



## **City of Menard**

*DWSRF GREEN PROJECT RESERVE BUSINESS CASE EVALUATION*

*STATE FISCAL YEAR 2012 INTENDED USE PLAN*

*PROJECT NUMBER 62518*

COMMITMENT DATE: September 20, 2012

DATE OF LOAN CLOSING: March 27, 2013

July 17, 2012

The Honorable Barbara Hooten  
City of Menard  
P.O. Box 145  
Menard, TX 76859

Re: **SFY 2012 Drinking Water State Revolving Fund  
Green Project Eligibility**

Dear Mayor Hooten:

The Texas Water Development Board (TWDB) received Green Project Information Worksheets from the City of Menard (City) for project #9160. As stated in the Drinking Water State Revolving Fund (DWSRF) Intended Use Plan, should funds be available, the City may be eligible for loan forgiveness in an amount up to 15% of the green component cost (also referred to as the Green Project Reserve) if it can demonstrate that the project has green costs greater than or equal to 30% of the total project cost. After reviewing the worksheets, TWDB staff determined the City does not meet the 30% green cost threshold based on the following:

- The City's Green Project Information Worksheets dated March 27, 2012 requested that \$225,000 of the City's total project cost of \$6,000,000 be considered eligible for the DWSRF Green Project Reserve (GPR). The general element(s) described includes the replacement of approximately 783 broken/malfunctioning water meters with smart meters.
- The Environmental Protection Agency's (EPA's) Green Project Reserve Guidance for Determining Project Eligibility (TWDB-0161) lists replacement of broken/malfunctioning water meters with automatic meter reading systems and leak detection as categorically eligible for the GPR (Part B, 2.3-3), Water Efficiency.
- Therefore, at this time the TWDB considers project costs associated with the water meter replacement in the amount of \$225,000 to be eligible for the DWSRF GPR. This includes estimated construction costs for the item.
- Please note that the City's application for financial assistance must be consistent with the project scope presented on the Green Project Information Worksheets. Inclusion of the green elements within the project will be verified prior to Board commitment. If the project scope or budget related to the approved green components changes during application review, the City should update and resubmit the Green Project Information Worksheets as necessary.

**Our Mission** : **Board Members**

To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas

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Melanie Callahan, Executive Administrator

For SFY 2012, the TWDB is required by federal law to allocate no less than 20% of the capitalization grant toward green component costs. Therefore, the TWDB gives first preference for invitations to entities that have a documented percentage of green component cost of at least 30% of the total project cost. At this time, the TWDB anticipates there will be sufficient interest from other invited entities to satisfy the federal Green Project Reserve requirement. A letter dated October 20, 2011 was sent inviting the City to apply for Disadvantaged Community funding.

If you have any questions regarding green project eligibility, please feel free to contact James Bronikowski, Project Engineer, by phone at 512-475-0145 or by email at [james.bronikowski@twdb.texas.gov](mailto:james.bronikowski@twdb.texas.gov).

The TWDB appreciates the City of Menard's interest in the DWSRF.

Sincerely,

A handwritten signature in blue ink that reads "Stacy L. Barna" followed by a flourish.

Stacy L. Barna  
Director of Program Development  
Program and Policy Development

SB:rf

- Attachments:
1. Green Project Information Worksheets, Approved
  2. Green Project Cost Summary

# Green Project Reserve

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## Green Project Information Worksheets

**2011 Intended Use Plan  
Drinking Water State Revolving Fund**

The Federal Appropriation Law for the current fiscal year Clean Water and Drinking Water State Revolving Fund programs contains the Green Project Reserve (GPR) requirement. The following Green Project Information Worksheets have been developed to assist TWDB Staff in verifying eligibility of potential GPR projects.

TEXAS WATER DEVELOPMENT BOARD  
DRINKING WATER STATE REVOLVING FUND (DWSRF)  
GREEN PROJECT INFORMATION WORKSHEETS

PART I -- GREEN PROJECT INFORMATION SUMMARY

Check all that apply and complete applicable worksheets:

Categorically Eligible

- Green Infrastructure \$ \_\_\_\_\_  
 Water Efficiency \$ 225,000  
 Energy Efficiency \$ \_\_\_\_\_  
 Environmentally Innovative \$ \_\_\_\_\_

Business Case Eligible

- Green Infrastructure \$ \_\_\_\_\_  
 Water Efficiency \$ \_\_\_\_\_  
 Energy Efficiency \$ \_\_\_\_\_  
 Environmentally Innovative \$ \_\_\_\_\_

