Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	Proposed Funding Package		
City of Rapid City	CWFCP / DWSRF		$7,000,000
Address	Local Cash		$412,465
300 Sixth St. Rapid City, SD 57701	Other	Revenue Bonds	38,030,420
	Other		
Subapplicant	Other		
n/a			
DUNS Number		**TOTAL**	45,442,885
057222119			

Project Title: Rapid City Water Utility System Enhancements

Description:

The City of Rapid City is currently undertaking a major project to improve and add needed water utility infrastructure including an upgrade of the Jackson Springs Water Treatment Plant, a raw water pumping station, RWPS at Jackson Springs and a new treatment facility at the existing Mt. View Site. The Jackson Spring WTP and RWPS will be capable of treating 8 MGD. The new treatment facility on the existing Mt. View WTP site will provide an additional 36 MGD. The two sites will provide the City a combined treatment capacity of 44 MGD allowing it to meet the projected water demands through 2020. Both treatment facilities will utilize Membrane Filtration Systems to provide the most cost-effective and operator friendly treatment.

The WTP designs also include pretreatment processes to remove elements that cause membrane fouling. Pretreatment processes include chemical addition, rapid mix, flocculation, and sedimentation. Pretreatment is intended to remove particulates from the raw water and reduce turbidity, TOC, disinfection by-product precursors, and some metals. Facilities implementing pretreatment with membrane filtration experience a significant reduction in operation and maintenance costs.

The City of Rapid City has an established Water Utility Reserve Fund. The current monthly residential water rate for a 5/8" meter and 5,000 gallons consumed is $27.14.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Sam Kooiker, Mayor

Name & Title of Authorized Signatory (Typed) Signature Date

Professional Consultants

Application Prepared By: Black Hills Council of Local Governments

Contact Person: William Lass, Senior Planner

Mailing Address: 525 University Loop, Suite 102

City, State, and Zip: Rapid City, SD 57701

Telephone Number: 605-394-2681 Fax: 605-394-6140

Email address: wlass@tie.net

Consulting Engineering Firm: Burns & McDonnell

Contact Person: Anthony C. Beeson

Mailing Address: 9785 Maroon Circle, Suite 400

City, State, and Zip: Centennial, CO 80112

Telephone Number: 303-721-9292 Fax: 303-721-0563

Email address: abeeson@burnsmcd.com

Legal Counsel's Firm: City of Rapid City

Legal Counsel: Joel Landeen, City Attorney

Mailing Address: 300 Sixth St.

City, State, and Zip: Rapid City, SD 57701

Telephone Number: 605-394-4140 Fax: 605-394-6633

Email address: joel.landeen@rcgov.org

This section applies only to political subdivisions

Bond Counsel's Firm: _____

Bond Counsel: _____

Mailing Address: _____

City, State, and Zip: _____

Telephone Number: _____ Fax: _____

Email address: _____

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B Rev. Bonds	C Local Cash	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services						
B. Travel						
C. Legal including Bond Counsel						
D. Other						
2. Land, Structure, Right-of-Way		$1,030,920.00				$1,030,920.00
3. Engineering						
A. Bidding and Design Fees	$1,234,768.00		$412,465.00			$1,647,233.00
B. Project Inspection Fees						
C. Other property survey	$19,680.00					$19,680.00
4. Construction and Project Improvement	$1,000,000.00	34,734,732				35,734,732
5. Equipment	$3,000,000.00					$3,000,000.00
6. Contractual Services		$1,030,000.00				$1,030,000.00
7. Other membrane purchase/J.Spg's. design	$1,745,552.00					$1,745,552.00
8. Other asbestos inspection		$2,350.00				$2,350.00
9. Subtotal (Lines 1-8)	$7,000,000.00	36,798,002	$412,465.00			44,210,467
10. Contingencies		$1,232,418.00				$1,232,418.00
11. Total (Lines 9 and 10)	$7,000,000.00	38,030,420	$412,465.00			45,442,885
12. Total %	15.40%	83.69%	0.91%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments:

Method of Financing

Source Header		Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source)	Water Enterprise Funds	$412,465.00	
Other (Explain)	Revenue Bonds	38,030,420	
Other (Explain)	DWSRF Loan	$6,000,000.00	
Other (Explain)	CWFCP Grant	$362,409.69	$637,590.31 Jun 29, 2012
Other (Explain)			
Other (Explain)			
TOTAL		44,805,294.69	$637,590.31

Comments:

The previously-awarded CWFCP Grant was for $1.0 million. At this time, $362,409.69 has been received (shown as "secured") and $637,590.31 remains (shown as "unsecured"). The purpose of this funding application is to request a "re-award" of the remaining unused $637,590.31.

