



## City Council Staff Report

Date: September 21, 2016

CONSENT CALENDAR

Subject: ADOPTION OF A WASTEWATER FUND PLEDGED REVENUE RESOLUTION FOR A CLEAN WATER STATE REVOLVING FUND LOAN ASSOCIATED WITH THE CITY OF PALM SPRINGS WASTEWATER TREATMENT PLANT UPGRADE, CITY PROJECT NO. 15-14

From: David H. Ready, City Manager

Initiated by: Engineering Services Department

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### SUMMARY

This action will adopt a Resolution pledging the City's Wastewater Enterprise Funds as payment to the State Water Resources Control Board for a Clean Water State Revolving Fund Loan required as a precursor to receiving the State's final approval of a financial loan agreement for the Wastewater Treatment Plant Upgrade, City Project No. 15-14, (the "Project").

### RECOMMENDATION:

Adopt Resolution No. \_\_\_\_\_, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, PLEDGING ITS WASTEWATER ENTERPRISE FUNDS AS PAYMENT TO THE STATE WATER RESOURCES CONTROL BOARD UNDER THE CLEAN WATER STATE REVOLVING FUND FOR THE CITY OF PALM SPRINGS WASTEWATER TREATMENT PLANT UPGRADE, CITY PROJECT NO. 15-14."

### STAFF ANALYSIS:

On April 1, 2015, the City Council approved various actions related to the Wastewater Treatment Plant Upgrade, City Project No. 15-14, (the "Project").

On May 4, 2016, the City Council approved additional actions related to the Project, including:

- 1) Approval of Amendment No. 1 to Agreement No. 6691 with Veolia Water West Operating Services, Inc., ("Veolia"), in the amount of \$213,531 for a revised total

ITEM NO. 1K

contract amount of \$2,919,027 for professional engineering and construction management services associated with the construction phase of the Project;

- 2) Approval of a list of 11 pre-qualified general contractors for the Project, which included:
  - a) Cushman Contracting – Goleta, CA
  - b) C.W. Roen Construction – Danville, CA
  - c) GSE Construction – Livermore, CA
  - d) J.F. Shea Construction – Walnut, CA
  - e) J.R. Filanc Construction – Escondido, CA
  - f) Pascal & Ludwig Constructors – Ontario, CA
  - g) PCL Construction – Corona, CA
  - h) Shimmick Construction – Irvine, CA
  - i) SSC Construction – Corona, CA
  - j) Stanek Constructors – Escondido, CA
  - k) W.M. Lyles Co. – Temecula, CA
- 3) Reconfirmed approval of the plans, specifications, and working details for the Project, inclusive of the design-build of new potable water and fire line system improvements, and authorized staff to advertise for bids with the pre-qualified contractors.

Pursuant to the City Council's actions on May 4, 2016, staff initiated the formal bidding process on May 5, 2016, with the 11 pre-qualified contractors. On August 11, 2016, at 3:00 p.m., the Procurement and Contracting Division received six construction bids from the pre-qualified contractors listed in Table 1:

<b>Company</b>	<b>Location</b>	<b>Bid Amount</b>
W.M. Lyles Co.	Temecula, CA	\$20,522,737
C.W. Roen Construction Co.	Danville, CA	\$21,093,889
J.R. Filanc Construction Co. Inc.	Escondido, CA	\$21,193,788
GSE Construction Company, Inc.	Livermore, CA	\$22,117,899
J.F. Shea Construction, Inc.	Walnut, CA	\$22,540,888
PCL Construction, Inc.	Corona, CA	\$23,610,121

**Table 1**

Through the City's prior agreement with Veolia, Carollo Engineers prepared the plans and specifications for the Project. In March 2016, Carollo Engineers provided a final engineer's estimate of \$23,274,980 for the Project (inclusive of contingency but excluding escalation to mid-point and sales tax factors); a copy of Carollo Engineers estimate is included as **Attachment 1**.

The City's formal bidding process established very competitive bids from 6 of the 11 pre-qualified contractors, with the lowest responsive bid from W.M. Lyles Co. submitted at \$20,522,737 is 12% below the engineer's estimate. In accordance with the City's bid

documents, the contractor is obligated to guarantee their bid price for a period of 120 calendar days from submittal of bids – which guarantees the bid price until December 9, 2016. A full bid summary is included as **Attachment 2**.

As reported to the City Council in May 2016, over the last year, staff has coordinated with the California State Water Resources Control Board, (the “Board”), to apply for and secure a low interest (less than 2%) loan through the Clean Water State Revolving Fund (“SRF”) Program for the Project. Final legal approvals from the Board on the financial agreement have been obtained, contingent upon the City Council’s adoption of a Resolution pledging its Wastewater Enterprise Funds as payment to the Board for the loan.

Staff is recommending the City Council adopt the required Resolution pledging its Wastewater Enterprise Funds required to repay the state for the loan agreement to be entered into with the state. Following adoption of this required Resolution, staff will finalize the loan agreement with the state, and schedule subsequent approval of the loan agreement and award of a construction contract with W.M. Lyles Co. at that time.

