

**UNIFORM APPLICATION FORM
FOR MONTANA PUBLIC FACILITY PROJECTS**

(Please type or print legibly)

SECTION A - CERTIFICATION

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.

Name (printed): Thomas W. Hanel

Title (printed): Mayor, City of Billings
Chief Elected Official or Authorized Representative

Signature: _____

Date: _____

SECTION B - SUMMARY INFORMATION

1. NAME OF APPLICANT(S): City of Billings
2. TYPE OF ENTITY: Municipality
3. FEDERAL TAX ID NUMBER: 81-6001237
4. TYPE OF PROJECT: Wastewater
5. SENATE AND HOUSE DISTRICTS: Senate = 23, 24, 25, 26, 27, 28; House = 46, 47, 48, 49, 50, 51, 52, 53
6. POPULATION SERVED BY PROJECT: Current population = 3,659; Future = 11,169
7. NUMBER OF HOUSEHOLDS SERVED BY PROJECT: Current Households= 1,544; Future = 4713

8. CHIEF ELECTED OFFICIAL OR AUTHORIZED REPRESENTATIVE:

Thomas W. Hanel
(Name)
Mayor, City of Billings
(Title)
PO Box 1178
(Street/PO Box)
Billings, MT 59103
(City/State/Zip)
406-657-8296
(Telephone) (FAX No)
hanelt@ci.billings.mt.us
(E Mail address)

10. PROJECT ENGINEER/ARCHITECT:

Casey Hanson, P.E.
(Name of Engineer)
Morrison Maierle, Inc.
(Name of Firm)
315 N 25th Street, Suite 102
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-237-1251
(Telephone) (FAX No)
chanson@m-m.net
(E Mail address)

12. LEGAL COUNSEL:

Brent Brooks, J.D.
(Name)
City Attorney
(Title)
210 N 27th Street
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-657-8205
(Telephone) (FAX No)
bbrooks@ci.billings.mt.us
(E Mail address)

14. CLERK/CHIEF FINANCIAL OFFICER:

Pat Weber
(Name)
Finance Director
(Title)
210 N 27th Street
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-657-8209
(Telephone) (FAX No)
weberp@ci.billings.mt.us
(E Mail address)

9. PRIMARY ENTITY CONTACT PERSON:

Randy Straus, P.E.
(Name)
Staff Engineer
(Title)
2224 Montana Avenue
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-657-8301
(Telephone) (FAX No)
strausr@ci.billings.mt.us
(E Mail address)

11. GRANT/LOAN ADMINISTRATOR:

Jennifer Duray, CPA
(Name)
Public Works Finance Manager
(Title)
2224 Montana Avenue
(Street/PO Box)
Billings, MT 59101
(City/State/Zip)
406-657-8239
(Telephone) (FAX No)
durayj@ci.billings.mt.us
(E Mail address)

13. BOND COUNSEL:

Erin McCrady
(Name)
Dorsey & Whitney, LLP
(Title)
125 Bank Street, Suite 600
(Street/PO Box)
Missoula, MT 59802
(City/State/Zip)
406-329-5585
(Telephone) (FAX No)
mccrady.erin@dorsey.com
(E Mail address)

15. ACCOUNTANT:

Merrilee F. Glover, CPA
(Name of Accountant)
Junkermier, Clark, Campenella, Stevens, P.C.
(Name of Firm)
PO Box 1965
(Street/PO Box)
Bozeman, MT 59715
(City/State/Zip)
406-587-1277
(Telephone) (FAX No)

(E Mail address)

16. **BRIEF PROJECT SUMMARY:** (Refer to instructions and examples)

Historical Information -

The existing lift station was built in 1985 to serve an area of approximately 762 acres and has an estimated population of 3,659. The existing lift station was sized to an estimated capacity of 2.0 MGD and flows into dual 12" force mains.

Problem -

The existing lift station is highly corroded. Infiltration is likely due to the high ground water and corrosion issues. Nearly all existing electrical infrastructure in wet well has failed, is no longer working, and is not serviceable. Response time for Public Works staff if the lift station goes offline is extremely short.

