



CITY OF LAKE WORTH

7 North Dixie Highway · Lake Worth, Florida 33460 · Phone: 561-586-1600 · Fax: 561-586-1750

**AGENDA
CITY OF LAKE WORTH
CITY COMMISSION WORK SESSION
TUESDAY, APRIL 14, 2015 - 6:00 PM**

1. **ROLL CALL:**
2. **PLEDGE OF ALLEGIANCE:** Led by Vice Mayor Scott Maxwell
3. **UPDATES/FUTURE ACTION/DIRECTION:**
 - A. Discuss proposed State Revolving Fund (SRF) Loan for replacement of 2" water lines throughout the city
 - B. Discuss Fiscal Year 2015-2016 Community Development Block Grant Funding

4. **ADJOURNMENT:**

If a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105)

NOTE: ONE OR MORE MEMBERS OF ANY BOARD, AUTHORITY OR COMMISSION MAY ATTEND AND SPEAK AT ANY MEETING OF ANOTHER CITY BOARD, AUTHORITY OR COMMISSION.



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AGENDA DATE: April 14, 2015, Regular Meeting

DEPARTMENT: Water Utilities

EXECUTIVE BRIEF

TITLE:

Discuss proposed State Revolving Fund (SRF) Loan for replacement of 2" water lines throughout the city

SUMMARY:

The City Commission approved replacement of the 2 inch water lines throughout the water distribution system in the Fiscal Year 2015-19 Capital Improvement Program (CIP) budget, and directed staff to investigate funding the capital project using a loan to be paid from water system revenues. A SRF loan of \$16 million is proposed to fund this capital project, instead of issuing additional revenue bonds or bank loans.

BACKGROUND AND JUSTIFICATION:

The City Water Utility Department has planned the replacement of approximately 17 miles of 2 inch steel water lines that are corroded and failing within the city water distribution system. These water distribution lines are a potential health and safety risk, which may lead to city-wide boil water notices. This project was included as a high priority in the five year CIP in FY 2015. The Commission directed staff to fund the capital improvement through water system revenue financing. This may include revenue bonds, bank loans or a state Drinking Water State Revolving Fund loan (DWSRF). Estimated engineering, construction and financing costs for the six year project are \$16.9 million. The remainder of funds will be from Water System reserves.

Mock, Roos & Associates, Inc. prepared the attached Facilities Plan showing the feasibility of the proposed capital improvements. Burton & Associates, Inc. and staff prepared the attached business plan and financial analysis, showing the impact of a single revenue bond issue vs. annual draws from the DWSRF loan. The DWSRF loan has a lower interest rate, and allows the projected water rate increases to be lower in future years.

The replacement of the 2" steel water lines will be constructed over a six year phased plan, starting in District 4, and proceeding to Districts 3, 2 and 1 in that order. Replacement of the 2" steel lines will improve the quantity and quality of potable water to homes throughout the city, reduce broken water lines, and reduce the amount of water flushing required to maintain water quality in the water distribution system. Design of Year 1 improvements are proceeding with water system funds. The proposed loan is for Years 2-6. A Request For Quotes will be used to select the design engineer for years 2-6, and construction will be bid by pre-qualified contractors.

ATTACHMENT(S):

Presentation
Facility Plan, including water line replacement map
Financial Analysis
Business Plan
Resolution
Request for Inclusion
Mayor's Letter



Water Utilities 2-Inch Watermain Replacement Facilities Plan



City of Lake Worth
Water Utilities

January 2015

Prepared By:

MOCK • ROOS

CONSULTING ENGINEERS

PA# B4030.50

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Appendix B	Lake Worth Utilities Water Distribution System Modeling – December 2005
Appendix C	Financial Feasibility Analysis – February 2015

Engineer's Statement

I hereby state, as a Professional Engineer in the State of Florida, that the information in this *Water Utility Facilities Plan* was assembled under my direct responsible charge. Much of the information presented herein was furnished by others, including many of the recommended improvements and their associated costs. While the Engineer has made every reasonable attempt to determine that this information is accurate, there is no assurance made herein as to the information provided by others.

This Report is for the City of Lake Worth only and is not intended or represented to be suitable for any other use by others without specific verification or adaptation by the City of Lake Worth or Mock, Roos & Associates, Inc. Any use of the information provided in this Report will be at the user's sole risk and without liability or legal exposure to the City of Lake Worth or Mock, Roos & Associates, Inc.

Thomas A. Biggs, P.E.
Executive Vice President
Mock, Roos & Associates, Inc.

(Engineer's Signature)

(Date and Engineer's Seal)

(Reproductions are not valid unless signed, dated, and embossed with an Engineer's seal.)

I. Introduction

The City Utilities Department authorized Mock•Roos to prepare this Facilities Plan detailing the City's 2-inch Watermain Replacement Program to be utilized to assist the City in applying for a State Revolving Fund Loan as administered by the Florida Department of Environmental Protection Agency.

A. *Purpose and Scope*

This Facilities Plan addresses: (1) the condition of the water system (including recommendations for improvements and repairs); and, (2) the adequacy of the Capital Improvement Program. This is an engineering report and, as such, addresses these items from an engineering perspective.

The City's Water System ("System") includes: the raw water supply, the water treatment plant ("WTP"), water storage facilities, and the water distribution system.

The Water Distribution System consists of 157 miles of watermains ranging in size from 36-inch to 2-inch diameter. There are approximately 23 miles of 2-inch watermain. The 2-inch watermains are generally constructed of galvanized steel with internal and external corrosion resulting in poor water quality and reliability issues.

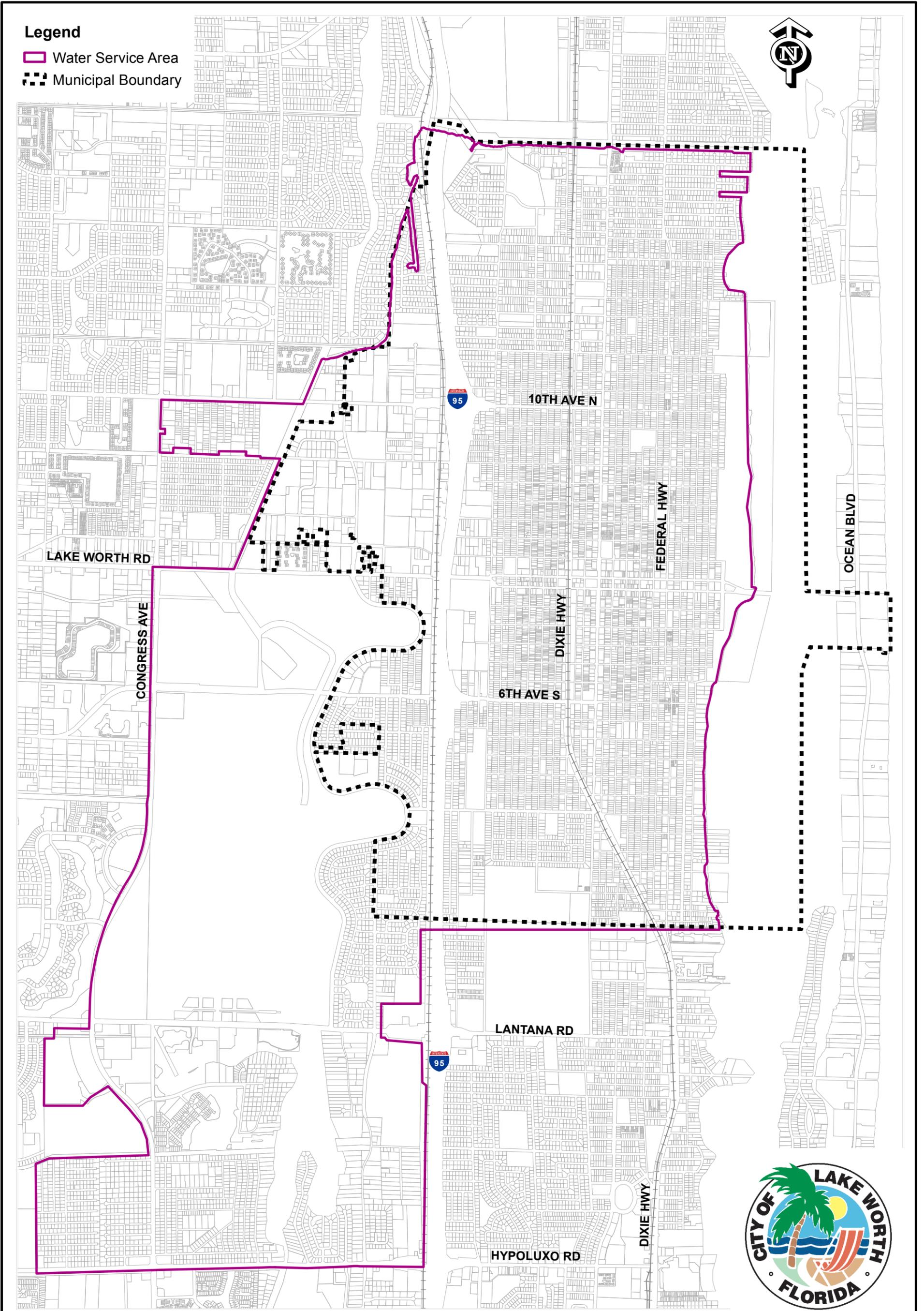
The City intends to replace the 2-inch watermains in a systematic manner to improve the level of service to its customers.

II. Service Area

Figure 1 is a map of the City's service area which confirms with Agreements with the neighboring municipal service area.

Figure 2 is a map depicting the locations of the 2-inch watermains within the City's service area. Note all of the 2-inch watermains exist within the municipal boundaries as well as the service area boundaries.

Figure 3 is a map depicting the number and approximate location of reported 2-inch watermain breaks occurring since 2011. Note that every year the reported number of breaks is increasing.



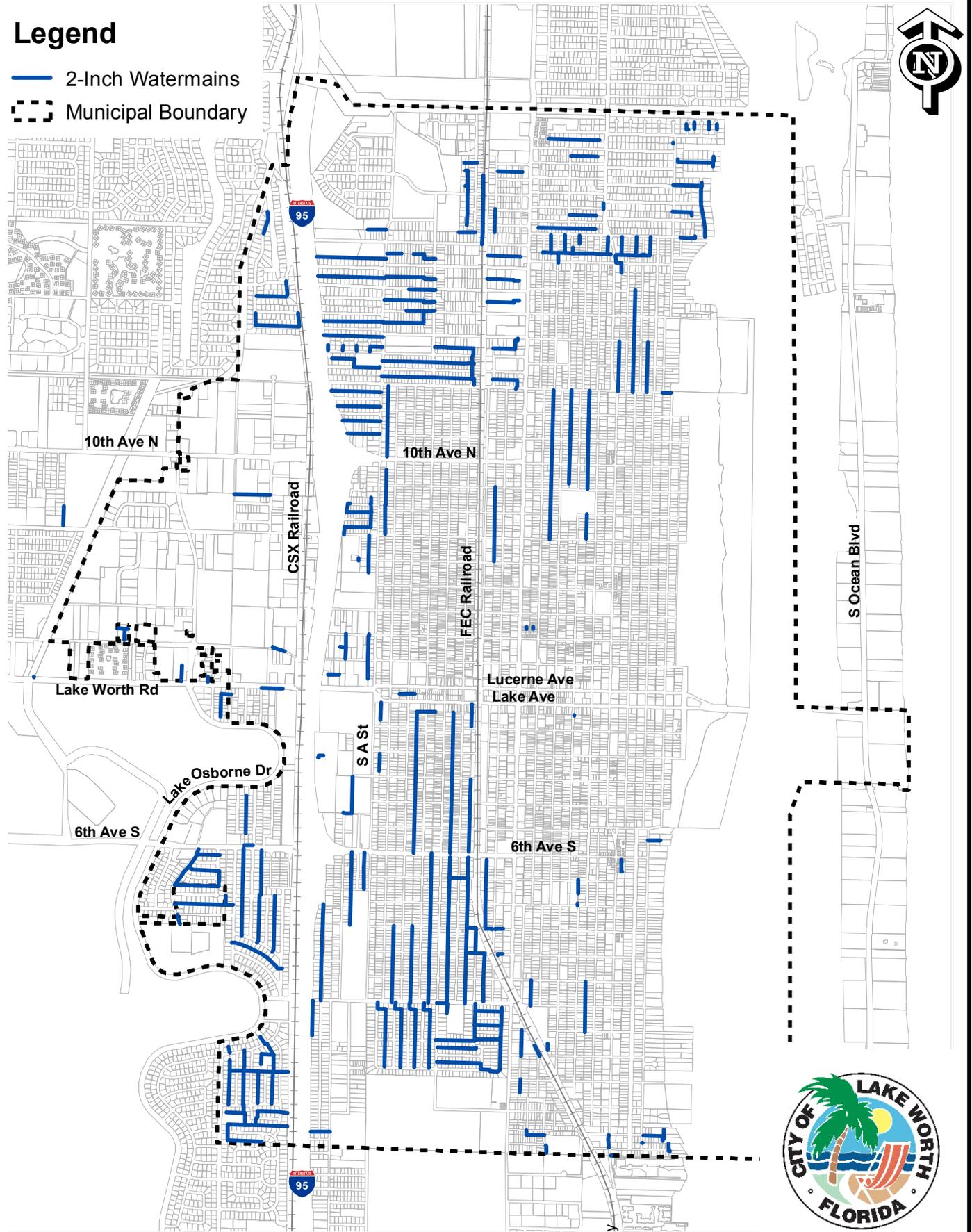
Legend

-  Water Service Area
-  Municipal Boundary



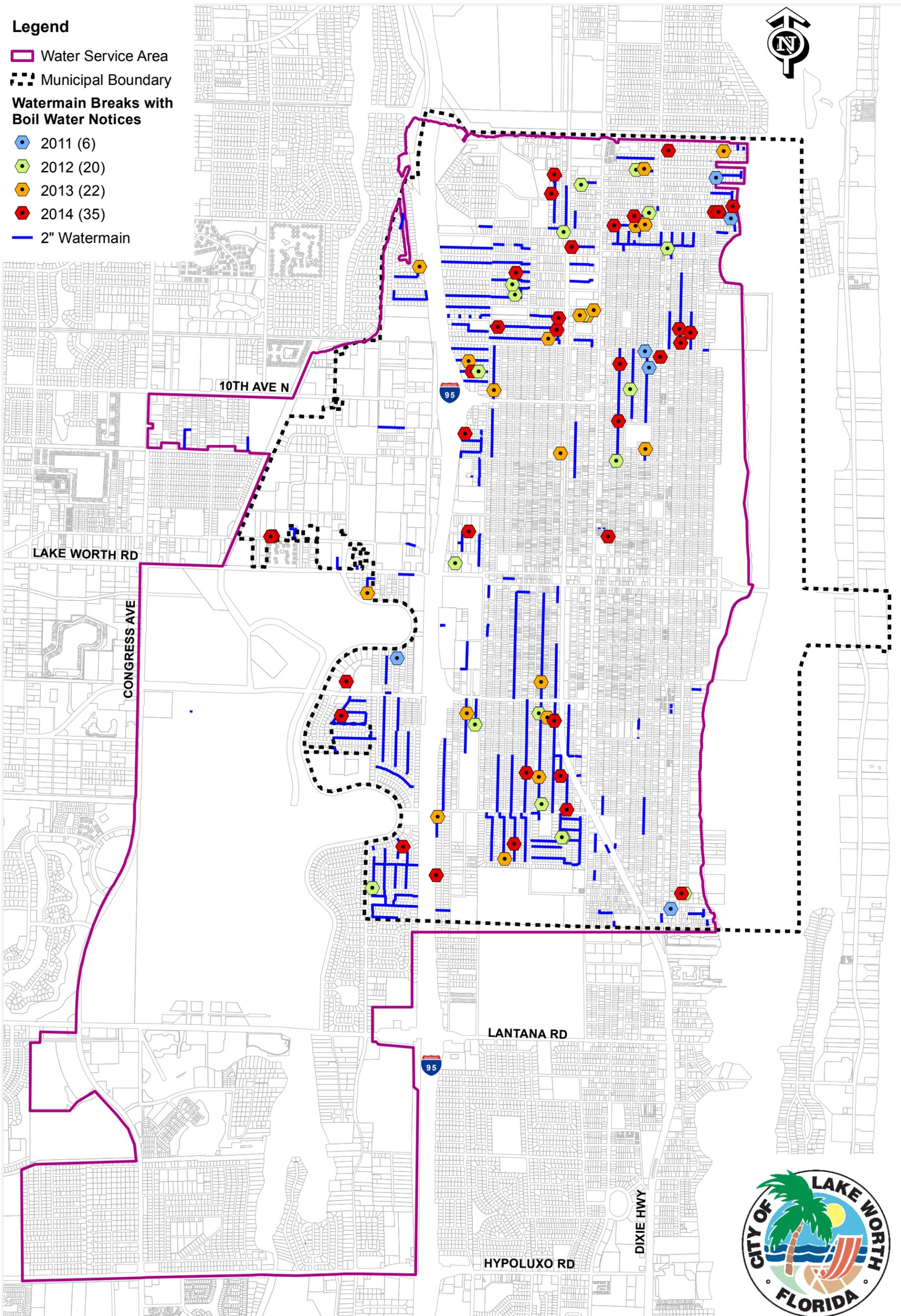
Legend

-  2-Inch Watermains
-  Municipal Boundary



Legend

-  Water Service Area
-  Municipal Boundary
- Watermain Breaks with Boil Water Notices**
-  2011 (6)
-  2012 (20)
-  2013 (22)
-  2014 (35)
-  2" Watermain



III. Population Projections and Water Demand

A. Population Projections

The City of Lake Worth's 10 Year Water Supply Plan (2014) prepared by Mathews Consulting updated the population projection based on the most recent population projection data available from the Bureau of Economic and Business Research (BEBR) at the University of Florida. Each year, BEBR prepares the official population projections, in five-year intervals, for each Florida County. Since BEBR issues only a single countywide figure for each county, the Planning Division of the Palm Beach County (PBC) Planning Department annually allocates these figures to smaller geographies (TAZs) for localized planning efforts in the Population Allocation Model.

The population projections developed for the City of Lake Worth are based on the PBC Planning Departments' 2013 Population Allocation Model. The projected population for the City of Lake Worth water service area was estimated by overlaying a map of Lake Worth's service area onto PBC's GIS base map containing population segregated into TAZs. Population projections for the City were developed by assessing a percentage of service area located within each TAZ and summing the population projections of the individual TAZs within the overall service area. A summary of the final population projections are included in the table below.

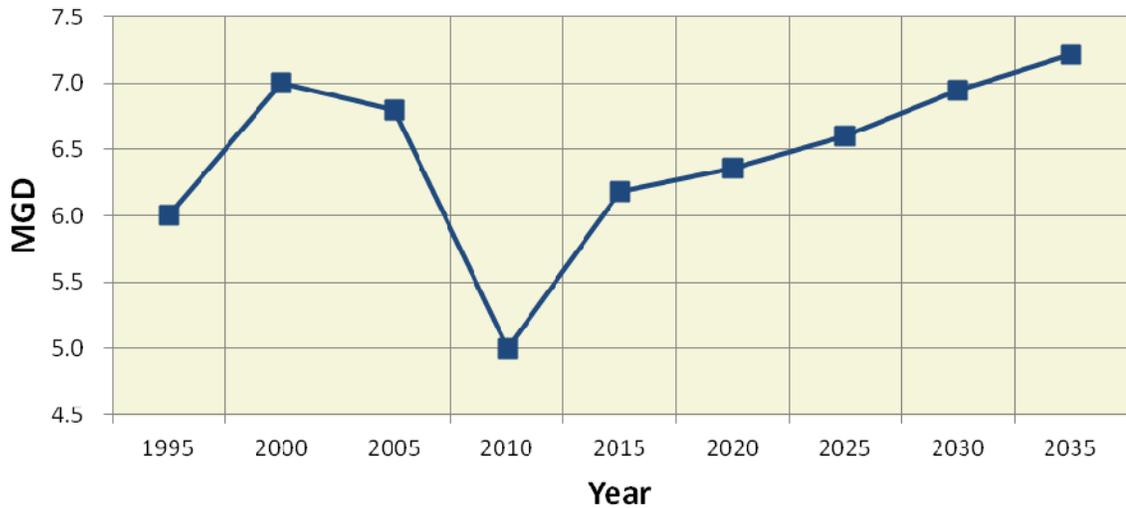
Lake Worth Service Area Population Projections through 2035	
Year	Total
2012	46,812
2013	47,760
2015	48,303
2020	49,685
2025	51,568
2030	54,243
2035	56,399

B. Water Demand

Daily water demand is continuously monitored and recorded at the water treatment plant. Figure 4 is a chart of the past 20-year average day water demand and a projection of the next 20-years water demand. The year 2010 data point is skewed much lower than other historical data points due to the severe water restrictions that were placed on Lake Worth during the drought time frame. South Florida Water Management District imposed these water restrictions on Lake Worth from 2007 through 2012. The projected average day water demand is anticipated to gradually increase over the next 20-year period in line with the increase in population as shown below. The average day water demand for 2035 is projected to be 7.2 MGD. The existing water treatment plant has the capacity to meet the projected increased demand requirements through the 20-year planning period.

FIGURE 4

Historical and Projected Average Day Water Demand



IV. Condition of the System

A. Water Use Permit

The City received a renewed SFWMD Water Use Permit (“WUP”) for water withdrawals in November 2012. The permit was issued as a 20-year permit and expires October 29, 2032. The permit includes withdrawals from both the Floridan and Surficial Aquifers. The Floridan Aquifer source is being used to reduce withdrawal from the Surficial Aquifer, thus prolonging the potential life of the Surficial Aquifer, and reducing the potential for salt water intrusion. The goal of the two aquifer approach is to sustainably utilize the less expensive and renewable surficial aquifer when supply is plentiful and utilize the more expensive and non-renewable Floridan Aquifer to supplement the surficial aquifer when needed. In addition, the permit established a westerly surfical aquifer wellfield expansion schedule coupled with an easterly well retirement plan. The goal of this program is to reduce the potential for salt water intrusion.

B. Review of Water Use Permit Allocation Limits and Existing Usage

The water use permit limits the allocation from both the Floridan and surfical aquifers as follows:

- The total annual allocation shall not exceed 4,106 MG
- The maximum monthly allocation shall not exceed 356.5 MG

The permit further limits the withdrawals from each aquifer as follow:

Surfical Aquifer:

- Annual allocation = 1,916 MG
- Maximum month withdrawals = 180.0 MG
- Maximum month for dry season (December through May) = 152 MG
- Maximum month for wet season (June through November) = 168 MG
- Maximum month for dry season for wells 1 through 15 = 101 MG
- Maximum month for wet season for wells 1 through 15 = 112 MG

Floridan Aquifer:

- Annual allocation = 2,190 MG
- Maximum month withdrawals = 206.0 MG

The following is a comparison of the surficial aquifer pumpage to the withdrawal allocations for the surficial aquifer:

Surficial Aquifer Withdrawals for 2013

Description	Permit Limit (MG)	2013 Withdrawals (MG)
Annual Allocation	1,916	958
Maximum Month Dry Season - Wells 1-15	101	96.5
Maximum Month Wet Season - Wells 1-15	112	101.5

The following is a comparison of the 2012 and 2013 Floridan well pumpage to the withdrawal allocations for the Floridan aquifer:

Floridan Aquifer Withdrawals for 2012 and 2013

Description	Permit Limit (MG)	2012 Withdrawals (MG)	2013 Withdrawals (MG)
Annual Allocation	2,190	806.2	860.6
Maximum Month	206.0	80.0	85.4

While the withdrawals increased between 2012 and 2013, there is still plenty of allocation capacity remaining to increase production significantly through the 20-year permit period.

C. Water Distribution System

The City's water distribution system consists of water pipes of various sizes, ages, and conditions.

1. Watermains

The City has been in the process of replacing old galvanized watermains with new facilities, sized to meet updated system standards and requirements that improve the flow and pressure conditions of the system. The watermain improvement program includes efforts to parallel and/or loop all major mains.

The City has replaced approximately 10 miles of old and undersized (primarily 2-inch galvanized) pipe with 6-inch or larger C-900 PVC or ductile iron pipe, since the mid 1980s. However, over 23 miles of 2-inch pipe remains in the distribution system, located primarily in the areas indicated on the map shown as **Figure 2**. These remaining undersized watermains result in areas within the distribution system that experience periodic pressure and water quality difficulties. The City has developed a phased plan to replace the 2-inch watermains. Phase I of these improvements is schedule for FY 2015. The phasing program is discussed in more detail in the Phasing Program section below.

2. Hydraulic Flow Analysis

An updated model of the distribution system was completed in 2005 and the associated report (**See Appendix B**) identified a number of improvements and extensions to the system based on existing and future demands. The report and associated modeling found that while some areas of the City have ample flows for water use and fire protection, other areas were lacking. The report recommendations focused on two distinct areas of improvements: 1) looping 8-inch and larger watermains to provide an improved main backbone for the water distribution system, and 2) replacing undersized 2-inch and 4-inch watermains with larger watermains to improve flow, pressure, and fire protection in local neighborhood areas. A looped main backbone watermain system is critically important since it will provide more reliable water service, and it will provide higher fire flows during an emergency. Replacement of undersized watermains in the local neighborhood areas is also a much-needed improvement. Many pockets within the City do not meet the residential fire flow demand goal of 1000 gpm. The neighborhood improvements will improve fire flows and coverage by installing more fire hydrants as the larger watermain projects are constructed. The hydraulic model was updated in 2013 to add improvements constructed since the 2005 Report and evaluate priority areas for future improvements. The City is utilizing this information to formulate a comprehensive City infrastructure improvement master plan. See **Appendix A**.

3. Level of Service Concerns

The Water Department's goal is to supply a high quality water under adequate pressures to all of its customers. This goal is met with treated waters leaving the water treatment plant through the combined product waters of the lime softening process and the reverse osmosis process. The combined product waters represent one of the highest quality potable waters in the area. The product waters always maintain an adequate disinfection residual to protect the customers from potential health hazards. As the waters travel through the distribution system, the disinfection residual may gradually decline. This is particularly true for the older, smaller waterlines in the distribution system. Water Utility staff tries to maintain the disinfection residuals at adequate levels by flushing the problem watermains frequently to bring freshly treated water into these older watermains. Some of the 2-inch watermains need to be flushed twice a week to accomplish this goal. With the large extent of the 2-inch watermains remaining in the service area, this can amount to a significant staff effort. This flushing not only wastes water, but requires significant staff time to accomplish and often results in overtime charges to complete the desired flushing in a particular area.

The majority of the 2-inch watermains were installed 50 to 60 to 70 years ago and were typically constructed with galvanized iron pipe. This pipe material is subject to rust and deterioration due to the nature of the pipe material. As the deterioration continues through the years, the result is water leaks and watermain breaks. The frequency and number of breaks has been increasing in recent years due to the age of these pipelines and their continuing deterioration. Based on this, the conclusion may be drawn that the 2-inch watermains have reached or even exceeded their useful life.

Many of the 2-inch watermains that have been repaired or replaced had a reduced diameter due to calcium tuberculation. The observation is that the reduced diameter is often less than one inch. This deteriorated condition results in reduced pressures at the customer's homes to the extent that marginal shower pressure is available when several customers are using water from the same restricted watermain.

The many 2-inch watermain breaks experienced in recent years result in customers being out of water until the break is repaired. A watermain break also requires boil water notices be distributed to the affected customers and include the requirement to boil drinking water for two days or until the water is tested safe again. This is a significant inconvenience to customers and often interrupts their ongoing routines during the out of service duration.

In summation, many of the 2-inch watermain do not meet the level of service goal established by the Water Department. As such, the City has embarked on an aggressive and extensive 2-inch watermain replacement program.

4. Phasing

The 2-inch watermain replacement program has been divided into six phases with the goal of starting one phase in each of the next six fiscal years. The phases are generally described below and are shown on the color coded Figure 5.

- Phase 1 – Includes replacing the 2-inch watermain in the southeast quadrant of the water service area. Start date: Fiscal Year 2015.
- Phase 2 – Includes replacing the 2-inch watermain in the northeast quadrant of the water service area. Start date: Fiscal Year 2016.
- Phase 3 – Includes replacing the 2-inch watermain in the northwest quadrant of the water service area east of the I-95 corridor. Start date: Fiscal Year 2017.
- Phase 4 – Includes replacing the 2-inch watermain in the mid-southwest quadrant of the water service area east of the I-95 corridor. Start date: Fiscal Year 2018.
- Phase 5 – Includes replacing the 2-inch watermain in the extreme southwest quadrant of the water service area east of the I-95 corridor. Start date: Fiscal Year 2019.
- Phase 6 – Includes replacing the 2-inch watermain west of the I-95 corridor in the water service area. Start date: Fiscal Year 2020.

5. Managerial and Technical Capacity of the System Administration

The City of Lake Worth City Manager separated the Electric Utility Department and Water Utility Department in August 2013, to allow more management attention to be provided for each of the departments. The Water Utility Department Management and Technical staff currently comprises a Director, Utility Engineer, Water Treatment Plant Supervisor, Chief Operator and Water Distribution/Sewer Collection Supervisor. In addition, the Administration Division

includes an administrative assistant and new positions for a Capital Project Manager and accounting analyst.

The Water Utility Director and the Utility Engineer are both licensed professional engineers, with combined experience of over 20 years in Water Utilities.

The Water Treatment Plant Supervisor and Chief Operator are both Licensed A Plant Operators, with combined operations experience exceeding 40 years.

The Water Utility Department is supported by the City Administration, including City Manager, Finance Director, contracted City Attorney, City Clerk, and their respective support staff.

The Water Utility Department has always taken significant pride in maintaining well trained and highly motivated staff and operators that strive to provide a high quality water to their customers. The plant has been awarded the best operated plant in its size category for a number of past years and this emphasizes the employees' dedication to this task.

