

MEMORANDUM

May 20, 2014

TO: Honorable Mayor and City Commission

VIA: Kenneth Fields, City Manager

FROM: Dorothy Ecklund, Finance Director

RE: Resolution 2014-09, State Revolving Loan Application – C Street Phase II

SYNOPSIS: State Revolving Loan Application for C Street Phase II Project.

RECOMMENDATION

Staff recommends that the City Commission take the following actions:

1. Adopt Resolution 2014-09
2. Authorize city staff to submit an application for construction loan funding from the state revolving loan fund in an amount currently estimated to be \$6,059,071, which include the base loan amount of \$5,932,251 plus estimated capitalized interest of \$126,820.

BACKGROUND

The state revolving loan fund provides loans for local government utility projects. The City's C Street project is an eligible project. The City has an opportunity to apply for a low-interest loan through the State Revolving Fund for making necessary improvements.

FISCAL IMPACT

Estimated debt service for the loan amount of \$6,059,071 (base loan \$5,932,251 plus estimated capitalized interest of \$126,820) would be \$394,100 annually over a twenty year repayment period.

ATTACHMENTS

Resolution 2014-09
SRF Application
SRF Capital Financing Plan

RESOLUTION 2014-09

A RESOLUTION OF THE CITY OF LAKE WALES, FLORIDA, RELATING TO THE STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCE; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.

WHEREAS, Florida Statutes provide for loans to local government agencies to finance the construction of water pollution control facilities; 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 State Revolving Fund loan priority list designates **Project No. WW53031** as eligible for available funding; and

WHEREAS, the City of Lake Wales, Florida, intends to enter into a loan agreement with the Department of Environmental Protection under the State Revolving Fund for project financing.

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

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

SECTION 2. The City of Lake Wales, Florida is authorized to apply for a loan to finance the Project.

SECTION 3. The revenues pledged for the repayment of the loan are net water and sewer utility system revenues after payment of debt service on the Utility System Refunding Revenue Note, Series 2006A, Utility System Revenue Note, Series 2006B, and other debt obligations as shown in Exhibit "A."

SECTION 4. The Mayor is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.

SECTION 5. 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 6. The legal authority for borrowing moneys to construct this Project is Section 166.111 Florida Statutes.

SECTION 7. Conflicts. All resolutions or part of Resolutions in conflict with any of the provisions of this Resolution is hereby repealed.

SECTION 8. Severability. 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 9. Effective Date. This Resolution shall become effective immediately upon its passage and adoption.

APPROVED AND ADOPTED by the City Commission of the City of Lake Wales, Florida, this 20th Day of May 2014.

Mayor/Deputy Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Attorney

**CITY OF LAKE WALES, FLORIDA
RESOLUTION 2014-09 EXHIBIT "A"**

**UTILITY SYSTEM DEBT ISSUES AND OUTSTANDING PRINCIPAL BALANCE
AT SEPTEMBER 30, 2013**

Debt Issue	Purpose	Maturity	Originally Issued	Outstanding Amount	Interest Rate
State Revolving Fund Loan - 5907P	Construction of Reclaimed Water Reuse Facilities	2019	\$1,634,636	531,291	2.56%
State Revolving Fund Loan - 59110	Construction of Reclaimed Water Reuse Facilities	2022	1,171,882	398,032	3.05%
State Revolving Fund Loan - 5912S	Construction of Sludge Dewatering Facilities	2024	1,429,755	815,640	2.14%
State Revolving Fund Loan - 5913P	Planning and Design of Wastewater Treatment Plant Expansion	2028	1,025,345	780,407	1.88%
State Revolving Fund Loan - 59140	Planning and Design of Wastewater Treatment Plant Rehabilitation and Expansion	2032	368,589	361,261	2.30%
State Revolving Fund Loan - 53030	Construction of Wastewater Treatment Plant Rehabilitation and Expansion	2032	4,163,664	4,061,308	1.91%
Capital Improvement Revenue Note, Series 2003	Advanced Refund of Capital Improvements Bond for Infrastructure Improvements	2017	432,665	144,934	3.84%
Utility System Revenue Note, Series 2005	Construction of chlorine contact chamber and reuse facilities	2015	1,110,000	200,092	4.20%
Utility System Refunding Note, Series 2006A	Refund of outstanding 1996 Utility System Improvement Refunding Revenue Bonds	2017	6,272,220	2,962,193	4.09%
Utility System Revenue Note, Series 2006B	Construction of water and wastewater system improvements	2027	2,550,000	2,134,950	1.14%