#### ENVIRONMENTAL IMPACT:

On June 18, 2014, the City Council, acting as the lead agency in accordance with the California Environmental Quality Act (“CEQA”), and pursuant to Section 15074 of the CEQA Guidelines, reviewed, approved, and ordered the filing of a Mitigated Negative Declaration (“MND”) for the construction of several new replacement facilities at the City’s Wastewater Treatment Plant facility, including: influent sewer, headworks, septage receiving station, influent pump station, primary clarifiers, scum pump station, primary sludge pump station, primary sludge de-gritting, gravity thickener cover, Digester No. 2 cover, foul air treatment facility, new electrical building, and lighting system. These projects, bundled together, have been identified as the City of Palm Springs Wastewater Treatment Plant Upgrade, City Project No. 15-14. A Notice of Determination (“NOD”) for the Project was subsequently filed with the Riverside County Clerk on June 25, 2014.

#### FISCAL IMPACT:

The estimated total Project costs have been updated in the following Table:

<b>Project Element</b>	<b>Amount</b>
Design Phase Costs (Incurred)	\$3,312,305
Additional Professional Services	\$1,817,802
Pre-Purchased Equipment	\$3,341,769
Construction Estimate	\$20,522,737
Construction Contingency (5%)	\$1,026,137
Construction Management Services	\$1,101,226
Owner’s Rep Services	\$298,524
<b>Total Project Cost</b>	<b>\$31,420,500</b>

The Design Phase costs of \$3,312,305 have been expended and Pre-Purchased Equipment costs of \$3,341,769 have been encumbered, leaving an estimated cost of \$24,766,426 to complete the Project. Currently, the Wastewater Fund Enterprise (Fund 420) has a Fund Balance of approximately \$11.5 Million. Although the Fund Balance may be used towards the Project costs, staff recommended and the City Council directed that the City reserve its Wastewater Enterprise Fund Balance for working capital, unexpected costs and emergencies, and utilize low interest financing for the remaining cost.

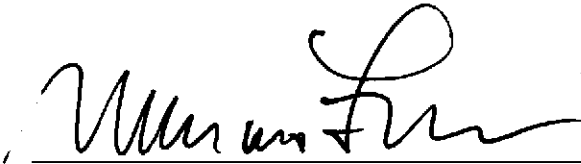
The final loan agreement being negotiated with the state will provide financing of up to \$29,927,196 (the prior estimated cost to be financed) at 1.7% interest, for a 30-year term. Based on the low bid received, the final cost to be financed is estimated at \$24,766,426, resulting in a new annual debt service of approximately \$1,063,000 to be paid by the Wastewater Enterprise Fund. The City's Wastewater Enterprise Fund currently has no debt.

The City's Financial Advisor, Suzanne Harrell, previously reviewed the financial status of the City's Wastewater Enterprise, and has determined that with the currently adopted sewer rates, the City might comfortably assume a maximum net bonding capacity of \$29 Million with an annual debt service payment of \$1.8 Million. A copy of Ms. Harrell's memorandum is included as **Attachment 3**. Based on the final total project cost estimate, the annual debt service will be significantly lower than \$1.8 Million, and pledging the City's Wastewater Enterprise Funds will not compromise the financial integrity of the Wastewater Enterprise Fund.

All costs associated with the Project, both prior and future costs, are entirely funded by the Wastewater Enterprise Fund (Fund 420). No General Fund or Measure J Capital Fund budget will be required in the delivery of the Project.

The requested action at this time is to adopt the Resolution pledging its Wastewater Enterprise Funds required to repay the state for the loan agreement to be entered into with the state. There is no financial commitment being taken at this time by the City Council.

SUBMITTED:



Marcus L. Fuller, MPA, P.E., P.L.S.  
Assistant City Manager/City Engineer



David H. Ready, Esq., Ph.D  
City Manager

Attachments:

1. Engineer's Estimate
2. Bid Summary
3. Financial Advisor Analysis
4. Resolution

# **ATTACHMENT 1**

**PROJECT SUMMARY**

Estimate Class: 2

Project: Palm Springs Headworks & Primary Clarifier Upgrac  
 Client: City of Palm Springs and Veolia Water  
 Location: Palm Springs, California  
 Zip Code: 92262  
 Carollo Job #: 09328A10

PIC: JPH  
 PM: DJL  
 Date: Mar-16  
 By: HT/TL  
 Reviewed: DJL

NO.	DESCRIPTION	TOTAL
01	Influent Sewer	\$223,464
09	Influent Metering	\$60,769
12	Headworks	\$1,984,429
15	Influent Pump Station	\$1,897,174
20	Primary Clarifiers	\$2,814,139
21	Primary Scum Pump Station	\$423,339
25	Primary Sludge Pump Station	\$957,083
27	Degritting	\$742,613
30	Odor Control	\$1,238,256
55	Gravity Thickeners	\$79,474
90	EI&C	\$2,079,463
91	Excavation & Backfill	\$1,904,818
92	Paving	\$557,780
99	Yard Piping	\$2,636,428
<b>TOTAL DIRECT COST</b>		<b>\$17,599,228</b>
General Conditions	10.0%	\$1,759,923
	Subtotal	\$19,359,151
Estimating Unknowns	5.0%	\$879,961
	Subtotal	\$20,239,113
General Contractor Overhead and Profit	15.0%	\$3,035,867
	Subtotal	\$23,274,980
Escalation to Mid-Point	7.1%	\$1,656,557
	Subtotal	\$24,931,537
Sales Tax	9.0%	\$1,121,919
	Subtotal	\$26,053,456
Programming		\$0
	Subtotal	\$26,053,456
Allowances		\$0
<b>TOTAL ESTIMATED CONSTRUCTION COST</b>		<b>\$26,053,456</b>



