

A RESOLUTION OF THE ANASTASIA
SANITARY DISTRICT AND OF ST.
JOHNS COUNTY PERTAINING TO
FINANCING ANASTASIA SANITARY
DISTRICT AND ST. JOHNS COUNTY
WATER AND SEWER IMPROVEMENTS.

WHEREAS, the Anastasia Sanitary District and the St. Johns
County "mainland" water utility system both have a need to obtain
funds to finance needed water and sewage facilities; and

WHEREAS, the attached document titled Program Planning
Conference - September 3, 1987 has been reviewed by staff and by
the members of the Board of County Commissioners of St. Johns County

NOW THEREFORE, BE IT RESOLVED this 8th day of September, 1987,
that the Anastasia Sanitary District and St. Johns County both hereby
approve the contents of the attached Program Planning Conference,
including the members of the Project Team described therein, and
further authorize the filing of appropriate financial assistance
applications through the United States Farmers Home Administration.

Be It Further Resolved that R. Daniel Castle, in his capacities
as County Administrator and/or Anastasia Sanitary District
Administrator, is hereby designated and approved as the Authorized
Representative to execute documents on behalf of the Anastasia
Sanitary District and/or St. Johns County concerning the subject
matter of the attached Program Planning Conference.

BOARD OF COUNTY COMMISSIONERS
as the governing body of
Anastasia Sanitary District
OF ST. JOHNS COUNTY, FLORIDA

BY: Phyllis L. Lydon
Its Chairman

ATTEST: CARL "BUD" MARKEL, CLERK

By: Cheryl Kent
Deputy Clerk

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

BY: Phyllis L. Lydon
Its Chairman

PROGRAM PLANNING CONFERENCE

September 3, 1987

ANASTASIA SANITARY DISTRICT

1. Water System Improvements - \$1,644,000
2. Wastewater System Improvements - \$1,561,000

MAINLAND WATER SYSTEM

1. Water System Improvements - \$3,540,000
2. Initial Wastewater System Construction - \$1,627,000

AGENDA - CONFERENCE OUTLINE

1. Introduction
2. Description of Projects
3. Project Costs
4. Financing Capital Costs
5. Project Team
6. Preapplication - Application Schedule
7. Requests for Authorization of Engineering Services -
Preapplications and Applications

INTRODUCTION

The Engineers have previously met with staff and have made two presentations to the County Commission relative to needs for major near-term capital improvements to the existing Anastasia Sanitary District systems and the Mainland Water System. The Engineers have also recommended and the Commission has voted to proceed with development of an initial-phase Mainland Sewage System to serve the I95-S.R. 207 interchange and a "service corridor" along S.R. 207 northeastward to Dobbs Road.

Engineering planning efforts for the program were held in abeyance while the County advertised for and selected engineers and negotiated an engineering services agreement, all as required by the "Consultants' Competitive Negotiations Act" (F.S. 287.055). These activities culminated in St. Johns County's entering a "General Agreement for Consulting Engineering Services - Mainland Water System" with Robert Bates & Associates, Inc., dated August 11, 1987.

In the interim, Mr. J. L. Harrington, P. E., Robert Bates & Associates, Inc., has:

- (1) Met with Farmers Home Administration (Mr. Charles Nichols, District Director, Ocala) on August 14, 1987, receiving initial favorable response with respect to potential for commitment of FmHA funding for projects structured into four separate applications as indicated on the cover sheet.
- (2) Prepared "Notification of Intent" forms for forwarding to the State Planning Clearinghouse as required by Office of Management and Budget Circular A-95 as an initial step in application for Federal financial assistance. The four (4) separate forms were executed by Mr. Castle in the County's behalf and forwarded to Mr. Ron Fahs of the State of Florida Office of Planning and Budget, on August 19, 1987.
- (3) Informally discussed the program and initial steps to date with Administrative, Financial, Utilities and Legal staffs, Commissioners, and outside parties who may potentially be involved in prosecution of the programs.

The Engineers have requested this conference with responsible staffs to report and discuss actions to date; to obtain common agreements as to the content and structure of the proposed programs; and to develop personnel assignments and timetables for accomplishment of final successful FmHA financing applications.