6. Operation and Maintenance Program

The Water Distribution/Sewer Collection crews are responsible for operation and maintenance (O&M) of the water distribution system. Due to the deteriorating condition of the 2-inch watermains as discussed previously, the crews spend a significant amount of time addressing problems with the existing 2-inch watermains. A review of the FY 2014 expenses related to the 2-inch galvanized steel watermain problems are as follows:

• 72 – 2-inch water line breaks, at approx. \$3300 per break =	\$237,600
• Increased overtime for field personnel to flush water lines	\$25,000
• Water losses due to leaks =	\$30,000
• Water losses due to flushing =	\$30,000
Total O&M Expense	\$322,000

Future O&M costs will be much lower once new watermains replace the deficient 2-inch piping. This will reduce leaks by at least 70% (likely more) and reduce flushing by at least 50-percent if not more. The flushing envisioned after the project will be only routine periodic flushing that will

be scheduled during the normal work day (will not require overtime). Projected O&M costs per year related to the replacement watermains for the 2-inch piping are shown below:

• 22 water line breaks @\$3300	\$72,600
(Considered to be other water distribution system piping that is not being replaced under this project.)	
• Increased overtime for field personnel to flush water lines	\$0
• Water losses due to leaks	\$9,000
• Water losses due to flushing	\$15,000
Future O&M Expense	\$96,600
Estimated Annual Savings	\$225,400

The replacement of the deficient 2-inch watermains will not only enhance the level of service and water quality to the affected customers, but it will result in significant annual savings to the department O&M budget.

7. Alternatives Considered

The following alternatives were considered:

1. Do Nothing.
2. Replace the 2-inch watermains in their existing easement or alley location.
3. Replace the 2-inch watermains in the adjacent street location instead of their existing easement or alley location.

The following discussion is given for the alternatives:

1. **Do Nothing** – Based on past experience, the alternative will result in more watermain breaks, more lost water due to unknown leaks, a continually degrading water quality, and more flushing to maintain chlorine residuals. The level of service to these water customers will continue to decline including loss of pressure due to continuing tuberculation buildup in the pipelines and a continually degrading water quality as noted above. At some point the conditions may worsen to the point where chlorine residuals cannot be maintained at acceptable levels even

with frequent flushing. This condition would represent a potential health hazard to these water customers and as such, all measures must be taken to eliminate this potential health hazard. Based on this assessment, the “Do Nothing” alternative is not an acceptable alternative.

2. **Replace the 2-inch watermains in their existing easement or alley location.** This alternative has been used in a number of easement and alleys in the past. It has the disadvantage that most alleys in the service area are only 10-feet wide and some are restricted further making installation more difficult. Access to some easement locations is restricted due to existing fences or structures. This makes maintenance of the watermain and services more difficult.

3. **Replace the 2-inch watermains in the adjacent street location instead of their existing easement or alley location.** This alternative has also been used in a number of past watermain replacement projects. It offers the advantage of easier access to the watermains and service locations. But it also had the disadvantage of increased costs. Such a project will likely require pavement replacement and or sidewalk replacement as well as the costs to relocate the customer’s water service from the rear of the property to the front of the property. See cost comparison below.

8. Cost Analysis

A cost analysis was conducted to compare alternatives 2 and 3. These two alternatives were compared on a block by block basis. Costs are presented in the table below for the two alternatives.

Construction Cost Comparison for Watermain Construction in the Alleyways vs. Sidewalks

Alternative	Description	Cost per Block
2	Watermain Construction Alleyways	\$61,000
3	Watermain Construction Under Sidewalks	\$123,000

As can be seen from the above costs, locating the replacement watermain in the street or sidewalk location is twice as expensive as reconstruction the watermain in the existing easement or alley locations on a block by block comparison basis. The costs presented above are documented by the Conceptual Engineer’s Opinion of Probable Construction Cost in Tables 1 and 2 that follows.

These costs were expanded to include the costs for the entire project as shown later in this report in the Funding Section.

Table 1
Conceptual Engineer's Opinion of Probable Construction Cost
for
4-Inch Watermain Replacement in Alley

Description	Quantity	Unit	Unit Cost	Price
A. General				
1. Mobilization, Demobilization & General Conditions @8%	1	LS		\$ 5,000
2. Bonds and Insurance @2%	1	LS		\$ 1,100
3. Maintenance of Traffic	1	LS		\$ 1,500
4. Video Taping of Existing Conditions	1	LS		\$ 800
5. Record Drawings	1	LS		\$ 2,500
Subtotal A				\$ 10,900
B. Site Work and Utilities				
1. 4" PVC Watermain	440	LF	\$ 25	\$ 11,000
2. 4" Gate Valve	2	EA	\$ 750	\$ 1,500
3. Connect to Existing Watermain	2	EA	\$ 1,000	\$ 2,000
4. Disinfection & Sample Point Testing	2	EA	\$ 1,000	\$ 2,000
5. Reconnect Water Service to Existing Meter Box	20	EA	\$ 500	\$ 10,000
6. Abandon 2" Watermain (cap and grout in place)	1	LS		\$ 1,500
7. Asphalt Trench Patch - Roadway (2@15'x15')	50	SY	\$ 50	\$ 2,500
8. 6" Concrete Driveway Replacement (2@5'x20')	22	SY	\$ 50	\$ 1,100
9. Gravel for Alley	1	LS		\$ 5,000
10. Conflict Allowance for Sanitary Sewer Laterals	1	LS		\$ 2,500
11. Conflict Allowance for Gas Main & Other Utilities	1	LS		\$ 2,500
Subtotal B				\$ 41,600
Total (A+B)				\$ 52,500
Contingency (15%)				\$ 7,875
Total Construction				\$ 60,375
Rounded Total Construction Cost Opinion				\$ 61,000

Assumptions:

1. Consider one block of alley at 400-feet long and 10-feet wide.
2. Other Utilities exist in alley, sanitary sewer, gas, electric, telephone, etc.
3. Extensive utility conflicts will likely increase cost.
4. Connection to existing watermain in center of adjoining street.
5. Concrete driveway approach at each end of alley.
6. Alley is not paved. (Add \$10,000 for asphalt paving.)
7. 10 water services on either side of alley for 20 total.
8. Utilize existing meter box and house service line.
9. Constructing multiple alleys in the same project would result in some savings.
10. Engineering Services are not included in the above cost opinion.

Table 2
Conceptual Engineer's Opinion of Probable Construction Cost
for
4-Inch Watermain Replacement in Sidewalk

Description	Quantity	Unit	Unit Cost	Price
A. General				
1. Mobilization, Demobilization & General Conditions @8%	1	LS		\$ 9,000
2. Bonds and Insurance @2%	1	LS		\$ 2,100
3. Maintenance of Traffic	1	LS		\$ 2,500
4. Video Taping of Existing Conditions	1	LS		\$ 800
5. Record Drawings	1	LS		\$ 2,500
Subtotal A				\$ 16,900
B. Site Work and Utilities				
1. 4" PVC Watermain	440	LF	\$ 24	\$ 10,560
2. 4" Gate Valve	2	EA	\$ 750	\$ 1,500
3. Connect to Existing Watermain	2	EA	\$ 1,000	\$ 2,000
4. Disinfection & Sample Point Testing	2	EA	\$ 1,000	\$ 2,000
5. Reconnect Water Service to New Meter Box	10	EA	\$ 500	\$ 5,000
6. Reconnect Water Service with Bore under Street	10	EA	\$ 1,500	\$ 15,000
7. Relocate Water Service from Rear to Front of House	20	EA	\$ 1,500	\$ 30,000
8. Abandon 2" Watermain (cap and grout in place)	1	LS		\$ 1,500
9. Asphalt Trench Patch - Roadway (2@15'x15')	50	SY	\$ 50	\$ 2,500
10. 6" Concrete Driveway Replacement (10@5'x15')	84	SY	\$ 50	\$ 4,200
11. 4" Concrete Sidewalk Replacement	140	SY	\$ 40	\$ 5,600
12. Landscape Restoration	1	LS		\$ 5,000
13. Conflict Allowance for Sanitary Sewer Laterals	1	LS		\$ 2,500
14. Conflict Allowance for Gas Main & Other Utilities	1	LS		\$ 2,500
Subtotal B				\$ 89,860
Total (A+B)				\$ 106,760
Contingency (15%)				\$ 16,014
Total Construction				\$ 122,774
Rounded Total Construction Cost Opinion				\$ 123,000

Assumptions:

1. Consider one block at 400-feet long.
2. Other Utilities may exist in vicinity.
3. Extensive utility conflicts will likely increase cost.
4. Connection to existing watermain in center of adjoining street.
5. Concrete driveway approach at each house.
6. No curb or pavement in adjacent street is damaged.
7. 10 water services on either side of street for 20 total.
8. Relocate house service line from rear to front of house.
9. Engineering Services are not included in the above cost opinion.

V. Funding

A. Funding Sources

As noted previously, Burton & Associates performed a Water & Sewer Revenue Sufficiency Analysis Update for FY 2013. Since this analysis included a detailed review of charges, revenues, and fund balances, this section of the report provides an overview only.

1. Capital Improvement Fund

The Renewal and Replacement Fund (R&R Fund), created by Resolution U-10-78, as amended, was established to set aside funds to upgrade and/or replace components of the System as needed. Contributions to the R&R Fund come from water utility revenues. The R&R Fund was transferred into the capital improvement fund under the 2004 Bond issue.

2. Connection Charge

The City collects a reserve capacity charge (Impact Fee) for each new connection to the water system. This fee is assessed to defray the capital cost of the increased wellfield, WTP and distribution system capacity used by each connection. The City last adjusted this charge in 2009.

3. Capital Reserve Account

A resolution, adopted in September 2002, established a Capital Reserve Account to provide capital reserves for the proposed ROWTP Project. This account was used to fund preliminary costs related to the ROWTP Project before the bonds were sold. The balance in the Capital Reserve Account was transferred into the Capital Improvement Fund established under the 2004 Bond issue.

4. Bond Funds

The City issued combined Water and Electric System Revenue Bonds in the amount of \$69,925,000 in November 2004. The bond principal and interest payments are due over a 30-year term. The City adopted a water rate increase to fund the bond payments at the time the bonds were issued. The rate increase was implemented in increments over a period of years.

5. Operating Account and Cash Reserves

The operating account is the primary fund for accepting system revenues and paying expenses due for the water utilities. The Burton Report recommends that a minimum fund balance be maintained of at least four months of annual operating expenses plus annual transfers to the General Fund. This minimum balance recommendation is consistent with national industry standards. Per the Burton Report the water operating account meets this criteria. In addition the operating account includes accumulated retained earnings from previous fiscal years. These funds are available for water system improvements and are listed as transfer (to) from reserves in the Annual Budget.

6. Grant Funds

The City has received grant funds under several programs over a period of years since 2004. All grant funding has been for improvements related to the ROWTP and WTP Improvement Project.

7. Interfund Loans

In Fiscal Year 2013 the City has authorized an interfund loan from the Water Fund to the Beach and Casino Redevelopment Project. This loan is for \$4,000,000 with annual repayment of \$500,000 starting in FY 2018. While the Water Fund has sufficient reserves to fund Capital Improvements for several years, these funds will be needed in future years to fund the magnitude of projects in the 5 year CIP.

B. Project Funding

The improvements recommended in this report for the 2-Inch Watermain Replacement Program have been reviewed with the City Utilities' Staff to develop priorities. The projects, along with an Engineer's Preliminary Opinion of Probable Project Cost, are summarized in **Table 3**. In addition **Table 3** presents a Six-Year Phasing Plan. The costs are presented to establish a budget range for each phase. The budget cost indicated was furnished by the City.

C. Financial Feasibility Analysis

A Financial Feasibility Analysis was completed by Burton & Associates. The analysis reviewed the capital financing plan proposed for the project. The review considered the rates, charges, and fees needed to generate sufficient revenues to repay the loan. The analysis found that the Lake Water System can support the rates, charges, and fees as proposed. Furthermore, the projected revenues are sufficient to repay the loan including the coverage factor. See Financial Feasibility Analysis attached as Appendix C for details of the analysis.

Table 3
2-Inch Watermain Replacement - All Phases
Engineer's Preliminary Opinion of Probable Project Cost

Description	Quantity	Unit	Unit Cost	Price
A. General				
1 Mobilization, Demobilization & General Conditions (8%)	1	LS		\$ 737,131
2 Bonds and Insurance (2%)	1	LS		\$ 184,283
3 Maintenance of Traffic (3%)	1	LS		\$ 143,398
4 Maintenance of Traffic Alleys (1.5%)	1	LS		\$ 66,513
5 Video Taping of Existing Conditions	183	EA	\$ 800	\$ 146,400
6 Record Drawings	183	EA	\$ 2,000	\$ 366,000
Subtotal A				\$ 1,643,724
B. Site Work & Utilities - Easements				
# of Blocks	48	EA		
# of Connect to Exist WM	88	EA		
# of Services	693	EA		
Total Length of New 4" WM to Replace 2" WM	30,497	LF	5.8	Mi
2" WM to be Abandoned	27,912	LF		
1 4" PVC Watermain	30,497	LF	\$ 24	\$ 731,928
2 4" Gate Valve	152	EA	\$ 750	\$ 114,364
3 Connect to Existing Watermain	88	EA	\$ 1,000	\$ 88,000
4 Disinfection & Sample Point Testing	88	EA	\$ 1,000	\$ 88,000
5 Water Service (Including Meter Box - Hand Dig)	693	EA	\$ 500	\$ 346,500
6 Reconnect Water Service	693	EA	\$ 1,500	\$ 1,039,500
7 Abandon 2" Watermain (Cap in place)	27,912	LF	\$ 6	\$ 167,472
8 Conflict Allowance for Sanitary Sewer Laterals	48	LS/ Block	\$ 2,500	\$ 120,000
9 Conflict Allowance for Gas & other Utilities	48	LS/ Block	\$ 2,500	\$ 120,000
10 Conflict Allowance for Tree Removal/ Relocation	48	LS/ Block	\$ 500	\$ 24,000
11 Asphalt Trench Patch	48	LS/ Block	\$ 2,500	\$ 120,000
12 Driveway Restoration	693	EA	\$ 550	\$ 381,150
13 4" Concrete Sidewalk Replacement	26,977	LF	\$ 14	\$ 377,678
Subtotal B				\$ 3,718,592
C. Site Work & Utilities - Alleyways				
# of Blocks	114	EA		
# of Connect to Exist WM	121	EA		
# of Services	1374	EA		
Total Length of New 4" WM to Replace 2" WM	54,580	LF	10.3	Mi
1 4" PVC Watermain (Open Cut)	54,580	LF	\$ 25	\$ 1,364,500
2 4" Gate Valve	273	EA	\$ 750	\$ 204,675
3 Connect to Existing Watermain	121	EA	\$ 1,000	\$ 121,000
4 Disinfection & Sample Point Testing	121	EA	\$ 1,000	\$ 121,000
5 Water Service (Excluding Meter Box - Hand Dig)	1374	EA	\$ 500	\$ 687,000
6 Abandon 2" Watermain (Cap in place)	54,580	LF	\$ 6	\$ 327,480
7 Conflict Allowance for Sanitary Sewer Laterals	114	LS/ Block	\$ 2,500	\$ 285,000
8 Conflict Allowance for Gas & other Utilities	114	LS/ Block	\$ 2,500	\$ 285,000
9 Conflict Allowance for Tree Removal/ Relocation	114	LS/ Block	\$ 500	\$ 57,000
10 Gravel/ Regrade Alley	114	LS/ Block	\$ 5,000	\$ 570,000
11 Asphalt Trench Patch	114	LS/ Block	\$ 2,500	\$ 285,000

**Table 3
2-Inch Watermain Replacement - All Phases
Engineer's Preliminary Opinion of Probable Project Cost**

Description	Quantity	Unit	Unit Cost	Price
12 6" Conc Driveway Replace	114	LS/ Block	\$ 1,110	\$ 126,540
Subtotal C				\$ 4,434,195
D. Site Work & Utilities - Roadway				
# of Blocks	21	EA		
# of Connect to Exist WM	31	EA		
# of Services	110	EA		
Total Length of New 4" WM to Replace 2" WM	8,220	LF	1.6	Mi
1 4" PVC Watermain (Open Trench)	8,220	LF	\$ 25	\$ 205,500
2 4" Gate Valve	41	EA	\$ 750	\$ 30,825
3 Connect to Existing Watermain	31	EA	\$ 1,000	\$ 31,000
4 Disinfection & Sample Point Testing	31	EA	\$ 1,000	\$ 31,000
5 Water Service (Excluding Meter Box - Hand Dig)	110	EA	\$ 500	\$ 55,000
6 Abandon 2" Watermain (Cap in place)	8,220	LF	\$ 6	\$ 49,320
7 Conflict Allowance for Sanitary Sewer Laterals	21	LS/ Block	\$ 2,500	\$ 52,500
8 Conflict Allowance for Gas & other Utilities	21	LS/ Block	\$ 2,500	\$ 52,500
9 Pavement Restoration & Striping	8,220	LF	\$ 60	\$ 493,200
10 Driveway Restoration	110	EA	\$ 550	\$ 60,500
Subtotal D				\$ 1,061,345
Total (A+B+C+D)				\$ 10,857,856
Contingency (25%)				\$ 2,714,464
Total Construction				\$ 13,572,320
Rounded Total Engineer's Preliminary Opinion of Probable Construction Cost:				\$ 13,600,000
Survey & Utility Locates (6%)				\$ 820,000
Engineering Design & Construction Phase Services (12%)				\$ 1,640,000
Grand Total: Engineer's Preliminary Opinion of Probable Project Cost				\$ 16,060,000
<hr/>				
PHASE 1				\$ 540,000
PHASE 2				\$ 3,090,000
PHASE 3				\$ 3,100,000
PHASE 4				\$ 3,000,000
PHASE 5				\$ 3,000,000
PHASE 6				\$ 3,330,000
TOTAL (CHECK)				\$ 16,060,000

Appendix A

Lake Worth Utilities Water Distribution System Modeling Update April 2013

Appendix B

Lake Worth Utilities Water Distribution System Modeling December 2005

Appendix C

Lake Worth Utilities Financial Feasibility Analysis February 2015



Water Utilities 2-Inch Watermain Replacement Facilities Plan

City of Lake Worth Utilities
January 2015

Prepared By:

MOCK • ROOS
CONSULTING ENGINEERS

City of Lake Worth



Water System SRF Financial Feasibility Analysis

March 22, 2015

Prepared by:

BURTON & ASSOCIATES

UTILITY RATES ■ ASSESSMENTS ■ FINANCIAL PLANNING

March 22, 2015

Mr. Larry A. Johnson, P.E.
Water Utilities Director
City of Lake Worth
1900 2nd Avenue North
Lake Worth, FL 33461

Re: SRF Financial Feasibility Analysis – Draft Report

Dear Mr. Johnson:

Burton & Associates is pleased to present this Draft Report of the SRF Financial Feasibility Analysis to be submitted as part of the City's SRF loan application to secure funding for its 2-Inch Watermain Replacement Project.

We appreciate the fine assistance provided by you and all of the members of City staff who participated in the analysis. Please distribute this report to the pertinent members of City staff for their review and comment in addition to your own.

If you have any questions, please do not hesitate to call me at (813) 443-5138.

Sincerely,



Andrew J. Burnham
Senior Vice President

Enclosure

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SECTION 1. INTRODUCTION & BACKGROUND

Burton & Associates has been retained to conduct a Financial Feasibility Analysis for the City of Lake Worth Water System (Utility) that will be submitted to the Drinking Water State Revolving Fund Program (DWSRF) as part of its SRF Loan Application to secure funding for its 2-inch Watermain Replacement Project (Project). This report describes in detail the source data, assumptions, and results of this Financial Feasibility Analysis, which will be used as the source for much of the information required in the Business Plan to be submitted as part of the SRF Loan Application.

In FY 2009, the Utility engaged Burton & Associates to perform a rate study in response to financial challenges stemming from substantial increases in key operating costs, increasing wholesale expenses, water demand reductions due to the economy, water use restrictions and reductions in future available groundwater. The FY 2009 Rate Study analyzed the sufficiency of the revenue provided by the Utility’s current rates and identified the following multi-year plan of rate adjustments:

Identified Rate Adjustments				
FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
13.25%	13.25%	13.25%	13.25%	13.25%

At the conclusion of the FY 2009 Rate Study, the City committed to performing annual updates to evaluate the adequacy of the revenues to be provided by the adopted rates for the Water Fund. Doing so allows for the incorporation of updated revenue and expense information as well as changes in economic conditions, water consumption, water use restrictions, regulatory requirements, and other factors into the financial management plan of the Utility so that any necessary adjustments to the current approved rates and/or schedule of future rates could be made.

The first such update conducted in FY 2010 resulted in a 2.25% reduction to the approved level of annual water rate increases for FY 2011 – FY 2013 due to savings on the reverse osmosis facility and associated interim water purchase costs. The next update

SRF Financial Feasibility Analysis INTRODUCTION & BACKGROUND

conducted in FY 2011 resulted in a 5.75% reduction to the approved level of annual water rate increases for FY 2012 – FY 2013 due to deferred timing for future RO capacity expansions and reduced forecast for operating costs due to reduced demands. The following update conducted in FY 2012 resulted in no rate increase requirements for the Water System in FY 2013 or FY 2014 due to a significantly lower multi-year capital improvement program (CIP) and slightly lower operating costs as compared to previous projections. The subsequent update conducted in FY 2013 confirmed no rate increase was needed in FY 2014, but a significant increase in capital projects caused rate adjustments in FY 2015 and future years to increase by 0.5% per year.

The most recent update (Final Report dated August 4, 2014, hereafter referred to as the “FY 2015 RSA”) confirmed the adequacy of the 5.00% rate adjustment plan identified in the prior update, assuming the Utility issued approximately \$14 million in debt (approximately \$950,000 in annual debt service) to provide funding for key projects in its CIP (notably the Project). The table below summarizes the rate adjustments identified in each analysis. It is important to note that the City Commission did approve the five-year plan of adjustments from the most recent update that was conducted in FY 2014.

Study	Identified Rate Adjustments									
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
FY 2009 RSA	13.25%	13.25%	13.25%	13.25%	13.25%	13.25%				
FY 2010 RSA	N/A	N/A	11.00%	11.00%	11.00%	4.00%	4.00%			
FY 2011 RSA	N/A	N/A	N/A	5.25%	5.25%	5.25%	5.25%	5.25%		
FY 2012 RSA	N/A	N/A	N/A	N/A	0.00%	0.00%	4.50%	4.50%	4.50%	
FY 2013 RSA	N/A	N/A	N/A	N/A	N/A	0.00%	5.00%	5.00%	5.00%	5.00%
FY 2015 RSA*	N/A	N/A	N/A	N/A	N/A	N/A	5.00%	5.00%	5.00%	5.00%

* All studies have been conducted annually, however the FY 2015 RSA reflects a change in the title/labeling of the study requested by City Staff to reflect the upcoming budget year instead of the year in which the analysis was conducted.

Now, in lieu of issuing General Obligation or Revenue Bonds in support of its CIP needs, the Utility is seeking to utilize the low interest loan program offered by the DWSRF. It is anticipated that the use of such a program will provide an opportunity by which the Utility can reduce costs and positively modify (i.e. lower) its rate adjustment plan.

In support of that effort, the City has retained Burton & Associates to perform this analysis that includes limited updates to certain data points and parameters of the FY 2015 RSA based upon the most current available data, as well as the integration of the assumed capital and borrowing costs for the Project to determine a new multi-year rate

adjustment plan that would satisfy the Utility's updated cost requirements, including the estimated debt service requirements of the SRF loan for the Project. Upon approval and acceptance of a SRF loan for the Project, it is expected that the rate adjustments identified herein would then be brought before the City Commission for approval and later modified as part of future revenue sufficiency updates as may be required.

SECTION 2. SOURCE DATA

Beginning Fund Balances – City staff provided audited account data as of September 30, 2013, which were used to establish the beginning FY 2014 balances for each of the funds of the Utility. Fund balances are presented on Schedule 2 of the Appendix.

Revenues – The revenues for the system (shown in detail on Schedule 4 of Appendix) consist of retail rate revenue, interest (investment) income, impact fee revenue, service charges, and other miscellaneous revenues. Rate revenue is based upon actual FY 2014 results, adjusted annually to reflect additional revenue generated from assumed rate increases and customer growth. All other non-rate revenues were based upon FY 2014 actual results and the FY 2015 Approved Budget, excluding water impact fee revenue (which was calculated annually based upon the assumed number of new connections and the current fee) and interest earnings (which was calculated based upon projected average fund balances, and assumed interest rates).

Operating Expenditure Requirements – The revenue requirements (shown in detail on Schedule 5 of the Appendix) are based upon the FY 2014 actual expenses and FY 2015 Approved Budget, and include all operating and maintenance expenses, debt service requirements, inter-fund transfers, and minor capital. After FY 2015, expenditures were projected based upon assumed cost escalation factors for individual expense categories (shown on Schedule 1 of Appendix), with the exception of debt service expenses, which reflect the specific repayments schedules for each respective financing.

Capital Projects Funding – The ten-year CIP (as well as actual FY 2014 spending) was provided by City staff from FY 2015 through FY 2024, and includes unspecified future capital projects from FY 2021 thru FY 2024 per estimates provided by and discussed with Utility staff. It is important to note that the CIP reflects the total estimated costs of \$16.796 million for all phases of the Project as identified by the City’s consulting engineer, Mock Roos & Associates, Inc. A detailed listing of the multi-year CIP by project and fiscal year is presented on Schedule 3 of the Appendix.

SECTION 3. ASSUMPTIONS

Borrowing Assumptions – The only new debt included in the forecast presented herein is anticipated to be the use of the DWSRF loan program to fund each phase of the Project, which is comprised of 6 phases spanning from FY 2015 through FY 2020 that total \$16,796,000. Per communications with the DWSRF program staff, the terms of the SRF loan for each phase of the Project were estimated as shown below (further borrowing details are shown on Schedule 10 of the Appendix):

- Term: 30 years
- Interest Rates: 1.25% for funds borrowed in FY 2015, 1.50% in FY 2016, 1.75% in FY 2017, 2.00% in FY 2018 and each year thereafter.
- Loan Service Fee: 2.0% of capital costs
- Debt Repayment: begins after completion of each phase (for conservative purposes, construction is assumed to be complete in one year for each phase)

Debt Service and Coverage – The enterprise fund has a covenant to maintain net revenues (gross revenues minus operating expenses) that are at least 1.20 times greater than the annual debt service expense (i.e. the annual principal and interest payments) for senior lien debt and 1.15 times greater than annual debt service expenses associated with subordinated debt (such as SRF loans).

It is important to note that this coverage amount is a minimum requirement. To the extent the Utility is unable to meet this requirement it could be found in technical default resulting in the Utility having its credit rating downgraded, which would affect the interest rate and terms of future financing initiatives. As a policy decision, utilities often measure revenue sufficiency and set rates based upon a higher coverage level so as to ensure compliance with these covenants in the event future projections of revenue and expenses do not occur as predicted. As such, given current economic conditions and our recent experience with municipal rating agencies, we have used a debt service coverage target of 1.50 on senior lien and subordinated debt service during the projection period to

ensure that the Utility can access credit markets at the most favorable terms in the future. The estimated Utility' debt service coverage throughout the projection period is shown on Schedule 7 of the Appendix.

Growth in Accounts and Consumption – New accounts and water sales growth projections were based upon a review of historical data for residential and commercial accounts from FY 2011 through FY 2014, observance of local economic conditions, and discussions with City Staff regarding upcoming planned developments. As a result, the analysis assumes a slightly higher near-term growth due to identified economic developments, that declines to more modest growth rates in future for conservative purposes. In summary, the assumed growth in the analysis presented herein represents approximately 1.3% in FY 2015 through FY 2018, and declines to approximately 0.25% per year starting in FY 2019 throughout the remainder of the projection period. Account and consumption assumptions are shown in detail on Schedule 1 of the Appendix.

Price Elasticity – This adjustment is incorporated into the Financial Feasibility Analysis to reflect that as rates increase, discretionary water consumption will likely decline. Therefore, in order to generate sufficient revenue, projected rate increases will have to be adjusted to reflect a smaller revenue base to which they will be applied, thus causing the projected rate increases to be larger. The price elasticity adjustment reduces consumption-based revenues by the product of the annual rate increase and the annual assumed elasticity coefficient. In each year of the projection period, the price elasticity coefficient is 0.10, which in effect means that for every 10% increase in price, the Financial Feasibility Analysis reflects a 1% reduction in consumption.

Minimum Revenue/Operating Fund Reserve – The revenue or operating fund is the primary fund for the system and fluctuates based upon monthly cash flow. Utilities typically establish a target reserve balance for this fund in order to provide the ability to withstand cash-flow fluctuations. There can be a significant length of time between when a system provides a service and when a customer may pay for that service. In addition to timing, the volume of cash flow for utilities can be substantially affected by weather and seasonal demand patterns.

The analysis presented herein assumes that the Utility will continue to maintain a minimum fund balance in its operating fund equal to at least four (4) months of annual operations and maintenance expenses (inclusive of transfers to the General Fund). This level of reserve is consistent with 1) our industry experience for similar systems, 2) the findings of reserve studies conducted by the American Water Works Association (AWWA), and 3) a “strong” level of reserves for a municipal utility system per the evaluation criteria published by the municipal utility ratings agency, Standard & Poor’s.

Renewal & Replacement Funding – Most water utility systems have a separate fund that is dedicated to renew, repair, or replace system assets that have become worn out or obsolete. The forecast for the Utility presented herein reflects the use of the renewal and replacement fund for the funding of annual capital infrastructure (the source of funds is provided from annual transfers from operations) and maintains an undesignated minimum balance in this fund of at least \$1,000,000 through FY 2024 that can be used to address any unplanned capital expenditure requirements as may be necessary.

Casino Beach District Reimbursement – The Financial Feasibility Analysis includes annual reimbursements of \$500,000 a year starting in FY 2018 until the \$4 million of funds loaned internally within the City for improvements in the Casino District are repaid in full.

SECTION 4. RESULTS

In the preparation of this report, certain considerations and assumptions were made with respect to future conditions. While it is believed that the considerations and assumptions are reasonable for the purpose of this report, they are dependent upon future events and actual conditions which may differ from those assumed. In addition, it is important to note that certain information and assumptions provided or prepared by others have been used and relied upon in preparation of this report. To the extent that actual conditions differ from those assumed herein or from information or assumptions provided or prepared by others, the actual results will vary from those estimated and projected herein.

