

An aerial photograph of Peirce Island, showing a wastewater treatment plant (WWTF) facility. The facility includes several large circular tanks, a central building, and a parking lot. The island is surrounded by water, and a small boat is visible in the lower right. The background shows a dense forest with autumn foliage. The text is overlaid on the top half of the image.

# Peirce Island WWTW Upgrade Bond/SRF Funding

**Portsmouth City Council Meeting**

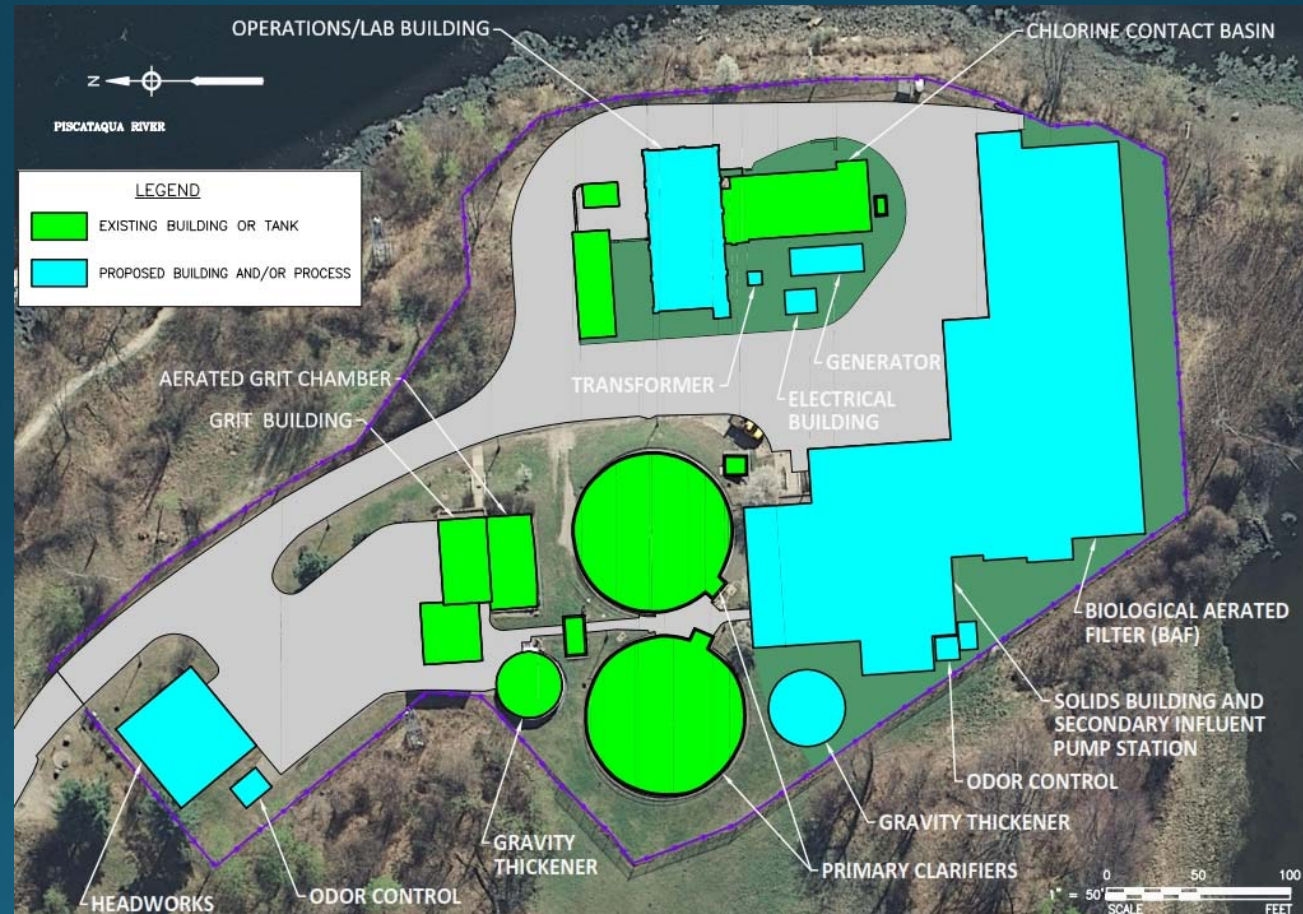
**February 16, 2016**

**Brian Goetz – Deputy Director of Public Works**

**Judie Belanger – Finance Director**

# Overview of Peirce Island Wastewater Treatment Upgrades:

1. New Headworks
2. Odor Control
3. Gravity Thickener
4. Solids Process Building
5. Biological Aerated Filter
6. Electrical and Generator
7. Operations Building
8. Process and Controls