\$ 12,390,108

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

STATE REVOLVING LOAN PROGRAM
for
Point Source Water Pollution Control

LOAN APPLICATION



Florida Department of Environmental Protection
Bureau of Water Facilities Funding
Twin Towers Office Building
2600 Blair Stone Road, MS 3505
Tallahassee, FL 32399-2400

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LOAN APPLICATION

- (1) SUBMITTAL. Submit the application and attachments to the Department of Environmental Protection, MS 3505, Bureau of Water Facilities Funding, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400.
- (2) COMPLETING THE APPLICATION.
 - (a) This application consists of five parts: (I) ADMINISTRATIVE INFORMATION; (II) PROJECT INFORMATION; (III) FINANCIAL INFORMATION; (IV) AUTHORIZATION AND ASSURANCES; and (V) SUPPLEMENTARY INFORMATION.
 - (b) All information provided on this application must be printed. Monetary amounts may be rounded.
 - (c) Forms and attachments to be submitted are denoted with italic print.
- (3) ASSISTANCE. Completing this application may require information that can be obtained from Bureau of Water Facilities Funding staff. Please call (850) 245-8358 or SUNCOM 205-8358 for assistance in completing this application.

PART I - ADMINISTRATIVE INFORMATION

- (1) PROJECT SPONSOR City of Lake Wales
Federal Employer Identification Number 59-6000357
- (2) AUTHORIZED REPRESENTATIVE (person authorized to sign or attest loan documents).
Name Kenneth Fields Title City Manager
Telephone (863) 678-4182 FAX (863) 678-4180 Email kfields@cityoflakewales.com
Mailing Address P.O. Box 1320, Lake Wales, FL 33859-1320
- (3) PRIMARY CONTACT (person to answer questions regarding this application).
Name Dorothy Ecklund Title Finance Director
Telephone (863) 678-4182 FAX (863) 678-4180 Email decklund@cityoflakewales.com
Employer City of Lake Wales
Mailing Address P.O. Box 1320, Lake Wales, FL 33859-1320
- (4) ADDITIONAL CONTACTS. If more than one additional person is to receive copies of Department correspondence, attach the information (*Attachment #N/A*).
Name Thomas J. Moran, P.E. Title Public Works Director
Telephone (863) 678-4182 FAX (863) 678-4180 Email tmoran@cityoflakewales.com
Employer City of Lake Wales
Mailing Address P.O. Box 1320, Lake Wales, FL 33859-1320
- (5) PROJECT NUMBER (listed on the Department's priority list). 53031

- (6) CAPITALIZATION GRANT PROJECT REQUIREMENTS. An Applicant may have to comply with certain Federal requirements for loans from funds that, in aggregate, are equivalent to the amount of the federal grant awarded to the Department to partially capitalize the State Revolving Fund. Please check with the Department to determine if the project is subject to such requirements.

Is this project subject to special federal requirements? Yes No

If this project is subject to special federal requirements complete an *EPA Preaward Compliance Review Report* and attach in Part V, *List of Attachments*. (Attachment #N/A).

- (7) FINANCIAL HARDSHIP. To qualify for a financial hardship loan the affordability index of a small community to be served by the project shall be less than 100. A small community is a municipality or unincorporated community with a total service area population of 20,000 or less as of the most recent decennial census. Please check with the Department to determine if the project qualifies for a financial hardship loan.

Does the loan qualify for financial hardship consideration? Yes No

- (8) DIRECT AND LEVERAGED LOANS. A local government project sponsor that receives a loan from proceeds of bonds issued by the Florida Water Pollution Control Financing Corporation will be subject to certain limitations resulting from the tax exempt status of such bonds. Please check with the Department to determine if the loan is subject to such limitations.

Is this loan subject to the special leveraged loan limitations? Yes No

PART II – PROJECT INFORMATION

If you are applying for a loan to plan and design a project that will involve construction, complete only Subpart A below. If you are applying for a loan to construct a project that is already planned and designed, complete only Subpart B below.

A. PRECONSTRUCTION PROJECT

Information should be provided for each separate facility to be planned and designed as appropriate. For design/build projects or those where multiple facilities, segments, or phases are involved, please attach information for activities, schedule, and cost for each. (Attachment # N/A)

- (1) ACTIVITIES. Attach a brief description of the scope of planning and design activities to be financed by this loan. Include a list of any specialized studies to be performed. (Attachment #N/A) Are these activities the same as those scheduled on *Request for Inclusion Form*? Yes No. If “No”, please explain. (Attachment #N/A)

- (2) SCHEDULE.

- (a) Provide proposed completion dates for the items. (Please call Department staff to discuss time frames needed to complete required tasks.)

