

City of Grand Island

Tuesday, June 3, 2014 Special Meeting

Item E-1

Public Hearing on Declaration of Intent to Use Clean Water State Revolving Fund (CWSRF) Loan proceeds for Sanitary Sewer Collection System and Wastewater Treatment Plant Improvements

Staff Contact: John Collins, P.E. - Public Works Director

Council Agenda Memo

From: Marvin Strong PE, Wastewater Plant Engineer

Meeting: June 3, 2014

Subject: Declaration of Intent to use Clean Water State Revolving

Fund (CWSRF) Loan proceeds for Sanitary Sewer Collection System and Wastewater Treatment Plant

Improvements

Item #: E-1

Presenter(s): Jaye Monter, Finance Director

Marvin Strong P.E., Wastewater Plant Engineer

Anna White, Black & Veatch

Tom Fuenning, NDEQ

Michael Rogers, Gilmore & Bell, P.C.

Background

Public Works Staff has been working with Black and Veatch and Olsson Associations to develop and implement a 5 Year Wastewater Capital Plan for the City of Grand Island based on the following:

- The comprehensive plan in CH2M Hill's "Wastewater Collection and Treatment Systems Comprehensive Plan Update"
- Black and Veatch's "Wastewater Treatment Plant and Collection System Improvements – Draft Technical Memorandum #2 Hydraulic Model Validation and Analysis"
- Wastewater Projects intended to accommodate growth

Examples of Wastewater Projects included in the 5 Year Wastewater Capital Improvement Plan are:

- Plant Headworks
- Sanitary Sewer Collection System Rehabilitation
 - South and West Interceptor Rehabilitation
 - o 4th and 5th Eddy to Vine Rehabilitation
 - o North Interceptor Phase I

- North Interceptor Phase II
- Growth 281 Sanitary Sewer Improvements (District 530T)

Public Works representatives met with Nebraska Department of Environmental Quality (NDEQ) representatives in December 2013 and explored the possibility of obtaining a Loan from the Clean Water State Revolving Loan Fund Program (CWSRF) administered by the NDEQ in lieu of Revenue Bonds to pay for the remaining wastewater projects. The NDEQ subsequently approved up to \$40,000,000 in CWSRF funds at 2 ½% -2 1/2% for distribution over multiple years. Projects classified as "Green" receive a ½% lower interest rate

Discussion

With the more favorable interest rates it is possible to advance the project schedule to complete more projects sooner. Lift Stations are high cost items that increase the creation of damaging chemicals such as hydrogen sulfide (the chemical primarily responsible for shortening the life of the Northeast Interceptor by more than 30%). The new Headworks and Phases 1 and 2 of the North Interceptor allow 8 lift stations to be abandoned. Accelerating construction will allow an additional 3 lift stations to be abandoned, saving operating costs and extending the life of the new infrastructure.

The council declared its intention to issue bonds for \$60 million on May 14, 2013. A Revenue Bond was issued on September 17, 2013 for \$35,430,000. This is the only outstanding wastewater debt. We will need an estimated \$38,844,700 in addition to the Revenue Bond issued last year to finance the remaining portion of the ongoing Wastewater Infrastructure Plan. Most of the remaining costs will occur when the North Interceptor Phase 2 Project is bid later this year. We are asking the council to raise its intention to issue debt from \$60 million to \$74,275,000 and recognize that up to \$40,000,000 of such borrowing is expected to be in the form of a loan from the CWSRF Program administered by NDEQ. After the hearing held on June 3rd and NDEQ's 30 day comment period, it is expected that an ordinance will be presented to the City Council at its July 8th meeting to give formal approval to the NDEQ borrowing in a principal amount of up to \$40,000,000. With the new interest rates this will be within the constraints of the rate study approved last year.

Alternatives

Council has the following alternatives concerning the issue at hand. The Council may:

- 1. Move to approve
- 2. Refer the issue to a Committee
- 3. Postpone the issue to future date
- 4. Take no action on the issue

Recommendation

City Administration recommends that the Council adopt the resolution to raise the declaration of intent to issue debt from \$60,000,000 to \$74,275,000 and recognize that up to \$40,000,000 of such debt is expected to be borrowed from the Clean Water State Revolving Loan Fund Program administered by the Nebraska Department of Environmental Quality.

Sample Motion

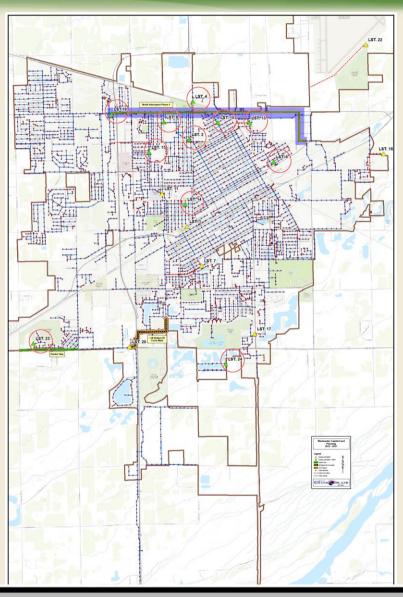
Move to adopt the resolution raising the declaration of intent to issue debt from \$60,000,000 to \$74,275,000 with up to \$40,000,000 expected to be borrowed from the Clean Water State Revolving Loan Fund Program administered by the Nebraska Department of Environmental Quality.



Grand Island Wastewater Infrastructure Improvement Plan



PUBLIC WORKS



2010 Capital Project Report

- The CH2MHill Report listed wastewater infrastructure projects totaling \$115.17 Million, most of it before 2020
- We completed some of the projects, are working on some of the projects, eliminated some of the projects, postponed some of the projects and added new projects