The foregoing notwithstanding, based upon the principal considerations, data, assumptions, and the results of the analysis as summarized in this report, which should be read in its entirety in conjunction with the following, we are of the opinion that

1. The Utility is financially well managed and the administrative staff is capable of addressing the administrative and financial needs of the Utility.
2. Nothing came to our attention during the course of our analysis, which would adversely affect the continued operating and financial condition of the Utility.
3. Gross revenue under the Utility's existing rates and rate adjustment plan presented herein, are projected to be sufficient to: (i) pay projected operating expenses; (ii) pay the annual debt service requirements of all existing and new debt; (iii) maintain the identified minimum renewal and replacement and operating reserve balance targets; and (v) provide net revenues that exceed one hundred and fifty percent (150%) of the total (senior lien and subordinated) debt service requirements in each respective fiscal year.
4. The existing and projected gross revenues and operating expenses, described herein, are reasonable based upon the Utility's historic data, anticipated changes

- in accounts and billed usage, and assumed rate increases (which are less than those currently approved by the City Commission).
5. The revenue for each of the ten fiscal years in the forecast from October 1, 2014 through September 30, 2024 will be sufficient to pay the annual debt service requirements of all debt, including the assumed SRF Loan(s) for the Project.

Appendix

Supporting Schedules

Schedule 1 contains the assumptions of the Financial Feasibility Analysis

Schedule 2 contains the end of FY 2013 fund balances that serve as the FY 2014 beginning balances of the analysis

Schedule 3 provides a listing of the projects in the CIP utilized in the analysis

Schedule 4 contains a detailed list of all projected cash inflows from FY 2014-24

Schedule 5 contains a detailed list of all projected cash outflows from FY 2014-24

Schedule 6 contains the FAMS-XL© Control Panel that presents a summary of the full financial management plan, including annual rate increases, debt service coverage ratios, total CIP spending levels, customer impacts, and fund balances

Schedule 7 presents annual net income, debt service coverage, and cash flow results

Schedule 8 shows the funding sources utilized to pay for the CIP

Schedule 9 presents a fund-level cash flow reconciliation, providing the beginning balance in each year, the amount utilized for project funding or payment of debt service, interest calculations, and the end of year fund balance

Schedule 10 contains the calculation of projected annual long-term borrowing assuming the use of the DWSRF Loan Program

Schedule 1 – Assumptions

Assumptions

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Annual Growth:											
Water Growth:											
Residential Customers	10,055	10,210	10,369	10,487	10,605	10,629	10,653	10,677	10,701	10,725	10,749
Growth in Accounts		155	159	118	118	24	24	24	24	24	24
Percent increase in Accounts	N/A	1.54%	1.56%	1.14%	1.13%	0.23%	0.23%	0.23%	0.22%	0.22%	0.22%
% Increase in Water Use	N/A	1.54%	1.56%	1.14%	1.13%	0.23%	0.23%	0.23%	0.22%	0.22%	0.22%
Commercial Customers	11,310	11,485	11,664	11,796	11,928	11,954	11,980	12,006	12,032	12,058	12,084
Growth in Accounts		175	179	132	132	26	26	26	26	26	26
Percent increase in Accounts	N/A	1.55%	1.55%	1.13%	1.12%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
% Increase in Water Use	N/A	1.55%	1.55%	1.13%	1.12%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
Capital Spending:											
Annual Capital Budget (Current Day \$)	\$3,755,291	\$4,045,900	\$8,257,900	\$10,262,465	\$4,861,000	\$5,756,000	\$4,296,000	\$2,330,000	\$2,550,000	\$2,500,000	\$2,500,000
Annual Percent Executed	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Impact Fees:											
Water	\$3,416	\$3,416	\$3,416	\$3,416	\$3,416	\$3,416	\$3,416	\$3,416	\$3,416	\$3,416	\$3,416
Average Annual Interest Earnings Rate:											
Water Enterprise Fund:	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%
Operating Expenses Cost Escalation:											
Life, Health, & Disability	N/A	N/A	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Interfund Admin Services	N/A	N/A	3.21%	3.24%	3.27%	3.30%	3.35%	3.40%	3.45%	3.50%	3.55%
Regular Salaries & Wages	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Worker's Compensation	N/A	N/A	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gas, Lubricant, Oil	N/A	N/A	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Chemicals	N/A	N/A	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Uncollectible Accounts	N/A	N/A	6.76%	5.75%	4.86%	4.38%	3.47%	3.47%	3.47%	3.47%	3.47%
All Other Expenditures	N/A	N/A	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Payment in Lieu of Taxes (% of PY Revenues)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Weighted Average Cost Escalation	N/A	N/A	3.21%	3.24%	3.27%	3.30%	3.35%	3.40%	3.45%	3.50%	3.55%
Operating Budget Reserve:											
Target (Number of Months of Reserve)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Operating Budget Execution Percentage:											
Personal Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operations and Maintenance	85%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Burton & Associates

Schedule 2 – Beginning Balances

Fund Balances as of Sept. 30, 2013

SOURCE: 2013 CAFR Pages 22-23 and additional details provided by City Staff.

FUND BALANCES	Revenue Fund	
Water Impact Fees	\$	-
Bond Proceeds	\$	-
Renewal & Replacement	\$	250,000
Capital Improvement Fund	\$	-
SRF Projects	\$	-
Revenue Fund	\$	15,468,692
Restricted Reserves	\$	231,627
TOTAL CONSOLIDATED FUND BALANCE	\$	15,950,319

CURRENT UNRESTRICTED ASSETS	Revenue Fund	Restricted Reserves
Cash and Cash Equivalents	\$ 1,386,058	\$ 231,627
Investments	\$ 12,669,549	\$ 946,828
Accounts Receivable Net	\$ 1,447,610	\$ -
Accrued Interest Receivable	\$ 47,555	\$ -
Due From Other Funds	\$ 1,376,829	\$ -
Due From Other Governments	\$ 31,639	\$ -
Inventories	\$ 259,633	\$ -
Advances to Other Funds (Casino Bldg Fund)	\$ -	\$ -
TOTAL CURRENT UNRESTRICTED ASSETS	\$ 17,218,873	\$ 1,178,455
Less: Accounts & Contracts Payable	\$ (113,823)	\$ -
Less: Accrued Liabilities	\$ (469,752)	\$ -
Less: Compensated Absences - Current	\$ (21,973)	\$ -
Less: Notes Bonds Payable - Current	\$ -	\$ -
Less: Revenue Bonds Payable - Current	\$ (635,001)	\$ -
Less: Meter Deposits	\$ -	\$ (946,828)
Less: Inventories	\$ (259,633)	\$ -
Less: Accounts & Contracts Payable From Restricted Assets	\$ -	\$ -
CALCULATED FUND BALANCE (ASSETS - LIABILITIES)	\$ 15,718,692	\$ 231,627
Plus/(Less): Separation of R&R Fund Balance	\$ (250,000)	\$ -
NET UNRESTRICTED FUND BALANCE	\$ 15,468,692	\$ 231,627

Burton & Associates

Schedule 3 – Capital Improvement Plan

Capital Improvement Program

Project Description	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Fund 402 - Master Plan - Lake Worth 2020											
K St & M St	\$ -	171,000	-	1,544,708	-	-	-	-	-	-	-
N F St	\$ -	65,000	-	482,757	-	-	-	-	-	-	-
15, 16, 17, 18 Ave N; Terr Dr	\$ -	400,000	-	2,670,000	-	-	-	-	-	-	-
Tropical Dr & Barton Rd	\$ -	1,265,000	-	-	-	-	-	-	-	-	-
Snowden & Collier	\$ -	158,000	1,052,000	-	-	-	-	-	-	-	-
S. C, D, E, F St	\$ -	157,000	1,045,000	-	-	-	-	-	-	-	-
S. B, C, F St 3rd, 4th, 5th Ave	\$ -	80,000	533,000	-	-	-	-	-	-	-	-
Park of Commerce	\$ -	-	1,231,000	-	-	-	-	-	-	-	-
7th Ave S 8th Ave S, Elm, F St	\$ -	-	-	56,000	373,000	-	-	-	-	-	-
15th Ave S & S N St	\$ -	-	-	-	76,000	506,000	-	-	-	-	-
Wright, Small, Barber Dr	\$ -	-	-	-	88,000	584,000	-	-	-	-	-
S East Coast & S H St	\$ -	-	-	-	28,000	184,000	-	-	-	-	-
Fund 402 - Water Distribution	\$ -	-	-	-	-	-	-	-	-	-	-
WM Replace Crestwood	\$ 346,000	-	-	-	-	-	-	-	-	-	-
WM Replace 14th Ave N	\$ 160,000	-	-	-	-	-	-	-	-	-	-
WM Replace 15th Ave N	\$ 246,783	-	-	-	-	-	-	-	-	-	-
WM Install 10th Ave S	\$ 560,000	-	-	-	-	-	-	-	-	-	-
WM Install I-95 to A st 11th & 12th N	\$ -	-	-	-	-	-	-	-	-	-	-
WM Replace 13th, 15th N, M to O St	\$ -	-	-	-	-	-	-	-	-	-	-
WM Replace Lake & Lucerne J, K, L, G, M	\$ -	-	80,000	800,000	-	-	-	-	-	-	-
WM Connect Lake & Lucerne & FEC	\$ -	-	-	150,000	-	-	-	-	-	-	-
O st & S Palmway* MP yr 7	\$ -	-	50,000	331,000	-	-	-	-	-	-	-
Hillcrest Dr	\$ -	-	-	-	-	21,000	-	-	-	-	-
S K, L, M, st & 1st Ave S	\$ -	-	-	-	-	60,000	-	-	-	-	-
15th Ave S & S G St	\$ -	-	-	-	-	74,000	-	-	-	-	-
11th Ave S & S G St	\$ -	-	-	-	-	67,000	-	-	-	-	-
Vassar & Byrn Mawr	\$ -	-	-	-	-	65,000	-	-	-	-	-
Duke, Lakeside Dr, Wellesley Dr	\$ -	-	-	-	-	55,000	-	-	-	-	-
13th Ave N & 11th Ave N	\$ -	-	-	-	-	33,000	-	-	-	-	-
N H St - 2nd to 5th	\$ -	-	-	-	-	31,000	-	-	-	-	-
Fund 402 - Water Treatment	\$ -	-	-	-	-	-	-	-	-	-	-
4 LOG WTP Improvements	\$ 690,008	-	-	-	-	-	-	-	-	-	-
Lime Softening Basin	\$ 30,500	-	-	-	-	-	-	-	-	-	-
Well 9R Rehabilitation	\$ 200,000	-	-	-	-	-	-	-	-	-	-
Raw WM Install Well # 16, 17, 18	\$ 860,000	120,000	120,000	-	-	-	-	-	-	-	-
New Construction Well #16	\$ 662,000	-	-	-	-	-	-	-	-	-	-
Reconstruction Well #12	\$ -	405,000	-	-	-	-	-	-	-	-	-
New Construction Well #17	\$ -	58,900	662,000	-	-	-	-	-	-	-	-
New Construction Well #18	\$ -	-	58,900	662,000	-	-	-	-	-	-	-
New Construction Well #F-4	\$ -	-	-	-	-	80,000	800,000	-	-	-	-
New Construction Well #F-5	\$ -	-	-	-	-	-	-	80,000	800,000	-	-
Replace HS Pumps #3, 4, 5	\$ -	350,000	-	300,000	-	-	-	-	-	-	-
Ground Storage Tank Repairs	\$ -	-	80,000	-	-	-	-	-	-	-	-
Membrane Replacement	\$ -	-	-	-	300,000	300,000	300,000	-	-	-	-
MIT Deep Well	\$ -	-	150,000	-	-	-	-	-	-	-	-
WTP Structural Repairs	\$ -	-	-	70,000	700,000	-	-	-	-	-	-
Wash Recovery Basin	\$ -	-	-	-	-	500,000	-	-	-	-	-
Well 9 Generator	\$ -	-	-	-	100,000	-	-	-	-	-	-

Schedule 3 – Capital Improvement Plan

Capital Improvement Program

Project Description	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Unspecified Future Projects - Distribution	\$ -	-	-	-	-	-	-	1,750,000	1,750,000	1,750,000	1,750,000
Unspecified Future Projects -Treatment	\$ -	-	-	-	-	-	-	500,000	-	750,000	750,000
Unspecified Future Projects -Wells	\$ -	-	-	-	-	-	-	-	-	-	-
2" Watermain Replacement - cash funded portion	\$ -	816,000	-	-	-	-	-	-	-	-	-
2" Watermain Replacement	\$ -	-	3,196,000	3,196,000	3,196,000	3,196,000	3,196,000	-	-	-	-
Total CIP Budget (in FY 2014 dollars)	\$ 3,755,291	4,045,900	8,257,900	10,262,465	4,861,000	5,756,000	4,296,000	2,330,000	2,550,000	2,500,000	2,500,000
Cumulative Projected Cost Escalation	0.0%	0.0%	2.5%	5.1%	7.7%	10.4%	13.1%	16.0%	18.9%	21.8%	24.9%
Resulting CIP Funding Level	\$ 3,755,291	4,045,900	8,384,448	10,622,855	4,989,205	6,022,240	4,440,100	2,702,800	3,031,950	3,045,000	3,122,500
Annual CIP Execution Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Final CIP Funding Level	\$ 3,755,291	4,045,900	8,384,448	10,622,855	4,989,205	6,022,240	4,440,100	2,702,800	3,031,950	3,045,000	3,122,500

Burton & Associates

Schedule 4 – Projection of Cash Inflows

Projection of Cash Inflows

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1 Rate Revenue Growth Assumptions											
2 Growth in Residential Water Customers	N/A	155	159	118	118	24	24	24	24	24	24
3 Use Growth	N/A	1.54%	1.56%	1.14%	1.13%	0.23%	0.23%	0.23%	0.22%	0.22%	0.22%
4 Growth in Commercial Water Customers	N/A	175	179	132	132	26	26	26	26	26	26
5 Use Growth	N/A	1.55%	1.55%	1.13%	1.12%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
6 Assumed Rate Revenue Increases											
7 Assumed Water Rate Increase	N/A	5.0%	4.5%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
8 Water Rate Revenue											
9 Base Facility Charges	\$ 4,578,269	4,881,433	5,180,453	5,448,804	5,702,786	5,915,480	6,136,078	6,364,871	6,602,163	6,848,269	7,103,514
10 Usage Charges	\$ 7,337,793	7,784,570	8,224,250	8,615,671	8,985,706	9,288,220	9,600,872	9,923,999	10,257,952	10,603,091	10,959,790
11 Total Water Rate Revenue	\$11,916,062	12,666,003	13,404,703	14,064,475	14,688,492	15,203,701	15,736,950	16,288,871	16,860,115	17,451,360	18,063,304
12 Other Operating Revenue											
13 Service Charge	\$ 114,557	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
14 Tampering Fines	\$ -	-	-	-	-	-	-	-	-	-	-
15 Tax Collections	\$ 2,505	-	-	-	-	-	-	-	-	-	-
16 Discount	\$ (757)	-	-	-	-	-	-	-	-	-	-
17 Miscellaneous	\$ -	-	-	-	-	-	-	-	-	-	-
18 FDOT Reimbursement	\$ -	-	-	-	-	-	-	-	-	-	-
19 Other	\$ -	-	-	-	-	-	-	-	-	-	-
20 Total Other Operating Revenue	\$ 116,305	180,000									
21 Impact Fee Revenue											
22 Water Impact Fees	\$ 231,294	1,127,280	1,152,900	854,000	854,000	170,800	170,800	170,800	170,800	170,800	170,800
23 Total Impact Fee Revenue	\$ 231,294	1,127,280	1,152,900	854,000	854,000	170,800	170,800	170,800	170,800	170,800	170,800
24 Non-Operating Revenue											
25 Disp of Fixed Assets	\$ 4	-	-	-	-	-	-	-	-	-	-
26 Realized Gain/(Loss)	\$ (3,011)	-	-	-	-	-	-	-	-	-	-
27 Total Non-Operating Revenue	\$ (3,007)	-									
28 Transfers In											
29 Casino Reimbursement	\$ -	-	-	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000
30 Total Non-Operating Revenue	\$ -	-	-	-	500,000						
31 Interest Earnings											
32 Interest Earned on Unrestricted Funds	\$ 39,581	63,487	73,588	55,494	42,712	60,114	98,672	118,692	123,701	129,524	138,722
33 Interest Earned on Restricted Funds	\$ 618	1,158	1,737	2,316	2,895	3,474	4,633	4,633	4,633	4,633	4,633
34 Total Interest Earnings	\$ 40,199	64,645	75,325	57,810	45,607	63,588	103,305	123,325	128,334	134,157	143,355
35 Total Revenue	\$12,300,853	14,037,928	14,812,928	15,156,286	16,268,099	16,118,089	16,691,055	17,262,995	17,839,249	18,436,316	19,057,458

Burton & Associates

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
Personal Service Expenses												
<u>Administration – 7010</u>												
1	402-7010-533.12-10 Regular	\$ -	154,607	159,245	164,023	168,943	174,012	179,232	184,609	190,147	195,852	201,727
2	402-7010-533.15-10 Longevity	\$ -	338	348	359	369	380	392	404	416	428	441
3	402-7010-533.15-30 Other Pays	\$ -	3,150	3,245	3,342	3,442	3,545	3,652	3,761	3,874	3,990	4,110
4	402-7010-533.21-00 FICA Taxes	\$ -	12,094	12,457	12,831	13,215	13,612	14,020	14,441	14,874	15,320	15,780
5	402-7010-533.22-10 Defined Benefit Plan	\$ -	34,370	37,120	40,089	43,296	46,760	50,501	54,541	58,904	63,616	68,706
6	402-7010-533.22-20 401-a Plan	\$ -	5,250	5,408	5,570	5,737	5,909	6,086	6,269	6,457	6,651	6,850
7	402-7010-533.23-00 Life & Health Insurance	\$ -	14,346	15,494	16,733	18,072	19,518	21,079	22,765	24,587	26,553	28,678
8	402-7010-533.24-10 Workers' Compensation-R	\$ -	2,833	2,975	3,123	3,280	3,444	3,616	3,796	3,986	4,186	4,395
<u>Treatment – 7022</u>												
9	402-7022-533.12-10 Regular	\$ 992,510	1,002,394	1,032,466	1,063,440	1,095,343	1,128,203	1,162,049	1,196,911	1,232,818	1,269,803	1,307,897
10	402-7022-533.14-10 Standard Overtime	\$ 83,133	89,107	91,780	94,534	97,370	100,291	103,299	106,398	109,590	112,878	116,264
11	402-7022-533.15-10 Longevity	\$ 9,853	10,646	10,965	11,294	11,633	11,982	12,342	12,712	13,093	13,486	13,891
12	402-7022-533.15-30 Other Pays	\$ 3,112	-	-	-	-	-	-	-	-	-	-
13	402-7022-533.21-00 FICA Taxes	\$ 80,120	80,913	83,340	85,841	88,416	91,068	93,800	96,614	99,513	102,498	105,573
14	402-7022-533.22-10 Defined Benefit Plan	\$ 380,788	339,875	367,065	396,430	428,145	462,396	499,388	539,339	582,486	629,085	679,412
15	402-7022-533.22-20 401-a Plan	\$ 6,000	-	-	-	-	-	-	-	-	-	-
16	402-7022-533.23-00 Life & Health Insurance	\$ 161,419	160,010	172,811	186,636	201,567	217,692	235,107	253,916	274,229	296,167	319,861
17	402-7022-533.24-10 Worker's Compensation-Reg	\$ 1,343	48,384	50,803	53,343	56,011	58,811	61,752	64,839	68,081	71,485	75,059
<u>Transmission & Distribution - 7034</u>												
18	402-7034-533.12-10 Regular	\$ 456,330	457,080	470,792	484,916	499,464	514,448	529,881	545,777	562,151	579,015	596,386
19	402-7034-533.14-10 Standard Overtime	\$ 46,243	43,992	45,312	46,671	48,071	49,513	50,999	52,529	54,105	55,728	57,400
20	402-7034-533.15-10 Longevity	\$ 1,649	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
21	402-7034-533.15-30 Other Pays	\$ 1,827	-	-	-	-	-	-	-	-	-	-
22	402-7034-533.21-00 FICA Taxes	\$ 36,462	36,180	37,265	38,383	39,535	40,721	41,943	43,201	44,497	45,832	47,207
23	402-7034-533.22-10 Defined Benefit Plan	\$ 162,359	154,022	166,344	179,651	194,023	209,545	226,309	244,414	263,967	285,084	307,891
24	402-7034-533.23-00 Life & Health Insurance	\$ 88,948	96,908	104,661	113,033	122,076	131,842	142,390	153,781	166,083	179,370	193,720
25	402-7034-533.24-10 Worker's Compensation-Reg	\$ 816	23,133	24,290	25,504	26,779	28,118	29,524	31,000	32,550	34,178	35,887
26	Personal Services	\$ 2,512,912	2,771,632	2,896,245	3,027,868	3,166,972	3,314,061	3,469,678	3,634,405	3,808,868	3,993,739	4,189,742
27	Personal Services Execution Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
28	Total Personal Services Executed	\$ 2,512,912	2,771,632	2,896,245	3,027,868	3,166,972	3,314,061	3,469,678	3,634,405	3,808,868	3,993,739	4,189,742
Operations & Maintenance Expenses												
<u>Administration - 7010</u>												
29	402-9010-533.34-95 Interfund Admins Services	\$ 1,468,466	725,475	748,739	772,968	798,270	824,632	852,258	881,222	911,604	943,489	976,970
30	402-7010-533.31-10 Legal	\$ -	75,000	76,875	78,797	80,767	82,786	84,856	86,977	89,151	91,380	93,665
31	402-7010-533.31-90 Other	\$ -	350,000	358,750	367,719	376,912	386,335	395,993	405,893	416,040	426,441	437,102
32	402-7010-533.32-00 Accounting & Auditing	\$ -	30,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466
33	402-7010-533.40-10 Training/Registration	\$ -	4,000	4,100	4,203	4,308	4,415	4,526	4,639	4,755	4,874	4,995
34	402-7010-533.40-20 Lodging/Transportation	\$ -	3,000	3,075	3,152	3,231	3,311	3,394	3,479	3,566	3,655	3,747
35	402-7010-533.46-21 Equipment-General	\$ -	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	2,437	2,498
36	402-7010-533.47-00 Printing & Binding	\$ -	3,000	3,075	3,152	3,231	3,311	3,394	3,479	3,566	3,655	3,747
37	402-7010-533.48-00 Promotional Activities	\$ -	11,000	11,275	11,557	11,846	12,142	12,445	12,757	13,076	13,402	13,737
38	402-7010-533.49-10 Advertising	\$ -	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	2,437	2,498
39	402-7010-533.51-10 Office Supplies	\$ -	4,500	4,613	4,728	4,846	4,967	5,091	5,219	5,349	5,483	5,620
40	402-7010-533.54-00 Books, Publ, Subsc & Me	\$ -	1,500	1,538	1,576	1,615	1,656	1,697	1,740	1,783	1,828	1,873
<u>Production - 7021</u>												
41	402-7021-533.43-10 Water	\$ 827	1,000	1,045	1,087	1,125	1,164	1,205	1,247	1,291	1,336	1,383
42	402-7021-533.43-30 Electricity	\$ 125,788	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
43	402-7021-533.46-10 Buildings	\$ -	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
44	402-7021-533.46-21 Equipment-General	\$ 9,007	22,000	22,550	23,114	23,692	24,284	24,891	25,513	26,151	26,805	27,475
45	402-7021-533.46-22 Equipment-Garage	\$ -	7,000	7,175	7,354	7,538	7,727	7,920	8,118	8,321	8,529	8,742
46	402-7021-533.46-26 Heavy Equipment	\$ 1,446	10,000	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489
47	402-7021-533.46-46 Wells	\$ 202,103	195,000	199,875	204,872	209,994	215,244	220,625	226,140	231,794	237,589	243,528
48	402-7021-533.52-15 Inventory/Over-Short	\$ (853)	-	-	-	-	-	-	-	-	-	-

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<u>Treatment - 7022</u>											
49 402-7022-533.31-10 Legal	\$ 14,373	-	-	-	-	-	-	-	-	-	-
50 402-7022-533.31-50 Internal IT Support	\$ 56,335	51,980	53,280	54,611	55,977	57,376	58,811	60,281	61,788	63,333	64,916
51 402-7022-533.31-90 Other	\$ 27,505	60,000	61,500	63,038	64,613	66,229	67,884	69,582	71,321	73,104	74,932
52 402-7022-533.32-00 Accounting & Auditing	\$ 4,375	-	-	-	-	-	-	-	-	-	-
53 402-7022-533.34-50 Other Contractual Services	\$ 201,967	249,400	255,635	262,026	268,577	275,291	282,173	289,228	296,458	303,870	311,466
54 402-7022-533.40-10 Training/ Registration	\$ 4,534	6,404	6,564	6,728	6,896	7,069	7,246	7,427	7,612	7,803	7,998
55 402-7022-533.41-30 Postage & Freight	\$ 1,077	5,700	5,843	5,989	6,138	6,292	6,449	6,610	6,776	6,945	7,119
56 402-7022-533.43-30 Electricity	\$ 462,800	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
57 402-7022-533.44-00 Refuse/Waste Disposal	\$ 510	-	-	-	-	-	-	-	-	-	-
58 402-7022-533.43-10 Water	\$ 194,549	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
59 402-7022-533.44-20 Operating/ Capital Leasing	\$ 669	-	-	-	-	-	-	-	-	-	-
60 402-7022-533.45-10 Property/Liability	\$ 313,123	313,123	320,951	328,975	337,199	345,629	354,270	363,127	372,205	381,510	391,048
61 402-7022-533.46-21 Equipment-General	\$ 76,671	65,000	66,625	68,291	69,998	71,748	73,542	75,380	77,265	79,196	81,176
62 402-7022-533.46-22 Equipment- Garage	\$ 19,600	24,500	25,113	25,740	26,384	27,043	27,720	28,412	29,123	29,851	30,597
63 402-7022-533.46-26 Heavy Equipment	\$ 148	563	577	592	606	621	637	653	669	686	703
64 402-7022-533.47-00 Printing & Binding	\$ 6,586	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
65 402-7022-533.49-10 Advertising	\$ 2,346	3,000	3,075	3,152	3,231	3,311	3,394	3,479	3,566	3,655	3,747
66 402-7022-533.51-10 Office Supplies	\$ 6,322	2,500	2,563	2,627	2,692	2,760	2,829	2,899	2,972	3,046	3,122
67 402-7022-533.52-10 Gas, Lubricant, & Oil	\$ 19,206	26,340	27,657	29,040	30,492	32,016	33,617	35,298	37,063	38,916	40,862
68 402-7022-533.52-20 Small Tools & Equipment	\$ 10,129	7,500	7,688	7,880	8,077	8,279	8,486	8,698	8,915	9,138	9,366
69 402-7022-533.52-30 Chemicals	\$ 364,167	541,990	569,090	597,544	627,421	658,792	691,732	726,318	762,634	800,766	840,804
70 402-7022-533.52-40 Uniforms	\$ 3,122	7,161	7,340	7,524	7,712	7,904	8,102	8,305	8,512	8,725	8,943
71 402-7022-533.52-60 Lab	\$ 30,293	34,000	34,850	35,721	36,614	37,530	38,468	39,430	40,415	41,426	42,461
72 402-7022-533.52-90 Other	\$ 21,074	64,000	65,600	67,240	68,921	70,644	72,410	74,220	76,076	77,978	79,927
73 402-7022-533.54-00 Books, Publ, Subsc, & Memb	\$ 1,390	2,296	2,353	2,412	2,473	2,534	2,598	2,663	2,729	2,797	2,867
74 402-7022-533.56-20 Equipment Technology	\$ 3,500	-	-	-	-	-	-	-	-	-	-
<u>Transmission & Distribution - 7034</u>											
75 402-7034-533.31-50 Internal IT Support	\$ 57,214	60,265	61,772	63,316	64,899	66,521	68,184	69,889	71,636	73,427	75,263
76 402-7034-533.46-90 Other	\$ -	32	33	34	34	35	36	37	38	39	40
77 402-7034-533.34-50 Other Contractual Services	\$ 69,308	20,300	20,808	21,328	21,861	22,407	22,968	23,542	24,130	24,734	25,352
78 402-7034-533.34-75 Right of Way	\$ 5,174	7,900	8,098	8,300	8,507	8,720	8,938	9,162	9,391	9,625	9,866
79 402-7034-533.40-10 Training/ Registration	\$ 457	3,355	3,439	3,525	3,613	3,703	3,796	3,891	3,988	4,088	4,190
80 402-7034-533.46-60 Meters/Lines	\$ 164,450	209,900	215,148	220,526	226,039	231,690	237,483	243,420	249,505	255,743	262,136
81 402-7034-533.49-10 Advertising	\$ 868	1,000	1,025	1,051	1,077	1,104	1,131	1,160	1,189	1,218	1,249
82 402-7034-533.41-20 Mobile Radios	\$ 1,160	1,500	1,538	1,576	1,615	1,656	1,697	1,740	1,783	1,828	1,873
83 402-7034-533.41-30 Postage & Freight	\$ 309	441	452	463	475	487	499	511	524	537	551
84 402-7034-533.43-10 Water	\$ 287	1,200	1,290	1,387	1,491	1,603	1,723	1,852	1,991	2,140	2,301
85 402-7034-533.43-30 Electricity	\$ 23,369	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
86 402-7034-533.43-40 Refuse/Waste Disposal	\$ 213	500	505	510	515	520	526	531	536	541	547
87 402-7034-533.47-00 Printing & Binding	\$ 751	750	769	788	808	828	849	870	892	914	937
88 402-7034-533.44-20 Operating/ Capital Leasing	\$ 3,389	16,000	16,400	16,810	17,230	17,661	18,103	18,555	19,019	19,494	19,982
89 402-7034-533.45-10 Property/Liability	\$ 34,137	34,137	34,990	35,865	36,762	37,681	38,623	39,588	40,578	41,593	42,632
90 402-7034-533.51-10 Office Supplies	\$ 2,184	3,500	3,588	3,677	3,769	3,863	3,960	4,059	4,160	4,264	4,371
91 402-7034-533.52-10 Gas, Lubricant, & Oil	\$ 37,347	38,000	39,900	41,895	43,990	46,189	48,499	50,924	53,470	56,143	58,950
92 402-7034-533.52-20 Small Tools & Equipment	\$ 11,804	20,000	20,500	21,013	21,538	22,076	22,628	23,194	23,774	24,368	24,977
93 402-7034-533.52-40 Uniforms	\$ 4,473	8,240	8,446	8,657	8,874	9,095	9,323	9,556	9,795	10,040	10,291
94 402-7034-533.46-22 Equipment - Garage	\$ 62,100	62,100	63,653	65,244	66,875	68,547	70,260	72,017	73,817	75,663	77,554
95 402-7034-533.54-00 Books, Publ, Subsc, & Memb	\$ 464	500	513	525	538	552	566	580	594	609	624
96 402-7034-533.46-21 Equipment - General	\$ 2,995	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
97 402-7034-533.46-45 Mains	\$ 93,464	160,000	164,000	168,100	172,303	176,610	181,025	185,551	190,190	194,944	199,818
98 402-7034-533.46-10 Buildings	\$ 854	1,000	1,025	1,051	1,077	1,104	1,131	1,160	1,189	1,218	1,249
99 402-7034-533.46-26 Heavy Equipment	\$ 4,755	8,100	8,303	8,510	8,723	8,941	9,164	9,394	9,628	9,869	10,116
100 402-7034-533.46-27 Heavy Equipment-ext Repair	\$ 846	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
101 402-7034-533.46-47 Hydrants	\$ 58,246	50,000	51,250	52,531	53,845	55,191	56,570	57,985	59,434	60,920	62,443
102 402-7034-533.46-99 Internal Service Fund R	\$ -	90,000	92,250	94,556	96,920	99,343	101,827	104,372	106,982	109,656	112,398