Total Requested Green Amount \$ 225,000

Total Requested Funding Amount \$ 6,000,000

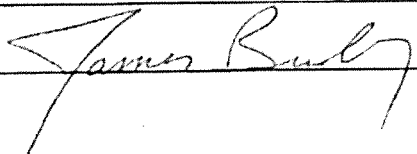
Type of Funding Requested:

- PAD (Planning, Acquisition, Design)  
 C (Construction)

Completed by:

Name: James Busby

Title: Engineer

Signature: 

Date: 3/27/2012

**TEXAS WATER DEVELOPMENT BOARD  
DRINKING WATER STATE REVOLVING FUND (DWSRF)  
GREEN PROJECT INFORMATION WORKSHEETS**

**PART II - CATEGORICALLY ELIGIBLE**

Complete this worksheet for projects being considered for the Green Project Reserve (GPR) as categorically eligible. Categorically eligible projects or project components are described in the following sections of the EPA GPR guidance (TWDB-0161):

Green Infrastructure	Part B, Section 1.2
Water Efficiency	Part B, Section 2.2
Energy Efficiency	Part B, Section 3.2
Environmentally Innovative	Part B, Section 4.2

Information provided on this worksheet should be of sufficient detail and should clearly demonstrate that the proposed improvements are consistent with EPA and TWDB GPR guidance for categorically eligible projects. Refer to **Information on Completing Worksheets** for additional information.

**Section 1 – General Project Information**

Applicant: City of Menard PIF #: 9160

Project Name: Menard 2012 DW-SRF Water Improvements

Contact Name: Sharon Key, City Administrator

Contact Phone and e-mail: 325-396-4706 menards4u@yahoo.com

Total Project Cost: 6,000,000 Green Amount: 225,000  
(Categorically Eligible)

**Brief Overall Project Description:**

The City of Menard proposes to retrofit/replace every single customer meter in the community with AMR/AMI meter heads and purchase/install the necessary equipment and software to have a complete and functioning AMR system.

### Section 3 - Water Efficiency

Certain water efficiency improvements may be considered categorically eligible for the GPR. Refer to EPA and TWDB GPR guidance for a complete list and description of categorically eligible GPR Projects. A few common types of water efficiency projects that may be considered categorically eligible, such as certain water meter improvements and leak detection are listed below. Complete these sections of the worksheet as applicable. For any other water efficiency improvement being considered for categorical eligibility, complete Section 3.3.

#### Section 3.1 - Water Meters

Check all that apply:

- Installation of new water meters in area currently receiving unmetered water service (the following must be provided)
  - Attach copy of rate structure for area to be metered
- Replacement of existing broken/malfunctioning meters (the following must be provided)
  - Accuracy of meters being replaced \_\_\_\_\_
  - Attach supporting documentation (meter accuracy tests, etc)
  - Provide description below of proposed meters to be installed
- Retrofitting of existing meters (the following must be provided)
  - Provide description below of reason for meter retrofit
  - Provide description below of proposed meter system and benefits, including description of features that will result in water loss reduction or promote water conservation

Describe proposed water meter improvements, include reason for project, description of proposed meters and features, resulting benefits, anticipated savings, etc. (attach additional pages if necessary):

The City of Menard proposes to retrofit/replace all of the customer meters in the system with AMR capable meters and purchase the equipment and software to read/monitor the system and tie it into their billing system. Since the City does not presently have an AMR/AMI, they will seek competitive proposals from vendors, but the systems will have the capabilities of the MasterMeter Dialog 3G or Sensus ICE systems, which include active sensors for small leaks and water theft.

The City of Menard's has 783 active meters. Of these, 264 are in excess of 15 years old, with some being over 30 years old. Approximately 250 meters are between 8 and 15 years old and are due for testing and replacement. In total, over 75% of the City of Menard's meters are beyond or nearing their service life.

In a field inspection of a portion of the system performed on February 20, 2012 using leak detection equipment borrowed from the TWDB, 27 leaking and/or non registering meters were found. The City utility personnel did not have an opportunity to check all 783 active meters, so they concentrated on older parts of town and high volume meters. For the area checked, this found a very high percentage of leaking or non-registering meters. (See attached list).