Planning documentation	<u>Complete</u>
Engineering work	<u>Complete</u>
Certification of site availability	<u>To be determined</u>
Permit	<u>Complete</u>

- (b) Do you anticipate that an interlocal agreement with another party will be necessary to implement the project? If “Yes”, please explain. (Attachment #) Yes No

- (c) Is this a design/build project? Yes No

- (3) COST. Is the cost information submitted for the preconstruction loan priority list Yes No

current? If "No", please explain and submit revised cost information using the appropriate page of the Request for Inclusion Form. (Attachment #_____) Note that the disburseable amount will be limited to the priority list amount.

PRECONSTRUCTION LOAN APPLICANTS PROCEED TO PART III.

B. CONSTRUCTION PROJECT

(1) ACTIVITIES.

(a) Attach a brief description of construction activities to be financed by this loan. Include a list of the construction contracts (by title) corresponding to the plans and specifications accepted by the Department (Attachment #1).

Are these contracts the same as those scheduled on the *Request for Inclusion Form*? Yes No
If "No", please explain. (Attachment #N/A)

(b) Have any of the contracts been bid? Yes No
If "Yes", indicate which contracts have been bid. (Attachment #N/A)

(c) Was the planning and design for this project financed with a preconstruction loan? Yes No
If "Yes", give the preconstruction loan number. _____

(d) Does this project involve an interlocal agreement with other local governments or other entities? Yes No
If "Yes", attach a copy of the Department letter accepting the interlocal agreement. (Attachment #N/A)

Is the interlocal agreement, as accepted by the Department, fully executed and enforceable? Yes No
N/A
If "No", please explain (Attachment #N/A).

(2) SCHEDULE. (month and year)

(a) What is the estimated date for the start of construction? 11/2014

(b) What is the estimated date for construction completion? 5/2016

(c) What is the date for start up of the facilities? 6/2016

(3) COST. Is the cost information submitted for the priority list current? Yes No

If "No", please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (Attachment #N/A) Note that the disburseable amount will be limited to the priority list amount.

PART III - FINANCIAL INFORMATION

Please check with the Department to establish estimates of the capitalized interest rate, project useful life for financial hardship loans, financing rate, pledged revenue coverage, limitations on annual loan amounts for large projects, applicability and amount of repayment reserves, amount of the loan service fee and any other information needed to complete this form.

(1) PRINCIPAL. The requested amount of the loan, excluding capitalized interest is \$5,932,251
The estimate of the capitalized interest is \$126,820 based on a financing rate of 2.7 %

Note that the disbursable amount will be limited to the priority list amount and must be consistent with the project information provided under **PART II** of this application. Also note that the capitalized interest is an inexact estimate, and it is subject to adjustment by the Department to reflect actual disbursement timing. The principal amount of the loan does not include the loan service fee.

(2) TERMS AND REPAYMENT.

(a) Loans to local government project sponsors are amortized over the lesser of useful life of the project or 20 years unless the project is to serve a small community qualifying as having a financial hardship. Loans to financial hardship communities may be amortized over the lesser of useful life of the project or 30 years. Loans to non-governmental project sponsors are amortized over the lesser of the useful of the project or 10 years. Finance charges and principal are paid semiannually.

What is the useful life of the project? 50 (years)

Over how many years would you like to amortize the loan? 20 (years)

(b) List all revenues that are to be pledged for repayment of this loan. Utility revenues.

(c) Pledged revenue receipts or collections by the project sponsor must exceed the amount of the repayments due to the Department unless there are other collateral provisions. The excess revenue, or coverage, generally is 15% of each repayment.

What coverage is proposed for the loan? 15% (coverage percentage)

(d) Is any other financial assistance being applied to this project? Yes No
If "Yes", please list. (*Attachment #N/A*)

(3) ANNUAL FUNDING LIMIT. Large project funding (generally, loans in excess of \$10 million) may be provided in increments pursuant to the initial loan agreement and subsequent amendments. Each increment shall have a separate financing rate as established in the agreement or amendment providing that increment.

(4) LOAN REPAYMENT RESERVE. Subject to the Department's approval, a local government may establish a restricted or assigned reserve account, using its own funds, in an amount not less than the sum of two semiannual loan repayments in order to reduce the pledged revenue coverage requirement to as low as 1.0 times the annual debt service.

Is a reserve expected to be established using local funds? Yes No

If "Yes," describe the locally funded reserve. (*Attachment # _____*)

(5) INFORMATION ON LIENS.