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

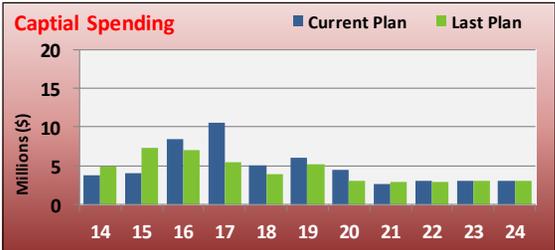
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
<u>Customer Service</u>												
103	402-9010-533.49-30 Uncollectible Accounts	\$ 120,324	128,460	135,847	142,445	148,685	153,837	159,170	164,689	170,401	176,314	182,433
104	402-9010-519.58-70 Bank Charges and fees	\$ 11,063	11,000	11,275	11,557	11,846	12,142	12,445	12,757	13,076	13,402	13,737
<u>Non-Departmental</u>												
105	402-7090-599.58-30 Client Refund Interest Ex	\$ 2,005	6,877	7,049	7,225	7,406	7,591	7,781	7,975	8,175	8,379	8,588
106	402-7090-533.84-88 Ultra Low Flush Toilets	\$ 50	-	-	-	-	-	-	-	-	-	-
107	402-7090-533.84-90 Prof & Contract Service	\$ 811	-	-	-	-	-	-	-	-	-	-
108	O&M Expenses	\$ 4,428,026	4,901,989	5,023,447	5,148,110	5,276,628	5,408,385	5,544,975	5,686,608	5,833,506	5,985,900	6,144,035
109	O&M Execution Percentage	85%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
110	Total O&M Expenses Executed	\$ 3,763,822	4,901,989	5,023,447	5,148,110	5,276,628	5,408,385	5,544,975	5,686,608	5,833,506	5,985,900	6,144,035
<u>Transfers and Other Below the Line Expenses (OBLE)</u>												
111	Payment in Lieu of Taxes (Contrib. to GF)	\$ 1,030,564	962,589	1,027,680	1,086,776	1,139,558	1,189,479	1,230,696	1,273,356	1,317,510	1,363,209	1,410,509
112	Transfer to R&R	\$ 4,505,291	4,045,900	5,188,448	7,426,855	1,793,205	2,799,315	1,106,100	2,702,800	3,031,950	3,045,000	3,122,500
113	Capital Outlay Contra	\$ 6,473	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
114	Total Transfers and OBLE	\$ 5,542,328	5,013,489	6,221,253	8,518,884	2,938,147	3,994,313	2,342,453	3,981,954	4,355,403	4,414,301	4,539,253
<u>Debt Service Payments</u>												
115	Bank of America Public Capital Series 2013 Loan	\$ 2,289,484	2,292,073	2,290,956	2,293,700	2,295,171	2,295,369	2,299,294	2,301,812	2,300,423	2,302,694	2,305,991
116	SRF Revolving \$6.5M Loan	\$ 434,483	434,483	434,483	434,483	434,483	434,483	434,483	434,483	434,483	434,483	434,483
117	SRF Revolving \$450K Loan & 2.549M Principal Forgiven	\$ 30,902	30,902	30,902	30,902	30,902	30,902	30,902	30,902	30,902	30,902	30,902
118	New Debt Service - SRF Borrowing	\$ -	-	-	135,740	276,340	421,895	567,450	713,005	713,005	713,005	713,005
119	Total Debt Service Payments	\$ 2,754,869	2,757,458	2,756,341	2,894,826	3,036,896	3,182,649	3,332,130	3,480,203	3,478,814	3,481,085	3,484,382
120	Total Cash Outflows	\$ 14,573,931	15,444,569	16,897,285	19,589,687	14,418,644	15,899,410	14,689,236	16,783,171	17,476,590	17,875,025	18,357,412

Burton & Associates

FAMS - Control Panel

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

SAVE	CALC	ROLL	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Cumulative Change	
		Override ▶		5.00%	4.50%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	FY 2019	FY 2024
		Water Rate Increases	0.00%	5.00%	4.50%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	22.11%	45.08%
		Last Plan	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	2.00%	2.00%	2.00%	27.66%	49.49%
		Rate Covenant	2.53	2.28	2.51	2.67	2.82	2.93	3.05	3.16	3.27	3.38	3.49	Elasticity	10.0%
		Last Plan		2.36	1.84	2.01	2.20	2.36	2.52	2.68	2.71	2.73	2.75	PILOT	8.00%
		SRF Coverage	6.54	5.34	6.43	5.61	5.01	4.47	4.11	3.83	4.04	4.26	4.49	Calc R&R Transfer	Y
		Last Plan		5.69	4.46	5.67	6.97	8.10	9.16	10.32	10.52	10.68	10.84	Transfer to R&R	1,000,000
		CIP \$ Redistribution ▶	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Scenarios	0
		CIP Execution % ▶	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	2" WaterMain?	Y
		Operating Reserve Mo ▶	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0		
		Average Bill (5,000 gals.)	\$32.65	34.28	35.81	37.24	38.54	39.87	41.27	42.70	44.21	45.75	47.37	Check	\$ -
		Last Plan	\$32.65	34.28	36.01	37.80	39.69	41.68	43.77	45.98	46.91	47.85	48.81		



NOTE: "Last Plan" numbers in green reflect the results of the FY 2015 Rate Study.

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Schedule 7 – Forecast of Net Revenues and Debt Service Coverage

Forecast of Net Revenues and Debt Service Coverage

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1 Water Rate Revenue											
2 Revenue Generated From Admin/Customer Charges											
3 Base Rate Revenue	\$ 4,578,269	4,578,269	4,881,433	5,180,453	5,448,804	5,702,786	5,915,480	6,136,078	6,364,871	6,602,163	6,848,269
4 Additional Rate Revenue From Partial Py Rate Increase	\$ -	-	-	-	-	-	-	-	-	-	-
5 Additional Rate Revenue From Growth	\$ -	70,715	75,938	58,782	61,133	12,655	13,097	13,556	14,030	14,521	15,030
6 Other Revenue Adjustments (Casino Beach District)	\$ -	-	-	-	-	-	-	-	-	-	-
7 Adjusted Base Revenue	\$ 4,578,269	4,648,984	4,957,371	5,239,235	5,509,938	5,715,440	5,928,578	6,149,634	6,378,902	6,616,685	6,863,298
8 Proposed Water Rate Increase	0.0%	5.0%	4.5%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
9 Additional Rate Revenue From Rate Increase	\$ -	232,449	223,082	209,569	192,848	200,040	207,500	215,237	223,262	231,584	240,215
10 Total Water Fixed Revenue	\$ 4,578,269	4,881,433	5,180,453	5,448,804	5,702,786	5,915,480	6,136,078	6,364,871	6,602,163	6,848,269	7,103,514
11 Revenue Generated From Usage Rates											
12 Base Rate Revenue	\$ 7,337,793	7,337,793	7,784,570	8,224,250	8,615,671	8,985,706	9,288,220	9,600,872	9,923,999	10,257,952	10,603,091
13 Additional Rate Revenue From Partial Py Rate Increase	\$ -	-	-	-	-	-	-	-	-	-	-
14 Additional Rate Revenue From Growth	\$ -	113,338	121,101	93,320	96,664	19,939	20,565	21,210	21,876	22,562	23,270
15 Other Revenue Adjustments (Casino Beach District)	\$ -	-	-	-	-	-	-	-	-	-	-
16 Base Rate Revenue	\$ 7,337,793	7,451,132	7,905,671	8,317,569	8,712,335	9,005,646	9,308,786	9,622,082	9,945,875	10,280,514	10,626,361
17 Proposed Water Rate Increase	0.0%	5.0%	4.5%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
18 Additional Rate Revenue From Rate Increase	\$ -	372,557	355,755	332,703	304,932	315,198	325,807	336,773	348,106	359,818	371,923
19 Price Elasticity Adjustment	\$ -	(39,118)	(37,176)	(34,601)	(31,560)	(32,623)	(33,721)	(34,856)	(36,029)	(37,241)	(38,494)
20 Total Water Usage Rate Revenue	\$ 7,337,793	7,784,570	8,224,250	8,615,671	8,985,706	9,288,220	9,600,872	9,923,999	10,257,952	10,603,091	10,959,790
21 Total Rate Revenue	\$ 11,916,062	12,666,003	13,404,703	14,064,475	14,688,492	15,203,701	15,736,950	16,288,871	16,860,115	17,451,360	18,063,304
22 Plus: Other Operating Revenue	\$ 116,305	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
23 Equals: Total Operating Revenue	\$ 12,032,367	12,846,003	13,584,703	14,244,475	14,868,492	15,383,701	15,916,950	16,468,871	17,040,115	17,631,360	18,243,304
24 Less: Operating Expenses											
25 Personal Services	\$ (2,512,912)	(2,771,632)	(2,896,245)	(3,027,868)	(3,166,972)	(3,314,061)	(3,469,678)	(3,634,405)	(3,808,868)	(3,993,739)	(4,189,742)
26 O&M	\$ (3,763,822)	(4,901,989)	(5,023,447)	(5,148,110)	(5,276,628)	(5,408,385)	(5,544,975)	(5,686,608)	(5,833,506)	(5,985,900)	(6,144,035)
27 Equals: Net Operating Income	\$ 5,755,633	5,172,382	5,665,011	6,068,498	6,424,892	6,661,254	6,902,297	7,147,857	7,397,741	7,651,721	7,909,526
28 Plus: Non-Operating Income/(Expense)											
29 Non-Operating Revenue	\$ (3,007)	-	-	-	-	-	-	-	-	-	-
30 Interest Income	\$ 40,199	64,645	75,325	57,810	45,607	63,588	103,305	123,325	128,334	134,157	143,355
31 Water Impact Fees	\$ 231,294	1,127,280	1,152,900	854,000	854,000	170,800	170,800	170,800	170,800	170,800	170,800
32 Transfer to R&R	\$ 4,505,291	4,045,900	5,188,448	7,426,855	1,793,205	2,799,315	1,106,100	2,702,800	3,031,950	3,045,000	3,122,500
33 Transfers In (Casino Reimbursements)	\$ -	-	-	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000
34 Equals: Net Income	\$ 10,529,410	10,410,207	12,081,684	14,407,163	9,617,704	10,194,958	8,782,501	10,644,781	11,228,825	11,501,677	11,846,181
35 Less: Revenues Excluded From Coverage Test											
36 Impact Fees	\$ (231,294)	(1,127,280)	(1,152,900)	(854,000)	(854,000)	(170,800)	(170,800)	(170,800)	(170,800)	(170,800)	(170,800)
37 Betterment Fees, SRF, Capital Fund Contributions, R&R	\$ (4,505,291)	(4,045,900)	(5,188,448)	(7,426,855)	(1,793,205)	(2,799,315)	(1,106,100)	(2,702,800)	(3,031,950)	(3,045,000)	(3,122,500)
38 Transfers In	\$ -	-	-	-	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
39 Equals: Net Income Available For Debt Service	\$ 5,792,825	5,237,027	5,740,337	6,126,308	6,470,499	6,724,843	7,005,601	7,271,181	7,526,075	7,785,877	8,052,881

Schedule 7 – Forecast of Net Revenues and Debt Service Coverage

Forecast of Net Revenues and Debt Service Coverage

		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
40 Debt Service Coverage Test												
41 Existing Debt Service		\$ 2,289,484	2,292,073	2,290,956	2,293,700	2,295,171	2,295,369	2,299,294	2,301,812	2,300,423	2,302,694	2,305,991
42 Total Conventional Debt Service		\$ 2,289,484	2,292,073	2,290,956	2,293,700	2,295,171	2,295,369	2,299,294	2,301,812	2,300,423	2,302,694	2,305,991
43 Calculated Debt Service Coverage	Min. Req. 1.2	2.53	2.28	2.51	2.67	2.82	2.93	3.05	3.16	3.27	3.38	3.49
44 SRF Debt Service Coverage												
45 Existing SRF Debt Service		\$ 465,385	465,385	465,385	465,385	465,385	465,385	465,385	465,385	465,385	465,385	465,385
46 Existing SRF Debt Service		\$ -	-	-	135,740	276,340	421,895	567,450	713,005	713,005	713,005	713,005
47 Total SRF Debt Service		\$ 465,385	465,385	465,385	601,126	741,725	887,280	1,032,836	1,178,391	1,178,391	1,178,391	1,178,391
48 Calculated SRF Debt Service Coverage	Min. Req. 1.15	6.54	5.34	6.43	5.61	5.01	4.47	4.11	3.83	4.04	4.26	4.49
49 Cash Flow Test												
50 Net Income Available For Debt Service		\$ 5,792,825	5,237,027	5,740,337	6,126,308	6,470,499	6,724,843	7,005,601	7,271,181	7,526,075	7,785,877	8,052,881
51 Net Interfund Transfers (In - Out)		\$ (5,535,855)	(5,008,489)	(6,216,128)	(8,513,631)	(2,432,763)	(3,488,794)	(1,836,796)	(3,476,156)	(3,849,460)	(3,908,209)	(4,033,009)
52 Debt Service Payments		\$ (2,754,869)	(2,757,458)	(2,756,341)	(2,894,826)	(3,036,896)	(3,182,649)	(3,332,130)	(3,480,203)	(3,478,814)	(3,481,085)	(3,484,382)
53 Other Below The Line Expenses		\$ -	-	-	-	-	-	-	-	-	-	-
54 Minor Capital Outlay		\$ (6,473)	(5,000)	(5,125)	(5,253)	(5,384)	(5,519)	(5,657)	(5,798)	(5,943)	(6,092)	(6,244)
55 Renewal & Replacement Transfer		\$ -	-	-	-	-	-	-	-	-	-	-
56 Net Cash Flow		\$ (2,504,372)	(2,533,921)	(3,237,257)	(5,287,402)	995,455	47,880	1,831,018	309,024	191,858	390,491	529,246
57 Unrestricted Working Capital Reserve Fund												
58 Balance At Beginning Of Fiscal Year		\$ 15,468,692	12,964,319	10,430,399	7,193,141	1,905,740	2,901,195	2,949,075	4,780,094	5,089,118	5,280,976	5,671,467
59 Cash Flow Surplus/(Deficit)		\$ -	-	-	(1,181,845)	995,455	47,880	1,831,018	309,024	191,858	390,491	529,246
60 Reserve Fund Balance Used For Cash Flow Deficit		\$ (2,504,372)	(2,533,921)	(3,237,257)	(4,105,557)	-	-	-	-	-	-	-
61 Projects Designated To Be Paid With Cash		\$ -	-	-	-	-	-	-	-	-	-	-
62 Projects Paid With Reserve Funds (Non Specified Funds)		\$ -	-	-	-	-	-	-	-	-	-	-
63 Balance At End Of Fiscal Year		\$ 12,964,319	10,430,399	7,193,141	1,905,740	2,901,195	2,949,075	4,780,094	5,089,118	5,280,976	5,671,467	6,200,713
64 Number of Months of Unrestricted Reserves	Target: 4.0	21.29	14.49	9.65	2.47	3.63	3.57	5.60	5.76	5.78	6.00	6.34

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Schedule 8 – Capital Project Funding Summary

Capital Project Funding Summary

FINAL CAPITAL PROJECTS FUNDING SOURCES	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Water Impact Fees	\$ -	-	-	-	26,925	138,000	-	-	-	-	-
Grant Fund	\$ -	-	-	-	-	-	-	-	-	-	-
Renewal & Replacement	\$ 3,755,291	4,045,900	5,188,448	7,426,855	1,766,280	2,688,240	1,244,100	2,702,800	3,031,950	3,045,000	3,122,500
Capital Improvement Fund	\$ -	-	-	-	-	-	-	-	-	-	-
Revenue Fund	\$ -	-	-	-	-	-	-	-	-	-	-
SRF Proceeds	\$ -	-	3,196,000	3,196,000	3,196,000	3,196,000	3,196,000	-	-	-	-
Debt Proceeds	\$ -	-	-	-	-	-	-	-	-	-	-
Projects Designated To Be Paid With Cash	\$ -	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTS PAID	\$ 3,755,291	4,045,900	8,384,448	10,622,855	4,989,205	6,022,240	4,440,100	2,702,800	3,031,950	3,045,000	3,122,500
TOTAL CIP INPUT	\$ 3,755,291	4,045,900	8,384,448	10,622,855	4,989,205	6,022,240	4,440,100	2,702,800	3,031,950	3,045,000	3,122,500
VARIANCE	\$ -	-	-	-	-	-	-	-	-	-	-

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Schedule 9 – Funding Summary by Fund

Funding Summary by Fund

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Water Impact Fees											
Balance At Beginning Of Fiscal Year	\$ -	231,583	1,362,839	2,530,284	3,413,857	4,288,774	4,386,152	4,646,383	4,911,818	5,182,563	5,458,722
Additional Annual Revenues	\$ 231,294	1,127,280	1,152,900	854,000	854,000	170,800	170,800	170,800	170,800	170,800	170,800
Less: Payment Of Debt Service	\$ -	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 231,294	1,358,863	2,515,739	3,384,284	4,267,857	4,459,574	4,556,952	4,817,183	5,082,618	5,353,363	5,629,522
Less: Restricted Funds	\$ -	-	-	-	-	-	-	-	-	-	-
Total Amount Available For Projects	\$ 231,294	1,358,863	2,515,739	3,384,284	4,267,857	4,459,574	4,556,952	4,817,183	5,082,618	5,353,363	5,629,522
Amount Paid For Projects	\$ -	-	-	-	(26,925)	(138,000)	-	-	-	-	-
Subtotal	\$ 231,294	1,358,863	2,515,739	3,384,284	4,240,932	4,321,574	4,556,952	4,817,183	5,082,618	5,353,363	5,629,522
Add Back: Restricted Funds	\$ -	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	\$ 289	3,976	14,545	29,573	47,842	64,578	89,431	94,636	99,944	105,359	110,882
Less: Interest Allocated To Cash Flow	\$ -	-	-	-	-	-	-	-	-	-	-
Balance At End Of Fiscal Year	\$ 231,583	1,362,839	2,530,284	3,413,857	4,288,774	4,386,152	4,646,383	4,911,818	5,182,563	5,458,722	5,740,405
Renewal & Replacement											
Balance At Beginning Of Fiscal Year	\$ 250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,026,925	1,138,000	1,000,000	1,000,000	1,000,000	1,000,000
Additional Annual Revenues	\$ 4,505,291	4,045,900	5,188,448	7,426,855	1,793,205	2,799,315	1,106,100	2,702,800	3,031,950	3,045,000	3,122,500
Less: Payment Of Debt Service	\$ -	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 4,755,291	5,045,900	6,188,448	8,426,855	2,793,205	3,826,240	2,244,100	3,702,800	4,031,950	4,045,000	4,122,500
Less: Restricted Funds	\$ (1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total Amount Available For Projects	\$ 3,755,291	4,045,900	5,188,448	7,426,855	1,793,205	2,826,240	1,244,100	2,702,800	3,031,950	3,045,000	3,122,500
Amount Paid For Projects	\$ (3,755,291)	(4,045,900)	(5,188,448)	(7,426,855)	(1,766,280)	(2,688,240)	(1,244,100)	(2,702,800)	(3,031,950)	(3,045,000)	(3,122,500)
Subtotal	\$ -	-	-	-	26,925	138,000	-	-	-	-	-
Add Back: Restricted Funds	\$ 1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Plus: Interest Earnings	\$ 1,563	5,000	7,500	10,000	12,668	16,237	21,380	20,000	20,000	20,000	20,000
Less: Interest Allocated To Cash Flow	\$ (1,563)	(5,000)	(7,500)	(10,000)	(12,668)	(16,237)	(21,380)	(20,000)	(20,000)	(20,000)	(20,000)
Balance At End Of Fiscal Year	\$ 1,000,000	1,000,000	1,000,000	1,000,000	1,026,925	1,138,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Revenue Fund											
Balance At Beginning Of Fiscal Year	\$ 15,468,692	12,964,319	10,430,399	7,193,141	1,905,740	2,901,195	2,949,075	4,780,094	5,089,118	5,280,976	5,671,467
Additional Annual Revenues	\$ (2,504,372)	(2,533,921)	(3,237,257)	(5,287,402)	995,455	47,880	1,831,018	309,024	191,858	390,491	529,246
Less: Cash-Funded Capital Projects	\$ -	-	-	-	-	-	-	-	-	-	-
Less: Payment Of Debt Service	\$ -	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 12,964,319	10,430,399	7,193,141	1,905,740	2,901,195	2,949,075	4,780,094	5,089,118	5,280,976	5,671,467	6,200,713
Less: Restricted Funds	\$ (2,435,766)	(2,878,737)	(2,982,457)	(1,905,740)	(2,901,195)	(2,949,075)	(3,415,117)	(3,531,457)	(3,653,294)	(3,780,949)	(3,914,762)
Total Amount Available For Projects	\$ 10,528,554	7,551,662	4,210,684	-	-	-	1,364,977	1,557,661	1,627,682	1,890,518	2,285,951
Amount Paid For Projects	\$ -	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 10,528,554	7,551,662	4,210,684	-	-	-	1,364,977	1,557,661	1,627,682	1,890,518	2,285,951
Add Back: Restricted Funds	\$ 2,435,766	2,878,737	2,982,457	1,905,740	2,901,195	2,949,075	3,415,117	3,531,457	3,653,294	3,780,949	3,914,762
Plus: Interest Earnings	\$ 35,541	58,487	66,088	45,494	30,043	43,877	77,292	98,692	103,701	109,524	118,722
Less: Interest Allocated To Cash Flow	\$ (35,541)	(58,487)	(66,088)	(45,494)	(30,043)	(43,877)	(77,292)	(98,692)	(103,701)	(109,524)	(118,722)
Balance At End Of Fiscal Year	\$ 12,964,319	10,430,399	7,193,141	1,905,740	2,901,195	2,949,075	4,780,094	5,089,118	5,280,976	5,671,467	6,200,713

Schedule 9 – Funding Summary by Fund

Funding Summary by Fund

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Restricted Reserves											
Balance At Beginning Of Fiscal Year	\$ 231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627
Additional Funds:	\$ -	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve On New Debt	\$ -	-	-	-	-	-	-	-	-	-	-
Other Additional Funds	\$ -	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627
Plus: Interest Earnings	\$ 579	1,158	1,737	2,316	2,895	3,474	4,633	4,633	4,633	4,633	4,633
Less: Interest Allocated To Cash Flow	\$ (579)	(1,158)	(1,737)	(2,316)	(2,895)	(3,474)	(4,633)	(4,633)	(4,633)	(4,633)	(4,633)
Balance At End Of Fiscal Year	\$ 231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627	231,627

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Schedule 10 – DWSRF Borrowings

SRF Borrowing Projections

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Term (Years)	30	30	30	30	30	30	30	30	30	30	30
Interest Rate	1.00%	1.25%	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Sources of Funds											
Par Amount	\$ -	-	3,259,920	3,259,920	3,259,920	3,259,920	3,259,920	-	-	-	-
Interest During Construction	\$ -	-	-	-	-	-	-	-	-	-	-
Total Sources	\$ -	-	3,259,920	3,259,920	3,259,920	3,259,920	3,259,920	-	-	-	-
Uses of Funds											
Proceeds	\$ -	-	3,196,000	3,196,000	3,196,000	3,196,000	3,196,000	-	-	-	-
Cost of Issuance	\$ -	-	-	-	-	-	-	-	-	-	-
Loan Repayment Res.	\$ -	-	-	-	-	-	-	-	-	-	-
Loan Service Fee	\$ -	-	63,920	63,920	63,920	63,920	63,920	-	-	-	-
Capitalized Interest	\$ -	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve	\$ -	-	-	-	-	-	-	-	-	-	-
Other Costs	\$ -	-	-	-	-	-	-	-	-	-	-
Total Uses	\$ -	-	3,259,920	3,259,920	3,259,920	3,259,920	3,259,920	-	-	-	-
1 Year Interest	\$ -	-	48,899	57,049	65,198	65,198	65,198	-	-	-	-
Annual Debt Service	\$ -	-	135,740	140,600	145,555	145,555	145,555	-	-	-	-
Total Debt Service	\$ -	-	4,072,213	4,217,987	4,366,655	4,366,655	4,366,655	-	-	-	-
Interest During Construction Calculation											
Beginning Construction Fund Balance	\$ -	-	3,259,920	3,259,920	3,259,920	3,259,920	3,259,920	-	-	-	-
Less: Use of Proceeds	\$ -	-	(3,259,920)	(3,259,920)	(3,259,920)	(3,259,920)	(3,259,920)	-	-	-	-
Ending Fund Balance	\$ -	-	-	-	-	-	-	-	-	-	-
Average Balance	\$ -	-	1,629,960	1,629,960	1,629,960	1,629,960	1,629,960	-	-	-	-
Interest Earnings Rate											
Term of Average Balance											
Proceeds from Capital Funding											
Cumulative New Annual Debt Service	\$ -	-	135,740	276,340	421,895	567,450	713,005	713,005	713,005	713,005	713,005

Burton & Associates

DRINKING WATER STATE REVOLVING FUND BUSINESS PLAN

Sponsor Name:	City of Lake Worth	System Population:	34,910 (2010, US Census)
DWSRF Project #:	2" Water main replacement	PWS ID#:	4500773
Contact Person and Title:	Larry A. Johnson, PE, Director	Telephone:	561-586-1710
Mailing Address:	301 College Street	City:	Lake Worth
		State:	Zip: 33461
Contact for Finance Plan (if different):	Burton & Associates, Inc.	Telephone:	813-443-5138
Mailing Address:	1000 N Ashley Dr. #513	City:	Tampa
		State:	FL 33602
e-mail:	aburnham@burtonandassociates.com	Fax:	
Source Type:	<input checked="" type="checkbox"/> Ground Water <input type="checkbox"/> Purchase Water <input type="checkbox"/> Surface Water <input type="checkbox"/> Surface/Ground Combined		

The Drinking Water State Revolving Fund Program (DWSRF), authorized by the 1996 amendments to the Safe Drinking Water Act, provides financial assistance to public water systems (PWS). To obtain this assistance, project sponsors must demonstrate Capacity Development or demonstrate how the assistance will ensure these requirements are met. The term Capacity Development takes into consideration three vital areas of a public water system: Technical, Managerial, and Financial capabilities.

FINANCIAL

A financial capability demonstration (and certification) is required well before the evaluation of the actual loan or grant application. This demonstration is necessary to ensure that the system has the financial capability to repay the loan, if applicable, and to adequately operate and maintain the system. Financial capability also includes funding future capital improvements that may be required. Please see Rule 62-552.700(4) in Chapter 62-552, F.A.C. for further details.

It is expected that the revenues to be dedicated to repaying a loan will be generated either from water and sewer utility operations or from water utility operations alone. If the source of revenues will not be from such enterprises, this set of worksheets alone will not satisfy the Department's needs. (Please contact the Department for further guidance if dedicated revenues will be generated externally to such utilities.)

The following worksheets have been developed to identify the minimum information needed. The completed worksheets should be used in disclosing DWSRF project financing to the public during the required dedicated revenue hearing. The worksheets can serve to identify the impacts of the SRF project on residential users and how the project fits into the project sponsor's overall capital improvement program for the water and sewer utility (or water utility, as appropriate). Supplemental capital financing documentation may be submitted with these worksheets and may be presented at the required dedicated revenue hearing.

The revenues being dedicated to repayment of the DWSRF loan are:	Water Rate Revenues
What is the frequency of water system billing?	Monthly
How often are system rates reviewed for adequacy?	Annually
When was the last time rates were reviewed?	August 2014
What resources and guidance does the water system use for setting water user rates, fees or charges?	3 rd Party Rate Consulting Firm, Burton & Associates, Inc.
What is your water system bond rating?	N/A
Is a rate increase necessary as a result of this project?	No
What is the Median Household Income (MHI) for the entire system?	\$35,428 (2009 – 2013 American Community Survey 5-Year Estimates)

Which, if any, of the following activities must be undertaken to implement the DWSRF project?

Acquire privately held land?	Yes	<input type="checkbox"/>	No	•
Acquire land held by another public water system entity?	Yes	<input type="checkbox"/>	No	•
Enter into inter-local or inter-project sponsoring agency's agreements?	Yes	<input type="checkbox"/>	No	•
Does the system have an annual budget with a separate reserve account for equipment replacement and/or capital improvement?	Yes	•	No	<input type="checkbox"/>

Does the system have a capital improvement plan? How many years does it cover? 10
 Does the system have a governing board of directors?
 Does the water system employ the services of a professional engineer?
 Are there procedures for billing and collection?
 Does the system have audited financial statements?
 Are there standard purchasing procedures that provide controls over expenditures?
 What year will construction be completed and repayments begin (for the first project)?

Yes • No
 Yes No •
 Yes • No
 Yes • No
 Yes • No
 Yes No

2020 for full construction; 2016
 repayment

What is the estimated cost of your SRF project?

\$16,796,000

Please attach a copy of the user charge ordinance.