*The cost estimate herein is based on our perception of current conditions at the project location. This estimate reflects our professional opinion of accurate costs at this time and is subject to change as the project design matures. Carollo Engineers have no control over variances in the cost of labor, materials, equipment; nor services provided by others, contractor's means and methods of executing the work or of determining prices, competitive bidding or market conditions, practices or bidding strategies. Carollo Engineers cannot and does not warrant or guarantee that proposals, bids or actual construction costs will not vary from the costs presented as shown.*

# **ATTACHMENT 2**



WASTE WATER TREATMENT PLANT UPGRADE  
CITY PROJECT NO 15-14

BID SUMMARY

Bid Opening: August 11, 2016

LUMP SUM BID SCHEDULE A - REVISED (ADDENDUM NO. 4)	QUANT.	UNIT	W.M. LYLES CO.	C.W. ROEN	J.R. FILANC	GSE	J.F. SHEA	PCL
DESCRIPTION			CONSTRUCTION CO.	CONSTRUCTION CO.	CONSTRUCTION CO, INC.	CONSTRUCTION CO, INC.	CONSTRUCTION, INC.	CONSTRUCTION, INC.
The scope of work of this Lump Sum Bid Schedule includes all work, excluding certain bid items separately paid for on a unit price basis as identified on Bid Schedule B, all as identified in the Construction Drawings and Typical Details titled: <b>CITY OF PALM SPRINGS</b> VEOLIA WATER WEST OPERATING SERVICES, INC. HEADWORKS AND PRIMARY CLARIFIER UPGRADE APRIL 2016 VOLUMES 1 THROUGH 5 The scope of work of this Lump Sum Bid Schedule also includes all work required by the Contract/Technical Specifications applicable to the Wastewater Treatment Plant Upgrade (also identified as the Headworks and Primary Clarifier Upgrade), City Project No. 15-14.  Special Note: All work identified on the Construction Drawings, and required by the Contract/Technical Specifications, (Volumes 1 through 5), shall be furnished, complete in place, including all associated trades, construction of all site improvements, and completing all associated work necessary to deliver the improvements in complete working order. In submitting this Lump Sum Bid, the Bidder acknowledges that, with the exception of those specific bid items separately paid for on a unit price basis as identified on Bid Schedule B, there will be no separate or additional payment made for completing the work required hereunder this Lump Bid Schedule A.	1	LS	\$19,726,412	\$19,721,000	\$20,173,351	\$20,604,600	\$21,015,200	\$22,096,500
<b>LUMP SUM BID - REVISED (ADDENDUM NO.4) SCHEDULE OF VALUES:</b>								
<b>DESCRIPTION OF WORK</b>			<b>SCHEDULE OF VALUES</b>	<b>SCHEDULE OF VALUES</b>	<b>SCHEDULE OF VALUES</b>	<b>SCHEDULE OF VALUES</b>	<b>SCHEDULE OF VALUES</b>	<b>SCHEDULE OF VALUES</b>
Division 01 - General Requirements	1	LS	\$2,300,000	\$950,000	\$2,744,094	\$2,914,600	\$1,986,500	\$1,300,000
Division 02 - Site Work	1	LS	\$3,800,000	\$4,100,000	\$2,072,137	\$6,200,000	\$3,514,000	\$7,400,000
Division 03 - Concrete	1	LS	\$3,800,000	\$4,000,000	\$3,366,350	\$3,500,000	\$3,800,000	\$4,900,000
Division 05 - Metals	1	LS	\$800,000	\$1,200,000	\$425,814	\$950,000	\$1,173,000	\$1,500,000
Division 06 - Wood and Plastics	1	LS	\$250,000	\$300,000	\$285,363	\$300,000	\$400,000	\$150,000
Division 07 - Thermal and Moisture Protection	1	LS	\$50,000	\$40,000	\$22,833	\$20,000	\$44,000	\$100,000
Division 09 - Finishes	1	LS	\$1,000,000	\$1,100,000	\$435,075	\$550,000	\$605,000	\$600,000
Division 10 - Specialties	1	LS	\$10,000	\$8,000	\$0	\$10,000	\$40,000	\$6,500
Division 11 - Equipment	1	LS	\$900,000	\$1,130,000	\$483,047	\$950,000	\$1,540,300	\$940,000
Division 13 - Special Constructions	1	LS	\$700,000	\$650,000	\$1,754,500	\$1,150,000	\$1,583,500	\$2,170,000
Division 14 - Conveying Systems	1	LS	\$150,000	\$145,000	\$326,590	\$150,000	\$142,000	\$30,000
Division 15 - Mechanical	1	LS	\$3,816,412	\$3,800,000	\$5,697,646	\$1,600,000	\$4,087,900	\$1,500,000
Division 16 - Electrical	1	LS	\$1,800,000	\$1,800,000	\$2,140,096	\$2,000,000	\$1,870,000	\$1,500,000
Division 17 - Instrumentation and Control System	1	LS	\$350,000	\$500,000	\$20,000	\$310,000	\$420,000	\$500,000
<b>Total Lump Sum Bid:</b>			<b>\$19,726,412</b>	<b>\$19,721,000</b>	<b>\$20,173,351</b>	<b>\$20,604,600</b>	<b>\$21,015,200</b>	<b>\$22,096,500</b>