DESCRIPTION OF PROJECTS

1. General:

The recommended programs are comprised of the projects which the Engineers consider to be the most critical system needs. To an extent the total scope of each program reflects explicit or implied guidance from Mr. Nichols to Mr. Harrington as to the magnitude of initial financial commitment which might reasonably be anticipated. In no case should these programs be considered "ultimate" solutions to utilities needs. In all cases, as growth and development in the service areas continue, additional projects will be needed to augment the systems' service capabilities. Note however that customer growth generates revenues from connection charges (to capital improvements accounts) and as "net system revenues" available to amortize additional future debt. The systems, thus, are generally planned to grow in parallel with availability of revenues or funding sources to finance costs of such further growth.

2. Anastasia Sanitary District Water System Improvements:

<u>Project No.</u>	<u>Description</u>	<u>Estimated Cost</u>
RW-3	20-inch Raw Water Main, including Mantanzas River crossing	\$ 1,440,000
WS-1	Two (2) shallow wells (300 gpm each)	72,000
WS-3	One (1) deep well (1000 gpm)	<u>132,000</u>
	Program Totals	\$ 1,644,000

3. Anastasia Sanitary District Wastewater System Improvements:

<u>Project No.</u>	<u>Description</u>	<u>Estimated Cost</u>
A-1	Expand Liquid Phase Treatment Capacity to 4.0 mgd	\$ 1,267,000
A-4	New Master Influent Pumping Station	216,000
A-5	Parallel Existing Force Main in 16th Street, Existing 16th Street P.S. to New Master P.S.	54,000
A-6	Demolish Existing 16th Street P.S.	<u>24,000</u>
	Program Totals	\$ 1,561,000

4. Mainland Water System Improvements:

<u>Project No.</u>	<u>Description</u>	<u>Estimated Cost</u>
WT-1	3.5 mgd Treatment Plant, Lime Softening - Dobbs Road Site	\$ 2,520,000
FS-1	1.4 MG Ground Storage Reservoir at Dobbs Road Site	420,000
SP-1	Service Pumping Station - Dobbs Road Site	<u>600,000</u>
	Program Totals	\$ 3,540,000

5. Mainland Wastewater System Initial Program

<u>Project No.</u>	<u>Description</u>	<u>Estimated Cost</u>
M-1	Initial Phase Plant (0.25 mgd)	\$ 816,000
M-2	Effluent Pipeline to Golf Course	82,000
M-4	Jack and Bore Crossing of S.R. 207	10,000
M-5	S.R. 207 Force Main, Plant to Dobbs Road	565,000
M-7	Pumping Station, S.R. 207 near Foxhill Estates	<u>154,000</u>
	Program Totals	\$ 1,627,000

6. Summary

Estimated costs include estimated construction, technical services and contingency @ 10% ± of estimated construction cost. Any unused contingency funds may be used for other needed improvements to the respective systems. There is also a possibility of obtaining supplemental funding once initial commitments have been made.

Other high-priority items (projects) include:

- WT-3 Modify ASD Water Plant to Increase Capacity to 3.5 mgd
- WT-4 Mechanical Dewatering System for Lime Sludge - ASD Water Plant
- A-2 Mechanical Dewatering System, ASD Wastewater Plant
- A-3 Effluent Pumps and Pipeline to Marsh Creek Golf Course
- M-3 Sludge Tank Truck, for Mainland Wastewater Plant
- M-6 Force Main paralleling I-95, Mainland Plant to S.R. 16
- M-8 Wastewater Pumping Station, I-95 Easement near S.R. 214

FINANCING

As indicated in the Introduction, initial steps have been taken to obtain financial commitments from Farmers Home Administration, U.S. Department of Agriculture - Community Facilities Loans and Grants. It is considered a certainty that all assistance for both Anastasia Sanitary District programs and the Mainland Water System program will be in the form of loans. We have been encouraged that the Mainland Wastewater System Program may be awarded grant as well as loan funds.

The interest rate charged for Community Facilities Loans is the lesser of the rates in effect at the time of: (1) funding commitment, or (2) loan closing. Rates are adjusted quarterly and are reflective of the average rates of the Municipal Bond Index. The current rate for the quarter, July 1 through September 30, 1987, is 7.25 percent, subject to adjustment October 1, 1987, and at quarterly intervals thereafter.

