City of Biggs

Agenda Item Staff Report
For Regular City Council Meeting
June 11, 2013 6:30 PM

DATE: June 6, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Steve Speights, City Engineer

SUBJECT: Wastewater Treatment Plant Application for State Revolving Fund Loan(SRF) Revised Operating Budget Projections for Financing the Wastewater Treatment Plant Upgrade Phase 1

Requested Action:

Staff requests Council adopt the attached Resolution as part of the City application for financing under the SRF program of the State Water Quality Control Board.

Background:

The City Council at its April meeting approved an Operating Budget for the SRF Phase 1 funding application. The Operating Budget approved was based on the FY 2012-2013 adopted sewer budget. The actual revenue and expenditures are now available and the Operating Budget has been revised based the FY12/13 actual. Both current year and future projections have been revised. The primary difference is the revenue received in FY 2012/13 is less than budgeted. The revised Operating Budget still demonstrates the future revenue stream is sufficient for O&M expenses and additional debt service payments.

Attachments:

Resolution 2013-20, a Resolution approving Projected Sewer Enterprise Operating Budgets.

Fiscal Impact:

There is no fiscal impact by this action. The fiscal impact will come later with the approval of a loan agreement and increase in sewer service charges to pay back the loan.

RESOLUTION NO. 2013-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS APPROVING REVISED PROJECTED SEWER ENTERPRISE OPERATING BUDGETS FOR CLEAN WATER STATE REVOLVING FUND FINANCING OF THE WASTEWATER TREATMENT PLANT UPGRADE – PHASE 1

WHEREAS, the City of Biggs has applied for financing of the Wastewater Treatment Plant Upgrade – Phase 1, to the Clean Water State Revolving Fund (CWSRF); and,

WHEREAS, the CWSRF requires projection of operating budgets to evaluate the ability to repay of any financial assistance (except for grants); and,

WHEREAS, the **City Council** of the **City of Biggs** previously approved projected operating budgets based on the FY 2012/2013 adopted Budget ;and,

WHEREAS, actual revenue and expenses are now available; now therefore,

BE IT RESOLVED, that the **City Council** of the **City of Biggs** hereby approves the Revised Phase 1 projected sewer enterprise operating budgets attached hereto

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I HEREBY CERTIFY that the forgoing **RESOLUTION** was duly introduced, passed, and adopted at the regular meeting of the City Council of the **City of Biggs** held on the 11th of June, 2013 by the following vote.

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST:

_____

Roben Dewsnup
CITY CLERK

APPROVED:

_____

Roger Frith
MAYOR

PHASE 1

USDA-RD
Form RD 442-7
(Rev. 3-02)

Position 3

Form Approved
OMB No. 0575-0015

OPERATING BUDGET (REV. 6/6/13)

Schedule 1

Name	Address	
City of Biggs	3016 Sixth St	PHASE 1
Applicant Fiscal Year From 07-01 To 06-30	**County** Butte	**State** *(Including ZIP Code)* Ca. 95917

	20 1213	20 1314	20 1415	20 1516	First Full Year
OPERATING INCOME	(1)	(2)	(3)	(4)	(5)
1. Service Charges	$213,800.00	$402,350.00	$425,900.00	$489,640.00	$529,800.00
2. Improvement Fees	$58,824.00	$64,250.00	$65,900.00	$67,940.00	$68,350.00
3. Connection Fees					
4.					
5. Miscellaneous					
6. Less: Allowances and Deductions	( )	( )	( )	( )	( )
7. Total Operating Income *(Add Lines 1 through 6)*	$272,624.00	$466,600.00	$491,800.00	$557,580.00	$598,150.00
OPERATING EXPENSES					
8. Personnel	$133,000.00	$135,900.00	$140,000.00	$146,000.00	$150,600.00
9. Supplies	$65,800.00	$62,000.00	$63,000.00	$53,000.00	$54,500.00
10. Repairs	$9,600.00	$10,000.00	$10,000.00	$16,500.00	$17,000.00
11. Utilities	$5,000.00	$5,000.00	$5,800.00	$13,500.00	$14,000.00
12. Misc/ Licenses/ Permits	$5,400.00	$5,800.00	$6,000.00	$6,200.00	$6,500.00
13. Professional Services	$28,900.00	$30,000.00	$30,000.00	$31,000.00	$32,000.00
14.					
15. Interest *(RD)*	$44,000.00	$40,000.00	$40,000.00	$40,000.00	$40,000.00
16. Depreciation	$36,000.00	$40,000.00	$39,000.00	$39,000.00	$40,000.00
17. Total Operating Expense *(Add lines 8 through 16)*	$327,700.00	$328,700.00	$333,800.00	$345,200.00	$354,600.00
18. NET OPERATING INCOME *(LOSS) (Line 7 less 17)*	($55,076.00)	$137,900.00	$158,000.00	$212,380.00	$243,550.00
NONOPERATING INCOME					
19.					
20.					
21. Total Nonoperating Income *(Add Lines 19 and 20)*	$0.00	$0.00	$0.00	$0.00	$0.00
22. NET INCOME *(LOSS) (Add Lines 18 and 21) (Transfer to Line A Schedule 2)*	($55,076.00)	$137,900.00	$158,000.00	$212,380.00	$243,550.00

Budget and Projected Cash Flow Approved by Governing Body

Attest: _____ _____
Secretary *Date*

_____ _____
Appropriate Official *Date*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponser, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

PHASE 1

Schedule 2

PROJECTED CASH FLOW (REV. 6/6/13)

	20 1213	20 1314	20 1415	20 1516	First Full Year
A. Line 22 from Schedule 1 Income *(Loss)*	($55,076)	$137,900	$158,000	$212,380	$243,550
Add					
B. Items in Operations not Requiring Cash:					
1. Depreciation *(Line 16, Schedule 1)*	$36,000	$40,000	$39,000	$39,000	$40,000
2. Others:					
C. Cash Provided from:					
1. Proceeds from RD loan/grant					
2. Proceeds from others		$2,292,700	$53,500		
3. Increase *(Decrease)* in Accounts Payable, Accruals and other Current Liabilities					
4. Decrease *(Increase)* in Accounts Receivable, inventories and Other Current Assets *(Exclude Cash)*					
5. Other: City Cash Contribution	$200,000				
6.					
D. Total all A, B and C Items	$180,924	$2,470,600	$250,500	$251,380	$283,550
E. ***Less:*** Cash Expended for:					
1. All Construction, Equipment and New Capital Items *(Loan and grant funds)*		$1,900,000	$50,000		
2. Replacement and Additions to Existing Property, Plant and Equipment					
3. Principal Payment RD Loan					
4. Principal Payment Other Loans		$18,600	$44,800	$86,000	$90,000
5. Other: Professional services	$642,000	$55,000	$15,000		
6. Total E 1 through 5	$642,000	$1,973,600	$109,800	$86,000	$90,000
Add					
F. Beginning Cash Balances	($118,300)	($579,376)	($82,376)	$58,324	$223,704
G. Ending Cash Balances *(Total of D minus E 6 plus F)*	($579,376)	($82,376)	$58,324	$223,704	$417,254
Item G Cash Balances Composed of:					
Construction Account	($538,776)	($82,376)	$26,324	$193,704	$406,954
Revenue Account					
Debt Payment Account					
O&M Account	($40,600)				
Reserve Account			$32,000	$30,000	$10,300
Funded Depreciation Account					
Others:					
Total - Agrees with Item G	($579,376)	($82,376)	$58,324	$223,704	$417,254