(a) Describe, if applicable, all debt obligations having a prior or parity lien on the revenues pledged to repay this loan. (*Attachment #2*) For example: City Name, Florida, Water and Sewer System Revenue Bonds, Series 1996, issued in the amount of \$10,000,000, pursuant to Ordinance No. 93-104, as amended and supplemented by Ordinance No. 96-156.

- (b) Using the Part V, *Schedule of Prior and Parity Liens*, provide debt service information, if applicable, on each prior and parity obligation.
 - (c) For the listed obligations, provide a copy of the ordinance(s), resolution(s), official statement(s), or pages thereof, setting forth the definitions, use of proceeds, debt service schedule, pledged revenues, rate covenants, provisions for issuing additional debt, provisions for bond insurance, and debt rating. (*Attachment #3*).
 - (d) Describe any other notes and loans payable from the revenues pledged to repay this loan. (*Attachment #4*).
- (6) ACTUAL AND PROJECTED REVENUES.
- (a) Complete the Part V, Schedule of Actual Revenues and Debt Coverage for the past two fiscal years.
 - (b) Complete the Part V, *Schedule of Projected Revenues and Debt Coverage*, demonstrating the availability of pledged revenues for loan repayment.
- (7) AVAILABILITY OF PLEDGED REVENUES. All sources must be supported by a written legal opinion. (*Attachment #5*) The opinion must address the following:
- (a) Availability of the revenues to repay the loan.
 - (b) Right to increase rates at which revenues shall be collected to repay the loan.
 - (c) Subordination of the pledge if pledged revenues are subject to a prior or parity lien.
- (8) LOAN SERVICE FEE. A loan service fee is assessed on each loan. The fee is not part of the loan. The fee along with interest thereon will be deducted from the first available repayments after the final amendment to the loan agreement.

PART IV – AUTHORIZATION AND ASSURANCES

- (1) AUTHORIZATION. Provide an authorizing resolution of the Applicant's governing body or other evidence of authorization (*Attachment #6*) for the following:
 - (a) Pledging revenues to repay the loan.
 - (b) Designation of the Authorized Representative(s) to file this application, provide assurances, execute the loan agreement, and represent the Applicant in carrying out responsibilities (including that of requesting loan disbursements) under the loan agreement.
- (2) ASSURANCES. The Applicant agrees to comply with the laws, rules, regulations, policies and conditions relating to the loan for this project. Applicants should seek further information from the Bureau of Water Facilities Funding staff as to the applicability of the requirements if the necessity for the assurances are of concern. Specifically, the Applicant certifies that it has complied, as appropriate, and will comply with the following requirements, as appropriate, in undertaking the Project:
 - (a) Assurances for capitalization grant projects.
 1. Complete all facilities for which funding has been provided.
 2. The Archaeological and Historic Preservation Act of 1974, PL 93-291, and the National Historic Preservation Act of 1966, PL 89-665, as amended, regarding identification and protection of historic properties.
 3. The Clean Air Act, 42 U.S.C. 7506(c), which requires conformance with State Air Quality Implementation Plans.
 4. The Coastal Zone Management Act of 1972, PL 92-583, as amended, which requires assurance of project consistency with the approved State management program developed under this Act.
 5. The Endangered Species Act, 16 U.S.C. 1531, et seq., which requires that projects avoid disrupting threatened or endangered species and their habitats.
 6. Executive Order 11593, Protection and Enhancement of the Cultural Environment, regarding preservation, restoration and maintenance of the historic and cultural environment.