BID SCHEDULE B	QUANT.	UNIT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
1. 6" ACP Pipe removal/disposal	46	LF	\$ 50	\$ 2,300	\$ 85	\$ 3,910	\$ 216	\$ 9,895	\$ 159	\$ 7,314	\$ 123	\$ 5,658	\$ 71	\$ 3,266
2. 8" ACP Pipe removal/disposal	391	LF	\$ 55	\$ 21,505	\$ 50	\$ 19,550	\$ 33	\$ 12,903	\$ 91	\$ 35,281	\$ 95	\$ 37,145	\$ 70	\$ 27,370
3. 10" ACP Pipe removal/disposal	173	LF	\$ 85	\$ 14,715	\$ 70	\$ 12,110	\$ 80	\$ 13,810	\$ 117	\$ 20,241	\$ 141	\$ 24,393	\$ 100	\$ 17,300
4. 12" ACP Pipe removal/disposal	184	LF	\$ 70	\$ 12,880	\$ 73	\$ 13,432	\$ 57	\$ 10,498	\$ 128	\$ 23,184	\$ 195	\$ 35,880	\$ 100	\$ 18,400
5. 18" ACP Pipe removal/disposal	150	LF	\$ 90	\$ 13,500	\$ 106	\$ 15,900	\$ 77	\$ 11,550	\$ 140	\$ 21,000	\$ 167	\$ 25,050	\$ 100	\$ 15,000
6. 24" ACP Pipe removal/disposal	265	LF	\$ 110	\$ 29,150	\$ 141	\$ 37,365	\$ 54	\$ 14,310	\$ 140	\$ 37,100	\$ 161	\$ 42,665	\$ 106	\$ 27,825
7. 30" ACP Pipe removal/disposal	506	LF	\$ 125	\$ 63,250	\$ 102	\$ 51,612	\$ 80	\$ 40,480	\$ 142	\$ 71,852	\$ 180	\$ 90,900	\$ 128	\$ 64,768
8. Digester No. 3 Surface Repair	3,071	SF	\$ 13	\$ 39,923	\$ 72	\$ 221,112	\$ 28	\$ 85,988	\$ 27	\$ 82,917	\$ 32	\$ 98,272	\$ 27	\$ 82,917
9. Digester No. 2 Concrete Coating	4,673	SF	\$ 14	\$ 65,422	\$ 16	\$ 74,768	\$ 14	\$ 65,422	\$ 13	\$ 60,749	\$ 15	\$ 70,095	\$ 15	\$ 70,095
10. Digester No. 2 Epoxy Injection for Existing Concrete	500	LF	\$ 40	\$ 20,000	\$ 180	\$ 90,000	\$ 35	\$ 17,500	\$ 76	\$ 38,000	\$ 75	\$ 37,500	\$ 177	\$ 88,500
11. 2" Potable Water Line	1,220	LF	\$ 40	\$ 48,800	\$ 24	\$ 29,280	\$ 51	\$ 62,220	\$ 146	\$ 178,120	\$ 102	\$ 124,440	\$ 85	\$ 79,300
12. Buried 2" BFV in Valve Box	5	EA	\$ 1,100	\$ 5,500	\$ 1,400	\$ 7,000	\$ 374	\$ 1,870	\$ 1,167	\$ 5,835	\$ 3,100	\$ 15,500	\$ 6,900	\$ 34,500
13. 8" Fire Line (8' Depth)	2,700	LF	\$ 75	\$ 202,500	\$ 175	\$ 472,500	\$ 129	\$ 348,300	\$ 217	\$ 585,900	\$ 164	\$ 442,800	\$ 148	\$ 399,600
14. 8" Fire Line (3' Depth)	1,290	LF	\$ 55	\$ 70,950	\$ 95	\$ 122,550	\$ 113	\$ 145,770	\$ 98	\$ 125,840	\$ 157	\$ 202,530	\$ 162	\$ 208,980
15. Buried 8" BFV in Valve Box	14	EA	\$ 3,800	\$ 53,200	\$ 3,700	\$ 51,800	\$ 3,065	\$ 42,910	\$ 4,505	\$ 63,070	\$ 3,400	\$ 47,600	\$ 9,200	\$ 128,800
16. 6" Commercial Fire Hydrant Assembly (including isolation valves)	8	EA	\$ 7,400	\$ 59,200	\$ 10,000	\$ 80,000	\$ 9,377	\$ 75,016	\$ 9,822	\$ 78,976	\$ 14,900	\$ 119,200	\$ 11,500	\$ 92,000
17. Air Relief Valve Assembly	10	EA	\$ 7,000	\$ 70,000	\$ 6,000	\$ 60,000	\$ 6,004	\$ 60,040	\$ 6,491	\$ 64,910	\$ 10,500	\$ 105,000	\$ 13,000	\$ 130,000
18. Utility Pothole and Coordination for Water Line Installation	10	EA	\$ 700	\$ 7,000	\$ 1,000	\$ 10,000	\$ 540	\$ 5,400	\$ 1,681	\$ 16,810	\$ 1,100	\$ 11,000	\$ 2,500	\$ 25,000
<b>TOTAL OF ALL ITEMS OF BID SCHEDULE B:</b>				\$ 786,325		\$ 1,373,889		\$ 1,029,437		\$ 1,615,299		\$ 1,626,466		\$ 1,513,021
<b>TOTAL OF BID SCHEDULES A+B:</b>				\$ 20,522,737		\$ 21,093,889		\$ 21,193,788		\$ 22,117,899		\$ 22,540,886		\$ 23,610,121