7.3.1 Repayment Information

Interest rate and term you are applying for: 3.25 %, 20 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- ☐ 1. General Obligation bond (requires bond election)
- ☒ 2. Water Revenue bond
- ☐ 3. Project Surcharge Revenue bond
- ☐ 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: January 1

Population Served

Current 67,956 2000 59,607 1990 54.523

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Ellsworth Air Force Base	3,595	Government/Military
Rapid City Regional Hospital	2,650	Health Care
Federal Government	2,600	Government
Rapid City School District	1,666	Education
City of Rapid City	1,400	Government

Please indicate employers within boundary of issuing entity with an asterisk (*).

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	2009	2009					
Purpose	Water Treat. Facility	Drinking Water					
Security Pledged	System Revenue	System Revenue					
Amount	45,100,000	$6,000,000.00					
Maturity Date (mo/yr)	11/1/2039	10/15/2031					
Debt Holder	Bond Holders	SD BWNR					
Debt Coverage Requirement	125%	110%					
Avg. Annual Required Payment	$3,090,391.00	$115,135.72					
Outstanding Balance	45,100,000	$1,949,270.00					

Use additional sheets if more room is required to list all current water utility debt.

Water Utility Cash Flow (copy from prior application)

	Prior Year	Prior Year	[1] Current Year	[2] Future Year
Fiscal Year	2006	2007	2008	2012
OPERATING CASH FLOW				
Receipt from Customers	9,998,901	10,771,463	9,691,932	16,942,635
Receipt from Interfund Services Provided	-	-	-	-
Payments to Suppliers	(3,690,707)	(2,862,622)	(2,016,738)	(2,911,060)
Payments to Employees	(1,971,787)	(2,031,157)	(2,008,745)	(2,624,276)
Internal Activity-Payment to Other Funds	-	-	(209,976)	(482,089)
NET CASH FROM OPERATIONS	4,336,407	5,877,684	5,456,473	10,925,210
NON-OPERATING FINANCING ACTIVITIES CASH FLOW				
Operating Subsidies	-	-	-	-
Transfers In	23,981	7,631,525	-	-
Transfers Out	(228,751)	(223,875)	-	-
NET CASH FROM NON-OPERATING FINANCING	(204,770)	7,407,650	-	-
CAPITAL AND RELATED FINANCING ACTIVITIES CASH FLOW				
Proceeds from Capital Debt	2,114,710	-	-	-
Capital Grants	311,403	82,648		-
Purchase of Capital Assets	(3,683,576)	(11,935,328)	(8,590,235)	(7,920,256)
Debt Service (P&I)	(3,381,674)	(578,139)	(573,200)	(3,980,742)
Proceeds from Sale of Assets	3,800	4,550	-	-
Other Receipts (Payments)	-	-	-	-
NET CASH FROM NON-OPERATING CAPITAL AND RELATED FINANCING	(4,635,338)	(12,426,270)	(9,163,435)	(11,900,998)
INVESTING ACTIVITIES CASH FLOW				
Interest Earnings	183,568	279,940	218,914	108,913
Net Increase (Decrease) in Investments	-	-	-	-
Net Increase (Decrease) in Cash with Fiscal Agent	719,206	(362,674)	-	-
NET CASH FROM INVESTING ACTIVITIES	902,774	(82,734)	218,914	108,913
Net Increase (Decrease) in Cash	399,074	776,331	(3,488,048)	(866,875)
Beginning Unrestricted Cash Balance	4,928,534	5,327,608	6,103,939	3,621,704
Ending Unrestricted Cash Balance	5,327,608	6,103,939	2,615,891	2,754,829
[3] Restricted Cash Balance - Bond Reserves	226,738	589,412	610,128	11,000,000
[4] Restricted Cash Balance - Customer Deposits	541,420	-	-	
Ending Restricted Cash Balance	768,158	589,412	610,128	11,000,000

[1] Fiscal year 2008 data is unaudited.