Proposed Solution -

The proposed project would install approximately 1,250 LF of 24" gravity sewer main, replace 2 portions of the existing 12" force mains under creek crossings, construct a 20'x 20' cast-in-place wet well, construct a control building and valve vault, and design for a peak flow of 1,475 gpm currently and 2,950 gpm in the future.

SECTION C - FINANCIAL INFORMATION

1. **ESTIMATED TOTAL PROJECT COST:** \$ 3,515,000

2. **PROPOSED FUNDING SOURCES** (List loans and grants from same funding source separately) (Refer to the instructions and examples):

Source	Type of Funds	Amount	Status of Commitment	Loan Rates and Terms
SRF	Loan	\$3,450,000	Application Submitted	3%, 20 Years, 125% reserve requirement
City of Billings	Wastewater Revenues	\$65,000	Available	

3. FUNDING STRATEGY NARRATIVE

- Funding Strategy Narrative (**Complete and attach**)
(Refer to the instructions. Answer each question individually.)
 - a. What are the conditions on the use of each source of funds?
 - b. When will each source of funds listed be available (month and year)?
 - c. Is there any additional information on the level of commitment for each source of funds listed?
 - d. How will funding sources be coordinated with each other?
 - e. Will interim-loan funds be required as part of the project? If yes, how will they be used and coordinated with other funding sources?
 - f. What other sources of funds from public and private sources have been considered for this project? Explain why they are not being pursued or used for this project.
 - g. If a particular source of funding is not obtained, how will the applicant proceed? Explain how the funding strategy will change if a particular source of funding is not received.
 - h. What is the level of local financial participation in the project and is that level the maximum that the applicant can reasonably provide?

4. PROJECT BUDGET FORM

- Project Budget Form (**Complete form on next page**)
(Refer to the instructions and example)
- Project Budget Narrative (**Complete and attach**)
(Refer to the instructions and example)

FUNDING STRATEGY NARRATIVE

a. What are the conditions on the use of each source of funds?

The City of Billings is applying for an SRF Loan in the amount of \$3,450,000. The loan will be at 3% interest for 20 years. This funding is needed to complete the Wastewater Five Mile Lift Station Project. The remaining funding of \$65,000 will come from wastewater revenues.

b. When will each source of funds listed be available (month and year)?

The design of the Five Mile Lift Station Project was in the FY 12 City of Billings Capital Improvement Plan (CIP) and the construction is in the FY 13 CIP. The rate increase needed to pay for the SRF Loan was effective July 1, 2011. The construction contract is scheduled to be awarded January 2013. Presumably, the SRF loan will close shortly after the construction contract is awarded. The project will go forward using cash reserves from the City of Billings and a reimbursement resolution (already in place), until the loan is available for use. The local share funding of \$65,000 is currently available in cash reserves.

c. Is there any additional information on the level of commitment for each source of funds listed?

No.

d. How will funding sources be coordinated with each other?

The project will go forward with cash reserves from the City of Billings and a reimbursement resolution until the loan is available for use.

e. Will interim-loan funds be required as part of the project? If yes, how will they be used and coordinated with other funding sources?

No.

f. What other sources of funds from public and private sources have been considered for this project? Explain why they are not being pursued or used for this project.

The City of Billings will use wastewater revenues to pay for all related audit and bond counsel fees, as well as all land acquisition costs; however, all other revenues are allocated to other projects. This project will not go forward without a loan.

g. If a particular source of funding is not obtained, how will the applicant proceed? Explain how the funding strategy will change if a particular source of funding is not received.

If the funding was not obtained, the City of Billings would look at the Open Bond Market or Intercap Funds to fund the project.

h. What is the level of local financial participation in the project and is that level the maximum that the applicant can reasonably provide?

The City of Billings will use wastewater revenues of \$65,000 to fund the project. This is the maximum amount of funding the City can provide without cancelling other locally funded projects.