NOTE: THE CORRECTED AMOUNTS ARE UNDERLINED

1 2 3 4 5 6

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# **ATTACHMENT 3**



February 26, 2015

Assumptions for WWTP Projections

- Rates continue to increase by \$1 per year until \$35 reached – assumes successful Prop 218 hearing every five years
- Interest rates for debt based on AA rating, rates as of February 26, 2015 and 20 bp contingency
- No cash funded reserve fund for bonds
- Working capital reserve 7 months because of tax roll billing cycle
- Depreciation/Emergency Repair Reserve starts at \$3,000,000, increases \$500,000 each year. Lower than existing because assets will be new.
- Additional \$2M capital costs each year
- \$750,000 design costs remaining as of July 1, 2014
- Project costs of \$32M including prepurchase equipment and installation but excluding design costs already paid (\$2.55M)
- Operating Costs based on Rate Study

Option 1 Funding:

	<u>Project Costs</u>	<u>Remaining Design</u>	<u>Total</u>
Bond Proceeds	\$25,000,000		\$25,000,000
Fund Balance	<u>7,000,000</u>	<u>\$750,000</u>	<u>\$7,750,000</u>
Total	\$32,000,000	\$750,000	\$32,750,000

Minimum Coverage 1.47x taking into account \$20 monthly fee

Option 2 Funding (Maximize Bond Proceeds):

	<u>Project Costs</u>	<u>Remaining Design</u>	<u>Total</u>
Bond Proceeds	\$29,000,000		\$29,000,000
Fund Balance	<u>3,000,000</u>	<u>\$750,000</u>	<u>\$3,750,000</u>
Total	\$32,000,000	\$750,000	\$32,750,000

Minimum Coverage 1.25x taking into account \$20 monthly fee

OPTION 1 - CITY OF PALM SPRINGS WASTEWATER TREATMENT PLANT CASHFLOW - RAISE \$25M FOR PROJECT/FUND \$7,750,000 FROM FUND BALANCE (TOTAL PROJECT \$32M PLUS \$750,000 REMAINING DESIGN)

