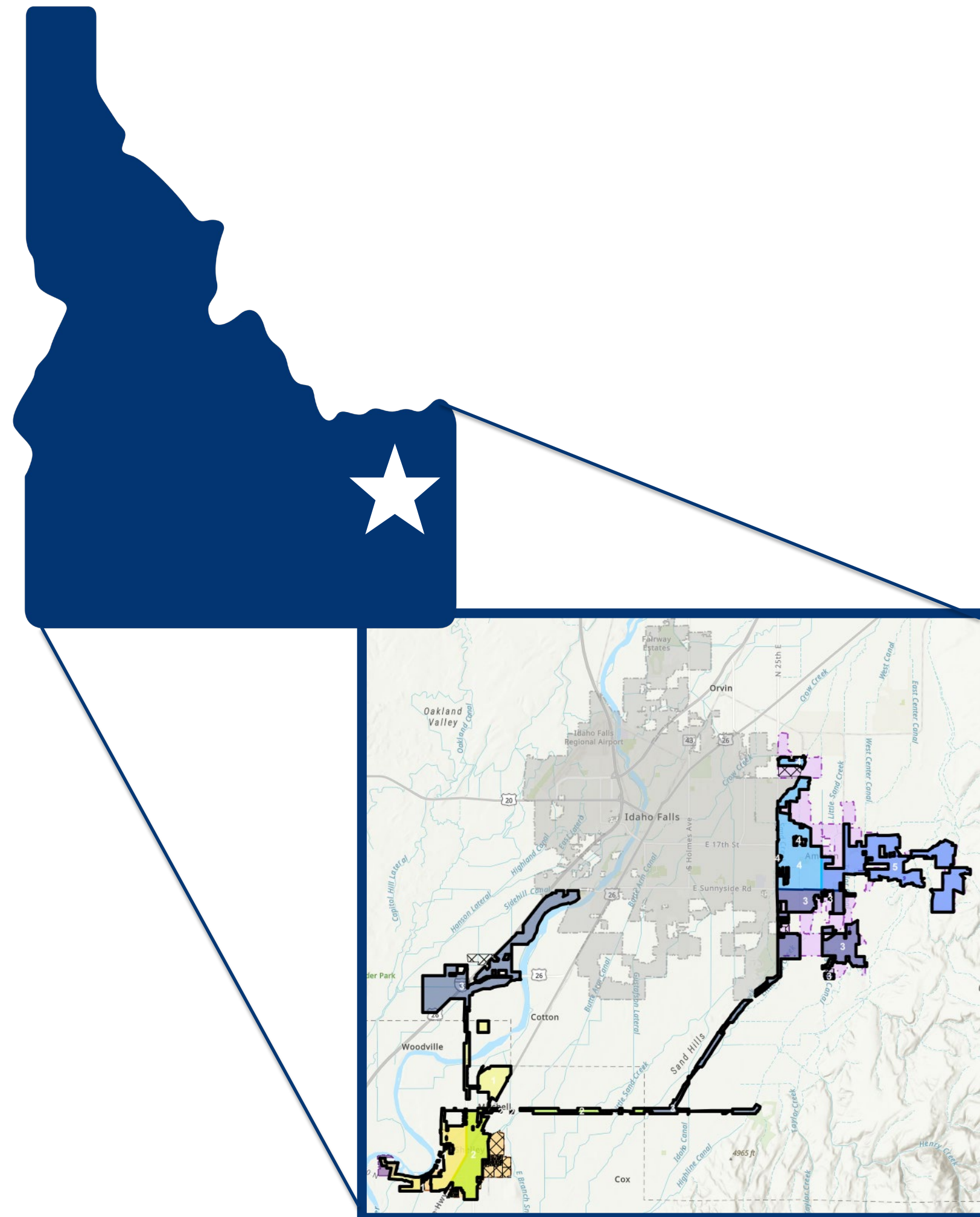
*See POS for information on the project and its funding sources



DISTRICT OVERVIEW



GENERAL INFORMATION



- District is in mid eastern Idaho
- District serves the Cities of Ammon and Shelley and portions of Bonneville and Bingham Counties
- Bonneville and Bingham County have a combined population of 171,956*
- Ammon and Shelley are bedroom communities of the City of Idaho Falls

Source: District

*Not seasonally adjusted. Source: U.S. Bureau of Labor Statistics, Via TidyCensus and blsrapeR. (2024, June)



EIRSD HISTORY



- Formed as an authority in 2004
- Cities of Ammon and Shelley obtained loans through DEQ for initial construction of sewer system and collected the associated monthly fee to pay debt service
- Authority was dissolved and a District created in 2023 in order to issue debt
- Cities transferred DEQ loans to the District in 2024

Description	Maturity	Semi-Annual Payment	Outstanding Balance
DEQ - Ammon Loan	3/15/2043	\$ 509,287.57	\$ 15,674,720.65
DEQ - Shelley Loan	9/15/2031	\$ 243,858.70	\$ 3,380,872.42
Total Debt Service		\$ 753,146.27	\$ 19,055,593.07



EIRSD HISTORY CONT.