Table 1
WATER RATE REVENUE SUMMARY

		LAST YR.	YEAR 1 (Current Year)	YEAR 2	YEAR 3	SRF Project
1.	Number of Residential Units	10,055	10,210	10,369	10,487	10,605
2.	Number of New Residential Service Units	32	155	159	118	118
3.	Annual Residential Water Sales (Gallons)	726,591,800	737,792,370	749,281,986	757,808,872	766,335,757
4.	Avg Daily Residential Usage (Gal/day) (Line 3 divided by line 1 divided by 365)	197.98	197.98	197.98	197.98	197.98
5.	Annual Residential Water Sales (\$)	\$ 5,608,051	\$ 5,960,815	\$ 6,308,561	\$ 6,619,282	\$ 6,913,190
6.	Average Annual Residential Bill (line 5 divided by line 1)	\$ 557.74	\$ 583.82	\$ 608.41	\$ 631.19	\$ 651.88
7.	Annual Residential Bill Amount Uncollected	\$ 56,628	\$ 60,455	\$ 63,933	\$ 67,040	\$ 69,979
8.	Total Residential Rates Collected (Line 5 minus line 7)	\$ 5,551,423	\$ 5,900,360	\$ 6,244,628	\$ 6,552,242	\$ 6,843,211
9.	Impact and Connection Fees per Residential Service Unit	\$ 3,416	\$ 3,416	\$ 3,416	\$ 3,416	\$ 3,416
10.	Total Residential Impact and Connection Fees (Line 2 times line 9)	\$ 109,312	\$ 529,480	\$ 543,144	\$ 403,088	\$ 403,088
11.	Number of Commercial & Multi-Family Units	11,310	11,485	11,664	11,796	11,928
12.	Number of New Commercial & Multi-Family Service Units	36	175	179	132	132
13.	Annual Commercial & Multi-Family Water Sales (Gallons)	819,284,200	831,961,011	844,891,359	854,453,296	864,015,243
14.	Annual Commercial & Multi-Family Water Sales (\$)	\$ 6,308,011	\$ 6,705,187	\$ 7,096,142	\$ 7,445,193	\$ 7,775,302
15.	Annual Commercial & Multi-Family Bill Amount Uncollected	\$ 63,696	\$ 68,005	\$ 71,914	\$ 75,405	\$ 78,706
16.	Total Commercial & Multi-Family Bills Collected (Line 14 minus line 15)	\$ 6,244,315	\$ 6,637,183	\$ 7,024,228	\$ 7,369,789	\$ 7,696,596
17.	Impact and Connection Fees for Commercial & Multi-Family Service	\$ 3,416	\$ 3,416	\$ 3,416	\$ 3,416	\$ 3,416
18.	Total Commercial & Multi-Family Impact and Connection Fees (Line 12 times line 17)	\$ 121,982	\$ 597,800	\$ 609,756	\$ 450,912	\$ 450,912
19.	Bulk Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -
20.	Total Projected Water Revenue (Line 8+10+16+18+19)	\$ 12,027,032	\$13,664,823	\$ 14,421,756	\$ 14,776,031	\$15,393,807

* Large meters should be checked annually for accuracy.

Instructions for Completing Table 1

Identify the source of the above information and explain methods used to develop the projections (*Attachment # _____*). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations. In completing this table assume through year 3 that no SRF project is constructed. In the “SRF Project” column enter the numbers that reflect the first year in which the SRF loan will begin repayments. When completing the numbers in this column assume that the SRF project will be financed using 100% loan funding.

- Line 1 Include the actual number of customers for last year and year 1 (current year). The numbers in years 2 and 3 should reflect an estimated number of residential customers, adjusted for growth. In the SRF column include the expected number of customers based on constructing your SRF project.
- Line 2 This line is a subset of line 1. It should reflect the number of new customers for that year.
- Line 3 This line is your total volume (gallons) of water used by your residential customers. Use actual gallons sold for Last Year and do an estimate for the current year based on total to-date. To determine Year 2 and 3 water sales, first calculate the average daily residential usage in gallons per day on line 4. The estimated water sales for Year 2 and 3 can now be determined by multiplying line 4 by line 1.
- Line 4 This is the average daily residential usage (gallons per day) by a single residential customer. To get this number divide line 3 by line 1. Use Last Year and Current Year to project usage for Year 2 and 3. Usage should be fairly constant.
- Line 5 This is your total residential water sales in dollars. Year 2 and 3 water sales should reflect any increases in rates (i.e. due to inflation). In the SRF column list what the sales would need to be if the SRF project was a 100% loan (to meet all expenses).
- Line 6 To obtain the average annual residential bill, divide line 5 by line 1.
- Line 7 This is the amount of the uncollected residential bills outstanding for the year.
- Line 8 Line 5 minus line 7.
- Line 9 This line is the impact and connection fee for new residential service.
- Line 10 Multiply line 2 by line 9.
- Line 11 Include the actual number of customers for last year and year 1 (current year). The numbers in years 2 and 3 should reflect an estimated number of commercial customers, adjusted for growth. In the SRF column include the expected number of customers based on constructing your SRF project.

- Line 12 This line is a subset of line 11. It should reflect the number of new customers that will be charged an impact or connection fee.
- Line 13 This line is your total volume (gallons) of water used by your commercial accounts.
- Line 14 This is your total commercial water sales in dollars. Year 2 and 3 water sales should reflect any increases in rates (i.e. due to inflation). In the SRF column list what the sales would need to be if the SRF project was a 100% loan (to meet all expenses).
- Line 15 This is the amount of the uncollected residential bills outstanding for the year.
- Line 16 Total revenue collected for commercial accounts (line 14 minus line 15).
- Line 17 This line is the impact and connection fee for new commercial/industrial accounts.
- Line 18 Multiply line 12 by line 17.
- Line 19 Total revenue for bulk water sales to consecutive systems.
- Line 20 Total of line 8+10+16+18+19.

TABLE 2
INCOME, EXPENSES, AND CASH FLOW STATEMENT

Income, Expense, and Cash Flow Statement		Last Yr.	Year 1	Year 2	Year 3	SRF Project
OPERATING REVENUES						
1	Water Rates	\$ 11,916,062	\$ 12,666,003	\$13,404,703	\$ 14,064,475	\$14,688,492
2	Fire Protection	-	-	-	-	-
3	Fees and Services (Service Charges)	116,305	180,000	180,000	180,000	180,000
4	Interest Income	40,199	64,645	75,325	57,810	45,607
5a	Other –	-	-	-	-	-
5b	Other –	-	-	-	-	-
6	Total (Lines 1 - 5)	12,072,566	12,910,648	13,660,028	14,302,286	14,914,099
NON-OPERATING REVENUES						
7	Interest Income (Realized Gains/Losses)	(3,007)	-	-	-	-
8	Interfund Transfer	-	-	-	-	-
9	Proceeds from the Sale of Assets	-	-	-	-	-
10	Leases and Extraction Fees	-	-	-	-	-
11	Construction Grants	-	-	-	-	-
12	Proceeds from Borrowing (SRF Loan)	-	-	3,196,000	3,196,000	3,196,000
13	Equity Contribution (Impact Fees)	231,294	1,127,280	1,152,900	854,000	854,000
14	Other – (Casino Beach Loan Repayment)	-	-	-	-	500,000
15	Total (Lines 7 - 14)	228,287	1,127,280	4,348,900	4,050,000	4,550,000
OPERATING EXPENSES						
OPERATION AND MAINTENANCE						
16	Salaries (Operators)	1,578,216	1,592,573	1,640,350	1,689,561	1,740,248
17	Benefits	932,869	952,071	1,019,604	1,092,238	1,170,370
18	Utilities	521,725	727,700	727,840	727,984	728,131
19	Chemicals & Treatment	357,612	606,330	636,647	668,479	701,903
20	Monitoring	25,749	34,000	34,850	35,721	36,614
21	Materials, Supplies & Parts	91,902	116,797	119,717	122,710	125,778
22	Transportation	2,881	16,000	16,400	16,810	17,230
23	Purchased Water Costs	165,367	300,000	300,000	300,000	300,000
24	Outside Services –	58,912	20,300	20,808	21,328	21,861

25	Other –	186,430	345,187	353,817	362,662	371,729
26	Total (Lines 16 – 25)	3,921,661	4,710,958	4,870,032	5,037,492	5,213,863
	ADMINISTRATIVE					
27	Salaries and Benefits	1,248,196	949,630	982,054	1,015,914	1,051,345
28	Building Overhead	411,427	655,663	672,055	688,856	706,077
29	Office Supplies & Postage	4,659	35,891	36,788	37,708	38,651
30	Insurance	295,171	350,093	358,916	367,963	377,241
31	Customer Billing & Collection	-	-	-	-	-
32	Accounting and Legal	25,339	116,000	118,900	121,873	124,919
33	A/E & Professional Services	268,878	361,645	370,686	379,953	389,452
34	Other -	107,876	498,741	515,385	531,471	547,437
35	TOTAL (Lines 27 – 34)	2,361,546	2,967,663	3,054,784	3,143,738	3,235,122
36	Net Operating Income (Line 6 minus 26 minus 35)	5,789,359	5,232,027	5,735,212	6,121,055	6,465,115
	NON-OPERATING EXPENSES					
37	Debt-Repayment – Principal and Interest	2,754,869	2,757,458	2,756,341	2,894,826	3,036,896
38	Capital Improvements Acquisition of Plant Equipment	4,505,291	4,045,900	8,384,448	10,622,855	4,989,205
39	Interfund Transfers	-	-	-	-	-
40	To General Fund	1,030,564	962,589	1,027,680	1,086,776	1,139,558
41	To Replacement Fund	-	-	-	-	-
42	To Emergency Fund	-	-	-	-	-
43	Depreciation Expenses (If money is set aside)	-	-	-	-	-
44	Other -	-	-	-	-	-
45	TOTAL (Lines 37 + 44)	8,290,724	7,765,948	12,168,469	14,604,457	9,165,659
46	Net Non-Operating Income (Line 15 minus Line 45)	(8,062,437)	(6,638,668)	(7,819,569)	(10,554,457)	(4,615,659)
47	Net Income Before Taxes (Lines 36 + 46)	(2,273,078)	(1,406,641)	(2,084,357)	(4,433,402)	1,849,455
	TAXES (N/A for publicly owned systems)	N/A	N/A	N/A	N/A	N/A
48	Income Taxes	N/A	N/A	N/A	N/A	N/A
49	Other Taxes	N/A	N/A	N/A	N/A	N/A
50	TOTAL (Lines 48 + 49)	-	-	-	-	-
51	Net Income After Taxes (Line 47 minus 50)	(2,273,078)	(1,406,641)	(2,084,357)	(4,433,402)	1,849,455

Instructions for Completing Table 2

Identify the source of the above information and explain methods used to develop the projections (Attachment # _____). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations.

REVENUES- Revenues include all sources of income to the system. They are separated on this form as: "Operating", lines 1-6 and "Non-Operating", lines 7-15. When using the subcategory "other" under any item, please write a descriptive term.

EXPENSES- Expenses include all those activities or purchases which incur cost for the system. Expenses can be estimated in various ways. One method bases the projections on historical expense. This can be accomplished by using historical costs and escalating them from known and projected changes. An example of a known change would be an increase in labor costs for the budget period due to known or anticipated salary increases. An example of a projected increase or escalation in costs would be a 5% annual inflation rate. Materials and Supplies expense, for instance, would be expected to increase with the projected inflation rate. Expenses are separated on this form in the same fashion as Revenues with further subtopics to more clearly define expenses. When using the subcategory "other" under any item please write a descriptive term and cross out the word "other". Expenses are separated on this form as "Operating", lines 16-26, "Administrative", lines 27-35, "Non-Operating", lines 37-45, and "Taxes" lines 48-50.

Lines 1 This line includes all money received for supplying water service. Information should come from completed Attachment 1.

Line 2 If a separate fee is charged for fire protection include on this line.

Line 3 Include all miscellaneous fees and charges generated by providing water service other than for the actual water service (for example, connection fees, bad check fees, reconnect fees, meter testing fees, etc.).

Line 4 Interest earned from cash on hand or on fees financed by the utility.

Line 5 If used, please describe.

Non-operating revenues are funds generated outside the water system and used by the water system to cover expenses.

Lines 7-15 Items should be clear, modify topics if needed.

Lines 16-17 Salaries and Benefits (Operators), include all compensation to employees of your system when the work is related to the system's O&M. This account should not include compensation of officers, directors, or general and administrative staff. Volunteer labor cannot be applied.

Line 18 Utilities, includes the cost of all electric power, gas, telephone, water (at least account for what is being used at the plant), and any other system-related expenses incurred in producing and delivering water.

- Line 19 Chemicals and treatment is intended to cover the cost of all chemicals used in the treatment of your water.
- Line 20 Monitoring, includes all water monitoring costs incurred by the system. This should include both in-house monitoring and analysis costs as well as outside laboratory costs.
- Line 21 Materials, supplies, and parts means all materials and supplies used in the O&M of the water system and in providing and delivering the water to the customer. Include any repairs or parts needed in producing and delivering water. This would include grease, oil, and minor repairs to equipment. This should not include materials for administrative purposes such as postage, copying or copy machine supplies, billing forms, or letterhead.
- Line 22 Transportation is intended to include all expenses related to trucks, automobiles, construction equipment, and other vehicle expense used in producing and delivering water to the customer.
- Line 23 Include the cost of purchasing water. Use only if a consecutive system.

Administration expenses are considered overhead but not those directly related to O&M of the daily production and delivery of water to the customer. This category includes billing and administrative costs incurred by the system. For example, all meter reading costs, secretarial costs, postage, publications, reference materials, uncollectible debts insurance accounting services, and all other overhead items belong in this subsection.

- Lines 27 Salaries and Benefits include all compensation to employees of your system in which the work is related to the administration of the system, such as officers, directors, secretarial, and meter reading salaries and benefits. This account should not include compensation of operators. If an employee performs both operation and meter reading a percentage of their salary should appear under the appropriate topic. For example, if an operator reads meters 25% of the time, $\frac{3}{4}$ of their salary should be shown on line 16 and $\frac{1}{4}$ of their salary on line 27.
- Line 28 Overhead associated with the building itself such as, mortgage payment, insurance, taxes, maintenance, etc.
- Line 29 Office supplies and postage includes all materials and supplies in administration of the water system. This includes office supplies, postage, copier charges, and paper.
- Line 30 Insurance (Vehicles, Liability, Workers' Compensation) includes all insurance costs associated with the coverage for the vehicles, general liability, workers' compensation insurance, and other insurance costs related to the operation and administration of the system.
- Line 31 Customer billing and collection should include all expenses specific to this function such as, special billing forms or software.
- Lines 32 Accounting and legal expenses includes all salaries and wages with legal and accounting functions for the system even if they are outside services.

- Line 33 A/E and professional services means all engineering and other professional services expenses associated with water system planning and design requirements.
- Line 34 Other means expenses such as employee training and water certification requirements (classes, registration fees, travel, etc.), public relations campaigns and public notifications, etc. Also include any recurring expenses that did not fit into any of the above line items.

Non-operating expenses are ones that are necessary and paid by the water system, but are not part of daily O&M or Administration of the system. Debt Repayment and Capital Improvements are typical items that may appear on this type of analysis.

- Lines 37-42 Expenses that are involved in operating or administering the water system that were not considered in the totals appearing on lines 26 and 35 should be shown in these items, modify if necessary.
- Line 38 Capital improvements include facility and non-facility costs related to: 1) Meeting growth requirements or improving your system's infrastructure to provide better service and reliability to existing customers, 2) replacing or renovating existing facilities, or 3) to ensure compliance with drinking water regulations.
- Line 39-42 Identify any transfer of funds used to offsets other non-water system related capital expenditures. These lines represent some possible categories, modify if needed.
- Line 43 Depreciation expense only applies to systems which are currently depreciating investments made in the past (recovery of previously invested funds). Include amounts on this line only if money is actually set aside.
- Line 44 Include any recurring non-operating expenses that did not fit into any of the above line items.

Taxes can be incurred in a variety of ways such as a state utility tax, business and occupation tax, property tax or federal income tax. Each of these taxes can be accounted for separately within the operating budget, modify if necessary.

- Lines 48-49 Include any incurred taxes.

Table 3
SCHEDULE OF PRIOR, PARITY, AND PROJECTED LIENS

List annual debt service beginning two years before the anticipated loan agreement date and continuing at least fifteen fiscal years. Include all existing and projected liens on the system. Use additional pages as necessary.

Identify Each Obligation		Coverage	Insured?
#1	Series 2008 Debt Service	1.20	No
#2	Bank of America Public Capital Series 2013 Loan	1.20	No
#3	SRF Revolving \$6.5M Loan	1.15	No
#4	SRF Revolving \$450K Loan & 2.549M Principal Forgiver	1.15	No
#5	2" Watermain SRF Loan \$16.06 Million	1.15	No

Annual Debt Service (Principal Plus Interest)

Fiscal Year	Series 2008 Debt Service	America Public Capital Series 2013	SRF Revolving \$6.5M Loan	Revolving \$450K Loan & 2.549M Principal	Watermain SRF Loan \$16.796 Million	Total Debt Service	Total Debt Service Incl. Coverage
2013	577,028	950,745	432,766	30,448	-	1,990,987	2.77
2014	-	2,289,484	434,483	30,902	-	2,754,869	2.10
2015	-	2,292,073	434,483	30,902	-	2,757,458	1.90
2016	-	2,290,956	434,483	30,902	-	2,756,341	2.08
2017	-	2,293,700	434,483	30,902	135,740	2,894,826	2.11
2018	-	2,295,171	434,483	30,902	276,340	3,036,896	2.13
2019	-	2,295,369	434,483	30,902	421,895	3,182,649	2.11
2020	-	2,299,294	434,483	30,902	567,450	3,332,130	2.10
2021	-	2,301,812	434,483	30,902	713,005	3,480,203	2.09
2022	-	2,300,423	434,483	30,902	713,005	3,478,814	2.16
2023	-	2,302,694	434,483	30,902	713,005	3,481,085	2.23
2024	-	2,305,991	434,483	30,902	713,005	3,484,382	2.31
2025	-	2,307,747	434,483	30,902	713,005	3,486,138	2.40
2026	-	2,307,962	434,483	30,902	713,005	3,486,353	2.49
2027	-	1,084,136	434,483	30,902	713,005	2,262,527	3.99
2028	-	1,016,532	434,483	30,902	713,005	2,194,923	4.27

**SCHEDULE OF PRIOR, PARITY, OR PROJECTED REVENUES AND DEBT
COVERAGE FOR RATE-BASED SYSTEM PLEDGED REVENUE**

(Provide information beginning with the two fiscal years preceding the anticipated date of the first SRF loan repayment.)

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
(a) Net Operating Revenues. (Table 2 line 36)	<u>5,789,359</u>	<u>5,232,027</u>	<u>5,735,212</u>	<u>6,121,055</u>	<u>6,465,115</u>
(b) Debt Service (including required coverage) pledged to all prior, parity, or projected projects (last column of Table 3).	<u>2,754,869</u>	<u>2,757,458</u>	<u>2,756,341</u>	<u>2,894,826</u>	<u>3,036,896</u>
(c) Net Revenue (= a – b)	<u>3,034,490</u>	<u>2,474,569</u>	<u>2,978,870</u>	<u>3,226,229</u>	<u>3,428,218</u>

(d) Attach audited annual financial report(s), or pages thereof, and any other documentation necessary to support the above information. Include any notes or comments from the audit reports regarding compliance with covenants of debt obligations having a prior or parity lien on the revenues pledged for repayment of the SRF loan. (Attachment # _____)

(e) Attach worksheets reconciling this page with the appropriate financial statements (for example, backing out depreciation and interest payments from operating expenses). (Attachment # _____)

(f) If the net revenues were not sufficient to satisfy the debt service and coverage requirement, please explain what corrective action was taken. (Attachment # _____)

(k) Identify the source of the above information and explain methods used to develop the projections (Attachment # 1). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations.

LIST OF ATTACHMENTS (use additional sheets if necessary)

Attachment	Number
<u>Water System SRF Financial Feasibility Analysis</u>	<u>1</u>
<u>Water Utilities 2" Watermain Facilities Plan</u>	<u>2</u>
<u> </u>	<u> </u>

TECHNICAL: Accurate answers to the following questions will help identify the technical strengths as well as areas that may need improving within your system. If a question or section does not apply to your system, please write N/A for not applicable. For questions that ask you to rate your system from 1 to 5, answer 1 for worst case scenario and answer 5 for the best case scenario.

- System has current and accurate data showing average and peak gpd used Yes No
- System’s capacity exceeds peak demand by more than 20% (Percentage - 125%) Yes No
- System can meet peak demand without pumping at peak capacity for extended periods. Yes No
- System has an emergency plan in place to meet system demand during a shortage (natural disaster or largest pump/well out, etc.) Yes No
- System has accurate records indicating types and percentage of customers use: Residential 90% Commercial 9% Industrial NA% Dedicated Irrigation Meter 1% Yes No
- System has comprehensive water loss program that compares amount of water produced (plant meter) with total delivered through metered and unmetered service connections (system’s unaccounted for water is 10%) Yes No

Purchase Water Systems NA

System has a written agreement with the supplier that:

- ensures adequate supply of water during shortage conditions, Yes No
- does not require the purchase of a minimum amount of water (water is supplied through a meter), Yes No
- assures supplying water system will remain in compliance with the appropriate State or federal regulations, and Yes No
- assures purchasing system will be notified of any water quality issues. Yes No

Surface Water Systems and Systems Using Ground Water Under the Influence of Surface Water NA

- System has redundancy for all critical treatment components 1 2 3 4 5
- System monitors raw, settled, and individual filtered water turbidity 1 2 3 4 5
- System consistently (95% of the time) has a filtered water turbidity of _____%, which is within the current standard of .3 NTU 1 2 3 4 5
- System has the capability to add coagulant before the filter and disinfect at various points in the treatment process 1 2 3 4 5
- System is evaluating (or has evaluated) changes necessary to meet the Enhanced Surface Water Treatment Rule 1 2 3 4 5
Some needed changes are: _____
- System is evaluating (or has evaluated) changes needed to meet requirements in the Disinfection By Products Rule 1 2 3 4 5
Some planned modifications are: _____

Ground Water System NA

- A minimum of two sources of groundwater are provided Yes No
- Source water protection area provides a minimum 500 foot radius around each drinking water well Yes No
- Groundwater source capacity equals or exceeds the design maximum day demand and equals or exceeds the design average day demand with the largest producing well out of service Yes No

- System monitors raw water quality to determine appropriate treatment 1 2 3 4 5
- System's well(s) have; air/vacuum relief valve, check valve, blow-off, by-pass, meter, working sanitary seal, construction/maintenance records and are properly vented 1 2 3 4 5
- System routinely monitors drawdown 1 2 3 4 5

Disinfection

- System has adequate contact time of 214 minutes following disinfection and before the first user in the distribution system Yes No
- Disinfection equipment is regularly inspected and maintained Yes No
- A chlorine residual is maintained throughout the distribution system 1 2 3 4 5

Distribution System

- System has accurate information, including age, for pipe materials that currently make up the distribution system 1 2 3 4 5
- Water mains providing fire protection are a minimum of 6-inches in diameter Yes No
- System is free of severe "water hammer" problems 1 2 3 4 5
- System tracks ranges of operating pressure, especially during peak demand 1 2 3 4 5
- System maintains a minimum operating pressure of 20 psi Yes No
- Normal operating pressure is kept between 40 and 100 psi 1 2 3 4 5
- System has a routine leak detection program that uses (type of equipment)NA, repairs identified leaks quickly, and keeps water loss in the distribution system below 10%. Average number of leak repairs per year is 70 1 2 3 4 5
- System has a cross connection control program in place that addresses: evaluation of each service connection, installation of specified backflow preventer, training, record keeping, annual testing, and education 1 2 3 4 5
- System is working to eliminate dead ends in the mains 1 2 3 4 5
- System has a flushing program that operates 3 times a year 1 2 3 4 5
- System has a map showing the bacteriological, lead and copper, and TTHM (if applicable) sampling points 1 2 3 4 5
- System has accurate "as-built" maps of the distribution system posted that show: location of sources (or intakes), size of mains, dead end mains, valves, curb stops on service lines, and proximity of mains to other utilities (gas, electric, etc.) 1 2 3 4 5
- System has a routine valve exercise program 1 2 3 4 5
- All customers are metered and all meters are routinely calibrated 1 2 3 4 5
- Customer complaints are relatively infrequent 1 2 3 4 5
List number of complaints in the past year: 13.

Pumping

- System has a pump maintenance program that includes annual inspection, scheduling of repair, and routine maintenance that is conducted by a qualified contractor 1 2 3 4 5
- System has standby or emergency power equipment that is routinely tested under load and can provide 100% of the average daily demand for 7 days 1 2 3 4 5

Storage

- System is able to meet peak demand without the high service pumps running at peak capacity for extended period 1 2 3 4 5
- System has adequate reserve capacity for fire protection. Total storage capacity of the system is 4 million gals 1 2 3 4 5
- System's 3 storage tanks receive routine inspection (every 3-5 years) to

- determine and schedule any needed maintenance 1 2 3 4 5
- All storage tanks are equipped with an altitude valve to prevent overflowing and are sized appropriately to ensure adequate turnover and no loss of water quality 1 2 3 4 5
- Storage tanks are covered and the surrounding areas are fenced 1 2 3 4 5
- Storage tanks have a drain valve and an entry hatch to allow access for cleaning and painting of the interior of the tank 1 2 3 4 5

MANAGERIAL: Answering the next set of question will help the system clearly define responsible parties, staffing needs, operational needs, policies, and internal standard that guide system performance. For questions that ask you to rate your system from 1 to 5, answer 1 for worst case scenario and answer 5 for the best case scenario.

- System has a current organizational chart and accompanying position descriptions that clearly define responsibilities of staff members 1 2 3 4 5
- The plant is a category A plant operating 24 hours per day.

List names, class, and license numbers for all operators fulfilling staffing requirements:

Timothy Sloan, A, 0012928; Melvin Pinckney, A, 0006639; Gary Baker, A, 0012318; Richard Collier, A, 20150; Jeremy Day, A, 0008501; Virgil Proctor, A, 0003972; John Fawcett, A, 20151; and Jonathon Brown, C, 0013751

- System is satisfied with service provided by contract operator(s) NA 1 2 3 4 5
- The operator’s authority and responsibilities are clearly defined 1 2 3 4 5

Policies and Plans: Please indicate with a check mark the items for which the water system has written policies or plans.

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> standard specifications | <input checked="" type="checkbox"/> connection policies | <input checked="" type="checkbox"/> main extension policies |
| <input checked="" type="checkbox"/> bacteriological sampling plan | <input checked="" type="checkbox"/> emergency operation plan | <input checked="" type="checkbox"/> Lead & Copper sample plan |
| <input checked="" type="checkbox"/> cross connection control plan | <input checked="" type="checkbox"/> record management plan | <input checked="" type="checkbox"/> TTHM |
| <input checked="" type="checkbox"/> general rules | <input checked="" type="checkbox"/> disconnection policy | <input checked="" type="checkbox"/> public education & outreach |
| <input checked="" type="checkbox"/> disaster response plan | <input checked="" type="checkbox"/> personnel policy | <input checked="" type="checkbox"/> Safety/Risk Management Policy |

- Based on the answers above the system has: clear organizational structure, defined staffing requirements, and appropriate rules/policies 1 2 3 4 5

Operations and Maintenance: The items that follow are elements that may be contained in a thorough Operations and Maintenance (O&M) manual. A complete O&M manual is useful as a quick reference for anything from trouble shooting to emergency procedures. Please indicate with a check mark those items contained in the system’s O&M manual.

Introduction and Overview

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> System name | <input checked="" type="checkbox"/> System ID# | <input checked="" type="checkbox"/> location |
| <input checked="" type="checkbox"/> design flow capacity | <input checked="" type="checkbox"/> type of treatment | <input checked="" type="checkbox"/> water source |
| <input type="checkbox"/> available training | <input type="checkbox"/> publications available | |
| <input checked="" type="checkbox"/> Statement of the purpose of the manual and relay to the operator how to best obtain pertinent information | | |
| <input checked="" type="checkbox"/> organizational chart (note which activities require qualified and licensed/certified personnel) | | |

General System Description

- a flow schematic (source to distribution)
- pumping capabilities (source, chemicals, and high service)
- storage (raw, finished water, and chemicals)
- system map showing location of all wells, intake structures, pumping stations, storage tanks, and the defined service area

System Operation and Control

- identification of major system components including a description of the normal operation of each component
- possible alternative operation modes and circumstances under which they would be used
- schematic diagrams of each treatment process
- preventative maintenance program (include inspections performed when the facility is off-line)
- common operating problems with methods of bypassing while being repaired
- importance of and how to use laboratory tests for process control
- routine system operation for each major system component this should include startup and shutdown procedures, safety procedures, and meter reading
- evaluation of overall system performance

Laboratory Testing

- identification of samples and tests needed for compliance as well as for process control.
- sampling locations, time, and methods
- how to interpret laboratory results and the use of these results to improve the process
- what should be in laboratory supply and chemicals inventory
- list of laboratory references;
- instructions for filling out worksheets for a sample (include completed example)
- for tests to be performed by outside laboratories, the name of the laboratory, contact person, telephone number, and method of requesting sample pick-up or schedule for sample pick-up

Records and Reports Section

- a general explanation of the purpose and importance of accurate records and reports
- a log of complaints and responses
- daily logs, maintenance records, laboratory records, monthly reports, monitoring reports, sanitary surveys, annual reports, operating cost reports, and accident reports.
- historical records (permits, standards, pumping capacity, consumption, and drawdown)
- list of equipment warranties and provisions
- specific area for filing records
- procedures for reporting to appropriate agencies (specify how long records should be kept)

Maintenance

- general information including purpose and value of scheduled and preventative maintenance
- preventative maintenance schedule and sample worksheets with instructions
- specifications for fuels, lubricants, filters, etc. for equipment
- troubleshooting charts or guides which reference pages in manufacturers' O&M manual or system's O&M manual as appropriate
- a record of data plate information on each piece of equipment maintained, this should include manufacturers' maintenance schedule for routine adjustments
- a work order system for maintenance of equipment with sample forms to accurately track O&M costs for each piece of equipment
- brief operation instructions for each piece of equipment with reference to the manufacturers' technical specifications for major system components
- a mechanism for storage and check out of specialized equipment used infrequently
- list of outside contract maintenance tasks
- contact person and phone numbers for equipment manufacturers, major suppliers, and all utilities serving the system
- list of special tools used and how to replace
- stocks of spare parts, supplies, chemicals and other items vital to system operation
- a system of requisitions and/or work orders used to distribute parts, supplies, chemicals, etc. for reorder purposes

Emergency Response Program

- pre-response activity such as; personnel assignments, emergency equipment inventory, filling a storage tank before a storm hits, copies of all emergency numbers. Laminated copy of phone numbers to keep readily accessible should include water system personnel responsible for making decisions in specific situations; including name, job title, home and work phone number (pager/cell phone number if available), police, fire departments, and for chemical spills or exposure CHEMTECH 800-424-9300.
- safety procedures for all personnel involved in the response
- a contingency plan to ensure proper treatment of water even in adverse conditions which may include agreements with nearby water systems for equipment or personnel
- procedures for putting standby and emergency sources into active service
- procedures for notifying customers, the local health jurisdiction, and EPA of water quality problems
- systematic procedure for returning to normal operation

Appendix

The appendix can contain documents and other information that cannot be easily incorporated into the body of the manual. Large documents such as copies of plans and specifications may be stored separately from the main manual. The following list has examples of items that might be included in appendices. Please check all that apply to your O&M Manual.