FYE	Monthly	Service	Operating	Net	Debt	Coverage	Remaining	Connection	Interest	Other	Available	Beginning	Available	Bond	CP	Ending	7 Month	Depreciation	Unreserved	
June 30	Rate	Charge	Expense	Income	Service	Ratio	Balance	Fees	Income	Income	Cashflow	Fund	Cashflow	Proceeds		Fund	Operating	Reserve	Fund	
EDU												Balance				Balance	Reserve	Reserve	Balance	
2013	44,200	12	6,364,800																	
2014	44,775	14	7,522,200	(5,544,968)	1,977,232	-	1,977,232	673,754	184,273	24,859	2,860,118	12,764,948	2,860,118		(2,324,022)	13,301,044	(3,234,565)	(3,000,000)	7,066,479	
2015	44,775	16	8,596,800	(6,345,000)	2,251,800	-	147%	2,251,800	300,000	80,000	2,646,800	13,301,044	2,646,800	25,000,000	(32,750,000)	8,197,844	(3,701,250)	(3,500,000)	996,594	
2016	44,775	18	9,671,400	(6,709,000)	2,962,400	(1,535,000)	193%	1,427,400	300,000	80,000	1,822,400	8,197,844	1,822,400		(2,000,000)	8,020,244	(3,913,583)	(4,000,000)	106,661	
2017	44,775	20	10,746,000	(7,095,000)	3,651,000	(1,535,000)	238%	2,116,000	300,000	80,000	2,511,000	8,020,244	2,511,000		(2,000,000)	8,531,244	(4,138,750)	(4,500,000)	(107,506)	
2018	44,775	21	11,283,300	(7,308,000)	3,975,300	(1,535,000)	259%	2,440,300	-	80,000	2,535,300	8,531,244	2,535,300		(2,000,000)	9,066,544	(4,263,000)	(5,000,000)	(196,456)	
2019	44,775	22	11,820,600	(7,527,000)	4,293,600	(1,535,000)	280%	2,758,600	-	80,000	2,853,600	9,066,544	2,853,600		(2,000,000)	9,920,144	(4,390,750)	(5,500,000)	29,394	
2020	44,775	23	12,357,900	(7,753,000)	4,604,900	(1,535,000)	300%	3,069,900	-	80,000	3,164,900	9,920,144	3,164,900		(2,000,000)	11,085,044	(4,522,583)	(6,000,000)	562,461	
2021	44,775	24	12,895,200	(7,986,000)	4,909,200	(1,535,000)	320%	3,374,200	-	80,000	3,469,200	11,085,044	3,469,200		(2,000,000)	12,554,244	(4,658,500)	(6,500,000)	1,395,744	
2022	44,775	25	13,432,500	(8,226,000)	5,206,500	(1,535,000)	339%	3,671,500	-	80,000	3,766,500	12,554,244	3,766,500		(2,000,000)	14,320,744	(4,798,500)	(7,000,000)	2,522,244	
2023	44,775	26	13,969,800	(8,473,000)	5,496,800	(1,535,000)	358%	3,961,800	-	80,000	4,056,800	14,320,744	4,056,800		(2,000,000)	16,377,544	(4,942,583)	(7,500,000)	3,934,961	
2024	44,775	27	14,507,100	(8,727,000)	5,780,100	(1,535,000)	377%	4,245,100	-	80,000	4,340,100	16,377,544	4,340,100		(2,000,000)	18,717,644	(5,090,750)	(8,000,000)	5,626,894	
2025	44,775	28	15,044,400	(8,989,000)	6,055,400	(1,535,000)	394%	4,520,400	-	80,000	4,615,400	18,717,644	4,615,400		(2,000,000)	21,333,044	(5,243,583)	(8,500,000)	7,589,461	
2026	44,775	29	15,581,700	(9,259,000)	6,322,700	(1,535,000)	412%	4,787,700	-	80,000	4,882,700	21,333,044	4,882,700		(2,000,000)	24,215,744	(5,401,083)	(9,000,000)	9,814,661	
2027	44,775	30	16,119,000	(9,537,000)	6,582,000	(1,535,000)	429%	5,047,000	-	80,000	5,142,000	24,215,744	5,142,000		(2,000,000)	27,357,744	(5,563,250)	(9,500,000)	12,294,494	
2028	44,775	31	16,656,300	(9,823,000)	6,833,300	(1,535,000)	445%	5,298,300	-	80,000	5,393,300	27,357,744	5,393,300		(2,000,000)	30,751,044	(5,730,083)	(10,000,000)	15,020,961	
2029	44,775	32	17,193,600	(10,118,000)	7,075,600	(1,535,000)	461%	5,540,600	-	80,000	5,635,600	30,751,044	5,635,600		(2,000,000)	34,386,644	(5,902,167)	(10,500,000)	17,984,477	
2030	44,775	33	17,730,900	(10,422,000)	7,308,900	(1,535,000)	476%	5,773,900	-	80,000	5,868,900	34,386,644	5,868,900		(2,000,000)	38,255,544	(6,079,500)	(11,000,000)	21,176,044	
2031	44,775	34	18,268,200	(10,735,000)	7,533,200	(1,535,000)	491%	5,998,200	-	80,000	6,093,200	38,255,544	6,093,200		(2,000,000)	42,348,744	(6,262,083)	(11,500,000)	24,586,661	
2032	44,775	35	18,805,500	(11,057,000)	7,748,500	(1,535,000)	505%	6,213,500	-	80,000	6,308,500	42,348,744	6,308,500		(2,000,000)	46,657,244	(6,449,917)	(12,000,000)	28,207,327	
2033	44,775	35	18,805,500	(11,389,000)	7,416,500	(1,535,000)	483%	5,881,500	-	80,000	5,976,500	46,657,244	5,976,500		(2,000,000)	50,633,744	(6,643,583)	(12,500,000)	31,490,161	
2034	44,775	35	18,805,500	(11,731,000)	7,074,500	(1,535,000)	461%	5,539,500	-	80,000	5,634,500	50,633,744	5,634,500		(2,000,000)	54,268,244	(6,843,083)	(13,000,000)	34,425,161	
2035	44,775	35	18,805,500	(12,083,000)	6,722,500	(1,535,000)	438%	5,187,500	-	80,000	5,282,500	54,268,244	5,282,500		(2,000,000)	57,550,744	(7,048,417)	(13,500,000)	37,002,327	
2036	44,775	35	18,805,500	(12,445,000)	6,360,500	(1,535,000)	414%	4,825,500	-	80,000	4,920,500	57,550,744	4,920,500		(2,000,000)	60,471,244	(7,259,583)	(14,000,000)	39,211,661	
2037	44,775	35	18,805,500	(12,818,000)	5,987,500	(1,535,000)	390%	4,452,500	-	80,000	4,547,500	60,471,244	4,547,500		(2,000,000)	63,018,744	(7,477,167)	(14,500,000)	41,041,577	
2038	44,775	35	18,805,500	(13,203,000)	5,602,500	(1,535,000)	365%	4,067,500	-	80,000	4,162,500	63,018,744	4,162,500		(2,000,000)	65,181,244	(7,701,750)	(15,000,000)	42,479,494	
2039	44,775	35	18,805,500	(13,599,000)	5,206,500	(1,535,000)	339%	3,671,500	-	80,000	3,766,500	65,181,244	3,766,500		(2,000,000)	66,947,744	(7,932,750)	(15,500,000)	43,514,994	
2040	44,775	35	18,805,500	(14,007,000)	4,798,500	(1,535,000)	313%	3,263,500	-	80,000	3,358,500	66,947,744	3,358,500		(2,000,000)	68,306,244	(8,170,750)	(16,000,000)	44,135,494	
2041	44,775	35	18,805,500	(14,427,000)	4,378,500	-	4,378,500	-	80,000	15,000	4,473,500	68,306,244	4,473,500		(2,000,000)	70,779,744	(8,415,750)	(16,500,000)	45,863,994	
2042	44,775	35	18,805,500	(14,860,000)	3,945,500	-	3,945,500	-	80,000	15,000	4,040,500	70,779,744	4,040,500		(2,000,000)	72,820,244	(8,668,333)	(17,000,000)	47,151,911	
2043	44,775	35	18,805,500	(15,306,000)	3,499,500	-	3,499,500	-	80,000	15,000	3,594,500	72,820,244	3,594,500		(2,000,000)	74,414,744	(8,928,500)	(17,500,000)	47,986,244	
2044	44,775	35	18,805,500	(15,765,000)	3,040,500	-	3,040,500	-	80,000	15,000	3,135,500	74,414,744	3,135,500		(2,000,000)	75,550,244	(9,196,250)	(18,000,000)	48,353,994	

OPTION 2 - CITY OF PALM SPRINGS WASTEWATER TREATMENT PLANT CASHFLOW - RAISE \$29M FOR PROJECT/FUND \$3,750,000 FROM FUND BALANCE (TOTAL PROJECT \$32M PLUS \$750,000 REMAINING DESIGN)