- District collects monthly \$22 per ERU capital replacement fee
 - Previously collected by the Cities to pay DEQ loan debt service
- Revenue was included in Cities FY2023 and prior audited financial statements
 - Beginning 2024 and going forward, the District collects and accounts for this revenue
- Cities transferred excess capital replacement fee revenues to the District in conjunction with transferring the outstanding DEQ loans to the District
 - City of Ammon transferred revenues - \$1,023,728
 - City of Shelley transferred revenues - \$268,718



ADMINISTRATION

BOARD OF COMMISSIONERS

NAME	ROLE	ZONE	TERM BEGAN	TERM EXPIRATION
Brian Powell	President	Zone 5	05/2022	05/2025
Craig Cutler	Vice President	Zone 1	05/2022	05/2027
Sid Hamberlin	Secretary/Treasurer	Zone 3	05/2023	05/2029
Frank Lemmo	Member	Zone 4	05/2022	05/2027
Jeffrey Cox	Member	Zone 2	05/2022	05/2025

EMPLOYEES

District Manager	1 employee
Plant Superintendent	1 employee
Operations/Management	1 employee
Wastewater Operator/Maintenance Worker	1 employee
CDL B Truck Driver	1 employee



ADMINISTRATION CONT.



Award-winning operations and staff

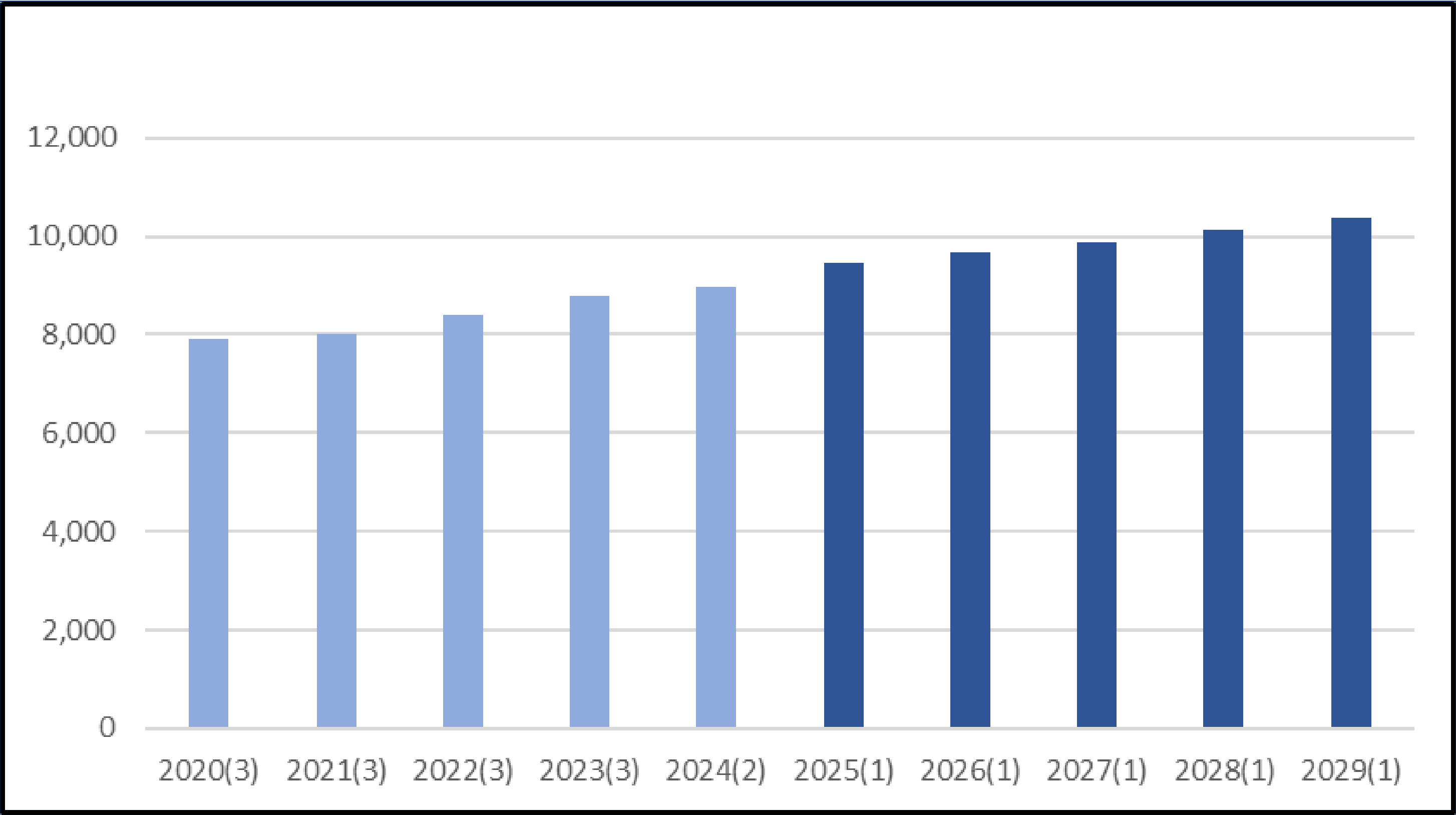


- **District Manager**
 - Class 4 wastewater treatment certification
 - Class 2 wastewater collection certification
 - Class 1 wastewater lab certification
 - State wastewater treatment operator of the year
- **Team members**
 - 1 class 2 wastewater treatment certification
 - 1 class 2 wastewater collections certification
 - 1 class 1 wastewater treatment certification
 - 1 class 1 wastewater collections certification
 - State wastewater treatment operator of the year

Plant has been named Membrane Plant of the Year



HISTORIC AND PROJECTED ERU's



Source: District; Clearwater Financial
(1) Projected enrollment. The District makes no assurance that the projections will be achieved; actual results may differ materially from forecast shown above
(2) Enrollment as of May 2024
(3) Historical enrollment as of year end each year



HISTORICAL FLOW DATA*



- 2022:
 - $1.52 \text{ mgd} \times 365 = 554,800,000 \text{ gallons}$
- 2023:
 - $1.65 \text{ mgd} \times 365 = 602,250,000 \text{ gallons}$
- 2024 YTD thru June:
 - $1.62 \text{ mgd} \times 182 = 294,840,000 \text{ gallons}$

Source: District

*Calculated as total annual flow = average of average daily flow for all 12 months x 365 days



DAILY FLOW DATA*



- Current Average Daily Flow Capacity – *1.85 mgd*