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Grand Island

PUBLIC WORKS

	TABLE 1 Grand Island Prioritized CIP														
	Grand Island Frioritized Cir	T	Costs (\$M)												
		Design	Construction	Total	2010	2011	2012	2013	2014	2015	2016	2017	2010		2020 or
	WWTP		En all transports		Mark Selection		TO SECURE VALUE		EAST CALLED	2013	2016	2017	2018	2019	Beyond
	Sludge Storage and Hydrogen Sulfide Facili		\$0.52	\$0.52	\$ 0.52			and the second second second	20-900-900-900-900-900-900-900-900-900-9	S 50 M (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	271 V. 275 P. V. G. E. S. S. S. S.	NUMBER OF STREET	CITYANON AUGIEWA SI	HOWELD SHEET IN THE	A STREET, STRE
	Replace Primary Clarifier Mechanism		\$0.99	\$0.99	\$ 0.99				-						
	Upgrade SCADA system		\$0.61	\$0.61	\$ 0.61					<u> </u>					
	Aeration Basin Improvement		\$3.91	\$4.60	\$1.10	\$1.20	\$2.30			 					
	JBS Slipstream (costs may be incurred by others	\$0.08	\$0.28	\$0.36		\$0.36				 					
	Replace Screen		\$2.14	\$2.74			\$2.74		 						
	Third Primary Clarifie		\$2.41	\$3.09			\$3.09								
	Repair Final Clarifier		\$0.60	\$0.60				\$ 0.60						 	
	Replace Parshall Flum		\$1.50	\$1.65				\$1.65		-				-	
	Replace Grit Basin			\$4.12				\$4.12				**			
	Fourth Secondary Clarifie		\$3.50	\$4.48				\$4.48							-
	Anaerobic Digestion Facility	у	\$19.58	\$19.58			T	1		\$6,30	\$9.73	\$3.54		 	
	Expand Influent Pump Station Capacit	y \$0.10	\$0.35	\$0.45				T		\$0.45	\$5.75	30.54			
	Ferric Chloride Feed Facilit		\$1.21	\$1.54						00.40			\$0.34	\$1.21	
	Aerated Static Compos		\$4.53	\$4.53									\$0.34	\$1.21	\$4.5
	Fifth Secondary Clarifie		\$3.50	\$4.48											\$4.5
	WWTP Subtota	ı		\$54.33											\$4.4
	Sanitary Collection System					160 00000000000000000000000000000000000	al weathering	SECOLUCION SEC	75.030 (Sec. 1959)	EDINGS INC.	Sciences and Colors	EXPERIENCE VIOLEN	HASSIASIA (COLONYA)	MANAGERA DE RANDAS	a processor and the contract of
	Unknown Sewer District		\$2.75	\$2.75	\$0.25	\$0.25	\$0.25	\$0,25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	20.0
	15" Sewer Replacement between 4th & 5th Streets, Eddy St. to Vine S		\$1.10	\$1,10	\$1.10	4			00.20	\$0.25	90.20	\$0.25	\$0.25	\$0.25	\$0.25
	Lift Station 7 Improvement	s -	\$0.15	\$0.15	\$0.15										
	Sanitary Sewer Rehabilitatio		\$0,35	\$0,35	\$0.35					 					
	North Concrete Interceptor Replacemen	nt													
~~ c	(7th & Sky Park to WWTF		\$11.43	\$12.70	\$1.27	\$6.86	\$4.57	1		l i					1
De De	Concrete Vault at WWT	\$0.03	\$0.23	\$0.26	\$0.03	\$0.23									
Do	South Concrete Interceptor	-												-	
	Rehabilitation/Replacement-4850 fee		\$2.98	\$2.98		\$2.98									
	West Interceptor	3		l											
9 24	Capital Avenue Forcemai		\$0.91	\$0.91		\$0.91									
	Gravity Sewer (Capital Avenue		\$1.09	\$1.09					\$1.09						
X	E-9939 3 Lift Station 21 Construction		\$8.36	\$8.36					\$8.36						
D 3 0	Lift Station 21 Pump Replacemen		\$3,40	\$3.40						\$3.40					
VA 35	1/27/10 5 36" x 8540' from WWTP to Vine Stree		\$0.43	\$0.43						\$0.43					
P. L. AV			\$2.99	\$2.99								\$2.99			
VIN AT	36" x 5850' from Bismark Road to L.S.	7 -	\$0.65	\$0.65									\$0.65		
A STATE	Remove L.S.	7 -	\$1.82 \$0.05	\$1.82									\$1.82		
	36" x 3660' from L.S. 7 to Ada Stree		\$1.23	\$0.05									\$0.05		
	12" x 4400' forcemain extension from L.S. 21	-	\$1.23 \$1.66	\$1.23									\$1.23		
	Upgrade L.S. 20 Pumps		\$1.56 \$0.02	\$1.66											\$1.66
	8" x 5550' forcemain from L.S. 2 to Capital Avenue	1	\$0.02 \$1.41	\$0.02											\$0.02
	Upgrade L.S. 2 Pumps		\$1.41	\$1.41											\$1.41
	Upgrade L.S. 15 pumps	-	\$0.02	\$0.02											\$0.02
	Cornhusker Army Ammunition Plan		\$6.01	\$0.01											\$0.01
	East Lakes Service			\$6.13											\$6.13
	Edst Lakes Service	-	\$7.26	\$7.26											\$7.26
	West Park Plaza - Englemann from Husker Hwy to north of Hwy 30		\$0.92	\$0.92		- 1	I								
	West Park Plaza - Husker Hwy from North Rd to Engleman	-	\$1.70	\$1.70				——	_						\$0.92
	Sanitary Collection System Subtota		31.70	\$60.35											\$1.70
	Other	0.000 0.000	O SALES STREET, AS A SALES	300.35	Links Navas Kur	APPENDICTION WAS TO BE	98.00.600 associates 92.00	TAX COLUMN TO SECURE PROPERTY.	A STATE OF THE STA	10000000000000000000000000000000000000	AN AVERAGE AT RESIDENCE	State of District Control			
	WWTP and Sanitary Collection System Comprehensive Plan Update	\$0.50	-	\$0.50	7,50,000,000	100/100/100/0	SACAL ENG						11207	P12172605	100 100 100 100
	, some comprehensive Plan Opdate	50.50	ASSESSMENT AND ASSESSMENT OF THE	\$0.50	9030755558 veise	N 100 W 100	statistics and a second	5040a5690	97 Exc. 11		\$0.50				
	TOTAL	CONTRACTOR PAR	Production (Color	\$115.17	1027 FEE 100 F	era i dell'acción	\$12.94	nuclive state				2114 115 115	ENTERING THE	24/26/12/50	Transfer Light
									\$9.71	\$10.82	\$9.98	\$6,79	\$4,34	\$1.46	\$28.38



Rate Study

- Black and Veatch added to the information in the CH2MHill report to develop a rate study to pay for the Capital Improvements
- They also developed a Wastewater Master Plan through the year 2062

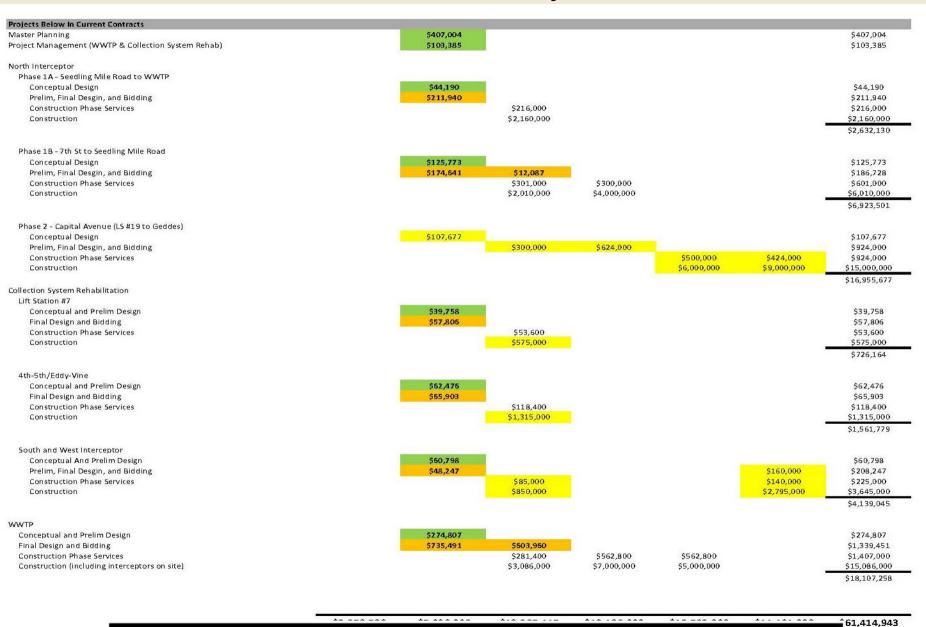
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Rate Study

Capital Improvments Plan (CIP) Adjustments 4/1/2012

Project	2011	2012	2013	2014	2015	2016	Total
Aeration Basin Improvements	\$1,758,500	\$1,768,500	ľ				\$3,537,000
Methan of Feed System Improvements	\$50,000	\$50,000					\$100,000
nternal Recycle for Aeration Basins					\$1,262,000		\$1,262,000
Final Clarifier Repair			\$600,000				\$600,000
PVIP East 2011 Only	\$320,000						\$320,000
New Assessment Districts	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000		\$1,250,000
Annual Sewer Rehab	\$190,000	\$350,000	\$350,000	\$350,000	\$350,000		\$1,590,000
Alisc. Items	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		\$500,000
Projects Below In Current Contracts	100000000000000000000000000000000000000	10055 MMMM	811-10811	W. 150 (1994)	100000000000000000000000000000000000000		0.75.00.55.55
North Interceptor	\$420,000	\$3,000,000	\$4,640,000	\$4,640,000	\$3,000,000		\$15,700,00
North Interceptor (Capital Ave)				\$8,360,000			\$8,360,000
Capital Aveunue Forcemain		\$490,000	\$600,000				\$1,090,000
ift Station 21 Replacement					\$430,000		\$430,000
ift Station 21 Construction			\$600,000	\$2,800,000			\$3,400,00
ollection System Rehabilitation							
Lift Station #7	\$160,000						\$160,000
4th-5th/Eddy-Vine	\$100,000	\$1,000,000					\$1,100,00
South and West Interceptor			\$400,000	\$910,000	\$2,580,000		\$3,890,000
WWTP	\$1,300,000	\$2,420,000	\$3,000,000	\$2,500,000	\$0		\$9,220,000
	\$4,658,500	\$9,428,500	\$10,540,000	\$19,910,000	\$7,972,000	\$0	\$52,509,00
Master Planning							
Suggested CIP Adjustments-Current 2011-2015 Schedule							
Project	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
Aeration Basin Improvements	\$1,768,500	\$1,768,500					\$3,537,000
	\$50,000	\$50,000					\$100,000
Aethan of Feed System Improvements	220,000	\$20,000				\$1,262,000	\$1,262,00
nternal Recycle for Aeration Basins			\$600,000				\$600,000
ternal Recycle for Aeration Basins nal Clarifier Repair	\$320,000		\$600,000				\$600,000
iternal Recycle for Aeration Basins inal Clarifier Repair VIP East 2011 Only	\$320,000 \$250,000	\$250,000	\$600,000 \$250,000	\$250,000	\$250,000	\$250,000	
nternal Recycle for Aeration Basins inal Clarifier Repair VIP East 2011 Only Iew Assessment Districts	\$2000000000000000000000000000000000000	\$250,000 \$350,000		\$250,000 \$350,000	\$250,000 \$350,000	\$250,000 \$350,000	\$320,000
Viethanol Feed System Improvements Internal Recycle for Aeration Basins Final Clarifier Repair PVIP East 2011 Only New Assessment Districts Annual Sewer Rehab Vlisc, Items	\$250,000		\$250,000				\$320,000 \$1,500,00

Rate Study



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5 Year Wastewater Infrastructure Plan

The current 5 Year Wastewater Infrastructure Plan was developed using information in the CH2MHill and Black and Veatch Reports and incorporating input from the field. Black and Veatch used it to update the earlier rate study.