Completed by: Jennifer Duray, CPA

For: City of Billings

Date: October, 22, 2012

ADMINISTRATIVE and FINANCIAL COSTS:	SOURCE: SRF Loan	SOURCE: City	SOURCE:	SOURCE:	SOURCE:	SOURCE:	TOTAL
Personnel Costs							
Office Costs							
Professional Services							
Legal Costs							
Audit Fees		\$ 5,000					\$ 5,000
Travel & Training							
Loan Fees							
Loan Reserves	\$230,647						\$230,647
Interim Interest							
Bond Counsel and Related Costs		\$ 10,000					\$ 10,000
TOTAL ADMINISTRATIVE/FINANCIAL COSTS	\$230,647	\$ 15,000					\$245,647
ACTIVITY COSTS:							
Land Acquisition		\$ 50,000					\$50,000
Preliminary Engineering	\$ 26,770						\$26,770
Engineering/Architectural Design	\$ 296,333						\$296,333
Construction Engineering Services	\$ 240,211						\$240,211
Construction	\$2,414,581						\$2,414,581
Contingency	\$ 241,458						\$241,458
TOTAL ACTIVITY COSTS	\$3,219,353	\$ 50,000					\$3,269,353
TOTAL PROJECT COSTS	\$3,450,000	\$ 65,000					\$3,515,000

ADMINISTRATIVE AND FINANCIAL COSTS

Audit Fees	\$5,000
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\$5,000 of wastewater revenues is budgeted to meet the portion of the organizational audit that can be attributed to the project in accordance with the Single Audit Act.

Loan Reserves	\$230,647
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\$230,647 has been budgeted for loan reserves and will be funded with the SRF loan.

Bond Counsel and Related Costs	\$10,000
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\$10,000 has been budgeted for the City's bond counsel costs.

TOTAL ADMINISTRATIVE AND FINANCIAL COSTS	\$245,647
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Administrative and financial costs represent 7% of the total project costs.

ACTIVITY COSTS

Land Acquisition	\$50,000
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The land is owned by another City of Billings Department and the estimated cost for Public Works to obtain the land for the site is \$50,000. These costs will be paid for using wastewater revenues.

Preliminary Engineering	\$26,770
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Preliminary engineering is estimated at \$26,770.

Engineering/Architectural Design	\$296,333
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Based on engineering cost estimates, the total cost of design, project coordination, and project management is estimated at \$296,333.

Construction Engineering Services	\$240,211
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Based on engineering cost estimates, the total cost of construction engineering, including bidding, construction administration, inspecting the construction of the project, and project close-out costs is estimated at \$240,211.

Construction	\$2,414,581
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Based on engineering cost estimates, the total cost of construction of the project is estimated at \$2,414,581.

Contingency	\$241,458
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Contingency funds are 10% of the construction costs because the project could encounter unknowns during construction. These unknowns usually cannot be predicted and are discovered once construction has commenced.

TOTAL ACTIVITY COSTS	\$3,269,353
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TOTAL PROJECT COSTS	\$3,515,000
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5. CURRENT DEBT (Refer to the instructions and example on page 23)

Year Issued	Purpose	Type of Bond/ Security	Amount	Maturity Date (mo/yr)	Debt Holder	Coverage Requirement	Avg. Annual Payment Amount	Outstanding Balance
2005	Sewer System	Revenue	\$4,515,000	07/25	DNRC	125%	\$322,863	\$3,299,000
2008	Sewer System	Revenue	\$6,542,000	07/28	DNRC	125%	\$464,535	\$5,551,000
2009	Sewer System	Revenue	\$359,300	07/29	DNRC	125%	\$21,268	\$312,000
2009	Sewer System	Revenue	\$4,181,000	07/29	DNRC	125%	\$294,177	\$3,674,000
2010	Sewer System	Revenue	\$384,000		DNRC			Loan Forgiven
2010	Sewer System	Revenue	\$816,000	07/30	DNRC	125%	\$58,397	\$759,000
2010	Sewer System	Revenue	\$2,486,822	07/30	DNRC	125%	\$175,639	\$2,284,822

6. CURRENT ASSETS (Indicate if assets are obligated.) (Refer to the instructions on page 23.)

Cash \$ 12,601,806
 (Details) SRF Loan Reserves(\$1,344,763); Restricted for 7/1/12 loan payments (\$581,781)

Investments \$ _____
 (Details) _____

Certificates of Deposit \$ _____
 (Details) _____

Accounts Receivable \$ 1,716,035
 (Details) _____

Any other current assets not specifically indicated above \$ 6,567
 (Details) Accrued Interest

7. BALANCE SHEET (Submit if applying to RD; contact the other programs to determine if or when this information is needed.)