Green amount associated with water meters:           \$225,000            
(Attach detailed cost estimate if necessary)

# Leak Survey 2-2012

- ~~Flyten - Sewer - (Fixed 1-1-12)~~
- ~~Fike St. Bowie - 3rd - (Fixed 3-5-12 replace gasket)~~
- ~~Riverdale #3 - ?~~
- ~~Reagan - Front - (Fixed 1-1-12)~~
- 308 W. Sam Saba poss. leak in front of meter  
~~value prokuning leak call on Sam Saba (2-23-12)~~  
~~value - - - - - in Sam Saba by Aepo (2-23-12)~~
- ~~Edwina dentist clinic ? (replaced meter 2-22-12)~~
- ~~Landa, met meter ? (changed 2-24-12)~~
- ~~410 Bowie 1st fl. replace meter (changed 2-24-12)~~
- ~~Leak on gasket Maria's computer house (fixed 2-3-12)~~
- ~~Leak by Elizabeth Penag fixed 2-21-12~~
- ~~Edna Louise meter not registering her leak (fixed 2-21-12)~~
- ~~105 E. Bowie replace meter (fixed 2-21-12)~~
- ~~value box on main Catholic church ? Rain water~~
- ~~- front door meter 110 Ave~~
- 21-12 (Fixed) - ~~Leak by Joe Hartman vacant lot - E. Mission~~
- ~~511 E. Bowie change meter (fixed 2-22-12)~~
- ~~Zamorra - Scraper change meter (2-21-12)~~
- ~~Replace fire plug - - - - - (Leak)~~
- ~~Stain Sigsbee replaced 3-22-12~~
- ~~Replace service line to Sump~~
- ~~Locking kit box USA~~
- (Fixed 2-22-12) ~~Leak on 2" main on Menard in alley between 4 and 5~~  
~~change Big John's meter fixed 3-21-12~~  
~~club victor - change meter changed 3-22-12~~  
~~victor house - change meter 3-23-12~~



# GREEN PROJECT COST SUMMARY

PIF # 9160

Entity: City of Menard

Project Name: Water Treatment plant improvements; new well; water meter replacement

**Project Description:**

**Green Description:** The green project elements described include the replacement of existing water meters with AMR capable meters

Phases to be Funded: PADC

**PART I**

Construction, Engineering and Related Project Costs	Green Elements	Non-Green Elements	Total
1. Construction (list elements below to sufficient detail)			
a) New Well development		\$ 400,000	\$ 400,000
b) Improve existing wells		\$ 550,000	\$ 550,000
c) Existing water plant improvements		\$ 3,000,000	\$ 3,000,000
d) AMR meter replacement	\$ 225,000	\$ -	\$ 225,000
2. Other Project Costs If Applicable (Land, easements, equipment, etc.)			
a) Asset management plan development	\$ -	\$ 80,000	\$ 80,000
3. Engineering			
a) Basic engineering services	\$ -	\$ 455	\$ 455,000
b) Environmental and Special Engineering	\$ -	\$ 325,000	\$ 325,000
<b>Total</b>	<b>\$ 225,000</b>	<b>\$ 4,355,455</b>	<b>\$ 5,035,000</b>

4% Project Elements Considered Green

**PART II**

Other Project Costs	Item Cost	Attributable to Green Elements
1. Fiscal Services		
a) Financial Advisor	\$ 30,000	\$ -
b) Bond Counsel	\$ 30,000	\$ -
c) Issuance Costs	\$ 5,000	\$ -
d) Bond Insurance / Surety	\$ -	\$ -
e) Bond Reserve Fund	\$ -	\$ -
f)	\$ -	\$ -
3) application, bidding costs, etc	\$ 10,000	\$ -
2. Project Legal Expenses	\$ 20,000	\$ -
3. Contingency	\$ 685,000	\$ -
<b>Total Other Project Costs</b>	<b>\$ 780,000</b>	<b>\$ -</b>

**Subtotal SRF Funded Amount** \$ 5,815,000

\*\*\*4. Loan Origination Fee (2.25%) \$ 60,000 \$ -

**Grand Total SRF Funded Amount** \$ 5,875,000

\*\*\* Based upon 50% loan forgiveness

**PART III**

Part I Total Green Element Costs = \$ 225,000

Part II Costs Attributable to Green Project Elements = \$ -

**Eligible Green Project Reserve Amount = \$ 225,000**

Green Review Notes: EDAP planning grant of \$125,000 not included within the GRAND Total SRF Funded Amount of \$5,875,000. GPR under Part B, Section 2.4 of EPA guidance (TWDB-0161). The City has submitted information showing a high water loss attributed to the existing water meters. The City submitted information that 33.7% of the existing meters are in excess of 15 years of age, with a portion being as old as 30 years. The next 31% of the City's meters are between 8 and 15 years old. Of the City's 783 meters, 65.6% are in need of replacement due to age alone. Recent field testing confirmed the need to address the meters on a City wide basis. The City is seeking categorical green project reserve to fund the meter replacement with AMR meters.

Reviewed By:   
 Checked By: 

Date: 9-Apr-12  
 Date: 5/17/12