- Current Peak Hour Flow Capacity – *2.76 mgd*
- Current Max Daily Flow Capacity – *3.83 mgd*
- New Average Daily Capacity upon Project 2 completion – *2.77 mgd*

Source: District

*Current is defined as after Project 1 completion; Flow during maximum month



RECENT CONNECTION ACTIVITY



- District sold 632 connections from July 1, 2023 to July 1, 2024
- Average ERU onboarding length is 18 months
- ERUs are sold at final plat, confirming construction of the project
- District currently has 73% residential and 27% non-residential customers



AMMON DEVELOPMENT DATA



- City of Ammon has the following development in progress:

Entitled subdivisions:

- 2,258 entitled units
- 343 building permits open
- 975 needed ERUs

Pending Subdivisions:

- 1,121 units
- 611.083 acres



SHELLEY DEVELOPMENT DATA



- City of Shelley has the following development in progress:

Entitled subdivisions:

- 299 entitled units
- 144 building permits open
- 155 needed ERUs

Pending Subdivisions:

- 582 units



HISTORICAL OPERATING RESULTS



	Actual				Forecasted based on Unaudited YTD
	2020(1)	2021(1)	2022(1)	2023(1)	2024(2)
Assessment Charges					
Assessment Revenue	1,140,549	1,465,258	1,712,923	4,643,109	1,603,097
User Rate	-	-	-	-	-
Facility Maintenance Fee (debt service fee)	-	-	-	-	1,495,382
City of Shelley	547,892	573,374	609,073	626,242	509,355
City of Ammon	1,451,059	1,508,377	1,528,441	1,612,363	1,294,425
EIRSD Capacity Replacement Fee (connection fee)	-	-	-	-	2,363,382
Leachate Revenue	-	-	-	-	259,875
Other Revenue	915,574	1,659,534	2,420,316	1,007,229	-
Interest Income	-	-	-	-	788,063
Total Revenue	4,055,074	5,206,543	6,270,753	7,888,943	8,313,578
Operating Expense (less depreciation)	1,095,827	1,361,378	1,451,497	1,439,917	1,557,867
Funds available for Debt Service	2,959,247	3,845,165	4,819,256	6,449,026	6,755,711
Debt Service					
- Ammon DEQ Loan	1,068,523	1,068,523	1,068,523	1,068,523	1,018,575
- Shelley DEQ Loan (3)	487,350	487,350	487,350	487,350	487,350
	1,555,873	1,555,873	1,555,873	1,555,873	1,505,925
Debt service coverage ratio	1.90	2.47	3.10	4.14	4.49
Income (loss) from operations	1,395,143	2,283,041	3,255,152	4,885,582	5,192,267

(1) Source: Combination of audited Financial Statements of the District, City of Ammon, and City of Shelley. The financial information from the Cities of Shelley and Ammon, only include the DEQ loans, and the revenue received from monthly ERU charges to pay those loans.

