APPENDIX H:

State Revolving Fund (SRF) Requests for Inclusion

Islamorada,
Village of Islands

May 18, 2012

Florida Department of Environmental Protection
Bureau of Water Facilities Funding
ATTN: Timothy Banks, Program Administrator
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

RE: State Revolving Fund (SRF) Loan Program
Request for Inclusion (Construction)

Dear Mr. Banks:

Please find enclosed a signed original Request for Inclusion for a construction State Revolving Fund Loan for Islamorada, Village of Islands' village-wide wastewater system project.

An electronic copy has also been sent to your attention.

Thank you for your consideration. Please feel free to contact me should you have any questions or require additional information.

Sincerely,

Ariana S. Lawson
Procurement & Grants Administrator
Ph: (305) 664-6450
Email: ariana.lawson@islamorada.fl.us

Enclosure

Request for Inclusion

Florida Department of Environmental Protection
Bureau of Water Facilities Funding

Twin Towers Office Bldg. 2600 Blair Stone Road MS 3505 Tallahassee, Florida 32399-2400

Project Number: ____________ (Filled in by DEP) Affordability Index: ____________ (Filled in by DEP)

Type of loan applying for: Pre-construction ☐ Construction ☒

1. Applicant's Name and Address.

Project Sponsor: Islamorada, Village of Islands

86800 Overseas Highway
(street)

Islamorada (city) **Monroe** (county) **33036** (zip code)

Contact Person: Ariana Lawson, Procurement & Grants Adminstrator

86800 Overseas Highway
(street)

Islamorada (city) **Monroe** (county) **33036** (zip code)

(305) 664-6450 (telephone) 305-664-6465 (fax) ariana.lawson@islamorada.fl.us (e-mail)

2. Name and Address of Applicant's Consultant (if any).

Firm: RBC Capital Markets, LLC Contact Person Julie Santamaria

100 2nd Ave. S., Ste. 800
(street)

St. Petersburg (city) **Pinellas** (county) **33701-4337** (zip code)

(727) 895-8871 (telephone) (727) 895-8895 (fax) julie.santamaria@rbccm.com (e-mail)

3. Certification by Authorized Representative: I certify that this form and attachments have been completed by me or at my direction and that the information presented herein is, to the best of my knowledge, accurate.

Edward Koconis (signature) 5-18-12 (date)

Edward Koconis (name, typed) Village Manager (title)

Request for Inclusion

4. Eligible Projects.

a. A project may encompass urban stormwater management facilities, such as detention/retention facilities, treatment facilities, etc. sponsored by a local government (eligible under Section 212 of the amended Clean Water Act).

b. A project may encompass wastewater management facilities, such as sewers, pump stations, treatment plants, reuse facilities, sludge facilities, etc. sponsored by a local government (eligible under Section 212 of the amended Clean Water Act).

c. A project may encompass nonpoint source pollution control best management practices for agriculture, silvaculture, on-site treatment and disposal, wetlands, mining, marinas, brownfields or groundwater protection sponsored by any entity (eligible under Section 319 or 320 of the amended Clean Water Act).

To be eligible for listing on the fundable part of the integrated priority list, the project component(s) must be specifically identified in a planning document. If the planning has been completed for this project, note the title and date, and reference the page numbers or other location at which the specific facilities are described.

Village of Islamorada Wastewater Management Plan	May 2012	Section 4.0 Proposed Facilities
(title)	(date)	(reference page or other location)

5. Project Information (Please Attach).

a. Describe the project, its location, the scope, why it's needed and the environmental benefit.

b. Attach maps showing system boundaries, existing and proposed service area, and project area.

c. Census tract numbers of the existing and proposed service area. List in item 12 below.

d. List any NPDES permit number associated with this project. None at this time.

6. Estimated Costs (Clean Water Act Section 212, 319, and 320).

a.	Construction, Equipment, Materials, Demolition and Related Procurement	$92,580,000
b.	Eligible Land	$0
c.	Other: explain (Contingency Eligible)	$11,155,000
d.	Contingency (10% for Items a. through c. if costs are unknown, otherwise 5% for a. and c.)	$5,186,750
e.	Technical Services during Construction	$10,405,880
f.	Special Studies	$5,670,000
g.	Sum of Items a. through f.	$124,997,630
h.	Allowance: ((25 – natural log of costs in a) x Costs in a / 100). For design build projects the allowance is 30% of the calculated amount. [see Rule 62-503(300)(5)]	$1,848,753
i.	Total (sum of Items g. and h.)	$126,846,383

7. Prioritization.

a. Default Minimum Priority

☐ Check here if applying for a default minimum priority score (100 points) and skip to Item 10 below.

b. Baseline Priority Category

☒ Check here if applying for a priority determination under Rule 62-503.600, F.A.C., and provide appropriate information. Identify the category score(s) for which the project qualifies and reference the location in the planning documentation where substantiating information may be found or attach other such substantiating information. Note that when a project justifies different base scores, the highest base score is to be used. The total of the base scores is not to be used.

Project Category (Base Score)		Reference
Reduce documented public health hazard (500 points). • Page 6 must be annotated and signed by the Director of the County Health Department. • Examples: elimination of failing septic tanks or failing package plants or elimination of SSO.	☐	*Page 6 Certification*
Protect groundwater or surface water (400 points). • Examples: upgrade in level of treatment, elimination of SSO (in the absence of a documented public health hazard), laws requiring the elimination of a discharge from specific water bodies, I/I correction.	☒	Ch. 99-395, Florida Law, as amended, and SB 550
Promote reclaimed water or residuals reuse (300 points) • Examples: constructing new or expanded reuse facilities for beneficial reuse of treated wastewater/stormwater or residuals.	☐	
Compliance with enforceable standards or requirements (200 points). • Examples: state or federal Consent Orders or Administrative Agreements, temporary operating permits with enforceable schedules and requirements, or new state or federal regulations.	☐	
All other (100 Points) • Example: treatment plant rehab/expansion, major sewer rehab/replacement, new collection sewers, or new transmission mains.	☐	

8. Restoration and Protection of Special Water Bodies.

In order to qualify for a base score multiplier identify which of the water bodies listed below that the project will assist in restoring or protecting and reference the location in existing documentation where substantiating information may be found or attach other such substantiating information. If none are selected the multiplier equals 1.0. If one or more are selected the multiplier is 1.2.

Water Body		Reference
A priority water body identified in an adopted Surface Water Improvement and Management (SWIM) Plan.	☒	SWIM Priority Waterbody: Florida Keys http://www.dep.state.fl.us/water/watersheds/swim.htm
A water body classified as Outstanding Florida Waters.	☒	Outstanding Florida Waters Facts Sheet: Florida Keys http://www.dep.state.fl.us/water/wqssp/ofw.htm, 62-302.700(9)(i)13
A water body identified under the National Estuary Program.	☐	
A water body classified as Wild and Scenic Rivers.	☐	
A water body located in a priority watershed established under the Unified Watershed Assessment Program	☐	

9. Cost-to-benefit Index.

Project priority scores (base category scores adjusted for waterbody restoration and protection) are multiplied by an index as detailed below. Note that Bureau of Water Facilities Funding personnel are available to assist in the computation of the index.

a. Total Project Cost (Item 6. above) in units of $1,000 (e.g., $1,000,000 is 1,000) expressed to the nearest whole number is $126,847.00

b. Highest base category score (from Item 7. above) multiplied by the waterbody restoration/protection factor (from Item 8. above) is 480

c. Cost-to-benefit ratio (Item a. divided by Item b.) expressed to nearest 0.01 is 264.26

d. Natural logarithm of cost-to-benefit ratio (Item c.) expressed to the nearest 0.001 is 5.577

e. Index computed as [1.20 – 0.021 x Natural logarithm] (from Item d.) and expressed to nearest 0.01 is 1.16

10. Small Community Economic Hardship

If the project will serve a small community (population less than 20,000 as of the most recent decennial census) and the affordability index for that community is less than 100, an economic hardship exists. Ten points will be added to the priority score in recognition of the economic hardship after the appropriate multipliers under Items 8 and 9 have been applied.

11. Priority Score

a. Base Score from 7 above. 400

b. Restoration and Protection of Special Water Bodies multiplier from 8 above. 1.2

c. Cost-to-benefit Index from 9 above. 1.16

d. Small Community Economic Hardship points from 10 above. 0

e. Priority Score is (a x b x c + d) or if default minimum is selected score is (100 + d). 558.68

12. Affordability Index. The affordability index will be determined by the Department using census tract information from the most recent decennial census for the community to be served to determine the financing rate under Rule 62-503.300(9)(a), F.A.C.. List the census tracts for the area served and proposed to be served by the project.

Census Tracts: 9708, 9709

13. Project Schedule.	(Month and Year)
a. Complete the planning documentation	May 2012
b. Complete the design documents (if necessary)	February 2013
c. Obtain a permit or intent to issue a permit (if necessary) for construction or other activity	May 2013
d. Obtain all required project sites	May 2013
e. Start activity (such as construction or non-structural best management practice)	July 2012
f. Complete activity (such as construction or non-structural best management practice)	March 2014

14. Loan Application and Loan Execution Schedule

Completed Loan Application and Executed Loan Agreement Considerations

In situations described in Rule 62-503.430(1)(b)., F.A.C., late submittals could have adverse consequences. The certification required, under Item 3 above, from the Authorized Representative as part of this form includes the project sponsor's commitment to meet the submittal requirements for the completed loan application and for executing a loan agreement.

Note the following activities associated with completing a loan application:

a. Establish pledged revenues and designate an Authorized Representative.

b. If requested, submit EPA Compliance Report (relating to service area demographics).

c. Establish project schedule.

d. Provide financial information for each source of pledged revenue as follows: Actual revenues and expenditures for the last two fiscal years, and forecast revenues and debt coverage demonstrating the availability of pledged revenues for loan repayment.

e. Address the availability of pledged revenues for loan repayment, and the subordination of the pledge if pledged revenues are subject to a prior or parity lien.

f. Provide information concerning liens on the pledged revenues that have prior or parity status. Information is to be provided for each of the last two fiscal years and estimated throughout the loan repayment period. Describe each obligation, the amount, and repayment terms. Provide resolutions, ordinances, or other documentation recognizing the seniority or parity of unissued debt.

	(Month/Year)
• Submit complete loan application (shall be submitted within 120 days of project listing on the fundable list).	June 2012
• Anticipated date that loan agreement will be delivered for the Department's execution (shall be executed within 210 days of project listing on the fundable list).	Sept 2012

15. Return completed form to the Bureau of Water Facilities Funding, 2600 Blair Stone Road, MS #3505, Tallahassee, Florida 32399-2400. Information may also be sent by FAX at (850) 245-8411.

CERTIFICATION THAT THE PROJECT WILL REDUCE A PUBLIC HEALTH HAZARD

Attach the following information noting that each item must be specifically addressed:

(a) Description of existing conditions

(b) Specific location of the hazard and proposed project, including a sketch or map.

(c) Extent of the hazard (for example, area involved and severity of problem).

(d) Frequency of occurrence (for example, the approximate number of days during the year that the hazard exists)

(e) Identification of the toxics, pathogens, or other contaminants causing the health hazard.

(f) Explanation of how the project will reduce or eliminate the hazard.

I hereby certify that a documented public health hazard exists and that the information presented herein and attached hereto is accurate. (Certification is required by the Director of the County Health Department.)