7. Executive Order 11988, Floodplain Management, related to avoiding, to the extent possible, adverse impacts associated with floodplain occupancy, modification and development whenever there is a practicable alternative.
 8. Executive Order 11990, Protection of Wetlands, related to avoiding, to the extent possible, adverse impacts associated with the destruction or modification of wetlands and avoiding support of construction in wetlands.
 9. The Fish and Wildlife Coordination Act, PL 85-624, as amended, which requires that actions to control natural streams or other water bodies be undertaken to protect fish and wildlife resources and their habitats.
 10. The Safe Drinking Water Act, Section 1424(e), PL 93-523, as amended, regarding protection of underground sources of drinking water.
 11. The Wild and Scenic Rivers Act, PL 90-542, as amended, related to protecting components or potential components of the national wild and scenic rivers system.
 12. The federal statutes relating to nondiscrimination, including: The Civil rights Act of 1964, PL 88-352, which prohibits discrimination on the basis of race, color or national origin; the Age Discrimination Act, PL 94-135, which prohibits discrimination on the basis of age; Section 13 of the Federal Water Pollution Control Act, PL 92-500, which prohibits sex discrimination; the Rehabilitation Act of 1973, PL 93-112, as amended, which prohibits discrimination on the basis of handicaps.
 13. Executive Order 11246, Equal Employment Opportunity, which provides for equal opportunity for all qualified persons.
 14. Executive Orders 11625 and 12138, Women's and Minority Business Enterprise, which require that small, minority, and women's business and labor surplus areas are used when possible as sources of supplies, equipment, construction and services.
 15. The Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq., regarding protection and conservation of the coastal barrier resources.
 16. The Farmland Protection Policy Act, 7 U.S.C. 4201 et seq., regarding protection of agricultural lands from irreversible loss.
 17. The Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646, which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs.
 18. The Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended, which requires that projects be carried out in accordance with area wide planning activities.
 19. Section 306 of the Clean Air Act, Section 508 of the Clean Water Act and Executive Order 11738, which prohibit manufacturers, firms, or other enterprises on the EPA's list of Violating Facilities from participating in the Project.
 20. Executive Order 12549, Debarment and Suspension, which prohibits any award to a party which is debarred or suspended or is otherwise excluded from, or ineligible for, participation in federal assistance programs.
 21. Minority and Women's Business Enterprise participation in project work using numerical goals, established by the U.S. Environmental Protection Agency, and to be set forth in the specifications for construction and materials contracts.
- (b) Assurances for other projects.
1. Chapter 161, Part I, F.S., "Beach and Shore Preservation Act" and Part III, "Coastal Zone Protection Act of 1985" which regulate coastal zone construction and all activities likely to affect the condition of the beaches or shore.
 2. Chapter 163, Part II, F.S., the "Local Government Comprehensive Planning and Land Development Regulation Act" which requires units of local government to establish and implement comprehensive planning programs to control future development.

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF PRIOR AND PARITY LIENS
(EXCLUDING SRF LOANS)

List annual debt service beginning two years before the anticipated loan agreement date and continuing at least three additional fiscal years. Use additional pages as necessary.

	#1	#2	#3
Identify Each Obligation	_____	_____	_____
Coverage	_____ %	_____ %	_____ %
Insured?	_____ Yes _____ No	_____ Yes _____ No	_____ Yes _____ No

Fiscal Year	<u>Annual Debt Service (Principal Plus Interest)</u>			<u>Total Debt Service</u>	<u>Total Debt Service Incl. Coverage</u>
	<u>#1</u>	<u>#2</u>	<u>#3</u>		
2003	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2004	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2005	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2006	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2007	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2008	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2009	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2010	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2011	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2012	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2013	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2014	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2015	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2016	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2017	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2018	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2019	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2020	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2021	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2022	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2023	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2024	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2025	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2027	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2028	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2029	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2030	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE

(Provide information for the two fiscal years preceding the anticipated date of the SRF loan agreement.)

	<u>FY 20</u>	<u>FY 20</u>
(a) Operating Revenues (Source)		
(b) Interest Income		
(c) Other Income or Revenue (Identify)		
(d) Total Revenues		
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)		
(f) Net Revenues [(f) = (d) – (e)]		
(g) Debt Service (including any required coverage)		
(h) Attach audited annual financial report(s), or pages thereof, or 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 #7)		
(i) Attach worksheets reconciling this page with the appropriate financial statements (for example, backing out depreciation and interest payments from operating expenses). (Attachment #8)		
(j) If the net revenues were not sufficient to satisfy the debt service and coverage requirement, please explain what corrective action was taken. (Attachment #N/A)		

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE

Begin with the fiscal year preceding first anticipated semiannual loan payment and continuing for at least three additional years. **Attach a separate page for previous State Revolving Fund loans. (Attachment #9)**

	<u>FY 20</u>				
(a) Operating Revenue	_____	_____	_____	_____	_____
(b) Interest Income	_____	_____	_____	_____	_____
(c) Other Income or Revenue (identify)	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
(d) Total Revenues	_____	_____	_____	_____	_____
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	_____	_____	_____	_____	_____
(f) Net Revenues (g = e - f)	_____	_____	_____	_____	_____
(g) Revenue (including coverage) pledged to debt service, excluding SRF loans	_____	_____	_____	_____	_____
(h) Revenue (including coverage) pledged to outstanding SRF loans	_____	_____	_____	_____	_____
(i) Revenue Available for this SRF Loan [(i) = (f) – (g) – (h)]	_____	_____	_____	_____	_____

(j) Identify the source of the above information and explain methods used to develop the projections **(Attachment #10)**. 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.

(k) For construction loans, are the above projections consistent with the accepted financial feasibility information? Yes No

If "No", please explain. (Attachment #N/A)

SCHEDULE OF PRIOR AND PARITY LIENS

List annual debt service beginning two years before the anticipated loan agreement date and continue at least fifteen fiscal years. Use additional pages as necessary.