Balance Sheet (Check if attached)

8. INCOME AND EXPENSE STATEMENT (Submit if applying to RD; contact the other programs to determine if or when this information is needed.)

Income and Expense Statement (Check if attached)

SECTION D - CENSUS INFORMATION

Do not fill in this section. The following information will be completed by the receiving agency using data supplied by the U.S. Bureau of the Census and the U.S. Department of Housing and Urban Development based on Census data.

- 1. MEDIAN HOUSEHOLD INCOME \$ _____
- 2. LOW TO MODERATE INCOME PERSONS: The percent of the population at or below the level designated as low to moderate income. % _____
- 3. POVERTY: The percent of the population characterized as at or below the level designated as poverty. % _____

SECTION E - SYSTEM INFORMATION (Refer to instructions)

Number of unimproved properties in jurisdiction: 4,500 (Billings Wide)

• **Complete and attach the "System Information Worksheet."** The figures required for the items listed below that are denoted with an "•" are computed using the "System Information Worksheet." The letter in parenthesis following the "•" denotes the location in the worksheet to find the figure to be inserted.

	<u>Current</u>	<u>Projected</u>
1. Total System Annual Revenue	\$ <u>14,101,567</u>	\$ <u>14,630,879</u>
2. Total System Annual Operation and Maintenance Costs	\$ <u>6,701,072</u>	\$ <u>8,043,895</u>
3. Total System Equivalent Dwelling Units* •□(e) for current and (k) for projected	<u>47,514</u>	<u>50,558</u>
4. Total Residential Equivalent Dwelling Units* •□(f) for current and (m) for projected	<u>29,275</u>	<u>29,849</u>
5. Annual Revenue from Residential Hookups	\$ <u>6,846,820</u>	<u>7,300,000</u>
6. Percent of Total Annual Revenue from Residential Hookups	<u>48.6%</u>	
7. Average Monthly Residential Rate	\$ <u>19.49</u>	\$ <u>20.38</u>
	□ Check box if this is a flat rate.	<u>Projected Average Monthly Residential Rate</u> • (w) or (x)
8. <u>Other System</u> Average Monthly Residential Rate	\$ <u>29.69</u>	\$ <u>32.88</u>

* *If this application is for a solid waste project, see instructions.*

SYSTEM INFORMATION WORKSHEET

(Refer to instructions)

SUBSECTION 1 – EQUIVALENT DWELLING UNIT COMPUTATION

Applicants with either a water and wastewater project must complete Section I, regardless of whether the applicant is served by a central water system or is planning to charge residential users a flat user fee. If the applicant is not served by a central water system, or it has water connections that provide service to multiple mixed uses, such as commercial and residential, refer to the instructions on page 30 for information on computing the number of EDU's. Applicants with solid waste projects are not required to complete Section I. Service connection diameters will be converted to EDU's according to the following table, with the exception of those situations noted on page 25:

<u>Service connection inside diameter (inches)</u>	<u>EDU's</u>
3/4" or smaller	1.00
1"	1.79
1-1/2"	4.00
2"	7.14
2-1/2"	11.16
3"	16.00
4"	28.57
5"	44.64
6"	64.29
7"	87.11
8"	113.78
9"	144.00
10"	177.78