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City of Grand Island Nebraska - 5 Year Wastewater Infrastructure Plan

										Year 1		Year 2		Year 3		Year 4	1	ear 5
	Pro	imated Total Dject Cost FY 13 - FY 2017	Grant	SRF Loan		Bonds		Cash	FY 20 2013)	Post contract		014 (2013- 2014)	FY 2	2015 (2014 - 2015)	FY .	2016 (2015 - 2016)		17 (2016 - 2017)
General																		
Rate Study	\$	29,964					\$	29,964	Š	18,031	Ś	11,932						
Automation/Asset Management	\$	308,156					, \$	308,156		8,156		100,000	Ś	100,000	Ś	100,000		
Utility Billing Software Allocation	, \$	283,308					, \$	283,308		, 118,377		164,931	886		89			
General Total	\$	621,428					\$	621,428		144,564		276,863	\$	100,000	\$	100,000		
Vehicle																		
Sanitary Sewer Collection Sysem Truck	\$	38,181					\$	38,181	Ś	38,181								
Lift Station Truck	\$	30,384					\$	30,384	x	50,101	Ś	30,384						
Plant Utility Vehicle(s)	Ś	28,960					\$	28,960			\$	13,960	Ś	15,000				
Sanitary Sewer Collection Sysem Truck	\$	90,000					\$	90,000			() T	200.0400.00	.	(00.X00)E	\$	45,000	\$	45,000
Sanitary Sewer Collection System Jetter	\$	150,000					, \$	150,000							\$	150,000	10	W.
Vehicle Total	\$	337,525					, \$	337,525	\$	38,181	\$	44,344	\$	15,000	\$	195,000	\$	45,000
Lab																		
Oil & Grease Extractor	Ś	39,000					\$	39,000			\$	39,000						
E-Coli Testing Apparatus	Ś	15,000					Ş Ş	15,000			4	33,000	Ś	15,000				
Thermo Scientific Gallery	Ś	35,000					Ś	35,000					Y	13,000	Ś	35,000		
Lab Total	\$	89,000					\$	89,000	\$	929	\$	39,000	\$	15,000	\$	35,000		
999 EE																		
Wastewater Treatment Plant	ć	200.000					4	200.000	ě.	200.000								
Aeration Basin Improvements Headworks	\$ \$	290,866			Ś	24 500 000	\$	290,866		290,866	ć	15.054.000	,	3 070 E44				
Final Clarifier Rehabilitation)	21,500,000			Ş	21,500,000			Þ	2,467,459	Ģ	15,054,000	\$	3,978,541				
Final Clarifier #1 & #2 RAS Pumps	Ś	300,000					\$	300,000					\$	300,000				
Internal ReCycle Pumps	ş Ş	300,000					۶ \$	300,000					Ţ	500,000			\$	300,000
Expand Admin Bldg/Lab	ş S	500,000					ş Ś	500,000									э \$	500,000
Wastewater Treatment Plant Total	ب \$	22,890,866			\$	21,500,000	۶ \$	1,090,866	\$	2,758,325	\$	15,054,000	\$	4,278,541	\$	22	۶ \$	800,000
	67.12	med3.537/93/95/478/95/95/66			0.50	1774 1884 1887 1887 1884 1887 1887 1887	10500	rand transmission english abid		1111 1011 1011 1011 1011 1011 1011 101	voide (ennen ett ett til til til til til til til til til t	97.00		0514		67/70	www.nerspecture.next

												Year 1		Year 2		Year 3		Year 4		Year 5
	Est	imated Total																		
		oject Cost FY		Grant		SRF Loan		Bonds		Cash		2013 (2012 -	FY	STATE OF THE PROPERTY.	FY	2015 (2014 -	FY	2016 (2015 -	FY 2	300 mar. 3 5 00 00 1-500 000
		13 - FY 2017									201	3) Actual		2014)		2015)		2016)		2017)
Sanitary Sewer Collection System Rehabilitation																				
Sanitary Sewer Collection System TV Camera	\$	52,560							Ś	52,560	ς	52,560								
GIS Survey Equipment	Ś	31,780							Ś	31,780	Y	32,300	\$	31,780						
Sanitary Sewer Collection System Flow Meters	Ś	50,000							Ś	50,000			Ś	50,000						
Sanitary Sewer Collection System By-Pass Pumps	\$	90,000							\$	90,000			\$	90,000						
North Interceptor Phase II	\$	19,200,000			\$	18,270,000	\$	930,000					\$	1,015,501	\$	9,585,000	\$	8,599,499		
Abandon LS #2/Route to North Interceptor	\$	2,178,268			\$	2,178,268									\$	730,268	\$	1,448,000		
Abandon LS#4/Route to North Interceptor	\$	375,008			\$	375,008											\$	375,008		
Abandon LS#6	\$	1,624,158			\$	1,624,158													\$	1,624,158
Lift Station #7 Repairs/Improvements	\$	780,648	\$	654,318					Ş	126,330	\$	768,817	Ş	11,831						
Abandon LS #8/ Route to North Interceptor	\$	710,604			\$	710,604											\$	78,604	\$	632,000
Abandon LS#10/Route to North Interceptor	\$	901,456			\$	901,456											\$	136,456	\$	765,000
Abandon LS#13/Route to North Interceptor	\$	407,026			\$	407,026									\$	50,026	\$	357,000		
Abandon LS#14	\$	69,000			\$	69,000													\$	69,000
Abandon LS#15/Route to North Interceptor	\$	1,978,000			\$	1,978,000											\$	200,000	\$	1,778,000
Lift Station #20 Pumps	\$	26,215							\$	26,215							\$	26,215		
Replace LS #20 Forcemain	\$	2,727,656			\$	2,727,656	200								100				Ş	2,727,656
Husker Highway	\$	2,946,250			\$	2,846,250	\$	100,000							\$	783,250	\$	2,163,000		
Rainbow Lakes Gravity Sewer	\$	586,135			\$	571,135	\$	15,000											\$	586,135
Airport Interlocal Agreement	\$	165,688							\$	165,688					\$	165,688				
4th & 5th Eddy to Vine	\$	1,694,840	\$	337,633			\$	1,357,206			\$	1,520,877	Ş	173,963						
5th Street Improvements	\$	28,551							\$	28,551	Ş	28,551								
North Interceptor Phase I	\$	10,600,000					\$	10,600,000			\$	1,769,490	\$	8,830,510						
WWTP Collections System Rehab	\$	239,739							\$	239,739	\$	239,739								
South & West Interceptor	\$	805,001					\$	805,001			\$	798,000	\$	7,001						
Sewer Rehabilitation - Various Locations	\$	900,000							\$	900,000	Ş	19	\$	100,000	\$	100,000	\$	350,000	Ş	350,000
Sanitary Sewer Collection System Rehabilitation	Ś	49,168,583	¢	991,951	\$	32,658,561	¢	13,807,208	\$	1,710,863	Ś	5,178,033	\$	10,310,587	\$	11,414,232	Ś	13,733,782	Ś	8,531,949
Total	Υ'	45,100,303	Υ'	551,551	Υ'	52,030,301	Υ'	15,007,200	Y	1,710,003	Y	3,170,033	Ψ	10,510,507	Y	11,414,232	Y	13,733,702	7	0,551,545
Growth/New Customers																				
South 281/Tap District	\$	2,132,230			\$	2,032,230	ć	100,000					\$	900,230	\$	1,232,000				
South 281 Sewer Assessment District	ş Ś	2,432,035	ċ	350,000	\$	2,052,230		75,000					\$	597,035	33	1,835,000				
Wildwood Industrial Subdivision 528	ş Ś	1,872,600	þ	5 50,000	Ş	1,772,600		100,000					ş Ś	627,600		1,245,000				
Westwood Park Subdivision	Ģ	1,012,000			ş	1,772,000	À	100,000					À	027,000	Ţ	1,243,000				
Platte Valley Industrial Park	Ś	373,126							\$	373,126	ć	324,726	\$	48.400						
Unknown Sewer Districts	¢	850,000							Ş	850,000	100	324,720	ş \$	100,000	¢	250,000	¢	250,000	S	250,000
Growth/New Customers Total	¢	7,659,991	¢	350,000	¢	5,811,865	Ś	275,000	7	1,223,126		324,726	\$		\$	4,562,000		250,000		250,000
Giowan new customers rotal	Y.	,,035,531	7	550,000	T.	3,011,003	T'	275,000	¥	1,223,120	¥	324,120	y	2,213,203	Y.	1,302,000	Y	230,000	y.	230,000
Total Total	\$	80,767,392	\$	1,341,981	\$	38,470,426	\$	35,582,208	\$	5,072,807	\$	8,443,829	\$	27,998,059	\$	30,384,773	\$	14,313,782	\$	9,626,949
					•									The second second						- Control of the Cont

North Interceptor Phase 2

• The North Interceptor Phase 2 project (current construction estimate is \$17,215,000) should generate Regional Contractor interest and favorable pricing. Favorable pricing is likely to be extended to any additional projects that were bid around the same time.