We believe that FmHA loan financing, to the greatest extent obtainable, is in St. Johns County's best interests because:

- (1) The interest rates compare favorably with those obtained from commercial sources.
- (2) The required debt service coverage factor (1.1 x annual principal and interest payment) is less than typically required for publicly sold or privately placed revenue bond issues. The effect is that net system revenues, gross system revenues and user charges may be less with FmHA Community Facilities Loan financing.

Typically, FmHA will require the loan applicant to obtain interim financing to pay current costs of project development until facility construction is substantially complete. At that point the Community Facilities Loan is closed and proceeds are used to repay the interim financing debt.

PROJECT TEAM

Successful pursuit and utilization of FmHA Community Facilities Loan funding requires important inputs of information and effort of various responsible parties. Affected areas of responsibility include administrative, financial, legal, technical (engineering) and interim financing. Based on the successful completion of the Anastasia Sanitary District programs in 1983-1985, it is considered prudent to keep the identical project team intact to the greatest extent possible. Consequently, it is recommended that responsibilities be assigned/delegated as follows:

Administrative: R. Daniel Castle, St. Johns County Administrator (a)
Financial: Overview - Henry Hendrix, County Finance Director
Working Inputs - Lavon Wisher, County Finance Consultant
Legal: Applicant/Owner's Attorney, James Sisco
Bond Counsel - Tom Slade (b)
Technical Services (Engineering): Robert Bates & Associates, Inc.
Interim Financing: Bill Weathers, Southeastern Municipal Finance (b)

Notes:

- (a) It is suggested that the Commission by resolution authorize the filing of financial assistance applications and designate the County Administrator as "authorized representative" to execute documents in the Owner's behalf.
- (b) It is suggested that Mr. Sisco determine if contracting for services in this capacity requires public advertising, competitive selection and negotiation (per F.S. 287.055) and, if so, that the County take timely steps to complete these actions.

PREAPPLICATION - APPLICATION SCHEDULES

1. General:

This Section outlines contents required by FmHA to constitute complete preapplication and application packages. Each component item is "assigned" a team member and a target date for completion to assure that submittals of preapplications and applications are accomplished as soon as reasonably possible.

2. Preapplications:

<u>Component Item</u>	<u>Team Member</u>	<u>Target Date</u>
a. Form AD-621/S.F.-424-Preapplication	Bates-prepare Castle-execute	09-20-87 09-20-87
b. Clearinghouse Comments	Castle	09-30-87
c. Evidence of Legal Organization	Sisco	09-20-87
d. Florida Guide 6 - Information on Existing Water and/or Sewer Users	Wisher-Hendrix and Jones support	09-30-87
e. Form FmHA 442-3, Balance Sheet	Wisher	09-30-87
f. Schedule and Status of Outstanding Financial Obligations	Wisher-Hendrix Support	09-30-87
g. Certified Copies of Outstanding Bond Ordinances	Sisco	09-20-87
h. Evidence Relative to Availability of Commercial Credit	Castle-Weathers Support	09-30-87
i. Florida Guide 16, Certification of Prior Indebtedness	Wisher-prepare Castle-execute	09-20-87
j. Copies of audits past three years	Hendrix	09-20-87

Target Submittal Date: October 1, 1987

3. Applications:

<u>Component Item</u>	<u>Team Member</u>	<u>Target Date</u>
a. Form AD-621/S.F.-424-Application	Bates-prepare Castle-execute	12-15-87 12-15-87
b. Environmental Information Document	Bates	12-01-87
c. Engineering Report (FmHA Format)	Bates	12-01-87
d. Resolution to Apply	Castle	12-15-87
e. Engineering Services Contract (FmHA Std.)	Bates	12-01-87
f. Legal Services Contract (FmHA Standard)	Sisco	12-01-87
g. Guide 11 - Adoption of Water and Sewerage Rates	Wisher-prepare Commission adopt	12-15-87
h. Other - as required by FmHA when Preapplications are approved	To be assigned	<u> </u>

Target Submittal Date: December 15, 1987