PART A. CURRENT WATER HOOKUP SUMMARY

<u>Diameter (inches)</u>	<u>Current Total Hookups*</u>			<u>Diameter (inches)</u>	<u>Current Residential Hookups</u>		
	<u>(a) Total Number of Hookups</u>	<u>(b) EDU's per Hookup (from table)</u>	<u>Total EDU's [(a) x (b)]</u>		<u>(c) Number of Residential Hookups</u>	<u>(d) EDU's Per Hookup (from table)</u>	<u>Total Residential EDU's [(c) x (d)]</u>
<u>3/4"</u>	<u>31,918</u>	<u>1.00</u>	<u>31,918</u>	<u>3/4"</u>	<u>28,461</u>	<u>1.00</u>	<u>28,461</u>
<u>1"</u>	<u>1,646</u>	<u>1.79</u>	<u>2,946</u>	<u>1"</u>	<u>357</u>	<u>1.79</u>	<u>639</u>
<u>1-1/2"</u>	<u>774</u>	<u>4.00</u>	<u>3,096</u>	<u>1-1/2"</u>	<u>22</u>	<u>4.00</u>	<u>88</u>
<u>2"</u>	<u>395</u>	<u>7.14</u>	<u>2,820</u>	<u>2"</u>	<u>1</u>	<u>7.14</u>	<u>7</u>
<u>3"</u>	<u>219</u>	<u>16.00</u>	<u>3,504</u>	<u>3"</u>	<u>1</u>	<u>16.00</u>	<u>16</u>
<u>4"</u>	<u>66</u>	<u>28.57</u>	<u>1,886</u>	<u>4"</u>	<u>0</u>	<u>28.57</u>	<u>0</u>
<u>6"</u>	<u>48</u>	<u>64.29</u>	<u>3,086</u>	<u>6"</u>	<u>1</u>	<u>64.29</u>	<u>64</u>
<u>8"</u>	<u>7</u>	<u>113.78</u>	<u>796</u>				
<u>Totals</u>	<u>35,073</u>		<u>47,514 (e)</u>		<u>28,843</u>		<u>29,275 (f)</u>

* Includes both residential and non-residential hookups

PART B. PROJECTED WATER HOOKUP SUMMARY

Diameter (inches)	Projected Total Hookups*			Diameter (inches)	Projected Residential Hookups		
	(g) Total Number of Hookups	(h) EDU's per Hookup (from table)	Total EDU's [(g) x (h)]		(i) Number of Residential Hookups	(j) EDU's Per Hookup (from table)	Total Residential EDU's [(i) x (j)]
3/4"	32,000	1.00	32,000	3/4"	29,000	1.00	29,000
1"	1,660	1.79	2,971	1"	370	1.79	662
1-1/2"	780	4.00	3,120	1-1/2"	25	4.00	100
2"	400	7.14	2,856	2"	1	7.14	7
3"	225	16.00	3,600	3"	1	16.00	16
4"	70	28.57	2,000	4"	0	28.57	0
6"	50	64.29	3,215	6"	1	64.29	64
8"	7	113.78	796				
Totals	35,192		50,558 (k)		29,398 (l)		29,849(m)

* Includes both residential and non-residential hookups

Projected average EDU's per residential hookup: $\frac{1.015}{[(m)/(l)]}$ (n)

Provide the following information if applying to the USDA RUS/RD program

Total water system flows (sales) last twelve months _____ [gallons or cubic feet (circle one) for all connections listed in (a) above]

Total residential water flows (sales) last twelve months _____ [gallons or cubic feet (circle one) for all connections listed in (c) above]

SUBSECTION 2 – PROJECTED AVERAGE MONTHLY RESIDENTIAL RATE COMPUTATION

Will debt be used to finance the project? Yes No If no, skip to PART E.

If yes, how will debt for the project be secured:

- A. Revenue Bond (complete Part A)
- B. General Obligation Bond _____ (complete Part B)
- C. Rural or Special Improvement District Bond _____ (complete Part C)
- D. Other (explain) _____ (complete Part D)

Debt (Loan) Amount: \$ 3,450,000 Interest Rate: 3 % Terms: 20 year, 125% debt service coverage

COMPLETE THE APPLICABLE SECTIONS BELOW

PART A. REVENUE BOND SECURING DEBT OBLIGATION:

1. Debt election held? Yes _____ No If no, when will election be held (date) _____
2. Annual debt service for new loan, including coverage: \$ 288,309 (i)