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Lift Station Abandonments

- The Headworks and North Interceptor Phase 1 and North Interceptor Phase 2 projects make it physically possible to abandon 8 Lift Stations including LS #19.
- A total of 11 Lift Stations are planned to be abandoned.

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Lift Station Abandonments

- The estimated Lift Station O & M savings for the 11 lift stations is \$162,000 per year
- The estimated Lift Station and Forcemain straight line depreciation cost is \$284,000 per year
- Lift Stations are a potential source of Hydrogen Sulfide, which is the primary reason we are replacing the North Interceptor prematurely

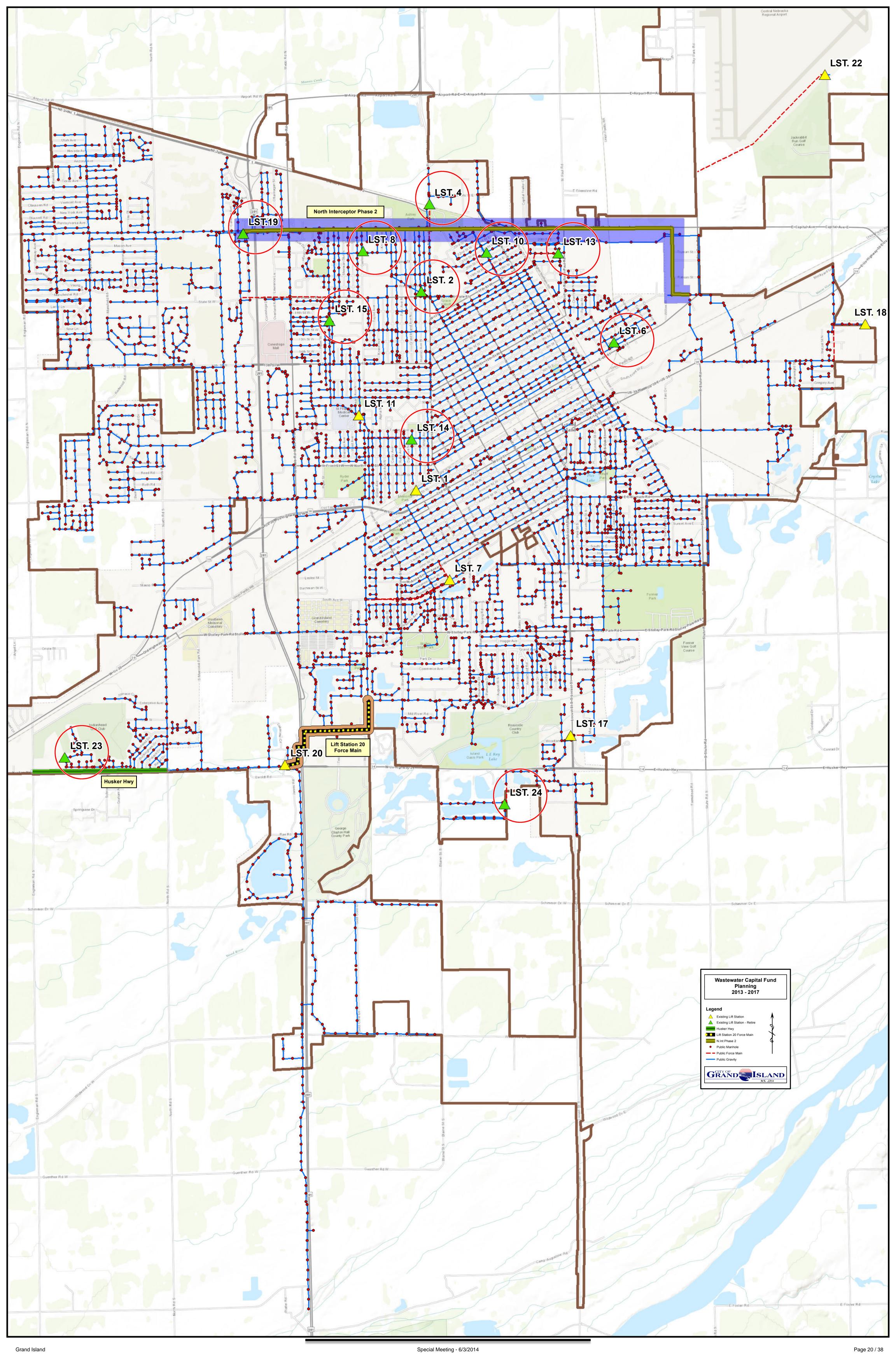
NDEQ CWSRF Loan

- The NDEQ approved our CWSRF Loan application up to \$40,000,000 at interest rates between 2.25% and 2.50%
 - ₹ NDEQ assess a 1% Administration Fee on the loan balance
 - "Green" wastewater projects are charged 1.25%
 - Non Green Wastewater Projects are charged 1.50%
 - Most of the projects we submitted are classified as "Green"

NDEQ CWSRF Loan

- The Black and Veatch Rate Study conducted last year assumed 4.3% Bond Interest Rates
- We asked Black and Veatch to re-visit the Rate Study done last year to determine how much additional work could be done within the constraints of that Rate Study using the lower interest rates.