______________________________ ____________________

(signature) (date)

______________________________ ____________________

(name, typed) (title)

____

(agency)

____

(address)

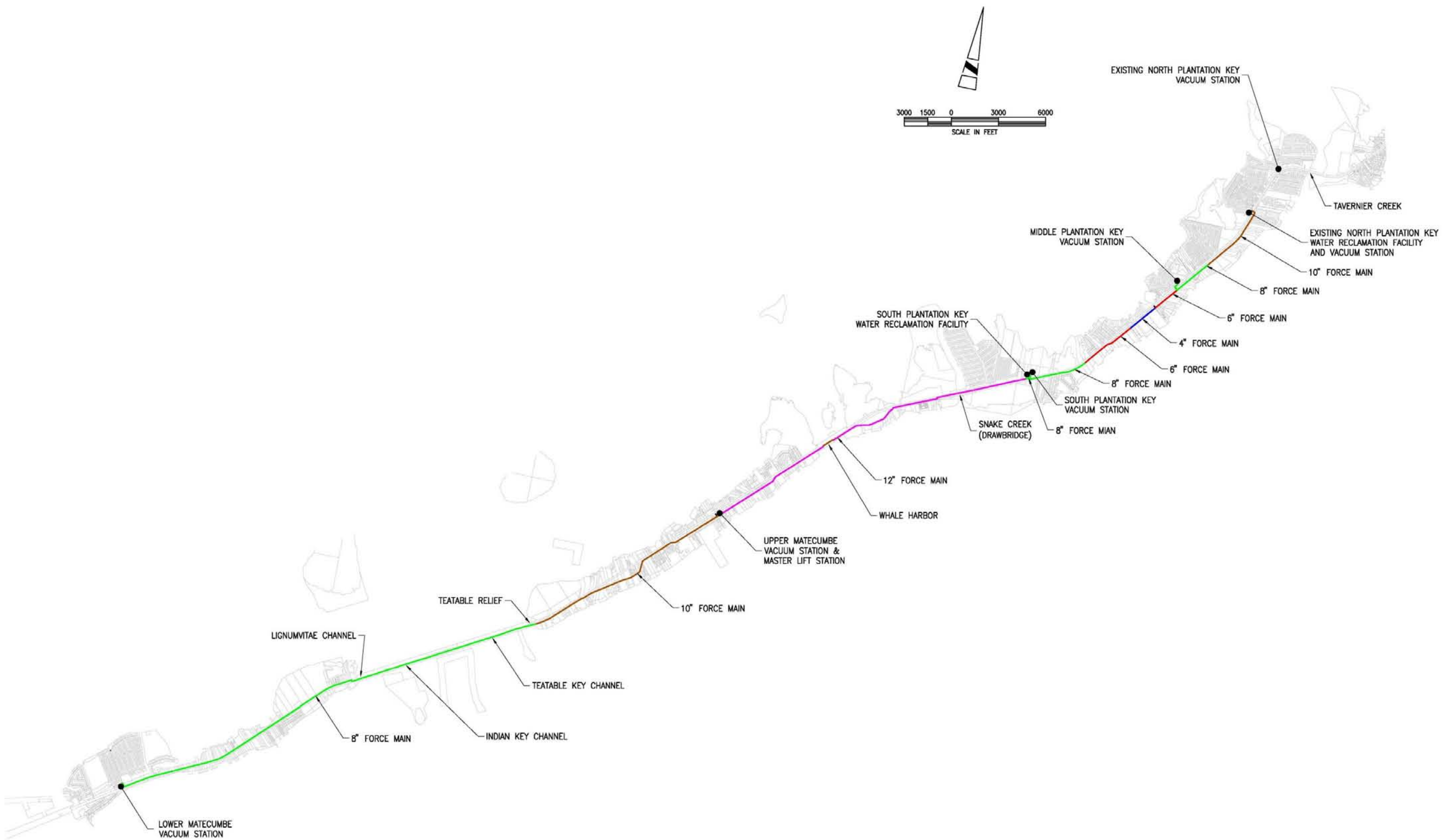
________________ __________ ____________________

(telephone) (fax) (e-mail)

Item 5.a. Project Information

See attached Village of Islamorada Wastewater Management Plan (May 2012).

Item 5b. Service area and proposed system overview.



Project Cost Worksheet

Islamorada, Village of Islands

This page is protected to allow automatic calculation of costs, the allowance and service fee. It is provided to you for reference only. DEP personnel will verify the calculations based on the information provided to them. Only the items in blue need be inputted. Note: the allowance is calculated based only on the costs of construction, equipment, materials and demolition.

Is this a Design-Build Project (yes or no)?	yes
Is this a preconstruction loan?	no
Is precon funding for special studies requested?	no
Is precon funding for land requested?	no
Is this a rollover from precon to construction?	yes
Is this a new construction loan?	yes
Is a project adjustment (increase/decrease) needed?	yes

Total Post-allowance Project Costs		
Construction, Equipment, Materials and Demolition		92,580,000
Eligible Land		0
Other (Contingency Eligible)		11,155,000
Contingency Percentage/Amount	5%	5,186,750
Technical Services		10,405,880
Special Studies		5,670,000
Sum		124,997,630

Allowance	**1,848,753**
Total Project Cost	**126,846,383**
Previous SRF awarded amount?	**(6,194,014)**
Adjustment to Costs?	**18,500,000**
Amendment Amount	**102,152,369**

Loan Service Fee: A loan service fee is assessed on each loan. The fee is not part of the loan and is not included in the total construction cost shown above. The actual fee assessed will be based on the project costs established in the final amendment to your loan. The fee shown below is just for this amendment. Contact the Bureau of Water Facilities Funding for further details.

Percentage 2.00% Total **2,043,047**

Draw Schedule	**Preconstruction**	**Construction**
1st		369,751
2nd		924,377
3rd		554,626

Comments: Construction, Equipment, Materials and Demolition is comprised of 94% of the Capital Cost Summary's design-build costs, plus $3.75M in pavement overlay costs; the remaining 6% of the design-build costs (the design portion) is reflected here as Special Studies. Other (Contingency Eligible) costs include the KLWTD capacity allocation and modification/upgrade costs to the KLWTD plant to accomodate flow from Islamorada. Technical Services include those to be provided by Government Services Group, Raftelis Financial Consultants, RBC Capital Markets, Public Resources Management Group, Wade Trim Engineering, Inc. and Weiss Serota Helfman Pastoriza & Boniske, P.L.

USER INTERFACE Affordability Calculation 2010
Summary Sheet 1

weights: income -- 0.421; poverty rate -- 0.374; unemployment rate -- 0.205

To use this form, input the census tracts of the rate payers who will be paying for the project. Typically, this will include the area currently served and the area proposed to be served by the project sponsor. Use all census tracts regardless of the amount of your service area/project in a particular census tract. Lookup the county number from Table 2 and use in the County Number column in Table 1. Your affordability index will be calculated and shown in Table 1 line 32. The population numbers shown here are not used in determining whether a sponsor is a small community. The population numbers are only used when the number of census tracts exceeds 25. When there are more than 25 census tracts a weighted average needs to be computed. To do this, input the first 25 tracts into Table 1. Use the additional Afford Worksheets to insert any additional census tracts. Continue this procedure for all census tracts. The weighted average affordability index (line 44) from Afford 1 Worksheet will be the one we'll use for your project.

Project Sponsor: Islamorada, Village of Islands

Project #:

Table 1 - Affordability Determination

Number	County Number	Census Tract Number	Index Number	Population
1	87	9708.00	133.37	4,486
2	87	9709.00	150.59	1,951
3	0	0.00	0.00	0
4	0	0.00	0.00	0
5	0	0.00	0.00	0
6	0	0.00	0.00	0
7	0	0.00	0.00	0
8	0	0.00	0.00	0
9	0	0.00	0.00	0
10	0	0.00	0.00	0
11	0	0.00	0.00	0
12	0	0.00	0.00	0
13	0	0.00	0.00	0
14	0	0.00	0.00	0
15	0	0.00	0.00	0
16	0	0.00	0.00	0
17	0	0.00	0.00	0
18	0	0.00	0.00	0
19	0	0.00	0.00	0
20	0	0.00	0.00	0
21	0	0.00	0.00	0
22	0	0.00	0.00	0
23	0	0.00	0.00	0
24	0	0.00	0.00	0
25	0	0.00	0.00	0
Summary			**138.59**	**6,437**

Table 2 - County Numbers

County #	County		County #	County
1	Alachua		69	Lake
3	Baker		71	Lee
5	Bay		73	Leon
7	Bradford		75	Levy
9	Brevard		77	Liberty
11	Broward		79	Madison
13	Calhoun		81	Manatee
15	Charlotte		83	Marion
17	Citrus		85	Martin
19	Clay		86	Miami-Dade
21	Collier		87	Monroe
23	Columbia		89	Nassau
27	De Soto		91	Okaloosa
29	Dixie		93	Okeechobee
31	Duval		95	Orange
33	Escambia		97	Osceola
35	Flagler		99	Palm Beach
37	Franklin		101	Pasco
39	Gadsden		103	Pinellas
41	Gilchrist		105	Polk
43	Glades		107	Putnam
45	Gulf		109	St. Johns
47	Hamilton		111	St. Lucie
49	Hardee		113	Santa Rosa
51	Hendry		115	Sarasota
53	Hernando		117	Seminole
55	Highlands		119	Sumter
57	Hillsborough		121	Suwannee
59	Holmes		123	Taylor
61	Indian River		125	Union
63	Jackson		127	Volusia
65	Jefferson		129	Wakulla
67	Lafayette		131	Walton
			133	Washington

Bond Buyer 20-Bond GO Index Rate = 3.76%

Financing Rate = 2.61%

Table 3 - Weighted Average Affordability Index

	Index Number	Population
Summary 1	138.59	6,437
Summary 2	0.00	-
Summary 3	0.00	-
Summary 4	0.00	-
Summary 5	0.00	-
Summary 6	0.00	-
Weighted Average	138.5895	6,437

CAUTION: 11 Census tracts have been deleted from the 2010 lookup tables and are NOT TO BE USED.

Hernando	9401	Monroe	9701
Hillsborough	109	Palm Beach	71
Leon	13	Palm Beach	81.02
Miami-Dade	0	Sumter	9909
Miami-Dade	75.02	Taylor	9902
Miami-Dade	101.25		

Islamorada, Village of Islands
Request for Inclusion (RFI) - Construction

9. Cost-to-benefit Index

a.	Total Project Cost	126,846
b.	Base Score x Water Body Factor	480
c.	Cost-to-benefit Ratio	264.26
d.	Natural Logarithm of Cost-to-benefit Ratio	5.577
e.	Cost-to-benefit Index	**1.16**

10. Small Community Economic Hardship Factor **0**

11.0 Priority Score

a.	Priority Score	400
b.	Water Bodies Mulitiplier	1.2
c.	Cost-to-benefit Index	1.16
d.	Small Community Economic Hardship	0
e.	Priority Score	**558.68**

Florida Department of
Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Rick Scott
Governor

Jennifer Carroll
Lt. Governor

Herschel T. Vinyard, Jr.
Secretary

February 28, 2012

Mr. Edward Koconis
Village Manager
Village of Islamorada
86800 Overseas Highway
Islamorada, Florida 33036

Re: WW88202 – Islamorada
Collection, Transmission, Treatment and Disposal Facilities

Dear Mr. Koconis:

We are pleased to inform you that $6,194,014 in preconstruction funding is now available for your project as a result of the February 22, 2012 public hearing held by the Department.

We would like to draw your attention to your schedule for submitting the loan application and executing a loan agreement. A completed loan application is due within 120 days from the public hearing date. Also, your loan agreement must be fully executed (signed by all parties) within 210 days from the public hearing date. This means that an application for your project is due by June 21, 2012 and a fully executed agreement is due by September 19, 2012. Your project will be subject to removal from the priority list for failure to meet these deadlines. It is recommended that you contact Mr. Tommy Williams of our Program Management Section, at (850) 245-8364, for assistance in fulfilling the loan application/agreement requirements. An application (Point Source Water Pollution Control) for your project may be obtained at our website at http://www.dep.state.fl.us/water/wff/wwmanual.htm or by calling Tommy Williams at the number given above.