# 1 SRF - 5907P Coverage % 115% Insured (Yes/No) No	# 2 SRF - 59110 Coverage % 115% Insured (Yes/No) No	# 3 SRF - 5912S Coverage % 115% Insured (Yes/No) No
# 4 SRF - 5913P Coverage % 115% Insured (Yes/No) No	# 5 SRF - 95140 Coverage % 115% Insured (Yes/No) No	# 6 SRF - 53030 Coverage % 115% Insured (Yes/No) No

Fiscal Year	Annual Debt Service (Principal + Interest)						Total Non-SRF Debt Service w/ coverage	Total SRF Debt Service w/coverage
	#1	#2	#3	#4	#5	#6		
1 2013 ' 14	104,174	50,907	87,147	61,746	16,542	172,345		566,790
2 2014 ' 15	104,174	50,907	87,147	61,746	23,542	255,170		670,089
3 2015 ' 16	104,174	50,907	87,147	61,746	23,542	255,170		670,089
4 2016 ' 17	104,174	50,907	87,147	61,746	23,542	255,170		670,089
5 2017 ' 18	104,174	50,907	87,147	61,746	23,542	255,170		670,089
6 2018 ' 19	52,087	50,907	87,147	61,746	23,542	255,170		610,189
7 2019 ' 20		50,907	87,147	61,746	23,542	255,170		550,289
8 2020 ' 21		50,907	87,147	61,746	23,542	255,170		550,289
9 2021 ' 22		50,907	87,147	61,746	23,542	255,170		550,289
10 2022 ' 23			87,147	61,746	23,542	255,170		491,746
11 2023 ' 24			43,574	61,746	23,542	255,170		441,637
12 2024 ' 25				61,746	23,542	255,170		391,527
13 2025 ' 26				61,746	23,542	255,170		391,527
14 2026 ' 27				61,746	23,542	255,170		391,527
15 2027 ' 28				30,873	23,542	255,170		356,023
16 2028 ' 29					23,542	255,170		320,519
17 2029 ' 30					23,542	255,170		320,519
18 2030 ' 31					23,542	255,170		320,519
19 2031 ' 32					5,474	98,618		119,706
20 2032 ' 33								-
21 2033 ' 34								-
22 2034 ' 35								-
23 2035 ' 36								-
24 2036 ' 37								
25 2037 ' 38								

SCHEDULE OF PRIOR AND PARITY LIENS

List annual debt service beginning two years before the anticipated loan agreement date and continue at least fifteen fiscal years. Use additional pages as necessary.

# 1 Series 2003 Coverage % 110% Insured (Yes/No) No	# 2 Series 2005 Coverage % 110% Insured (Yes/No) No	# 3 Series 2006A Coverage % 110% Insured (Yes/No) No
# 4 Series 2006B Coverage % 110% Insured (Yes/No) No	# 5 Coverage % Insured (Yes/No)	# 6 Coverage % Insured (Yes/No)

	Fiscal Year	Annual Debt Service (Principal + Interest)						Total Non-SRF Debt Service w/ coverage	Total SRF Debt Service w/coverage
		#1	#2	#3	#4	#5	#6		
1	2013 ' 14	50,447	137,019	804,608	165,047			1,272,833	
2	2014 ' 15	50,553	68,509	801,415	165,039			1,194,068	
3	2015 ' 16	31,864		801,127	165,030			1,097,823	
4	2016 ' 17			803,462	165,021			1,065,331	
5	2017 ' 18				165,011			181,512	
6	2018 ' 19				165,001			181,501	
7	2019 ' 20				164,991			181,490	
8	2020 ' 21				164,982			181,480	
9	2021 ' 22				164,972			181,469	
10	2022 ' 23				164,962			181,458	
11	2023 ' 24				164,952			181,447	
12	2024 ' 25				164,942			181,436	
13	2025 ' 26				164,931			181,424	
14	2026 ' 27				164,919			181,411	
15	2027 ' 28							-	
16	2028 ' 29							-	
17	2029 ' 30							-	
18	2030 ' 31							-	
19	2031 ' 32							-	
20	2032 ' 33							-	
21	2033 ' 34							-	
22	2034 ' 35							-	
23	2035 ' 36							-	
24	2036 ' 37							-	
25	2037 ' 38							-	

SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE FOR PLEDGED REVENUE

(Provide information for the two fiscal year proceeding the anticipated date of the SRF loan agreement)