# Bidding and Construction Schedule

<u>Item</u>	<u>Completion Date</u>
100% Design	December 2015
Contractor Prequalification	Jan-Mar 2016
Bidding	Mar-May 2016
Contract Execution/NTP	July 1, 2016
Construction – BAF	
Substantial Completion	December 2019
Construction – Project	
Substantial Completion	May 2020



# Project Cost Estimate

Items	Cost (Million Dollars)
Primary Clarifier Project (Eng, Const, etc.)	\$1.7
Treatment Upgrade Design Phase	\$5.0
Construction & Contingency	\$70.4
Construction Admin & Oversight	\$6.7
Total Project Cost	\$83.8



# Proposed SRF/Bond Authorization

Items	Cost (Million Dollars)
Total Project Cost	\$83.8
Previous Bond Authorization 8/5/13	\$10.0
Proposed Authorization	\$75.0



# Rate Stabilization Reserve Policy

- 2012-2014 Comprehensive Water/Sewer Rate Study performed by MFSG/Burton Associates (David Hyder, Project Manager)
- Established Rate Stabilization policy in FY14
- Increase net position or utilize net position to stabilize user rates from year to year
- Goal of policy has been to establish a glide path of predictable and stable rate adjustments



# Sewer Fund Rate Stabilization Reserve – Contribution to Net Position

	FY 14	FY 15	FY 16
Annual Contribution to Net Position	\$1,834,826	\$1,545,000	\$2,400,000*
End of Year Net Position	\$1,834,826	\$3,379,826	\$5,779,826