- | | | |
|---|---|--|
| <input type="checkbox"/> Detailed design criteria | <input type="checkbox"/> User Charge System | <input type="checkbox"/> Approved shop drawings |
| <input type="checkbox"/> Schematics | <input type="checkbox"/> Piping color codes | <input type="checkbox"/> Valve indices or schedule |
| <input type="checkbox"/> As-built drawings | <input type="checkbox"/> Drinking water rules/Ordinance | <input type="checkbox"/> Manufacturers' manuals |

- Based on the answers above please rate the system’s current O&M Manual. 1 2 3 4 5

The last set of questions is designed to help you evaluate the systems’ source(s). Please read the item then circle the number from 1 (needs improving) to 5 (top notch) that you feel best describes your systems’ current status relative to that item or check boxes as appropriate.

- System has an active Source Water Assessment Program 1 2 3 4 5

For Ground Water Systems:

- System has accurate historical information (like well driller’s log and construction records) for each well 1 2 3 4 5
- Well(s) have the "zone of contribution” identified on a map 1 2 3 4 5
- No storage of potential contaminants in close proximity of well(s) 1 2 3 4 5
- Well(s) are housed and fenced and have an appropriate concrete pad 1 2 3 4 5
- Well casing(s) extend at least 12" above floor or ground 1 2 3 4 5
 - Name of aquifer is known: Yes No
 - Aquifer is: Biscayne and Floridan Confined Unconfined

For Surface Water Systems:

- Commercial, industrial, or agricultural operations up stream are identified 1 2 3 4 5
- System has provided a contact to these facilities in case of an accidental release 1 2 3 4 5
- System performs up stream monitoring 1 2 3 4 5
- System has a raw water reservoir of _____ gallons that acts as a buffer 1 2 3 4 5

Overall:

- System has adequate knowledge and program activity to protect and ensure an adequate supply of drinking water 10 years into the future 1 2 3 4 5

CERTIFICATION: I, the undersigned authorized representative of the applicant, hereby certify that all information contained in this form and attachments is true, correct, and complete to the best of my knowledge and belief. I also certify that I have been duly authorized to file the business plan and to provide these assurances.

Signature Of Authorized Representative _____

Name (Please Print) _____

Title _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

RESOLUTION NO. XX-2015 OF THE CITY OF LAKE WORTH, FLORIDA, RELATING TO THE STATE REVOLVING FUND (SRF) LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE SRF REQUEST FOR INCLUSION, AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCES; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.

WHEREAS, Florida Statutes, Section 403, provide for the Florida Department of Environmental Protection, FDEP, to make loans to local government agencies to finance the construction of public water systems, including water distribution facilities; the planning and design of which have been reviewed by the Department; and

WHEREAS, Florida Administrative Code rules require authorization to apply for loans, to establish pledged revenues, to designate an authorized representative; to provide assurances of compliance with loan program requirements; and to enter into a loan agreement; and

WHEREAS; the City of Lake Worth, Florida, intends to submit a SRF Loan Request for Inclusion, submit a loan application and enter into a loan agreement with the Department of Environmental Protection under the State Revolving Fund for project financing; and

WHEREAS; the City of Lake Worth, Florida, has approved a capital project for FY 2015-2019 to replace 2 inch steel water lines throughout the water distribution system within the city over a six year time period.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WORTH, FLORIDA, AS FOLLOWS:

Section 1. The foregoing findings are incorporated herein by reference and made a part hereof.

Section 2. The City of Lake Worth, Florida, (CITY) is authorized to apply for financial assistance to finance the project.

Section 3. The City of Lake Worth, Florida, is hereby authorized to submit a SRF loan Request for Inclusion, apply for a SRF loan to finance the project, and approve a loan agreement with the Florida Department of Environmental Protection.

Section 4. The revenues pledged for the repayment of the loan are *net water utility system revenues* after payment of debt service on the City's Bank of America Public Capital loan and two existing SRF Loans for the Reverse Osmosis Plant.

Section 5. The *City Manager* is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.

Section 6. The *Mayor* is hereby designated as the authorized representative to execute the loan agreement which will become a binding obligation in accordance with its terms when signed by both parties. The *Mayor* is authorized to represent the City in carrying out the City's responsibilities under the loan agreement. The *Mayor* is authorized to delegate responsibility to appropriate City staff to carry out technical, financial, and administrative activities associated with the loan agreement.

Section 7. The legal authority for borrowing moneys to construct this Project is the City Charter, The Florida Constitution, Part ii OF Chapter 166 of the Florida Statutes and other applicable provisions of law(collectively, the "Act").

Section 8. All resolutions or part of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

Section 9. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

Section 10. This Resolution shall become effective immediately upon its passage and adoption.

The passage of this Resolution was moved by Commissioner _____, seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

Mayor Pam Triolo
Vice Mayor Scott Maxwell
Commissioner Christopher McVoy
Commissioner Andy Amoroso
Commissioner Ryan Maier

The Mayor thereupon declared this Resolution duly passed and adopted on this ____ day of _____, 2015.

LAKE WORTH CITY COMMISSION

By: _____
Pam Triolo, Mayor

ATTEST:

Pamela J. Lopez, City Clerk

Florida Department of Environmental Protection
Bureau of Water Facilities Funding

Twin Towers Office Bldg. 2600 Blair Stone Road, MS #3505 Tallahassee, Florida 32399-2400
Telephone: (850) 488-8163 FAX (850) 921-2769

Request for Inclusion on the Priority List for Drinking Water Facilities

Project Number DW _____ (Filled in by DEP)

1. Type of Assistance for which this Request is Submitted:

Pre-construction Loan Construction Loan Pre-construction Grant Construction Grant

2. Eligibility for a Loan: The federal Safe Drinking Water Act Amendments of 1996 authorize funding of community water systems (both privately and publicly owned) non-profit non-community water systems, and non-profit non-transient non-community systems. The 1997 Amendments to 403.8532, Florida Statutes, also authorize funding of these public water systems. Both funding authorizations have specific requirements to be implemented under Chapter 62-552, F.A.C. In order to be considered for a priority listing, the following conditions must be met:

- a. A respondent to this solicitation must qualify under the definition of "project sponsor" contained in Rule 62-552.200(28), F.A.C.;
- b. A project sponsored by a for-profit private owner or investor-owned entity that regularly serves at least 1,500 service connections within the certified or franchised area, any part of which would be served by the proposed project, must be the result of the consolidation of two or more public water systems;
- c. A potential loan must be for a "rate-based public water system" as defined in Rule 62-552.200(30), F.A.C.;
- d. The post-allowance project costs must be at least \$75,000;
- e. A project sponsor must qualify as a financially disadvantaged community under Rule 62-552.200(14)., F.A.C., to qualify for a pre-construction grant (note the additional limitation under Item g. below) or a construction grant;
- f. The public water system for which grant funding is sought must meet the definition of a community water system;
- g. A project sponsor must qualify as a small community under Rule 62-552.200(35), F.A.C., to qualify for a pre-construction loan or a pre-construction grant;
- h. Pre-construction loans shall not be available as the non-grant share for pre-construction grants; and
- i. A Request for Inclusion on the Priority List for Drinking Water Facilities must be submitted for a project to be initially listed on the priority list and that form must be updated and resubmitted to justify the reassignment of a previously listed planning portion project to the contingency or fundable portion of the priority list.

3. Applicant Information:

Project Sponsor City of Lake Worth, Florida

Mailing Address 301 College Street, Lake Worth, Fl. 33461

E-mail Address ljohnson@lakeworth.org

Request for Inclusion on the Priority List for Drinking Water Facilities

Street Address (if different than mailing Address) _____

(city) _____ (county) _____ (zip code) _____

Is the project sponsor's public water system a non-profit water system as defined in Rule 62-552.200(20), F.A.C.?

If "Yes," attach evidence of non-profit Florida corporation status and describe the purpose

No Yes or

function of the corporation. (*Attachment #* _____)

Contact Person Larry Johnson

Mailing Address 301 College Street, Lake Worth, Fl. 33461

Telephone 561-586-1710 FAX _____

4. Name and Address of Applicant's Consulting Engineer:

Firm Mock, Roos & Associates, Inc.

Mailing Address 5720 Corporate Way, West Palm Beach, Fl. 33407-2066

Contact Person John Leemon

Telephone 561-683-3113 FAX _____

5. Project Description (Please Attach):

- a. Construction Projects (Post-allowance Project Activities) - A project may include drinking water supply, storage, transmission, treatment, disinfection, distribution, residuals management, and appurtenant facilities. Provide specific information for all proposed facilities. To be eligible for listing on the fundable part of the list, the project components must be specifically identified in a completed water facilities plan. If the planning has been completed for this project, note the document title and date, reference the page numbers on which proposed facilities are described, and the date on which the notice of availability for the environmental information document was published in the Florida Administrative Weekly [see Rule 62-552.700(3), F.A.C.]. There are special priority requirements under Rule 62-552.370(1), F.A.C., that must be met for a financially disadvantaged community grant project to qualify for listing on the fundable portion of the priority list.
 - b. Pre-construction Projects - A project includes the planning, design, and administrative activities necessary to qualify for funding of a construction project. To be eligible for listing on the priority list, a project sponsor must qualify as a small community and, for a grant, a project sponsor must qualify as a financially disadvantaged community. There are special priority requirements under Rules 62-552.350 and 62-552.360, F.A.C., that must be met to qualify for listing on the fundable portion of the priority list.
-

Request for Inclusion on the Priority List for Drinking Water Facilities

6. Baseline Priority Category:

Category scores for public health and compliance may be justified by sampling documentation demonstrating that, at some time in the 48-month period immediately preceding the submittal of this form, a problem involving a drinking water quality standard has been detected. The items requiring sampling documentation are indicated with an asterisk (*) below. In addition, category scores may be assigned as a result of the nature of a project. (See Rule 62-552.650, F.A.C., for a more complete description of the prioritization criteria.) Note that the State Health Officer's Certification under Tier II or Tier IV should not be pursued before first discussing the situation with Bureau of Water Facilities Funding personnel. Check the boxes for which documentation is being attached and for which the problem has not been eliminated:

Tier I - Acute Public Health Risk (800 Priority Points)

- * E-Coli or Fecal Coliform MCL Exceedance [See Rule 62-550.310(3)(b), F.A.C.]..... No Yes
- * Nitrate, Nitrite, or Total Nitrogen MCL Exceedance [See Rule 62-550.310(1), F.A.C.]..... No Yes
- * Lead or Copper Action Level Exceedance (See Rule 62-550.800, F.A.C.)..... No Yes
- ⇒ Required Treatment or Disinfection to Comply with Surface Water Treatment Rule..... No Yes
(See Rules 62-550.560 and 62-555.600 through 62-555.630, F.A.C.)

Tier II - Potential Acute Public Health Risk (700 Priority Points)

- * Nitrate, Nitrite, or Total Nitrogen Exceedance of 50% of MCL..... No Yes
[See Rules 62-550.310(1), F.A.C.]
- * Total Coliform MCL Exceedance [See Rule 62-550.310(3)(a), F.A.C.]..... No Yes
- ⇒ Treatment or Disinfection to Enhance Compliance with Surface Water Treatment Rule.. No Yes
[See Rules 62-550.560 and 62-555.600 through 62-555.630, F.A.C.]
- ⇒ State Health Officer's Certification of Acute Public Health Risk for Unregulated..... No Yes
Microbiological Contaminants [See Rule 62-552.650(4)(b)5., F.A.C. and
Page 11 of this Form]
- ⇒ Disinfection Requirements Violations [See Rule 62-555.320(4), F.A.C.]..... No Yes

Tier III - Chronic Public Health Risk (600 Priority Points)

- * Primary Contaminant (Except Nitrate, Nitrite, and Total Nitrogen)..... No Yes
MCL Exceedance (See Tables 1, 2, and 3 of Chapter 62-550, F.A.C.)
- * Trihalomethane MCL Exceedance [See Rule 62-550.310(2)(a), F.A.C.]..... No Yes
- * Radionuclide MCL Exceedance [See Rule 62-550.310(4), F.A.C.]..... No Yes

Tier IV - Potential Chronic Public Health Risk (500 Priority Points)

- * Primary Contaminant (Except Nitrate, Nitrite, and Total Nitrogen) Exceedance..... No Yes
of 50% of MCL (See Tables 1, 2, and 3 of Chapter 62-550, F.A.C.)
- * Trihalomethane Exceedance of 80% of MCL [See Rule 62-550.310(2)(a), F.A.C.]..... No Yes
- ⇒ State Health Officer's Certification of Chronic Public Health Risk for Unregulated..... No Yes
Chemical Contaminants [See Rule 62-552.650(4)(d)3., F.A.C., and
Page 11 of this Form]

Request for Inclusion on the Priority List for Drinking Water Facilities

Tier V - Compliance (300 Priority Points)

- * Secondary Contaminant Standards Violation (See Table 4 of Chapter 62-550, F.A.C.)... No Yes
- ⇒ Minimum Required Number of Wells [See Rule 62-555.315(1), F.A.C.]..... No Yes
- ⇒ Treatment, Storage, Power, and Distribution Requirements..... No Yes
[See Rule 62-555.320, F.A.C.]
- ⇒ Well Set-back and Construction Requirements No Yes
(See Rules 62-555.312 and 62-555.315, F.A.C.)
- ⇒ Cross-connection and Backflow Control Requirements..... No Yes
[See Rule 62-555.360, F.A.C.]

Tier VI - Other Projects (100 Priority Points)

- ⇒ Water Softening Treatment..... No Yes
- ⇒ Computer or Laboratory Facilities..... No Yes
- ⇒ Any Other..... No Yes

7. Financially Disadvantaged Community Grants: Only a financially disadvantaged community can qualify for a pre-construction grant or a construction grant. Any grant must be for the improvement of a community water system. A financially disadvantaged community cannot be a sub-unit of a larger community such as a city, county, district, or utility franchise area unless that larger community also qualifies as a financially disadvantaged community. Information about median household income is required and may not be the same as reported under Item 11 dealing with priority to be assigned for affordability within the project service area. If the project sponsor seeks to obtain a grant, the following questions must be answered:

- a. For a pre-construction or construction grant, provide the following income information:
 - i. The median household income for the entire financially disadvantaged community is \$ 35,428.
 - ii. Is the median household income reported based on the most recently available decennial census data? No Yes
If "No," attach an explanation as to how the data has been established.
- b. For a construction grant, provide the following information to qualify for a listing on the fundable or contingency portion of the priority list:
 - i. Reference the location in the water facilities plan where the debt service component of the average annual residential drinking water user charge (or the equivalent thereof), in the absence of grant assistance, is documented See Business Plan
 - ii. What is the debt service component of the average annual residential drinking water user charge (or the equivalent thereof) for the financially disadvantaged community in the absence of grant assistance?
See Business Plan
 - iii. Reference the location in the water facilities plan where it is documented that the benefits of the grant will exclusively accrue to the financially disadvantaged community. See Business Plan

Request for Inclusion on the Priority List for Drinking Water Facilities

8. Estimated Project Cost (Grant or Loan Assistance) Based on Water Facilities Plan Data if Available:

<u>Post-allowance Project Activities</u>	<u>Cost (\$1,000's)</u>
a. Construction, demolition and related procurement	\$ <u>12,500</u>
b. Contingency (10% of construction and land)	\$ <u>1,100</u>
c. Technical services after bid opening	\$ <u>0</u>
d. Other (explain) - note that the eligible costs of capacity purchase and acquiring land and existing facilities are excluded from Subitem e below in establishing allowances.	\$ <u>0</u>
e. Sum of Items a. through d. (adjusted post-allowance project costs)	\$ <u>13,600</u>
f. Administrative allowance [see Rule 62-552.420(1), F.A.C.]	\$ <u>0</u>
g. Engineering allowance [see Rule 62-552.420(2), F.A.C.]	\$ <u>816</u>
h. Sum of Items e. through g.	\$ <u>14,416</u>
i. Loan repayment reserve for loan projects only (ordinarily 3% of Item h.)	\$ _____
j. Total post-allowance project cost (sum of Items h. And i.) for loan projects only	\$ <u>14,848</u>

<u>Pre-construction Activities</u>	<u>Cost (\$1,000's)</u>
k. Administrative allowance [see Rule 62-552.420(1), F.A.C.]	\$ <u>0</u>
l. Engineering allowance [see Rule 62-552.420(2), F.A.C.]	\$ <u>816</u>
m. Planning allowance [see Rule 62-552.420(3), F.A.C.]	\$ <u>0</u>
n. Total for allowances (sum of Items k. through m.) to be identified on priority list for a pre-construction grant	\$ <u>816</u>
o. Loan repayment reserve for loan projects only (ordinarily 3% of Item n.)	\$ _____
p. Total pre-construction loan cost (sum of Items n. and o.), excluding capitalized interest	\$ <u>816</u>

9. Loan Service Fee: A loan service fee is assessed on each loan. (There is no grant service fee to be paid by the grantee.) The fee is not part of the loan. It may be paid at the time of loan agreement execution or it may be paid along with capitalized interest thereon no later than by the time that the second semiannual loan repayment is due. The fee percentage is established each fiscal year in accordance with Rule 62-552.400(1), F.A.C. The authorized fee minimum is 2% and maximum is 4% of Subitem 8.h or 8.n above. Please check with Bureau of Water Facilities Funding personnel to establish the current year's loan service fee percentage and to obtain more information on how the fee may be paid.

The estimated amount of the loan service fee is..... \$314

10. Estimated Project Costs: Identify project components (comprising Item 8.e above) for which a distinct baseline priority Tier (from Item 6 above) may be assigned (non-construction costs, such as for engineering should be prorated). This information shall be used to establish the project's overall baseline priority score under Rule 62-552.650(2), F.A.C.

Request for Inclusion on the Priority List for Drinking Water Facilities

<u>Facilities Category</u>	<u>Cost (\$1000's)</u>
Tier I - Acute Public Health (800 Priority Points)	\$ _____
Tier II - Potential Acute Public Health (700 Priority Points)	\$ <u>6,800</u>
Tier III - Chronic Public Health (600 Priority Points)	\$ _____
Tier IV - Potential Chronic Public Health (500 Priority Points)	\$ _____
Tier V - Compliance with the Safe Drinking Water Act (300 Priority Points)	\$ <u>6,800</u>
Tier VI - Other (100 Priority Points)	\$ <u>13,600</u>
TOTAL (must match Item 8.e)	\$ <u>13,600</u>

11. Affordability Score: The priority points assigned as a result of project affordability depend on the characteristics of the community to be served by the project. Accordingly, provide a sketch or map showing the boundaries of the planning area evaluated by the project sponsor, the service area for the proposed project, the total area throughout which the project sponsor has responsibility for serving the public with drinking water, and the census tracts encompassing the project service area.

a. The median household income for the proposed project service area is \$ 35,428

Is the median household income reported based on the most recently available decennial census data?

No Yes

If "No," attach an explanation as to how the data has been established.

b. The population of the proposed project service area is 34,910

Is the population reported based on the most recently available decennial census data?

No Yes

If "No," attach an explanation as to how the data has been established.

c. The number of public water systems serving 500 or fewer persons and that are being consolidated or regionalized by the proposed project is NA

12. Project Priority Score:

a. Baseline Priority Score:

i. Construction Loans: Establish the highest baseline priority score for that part of the project that represents at least 50% of the costs. The baseline priority scores are identified as 800 points for Tier I; 700 points for Tier II; 600 points for Tier III, 500 points for Tier IV; 300 points for Tier V; and 100 points for Tier VI. Item 6 of this form associates the Tier designations with the characteristics of various facility needs comprising the project. Item 10 identifies the costs by Tier designation. Note that costs for facilities with a higher priority Tier designation may be included with those having a lower priority score designation **at the lower priority score designation** for purposes of generating at least 50% of the project costs. (For example when a project includes Tier II facilities representing 20% of the project cost, Tier IV facilities representing 35% of the project cost, and Tier VI facilities representing 45% of the project costs, the highest justified baseline priority score is 500 points since the combination of Tier II and Tier IV costs is necessary to generate at least 50% of the total costs. Alternatively, the project could be subdivided into two or three smaller projects, each with its own characteristic baseline priority score.)

The baseline priority score is 700 points.

Request for Inclusion on the Priority List for Drinking Water Facilities

- ii. Construction Grants: Establish the baseline priority score for each project component qualifying under Tier I through Tier V as having a public health risk or compliance priority regardless of cost.

<u>Component</u>	<u>Baseline Priority Score</u>
Distribution piping	700
_____	_____
_____	_____
_____	_____

- iii. Pre-construction Loans or Pre-construction Grants: Identify a project component that qualifies under Tier I through Tier IV as having a public health risk priority.

Component	<u>Water Distribution piping</u>	Baseline Priority Score	<u>700</u>
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- b. Establish the affordability score for the entire project service area. The affordability score will be the sum of the median household income (MHI) points plus the population (P) points plus the consolidation number (N) points.

- i. The MHI for the entire project service area from Item 11.a. is \$_____ per year. The MHI fraction is the service area MHI divided by the statewide average. (The 1990 census determined the statewide average to be \$27,483. Use more recent decennial census data if available.) The MHI fraction is rounded to the nearest 0.01.

The MHI score is 200 times the quantity (1.00 minus MHI fraction) or _____ points. Note that the maximum score is 100.0 and scores are to be rounded to the nearest 0.1.

- ii. The population for the project service area from Item 11.b. is _____.

The population score is 50.0 minus the quantity (P divided by 1,000) or _____ points. Note that the minimum population score is zero and scores are rounded to the nearest 0.1.

- iii. The number of very small public water systems, serving 500 or less persons, being eliminated through consolidation or regionalization by the project from Item 11.c. is _____.

The consolidation score is 15 times N for the project or _____ points. Note that the maximum number of consolidation points is 45.

- iv. The sum of the affordability subcategory scores (12.b.i. + 12b.ii. + 12.b.iii.) is _____ points.

- c. Total Priority Scores:

- i. For construction loans, pre-construction loans, and pre-construction grants, the total priority score is the baseline score (12.a.) plus the affordability score (12.b.iv.) is _____ points.

- ii. For construction grants, identify the total of the baseline score plus the affordability score for each project component (12.a.ii).

<u>Component</u>	<u>Total Priority Score</u>
_____	_____
_____	_____
_____	_____

Request for Inclusion on the Priority List for Drinking Water

Facilities

13. Small Community Designation: The small community set-aside can be used to fund qualifying projects under Rule 62-552.500(1), F.A.C. Does the project sponsor request consideration for funding from the set-aside?..... No Yes

If "YES", provide the following information:

- a. Does the project involve consolidation or regionalization?..... No Yes
- b. Is the total population 10,000 or less?..... No Yes

- Is the population based on the most recently available decennial census data?..... No Yes
- If "No", is an explanation attached as to how the data have been established?..... No Yes

- c. Is the project sponsor a for-profit private owner or an investor-owned entity that regularly serves less than 1,500 connections within the franchise area any part of which would be served by the proposed project?..... No Yes

- d. Provide the following information for projects to be completely funded with a loan:
- i. Is the project sponsor a county or an agency thereof?..... No Yes
 - ii. Is the project sponsor a municipality?..... No Yes

If "Yes" and the project is to be funded with a construction loan, provide the following information:

- What percentage of the existing population to be served by the project resides within the project sponsor's corporate limits 100%?
- What percentage of the design year population growth to be served by the project would reside within the project sponsor's corporate limits 100%?

14. Project Schedule:

- Is this information being submitted in support of a request for the Department to **Include** a project on the initial priority list yet to be adopted for the upcoming fiscal year? No Yes

If **Yes**, note that there is a March 31 (of the fiscal year for which the project list is being developed) target date deadline. A complete financial assistance application is to be submitted no later than 45 days prior to the target date.

- Is this information being submitted in support of a request for the Department to **Add** a project to the priority list after its initial adoption? No Yes

(Note that the addition of projects to be funded with a pre-construction loan or a pre-construction grant or a construction grant is subject to the availability of limited set-asides.)

If **Yes**, note that a complete financial assistance application is to be submitted no later than the date listed below corresponding to the three-month period in which notification is given that the project has been added to the list. The corresponding target date deadlines also are listed below **for project list additions**.

Request for Inclusion on the Priority List for Drinking Water Facilities

<u>Notification Period</u>	<u>Application Deadline</u>	<u>Target Date Deadline</u>
January 1 to March 31	May 15	June 30
April 1 to June 30	August 15	September 30
July 1 to September 30	November 15	December 31
October 1 to December 31	February 15	March 31

Provide the actual or anticipated dates for the following activities:

- | | |
|--|-----------------------------------|
| • Completion of the water facilities plan as defined under Rule 62-552.200(37), F.A.C. | <u>04/30/2015</u> |
| • Completion of project plans and specifications in conformance with the water facilities plan and Rule 62-552.700, F.A.C. | <u>12/30/2015–
12/30/2019</u> |
| • Obtain the Department’s intent to issue a permit or other authorization (if required) for project construction | <u>3/30/2016–
3/30/2020</u> |
| • Obtain all required project sites | <u>NA</u> |
| • Complete financial assistance application submittal date | <u>6/30/2015</u> |
| • Target date (anticipated effective date of financial assistance agreement) | <u>9/30/2015</u> |
| • Start construction | <u>4/15/2016</u> |
| • Complete construction | <u>12/30/2020</u> |

APPLICATION SUBMITTAL AND TARGET DATE CONSIDERATIONS:

In situations described in Rule 62-552.680, F.A.C., and Rule 62-552.430(3), F.A.C., late submittals of applications will have adverse consequences. ***The certification required, under Item 15 below, from the Authorized Representative as part of this form extends to the project sponsor’s commitment to meet the submittal requirements for the completed financial assistance application and to meet the target date requirements for executing an assistance agreement.***

Note the following activities associated with completing any application:

- a. Adopt governing body resolution, or equivalent, authorizing the application and designating an Authorized Representative.
- b. Submit EPA Compliance Report (relating to service area demographics) to the Department.
- c. Establish project, including disbursement, schedule.

Note the following activities associated with completing a loan application:

- a. Adopt governing body resolution, or equivalent, establishing pledged revenues.
- b. Establish a loan repayment schedule.
- c. Obtain financial information for each source of pledged revenue as follows: Actual revenues and expenditures for the last two fiscal years, and forecast revenues and debt coverage demonstrating the availability of pledged revenues for loan repayment (and explain the basis of the forecast).
- d. Obtain a legal opinion addressing the availability of pledged revenues for loan repayment, the right to increase rates at which revenues can be collected to repay the loan, and the subordination of the pledge if pledged revenues are subject to a prior or parity lien.
- e. Obtain information concerning liens on the pledged revenues which will have prior or parity status. Information is to be provided for each of the last two fiscal years and estimated throughout the loan repayment period. Describe each obligation, the amount, and repayment terms. Provide resolutions or ordinances recognizing the seniority or parity of unissued debt.

Request for Inclusion on the Priority List for Drinking Water Facilities

15. Certification by Project Sponsor's Authorized Representative:

I certify that this form and attachments have been completed by me or at my direction and that the information presented herein is, to the best of my knowledge, accurate. I further certify that all the conditions given in Item 2 of this Request for Inclusion have been met for the proposed project.

(signature)

(date)

(name, typed)

(title)

16. Return completed Forms to the Bureau of Water Facilities Funding, 2600 Blair Stone Road, MS #3505, Tallahassee, Florida 32399-2400. Information may also be sent by FAX at (850) 921-2769.

The remainder of this page intentionally has been left blank.

Request for Inclusion on the Priority List for Drinking Water Facilities

CERTIFICATION THAT THE PROJECT WILL ELIMINATE A PUBLIC HEALTH RISK FOR WHICH THERE ARE NO ESTABLISHED DEP STANDARDS

Check the appropriate description.

Acute Public Health Risk

Chronic Public Health Risk

Please characterize the public health risk by providing the following information:

(a) Specific location of the health risk (attach a sketch or map).

City of Lake Worth, water distribution system, see attached map

(b) Extent of the hazard (for example, number of affected wells and the number of people affected).

Chronic water distribution piping failures affecting water quality, pressure and flow to approximately 12,000 residences.

Failed water distribution piping includes 17.7 miles of corroded 2 inch steel water lines throughout the city.

(c) Chemical Abstract (CAS) number(s) for contaminant(s) and concentration(s) identified as well as the date(s) of sampling.

(d) Explanation of how the project will eliminate the health risk.

Failed 2 inch steel water lines will be replaced with larger (4") piping designed for long term water use.

(e) As the State Public Health Officer, I hereby certify that a public health risk exists and that the information presented herein is accurate.

(signature)

(date)

(name, typed)

(title, typed)

(agency)

(address)

Telephone _____

FAX _____



CITY OF LAKE WORTH OFFICE OF THE MAYOR

7 North Dixie Highway · Lake Worth, Florida 33460 ·
Phone: 561-586-1689 · Fax: 561-586-1750

April 8, 2015

Open Letter to the Residents of Lake Worth

RE: State Revolving Fund Loan for Replacement of 2 inch Steel Water Distribution Pipes

My Fellow Lake Worth Resident:

I hope you had a good morning. For most of us, that means taking a shower, getting the kids ready for school, fixing tea or coffee and rushing out the door. When you turn the water faucet, you probably don't even think about whether water will come out and how it gets there. That is the City's responsibility, and our team of water utility professionals provide that service proudly. We recognize that safe, clean water is a fundamental service for residents to maintain their quality of life, and we are dedicated to providing that service so you can depend on it.

The city has a first class water treatment plant that supplies clean, safe and good tasting water from two water sources, so that our water supply is sustainable for the long term. That water comes to your house through a system of large underground pipes (transmission pipes) that feed smaller (distribution) pipes located in alleys or easements behind your property. These small pipes feed service lines and water meters that bring the water to your house or apartment. In many cases where the piping is located in easements behind homes, there is no access and repairs may not be practical.