	FY 2011'12	FY 2012'13
(a) Operating Revenues (Identify)		
<u>Charges for Services</u>	<u>6,514,806</u>	<u>6,549,359</u>
<u>Tower Leases</u>	<u>215,959</u>	<u>196,314</u>
(b) Interest Income	<u>26,480</u>	<u>9,230</u>
(c) Other Incomes and Revenues (Identify)		
<u>Impact Fees</u>	<u>144,753</u>	<u>246,949</u>
<u>Misc. Revenue</u>	<u>303,628</u>	<u>197,862</u>
(d) Total Revenues	<u>7,205,626</u>	<u>7,199,714</u>
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	<u>4,436,335</u>	<u>4,662,411</u>
(f) Net Revenues (f = d - e)	<u>2,769,291</u>	<u>2,537,303</u>
(g) Debt Service (including coverage) Excluding SRF Loans	<u>1,251,315</u>	<u>1,258,173</u>
(h) Debt Service (including coverage) for Outstanding SRF Loans	<u>351,253</u>	<u>443,242</u>
(i) Net Revenues After Debt Service (i = f - g - h)	<u>1,166,723</u>	<u>835,888</u>

Source:

Notes:

SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE FOR PLEDGED REVENUE

(Provide information for the two fiscal year proceeding the anticipated date of the SRF loan agreement)

	FY 2013'14	FY 2014'15	FY 2015'16	FY 2016'17	FY 2017'18
(a) Operating Revenues (Identify)					
<u>Charges for Services</u>	6,680,346	6,813,953	6,916,162	7,019,905	7,125,203
<u>Tower Leases</u>	200,000	200,000	200,000	200,000	200,000
(b) Interest Income	21,500	21,500	21,500	21,500	21,500
(c) Other Incomes and Revenues (Identify)					
<u>Impact Fees</u>	250,000	250,000	250,000	250,000	250,000
<u>Misc. Revenue</u>	40,000	40,000	40,000	40,000	40,000
(d) Total Revenues	7,191,846	7,325,453	7,427,662	7,531,405	7,636,703
(e) Operating Expenses 1	4,755,659	4,850,772	4,947,788	5,046,744	5,147,678
(f) Net Revenues (f = d - e)	2,436,187	2,474,681	2,479,875	2,484,661	2,489,025
(g) Existing Debt Service on Non-SRF Projects (including coverage)	1,400,116	1,313,474	1,207,605	1,171,864	199,663
(h) Existing SRF Loan Debt Service (including coverage)	651,809	770,602	770,602	770,602	770,602
(i) Total Existing Debt Service Service (i = g + h)	2,051,925	2,084,076	1,978,207	1,942,466	970,265
(j) Projected Debt Service on Non-SRF Future Projects (including Coverage)					
(k) Projected SRF Loan Debt Service (including coverage)	-	-	-	453,215	453,215
(l) Total Debt Service (Existing and Projected) (l = i + j + k)	2,051,925	2,084,076	1,978,207	2,395,681	1,423,480
(m) Net Revenues After Debt Service (m = f - l)	384,262	390,605	501,668	88,980	1,065,545

Source:

Notes: (i.e. rate increases, explanations, etc.)

1. For existing and proposed facilities, excluding interest on debt, depreciation, and other non-cash items.
2. For the C Street Sewer Project.
3. The City's utility rate structure has an annual automatic increase based on June's annual CIP or two and one half (2.5) percent, whichever is greater.

SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE FOR PLEDGED REVENUE

(Provide information for the two fiscal year proceeding the anticipated date of the SRF loan agreeen

	FY 2012'13	FY 2013'14
(a) Operating Revenues (Identify)		
<u>Charges for Services</u>	<u>6,549,359</u>	<u>6,680,346</u>
<u>Tower Leases</u>	<u>196,314</u>	<u>200,000</u>
(b) Interest Income	<u>9,230</u>	<u>21,500</u>
(c) Other Incomes and Revenues (Identify)		
<u>Impact Fees</u>	<u>246,949</u>	<u>250,000</u>
<u>Misc. Revenue</u>	<u>197,862</u>	<u>40,000</u>
(d) Total Revenues	<u>7,199,714</u>	<u>7,191,846</u>
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	<u>4,662,411</u>	<u>4,755,659</u>
(f) Net Revenues (f = d - e)	<u>2,537,303</u>	<u>2,436,187</u>
(g) Debt Service (including coverage) Excluding SRF Loans	<u>1,258,173</u>	<u>1,400,116</u>
(h) Debt Service (including coverage) for Outstanding SRF Loans	<u>443,242</u>	<u>651,809</u>
(i) Net Revenues After Debt Service (i = f - g -h)	<u>835,888</u>	<u>384,262</u>
(j) Projected Debt Service on Non-SRF Future Projects (including Coverage)		<u> </u>
(k) Projected SRF Loan Debt Service (including coverage)		<u> -</u>