Grand Island Special Meeting - 6/3/2014 Page 19 / 38



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7	

WATER State Stat		Grand Island Prioritized CIP	d														
Stories Stories and Hardrene States Feath Constitution Train 2010 2011 2012 2013 2014 2015 2015 201					Costs (\$M)												
Studge Straige and Hydrogen Suffice Facility Stool Straigs Stool Straigs and Hydrogen Suffice Facility Stool Straigs		WWTD		Design	Construction		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 or Beyond
Figure Properties Produced Section Control tendent Agents Stock			Sludge Storage and Hydrogen Suffide Facility		1 26												
Properties (2000) According (2000) Acc			Replace Primary Clarifier Mechanisms		0.04		, e										
The Silpersent (Aeathold Peacles Street) Street			Updrade SCADA system		60.0		n u										
The Silpentant (code may be factored by Orders \$50.08 \$50.29 \$50.09 \$50.09 \$50.00			Aeration Basin Improvements	\$0.69	83.9		9	İ									
Figure Streets \$2,000 \$2,14 \$2,75 \$2,00 \$2,14 \$2,14 \$2		JBS	Slipstream (costs may be incurred by others)	\$0.08	\$0.2												
Flequet Petal Britains St. 108 St. 104			Replace Screens	\$0.60	\$2.1			00.00									ļ
Finder Periode Finder St. 15 St.			Third Primary Clarifier	80.68	4 63				92.74								
Findless of Richard Purple State S			Repair Final Clarifiers		908				20.00	6							
Feurth Secondary Curindra St. 10 St. 12			Replace Parshall Flume		\$1.50					1							
Furth Secretary Cardiant State Sta			Replace Grit Basins	İ	200				į	00.16							
Epper Mauerobic Digassion Faulity Strate			Fourth Secondary Clarifier	l	73 57					34.12							
Sanitary Collection System			Anaerobic Digestion Facility		\$19.5					34.48							
Ferric Chilotide Fees Featility \$19.34 \$1.25 \$1.24			Expand Influent Pump Station Capacity		6.09	1						26.30	\$9.73	\$3.54			
Fifth Sourcade (2stife Composit St.128 St.			Ferric Chloride Feed Facility		5	1						\$0.45					
Saniary Collection System			Aerated Static Compost	15000	7:10									1	\$0.34	\$1.21	
Sanitary Collection System Wirth Statement Wirth Statement Statement			Fifth Secondary Clarifier	8	5 6												\$4.53
Sanitary Collection System Unknown Sower Deficies Sanitary Collection System Unknown Sower Deficies Sanitary Collection System Unknown Sower Deficies Sanitary Collection System Unknown Sower Deficies Sanitary Collection System Sanitary Collection System Contracts Intercepting Sanitary Collection System Contracts Sanitary Collection System Comparison				8	5.29												8
15' Sever Replacement between dat a 6th Streams: Lady 2, to Vine St. 15' Sever Replacement between dat a 6th Streams: Lady 2, to Vine St. 15' Sever Replacement between dat a 6th Streams: Lady 2, to Vine St. 15' Sev. 15' S		Sanitary Collection System				6.400		No. of Control of Control	Selection Residence	THE CONTRACTOR OF STREET	CELPER CHINA WARRANG	GWannouthnum (St.	C CALCULATION OF THE CALCULATION				
15° Sewer Replacement between 4th 8 5th Site eds. Edy St. to Vine St. 10 St. 10					£ 82												
North Concrate Intersection State		15" Sewer Replacement bet	tween 4th & 5th Streets. Eddy St. to Vine St.	,	94.17		ı			\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
North Connected Park to WayTPP St. 27 St. 14.4 St. 27 St. 25 St			Lift Station 7 Improvements		SO 11		1				1						
North Concrete National Page Securement			Sanitary Sewer Rehabilitation		100												
Concate Value Annual Paris St. 22 St. 24 St. 27	V	, /	North Concrete Interceptor Replacement		2	l											
Rehabilitation/Replacement-lescoper S2.36 S0.26 S0.03 S0.26 S0.03 S0.03		1	(7th & Sky Park to WWTP)		\$11.4												
Rehabilisation Perplacement-4850 For -			Concrete Vault at WWTP		\$0.20	ĺ											
Rehabilitation/Peplacement - 850 feet Sp. 91 Sp. 92 Sp. 93 Sp. 94		100	South Concrete Interceptor														
State Part abilitation Peptacement State	3000 Yel		Most Interceptor		\$2.9			\$2.98									
Capital Avenue Forcemain \$8.36 \$1.06 \$1.09 \$1.09 \$1.09 \$1.09 \$1.09 \$1.09 \$1.09 \$1.09 \$1.09 \$1.00		R F	Rehabilitation/Replacement ~ 850 feet		608			60 03									
Clavity Sewer (Capital Avenue) S8.36 S8.36 S8.36 S8.36 S8.36 S8.36 S8.40	2000	V	Capital Avenue Forcemain		\$1.09						90	Ī		Ì			
Lift Station 21 Construction SS 40 SS 40	The state of the s		Gravity Sewer (Capital Avenue)		\$8.36						\$8.36						
Util Station 21 Pump Replacement S0.43 \$0.43 \$0.43 \$0.43 \$0.43 \$0.43 \$0.43 \$0.43 \$0.43 \$0.43 \$0.43 \$0.43 \$0.45 \$		or B	Lift Station 21 Construction		\$3.40							83.40				-	
Service of the Street Sc. 299 Sc. 290	·//	TI to be	Lift Station 21 Pump Replacement	,	\$0.43							\$0.43				T	
Social State Soci		にあったが	36" X 8540" from WW IP to Vine Street	,	\$2.96									\$2.99			
### Second from Estraic Hoad to L.S. 7 - \$1.82 \$1.82 \$1.82			A 1910 from Vine Street to Bismark Hoad		\$0.65										\$0.65		
12" x 440° from L.S. 70	O VI	では、	35" X 3850' from Bismark Hoad to L.S. 7	,	\$1.82	ļ									\$1.82		
12" x 4400' forcemain extension fron L.S. 20			Hemove L.S. 7		\$0.05										\$0.05		
St. 550 forcemain from L.S. 20 St. 66 St.	1		36" x 3660' from L.S. 7 to Ada Street	,	\$1.23	ı									\$1.23		
8" x 5550' forcemain from LS. 20 Pumps - \$0.02 \$			z x 4400 Torcemain extension from L.S. 20		\$1.66												\$1.66
## Set of Capital Avenue			Upgrade L.S. 20 Pumps	'	\$0.02												\$0.02
Upgrade LS. 2 Pumps - \$0.02 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02 \$0.01 \$0.01 \$0.01 \$0.01 \$0.01 \$0.01 \$0.01 \$0.01 \$0.01 \$0.01 \$0.01 \$0.01 \$0.02		8" x 55	50' forcemain from L.S. 2 to Capital Avenue	,	\$1.41												\$1.41
Degrade L.S. 15 pumps - \$0.01 \$0.01			Upgrade L.S. 2 Pumps	'	\$0.02												8008
West Park Plaza - Englemann from Husker Hwy to north of Hwy 30 \$6.13 \$6.13 \$6.13 West Park Plaza - Englemann from Husker Hwy from North Reformann Sanitary Collection System Subtotal \$1.70 \$1.70 \$1.70 Writh and Sanitary Collection System Comprehensive Plan Update \$0.50 \$0.50 \$0.50			Upgrade L.S. 15 pumps	'	\$0.01											+	80.03
West Park Plaza - Englemann from Husker Hwy from North of Hwy 30 \$7.26 \$7.26 West Park Plaza - Englemann from Husker Hwy from North Rd to Englemann Sanitary Collection System Subtotal \$1.70 \$1.70 West Park Plaza - Husker Hwy from North Rd to Englemann Sanitary Collection System Subtotal \$60.35 \$60.35			Comhusker Army Ammunition Plant	,	\$6.13												SE 13
West Park Plaza - Englemann from Husker Hwy from North of Hwy 30 \$0.92 \$0.92 West Park Plaza - Husker Hwy from North Rd to Englemann \$1.70 \$1.70 Sanitary Collection System Subtotal \$60.35 WTP and Sanitary Collection System Comprehensive Plan Update \$0.50 Sport Stem Comprehensive Plan Update \$0.50			East Lakes Service		\$7.26												\$7.26
West Park Plaza - Husker Hwy from North Fld to Englemann S1.70 S1.70 Senitary Collection System Subtotal S60.35 West Park Plaza - Husker Hwy from North Flat Department Section System Comprehensive Plan Update S0.50 S0.50		West Park Plaza - Engl	emann from Husker Hwy to north of Hwy 30		60 03												
Sanitary Collection System Subtoral \$60.35 WITP and Sanitary Collection System Comprehensive Plan Update \$0.50 \$0.50		West Park Plaza	- Husker Hwy from North Rd to Englemann		40.32						1						\$0.92
WTP and Sanitary Collection System Comprehensive Plan Update \$0.50 \$0.50			Sanitary Collection System Subtotal		07:10			1					1				\$
\$0.50		Other										IN STREET		2002082828	00-00-00-00-00-00-00-00-00-00-00-00-00-	OTTO TOTAL STREET	
		WWTP and Sanitary Colle	ection System Comprehensive Plan Update	\$0.50	,	\$0.50				TO SELECTION OF THE SEL			50 50		V V V V V V V V V V V V V V V V V V V		
													20.00				100000000000000000000000000000000000000
10.1AL \$112.79 \$12.79 \$12.94 \$11.10 \$9.71 \$10.82 \$9.89		IOI AL				\$115.17		1	\$12.94	\$11.10	\$9.71	\$10.82	86 6\$	\$6.70	\$4 34	44	800

Project	2011	2012	2013	2014	2015	2016	Total	
eration Basin Improvements	\$1.768.500	\$1,768,500					\$3,537,000	
Methanol Feed System Improvements	\$50,000	\$50,000					\$100,000	
nternal Recycle for Aeration Basins	230,000	\$30,000			\$1,262,000		\$1,262,000	
					. , . ,			
inal Clarifier Repair			\$600,000				\$600,000	
VIP East 2011 Only	\$320,000						\$320,000	
lew Assessment Districts	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000		\$1,250,000	
nnual Sewer Rehab	\$190,000	\$350,000	\$350,000	\$350,000	\$350,000		\$1,590,000	
Aisc. Items	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		\$500,000	
rojects Below In Current Contracts								
orth Interceptor	\$420,000	\$3,000,000	\$4,640,000	\$4,640,000	\$3,000,000		\$15,700,000	
orth Interceptor (Capital Ave)				\$8,360,000			\$8,360,000	Not in 5 yr CIP, but in Hill Report
apital Aveunue Forcemain		\$490,000	\$600,000				\$1,090,000	
ift Station 21 Replacement					\$430,000		\$430,000	
ift Station 21 Construction			\$600,000	\$2,800,000			\$3,400,000	
Collection System Rehabilitation								
Lift Station #7	\$160,000						\$160,000	
4th-5th/Eddy-Vine	\$100,000	\$1,000,000					\$1,100,000	
South and West Interceptor			\$400,000	\$910,000	\$2,580,000		\$3,890,000	
WWTP	\$1,300,000	\$2,420,000	\$3,000,000	\$2,500,000	\$0		\$9,220,000	
	\$4,658,500	\$9,428,500	\$10,540,000	\$19,910,000	\$7,972,000	\$0	\$52,509,000	Includes \$8.36 Million for Capital
Master Planning								
Suggested CIP Adjustments-Current 2011-2015 Schedule								