If you have any questions or need further information, please call Tim Banks at 850-245-8360.

Sincerely,

Robert E. Holmden

Robert E. Holmden, P.E., Chief
Bureau of Water Facilities Funding

RH/tb

cc: Maria T Aguilar – Village of Islamorada
Ariana Lawson – Village of Islamorada
Greg Tindale - Village of Islamorada
Julie Santamaria - RBC Capital Markets, LLC

Islamorada,
Village of Islands

January 20, 2012

Florida Department of Environmental Protection
Bureau of Water Facilities Funding
ATTN: Timothy Banks, Program Administrator
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

RE: State Revolving Fund (SRF) Loan Program
Request for Inclusion (Pre-Construction)

Dear Mr. Banks:

Please find enclosed a signed original Request for Inclusion for a pre-construction State Revolving Fund Loan for Islamorada, Village of Islands' village-wide wastewater system design-bid-build project.

An electronic copy has also been sent to your attention.

Thank you for your consideration. Please feel free to contact me should you have any questions or require additional information.

Sincerely,

Ariana S. Lawson
Procurement & Grants Administrator
Ph: (305) 664-6450
Email: ariana.lawson@islamorada.fl.us

Enclosure

Request for Inclusion

Florida Department of Environmental Protection
Bureau of Water Facilities Funding

Twin Towers Office Bldg. 2600 Blair Stone Road MS 3505 Tallahassee, Florida 32399-2400

Project Number: ______________ Affordability Index: ______________
(Filled in by DEP) **(Filled in by DEP)**

Type of loan applying for: Pre-construction ☒ Construction ☐

1. Applicant's Name and Address.

Project Sponsor: Islamorada, Village of Islands

86800 Overseas Highway
(street)

Islamorada	**Monroe**	**33036**
(city)	(county)	(zip code)

Contact Person: Ariana Lawson, Procurement & Grants Adminstrator

86800 Overseas Highway
(street)

Islamorada	**Monroe**	**33036**
(city)	(county)	(zip code)
(305) 664-6450	305-664-6465	ariana.lawson@islamorada.fl.us
(telephone)	(fax)	(e-mail)

2. Name and Address of Applicant's Consultant (if any).

Firm: RBC Capital Markets, LLC Contact Person Julie Santamaria

100 2nd Ave. S., Ste. 800
(street)

St. Petersburg	**Pinellas**	**33701-4337**
(city)	(county)	(zip code)
(727) 895-8871	(727) 895-8895	julie.santamaria@rbccm.com
(telephone)	(fax)	(e-mail)

3. Certification by Authorized Representative: I certify that this form and attachments have been completed by me or at my direction and that the information presented herein is, to the best of my knowledge, accurate.

Edward Koconis	1/20/12
(signature)	(date)
Edward Koconis	Village Manager
(name, typed)	(title)

Request for Inclusion

4. Eligible Projects.

a. A project may encompass urban stormwater management facilities, such as detention/retention facilities, treatment facilities, etc. sponsored by a local government (eligible under Section 212 of the amended Clean Water Act).

b. A project may encompass wastewater management facilities, such as sewers, pump stations, treatment plants, reuse facilities, sludge facilities, etc. sponsored by a local government (eligible under Section 212 of the amended Clean Water Act).

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None at this time.

(title) (date) (reference page or other location)

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a. Describe the project, its location, the scope, why it's needed and the environmental benefit.

b. Attach maps showing system boundaries, existing and proposed service area, and project area.

c. Census tract numbers of the existing and proposed service area. List in item 12 below.

d. List any NPDES permit number associated with this project. None at this time.

6. Estimated Costs (Clean Water Act Section 212, 319, and 320).

a.	Construction, Equipment, Materials, Demolition and Related Procurement	$93,137,249
b.	Eligible Land	$0
c.	Other: explain (Contingency Eligible)	$0
d.	Contingency (10% for Items a. through c. if costs are unknown, otherwise 5% for a. and c.)	$9,313,725
e.	Technical Services during Construction	$11,978,932
f.	Special Studies	$0
g.	Sum of Items a. through f.	$114,429,906
h.	Allowance: ((25 – natural log of costs in a) x Costs in a / 100). For design build projects the allowance is 30% of the calculated amount. [see Rule 62-503(300)(5)]	$6,194,014
i.	Total (sum of Items g. and h.)	$120,623,920

7. Prioritization.

a. Default Minimum Priority

☐ Check here if applying for a default minimum priority score (100 points) and skip to Item 10 below.

b. Baseline Priority Category

☒ Check here if applying for a priority determination under Rule 62-503.600, F.A.C., and provide appropriate information. Identify the category score(s) for which the project qualifies and reference the location in the planning documentation where substantiating information may be found or attach other such substantiating information. Note that when a project justifies different base scores, the highest base score is to be used. The total of the base scores is not to be used.

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Promote reclaimed water or residuals reuse (300 points) • Examples: constructing new or expanded reuse facilities for beneficial reuse of treated wastewater/stormwater or residuals.	☐	
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All other (100 Points) • Example: treatment plant rehab/expansion, major sewer rehab/replacement, new collection sewers, or new transmission mains.	☐	

8. Restoration and Protection of Special Water Bodies.

In order to qualify for a base score multiplier identify which of the water bodies listed below that the project will assist in restoring or protecting and reference the location in existing documentation where substantiating information may be found or attach other such substantiating information. If none are selected the multiplier equals 1.0. If one or more are selected the multiplier is 1.2.

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A water body classified as Outstanding Florida Waters.	☒	Outstanding Florida Waters Facts Sheet: Florida Keys http://www.dep.state.fl.us/water/wqssp/ofw.htm, 62-302.700(9)(i)13
A water body identified under the National Estuary Program.	☐	
A water body classified as Wild and Scenic Rivers.	☐	
A water body located in a priority watershed established under the Unified Watershed Assessment Program	☐	

9. Cost-to-benefit Index.

Project priority scores (base category scores adjusted for waterbody restoration and protection) are multiplied by an index as detailed below. Note that Bureau of Water Facilities Funding personnel are available to assist in the computation of the index.

a. Total Project Cost (Item 6. above) in units of $1,000 (e.g., $1,000,000 is 1,000) expressed to the nearest whole number is $120,624.00

b. Highest base category score (from Item 7. above) multiplied by the waterbody restoration/protection factor (from Item 8. above) is 480

c. Cost-to-benefit ratio (Item a. divided by Item b.) expressed to nearest 0.01 is 251.30

d. Natural logarithm of cost-to-benefit ratio (Item c.) expressed to the nearest 0.001 is 5.527

e. Index computed as [1.20 – 0.021 x Natural logarithm] (from Item d.) and expressed to nearest 0.01 is 1.08

10. Small Community Economic Hardship

If the project will serve a small community (population less than 20,000 as of the most recent decennial census) and the affordability index for that community is less than 100, an economic hardship exists. Ten points will be added to the priority score in recognition of the economic hardship after the appropriate multipliers under Items 8 and 9 have been applied.

11. Priority Score

a. Base Score from 7 above. 400

b. Restoration and Protection of Special Water Bodies multiplier from 8 above. 1.2

c. Cost-to-benefit Index from 9 above. 1.08

d. Small Community Economic Hardship points from 10 above. 0

e. Priority Score is (a x b x c + d) or if default minimum is selected score is (100 + d). 518.4

12. Affordability Index. The affordability index will be determined by the Department using census tract information from the most recent decennial census for the community to be served to determine the financing rate under Rule 62-503.300(9)(a), F.A.C.. List the census tracts for the area served and proposed to be served by the project.

Census Tracts: 9708, 9709

13. Project Schedule.	(Month and Year)
a. Complete the planning documentation	May 2012
b. Complete the design documents (if necessary)	February 2013
c. Obtain a permit or intent to issue a permit (if necessary) for construction or other activity	May 2013
d. Obtain all required project sites	May 2013
e. Start activity (such as construction or non-structural best management practice)	July 2012
f. Complete activity (such as construction or non-structural best management practice)	March 2014

14. Loan Application and Loan Execution Schedule

Completed Loan Application and Executed Loan Agreement Considerations

In situations described in Rule 62-503.430(1)(b)., F.A.C., late submittals could have adverse consequences. The certification required, under Item 3 above, from the Authorized Representative as part of this form includes the project sponsor's commitment to meet the submittal requirements for the completed loan application and for executing a loan agreement.

Note the following activities associated with completing a loan application:

a. Establish pledged revenues and designate an Authorized Representative.

b. If requested, submit EPA Compliance Report (relating to service area demographics).

c. Establish project schedule.

d. Provide financial information for each source of pledged revenue as follows: Actual revenues and expenditures for the last two fiscal years, and forecast revenues and debt coverage demonstrating the availability of pledged revenues for loan repayment.

e. Address the availability of pledged revenues for loan repayment, and the subordination of the pledge if pledged revenues are subject to a prior or parity lien.

f. Provide information concerning liens on the pledged revenues that have prior or parity status. Information is to be provided for each of the last two fiscal years and estimated throughout the loan repayment period. Describe each obligation, the amount, and repayment terms. Provide resolutions, ordinances, or other documentation recognizing the seniority or parity of unissued debt.

	(Month/Year)
• Submit complete loan application (shall be submitted within 120 days of project listing on the fundable list).	June 2012
• Anticipated date that loan agreement will be delivered for the Department's execution (shall be executed within 210 days of project listing on the fundable list).	Sept 2012

15. Return completed form to the Bureau of Water Facilities Funding, 2600 Blair Stone Road, MS #3505, Tallahassee, Florida 32399-2400. Information may also be sent by FAX at (850) 245-8411.

CERTIFICATION THAT THE PROJECT WILL REDUCE A PUBLIC HEALTH HAZARD

Attach the following information noting that each item must be specifically addressed:

(a) Description of existing conditions

(b) Specific location of the hazard and proposed project, including a sketch or map.

(c) Extent of the hazard (for example, area involved and severity of problem).

(d) Frequency of occurrence (for example, the approximate number of days during the year that the hazard exists)

(e) Identification of the toxics, pathogens, or other contaminants causing the health hazard.

(f) Explanation of how the project will reduce or eliminate the hazard.

I hereby certify that a documented public health hazard exists and that the information presented herein and attached hereto is accurate. (Certification is required by the Director of the County Health Department.)

______________________________ ____________________

(signature) (date)

______________________________ ____________________

(name, typed) (title)

____

(agency)

____

(address)

________________ __________ ______________________

(telephone) (fax) (e-mail)

Project Cost Worksheet

Islamorada, Village of Islands

This page is protected to allow automatic calculation of costs, the allowance and service fee. It is provided to you for reference only. DEP personnel will verify the calculations based on the information provided to them. Only the items in blue need be inputted. Note: the allowance is calculated based only on the costs of construction, equipment, materials and demolition.

Is this a Design-Build Project (yes or no)?	no
Is this a preconstruction loan?	yes
Is precon funding for special studies requested?	no
Is precon funding for land requested?	no
Is this a rollover from precon to construction?	no
Is this a new construction loan?	no
Is a project adjustment (increase/decrease) needed?	no

Total Post-allowance Project Costs		
Construction, Equipment, Materials and Demolition		93,137,249
Eligible Land		
Other (Contingency Eligible)		0
Contingency Percentage/Amount	10%	9,313,725
Technical Services		11,978,932
Special Studies		
Sum		114,429,906

Allowance	**6,194,014**	
Total Project Cost	**120,623,920**	
Previous SRF awarded amount?	**0**	
Adjustment to Costs?	**0**	Other sources of funds (grants, own funds, etc.).
Amendment Amount	**6,194,014**	Includes allowance only

Loan Service Fee: A loan service fee is assessed on each loan. The fee is not part of the loan and is not included in the total construction cost shown above. The actual fee assessed will be based on the project costs established in the final amendment to your loan. The fee shown below is just for this amendment. Contact the Bureau of Water Facilities Funding for further details.

