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:** Water
5. **SENATE AND HOUSE DISTRICTS:** Senate 22-28 House 46-54
6. **POPULATION SERVED BY PROJECT:** 30,000 – 35,000
7. **NUMBER OF HOUSEHOLDS SERVED BY PROJECT:** 13,500 – 15,750

8. CHIEF ELECTED OFFICIAL OR AUTHORIZED REPRESENTATIVE:

Thomas W. Hanel
(Name)

Mayor, City of Billings
(Title)

P.O. 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:

Jamie Eichenberger
(Name of Engineer)

Brown and Caldwell
(Name of Firm)

1697 Cole Boulevard, Suite 200
(Street/PO Box)

Golden, CO 80401
(City/State/Zip)

303.239.5400
(Telephone) (FAX No)

jeichenberger@brwncald.com
(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:

Will Robbins
(Name)

Staff Engineer
(Title)

2224 Montana Avenue
(Street/PO Box)

Billings, MT 59101
(City/State/Zip)

406-657-8237
(Telephone) (FAX No)

robbinsw@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, Campanella, Stevens, P.C.
(Name of Firm)

P.O. 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 City of Billings identified a need for more water storage in Zone 3 West in the 2006 Water & Wastewater Master Plan. The Zone 3 Chapple Expansion project is proposed to provide potable water storage for growth areas, maintain water distribution pressure, and provide redundancy for water storage in west Billings.

Problem -
The existing water storage requirements for Zone 3 were analyzed in the 2006 Master Plan. The analysis showed that Zone 3 had available storage of 5.5 MGD, operational storage of 1.86 MGD, emergency storage of 6.18 MGD, fire storage of .68 MGD, and a total storage of 8.72 MGD. The report showed Zone 3 West had a water storage deficit in the water supply system.

Proposed Solution -
The proposed solution is to build a 2 MG concrete storage reservoir to meet current and near future storage deficits. The result is a total of 10.7 MG storage available to serve Zone 3 West. A 2 MG size was selected to Minimize concerns with water age and disinfection by-products. Because of lower growth rates than anticipated and the aforementioned water age and disinfection by-product concerns, a reservoir sized to meet the 2025 deficit identified in the Facilities Plan was not deemed warranted. As storage requirements increase in the future, a fourth reservoir could be added to serve Zone 3 West.

SECTION C - FINANCIAL INFORMATION

1. **ESTIMATED TOTAL PROJECT COST:** $ 6,730,000

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	$6,000,000	Discussed	3%, 20 years
City of Billings	Water Revenues	$730,000	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?

The City of Billings will need an SRF Loan for $6,000,000. The loan will presumably be at 3% interest for 20 years. This funding is needed to complete the Zone 3/Chapple Project.

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

The rate increase to pay for the SRF Loan was available July 1, 2013. The construction contract is scheduled to be awarded November or December 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.

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 draw downs.

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 approximately $730,000 of water revenues to pay for all related administration, financial, and land acquisition costs; however, all other revenues are allocated to other projects.

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.

This project is extremely important to meet the current and future needs of Billings. Thus, if the SRF loan is not approved, the City would continue with the project either by cancelling other locally funded water projects or pursuing bonds on the open market

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 water revenues of $730,000 to fund the project. This is the maximum amount of funding the City can provide without cancelling other locally funded projects.

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)

Completed by: Jennifer Duray, CPA For: City of Billings Date: 8-26-13

ADMINISTRATIVE and FINANCIAL COSTS:	SOURCE: SRF Loan	SOURCE: City	SOURCE:	SOURCE:	SOURCE:	TOTAL
Personnel Costs		$ 63,475				$ 63,475
Office Costs						
Professional Services						
Legal Costs						
Audit Fees		$ 5,000				$ 5,000
Travel & Training						
Loan Fees						
Loan Reserves		$401,125				$ 401,125
Interim Interest						
Bond Counsel and Related Costs		$ 10,000				$ 10,000
TOTAL ADMINISTRATIVE/FINANCIAL COSTS	$ 0	$479,600				$ 479,600
ACTIVITY COSTS:						
Land Acquisition		$250,400				$ 250,400
Preliminary Engineering	$ 112,391					$ 112,391
Engineering/Architectural Design	$ 367,415					$ 367,415
Construction Engineering Services	$ 342,296					$ 342,296
Construction	$4,707,180					$4,707,180
Contingency	$ 470,718					$ 470,718
TOTAL ACTIVITY COSTS	$6,000,000	$250,400				$6,250,400
TOTAL PROJECT COSTS	$6,000,000	$730,000				$6,730,000

