

## D. Funding of District Projects

### Clean Water Fund

- Contacted CWF to prepare loan payment schedules for both CWF District projects and was able to get an estimated payback schedule based upon project cost opinions
- CWF Interest rates currently offered are extremely favorable at 1.485%
- CWF payments begin with interest only due during construction with principal and interest payments starting after the project is completed and closed out

### Interceptor Action Plan

- Project est from SMS in 2018 dollars = \$22M
- Annual debt service owed will be \$1.465M per year to begin the year after project close out
- Estimated impact based on the HOVMSD budget increase to meet additional debt service

2021 Budget = 6,750,233 + 1,456,500 = 8,215,233 or an overall increase of 21.7% (Simple method)

- Initial interceptor construction was paid for with CWF and allocated according to the "Reach method"
- All past interceptor maintenance projects were paid for in two ways: undesignated District reserves and Marine manhole barrels/jackets and CIPP through District CWF loan
- District reserves are accumulated through sewer rates on annual budget lines not completely spent
- The CWF loan is repaid through sewer rates with an allocation of 100% to the flow parameter
- As the interceptor exists solely to carry sewage flow to the WWTF the allocation to the flow parameter is still on point today
- Suggested allocation of IAP debt service: 100% Flow parameter

### Cloth Media Disk Filter Project

- Project est from Donohue report = \$12M plus O&M costs
- Annual debt service will be \$764k plus \$276k in operating costs

2021 Budget = 6,750,233 + 1,040,000 = 7,790,233 or an overall increase of 15.4% (Simple method)

- The operating costs are estimated electrical and chemical costs for mixing and flocculation of remaining solids and phosphorus. Also in the operating costs are additional monies for both more solids capture, treatment, and disposal costs
- The filter project is necessitated by TMDL requirements for phosphorus and suspended solids. The operating costs will be captured in the budget line for electricity, polymer, and iron salt. The allocation of the debt service should be implemented similarly to the treatment plant upgrade based on what is treated or removed

Suggested allocation of CMDF debt service: 35% phosphorus, 35% suspended solids, 15% BOD, 15% Flow

The CMDF filters do not remove ammonia or chlorides so no allocation is recommended to those parameters.