Percentage 2.00% Total **123,880**

Draw Schedule	**Preconstruction**	**Construction**
1st	1,238,803	
2nd	3,097,007	
3rd	1,858,204	

Comments:

USER INTERFACE Affordability Calculation 2010
Summary Sheet 1

weights: income -- 0.421; poverty rate -- 0.374; unemployment rate -- 0.205

To use this form, input the census tracts of the rate payers who will be paying for the project. Typically, this will include the area currently served and the area proposed to be served by the project sponsor. Use all census tracts regardless of the amount of your service area/project in a particular census tract. Lookup the county number from Table 2 and use in the County Number column in Table 1. Your affordability index will be calculated and shown in Table 1 line 32. The population numbers shown here are not used in determining whether a sponsor is a small community. The population numbers are only used when the number of census tracts exceeds 25. When there are more than 25 census tracts a weighted average needs to be computed. To do this, input the first 25 tracts into Table 1. Use the additional Afford Worksheets to insert any additional census tracts. Continue this procedure for all census tracts. The weighted average affordability index (line 44) from Afford 1 Worksheet will be the one we'll use for your project.

Project Sponsor

Project #

Table 1 - Affordability Determination

Number	County Number	Census Tract Number	Index Number	Population
1	87	9708.00	133.37	4,486
2	87	9709.00	150.59	1,951
3	0	0.00	0.00	0
4	0	0.00	0.00	0
5	0	0.00	0.00	0
6	0	0.00	0.00	0
7	0	0.00	0.00	0
8	0	0.00	0.00	0
9	0	0.00	0.00	0
10	0	0.00	0.00	0
11	0	0.00	0.00	0
12	0	0.00	0.00	0
13	0	0.00	0.00	0
14	0	0.00	0.00	0
15	0	0.00	0.00	0
16	0	0.00	0.00	0
17	0	0.00	0.00	0
18	0	0.00	0.00	0
19	0	0.00	0.00	0
20	0	0.00	0.00	0
21	0	0.00	0.00	0
22	0	0.00	0.00	0
23	0	0.00	0.00	0
24	0	0.00	0.00	0
25	0	0.00	0.00	0
Summary			**138.59**	**6,437**

Table 2 - County Numbers

County #	County		County #	County
1	Alachua		69	Lake
3	Baker		71	Lee
5	Bay		73	Leon
7	Bradford		75	Levy
9	Brevard		77	Liberty
11	Broward		79	Madison
13	Calhoun		81	Manatee
15	Charlotte		83	Marion
17	Citrus		85	Martin
19	Clay		86	Miami-Dade
21	Collier		87	Monroe
23	Columbia		89	Nassau
27	De Soto		91	Okaloosa
29	Dixie		93	Okeechobee
31	Duval		95	Orange
33	Escambia		97	Osceola
35	Flagler		99	Palm Beach
37	Franklin		101	Pasco
39	Gadsden		103	Pinellas
41	Gilchrist		105	Polk
43	Glades		107	Putnam
45	Gulf		109	St. Johns
47	Hamilton		111	St. Lucie
49	Hardee		113	Santa Rosa
51	Hendry		115	Sarasota
53	Hernando		117	Seminole
55	Highlands		119	Sumter
57	Hillsborough		121	Suwannee
59	Holmes		123	Taylor
61	Indian River		125	Union
63	Jackson		127	Volusia
65	Jefferson		129	Wakulla
67	Lafayette		131	Walton
			133	Washington

Bond Buyer 20-Bond GO Index Rate = 4.03%

Financing Rate = 2.79%

Table 3 - Weighted Average Affordability Index

	Index Number	Population
Summary 1	138.59	6,437
Summary 2	0.00	-
Summary 3	0.00	-
Summary 4	0.00	-
Summary 5	0.00	-
Summary 6	0.00	-
Weighted Average	138.5895	6,437

CAUTION: 11 Census tracts have been deleted from the 2010 lookup tables and are NOT TO BE USED.

Hernando	9401	Monroe	9701
Hillsborough	109	Palm Beach	71
Leon	13	Palm Beach	81.02
Miami-Dade	0	Sumter	9909
Miami-Dade	75.02	Taylor	9902
Miami-Dade	101.25		

Item 5.a. Project Information

Undertake a major expansion and a retrofit of existing wastewater disposal and treatment facilities in Islamorada, Village of Islands, with the end result being two water reclamation facilities approximately three (3) miles apart supported by a hybrid of gravity, pressure and vacuum collection systems to serve the six major service areas of Islamorada. To this end, Islamorada will contract services to accomplish the following:

Re-rate and retrofit the existing North Plantation Key Water Reclamation Facility (NPKWRF), a Membrane Bio-reactor (MBR) facility serving the North Plantation Key and Middle Plantation Key service areas, to increase facility capacity to 460,000 gpd (MMADF) by replacing the membrane cassettes with higher capacity units, reconfiguring basins with baffle walls, adding a new equalization tank and expanding chlorine contact chamber volume.

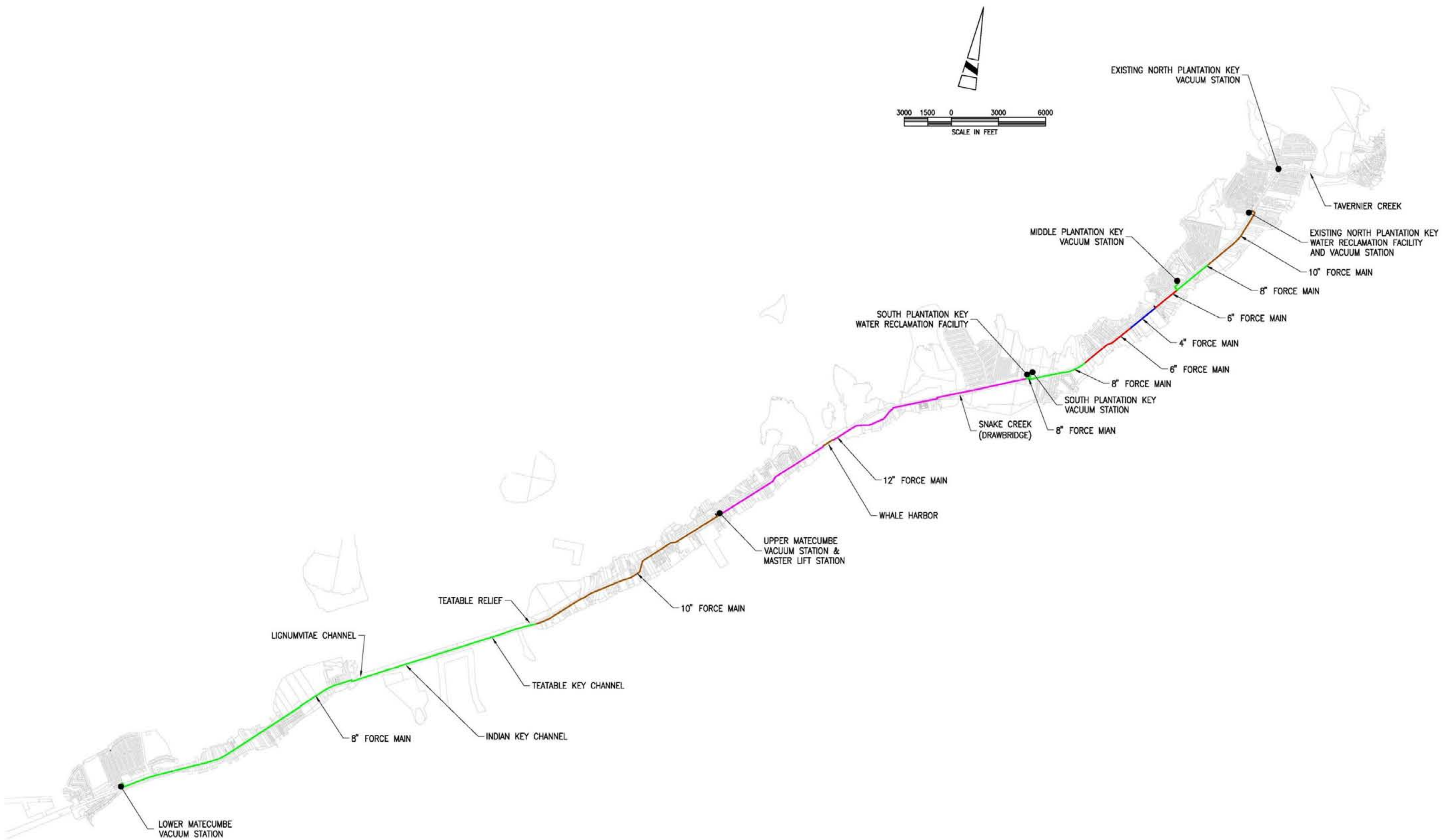
Construct a new South Plantation Key Water Reclamation Facility (SPKWRF), a Sequenced Batch Reactor (SBR) with 975,000 gpd (MMADF) capacity, standby power and odor control systems, on Plantation Key to serve the South Plantation Key service area; treat wastewater pumped from Lower Matecumbe Key, Upper Matecumbe Key and Windley Key; process all residuals; and serve as the operations center for the Islamorada Wastewater System.

Construct four new vacuum pumping stations: one on Lower Matecumbe Key, one on Upper Matecumbe Key co-located with a master wastewater pumping station, one near the new SPKWRF serving the South Plantation Key service area, and one to collect and pump flow from the Middle Plantation Key service area to the NPKWRF. Equip all vacuum and master wastewater pumping stations with standby power and odor control. Cross bridges with wastewater transmission mains and directionally drill wastewater transmission mains across Indian Key Channel, Tea Table Creek Channel, Whale Harbor, and Snake Creek.

Replace existing privately owned package wastewater treatment plants in Islamorada with new service connections and transfer wastewater to the new collection and treatment system, leaving existing collection system elements connected to existing package plants in place for continued use.

Continue to review alternative proposed wastewater systems, reserving the right to select an alternative system to the above-described based on cost-effectiveness, environmental considerations, and public desirability.

Item 5b. Service area and proposed system overview.



APPENDIX I:

Capital Financing Plan

CAPITAL FINANCING PLAN

WW-02b

Islamorada, Village of Islands
(Project Sponsor)
Edward Koconis, Village Manager
(Authorized Representative and Title)
Islamorada, Florida 33036
(City, State, and Zip Code)

Maria Aguilar, Finance Director, (305) 664-6445
(Capital Financing Plan Contact, Title and Telephone Number)
Islamorada, Village of Islands, 86800 Overseas Highway
(Mailing Address)
Islamorada, Florida 33036
(City, State, and Zip Code)

The Department needs to know about the financial capabilities of potential State Revolving Fund (SRF) loan applicants. Therefore, a financial capability demonstration (and certification) is required well before the evaluation of the actual loan application.

The sources of revenues being dedicated to repayment of the SRF loan are Non-ad valorem special assessments and utility rate revenue.

(Note: Projects pledging utility operating revenues should attach a copy of the existing/proposed rate ordinance)

Estimate of Proposed SRF Loan Debt Service

Capital Cost*	**$ 126,846,383**
Loan Service Fee (2% of capital cost)	**$ 2,536,928**
Subtotal	**$ 129,383,311**
Capitalized Interest**	**$ 5,065,357**
Total Cost to be Amortized	**$ 134,448,668**
Interest Rate***	**2.61%**
Annual Debt Service	**$ 8,714,365**
Annual Debt Service Including Coverage Factor****	**$ 10,021,520**

* Capital Cost = Allowance + Construction Cost (including a 10% contingency) + Technical Services after Bid Opening.
** Estimated Capitalized Interest = Subtotal times Interest Rate times construction time in years divided by two.
***20 GO Bond Rate times Affordability Index divided by 200.
**** Coverage Factor is generally 15%. However, it may be higher if other than utility operating revenues are pledged.