Larry Johnson, our Water Utility Director, rides along with maintenance foremen to see firsthand what conditions his crews face while fixing water breaks. During a water break last year, they dug up a palm tree to get to the line behind an apartment building, and put a repair clamp on the 2 inch rusty steel pipe. After the repair was made, he saw a previous repair clamp a foot from the new leak. This shows that the whole pipe needs to be replaced. Over the next few weeks, he received samples of the 2 inch steel pipe from other water breaks. One section was so corroded that they found a hole in the pipe that had been leaking unnoticed, and the pipe crushed when they tried to cut it. Another customer could not get water to their house. They found that the 2 inch distribution pipe was so rusted on both the inside and outside that water could no longer get through the pipe.

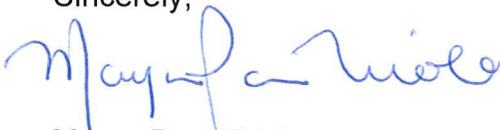
The rusty steel pipe also affects the water quality delivered to many of your homes. The rust particles make the water appear orange, and cause deposits in the tub. The rust also reduces the chlorine that is in the water to keep it safe. When the levels of chlorine go down, city crews must flush hydrants which wastes water and is not in keeping with our water conservation goals. This rust in the pipes is a potential health risk that could require boil water notices if the chlorine residual cannot be maintained above the required limit of 0.6 mg/l. In the future, flushing alone may not be adequate to maintain water quality as these pipes continue to deteriorate.

When the current water utility staff reviewed the history of the 2 inch steel pipe problem, they found that the annual water system engineering reports had recommended replacement since 2005. Although the Reverse Osmosis Plant's construction started in 2009 utilizing revenue bond money, the distribution system including these pipes were not addressed even though they were identified as a problem. At that time the city replaced some of the small water piping with in-house crews, but budget cuts eliminated that crew. However, in 2013, there were still 23 miles of this rusty pipe in the water distribution system that needed to be replaced. This issue was included as part of capital project discussions in Commission workshops last year, and the Commission agreed that it was a priority to replace the piping. The Commission directed staff in a workshop on 3/25/2014, to plan for the piping replacement and pay for the replacement with loans to be paid from water system revenues. Our staff included a project to replace 17 miles of 2 inch steel piping in the five year capital improvement projects, which was approved in the FY 2015 budget in September 2014. The remainder of the 2 inch piping will be abandoned as larger water mains are replaced in the roadways.

Now, the water department staff is working to implement the recommended capital improvement project. 17 miles of rusty 2 inch water piping, serving 2277 customers, will be replaced throughout the city, over a six year time frame, starting with a pilot project this year. They learned that the state may provide a State Revolving Fund (SRF) loan for this purpose, at lower interest rates (1-2%) than regular revenue bonds (3-5%) interest. This SRF loan requires the Commission to approve a resolution at a public meeting before applying for the loan. The Commission will discuss the loan at a Workshop scheduled for 4/14/2015, before considering the resolution at a public meeting on 5/5/2015.

We invite you to attend the Workshop on 4/14/2015, and the Regular Commission meeting on 5/5/2015 at City Hall. Additional information is available on the City website. We look forward to your participation.

Sincerely,



Mayor Pam Triolo

C: Commissioners, City Manager, Finance Director, City Clerk, Water Utility Director

Legend

Water Service Area

Municipal Boundary

Watermain Breaks with Boil Water Notices

2011 (6)

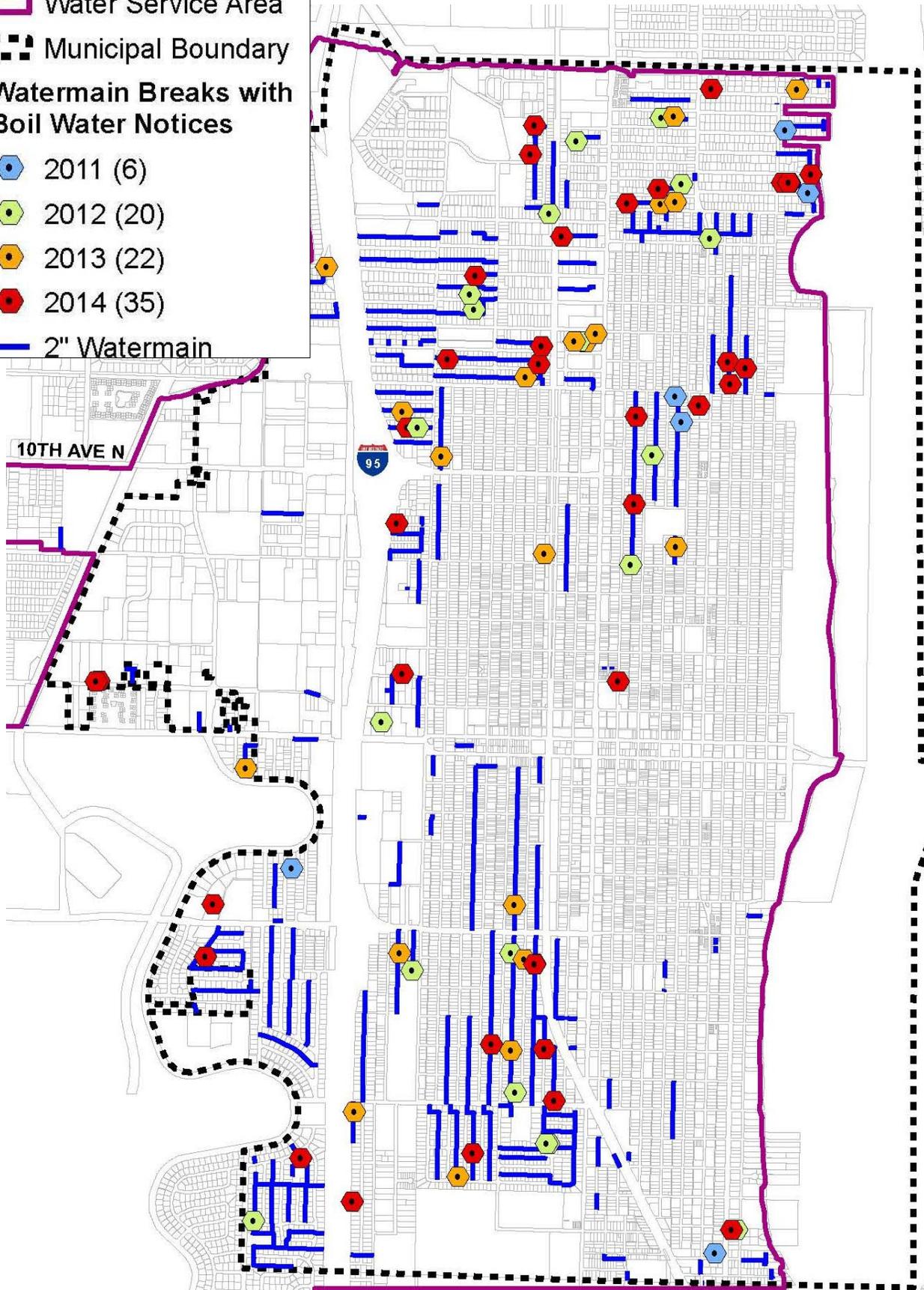
2012 (20)

2013 (22)

2014 (35)

2" Watermain

2" Steel Pipes and Watermain Breaks











2 INCH STEEL WATER PIPE

TIMELINE

} 1950S TO 1960S

- INSTALLED 2 INCH STEEL PIPE

} 2005/6

- WATER SYSTEM ENGINEERING REPORT IDENTIFIES 26 MILES OF 2 INCH WATER LINES THAT NEED REPLACEMENT

} 2011

- ELIMINATED SECOND WATER DISTRIBUTION CREW THAT REPLACED WATER PIPES IN-HOUSE

} 2013

- UPDATED WATER SYSTEM ENGINEERING REPORT IDENTIFIES 23 MILES OF 2 INCH WATER LINE THAT STILL NEEDS REPLACEMENT





2 INCH STEEL WATER PIPE

TIMELINE – CONTINUED

} 3/2014

- COMMISSION WORKSHOP DIRECTS 2 INCH WATER LINE REPLACEMENT USING WATER REVENUES

} 9/2014

- FY 2015-19 CAPITAL BUDGET APPROVED WITH 2 INCH WATER LINE REPLACEMENT PROJECT OVER SIX YEARS

} 10/2014

- FDEP SEMINAR - STATE REVOLVING FUND (SRF) LOANS

} 11/2014 TO 3/2015

- PREPARED FACILITIES PLAN AND BUSINESS PLAN FOR SRF LOAN

} PROJECT REPLACES 17 MILES OF 2 INCH STEEL WATER PIPE

} REMAINDER WILL BE ABANDONED WITH MASTER PLAN PROJECTS



2 INCH STEEL WATER PIPE ROADS, ALLEYS AND EASEMENTS



- } ROADS ARE USED AS TRANSPORTATION AND UTILITY CORRIDORS OR AS PEDESTRIAN PATHS
- } ALLEYS ARE USED FOR LOCAL VEHICLE ACCESS, PEDESTRIANS AND UTILITIES LOCATED AT THE REAR OF PROPERTIES
- } EASEMENTS ALLOW UTILITIES LOCATED ON PRIVATE PROPERTY, WITH MINIMAL ACCESS FOR CONSTRUCTION AND MAINTENANCE





2 INCH STEEL WATER PIPE **ACCESS IS NEEDED**



- } LAKE WORTH IS DEPENDENT ON ALLEY AND EASEMENT ACCESS DUE TO UTILITIES LOCATED AT THE REAR OF LOTS
- } ROADS AND ALLEYS WITH UTILITIES SHOULD MAINTAIN TRUCK ACCESS FOR MAINTENANCE
- } MANY UNPAVED ROADS AND ALLEYS ARE OBSTRUCTED NOW
- } CODE ENFORCEMENT AND ROAD/ALLEY MAINTENANCE ARE REQUIRED TO MAINTAIN TRUCK ACCESS FOR UTILITIES



2 INCH STEEL WATER PIPE PIPING HAS FAILED

- STEEL PIPES PROVIDE WATER TO HOMES
- INTERNAL AND EXTERNAL CORROSION CAUSE FAILURE
- PIPES ARE UNDERSIZED AND MOSTLY PLUGGED
- CAUSE BREAKS AND WATER QUALITY COMPLAINTS
- PUBLIC HEALTH RISK DUE TO LOW CHLORINE RESIDUAL





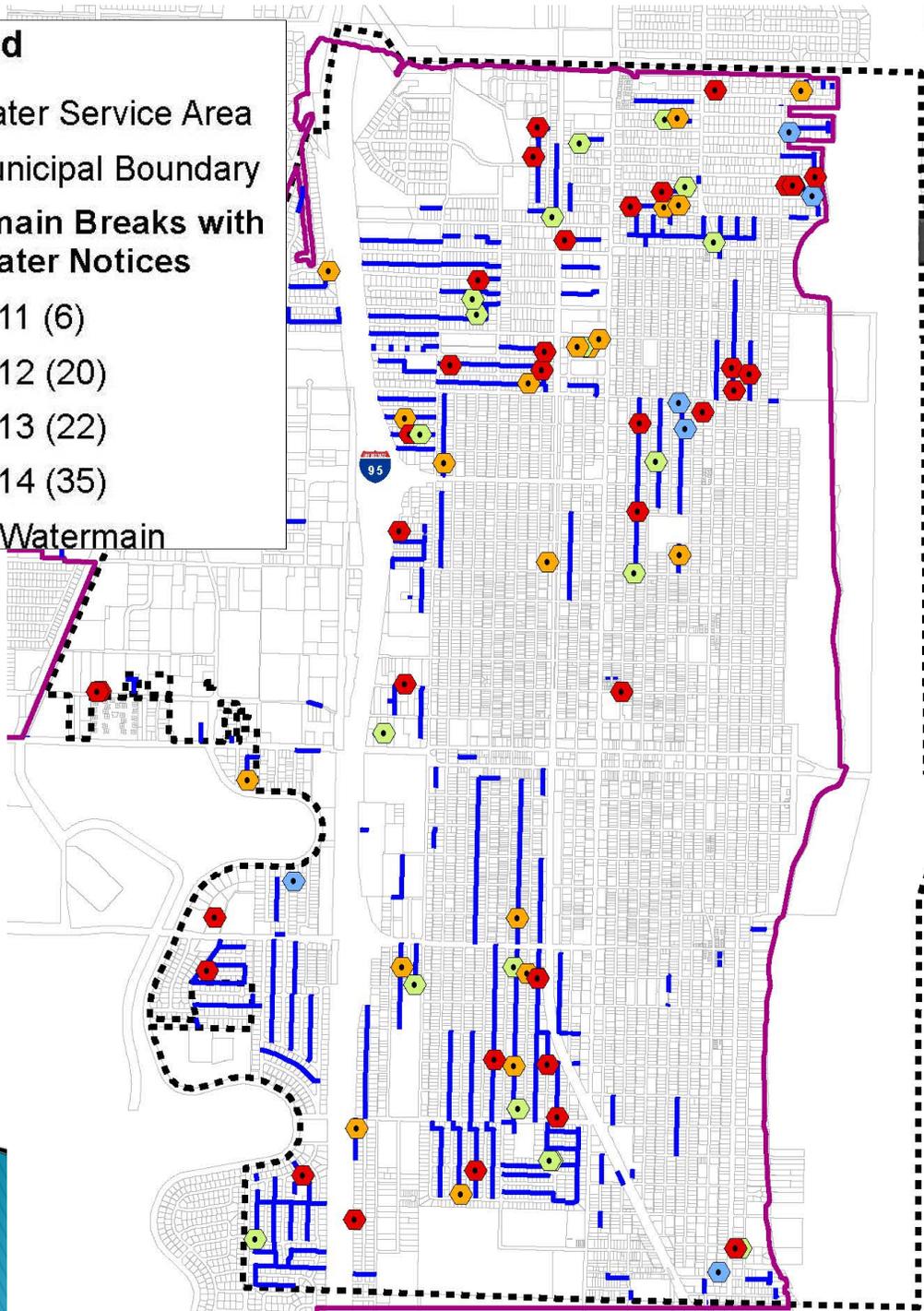
2 INCH STEEL WATER PIPE EXAMPLE WATER BREAK

**2" STEEL PIPES CAUSE MOST
LEAKS AND BOIL WATER
NOTICES**



Legend

-  Water Service Area
-  Municipal Boundary
- Watermain Breaks with Boil Water Notices**
-  2011 (6)
-  2012 (20)
-  2013 (22)
-  2014 (35)
-  2" Watermain



2" STEEL WATER PIPES

BREAKS THROUGHOUT CITY

70% of watermain breaks in 2013 were 2" steel lines.





2 INCH STEEL WATER PIPE

WATER QUALITY PROBLEMS RISK PUBLIC HEALTH

- INTERNAL CORROSION REDUCES CHLORINE LEVELS AND INCREASES PUBLIC HEALTH RISK OF BACTERIA
- CHLORINE FLUSH MUST BE DONE THREE TIMES PER YEAR INSTEAD OF ONCE PER YEAR





2 INCH STEEL WATER PIPE

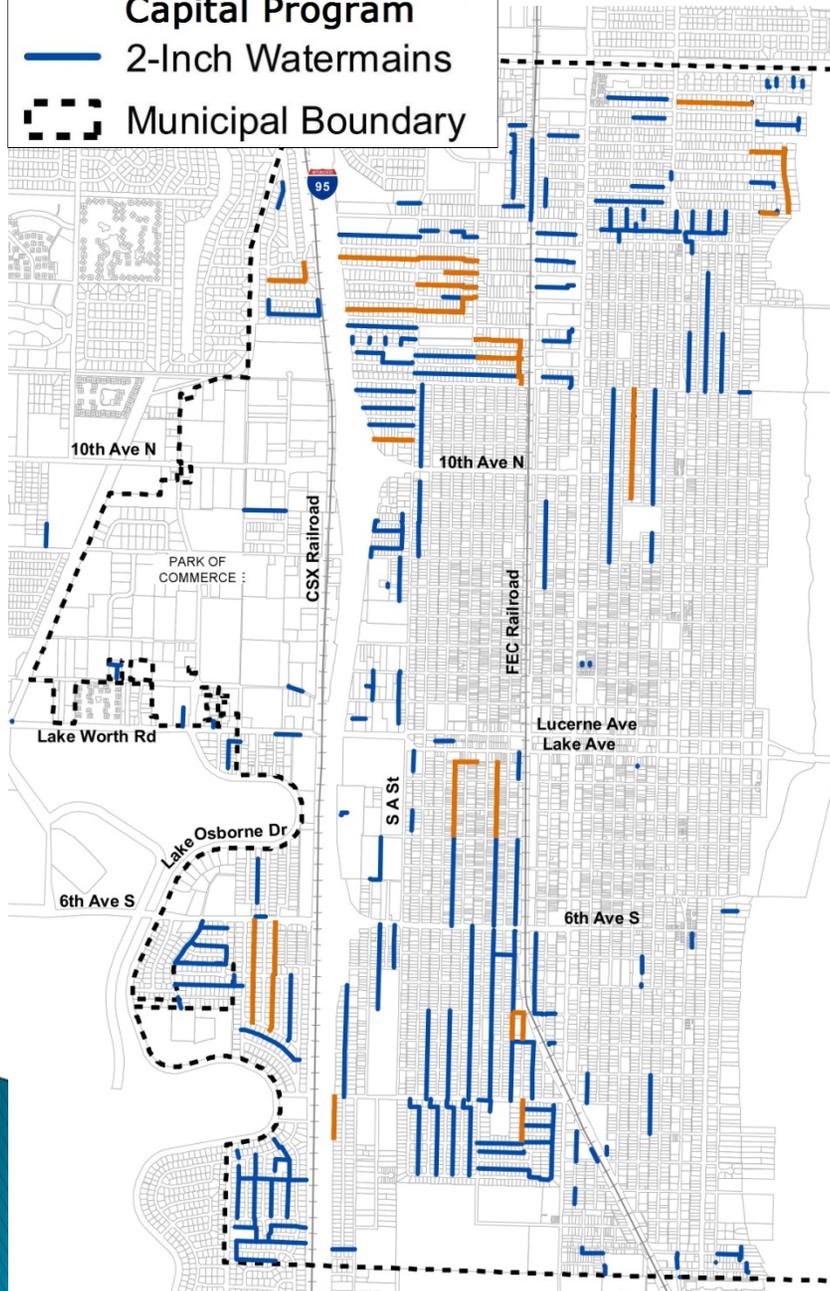
WATER QUALITY PROBLEMS COST WATER AND MONEY

- EXCESSIVE FLUSHING IS NEEDED TO MAINTAIN CHLORINE LEVELS
- 8 MILLION GALLONS FLUSHED DURING 2014
- \$23,000 EXTRA OVERTIME FOR FLUSHING



Legend

- 2-Inch WM Part of Capital Program
- 2-Inch Watermains
- - - Municipal Boundary



2 INCH STEEL WATER PIPE



This program replaces 17 Miles of 2in steel water pipes in 6 years

ALLEY WATER PIPING

- } 2" = 10.3 MILES
- PROPERTIES IMPROVED = 1,370

EASEMENT WATER PIPING

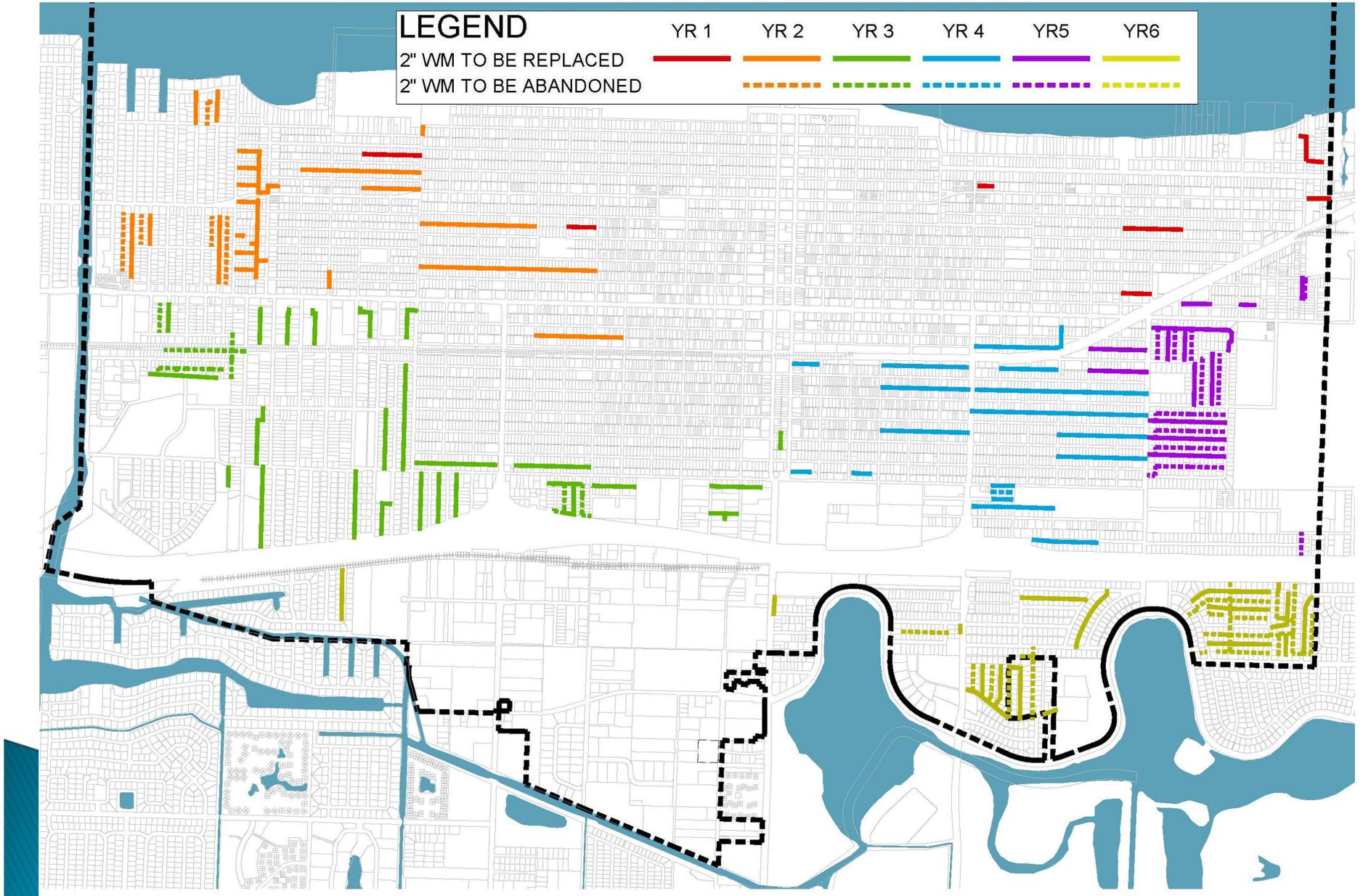
- } 2" = 5.3 MILES
- } PROPERTIES IMPROVED = 700
- } METERS AND SERVICES MOVED TO FRONT OF PROPERTY

ROAD WATER PIPING

- } 2" = 1.6 MILES
- } PROPERTIES IMPROVED = 110
- } METERS AND SERVICES MOVED TO FRONT OF PROPERTY



2 INCH STEEL WATER PIPE REPLACEMENT PHASING PLAN





2 INCH STEEL WATER PIPE FUNDING PLAN

ALLEY WATER PIPING CONSTRUCTION COST	\$ 6,545,000
EASEMENT WATER PIPING CONSTRUCTION COST	\$ 5,490,000
ROAD WATER PIPING CONSTRUCTION COST	<u>\$ 1,566,000</u>
TOTAL CONSTRUCTION COST	\$ 13,600,000
ENGINEERING/SURVEY	\$ 2,460,000
LOAN FEES AND RESERVES	<u>\$ 746,000</u>
TOTAL PROJECT COST	\$ 16,806,000
CITY FUNDED	\$ -828,000
SRF LOAN	\$ 15,978,000



2 INCH STEEL WATER PIPE **FINANCING OPTIONS**

COMMISSION DIRECTED PAYMENT FROM WATER UTILITY RATES PAID BY ALL CUSTOMERS

1. DO NOTHING – **NOT RECOMMENDED**
2. ISSUE WATER UTILITY REVENUE BOND – INTEREST RATE OF 3–4%, **RATE INCREASE OF 5% PER YEAR**
3. INCREASE RATES TO PAY FOR WATER PIPE REPLACEMENT WITHOUT LOANS
RATE INCREASE OF 20% PER YEAR FOR 2 YEARS – NOT RECOMMENDED
4. **STATE REVOLVING FUND LOAN – INTEREST RATE OF 1–2%, RATE INCREASE REDUCING FROM 5% TO 3.5% – RECOMMENDED**
5. USE AVAILABLE RESERVES AND REDUCE OTHER PLANNED CAPITAL PIPING PROJECTS TO PAY FOR 2 INCH STEEL WATER PIPE REPLACEMENT
REPLACE 2 INCH PIPE OVER 10 YEARS, DELAY \$10.5 MILLION FOR ALL OTHER WATER PIPING PROJECTS – (NOT RECOMMENDED)

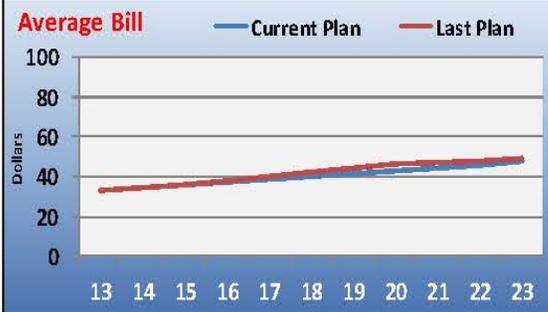


2 INCH STEEL PIPE

FINANCING OPTIONS BASED ON FY 2015 BUDGET

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

SAVE	CALC	ROLL	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	<i>Cumulative Change</i>	
<i>Override</i> ▶				5.00%	4.50%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	FY 2019	FY 2024
Water Rate Increases			0.00%	5.00%	4.50%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	22.11%	45.08%
<i>Last Plan</i>			0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	2.00%	2.00%	2.00%	27.66%	49.49%
Rate Covenant			2.53	2.29	2.51	2.67	2.82	2.93	3.05	3.17	3.28	3.39	3.50	<i>Elasticity</i>	10.0%
<i>Last Plan</i>			2.36	1.84	2.01	2.20	2.36	2.52	2.68	2.71	2.73	2.75	<i>PILOT</i>		8.00%
SRF Coverage			6.54	5.35	6.14	5.44	4.90	4.42	4.10	3.79	4.00	4.22	4.44	<i>Calc R&R Transfer</i>	Y
<i>Last Plan</i>			5.69	4.46	5.67	6.97	8.10	9.16	10.32	10.52	10.68	10.84	<i>Transfer to R&R</i>		1,000,000
CIP \$ Redistribution ▶			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	<i>Scenarios</i>	0
CIP Execution % ▶			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	<i>LW 2020?</i>	Y
Operating Reserve Mo ▶			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	<i>2" WaterMain?</i>	Y
Average Bill (5,000 gals.)			\$32.65	34.28	35.81	37.24	38.54	39.87	41.27	42.70	44.21	45.75	47.37	<i>Check</i>	\$ -
<i>Last Plan</i>			\$32.65	34.28	36.01	37.80	39.69	41.68	43.77	45.98	46.91	47.85	48.81		





2 INCH STEEL PIPE

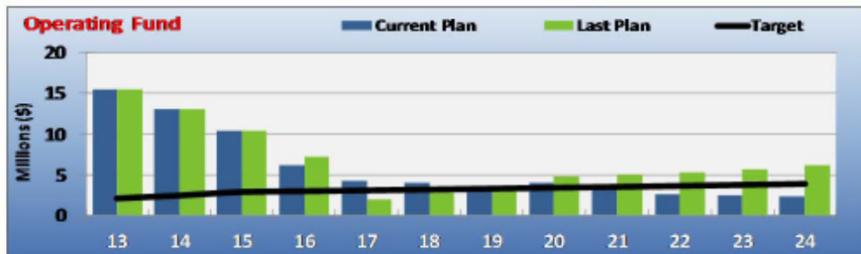
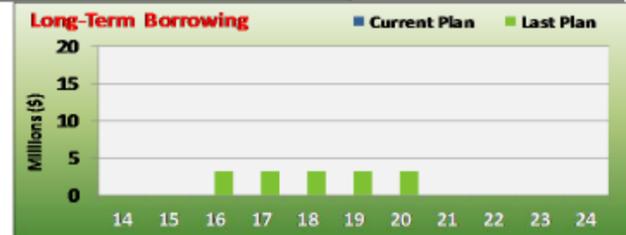
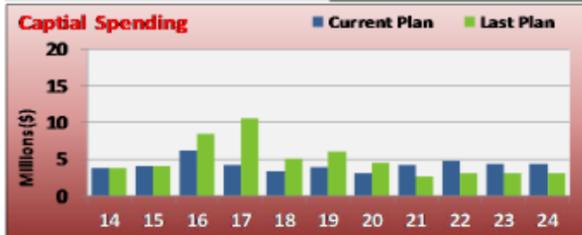
FINANCING OPTIONS BASED ON FY 2015 BUDGET

City of Lake Worth - Water SRF Application

Prepared by Burton & Associates - 3/31/2015

FAMS - Control Panel

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY															
SAVE	CALC	ROLL	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Cumulative Change	
		Override ▶		5.00%	4.50%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	FY 2019	FY 2024
		Water Rate Increases	0.00%	5.00%	4.50%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	22.11%	45.08%
		Last Plan	0.00%	5.00%	4.50%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	22.11%	45.08%
		Rate Covenant	2.53	2.28	2.50	2.67	2.83	2.94	3.05	3.15	3.25	3.36	3.46	Elasticity	10.0%
		Last Plan		2.28	2.51	2.67	2.82	2.93	3.05	3.16	3.27	3.38	3.49	PILOT	8.00%
		SRF Coverage	6.54	5.34	6.42	7.26	8.03	8.56	9.12	9.64	10.15	10.67	11.21	Calc R&R Transfer	Y
		Last Plan		5.34	6.43	5.61	5.01	4.47	4.11	3.83	4.04	4.26	4.49	Transfer to R&R	1,000,000
		CIP \$ Redistribution ▶	\$0.00	\$0.00	-\$1.00	-\$6.00	-\$0.50	-\$1.00	\$0.00	-\$0.50	\$0.00	-\$0.75	-\$0.75	Scenarios	0
		CIP Execution % ▶	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	2" WaterMain?	Y
		Operating Reserve Mo ▶	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Check	\$ -
		Average Bill (5,000 gals.)	\$32.65	34.28	35.81	37.24	38.54	39.87	41.27	42.70	44.21	45.75	47.37		
		Last Plan	\$32.65	34.28	35.81	37.24	38.54	39.87	41.27	42.70	44.21	45.75	47.37		



Current Plan (blue bars) reflect a Capital Improvement Program that re-distributes \$10.5 million of projects outside of the projection period and delays completion of the 2" Watermain project into FY 2024 (10 years duration) in order to maintain the annual rate adjustments of 4.50% for FY 2016, 4.00% for FY 2017 and 3.50% for FY 2018 and for the remainder of the projection period. Last Plan (green bars) reflect a Capital Improvement Program in the amount of \$51.1 million which includes the Lake Worth 2020 and the 2" Watermain Replacement Projects. Funding for the 2" Watermain project is provided by staggered SRF borrowings from FY 2016 thru FY 2020, the project is completed in FY 2020 (6 years duration) and anticipated rate adjustments are 4.50% for FY 2016, 4.00% for FY 2017 and 3.50% for FY 2018 and the remainder of the projection period.