- 3. Monthly debt service for new loan, including coverage: (line i) (12) \$ 24,026 (ii)
- 4. Total number of projected EDU's after completion of project: 50,558 (iii)
- 5. Average (per total projected EDU's) monthly debt service for new loan: (line ii) (12) line iii) \$.48 (iv)

PART B. GENERAL OBLIGATION BOND SECURING DEBT OBLIGATION:

- 1. Debt election held? Yes ___ No ___ If no, when will election be held (date): _____
- 2. Amount of outstanding General Obligation Bonds \$ _____
- 3. Debt limitations of entity _____
- 4. Estimated average (per property) monthly assessment needed to repay debt (divide the annual assessment by 12 to obtain a monthly figure): \$ _____

PART C. RURAL OR SPECIAL IMPROVEMENT DISTRICT BOND SECURING DEBT OBLIGATION:

- 1. Type of special assessment:
 - a. SID _____
 - b. RID _____
 - c. Other (specify) _____
- 2. Proposed method of assessment:
 - a. Assessable Area _____
 - b. Area _____
 - c. Ad Valorem Tax _____
 - d. Lineal Front Footage _____
 - e. Combination of a. through d. above (explain) _____
- 3. Number of parcels in the district _____
- 4. What percentage of the property (based on the methods of assessment) within the district fits these descriptions?

TYPE OF PROPERTY	PERCENT DEVELOPED	PERCENT UNDEVELOPED
Commercial		
Industrial		
Single-Family Residential		
Multi-Family Residential		

Agricultural		
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5. Number of property owners in district _____
6. Estimated average (per property) monthly assessment needed to repay debt (divide the annual assessment by 12 to obtain a monthly figure): \$ _____

PART D. OTHER TYPE OF DEBT INSTRUMENT SECURING DEBT OBLIGATION THAT IS NOT INDICATED ABOVE

1. Explain how debt will be secured: _____

2. Estimated average (per property) monthly cost to repay debt: \$ _____

PART E. CALCULATION OF THE PROJECTED AVERAGE MONTHLY RESIDENTIAL USER RATE:

1. Estimated increase in average monthly debt service (per projected EDU, monthly assessment per property for General Obligation Bond or SID, or per customer for solid waste projects) as the result of this project. Enter \$0 if no increase is projected: \$ 48 (o)
[From Part A, B, C, or D]
2. Estimated increase or decrease in total monthly operation and maintenance (O&M) costs (including depreciation and replacement reserves) as the result of this project: \$ 0 (p)
3. List and explain estimated increases or decreases in O&M costs, including depreciation and replacement reserves (Provide a reasonably detailed explanation regarding the reason for the increase or decrease):
No increase in O&M is anticipated as this will replace an existing lift station.

4. Estimated increase or decrease in monthly O&M costs (including depreciation and replacement reserves) (per projected EDU, monthly assessment per property for General Obligation Bond or SID, or per customer for solid waste projects) as the result of this project: \$ 0 (q)
[(p) / (k)]
5. Estimated increase or decrease in total monthly costs (per projected EDU, monthly assessment per property for General Obligation Bond or SID, or per customer for solid waste projects) as the result of this project: \$ 48 (r)
[(o) + (q)]
6. Projected average EDU's per residential hookup: \$ 1.015 (s)
[(n)]
7. Estimated increase or decrease in total monthly costs per average residential hookup/customer as the result of this project: \$ 49 (t)
[(r) x (s)]
8. Existing average monthly residential debt service, including coverage and bond reserve (subtract any existing debt service if the loan will expire before the completion of the project): \$ 2.31 (u)
9. Existing average monthly residential O&M costs and replacement and depreciation reserves: \$ 17.18 (v)

Note: (u) plus (v) should equal the current average monthly residential rate as stated in Section E, Line 7. If these amounts do not equal, provide an explanation of why the numbers differ.

10. Projected average monthly residential user rate after completion of this project: $\$ \frac{19.98}{[(t) + (u) + (v)]} (w)$

11. Projected flat user rate: $\$ \text{_____} (x)$