Schedule of Prior and Parity Liens

#1 Series 2006 Bank Loan	**#2** 2007 CW SRF	**#3** Series 2009 Bank Loan	**#4** 2012 SRF Precon & Con	**#5** SRF 2013
Coverage % None	**Coverage %** 1.20	**Coverage %** None	**Coverage %** 1.15	**Coverage %** 1.15
Insured (Yes/No) No	**Insured (Yes/No)** No	**Insured (Yes/No)** No	**Insured (Yes/No)** No	**Insured (Yes/No)** No
#6 SRF 2014	**#7** SRF 2015	**#8** SRF 2016	**#9 2013 Sr Lien Bonds**	**#10** 2013/14 Interim
Coverage % 1.15	**Coverage %** 1.15	**Coverage %** 1.15	**Coverage %** 1.15	**Coverage %** 1.15
Insured (Yes/No) No	**Insured (Yes/No)** No	**Insured (Yes/No)** No	**Insured (Yes/No)** Yes	**Insured No**

Fiscal Year	Annual Debt Service (Principal + Interest)											Total Non-SRF Debt Service w/coverage	Total SRF Debt Service w/coverage
	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	Total		
2010	240,802	341,962	103,862	-	-	-	-	-	-	-	686,626	344,664	410,354
2011	240,802	341,962	103,601	-	-	-	-	-	-	-	686,365	344,403	410,354
2012	240,802	341,962	103,617	-	-	-	-	-	-	-	686,381	344,419	410,354
2013	240,802	341,962	103,617	-	-	-	-	-	-	-	686,381	344,419	410,354
2014	240,802	341,962	103,617	-	-	-	-	-	-	-	686,381	344,419	410,354
2015	240,802	341,962	103,617	-			-	-	1,908,423	300,000	2,894,804	2,884,105	410,354
2016	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2017	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2018	240,442	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,002	2,538,745	5,030,547
2019	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2020	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2021	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2022	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2023	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2024	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2025	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2026	240,802	341,962	103,617	460,915	1,467,450	713,669	693,612	681,913	1,908,423	-	6,612,362	2,539,105	5,030,547
2027	-	-	103,617	460,915	1,467,450	713,669	693,612	681,913	2,488,423	-	6,609,599	2,965,303	4,620,193
2028	-	-	103,617	460,915	1,467,450	713,669	693,612	681,913	2,489,423	-	6,610,599	2,966,453	4,620,193
2029	-	-	103,617	460,915	1,467,450	713,669	693,612	681,913	2,488,923	-	6,610,099	2,965,878	4,620,193
2030	-	-	-	460,915	1,467,450	713,669	693,612	681,913	2,596,923	-	6,614,481	2,986,461	4,620,193
2031	-	-	-	460,915	1,467,450	713,669	693,612	681,913	2,592,923	-	6,610,481	2,981,861	4,620,193
2032	-	-	-	460,915	1,467,450	713,669	693,612	681,913	2,592,173	-	6,609,731	2,980,999	4,620,193
2033	-	-	-	460,915	1,467,450	713,669	693,612	681,913	2,594,423	-	6,611,981	2,983,586	4,620,193
2034	-	-	-	460,915	1,467,450	713,669	693,612	681,913	2,594,423	-	6,611,981	2,983,586	4,620,193
2035	-	-	-	460,915	1,467,450	713,669	693,612	681,913	2,597,173	-	6,614,731	2,986,749	4,620,193
2036	-	-	-	-	-	-	-	-	6,612,423	-	6,612,423	7,604,286	-
2037	-	-	-	-	-	-	-	-	5,389,423	-	5,389,423	6,197,836	-
2038	-	-	-	-	-	-	-	-	5,389,923	-	5,389,923	6,198,411	-
2039	-	-	-	-	-	-	-	-	4,065,173	-	4,065,173	4,674,949	-
2040	-	-	-	-	-	-	-	-	4,070,923	-	4,070,923	4,681,561	-
2041	-	-	-	-	-	-	-	-	4,068,423	-	4,068,423	4,678,686	-
2042	-	-	-	-	-	-	-	-	4,062,673	-	4,062,673	4,672,074	-
2043	-	-	-	-	-	-	-	-	4,061,877	-	4,061,877	4,671,158	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-	-
	4,093,268	5,813,354	2,072,575	9,218,303	29,348,995	14,273,372	13,872,247	13,638,257	83,656,713	300,000	176,287,086		

SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE
FOR PLEDGED REVENUE

(Provide information for the two fiscal years preceding the anticipated date of the SRF loan agreement.)

		FY 2010	FY 2011
(a)	Operating Revenues (Identify)		
	Charges for Wastewater Services	810,584	968,658
	Connection Permit Fees & Misc	22,524	4,579
(b)	Interest Income	38,666	6,285
(c)	Other Income or Revenue (Identify)		
	Capital Grants		
	EPA Grant	1,651	-
	Army Corps of Engineers Grant	187,311	1,289,483
	Capital Assessments		
	North Plantation Key	460,374	477,646
	Remaining Service Areas	-	4,419,225
	Transfer in from General Fund to cover debt service on reclaimed water project	264,686	101,466
	Transfer in from Infrastructure Fund of Discretionary Sale Surtax	470,000	93,469
	Transfer in from Affordable Housing Fund	-	250,000
(d)	Total Revenues	2,255,796	7,610,811
(e)	Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	1,494,949	1,323,967
(f)	**Net Revenues [f = d - e]**	**760,847**	**6,286,844**
(g)	Debt Service (including coverage) Excluding SRF Loans		
	Debt Service Interest	176,293	183,171
	Debt Service Principal	157,365	164,486
	Total	333,658	347,657
(h)	Debt Service (including coverage) for Outstanding SRF Loans		
	Debt Service Interest	110,012	112,786
	Debt Service Principal	231,950	228,981
	Total	341,962	341,767
(i)	**Net Revenues After Debt Service (i = f -g - h)**	**85,227**	**5,597,420**

Source: Islamorada, Village of Islands' FY 2010 and FY2011 CAFRs

Notes: In FY2009, the Village began collecting payments from property owners on a special wastewater assessment. In FY2010, the Village repealed the assessment and issued refunds. The total amount refunded by the end of FY2010 was $5,564,048. $1,363,147 of this amount was collected in FY2010; $4,200,901 of this amount had been collected in the prior year (FY2009).

Village of Islamorada

Schedule of Projected Revenues and Debt Coverage for Pledged Revenue [1]

(Begin with the fiscal year preceding first anticipated semiannual loan payment)

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
(a)	Operating Revenues (identify)					
	Revenue from Monthly Rates	$ 7,926,527	$ 8,325,977	$ 8,367,587	$ 8,409,497	$ 8,451,507
(b)	Interest Income	38,000	70,600	81,900	93,400	104,800
(c)	Other Incomes or Revnues (Identify)					
	Assessment Revenues	2,608,623	2,800,200	2,800,200	2,800,200	2,800,200
	Misc. Revenues	-	-	-	-	-
(d)	Total Revenues	$ 10,573,149	$ 11,196,777	$ 11,249,687	$ 11,303,097	$ 11,356,507
(e)	Operating Expenses [2]	3,232,242	3,268,589	3,303,474	3,338,982	3,375,434
(f)	**Net Revenues (f=d-e)**	$ 7,340,908	$ 7,928,188	$ 7,946,213	$ 7,964,115	$ 7,981,073
(g)	Existing Debt Service on Non-SRF Projects (including coverage)	344,419	344,419	344,419	344,419	344,419
(h)	Existing SRF Loan Debt Service (including coverage)	410,354	410,354	410,354	410,354	410,354
(i)	**Total Existing Debt Service (i=g+h)**	$ 754,773	$ 754,773	$ 754,773	$ 754,773	$ 754,773
(j)	Projected Debt Service on Non-SRF Future Projects (including coverage)	2,539,686	2,194,686	2,194,686	2,194,686	2,194,686
(k)	Projected SRF Loan Debt Service (including coverage)	-	4,620,192	4,620,192	4,620,192	4,620,192
(l)	**Total Debt Service (Existing and Projected) (l=i+k+j)**	$ 3,294,459	$ 7,569,652	$ 7,569,652	$ 7,569,652	$ 7,569,652
(m)	**Net Revenues after Debt Service (m=f-l)**	$ 4,046,449	$ 358,537	$ 376,561	$ 394,463	$ 411,421

1. Amounts derived from Attachment 1.
2. For existing and proposed facilities, excludes interest on debt, depreciation, and other non-cash items.

CERTIFICATION

I, Maria Aguilar, Finance Director, certify that I have reviewed the information
Chief Financial Officer (please print)

included in the preceding capital financing plan worksheets, and to the best of my knowledge, this information accurately reflects the financial capability of Islamorada, Village of Islands
Project Sponsor

I further certify that Islamorada, Village of Islands has the financial capability to ensure
Project Sponsor

adequate construction, operation, and maintenance of the system, including this SRF project.

Maria I Aguilar
Signature

5/17/2012
Date

Village of Islamorada Capital Finance Plan

ATTACHMENT 1

ASSUMPTIONS REGARDING THE SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE FOR PLEDGED REVENUES

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Suite 204
Orlando, FL 32814
Phone 407 . 730 . 5944
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RAFTELIS
FINANCIAL CONSULTANTS, INC.

May 15, 2012

Ms. Maria Aguilar
Finance Director
Islamorada, Village of Islands
86800 Overseas Highway
Islamorada, FL 33036

Subject: Financing Assumptions for the Village SRF Loan Wastewater Capital Finance Plan

Dear Maria:

Enclosed please find a summary of the assumptions and supporting information from the financial forecast that has been used in the development of Village's SRF Loan Wastewater Capital Finance Plan. Raftelis Financial Consultants, Inc. (RFC) worked closely with RBC Capital Markets to coordinate a public debt and equity structure that suits the Village's goal in implementing its centralized wastewater program by the end of 2015. The attached projections and assumptions utilize a blend of SRF loans, revenue bonds, and rate/assessment revenue to fund the construction of the Village's wastewater project. The projections also identify the average rate levels needed to support the ongoing operations of the wastewater facilities based on reasonable cost and construction scheduling available at this time. The development of the attached assumptions are based on various data and analysis made available from the Village including the Village's wastewater operating experience at North Plantation Key, operating and capital costs provided by Islamorada Water LLC, and other cost and scheduling information provided by the Village and its advisors. We have relied upon such information to be accurate and no assurances are intended and no representation or warranties are made with respect thereto or the use made herein. Based on the use of such data and information, the attached projections and assumptions provide a reasonable basis for completing the SRF Capital Finance Plan.

We appreciate the opportunity to serve the Village,

Sincerely,
RAFTELIS FINANCIAL CONSULTANTS, INC.

Tony Hairston

Tony Hairston
Manager

ATTACHMENT 1

ASSUMPTIONS REGARDING THE SCHEDULE OF PROJECTED REVENUES AND DEBT SERVICE COVERAGE FOR PLEDGED REVENUES

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ATTACHMENT 1

ASSUMPTIONS REGARDING THE SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE FOR PLEDGED REVENUES

General

The Schedule of Projected Revenues and Debt Coverage for Pledged Revenues are based on a preliminary financial forecast of the Village wastewater systems located in North Plantation Key (NPK) and Remaining Service Area (RSA), which are collectively referred herein as the "Wastewater System." The financial forecast includes a ten year forecast period ending September 30, 2022 (i.e., Fiscal Year 2012 through Fiscal Year 2022). The table includes annual projections of revenue, operations and maintenance expenses, existing and projected future debt service for the Wastewater System. Projected revenue includes sales (rate) revenue, interest income earned on fund balances, annual assessment revenue, and other revenue sources. The projected wastewater revenue and expenditures are based on detailed projections and assumptions that are summarized on Table 1 at the end of Attachment 1. A summary of project costs is shown on Table 2 and funding sources on Table 3. The projected operating expenses are shown in budget detail on Table 4 and are based on various factors including Village NPK wastewater operating experience, operating costs provided by Islamorada Water LLC, the wastewater flow projections provided in the Design-Build-Operate-Finance RFP, and other information provided by the Village and its consultants.