Suggested CIP Adjustments-Current 2011-2015 Schedule										
Project	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total			
Aeration Basin Improvements Methanol Feed System Improvements Internal Recycle for Aeration Basins	\$1,768,500 \$50,000	\$1,768,500 \$50,000				\$1,262,000	\$3,537,000 \$100,000 \$1,262,000	% of Construction		
Final Clarifier Repair			\$600,000				\$600,000			
PVIP East 2011 Only New Assessment Districts Annual Sewer Rehab Misc. Items Projects Below In Current Contracts Master Planning	\$320,000 \$250,000 \$190,000 \$100,000	\$250,000 \$350,000 \$100,000	\$250,000 \$350,000 \$100,000	\$250,000 \$350,000 \$100,000	\$250,000 \$350,000 \$100,000	\$250,000 \$350,000 \$100,000	\$320,000 \$1,500,000 \$1,940,000 \$600,000 \$9,859,000 \$407,004		\$407,004	
Project Management (WWTP & Collection System Rehab)		\$103,385					\$103,385		\$103,385	
North Interceptor Phase 1A - Seedling Mile Road to WWTP Conceptual Design Perlim, Final Design, and Bidding Construction Phase Services Construction		\$44,190 \$211,940	\$216,000 \$2,160,000				\$44,190 \$211,940 \$216,000 \$2,160,000 \$2,632,130	2.0% 9.8% 10.0%	\$472,130 \$2,160,000	
Phase 18 - 7th St to Seedling Mile Road Conceptual Design Perlim, Final Design, and Bidding Construction Phase Services Construction		\$125,773 \$174,641	\$12,087 \$301,000 \$2,010,000	\$300,000 \$4,000,000			\$125,773 \$186,728 \$601,000 \$6,010,000 \$6,923,501	2.1% 3.1% 10.0%	\$913,501 \$6,010,000	Shift to 2016?
Phase 2 - Capital Avenue (LS #19 to Geddes) Conceptual Design Prelim, Final Design, and Bidding Construction Phase Services Construction		\$107,677	\$300,000	\$624,000	\$500,000 \$6,000,000	\$424,000 \$9,000,000	\$107,677 \$924,000 \$924,000 \$15,000,000 \$16,955,677	0.7% 6.2% 6.2%	\$1,955,677 \$15,000,000	Have to keep LS in service until all of Capital Ave sewer is in service Shift to start in 2014 Start at Geddes and construct west
Collection System Rehabilitation Lift Station 87 Conceptual and Prelim Design Final Design and Bidding Construction Phase Services Construction Phase Services		\$39,758 \$57,806	\$53,600 \$575,000				\$39,758 \$57,806 \$53,600 \$575,000 \$726,164	6.9% 10.1% 9.3%	\$151,164 \$575,000	
4th-5th/Eddy-Vine Conceptual and Prelim Design Final Design and Bidding Construction Phase Services Construction		\$62,476 \$65,903	\$118,400 \$1,315,000				\$62,476 \$65,903 \$118,400 \$1,315,000 \$1,561,779	4.8% 5.0% 9.0%	\$246,779 \$1,315,000	
South and West Interceptor Conceptual And Prelim Design Perlim, Final Design, and Bidding Construction Phase Services Construction		\$60,798 \$48,247	\$85,000 \$850,000			\$160,000 \$140,000 \$2,795,000	\$60,798 \$208,247 \$225,000 \$3,645,000 \$4,139,045	1.7% 5.7% 6.2%	\$494,045 \$3,645,000	"C" and "D" Sewers moved to 2016
WWTP Conceptual and Prelim Design Final Design and Bidding Construction Phase Services Construction (including interceptors on site)		\$274,807 \$735,491	\$603,960 \$281,400 \$3,086,000	\$562,800 \$7,000,000	\$562,800 \$5,000,000		\$274,807 \$1,339,451 \$1,407,000 \$15,086,000 \$18,107,258	1.8% 8.9% 9.3%	\$3,021,258 \$15,086,000	\$1,200,000 interceptor costs here

City of Grand Island Nebraska - 5	tear wastewa	ter infrastri	ucture impro	vement Plan						
						Year 1	Year 2	Year 3	Year 4	Year 5
	Estimated Total Project Cost FY 2013 - FY 2017	Grant	SRF Loan	Bonds	Cash	FY 2013 (2012 - 2013) Actual	FY 2014 (2013-2014)	FY 2015 (2014 - 2015)	FY 2016 (2015 - 2016)	FY 2017 (2016 2017)
General Rate Study	\$ 29,964				\$ 29,964	\$ 18,031	\$ 11,932			
Automation/Asset Management	\$ 308,156				\$ 308,156	, ,,,,,	'	\$ 100,000	\$ 100,000	
Utility Billing Software Allocation	\$ 283,308				\$ 283,308		· · · · · · · · · · · · · · · · · · ·	Ţ	7 200,000	
General Total	\$ 621,428				\$ 621,428	\$ 144,564	\$ 276,863	\$ 100,000	\$ 100,000	
Webists										
Vehicle Sanitary Sewer Collection Sysem Truck	\$ 38,181				\$ 38,181	\$ 38,181				
	\$ 30,384				\$ 30,384	30,101	\$ 30,384			
Plant Utility Vehicle(s)	\$ 28,960				\$ 28,960		\$ 13,960	\$ 15,000		
Sanitary Sewer Collection Sysem Truck	\$ 90,000				\$ 90,000				\$ 45,000	+ ' - ' -
Sanitary Sewer Collection System Jetter	\$ 150,000				\$ 150,000	¢ 20.404	<u> </u>	45.000	\$ 150,000	
Vehicle Total	\$ 337,525				\$ 337,525	\$ 38,181	\$ 44,344	\$ 15,000	\$ 195,000	\$ 45,000
	\$ 39,000				\$ 39,000		\$ 39,000			
E-Coli Testing Apparatus	\$ 15,000				\$ 15,000			\$ 15,000		
Thermo Scientific Gallery	\$ 35,000				\$ 35,000				\$ 35,000	-
Lab Total	\$ 89,000				\$ 89,000	\$ -	\$ 39,000	\$ 15,000	\$ 35,000	
Wastewater Treatment Plant										
	\$ 290,866			÷ 24 500 000	\$ 290,866		Å 45.054.000	A 2.070.544		
Headworks Final Clarifier Rehabilitation	\$ 21,500,000			\$ 21,500,000		\$ 2,467,459	\$ 15,054,000	\$ 3,978,541		
Final Clarifier #1 & #2 RAS Pumps	\$ 300,000				\$ 300,000			\$ 300,000		
	\$ 300,000				\$ -			÷ 300,000		\$ 300,000
Expand Admin Bldg/Lab	\$ 500,000				\$ 500,000					\$ 500,000
Wastewater Treatment Plant Total	\$ 22,890,866			\$ 21,500,000	\$ 1,090,866	\$ 2,758,325	\$ 15,054,000	\$ 4,278,541	\$ -	\$ 800,000
Sanitary Sewer Collection System Rehabilitation	1									
	\$ 52,560				\$ 52,560	\$ 52,560				
	\$ 31,780				\$ 31,780		\$ 31,780			
	\$ 50,000 \$ 90,000				\$ 50,000 \$ 90,000		\$ 50,000 \$ 90,000			
North Interceptor Phase II	\$ 19,200,000		\$ 18,270,000	\$ 930,000	\$		\$ 1,015,501		\$ 8,599,499	
Abandon LS #2/Route to North Interceptor	\$ 2,178,268		\$ 2,178,268					\$ 730,268	\$ 1,448,000	
Abandon LS#4/Route to North Interceptor	\$ 375,008		\$ 375,008						\$ 375,008	
Abandon LS#6 Lift Station #7 Repairs/Improvements	\$ 1,624,158 \$ 780,648	\$ 654,318	\$ 1,624,158		\$ 126,330	\$ 768,817	\$ 11,831			\$ 1,624,158
Abandon LS #8/ Route to North Interceptor	\$ 710,604	3 034,318	\$ 710,604		\$ 120,530	\$ 708,817	3 11,631		\$ 78,604	\$ 632,000
Abandon LS#10/Route to North Interceptor	\$ 901,456		\$ 901,456						\$ 136,456	
Abandon LS#13/Route to North Interceptor	\$ 407,026		\$ 407,026					\$ 50,026	\$ 357,000	
Abandon LS#14	\$ 69,000		\$ 69,000							\$ 69,000
Abandon LS#15/Route to North Interceptor Lift Station #20 Pumps	\$ 1,978,000 \$ 26,215		\$ 1,978,000		\$ 26,215				\$ 200,000 \$ 26,215	
·	\$ 2,727,656		\$ 2,727,656		\$ 20,213				\$ 20,213	\$ 2,727,656
Husker Highway	\$ 2,946,250		\$ 2,846,250	\$ 100,000				\$ 783,250	\$ 2,163,000	
Rainbow Lakes Gravity Sewer	\$ 586,135		\$ 571,135	\$ 15,000						\$ 586,135
, , , , , , , , , , , , , , , , , , , ,	\$ 165,688	ć 227.622		ć 4.257.20 <i>C</i>	\$ 165,688	ć 4.530.077	ć 472.0C2	\$ 165,688		
,	\$ 1,694,840 \$ 28,551	\$ 337,633		\$ 1,357,206	\$ 28,551	\$ 1,520,877 \$ 28,551	\$ 173,963			
	\$ 10,600,000			\$ 10,600,000	28,331	\$ 1,769,490	\$ 8,830,510			
WWTP Collections System Rehab	\$ 239,739			, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	\$ 239,739					
South & West Interceptor	\$ 805,001			\$ 805,001		\$ 798,000				
Sewer Rehabilitation - Various Locations	\$ 900,000				\$ 900,000	\$ -	\$ 100,000	\$ 100,000	\$ 350,000	\$ 350,000
Sanitary Sewer Collection System Rehabilitation Total	\$ 49,168,583	\$ 991,951	\$ 32,658,561	\$ 13,807,208	\$ 1,710,863	\$ 5,178,033	\$ 10,310,587	\$ 11,414,232	\$ 13,733,782	\$ 8,531,949
Growth/New Customers South 281/Tap District	\$ 2,132,230		\$ 2,032,230	\$ 100,000			\$ 900,230	\$ 1,232,000		
	\$ 2,132,230	\$ 350,000	\$ 2,007,035				\$ 597,035			
Wildwood Industrial Subdivision 528	\$ 1,872,600	,	\$ 1,772,600				\$ 627,600			
Westwood Park Subdivision						:				
	\$ 373,126 \$ 850.000				\$ 373,126 \$ 850,000				ć 250.000	¢ 250.000
	\$ 850,000 \$ 7,659,991	\$ 350,000	\$ 5,811,865	\$ 275,000	\$ 850,000 \$ 1,223,126		\$ 100,000 \$ 2,273,265	· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·
	- ,,,,,,,,,,	- 550,000	- 5,011,003		- 1,223,120	- 527,720	- 2,273,203	+ 4,502,000	250,000	250,000
	ć 00.767.202	\$ 1,341,951	\$ 38,470,426	\$ 35,582,208	\$ 5,072,807	\$ 8,443,829	\$ 27,998,059	\$ 20,384,773	\$ 14,313,782	\$ 9,626,949
Total Total	\$ 80,767,392	7 1,541,551	3 38,470,420	3 33,362,208	3,072,807	ÿ 0,443,023	27,550,055	20,364,773	7 14,515,762	\$ 3,020,343
Total Total	\$ 80,767,392	y 1,341,331	3 36,470,420	33,362,206	3,072,807	Ç 0,443,623	27,530,033	20,304,773	JMS 05/21/2014	φ 3,020,343