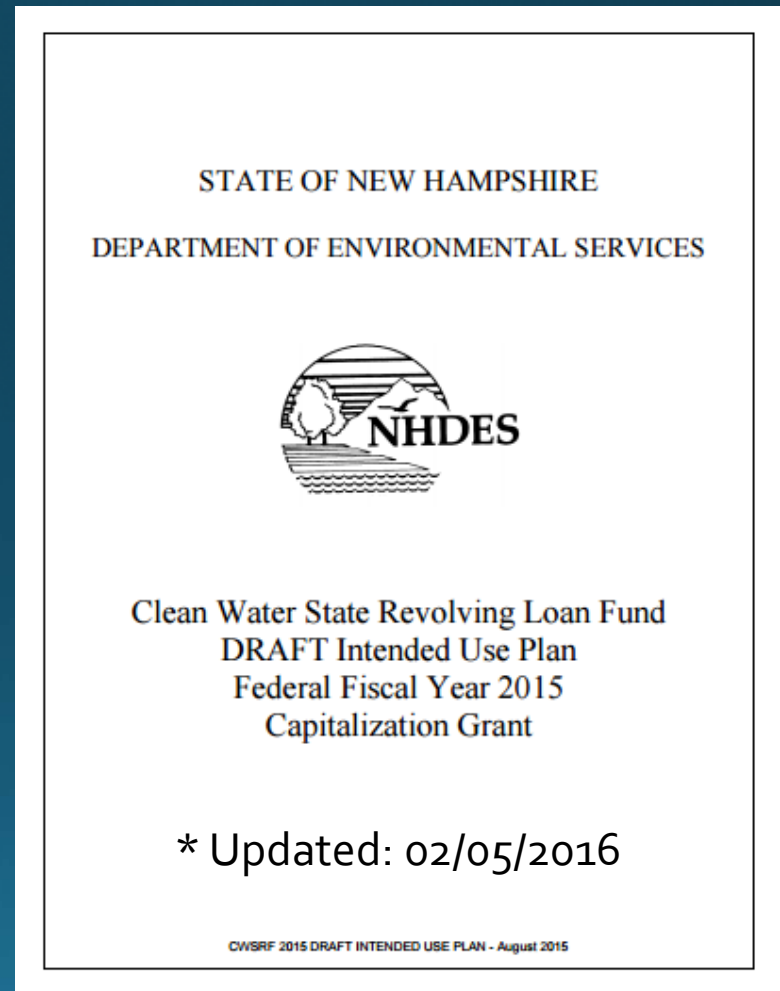
*\*FY16 budget*



# Clean Water SRF

## Benefits:

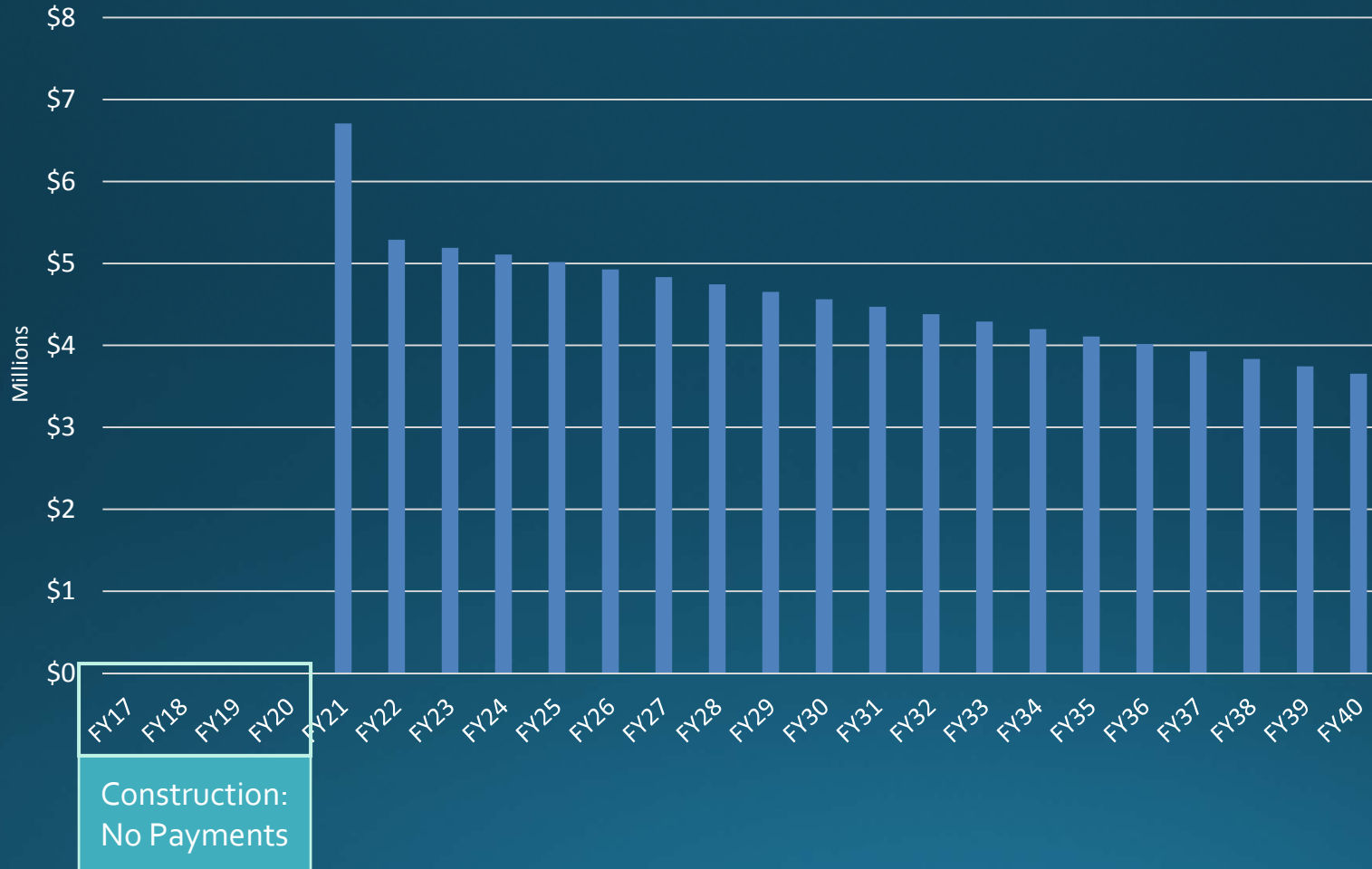
- Draw down funds as we need them to pay invoices
- Loan Payments begin one year following substantial completion (FY21)
- Principal Forgiveness of 5% (up to \$3.75M)
- Lock in Interest Rate 2.55% for a 20- Year Term