Principal Considerations and Assumptions Regarding Projected Operating Results

In the preparation of this report and the conclusions that follow, we have made certain assumptions with respect to the conditions that may occur in the future. While we believe the assumptions are reasonable for the purposes of this report, they are dependent upon future events and actual conditions may differ from those assumed. In addition to our projections, estimates, and studies, we have relied upon certain information and assumptions provided to us and prepared by others, including information and assumptions provided to us by the Village such as the amounts of customers served and corresponding water usage for those customers located within the various wastewater service areas described herein. While we believe the use thereof is reasonable for the purpose of this report, we offer no further assurances with respect thereto. To the extent that actual conditions differ from those assumed by us herein or from information and assumptions provided to us, or prepared by others, the actual results will vary from those estimated and projected herein.

In making the financial projections and estimates summarized in this report, the principal considerations and assumptions made by us, and the principal information and assumptions provided to us or prepared by others, include the following:

1) The projected assessment revenue, rate revenue, and other revenue and income is based on the following:

a) Projected assessment revenue includes the following components:
i) NPK assessment revenue of $400,200 per year continuing through 2035.
ii) Assessment revenue for the RSA is based on the actual assessments implemented in September 2011 (the "Phase 1 RSA Assessment") and reflects actual prepayments received by the Village in 2011 and ongoing annual payments for those properties not prepaying. The Phase 1 assessment was $3,200 per EDU (prepayment) or $21.33 per month for those properties not prepaying. The Phase 1 RSA Assessment was established based on $20.0 million in capital cost recovery.
iii) A second assessment for the RSA (the "Phase 2 RSA Assessment) assuming an additional $20.0 million in capital cost recovery with the same terms as the Phase 1 RSA Assessment. These terms include a prepayment amount of $3,200 per EDU or $21.33 per month for those properties not prepaying. It is assumed that 18% of properties will prepay the Phase 2 RSA Assessment which is similar to the Phase 1 RSA Assessment. A summary of wastewater assessment revenue is shown below:

	Projected Fiscal Year Ending September 30,				
Wastewater Assessment Revenue	**2015**	**2016**	**2017**	**2018**	**2019**
North Plantation Key	$400,200	$400,200	$400,200	$400,200	$400,200
RSA Phase 1	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
RSA Phase 2	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total RSA	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Total Wastewater System Assessment Revenue	$2,800,200	$2,800,000	$2,800,000	$2,800,200	$2,800,000

2) Revenue from monthly wastewater rates are based on actual NPK wastewater customers and wastewater revenue gallons (i.e. the portion of potable water usage charged for wastewater service) and projected future RSA wastewater customers and usage. RSA wastewater customers are based on Islamorada Water LLC's construction schedule. While the actual wastewater rates will need to be reviewed prior to implementation, it is assumed for the purpose of this report that RSA wastewater rates will include three components: i) a fixed monthly customer service charge of $9.00 which does not vary on either customer size or usage; ii) a monthly base charge of $59.00 per EDU; and iii) a usage charge of $7.50 per wastewater revenue gallon. Based on this rate structure and level, the wastewater bill for a typical residential customer with 4,000 gallons of monthly wastewater revenue gallons (based on 4,000 gallons of potable water) would be $98 per month. This typical residential bill level reflects the $18.5 million appropriation to the Village from state of Florida as part of the FY2012/13 budget. The projected wastewater statistics used to derive wastewater rate revenue is summarized on Table 5 at the end of Attachment 1.

3) Wastewater revenue in the NPK service area is based on typical usage of 4,000 gallons per month. The average bill for this usage level under existing rates is approximately $65 per month. Recognizing that the existing rates do not represent the current cost of service including ongoing operations and renewal/replacement, it is assumed that the NPK rates be phased to an average of $78 per month for 4,000 gallons of usage by Fiscal Year 2014. The actual rate level and rate phasing for NPK are anticipated to be reviewed early in Fiscal Year 2013 in conjunction with the RSA rate policy development.

4) Based on the Village's Fiscal Year 2012 Budget and financial policy, the General Fund provides $135,000 per year toward debt service in the NPK system representing the portion of NPK costs allocated to the reclaimed water line extended to Founders Park. It is assumed that this policy would continue through Fiscal Year 2014, and then the General Fund contribution would end at the beginning of Fiscal Year 2015.

5) Projected operating and maintenance costs for the NPK and RSA wastewater service areas are summarized on Table 4 at the end of Attachment 1. As noted below, the projected operating and maintenance costs are based on the existing cost levels for NPK prior to completion of the RSA construction, and once the RSA construction is complete, costs are based on the price proposal costs provided by Islamorada Water, LLC plus certain annual cost escalations. Specifically, the following are assumed for the primary operating expenses:

   a. Projected wastewater operating expenses include wastewater treatment services, contract operations, billing, electric, insurance, and Village administration. The most significant operating expense is the wastewater treatment services the next largest expense is contract operations. The projection of these and other operating costs is discussed in more detail below.

   b. On May 2, 2012 the Village entered into an Agreement for Wastewater Services with the Key Largo Wastewater Treatment District (KLWTD) referred herein as the "KLWTD Agreement." The KLWTD Agreement provides for KLWTD to serve the Village with up to 1.104 million gallons per day (mgd) of wastewater treatment and disposal expressed on an average annual daily flow basis. The KLWTD Agreement also provides for a Capacity Allocation Charge for the Village's share of KLWTD wastewater capital costs and a Flow Charge based on the Village's wastewater flow for operating costs related to KLWTD treatment and disposal. The Capacity Allocation Charge is considered in the overall Village capital financing plan, and although the KLWTD Agreement provides that the Village may pay this charge over a ten year period, it is assumed that the Village will pay the balance of this obligation with proceeds from the Series 2013 Bonds. Regarding the Flow Charge, the financial forecast assumes an average rate of $4.65 per thousand gallons based on the initial terms of the agreement. Although KLWTD has expressed that this rate should be lower in the future due to economies of scale in the KLWTD treatment plant operations, a constant rate of $4.65 is used herein as a conservative assumption. Based on 1.100 mgd treated wastewater, the annual Flow Charge is assumed to be $1,866,975.

c. It is expected that the Village will execute a Design-Build-Operate (DBO) contract by the end of June 2012. Operating expenses for the RSA once constructed are based on the pricing schedule set forth in the Islamorada Water LLC price proposal and are anticipated to commence in July 2014 after the scheduled substantial completion of the Key Largo transmission facility earlier in 2014. Fixed and variable contract operations costs are assumed to increase by an average of 2.5% per year.

d. Electric expenses related to the collection and transmission system pumping are not included in the contract operations but do have guaranteed maximum usage per calendar quarter provided by Islamorada Water, LLC of 229,074 kWh per quarter or 916,296 kWh per year. Based on the Village's average cost per kWh at the NPK wastewater treatment plant of $0.11/kWh, the projected electric costs for the combined RSA and NPK facilities is approximately $100,800 per year. Assuming annual electric cost increases of 2.5% per year, by Fiscal Year 2016 electric costs are projected to be $111,788 per year.

e. Village administrative expenses are assumed based on the Fiscal Year 2012 NPK operating budget, which reflects approximately 0.25 full-time equivalent manager position. During construction it is assumed that other Village labor and administrative expenses will be capitalized to the project. After completion of construction it is assumed that the 0.25 full time equivalent positions will remain budgeted to oversee the operations contract, billing, finance, and other wastewater functions. During Fiscal Year 2012 this amount is based on the budget of $55,545 including taxes and benefits plus administrative support. In addition to Village staff costs, an additional $50,000 of other Village support (either additional staff time or contracted expenses) are reflected in the projected operating expenses. These administrative expenses are escalated by 2.5% annually.

f. Billing expenses are assumed to continue through an interlocal contract with the Florida Keys Aqueduct Authority. The existing rate of $1.10 per bill rendered is projected to escalate by 2.5% annually and also increase based on the number of additional bills rendered with the additional of RSA customers. The Fiscal Year 2012 billing cost estimate of $14,371 per year is projected to escalate to $58,115 by Fiscal Year 2016 based on these factors.

g. The Village currently budgets $51,445 per year for general insurance on all existing wastewater facilities. Based on construction of RSA wastewater facilities during the next several years, the general insurance expense for wastewater is projected to increase to $75,000 in Fiscal Year 2013; $100,000 in Fiscal Year 2014; and $165,602 in Fiscal Year 2015. This amount is considered reasonable for forecasting purposes based on costs of other similarly sized wastewater facilities including recent costs provided by the Key Largo Wastewater Treatment District for its facility, but the actual cost of insurance will depend on the Village's insurance policy coverage terms.

h. A contingency allowance equal to 3.0% of total operating expenses is recognized in each fiscal year of the financial forecast in order to recognize unknown or unplanned expenditures that may occur. With the increasing operating expenses during the forecast period, the contingency amount is projected to be approximately $94,100 by Fiscal Year 2015.

6) Based on the price proposal submitted by Islamorada Water LLC, certain renewals and replacement ("R&R") payments were included in the DBO contract in order to maintain the wastewater assets in good repair. Based on discussions with the Village and Islamorada Water LLC, such R&R payments will not occur to Islamorada Water LLC. Rather, the Village will set aside as a separate Village owned and controlled fund, a minimum amount equal to the R&R identified annually in the price proposal. It is recommended that the Village maintain such R&R monies in a separate wastewater R&R fund for the sole purpose of funding future wastewater system repairs. Based on the price proposal schedules, the financial forecast recognizes R&R transfers of $380,772 in Fiscal Year 2016 and escalating each year based as shown on Table 1.

7) The Village has three outstanding loan agreements associated with the funding of the original NPK facilities. These loans include the Series 2006 Bonds, the Series 2009 Bonds, and SRF Loan WW882030. The financial forecast summarized on Table 1 reflects continued debt service for these loans during the forecast period since the maturity of these loans does not occur until after the end of the forecast period.

