



ADD-CHANGE FORM

New Project or Budget Change?

Assigned Project #

Requested by:
Project Manager / Area Manager

Date:

Project Name:

Company:

Business Unit:

BU Type:

Project Owner:

Budget Owner / RVP:

Project Manager:

Region:

Start Date:

State:

Estimated End Date:

Project Type:

Will project replace/retire any assets:

Previously Requested:

This Request:	\$50,200
---------------	-----------------

Still to be Requested:

Total Project Budget:	\$50,200
-----------------------	-----------------

Description:

This project's components include:

1. Remove and dispose of accumulated grit and sand in the Cypress Lakes WWTP's three treatment trains.
2. Remove and replace fine bubble diffusers in Trains 1 & 2 that have failed.
3. Replace all PVC connecting pipe with stainless steel connecting pipe to improve the reliability of the fine bubble diffusers.
4. Remove and replace coarse bubble diffusers in Train #3. It is unknown how much work and material will be required to address train #3 until the tank levels are lowered and the riser pipes and diffusers are inspected.

Timeline Considerations:

This project is a proforma project to be included in the 2016 consolidated UIF rate case.

Inter-dependant Project Project Number: Project Name (If applicable)

Have engineering evaluations been performed? Engineering project number (If applicable)



JUSTIFICATION / ALTERNATIVES

Justification and Benefits:

The Cypress Lakes WWTP, permitted capacity of 0.190 mgd AADF, serves the Cypress Lake MHP, a retirement community of approximately 1,500 homes that has seasonal occupancy. During the peak season the facility labors to produce plant effluent that meets reclaimed water standards for golf course irrigation purposes. The golf course is the sole reclaimed water customer.

The removal of the accumulated sediment, grit, rags and sand (approximately one foot depth throughout the facility) from the bottom of each air bay will restore the aerated volume to design capacity specifications. This project will also provide an opportunity to install an improved type of air diffuser and associated connector materials. This will reduce the number of diffuser failures caused by the use of PVC materials. The new diffusers also will provide a better means of oxygen transfer.

Risk Evaluation

The added aeration bay capacity will provide overall improvement in processing of plant flow and improve the water quality applied to the sand filters. This will increase filter runtime and thus reduce backwash frequency and the volume of waste stream pumped to the headworks for retreatment. The aeration basins have been taken down on numerous occasions for diffuser piping failures, which impaired plant performance and triggered emergency repairs. Subsequent to these diffuser failures and response, grit and sand have accumulated along the bottom of each air bay below the main air header.

Alternatives Considered:

The treatment plant is approaching design capacity. This project is needed to keep the facility operationally successful at all times. Plant performance has already been impaired due to the accumulation of grit. Further delays in removing the material could lead to non-compliance with the treatment plant's operating permit. We have previously removed sediment with a vactor truck as a short term fix, not as a comprehensive effort.

Technical Review Summary:



Financial and Regulatory Implications

Capital Plan

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Proposed Project Spend	50,200				
Project Spend in Current Plan					
Variance	(50,200)	-	-	-	-
CIAC Collected					
Net Rate Base	50,200	50,200	50,200	50,200	50,200

(if applicable)

O&M Cost Impact B/(W)

--	--	--	--	--	--

Financial Justification

This project is included in the consolidated rate case and will result in decreased maintenance related to diffuser failures caused by the use of PVC materials; project will also improve oxygen transfer.

Estimated Revenue Impact per Customer:

Number of Customers Impacted:

	Served	Rate Payers
	2.21	2.20
	1,493	1,500

Utility Financial Impact

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
O&M Impact on EBITDA B/(W)	-	-	-	-	-
Depreciation Impact on EBIT B/(W)	(1,162)	(1,859)			
Under-recovery on capital B/(W)	(2,144)	(3,430)			
Net EBIT Impact B/(W)	(3,306)	(5,290)			

Timing and Supporting Information on Rate Recovery

Project completion 7/29/2016 and rate recovery should begin in September of 2017.

Regulatory Plan Implications

This is a proforma project included in the 2016 UIF consolidated rate case filed in 3Q of 2016.

Assumptions

ROE: 10.25%, Cost of Debt: 6%, Equity Percentage: 50%, Tax Rate: 37.63%, Depreciation Rate: 5.556%
 After Tax Return on Rate Base = $10.25\% \times 50\% + 6\% \times 50\% \times (1 - 37.63\%) = 6.9961\%$
 Pretax Return on Rate Base = $6.9961\% / (1 - 37.63\%) = 11.217\%$
 Total Revenue Required = Pretax Return on Rate Base + Depreciation Rate = $11.217\% + 5.556\% = 16.77\%$
 Please note the under-recovery on capital includes equity, taxes, and debt portions



BID INFORMATION AND BUDGET BREAKDOWN

Have three bids been received?

If not, why? List and provide amounts below

Bid	Company	Amount	Selected
1	Polston Applied Technologies	\$42,310	Yes
2			
3			

Component:

Amount

Value Bid Elements	42,310.00	should match selected bid(s) above
Engineering		
Direct Purchase of Parts / Materials	4,000.00	
Landscaping / Site Restoration		
Other Components (specify):		
Cap Time	1,500.00	
Contingency, 5%	2,390.00	

Total Project Budget **50,200.00** should match Total Budget on General Information

Object Account(s) to which project will be closed:

1400

Treat/Disp Equip Trt Plt
 select from dropdown list
 select from dropdown list
 select from dropdown list
 select from dropdown list

[Go to Reference List](#)

General Comments:

This project is needed to maintain plant treatment capabilities during peak seasonal flows. The project will reduce costs through a reduction in blower run times to develop operational DO requirements and also a reduction in filter backwash because of a reduction of turbidity.



Approvals

EAM Prime Review

Review Completed by Date:
Does project align with utility plan and meet technical requirements? Yes No

Comments

Technical Peer Review

Review Sponsored by Date Held
Approval to proceed Yes No

Comments (note if feedback received in review incorporated)

None.

FP&A Review

Review Completed by Date:
Does Project comply with current Utility Rate and Regulatory Plan? Yes No

Comments

This project meets UIF financial requirements.

Approvals

Applicable?

Regional Manager: Date:

VP Operations: Date:

President: Date:

Approval or Re-Direction Comments