BUILDING A WORLD OF DIFFERENCE

Capital Financing Plan

Anna White

Principal Consultant Management Consulting Division



Overview

- Comprehensive Wastewater Rate Study completed in October 2013
 - Council approved 4 revenue increases (12%, 12%, 6%, 5%) from FY 2014 FY 2017
- What's changing?
 - 2014 2017 CIP Increasing \$9,432,100
 - Revenue Bond financing will be replaced with SRF Loans
 - Lower interest rates
 - Lower annual debt service

What's not changing? The approved revenue increases will not increase.



Capital Improvement Program Changes

- 2014 2017
 - Rate Report \$65,267,600
 - Now \$74,699,700
- Major Differences:
 - The Headworks and North Interceptor Phase 1 and North Interceptor Phase 2 projects make it physically possible to abandon 8 Lift Stations

SRF Loan Terms

- Repayment of Principal and Interest begins either 3year following award of the loan or at Initiation of Operation (IOO) whichever is sooner
- 3-year construction period
 - 1st year 0.5% interest rate
 - 2nd and 3rd year 0.5% interest plus administrative fee
 - Administrative fee based on loan amount, 1%
- 20-year repayment period
 - Interest rate based on green/non-green projects
 - Ranges from 1.32% to 1.47%
 - Administrative fee



SRF Capital Projects

Green

- North Interceptor Phase II
- Abandon LS #2
- Abandon LS #4
- Abandon LS #6
- Abandon LS #8
- Abandon LS #10
- Abandon LS #13
- Abandon LS #14
- Abandon LS #15
- Husker Highway
- Rainbow Lakes Gravity Sewer

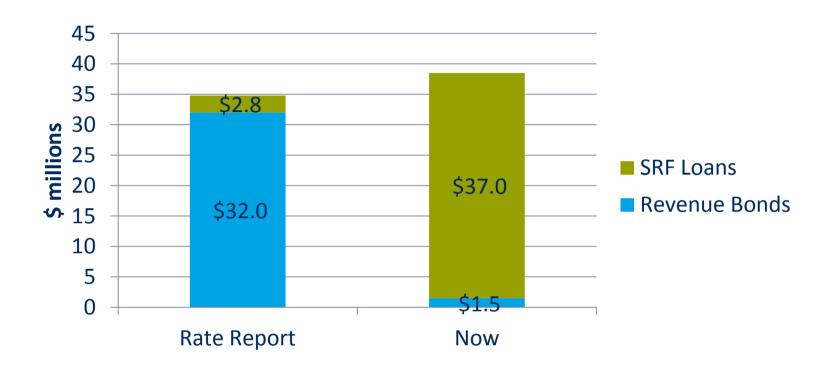
Non Green

- Replace LS #20 Forcemain
- South 281/Tap District
- South 281 Sewer Assessment District
- Wildwood Industrial Subdivision 528

Approximately 82% of project costs are green



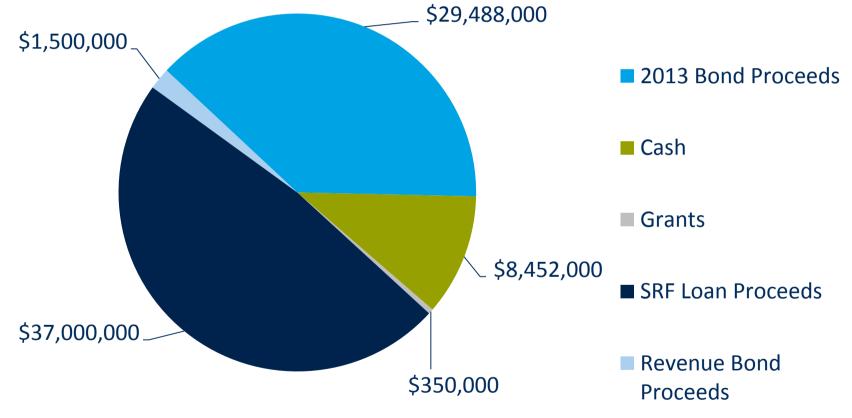
Revenue Bond and SRF Loan Proceeds



Total amount of debt financing increasing from \$34,800,000 to \$38,500,000

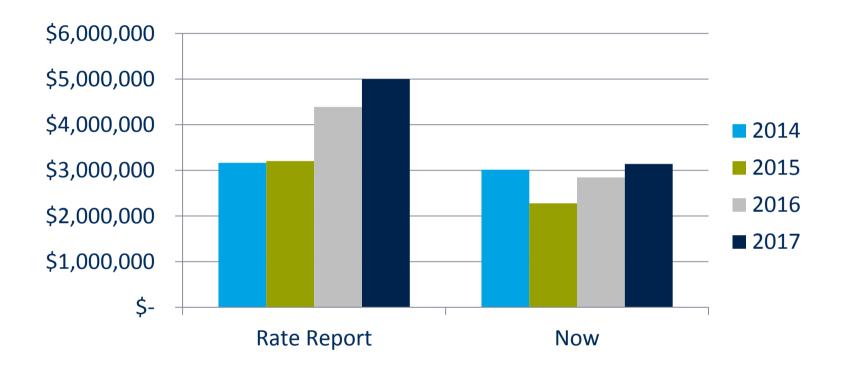


Proposed 2014 – 2017 Capital Improvement Program Financing





Annual Debt Service



Annual debt service increases from \$3,015,900 in 2014 to \$3,757,900 in 2017



Other Changes

- Revenue from Proposed Rate Increases
 - Number of months effective during the first year was reduced from 12 to 10 to reflect 2 month lag until revenue from increase is received
 - Rates effective October 1
 - Bill sent to customer reflecting new rates –
 November 1
 - Revenue from new rates received December 1

Other Changes

Other Operating Revenue

- 2014 budget reduced to reflect 2013 actual which was lower than projected
- Projected revenue is approximately \$150,000 less per year

Interest Income

- Projected interest income reduced to reflect 2013 actual and 2014 year-to-date
- Projected interest income is approximately \$250,000 less per year