2 INCH STEEL WATER PIPE

SRF LOAN PROCESS

- } CITY HAS TWO SRF LOANS NOW FOR RO MEMBRANE PLANT
- } PREPARE FACILITY PLAN AND BUSINESS PLAN
- } COMMISSION ADOPTS RESOLUTION AUTHORIZING REQUEST FOR INCLUSION, LOAN APPLICATION AND EXECUTION OF LOAN
- } SUBMIT REQUEST FOR INCLUSION AND LOAN APPLICATION FOR SRF LOANS
- } STATE FDEP REVIEWS AND RANKS APPLICATIONS – LAKE WORTH MEETS CRITERIA FOR HIGH RANKING
- } IF LOAN APPROVED, EXECUTE SRF LOAN AGREEMENT
- } EACH YEAR, CITY DECIDES LOAN AMOUNT NEEDED
- } FDEP REIMBURSES CITY FOR APPROVED PAYMENTS
- } CITY MUST FOLLOW STATE AND FEDERAL REQUIREMENTS



CITY OF LAKE WORTH

7 North Dixie Highway · Lake Worth, Florida 33460 · Phone: 561-586-1600 · Fax: 561-586-1750

AGENDA DATE: April 14, 2015, Work Session

DEPARTMENT: City Manager's Office

EXECUTIVE BRIEF

TITLE:

Discuss Fiscal Year 2015-2016 Community Development Block Grant Funding

SUMMARY:

As a participating jurisdiction in the Palm Beach County Urban County Program for Fiscal Years 2015, 2016 and 2017 the City will be provided with continued access to funding under Community Development Block Grant (CDBG) program as a part of the Palm Beach County Entitlement Jurisdiction. The County has notified the City of its FY 2015-2016 CDBG allocation in the estimated amount of \$257,603. Additionally, the City may be the recipient of a Special Area of Hope program allocation in the amount of \$315,740. This funding is subject to availability from HUD and approval by the Board of County Commissioners. The City is eligible to submit up to two applications for these funds. The deadline for submission to the County is noon on May 4, 2015.

Additional backup regarding potential projects is forthcoming.

BACKGROUND AND JUSTIFICATION:

The Palm Beach County Entitlement Jurisdiction serves unincorporated areas and non-entitlement municipalities (those with populations under the 50,000 threshold) within Palm Beach County by providing the opportunity to access funding allocated by the U.S. Department of Housing and Urban Development (HUD) through its Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs. It further provides participants with access to economic stimulus and/or disaster recovery funding that is distributed to the County by HUD. At its meeting of June 17, 2014, the City Commission approved Resolution No. 31-2014 that authorized the City to enter into a cooperation agreement with Palm Beach County for participation in the Palm Beach County Urban County Program for the 2015, 2016 and 2017 fiscal years.

Pursuant to the aforementioned Interlocal Cooperation Agreement, the City is eligible for receipt of its portion of the formula allocation of CDBG funds that the County receives from HUD. The County has notified the City of its FY 2015-2016 CDBG allocation in the estimated amount of \$257,603. Additionally, the City may be the recipient of a Special Area of Hope program allocation in the amount of \$315,740. This funding is subject to availability from HUD and approval by the Board of County Commissioners.

Pursuant to the Interlocal Cooperation Agreement, the allocation of CDBG funds the City receives must be used for eligible activities pursuant to CDBG regulations in accordance with the County's CDBG program. Such eligible activities include the following:

- acquisition of real property;
- relocation and demolition;

- rehabilitation of residential and non-residential structures;
- construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers and the conversion of school buildings for eligible purposes;
- activities relating to energy conservation and renewable energy resources; and
- provision of assistance to profit motivated businesses to carry out economic development and job creation/retention activities.

The County's CDBG program does not permit the City to conduct public service, planning and administrative activities with its allocation of CDBG funds.

These eligible activities must address one of the three national objectives of the CDBG program as follows:

- to benefit low and moderate income persons;
- the prevention of slums or blight; or
- to address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

The County has established a CDBG Target Area in the City of Lake Worth that is comprised of one square mile in which eligible CDBG activities can be conducted. Such activities carried out in this area meet the national objective of benefiting low and moderate income persons. CDBG funds can be utilized for eligible activities outside the CDBG Target Area provided such activities meet one of the national objectives of the CDBG program as noted above.

The City is eligible to submit applications for up to two eligible activities. The deadline for submission is noon on May 4, 2015.

MOTION:

Direction from the City Commission is requested for the use of these funds.

ATTACHMENT(S):

Fiscal Impact Analysis (not applicable)
CDBG NOFA
FY 2015-2016 CDBG Application
CDBG Target Area Map
Map of Lower Income Census Tracts
CDBG Presentation



**Department of
Economic Sustainability**

Strategic Planning & Operations

100 Australian Avenue, Suite 500

West Palm Beach, FL 33406

(561) 233-3600

www.pbcgov.com/des



**Palm Beach County
Board of County
Commissioners**

Shelley Vana, Mayor

Mary Lou Berger, Vice Mayor

Hal R. Valeche

Paulette Burdick

Steven L. Abrams

Melissa McKinlay

Priscilla A. Taylor

County Administrator

Robert Weisman

*"An Equal Opportunity Affirmative
Action Employer"*

March 20, 2015

Mr. Michael Bornstein, City Manager
City of Lake Worth
7 N. Dixie Highway
Lake Worth, FL 33460

Dear Mr. Bornstein:

The Department of Economic Sustainability (DES) has begun preparation of the Consolidated Plan for FYs 2015 – 2020 and the Action Plan for FY 2015 – 2016, inclusive of the Community Development Block Grant (CDBG) Program.

As a participant in Palm Beach County's Urban County Program, the City of Lake Worth will have access to an allocation of CDBG funds. The County distributes CDBG funds among local municipalities following a methodology employed by the U.S. Department of Housing and Urban Development (HUD) which provides formula allocations based on a combination of population, poverty, and housing overcrowding. Changes in the municipal allocations from prior years are the result of changes in municipal populations and demographics, utilization of current Census data, and variations in the County's overall CDBG grant from HUD.

A FY 2015 – 2016 CDBG allocation in the estimated amount of \$257,603 is available to the City of Lake Worth. Additionally, the City may be the recipient of a Special Area of Hope program allocation in the estimated amount of \$315,740. Funding is subject to availability from HUD, and approval by the Board of County Commissioners (BCC).

In order to access the funds, please complete the enclosed funding application and return to DES no later than May 4, 2015. When preparing your application, please bear in mind the following:

- Please submit no more than two (2) CDBG applications for two (2) activities.
- Activities must be eligible per CDBG regulations at 24 CFR Part 570. In addition to activities designated as ineligible by the CDBG regulations, Planning and Administrative activities and Public Service activities are prohibited.
- Activities must address one of the three national objectives of the CDBG program: provide benefit to low- and moderate-income persons; aid in the prevention of slums and blight; or meet an urgent community development need.



Should you have questions or require technical assistance in preparation of the CDBG application, please contact Carlos Serrano, Director of Strategic Planning and Operations, at (561) 233-3608 or cserrano@pbcgov.org.

DES will be hosting two (2) public meetings and a BCC workshop to discuss the Consolidated Plan for FYs 2015 – 2020 and the Action Plan for FY 2015 – 2016.

Eastern County Meeting

Date: Wednesday, April 8, 2015
Time: 10:00am
Place: 100 Australian Avenue, 1st Floor, Room 1-470
West Palm Beach, FL 33406

West County Meeting

Date: Thursday, April 9, 2015
Time: 11:00am
Place: Belle Glade Library Civic Center
725 NW 4th Street
Belle Glade, FL 33430

BCC Workshop

Date: April 28, 2015
Time: BCC meetings start at 9:00am
Place: PBC Government Center
301 North Olive Avenue
West Palm Beach, FL 33401

Please check the DES website at www.pbcgov.com/des for additional notifications and materials. Thank you.

Sincerely,

A handwritten signature in blue ink, which appears to read "Edward W. Lowery".

Edward W. Lowery, J.D., Director
Economic Sustainability

Cc: Jerry Kelly, Grant Administrator, City of Lake Worth
Sherry Howard, Deputy Director, DES
Carlos Serrano, SPO Director, DES

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

APPLICATION FOR FUNDING ASSISTANCE

LOCAL ENTITLEMENT MUNICIPALITIES

FUNDING PERIOD: OCTOBER 1, 2015 - SEPTEMBER 30, 2016

Applications must be received by DES Strategic Planning Section
by 12:00pm, May 4, 2015.



Edward W. Lowery, Director

100 Australian Avenue, Suite 500
West Palm Beach, Florida 33406

IN ACCORDANCE WITH THE PROVISIONS OF THE ADA, THIS DOCUMENT MAY BE
REQUESTED IN AN ALTERNATE FORMAT. PLEASE CONTACT THE DEPARTMENT OF
ECONOMIC SUSTAINABILITY AT (561) 233-3623 or mksklar@pbcgov.org

ESSENTIAL PROGRAM AND APPLICATION INFORMATION

DEPARTMENT OF ECONOMIC SUSTAINABILITY
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
OCTOBER 1, 2015 – SEPTEMBER 30, 2016

Palm Beach County's Department of Economic Sustainability (DES) is accepting applications from eligible local municipalities for FY 2015-2016 CDBG Program funding.

APPLICATION INFORMATION

The CDBG application is available in Microsoft Word format. To obtain the application electronically, please contact Michael Sklar, Planner II at (561) 233-3623 or at mksklar@pbcgov.org.

SUBMITTAL FORMAT

Submit the original signed application and all attachments on paper no larger than 8.5" X 11". ***No alterations to the application format are allowed.*** Unsigned applications will not be considered. Applications should be submitted to:

***Carlos Serrano, Director, Strategic Planning Section
Department of Economic Sustainability
160 Australian Avenue, Suite 500
West Palm Beach, Florida 33406***

DEADLINE DATE

The completed applications must be received by DES Strategic Planning Section by **12:00pm, May 4, 2015.**

MAXIMUM NUMBER OF APPLICATIONS & AMOUNT OF FUNDS REQUESTED

Each municipality is allowed to submit **only one (1) application** requesting funding for **only one (1) activity**. The maximum amount of CDBG funds requested should be based on the FY 2015-2016 local municipal entitlement amount provided by DES.

SUMMARY OF ELIGIBLE AND INELIGIBLE ACTIVITIES

All funded activities must be eligible per CDBG regulations at 24 CFR Part 570. In addition to activities designated as ineligible by the CDBG regulations, Planning and Administrative activities and Public Service activities are prohibited.

CITIZEN PARTICIPATION

Municipalities are required to implement a citizen participation process to involve residents, particularly low- and moderate-income persons, non-English speaking persons, and persons with disabilities, in the development of projects. Each municipality is responsible for notifying residents of its intent to apply for CDBG funding and to receive input on housing and community development needs.

TECHNICAL ASSISTANCE

For any CDBG-related questions, contact DES at (561) 233-3623 or mksklar@pbcgov.org.

SUMMARY OF PROGRAM REQUIREMENTS

- Proposed activities must be eligible per HUD's CDBG regulations at 24 CFR Part 570, and per the County's CDBG Program.
- Proposed activities must meet one (1) of the following three (3) CDBG National Objectives:
 1. to benefit low- and moderate-income persons;
 2. to aid in the prevention or elimination of slums and blight; or
 3. to meet a community development need of particular urgency
- CDBG funds are provided through a grant agreement with the County.
- CDBG funds are provided on a reimbursement basis. Funds cannot be used to reimburse for costs incurred prior to the October 1st start of the program year or prior to the execution of a grant agreement.
- All CDBG-funded activities are subject to an environmental review. CDBG funds cannot be expended prior to addressing all environmental concerns.
- All CDBG-funded projects are required to comply with federal, state, and local statutes, regulations, and other applicable requirements, including but not limited to: Section 3 of the Housing and Community Development Act, concerning employment and contracting opportunities; the Davis-Bacon Act, concerning payment of prevailing wage rates in construction projects; Asbestos and Lead-Based Paint requirements; and General Liability, Automobile, and Worker's Compensation Insurance requirements.
- CDBG-funded goods and services must be obtained in accordance with Federal and County procurement requirements.
- CDBG-funded capital projects must be completed and placed into service within 36 months of funding award. Funding not encumbered within 24 months may be recaptured by DES.
- CDBG-funded activities involving real property acquisition or causing the displacement of persons or businesses must comply with the Uniform Real Property Acquisition and Relocation Assistance Act. An activity will cause displacement if the property is occupied by owners or tenants at the time of application submittal. The CDBG applicant must provide the following with their application: a) a relocation plan meeting all requirements of 24 CFR 570.606, as amended. This plan shall be prepared by a consultant with demonstrated experience in relocation matters, and shall include all relocation costs for the proposed project; b) a document binding the grant awardee to place in the project budget sufficient funds to fully implement the relocation plan; and c) documentation evidencing that all required notices to tenants have been prepared and are available to be provided.

**DEPARTMENT OF ECONOMIC SUSTAINABILITY
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ENTITLEMENT MUNICIPALITY APPLICATION FOR FUNDING
FUNDING PERIOD: OCTOBER 1, 2015 –SEPTEMBER 30, 2016**

To request technical assistance, please call Michael Sklar, Planner II at (561) 233-3623 or email mksklar@pbcgov.org.

I. APPLICANT INFORMATION

Municipality:

Contact:

Title:

Address:

City; State; Zip Code:

Phone Number:

Fax Number:

E-mail Address:

Printed Name of Person Signing:

Title of Person Signing:

() -

Signature: _____ Date: _____

NOTE: UNSIGNED APPLICATIONS WILL NOT BE CONSIDERED.

II. ACTIVITY DESCRIPTION

a. Activity Type and Description

1. Name of Activity:

2. Type of CDBG-eligible Activity:

3. Describe the activity in detail, including the specific use of CDBG funds:

4. Units of Measurements and Proposed Accomplishments:

List proposed activity components showing units of measurements and proposed accomplishments.

<u>Proposed Activity Components</u>	<u>Unit of Measurement</u>	<u>Accomplishments</u>
<i>Example: Installation of sidewalks</i>	<i>Example: 300 Linear Feet</i>	<i>Example: 55 people who reside along the street.</i>

5. Activity Location

a) Activity Address:

b) Exact Location:

c) Property Control Number(s):

d) Owner of Property:

e) Owner's Address:

f) Owner's Telephone Number:

6. Activity Specific Information

a) Is the proposed activity currently in compliance with zoning and land use designations? YES NO

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If not, please explain:

b) Activities involving property acquisition, rehabilitation, and/or new construction please complete:

i. Has an appraisal been conducted?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If "yes", insert value and attach report:

\$ _____

ii. Is the property vacant land?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If "no", complete item "c" below:

c) For activities affecting properties with existing structure(s), complete:

i. Is the structure vacant?

YES	NO	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If "yes", indicate previous use:

If "no", indicate current use:

ii. Year structure was built: _____

iii. Describe the composition and condition of the structure:

d) Activities mentioned above in subsections "b" and "c", please complete:

i. Has site control been obtained? *If "yes", documentation must be attached.*

YES	NO	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ii. Are there any liens on the property?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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iii. Is public water/sewer available?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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iv. Has an environmental review been completed?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

III. ACTIVITY/PROJECT MANAGEMENT AND IMPLEMENTATION

a. Activity Implementation

1. Explain in detail how the municipality (and which specific organizational unit) will implement the activity:

2. Identify tasks to be undertaken and start/complete dates for each. (If the activity has already started, please indicate what has been completed).

Implementation Task	Start Date	Complete Date

3. Will the activity cause the temporary or permanent displacement of persons or businesses? YES NO N/A
- If "yes", attach a relocation plan meeting all requirements of 24 CFR 570.606, as amended. This plan shall be prepared by a consultant with demonstrated experience in relocation matters, and shall include all relocation costs for the proposed project; b) a document legally binding the grant awardee to place in the project budget sufficient funds to fully implement the relocation plan; and c) documentation evidencing that all required notices to tenants have been prepared and available to be provided.*

4. Are fees charged, or projected to be charged for the use of the facility? YES NO N/A
- If "yes", describe the fee schedule, including \$ costs to users:

5. Is the facility leased, or anticipated to be leased, to users other than the municipality? YES NO N/A
- If "yes", identify the proposed user(s) and describe the anticipated use(s):

6. Are assessment fees going to be charged to residents to recover costs of the CDBG-assisted improvements? YES NO N/A
- If "yes", please explain:

IV. BUDGET AND MATCHING CONTRIBUTION

a. Budget

1. Total activity cost: \$
*(An itemized budget must be attached to this application. The budget must include **all** sources and uses of funds, and must explicitly identify line items for all proposed uses of CDBG funds.)*
2. Total CDBG funds requested: \$
3. Explain how the overall activity cost was determined:
4. Explain how the proposed activity will be implemented if the activity is funded at a lower level than the amount of CDBG requested:

b. Matching Contribution

1. Is the municipality providing a matching contribution? YES NO

If “yes”, identify the source, amount, and availability of the match:

\$ Amount	Source	Use	Date Available

V. ACTIVITY IMPACT

a. Justification for Funding Activity

1. Identify the need that will be addressed by the activity (cite sources of information):
2. Explain how the activity will address the identified need:

b. Activity Benefit

1. Please insert the total number of unduplicated persons to benefit annually from the proposed CDBG activity:

2. Estimated percentage of low and moderate income persons to benefit:

3. Explain basis for estimates of beneficiaries:

VI. ATTACHMENTS REQUIRED

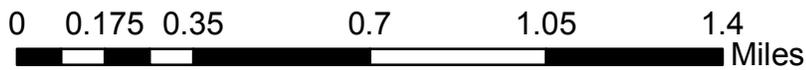
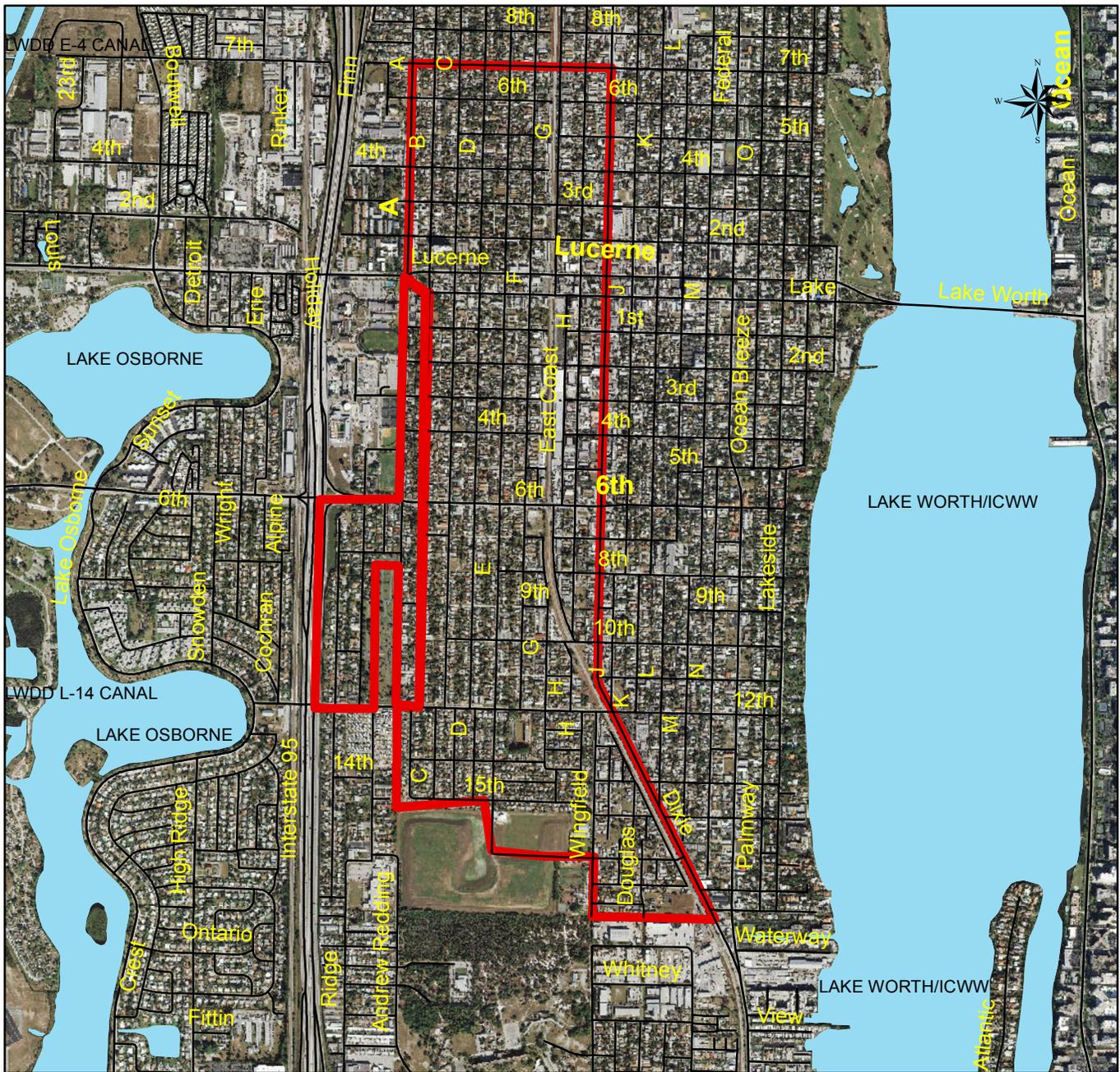
Please indicate the attachment number for documents attached to the application.

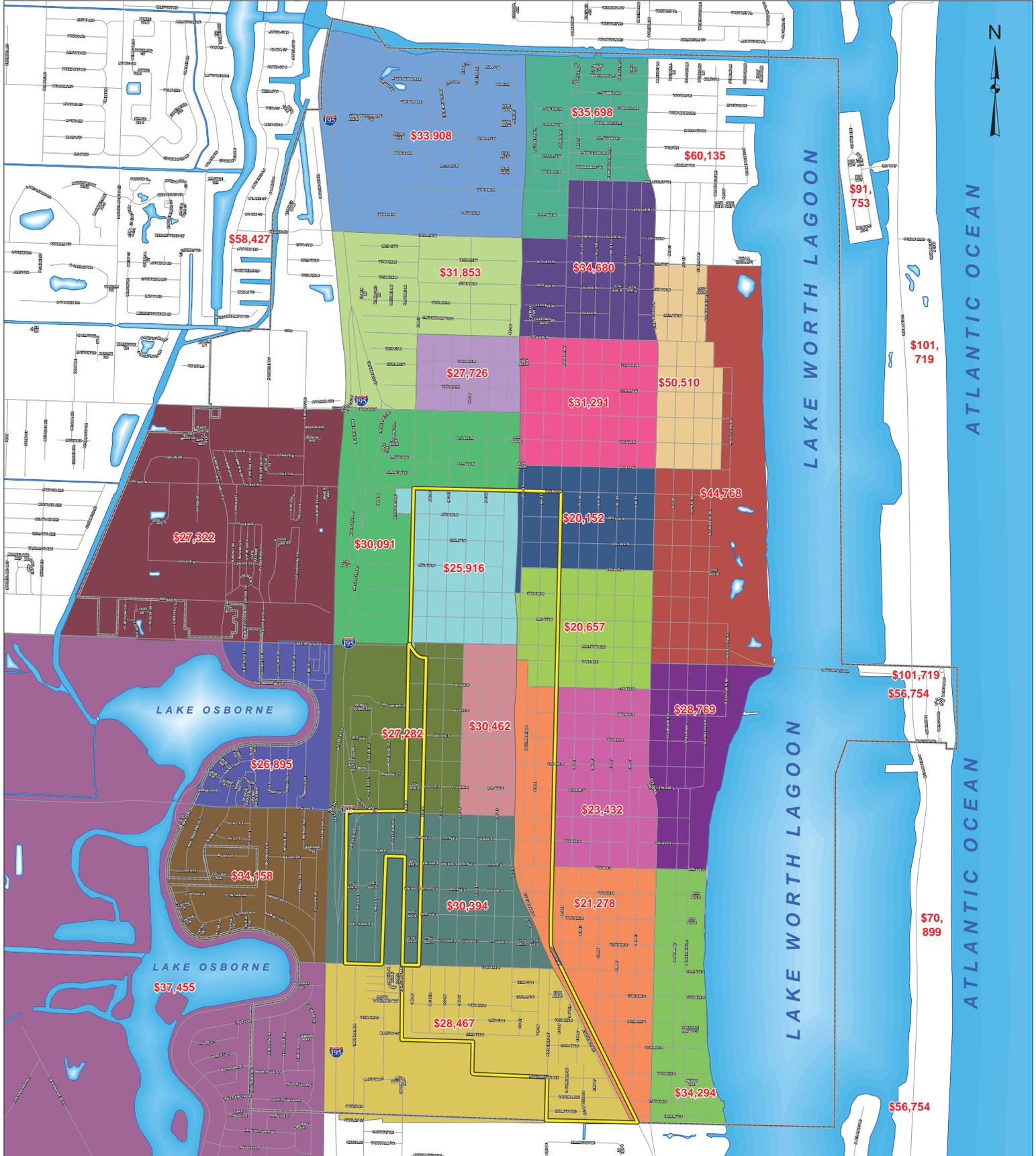
<u>Document</u>	<u>Attachment Number</u>
1. Detailed street map showing location of activity and service area boundaries.	
2. Itemized activity budget (including all sources and uses of funds, explicitly identifying line item uses of CDBG funds)	
3. Evidence of site control, e.g., purchase option, sales contract, deed, etc (for acquisition, new construction, rehabilitation, etc.)	
4. Appraisal report, if available (for acquisition, new construction, rehabilitation, etc.)	
5. Relocation Plan (for activities causing displacement).	

THE DES STRATEGIC PLANNING SECTION WILL PROVIDE TECHNICAL ASSISTANCE REGARDING THE CDBG APPLICATION. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE SECTION AT (561) 233-3623 OR mshklar@pbcgov.org.



CITY OF LAKE WORTH TARGET AREA





Legend:

- CDBG
- Municipal Boundary

Notes:

- The parcel outline information shown was obtained from the Palm Beach County Property Appraiser's GIS Department January 2015.
- The City of Lake Worth Municipal Boundary shown was updated on October, 2014.

0 462.5 925 1,850 2,775 3,700 Feet

PREPARED BY
MICHAEL BLEVINS
THE CITY OF LAKE WORTH
COMMUNITY DEVELOPMENT
GIS PLANNER
8000 200 AVENUE
LAKE WORTH, FL 33461
TEL: 561-596-1400
Updated 04/01/2015

City of Lake Worth Census Block Median Income

Community Development Block Grant Program

CDBG Program

The purpose of the Community Development Block Grant Program is to provide communities with resources to address a wide range of unique community development needs.

Accordingly, the U. S. Department of Housing and Urban Development awards grants to entitlement communities to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development and providing improved community facilities and services.

Entitlement Communities

HUD determines the amount of each entitlement grant by a dual statutory formula based on a combination of population, rate of poverty and housing overcrowding.

Annual CDBG allocations are awarded to larger cities and urban counties based on this formula. Eligible entitlement grantees include:

- principal cities of Metropolitan Statistical Areas
- other metropolitan areas with populations of at least 50,000
- qualified urban counties with populations of at least 200,000

Palm Beach County is a qualified urban county that receives an annual formula allocation from HUD.

Palm Beach County Urban County Partnership

The Palm Beach County Entitlement Jurisdiction serves unincorporated areas and non-entitlement municipalities (those with populations under the 50,000 population threshold).

Pursuant to Resolution No. 31-2014, the City of Lake Worth entered into an Interlocal Cooperation Agreement with Palm Beach County for participation in its Urban County Program for Fiscal Years 2015, 2016 and 2017.

By this action, the City of Lake Worth is eligible for receipt of its portion of the formula allocation of CDBG funds the County receives from HUD.

Eligible CDBG Activities

In accordance with the Interlocal Cooperation Agreement, the City must use its allocation of CDBG funds for eligible activities pursuant to CDBG regulations. Eligible uses include the following:

- acquisition of real property;
- relocation and demolition;
- rehabilitation of residential and non-residential structures;
- construction of public facilities and improvements;
- activities related to energy conservation and renewable energy; and
- economic development.

The County's CDBG program does not permit the City to use these funds to conduct public services and planning and administrative activities.

National Objectives of the CDBG Program

Eligible activities must address one of the three National Objectives of the CDBG program as follows:

- benefit low and moderate income persons;
- prevention of slums or blight; or
- address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

Lake Worth CDBG Target Area

The County has established a CDBG Target Area in the City of Lake Worth that encompasses one square mile in which eligible CDBG activities can be conducted. (A map of the Lake Worth CDBG Target Area has been provided.)

Such activities carried out in this area meet the National Objective of benefitting low and moderate income persons.

CDBG funds can be used for eligible activities outside of the CDBG Target Area provided such activities meet one of the National Objectives of the CDBG program

FY 2015-2016 CDBG Allocation

The County has notified the City of its FY 2015-2016 CDBG allocation in the estimated amount of \$257,603.

Additionally, the City may be the recipient of a Special Area of Hope allocation in the estimated amount of \$315,740.

This funding is subject to availability from HUD and approval by the Board of County Commissioners.

FY 2015-2016 CDBG Application

The City's application for these CDBG funds must be submitted to the County by its prescribed deadline of Noon on May 4, 2015.

A workshop will be conducted the City Commission on April 14, 2015 at 6:00 pm to discuss the use of these funds.

The City's application will be based direction provided by the City Commission from this workshop.