(l) **Total Debt Service (Existing
and Projected)**
($l = i + j + k$)

2,051,925

(m) **Net Revenues After Debt
Service ($m = f - l$)**

384,262

ment)

FY 2014'15	FY 2015'16	FY 2016'17	FY 2017'18
<u>6,813,953</u>	<u>6,916,162</u>	<u>7,019,905</u>	<u>7,125,203</u>
<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
<u>21,500</u>	<u>21,500</u>	<u>21,500</u>	<u>21,500</u>
<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
<u>7,325,453</u>	<u>7,427,662</u>	<u>7,531,405</u>	<u>7,636,703</u>
<u>4,850,772</u>	<u>4,947,788</u>	<u>5,046,744</u>	<u>5,147,678</u>
<u>2,474,681</u>	<u>2,479,875</u>	<u>2,484,661</u>	<u>2,489,025</u>
<u>1,313,474</u>	<u>1,207,605</u>	<u>1,171,864</u>	<u>199,663</u>
<u>770,602</u>	<u>770,602</u>	<u>770,602</u>	<u>770,602</u>
<u>390,605</u>	<u>501,668</u>	<u>542,195</u>	<u>1,518,760</u>
<u>-</u>	<u>-</u>	<u>453,215</u>	<u>453,215</u>

<u>2,084,076</u>	<u>1,978,207</u>	<u>2,395,681</u>	<u>1,423,480</u>
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<u>390,605</u>	<u>501,668</u>	<u>88,980</u>	<u>1,065,545</u>
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2.70%

197,050

(813)

	Balance	Interest Rate	Principial	Debt Service	Balance
Oct	6,059,071	81,797	115,253	197,050	5,943,818
1 April	5,943,818	80,242	116,808	197,050	5,827,010
Oct	5,827,010	78,665	118,385	197,050	5,708,625
2 April	5,708,625	77,066	119,984	197,050	5,588,641
Oct	5,588,641	75,447	121,603	197,050	5,467,038
3 April	5,467,038	73,805	123,245	197,050	5,343,793
Oct	5,343,793	72,141	124,909	197,050	5,218,884
4 April	5,218,884	70,455	126,595	197,050	5,092,289
Oct	5,092,289	68,746	128,304	197,050	4,963,985
5 April	4,963,985	67,014	130,036	197,050	4,833,949
Oct	4,833,949	65,258	131,792	197,050	4,702,157
6 April	4,702,157	63,479	133,571	197,050	4,568,586
Oct	4,568,586	61,676	135,374	197,050	4,433,212
7 April	4,433,212	59,848	137,202	197,050	4,296,010
Oct	4,296,010	57,996	139,054	197,050	4,156,956
8 April	4,156,956	56,119	140,931	197,050	4,016,025
Oct	4,016,025	54,216	142,834	197,050	3,873,192
9 April	3,873,192	52,288	144,762	197,050	3,728,430
Oct	3,728,430	50,334	146,716	197,050	3,581,714
10 April	3,581,714	48,353	148,697	197,050	3,433,017
Oct	3,433,017	46,346	150,704	197,050	3,282,312
11 April	3,282,312	44,311	152,739	197,050	3,129,574
Oct	3,129,574	42,249	154,801	197,050	2,974,773
12 April	2,974,773	40,159	156,891	197,050	2,817,882
Oct	2,817,882	38,041	159,009	197,050	2,658,874
13 April	2,658,874	35,895	161,155	197,050	2,497,719
Oct	2,497,719	33,719	163,331	197,050	2,334,388
14 April	2,334,388	31,514	165,536	197,050	2,168,852
Oct	2,168,852	29,280	167,770	197,050	2,001,081
15 April	2,001,081	27,015	170,035	197,050	1,831,046
Oct	1,831,046	24,719	172,331	197,050	1,658,715
16 April	1,658,715	22,393	174,657	197,050	1,484,058
Oct	1,484,058	20,035	177,015	197,050	1,307,043
17 April	1,307,043	17,645	179,405	197,050	1,127,638
Oct	1,127,638	15,223	181,827	197,050	945,811
18 April	945,811	12,768	184,282	197,050	761,529
Oct	761,529	10,281	186,769	197,050	574,760
19 April	574,760	7,759	189,291	197,050	385,469
Oct	385,469	5,204	191,846	197,050	193,623
20 April	193,623	2,614	194,436	197,050	(813)

**Annual
Payment**

394,100