FYE	Monthly	Service	Operating	Net	Debt	Coverage	Remaining	Connection	Interest	Other	Available	Beginning	Available	Bond	Ending	7 Month	Depreciation	Unreserved		
June 30	EDU	Rate	Charge	Expense	Income	Ratio	Balance	Fees	Income	Income	Cashflow	Fund	Cashflow	Proceeds	Fund	Operating	Reserve	Reserve	Fund	
2013	44,200	12	6,364,800																	
2014	44,775	14	7,522,200	(5,544,968)	1,977,232	-	1,977,232	673,754	184,273	24,859	2,860,118	12,764,948	2,860,118		(2,324,022)	13,301,044	(3,234,565)	(3,000,000)	7,066,479	
2015	44,775	16	8,596,800	(6,345,000)	2,251,800	-	2,251,800	300,000	80,000	15,000	2,646,800	13,301,044	2,646,800	29,000,000	(32,750,000)	12,197,844	(3,701,250)	(3,500,000)	4,996,594	
2016	44,775	18	9,671,400	(6,709,000)	2,962,400	(1,800,000)	1,162,400	300,000	80,000	15,000	1,557,400	12,197,844	1,557,400		(2,000,000)	11,755,244	(3,913,583)	(4,000,000)	3,841,661	
2017	44,775	20	10,746,000	(7,095,000)	3,651,000	(1,800,000)	1,851,000	300,000	80,000	15,000	2,246,000	11,755,244	2,246,000		(2,000,000)	12,001,244	(4,138,750)	(4,500,000)	3,362,494	
2018	44,775	21	11,283,300	(7,308,000)	3,975,300	(1,800,000)	2,175,300	-	80,000	15,000	2,270,300	12,001,244	2,270,300		(2,000,000)	12,271,544	(4,263,000)	(5,000,000)	3,008,544	
2019	44,775	22	11,820,600	(7,527,000)	4,293,600	(1,800,000)	2,493,600	-	80,000	15,000	2,588,600	12,271,544	2,588,600		(2,000,000)	12,860,144	(4,390,750)	(5,500,000)	2,969,394	
2020	44,775	23	12,357,900	(7,753,000)	4,604,900	(1,800,000)	2,804,900	-	80,000	15,000	2,899,900	12,860,144	2,899,900		(2,000,000)	13,760,044	(4,522,583)	(6,000,000)	3,237,461	
2021	44,775	24	12,895,200	(7,986,000)	4,909,200	(1,800,000)	3,109,200	-	80,000	15,000	3,204,200	13,760,044	3,204,200		(2,000,000)	14,964,244	(4,658,500)	(6,500,000)	3,805,744	
2022	44,775	25	13,432,500	(8,226,000)	5,206,500	(1,800,000)	3,406,500	-	80,000	15,000	3,501,500	14,964,244	3,501,500		(2,000,000)	16,465,744	(4,798,500)	(7,000,000)	4,667,244	
2023	44,775	26	13,969,800	(8,473,000)	5,496,800	(1,800,000)	3,696,800	-	80,000	15,000	3,791,800	16,465,744	3,791,800		(2,000,000)	18,257,544	(4,942,583)	(7,500,000)	5,814,961	
2024	44,775	27	14,507,100	(8,727,000)	5,780,100	(1,800,000)	3,980,100	-	80,000	15,000	4,075,100	18,257,544	4,075,100		(2,000,000)	20,332,644	(5,090,750)	(8,000,000)	7,241,894	
2025	44,775	28	15,044,400	(8,989,000)	6,055,400	(1,800,000)	4,255,400	-	80,000	15,000	4,350,400	20,332,644	4,350,400		(2,000,000)	22,683,044	(5,243,583)	(8,500,000)	8,939,461	
2026	44,775	29	15,581,700	(9,259,000)	6,322,700	(1,800,000)	4,522,700	-	80,000	15,000	4,617,700	22,683,044	4,617,700		(2,000,000)	25,300,744	(5,401,083)	(9,000,000)	10,899,661	
2027	44,775	30	16,119,000	(9,537,000)	6,582,000	(1,800,000)	4,782,000	-	80,000	15,000	4,877,000	25,300,744	4,877,000		(2,000,000)	28,177,744	(5,563,250)	(9,500,000)	13,114,494	
2028	44,775	31	16,656,300	(9,823,000)	6,833,300	(1,800,000)	5,033,300	-	80,000	15,000	5,128,300	28,177,744	5,128,300		(2,000,000)	31,306,044	(5,730,083)	(10,000,000)	15,575,961	
2029	44,775	32	17,193,600	(10,118,000)	7,075,600	(1,800,000)	5,275,600	-	80,000	15,000	5,370,600	31,306,044	5,370,600		(2,000,000)	34,676,644	(5,902,167)	(10,500,000)	18,274,477	
2030	44,775	33	17,730,900	(10,422,000)	7,308,900	(1,800,000)	5,508,900	-	80,000	15,000	5,603,900	34,676,644	5,603,900		(2,000,000)	38,280,544	(6,079,500)	(11,000,000)	21,201,044	
2031	44,775	34	18,268,200	(10,735,000)	7,533,200	(1,800,000)	5,733,200	-	80,000	15,000	5,828,200	38,280,544	5,828,200		(2,000,000)	42,108,744	(6,262,083)	(11,500,000)	24,346,661	
2032	44,775	35	18,805,500	(11,057,000)	7,748,500	(1,800,000)	5,948,500	-	80,000	15,000	6,043,500	42,108,744	6,043,500		(2,000,000)	46,152,244	(6,449,917)	(12,000,000)	27,702,327	
2033	44,775	35	18,805,500	(11,389,000)	7,416,500	(1,800,000)	5,616,500	-	80,000	15,000	5,711,500	46,152,244	5,711,500		(2,000,000)	49,863,744	(6,643,583)	(12,500,000)	30,720,161	
2034	44,775	35	18,805,500	(11,731,000)	7,074,500	(1,800,000)	5,274,500	-	80,000	15,000	5,369,500	49,863,744	5,369,500		(2,000,000)	53,233,244	(6,843,083)	(13,000,000)	33,390,161	
2035	44,775	35	18,805,500	(12,083,000)	6,722,500	(1,800,000)	4,922,500	-	80,000	15,000	5,017,500	53,233,244	5,017,500		(2,000,000)	56,250,744	(7,048,417)	(13,500,000)	35,702,327	
2036	44,775	35	18,805,500	(12,445,000)	6,360,500	(1,800,000)	4,560,500	-	80,000	15,000	4,655,500	56,250,744	4,655,500		(2,000,000)	58,906,244	(7,259,583)	(14,000,000)	37,646,661	
2037	44,775	35	18,805,500	(12,818,000)	5,987,500	(1,800,000)	4,187,500	-	80,000	15,000	4,282,500	58,906,244	4,282,500		(2,000,000)	61,188,744	(7,477,167)	(14,500,000)	39,211,577	
2038	44,775	35	18,805,500	(13,203,000)	5,602,500	(1,800,000)	3,802,500	-	80,000	15,000	3,897,500	61,188,744	3,897,500		(2,000,000)	63,086,244	(7,701,750)	(15,000,000)	40,384,494	
2039	44,775	35	18,805,500	(13,599,000)	5,206,500	(1,800,000)	2,899,500	-	80,000	15,000	3,501,500	63,086,244	3,501,500		(2,000,000)	64,587,744	(7,932,750)	(15,500,000)	41,154,994	
2040	44,775	35	18,805,500	(14,007,000)	4,798,500	(1,800,000)	2,998,500	-	80,000	15,000	3,093,500	64,587,744	3,093,500		(2,000,000)	65,681,244	(8,170,750)	(16,000,000)	41,510,494	
2041	44,775	35	18,805,500	(14,427,000)	4,378,500	-	4,378,500	-	80,000	15,000	4,473,500	65,681,244	4,473,500		(2,000,000)	68,154,744	(8,415,750)	(16,500,000)	43,238,994	
2042	44,775	35	18,805,500	(14,860,000)	3,945,500	-	3,945,500	-	80,000	15,000	4,040,500	68,154,744	4,040,500		(2,000,000)	70,195,244	(8,668,333)	(17,000,000)	44,526,911	
2043	44,775	35	18,805,500	(15,306,000)	3,499,500	-	3,499,500	-	80,000	15,000	3,594,500	70,195,244	3,594,500		(2,000,000)	71,789,744	(8,928,500)	(17,500,000)	45,361,244	
2044	44,775	35	18,805,500	(15,765,000)	3,040,500	-	3,040,500	-	80,000	15,000	3,135,500	71,789,744	3,135,500		(2,000,000)	72,925,244	(9,196,250)	(18,000,000)	45,728,994	