8) The financial forecast summarized on Table 1 reflects additional debt service associated with the issuance of several loans and revenue bonds to finance the RSA construction. The Village financing team has established a preliminary financing plan which includes a blend of low-interest state revolving fund loans ("SRF loans") and a utility revenue bond. The preliminary finance plan was designed to optimize the amount of SRF loans issued since these loans are issued at below market interest rates. SRF loans are limited, however, to no more than a 20 year repayment while revenue bonds typically extend 30 years or more depending on the service life of the underlying asset. Based on the existing SRF loan program funding constraints of $10.0 million per year, with the exception of 2013 with a $20.0 million project funding constraint, a total of five (5) construction and one (1) pre-construction SRF loans are assumed in the financial forecast to fund a portion of the total project cost. The debt financing assumptions are summarized below:

Financing Name	Principal Amount	Interest Rate	Term (Years)	Initial Payment (Fiscal Year)
SRF Preconstruction Loan	$6,894,333	3.00%	20	2016
SRF Loan 2013	$21,950,000	3.00%	20	2016
SRF Loan 2014	$10,675,000	3.00%	20	2016
SRF Loan 2015	$10,375,000	3.00%	20	2016
SRF Loan 2016	$10,200,000	3.00%	20	2016
Series 2013 Revenue Bonds	$38,168,500	5.00%	30	2015
TOTAL	$98,262,833			

9) Wastewater Interest income is recognized as an available revenue source to fund the expenditure needs of the Utility System. For the forecast period, interest income is based on estimated balances in accounts that would be available to meet the general expenditure needs of the Utility System. In the development of the estimated interest earnings, an average interest rate of 1.25% is assumed to be earned on the estimated average fund balances during the forecast period. For the forecast period, the year-end-balance by specific fund or account for the wastewater system are summarized below:

Projected Available Reserve Balances
as of Fiscal Year Ending September 30,
(Amounts shown in $ thousands)

	2013	2014	2015	2016	2017	2018	2019
Wastewater System End of Fiscal Year Balances							
Unrestricted Funds	$108	$1,107	$3,581	$4,484	$5,401	$6,324	$7,227
Renewal and Replacement Acct.	0	0	0	381	673	952	1,218
NPK Assessment Reserves	0	0	0	0	0	0	0
RSA Assessment Reserves	413	3,271	2,493	2,524	2,554	2,585	2,616
Debt Service Reserve	0	0	0	0	0	0	0
Total	$521	$4,378	$6,074	$7,389	$8,628	$9,861	$11,061

Table 1

Village of Islamorada, Florida

Projected Wastewater Revenue and Expenditures

Line No.		Projected Fiscal Year Ending September 30,									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Sales Revenues from Rates										
1	Projected Revenue From Initial Rates	$ 996,649	$ 1,429,380	$ 2,935,985	$ 7,926,527	$ 8,284,557	$ 8,284,557	$ 8,284,557	$ 8,284,557	$ 8,284,557	$ 8,284,557
2	Total Revenue from Prior Year Increase	-	-	-	-	-	41,400	83,100	124,900	166,900	209,200
3	Total Revenue Before Current Year Adjustments	$ 996,649	$ 1,429,380	$ 2,935,985	$ 7,926,527	$ 8,284,557	$ 8,325,957	$ 8,367,657	$ 8,409,457	$ 8,451,457	$ 8,493,757
	Current Year Rate Adjustments										
4	Current Year Rate Adjustment	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
5	Effective Month	Oct.	Oct.	Oct.	Oct.	Oct.	Oct.	Oct.	Oct.	Oct.	Oct.
6	% of Current Year Effective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
7	Total Revenue From Current Year Adjustments	$ -	$ -	$ -	$ -	$ 41,420	$ 41,630	$ 41,840	$ 42,050	$ 42,260	$ 42,470
8	Annual Wastewater Rate Revenue	$ 996,649	$ 1,429,380	$ 2,935,985	$ 7,926,527	$ 8,325,977	$ 8,367,587	$ 8,409,497	$ 8,451,507	$ 8,493,717	$ 8,536,227
9	**Total Operating Expenses**	$ 1,142,213	$ 1,186,004	$ 1,806,610	$ 3,232,242	$ 3,268,589	$ 3,303,474	$ 3,338,982	$ 3,375,434	$ 3,412,585	$ 3,450,499
10	**Net Revenues Before Assessments**	$ (145,564)	$ 243,376	$ 1,129,375	$ 4,694,285	$ 5,057,388	$ 5,064,113	$ 5,070,515	$ 5,076,073	$ 5,081,132	$ 5,085,728
	Revenue from Assessments										
11	NPK Assessment Revenues Applied to Debt Service [1]	400,200	400,200	400,200	400,200	400,200	400,200	400,200	400,200	400,200	400,200
12	RSA Assessment Revenues Applied To Debt Service	-	-	-	2,208,423	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
	Other Revenue and Income										
13	Miscellaneous Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	Interest Income	3,300	2,300	9,600	38,000	70,600	81,900	93,400	104,800	116,100	127,500
15	Transfer from General Fund (Reclaimed Water Infrastructure)	135,000	135,000	135,000	-	-	-	-	-	-	-
16	Infrastructure Funds	-	-	-	-	-	-	-	-	-	-
17	Transfers From Operating Account	-	-	-	-	-	-	-	-	-	-
18	NPK Settlement	1,245,907	-	-	-	-	-	-	-	-	-
	Total Net Revenue With Assessments and Other Revenue	$ 1,638,843	$ 780,876	$ 1,674,175	$ 7,340,908	$ 7,928,188	$ 7,946,213	$ 7,964,115	$ 7,981,073	$ 7,997,432	$ 8,013,428
	Senior Debt Service										
19	Series 2006 Bonds	$ 240,802	$ 240,802	$ 240,802	$ 240,802	$ 240,802	$ 240,802	$ 240,802	$ 240,802	$ 240,802	$ 240,802
20	Series 2009 Bonds	103,617	103,617	103,617	103,617	103,617	103,617	103,617	103,617	103,617	103,617
21	Interim Bank Loan	-	-	-	300,000	-	-	-	-	-	-
22	Projected Series 2013 Senior Lien Bonds	-	-	-	1,908,423	1,908,423	1,908,423	1,908,423	1,908,423	1,908,423	1,908,423
23	**Total Senior Debt Service**	$ 344,419	$ 344,419	$ 344,419	$ 2,552,841	$ 2,252,841	$ 2,252,841	$ 2,252,841	$ 2,252,841	$ 2,252,841	$ 2,252,841
	Subordinate Debt Service										
24	SRF Loan WW882030	341,962	341,962	341,962	341,962	341,962	341,962	341,962	341,962	341,962	341,962
25	SRF Pre-Construction Loan	-	-	-	-	460,915	460,915	460,915	460,915	460,915	460,915
26	Future SRF Loan 2012	-	-	-	-	1,467,450	1,467,450	1,467,450	1,467,450	1,467,450	1,467,450
27	Future SRF Loan 2013	-	-	-	-	713,669	713,669	713,669	713,669	713,669	713,669
28	Future SRF Loan 2014	-	-	-	-	693,612	693,612	693,612	693,612	693,612	693,612
29	Future SRF Loan 2015	-	-	-	-	681,913	681,913	681,913	681,913	681,913	681,913
30	**Total Subordinate Debt Service**	$ 341,962	$ 341,962	$ 341,962	$ 341,962	$ 4,359,521	$ 4,359,521	$ 4,359,521	$ 4,359,521	$ 4,359,521	$ 4,359,521
31	**Total Debt Service**	$ 686,381	$ 686,381	$ 686,381	$ 2,894,803	$ 6,612,362	$ 6,612,362	$ 6,612,362	$ 6,612,362	$ 6,612,362	$ 6,612,362
32	**Net Revenues Less Total Debt Service**	$ 952,463	$ 94,495	$ 987,794	$ 4,446,104	$ 1,315,826	$ 1,333,851	$ 1,351,753	$ 1,368,711	$ 1,385,070	$ 1,401,066

Footnotes on Page 2 of 2.

Table 1

Village of Islamorada, Florida

Projected Wastewater Revenue and Expenditures

	Other Expenditures:										
33	Capital Expenditures Funded From Rates	$ -	$ -	$ -	$ 2,000,000	$ 36,773	$ 25,000	$ 25,000	$ 50,000	$ 50,000	$ 50,000
34	NPK Settlement Used for NPK Improvements	1,245,907	-	-	-	-	-	-	-	-	-
35	Transfers to Renewal and Replacement Fund [2]	-	-	-	-	380,772	392,195	403,961	416,080	428,562	441,419
36	Key Largo Capacity Payments [3]	-	-	-	-	-	-	-	-	-	-
37	Transfers to Operating Account	-	-	-	-	-	-	-		-	-
38	**Total Other Revenue Requirements**	$ 1,245,907	$ -	$ -	$ 2,000,000	$ 417,545	$ 417,195	$ 428,961	$ 466,080	$ 478,562	$ 491,419
39	Amount Available for Other Lawful Purposes	(293,444)	94,495	987,794	2,446,104	898,281	916,656	922,792	902,631	906,507	909,647

Footnotes:

[1] NPK Assessment Revenues assumed to partially fund the following Debt Service

NPK Assessment Revenues	$ 400,200
Debt Service Payments:	
Series 2006 Bonds	$ 240,802
Series 2009 Bonds	103,617
SRF Loan WW882030	341,962
Total	$ 686,381

[2] Amounts represent transfers from utility revenues to the Wastewater Renewal and Replacement (R&R) Fund. The R&R Fund is assumed to be held by the Village for the purpose of wastewater asset replacement in the future.

[3] Capacity payments due to the Key Largo Wastewater Treatment District are assumed to be funded from the Series 2013 Bonds.

Table 2
Village of Islamorada
Wastewater Capital Cost Summary
Remaining Service Area (RSA) as of May 9, 2012

Description	FY2012 [1]	FY2013	FY2014	FY2015	FY2016	Total Project Costs
Design-Build [2]	$9,450,000	$56,700,000	$25,515,000	$2,835,000	$0	$94,500,000
KLWTD	$1,500,000	$9,655,000	$0	$0	$0	$11,155,000
Land	$1,500,000	$0	$0	$0	$0	$1,500,000
Owners Rep.	$408,090	$2,448,540	$1,101,843	$122,427	$0	$4,080,900
Construction Mgmt.	$542,498	$3,254,988	$1,464,745	$162,749	$0	$5,424,980
Administration	$160,000	$480,000	$480,000	$320,000	$0	$1,440,000
Subtotal	$13,560,588	$72,538,528	$28,561,588	$3,440,176	$0	$118,100,880
Contingency [3]	$406,818	$2,176,156	$856,848	$103,205	$0	$3,543,027
Total RSA	**$13,967,406**	**$74,714,684**	**$29,418,436**	**$3,543,381**	**$0**	**$121,643,907**

[1] Amounts starting after anticpated DBO contract execution, anticipated on June 5, 2012.
[2] Amounts include RSA design-build costs, including private roads and equipment testing. Amounts exclude pavement restoration which is to be funded from Village infrastructure tax revenue and NPK costs to be funded from WPC settlement and other funds.
[3] 3.0% contingency assumed.

Table 3
Village of Islamorada

Project Funding Sources

	Fiscal Year Ending September 30,										
Uses for RSA:	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total**
RSA Assessments	$3,784,800	$5,350,290		$1,000,000							$10,135,090
Army Corp [1]		$688,720									$688,720
Rate Revenue				$2,000,000	$36,773						$2,036,773
SRF PreConstruction	$6,500,000										$6,500,000
SRF 2013		$20,000,000									$20,000,000
SRF 2014			$10,000,000								$10,000,000
SRF 2015				$10,000,000							$10,000,000
SRF 2016					$10,000,000						$10,000,000
State Appropriation	$3,682,606	$14,817,394	$0	$0							$18,500,000
Interim Loan		$74,956	$19,418,436	($9,456,619)	($10,036,773)						$0
Series 2013 Bonds		$33,783,324									$33,783,324
Total RSA [2]	$13,967,406	$74,714,684	$29,418,436	$3,543,381	$0	$0	$0	$0	$0	$0	$121,643,907
Sources of Funds for Other Wastewater Purposes:											
RSA 1 Prepayments	$400,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$400,000
WPC Settlement	$1,245,907	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,245,907
Rate Revenue	$0	$0	$0	$0	$0	$25,000	$25,000	$50,000	$50,000	$50,000	$200,000
R&R Fund	$0	$0	$0	$0	$0	$100,000	$125,000	$150,000	$150,000	$150,000	$675,000
Other Sources	**$1,645,907**	**$0**	**$0**	**$0**	**$0**	**$125,000**	**$150,000**	**$200,000**	**$200,000**	**$200,000**	**$2,520,907**

[1] Amounts reflect uses of remaining amount of Army Corp of Engineers grant funds of $1,598,000 fter 9/30/11.
[2] Amounts include RSA design-build costs, including private roads and equipment testing. Amounts exclude pavement restoration which is to be funded from Village infrastructure tax revenue and NPK costs to be funded from WPC settlement and other funds.