Summary

- Revenue reductions
 - Revenue from revenue increases
 - Other operating revenue
 - Interest income
- Offset by reduction in debt service
- Results in ability to fund more capital projects



Table 6

City of Grand Island, NE

Wastewater Utility

Proposed Capital Improvement Program

Line							
No.		2013	2014	2015	2016	2017	Total
		\$	\$	\$	\$	\$	\$
1	Sewer Mains	4,733,900	12,572,000	15,652,000	12,054,400	4,276,800	49,289,100
2	Lift Stations	768,800	11,800	803,700	2,780,900	5,319,600	9,684,800
	Wastewater Treatment						
3	Raw Water Pumping	1,135,000	6,924,800	1,885,000	0	0	9,944,800
4	Preliminary Treatment	1,332,400	8,168,200	2,212,900	0	0	11,713,500
5	Primary Sedimentation/Clarifiers	0	0	309,000	0	0	309,000
6	Aeration Basins	290,900	0	0	0	327,800	618,700
7	Aeration Equipment	0	0	0	0	0	0
8	Corrosion/Odor Control Facilities	0	0	0	0	0	0
9	Final Clarifiers	0	0	0	0	0	0
10	Disinfection	0	0	0	0	0	0
11	Sludge Handling	0	0	0	0	0	0
12	General Plant	8,200	100,000	103,000	106,100	0	317,300
13	Lab	0	0	15,500	37,100	0	52,600
14	Vehicles	38,200	44,400	15,500	206,800	49,200	354,100
15	Administration & General	136,400	176,800	0	0	546,400	859,600
16	Land	0	0	0	0	0	0
17	Total	8,443,800	27,998,000	20,996,600	15,185,300	10,519,800	83,143,500

Table 7

City of Grand Island, NE

Wastewater Utility

Capital Improvement Program Financing

Line				Year Ending S	eptember 30,		
No.	Description	2013	2014	2015	2016	2017	Total
		\$	\$	\$	\$	\$	\$
	Sources of Funds						
1	Beginning of Year Balance	3,168,800	31,545,000	5,619,200	1,142,400	1,047,200	3,168,800
2	Revenue Bond Proceeds	37,344,700	0	0	0	1,500,000	38,844,700
3	CWSRF Loan Proceeds	0	1,470,000	14,674,000	13,144,000	7,712,000	37,000,000
4	Cash Financing of Construction	0	300,000	2,000,000	2,100,000	1,900,000	6,300,000
5	Grants/Developer Contributions	992,000	350,000	0	0	0	1,342,000
6	Interest Income (a)	20,300	57,200	18,300	11,100	8,400	115,300
7	Total Funds Available	41,525,800	33,722,200	22,311,500	16,397,500	12,167,600	86,770,800
	Application of Funds						
8	Major Capital Improvements	8,443,800	27,998,000	20,996,600	15,185,300	10,519,800	83,143,500
9	Refunding Escrow Deposits	0	0	0	0	0	0
10	Issuance Costs	567,300	105,000	172,500	165,000	135,000	1,144,800
11	Bond Reserve Funds (b)	969,700	0	0	0	106,400	1,076,100
12	Total Application of Funds	9,980,800	28,103,000	21,169,100	15,350,300	10,761,200	85,364,400
13	End of Year Fund Balance	31,545,000	5,619,200	1,142,400	1,047,200	1,406,400	1,406,400
14	Capital Reserve Balance	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	

⁽a) Includes interest earnings on the capital reserve.

⁽b) Reflects use of Bond Reserve Fund from Series 2003.

Table 8

City of Grand Island, NE Wastewater Utility

Comparison of Projected Revenue Under Existing Rates With Projected Revenue Requirements

Line					Year E	nding Septemb	er 30,	
No.	Description			2013	2014	2015	2016	2017
				\$	\$	\$	\$	\$
1	Revenue Und	er Existing Rate	5	8,442,300	8,113,300	8,134,400	8,155,300	8,176,300
	Additional Re	venue Required						
	Fiscal	Revenue	Months					
	Year	Increase	Effective					
2	2013	0.00%	10	0	0	0	0	0
3	2014	12.00%	10		811,300	976,100	978,600	981,200
4	2015	12.00%	10			911,100	1,096,100	1,098,900
5	2016	6.00%	10				511,500	615,400
6	2017	5.00%	10					453,000
7	Total Addition	nal Revenue		0	811,300	1,887,200	2,586,200	3,148,500
8	Total Service	Charge Revenue	<u>.</u>	8,442,300	8,924,600	10,021,600	10,741,500	11,324,800
9	Other Operat	ing Revenue		347,800	343,200	343,200	749,100	749,100
10	Interest Incor	ne - Operations		500	800	800	700	900
11	Interest Incor	ne - Reserve Fui	nds (a)	18,600	17,400	16,700	17,200	17,700
12	Total Revenue	e		8,809,200	9,286,000	10,382,300	11,508,500	12,092,500
13	Operation an	d Maintenance	Expense	6,698,900	5,543,300	5,859,800	6,231,000	6,632,400
14	Net Revenue			2,110,300	3,742,700	4,522,500	5,277,500	5,460,100
	Debt Service							
15	Existing Rev	enue Bonds		1,705,900	0	0	0	0
16	Proposed Re	evenue Bonds		0	3,008,500	2,125,500	2,515,400	2,532,200
17	Total Revenue	e Bonds		1,705,900	3,008,500	2,125,500	2,515,400	2,532,200
18	Proposed CW	SRF Loan		0	7,400	150,700	331,400	609,700
19	Total Debt Se	rvice		1,705,900	3,015,900	2,276,200	2,846,800	3,141,900
20	Routine Capit	al Additions (b)		317,000	317,000	317,000	317,000	317,000
21	Cash Financin	ig of Major Impr	ovements	0	300,000	2,000,000	2,100,000	1,900,000
22	Additions to 0	Operating Reser	ve	0	0	0	0	90,800
23	Net Annual B	alance		87,400	109,800	(70,700)	13,700	10,400
24	Beginning of '	Year Balance		0	87,400	197,200	126,500	140,200
25	End of Year B	alance		87,400	197,200	126,500	140,200	150,600
26	Operating Re	serve Balance		1,651,800	1,651,800	1,651,800	1,651,800	1,742,600

⁽a) Includes interest earnings on the Principal and Interest Account, Bond Reserve Fund, and operating reserve.

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⁽b) Cash financing of Machinery & Equipment and Vehicles.

Table 9

City of Grand Island, NE

Wastewater Utility

Coverage Requirements

Line		Year Ending September 30,							
No.		2013	2014	2015	2016	2017	2018	2019	2020
	•	\$	\$	\$	\$	\$	\$	\$	\$
	Rate Covenant Coverage								
1	Projected Net Revenues	2,110,300	3,742,700	4,522,500	5,277,500	5,460,100	5,623,400	6,252,700	6,913,900
2	Annual Debt Service (a)	1,705,900	3,015,900	2,276,200	2,846,800	3,141,900	3,757,900	4,338,500	4,835,300
3	Projected Actual Net Revenue as a								
	Percent of Debt Service (b)	1.24 x	1.24 x	1.99 x	1.85 x	1.74 x	1.50 x	1.44 x	1.43 x
	Additional Bond Coverage (c)								
4	Preceding Year Projected Net Revenues	3,488,191	2,110,300	3,742,700	4,522,500	5,277,500	5,460,100	5,623,400	6,252,700
5	Average Annual Debt Service	2,586,400	2,876,300	3,485,300	3,981,600	4,201,400	4,245,500	4,266,700	4,263,500
6	Projected Actual Net Revenue as a								
	Percent of Debt Service (d)	1.35 x	0.73 x	1.07 x	1.14 x	1.26 x	1.29 x	1.32 x	1.47 x
7	Ensuing Year Projected Net Revenues	2,110,300	3,742,700	4,522,500	5,277,500	5,460,100	5,623,400	6,252,700	6,913,900
8	Average Annual Debt Service	2,586,400	2,876,300	3,485,300	3,981,600	4,201,400	4,245,500	4,266,700	4,263,500
9	Projected Actual Net Revenue as a								
	Percent of Debt Service (e)	0.82 x	1.30 x	1.30 x	1.33 x	1.30 x	1.32 x	1.47 x	1.62 x

⁽a) Includes Revenue Bonds and CWSRF Loans.

⁽b) The Bond Ordinance requires net revenue to equal or exceed 1.10x actual debt service.

⁽c) The City shall comply with one or the other of the two additional bonds tests.

⁽d) The Bond Ordinance requires net revenue to equal or exceed 1.25x average annual debt service.

⁽e) The Bond Ordinance requires net revenue to equal or exceed 1.25x average annual debt service in each of the three full fiscal years after the issuance of the proposed Additional Bonds.