# **ATTACHMENT 4**

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, PLEDGING ITS WASTEWATER ENTERPRISE FUNDS AS PAYMENT TO THE STATE WATER RESOURCES CONTROL BOARD UNDER THE CLEAN WATER STATE REVOLVING FUND FOR THE CITY OF PALM SPRINGS WASTEWATER TREATMENT PLANT UPGRADE, CITY PROJECT NO. 15-14

**WHEREAS**, the City of Palm Springs, (the "City"), desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its wastewater system, including certain treatment facilities, pipelines and other infrastructure, identified as the City of Palm Springs Wastewater Treatment Plant Upgrade, City Project No. 15-14, (the "Project"); and

**WHEREAS**, the City intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (the "State Water Board"); and

**WHEREAS**, the State Water Board may fund the Project Funds through its Clean Water State Revolving Fund ("CWSRF"), and

**WHEREAS**, the CWSRF can provide a very low interest loan to the City for Project Funds necessary to fund the Project; and

**WHEREAS**, it is necessary to pledge the City's Wastewater Enterprise Funds as payment to the State Water Board for the Project Funds made available to the City through the CWSRF.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council hereby dedicates and pledges the Net Revenues of the Wastewater Enterprise fund and the Wastewater Enterprise fund to payment of any and all Clean Water State Revolving Fund financing for the Project.

**SECTION 2.** The City Council hereby commits to collecting such revenues and maintaining such funds throughout the term of such financing and until the City has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board.

Resolution No. \_\_\_\_\_

Page 2

**SECTION 3.** The City Council hereby acknowledges that the City's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing funds and revenues without any further action necessary, so long as the financing agreement is outstanding.

**SECTION 4.** The City Council hereby commits to maintaining the funds and revenues at levels sufficient to meet its obligations under the financing agreement, so long as the financing agreement is outstanding.

ADOPTED THIS \_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
David H. Ready, City Manager

ATTEST:

\_\_\_\_\_  
James Thompson, City Clerk

#### CERTIFICATION

STATE OF CALIFORNIA )  
CITY OF PALM SPRINGS )      ss.

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on \_\_\_\_\_, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
James Thompson, City Clerk