[2] Future Year: First full year after project completion.

[3] Restricted cash for bond reserves is cash is held with a fiscal agent until such times that the bonds will be paid off. The 2006 Series Bonds will be paid in full in 2009 and these restricted funds will be used for that payment.

[4] The City is no longer required to show customer deposits as restricted cash as of the year-ending 2007. It is then included in the unrestricted cash.

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber
$881,890.00	Debt Service - 2009 Series	Bond Reserves
$3,667,509.00	Debt Service - 2009 Series	Bond Reserves

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ✓ Incorporated Municipality or Sanitary District

or

____ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic				
Business				
Other: See Attached				

Are fees based on usage or flat rate? See Attached

When is proposed fee scheduled to take effect? See Attached

When did the current fee take effect? See Attached

What was the fee prior to the current rate? See Attached

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
See Attached	See Attached	

Water Fee Information:

Monthly:	Current Rate	Proposed Rate	# of Accts.	Avg. Use
Domestic:	Tier 1 - $2.83 Tier 2 - $3.03 Tier 3 - $3.47 Tier 4 - $3.99		18,929	4,879.96 gal./ 6.52 units (100 cu. Ft.)

Note: Domestic tier costs based upon unit of usage. One Unit is 100 cubic ft. which is 750 gallons.

Business:	$2.96		2,865	19,859.40 gal/ 26.55 units (100 cu. Ft.)

Note: Business Cost is based upon unit of usage which is 100 cubic ft. or 750 gallons.

Are fees based upon usage or flat rate? Usage

When is proposed fee scheduled to take effect? January 1, 2013

When did the current fee take effect? January 1, 2012

What was the fee prior to the current rate? Tier 1 = $2.34, Tier 2 = $2.53, Tier 3 = $2.95, Tier 4 = $3.45

Five Largest Customers	Type of Business	% of System Revenues
(Including Raw Water Users):		
Ellsworth AFB	Military	1.14%
RC Regional Hospital	Hospital	.72%
Meadowbrook Golf Course	Recreation	.18%
Red Rocks – Well	Recreation	.15%
Arrowhead Country Club	Recreation	.13%
(Without Raw Water Use):		
Ellsworth AFB	Military	1.14%
RC Regional Hospital	Hospital	.72%
Dept. of Military & Vet's	Military	.64%
Red Rocks – Well	Recreation	.15%
Simpsons Irrigation	Recreation	.10%

7.3.7 Facilities Plan Checklist. (facilities plan on file with DENR as part of prior application)

Before submitting the application, please take a few moments to complete the following checklist. Addressing these items prior to submitting the application will expedite the review process

Checklist of SRF Facilities Plan Requirements

Have the following items been addressed?

on file with DENR

♦ Submission of a Facilities Plan to the department that addresses those items found in section 8.3.18.	×
♦ A public hearing held discussing the project and the use of an SRF loan to finance the project. (See section 8.3.15)	×
♦ Minutes of the public hearing prepared and submitted to the department for inclusion into the final Facilities Plan.	×
♦ The affidavit of publication of the public hearing received and submitted to the department for inclusion into the final Facilities Plan. (See section 8.3.15)	×
♦ The four review agencies contacted and responses received for inclusion into the final Facilities Plan. (See section 8.3.18)	×
♦ The Cultural Resources Effects Assessment Summary and supporting documentation, such as an archaeological survey or Historic Register database search. (See section 8.3.20)	×

ATTACHMENTS

Resolution of Authorized Signatory

Miscellaneous Documents from Original 2009 SRF Application Submittal

Water Rate Ordinance

2011 Annual Report

2012 Budget

Audit

Miscellaneous Documents Submitted With Original SRF Application in 2009

(Refer to 2009 application on file with DENR for all prior application documents and attachments – including facilities plan)