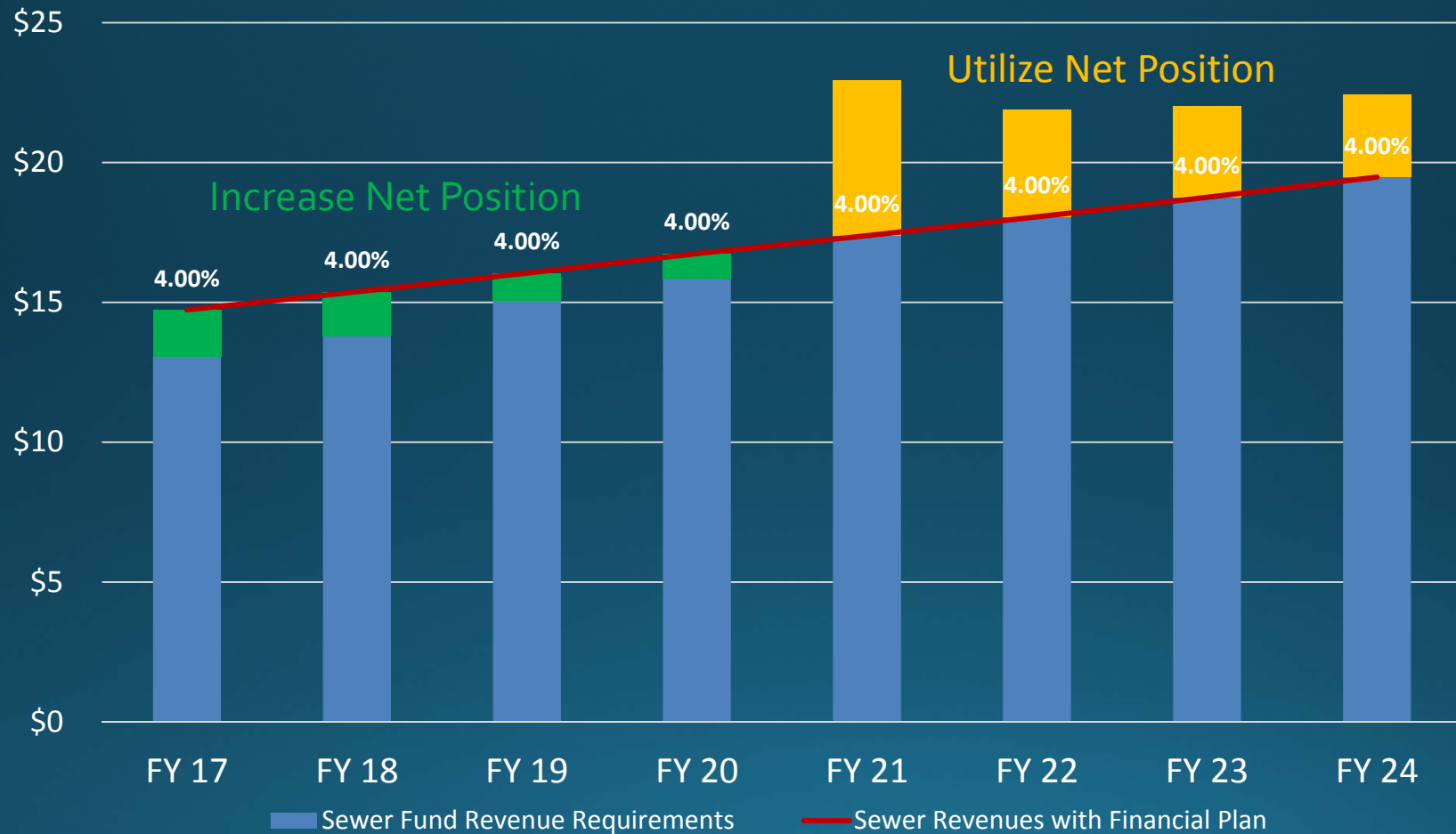


# City of Portsmouth Debt Use SRF

SRF Annual Debt Service Schedule



# Financial Plan with Debt Service Repayment



# Summary

- Rate Stabilization Policy allows the City to continue on a glide path of predictable sewer rate adjustments
- Working with NHDES – SRF Program results in lower and predictable interest rate vs. bonding



# QUESTIONS