ADMINISTRATIVE AND FINANCIAL COSTS

Personnel Costs **$63,475**

This will be used to pay for the time spent on this project by the City's staff engineer, City Engineer, and administrative/financial personnel. Funds for this budget item will be provided by water revenues.

Audit Fees **$5,000**

$5,000 of water 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 **$401,125**

$401,125 has been budgeted for loan reserves. City water revenues will be used to fund this budget item.

Bond Counsel and Related Costs **$10,000**

$10,000 of water revenues has been budgeted for the City's bond counsel costs.

TOTAL ADMINISTRATIVE AND FINANCIAL COSTS **$479,600**

Administrative and financial costs represent 7.1% of the total project costs.

ACTIVITY COSTS

Land Acquisition **$250,400**

The City needs to purchase the land from one property owner that is needed to put the tank for this project on. Water revenues will be utilized for all land acquisition costs.

Preliminary Engineering **$112,391**

The total cost of preliminary design and site investigations is estimated at $112,391.

Engineering/Architectural Design **$367,415**

The total cost of design, project coordination, and management is estimated at $367,415.

Construction Engineering Services **$342,296**

The total cost of construction engineering, including bidding, construction administration, inspecting the construction of the project, and project close-out costs is estimated at $342,296.

Construction **$4,707,180**

Based on engineering cost estimates, the total cost of construction of the project is estimated at $4,707,180.

Contingency **$470,718**

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 **$6,250,400**

TOTAL PROJECT COSTS **$6,730,000**

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	Water	Revenue	$17,300,000	7-2025	DNRC	125%	$1,126,798	$11,792,000
2009	Water	Revenue	$2,750,000	7-2029	DNRC	125%	$185,480	$2,343,000
2009	Water	Revenue	$333,700	7-2029	DNRC	125%	$19,845	$278,000
2009	Water	Revenue	$416,300		DNRC			Loan Forgiven
2010	Water	Revenue	$6,795,215	7-2029	DNRC	125%	$450,663	$5,694,000
2010	Water	Revenue	$2,485,612	7-2030	DNRC	125%	$149,155	$1,976,000
2012	Water	Revenue	$3,100,000	7-2032	DNRC	125%	$205,973	$1,768,122

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

Cash $ 15,404,433
(Details) SRF loan reserves = 2,140,434, $1,025,853 restricted for loan payments.

Investments $ 13,017,030
(Details) _____

Certificates of Deposit $ _____
(Details) _____

Accounts Receivable $ 2,646,516
(Details) _____

Any other current assets not specifically indicated above $ 1,403,629
(Details) Inventories

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

X 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.)

\X 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:_____

☛ **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.

		Current	Projected
1.	Total System Annual Revenue	$ 25,626,184	$ 24,000,000
2.	Total System Annual Operation and Maintenance Costs	$ 11,242,703	$ 12,275,000
3.	Total System Equivalent Dwelling Units* ☛ (e) for current and (k) for projected	37,956	38,430
4.	Total **Residential** Equivalent Dwelling Units* ☛ (f) for current and (m) for projected	26,164	26,500
5.	Annual Revenue from Residential Hookups	$ 12,070,420	11,600,000
6.	Percent of Total Annual Revenue from Residential Hookups	47%	
7.	Average Monthly Residential Rate	$ 38.44 ☐ Check box if this is a flat rate.	$ 36.48 ** Projected Average Monthly Residential Rate ☛ (w) or (x)
8.	*Other System* Average Monthly Residential Rate	$ 20.55	$ 21.70

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

** *See note on page 44*

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:

Service connection inside diameter (inches)	EDU's
¾" 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

	Current Total Hookups*				Current Residential Hookups		
	(a)	(b)			(c)	(d)	
Diameter (inches)	Total Number of Hookups	EDU's per Hookup (from table)	Total EDU's [(a) x (b)]	Diameter (inches)	Number of Residential Hookups	EDU's Per Hookup (from table)	Total Residential EDU's [(c) x (d)]
3/4"	27,142	1.00	27,142	3/4"	25,388	1.00	25,388
1"	1,032	1.79	1847.28	1"	349	1.79	624.71
1-1/2"	444	4.00	1,776	1-1/2"	20	4.00	80
2"	213	7.14	1,520.82	2"	1	7.14	7.14
3"	126	16.00	2,016	6"	1	64.29	64.29
4"	41	28.57	1,171.37				
6"	27	64.29	1,735.83				
8"	5	113.78	568.90				
10"	1	177.78	177.78				
Totals	29,031		37,956 (e)		25,759		26,164 (f)

* Includes both residential and non-residential hookups

PART B. PROJECTED WATER HOOKUP SUMMARY

Projected Total Hookups*

Diameter (inches)	(g) Total Number of Hookups	(h) EDU's per Hookup (from table)	Total EDU's [(g) x (h)]
3/4"	27,500	1.00	27,500
1"	1,035	1.79	1852.65
1-1/2"	445	4.00	1,780
2"	215	7.14	1,535.10
3"	126	16.00	2,016
4"	42	28.57	1,199.94
6"	28	64.29	1,800.12
8"	5	113.78	568.90
10"	1	177.78	177.78
Totals	29,397		38,430 (k)

Projected Total Hookups*

Current Residential Hookups

Diameter (inches)	(i) Number of Residential Hookups	(j) EDU's Per Hookup (from table)	Total Residential EDU's [(i) x (j)]
3/4"	25,724	1.00	25,724
1"	349	1.79	624.71
1-1/2"	20	4.00	80
2"	1	7.14	7.14
6"	1	64.29	64.29
	26,095(l)		26,500(m)

Projected Residential Hookups

* Includes both residential and non-residential hookups

Projected average EDU's per residential hookup: 1.0155 (n)
[(m)/(l)]

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 _X_ No ___ If no, skip to PART E.
If yes, how will debt for the project be secured:

A. Revenue Bond ___X___(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: $ 6,000,000 Interest Rate: 3 % Terms: 20 years, 125% debt service coverage

_____

COMPLETE THE APPLICABLE SECTIONS BELOW

PART A. REVENUE BOND SECURING DEBT OBLIGATION:

1. Debt election held? Yes ____ No X____ If no, when will election be held (date) _____

2. Annual debt service for new loan, including coverage: $ 501,406 (i)

3. Monthly debt service for new loan, including coverage: (line i □ 12) $ 41,784 (ii)

4. Total number of projected EDU's after completion of project: 38,430 (iii)

5. Average (per total projected EDU's) monthly debt service for new loan: (line ii □ line iii) $ 1.09 (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		

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: $ 1.09 (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: $ 350 (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):
The only additional O&M costs will be for power & maintenance for the blower and power for the blower building.

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: $ .01 (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: $ 1.10 (r)
[(o) + (q)]

6. Projected average EDU's per residential hookup: $ 1.0155 (s)
[(n)]

7. Estimated increase or decrease in total monthly costs per average residential hookup/customer as the result of this project: $ 1.12 (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): $ 6.81 (u)

9. Existing average monthly residential O&M costs and replacement and depreciation reserves: $ 31.63 (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: $ 39.56 [(t) + (u) + (v)] (w)

11. Projected flat user rate: $_____(x)

** The current rates are based off of actual FY 13 revenues and the projected rates are based off of projected FY 14 revenues. The projected rates are lower than the current because FY 13 was an unusually dry summer with record water usage. FY 14 usage is expected to be lower and therefore the residential user rate per EDU is actually less than FY 13. Also, the City of Billings has had rates in place for the project for a couple of years so rates will not actually go up in FY 14 because of it.