6.8.8. Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Proposed Loan Amount $
Transmission/Distribution	
Treatment	$6,000,000
Storage	
Source	
System Purchase	
Restructuring	
Land Acquisition	
1452 (k) Loan Activities 1. To acquire land or a conservation easement for source water protection 2. To implement voluntary, incentive-based source water quality protection measures	
TOTAL	$6,000,000

City of Rapid City, SD
Name of Applicant

Authorized Representative

1-13-09
Date

EPA

United States Environmental Protection Agency
Washington, DC 20460

Preaward Compliance Review Report For All Applicants Requesting Federal Financial Assistance

Form Approved
OMB No. 2090-0014
Expires 4-30-99

Note: Read instructions on reverse side before completing form.

I. A. Applicant (Name, City, State)	B. Recipient (Name, City, State)	C. EPA Project No.
City of Rapid City, Rapid City, South Dakota	City of Rapid City, Rapid City, South Dakota	

II. Brief description of proposed project, program or activity.
Construction of two water treatment plants, raw water pumping station, and associated piplines.

III. Are any civil rights lawsuits or complaints pending against applicant and/or recipient? If "yes", list those complaints and the disposition of each complaint. ☐ Yes ☒ No

IV. Have any civil rights compliance reviews of the applicant and/or recipient been conducted by any Federal agency during the two years prior to this application for activities which would receive EPA assistance? If "Yes,", list those compliance reviews and status of each review. ☐ Yes ☒ No

V. Is any other Federal financial assistance being applied for or is any other Federal financial assistance being applied to any portion of this project, program or activity? If "Yes," list the other Federal Agengy(s), describe the associated work, and the dollar amount of the assistance. ☐ Yes ☒ No

VI. If entire community under the applicant's jurisdiction is not served under the existing facilities/services, or will not be served under the proposed plan, give reasons why.

VII. Population Characteristics	Number of People
1. A. Population of entire service area	59,607
B. Minority population of entire service area	7,688
2. A. Population currently being served	59,607
B. Minority population currently being served	7,688
3. A. Population to be served by project	59,607
B. Minority population to be served by project	7,688
4. A. Population to remain without service	0
B. Minority population to remain without service	0

VIII. Will all new facilities or alterations to existing facilities financed by these funds be designed and constructed to be readily accessible to and usable by handicapped persons? If "No," explain how a regulatory exception (40CFR 7.70) applies. ☒ Yes ☐ No

IX. Give the schedule for future projects, programs or activities (or of future plans), by which service will be provided to all beneficiaries within applicant's jurisdiction. If there is no schedule, explain why.
City of Rapid City is has on going Capital Improvement Plan to continue to upgrade and expanded the water system. Through this plan, projects are identified for a five year period and budgeted through a number of funding sources.

X. I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
	Mayor	1-13-09

☐ Approved ☐ Disapproved	For the U.S. Environmental Protection Agency Authorized EPA Official	Date

6.8.10. Certification Regarding Debarment, Suspension and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Alan Hanks, Mayor
Name & Title of Authorized Representative

1-13-09
Signature of Authorized Representative Date

____ I am unable to certify to the above statements. Attached is my explanation.

6.10.2 Financial Spreadsheet

Applicant: City of Rapid City, SD

Completed By:

Date: January 15, 2009

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	[1] 2008	[2] 2009	[2] 2010	[2] 2011	[2] 2012
1. Beginning Cash on Hand	$ 6,103,939	$ 2,229,449	$ 2,898,485	$ 3,806,015	$ 3,621,704
2. Cash Receipts:					
a. Revenue From Water Sales	$ 9,321,015	$ 12,445,947	$ 13,679,405	$ 15,030,452	$ 16,519,525
b. Environmental Surcharge Revenue	$ 39,133	$ 22,000	$ 22,990	$ 24,025	$ 25,106
c. Other Revenues	$ 306,785	$ 398,004	$ 398,004	$ 398,004	$ 398,004
d. Total Water Revenues (2a through 2c)	$ 9,666,933	$ 12,865,949	$ 14,100,398	$ 15,452,480	$ 16,942,633
e. Interest Income	$ 218,914	$ 87,439	$ 114,554	$ 126,993	$ 108,913
f. Other Income	$ 24,999	$ -	$ -	$ -	$ -
g. Total Cash Revenues (2d through 2f)	$ 9,910,846	$ 12,953,388	$ 14,214,952	$ 15,579,473	$ 17,051,546
h. SRF Proceeds	$ -	$ 4,000,000	$ -	$ -	$ 4,788,518
i. Bond Proceeds	$ -	$ 57,267,500	$ 60,704,000	$ -	$ -
3. Total Cash Receipts (2g through 2i)	$ 9,910,846	$ 74,220,888	$ 74,918,952	$ 15,579,473	$ 21,840,064
4. Total Cash Available (1+3)	$ 16,014,785	$ 76,450,337	$ 77,817,437	$ 19,385,488	$ 25,461,768
5. Operating Expenses:					
a. Production	$ 2,575,240	$ 2,148,574	$ 2,321,840	$ 2,467,616	$ 2,624,276
b. Maintenance		$ 1,106,618	$ 1,183,465	$ 1,236,775	$ 1,292,659
c. Administrative	$ 194,691	$ 297,013	$ 318,316	$ 331,755	$ 345,764
d. Billing	$ 1,255,552	$ 1,087,694	$ 1,168,222	$ 1,219,253	$ 1,272,637
e. Service to Other Departments	$ 209,976	$ 422,453	$ 441,463	$ 461,329	$ 482,089
f. Total Operating Expenses (5a+5e)	$ 4,235,459	$ 5,062,352	$ 5,433,306	$ 5,716,728	$ 6,017,425
6. Capital Funded through:					
a. Rate Revenues	$ 8,590,235	$ 6,650,000	$ 7,049,000	$ 7,471,940	$ 7,920,256
b. SRF Loan	$ -	$ 4,000,000	$ -	$ -	$ 4,788,518
c. Revenue Bonds	$ -	$ 57,267,500	$ 60,704,000	$ -	$ -
d. Capital Reserve Fund	$ -	$ -	$ -	$ -	$ -
e. Other	$ -	$ -	$ -	$ -	$ -
f. Total Capital Outlay (6a+6e)	$ 8,590,235	$ 67,917,500	$ 67,753,000	$ 7,471,940	$ 12,708,774
7. Other Revenue Requirements:					
a. Debt Service (P&I)	$ 573,200	$ 572,000	$ 825,116	$ 2,575,116	$ 3,980,742
b. Other	$ -	$ -	$ -	$ -	$ -
f. Total Other Revenue Requirements (7a+7b)	$ 573,200	$ 572,000	$ 825,116	$ 2,575,116	$ 3,980,742
8. Total Cash Paid Out (6f+7f)	$ 13,398,894	$ 73,551,852	$ 74,011,422	$ 15,763,784	$ 22,706,941
9. Ending Cash Position (4 - 8)	$ 2,615,890	$ 2,898,485	$ 3,806,015	$ 3,621,704	$ 2,754,827
10. Number of Customer Accounts	20,994	20,544	20,544	20,544	20,544
11. Avg Annual User Charge Account (2d/10)	$ 460	$ 626	$ 686	$ 752	$ 825
12. Coverage Ratio (2g-5f)/7a	9.90	13.80	10.64	3.83	2.77
13. Operating Ratio (2d/5f)	2.28	2.54	2.60	2.70	2.82
14. Additions to Reserve Funds for the Year:					
a. SRF Debt Service Reserve Contribution	$ -	$ -	$ -	$ -	$ -
b. Pactola Reserve Contribution	$ -	$ -	$ -	$ -	$ -
c. Capital Reserve Contribution	$ -	$ -	$ -	$ -	$ -
d. Other	$ -	$ -	$ -	$ -	$ -
15. Total Reserve Contributions (12a through 12e)	$ -	$ -	$ -	$ -	$ -
16. Year End Operating Cash (7 – 13)	$ 2,615,890	$ 2,898,485	$ 3,806,015	$ 3,621,704	$ 2,754,827

[1] 2008 data is unaudited.

[2] Projections taken from the Utility Rate Study for 2009 to 2013.