(2) Source: YTD unaudited financial Statement

(3) The City of Ammon paid excess principal on their DEQ loan prior to 2023. When the DEQ Loan was transferred to the District, an updated amortization schedule was agreed to with DEQ reducing the annual debt service payment on the loan.



PROJECTED OPERATING RESULTS



	Forecasted(1)				
	2025	2026	2027	2028	2029
Total Revenue	6,913,690	6,672,974	6,733,191	6,805,772	7,084,836
Operating Expense (less depreciation)	1,620,182	1,684,989	1,752,389	1,822,484	1,895,384
Funds available for Debt Service	5,293,508	4,987,984	4,980,802	4,983,288	5,189,453
Debt Service (including anticipated debt service)					
- Shelley DEQ Loan	487,350	487,350	487,350	487,350	487,350
- Ammon DEQ Loan	1,018,575	1,018,575	1,018,575	1,018,575	1,018,575
- 2024 Sewer Revenue Bond	2,205,800	2,205,800	2,205,800	2,205,800	2,205,800
	3,711,725	3,711,725	3,711,725	3,711,725	3,711,725
Debt service coverage ratio	1.43	1.34	1.34	1.34	1.40

(1) Source: Information provided by the District, municipal advisor, and project engineers.



CASH MANAGEMENT PRIORITIES



- Maintaining cash balances
- Maintenance of emergency reserve fund of \$1.6 million in a separate money market account
 - Reserve is required per Board Resolution 2024-01
- Maintenance of \$800,000 of operating cash



ECONOMICS AND DEMOGRAPHICS



POPULATION AND INCOME

POPULATION

	1970	1980	1990	2000	2010	2020
Bonneville	52,457	65,980	72,207	85,522	104,234	123,964
Bingham	29,167	36,489	37,583	41,735	45,607	47,992

INCOME

Year	Bonneville	Bingham	State
2018-2022	\$33,008	\$29,421	\$34,919
2013-2017	\$25,706	\$20,720	\$25,471
2008-2012	\$23,306	\$18,892	\$22,581

Source: U.S. Bureau of Labor Statistics, Via TidyCensus and blscrapeR. (2024, June).



LARGEST CUSTOMERS

Customer	Total Amount Billed	% of Total Sewer Service Revenue	Total ERU's	% of Total ERU's
City of Ammon	91,774.8	64.89%	6,201	70.58%
City of Shelley	32,737.6	23.15%	2,212	25.18%
Taylor Mountain	8,308.3	5.87%	182	2.07%
Melaleuca (3 locations)	4,245.45	3.00%	93	1.06%
Woodville Water & Sewer	1,643.4	1.16%	38	0.43%
Truck Wash	1,437.98	1.02%	31.5	0.36%
Love's Travel Stop	1,278.2	0.90%	28	0.32%
TOTALS	141,425.7		8,785.5	

- Per operating agreements with the District, the Cities of Ammon and Shelley are required to provide their ERU's to the District
- District is required to receive Ammon and Shelley wastewater



SUMMARY



SUMMARY

- Bonds address upgrades, expansion, and compliance needs
- District does not anticipate issuing any additional debt for the next 10-15 years
- Transferred DEQ loans (Shelley and Ammon loans) mature in 2031 and 2043; the District's coverage will increase accordingly
- Established history of 5% rate increases on monthly O&M charge, plan to continue O&M increases into the future
- Plan to increase connection fees in 2025-2026 based on rate study
- Community has a strong, growing economy, particularly in the agriculture, food processing, and nuclear energy sectors
- DSC was ~4.14x in FY 2023
- DSC projected at a minimum of 1.34x over the life of the bond



SCHEDULE* AND CONTACTS

Day	Date	Event
Monday	July 8	Meeting with rating agency
Tuesday	July 16	Regular Board meeting to consider Bond Resolution
Tuesday	July 23	Receive ratings; deem POS final
Thursday	July 25	Post POS and NOS electronically
Thursday	August 15	Competitive Sale (Series A – 9:30am)
Friday	August 16	Draft Closing Documents distributed to working group
Tuesday	August 20	Comments back to BC on Closing Documents
Thursday	August 22	Contest period ends
Thursday	August 22	Final O.S. distributed electronically
Thursday	August 22	Closing Documents distributed to working group
Wednesday	August 28	Pre-closing; signed documents back to bond counsel
Thursday	August 29	Closing; delivery of funds

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Source: Clearwater Financial

*Subject to change