Table 4

Village of Islamorada, Florida
2012 Wastewater Assessment Financial Feasibility Analysis

Projected Operating Expenses

Line No.	Description	Budgeted [1] 2012	Adjustments	Adjusted 2012	Escalation Reference	Fiscal Year 2013	Escalation Reference	Fiscal Year 2014	Escalation Reference	Fiscal Year 2015	Escalation Reference	Projected Fiscal Year Ending September 30, 2016	2017	2018	2019	2020	2021
	Operating Expenses																
	Operating Expenses (Excluding Capitalized Costs)																
1	Village Administration (Salaries Including Benefits)	$ 55,545	$ 0	$ 55,545	Labor	$ 57,000	Labor	$ 58,500	Labor	$ 60,000	Labor	61,500	63,100	64,700	66,400	68,100	69,900
2	Legal and Consulting	91,350	0	91,350	Input	50,000	CPI	51,300	CPI	52,600	CPI	54,000	55,400	56,800	58,300	59,800	61,300
3	Advertising, Telephone, Water, Office Supplies	10,935	0	10,935	Input	15,000	Input	20,000	CPI	20,500	CPI	21,100	21,700	22,300	22,900	23,500	24,100
4	General Insurance [2]	51,445	0	51,445	Input	75,000	Input	100,000	Input	165,602	CPI	169,800	174,100	178,500	183,000	187,600	192,300
5	Billing Services [3]	16,040	(1,669)	14,371	Input	16,854	Input	26,675	Input	53,560	Input	58,115	59,589	61,112	62,684	64,256	65,877
6	Customer Repair & Maintenance	3,200	0	3,200	CPI	3,300	CPI	3,400	CPI	3,500	CPI	3,600	3,700	3,800	3,900	4,000	4,100
7	Operating Supplies, Fuel/Oil [4]	40,000	48,000	88,000	CPI	90,200	CPI	92,500	CPI	94,900	CPI	97,300	99,800	102,300	104,900	107,600	110,300
8	Electricity [3]	77,600	2,844	80,444	Input	82,638	Input	88,575	Input	109,039	Input	111,788	115,453	119,118	122,784	126,449	130,114
9	U.S. Water O&M Contract - Monthly Services [3]	422,865	(211,433)	211,433	Eliminate	-	CPI	-	CPI	-	CPI	-	-	-	-	-	-
10	U.S. Water O&M Contract - Repair & Maintenance [3]	168,100	(84,050)	84,050	Eliminate	-	CPI	-	CPI	-	CPI	-	-	-	-	-	-
11	Operations Contract - Fixed O&M Fee [3]	0	251,890	251,890	Input	557,190	Input	571,120	Input	711,423	Input	729,209	747,439	766,125	785,278	804,910	825,033
12	Operations Contract - Variable O&M Fee [3]	0	46,282	46,282	Input	84,279	Input	112,746	Input	-	Input	-	-	-	-	-	-
13	Operations - Adjustment for Recent Repairs and Maint.	0	120,000	120,000	Input	120,000	Input	120,000	Input	-	CPI	-	-	-	-	-	-
14	Wholesale Treatment Costs	0	0	-	Input	-	Input	509,175	Input	1,866,975	Input	1,866,975	1,866,975	1,866,975	1,866,975	1,866,975	1,866,975
15	Contingency (3.0% of Total Operating Expense: 3.0%	0	33,268	33,268	Input	34,544	Input	52,620	Input	94,143	Input	95,202	96,218	97,252	98,314	99,396	100,500
16	Total Operating Expenses	$ 937,080	$ 205,133	$ 1,142,213		$ 1,186,004		$ 1,806,610		$ 3,232,242		$ 3,268,589	$ 3,303,474	$ 3,338,982	$ 3,375,434	$ 3,412,585	$ 3,450,499

Footnotes:

[1] Estimated and/or budgeted operating expenses based on adopted Fiscal Year 2012 Budget, unless noted otherwise.

[2] Insurance expense after construction completion is based on Key Largo Wastewater Treatment District insurance estimates ($283,130) applied to Islamorada capacity allocation (1.104/3.450 = 32%) plus $75,000 estimate for Village facilities.

[3] Amounts for inputted operating expenses are calculated as follows:

Description	Budgeted 2012	Adjusted 2012	Escalation Reference	Fiscal Year 2013	Escalation Reference	Fiscal Year 2014	Escalation Reference	Fiscal Year 2015	Escalation Reference	2016	2017	2018	2019	2020	2021
Electricity Expense Calculation:															
Quarterly Maximum kWh:		182,827		182,827		190,895		229,074		229,074	229,074	229,074	229,074	229,074	229,074
Annual Maximum kWh:		731,308		731,308		763,580		916,296		916,296	916,296	916,296	916,296	916,296	916,296
Assumed Rate per kWh		$ 0.110	CPI	$ 0.113	CPI	$ 0.116	CPI	$ 0.119	CPI	$ 0.122	$ 0.126	$ 0.130	$ 0.134	$ 0.138	$ 0.142
Calculated Electricity Expense		80,444		82,638		88,575		109,039		111,788	115,453	119,118	122,784	126,449	130,114
Billing Expense Calculation:															
Number of Bills Rendered - per Month		1,119		1,280		1,976		3,868		4,094	4,094	4,094	4,094	4,094	4,094
Number of Bills Rendered - Per Year		13,431		15,363		23,711		46,412		49,125	49,125	49,125	49,125	49,125	49,125
Assumed Monthly Rate per Bill		$ 1.070	CPI	$ 1.097	CPI	$ 1.125	CPI	$ 1.154	CPI	$ 1.183	$ 1.213	$ 1.244	$ 1.276	$ 1.308	$ 1.341
Calculated Billing Expense		14,371		16,854		26,675		53,560		58,115	59,589	61,112	62,684	64,256	65,877
DBO Operations: Key Largo WWTD Wholesale															
DBOF - Fixed O&M Fee Calculation:															
DBOF - Fixed O&M Fee per Year		251,890		543,600		543,600		660,627		660,627	660,627	660,627	660,627	660,627	660,627
Cumulative Inflation Factor		100.00%		102.50%		105.06%		107.69%		110.38%	113.14%	115.97%	118.87%	121.84%	124.89%
DBOF - Fixed O&M Fee per Year - Adjusted for Inflation		251,890		557,190		571,120		711,423		729,209	747,439	766,125	785,278	804,910	825,033
DBOF - Variable O&M Fee Calculation:															
DBOF - Variable O&M Fee		46,282		82,223		107,313		-		-	-	-	-	-	-
Cumulative Inflation Factor		100.00%		102.50%		105.06%		107.69%		110.38%	113.14%	115.97%	118.87%	121.84%	124.89%
DBOF - Variable O&M Fee - Adjusted for Inflation		46,282		84,279		112,746		-		-	-	-	-	-	-
Wholesale Wastewater Treatment															
Million Gallons per Day:															
Treated at KLWTD	-	-		-		0.300		1.100		1.100	1.100	1.100	1.100	1.100	1.100
Treated at N. Plantation Key WWTP	0.100	0.100		0.150		-		-		-	-	-	-	-	-
Total	0.100	0.100		0.150		0.300		1.100		1.100	1.100	1.100	1.100	1.100	1.100
Thousand Gallons per Year															
Treated at KLWTD	-	-		-		109,500		401,500		401,500	401,500	401,500	401,500	401,500	401,500
Treated at N. Plantation Key WWTP	36,500	36,500		54,750		-		-		-	-	-	-	-	-
KLWTD Cost per 1,000 Gallons		$ 4.65		$ 4.65		$ 4.65		$ 4.65		$ 4.65	$ 4.65	$ 4.65	$ 4.65	$ 4.65	$ 4.65
Cumulative Inflation Factor		0.00%		0.00%		0.00%		0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wholesale Wastewater Treatment Cost		$ -		$ -		$ 509,175		$ 1,866,975		$ 1,866,975	$ 1,866,975	$ 1,866,975	$ 1,866,975	$ 1,866,975	$ 1,866,975

*Note: Schedule as of 4/11/12 reflects KLWTD transmission line substantial completion date of 1/15/14.

[4] Adjustment reflects year to date expenditures.

Table 5

Village of Islamorada

Projected Wastewater Customers by Service Area

Line No.	Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
		Projected Fiscal Year Ending September 30,									
	North Plantation Key Service Area (NPK) [1]										
1	Average Monthly Accounts	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119
2	Average Monthly EDU's	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292
3	Projected Annual Revenue Gallons	61,152	61,152	61,152	61,152	61,152	61,152	61,152	61,152	61,152	61,152
4	Projected Monthly Revenue Gallons per EDU	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
	Remaining Service Areas (RSA - Excluding NPK) [2]										
	Middle Plantation Key Service Area (MPK)										
5	Average Monthly Accounts	-	161	644	644	644	644	644	644	644	644
6	Average Monthly EDU's	-	290	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160
7	Projected Annual Revenue Gallons	-	13,918	55,674	55,674	55,674	55,674	55,674	55,674	55,674	55,674
8	Projected Monthly Revenue Gallons per EDU	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
	South Plantation Key Service Area (SPK)										
9	Average Monthly Accounts	-	-	186	744	744	744	744	744	744	744
10	Average Monthly EDU's	-	-	344	1,376	1,376	1,376	1,376	1,376	1,376	1,376
11	Projected Annual Revenue Gallons	-	-	16,517	66,068	66,068	66,068	66,068	66,068	66,068	66,068
12	Projected Monthly Revenue Gallons per EDU	-	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
	Windley Key Service Area (WK)										
13	Average Monthly Accounts	-	-	26	106	106	106	106	106	106	106
14	Average Monthly EDU's	-	-	127	507	507	507	507	507	507	507
15	Projected Annual Revenue Gallons	-	-	6,089	24,358	24,358	24,358	24,358	24,358	24,358	24,358
16	Projected Monthly Revenue Gallons per EDU	-	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
	Upper Matecumbe Service Area (UMK)										
17	Average Monthly Accounts	-	-	-	576	576	576	576	576	576	576
18	Average Monthly EDU's	-	-	-	2,448	2,448	2,448	2,448	2,448	2,448	2,448
19	Projected Annual Revenue Gallons	-	-	-	117,510	117,510	117,510	117,510	117,510	117,510	117,510
20	Projected Monthly Revenue Gallons per EDU	-	-	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0
	Lower Matecumbe Service Area (LMK)										
21	Average Monthly Accounts	-	-	-	678	904	904	904	904	904	904
22	Average Monthly EDU's	-	-	-	956	1,275	1,275	1,275	1,275	1,275	1,275
23	Projected Annual Revenue Gallons	-	-	-	45,912	61,215	61,215	61,215	61,215	61,215	61,215
24	Projected Monthly Revenue Gallons per EDU	-	-	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0
	Total Wastewater System										
	Average Monthly Accounts	1,119	1,280	1,976	3,868	4,094	4,094	4,094	4,094	4,094	4,094
25	Average Monthly EDU's	1,292	1,582	2,923	7,740	8,059	8,059	8,059	8,059	8,059	8,059
26	Projected Annual Revenue Gallons	61,152	75,070	139,432	370,672	385,976	385,976	385,976	385,976	385,976	385,976
27	Projected Monthly Revenue Gallons per EDU	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
28	Projected Average Daily Flow (MGD) [3]	0.168	0.206	0.382	1.016	1.057	1.057	1.057	1.057	1.057	1.057

Footnotes
[1] EDUs for NPK are based on current number of units provided by staff.
[2] Derived from GSG's 8/20/09 adjusted assessment count (2009 Village-wide Assessment).
[3] Amounts represent projected "revenue gallons" which represents the amount of metered water usage that is used for wastewater billing purposes.